ASX Release

10 August 2023

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Level 14, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

2023 Full-Year Financial Results – Annual Report

Boral Limited (ASX: BLD) attaches the Annual Report for the year ended 30 June 2023.

This release was authorised to be given to ASX by the Board of Boral Limited.

Peter Lim

Company Secretary

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Building something great

Annual Report 2023

Building a sustainable future

In 2023 we adopted an integrated approach to our Annual and Sustainability reports. We feel this approach is more aligned with our commitment to delivering enduring sustainable financial results and our People, Environment, Markets, Assets and Financials (PEMAF) strategic pillars and the Boral Way. We hope you share our operational and reporting vision for a sustainable future.

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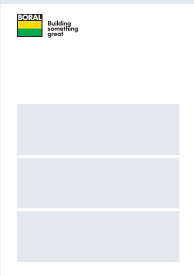
Our covers



Our covers are based on the three stripes of our Boral logo, creating a style that represents building something great.

Find Boral's reporting suite at boral.com.au

Annual Report

Modern Slavery Statement

Notice of Meeting

Contact

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Acknowledgement of Country

We acknowledge the Traditional Owners of the lands across Australia. We recognise and respect Aboriginal and Torres Strait Islander peoples and their unique position in Australian culture and history, and pay our respects to their Elders past and present.

Building something great

Boral is the largest vertically integrated construction materials company in Australia.

Our network includes prized quarry and cement infrastructure, bitumen, construction materials recycling, asphalt and concrete batching operations. We employ approximately 7,500 employees and contractors across our operations that span more than 360 sites nationwide. For more than 75 years we've been building something great in Australia – rarely a day goes by that you wouldn't pass one of our sites or trucks, enter a building, or use a road, bridge, tunnel, footpath or other critical infrastructure that our people and products have helped enable.

Our business

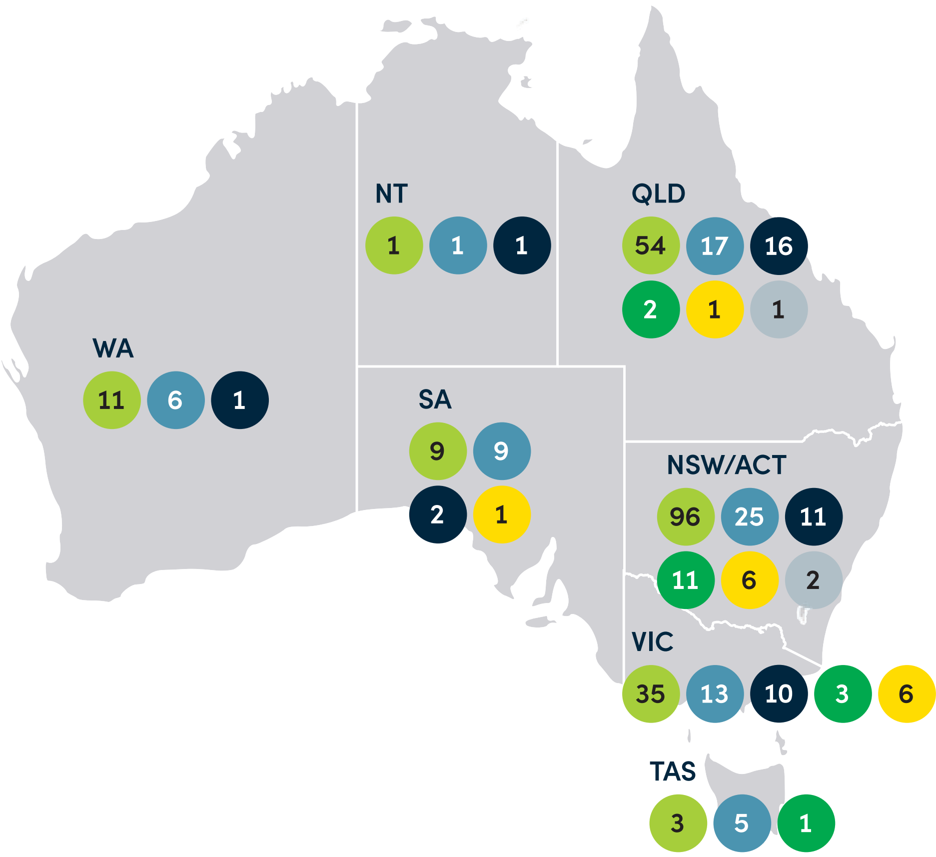
Boral is the largest vertically-integrated construction materials company in Australia

Construction materials: Our leading integrated network

360

operating sites[1]

- 209 Concrete
- 76 Quarries
- 41 Asphalt
- 17 Cement
- 14 Recycling
- 3 Concrete Placing



~7,500 employees and contractors[2]

~8,500 suppliers

~50m tonnes moved per year

~3,500 heavy road vehicles[3]

>14,000 customers

~4,000 kilometres of road paving per year

1. Operating sites include transport, fly ash, depots and joint venture sites as at 30 June 2023.
2. This number includes 4,606 full-time equivalent (FTE) employees with the difference relating to FTE contractor hours worked.
3. We use ~3,500 road vehicles made up of a dedicated fleet of ~2,500 road vehicles that are company owned and sub-contractor owned. This dedicated base fleet is supplemented by ~1,000 casual sub-contractor vehicles.

Our integrated network

Valuable upstream and downstream operations with market leadership

Boral moves ~50 million tonnes of products per year across its network

Upstream

Cement
Manufacture and import clinker, grind clinker into cement, and supply supplementary cementitious materials including fly ash and slag

Quarries
Supply about 30m tonnes of materials annually to our Concrete and Asphalt operations and customers

Bitumen
Joint Venture (JV) supplies about 50% of asphalt's bitumen needs

Recycling
>2m tonnes of construction and demolition waste processed for re-use annually

Downstream

Concrete
6–7m cubic metres of concrete supplied annually, including advanced and lower carbon solutions

Asphalt
>2m tonnes of asphalt produced and supplied annually, in addition to spray seal and other road services

Concrete Placing
We supply concrete placing services in NSW and South East QLD with mobile and stationary concrete pumps and placing booms

Property

Customers

* Volumes are based on 5 year averages

FY23 highlights

Revenue

▲17.1%

2023	$3,460.6m
2022	$2,955.9m

EBITDA[1]

▲37.6%

2023	$454.4m
2022	$330.2m

EBIT[1]

▲106.3%

2023	$231.5m
2022	$112.2m

EBIT margin[1]

▲289bps

2023	6.7%
2022	3.8%

Return on Funds Employed (ROFE)[2]

▲515bps

2023	10.4%
2022	5.2%

Adjusted Earnings per share (EPS)

▲303.1%

2023	12.9 cps
2022	3.2 cps

1. Continuing operations excluding significant items.
2. ROFE is EBIT (excluding significant items) return on average funds employed. Funds employed is calculated as the average of funds employed at the start and end of the year. Funds employed is (assets less cash less tax assets) – (liabilities less borrowings less tax liabilities).

Sustainability snapshot

Contents

Our People

47%

improvement in total recordable injury frequency rate (TRIFR) to 7.2[1]

Women represent

27%

of Executive Leadership Team

14%

of management positions

14%

of employees

Our Products

28%

of our concrete sales volumes come from lower carbon concrete

168

batching plants offering lower carbon concrete

One of Australia's largest recyclers of construction and demolition waste with

2m+ tonnes

Our Operations

20%

of thermal energy used by Berrima Kiln is provided by alternative fuels

155kt

of alternative raw materials used to reduce our cement manufaturing process emissions

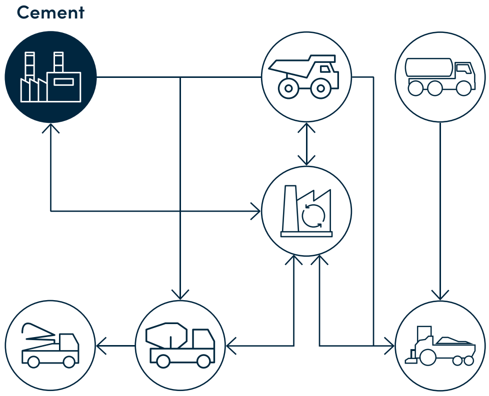
4%

improvement to 62% in operational waste[2] diverted from landfill up from 58% in FY22

1. TRIFR direct contractor hours have been re-stated and aligned for FY22 and FY23.
2. Operational waste incudes all site-based waste streams where collection services are managed by our waste services supplier, excluding concrete wash-out waste, recycled asphalt materials, and Circular Materials Solution construction and demolition volumes.

Cement

Boral's upstream Cement operations manufacture clinker using our own limestone, import clinker to grind into cement, and classify fly ash and grind slag as supplementary cementitious materials.



4m
tonnes per annum[1]

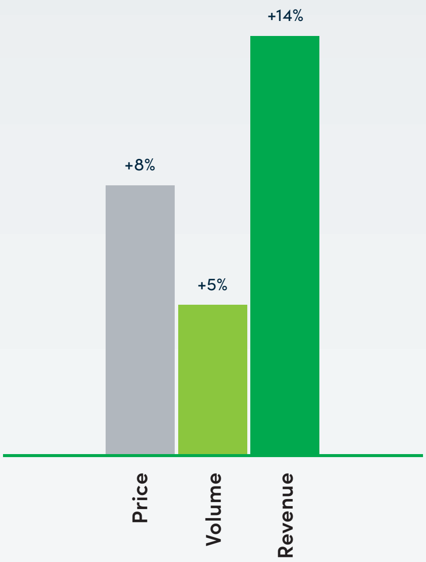
17
operations[2]

Net revenue

$362m

▲ 14%

% Change FY23 vs FY22



Cement is a critical element in Boral's integrated supply chain, supplying both downstream operations and external customers. We have significant supply capability and capacity across the east coast. Boral is able to deliver up to 4 million tonnes of cement into the Australian marketplace per annum. We also have unique hard-to-recreate assets, including a limestone mine with significant reserves that supply our plant in Berrima, NSW. With grinding capability at Berrima, Maldon, Geelong and Brisbane, these assets provide operational flexibility to meet demand on the east coast.

At Boral, our close proximity to critical road networks and rail infrastructure puts us in a strong postiion to serve our internal and external customers efficiently with high quality, locally produced cement. We are an integrated cement manufacturer in NSW, and our network enables our product to efficiently move from the mine to customer. In NSW, we also have a market-leading position in packaged cement and drymix, which we supply through our trusted reseller network.

Our new grinding facility at Geelong, Victoria is now operational, importing clinker and slag to supply to our customers and downstream operations in Victoria and Tasmania.

Our extensive cement depot network across NSW, Victoria and Tasmania allows Boral to be more responsive in meeting customer demand throughout Australia's eastern states. The network allows us to transport cementitious material by rail, road and sea from production sources in Berrima and Geelong, to eight key metropolitan and regional storage depots across the three eastern states.

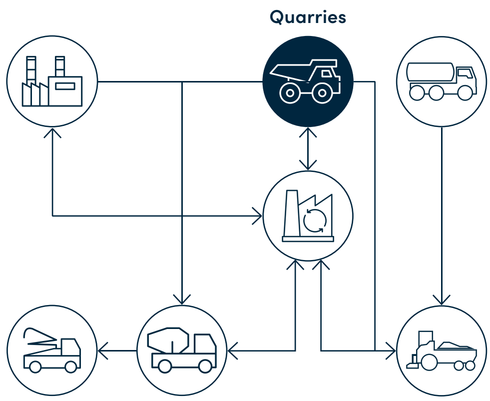
In Queensland, our Sunstate Cement JV supplies our external and downstream demand. We also operate a fly ash processing facility at the Tarong Power Station, which together with our Flyash Australia JV, sees us supply fly ash to our Queensland, NSW and Victorian customers supporting our commitment to the circular economy and reducing our carbon footprint.

1. Based on 5 year averages.
2. Operating sites include transport, fly ash, depots and JV sites as at 30 June 2023.

Quarries

Contents

With 76 quarries, sand pits and gravel operations, Boral is Australia's leading quarry operator.



~30m
tonnes per annum[1]

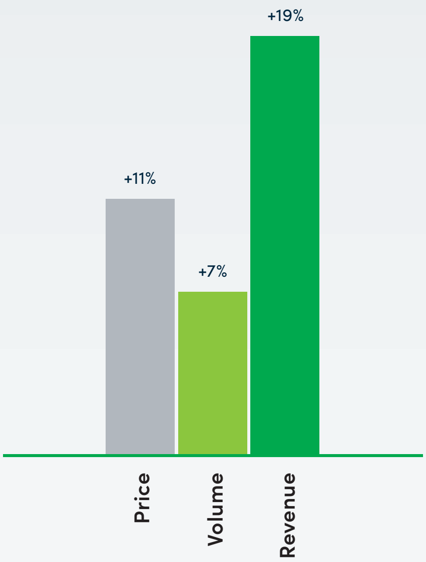
76
operations[2]

Net revenue

$507m

▲ 19%

% Change FY23 vs FY22



Quarries are vital to the building and construction industries. To build our homes, workplaces, public buildings and roads, and the other infrastructure upon which we rely, we need these essential raw materials of stone, gravel and sand.

Each year, the building and construction industry needs more than 190 million tonnes of quarry materials. As well as providing these essential materials, quarries are a key employer within local communities and promote local investment. The quarry industry provides more than 10,000 jobs directly and supports another 80,000 indirectly, often in rural and regional locations. Quarrying is also vital to the production of asphalt and concrete, Australia's most used building materials.

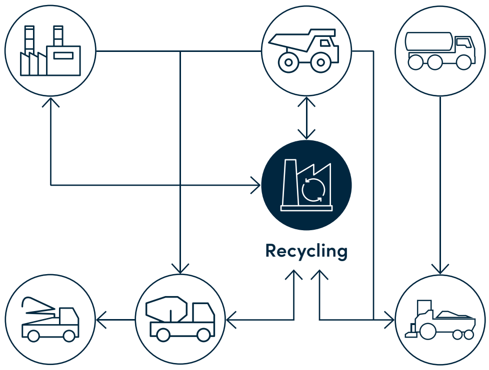
Boral quarries produce a range of materials by extracting suitable rocks and stone from the earth to make construction aggregates, sands and other quarry products. The locations of quarries are determined by local geology and require naturally occurring stone, sand and gravel. They must also be positioned near efficient transport routes by either road or rail.

At Boral, we have 76 quarries, sand pits and gravel operations located across all states and territories. We are the leading quarry operator in Australia, supplying about 30 million tonnes of product annually to our downstream operations and external customers.

1. Based on 5 year averages.
2. Operating sites include transport, fly ash, depots and JV sites as at 30 June 2023.

Recycling

We lead the industry in Recycling, and our Circular Materials Solution (CMS) provides commercially viable and genuinely sustainable solutions to the building and construction industry.



+2m
tonnes per annum[1]

14
operations[2]

High recycling and recovery rate across key sites, with some exceeding 99%

At Boral, we are mindful of our environmental impact and the needs and goals of our communities and customers. Using circular economy principles, we leverage our network of recycling and laboratory facilities to process construction waste material, otherwise destined for landfill, back into the construction process as new material. Each year, we receive and recycle more than 2 million tonnes of construction, demolition and excavation materials for re-use in construction. We have developed an innovative range of more sustainable and lower carbon products for the industry, using both reclaimed and recycled materials alongside sustainable practices.

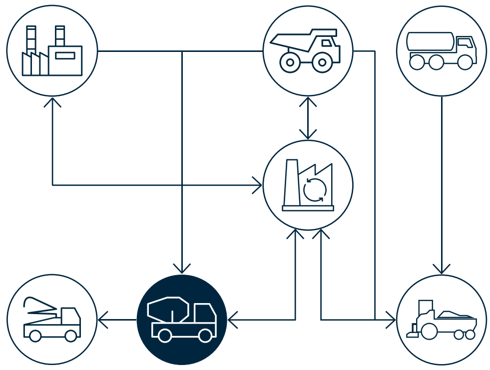
We understand that a sustainable and commercially viable approach to projects is important and have developed Boral's CMS – an end-to-end process for key stakeholders in the building and construction industry. We engage with customers early in the process to identify lower carbon building product options and manage their construction waste material, enabling suitable materials to be separated during demolition or excavation and diverted away from landfill. This process reduces the cost of disposal and redirects waste to a Boral recycling centre for eventual use as new recycled or reclaimed construction materials.

1. Based on 5 year averages.
2. Operating sites include fly ash, depots and partnership sites as at 30 June 2023.

Concrete

Contents

Boral's downstream Concrete operations deliver sophisticated solutions for customers through its extensive network.



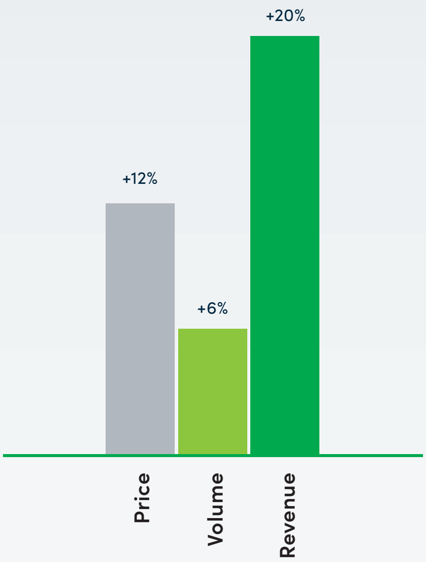
6–7m
m^3 per annum supply[1]

209
operations[2]

Net revenue

$1,461m
▲ 20%

% Change FY23 vs FY22



Concrete is one of the most versatile building materials and used in many forms of construction in Australia, including residential driveways, house foundations and walls, multi-storey residential and commercial as well as major infrastructure.

At Boral, we produce concrete with coarse aggregates and finer materials from our quarries at our batching plants. We have more than 200 operational sites and batching plants across Australia, positioned close to customer application and development sites to maximise downstream processing efficiencies.

Boral's lower carbon concrete has received GreenTag HealthRate certification, with a platinum rating. Boral's lower carbon concrete products are being used across the country – in homes to major infrastructure and commercial projects – for their environmental, aesthetic and engineering properties.

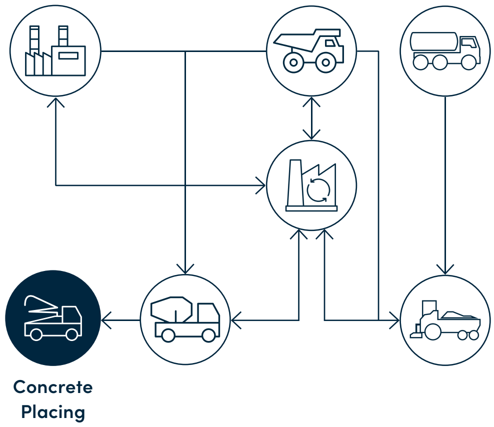
For example, our Envisia lower carbon concrete was pumped over 1 kilometre underground to provide a more durable track slab for the Sydney Metro project. The concrete contained recycled materials to significantly reduce the amount of higher energy-intensive cementitious materials required.

Boral is committed to developing products that minimise the environmental impacts on the community. We develop concrete mixes that help customers meet their sustainability goals, providing key technical advice.

1. Based on 5 year averages.
2. Operating sites include transport, fly ash, depots and JV sites as at 30 June 2023.

Concrete Placing

Boral's downstream Concrete Placing operations have close proximity to customers providing an integrated value-add solution.



100
concrete placing projects

3
operations

35
concrete pumps

49
tower placing booms

We provide sophisticated concrete placing solutions to our customers through our network of three key operational sites.

Our integration with the Concrete business provides improved access to customer projects and development sites. We have continued to build on our extensive track record of concrete placing to support major infrastructure projects.

Through De Martin and Gasparini (DMG), which operates in NSW and Queensland, Boral has a strong supply chain - from mining our own limestone, sand and aggregates, through to cement production, concrete batching plants and ultimately - delivery and placing.

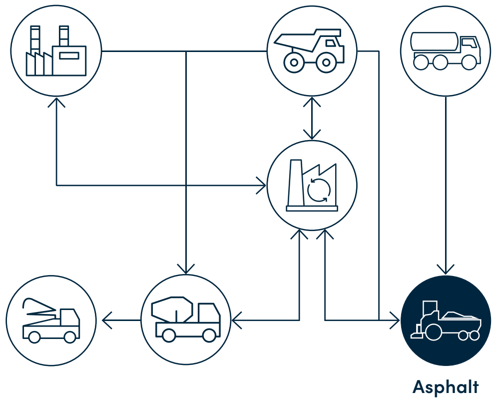
DMG continues its tradition of supplying and placing for iconic and landmark infrastructure projects, including Sydney Metro stations and the passenger terminal at the Western Sydney International Airport.

In Queensland, DMG has a large fleet of mobile, stationary concrete pumps and placing booms. They specialise in high-rise residential and commercial buildings, shopping centres, hospitals and large infrastructure projects.

DMG's current projects in Queensland include the new six-storey precinct at Brisbane Grammar School, the Caboolture Hospital redevelopment, the Kangaroo Point Bridge and the Southern Queensland Correctional Centre near Gatton.

Asphalt

Australian road and construction projects - from local streets to highly complex infrastructure including freeways, highways and airport runways - use Boral Asphalt's high-quality surfacing solutions.



~2m tonnes per annum[1]

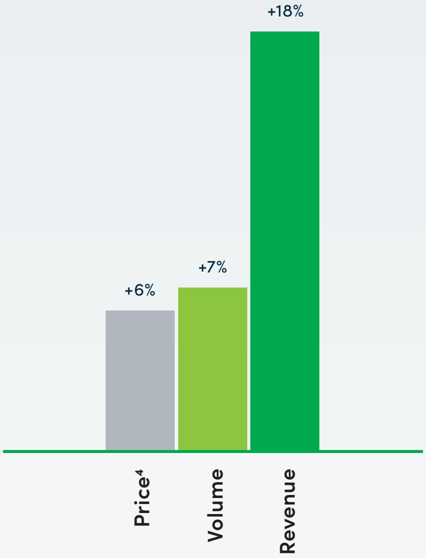
41 operations[2]

Net revenue

$805m

▲ 18%

% Change FY23 vs FY22



Our Asphalt business spans three areas: asphalt manufacturing sites, contracting and maintenance services and spray seal services. We have significant supply capacity across key market segments, supplying ~2 million tonnes per annum of asphalt[1].

Experienced operators manage our manufacturing sites, overseeing a largely automated production process that can deliver asphalt mixes tailored to the requirements of each individual customer or project. Additionally, our team adheres to a high standard of planning and environmental obligations for each site.

We provide a contracting service that includes complete road surface preparation, installation and ongoing maintenance. Additionally, spray seal allows us to resurface roads by spraying a bitumen layer then sealing it.

Boral participates in the construction circular economy in various ways, including through recycling, and we're proud to have the ability to turn old road surfaces into Recycled Asphalt Pavement (RAP)[3]. We are increasingly incorporating RAP in new asphalt production to lower environmental impacts and costs; some of our plants are able to include up to 30% of RAP. We are working to increase this ratio, and are also continuing to deliver lower carbon offerings such as WarmPave Asphalt and INNOVO™.

In FY23, we have been engaged on the largest crumbed rubber asphalt demonstration project in Australia, providing 2000 tonnes of the sustainable pavement material in addition to 1200 tonnes of controlled asphalt mix to be paved across eight local Sydney council streets. Comprising recycled rubber from end-of-life car and truck tyres, crumbed rubber asphalt aims to improve the sustainability and longevity of council roads.

1. Based on 5 year averages.
2. Operating sites include manufacturing and contracting, depots and JV sites as at 30 June 2023.
3. Depending on the make-up of the original road and the prevailing environmental standards of a particular location.
4. This relates to exbin product sales which excludes contracting.

Reshaping our future

Boral's FY23 result demonstrates clear progress on our performance improvement objectives. While we are pleased with the progress made this year, we recognise significant work remains to realise our full potential, and deliver on the strategic journey, 'from Good to Great'.

This year has seen a focus on disciplined execution, reflected in improved pricing traction; selling, general and administrative (SG&A) cost allocation and rationalisation; operating and capital discipline; and effective management. This discipline helped Boral achieve revenue (+17%), margin (+289bps) and earnings (+106%) growth.

This disciplined execution includes a much stronger focus on the operating model and shifting more focus to our frontline workforce, a reduction in processes that are not aligned with supporting customer or business outcomes, and a greater commitment to customer service.

The significant operating and financial improvement that Boral's refreshed management team has delivered over such a short period provides a glimpse of the potential we can unlock through our Good to Great journey. The Board will continue supporting management's efforts to execute the Boral strategy and in doing so deliver improved outcomes for the business and our stakeholders.

Strategy

A core focus of Boral's FY23 strategy was the implementation of our new operating model, underpinning the pillars of People, Environment, Markets, Assets and Finance (PEMAF). The business made tangible progress across each category throughout the year, and the Board is confident that the PEMAF model will continue to drive performance.

FY24 will see a continued execution of our core strategic initiatives and rollout of the PEMAF model, with a particular focus on:

- Embedding the operating model, with a greater shift towards a frontline focussed workforce
- Disciplined cost focus to continually improve and reduce our cost to serve
- Significantly improving our customer service and disciplined pricing actions
- Growing our integrated network and leveraging demand opportunities
- Optimising our fixed and mobile assets to ensure they are the best in the industry, and
- Executing our property strategy to maximise the long-term value of the portfolio.

6.7%

EBIT Margin

up 289 basis points

Sustainability

Boral leads the industry in using circular economy principles. We leverage our network of recycling facilities to process construction waste material, otherwise destined for landfill, back into the construction process as new materials. Every tonne of recycled material used in concrete manufacturing at Boral extends the life of a quarry by the equivalent tonne.

As a manufacturer of emissions-intensive products, it is important that we continue Boral's pragmatic approach to decarbonisation, ensuring progress is sustainable and economical. To that end, we are actively investigating technology-driven opportunities to accelerate that journey.

For carbon-intensive industries such as cement, effective regulation that supports investment and leadership in innovative technologies is increasingly important. Initiatives such as the European Union Carbon Border Adjustment Mechanism will assist the industry to reduce carbon emissions, rather than move them offshore.

Boral is also very interested and active in exploring recarbonation, the potential of which has been acknowledged and confirmed by the Sixth Assessment Report of the United Nation's Intergovernmental Panel on Climate Change. Given the potential impact on net emissions, it is important for Australia to also recognise the opportunities presented by the recarbonation process.

Leadership

Vik Bansal commenced as CEO & Managing Director in October 2022, and has worked to deliver rapid and significant operating and financial improvements at Boral.

Belinda Shaw's appointment as CFO in January 2023 largely completes our management refresh. The Board is confident that the management team have the requisite skills to drive disciplined execution and further growth at Boral.

The leadership team is focused on how Boral's effective operating model can help unlock the potential of our people and drive a stronger performance-orientated culture. Throughout FY24, we will focus on building a strong, safe, and engaged workforce, aligned strongly around the Boral purpose, vision, and values.

Safety

Our significant improvement in safety performance in FY23 reflects not only an improved working environment, but also that our operating model is delivering clear outcomes. Keeping our people safe is Boral's highest priority, and the leadership team's commitment to and focus on our frontline workforce remains essential. The (28%) reduction in lost time injury frequency rate (LTIFR) and (47%) reduction in TRIFR is testament to the stronger focus on safety, accountability and targeted efforts across the organisation.

Board governance

This year we acknowledge the retirement of long serving Director and Chair of Boral's Audit & Risk Committee, Paul Rayner. The Board is extremely grateful for Paul's dedication and commitment to Boral throughout his journey with the company. He is succeeded in the role of Audit & Risk Committee Chair by Mark Johnson.

Seven Group Holdings (SGH), where I am Managing Director and CEO, remains confident in Boral's performance journey, and highly aligned through its 72.6% shareholding. SGH's investment level reflects confidence in its ability to drive meaningful, profitable change at Boral, supported by our core value of Owner's Mindset.

Accountability and execution characterise this mindset, and these values are key throughout Boral at all levels of the organisation. From profit and lass accountability to SG&A allocation, the impact of this mindset at Boral was clear in FY23, and we expect it to continue driving performance.

The Board is confident Boral is on the right path to becoming a more sustainable, high-performing organisation, that delivers long-term value for shareholders. Our strategy positions Boral for long-term success, by restoring focus, discipline and profitability to a level appropriate for a business with Boral's privileged asset position.

I want to acknowledge Vik Bansal's contribution as CEO and Managing Director. Since his commencement, he has worked tirelessly to build a performance-focused culture within Boral, and has delivered substantial progress towards that objective in FY23. We remain confident in the refreshed management team's ability to further that objective in FY24, setting the foundations for ongoing success.

On behalf of the Board, I thank our management team and our people around Australia for their continued efforts and dedication to supporting our customers and making Boral a better company.

And I thank you, our shareholders, for your continued confidence and trust in Boral.

Ryan Stokes AO
Chairman

CEO & Managing Director's message

The journey so far

It is a privilege to lead Boral and I am encouraged by the improvements so far, but there is a lot more we can do.

Boral reported a material improvement in safety in FY23 with our TRIFR 47% lower than a year ago. The safety, health and wellbeing of our people, our contractors, our customers, and members of the public remain paramount.

At Boral, we're determined more than ever to support each other in sharing and applying our learnings across our people and sites, with the goal of Zero Harm every day. Our people understand that health and safety is a shared responsibility, and we are guided in this by our Life Saving Rules. As we work towards our target of Zero Harm, we will continue to raise awareness, enhance our training, and identify and respond to health and safety risks.

FY23 has been a year of developing and implementing (post Board sign-off) our strategy to take Boral from being a good company, to becoming a great one. I am pleased to report that we have taken significant steps in setting the foundations and we're seeing early benefits of these efforts across all businesses within the group.

The disciplined execution of our strategy has led to a solid start in FY23 as we work through PEMAF initiatives.

People

In addition to our focus on safety, we have completed significant work to improve the culture of the organisation. Our unambiguous operating model and well-aligned organisational structure give our people a clear understanding of role ownership and day-to-day accountability.

Boral is a diverse business with 360 sites across the country. Our decentralised but standardised approach provides clarity and agility to promote decision making. We have engaged our management teams in developing and deploying our Good to Great strategy deeply in the organisation as part of the Boral Way. The Boral Way toolkit, provided to all sites, includes our purpose, vision, values, goals, our operational approach and focus areas for improvement. Clear and simplified values act as a foundation that underpin and guide our behaviours all day every day.

As we continue to work on the 'tangibles' that will improve our culture, we are looking ahead to our ongoing work on the 'intangibles' like mindsets and behaviours in coming years.

Our Values of Safety, Teamwork, Ambition, Accountability and Respect (STAAR) guides our behaviours and management approach.

$231.5m

EBIT

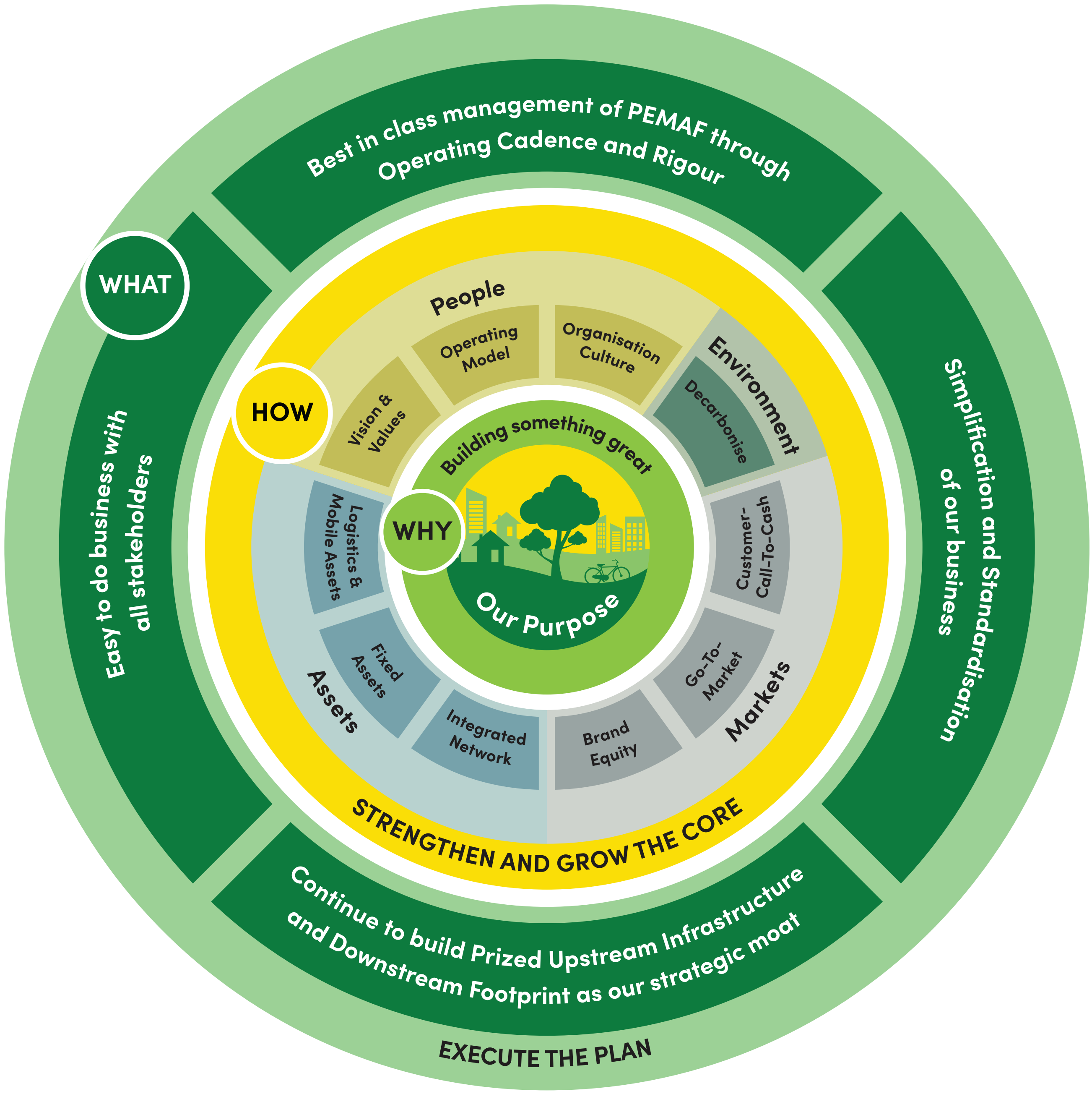
Boral's earnings before interest and tax increased 106%

$142.7m

NPAT

Boral's underlying net profit after tax is up 304%

The Boral Way



Environment

In September 2021, Boral became the first in the global construction materials industry to set FY30 science-based Scope 1 and 2 targets aligned with limiting global warming to 1.5°C, and joined the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C and the United Nations Framework Convention on Climate Change Race to Zero.

Our expected level of carbon emission reduction for FY25 is as a result of the currently approved decarbonisation projects (alternative fuel, kiln feed optimisation, and solar PPA) which will lead to clear 12% to 14% emission reductions in our absolute Scope 1 and 2 carbon emissions, compared to a FY19 base year, assuming no further delays in currently approved projects.

Boral is committed to following the Safeguard Mechanism as set by the government, but it is necessary that a CBAM (Carbon Border Adjusted Mechanism) is implemented. Failure to implement will move carbon emissions to other countries, while creating no competitive benefit for Australia. Further, Boral is active and interested in exploring recarbonation from concrete, the process whereby concrete absorbs carbon through its lifecycle.

Boral has an expanding Recycling business. In FY23, we recycled more than 2 million tonnes of construction and demolition material for re-use and repurpose. Our customers are consistently asking for more circular and sustainable solutions, and we intend to partner and grow our Recycling business.

Our lower carbon concrete offering has been successful and we intend to keep growing this product line with further innovations and development.

We also are committed to operationg in line with all our licences and approvals. We are mindful of the impact we have on communities and the environment. Our Environment Absolutes sit at the same level as our Life Saving Rules and remind us to:

- Minimise the impact of any ground disturbance
- do the right thing and operate in compliance with our licences and approvals, and
- manage fuels and chemicals safely and securely.

+2m tonnes

of construction and demolition materials recycled for re-use and repurpose.

Markets

We are working hard to simplify, streamline and standardise our customer call-to-cash process, which is overly long and complex. We acknowledge that this process has impacted customer satisfaction over recent years and it is something we are committed to turning around. Throughout FY23, we worked to develop a simpler, better defined and more targeted customer experience.

We continue to refocus our go-to-market approach to ensure clarity on target customer segments with aligned pricing strategies and sales team effectiveness. Through standardising and simplifying our go-to-market approach, and developing regional sales actions, we have been able to drive better effectiveness although this remains an area of focus and improvement. Concrete sales in east coast metropolitan regions have on average increased approximately 2.5% over an extended period of time. Leveraging our regional sales approach allows us to remain nimble with any market change.

A heartening change that has been well received by employees and customers alike was the decision to re-embrace our green-and-gold logo. The Boral brand is iconic and well recognised and it is important for the business to leverage that brand equity to drive higher levels of awareness, association and loyalty.

Leveraging our regional sales approach allows us to remain nimble with any market change

Assets

Our prized portfolio of vertically integrated assets coupled with our national footprint serves as our strategic 'moat' and in many cases provides a competitive advantage. Investment to sustain, enhance and grow our integrated position will underpin and safeguard this advantage well into the future.

Our business includes upstream assets; Cement, Quarries and our Bitumen JV, a midstream standalone Recycling business, supplemented with our downstream assets in Concrete, Concrete Placing and Asphalt. All lines within the construction materials segment recorded improved performance in FY23 compared to the previous corresponding period.

We are working to optimise the performance of each asset through improved metrics and clear lines of empowerment and accountability.

Boral is a large-scale logistics player, moving approximately 50 million tonnes every year. Improving and optimising our logistics and optmising our mobile assets is paramount for us to achieve our goals. This will require improving logistics efficiency and vendor management, and introducing new technologies to standardise processes.

Cement reported increases in net revenue to

$362m

▲ 14%

Quarries reported increases in net revenue to

$507m

▲ 19%

Concrete reported increases in net revenue to

$1,461m

▲ 20%

Asphalt reported increases in net revenue to

$805m

▲ 18%

Boral has a significant property portfolio that should provide us with recurring revenue over an extended period of time.

Applying a complete life cycle approach to our fixed assets, especially quarries, helps ensure that we consider the best use of assets after its operational life. Ideally, every current quarry is a potential future property asset as cities expand and land becomes scarce.

I am confident that our property portfolio will enhance and strengthen Boral's performance and profitability over the long-term.

Financials

Our position as an integrated construction materials business in Australia, combined with the passion and quality of our people, makes our Good to Great journey an achievable reality.

This is evident in our improved results for FY23. Although a more detailed analysis of our performance can be found on subsequent pages in this Annual Report, our Group underlying results for FY23 were:

Net revenue
$3,460.6m
▲ 17.1%

EBIT
$231.5m
▲ 106.3%

EBITDA
$454.4m
▲ 37.6%

EBIT Margin
6.7%
▲ 289bps

It is my view that Boral should be earning an EBIT margin greater than 10% and should be capable of generating significant free cash flow through a disciplined approach to cash and capital allocations.

I am pleased to report that we managed to increase free cash flow by 316% to $154.5 million during the year. Our ongoing focus on earnings and cash flow will further enhance shareholder returns.

I have been encouraged by the response of our people to the changes we have made at Boral this year. Boral employees have shown courage, resilience, and determination as we have transitioned to our new operating model and way of thinking. I would like to extend my thanks to them. I hope they feel proud of the progress we've made and excited for the journey ahead.

Finally, I would like to thank the Board for the support they have extended to both me and the Executive Committee. It is a privilege to lead Boral and I'm encouraged by the progress so far. I am also grateful to you, our shareholders, for the trust you place in us.

Vik Bansal

Vik Bansal
CEO & Managing Director

Our sustainable business framework: People – Environment – Markets – Assets – Financials

Our new framework for building something great

In FY23, as part of embedding a new operating model, we refreshed our approach to sustainability and launched a new framework to help standardise and simplify our business. The new framework focuses on five pillars: People, Environment, Markets, Assets and Financials (PEMAF). For each of these areas, we have identified the most material topics to shape our priorities and drive accountability and results.

Focus area	Headline statement	Material topics	Relevant Sustainable Development Goals
People	Our people are critical to our success. We are committed to building a safe, engaged, diverse and inclusive workplace, and creating a culture that supports our people to deliver their best. We are committed to our Life Saving Rules and provide direct employment of approximately 7,500 people and impact significantly more people by being a good employer.	• Our values, culture and engagement • Diversity and inclusion • Health, safety and wellbeing • Leadership and development of people • Workplace relations and human rights	3, 5, 8, 10
Environment	We follow our recently launched Environment Absolutes and are committed to reducing – and where possible eliminating – the environmental impacts of our operations. We are prioritising reducing our carbon emissions with the ambition to achieve net zero by 2050.	• Net zero ambition • Circular economy participation and development • Environmental stewardship • Climate resilience • Lower carbon cement and lower carbon concrete	12, 13, 15
Markets	We are an iconic and trusted brand, known for helping our customers and partners achieve their goals. We are committed to improving the customer experience and our ability to deliver in full and on time. We focus on innovation to provide unique and more sustainable products and services.	• Sustainable products and services • Customer solutions and innovation • Go-to-market strategy • Customer relationships and service • Call-to-cash cycle • Brand equity • Nation building for over 75 years	9, 12, 13
Assets	We have an unrivalled integrated network of prized strategic upstream and downstream assets. These include efficient operational sites and property assets for future growth. We leverage all these assets for immediate and longer-term value, while respecting and considering the communities around our sites.	• Fixed asset life cycles • Asset utilisation and Overall Equipment Effectiveness (OEE) • Optimisation of mobile fleet and Heavy Mobile Equipment (HME) assets • Focus on leveraging our 'prized' assets • Track record in building communities • Integrated networks	9, 11
Financials	We aim to deliver strong financial performance for shareholders, customers and employees. We also contribute significantly to the Australian economy and the development of critical infrastructure, housing and commercial property.	• Increased revenue and lower costs • Better cash conversion • Higher returns on funds employed (ROFE) • Higher EBIT • Financial returns to millions of investors	8, 9

People

We recognise that our people are our greatest asset and critical to our success. We are committed to building a safe, engaged, diverse and inclusive workplace, and fostering a culture that supports our people to deliver their best.

~7,500

employees and contractors[1]

Employee turnover

Voluntary employee turnover was 21%, up from 17% in FY22, reflecting broader labour constraints and high demand for skilled labour. Involuntary turnover was 5%, stable on the prior year.

Our values, culture and engagement

We have refreshed our values to guide how we behave and to underpin what matters to us.

Safety: We look out for each other and are committed to zero harm.

Teamwork: We trust and help bring out the best in each other.

Ambition: We always strive to be best in class in everything we do.

Accountability: We own and deliver on our commitments.

Respect: We value others and treat everyone fairly.

Diversity and inclusion

We recognise that we need to cultivate an inclusive workplace where the unique perspectives, experiences and backgrounds of all our people are leveraged and embraced. We launched our Belong diversity and inclusion strategy in FY23. It includes plans to increase representation of women and Aboriginal and Torres Strait Islander people, and provide equitable access to opportunities.

Women represented:

29% of our Board Directors (and 50% of independent non-executive Directors)
27% of our Executive Leadership Team[2]
14% of management positions, down 1% on the prior year
14% of employees, steady on the prior year

1. This number includes 4,606 full-time equivalent (FTE) employees with the difference relating to FTE contractor hours worked.
2. Executive Leadership Team is defined as Executives reporting directly to the CEO.

Leadership and development of people

During FY23, our employees participated in a range of job-related skills training and development opportunities, including on-the-job placements to help them succeed in their roles and support their career goals.

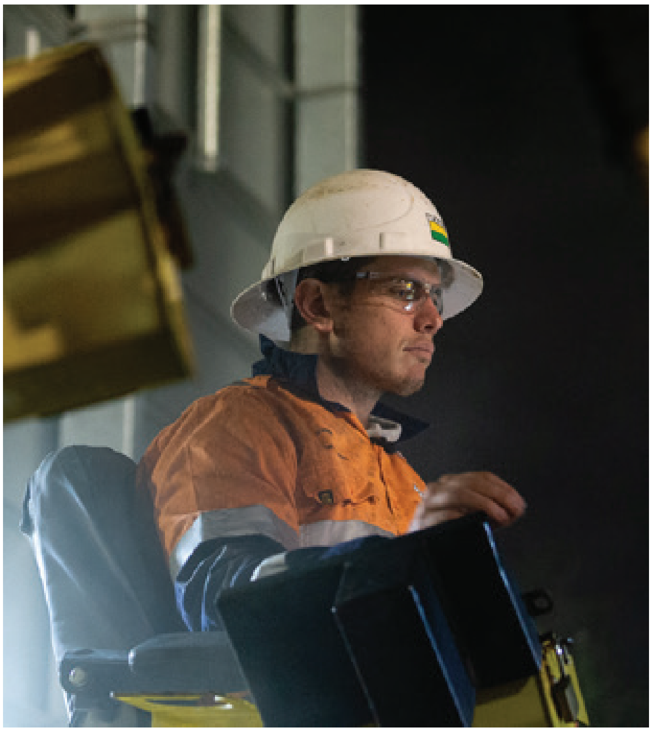
More than 2,000 employees completed formal qualifications and/or leadership training during the year. Additionally, we launched SkillSoft to support our people and their professional growth and development. Over 600 hours of learning and 487 courses were completed through the platform and we have over 500 learners regularly accessing the platform.

Boral has also invested in 50 trainees and apprentices who have either commenced or completed a nationally recognised training qualification through Boral's registered training organisation.

Workplace relations and human rights

Our approach is to work collaboratively with our people and their representatives, and to provide fair and equitable employment conditions that deliver sustainable performance outcomes for Boral in a challenging and competitive environment.

We have 58 enterprise or industrial agreements covering 2,802 employees – equivalent to 61% of our employees. These agreements cover a term of two to four years on average. We publish a Modern Slavery Statement in December each year as required under Australian law, which details our focus on supporting human rights, particularly in our workplace and supply chains.



Health, safety and wellbeing

At Boral, the physical and psychological health and safety of our people and all those we engage with are paramount. Our commitment is to help ensure that every individual returns home safely every day. Through our renewed Health and Safety strategy, we aim to cultivate an active leadership approach that engages with our workforce to manage critical risks, improve safety performance, and support continuous improvement. Our direct focus on visible leadership includes the Health, Safety and Environment (HSE) Executive Committee, a National Safety and Environment Committee for each product line, as well as weekly tracking of actions and incident investigation outcomes.

Safety performance

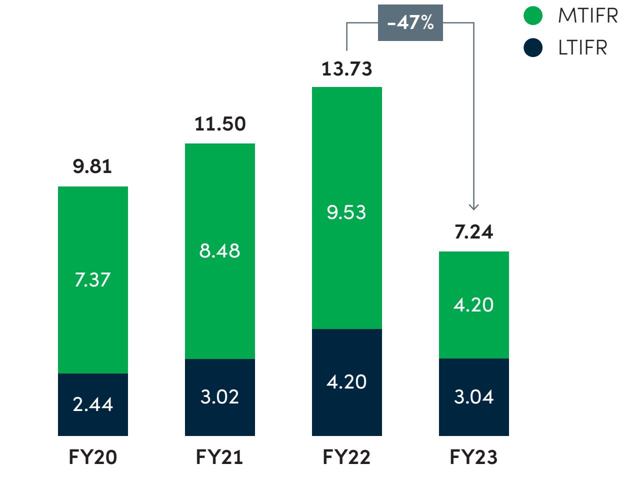
In FY23, we mourned a community fatality involving a cyclist and one of our heavy agitator vehicles in Melbourne, Victoria, though we reported no employee or contractor fatalities. Our new back-to-basics health and safety program, focusing on visible leadership and accountability, contributed to a 47% improvement in our TRIFR compared to FY22. The number of serious incidents rose from six in FY22 to seven in FY23. We have improved our reporting of near-miss events, which is providing valuable insights to help us improve our health and safety program.

Health and wellbeing

We maintain our proactive approach to occupational health, and our commitment to maintaining a safe working environment. In addition, we have increased our already robust dust management oversight processes by introducing a multidisciplinary Dust Steering Committee in FY23.

Safety Performance

Total recordable injury frequency rate (TRIFR)[1]



1. TRIFR direct contractor hours have been re-stated and aligned for FY22 and FY23.

Environment

We follow our Environment Absolutes and are committed to reducing – and wherever possible eliminating – the environmental impacts of our operations. We are prioritising reducing our carbon emissions, with the ambition of achieving net zero by 2050.

Our decarbonisation pathway

Our ambition

Our ambition remains to be a net zero company by 2050.

We have updated our FY25 targets to establish an achievable, yet ambitious, short-term decarbonisation target that aligns with the expected impact of external factors, including delays in securing the required regulatory approvals for the next phases of our alternative fuel program.

We are assessing and realigning our FY30 targets to reflect the decarbonisation rate that is achievable with available decarbonisation pathways, while considering our new obligations under the Safeguard Mechanism reforms.

In September 2021, we adopted FY30 targets, and joined the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C.

Boral's current FY30 targets are absolute targets based on SBTi's Absolute Contraction Approach, which, as acknowledged by SBTi, is a one-size-fits-all target-setting method.[1]

In line with our focus on reducing the emission intensity of our operations through technology, we will transition to intensity targets for FY30 and beyond.

The newly released SBTi Sectoral Decarbonisation Approach for the cement industry recognises that "due to its process (geogenic) emissions from limestone calcination in clinker production, the rate at which the sector can decarbonise may differ from the overall rate of decarbonisation possible by society as a whole".[2]

Our decarbonisation levers

We have established a detailed decarbonisation pathway based on five key levers.

1 Energy	**Alternative kiln fuels:** Transition Berrima Cement's kiln fuel away from coal by increasing the thermal energy derived from alternative fuels to 60% and exploring hydrogen and renewable gas
	Renewable energy: Aim to transition to power from renewable sources
	Energy efficiency: Improve energy efficiency by 5% to 10%
2 Cementitious intensity	**Lower carbon concrete:** Increase the use of supplementary cementitious materials
	Kiln feed and cement plant optimisation: Implement processes to increase cement plant efficiency
3 Transport	**Optimise supply chain:** Optimise supply chain logistics and routes
	Renewable fuels: Explore and implement alternative fuels for Boral and contractor fleets, including electrification, biofuels, and hydrogen
4 Sourcing	**Lower carbon supply chain:** Prioritise lower CO_2-e intensity suppliers, including for imported clinker
5 CCUS[3]	**Mineralised carbon products:** Pilot and implement a mineralised carbon product stream
	Carbon capture use and storage: Explore and implement emerging CCUS technologies

1. Source: Science Based Targets initiative (SBTi), understand the method for science-based actions, available at https://sciencebasedtargets.org/news/understand-science-based-targets-methods-climate-action.
2. Source: Science Based Targets initiative (SBTi), Cement Science Based Target Setting Guidance, September 2022.
3. CCUS: Carbon capture, utilisation and storage

Recarbonation

While our identified decarbonisation levers enable direct reduction of our carbon emissions at their source, broader recognition of absorption of atmospheric CO_2 by our concrete products, through the recarbonation process, remains a significant opportunity for us.

As recognised in the Sixth Assessment Report of the United Nation's Intergovernmental Panel on Climate Change (IPCC), the carbon emissions from concrete and cement manufacturing are partially absorbed by concrete during the life cycle of concrete buildings and infrastructure.[1] Studies estimate that the CO_2 uptake through recarbonation of concrete could range from 20% to 55% of process CO_2 emissions during cement manufacturing.[2]

The SBTi's Sectoral Decarbonisation Approach for the cement sector recognises that natural recarbonation will be explored as a way for the cement industry to reach net zero via neutralising its residual emissions.[3]

Boral FY25 target

from a FY19 base year

12% to 14%

reduction in absolute Scope 1 and 2 emissions

We made significant investments in our lower carbon concrete, alternative fuel, kiln feed optimisation and renewable electricity programs as key levers in meeting our FY25 intermediate target.

We have, however, experienced unavoidable delays in these initiatives, including delays in securing regulatory approvals required for the next phases of our alternative fuel program, which negatively impact the full realisation of the initiatives' carbon emission benefits by FY25. We have therefore revised our intermediate FY25 targets to 12- 14% reduction in absolute Scope 1 and 2 emissions to reflect the impact of these unavoidable delays.[4]

Our ambition of achieving Net Zero by 2050 remains, and we will realign our decarbonisation pathways and targets with this goal.

Obligations under the Safeguard Mechanism reforms

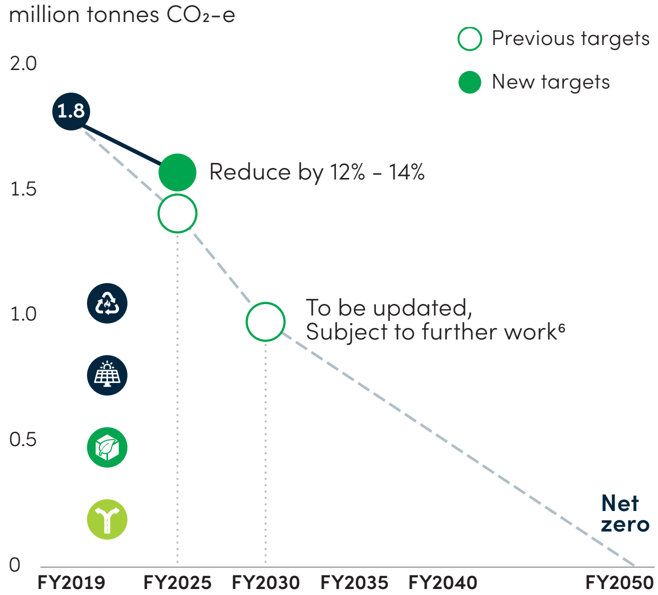
The Australian Government has legislated significant reforms to the Safeguard Mechanism, which will directly impact our decarbonisation priorities.

The reformed Safeguard Mechanism, which commenced on 1 July 2023, requires our increased focus on reducing the Scope 1 emissions from our cement manufacturing operations at the Safeguard facility in Berrima, New South Wales.

We are realigning our decarbonisation initiatives to ensure that we are well-positioned to meet the baseline decline rate requirements that are applicable to our Berrima Cement plant.

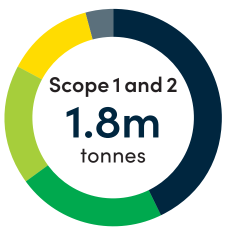
Scope 1 and 2 targets[5]

million tonnes CO_2-e

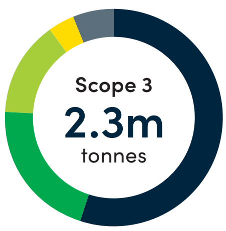


Our starting point

FY19 baseline CO_2-e emissions



- 43% Calcination
- 22% Coal
- 18% Electricity
- 13% Diesel and liquid fuels
- 4% Natural gas



- 55% Purchased goods and services
- 21% Investments in joint ventures
- 14% Upstream transportation and distribution
- 4% Fuel- and energy-related activities
- 6% Other

1. IPCC, 2021: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.
2. Pederneiras C., et. al, Carbonation Potential of Cementitious Structures in Service and Post-Demolition: A Review, CivilEng 2022, 3, 211–223.
3. Science Based Targets initiative (SBTi), Cement Science Based Target Setting Guidance, September 2022.
4. Our previous FY25 target was to achieve 18% reduction in absolute Scope 1 and 2 emissions, from a FY19 baseline.
5. Whilst the graphic shows an even downward trajectory each year between targets, the decarbonisation achieved annually may be greater or lesser than the glide path shown, depending on the timing of the initiatives and availability of cost-effective technology.
6. Boral's current SBTi approved FY30 targets include 46% reduction in absolute Scope 1 and Scope 2 emissions and 22% reduction in relevant Scope 3 emissions per tonne of cementitious materials produced.

Climate resilience

We completed a Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis, which we fully detailed in our Sustainability Report 2021 and Sustainability Report 2022. We expect further mandatory reporting on climate risk and carbon footprints under International Sustainability Standards Board guidelines currently being finalised, and will review the need to update our TCFD work in the future. It is likely we will need to provide additional external disclosures on the risks and opportunities presented by a changing climate.

Decarbonising cement manufacturing

The manufacture of cement, a key ingredient in concrete, has a substantial carbon footprint. As such, many of the opportunities for emissions reductions relate to our Cement business.

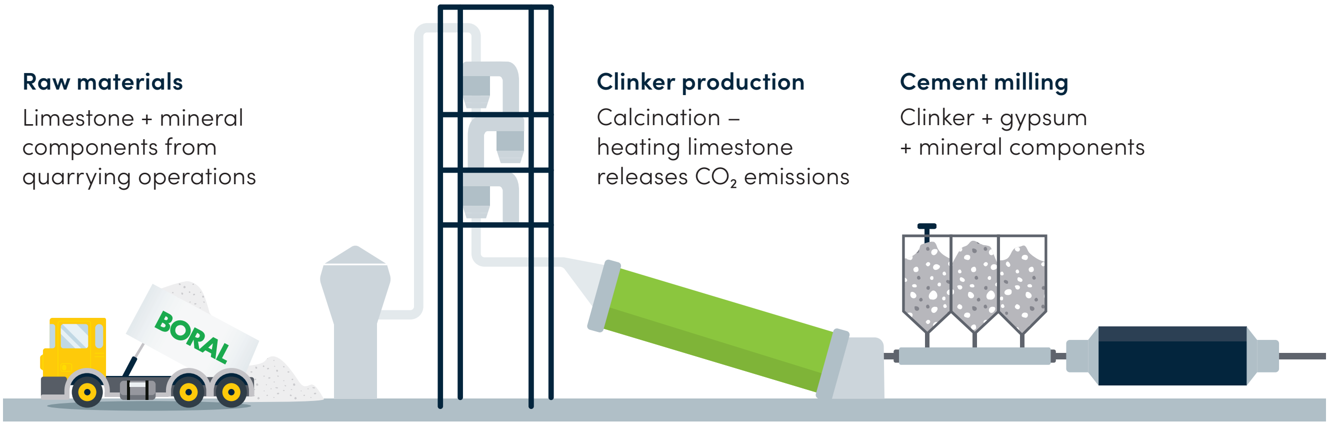
We also import clinker and purchase cement domestically. Reducing the carbon intensity of our clinker and cement purchases over time will be one of the levers to help reduce our Scope 3 emissions.

Boral Cement manufacturing process

Raw materials
Limestone + mineral components from quarrying operations

Clinker production
Calcination – heating limestone releases CO_2 emissions

Cement milling
Clinker + gypsum + mineral components



1.5m tonnes capacity[1]

4.6m tonnes capacity[2]

Electricity
for crushing

Coal and alternative fuels
used to heat kiln & calciner

Electricity
for cooling, grinding and mixing

Cement decarbonisation levers

		Project priorities
Thermal emissions	**Alternative fuels**	Transition kiln fuel away from coal
	Cement plant efficiency	Optimise kiln feed and cement plant
Electricity	**Renewable electricity**	Transition to renewable sources
Process emissions from calcination	**CCUS**	Explore recarbonation technology at Berrima
	Clinker substitution	Increase mineral addition – currently limited to 7.5% under Australian Standards

Source of Scope 1 and 2 cement manufacturing emissions

~60% Calcination
~30% Thermal emissions
~10% Electricity

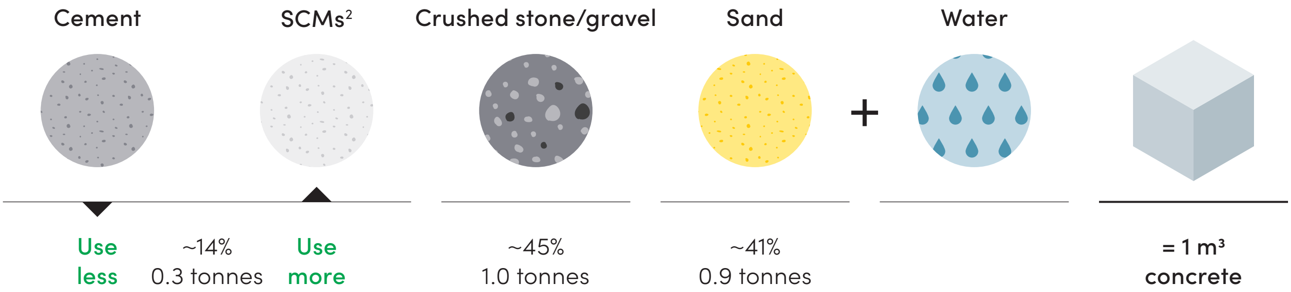
Based on historical averages.

1. Includes imported clinker and slag.
2. Includes the Geelong Cement grinding and storage plant, and Boral's 50% share in 1.5 million tonne grinding capacity of the Sunstate Cement joint venture.

Decarbonising concrete

A key lever of our decarbonisation pathway is reducing cementitious intensity through our lower carbon concrete strategy. Shifting our conventional concrete mixes to our ENVISIA®, Envirocrete® Plus, and Envirocrete® range of products will reduce our use of cement in the production of concrete.

Typical composition of Boral concrete – by weight[1]



Lower carbon concrete range	Embodied carbon reduction Compared to GBCA reference case	Portland cement replacement	Engineering performance versus conventional concrete
ENVISIA®	>45%	≥ 50%	High engineering performances for advanced applications
Envirocrete® Plus	>40%	> 40%	Matches standard concrete blends and applicable to all mainstream uses. Improved early-age strength and engineering properties over Envirocrete®
Envirocrete®	>30%	> 30%	Matches standard concrete blends and applicable to all mainstream uses

The Boral advantage – ZEP® technology

Our lower carbon concrete products replace cement with supplementary cementitious materials, such as ground-granulated blast-furnace slag and fly ash, and use proprietary ZEP® binder technology, to produce concrete with lower embodied carbon concrete while maintaining and/or improving engineering outcomes for our customers.

Net zero concrete offering with additional carbon offsetting

For customers seeking a fully net zero concrete for their project, we supply an integrated package of any concrete covered under a current registered Environmental Product Declaration (EPD) together with credible carbon offsets. This offering is also certified under Australia's primary carbon neutral standard, Climate Active.

1. Based on recent historical averages by weight per cubic metre of concrete.
2. SCM: Supplementary cementitious materials. Our lower carbon concrete products incorporate our proprietary ZEP® binder technology.
3. GBCA: Green Bulding Council of Australia

Circular economy participation and development

Boral is playing an integral role developing the circular economy in Australia, through three main areas:

- We are one of the largest recyclers of construction and demolition materials in Australia, producing recycled products from construction and excavation materials that would otherwise go to landfill.
- We are a significant user of industrial waste materials such as recycled asphalt pavement and slag and fly ash in our lower carbon cement and concrete products.
- We are increasing our use of waste-derived alternative fuels to replace fossil fuels in our kilns, supporting diversion of waste and reducing emissions.

Boral Recycling

Our Recycling business sorts, crushes, blends and sells recycled materials including crushed concrete, bricks, glass and soils (from sandstone or excavated sand). These recycled materials are used for road base and similar products, and are ingredients in our concrete and asphalt mixes.

In FY23, Boral Recycling processed more than 2 million tonnes of material, for direct sale to our external customers, as well as for use in our Quarries, Asphalt and Concrete operations.

Governments are mandating – and customers are requesting – use of recycled materials in road, infrastructure, and building construction. We are therefore focused on continuing to grow our existing footprint to better serve our customers. Our footprint currently includes recycling sites in NSW, Victoria, Queensland, South Australia and the ACT, including our repurposed Emu Plains site in Sydney. Our partnership with the Delta Group in Melbourne at the Delta Sunshine site and other Boral quarries includes our new sites at Waurn Ponds and Deer Park in Victoria. Over 95% of all waste received at Boral Recycling is recycled and repurposed into materials that can be used in the construction industry.

Circular Materials Solution overview

Customer engagement and design

Early engagement with our customers during the design phase enables:

- identification of materials that can be recycled at our recycling facilities
- identification of materials that can be used as part of Boral's land rehabilitation program
- specification of more sustainable products for future inclusion in the project.

Preconstruction phases – demolition and excavation

'Waste' materials such as concrete, brick and soil are produced as civil engineers complete the demolition and excavation phases of a project.

Boral can play an active management role, ensuring these materials are sent for recycling at our recycling locations, providing full visibility on the flow of materials, maximising recycling rates, ensuring circular product development, and coupling all that with detailed reporting on sustainable outcomes for our customers.

Construction phase – supply of recycled materials

Boral supplies product mixes with higher recycled content including road base, aggregates, pipe bedding, sand, asphalt, concrete.

We also provide customers with detailed reports on recycling rates, carbon content, material flows, and green credits or certifications.

Any waste generated through Boral's materials supply can be brought back to recycling sites, ensuring 'full circle' outcomes for our customers.

Materials recycling

Materials sent to Boral's recycling sites may be:

- reprocessed into construction materials
- blended with Boral's virgin materials to develop new products
- blended with externally sourced materials, such as glass, plastic or rubber to develop new products.

Environmental stewardship

In addition to our ambitious decarbonisation targets and increased use of recycled materials in our products, we are investing resources to improve our water efficiency, reduce the waste generated in our operations, divert more of that waste from landfill and strengthen our biodiversity management.

Sustainable operations footprint

We work to ensure we achieve, and preferably exceed, compliance with environmental legislation and regulations relevant to our operations.

We manage compliance obligations through an environmental management system that covers internal and external environmental standards and requirements. Operational teams are responsible for complying with environmental regulations, and they receive specialist functional support to guide their efforts. In FY23, the HSE team conducted 24 internal environmental compliance audits across our operations and initiated corrective actions based on audit findings.

In FY23, we had sixteen serious environmental incidents, an increase from eight in FY22, driven by an increase in formal regulatory outcomes.

Water is an essential resource for all our operations, particularly our Concrete, Cement and Quarries businesses. We use water to manufacture concrete and cement; for dust suppression, particularly in our Quarries and Recycling businesses; and for cleaning and sanitation across our operating sites.

In FY23, we used an estimated 1.2 gigalitres of municipal water in our operations. Most of our municipal water use is in our Concrete and Quarries operations. At our larger sites, including our quarries, we also source water from on-site dams and other storages. In some locations, we also have licences to access metered water from rivers and groundwater bores.

We use recycled water in our production processes across many of our businesses, including Concrete, Quarries, Recycling and Asphalt. While some sites use 100% recycled water for their production processes, this proportion varies across our operations. Wash water, and first-flush stormwater at our concrete plants are regularly recycled back into the production process. We continue to invest in increasing our use of recycled water and improving the metering and measurement of our water use.

We have rigorous systems and processes in place to minimise air emissions across our operations. Where relevant, our operations have either continuous or scheduled air quality monitoring programs. Data is available to local communities through regulatory reporting, stakeholder engagement programs, such as quarry liaison group meetings, and information posted online.

In FY21, we partnered with a new waste services provider to improve our approach to the management of waste generated by our operations, including improved reporting, with waste improvement plans for each site in progress. In FY23, we diverted more than 62% of our operational waste from landfill, using more than 25 recycling streams nationally.

Avoiding adverse impacts on the diversity of plant and animal species at and around our operational sites is an integral component of our land management efforts.

We have management actions in place for all sites identified as having a potential impact to protected biodiversity values. We are continuing to manage biodiversity offset sites at Coolumburra, NSW as well as Narangba and Ormeau in Queensland.

The 960-hectare offset site at Coolumburra supports five native vegetation community types that provide a habitat for two threatened species, the koala and large-eared pied bat (LEPB). Registering the land as a Stewardship Site will generate more than 3,600 ecosystem credits, which recognise the value of the vegetation and the habitat present on the land, combined with more than 7,000 species credits recognising the presence of koalas and LEPBs. A significant proportion of the credits generated will go towards meeting Boral's biodiversity offset obligations for new and progressive works at the Peppertree Quarry and the Marulan South Limestone Mine.

Our Quarries business has the greatest potential to impact biodiversity, and we actively rehabilitate our quarries over time. In FY23, we completed rehabilitation of 118 hectares of land.[1]

24
internal environmental compliance audits completed

62%
of operational waste diverted from landfill

118ha
of land rehabilitated

1. Rehabilitation and disturbance figures are aligned with the Sustainability Accountability Standards Board's Construction Materials Standard, which requires reporting on rehabilitation of land during the reporting period compared to the cumulative total of land disturbed at current operational sites.

Markets

We are an iconic and trusted brand, known for helping our customers and partners achieve their goals. We focus on innovation to provide unique and more sustainable products and services.

Sustainable products and services

We aim to lead the way in offering innovative and sustainable construction material products and services that meet our customers' changing needs. In addition to our Circular Materials Solution for construction and demolition waste, we offer a range of products with improved sustainability attributes, including increased use of recycled materials and lower carbon emissions.

Lower carbon concrete

We are prioritising lower carbon concrete innovation, development and availability. This supports our own decarbonisation goals – we are aiming to reach net zero emissions by 2050 – and our customers' lower carbon and sustainability ambitions. This includes enabling customers to achieve sustainability goals such as Green Star and the Infrastructure Sustainability Council rating schemes.

Over time, our ambition is to shift our conventional concrete mixes to lower carbon concrete mixes, and position specific products as the standard for our customers.

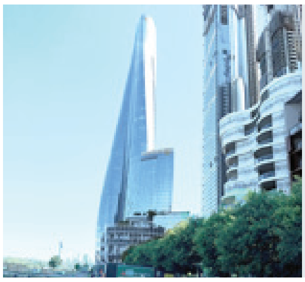
In FY23, there was a targeted campaign to promote lower carbon concrete, which represented 28% of our concrete sales volume for the year, an increase of 300% from FY22.

Boral's lower carbon concretes combine our distinctive proprietary binder ingredient – ZEP® technology – with our expertise in concrete-mix design to replace the cement used in concrete with SCMs. SCMs are typically ground-granulated blast-furnace slag and fly ash, which are by-products of steel manufacturing and coal-fired power generation, respectively.

Lower carbon concrete range

In addition to our ENVISIA®, Envirocrete® Plus, and Envirocrete® range of products, we also tailor carbon neutral solutions for customers using the Australian Climate Active Carbon Neutral Standard.

For customers wanting a carbon neutral concrete product, we can offer any concrete covered by a current Environmental Product Declaration (EPD), plus carbon offsets, under our current Climate Active certification.



ENVISIA®

Boral's superior performance concrete achieves an embodied carbon reduction of more than 45%.[1]

Envirocrete® Plus

This product, launched in FY21, offers more than 40%[1] embodied carbon reduction.

Envirocrete®

Our more general-purpose lower carbon offering, achieves more than 30%[1] reduction in embodied carbon.

1. Compared to GBCA reference case.

Recycled materials

We offer a range of recycled materials to our customers, diverting more than two million tonnes of waste in FY23 and re-using precious resources across our Cement, Concrete, Asphalt and Quarries businesses. Our recycled products include the INNOVO™ asphalt system and Envir-O-Agg® Blended Sand.

INNOVO™ asphalt system

Incorporates recycled materials, including glass, crumbled rubber (from tyres), recycled asphalt pavement and plastics.

Envir-O-Agg® Glass Sand

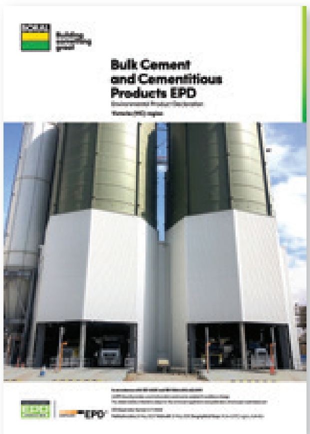
Made of clean, washed and crushed recycled glass, blended with natural and/or recycled material.

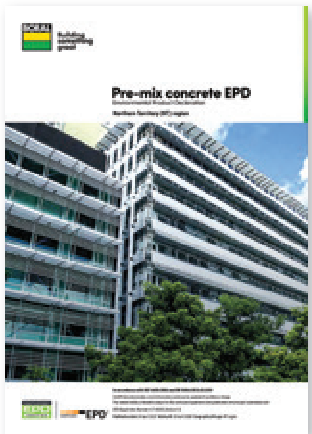
Supporting our customers to make sustainable choices

We offer a growing library of EPDs for our cement, concrete and asphalt products in different states/territories and regions. Our concrete EPDs provide cradle-to-gate environmental indicators for a range of conventional pre-mix concrete products, lower carbon concrete (ENVISIA®, Envirocrete® Plus and Envirocrete®), and concrete for special applications.

We completed EPDs for our concrete products Australia-wide in FY23. To better support our customers with their project based EPDs, in FY24 we will implement project-based EPDs on request.

In FY23, we also completed the bulk cementitious product EPD for our Victorian cement operations, to complement existing NSW product declarations. We have expanded our product declarations to include Product Health Declarations (PHDs) for our concrete products supplied through our Concrete and Concrite operations. Our PHDs are provided through GreenTag HealthRATE certification and will support our customers with the requirements of the Green Building Council of Australia's Green Star Responsible Structure rating tool.





Customer experience and service delivery

We are committed to improving the customer experience and our ability to deliver in full and on time. During FY23, we recorded a 9 percentage point improvement for Delivery on Time, and a 27 percentage point improvement in our Grade of Service.

Boral Connects

We have developed a digital platform, Boral Connects, to further improve the ordering and order management experience for our customers.

Boral Connects allows customers to see current and future orders by status and job site address, saving valuable time.

Boral Connects is secure, easy to use and accessible on most digital devices including smartphones, tablets and computers, making it easy for our customers to manage their orders at their convenience.

During FY23, we nearly doubled the number of orders processed through Boral Connects and have established upgrade plans with implementation anticipated in FY24.

Auto Allocations

In FY23, we began rolling out Auto Allocations technology and business processes across our Concrete business.

Using this technology to improve the order allocation process across our plants and fleet will improve the on-time delivery to our customers and the productivity of our fleet. The improved visibility and communication provided by Auto Allocations will also reduce waiting times at our plants and customer sites.

Boral Auto Allocations

The introduction of Boral Auto Allocations actively demonstrates our commitment to improving service and product delivery for customers of our Concrete business.

The enterprise standardisation program uses world-class transport technology to make it easier for our allocations teams to efficiently schedule and dispatch concrete deliveries.

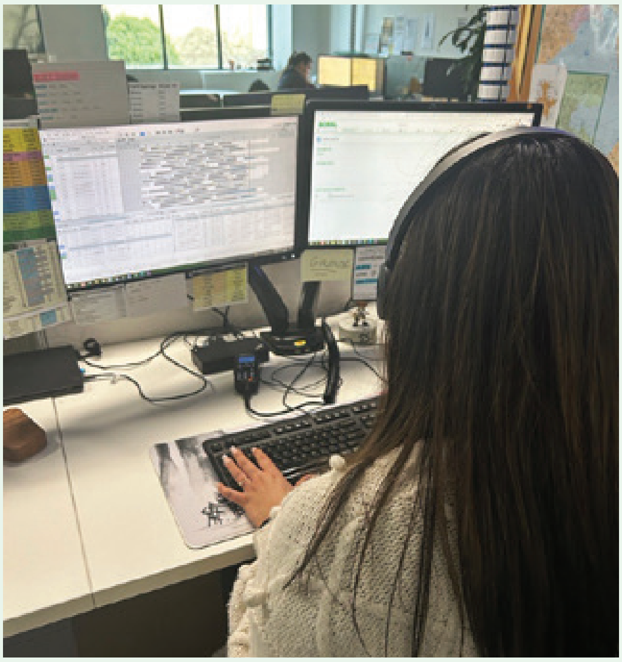
Auto Allocations digitises the process chain, connecting trucks, products, plants and customer information to create a single source of consolidated data.

The system then uses an algorithm to recommend the best transport schedule, taking into consideration customer service and transport efficiency. Boral Auto Allocations recalibrates the schedule in real time when a change occurs; for example, when a pour runs over time or there are traffic hazards on the road.

The system's pre-planning capability provides the Contact Centre, Operations and Sales teams with a shared view of the advanced schedule. The visualisation tool allows collective decision making, helping achieve the best balance between customer experience and transport efficiency.

The program has recently been implemented in our metropolitan Concrete plants in Queensland, Western Australia, Victoria and South Australia, with metropolitan New South Wales scheduled for FY24.

Early data is showing improvements in customer service through increased on-time delivery to our customers and more efficient transport. Further improvement is expected as we continue to roll out the program.



Assets

We have an unrivalled integrated network of prized strategic upstream and downstream assets, including efficient operational sites and property assets for future growth. We leverage all these assets for immediate and longer-term value, considering the communities around our sites.

360	3,500[1]	~50m
operational sites	heavy road vehicles	tonnes of construction materials moved annually

Integrated model

Boral's vertically integrated assets span 360 operations across each state and territory. The upstream operating asset base includes 76 Quarries and 17 Cement sites, a mid-stream Recycling business with 14 operating sites, and downstream operations spanning 209 Concrete sites and 41 Asphalt plants and depots.

We will continue to build and renew our vertically integrated business to maintain, strengthen and grow both our strategic position and business profitability. Our vertical integration model plays a key role in our success, with downstream operations providing a channel to market for high-value upstream assets. We are working hard to identify and optimise asset performance through clear lines of empowerment and accountability.

Fixed assets

We are committed to maximising the value of our fixed assets by leveraging our extensive integrated network, optimising asset performance and effectively managing our substantial property portfolio through the life cycle.

We will continue to invest in our prized upstream infrastructure assets and build our downstream assets close to customer footprints. We have a well-developed strategy focused on investing to sustain our existing assets and address short-life assets, to enhance our position by filling vertical integration gaps and modernising our network, and to grow our position by expanding into new regional market segments.

We will continue to invest significantly to maintain and improve the operational performance of our assets. Our focus through FY23 increased with adjustments to our operating model providing improved resource allocation and capabilities. We have a program of work continuing to standardise and simplify the processes and systems, improve performance management and metrics, and ensure effective capital management and discipline.

Managing our property portfolio through a fixed asset life cycle is critical to building and maintaining our competitive advantage. Throughout FY23 we took significant steps to align our business and processes to improve life cycle management, focusing on our property portfolio processes based on allocating property as part of our construction materials segment or property segment. Our construction materials property focus is on securing the necessary locations and approvals to operate. We then operate and optimise the assets to strengthen performance and profitability for long-term success.

An important element of our network optimisation strategy is staying close to the customer and continually assessing the highest and best use of our property assets. Once it is determined that a site is surplus to operations, the team shifts the focus to repurposing the asset through the best combination of recurring and divestment earnings, and a phase of site rehabilitation and remediation.

With our ongoing commitment to investing in our strategic network and operational footprint, the surplus property pipeline will continue to evolve and refresh over time. Our surplus properties portfolio includes assets that no longer have an operational need. We currently have around 30 surplus properties worth more than $1 billion at present value.

Mobile assets

Boral is a scale logistics player, moving approximately 40 million tonnes of construction materials every year. We manage a dedicated fleet of ~2,500 heavy on-road vehicles and over 750 off-road heavy mobile equipment (HME). Improving our on-road logistics and mobile assets optimisation is a must to achieve our goals. This will be achieved through efficient logistics, improved vendor management and the introduction of new technology solutions to standardise processes. Our off-road HME focus will continue to target the life cycle asset operating cost with opportunities identified in repairs and maintenance, fuel usage, equipment utilization/effectiveness and ownership models.

1. We use ~3,500 road vehicles made up of a dedicated fleet of ~2,500 road vehicles that are company owned and sub-contractor owned. This dedicated base fleet is supplemented by ~1,000 casual sub-contractor vehicles.

Optimising our vertically integrated assets

Vertically-integrated network servicing Sydney metropolitan area

Boral's unique vertically integrated network in Sydney has three distinct sources of competitive advantage that position us well to service demand in the Sydney metropolitan area:

1. multiple upstream high-quality, long-life resources (Peppertree, Dunmore and Marulan)
2. multiple rail terminals connecting upstream assets with close to customer downstream assets (St Peters, Enfield and Clyde)
3. integrated, high-capacity downstream batching plants (St Peters and Enfield).

The geological context for Sydney is different to other metropolitan cities, with no hard rock remaining. Hard rock and most of the sand requirements for construction materials are sourced from operations typically more than 150 kilometres from Sydney CBD.

1

The Boral network of prized upstream Quarry assets includes the Peppertree Quarry and the Dunmore hard rock quarry and sand operations. The network of prized upstream Cement assets includes the Marulan Limestone Mine, the Berrima and Maldon cement manufacturing facilities.

2

These upstream assets are connected by a rail network that extends into the Sydney metropolitan area to multiple rail terminals at St Peters, Clyde and Enfield. These high-capacity terminals receive quarry materials and cement for direct supply to co-located concrete and asphalt plants, in addition to supplying our broader downstream Sydney network. These terminals are our 'virtual quarries', that from comparative transport economics, move our quarries as much as 100 kilometres closer to the demand in Sydney than their physical location.

3

With downstream concrete batching at St Peters and Enfield, and asphalt batching at Enfield, we are well positioned to deliver high-performing products to exact requirements and in close proximity to our customers. This includes our integrated placing businesses such as DMG.

Financials

We are focused on improving our cash and commodity management, and improving key financial metrics of volumes, price and costs.

Cash

- Heavy focus on all elements of cash conversion cycle including DPO, DSO and DOH[1]
- Disciplined and tighter capital spend and allocation
- Significant work on outstanding customer disputes and debtors aging in recent months will continue in FY24

Commodity & FX management

- Management's strategy focuses on reducing usage of fossil fuels and substituting alternative fuels to minimise reliance on coal and gas
- Our hedging strategy involves decoupling commodity and currency exposures and strategically eliminating the price risk volatility in our P&L

Volumes

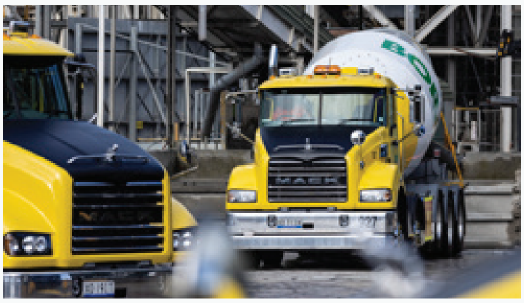
- Growth in volumes across all products and across almost all regions
- New Operating Model has taken accountability and our business closer to customer
- Work underway to improve sales effectiveness and clarity in go-to market
- Significant foucs on improving customer experience

Price

- Pricing traction in all products and regions
- Focus on targeting and aligning sales segmentation/ shape is delivering improved pricing outcomes
- Improved reporting and KPI measures are identifying pricing opportunities and reducing potential price leakage
- Improvements in sales teams effectiveness has also enabled price growth

Cost

- Cost headwinds evident, mitigation actions implemented to minimise impacts (e.g. cartage, labour, energy, maintenance)
- Improving Procurement focus with new category management structure, addressing purchasing behaviours and commercial arrangements, improving our leverage across our national scale
- Leveraging technology solutions to lower cartage costs
- Clear cost accountability and standardisation opportunities enabled through the new Operating Model
- Leveraging our vertical integration to lower material and operational costs through improved information and regional structure



1. DPO: Days of Payable Outstanding, DSO: Days of Sales Outstanding, DOH: Days of Inventory at Hand.

Review of operations

Contents

Group financial performance overview

Boral's Group financial performance in FY23 demonstrates significant improvement across all key metrics. Revenue increases through volume and price growth, and improvements in cost discipline, provide a strong base for future year earnings.

Revenue **$3,461m**	▲ 17%	Revenue was up 17% compared to FY22 from higher volumes and price growth across all product lines. Year-on-year product revenue increases range from 14% to 20%. Growth in demand across roads, highways, subdivisions and bridges (RHS&B) continued, more than offsetting a decline in the residential segment.
EBIT **$232m**	▲ 106%	EBIT was up 106% driven by revenue increases and better cost management. The challenging cost environment was mitigated through improved cost discipline and cost base adjustments with overheads reduced ~7% from FY22.
EBIT Margin **6.7%**	▲ 289bp	The EBIT margin increase was more pronounced in the second half as initiatives gained traction including the new operating model, providing clarity in role and accountability for employees. The EBIT margin in the second half was 7.7%, up 200bps on the first half and an increase of 566bps on 2H FY22.
ROFE **10.4%**[1]	▲ 515bps	ROFE of 10.4%, an increase of 515bps, reflects higher earnings with invested capital remaining at similar levels to FY22.
Statutory NPAT **$148m**		Statutory NPAT of $148 million. This was a decrease of $813m on the prior year's $961 million, which included $863 million of post-tax income from discontinued operations primarily relating to the profit recognised on the sale of the North American Building Products business.
NPAT **$143m**[2]		Underlying NPAT of $143 million is a 304% increase on FY22.
Net Interest **$36m**		Net interest expense decreased in FY23 reflecting the repayment of $629 million of borrowings.
Income Tax **$59m**		Group income tax expense declined $192 million from FY22 which included $274 million relating to the North American Building Products business. Income tax for continuing operations increased from prior year, associated with the increase in earnings.

1. ROFE is EBIT (excluding significant items) return on average funds employed. Funds employed is calculated as the average of funds employed at the start and end of the year. Funds employed is (assets less cash less tax assets) – (liabilities less borrowings less tax liabilities)
2. Continuing operations excluding significant items

Performance summary[1]

A$ million	FY23	FY22	Change
Net revenue	3,460.6	2,955.9	17.1%
EBITDA	454.4	330.2	37.6%
EBIT	231.5	112.2	106.3%
EBIT margin	6.7%	3.8%	289 bps
EBIT (ex. Property)	232.7	106.5	118.5%
Statutory net profit after tax (NPAT)	148.1	960.6	(84.6%)
Underlying net profit after tax	142.7	35.3	304.2%
Adjusted earnings per share (cents)	12.9	3.2	303.1%
Operating cash flow	358.7	216.7	65.5%
Return on funds employed	10.4%	5.2%	515 bps

Revenue of $3,460.6 million was 17.1% up on FY22, with higher volumes and price growth across all product lines. EBIT[1] for continuing operations of $231.5 million was up 106.3%, with a corresponding improvement in the quality of earnings, and EBIT[1] margin was up 289 basis points on FY22 to 6.7%. Operating cash flow also improved, increasing $142.0 million, to $358.7 million with a shift in cash focus and better visibility. Underlying business performance reflects a significant improvement across all key metrics, and with clear growth in business and margins, we believe there is more opportunity ahead.

Statutory NPAT of $148.1 million. This was a decrease of $812.5 million on the prior year's $960.6 million, which included $863.2 million of post-tax income from discontinued operations primarily relating to the profit recognised on the sale of the North American Building Products business.

Volume growth was secured across all products and almost all regions. Our new operating model has brought the business closer to our customers, increasing accountability for sales and service results, and enhancing volume opportunities. Improvements in sales effectiveness are beginning to deliver benefits. We are working closely with customers on product solutions, particularly related to sustainability, and gaining more traction with larger customers and projects.

We had **pricing** growth in all products and regions. Our focus on targeting and aligning sales segments is improving pricing outcomes. Improved reporting and KPI measures are identifying pricing opportunities and reducing potential price leakage. Enhancements in sales effectiveness has also enabled stronger pricing growth. Several price increases were implemented through the year to maintain pace with inflation in a rapidly changing cost environment.

The challenging **cost** environment in FY23 was partly offset by improved cost disciplines and cost base adjustments. Cost headwinds were evident, with mitigation actions implemented at pace to minimise impacts particularly in cartage, labour, energy, and repairs and maintenance. We revitalised our procurement focus, including introducing a new category management structure. This has helped us to address our purchasing behaviours and commercial arrangements, improving our leverage nationally and reducing our costs. Throughout FY23, we continued to roll out technology solutions to lower cartage costs, with further upside expected in FY24. The new operating model also enabled benefits through clear cost accountability and standardisation opportunities that will continue to escalate. Leveraging our vertical integration to lower material and operational costs through improved information and the regional structure has delivered some improvements in FY23 with further opportunities identified.

Across the entire business, the FY23 results showed improved margins in top line revenue growth, achieved through higher volumes and price traction, coupled with a disciplined approach to cost management.

1. Underlying numbers for continuing operations excluding significant items.

Segment revenue overview

$m	FY23	FY22	Change %
Concrete	1,461	1,218	20%
Asphalt	805	682	18%
Quarries	507	427	19%
Cement	362	319	14%
Other[1]	326	310	5%
Total	**3,461**	**2,956**	**17%**

Concrete revenue increased by 20%, with growth in volume and pricing. Underlying volume growth of 6% and price increases of 12% to offset the effects of inflation. A decline in residential construction was offset by infrastructure and industrial demand.

Asphalt revenue was up 18%, with a 7% increase in volume nationally. The business delivered several key projects including the West Gate Tunnel project in Melbourne and the Tonkin Gap project in Perth. The business benefitted from continued infrastructure investment and improvement in operational delivery. It is tendering on a sizeable pipeline of major infrastructure projects across Australia. Pricing of ex-plant volumes increased by 6%.

Quarries revenue was up 19%, with volumes increasing across every region. Compared to the previous year, volumes were up 7% across all metropolitan and country regions. Pricing also lifted, increasing 11% year on year to offset cost increases.

Cement revenue was up 14%, driven by higher pricing in key bulk cement operations, which were up 8%, and volume growth in key Boral operations across NSW and Victoria of 5%. The Geelong facility had its first full year of operation and enabled the business to increase volume of bulk sales in Victoria.

Property revenue was negligible in FY23, with no property sales in line with expectations. The business focused on executing its strategy of maximising the long-term value of land assets and delivering property development revenue streams.

Overall **construction material demand** lifted in FY23 across all geographies, but with shifting demand across end-use segments. Nationally, construction material demand for residential projects fell by ~7%, post the tailwind of pent-up demand from COVID stimulus measures and reduced borrowing capacity due to the combination of rapidly increasing interest rates and rising inflation.

Conversely, the value of work done for RHS&B and other engineering demand grew by ~11% in FY23, with government project investments with local, state and Commonwealth funding. This has been more pronounced for our Asphalt and Quarries businesses and is expected to continue in FY24.

Significant items increased statutory NPAT by $5.4 million for the twelve months ended 30 June 2023.

This comprised the following items (pre-tax figures):

- Divestment related matters negatively impacting EBIT by $10.9 million primarily relating to completion settlements and other items.
- Restructure and onerous contracts contributed $8.4 million, relating to favourable settlement of contracts that were provided for in prior periods.
- US$300 million of May 2028 US senior notes was repaid following completion of the Group's tender offer. This resulted in a net gain of $11.2 million.
- During the current financial year, the Group recognised a $2.2 million gain as a mark-to-market movement in the solar power purchase agreement. This agreement was entered into in December 2022 for a period of ten years from the commencement of commercial production.

1. Other includes Recycling, Concrete Placing and Property.

Balance Sheet

As at 30 June 2023 funds employed[1] was $2,267.9 million compared to $2,202.6 million at 30 June 2022.

A reduction in cash and debt liabilities in FY23, driven by the debt reduction measures taken in FY23, resulted in the repayment of $628.7 million.

Working capital balances increased, reflecting revenue growth offset in part by improved cash conversion. A $35.5 million increase in the value of inventory in FY23 relates to higher quarry stock, reflecting increased demand and cement increases relating to the commissioning of the Geelong facility.

The net debt balance of $338.2 million consists of $996.3 million of gross debt, including lease liabilities, less $658.1 million of cash. Net debt decreased $138.2 million from 30 June 2022. Gearing (net debt to equity) was 14.3% at 30 June 2023, down from 20.3% at 30 June 2022. Net debt to underlying EBITDA reduced from 1.4 times to 0.7 times at 30 June 2023. Interest coverage increased at 30 June 2023 to 6.5 times from 3.2 times at 30 June 2022.

Capital discipline

Our capital expenditure is allocated in line with our strategy, to optimise our return on funds employed and target capital expenditure at or below depreciation and amortisation (D&A). In FY23, capital expenditure was $223.1 million, down 29% on the prior year, spend includes $209.1 million of capital and $14.0 million of lease additions. Cash capex spend was in line with D&A for FY23.

Key projects include commissioning of the Geelong cement facility and significant progress on the Berrima chlorine bypass to increase our alternative fuels usage. In addition, several concrete plant upgrades were completed in key east coast regions and Perth. Ongoing mobile fleet investments and smaller strategic land purchases were also completed in FY23.

Cash flow

Operating cash flow from continuing operations of $358.7 million in FY23 was an increase of $142.0 million on the prior year, primarily driven by improved EBIT performance and lower interest and tax receipts. Adjusted operating cash flow was $403.3 million, an increase of $39.8 million, primarily driven by a focus on cash conversion and working capital management.

Other key cash flow movements from the prior year includes the FY22 financing outflow that relates mainly to the share buyback totalling $352.9 million, and the FY23 financing outflow that relates to the debt repayment activity completed in July and October 2022.

Dividends

The Board has resolved not to pay a dividend for FY23.

Discontinued Operations

In the prior year, the Group completed its divestments from the North American Building Products, North American Fly Ash, Meridian Brick and Australian Building Products businesses, resulting in a profit before tax of $1,105.6 million. In the comparative period, earnings in relation to the divested businesses were classified as 'Discontinued operations' in the Income Statement.

FY24 Priorities

Our priorities for FY24 are aligned with our Good to Great strategy and reflect a continuation of our organisation journey to optimise our business performance:

- Safety remains our highest priority, building on improvements in FY23, performance gaps to industry benchmarks and our better performing operations exist
- Continue initiatives focused on delivering decarbonisation target and improved environmental compliance performance
- Building commercial discipline and rigor across the business, clarity and definition in customer segmentation, with a focus on price realisation beyond cost recovery
- Improving customer service across the call-to-cash process and sales effectiveness to improve customer loyalty
- Continue to invest in our prized upstream infrastructure assets and build our downstream close to customer footprint
- Develop broader business operational capability to optimise asset efficiencies, build asset management capabilities and reduce overall business costs
- Build logistics capability including standardised systems and processes to optimise fleet utilisation and efficiency
- Develop broader business focus on improving cash conversion cycle
- Ongoing implementation of key strategic PEMAF pillars particularly integrated network opportunities to enhance, sustain and grow positions

1. Funds employed is (assets less cash less tax assets) – (liabilities less borrowings less tax liabilities)

Our risks and responses

Effective risk management is essential to deliver on our business strategies and create long-term value.

We apply a robust risk management framework to identify, assess, mitigate and manage our risks, and we embed this approach to make better day-to-day decisions. Our management of risk is informed by the level and types of specific risks we are willing to accept to achieve our strategic objectives.

We continue to mature our Risk Appetite Framework, which is based on a set of targeted risk appetite statements. These statements articulate our tolerance for principal risks across key strategic and operational categories.

We have outlined our approach to risk identification and management in the Corporate Governance Statement on pages 54–66. An overview of our material business risks and approach to managing those risks is set out on the following pages.

PEMAF	Risk Area	Mitigation
People	**Health, safety and environment (HSE)** There is a risk of incidents occurring that may cause injury to Boral's staff, contractors or members of the community, or damage to the environment. Boral manages or uses a fleet of about 3,500 on-road heavy vehicles, which are required to meet national heavy vehicle legislation. This exposes Boral to a risk of traffic accidents, and potential non-compliance with heavy vehicle laws. Boral is also subject to **environmental and/or development licences, consents and approvals**, including an obligation to protect Aboriginal heritage sites and biodiversity. Material breaches of these requirements may result in fines and/or loss of licence to operate. In addition to impacting our people and communities, any incidents or material breaches of laws and regulations may also cause business interruption and adversely affect Boral's reputation.	• **Executive Committee (HSE)** (led by Executive General Manager - Enterprise Services and Standardisation and includes the CEO and Managing Director), provides HSE oversight and leadership • **Comprehensive Health, Safety, Environment and Quality Management System** with key focus on serious harm prevention • Ongoing implementation of **our Life Saving Rules** and **Environment Absolute Commitments** including operating in compliance with licences and approvals, minimising the impacts of ground disturbance activities and managing fuels and chemicals safely and securely • **Strict minimum operating standards**, policies, procedures and training to ensure compliance with applicable HSE legislation • **Safety improvement initiatives** focused on preventing serious harm, standardisation, and leveraging technology • **HSE performance monitoring**, reporting and accountability, including leading and lagging indicators • **Heavy vehicle safety** management to comply with (at a minimum) heavy vehicle laws • **Heavy vehicle assurance program** incorporating Line 1 self-assessments through to external accreditation through the National Heavy Vehicle Accreditation Scheme • **Focused approach to dust management**, including respirable dust • **Robust environmental compliance** and audit programs, including compliance audits, site compliance tools and verifications

PEMAF	Risk Area	Mitigation
People	**Workforce, culture and engagement** Attracting and retaining great people, and engaging our workforce underpins delivery of Boral's strategic initiatives and business plans. The availability of labour and ability to recruit and retain skilled labour is a key risk in maintaining production, and our ability to service our customers. Ongoing skilled labour constraints, continue to increase the risk of job vacancies and associated cost increases.	• Implementation of **Our Boral Way** – our new operating model is focused on simplifying business activities, in a **decentralised but standardised way**, where **execution is closer to the customer** • **Organisational culture** work including continuing to embed our Vision and Values as integral parts of the way we work, and measuring and monitoring workplace culture • **Continuing to embed our Code of Business Conduct**, including leader training sessions • **Careful selection and promotion of leaders** who demonstrate the skill, values and behaviours that underpin our brand experience for employees, customers and the communities in which we operate • **Diversity and inclusion program "Belong"**, sponsored by the Executive Committee • **Flexible work policy and guidelines** that support employee work and family responsibilities • **Talent Acquisition team** supported by strategic outsourced recruitment partners • **Bespoke recruitment campaigning**, including global talent mapping and utilisation of digital channels
People **Environment** **Markets** **Assets**	**Social, legal and compliance** Boral is subject to a **broad range of laws, regulations and standards** in the jurisdictions in which we operate. Changes in laws and regulations, and non-compliance due to inadequate processes, systems, people and /or conduct could lead to losses and liabilities, reputational damage and business interruption. Failure to meet the increasing **expectations of Boral's stakeholders** could impact future plans, reputation and our ability to operate.	• **Organisational culture work**, including embedding our Values, and measuring and monitoring workplace culture • Third-party **whistleblower hotline**, monitoring and reporting • Centralised **Code of Business Conduct** and associated policies, which are covered in mandatory training at induction • **Privacy Policy and Privacy Officer role incorporate** Privacy Act and Principles requirements • Regular **competition law training**, mandatory for relevant staff • **Governance structure** that facilitates performance monitoring of third-party agreements and joint ventures • Subject matter experts **monitor regulatory changes**, engage with regulators, and modify procedures and protocols to meet our regulatory obligations • **Modern slavery risk management**, including our Human Rights Policy, Supplier Code of Conduct, supplier risk assessment process and annual reporting through the Modern Slavery Statement • **Reconciliation Action Plan** and initiatives to support Aboriginal and Torres Strait Islander peoples, suppliers and communities • **Community engagement programs**, including with local Aboriginal groups, to responsibly manage our operations

PEMAF	Risk Area	Mitigation
Markets **Assets**	**Supply chain and cost management** There is a risk that our business is exposed to **inflationary and market cost increases** above expected levels and/ or Boral is not able to achieve planned cost reductions or price increases to offset inflationary cost increases. **Disruption in the supply of raw materials or other critical inputs** from force majeure and other material events could impact Boral's ability to manufacture products and meet market demand.	• **Pricing actions and improved pricing discipline combined with performance improvement initiatives** including cost reductions, new earnings streams and optimising the use of our operational footprint • **Simplified new operating model and corporate organisational structure** implemented to reduce costs and improve efficiency • **Supply chain optimisation strategy and program**, including implementation of automated allocations to transport fleet, to enhance supply logistics, continuity of supply and reduce costs • Largely **integrated and locally sourced supply chain** • **Operational improvement** projects to offset inflationary pressures • Short-term price volatility in **energy costs** was partially mitigated by **hedging and electricity demand management** in FY23, with further initiatives in FY24
Markets	**Competition and customer** Boral operates in **competitive markets** against domestic suppliers and, in some cases, imported product suppliers. The competitive environment can be significantly affected by local market forces, such as new entrants, production capacity utilisation, disruptive product innovation, customer strategies and preferences, and changes in construction methods and materials. These factors are likely to impact demand for our products. There is also a risk that, due to competitor actions and market pressures, Boral is not able to **maintain pricing and/or achieve announced price increases** to offset inflationary costs.	• **Reshaped operating model** implemented in January 2023 to provide greater clarity and accountability for sales and operational performance • **National Commercial function established to** deliver a standardised and disciplined approach to pricing, sales capability, customers, service, marketing, products and product quality • **Customer Call to Cash initiative** is focused on streamlining the ordering process for customers. This includes improving the digital ordering capability for an improved customer experience at a lower cost. • Reinforced the legacy **Boral Brand** across all Boral sites and Assets • **Dedicated Pricing team including centralised 'deal desk'** to manage pricing architecture and approval process, and to align pricing outcomes with target performance • **National shape planning** to determine best mix of segments will deliver the best margin outcomes by region, forming the basis of tactical sales plans • **Sales force effectiveness** program to align sales activity such as call cycles and prospecting to volume and price outcomes • **Lower carbon concrete product suite** offers customers differentiated and more sustainable product solutions which deliver against their carbon reduction targets • **Product Solutions team focused on** continuous product development, optimisations and improvement, providing engineered design solutions to customers and major projects • **Continuing Investment in technology innovation** to develop new products and improve product performance in core markets • **Net promoter score tracking** and associated response actions • **Auto Allocations** technology implemented to ensure concrete on-time delivery performance meets customer expectations

PEMAF	Risk Area	Mitigation
Markets **Environment**	**Transition to low-carbon economy** The transition to a low-carbon economy with heightened focus on carbon emissions is likely to result in **changing customer preferences**, and a shift to less carbon-intensive construction materials. This could result in reduced demand for Boral's products if they do not meet customer expectations in terms of innovation and reduced emissions intensity. **Governments** are setting binding targets and increasing **actions** to achieve carbon reduction. This may result in a broader based price on carbon emissions, increasing the cost of production and negatively impacting earnings.	• **Implementation of decarbonisation pathway initiatives** – refer to page 22 • Outcomes from Task Force on Climate-related Financial Disclosures **(TCFD) carbon price risk scenario analysis** (completed in FY21) continue to be considered in risk management and capital decision making • FY23 marketing campaign to assist with accelerating the transition to **lower carbon concrete** suite of products and growing Recycling business and product solutions • **New product development** focused on lower carbon products to drive adoption and usage, and support our customers • **Sponsoring academic research and leveraging government initiatives** to strengthen materials-based product research, development, and innovation • **Engaging with government and regulators**, and together with industry associations, monitoring government policies and related developments
Environment	**Weather and physical climate impacts** **Extreme weather** is an inherent risk for the construction materials industry. Periods of extreme weather can interrupt production and our operations, impact Boral's ability to supply products to the market and limit customers' ability to construct, which in turn, may result in reducing or postponing demand. Prolonged periods of wet weather can impact our performance through deferred sales volumes, loss of fixed cost recovery, and higher costs of overtime to catch up on customer demand.	• **Large operating footprint** supports continuity of supply by using a broad network of operating sites and capabilities • Ability to **flex production schedules** to reduce cost impacts • Monitoring and **preparedness for weather-related disruption**, including flexible workforces and adequate capacity in plant and equipment • **Weather monitoring** processes (including weekly supply and operational planning) identify where and when extreme weather events may impact the business so we can initiate planning processes early • **Mitigation plans** for major weather events, including flood, bushfire and cyclones are implemented where relevant • Insurance risk review mitigation plans continue to be implemented • **Responding to potential secondary opportunities** from demand for more resilient buildings and infrastructure to support adaptation to, and reduce impacts of, climate change; we do this through products such as concrete and have the ability to respond to these changing needs

PEMAF	Risk Area	Mitigation
Markets	**Market and industry** Our business performance is influenced by **demand in the end-market segments** across our regions of operation. These markets are cyclical and affected by various macroeconomic, demographic and regulatory factors, and the allocation and timing of government funding for public infrastructure and other building programs. Our degree of **vertical integration** and our fixed asset footprint are important sources of competitive advantage that we must optimise for value creation. These positions need **ongoing investment** through brownfield capacity, as demand in geographic regions grows, or new greenfield investments to meet demand in growth corridors.	• **Strategic plan** pillar of "Assets" is focused on continuing to optimise our network by investing in our prized upstream infrastructure assets and building our 'close to customer' footprint. To achieve this, we will invest to sustain, enhance, and grow our positions to retain our competitive and profitable core business, and respond to industry and customer trends • Improved financial rigour including **capital discipline and thoughtful capital allocation**. The new operating model will optimise and manage our capital spend through subject matter experts, strong governance and process, and clear accountabilities in project delivery and benefit realisation. • **Enhanced cement import capability** in Victoria: the Geelong Cement clinker import terminal, grinding plant and storage facility provide increased capacity and flexibility in the east coast cement supply network including extending our product supply capability with slag. • **Continued monitoring and reporting** of government policies, regulatory changes and industry trends, and engagement with governments and regulators • **Progressively building capabilities** to better manage property assets, and breaking the property lifecycle down into four primary pillars where improvement opportunities exist • **Quarry reserves** provide a key strategic advantage. Management of quarry reserves has been reinforced through operating model alignment and process upgrades. A national team oversees geological assessments, mine planning and quarry developments, maintaining a national site-by-site database of quarry reserves and resources.
Financial	**Financial and capital management** Maintaining an optimal capital structure and taking a disciplined approach to allocating capital is key to delivering returns above our cost of capital. Managing our liquidity and funding requirements is essential to the financial health of our business. Management of foreign exchange rates and commodity exposures is critical for managing financial volatility.	• Financial Framework targets an **optimal capital structure** and guides disciplined capital allocation • **Disciplined capital expenditure** and investment decisions • Maintenance of a prudent debt profile with **staged and long-dated debt maturities** from diverse funding sources in global capital markets • **Cross-currency swaps** used to hedge US dollar–denominated debt • Debt predominately issued at fixed rates to **reduce cyclical impacts** • **Maintenance of a strong liquidity position**, with committed undrawn facilities and cash on hand, including rigorous management of cash flow and working capital • **Counterparty credit risk** distributed across a number of highly rated global financial institutions • Management of short-term price volatility in **energy costs** through hedging • **Currency hedging management** for commodities and material product and equipment supply.

PEMAF	Risk Area	Mitigation
Assets	**Operations and Technology** The Group's manufacturing operations and related services depend on critical plant. Unanticipated material failures, outages or force majeure events could lead to failure to meet our planned financial performance. Boral's operations, operational efficiency, and financial and commercial systems depend on our information technology (IT) systems, capabilities and assets. Ongoing investment in IT is required to adequately support the business, including to improve operational efficiency and customer service, and reduce costs. Cybersecurity breaches, ransomware attacks on information systems and/ or plant operating technologies could result in the loss of sensitive data, breach of customer data privacy, and / or widespread business interruptions, and associated reputational damage.	• Vertically integrated network and **national operating sites footprint and capabilities** assist in managing stoppages • **Plant maintenance strategies** and production maintenance systems and programs continue to be implemented • **Comprehensive Group insurance program** covers damage to facilities, associated business interruption and product performance • **Disaster recovery plans** and emergency response protocols for critical IT systems and operational equipment are in place and subject to ongoing review • **Crisis management, emergency response and business continuity planning** for operating sites and office-based activities are subject to ongoing review • **Risk management of third-party service providers**, includes assurance over high-risk IT, raw materials and supply chain service providers • Continued **focus on cloud and data security**, allows hosting and running of critical workloads in the cloud • **Strategic IT projects** led by Head of Information and Technology Services, include targeted technology enhancements to improve operational and core financial systems, and customer solutions • **Cyber Security Manager**, supported by cybersecurity team, is responsible for developing and implementing Boral cybersecurity program, including remediation and improvement plans • Cyberattack and data breach **response protocols and scenario testing in place and subject to ongoing review** • **Cybersecurity improvement program** aligned with the National Institute of Standards and Technology Cybersecurity Framework • **Information security awareness training** and targeted email 'phishing' simulation ongoing for all employees • **Investments in business appropriate cybersecurity technologies and services** for threat prevention, detection and response

Board of Directors

Ryan Stokes AO

Non-executive Chairman

APPOINTED
Non-executive Director from September 2020, Chairman from July 2021

BOARD COMMITTEES
Health, Safety & Environment
Remuneration & Nomination

Ryan Stokes AO is the Managing Director and Chief Executive Officer of Seven Group Holdings Ltd (SGH). He has been an executive director of SGH since February 2010 and CEO since 2015.

Ryan is Chairman of WesTrac, Chairman of Coates, Director of Seven West Media, and Director of Beach Energy. He is also Chief Executive Officer of Australian Capital Equity Pty Limited (ACE). ACE is a private company with its primary investment being an interest in Seven Group Holdings. Ryan is Chairman of the National Gallery of Australia. He was appointed an Officer in the General Division of the Order of Australia on 8 June 2020.

His previous roles include Chairman of the National Library of Australia, member of the Prime Ministerial Advisory Council on Veterans' Mental Health, and Founding Chair of Headspace.

Ryan holds a commerce degree from Curtin University and is a Fellow of the Australian Institute of Management.

Vik Bansal

CEO & Managing Director

APPOINTED
October 2022

BOARD COMMITTEES
Health, Safety & Environment

Vik Bansal has more than 30 years' experience in CEO and senior leadership roles at complex, industrial, listed organisations. Vik has a proven track record as a seasoned executive. He is known for his ability to lead businesses through periods of significant transition, growth and improvement while pursuing sustainable solutions, and a demonstrable history of creating value for stakeholders.

Vik was Group CEO and Managing Director of Cleanaway waste management from 2015 to 2021. During his tenure, Cleanaway's market cap increased fivefold, earnings more than doubled, and the company consistently delivered in the top quartile of total shareholder returns.

Immediately prior to joining Boral, Vik was CEO and Managing Director of InfraBuild, Australia's largest vertically integrated steel manufacturer servicing the construction and infrastructure segment. Vik is also Chairman of LGI Limited, a clean energy company based in Brisbane.

Vik is an Electrical Engineer and has an MBA and AMP from INSEAD. He has recently completed a Master of Laws in Enterprise Governance.

Rob Sindel

Independent Non-executive Director
Lead Independent Director

APPOINTED
September 2020

BOARD COMMITTEES
Independent & Related Party (Chair)
Remuneration & Nomination (Chair)

Rob Sindel is Chairman of Orora Ltd, Chairman of Mirvac Group and is a Member of Australian Business Community Network Foundation (appointed April 2020) and the Yalari NSW Advisory Committee (appointed August 2017). He was formerly the Managing Director and Chief Executive Officer of CSR Ltd for eight years from 2011 until 2019 and a Director of Green Building Council of Australia (September 2013 to November 2019).

Rob brings to the Board extensive experience obtained from executive management and leadership positions, principally from his 30-year career in construction materials and building products, both in Australia and the United Kingdom. He has insights in manufacturing, sales and marketing for B2B environments, and strategic management. He also has a deep understanding of how to successfully navigate through market cycles.

Rob holds an engineering degree and a Master of Business Administration. He is a graduate of the Australian Institute of Company Directors, and a Fellow of the Institution of Engineers Australia.

Paul Rayner

Independent Non-executive Director

APPOINTED
September 2008

RETIRED
30 June 2023

BOARD COMMITTEES
Audit & Risk (Chair)
Independent & Related Party

Paul Rayner is the Chairman of Treasury Wine Estates Ltd and a Director of the Murdoch Children's Research Institute.

He was previously a Director of Qantas Airways Ltd and Centrica plc (a UK-listed company).

He brings to the Board extensive experience relevant to Boral. He has worked in the fields of finance, corporate transactions and general management in the consumer goods, manufacturing and resources industries. His last executive role was Finance Director of British American Tobacco plc, based in London from January 2002 to 2008.

Paul holds an economics degree from the University of Tasmania and a Master of Administration from Monash University.

Karen Moses

Independent Non-executive Director

APPOINTED
March 2016

BOARD COMMITTEES
Audit & Risk
Health, Safety & Environment (Chair)
Independent & Related Party

Karen Moses is a Director of Orica Ltd, Charter Hall Group, Snowy Hydro, Music in the Regions and a Fellow of the University of Sydney Senate.

She was previously a Director of SAS Trustee Corporation, Australia Pacific LNG Ply Ltd, Origin Energy Ltd, Contact Energy Ltd, Energia Andina S.A., Australian Energy Market Operator Ltd, VEN Corp and Energy, Water Ombudsman (Victoria) Ltd, and Sydney Symphony Ltd, the Sydney Dance Company and Chair of Create NSW - Dance and Physical Theatre Advisory Board.

Karen has more than 30 years' experience in the energy industry spanning oil, gas, electricity and coal and upstream production, and supply and downstream marketing operations. This experience has been gained both within Australia and overseas.

She holds a Bachelor of Economics and a Diploma of Education from the University of Sydney.

Richard Richards

Non-executive Director

APPOINTED
July 2021

BOARD COMMITTEES
Audit & Risk
Health, Safety & Environment

Richard Richards is the CFO of SGH and is responsible for finance across the diversified conglomerate (including equipment manufacture, sales and service, equipment hire, construction materials, investments, property, media, and oil and gas).

Richard is a Director of WesTrac, AllightSykes, SGH Energy, Coates, where he is Chair of the Audit & Risk Committee, and Beach Energy, where he is a member of the Audit & Risk Committee. Richard joined SGH from the diverse industrial group, Downer EDI, where he was Deputy CFO responsible for group finance across the company for three years.

Prior to joining Downer EDI, Richard was CFO for the Family Operations of LFG, the private investment and philanthropic vehicle of the Lowy family for two years. Prior to that, he held senior finance roles at Qantas for more than 10 years.

Richard has a Bachelor of Commerce/Laws (Hons) from Bond University, a Master of Laws (Hons) from the University of Sydney and a Master of Applied Finance (Hons) from Macquarie University. He is a Chartered Accountant and admitted as a solicitor in NSW.

Mark Johnson

Independent Non-executive Director

APPOINTED
December 2021

BOARD COMMITTEES
Audit & Risk (Chair appointed 30 June 2023)
Remuneration & Nomination
Independent & Related Party

Mark Johnson is an experienced non-executive Director and currently serves as Chairman of the Hospitals Contribution Fund of Australia Ltd (HCF) and is an independent Director of Goodman Group, Sydney Airport, Metcash and Aurecon. He is also a Councillor at UNSW Sydney and a Director of The Smith Family.

He was previously Chairman and a Director of G8 Education Ltd and an independent Director of Coca-Cola Amatil Ltd, HSBC Bank Australia and Westfield Corporation Ltd.

He held several senior leadership roles during his more than 20 years as a senior partner at PricewaterhouseCoopers (PwC), including as CEO of PwC Australia from 2008 to 2012, Deputy Chairman PwC Asia and a member of PwC's Global Strategy Council.

Mark is a Fellow of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors, and is a Certified Practising Accountant Australia. He holds a Bachelor of Commerce with Merit from UNSW Sydney.

Jacqueline Chow

Independent Non-executive Director

APPOINTED
March 2022

BOARD COMMITTEES
Audit & Risk
Health, Safety & Environment
Independent & Related Party

Jacqueline Chow is currently a non-executive Director of Coles Group Ltd, Charter Hall Ltd and nib Holdings Ltd.

Jacqueline has more than 20 years' corporate experience in executive and non-executive positions in general management, strategy, marketing and technology across a range of sectors, including industrial, retail, telecommunications and financial services.

She previously held senior positions at Fonterra, where she was Chief Operating Officer, Global Consumer and Food Service, and prior to that at Accenture, the Kellogg Company, and Campbell's. Through these roles, Jacqueline has significant experience in innovation, digital platforms and technology, and driving transformation and cultural change.

Jacqueline holds a Master of Business Administration (Dean's Distinguished Service Award) from the Kellogg School of Management at Northwestern University and a Bachelor of Science (Hons) from the UNSW.

Executive Committee

Contents

Vik Bansal

CEO & Managing Director

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Immediately prior to joining Boral, Vik was CEO and Managing Director of InfraBuild, Australia's largest vertically integrated steel manufacturer servicing the construction and infrastructure segment. Vik is also Chairman of LGI Limited, a clean energy company based in Brisbane.

Vik is an Electrical Engineer and has an MBA and AMP from INSEAD. He has recently completed a Master of Laws in Enterprise Governance.

Belinda Shaw

Chief Financial Officer

Belinda Shaw joined Boral as Chief Financial Officer in January 2023.

She has more than 25 years' of experience including senior executive finance experience across multiple industries, leading global and regional teams having worked in Asia, Europe, USA and Australia.

Prior to joining Boral, Belinda was the Acting CFO at Sydney Airport and has also held senior executive roles at General Electric (GE) including CFO ANZ and PNG, CFO Global Mining and CFO Global Locomotive.

Belinda holds a Bachelor of Commerce from the University of South Australia and is a Fellow Certified Practicing Accountant (FCPA).

Mark Crawford

Executive General Manager, Enterprise Services & Standardisation

Mark Crawford joined Boral as Executive General Manager, Enterprise Services & Standardisation in October 2022.

Mark has more than 30 years' experience in executive roles across the retail, logistics, waste and service industries. He has worked across Australia and Asia Pacific and has extensive transformation experience, integrating complex operating models across all business disciplines.

Prior to joining Boral, Mark held executive roles at RACV, Australia Post and most recently Cleanaway where he was the Executive General Manager for the largest P&L portfolio in that business. Mark started at Cleanaway as Executive General Manager Enterprise Services. Mark holds qualifications in Information Technology and studies in Mergers and Acquisitions from Insead's French campus.

Rajeev Ramankutty

Executive General Manager, Cement and Lime

Rajeev Ramankutty joined Boral in 2019 as Executive General Manager, Cement.

He is an experienced operational leader, having managed projects and organisations in Australia, the UK and the Philippines.

Prior to joining Boral, he was General Manager at Sunstate Cement and also held several senior leadership roles across operations and logistics at Lafarge and Blue Circle Industries.

Rajeev has a Bachelor of Technology (Chemical Engineering) and a Master of Business Administration from the University of South Australia, where he was the recipient of the Alex Ramsay Prize.

Lloyd Wallace

Executive General Manager, Concrete and Quarries NSW

Lloyd Wallace has been with Boral for more than 15 years' and is Executive General Manager, Concrete and Quarries.

He specialises in strategic planning and change management and has held several senior leadership roles across general management, mining, capital projects, sales, production and logistics.

Lloyd is a highly respected leader across Boral's operations and has played a critical role in improving process and safety at sites.

He has a Bachelor of Engineering and a Master of Business Administration from Harvard Business School and is a graduate of the Australian Institute of Company Directors.

Matt McKenzie

Executive General Manager, Concrete and Quarries South

Matt McKenzie is a proven business leader with more than 25 years' experience across multiple industries. Prior to starting at Boral, Matt was the General Manager Solids Waste NSW at Cleanaway and has P&L leadership for the largest of Cleanaway's business units. He led a team of 1,300 and managed over 40 sites across the state.

Matt has also spent time at Oracle Utilities as Senior Sales Director for the JAPAC region. Before this Matt was at the General Electric Corporation for fifteen years and held a number of EGM roles across mining solutions and energy.

Tim Richards

Executive General Manager, Asphalt

Tim Richards is an experienced leader with demonstrated skills running complex national industrial businesses. Having worked at Boral early in his career, Tim has also held positions as General Manager of Stramit, Divisional CEO of Building Products at Fletcher, CEO of Dexion Group and most recently Divisional EGM at Cleanaway.

Tim is a chartered accountant and has completed the Advanced Management Program at Wharton School, Pennsylvania USA.

Ashleigh O'Brien

Executive General Manager, Commercial

Ashleigh O'Brien joined Boral in 2021 as Executive General Manager, Sales and Marketing.

She has extensive experience in leading a broad range of functions, spanning sales and marketing, operations, innovation, HR, safety and technical.

Prior to joining Boral, she held several senior functional and line management roles in CSR and Rondo and was also non-executive Director for Think Brick Australia and the Australian Roofing Tile Association.

Ashleigh has a Master in Business Administration, a Master of Business Marketing and a Bachelor of Arts in Communications and Media from the University of Western Sydney and is a graduate of the Australian Institute of Company Directors.

Sam Toppenberg

Executive General Manager, People and Culture

Sam Toppenberg joined Boral in November 2022 as the Executive General Manager of People and Culture. She has extensive construction materials and contracting experience having led the People functions at Service Stream, Ventia, Holcim and Adelaide Brighton.

Sam holds a Bachelor of Arts, Master of Commerce and an MBA, is also a GAICD, and has extensive experience in publicly listed companies across manufacturing, FMCG and pharmaceutical sectors.

Peter Lim

Acting Group General Counsel and Company Secretary

Peter Lim joined Boral in February 2023 and is the Group General Counsel and Company Secretary.

He has extensive experience as a senior executive leading legal, governance and compliance functions across ASX 100 companies, including Ampol and the Super Retail Group.

Peter holds a Bachelor of Commerce and Laws from the University of NSW is a graduate of the Advanced Management Program at INSEAD.

Corporate Governance Statement

Introduction

This Corporate Governance Statement outlines Boral's governance framework. Boral is committed to ensuring that its policies and practices reflect a high standard of corporate governance.

The Board recognises that good corporate governance is essential to building trust and creating long-term shareholder value, supported by Boral's redefined purpose and values.

As set out earlier in the Annual Report, our purpose is **building something great**, and our corporate values are:

- Safety
- Teamwork
- Accountability
- Ambition
- Respect

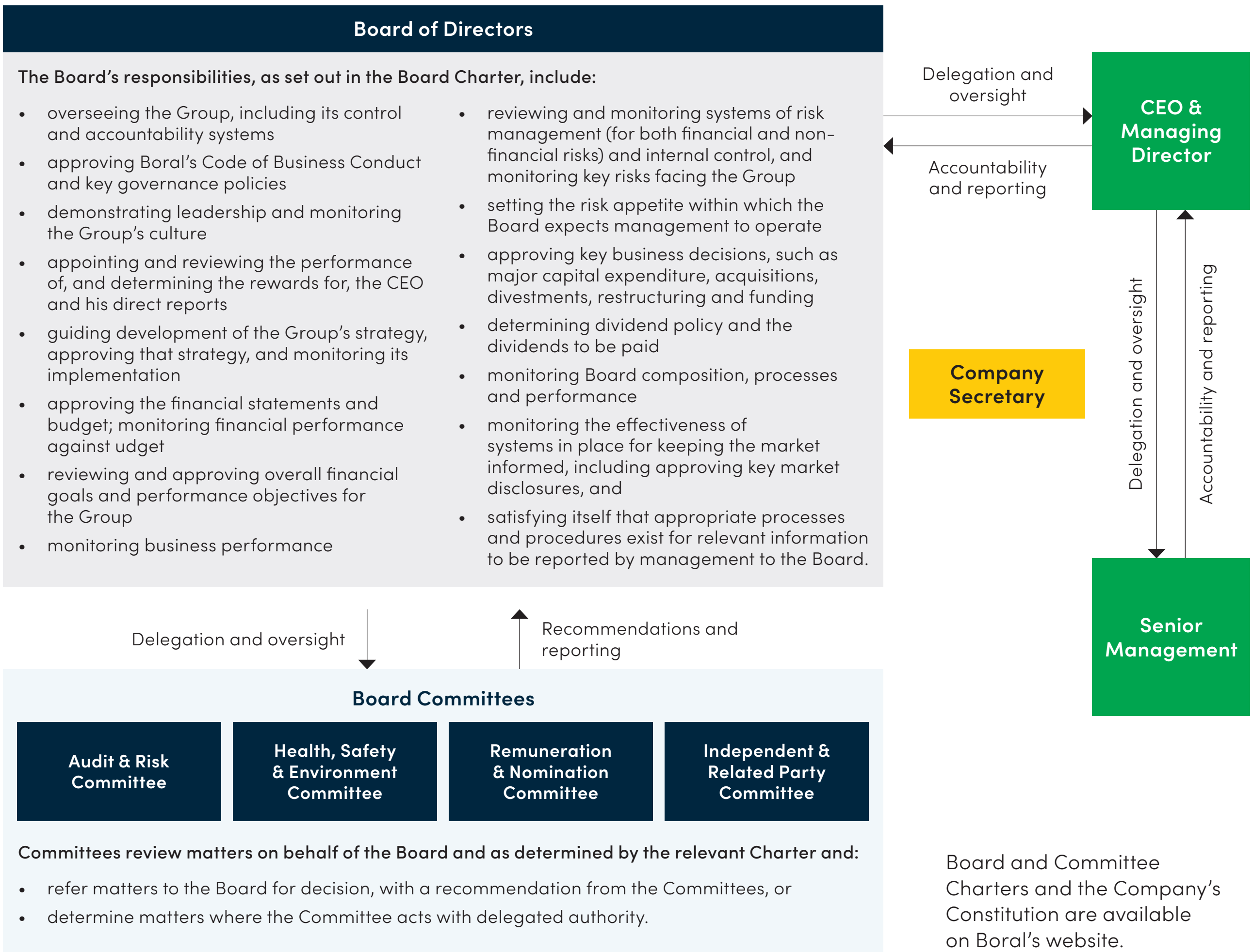
Our purpose and values are expected to inform all our decisions, from the top down. The values are supported by our governance framework and underpin our corporate culture.

Throughout FY23, Boral's governance arrangements were, unless otherwise stated, consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (the ASX Principles and Recommendations).

The Board continually reviews governance at Boral to ensure that our arrangements remain appropriate in light of changing expectations and general developments in good corporate governance.

In accordance with the ASX Principles and Recommendations, the Boral policies referred to in this statement have been posted to the corporate governance section of Boral's website: www.boral.com.au/about/corporate-governance-policy.

This Corporate Governance Statement is current as at 30 June 2023 (unless otherwise stated) and has been approved by the Board of Boral Limited.



Board and Committee Charters and the Company's Constitution are available on Boral's website.

Board structure and skills

The Company's Constitution provides for a minimum of three Directors and a maximum of twelve Directors on the Board. As at the date of this statement, the Board comprises eight Directors, including seven non-executive Directors.

The Chairman of the Board is Mr Ryan Stokes AO. Mr Stokes is not considered an independent Director. The role of the Chairman, and the CEO & Managing Director are separate.

The Board continues to have a majority of independent Directors, with an appropriate governance framework consistent with promoting the best interests of all shareholders.

Matters relating to the composition of the Board and its Committees are considered by the Remuneration & Nomination Committee in accordance with the framework set out in the Remuneration & Nomination Committee Charter, and through processes implemented by the Board.

The Board actively seeks to ensure that it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its responsibilities effectively, and to be well-equipped to assist our Company to navigate the range of opportunities and challenges the company faces.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix of skills, experience and expertise in its membership, the Board uses a skills matrix. The matrix is an important, but not the only, basis of criteria applied to Board appointments. When the Board reviews the skills matrix, it ensures that it covers the skills needed to address existing and emerging business and governance issues for the Company.

The Board skills matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership. The matrix ultimately supports the Company's overarching strategy and priorities for the business, as well as other areas relevant to the composition of the Board. Referring to the skills matrix on this page, each area is currently well represented on the Board.

The areas addressed in the matrix are as follows.

Board skills matrix – skills and experience across the Board as a whole to support Boral's strategy and business priorities

Element	Skills
Leadership	Executive leadership
	Health, safety and environment
Portfolio	Strategy, mergers and acquisitions
	Financial acumen
	Risk management
	Global experience
	Market and customer knowledge
	Innovation
	Change and transition
	Information technology
People	Organisational sustainability
	Remuneration and rewards
Governance	Governance and regulation
	Board experience

The skills, experience and expertise of each Director are set out on pages 48-50 of this Annual Report.

Director independence

The Board has assessed the independence of each non-executive Director in light of their interests, positions, associations and relationships, and considers each of them to be independent, with the exception of Mr Stokes and Mr Richards.

Mr Stokes and Mr Richards are senior executives with Seven Group Holdings (SGH), and SGH and its associated entities hold a relevant interest in up to 72.6% of Boral's shares.

The criteria considered in assessing the independence of non-executive Directors include that the Director:

- is not and does not represent a substantial shareholder of the Company and has not within the last three years been an officer or employee of, or professional advisor to, a substantial shareholder
- is not employed, or has not previously been employed, in an executive capacity by a Boral company or, if they have been previously employed in an executive capacity, there has been a period of at least three years between ceasing such employment and serving on the Board
- does not receive performance-based remuneration from, or participate in, an employee incentive scheme of Boral
- has not been, within the last three years, in a material business relationship (e.g. as a supplier, professional advisor, consultant or customer) with a Boral company, or an officer of or otherwise associated with someone with such a relationship
- has no material contractual relationship with a Boral company other than as a Director
- does not have close personal ties with any person who falls within any of the categories described above, or
- has not been a Director of Boral for such a period that their independence may have been compromised.

For Directors assessed as independent, none of the interests of those Directors (or the interests of persons with whom Directors have close family ties) with other firms or companies having a business relationship with Boral could materially interfere with the ability of those Directors to act in Boral's best interests. 'Material', in the context of Director independence is, generally speaking, regarded as 5% of the revenue of the supplier, customer or other entity being attributable to the association with a Boral company or companies.

Accordingly, all of the non-executive Directors are considered independent, with the exception of Mr Stokes and Mr Richards.

Conflicts of interest

In accordance with Boral's Constitution and the *Corporations Act 2001 (Cth)* (Corporations Act), Directors are required to declare the nature of any interest they have in business to be dealt with by the Board.

Except as permitted by the Corporations Act, Directors with a material personal interest in a matter being considered by the Board may not be present when the matter is being considered and may not vote on the matter.

The Board has put in place appropriate policies and procedures such as the Information Sharing and Conflict Protocol and Independent & Related Party Committee Charter to manage any potential conflicts.

Established on 30 July 2021, the Independent & Related Party Committee consists of all independent non-executive Directors. The Committee provides a forum to review material transactions between Boral and its related parties.

Review of related party transactions by the Committee occurs without non-independent Directors present.

The Committee will meet as required, and will otherwise hold discussions and receive management reports concerning related party transactions as necessary.

The Committee provides an opportunity for the independent Directors to meet without the presence of the non-independent Directors. The Committee is also responsible for considering relevant matters that arise under the Information Sharing and Conflict Protocol.

Mr Sindel, as the Chairman of the Independent & Related Party Committee, performs the function of Lead Independent Director on the Board.

Tenure

Under Boral's Constitution, and as required by the ASX Listing Rules, a Director must not hold office (without re-election) past the longer of the third Annual General Meeting (AGM) and three years following that Director's last election. Retiring Directors are eligible for re-election. When a vacancy is filled by the Board during a year, the new Director must stand for election at the next AGM. The requirements relating to retirement from office do not apply to the Managing Director of the Company.

The length of service of each current Director is set out on pages 48-50 of this Annual Report. While the Board has been well served with an appropriate and diverse mix of tenure over time, the Board's orderly succession and renewal plan is ongoing.

The Board does not regard nominations for re-election as being automatic but rather as being based on the individual performance of Directors and the needs of the Company. Before the business to be conducted at the AGM is finalised, the Board discusses the performance of Directors standing for re-election in the absence of those Directors. Each Director's suitability for re-election is considered on a case-by-case basis, having regard to individual performance. Tenure is just one of the many factors the Board takes into account when assessing the independence and ongoing contribution of a Director.

Induction and training

Management, with the Board, provides an orientation program for new Directors. The program includes:

- briefings from executives and management, including detailed introductions to Boral's business, strategy, history, culture, industry, and key risks and opportunities
- an introduction to Boral's regulatory environment, including legal duties and responsibilities of Boral Directors, and accounting matters where the Director requests additional background
- the provision of induction materials such as the Strategic Plan, and governance charters and policies, and
- discussions with other Directors and, where practicable, site visits to some of Boral's key operations.

The Company also supports continuing education for Directors to develop their professional skills. This is considered regularly in light of emerging business and governance issues relevant to Boral. The Board receives appropriate briefings on material developments in laws, regulations and accounting standards relevant to the Company.

Succession planning

Board succession planning, and the progressive and orderly renewal of Board membership, is an important part of the governance process. The Board's approach for selecting, appointing and re-appointing Directors is to ensure that the Board possesses an appropriate range of skills, experience and expertise to enable it to carry out its responsibilities most effectively.

As part of the appointment process, Directors consider Board renewal and succession plans, and whether the Board is of a size and composition that is conducive to making appropriate decisions.

The non-executive Directors meet on a regular basis without management present in a forum intended to allow for open discussion, including in relation to Board and management performance.

Process	Explanation
Board review	• The appointment of Directors follows a process during which the full Board (with the assistance of external search consultants) assesses the necessary and desirable competencies of potential candidates, and considers a number of candidates before deciding on the most suitable candidate for appointment.
	• The selection process includes assistance from an external consultant, where appropriate, to identify and assess suitable candidates. Background checks are conducted before appointing a Director and putting forward a candidate to shareholders. These checks include the candidate's experience, education, criminal record and bankruptcy history, and reference checks.
	• Candidates identified as being suitable are interviewed by a number of Directors. Confirmation is sought from prospective Directors that they would have sufficient time to fulfil their duties as a Director.
Remuneration & Nomination Committee recommendation	• The Remuneration & Nomination Committee is responsible for making recommendations to the Board on matters such as succession plans for the Board, suitable candidates for appointment to the Board, Board induction and Board evaluation procedures.
Appointment	• At the time of appointing a new non-executive Director, the key terms and conditions applicable to that person's appointment, the Board's responsibilities and the Company's expectations of a Director are set out in a letter of appointment. All current Directors have been provided with a letter confirming their terms of appointment.
Shareholder communications	• When candidates are submitted to shareholders for election or re-election, the Company includes in the Notice of Meeting all information in its possession that is material to the decision on whether to elect or re-elect the candidate.

Access to information, independent advice and indemnification

After consultation with the Chairman, Directors may seek independent professional advice, in furtherance of their duties, at the Company's expense. Directors may also request relevant information from management at any time through the CEO & Managing Director or the Company Secretary.

The Company Secretary, who is accountable to the Board through the Chairman, provides advice and support to the Board and is responsible for all matters to do with the proper functioning of the Board.

Board Committees

The qualifications and experience of each Committee member are set out on pages 48-50 of this Annual Report. Details of the number of Committee meetings Directors attended during the reporting period are set out on page 69 in the Directors' Report.

Open lines of communication exist between all of Boral's Board Committees. This is intended to prevent any gaps in risk oversight and to maintain a broader picture of Boral's risk profile.

Audit & Risk Committee

Composition and role

Boral has an Audit & Risk Committee that assists with the effective operation of the Board. The Audit & Risk Committee comprises a majority of independent non-executive Directors, and is chaired by an independent Director, who is not the Chairman of the Board. Its members were:

Paul Rayner (Chairman)*
Jacqueline Chow
Mark Johnson
Karen Moses
Richard Richards

* Mr Paul Rayner retired from the Board effective 30 June 2023, and was replaced on that date by Mr Mark Johnson as the Chairman of the Audit & Risk Committee.

The Committee met four times during FY23.

The Audit & Risk Committee has a formal Charter that sets out its role and responsibilities, composition, structure and membership requirements. Its responsibilities include review and oversight of:

- the financial information provided to shareholders and the public
- the integrity and quality of Boral's financial statements and disclosures
- the systems and processes that management have established with oversight from the Board to identify and manage areas of key financial and non-financial risk, and the effectiveness of Boral's risk management framework
- risk culture, and
- Boral's auditing, accounting and financial reporting processes and control framework.

The Committee has the necessary power and resources to meet its responsibilities under its Charter, including rights of access to management and auditors (internal and external), and to seek additional information.

Accounting and financial control policies and procedures have been established, and are monitored by the Committee to ensure that the financial reports and other records are accurate and reliable. Any new accounting policies are reviewed by the Committee.

Compliance with these procedures and policies are subject to review by the external and internal auditors.

When considering the yearly and half yearly financial reports, the Audit & Risk Committee reviews the carrying value of assets, provisions and other accounting issues. Questionnaires completed by management are reviewed by the Committee half yearly.

The external and internal auditors attend each scheduled meeting of the Committee, and report to the Committee as appropriate on the outcome of their audits and the quality of controls throughout Boral. As part of its agenda, the Audit & Risk Committee meets with the external and internal auditors, in the absence of the CEO & Managing Director and the Chief Financial Officer, at each meeting during the year.

The Chairman of the Audit & Risk Committee reports to the full Board after Committee meetings. The Audit & Risk Committee meetings minutes are included in the papers for the next full Board meeting after each Committee meeting.

Responsibilities in relation to the external audit and internal audit

Boral's external auditor is Deloitte. At least annually, as occurred in FY23, the Audit & Risk Committee reviews the scope of the external audit and evaluates the quality of the performance, and the effectiveness and the independence of the external auditor.

The Audit & Risk Committee monitors procedures to ensure the rotation of external audit engagement partners every five years as required by the *Corporations Act*.

The Audit & Risk Committee has approved a process for the monitoring and reporting of non-audit work to be undertaken by the external auditor. The types of services the external auditor is prohibited from participating in because it could impair, or might appear to impair, their independence include the participation in activities normally undertaken by management and where the external auditor would be required to review their work as part of the audit.

The Independence Declaration by the external auditor is set out on page 72. The Committee's role in relation to the internal audit function is discussed on page 61.

Remuneration & Nomination Committee

Composition and role

The Board has a Remuneration & Nomination Committee that comprises a majority of independent non-executive Directors and is chaired by an independent Director.

The members of the Committee were:

Rob Sindel (Chairman)
Mark Johnson
Ryan Stokes

The Committee met four times during FY23.

The Remuneration & Nomination Committee has a formal Charter that sets out its role and responsibilities, composition, structure and membership requirements.

The Committee's responsibilities include reviewing, advising and making recommendations to the Board on:

- Boral's remuneration framework (including incentive policies and practices, remuneration arrangements for the CEO and the CEO's direct reports)
- whether the Group's remuneration policies are aligned with Boral's values, strategic objectives and culture
- whether remuneration outcomes are consistent with the Group's remuneration philosophy; are aligned with the Group's performance and the shareholder experience; and demonstrate alignment between executive reward and shareholder value
- suitable candidates for appointment to the Board
- the Board skills matrix
- succession planning policy and approach generally, and the succession plan for the CEO in particular
- employee engagement and workplace culture
- developing and implementing procedures for the Board's periodic evaluation of its performance, and the endorsement of retiring Directors seeking re-election, and
- Board induction and the provision of appropriate training and development opportunities for Directors as required.

Part of the role of the Remuneration & Nomination Committee is to advise the Board on the remuneration policies and practices for Boral generally and the remuneration arrangements for senior executives.

Further information relating to the key areas of focus for the Remuneration & Nomination Committee in FY23 is set out in the Remuneration Report from page 73.

Health, Safety & Environment Committee

Composition and role

The Board has a Health, Safety & Environment Committee, which is chaired by an Independent Director.

The members of the Committee were:

Karen Moses (Chairman)
Jacqueline Chow
Vik Bansal
Ryan Stokes
Richard Richards

The Committee met three times during FY23.

The Health, Safety & Environment Committee has a formal Charter that sets out its composition, structure, and roles and responsibilities. The Committee's responsibilities include reviewing and monitoring:

- the Group's strategy for health, safety and environment (HSE) matters,and management's plans to improve HSE performance
- the effectiveness of the Group's policies, systems and governance structure for identifying and managing HSE risks that are material to the Group
- the policies and systems within the Group for ensuring compliance with applicable legal and regulatory requirements associated with HSE matters
- the performance of the Group, assessed by referring to agreed targets and measures, in relation to HSE matters
- internal audits in relation to HSE matters
- the adequacy of the Group's systems for reporting actual or potential incidents, regulatory breaches and significant incident investigations
- the Group's material reports, which are prepared and lodged in compliance with its statutory obligations, concerning the environment and sustainability.

In performing its role, the Committee seeks to support the activities of management and enhance the HSE culture of the Group.

Role and responsibility of the Executive Committee

Performance evaluation process

Under the supervision of the CEO, the Executive Committee is responsible for implementing Boral's strategic objectives. The Executive Committee has also been delegated responsibility for managing business performance, monitoring and reviewing material financial and non-financial risks, and overseeing and developing Boral's people.

The Executive Committee is collectively responsible for meeting these delegated responsibilities, and each member is delegated specific accountability for overseeing their part of Boral's business (details of the Executive Committee are set out on pages 51-53 of this Annual Report).

The Executive Committee is also responsible for providing timely and accurate reports to the Board on Boral's business and operations, to assist the Board in discharging its duties and responsibilities effectively.

Members of the Executive Committee (as well as other senior executives) are employed by Boral through individual Executive Services Agreements. The pre-employment process for executives includes obtaining background checks with the assistance, where appropriate, of an external consultant, to verify qualifications and determine suitability for the role.

Performance evaluation and remuneration

Performance evaluation process

The following table explains the Company's performance evaluation processes for the Board, Committees, individual Directors and senior executives.

Board, Committees and Directors	CEO & Managing Director	Senior executives
The Board undertakes an evaluation of the performance of the Board, its Committees, individual Directors and the Chairman. Periodically, this review is undertaken with the assistance of an external facilitator. The evaluation encompasses a review of the structure and operation of the Board, and the skills and characteristics required by the Board to maximise its effectiveness. It also considers whether the blending of skills, experience and expertise, and the Board's practices and procedures are appropriate for the needs of the Company.	On an annual basis, the Remuneration & Nomination Committee, and subsequently the Board, formally review the performance of the CEO & Managing Director. The criteria assessed are both qualitative and quantitative, and include profit performance, other financial measures, safety performance, financial and non-financial risk identification and management, and strategic actions. Further details on the assessment criteria for the CEO & Managing Director, and senior executive remuneration (including equity-based plans) are set out in the Remuneration Report, which forms part of the Annual Report.	The CEO & Managing Director annually reviews the performance of each of Boral's senior executives, being members of the Executive Committee, using criteria consistent with those used for reviewing the CEO & Managing Director. The performance of senior executives is reviewed annually against appropriate measures as part of Boral's performance management system, which applies to all managers and staff. The CEO & Managing Director presents the outcomes of those reviews to the Board through the Remuneration & Nomination Committee. The Remuneration & Nomination Committee retains discretion as to the appropriateness of remuneration outcomes for the Executive Committee.
The last formal evaluation to occur in accordance with this process took place in FY20. The next formal evaluation is planned for FY24, although the Board and Committees continued to iteratively review their effectiveness throughout FY23.	An evaluation of the performance of the CEO & Managing Director took place for FY23 in accordance with the process described above, with a performance evaluation of Mr Bansal to take place in August 2023.[1]	An evaluation of the performance of senior executives of Boral took place for FY23 in accordance with the process described above.

1. Mr Bansal commenced on 10 October 2022.

Remuneration

Remuneration of non-executive Directors

The remuneration of non-executive Directors is fixed. The non-executive Directors do not receive any options, at-risk remuneration or other performance-related incentives. Nor are there any schemes for retirement benefits for non-executive Directors.

The remuneration arrangements for non-executive Directors are distinct from the arrangements for senior executives.

Remuneration of senior executives

Boral's remuneration policy and practices for senior executives, including the CEO & Managing Director, are designed to attract, motivate and retain high-quality people. The policy is built around principles that:

- executive rewards be competitive in the markets in which Boral operates
- executive remuneration has an appropriate balance of fixed and at-risk reward
- remuneration be linked to Boral's performance and the creation of shareholder value
- at-risk remuneration for executives has both short- and long-term components, and
- a significant proportion of executive reward be dependent upon performance assessed against key business measures.

These principles ensure that the level and composition of remuneration is sufficient and reasonable, and that its relationship to corporate and individual performance is defined.

Further information relating to the remuneration of the non-executive Directors and senior executives is set out in the Remuneration Report from page 73.

Risk management framework

The Boral Risk Management Framework is composed of the systems, policies, processes, and employees that are involved in the identification, assessment, measurement, monitoring, mitigation, and reporting of the material financial and non-financial risks of our business. Details regarding our approach to managing our specific material risks are contained in the operating and financial review (OFR) (pages 42-47).

Risk identification and management

Boral's senior leaders and managers are responsible for identifying and effectively managing risks. Under the supervision of the Board, management is responsible for designing and implementing risk management and internal control systems to manage the Group's material business risks. This includes:

- the identification of material strategic, operational, financial and compliance risks
- the identification and monitoring of emerging business risks, and
- the assessment, monitoring, mitigation and reporting of those identified risks.

The Board (through the Audit & Risk Committee) is responsible for satisfying itself that a sound system of risk oversight and management exists and that internal controls are effective.

In particular, the Board seeks assurance that:

- the material strategic, operational, financial and compliance risks are identified
- systems are in place to assess, manage, monitor and report on these risks, and
- these systems are rigorously tested to ensure they are operating effectively at all stages of the risk management cycle.

On at least an annual basis, Group Risk facilitates risk management workshops with a cross-section of people from the business. Outcomes are shared with the Audit & Risk Committee and management, who also receive presentations by senior management on emerging risks and risk management initiatives.

Boral's management has reported to the Board (through the Audit & Risk Committee) on the effectiveness of the management of the material business risks faced by Boral during FY23. The Audit & Risk Committee has reviewed the risk management framework and is satisfied that it continues to be sound, and the Group is operating with due regard to the risk appetite set by the Board.

Boral's Risk Management Policy is available on Boral's website.

Internal audit

PwC carries out Boral's internal audit function, providing independent and objective assurance to Management and the Board on the effectiveness of Boral's internal control, risk management and governance systems and processes.

PwC is responsible for executing the internal audit plan as approved by the Audit & Risk Committee. In their role as the internal auditor PwC has a direct reporting line and is accountable to the Audit & Risk Committee.

PwC in its internal audit function is independent of management and has full access to all Boral entities, records and personnel.

The internal audit plan is formulated using a risk-based approach to align audit activity with the key risks of Boral. Internal audit activity and outcomes are reported to the Audit & Risk Committee at each meeting.

Sustainability

Details regarding our approach to managing environmental and social risks are contained in the OFR, including the Risks and Responses section (pages 42-47), as well as the Our sustainable business framework section (pages 19-36) of this Annual Report.

These sections explain the Group's approach to sustainability, exposure to social and environmental risks, and how that exposure is managed.

Chief Executive Officer and Chief Financial Officer declaration

The CEO & Managing Director and the Chief Financial Officer give a declaration to the Board, before the Board resolves that the Directors' Declaration accompanying the full year and half year financial statements be signed, that in their opinion, the Company's financial records have been properly maintained, and the financial reports comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that their opinion has been formed on the basis of a sound system of risk management and internal control that operates effectively.

The CEO & Managing Director and the Chief Financial Officer gave this declaration to the Directors for the full year ended 30 June 2023, and the half year ended 31 December 2022.

Compliance with laws and policies

The Company has adopted policies to monitor compliance with occupational health, safety, environment, anti-corruption and bribery, discrimination, bullying and harassment, privacy, and competition and consumer laws throughout the jurisdictions in which it operates.

There are also procedures providing employees with alternative means to usual management communication lines through which to raise concerns relating to suspected illegal or unethical conduct.

There are ongoing programs for the audit of the large number of Boral operating sites. Occupational health and safety, environmental and other risks are covered by these audits. There is a dedicated health, safety and environment team to monitor and advise on workplace health and safety, and environmental matters and provide training to staff.

Conduct and ethics

The Board's policy is that Boral's companies and employees must observe both the letter and the spirit of the law, adhere to high standards of business conduct and comply with best practice.

Boral's management guidelines include the Code of Business Conduct and other guidelines and policies that set out legal and ethical standards for employees.

The Code and related guidelines and policies set out the expectations and practices necessary to maintain confidence in the Company's integrity, and as to the responsibility and accountability of individuals for reporting and dealing with unethical practices. The Code also guides compliance with legal and other obligations to stakeholders.

Employees are provided with training and awareness programs on expected standards of behaviour, the Boral values and compliance with the Code of Business Conduct. Compliance with the Code is monitored by senior management, and the Board is notified of material breaches. The Board reviews the Code periodically, with the latest review occurring in August 2021.

Boral's Code of Business Conduct is available on Boral's website.

Reporting misconduct

There are procedures providing employees with alternative means to usual management communication lines through which to raise concerns relating to suspected illegal or unethical conduct. This includes an external service that enables reports to be made anonymously, a facility known as FairCall. The Company believes that whistleblowing can be an appropriate means to protect Boral and individuals, and to ensure that operations are conducted ethically and within the law.

At least twice a year, the Audit & Risk Committee receives a confidential report about the number, nature and status of FairCall reports. All Directors have access to this report.

Material breaches of the Code of Business Conduct and other Boral policies, including anti-corruption and bribery (as contained in the Code), are reported to the Board and /or Audit & Risk Committee as appropriate. All material conduct issues are reported to the Board, whether they are financial or non-financial in nature.

Boral's FairCall Policy (which is its Whistleblowing Policy) is available on Boral's website.

Diversity and inclusion at Boral

We believe that a diverse and inclusive workforce is a critical part of creating sustainable competitive advantage for Boral, now and into the future.

Our commitment to diversity and inclusion is outlined through our Diversity Plan, BELONG. This is led by the CEO & Managing Director and governed by the Executive Committee, with progress reported to the Board.

Our Diversity Plan is underpinned by our Diversity and Inclusion Policy, outlining the core principles that employees:

- are expected to act in a manner that embraces difference, supports inclusion and promotes Equal Employment Opportunity, and
- will be treated with dignity, care and respect in a workplace free from discrimination, bullying and harassment.

Boral's Diversity and Inclusion Policy is available on Boral's website.

Measurable objectives for FY23

Boral's Diversity Plan outlines measurable objectives to support increasing the representation of women in leadership and across the workforce, including in senior executive roles. These measurable objectives align to the areas of: leadership; communication and education; system and process design; gender equality and equity; and Indigenous relations.

The status of each objective and specific actions taken during the reporting period are outlined below.

Element and objective		Status	Outcomes
1	**Leadership**		
1.1	Leadership engagement: engage senior leaders to take carriage of deploying diversity communication and education	Completed	• Undertook an extensive review of our Diversity Plan and consulted with leaders to inform a new diversity and inclusion strategy, BELONG, that supports Boral's sustainability goals. • Boral's EGM People and Culture (P&C) has been appointed as the Executive Sponsor for both the Gender Participation and the Reconciliation Action Group. • As part of Boral's celebration of International Women's Day 2022, the EGM P&C facilitated a workshop for our employees on how to improve inclusion and gender participation across our operations. • As part of our National Reconciliation Week campaign, Boral facilitated a discussion with our Aboriginal Affairs Manager on ways to engage Aboriginal and Torres Strait Islander communities on improving employment and commercial opportunities, and to better understand Aboriginal and Torres Strait Islander cultures.
2	**Communication and education**		
2.1	Education: develop a framework for diversity education to provide management with capability to lead and manage diversity and diverse teams	Ongoing	• Boral's Diversity Policy has been updated, outlining our commitment to build a diverse and inclusive workplace that supports everyone to belong. • Boral's leaders facilitated diversity and inclusion awareness campaigns including NAIDOC Week, International Women's Day, Ramadan, and National Reconciliation Week. Teams engaged with toolbox talks, webinarsand leaders stories to build knowledge and understanding of diversity and inclusion. • As part of our commitment to build a deeper respect for and understanding of Aboriginal and Torres Strait islander cultures we have rolled out cultural awareness education modules across the business.
2.2	Networking: establish networks, alumni and support groups across Boral to educate, support and engage employees	Ongoing	• Employee community groups, including Women Inspiring Success in Each Other (WISE) and the Aboriginal Community Network continued to connect and engage employees. • Performance indicators established to track, measure and report gender diversity to the Board. • A focus area was identified through analysing our recruitment metrics to increase the participation of women in critical operational roles.

Element and objective	Status	Outcomes
2.3 Track and report: develop key performance indicators to measure, track and report on change and progress	Ongoing	• As part of the Diversity Plan review, an extensive analysis of measures and actions against industry peers was undertaken to inform strategic priorities. • Boral reviews Workplace Gender Equality Agency's (WGEA) industry benchmarks to inform areas of priority and impact for gender diversity.
2.4 Benchmark: adopt external metric to measure and benchmark effectiveness of diversity strategy	Ongoing	
3 System and process design		
3.1 Search and selection: embed diversity principles in standardised recruitment	Ongoing	• Boral's Talent Acquisition team partnered with the business areas to provide equitable and gender-diverse shortlists. Advertisements have been amended to include gender-neutral language and benefits that appeal to a more diverse candidate pool.
3.2 Flexibility and flexible work practices: develop and implement policy, guidelines and education programs to improve flexibility and flexible work outcomes	Ongoing	• We have introduced Flex@Boral to help employees manage their work and home commitments.
4 Gender equality and equity		
4.1 Analysis: complete an analysis of Boral pay equity at least annually to monitor pay rates and identify issues	Ongoing	• Will review the annual gender remuneration gap analysis and report outcomes to the Board. • Conducted a deep analysis of pay rates across job families and job levels to determine areas of focus as part of our revised remuneration framework.
5 Indigenous relations		
5.1 Innovate Reconciliation Action Plan (RAP): progress the actionable commitments set out in the plan	Completed	• All 52 actionable Innovate RAP deliverables and commitments are on target or completed. • Continued our organisational learning, with acknowledgement of the local Custodians of the land displayed in our offices. • Nationally, our social procurement expenditure exceeded $5m, with over 45 Aboriginal and Torres Strait Islander suppliers engaged during the year.

Proportion of men and women in the workplace

As at 30 June 2023, the proportion of women employed by Boral is as follows:

- Board of Directors: 29%
- Senior Executives: 27%[1]
- Total Workforce: 14%

1. Senior Executives at Boral are defined as Executives reporting directly to the CEO – this group has increased from 10 to 11 hence the drop in % representation.

In accordance with the requirements of the Workplace Gender Equality Act 2012 (Cth), Boral submitted its Workplace Gender Equality Public Report with the Workplace Gender Equality Agency.

The report can be viewed at wgea.gov.au.

Dealings in Boral shares

Under Boral's Share Trading Policy, trading in Boral shares by Directors, senior executives and other designated employees and their close associates is restricted to the following trading windows:

- the 30 day period commencing 24 hours after the release of Boral's half year results announcement to the ASX
- the 30 day period commencing 24 hours after the release of Boral's full year results
- the 30 day period commencing 24 hours after the AGM, and
- any additional period designated by the Board (or its delegate) from time to time (for example, during a period of enhanced disclosure).

The policy precludes executives from entering into any hedge or derivative transactions relating to options or share rights granted to them as performance incentives, regardless of whether or not the options or share rights have vested.

Breaches of the policy are treated seriously and may lead to disciplinary action being taken against the executive, including dismissal.

Trading in Boral shares at any time is subject to the overriding prohibition on trading while in possession of inside information.

Boral's Share Trading Policy is available on Boral's website.

Directors' shareholdings

Under Boral's Constitution, Directors must hold a minimum of 1,000 ordinary shares in the Company.

To align the interests of non-executive Directors with the interests of our shareholders, the Board has minimum shareholding guidelines that encourage non-executive Directors to accumulate over time a holding of ordinary shares in the Company equivalent in approximate value to the gross annual base fee paid to each non-executive Director.

Under the guidelines, the minimum shareholding may be held directly or indirectly by a Director, and may be accumulated over a period of up to five years from the date of appointment.

The timeframe to allow Directors to build their minimum shareholding is a necessary reflection of the fact that Directors are very limited in the opportunities they have to acquire shares, given their exposure to price sensitive information regarding the Company.

Details of Directors' shareholdings in the Company are set out on page 70 of this Annual Report.

Continuous disclosure

The Company appreciates the importance of timely and adequate disclosure to the market. It is committed to making timely and balanced disclosure of all material matters, and maintaining effective communication with its shareholders and investors so as to give them ready access to balanced and understandable information.

The Company has in place mechanisms designed to ensure compliance with all relevant disclosure laws and ASX Listing Rule requirements under its Continuous Disclosure Policy. These mechanisms also ensure accountability at a senior executive level for that compliance.

The CEO & Managing Director, the Chief Financial Officer and the Company Secretary are responsible for determining whether or not information is required to be disclosed to the ASX. Announcements relating to significant matters, such as results, guidance to the market, major acquisitions or divestments, or other corporate matters that involve significant financial or reputational risk, are referred to the Board for approval, unless to do so is impractical in the circumstances (having regard to Boral's continuous disclosure obligations). In such cases, approval can be given by any two of the following officers: the CEO & Managing Director, the Chairman of the Board and the Chairman of the Audit & Risk Committee. The Company Secretary will endeavour to notify all other Directors of the possible disclosure considerations and invite them to participate in any discussions and disclosure decisions where possible. Directors are provided with copies of all announcements made pursuant to Boral's continuous disclosure obligations promptly after they have been made.

Boral's Continuous Disclosure Policy is available on Boral's website.

Process for verifying periodic corporate reports

The Company has an appropriate process for preparing, verifying and approving corporate reporting.

The process for verifying the integrity of periodic corporate reports is tailored based on the nature of the relevant report, its subject matter and where it will be published. Boral seeks to adhere to the following principles in respect of the preparation and verification of corporate reporting:

- Periodic corporate reports are prepared with appropriate input and oversight by relevant senior management and subject matter experts for the area being reported on.
- The relevant report and its supporting information is reviewed to ensure it is not inaccurate, false, misleading or deceptive.

Consistent with these principles, the non-audited sections of the Annual Report, Sustainability content and Corporate Governance Statement for the reporting period were prepared with input and oversight by relevant senior management and subject matter experts. These reports are reviewed and verified by relevant senior management prior to Board review and approval for release. ASX announcements (other than administrative announcements), are also reviewed and confirmed by relevant senior management, prior to Board review and approval for release.

Communications with shareholders

The Company's policy is to promote effective two-way communication with shareholders and other investors. This ensures they understand Boral's business, governance, financial performance and prospects, as well as how to assess relevant information about Boral and its corporate activities.

Investor relations	Boral has a dedicated investor relations capability that facilitates ongoing engagement with institutional shareholders, retail investor groups, analysts and proxy advisors. To encourage two-way communication, investor relations as well as the share registry can be contacted directly by shareholders by telephone or email. The links to these contacts are available on Boral's website at www.boral.com.
Annual reporting	Shareholders may elect to receive annual reports electronically or to receive notifications via email when reports are available online. Hard copy annual reports are provided to those shareholders who specifically elect to receive them.
Company announcements	All formal reporting and Company announcements made to the ASX are published on Boral's website after confirmation of lodgement has been received from the ASX. Furthermore, Boral also has an email list of investors, analysts and other interested parties who are sent relevant announcements via email alert after those announcements have been lodged with the ASX. Announcements are also sent to major media outlets and newswire services for broader dissemination. All new and substantive investor or analyst presentations are released on the ASX ahead of the presentation.
General meetings	Boral encourages shareholders to participate in all general meetings, including annual general meetings. All substantive resolutions at general meetings are decided by poll. Shareholders are entitled to ask questions about the management of the Company and of the auditor as to its conduct of the audit and preparation of its reports, the accounting policies adopted by the Company in relation to the preparation of the financial statments of the Company, and the independence of the external auditor in relation to the conduct of the audit. Notices of Meeting are accompanied by explanatory notes to provide shareholders with information that enables them to decide how to vote on the business of the meeting. Full copies of Notices of Meeting and explanatory notes are posted on Boral's website. If shareholders are unable to participate in general meetings, they may vote by appointing a proxy.

Boral's Stakeholder Communications Policy is available on Boral's website.

Conclusion

While the Board is satisfied with its level of compliance with governance requirements, it recognises that practices and procedures can always be improved. Accordingly, the corporate governance framework of the Company will be kept under review to take account of changing standards and regulations.

The Directors of Boral Limited (the Company) report on the consolidated entity, being the Company and its controlled entities ('the Group' or 'Boral') for the financial year ended 30 June 2023.

(1) Review and results of operations

Information on the operations and financial position of Boral is set out in our operating and financial review (OFR), which comprises pages 37-40 of the Annual Report and forms part of this Directors' Report.

(2) State of affairs

The OFR sets out a number of matters that have had a significant effect on the Group's state of affairs during the year, including that the Group reported a net profit after tax (NPAT) excluding significant items of $142.7 million for the year ended 30 June 2023. Significant items, as detailed in note 2.1 to the financial statements, totalled an after-tax gain of $5.4 million, resulting in a statutory profit after tax of $148.1 million.

(3) Principal activities and changes

Boral's principal activities are the manufacture and supply of building and construction materials in Australia.

(4) Events after end of financial year

Note 8.2 of the financial statements sets out the events that occurred subsequent to year end. Other than the matters disclosed, there are no matters or circumstances that have arisen since the end of the year that have significantly affected, or may significantly affect Boral's:

- operations in future financial years
- results of those operations in future financial years, or
- state of affairs in future financial years.

(5) Likely developments, business strategies, prospects and risks

Likely developments, business strategies and prospects

The OFR refers to likely developments in Boral's operations in future financial years and the expected results of those operations. Other than the information set out in the OFR, information regarding other likely future developments in Boral's operations and the expected results of those operations has not been included in the Directors' Report.

The OFR sets out information on Boral's business strategies and prospects for future financial years. This information has been provided to enable shareholders to make an informed assessment of our business strategies and future prospects.

While the Company continues to meet its obligations in respect of continuous disclosure, we have not included information where it would be likely to result in unreasonable prejudice to Boral. This includes information that is commercially sensitive, is confidential or could give a third party a commercial advantage (for example, details of our internal budgets and forecasts).

Risks

The achievement of Boral's future prospects may be adversely impacted by several material risks, some of which are beyond our control. These business risks and Boral's approach to managing them are set out in the Our risks and responses section (pages 42-47), as well as in the Our sustainable business framework (pages 19-36) of this Annual Report. The Group's broader risk identification and management framework is also set out in the Corporate Governance Statement on pages 54-66 of this Annual Report. Those sections address the material business risks, including:

- health, safety and environment
- workforce, culture and engagement
- social, legal and compliance
- supply chain and cost management
- competition and customer
- transition to a low-carbon economy
- weather and physical climate impacts
- market and industry
- financial and capital management, and
- operations and technology – business interruptions.

Forward looking statements

This report contains forward looking statements, including statements of current intention, opinion and expectation regarding the Company's present and future operations, possible future events and future financial prospects. These forward looking statements are based on the information available as at the date of this report and they are, by their nature, subject to significant uncertainties, many of which are outside the control of the Company. Actual results, circumstances and developments may differ materially from those expressed or implied, and Boral cautions against reliance on any forward looking statements in this report.

(6) Environmental performance

Details of Boral's performance in relation to environmental regulation are set out on page 36 of the Sustainability overview in this Annual Report.

(7) Other information

Other than information in the Annual Report, there is no information that shareholders of the Company would reasonably require to make an informed assessment of:

- the operations of Boral
- the financial position of Boral, and
- Boral's business strategies and prospects for future financial years.

(8) Dividends paid or resolved to be paid

The Board has resolved not to pay a dividend for FY23.

(9) Names of Directors

The names of persons who have been Directors of the Company during or since the end of the year are:

Ryan Stokes	Mark Johnson
Vik Bansal	Paul Rayner
Jacqueline Chow	Richard Richards
Rob Sindel	Zlatko Todorcevski
Karen Moses	

Zlatko Todorcesvski retired as a Director on 7 October 2022 and Paul Rayner retired as a Director on 30 June 2023.

Directors have otherwise been Directors of the Company at all times during and since the end of the year.

(10) Options

Boral has no outstanding options granted over unissued shares of the Company, no options that lapsed during the year and no shares of the Company were issued during the year as a result of the exercise of options.

(11) Indemnities and insurance for officers and auditors

During or since the end of the year, Boral has not given any indemnity to a current or former officer or auditor against a liability or made any agreement under which an officer or auditor may be given any indemnity of the kind covered by subsection 199A(2) or (3) of the Corporations Act 2001 (Cth) (Corporations Act).

During the year, Boral paid premiums in respect of Directors' and Officers' Liability and Legal Expenses insurance contracts for the year ended 30 June 2023. Since the end of the year, Boral has paid, or agreed to pay, premiums in respect of such contracts for the year ending 30 June 2024.

The insurance contracts insure against certain liability (subject to exclusions) in respect of persons who are or have been Directors or officers of the Company and its controlled entities. A condition of the contracts is that the nature of the liability indemnified and the premium payable not be disclosed.

(12) Directors' qualifications, experience, special responsibilities and directorships of other listed companies in the last three financial years

Each Director's period in office, qualifications, experience and special responsibilities are set out on page 48-50 of the Annual Report.

Details for each Director of all directorships of other listed companies held at any time in the three years before the end of the financial year and the period for which such directorships have been held are:

Ryan Stokes
Seven Group Holdings Limited since 2010 (current)
Seven West Media Limited since 2012 (current)
Beach Energy Limited from July 2016 to November 2021, an alternate Director from December 2021 to July 2023 and reappointed as a Director in July 2023 (current)

Zlatko Todorcevskii

Coles Group Limited from November 2018 to September 2020
Star Entertainment Group Limited from May 2018 to August 2020
Adelaide Brighton Limited from March 2017 to June 2020

Vik Bansal
LGI Limited Chairman since April 2021 (current)

Jacqueline Chow
Coles Group Limited from November 2018 (current)
nib Holdings since April 2018 (current)
Charter Hall Group since February 2021 (current)

Mark Johnson
Metcash Limited since July 2022 (current)
Goodman Group Limited since June 2020 (current)
G8 Education Limited from January 2016 to November 2021
Coca Cola Amatil from December 2016 to May 2021

Karen Moses
Orica Limited since July 2016 (current)
Charter Hall Group since September 2016 (current)

Paul Rayner
Qantas Airways Limited from July 2008 to November 2021
Treasury Wine Estates Limited since May 2011 (current)

Richard Richards
Beach Energy Ltd since February 2017 (current)

Rob Sindel
Orora Limited since March 2019 and appointed Chair in February in 2020 (current)
Mirvac Limited since September 2020 and appointed Chair in January 2023 (current)

(13) Meetings of Directors

The number of meetings of the Board of Directors and each Board Committee held during the year and each Director's attendance at those meetings, are set out below.

	Board of Directors		Audit & Risk Committee		Remuneration & Nomination Committee		Health, Safety & Environment Committee		Independent & Related Party Committee	
	Meetings held while a Director	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended
Ryan Stokes AO	8	8	–	–	4	4	3	3	–	–
Jacqueline Chow	8	8	4	4	–	–	3	3	1	1
Mark Johnson	8	8	4	4	4	4	–	–	1	1
Karen Moses	8	8	4	4	–	–	3	3	1	1
Paul Rayner	8	7	4	4	–	–	–	–	1	1
Richard Richards	8	8	4	4	–	–	3	3	–	–
Rob Sindel	8	8	–	–	4	4	–	–	1	1
Vik Bansal	6	6	–	–	–	–	2	2	–	–
Zlatko Todorcevski	2	2	–	–	–	–	1	1	–	–

The Chairman and the CEO & Managing Director attend all Board and committee meetings.

Company Secretary

Peter Lim was appointed Company Secretary in April 2023 and also holds the position of Interim General Counsel. He has previously been general counsel and company secretary for other ASX listed entities. He holds a combined Law and Commerce degree from the University of NSW and is a graduate of the INSEAD Advanced Management Program.

(14) Directors' shareholdings

Set out below are details of each Director's relevant interests in the shares and other securities of the Company as at the date of this report.

	Shares	Non-executive Directors' Share Plan[a]
Jacqueline Chow	21,000	–
Mark Johnson	20,000	–
Karen Moses	45,582	–
Paul Rayner	169,835	2,597
Rob Sindel	71,060	–
Richard Richards*	1,000	–
Ryan Stokes*	1,000	–
Vik Bansal[b]	–	
Zlatko Todorcevski[c]	190,464	–

* While Mr Stokes does not hold a relevant interest in other Boral shares, he was nominated as a director by Boral's largest shareholder Seven Group Holdings Limited (SGH) and related corporations that collectively have a relevant interest in 72.6% of Boral shares. He is Managing Director and Chief Executive Officer of SGH. Mr Richards was also nominated as a director by SGH. He is the Chief Financial Officer of SGH.

Shares or other securities with rights of conversion to equity in the Company or in a related body corporate are not otherwise held by any Director of the Company:

a Shares in the Company allocated to the Director's account in the non-executive Directors' Share Plan. Directors will only be entitled to a transfer of the shares in accordance with the terms and conditions of the Plan. No shares were allocated to non- executive Directors during FY23.

b Vik Bansal holds 1,074,491 Boral Performance Rights under Boral's Equity Incentive Plan, details of which are set out in the Remuneration Report.

c Zlatko Todorcevski holds 326,241 Boral Performance Rights under Boral's Equity Incentive Plan, details of which are set out in the Remuneration Report.

No officers are former auditors

No officer of the Company has been a partner in an audit firm, or a Director of an audit company, that is an auditor of the Company during the year or was such a partner or Director at a time when the audit firm or the audit company undertook an audit of the Company.

(16) Non-audit services

Amounts paid or payable to Boral's auditor, Deloitte, for non-audit services provided during the year by Deloitte totalled $163,000.

The non-audit services provided were pre-existing arrangements in place before Deloitte was appointed as the auditor of the Company at the Annual General Meeting on 28 October 2021. The fees relate to non-recurring, permissible non-audit services, with the most significant relating to specific taxation matters in respect of the various divestments of the US discontinued businesses.

The services were discussed with the Audit & Risk Committee at the time of the appointment of Deloitte as auditor of the Company. In accordance with advice from the Company's Audit & Risk Committee, the Directors are satisfied that the provision of the above non-audit services during the year by the auditor is compatible with the general standard of independence for auditors, as imposed by the Corporations Act 2001 and APES 110 Code of Ethics for Professional Accountants because:

- Directors are not aware of any reason to question the auditor's independence declaration under section 307C of the Corporations Act
- the nature of the non-audit services provided is not inconsistent with the requirements of the Corporations Act, and
- provision of the non-audit services is consistent with the processes in place for the Audit & Risk Committee to monitor the independence of the auditor.

(17) Auditor's Independence Declaration

The auditor's independence declaration made under section 307C of the Corporations Act is set out on page 72 of the Annual Report and forms part of this report.

(18) Remuneration Report

The Remuneration Report is set out on pages 73-93 of this Annual Report and forms part of this report.

(19) Proceedings on behalf of the Company

No application under section 237 of the Corporations Act has been made in respect of the Company, and there are no proceedings that a person has brought or intervened in on behalf of the Company under that section.

(20) Rounding of amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016.

Signed in accordance with a resolution of the Directors.

Ryan Stokes AO
Chairman

10 August 2023

Lead Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia

Phone: +61 (0) 2 9322 7000
www.deloitte.com.au

The Board of Directors
Boral Limited
T2 / 39 Delhi Road
North Ryde NSW 2113

10 August 2023

Dear Board Members

Auditor's Independence Declaration to Boral Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Boral Limited.

As lead audit partner for the audit of the financial report of Boral Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

2023 Remuneration Report

Message from the Chairman of the Remuneration & Nomination Committee

Dear Shareholders,

I am pleased to present Boral's 2023 Remuneration Report (the Report) on behalf of the Remuneration & Nomination Committee (the Committee) of the Board.

The past year at Boral has seen many changes, with a new CEO, Mr Vik Bansal, commencing on 10 October 2022 and new CFO, Ms Belinda Shaw, starting on 30 January 2023. In addition, a refreshed Executive Committee comprising senior executives is now in place and has acted quickly to align the business to a new operating model.

This operating model is grounded in providing clarity on individual responsibility and management expectations. This is to ensure organisational alignment and provide clear accountability for financial, team and individual performance, including a focus on how we can simplify and standardise activities across our different product segments. It is the view of the Board and senior leadership that this model will provide competitive advantage and will ensure we deliver for our customers.

Our operating landscape continues to be challenging. The effects of the COVID-19 pandemic are no longer impacting the organisation as in previous years, however, inflationary pressures are impacting our business and supply chain. Despite this, Boral's leadership teams and our people have shown exceptional resilience, continuing to focus on executing our strategy while ensuring the safety of each other. We continue to maintain a clear focus on improving our customer service and standardising processes.

Remuneration in 2023

As a result of the prevailing market conditions and current business performance the Board applied a responsible and targeted approach to fixed remuneration increases across Boral in 2023.

A new short term incentive (STI) plan was developed and rolled out to participating executives during the year. The new plan defines clear accountabilities for all participants, which are aligned to organisational goals and the individual's ability to impact them. All KPIs and metrics are directly related to one or more aspects of People, Environment, Markets, Assets and Financial outcomes (PEMAF).

Following the suspension of the long term incentive (LTI) in 2022 an award of LTI was made to a targeted group of key executives during 2023.

Remuneration in FY24

The Committee's focus on ensuring our people are appropriately and responsibly remunerated will continue in FY24. The Committee is also overseeing (with management) a cultural improvement program, which is focused on improving employee engagement, personal ownership of decisions and business performance.

The STI plan directly links short term variable reward to business results and individual performance of the participant, aligning the business strategy and operating budgets. This, coupled with our LTI award, aligns executives to the overall business performance in a detailed way.

Boral remains committed to a strong alignment between executive pay and shareholder value. We continue to actively engage with our shareholders and proxy advisors to maintain a deep understanding of shareholder views and priorities, and to continually monitor and improve our remuneration practices. We are committed to remuneration arrangements that are aligned with shareholder expectations and are consistent with the leading practices in Australia.

Rob Sindel
Chairman, Remuneration & Nomination Committee and Lead Independent Director

Remuneration Report

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Section 1:
Who is covered by this Report

Contents

The Directors of Boral Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2023 (FY23). This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report sets out remuneration information for the Company's Key Management Personnel (KMP).

The table below details the KMP for FY23.

Name	Position
Senior executives	
Vik Bansal	Chief Executive Officer & Managing Director (appointment as CEO and Managing Director effective 10 October 2022)
Belinda Shaw	Chief Financial Officer (CFO) (appointed on 30 January 2023)
Former senior executives	
Zlatko Todorcevski	Chief Executive Officer & Managing Director (CEO) (ceased as KMP on 7 October 2022)
Jared Gashel	Acting Chief Financial Officer (ACFO) (ceased as KMP on 27 January 2023)
Non-executive Directors	
Ryan Stokes	Chairman and non-executive Director
Jacqueline Chow	Non-executive Director
Mark Johnson	Non-executive Director
Karen Moses	Non-executive Director
Paul Rayner	Non-executive Director
Richard Richards	Non-executive Director
Robert Sindel	Non-executive Director

Section 2:
Our remuneration approach

Priorities in FY23

Our remuneration priorities in FY23 were characterised by clearly defined strategies and targets driven by the changing business environment and the implementation of a new operating model. A renewed STI plan was approved by the Board, ensuring a direct link between business performance, executive accountability and reward.

Our senior executives focused on:

- Improving our safety performance, ensuring safety is paramount for all employees
- Implementing a new operating model underpinned by the following key principles:
  - Decentralised but standardised
  - Strong alignment in strategy execution across the organisation, and
  - Individuals and teams having clarity on their accountabilities and the roles they play
- Disciplined capital management in line with our renewed philosophy of financial management and reporting, and
- Exploring approaches to expand our competitive advantage through enhanced sustainability, decarbonisation and recycling plans.

Executive remuneration

The Committee supports the Board in assessing whether adjustments to remuneration policy are required to take into account the changing nature of our business and the environment in which we operate, including Boral's stakeholder expectations and market practice. The Committee supported the Board in responding to the challenges of FY23 by:

- taking decisive action regarding people and remuneration
- adopting remuneration arrangements that reward performance while recognising current market challenges, and
- adjusting the approach to executive remuneration in response to our current operating environment,

The Committee continued to listen to shareholders and responded to feedback and concerns which focused on:

- aligning executive remuneration and outcomes with the experiences and expectations of shareholders
- improving the clarity and transparency of remuneration disclosures, and
- using an approach to Short Term Incentive (STI) and Long Term Incentive (LTI) plans that continues to recognise and achieve an appropriate balance between executive and shareholder interests.

FY23 in review

The following table sets out the Committee's areas of focus and work in FY23.

Onboarding of new senior executives	The Committee focused on ensuring that the newly appointed senior executives were successfully onboarded so that they could be effective immediately.
Embedding the new operating model	It was a priority to ensure the new operating model was implemented quickly and effectively.
Renewed STI Plan	In FY23 a new STI Plan was introduced that was closely aligned to the new operating model and the underlying financial management philosophy to ensure understanding and clarity of accountabilities for participants.
Relaunch of LTI Plan	An award of LTI was made in FY23, following the suspension of the award in FY22, to focus senior executives and other selected executives on the performance of the business and to ensure shareholder return.

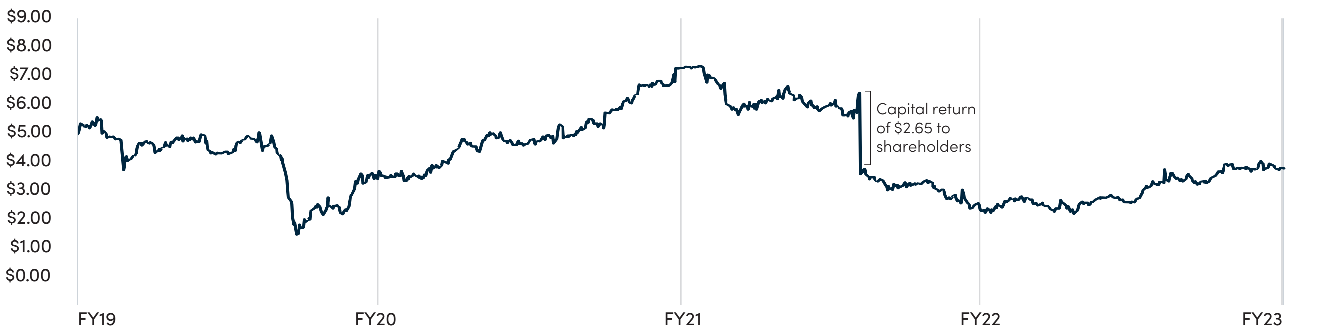
Section 3:
FY23 performance and actual pay received

Boral's FY23 results reflect strong financial performance of the streamlined and refocused Australian operations following the divestment of non-core assets and business in FY22.

Boral reported a statutory net profit after tax (NPAT) of $158.0 million for the full year ended 30 June 2023 compared to a loss of $17.0 million in FY22 for the continuing operations. On the same basis, NPAT before significant items of $142.7 million, was up 304.2% on the prior year.

Financial performance	FY19	FY20	FY21	FY22	FY23
Earnings per share[1] (cents)	35.7	14.5	20.6	13.6	12.9
Dividends per share (cents)	26.5	9.5	0	7.0	0
Return on equity[1] (%)	7.2	3.9	5.8	7.9	7.0

Boral share price



Boral's performance and STI awards

EBIT performance

Boral uses EBIT before significant items (EBIT) to effectively align rewards for senior executives with a focus on delivering strong earnings through the business cycle. This recognises the importance of ensuring that the level of payments received reflects performance achieved. Year on year, EBIT[1] targets for the STI have been set at challenging levels against our budget.

For FY23, Boral reported EBIT[1] of $231.5 million, which was $119.3 million or 106.3% higher than the prior year (for continuing operations). This increase in EBIT reflects strong financial performance resulting from implementation of the new operating model which yielded an uplift in operating efficiency, and improved cost outcomes.

STI payments over the past five years represent the combined impacts of cyclical challenges, and the disruptive post-pandemic operating environment which included extreme weather events, and sharp increases in energy costs. Over this five-year period (FY19 to FY23), FY23 is the first year in which Boral has achieved STI outcomes above threshold.

Senior executive historical STI as percentage of target outcomes

Year	FY19	FY20	FY21	FY22	FY23
(% of target)	1.1%	0.0%	0.0%	0.0%	127.0%

STI awards in FY23 reflect Boral's achievement of a 106.3% increase in EBIT before significant items, which equated to 119.3% of the EBIT target set by the Board at a Group level.

STI payments for FY23 were as follows:

- the CEO received an STI of $1.505m, representing 139.2% of his target STI and 92.8% of his maximum STI, with 50% of this amount paid in cash and 50% deferred into equity for two years
- the CFO received a total STI of $267,110, representing approximately 95.7% of her maximum STI, with 50% deferred into equity for two years.

See further details in Section 4.

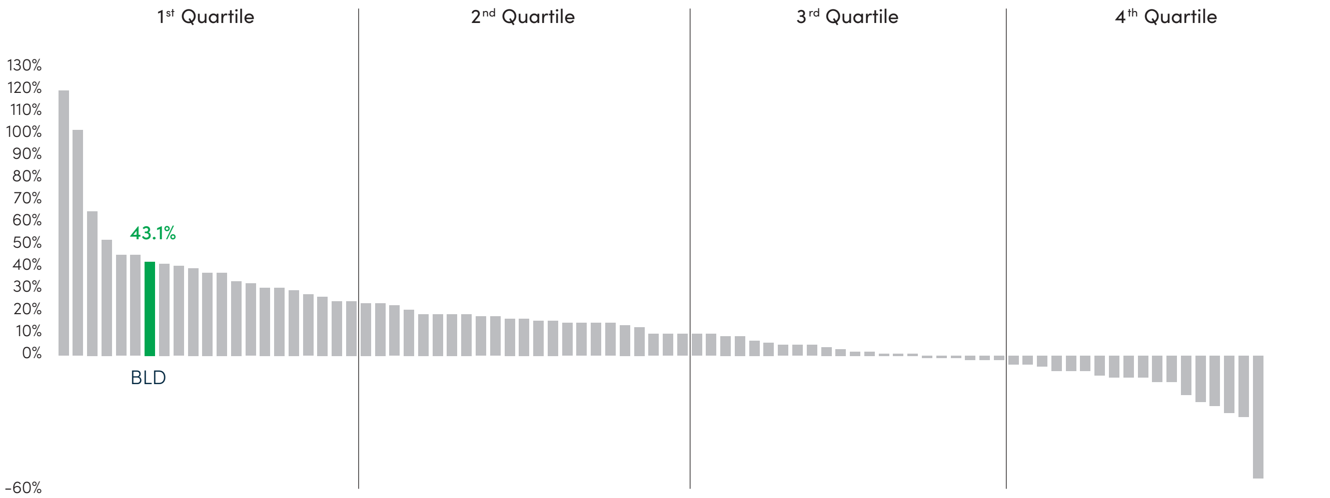
1. Excludes significant items: significant items are detailed in note 2.1 of the financial statements.

Boral's performance and LTI awards

Total Shareholder Returns performance in FY23

Boral's relative TSR performance increased substantially in FY23. Factoring in share price, and dividends paid, Boral delivered a return of 43.1% for shareholders between 1 July 2022 and 30 June 2023, against a return of negative 30.0% in FY22. This TSR ranked Boral above the 92nd percentile (92.77) of the comparator group of S&P/ASX 100 companies for FY23 (9th percentile for FY22).

FY23 Total Shareholder Return (TSR) for Boral vs. S&P/ASX 100 companies

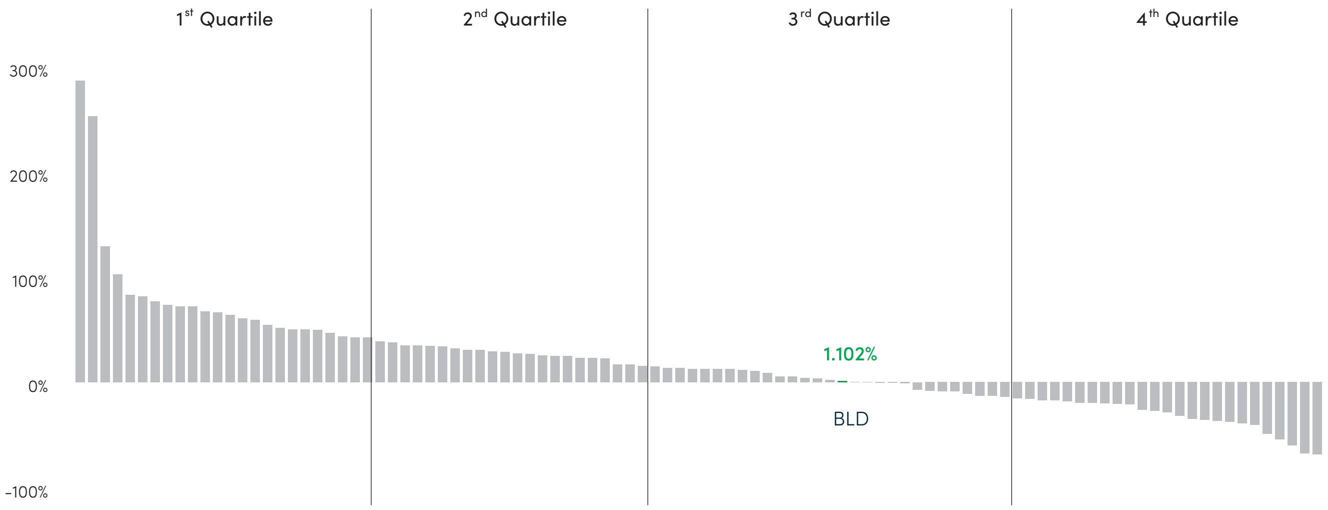


Note: Franking credits are included in TSR calculations.

Total Shareholder Returns over three years

Over the three year period from September 2019 to September 2022, Boral's TSR of 1.102% was just above the 38th percentile (38.38) of the Company's TSR comparator group, resulting in 0% of the TSR component of the 2019 LTI grant vesting.

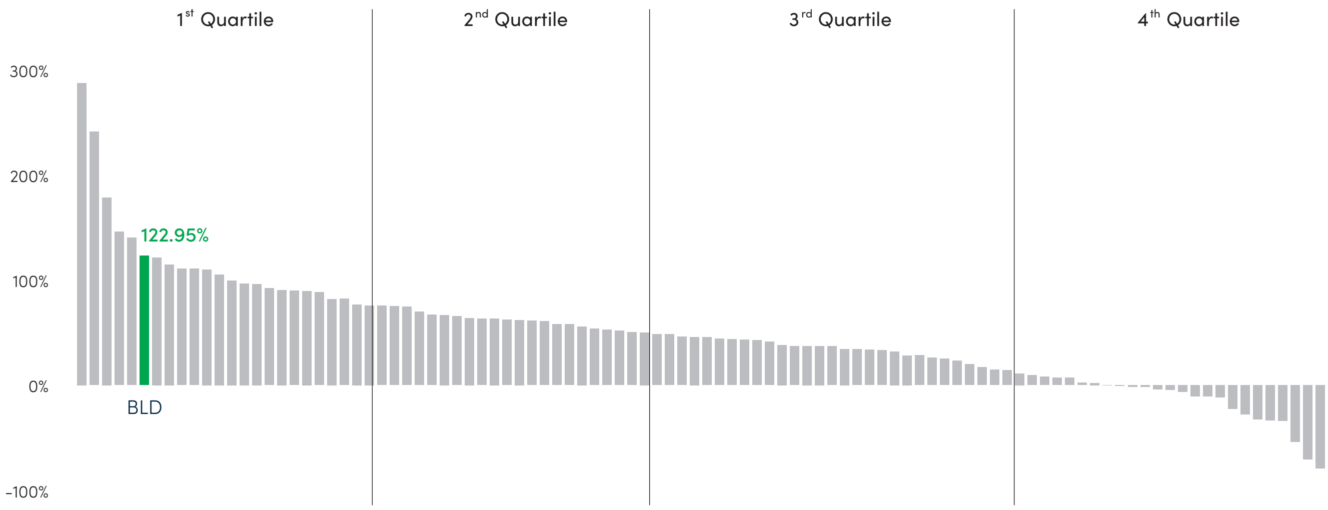
TSR for Boral vs S&P/ASX 100 companies: Sept 2019 to Sept 2022



Note: Franking credits are included in TSR calculations

The board approved early testing of the LTI granted in September 2020 based on final results being known as at 30 June 2023. Over the three year period from June 2020 to June 2023, Boral's TSR of 122.95% was just above the 94th percentile (94.95) of the Company's TSR comparator group.

TSR for Boral vs S&P/ASX 100 companies: Sept 2020 to Sept 2023



Note: Franking credits are included in TSR calculations

Return on Funds Employed (ROFE) performance

The use of ROFE[1] is designed to test the efficiency and profitability of the Company's capital investments. It links executive rewards to the achievement of improved ROFE performance and a long-term goal of ROFE exceeding the cost of capital through the cycle.

Boral's ROFE performance was 10.4% in FY23, as measured by EBIT[1] return on average funds employed.

LTI	2019 LTI
Further details in Section 4	Vesting for the 2019 LTI was based on performance against the relative TSR hurdle (two-thirds of the grant) and the ROFE hurdle (one-third of the grant). Relative TSR performance outcome was 38.38% against other ASX100 companies in the comparator group, resulting in 0% of the TSR component of the 2020 LTI grant vesting. The ROFE target was not met. Based on these outcomes, no portion of the 2019 LTI vested.
	2020 LTI
	Performance of the 2020 LTI awards against the relative TSR hurdle (two-thirds of the grant) and the ROFE hurdle (one-third of the grant) was tested as at 30 June 2023, and the Board approved vesting/lapsing of rights prior to the normal testing date of 1 September 2023. Following testing of both LTI components, the Board applied discretion to reduce the overall 2020 LTI vesting outcome to 66.7%.

Fixed Annual Remuneration (FAR) outcomes

The key remuneration outcomes for Boral's senior executives in FY23 are outlined below.

Component	Outcomes
FAR *Further details in Section 4*	The Board applied a responsible and targeted approach to remuneration increases for all executives and employees in FY23.

1. ROFE for remuneration purposes is EBIT (excluding significant items) return on average funds employed. Funds employed is calculated as the average of funds employed at the start and end of the year.

Actual remuneration for FY23

The remuneration outcomes table below has been prepared to provide shareholders with a view of remuneration that was actually paid to senior executives for FY23. The Board believes that presenting information this way provides shareholders with increased clarity and transparency. Remuneration details, prepared in accordance with statutory obligations and accounting standards, are contained in Section 7 of this Report.

FY23 remuneration cash outcomes table

					Other benefits							
A$'000s	Year	Fixed rem (cash)[a]	STI (Cash)[b]	Discretionary award (cash)	Contractual separation payment	Superannuation or pension payments	Other cash allowances and benefits[c]	Other non-cash[d]	FBT	Total	STI deferral from prior years (vested in period)[e]	LTI (vested in period)[f]
Vik Bansal[1]	2023	1,076.8	752.8	–	–	19.0	–	–	–	1,848.6	–	–
Belinda Shaw[2]	2023	307.5	133.6	–	–	12.6	–	–	–	453.7	–	–
Zlatko Todorcevski[3]	2023	505.9	–	–	1,874.7	12.6	–	–	–	2,393.2	–	3,516.8
Jared Gashel[4]	2023	222.7	–	–	–	16.6	–	–	–	239.3	–	99.0
Total	**2023**	**2,112.9**	**886.4**	**–**	**1,874.7**	**60.8**	**–**	**–**	**–**	**4,934.8**	**–**	**3,615.8**

Ref	Item	Notes relating to the FY23 remuneration cash outcomes table
a	Fixed remuneration (cash)	Fixed remuneration (cash) is cash salary paid to the senior executive for their period as a KMP. Fixed remuneration for Vik Bansal is for the period from 10 October 2022 to 30 June 2023. Fixed remuneration for Belinda Shaw is for the period from 30 January 2022 to 30 June 2023. Fixed remuneration for Zlatko Todorcevski is for the period from 1 July 2022 to 7 October 2022. Fixed remuneration for Jared Gashel is for the period from 1 July 2022 to 27 January 2023. Fixed remuneration for Darren Schulz is for 1 July 2022 only.
b	STI (cash)	Represents the cash portion of STI received in respect of FY23, being 50% of the total STI award.
c	Other cash allowances and benefits	Other cash allowances and benefits, other non-cash benefits and associated fringe benefits tax (FBT) are not taken into account for the purposes of calculating an executive's STI or LTI opportunity.
d	Other non-cash	Other non-cash comprises non-monetary benefits, including medical cover, life and disability insurance, and parking. These amounts are not taken into account for the purposes of calculating an executive's STI or LTI opportunity.
e	STI deferral	No STI deferral vested in 2022.
f	LTI	The LTI granted in September 2019 did not vest on 1 September 2022. Vesting for the FY20 awards was approved by the Board for based on TSR and ROFE testing results as at the end of the performance period, being 30 June 2023. The value of LTI vesting is calculated by taking the VWAP of Boral shares on the ASX during the 5-day trading period up to and including 30 June 2023 being $3.9823 per right.

1. Vik Bansal commenced as Boral's Chief Executive Officer, effective 10 October 2022.
2. Belinda Shaw commenced as Boral's Chief Financial Officer, effective 30 January 2023.
3. Zlatko Todorcevski ceased as Boral's Chief Executive Officer, effective 7 October 2022.
4. Jared Gashel ceased as KMP and Boral's Acting Chief Financial Officer, effective 27 January 2023. Termination payment of $310,577 in satisfaction of Jared Gashel's entitlements under the employment agreement and Boral's redundancy policy but not including any accrued but untaken statutory leave entitlements.

Section 4:
Remuneration framework for FY23

Remuneration strategy

Boral's remuneration strategy and framework provides the foundation for how remuneration is determined and paid. The chart below summarises Boral's remuneration strategy for FY23, including details of Boral's Remuneration Principles

REMUNERATION STRATEGY
Align reward to business strategy and shareholder value creation **Attract and retain high-performing employees with market-competitive and flexible reward**

REMUNERATION PRINCIPLES		
ALIGNED TO SHAREHOLDERS Short and long-term incentives are based on performance measures designed to drive sustainable value creation for shareholders	MARKET COMPETITIVE High-performing employees with the ability to deliver required financial and non-financial outcomes are attracted and retained with fixed remuneration that reflects role seniority and complexity, and with variable reward opportunities that reflect performance	LINKED TO BUSINESS CONDITIONS At-risk reward outcomes reflect financial and non-financial performance objectives

The strategy has guided the way remuneration has been set for senior executives for FY23, as outlined in the following pages.

FY23 Executive remuneration framework components

Component	Delivery	Year 1 – Year 3
FAR	Base salary, non-cash benefits (including any fringe benefits tax) and superannuation paid during the financial year	
STI	Annual at-risk incentive in which, for KMP, 50% of the STI is delivered in cash and 50% is deferred in Performance Rights	Deferred STI vests after two years
LTI	Equity awards that are subject to the satisfaction of long-term performance conditions 100% is delivered as Performance Rights	For awards up to and including the FY21 award two-thirds of the LTI vests after three years based on TSR performance compared to a selected group of comparator companies; for the FY23 award TSR comprises 100% For awards up to and including the FY21 award one-third of the LTI vests after three years based on achieving ROFE targets set by the Board; for the FY23 award there is no ROFE component

Remuneration framework details

Remuneration strategy	Description
FAR	
Attract and retain high-calibre employees with a market competitive and flexible reward. Boral benchmarks the remuneration of its executives against comparator companies of a similar size (referencing market capitalisation and revenue, as applicable) and within similar industries (focusing on industrial and materials sector entities).	Considerations in setting FAR are: • position responsibilities and financial impact • the individual's knowledge, skills and experience, and • market practice for companies of similar size and complexity to Boral.

STI

STI rewards for achievement of financial performance over one year. In FY23, a new STI plan was approved by the Board. The new plan defines clear and relevant accountabilities for all participants, which are aligned to organisational goals and the individual's ability to impact them. All KPIs and metrics are directly related to one or more aspects of people, environment, markets, assets and financial outcomes.

STI hurdles

The financial targets for senior executives comprise Group EBIT[1] (20%), Group Net Revenue (15%) and Group ROFE (15%). Other targets are related to safety, cash conversion, pricing and costs savings. Performance at the end of the financial year is measured against these predetermined targets established as part of the Group's annual budget and strategic planning process. The individual STI payments may be modified at the discretion of the Board based on individual performance, from zero to a maximum of 150% for the CEO and zero to 120% for the CFO. No STI awards are made if the relevant gateway EBIT performance threshold hurdle is not met.

EBIT targets are considered to be commercial-in-confidence and are therefore not disclosed in the interests of shareholders.

The Board retains discretion to adjust STI outcomes up or down to ensure consistency with the Company's remuneration philosophy, to prevent any inappropriate reward outcomes, including in the event of a seriously negative safety issue, and to maintain alignment with the shareholder experience before the final award is determined.

STI deferral

Deferring 50% of the awarded STI over two years is considered necessary by the Board to promote sustainability of annual performance over the medium term, to provide executives with additional share price exposure and to facilitate the Board's ability to exercise malus or clawback provisions, should this be required.

Target and maximum STI opportunities, as a percentage of FAR for senior executives, are outlined below.

Position	Target	Maximum
CEO	100%	150%
CFO	75%	90%

When measuring EBIT, significant items are generally excluded on the basis that STI outcomes should reflect performance during the relevant period and should not be skewed upwards (or downwards) due to one-off investments or decisions in prior performance periods.

The Board, supported by the Remuneration & Nomination Committee and the Audit & Risk Committee, reviews the treatment and classification of significant items for remuneration purposes when reviewing the appropriateness of reward outcomes.

2023 outcomes

FY23 STI awards for both the CEO and CFO reflect Boral's achievement of strong EBIT performance during the period, which exceeded the Group's target by 19.7% of overall, and approached stretch performance (whereby maximum outcome is achieved at 120% of the target).

The outcome for the CEO of $1.505m, represents 139.2% of his target STI and 92.8% of his maximum STI, with 50% of this amount paid in cash and 50% deferred into equity for two years. The CFO received a total STI of $267,000, representing approximately 95.7% of her maximum STI, with 50% deferred into equity for two years.

1. Excludes significant items: significant items are detailed in note 2.1 of the financial statements.

Remuneration strategy | **Description**

LTI

LTI links long-term executive rewards with the sustained creation of shareholder value through allocation of equity awards subject to long-term performance conditions.

TSR

TSR measures the compound growth in the Company's TSR over the performance measurement period compared to the TSR performance over the same period of a comparator group comprised of entities within the S&P/ASX 100 Index, excluding companies classified as Financials under the Global Industry Classification Standard (Index).

In considering selection of the TSR comparator group, the Board determined there were an insufficient number of direct ASX company comparators to produce a meaningful bespoke peer group.

The Board believes that a relative TSR hurdle measured against constituents of an ASX index ensures alignment between comparative shareholder return and reward for the executive, and provides reasonable alignment with diversified portfolio investors.

For FY23, senior executives were eligible to participate in the LTI award as per the details below.

CEO	100% FAR
CFO	60% of FAR

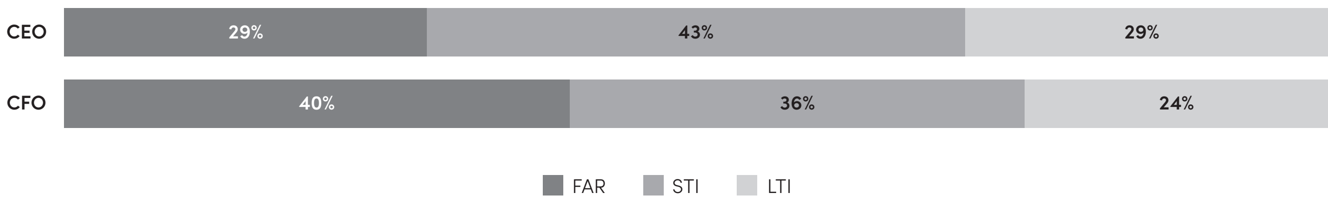
The award has one performance hurdle of relative TSR as measured against the S&P/ASX 100 Index, excluding companies classified as Financials under the Global Industry Classification Standard (Index). The performance period is the three year period commencing on July 2022.

The TSR vesting schedule to be applied for the FY22 LTI grant is:

If at the end of the period, the TSR of the Company:	Proportion vesting
is below the 51^{st} percentile	0%
is at the 51^{st} percentile	50%
is between the 51^{st} and 75^{th} percentile	Pro-rata vesting from 50% to 100%
reaches or exceeds 75^{th} percentile	100%

Total remuneration

Boral's remuneration mix is set to balance the need to attract and retain high-calibre talent, reflecting the Board's commitment to performance-based reward. Total maximum remuneration mix for FY23 is shown below, reflecting the remuneration mix should all performance hurdles at maximum be met in full.



Section 5: Remuneration governance

Roles and responsibilities

The table below outlines the roles and responsibilities of the Board, the Committee and management in relation to Board and KMP remuneration.

The Board	The Committee	Management
• Approving remuneration arrangements for the CEO, other senior executives and non-executive Directors • Monitoring the performance of senior executives	• Recommending remuneration and incentive policies and practices • Recommending remuneration arrangements for the CEO • Recommending remuneration arrangements for other KMP	• Preparing recommendations and providing supporting information for the Committee's consideration • Implementing approved incentive policies and practices

Open lines of communication exist between all of Boral's Board Committees. For example, in FY23, the Committee was supported by the Audit & Risk Committee in reviewing the calculation of ROFE relative to WACC.

These open lines of communication are intended to prevent any gaps in risk oversight and to maintain a broader picture of Boral's risk profile as it relates to remuneration governance. In addition to the overlapping membership of the Board Committees, the Board Chairman and the CEO attend all Board and Committee meetings, and provide a link between each Committee's oversight responsibilities.

Further detail on the responsibilities of the Committee are outlined in its Charter, which is reviewed annually by the Board. A copy of the Charter is available in the Corporate Governance section of Boral's website at: www.boral.com.au/about/corporate-governance-policy.

How decisions are made

The Committee makes recommendations for approval by the full Board on remuneration arrangements for non-executive Directors, the CEO, other senior executives and other executives. When decisions are made, consideration is applied to the Boral strategy, remuneration strategy, alignment with shareholder interests and market practice.

Board discretion

The Board maintains discretion to adjust remuneration outcomes for senior executives to ensure outcomes appropriately reflect Company performance and the shareholder experience over the relevant performance period.

Component	Board discretion	Determinations made in FY23
STI	The Board retains discretion to adjust STI outcomes up or down to ensure consistency with the Company's remuneration philosophy, to prevent any inappropriate reward outcomes, including in the event of a seriously negative safety issue, and maintain alignment with the shareholder experience before the final award is determined. The Remuneration & Nomination Committee assists the Board on these matters, supported by the Audit & Risk Committee and HSE Committee, including in respect of financial performance, safety performance and the treatment and classification of significant items, considered in the context of reviewing the appropriateness of reward outcomes. The Board also has the discretion to exercise malus or clawback provisions in circumstances where an employee has acted fraudulently or dishonestly; has breached their obligations to the Company; in the event that there is a material misstatement or omission in Boral's financial statements; or if the Company is required or entitled to reclaim any overpaid incentive or other amount from an employee.	The Board did not have cause to apply its discretion with respect to STI in FY23.
LTI	The Board retains discretion to make LTI adjustments as considered necessary to ensure rewards reflect performance in a manner that is consistent with shareholder expectations and the intent and purpose of the relevant targets. The Board also has the discretion to partially reduce or forfeit an LTI award where an employee has their employment terminated for cause, acts fraudulently or dishonestly, or breaches their obligations to the Company. The Company has a further discretion to apply clawback provisions in the event that there is a material misstatement or omission in Boral's financial statements, or if the Company is required or entitled to reclaim any overpaid incentive or other amount from an employee.	The Board determined to apply discretion to reduce the 2020 LTI awards, having regard to the impact of completion settlements and other divestment related matters.

Minimum shareholding requirements

To further align the interests of the Company's senior executives with the interests of shareholders, the Board has established minimum shareholding requirements for the CEO and all other senior executives.

Senior executives are required to accumulate a minimum shareholding in the Company over a period of up to five years from the later of 1 May 2021 or their date of appointment as a KMP.

Position	Minimum shareholding	Status
CEO	100% of FAR	As at 30 June 2023, in compliance given time in role
CFO	50% of FAR	As at 30 June 2023, in compliance given time in role

The Company's guidelines for non-executive Directors' minimum shareholdings are set out in the Corporate Governance Statement on page 65 of this Annual Report. These guidelines require the non-executive Directors to build minimum shareholdings equivalent in approximate value to the gross annual base fee paid to each non-executive Director. Progress is monitored on an ongoing basis, and at times through the year non-executive Directors have been in compliance with these guidelines given time in role; however, noting the impact on share price following the capital return completed in February 2022.

External advice on remuneration

The Committee seeks information and advice regarding remuneration directly from external remuneration consultants EY, who are independent of the Company's management.

During FY23, no advice was provided that contained remuneration recommendations relating to the remuneration of KMP.

The Board adopted a protocol governing the engagement of remuneration consultants and the provision of remuneration recommendations. The purpose of this protocol is to ensure that recommendations provided by consultants are made free from undue influence by the senior executives to whom the recommendations relate.

The protocol provides that before Boral enters into a contract to engage a consultant to provide remuneration recommendations, the proposed consultant must be approved by the Committee or the non-executive Directors. The remuneration consultant must report directly to the Committee or the non-executive Directors. If a consultant makes a recommendation concerning the remuneration of a senior executive, the recommendation must be provided directly to the Committee or the non-executive Directors.

Senior executive contracts

An overview of key terms of employment for senior executives is provided below.

Contract term	CEO and CFO
Contract type	Permanent
Notice period by Boral	6 months
Notice period by employee	6 months
Termination without cause	
Termination payment	Up to 6 months' FAR
STI	Unless otherwise determined by the Board, no entitlement to STI for the year of termination.
LTI	Treatment of LTI awards are dealt with under the LTI Plan rules and the specific terms of grant. In general, unless otherwise determined by the Board, LTI awards lapse unless the Board determines otherwise.
Resignation or termination with cause	Unless otherwise determined by the Board: • no termination payment • no entitlement to STI • forfeiture of all deferred STI, and • all unvested LTI awards will lapse.
Dealing restrictions	Boral's Share Trading Policy prohibits executives from entering into hedge and other derivative transactions in relation to rights granted under the LTI Plan. Shares allocated to participants upon vesting of their LTIs may only be dealt with in accordance with the Share Trading Policy. Any contravention of the Policy will result in disciplinary action. For the CEO and CFO a holding restriction on the sale of Boral shares will apply for 12 months post termination, except where the sale of shares is required to meet tax obligations.

Section 6:
Non-executive Directors' remuneration

The non-executive Directors receive fixed fees only, which includes base fees and Board Committee fees. These are structured on a total fee basis and paid in the form of cash and superannuation contributions. The non-executive Directors do not receive any at-risk remuneration or other performance-related incentives, such as options or rights to shares, and no retirement benefits are provided to non-executive Directors other than superannuation contributions.

The directors from Seven Group Holdings (Ryan Stokes and Richard Richards) elected that from 30 July 2021 they will not receive remuneration for their roles on the Boral Board in light of the corporate structure and given the importance of prudent cost management.

Fees in relation to Committee roles (Chair and members) remained unchanged for FY24.

Non-executive Director fee levels for FY23 were as follows.

	2023	
Fees (A$)	Chair	Member
Board	474,900	158,100
Audit & Risk Committee	50,000	25,000
Remuneration & Nomination Committee	40,000	20,000
HSE Committee	40,000	20,000
Independent & Related Party Committee	50,000	–

The total annual non-executive Director remuneration for the Board for FY23 was $1,086,100, including superannuation. This was within the current aggregate fee limit of $2,000,000 per annum, which was approved at the Company's Annual General Meeting in November 2016.

Section 7: Statutory remuneration disclosures

Contents

The following senior executive remuneration table has been prepared in accordance with the accounting standards and has been audited. The values in the table align with the amounts expensed in Boral's financial statements.

Senior executive remuneration table

		Short-term					Post employment		Share-based payments[a]			Other	Total	At-risk remuneration	
	Year	Cash salary[b]	Short-term incentive[c]	Discretionary award	Non-monetary benefits	Other cash allowance and benefits	Super-annuation/ pension	Contractual separation payment[d]	Fixed rem (rights)	Rights	Deferred equity[e]	Long service leave accrual	Total	% of remuneration related to performance	% of target STI paid
Vik Bansal[1]	2023	1,125.3	752.8	–	–	–	19.0	–	–	240.3	418.0	17.7	2,573.1	54.8%	139.2%
	2022	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Belinda Shaw[2]	2023	331.3	133.6	–	–	–	12.6	–	–	39.4	63.3	5.0	585.2	40.4%	114.8%
	2022	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Zlatko Todorcevski[3]	2023	545.1	–	–	–	–	12.6	1,928.2	–	891.7	–	8.4	3,386.0	26.3%	0.0%
	2022	1,768.9	–	–	7.7	–	23.6		–	1,997.5	–	31.2	3,828.9	52.2%	0.0%
Jared Gashel[4]	2023	215.5	–	–	–	–	16.6	–	–	14.2	–	3.4	249.7	5.7%	0.0%
	2022	92.4	–	–	–	–	4.3	–	–	9.5	–	1.2	107.4	8.8%	0.0%
Darren Schulz	2023	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	2022	748.4	–	172.2	4.0	110.4	111.7	442.1	–	179.8	172.1	7.3	1,948.0	26.9%	0.0%
Tino La Spina	2023	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	2022	795.6	–	–	7.7	–	22.4	1,100.0	–	1,207.1	–	14.1	3,146.9	38.4%	0.0%
Wayne Manners	2023	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	2022	300.2	–	–	–	–	13.7	820.0	–	(68.6)	–	5.1	1,070.4	0.0%	0.0%
Total	2023	2,217.2	886.4	–	–	–	60.8	1,928.2	–	1,185.6	481.3	34.5	6,794.0	37.6%	36.3%
	2022	3,705.5	–	172.2	19.4	110.4	175.7	2,362.1	–	3,325.3	172.1	58.9	10,101.6	34.6%	0.0%

Ref	Item	Notes relating to the FY23 remuneration cash outcomes table
a	Share based payments	The fair value of rights is calculated at the date of grant. Rights subject to the relative TSR hurdle are valued using the Monte Carlo simulation analysis; rights subject to the ROFE hurdle are valued using the Black Scholes methodology; and both fixed annual remuneration rights and deferred STI rights are valued at face value. The value of LTI awards are allocated evenly over the period of three years from the grant date; deferred STI rights are allocated evenly over the one year performance period plus the two year vesting period. The value disclosed in the table is the portion of the fair value of the rights for each relevant reporting period.
b	Cash salary	Cash salary includes all fixed salary and accrued annual leave.
c	Short-term incentive	STI values for KMP represent 50% of total STI paid in cash, with the remaining 50% to be deferred into equity and expensed over two years, in accordance with the equity incentive plan rules introduced from FY23. The deferred component is included in the 'Deferred equity' column.
d	Contractual separation payments	Contractual separation payments for Zlatko Todorcevski was provided in accordance with his employment agreement. Zlatko was entitled to receive a separation payment equivalent to 12 months FAR. This payment complied with the limits on termination benefits under the Corporations Act 2001.
e	Deferred equity	Deferred equity values for KMP include the value of the deferred components of any STI awarded in respect of FY23. In addition, the value of sign-on awards made to Vik Bansal and Belinda Shaw are included. The awards were made in the form of fixed equity rights as follows: – Vik Bansal: 525,984 fixed equity rights granted, of which 50% vests after completion of two years and 50% on completion of three years. – Belinda Shaw: 92,969 fixed equity rights which vest after completion of two years. The fair value of the fixed equity rights is allocated evenly over the relevant vesting period. The value disclosed in the table is the portion of the fair value of the rights allocated to the relevant reporting period.

1. Vik Bansal commenced as Boral's Chief Executive Officer, effective 10 October 2022.
2. Belinda Shaw commenced as Boral's Chief Financial Officer, effective 30 January 2023.
3. Zlatko Todorcevski ceased as Boral's Chief Executive Officer, effective 7 October 2022. The termination payment reported is in satisfaction of Zlatko Todorcevski's entitlements under the employment agreement and Boral's redundancy policy and is inclusive of accrued but untaken statutory leave entitlements.
4. Jared Gashel ceased as KMP and Boral's Acting Chief Financial Officer, effective 27 January 2023. Termination payment of $326,146 in satisfaction of Jared Gashel's entitlements under the employment agreement and Boral's redundancy policy and is inclusive of accrued but untaken statutory leave entitlements.

Equity grants and movement during the year

The following table provides details of rights granted during the year under the Boral Equity Incentive Plan, as well as the movement during the year in rights granted under the plan in previous financial years.

Equity type		Balance as at 30 June 2022	Granted during the year as remuneration[a]	Value of grant[b]	Exercised/vested during the year	Value of rights vested[c]	Lapsed/cancelled during the year[d]	Balance as at 30 June 2023
		No.	No.	$	No.	$	No.	No.
Vik Bansal	LTI Rights	–	1,074,491	2,386,960	–	–	–	**1,074,491**
	Top Up Rights	–	–	–	–	–	–	**-**
Belinda Shaw	LTI Rights	–	175,245	475,060	–	–	–	**175,245**
	Top Up Rights	–	–	–	–	–	–	**-**
Zlatko Todorcevski	LTI Rights	1,527,251	–	–	511,002	2,034,963	(827,473)	**188,777**
	Top Up Rights	1,112,118	–	–	372,103	1,481,826	(602,552)	**137,464**
Jared Gashel	LTI Rights	61,757	125,060	217,604	14,384	57,281	(172,433)	**-**
	Top Up Rights	44,972	–	–	10,475	41,715	(34,497)	**-**

Ref	Item	Notes relating to the FY23 remuneration cash outcomes table
a	Rights granted during the year as remuneration	Vik Bansal was awarded fixed equity awards as part of his employment with Boral on 10 October 2022. Vik also received LTI rights effective 1 September 2022. Belinda Shaw was awarded fixed equity awards as part of her employment with Boral on 30 January 2023. Belinda also received LTI rights effective 1 September 2022.
b	Value of grant	The fair market value of the LTI Rights granted on 1 September 2022 to the CEO is $1.59 per right. The face value of the Fixed Equity awards granted to the CEO is $2.88 per right, calculated by taking the VWAP of Boral shares on the ASX during the 5-day trading period up to and including 10 October 2022. The fair market value of the LTI Rights granted to the CFO on 1 September 2022 is $1.74 per right. The face value of the Fixed Equity awards granted to the CFO is $3.57 per right, calculated by taking the VWAP of Boral shares on the ASX during the 5-day trading period up to and including 30 January 2023.
c	Value of vested rights	The value of rights vested calculated by taking the VWAP of Boral shares on the ASX during the 5-day trading period up to and including 30 June 2023 is $3.9823 per right. No exercise price is payable in respect of rights that vest.
d	Lapsed rights	Rights that lapsed during the year include rights awarded to Senior Executives under the 2019 and 2020 LTI Grants in respect of relevant testing during 2023, noting that testing for the 2020 LTI Grant has been brought forward to 30 June 2023 which is the end of the period over which its performance was assessed. Rights lapsed also include any pro rata lapsing of rights due to cessation of employment over relevant periods from 2019 and 2020 through to the date of cessation.

Senior executive equity rights balances

The number of rights included in the balance at 30 June 2023 for the senior executives is set out below. Details of awards granted in prior years, including applicable service and performance conditions, are summarised in prior Remuneration Reports corresponding to the reporting period in which the awards were granted.

		2020	2021	2022	Balance as at 30 June 2023
Senior Executives					
Vik Bansal	LTI Rights	–	–	1,074,491	**1,074,491**
	Top Up Rights	–	–	–	–
Belinda Shaw	LTI Rights	–	–	175,245	**175,245**
	Top Up Rights	–	–	–	–
Zlatko Todorcevski	LTI Rights	–	188,777	–	**188,777**
	Top Up Rights	–	137,463	–	**137,463**
Jared Gashel	LTI Rights	–	–	–	–
	Top Up Rights	–	–	–	–

Non-executive Directors' total remuneration

The remuneration of the non-executive Directors is set out in the following table.

	2023			2022		
A$'000s	Short-term Board and Committee fees	Post-employment superannuation	Total fees	Short-term Board and Committee fees	Post-employment superannuation	Total fees
Ryan Stokes, Chairman[1]	–	–	–	16.9	–	16.9
Kathryn Fagg, Chairman	–	–	–	37.8	2.1	39.9
Mark Johnson	**183.8**	**19.3**	**203.1**	102.9	10.3	113.2
Jacqueline Chow	**199.9**	**3.2**	**203.1**	61.5	–	61.5
Peter Alexander	–	–	–	52.9	–	52.9
Karen Moses	**223.1**	–	**223.1**	215.7	–	215.7
Deborah O'Toole	–	–	–	63.9	6.4	70.3
Paul Rayner	**188.3**	**19.8**	**208.1**	201.1	19.8	220.9
Richard Richards[1]	–	–	–	–	–	–
Rob Sindel	**248.7**	–	**248.7**	230.2	4.4	234.6
Total	**1,043.8**	**42.3**	**1,086.1**	982.9	43.0	1,025.9

1. Ryan Stokes and Richard Richards (the directors from Seven Group Holdings) decided that from 30 July 2021 they will not receive remuneration for their roles on the Boral Board providing an immediate corporate cost reduction and a benefit for all shareholders

Senior executive and non-executive Director transactions

Movements in shares

The number of shares held in Boral Limited during the financial year by each senior executive and non-executive Director of Boral Limited, including their personally related entities, are set out below.

		Balance at the beginning of the Year	Received during the year on the exercise of rights	Other changes during the year	Balance at the end of the year
Vik Bansal	2023	–	–	–	–
	2022	–	–	–	–
Belinda Shaw	2023	–	–	–	–
	2022	–	–	–	–
Zlatko Todorcevski	2023	190,464	–	–	190,464
	2022	151,000	39,464	–	190,464
Jared Gashel	2023	–	–	–	–
	2022	–	–	–	–

		Balance at the beginning of the Year	Received during the year on the exercise of rights	Other changes during the year	Balance at the end of the year
Ryan Stokes, Chairman	2023	1,000	–	–	1,000
	2022	1,000	–	–	1,000
Mark Johnson	2023	20,000	–	10,000	30,000
	2022	–	–	20,000	20,000
Jacqueline Chow	2023	1,000	–	20,000	21,000
	2022	–	–	1,000	1,000
Karen Moses	2023	45,582	–	–	45,582
	2022	45,582	–	–	45,582
Paul Rayner	2023	172,432	–	(2,597)	169,835
	2022	172,432	–	–	172,432
Richard Richards	2023	1,000	–	–	1,000
	2022	–	–	1,000	1,000
Rob Sindel	2023	46,060	–	25,000	71,060
	2022	46,060	–	–	46,060

Loans

There were no loans made or outstanding to senior executives or non-executive Directors during FY23.

Section 8: Glossary of key terms for the Remuneration Report

Other transactions

Transactions entered into during the year with non-executive Directors or senior executives of Boral Limited and the Group are within normal employee, customer or supplier relationships, and on terms and conditions no more favourable than dealings in the same circumstances on an arm's length basis and include:

- the receipt of dividends from Boral Limited
- participation in the Boral LTI Plan
- terms and conditions of employment
- reimbursement of expenses, and
- purchases of goods and services.

A number of Directors of the Company hold directorships in other entities. Several of these entities transacted with the Group on terms and conditions no more favourable than those available on an arm's length basis.

Glossary of key terms for the Remuneration Report

Term	Description
Committee	The Remuneration & Nomination Committee.
Comparator companies	Two comparator groups are used for market benchmarking: • market capitalisation and revenue – S&P/ASX 200 (ASX 200) companies within 50% to 200% of Boral's market capitalisation and 50% to 200% of Boral's revenue (ranges expanded to 33% to 300% where sample sizes are small). • market capitalisation, revenue and industry – ASX 200 companies within the market capitalisation and revenue comparator group within the 'Industrials' or 'Materials' Global Industry Classification Standard (GICS).
Face value of LTI performance rights	The face value of the FY23 performance rights was determined from the VWAP of Boral shares on the ASX during the five days up to and including 30 June 2022.
Fair market value of LTI Performance Rights	The fair market value of LTI performance rights is determined from the face value of a Boral share on 1 September, discounted for a number of factors that impact the value of a TSR tested right, such as the possibility that the TSR performance hurdle will not be met. Other factors that are taken into account when determining the discount from face value include the time to vesting, expected volatility of the share price and the dividends expected to be paid in relation to the shares. This approach is in line with the methodology used for valuing TSR tested rights for accounting purposes. The fair value is determined by an independent valuer (being PwC).
FAR	Fixed Annual Remuneration includes base salary, non-cash benefits such as provision of a vehicle (including any fringe benefits tax) and superannuation contributions.
KMP	The Key Management Personnel of the Company. Defined as the people accountable for planning, directing and controlling the affairs of the Company and its controlled entities. Includes each of the: • non-executive Directors, and • Senior executives.
Performance Right	Upon vesting, each Performance Right entitles the executive to one ordinary share.
Relative TSR	Relative Total Shareholder Return measures the compound growth in the Company's TSR over the performance measurement period compared with the TSR performance over the same period of a comparator group. TSR represents the change in capital value of a listed entity's share price over a three year performance period, plus reinvested dividends, expressed as a percentage of the opening value.
ROFE	Return on funds employed tests the efficiency and profitability of the Company's capital investments and is determined by the Board based on EBIT (before significant items) in the year of testing as a percentage of average funds employed (where funds employed is the sum of net assets and net debt).
Senior executives	The CEO & Managing Director and the Chief Financial Officer. The broader management group (who also participate in the various reward programs) are referred to as 'executives'.

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Earnings before interest, taxes, depreciation and amortisation (EBITDA) before significant items, earnings before interest and taxes (EBIT) before significant items and net profit after tax (NPAT) before significant items are alternative measures to those prescribed under International Financial Reporting Standards (IFRS) and are used to provide a greater understanding of the underlying performance of the Group. This information has been extracted or derived from the financial statements. Significant items in respect of continuing and discontinued operations are detailed in Note 2.1 to the financial statements and relate to income and expenses that are associated with divestments, significant business restructuring, or individual transactions.

Income Statement

Boral Limited and Controlled Entities

For the year ended 30 June	Note	2023 $m	2022 $m
Continuing operations			
Revenue	2.2	**3,460.6**	2,955.9
Cost of sales		**(2,539.9)**	(2,251.4)
Selling and distribution expenses		**(475.4)**	(411.1)
Administrative expenses		**(237.0)**	(216.6)
Other income	2.2	**26.1**	15.5
Other expenses	2.2	**–**	(74.7)
Results of equity accounted investments	6.2	**18.9**	19.9
Profit before net interest expense and income tax		**253.3**	37.5
Interest income	2.2	**19.9**	5.3
Interest expense	2.2	**(55.6)**	(83.8)
Net interest expense		**(35.7)**	(78.5)
Profit/(loss) before income tax		**217.6**	(41.0)
Income tax (expense)/ benefit	5.1	**(59.6)**	24.0
Profit/(loss) from continuing operations		**158.0**	(17.0)
Discontinued operations			
(Loss)/ profit from discontinued operations (net of income tax)	6.1	**(9.9)**	977.6
Net profit		**148.1**	960.6
Total operations			
Basic earnings per share	2.4	**13.4c**	87.0c
Diluted earnings per share	2.4	**13.3c**	87.0c
Continuing operations			
Basic earnings per share	2.4	**14.3c**	(1.5c)
Diluted earnings per share	2.4	**14.2c**	(1.5c)

The Income Statement should be read in conjunction with the accompanying notes which form an integral part of the financial statements.

Statement of Comprehensive Income

Boral Limited and Controlled Entities

For the year ended 30 June	Note	2023 $m	2022 $m
Net profit		**148.1**	960.6
Other comprehensive income			
Items that may be reclassified subsequently to Income Statement:			
Net exchange differences from translation of foreign operations taken to other comprehensive income		**–**	53.8
Foreign currency translation reserve transferred to net profit on disposal of controlled entities and equity accounted investment	4.4	**–**	(150.0)
Fair value adjustments on cash flow hedges		**(25.1)**	11.7
Income tax on items that may be reclassified subsequently to Income Statement		**7.5**	13.2
Total comprehensive income		**130.5**	889.3

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form an integral part of the financial statements.

Balance Sheet

Boral Limited and Controlled Entities

Contents

As at 30 June	Note	2023 $m	2022 $m
Current assets			
Cash and cash equivalents	2.5	**658.1**	1,107.1
Receivables	3.1	**549.3**	501.3
Inventories	3.2	**257.5**	222.5
Financial assets	4.2	**3.0**	32.8
Current tax assets		**25.6**	40.4
Other assets		**20.3**	36.3
Total current assets		**1,513.8**	1,940.4
Non-current assets			
Receivables	3.1	**20.0**	35.7
Inventories	3.2	**13.4**	12.9
Investments accounted for using the equity method	6.2	**36.1**	31.2
Financial assets	4.2	**21.9**	–
Property, plant and equipment	3.3	**2,118.5**	2,117.8
Intangible assets	3.4	**71.2**	71.5
Deferred tax assets	5.2	**107.7**	166.6
Other assets		**36.1**	24.8
Total non-current assets		**2,424.9**	2,460.5
Total assets		**3,938.7**	4,400.9
Current liabilities			
Trade creditors		**497.1**	497.2
Interest bearing liabilities	4.1	**23.2**	639.7
Financial liabilities	4.2	**10.3**	1.4
Current tax liabilities		**0.6**	0.6
Employee benefit liabilities	7.1	**107.4**	103.6
Provisions	3.6	**55.9**	65.0
Total current liabilities		**694.5**	1,307.5
Non-current liabilities			
Interest bearing liabilities	4.1	**973.1**	943.8
Financial liabilities	4.2	**10.4**	9.8
Deferred tax liabilities	5.2	**36.6**	35.1
Employee benefit liabilities	7.1	**7.1**	7.2
Provisions	3.6	**191.2**	200.0
Total non-current liabilities		**1,218.4**	1,195.9
Total liabilities		**1,912.9**	2,503.4
Net assets		**2,025.8**	1,897.5
Equity			
Issued capital	4.3	**593.7**	593.7
Reserves	4.4	**28.1**	47.9
Retained earnings		**1,404.0**	1,255.9
Total equity		**2,025.8**	1,897.5

The Balance Sheet should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Statement of Changes in Equity

Boral Limited and Controlled Entities

	Issued capital	Reserves	Retained earnings	Total equity
	$m	$m	$m	$m
Balance at 30 June 2022	593.7	47.9	1,255.9	1,897.5
Net profit	–	–	148.1	148.1
Other comprehensive income				
Fair value adjustments on cash flow hedges	–	(25.1)	–	(25.1)
Income tax relating to other comprehensive income	–	7.5	–	7.5
Total comprehensive income/(loss)	–	(17.6)	148.1	130.5
Transactions with owners in their capacity as owners				
Share-based payments	–	(2.2)	–	(2.2)
Total transactions with owners in their capacity as owners	–	(2.2)	–	(2.2)
Balance at 30 June 2023	593.7	28.1	1,404.0	2,025.8

	Issued capital	Reserves	Retained earnings	Total equity
Balance at 30 June 2021	3,839.5	122.8	372.5	4,334.8
Net profit	–	–	960.6	960.6
Other comprehensive income				
Translation of net assets of overseas entities	–	109.4	–	109.4
Translation of long-term borrowings and foreign currency forward contracts	–	(55.6)	–	(55.6)
Foreign currency translation reserve transferred to net profit on disposal of equity accounted investment	–	(150.0)	–	(150.0)
Fair value adjustments on cash flow hedges	–	11.7	–	11.7
Income tax relating to other comprehensive income	–	13.2	–	13.2
Total comprehensive income/(loss)	–	(71.3)	960.6	889.3
Transactions with owners in their capacity as owners				
On-market share buy-back	(322.6)	–	–	(322.6)
Capital return	(2,923.2)	–	–	(2,923.2)
Share acquisition rights vested	–	(3.7)	–	(3.7)
Share-based payments	–	0.1	–	0.1
Dividends paid	–	–	(77.2)	(77.2)
Total transactions with owners in their capacity as owners	(3,245.8)	(3.6)	(77.2)	(3,326.6)
Balance at 30 June 2022	593.7	47.9	1,255.9	1,897.5

The Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Statement of Cash Flows

Boral Limited and Controlled Entities

Contents

For the year ended 30 June	Note	2023 $m	2022 $m
Cash flows from operating activities			
Receipts from customers		3,743.8	4,214.1
Payments to suppliers and employees		(3,355.0)	(3,746.9)
		388.8	467.2
Dividends received		14.5	6.6
Interest received		19.3	5.0
Borrowing costs paid		(52.5)	(89.8)
Income taxes received/ (paid)		23.3	(77.3)
Restructure and transaction costs paid		(34.7)	(50.9)
Net cash provided by operating activities	2.5	358.7	260.8
Cash flows from investing activities			
Purchase of property, plant and equipment		(209.1)	(342.1)
Capital contribution in equity accounted investment	6.2	-	(2.8)
Proceeds on disposal of non-current assets		4.9	17.0
Proceeds on disposal of controlled entities and associates		14.5	3,980.5
Net cash (used in)/ provided by investing activities		(189.7)	3,652.6
Cash flows from financing activities			
On-market share buy-back		-	(352.9)
Capital return paid		-	(2,923.2)
Dividends paid	2.3	-	(77.2)
Repayment of lease principal		(25.9)	(57.0)
Repayment of borrowings		(628.7)	(320.1)
Net cash used in financing activities		(654.6)	(3,730.4)
Net change in cash and cash equivalents		(485.6)	183.0
Cash and cash equivalents at the beginning of the year		1,107.1	903.8
Effects of exchange rate fluctuations on the balances of cash and cash equivalents held in foreign currencies		36.6	20.3
Cash and cash equivalents at the end of the year	2.5	658.1	1,107.1

The Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Notes to the Financial Statements

Boral Limited and Controlled Entities

Section 1: About this report

Statement of compliance

These financial statements represent the consolidated results of Boral Limited (ABN 13 008 421 761), a for-profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements comprise Boral Limited ('the Company') and its controlled entities ('the Group'). The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 (Cth). The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The nature of the operations and principal activities of the Group are described in Note 2.1.

The financial statements were authorised for issue by the Board of Directors on 10 August 2023.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation in the preparation of the financial statements are consistent with those adopted and disclosed in the Company's Annual Report for the financial year ended 30 June 2022.

Accounting judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions about future events. Information on material judgements and estimates considered when applying the accounting policies can be found in the following notes:

Accounting judgements and estimates	Note	Page
Revenue	2.2	107
Receivables	3.1	113
Property, plant and equipment	3.3	116
Lease term assessment	3.3	116
Carrying value assessment	3.5	118
Provisions	3.6	120
Income tax expense	5.1	140
Share-based payments	7.3	150

Rounding of amounts

Unless expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as '–' represent zero amounts and amounts less than $50,000 which have been rounded down.

Materiality

Information is included in the financial statements only to the extent it has been considered material and relevant to the understanding of the financial statements. Factors that influence if a disclosure is considered material and relevant, include whether:

- the dollar amount is significant in size and/or nature;
- the Group's results cannot be understood without the specific disclosure;
- it is critical to allow a user to understand the impact of significant changes in the Group's business during the period; and
- it relates to an aspect of the Group's operations that is important to its future performance.

Significant accounting policies

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

A. Principles of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Group and its subsidiaries. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its involvement and power over the entity.

The financial statements include the information and results of each entity from the date on which the Company obtains control, until the time the Company ceases to control the entity.

In preparing the financial statements, all intercompany balances, transactions, and unrealised profits arising within the Group, are eliminated in full.

B. Foreign currencies

Foreign currency transactions

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation are recognised in the Income Statement, except for qualifying cash flow hedges, which are deferred to equity.

Foreign operations

On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date

Foreign exchange differences on transaction of overseas entities are recognised in the income statement. In the prior year, foreign exchange differences resulting from translation of long-term borrowings and foreign currency forward contracts, which are designated as hedges of the net investment in overseas entities, and net assets of overseas entities are initially recognised in the foreign currency translation reserve and subsequently transferred to profit or loss on disposal of the foreign operation.

C. Comparative figures

Where applicable, comparative information has been re-presented to conform to changes in presentation in the current year.

D. New accounting standards and interpretations not yet adopted

There are no new or amended Australian Accounting Standards and AASB interpretations that are mandatory for the current reporting period and relevant to the Group.

Section 2: Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

2.1 Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker (being the CEO and Managing Director) in order to effectively allocate Group resources and assess performance.

During the year Boral has assessed and revised the Group's allocation of amounts between operating segments. The operating segments remain consistent with the prior period however allocations of amounts between the operating segments in the prior period comparatives have been restated.

The Group has identified its operating segments based on the information that is regularly reviewed and used by the CEO and Managing Director for the purpose of evaluating performance and making resource allocation decisions. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis. Although Property does not meet the quantitative reportable segment threshold in the current year, the Group considers that the separate disclosure of its financial performance qualitatively provides useful information to users of the Group's financial statements.

The following summary describes the operations of the Group's reportable segments:

Construction Materials	Integrated construction materials business operating across Australia (concrete, asphalt, quarries, cement, recycling and placing).
Property	The property segment primarily generates earnings through the development or divestment of surplus properties.
Discontinued Operations	Boral North America (fly ash, stone, roofing, light building products, windows and bricks joint venture) and Australian Building Products (comprising roofing and masonry, and timber products)
Unallocated	Unallocated costs, including corporate.

The major end-use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reconciliations of reportable segment revenues and profits	Note	2023 $m	2022 $m
External revenue		**3,460.6**	3,908.2
Revenue from discontinued operations	6.1	**-**	(952.3)
Revenue from continuing operations		**3,460.6**	2,955.9
Profit/(loss) before tax			
Profit before net interest expense and income tax from reportable segments		**242.4**	1,293.9
(Profit)/ Loss before net interest expense and income tax from discontinued operations	6.1	**10.9**	(1,256.4)
Profit before net interest expense and income tax from continuing operations		**253.3**	37.5
Net interest expense from continuing operations	2.2	**(35.7)**	(78.5)
Profit/ (loss) before tax from continuing operations		**217.6**	(41.0)

Section 2: Business performance (continued)

2.1 Segments (continued)

(a) Reportable segments

	Construction materials		Property		Unallocated		Total continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
External revenue	**3,460.4**	2,954.7	**0.2**	1.2	**–**	–	**3,460.6**	2,955.9	**–**	952.3	**3,460.6**	3,908.2
EBITDA[1] (excluding significant items)	**474.8**	342.4	**(1.2)**	5.7	**(19.2)**	(17.9)	**454.4**	330.2	**–**	150.8	**454.4**	481.0
Depreciation and amortisation	**(222.8)**	(218.0)	**(0.1)**	–	**–**	–	**(222.9)**	(218.0)	**–**	–	**(222.9)**	(218.0)
EBIT[2] (excluding significant items)	**252.0**	124.4	**(1.3)**	5.7	**(19.2)**	(17.9)	**231.5**	112.2	**–**	150.8	**231.5**	263.0
Divestment related matters (i)	**–**	–	**–**	–	**–**	–	**–**	–	**(10.9)**	1,105.6	**(10.9)**	1,105.6
Restructure and onerous contracts (ii)	**–**	–	**–**	–	**8.4**	(74.7)	**8.4**	(74.7)	**–**	–	**8.4**	(74.7)
US senior notes tender offer (iii)	**–**	–	**–**	–	**11.2**	–	**11.2**	–	**–**	–	**11.2**	–
Power Purchase Agreement (iv)		–	**–**	–	**2.2**	–	**2.2**	–	**–**	–	**2.2**	–
Significant items before income tax expense	**–**	–	**–**	–	**21.8**	(74.7)	**21.8**	(74.7)	**(10.9)**	1,105.6	**10.9**	1,030.9
Profit/(loss) before interest and income tax expense	**252.0**	124.4	**(1.3)**	5.7	**2.6**	(92.6)	**253.3**	37.5	**(10.9)**	1,256.4	**242.4**	1,293.9
Equity accounted income[3]	**19.4**	20.0	**(0.5)**	(0.1)	**–**	–	**18.9**	19.9	**–**	7.4	**18.8**	27.3

1. EBITDA is profit/(loss) before depreciation, amortisation, interest, income tax expense.
2. EBIT is profit/(loss) before interest, income tax expense.
3. Equity accounted income is included in EBITDA and EBIT.

Contents

Section 2: Business performance (continued)

2.1 Segments (continued)

(a) Reportable segments

	Gross	Tax	Net	Gross	Tax	Net
Significant items ($m)	2023	2023	2023	2022	2022	2022
(i) Divestment related matters	(10.9)	1.0	(9.9)	1,105.6	(242.4)	863.2
(ii) Restructure and onerous contracts	8.4	(2.4)	6.0	(74.7)	22.4	(52.3)
(iii) US senior notes tender offer	11.2	(3.4)	7.8	–	–	–
(iv) Power Purchase Agreement	2.2	(0.7)	1.5	–	–	–
	10.9	(5.5)	5.4	1,030.9	(220.0)	810.9

(i) Divestment related matters

During the current financial year, the group recognised pre-tax loss of $10.9 million, relating to completion settlements and other divestment related matters.

In the prior year, the Group completed the divestments relating to North American Building Products, North American Fly Ash, Meridian Brick and Australian Building Products businesses; resulting in a profit before tax of $1,105.6 million.

(ii) Restructure and onerous contracts

During the current financial year, the Group recognised a pre-tax net income of $8.4 million primarily as a result of the favourable settlement of onerous contracts recognised in prior periods.

In the prior year, the Group incurred $74.7 million of costs in relation to implementation of the Group's transformation program, primarily restructuring costs and IT-related costs.

(ii)i US senior notes tender offer

In July 2022, US$300 million of May 2028 US senior notes was repaid following completion of the Group's tender offer. This resulted in a pre-tax net gain of $11.2 million.

(iv) Power Purchase Agreement (PPA)

During the current financial year, the Group recognised a $2.2 million gain as a mark to market movement in the PPA derivative contract. Details provided in note 4.2.

Section 2: Business performance (continued)

2.1 Segments (continued)

(a) Reportable segments

	Construction Materials		Property		Unallocated		Total Continuing Operations		Discontinued Operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External revenue by product	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Concrete	**1,460.7**	1,217.5	**–**	–	**–**	–	**1,460.7**	1,217.5	**–**	–	**1,460.7**	1,217.5
Asphalt	**804.7**	681.6	**–**	–	**–**	–	**804.7**	681.6	**–**	–	**804.7**	681.6
Fly ash	**–**	–	**–**	–	**–**	–	**–**	–	**–**	488.8	**–**	488.8
Roofing	**–**	–	**–**	–	**–**	–	**–**	–	**–**	152.3	**–**	152.3
Quarry products	**506.9**	427.5	**–**	–	**–**	–	**506.9**	427.5	**–**	–	**506.9**	427.5
Light building products	**–**	–	**–**	–	**–**	–	**–**	–	**–**	116.7	**–**	116.7
Stone	**–**	–	**–**	–	**–**	–	**–**	–	**–**	88.1	**–**	88.1
Cement	**362.2**	318.6	**–**	–	**–**	–	**362.2**	318.6	**–**	–	**362.2**	318.6
Windows	**–**	–	**–**	–	**–**	–	**–**	–	**–**	53.6	**–**	53.6
Concrete placing	**202.2**	207.3	**–**	–	**–**	–	**202.2**	207.3	**–**	–	**202.2**	207.3
Other[1]	**123.7**	102.2	**0.2**	1.2	**–**	–	**123.9**	103.4	**–**	52.8	**123.9**	156.2
	3,460.4	2,954.7	**0.2**	1.2	**–**	–	**3,460.6**	2,955.9	**–**	952.3	**3,460.6**	3,908.2

Contracting businesses revenue and rendering of services revenue, as disclosed in Note 2.2 (a), is fully allocated to the Construction Materials segment.

1. Other revenue in Construction Materials includes transport, recycling and landfill. In the prior year, the Discontinued Operations include bricks, timber and masonry.

Section 2: Business performance (continued)

2.1 Segments (continued)

(a) Reportable segments

	Construction Materials		Property		Unallocated		Total Continuing Operations		Discontinued Operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Segment assets (excluding equity accounted investments)	**3,038.1**	2,927.6	**48.1**	56.1	**25.0**	71.9	**3,111.2**	3,055.6	**–**	–	**3,111.2**	3,055.6
Equity accounted investments	**36.1**	31.2	**–**	–	**–**	–	**36.1**	31.2	**–**	–	**36.1**	31.2
	3,074.2	2,958.8	**48.1**	56.1	**25.0**	71.9	**3,147.3**	3,086.8	**–**	–	**3,147.3**	3,086.8
Cash and cash equivalents	**–**	–	**–**	–	**658.1**	1,107.1	**658.1**	1,107.1	**–**	–	**658.1**	1,107.1
Tax assets	**–**	–	**–**	–	**133.3**	207.0	**133.3**	207.0	**–**	–	**133.3**	207.0
Total assets	**3,074.2**	2,958.8	**48.1**	56.1	**816.4**	1,386.0	**3,938.7**	4,400.9	**–**	–	**3,938.7**	4,400.9
Segment liabilities	**788.0**	783.7	**9.5**	13.4	**81.9**	87.1	**879.4**	884.2	**–**	–	**879.4**	884.2
Interest bearing liabilities	**–**	–	**–**	–	**996.3**	1,583.5	**996.3**	1,583.5	**–**	–	**996.3**	1,583.5
Tax liabilities	**–**	–	**–**	–	**37.2**	35.7	**37.2**	35.7	**–**	–	**37.2**	35.7
Total liabilities	**788.0**	783.7	**9.5**	13.4	**1,115.4**	1,706.3	**1,912.9**	2,503.4	**–**	–	**1,912.9**	2,503.4
Acquisition of segment assets[1]	**222.9**	313.1	**0.2**	–	**–**	–	**223.1**	313.1	**–**	58.5	**223.1**	371.6

1. This relates to additions in property, plant and equipment. This excludes amounts attributable to the capital contribution in respect of equity accounted investments.

(b) Geographic location

All non-current assets in the Group, excluding $1.8 million as at 30 June 2023 (30 June 2022: $22.7 milliion) are based in Australia.

Section 2: Business performance (continued)

2.2 Profit for the period

(a) Revenue

Sales revenue is revenue earned from the provision of products or services by our Cement, Quarries, Recycling, Concrete, Concrete placing and Asphalt operations. This revenue is net of returns, discounts and allowances.

Sale of goods

Revenue from the sale of goods is recognised at the point in time the customer obtains control of the goods, which is typically at the time of delivery to the customer.

Revenue earned from asphalt and spray seal services are recognised progressively over the period of time that the performance obligation is satisfied and the customer obtains control of the goods being provided in the contract, with the Group having a right to payment for performance to date. The Group predominantly uses the output method, based on volumes delivered, to determine the amount of revenue to recognise in a given period.

Contracting business

Revenue from the concrete placing business is recognised progressively over the period of time that the performance obligation is satisfied in accordance with the contract, with the Group having a right to payment for performance to date. The business predominantly uses the output method, based on volumes delivered, to determine the amount of revenue to recognise in a given period.

Rendering of services

Revenue from the rendering of logistics and lab services is allocated across each service or performance obligation based on their stand-alone selling price, and recognised as the service or performance obligation is performed.

Bundling of performance obligations

Contracts with customers, particularly in concrete and asphalt, may contain revenue items for ancillary services such as mobilisation and demobilisation of plant, concrete testing, and other related services. These services are typically combined into the core performance obligation of delivering concrete, or the supply and lay of asphalt. On occasion, ancillary services may be deemed to have a stand-alone value to the customer, and are accounted for as a separate performance obligation.

Section 2: Business performance (continued)

2.2 Profit for the period (continued)

(a) Revenue (continued)

For the year ended 30 June	2023 $m	2022 $m
Revenue from continuing operations		
Sale of goods	**3,163.6**	2,668.0
Contracting business	**202.2**	207.3
Rendering of services	**94.8**	80.6
Revenue from continuing operations	**3,460.6**	2,955.9

(b) Other income and expenses

Other income and expenses also include significant items recorded in the period. These items relate to significant transactions, which are disclosed separately in order to better explain financial performance. Further information is included in Note 2.1.

For the year ended 30 June	Note	2023 $m	2022 $m
Other income from continuing operations			
Significant items	2.1	**21.8**	–
Net profit on sale of assets		**3.2**	7.3
Net foreign exchange gain		**0.7**	–
Other income		**0.4**	8.2
Other income from continuing operations		**26.1**	15.5
Other expenses from continuing operations			
Significant items	2.1	**–**	(74.7)
Other expenses from continuing operations		**–**	(74.7)

2.2 Profit for the period (continued)

(c) Net interest expense

Net interest expense comprises mainly of interest expense on borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. They are recognised in the profit or loss using the effective interest rate method, except to the extent the expenses are directly attributable to the acquisition, construction or production of a qualifying asset. Such interest expense is capitalised as part of the cost of the asset up to the time it is ready for its intended use and is then amortised over the expected useful economic life.

Interest expense also includes the unwinding of the lease liability discount.

In the prior year, the Group repaid US$235 million of US senior notes. As a result of these transactions, the Group incurred $8.1 million of make-whole costs and expensed $2.6 million of deferred borrowing costs.

	2023	2022
For the year ended 30 June	$m	$m
Interest income received or receivable from:		
Other parties (cash at bank and bank short-term deposits)	19.3	5.0
Discount unwinding	0.6	0.3
	19.9	5.3
Interest expense paid or payable to:		
Other parties (bank overdrafts, bank loans and other loans)[1]	(45.4)	(64.8)
Make-whole and refinance-related costs	-	(10.7)
Interest expense on capitalised leases	(5.5)	(3.5)
Discount unwinding	(4.7)	(4.8)
	(55.6)	(83.8)
Net interest expense from continuing operations	(35.7)	(78.5)

1. Interest of nil (2022: $4.7 million) was paid to other parties and capitalised in respect of qualifying assets. The capitalisation rate used was 3.9%.

Section 2: Business performance (continued)

2.3 Dividends

	Amount per share	Total amount $m	Franked amount per share	Date of payment
2023				
2022 final and 2023 interim – ordinary	-	-	-	-
2022				
2021 final and 2022 interim – ordinary	-	-	-	-
Special dividend	7.0 cents	77.2	–	14 February 2022

Subsequent event

Since the end of the financial year, the Directors have decided that no final dividend would be paid for the financial year ended 30 June 2023.

2023 final – ordinary	-	-	-	-

Dividend franking account

The balance of the franking account of Boral Limited as at 30 June 2023 is $12.9 million (2022: $29.9 million).

The franking account balance is $12.9 million (2022: $9.3 million) after adjusting for franking credits/(debits) that will arise from:

- the refund of the amount of the current tax receivable;
- the receipt of dividends recognised as receivables at year end; and
- before taking into account the Directors decision around the payment of a final dividend and any associated franking credits.

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan did not apply to the payment of the special dividend on 14 February 2022.

2.4 Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit by the weighted average number of ordinary shares of Boral Limited, adjusted for any bonus issue.

Diluted earnings per share

Diluted EPS is calculated by dividing the net profit by the weighted average number of ordinary shares, after adjustment for the effects of all dilutive potential ordinary shares and bonus issue.

	2023	2022
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	**1,103,088,419**	1,103,913,319
Effect of potential ordinary shares[2]	**7,322,338**	–
Number for diluted earnings per share	**1,110,410,757**	1,103,913,319

	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	2023	2023	2023	2022	2022	2022
	$m	$m	$m	$m	$m	$m
Earnings reconciliation						
Net profit before significant items	**142.7**	**–**	**142.7**	35.3	114.4	149.7
Loss/(profit) attributable to non-controlling interests	**–**	**–**	**–**	–	–	–
Net profit excluding significant items	**142.7**	**–**	**142.7**	35.3	114.4	149.7
Net significant items (refer Note 2.1)	**15.3**	**(9.9)**	**5.4**	(52.3)	863.2	810.9
Net profit/(loss)	**158.0**	**(9.9)**	**148.1**	(17.0)	977.6	960.6
Basic earnings per share[1]	**14.3c**	**(0.9c)**	**13.4c**	(1.5c)	88.6c	87.0c
Diluted earnings per share[2]	**14.2c**	**(0.9c)**	**13.3c**	(1.5c)	88.6c	87.0c
Basic earnings per share (excluding significant items)[1]	**12.9c**	**0.0c**	**12.9c**	3.2c	10.4c	13.6c
Diluted earnings per share (excluding significant items)[2]	**12.9c**	**0.0c**	**12.9c**	3.2c	10.4c	13.6c

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share performance rights was based on quoted market prices for the period that the rights were outstanding.

1. Numbers may not add due to rounding.
2. As the basic earnings per share from continuing operations is a loss per share for the year ended 30 June 2022, the potential ordinary shares outstanding in respect of the Boral Limited Equity Incentive Plan are considered anti-dilutive as their conversion would reduce the loss per share.

Section 2: Business performance (continued)

2.5 Notes to Statement of Cash Flows

	2023 $m	2022 $m
(i) Reconciliation of cash and cash equivalents:		
Cash includes cash on hand, at bank and short-term deposits, net of outstanding bank overdrafts. Cash as at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Cash at bank and on hand	**70.2**	234.2
Bank short-term deposits	**587.9**	872.9
	658.1	1,107.1

The bank short-term deposits mature within 90 days and have a weighted average interest rate of 4.85% (2022: 0.67%).

	2023 $m	2022 $m
(ii) Reconciliation of net profit to net cash provided by operating activities:		
Net profit	**148.1**	960.6
Adjustments for non-cash items:		
Depreciation and amortisation	**222.9**	218.0
Discount unwinding	**4.1**	(1.8)
Loss/(Gain) on sale of assets and businesses[1]	**7.6**	(1,141.6)
Impairment of assets, businesses and restructuring costs[2]	**(19.6)**	75.7
Power purchase agreement valuation	**(2.2)**	–
Share-based payment expense/(income)	**(2.2)**	0.1
Non-cash impact from equity accounted investments	**(4.4)**	(20.7)
Net cash provided by operating activities before change in assets and liabilities	**354.3**	90.3
Changes in assets and liabilities net of effects from acquisitions/disposals:		
Receivables	**(61.3)**	9.4
Inventories	**(27.7)**	(45.0)
Payables	**7.0**	59.1
Provisions	**(12.0)**	(61.9)
Current and deferred taxes	**82.0**	173.0
Other	**16.4**	35.9
Net cash provided by operating activities	**358.7**	260.8
(iii) Changes in loans and borrowings arising from financing activities:		
Balance at the beginning of the year	**1,583.5**	1,802.9
Repayment of borrowings	**(628.7)**	(320.1)
Repayment of lease principal	**(25.9)**	(57.0)
Changes in fair values	**(0.9)**	(12.7)
Non-cash lease liabilities	**28.6**	47.8
Net foreign currency exchange differences and other	**39.7**	122.6
Balance at the end of the year	**996.3**	1,583.5

1. $10.9 million loss (2022: $1,134 million gain) relates divestment related matters that are included in significant items and $3.3 million (2022: $7.6m) gain on sale of property, plant and equipment.
2. Predominantly relates to restructure and onerous contracts $8.4 million (2022: $74.7 million loss) and $11.2 million gain on US senior notes tender offer.

Section 3: Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group.

3.1 Receivables

Trade and other receivables are initially recognised at fair value. Subsequently they are measured at amortised cost less any provisions for expected impairment losses or actual impairment losses. Credit losses and recoveries of items previously written off are recognised in profit or loss.

Significant accounting judgements, estimates and assumptions

The Group has considered the collectability and recoverability of trade receivables. An expected credit loss allowance has been made for the estimated irrecoverable receivable amounts. The allowance has been determined by reference to past default experience along with an expected credit loss calculation which considers the past events, and exercises judgement over the impact of current and future economic conditions when considering the recoverability of outstanding receivable balances at the reporting date. Subsequent changes in economic and market conditions may result in the loss allowance increasing or decreasing in future periods.

	2023	2022
	$m	$m
Current		
Trade receivables	**545.4**	475.9
Less: Allowance for impairment	**(10.1)**	(7.1)
	535.3	468.8
Associated entities	**–**	4.3
Other receivables	**14.0**	28.2
	549.3	501.3

Included in the following table is an age analysis of the Group's trade receivables, along with impairment provisions against these balances as at 30 June:

	Gross	Impairment	Net	Gross	Impairment	Net
	2023	2023	2023	2022	2022	2022
	$m	$m	$m	$m	$m	$m
Current	**524.7**	**(2.8)**	**521.9**	463.1	(3.9)	459.2
Overdue 0 – 60 days	**14.5**	**(2.1)**	**12.4**	9.3	(1.4)	7.9
Overdue > 60 days	**6.2**	**(5.2)**	**1.0**	3.5	(1.8)	1.7
Total	**545.4**	**(10.1)**	**535.3**	475.9	(7.1)	468.8

Section 3: Operating assets and liabilities (continued)

3.1 Receivables (continued)

The movement in the allowance for impairment in respect to trade receivables during the year was as follows:

	2023 $m	2022 $m
Balance at the beginning of the year	(7.1)	(1.8)
Amounts written off during the year	0.9	1.6
Increase recognised in Income Statement	(3.9)	(6.9)
Balance at the end of the year	(10.1)	(7.1)

	2023 $m	2022 $m
Non-current		
Loans to associated entities	19.0	19.3
Other receivables	1.0	16.4
	20.0	35.7

No amounts owing by associates or included in other receivables were past due as at 30 June 2023 (30 June 2022: nil).

3.2 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

For land development projects, cost includes the cost of acquisition, development and holding costs during development. Costs incurred after completion of development are expensed as incurred.

The Group has considered the net realisable value of inventories at reporting date. An inventory provision is recognised where the realisable value from sale of inventory is estimated to be lower than the inventory's carrying value. Inventory provisions for different product categories are estimated based on various factors, including expected sales profile, prevailing sales prices, seasonality and expected losses associated with slow-moving inventory items.

	2023	2022
	$m	$m
Current		
Raw materials and consumable stores	**95.5**	83.5
Work in progress	**18.0**	14.8
Finished goods	**142.2**	124.2
Land development projects	**1.8**	-
	257.5	222.5
Non-current		
Land development projects	**13.4**	12.9
Land development projects comprises:		
Cost of acquisition	**9.2**	7.4
Development costs capitalised	**6.0**	5.5
	15.2	12.9

Section 3: Operating assets and liabilities (continued)

3.3 Property, plant and equipment

Owned assets

The value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation and impairment losses (see Note 3.5). The cost of the asset is the consideration paid plus incidental costs directly attributable to the acquisition.

The value of self-constructed assets include the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs in relation to replacing a part of property, plant and equipment are capitalised in the carrying amount of the item if it is probable that future economic benefits will flow to the Group and its cost can be measured reliably. All other costs are recognised in the Income Statement as incurred.

Depreciation

Depreciation is calculated to expense the cost of items of property, plant and equipment (excluding freehold land) less their estimated residual values on a straight-line basis over their estimated useful lives.

Depreciation is recognised in the Income Statement from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Quarry stripping assets are amortised over the expected life of the identified resources using the units of production method.

Depreciation rates and methods, useful lives and residual values are reviewed at each balance sheet date. When changes are made, adjustments are reflected prospectively in current and future financial years only.

The depreciation and amortisation rates used for each class of asset are as follows:

	2023	2022
Buildings	**1 – 10%**	1 – 10%
Mineral reserves and licences	**2.4 – 5%**	2.4 – 5%
Plant and equipment	**5 – 33.3%**	5 – 33.3%

Significant accounting judgements, estimates and assumptions

Estimation of useful lives of assets is based on historical experience. In addition, the condition of assets is assessed at least annually and considered against the remaining useful life, taking into account expectations about future demand and use. Adjustments to useful lives are made when considered necessary.

Leased assets

The Leases with a term of more than 12 months, unless the underlying asset is of low value, are recognised on the Balance Sheet as right-of-use assets ('ROU assets'). The lease term includes optional lease periods that the Group is reasonably certain to exercise.

The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Significant accounting judgements, estimates and assumptions

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. Once the Group determines that it is reasonably certain to exercise the extension option, adjustment to the Right of Use (ROU) and Lease Liabilities is made for the extension period.

Section 3: Operating assets and liabilities (continued)

3.3 Property, plant and equipment (continued)

Reconciliation of movements in property, plant and equipment

	Land and buildings				Mineral reserves, licences and quarry stripping		Plant and equipment				Capital work in progress		Total			
	Owned	Leased	Owned	Leased	Owned	Owned	Owned	Leased	Owned	Leased	Owned	Owned	Owned	Leased	Owned	Leased
	2023	2023	2022	2022	2023	2022	2023	2023	2022	2022	2023	2022	2023	2023	2022	2022
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Balance at the beginning of the year	774.8	65.7	700.6	65.1	187.9	158.4	951.7	45.5	855.1	52.3	92.2	212.6	2,006.6	111.2	1,926.7	117.4
Additions	–	1.7	9.1	3.8	15.5	35.7	0.1	12.3	2.3	8.0	193.5	253.2	209.1	14.0	300.3	11.8
Disposals	(0.1)	(0.2)	(3.7)	(0.7)	–	–	(1.7)	(2.1)	(4.3)	–	–	–	(1.8)	(2.3)	(8.0)	(0.7)
Transferred (to)/from other property, plant and equipment	73.9	–	94.2	–	13.8	4.3	78.5	2.3	245.7	0.7	(168.5)	(344.9)	(2.3)	2.3	(0.7)	0.7
Impairment and write-off disclosed as significant items	–	(0.4)	–	(4.0)	–	–	(3.3)	(0.1)	(2.2)	(0.2)	–	(0.8)	(3.3)	(0.5)	(3.0)	(4.2)
Lease reassessment	–	15.0	–	14.4	–	–	–	0.9	–	0.3	–	–	–	15.9	–	14.7
Transfer (to)/from other assets or liabilities	(8.4)	–	(8.2)	0.3	–	8.4	0.5	–	7.1	0.2	–	(27.9)	(7.9)	–	(20.6)	0.5
Depreciation or amortisation expense	(22.1)	(12.0)	(17.2)	(13.2)	(20.8)	(18.9)	(155.6)	(12.2)	(152.0)	(15.8)	–	–	(198.5)	(24.2)	(188.1)	(29.0)
Net foreign currency exchange differences	0.2	–	–	–	–	–	–	–	–	–	–	–	0.2	–	–	–
Balance at the end of the year	818.3	69.8	774.8	65.7	196.4	187.9	870.2	46.6	951.7	45.5	117.2	92.2	2,002.1	116.4	2,006.6	111.2
At cost	1,006.7	156.7	937.6	144.1	463.2	437.7	3,243.5	120.9	3,296.5	112.9	117.2	92.2	4,830.6	277.6	4,764.0	257.0
Less: Accumulated depreciation, amortisation and impairment	(188.4)	(86.9)	(162.8)	(78.4)	(266.8)	(249.8)	(2,373.3)	(74.3)	(2,344.8)	(67.4)	–	–	(2,828.5)	(161.2)	(2,757.4)	(145.8)
Balance at the end of the year	818.3	69.8	774.8	65.7	196.4	187.9	870.2	46.6	951.7	45.5	117.2	92.2	2,002.1	116.4	2,006.6	111.2

Short-term leases and leases of low-value assets

Short-term leases and leases of low-value assets are not recognised as ROU assets. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Total lease expense for the year is $66 million (2022: $54.7 million).

As at 30 June 2023, the Group is committed to $2.3 million (2022: $4.6 million) for leases of low-value assets.

Section 3: Operating assets and liabilities (continued)

3.4 Intangible assets

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any impairment losses. Goodwill is tested annually for impairment (see Note 3.5).

Other intangible assets

Intangible assets with a definitive life include software assets that are not under a SAAS arrangement, which are acquired individually and are stated at cost less accumulated amortisation and impairment losses (see Note 3.5). In the prior year, the other intangible assets relating to trade names, fly ash contracts, customer relationships and patents acquired through business combinations were transferred to assets held for sale.

Amortisation

Amortisation is calculated to expense the cost of an intangible asset less its estimated residual value on a straight-line basis over its estimated useful life.

The estimated useful lives for software assets are three to five years.

Amortisation is recognised in the Income Statement from the date the assets are available for use unless their lives are indefinite.

	2023	2022
	$m	$m
Goodwill	**71.2**	71.2
Other intangible assets	**18.2**	18.2
Less: Accumulated amortisation and impairment	**(18.2)**	(17.9)
	-	0.3
Total	**71.2**	71.5

3.5 Carrying value assessment

The Group annually tests goodwill for impairment. Other non-financial assets, with the exception of inventories (see Note 3.2) and deferred tax assets (see Note 5.2), are tested if there is any indication of impairment or if there is any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased.

An asset that does not generate independent cash flows and where its individual value in use cannot be estimated is tested for impairment as part of a cash generating unit (CGU).

An impairment loss is recognised in the Income Statement when the carrying amount of an asset or CGU exceeds its recoverable amount. The asset's recoverable amount is estimated based on the higher of its value in use and fair value less costs to sell.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

3.5 Carrying value assessment (continued)

Significant accounting judgements, estimates and assumptions

Management is required to make significant estimates and judgements in determining whether the carrying amount of non-financial assets has any indication of impairment, in particular in relation to:

- *the forecasting of future cash flows* – these are based on the Group's latest forecasts and reflect expectations of sales growth, operating costs, margin, capital expenditure and cash flows, based on past experience and management's expectation of future market changes, taking into account external forecasts.
- *discount rates applied to those cash flows* – post-tax discount rates used are determined by current market inputs and adjusted for the risks specific to the asset or CGU.
- *the expected long-term growth rates* – cash flows beyond the forecast period are extrapolated using estimated growth rates. The growth rates are based on the long-term performance of each CGU in their respective market.
- *the regulatory and legislative environment* – modelling is based on current regulatory and legislative requirements including licensing and environmental obligations.

Such estimates and judgements are subject to change as a result of changing economic, operational, regulatory and legislative conditions. Actual cash flows may therefore differ from forecasts and could result in changes to cash flow assumptions and asset useful lives that result in the recognition of impairment charges in future periods.

Impairment testing for cash generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's CGUs impacted by the acquisition on which the goodwill was generated. The allocation of goodwill, and subsequently the impairment testing, reflects the lowest level within the business for which information about goodwill is available and monitored for internal management purposes. The aggregate carrying amount of goodwill allocated to the group of CGUs is as follows:

	2023	2022
	$m	$m
Construction Materials CGU Group	**71.2**	71.2

Construction Materials CGU Group

The recoverable amount of the Construction Materials CGU group has been assessed via a value in use model. The key assumptions used in the model were a cash flow projection period of five years using a post-tax discount rate of 8.5% (2022: 8.04%), a terminal growth rate of 2.5% (2022: 2.5%) and segment trading activity aligned to future estimates prepared by reputable third parties. These assumptions have been determined with reference to current and historical performance and current independent expert economists' forecasts. As the value in use recoverable value significantly exceeds the carrying value, the Group expects that any reasonably possible adverse change in the value in use model assumptions in isolation or combination would not result in an impairment.

Section 3: Operating assets and liabilities (continued)

3.6 Provisions

A provision is recognised in the Balance Sheet when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- a reliable estimate can be made of the amount of the obligation; and

it is probable that an outflow of economic benefits will be required to settle the obligation.Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

Provision	Description	Significant accounting judgements, estimates and assumptions
Rationalisation and restructuring	Provisions for rationalisation and restructuring are recognised when the Group has a detailed formal plan identifying the business or part of the business concerned, the location and approximate number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the restructuring has either commenced or been publicly announced. Costs related to ongoing activities are not provisioned.	Future costs associated with the restructuring and the expected time period.
Claims	Provisions are raised for liabilities arising from the ordinary course of business, in relation to claims against the Group, including insurance, workers compensation insurance, legal and other claims. Where recoveries are considered virtually certain in respect of such claims, these are included in other receivables.	Likelihood of settling customer, legal and insurance claims.
Rehabilitation and remediation of contaminated sites	The Group provides for the costs of rehabilitating and/ or remediating a site where a legal or constructive obligation exists. This predominantly relates to rehabilitation obligations to make-good sites including: • rehabilitation obligation for decommissioning, removal and repair of the site and restoration of any quarry; and/or • remediation obligations for any identified contamination (including environmental) at sites. **Rehabilitation** Rehabilitation provisions are calculated based on the present value of estimated future costs to rehabilitate currently disturbed areas using current costs, forecast cost inflation factors and end-of-life rehabilitation requirements. Cost estimates are updated annually on a site-by-site basis, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The cost of raising a provision before exploitation of the raw materials has commenced is included in property, plant and equipment and is depreciated over the life of the site to the extent it is directly attributable. Over time, the liability is increased for the change in the present-value calculation performed based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The long term inflation rate used to project the expected future cost of cash flows is 2.0%, and the discount rate used to determine the present value of future cash flows was 4.0%, based on applicable government bonds aligned to the tenure of the liability. A decrease in the discount rate of 0.5% would lead to an increase to the provision of approximately $12.7 million, while an increase in the discount rate of 0.5% would lead to a decrease to the provision of approximately $14.3 million.	Future costs associated with dismantling and removing assets and restoring sites to their original condition, requiring assumptions on closure or removal dates, application of environmental legislation, available technologies, regulatory requirements, expected future use of the site and consultant cost estimates.

3.6 Provisions (continued)

Provision	Description	Significant accounting judgements, estimates and assumptions
Rehabilitation and remediation of contaminated sites (continued)	Alternate end-use outcomes, such as earth exchange or landfill, is considered in the calculation of the rehabilitation provision. This is based on a range of factors, including whether a current approval for earth exchange or landfill is in place, the location of the quarry, ABS data supporting expected long-term urban development, and underlying demand for earth exchange or landfill over a time period. In the event that Boral does not receive the assumed earth exchange or land fill mitigation of outflows, the Group estimates that this would lead to an increase to the provision of approximately $70 million (2022: $69 million). Actual costs and cash outflows can materially differ from the current estimate as a result of changes in regulations and their application, prices, analysis of site conditions, further studies, timing of restoration and changes in removal technology. These uncertainties may result in actual expenditure differing from amounts included in the provision recognised as at 30 June 2023. **Remediation of contaminated sites** The estimated future costs for known remediation obligations are determined on a site-by-site basis and are calculated based on the present value of estimated future costs where these can be reliably estimated. The provision includes costs associated with the clean-up of sites owned by the Group, or contamination that the Group has caused, to enable ongoing use of the land as an industrial property or development to a higher value end use.	Technical expertise is maintained to ensure that industry learnings, scientific research and local and are reviewed in assessing its restoration obligations.

Section 3: Operating assets and liabilities (continued)

3.6 Provisions (continued)

As at 30 June 2023	Rationalisation and restructuring $m	Claims $m	Rehabilitation and remediation of contaminated sites $m	Other $m	Total $m
Reconciliations					
Balance at the beginning of the year	41.2	22.6	198.0	3.2	265.0
Provisions (reversed)/ made during the year	(24.6)	22.3	1.7	9.9	9.3
Discount unwinding	–	–	4.7	–	4.7
Payments made during the year	(9.1)	(10.4)	(10.5)	(3.4)	(33.4)
Net foreign currency exchange differences	–	0.1	1.4	–	1.5
Balance at the end of the year	7.5	34.6	195.3	9.7	247.1
Current	7.5	16.1	22.9	9.4	55.9
Non-current	–	18.5	172.4	0.3	191.2
Total	7.5	34.6	195.3	9.7	247.1

As at 30 June 2022	Rationalisation and restructuring $m	Claims $m	Rehabilitation and remediation of contaminated sites $m	Other $m	Total $m
Reconciliations					
Balance at the beginning of the year	15.5	17.7	152.0	2.0	187.2
Provisions made during the year	41.0	11.0	42.6	1.2	95.8
Discount unwinding	–	–	4.8	–	4.8
Payments made during the year	(15.3)	(7.3)	(4.5)	–	(27.1)
Net foreign currency exchange differences	–	1.2	3.1	–	4.3
Balance at the end of the year	41.2	22.6	198.0	3.2	265.0
Current	18.7	12.3	30.8	3.2	65.0
Non-current	22.5	10.3	167.2	–	200.0
Total	41.2	22.6	198.0	3.2	265.0

3.7 Contract liabilities

In the case of certain contracts, the Group receives payments in advance of the services being rendered, which is recognised as a Contract Liability within Trade Creditors. The Contract Liability balance as at 30 June 2023 is $37.7 million (2022: $20.1 million) with the majority expected to be recognised as revenue in the next financial year given the nature of the projects.

Section 4: Capital and financial structure

This section provides information relating to the Group's capital structure and its exposure to financial risk, how they affect the Group's financial position and performance, and how the risks are managed.

The capital structure of the Group consists of debt and equity. The Board determine the appropriate capital structure of Boral, specifically how much is raised from shareholders (equity) and how much (debt) is borrowed in order to finance the current and future activities of the Group. The Board review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to continue as a going concern, to invest in opportunities that grow the business and enhance shareholder value.

This section also provides information around the Group's risk management policies and how Boral uses derivatives to hedge the underlying exposure to changes in interest rates, foreign exchange rate fluctuations and commodity prices.

4.1 Interest bearing liabilities

Interest bearing liabilities include loans, borrowings and lease liabilities. Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, loans and borrowings are stated at amortised cost, with any difference between amortised cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, lease liablities are stated at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; if the Group changes its assessment of whether it will exercise a purchase, extension or termination option; or if there is a revised in-substance fixed lease payment.

	2023	2022
	$m	$m
Current		
Loans – unsecured[1]	–	614.1
Lease liabilities	23.2	25.6
	23.2	639.7
Non-current		
Loans – unsecured	873.9	849.7
Lease liabilities	99.2	94.1
	973.1	943.8
Total	996.3	1,583.5

1. US senior notes – 144A with a notional amount of US$126.9 million was repaid in October 2022, and US$300 million of the May 2028 US senior notes was repaid in July 2022 following completion of the Group's tender offer. The US$300 million repayment resulted in a pre-tax net gain of $11.2 million (refer to Note 2.1).

Section 4: Capital and financial structure (continued)

4.1 Interest bearing liabilities (continued)

Term and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Currency	Effective interest rate 2023	Calendar year of maturity	30 June 2023 Carrying amount $m	30 June 2023 Fair value $m	30 June 2022 Carrying amount $m	30 June 2022 Fair value $m
Current							
US senior notes – 144A/Reg S – unsecured[1]	USD	–	2022	–	–	614.1	641.3
				–	–	614.1	641.3
Non-current							
US senior notes – private placement – unsecured	USD	4.21%	2026 - 2030	**585.9**	**559.6**	563.2	593.4
US senior notes – 144A/Reg S – unsecured	USD	3.75%	2028	**288.0**	**276.6**	286.5	301.3
				873.9	**836.2**	849.7	894.7
Total				**873.9**	**836.2**	1,463.8	1,536.0

US Senior notes – private placement – unsecured

Borrower	Notional amount US$m	Issue date	Interest rate	Maturity date	AUD equivalent $m
Boral Limited	41.0	05/2015	4.16%	05/2027	61.4
Boral Limited	24.0	03/2015	4.31%	03/2030	35.8
Boral Finance Pty Ltd	225.0	04/2018	4.05%	04/2026	339.0
Boral Finance Pty Ltd	100.0	05/2020	4.58%	05/2027	149.7
Total	**390.0**				**585.9**

US Senior notes – 144A/REG S – unsecured

Borrower	Notional amount US$m	Issue date	Interest rate	Maturity date	AUD equivalent $m
Boral Finance Pty Ltd	200.0	11/2017	3.75%	05/2028	288.0

1. US senior notes – 144A with a notional amount of US$126.9 million was repaid in October 2022, and US$300 million of the May 2028 US senior notes was repaid in July 2022 following completion of the Group's tender offer.

4.1 Interest bearing liabilities (continued)

Bank facilities

Bilateral Facilities

In January 2023, the Group undertook a restructuring of its committed loan facilities, resulting in the termination of A$100 million in committed bilateral loan facilities. As of 30 June 2023, the Group retains A$150 million in undrawn committed bilateral loan facilities, with $75 million maturing in 2025 and $75 million maturing in 2026.

Bank overdraft and other

The Group operates unsecured bank overdraft facility arrangements in Australia with a limit of $6 million (2022: $6 million). The facilities within Australia are conducted on a set-off basis. All facilities are subject to annual review where repayment can occur on demand by the lending bank.

The Group has complied with the borrowing covenants for all interest bearing liabilities and bank facilities throughout the year ended 30 June 2023.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. Any gains or losses arising from changes in fair value of derivatives, except those that qualify as effective hedges, are immediately recognised in the Income Statement.

Fair value hedge

Fair value hedges are used to hedge exposure to changes in the fair value of recognised assets, liabilities or firm commitments. Changes in the fair value of derivatives, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, are immediately recognised in the Income Statement.

Cash flow hedge

Cash flow hedges are used to hedge risks associated with highly probable forecast transactions. For cash flow hedges, changes in the fair value of the derivative are recognised in equity in the hedging reserve for the effective portion of the hedge. The gain or loss relating to the ineffective portion of the hedge is recognised immediately in the Income Statement.

Amounts deferred in equity are transferred to the Income Statement in the periods the hedged item is recognised in profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred to form part of the initial cost and carrying amount of the asset or liability.

If a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is immediately recognised in the Income Statement. If the hedging instrument expires or is sold, terminated, or no longer qualifies for hedge accounting, any gain deferred in equity remains in equity until the forecast transaction occurs.

Hedge of net investment in a foreign operation

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity. The ineffective portion is recognised immediately in the Income Statement.

Hedge accounting

As a result of the regulatory reform on benchmark rates, LIBOR will be discontinued and replaced by an alternative benchmark rate from 1 July 2023.

The Group holds interest rate swaps and cross currency swaps for risk management purposes. These are designated in fair value hedge and cash flow hedge relationships against the loans exposed directly or indirectly to USD LIBOR.

As at 30 June 2023, the notional value of the Group's derivative hedging transactions exposed to USD LIBOR is US$100 million (2022: US$100 million).

The Group's derivative hedging instruments are governed by the ISDA's Master Agreement. The Group has adhered to ISDA IBOR Fallback Protocol and as such on the cessation of US Dollar LIBOR, it will be replaced with Fallback Rate (Secured Overnight Financing Rate "SOFR"). Boral's existing trade will incorporate the SOFR and fallback margin over benchmark which will be used for valuation post June 2023. There is no change in Boral's risk management activities due to this reform and Boral is working with its Treasury management system vendor to manage the transition.

Credit risk

Credit risk is the risk of loss if a counterparty fails to fulfil their obligations under a financial instrument contract. The Group is exposed to credit risk arising from financing activities including cash at bank, trade and other receivables and other financial instruments.

Management has a counterparty credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

Credit risk relating to cash at bank and derivative contracts is minimised by using financial counterparties that have a long-term standard and poor/ Moody's credit rating equal to or greater than A-/A3, although allowance is given for credit exposures up to $50 million with financial counterparties with a rating below A-/A3.

No more than 40% of Boral's total credit exposure is to be with any individual eligible counterparty.

4.2 Financial risk management (continued)

For information on the management of credit risk relating to trade and other receivables see Note 3.1.

Credit risk (continued)

The following table indicates the Group's maximum credit exposure from non-derivative financial assets.

	Carrying amount 2023 $m	Carrying amount 2022 $m
Non-derivative financial assets		
Loans to and receivables from associates	**19.0**	23.6
Trade and other receivables	**550.3**	513.4
Cash at bank, on hand and bank short-term deposits	**658.1**	1,107.1
Equity securities	**–**	5.7
	1,227.4	1,649.8

The following table indicates the Group's maximum credit exposure for derivative financial assets, the periods in which the cash flows associated with derivative financial assets are expected to occur and the impact on profit or loss:

30 June 2023	Carrying amount $m	Fair value $m	Contractual cash flows $m	6 months or less $m	6–12 months $m	1–2 years $m	2–5 years $m	More than 5 years $m
Derivative financial assets								
Forward exchange contracts[1]	0.6	0.6	0.1	0.1	–	–	–	–
Cross currency swaps[1]	17.1	17.1	15.5	0.5	0.4	(1.1)	15.1	0.6
Power purchase agreement	2.2	2.2	3.5	–	–	(0.3)	(0.2)	4.0
	19.9	19.9	19.1	0.6	0.4	(1.4)	14.9	4.6

30 June 2022	Carrying amount $m	Fair value $m	Contractual cash flows $m	6 months or less $m	6–12 months $m	1–2 years $m	2–5 years $m	More than 5 years $m
Derivative financial assets								
Forward exchange contracts[2]	8.2	8.2	8.2	8.2	–	–	–	–
Commodity options[1]	2.0	2.0	2.0	2.0	–	–	–	–
Commodity swaps[1]	16.9	16.9	16.9	14.4	2.5	–	–	–
	27.1	27.1	27.1	24.6	2.5	–	–	–

1. Designated as cash flow hedges.
2. In 2022, $0.6 million designated as cash flow hedge and the remaining $7.6 million was designated as fair value hedge.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group has insufficient funds to meet its financial obligations when they fall due. It is also associated with planning for unforeseen events or business disruptions that may cause pressure on liquidity.

The Group manages liquidity risk by ensuring that:

(a) Boral has a well-spread debt facility maturity profile, with a target of exceeding 3.5 years;

(b) short-term debt (< 1 year) less cash deposits, is not to exceed 20% of the sum of total debt + committed undrawn facilities (> 1 year) at all times; and

(c) committed undrawn facilities plus cash (liquidity sources) exceeds liquidity uses at all times.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
30 June 2023	$m	$m	$m	$m	$m	$m	$m
Non-derivative financial liabilities							
US senior notes – private placement – unsecured	585.9	(678.3)	(12.4)	(12.4)	(24.8)	(589.4)	(39.3)
US senior notes – 144A/Reg S – unsecured	288.0	(358.3)	(5.7)	(5.7)	(11.3)	(335.6)	–
Lease liabilities	122.4	(186.0)	(15.3)	(15.2)	(21.4)	(35.9)	(98.2)
Trade creditors	497.1	(497.1)	(497.1)	–	–	–	–
	1,493.4	(1,719.7)	(530.5)	(33.3)	(57.5)	(960.9)	(137.5)
Derivative financial liabilities							
Interest Rate Swap[2]	12.1	(10.9)	(1.9)	(2.2)	(2.6)	(4.2)	–
Commodity swaps[1]	3.6	(3.9)	(3.7)	(0.4)	0.2	–	–
	15.7	(14.8)	(5.6)	(2.6)	(2.4)	(4.2)	–
	1,509.1	(1,734.5)	(536.1)	(35.9)	(59.9)	(965.1)	(137.5)

1. Designated as cash flow hedges.
2. Designated as fair value hedges.

4.2 Financial risk management (continued)

30 June 2022	Carrying amount $m	Contractual cash flows $m	6 months or less $m	6–12 months $m	1–2 years $m	2–5 years $m	More than 5 years $m
Non-derivative financial liabilities							
US senior notes – private placement – unsecured	563.2	(676.5)	(11.9)	(11.9)	(23.8)	(589.6)	(39.3)
US senior notes – 144A/Reg S – unsecured	900.6	(1,089.8)	(200.7)	(13.6)	(27.2)	(81.7)	(766.6)
Lease liabilities	119.7	(176.6)	(14.8)	(14.7)	(22.0)	(39.4)	(85.7)
Trade creditors	497.2	(497.2)	(497.2)	–	–	–	–
	2,080.7	(2,440.1)	(724.6)	(40.2)	(73.0)	(710.7)	(891.6)
Derivative financial liabilities							
Cross currency swaps[1]	5.9	(17.5)	(0.1)	(0.4)	(1.9)	(6.7)	(8.4)
Interest rate swaps[2]	5.3	(5.5)	0.2	(0.9)	(1.4)	(2.5)	(0.9)
	11.2	(23.0)	0.1	(1.3)	(3.3)	(9.2)	(9.3)
	2,091.9	(2,463.1)	(724.5)	(41.5)	(76.3)	(719.9)	(900.9)

1. Designated as cash flow hedges.
2. Designated as fair value hedges.

Foreign currency risk

The Group is exposed to fluctuations in foreign currency as a result of the purchase of raw materials, imported plant and equipment and the translation of its investments in overseas assets.

The Group manages this risk by adopting the following policies:

(a) All global operational foreign exchange exposures are regarded as being within hedging parameters. If hedging is elected, then maximum hedging levels of 75% for Year 1 (months 1 to 12), 50% for Year 2 (months 13 to 24), 50% for Year 3 (months 25 to 36), 50% for Year 4 (months 37 to 48) apply. The maximum hedging term permitted is four years.

(b) Capital expenditure-related foreign currency exposures greater than A$0.5 million must be 100% hedged at the time of capital expenditure approval.

The Group uses forward exchange contracts to hedge foreign exchange risk. Most of the forward exchange contracts have maturities of less than one year. Where necessary and in accordance with policy compliance, forward exchange contracts can be rolled over at maturity.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Foreign currency risk (continued)

(i) Translation risk

Foreign currency translation risk is the risk that upon consolidation for financial reporting the value of the Group's investment in foreign domiciled entities will fluctuate due to changes in foreign currency rates.

Foreign currency fluctuations on translation of foreign entities is taken direct to the income statement. In the prior year, the Group used foreign currency denominated borrowings and cross currency swaps to hedge the Group's net investment in overseas domiciled assets. The related exchange gains/losses on foreign currency movements were taken to the Foreign Currency Translation Reserve.

The table below shows the Group's net exposure to translation risk. Amounts below are calculated based on notional amounts:

	USD	CAD	Euro	GBP
Currency	Notional A$ equivalent ($m)[1]			
30 June 2023				
Balance sheet				
Net investment in overseas domiciled entities	5.6	–	(0.2)	0.2
Foreign currency borrowings	(889.9)	–	–	–
Cross currency swaps	889.9	–	–	–
Net foreign currency cash and cash equivalent	10.4	–	0.1	0.3
	16.0	–	(0.1)	0.5

	USD	CAD	Euro	GBP
Currency	Notional A$ equivalent ($m)[1]			
30 June 2022				
Balance sheet				
Net investment in overseas domiciled entities	659.0	0.1	(1.1)	0.2
Foreign currency borrowings	(1,476.3)	–	–	–
Foreign exchange contract	380.2	–	–	–
Cross currency swaps	145.2	–	–	–
Net foreign currency cash and cash equivalent	214.9	–	–	–
	(77.0)	0.1	(1.1)	0.2

1. The notional amount shows the principal face value for each instrument.

4.2 Financial risk management (continued)

(ii) Transaction risk

Foreign currency transaction risk is the risk that the value of financial commitments, recognised monetary assets or liabilities or cash flows will fluctuate due to changes in foreign currency rates.

The Group's foreign currency transaction risk is managed through the use of forward exchange contract derivatives. A forward exchange contract is an agreement between two parties to exchange two currencies at a given exchange rate at some point in the future with the aim of mitigating foreign currency transaction risk.

Based on notional amounts, the forward exchange contracts taken out to hedge foreign exchange transactional risk at balance date were as follows:

	Notional amount AUD[1]		Average exchange rate	
	2023	2022	2023	2022
	$m	$m		
US dollars				
Buy USD/sell AUD – one year or less	**90.2**	394.7	**0.6647**	0.7037
Sell USD/buy AUD - one year or less	**0.3**	–	**0.6894**	n/a
Euros				
Buy EUR/sell AUD – one year or less	**3.4**	–	**0.6058**	n/a
JPY				
Buy JPY/sell AUD – one year or less	**1.6**	–	**88.01**	n/a

1. The notional amount shows the principal face value for each instrument.

The forward exchange contracts are considered to be highly effective hedges as they are matched against underlying foreign currency cash flows such as future interest payments, purchases and sales. There was no significant cash flow hedge ineffectiveness in the current or prior year.

As at balance date, the unhedged foreign currency payables were $0.5 million at 30 June 2023 (2022: $1.4 million). The related exchange gains/losses on foreign currency movements are taken to the Income Statement.

Sensitivity

At 30 June 2023, had the Australian dollar weakened/ strengthened by 10% against the respective foreign currencies where all other variables remain constant, the Group's pre-tax change to earnings would have increase/ decreased by $0.1 million in 2023 (2022: $37.3 million) and equity would have increased/ decreased respectively by around equivalent $10.3 million (2022: equivalent $5.1 million).

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2023	2022	2023	2022
USD	**0.6734**	0.7258	**0.6630**	0.6889
EUR	**0.6439**	0.6442	**0.6099**	0.6589
GBP	**0.5597**	0.5455	**0.5250**	0.5671

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that the Group is impacted by significant changes in interest rates. Borrowing issued at or swapped to floating rates expose the Group to interest rate risk.

Interest rate swaps and cross currency swaps have been transacted to assist with achieving an appropriate mix of fixed and floating interest rate borrowings. All interest rate derivative instruments mature progressively over the next seven years, with the duration applicable to the interest rate and cross currency swaps consistent with maturities applicable to the underlying borrowings.

The Group adopts a policy that ensures a maximum of 100% of its borrowings are fixed interest rates borrowings. The use of interest rate derivative instruments provides the Group with the flexibility to raise term borrowings at fixed or variable interest rate and subsequently convert these borrowings to variable or fixed rates of interest.

At the reporting date, the Group had 83% of the debt as fixed and remaining US$100 million has been converted to floating.

Borrowings are held at amortised cost, meaning that the borrowing's effective rate of interest is charged as a finance cost to the Income Statement (not the interest paid in cash). While generally close, the carrying value at amortised cost may be different to the principal face value.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2023	2023	2022	2022
	Carrying amount	Notional amount[1]	Carrying amount	Notional amount[3]
	$m	$m	$m	$m
Fixed rate instruments				
US senior notes – private placement – unsecured	**585.9**	**588.2**	563.2	566.1
US senior notes – 144A/Reg S – unsecured	**288.0**	**301.7**	900.6	910.0
Lease liabilities	**122.4**	**122.4**	119.7	119.7
	996.3	**1,012.3**	1,583.5	1,595.8
Pay variable interest rate derivatives				
Interest rate swap pay floating US$ LIBOR[2]	**(12.1)**	**150.8**	5.3	145.2
Cross currency swap pay floating A$ BBSW[3]	**(0.9)**	**150.7**	5.9	150.7
	(13.0)	**301.5**	11.2	295.9
Pay fixed interest rate derivatives				
Cross currency swap receive fixed US$/ pay fixed AUD[4]	**18.0**	**716.7**	–	–
	18.0	**716.7**	–	–

The ineffective portion of the hedges transferred to the Income Statement was a $0.1 million gain/loss in 2023 due to the unwind of credit and execution charge cost of hedge on the interest rate swaps and cross currency swaps (2022: $0.1 million gain).

1. The notional amount shows the principal face value for each instrument.
2. US$100 million (equivalent A$145.2 million) fixed rate notes due May 2028 have been swapped to USD floating rate via interest rate swaps in October 2017.
3. US$100 million fixed rate notes due May 2028, which were previously swapped to USD floating rate via interest rate swaps, have been swapped to AUD floating rate (equivalent A$150.7 million) via cross currency swaps in May 2020.
4. US$490 million fixed rate notes have been swapped to AUD floating rate (equivalent to A$716.7 million) via cross currency swaps in December 2022.

Sensitivity

At 30 June 2023, if interest rates had changed by +/- 1% pa from the year end rates with all other variables held constant, the Group's pre-tax profit for the year would have been $0.1 million higher or lower (2022: $0.3 million) and the change in equity would have been $0.7 million (2022: nil) mainly as a result of a higher or lower interest cost applying to interest rate derivatives.

4.2 Financial risk management (continued)

Commodity price risk

Commodity price risk is the risk that the Group is exposed to fluctuations in commodity prices. The Group's primary exposures to commodity price risk are the purchase of diesel, natural gas, electricity and coal under variable price contract arrangements. The Group uses commodity swaps and options to hedge a component of these exposures.

If hedging is elected, then the maximum hedging levels are:

- 75% for Year 1 (months 1 to 12); and
- 50% for Year 2 (months 13 to 24); and
- 50% for Year 3 (months 25 to 36); and
- 50% for Year 4 (months 37 to 48).

The maximum permitted term for a hedge transaction is four years.

Commodities hedging activities

The notional and fair value of commodity derivative instruments at year end is as follows:

	2023	2023	2022	2022
	Notional[1]	Fair value/ carrying amount	Notional[1]	Fair value/ carrying amount
	$m	$m	$m	$m
Singapore gasoil	**64.6**	**(1.3)**	–	–
Natural gas (STTM)	**5.4**	**(0.2)**	–	–
Electricity	**23.9**	**(2.1)**	9.7	18.9

1. The notional amount shows the principal face value for each instrument, and the amounts have been presented in Australian dollars.

The commodity swaps and options are considered to be highly effective hedges as they are matched against forward commodity purchases. There was no ineffective portion of the hedges transferred to the Income Statement in 2023 and 2022.

Sensitivity

At 30 June 2023, if the commodity price had changed by +/- 10% from the year end prices with all other variables held constant, the Group's pre-tax earnings for the year would have been unchanged (2022: unchanged) and the change in equity would have been $8.7 million (2022: $2.9 million).

Power purchase agreement

The Group entered into a solar power purchase agreement (PPA) in November 2022 for a period of ten years from the commencement of commercial production expected from April 2025. The solar farm is situated in Wellington North, NSW.

The Group will buy 7.4% of total generation from LightsourceBP Solar farm; and with a nameplate capacity of $330MW_{AC}$ Boral's expected share is 60,000 MWhs which represents 17% of Boral's total electricity consumed.

The Group has no involvement in financing, operating and maintaining the solar farm.

The PPA is not a physical electricity supply contract. It operates as a "contract for differences" (CfD) whereby the parties have agreed to a 'Bundled Price'. If the NSW electricity spot price is higher than the Bundled Price then the LightsourceBP will pay the difference to the company and vice versa. The CfD is a derivative and is required to be fair valued at each reporting date with any movements recorded in the profit or loss.

The key inputs impacting the value of the derivative are the strike price, the contract period, forward NSW electricity spot prices (Level 3 unobservable input), future estimates of the Group's share of solar output and the credit worthiness of the service provider. The 30 June 2023 PPA derivative payable was valued at $2.2 million (June 2022: n/a). The profit impact from a reasonably possible movement in spot electricity prices (+/- 10 %) is +/- $3.4 million.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Fair value

The fair value of all financial instruments approximates their carrying value. The following describes the methodology adopted to derive fair values:

Financial instrument	Valuation method	Carried at fair value?
Commodity swaps and options	The fair value is calculated using closing commodity market prices and implied volatility data and includes bilateral credit value adjustments.	Yes
Forward exchange contracts, options and cross currency swaps	The fair value is calculated based on market derived spot and forward prices, relevant currency interest rate curves, foreign currency basis spreads applicable to the relevant currency and includes bilateral credit value adjustments.	Yes
Interest rate swaps	The fair value is calculated from the present value of expected future cash flows for each instrument and includes the bilateral credit adjustment. The expected future cash flows are derived from yield curves constructed from market sources reflecting their term to maturity.	Yes
Power purchase agreement	The fair value is calculated based on the present value of expected future cash flows of the PPA and includes the bilateral credit adjustment. The expected future cash flows are derived by calculating the difference between the strike price of the PPA and the long-term electricity forecasted prices obtained from an independent expert.	Yes
Cash, deposits, loans and receivables, payable and short-term borrowings	The carrying value approximates fair value due to the short term nature of these assets and liabilities	No
Long-term borrowings	Loans and borrowings are recognised initially at fair value less attributable transaction costs. Fair value on inception reflects the present value of expected cash flows using interest rates derived from market sources reflecting their term to maturity. Subsequently, loans and borrowings are stated at amortised cost, with any difference between amortised cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis.	No
Equity securities	The fair value represents the market value of the underlying securities.	Yes

4.2 Financial risk management (continued)

Interest rates used for determining fair value

Where appropriate, the Group uses BBSW, LIBOR and Treasury Bond yield curves as of 30 June 2023 plus an adequate credit spread to discount financial instruments. The interest rates used are as follows:

	2023	2022
	% pa	% pa
Derivatives	**4.05 - 5.06**	1.29 – 3.75
Loans and borrowings	**3.75 - 4.58**	3.00 – 4.58
Leases	**0.93 – 7.67**	0.8 – 5.87

The fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value for each level:

	2023	2022
	$m	$m
Assets		
Equity securities – Level 1	**–**	5.7
Derivative financial assets – Level 2	**22.7**	27.1
Derivative financial assets – Level 3[1]	**2.2**	–
Total assets	**24.9**	32.8
Current	**3.0**	32.8
Non-current	**21.9**	–
Total assets	**24.9**	32.8
Liabilities		
Derivative financial liabilities – Level 2	**20.7**	11.2
Derivative financial liabilitiess – Level 3[1]	**–**	–
Total liabilities	**20.7**	11.2
Current	**10.3**	1.4
Non-current	**10.4**	9.8
Total liabilities	**20.7**	11.2

1. During the period, the Group entered into a 10-year cash for difference Power Purchase Agreement (PPA), effective from April 2025. As at 30 June 2023, the fair value is $2.2 million.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Hedge Accounting

Boral has applied the ratio of 1:1 to all hedge relationships.

30 June 2023		Nominal amount of hedging instrument and hedged item	Hedge rates	Carrying amount of the hedging instrument (AUD)		Change in value of the hedging instrument used for calculating hedge ineffectiveness	Change in value of the hedged item used for calculating hedge ineffectiveness	Change in value of the hedging instrument recognised in reserve	Hedge ineffectiveness recognised in profit/(loss)[3]	Amount reclassified from the cash flow hedge reserve to profit and loss and asset carrying values
				Financial Assets	Financial Liabilities					
		$m		$m	$m	$m	$m	$m	$m	$m
Cash flow hedges										
USD diesel costs - Commodity Swaps (up to 2 year)	Barrels	64.6	USD/Barrel 86.84-110.2	0.8	(2.1)	(1.3)	1.3	(1.3)	-	(2.4)
AUD electricity costs - Commodity Swaps and option (up to 2 years)	MWh	21.8	AUD/MWh 56.54-150.5	0.2	(2.3)	(19.0)	19.0	(19.0)	-	16.9
AUD Natural Gas costs - Commodity Swaps (up to 2 years)	GJ	5.4	AUD/Gj 19.5	0.3	(0.4)	(0.2)	0.2	(0.2)	-	-
Capital expenditures - Foreign Exchange Contracts (up to 1 year)	AUD	3.4	AUD/EUR 0.6038-0.6088	-	-	-	-	-	-	0.1
Capital expenditure - Foreign Exchange Contracts (up to 1 year)	AUD	1.6	AUD/JPY 88.01	-	(0.1)	0.1	(0.1)	0.1	-	-
Operation expenditures - Foreign Exchange Contracts and Options (up to 1 year)	AUD	89.9	AUD/USD 0.6500 - 6894	0.7	-	(1.1)	1.1	(1.1)	-	1.8
Cross Currency Swaps (up to 7 year)[1]	AUD	867.4	Floating 5.06%	20.6	(3.7)	22.8	(22.8)	22.8	-	0.7
Foreign currency borrowings - 144A/Reg S senior notes and USPP senior notes	USD	590.0	Fixed 3.75% - 4.58%	-	-	-	-	(28.2)	-	-
				22.6	(8.6)	1.3	(1.3)	(26.9)	-	17.1
Fair value hedges										
Interest - Interest Rate Swaps (up to 7 years)[2]	USD	100.0	Floating n/a	-	(12.1)	(6.8)	6.9	-	0.1	(0.9)
				-	(12.1)	(6.8)	6.9	-	0.1	(0.9)
				22.6	(20.7)	(5.5)	5.5	(26.9)	0.1	16.2

1. USDAUD cross currency swaps designated in cash flow hedge.
2. USDAUD interest rate swaps designated in fair value hedge. Accumulated fair adjustment on hedged item carrying amount is $10.7 million.
3. Recognised in Other income/Other expenses in the Income Statement.

Section 4: Capital and financial structure (continued)

4.2 Financial risk management (continued)

Hedge Accounting

Boral has applied the ratio of 1:1 to all hedge relationships.

30 June 2022		Nominal amount of hedging instrument and hedged item	Hedge rates	Carrying amount of the hedging instrument (AUD) Financial Assets	Carrying amount of the hedging instrument (AUD) Financial Liabilities	Change in value of the hedging instrument used for calculating hedge ineffectiveness	Change in value of the hedged item used for calculating hedge ineffectiveness	Change in value of the hedging instrument recognised in reserve	Hedge ineffectiveness recognised in profit/(loss)[3]	Amount reclassified from the cash flow hedge reserve to profit and loss and asset carrying values
		$m		$m	$m	$m	$m	$m	$m	$m
Cash flow hedges										
USD diesel costs – Commodity Swaps	Barrels	–	USD/Barrel –	–	–	–	–	–	–	7.6
AUD electricity costs – Commodity Swaps (up to 1 year)	MWh	3.1	AUD/MWh 34.75 - 48.50	16.9	–	15.4	(15.4)	15.4	–	1.5
AUD electricity costs – Commodity Options (up to 1 year)	MWh	6.6	AUD/MWh 90 - 390	2.0	–	–	–	–	–	–
Capital expenditures – Foreign Exchange Contracts	AUD	–	AUD/EUR –	–	–	–	–	–	–	0.1
Capital expenditures – Foreign Exchange Contracts (up to 1 year)	AUD	–	AUD/USD –		–	–	–	–	–	–
Operation expenditures - Foreign Exchange Contracts (up to 1 year)	AUD	14.0	AUD/USD 0.7037	0.6	–	0.6	(0.6)	0.6	–	(0.2)
Asset sale proceeds – Foreign Exchange Contracts	AUD	–	AUD/USD –	–	–	–	–	–	–	–
Cross Currency Swaps (up to 6 years)[1]	AUD	150.7	Floating n/a	–	(5.9)	14.1	(14.1)	14.1	–	–
Foreign currency borrowings – 144A/Reg S senior notes	USD	100.0	Fixed 3.75%	–	–	–	–	(11.8)	–	–
				19.5	(5.9)	30.1	(30.1)	18.3	–	9.0
Fair value hedges										
Interest - Interest Rate Swaps (up to 6 years)[2]	USD	100.0	Floating n/a	–	(5.3)	(15.5)	15.7	–	(0.2)	–
				–	(5.3)	(15.5)	15.7	–	(0.2)	–
				19.5	(11.2)	14.6	(14.4)	18.3	(0.2)	9.0

1. USDAUD cross currency swaps designated in cash flow hedge, which is due to mature in May 2028.
2. USDAUD cross currency swaps designated in fair value hedge. Accumulated fair adjustment on hedged item carrying amount is $5.3 million.
3. Recognised in Other income/Other expenses in the Income Statement.

Section 4: Capital and financial structure (continued)

4.3 Issued capital

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax effects.

Where the Group purchases the Company's own equity instruments, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. The amount of the consideration paid, including directly attributable costs, is recognised as a deduction from contributed equity, net of any related income tax effects.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

	2023 $m	2022 $m
Issued and paid up capital		
1,103,088,419 (2022: 1,103,088,419) ordinary shares, fully paid	**593.7**	593.7

4.4 Reserves

Foreign currency translation reserve (FCTR)
Exchange differences arising on translation of foreign operations are recognised in the income statement. In the prior year exchange differences arising on translation of foreign operations were recognised in FCTR, together with foreign exchange differences from the translation of liabilities that hedge the Group's net investment in a foreign operation.

Gains or losses accumulated in equity are recognised in the Income Statement when a foreign operation is disposed.

	2023	2022
	$m	$m
Balance at the beginning of the year	–	79.5
Net gain on translation of assets and liabilities of overseas entities	–	109.4
Foreign currency translation reserve transferred to net profit on disposal of controlled entities and equity accounted investment	–	(150.0)
Net loss on translation of long-term borrowings and foreign currency forward contracts net of tax benefit in 2022: $16.7 million	–	(38.9)
Balance at the end of the year	–	–

Hedging reserve

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Balance at the beginning of the year	11.8	3.6
Transferred to the Income Statement	(16.2)	8.9
Transferred to initial carrying amount of hedged item	–	0.1
(Loss)/ gain taken directly to equity	(8.9)	2.7
Tax expense	7.5	(3.5)
Balance at the end of the year	(5.8)	11.8

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and rights recognised as an expense.

Balance at the beginning of the year	36.1	39.7
Option/rights expense/(benefit)	(2.2)	0.1
Share acquisition rights vested	–	(3.7)
Balance at the end of the year	33.9	36.1
Total reserves	28.1	47.9

Section 5: Taxation

This section provides the information that is most relevant to understanding the taxation treatment by the Group during the financial year.

Boral Limited and its wholly owned Australian controlled entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Boral Limited.

5.1 Income tax expense

Income tax expense includes current and deferred tax. Current and deferred tax are recognised in the Income Statement except to the extent that they relate to items recognised directly in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Significant accounting judgements, estimates and assumptions

The Group is primarily subject to income taxes in Australia. In determining the amounts of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. Changes in circumstances will alter expectations, which may impact the amounts recognised on the Balance Sheet and the amount of other tax losses and temporary differences not yet recognised.

5.1 Income tax expense (continued)

For the year ended 30 June	Note	2023 $m	2022 $m
(i) Income tax expense			
Current income tax expense		**(6.4)**	202.0
Deferred income tax expense		**66.4**	58.3
Changes in estimate from prior years		**(1.4)**	(10.0)
Income tax expense attributable to profit		**58.6**	250.3
(ii) Reconciliation of income tax expense to prima facie tax			
Income tax expense on profit:			
– at Australian tax rate 30%		**62.0**	363.3
– adjustment for difference between Australian and overseas tax rates		**0.4**	(42.5)
Income tax expense on pre-tax profit at standard rates		**62.4**	320.8
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:			
Capital losses and exempt income on disposal of business		**1.5**	(41.7)
Capital and income tax losses realised		**(0.8)**	(10.1)
Share of associates' net profit		**(4.1)**	(4.2)
Other items		**1.0**	(4.5)
Income tax expense on profit		**60.0**	260.3
Changes in estimate from prior years		**(1.4)**	(10.0)
Income tax expense attributable to profit		**58.6**	250.3
Income tax expense/(benefit) from continuing operations			
Income tax expense/(benefit) excluding significant items		**53.1**	(1.6)
Income tax expense/(benefit) relating to significant items	2.1	**6.5**	(22.4)
		59.6	(24.0)
Income tax expense/(benefit) from discontinued operations			
Income tax expense excluding significant items		**–**	31.9
Income tax expense/(benefit) relating to significant items	2.1	**(1.0)**	242.4
	6.1	**(1.0)**	274.3
		58.6	250.3
(iii) Tax amounts recognised directly in equity			
The following deferred tax amounts were charged/(credited) directly to equity during the year in respect of:			
Net exchange differences taken to equity		**–**	(16.7)
Fair value adjustment on cash flow hedges		**(7.5)**	3.5
Recognised in comprehensive income		**(7.5)**	(13.2)

Section 5: Taxation (continued)

5.1 Income tax expense (continued)

(iv) Reconciliation of current year income tax expense for continuing and discontinued operations

For the year ended 30 June 2023	Continuing operations $m	Discontinued operations $m	Total $m
– at Australian tax rate 30%	65.2	(3.2)	62.0
– adjustment for difference between Australian and overseas tax rates	(0.4)	0.8	0.4
Income tax expense on pre-tax profit at standard rates	64.8	(2.4)	62.4
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:			
Capital losses and exempt income on disposal of business	–	1.5	1.5
Capital and income tax losses realised	(0.8)	–	(0.8)
Share of associates' net profit	(4.1)	–	(4.1)
Other items	1.1	(0.1)	1.0
Income tax expense on profit	61.0	(1.0)	60.0
Changes in estimate from prior years	(1.4)	–	(1.4)
Income tax expense attributable to profit	59.6	(1.0)	58.6

For the year ended 30 June 2022	Continuing operations $m	Discontinued operations $m	Total $m
– at Australian tax rate 30%	(12.4)	375.7	363.3
– adjustment for difference between Australian and overseas tax rates	0.8	(43.3)	(42.5)
Income tax expense on pre-tax profit at standard rates	(11.6)	332.4	320.8
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:			
Capital losses and exempt income on disposal of business	–	(41.7)	(41.7)
Capital and income tax losses realised	(2.3)	(7.8)	(10.1)
Share of associates’ net profit	(3.8)	(0.4)	(4.2)
Other items	(0.2)	(4.3)	(4.5)
Income tax expense on profit	(17.9)	278.2	260.3
Changes in estimate from prior years	(6.1)	(3.9)	(10.0)
Income tax expense attributable to profit	(24.0)	274.3	250.3

5.2 Deferred tax assets and liabilities

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised.

	2023 $m	2022 $m
Recognised deferred tax balances		
Deferred tax asset	**107.7**	166.6
Deferred tax liability	**(36.6)**	(35.1)
	71.1	131.5
Unrecognised deferred tax assets		
The potential deferred tax asset has not been taken into account in respect of capital tax losses	**89.1**	128.3

Australia has $297 million (2022: $268 million) carry forward capital losses with no restriction on the expiry date. All other foreign tax losses for 2022 are expected to be extinguished or have been fully utilised.

Section 5: Taxation (continued)

5.2 Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

As at 30 June 2023	Balance at the beginning of the year $m	Recognised in income $m	Recognised in equity $m	Balances disposed $m	Foreign currency exchange differences $m	Balance at the end of the year $m
Receivables	2.1	0.9	-	-	-	3.0
Inventories	(0.9)	0.8	-	-	-	(0.1)
Other financial instruments	(7.3)	(1.5)	7.5	-	-	(1.3)
Property, plant and equipment	(19.2)	11.5	-	-	-	(7.7)
Payables	3.3	(0.2)	-	-	-	3.1
Interest bearing liabilities	35.8	1.2	-	-	-	37.0
Provisions	97.9	9.2	-	-	-	107.1
Other	(61.1)	3.2	-	-	(1.5)	(59.4)
Unrealised foreign exchange	47.9	(58.5)	-	-	-	(10.6)
Tax losses carried forward	33.0	(33.0)	-	-	-	(0.0)
	131.5	(66.4)	7.5	-	(1.5)	71.1

Section 5: Taxation (continued)

5.2 Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year (continued)

As at 30 June 2022	Balance at the beginning of the year $m	Recognised in income $m	Recognised in equity $m	Balances disposed $m	Foreign currency exchange differences $m	Balance at the end of the year $m
Receivables	1.5	0.7	-	(0.1)	-	2.1
Inventories	6.9	(6.4)	-	(1.4)	-	(0.9)
Other financial instruments	4.9	(8.7)	(3.5)	-	-	(7.3)
Property, plant and equipment	(46.4)	49.8	-	(21.4)	(1.2)	(19.2)
Intangible assets	(165.0)	0.6	-	169.8	(5.4)	-
Payables	4.4	(1.1)	-	-	-	3.3
Interest bearing liabilities	42.6	(4.8)	-	(2.0)	-	35.8
Provisions	106.1	(5.1)	-	(3.6)	0.5	97.9
Other	(14.1)	22.1	-	(67.7)	(1.4)	(61.1)
Unrealised foreign exchange	(2.8)	34.0	16.7	-	-	47.9
Tax losses carried forward	167.6	(139.4)	-	-	4.8	33.0
	105.7	(58.3)	13.2	73.6	(2.7)	131.5

Section 6: Group structure

This section explains significant aspects of Boral's group structure, including equity accounted investments that the Group has an interest in, its controlled entities and how changes have affected the Group structure. When applicable, it also provides information on business acquisitions and disposals made during the financial year.

6.1 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. An operation would be classified as held for sale if the carrying value of the assets of the operation will be principally recovered through a sale transaction rather than continuing use. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued, the comparative Income Statement is restated as if the operation had been discontinued from the start of the comparative period.

During the current financial year, the group recognised pre-tax loss of $10.9 million, relating to completion settlements and other divestment related matters. Please refer to Note 2.1 for further details.

In the comparative period, the earnings in relation to the divested businesses, including North American Building Products, North American Fly Ash, Meridian Brick and Australian Building Products businesses, had been classified to 'Discontinued Operations' in the Income Statement, and are summarised in the following table.

		Total	
		2023	2022
	Note	$m	$m
Results of discontinued operations			
Revenue		–	952.3
Expenses		–	(808.9)
Share of equity accounted income		–	7.4
Profit/(loss) before significant items, net interest expense and income tax		–	150.8
Significant items	2.1	(10.9)	1,105.6
Profit before net interest expense and income tax		(10.9)	1,256.4
Net interest expense		–	(4.5)
Profit before income tax		(10.9)	1,251.9
Income tax (expense)/benefit		1.0	(274.3)
Net profit		(9.9)	977.6
Cash flows from discontinued operations			
Net cash (used in)/provided by operating activities		–	44.1
Net cash provided by investing activities		14.5	3,940.9
Net cash used in financing activities		–	(25.1)
Net cash provided by discontinued operations		14.5	3,959.9

6.2 Equity accounted investments

The Group’s equity method investment in its equity accounted investments is initially recorded at cost and subsequently accounted for using the equity method. The carrying amount of the investment is adjusted to recognise changes in the Group’s interest in the net assets of the investees. Dividends received from the investees are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the investees is included in the carrying amount of the investment and is not tested for impairment individually. However, the carrying value of the investment is tested for impairment when there are indicators that the investment is potentially impaired.

The Group’s share of the results of the investees is reported in the Income Statement.

When the Group's share of losses from an equity accounted investment exceed the Group's investment in the relevant equity accounted investment, the losses are taken against any long-term receivables relating to the equity accounted investment and if the Group's obligation for losses exceeds this amount, they are recorded as a provision in the Group's financial statements to the extent that the Group has an obligation to fund the liability.

				Ownership interest		Investment carrying amount	
				2023	2022	2023	2022
Name	Principal activity	Country of incorporation	Balance date	%	%	$m	$m
Details of equity accounted investments							
Bitumen Importers Australia Pty Ltd	Bitumen importer	Australia	30-Jun	**50**	50	**11.6**	12.4
ConnectSydney Pty Ltd	Road maintenance	Australia	30-Jun	**38.5**	38.5	**5.9**	4.0
Flyash Australia Pty Ltd	Fly ash collection	Australia	31-Dec	**50**	50	**2.1**	1.6
Penrith Lakes Development Corporation Ltd	Property development	Australia	30-Jun	**40**	40	**-**	-
South Australian Road Services Pty Ltd	Road maintenance	Australia	30-Jun	**50**	50	**0.3**	-
South East Asphalt Pty Ltd	Asphalt road maintenance	Australia	30-Jun	**50**	50	**1.4**	1.5
Sunstate Cement Ltd	Cement manufacturer	Australia	30-Jun	**50**	50	**14.8**	11.7
TOTAL						**36.1**	31.2

	2023	2022
	$m	$m
Movements in carrying value of equity accounted investments		
Balance at the beginning of the year	**31.2**	15.0
Additions during the year	**-**	2.8
Share of equity accounted income	**18.9**	19.9
Dividends received	**(14.5)**	(6.6)
Results recognised against non-current receivables	**0.5**	0.1
Balance at the end of the year	**36.1**	31.2

Section 6: Group structure (continued)

6.3 Controlled entities

The financial statements of the following entities have been consolidated to determine the results of the consolidated entity.

	Country of incorporation	Beneficial ownership by Group 2023 %	Beneficial ownership by Group 2022 %
Boral Limited	Australia		
Boral Cement Limited >*	Australia	100	100
Barnu Pty Ltd *	Australia	100	100
Boral Building Materials Pty Ltd >*	Australia	100	100
Boral International Pty Ltd >*	Australia	100	100
Boral Concrete (1992) Limited	Thailand	100	100
Boral Holdings Inc.	USA	100	100
Boral USA <	USA	100	100
Boral Industries Inc.	USA	100	100
Boral Meridian Holdings Inc. **	USA	–	100
Boral IP Holdings LLC **	USA	–	100
Headwaters Energy Services Corp.	USA	100	100
Covol Engineered Fuels, LLC **	USA	–	100
Covol Fuels No.2, LLC	USA	100	100
Tile Service Company LLC	USA	100	100
E.U.M. Tejas De Concreto Servicios, S. de R.L. de C.V.	Mexico	100	100
Boral Roofing de Mexico, S. de R.L. de C.V.	Mexico	100	100
Boral (UK) Ltd	UK	100	100
Boral Investments BV	Netherlands	100	100
Boral Industrie GmbH **	Germany	–	100
Boral Klinker GmbH **	Germany	–	100
Boral Mecklenburger Ziegel GmbH **	Germany	–	100
Boral Canada Ltd **	Canada	–	100
Boral Investments Pty Ltd >*	Australia	100	100
Boral Construction Materials Ltd >*	Australia	100	100
Boral Resources (WA) Ltd >*	Australia	100	100
Boral Contracting Pty Ltd *	Australia	100	100
Boral Construction Related Businesses Pty Ltd >*	Australia	100	100
Boral Resources (Vic) Pty Ltd >*	Australia	100	100
Bayview Quarries Pty Ltd *	Australia	100	100
Davegale Pty Ltd	Australia	100	100
Boral Resources (Qld) Pty Ltd >*	Australia	100	100
Allen's Asphalt Pty Ltd >*	Australia	100	100
Q-Crete Premix Pty Ltd >*	Australia	100	100
Boral Resources (NSW) Pty Ltd >*	Australia	100	100
Dunmore Sand & Soil Pty Ltd*	Australia	100	100
Boral Recycling Pty Ltd >*	Australia	100	100
De Martin & Gasparini Pty Ltd >*	Australia	100	100
De Martin & Gasparini Queensland Pty Limited *	Australia	100	100
De Martin & Gasparini Pumping Pty Ltd *	Australia	100	100
De Martin & Gasparini Contractors Pty Ltd *	Australia	100	100
Boral Precast Holdings Pty Ltd >*	Australia	100	100
Boral Construction Materials Group Ltd >*	Australia	100	100
Concrite Pty Ltd >*	Australia	100	100
Boral Resources (SA) Ltd >*	Australia	100	100
Bitumax Pty Ltd >*	Australia	100	100
Road Surfaces Group Pty Ltd >*	Australia	100	100
Alsafe Premix Concrete Pty Ltd >*	Australia	100	100

6.3 Controlled entities (continued)

	Country of incorporation	Beneficial ownership by Group 2023 %	Beneficial ownership by Group 2022 %
Boral Transport Ltd >*	Australia	**100**	100
Boral Corporate Services Pty Ltd	Australia	**100**	100
Bitupave Ltd >*	Australia	**100**	100
Boral Resources (Country) Pty Ltd >*	Australia	**100**	100
Found Concrete Pty Ltd >*	Australia	**100**	100
Bayview Pty Ltd *	Australia	**100**	100
Dandenong Quarries Pty Ltd *	Australia	**100**	100
Boral Insurance Pty Ltd	Australia	**100**	100
Boral Bricks Pty Ltd >*	Australia	**100**	100
Boral Masonry Ltd >*	Australia	**100**	100
Boral Timber Fibre Exports Pty Ltd >*	Australia	**100**	100
Boral Shared Business Services Pty Ltd >*	Australia	**100**	100
Boral Building Products Ltd >*	Australia	**100**	100
Boral Bricks Western Australia Pty Ltd >*	Australia	**100**	100
Boral IP Holdings (Australia) Pty Ltd	Australia	**100**	100
Boral Finance Pty Ltd >*	Australia	**100**	100

\> Granted relief by the Australian Securities and Investments Commission (ASIC) from specified accounting requirements in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (refer to Note 8.7).
* Entered into cross guarantee with Boral Limited (refer to Note 8.7).
** Deregistered during the year.
< A Delaware general partnership.

All the shares held by Boral Limited in controlled entities are ordinary shares.

The following controlled entities were deregistered during the financial year ended 30 June 2023:

Entities deregistered:			Date of deregistration/ merger
Boral IP Holdings LLC			Jul 2022
Covol Engineered Fuels, LLC			Jul 2022
Boral Meridian Holdings Inc.			Aug 2022
Boral Klinker GmbH	merged into	Boral Industrie GmbH	Aug 2022
Boral Mecklenburger Ziegel GmbH	merged into	Boral Industrie GmbH	Aug 2022
Boral Industrie GmbH	merged into	Boral Investments BV	Jan 2023
Boral Canada Ltd			Jan 2023

The following controlled entities had name changes during the financial year ended 30 June 2023:

Name changes during the financial period:

Pro Concrete Group Pty Limited	to	De Martin & Gasparini Queensland Pty Limited

Section 7: Employee benefits

This section provides a breakdown of the various programs Boral uses to reward and recognise employees and key executives, including Key Management Personnel (KMP). Boral believes that these programs reinforce the value of ownership and drives performance both individually and collectively to deliver better returns to shareholders.

7.1 Employee liabilities

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled with 12 months of the reporting date, are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for long service leave are measured as the present value of estimated future payments for the services provided by employees up to the reporting date. Liabilities that are not expected to be settled within 12 months are discounted at the reporting date using market yields of high-quality corporate bonds. The rates used reflect the terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

	2023	2022
	$m	$m
Employee liabilities		
Current	107.4	103.6
Non-current	7.1	7.2
	114.5	110.8

7.2 Employee benefits expense

Employee benefits expense includes salaries and wages, defined contribution expenses, share-based payments and other entitlements.

	2023	2022
	$m	$m
Employee benefits expense[1]	650.5	810.8

1. Employee benefits expense in 2023 related only to continuing operations, however, amounts for 2022 also include discontinued operations. Total defined contribution expense for the year was $48.8 million (2022: $48.4 million).

7.3 Share-based payments

The Group provides benefits to senior executives in the form of share-based payment transactions, whereby senior executives render services in exchange for options and/or rights over shares.

The cost of the share-based payments with employees is measured by reference to the fair value at the date at which they are granted, and amortised over the expected vesting period with a corresponding increase in equity. The amount recognised is adjusted to reflect the actual number of rights that vest, except for those that fail to vest due to market conditions not being achieved.

Significant accounting judgements, estimates and assumptions

The fair value at grant date is independently determined using a pricing model that takes into account the exercise price, the terms of the share-based payment, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the payment, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the share-based payment.

7.3 Share-based payments (continued)

Share Acquisition Rights (SAR)

During the current year, SARs were issued under the Boral Equity Plan Rules. SARs issued with a Total Shareholder Return (TSR) hurdle were valued at $1.59 per right for CEO rights and $1.74 per right for non-CEO rights.

The following represents the inputs to the pricing model used in estimating grant date fair value:

	2023	2023	2022
	CEO rights	Non-CEO rights	CEO rights
Grant date share price	$2.88	$3.02	$6.02
Risk-free rate	3.25%	3.21%	0.22%
Dividend yield	3.19%	3.09%	2.54%
Volatility factor	32.5%	32.5%	25.0%

Further details of the terms and conditions of the issue of rights are contained in the Remuneration Report.

Set out below are summaries of share acquisition rights granted under the plans.

Rights	Grant date	Vesting date	Exercise price	Balance at beginning of the year	Issued during the year	Cancelled during the year	Vested and exercised during the year	Balance at end of the year
				Number	Number	Number	Number	Number
Consolidated – 2023								
TSR	1/9/2019	1/9/2022	$0.00	1,311,718	–	(1,311,718)	–	–
ROFE	1/9/2019	1/9/2022	$0.00	655,856	–	(655,856)	–	–
TSR	30/6/2022	1/9/2022	$0.00	955,201	–	(955,201)	–	–
ROFE	30/6/2022	1/9/2022	$0.00	477,580	–	(477,580)	–	–
TSR	1/9/2020	1/9/2023	$0.00	2,211,613	–	(638,193)	–	1,573,420
ROFE	1/9/2020	1/9/2023	$0.00	1,105,804	–	(816,715)	–	289,089
TSR	30/6/2022	1/9/2023	$0.00	1,610,485	–	(464,663)	–	1,145,822
ROFE	30/6/2022	1/9/2023	$0.00	805,253	–	(594,748)	–	210,505
TSR	1/9/2021	1/9/2024	$0.00	377,553	–	(188,776)	–	188,777
TSR	30/6/2022	1/9/2024	$0.00	274,927	–	(137,463)	–	137,464
Deferred equity	1/1/2022	1/1/2024	$0.00	28,496	–	–	–	28,496
Deferred equity	30/6/2022	1/1/2024	$0.00	20,750	–	–	–	20,750
CEO Sign-on award[1]	1/9/2022	1/10/2025	$0.00	–	525,984	–	–	525,984
TSR-CEO[1]	1/9/2022	1/9/2025	$0.00	–	548,507	–	–	548,507
CFO Sign-on award[1]	1/9/2022	30/1/2025	$0.00	–	92,969	–	–	92,969
TSR	1/9/2022	1/9/2025	$0.00	–	2,824,839	(264,295)	–	2,560,544
				9,835,236	3,992,299	(6,505,208)	–	7,322,327

1. Refer to the remuneration report for further details.

Section 7: Employee benefits (continued)

7.3 Share-based payments (continued)

Share Acquisition Rights (SAR) (continued)

Rights	Grant date	Vesting date	Exercise price	Balance at beginning of the year	Issued during the year	Cancelled during the year	Vested and exercised during the year	Balance at end of the year
				Number	Number	Number	Number	Number
Consolidated – 2022								
TSR	1/9/2018	1/9/2021	$0.00	992,486	–	(494,545)	(497,941)	–
ROFE	1/9/2018	1/9/2021	$0.00	496,239	–	(496,239)	–	–
TSR	1/9/2019	1/9/2022	$0.00	1,952,553	–	(640,835)	–	1,311,718
ROFE	1/9/2019	1/9/2022	$0.00	976,272	–	(320,416)	–	655,856
TSR[1]	30/6/2022	1/9/2022	$0.00	–	955,201	–	–	955,201
ROFE[1]	30/6/2022	1/9/2022	$0.00	–	477,580	–	–	477,580
Deferred STI	1/9/2019	1/9/2021	$0.00	25,120	–	–	(25,120)	–
TSR	1/9/2020	1/9/2023	$0.00	3,524,722	–	(1,313,109)	–	2,211,613
ROFE	1/9/2020	1/9/2023	$0.00	1,762,362	–	(656,558)	–	1,105,804
TSR[1]	30/6/2022	1/9/2023	$0.00	–	1,610,485	–	–	1,610,485
ROFE[1]	30/6/2022	1/9/2023	$0.00	–	805,253		–	805,253
Fixed equity	1/7/2020	30/6/2021	$0.00	39,464	–	–	(39,464)	–
TSR	1/9/2021	1/9/2024	$0.00	–	377,553	–	–	377,553
TSR[1]	30/6/2022	1/9/2024	$0.00	–	274,927	–	–	274,927
Deferred equity	1/1/2022	1/1/2024	$0.00	–	28,496	–	–	28,496
Deferred equity[1]	30/6/2022	1/1/2024	$0.00	–	20,750	–	–	20,750
				9,769,218	4,550,245	(3,921,702)	(562,525)	9,835,236

During the year ended 30 June 2023, the Group recognised reversal of expense of $2.2 million (2022: expense $0.1 million) in relation to share-based payments.

1. Following the capital return of $2.72 per share on 14 February 2022, additional share acquisition rights were issued for rights that were issued prior to this date and remain unvested. This ensured that employees were not impacted by the reduction in the share price following the capital return. The rights are subject to the same vesting conditions as those previously issued.

7.4 Key management personnel disclosures

Key management personnel compensation

Key management personnel compensation is set out below. Detailed remuneration disclosures are provided in the audited Remuneration Report section in the Directors' Report.

	2023	2022
	$'000	$'000
Short-term employee benefits	**4,147.4**	4,990.4
Post-employment benefits	**103.1**	218.7
Termination benefits	**1,928.2**	2,362.1
Share-based payments	**1,666.9**	3,497.4
Long-term employee benefits	**34.5**	58.9
	7,880.1	11,127.5

Section 8: Other notes

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

8.1 Contingent liabilities

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events that is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

The Group presently has litigation, tax and other claims, for which the timing of resolution and the potential economic outflow are uncertain. This includes bank guarantees, environmental contingent liabilities and shareholder class action as set out below.

Bank guarantees

The Group has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities to a maximum exposure of $34.5 million (2022: $41 million).

Environmental contingent liabilities

The Group's activities involve the extraction of resources as well as the processing and subsequent handling of materials that could contaminate the environment. As a consequence of these activities, the Group has incurred and may continue to incur costs associated with closure, remediation, aftercare and monitoring. Provisions have been recognised for sites where obligations are known to exist. However, additional costs may be incurred due to factors outside the Group's current knowledge or control, such as changes in the laws and regulations that govern land use and environmental protection across the various jurisdictions in which we operate.

Shareholder class action

Boral Limited continues to defend two shareholder class action proceedings filed against it in the Federal Court of Australia by Maurice Blackburn and Phi Finney McDonald, which are being case-managed together. A provision has not been raised as an outflow is not probable. It is not possible to determine the ultimate impact, if any, of the proceedings on Boral, which continues to vigorously defend the proceedings.

8.2 Subsequent events

There has not been any other matter or circumstances in the interval between 30 June 2023 and the date of this report, that has significantly affected or may significantly affect the operations of the Boral's group, the result of those operations or the state of affairs of the Boral group in subsequent financial years.

Section 8: Other notes (continued)

8.3 Commitments

	2023 $m	2022 $m
Capital expenditure commitments		
Contracted but not provided for are payable as follows:		
Not later than one year	**11.9**	14.7

8.4 Auditors' remuneration

	2023 $'000	2022 $'000
Audit and review services:		
Deloitte Touche Tohmatsu		
Audit and review of financial statements – Group	**780**	890
	780	890
Other assurance related services:		
Deloitte Touche Tohmatsu		
Other assurance services	**35**	50
Non-audit services[1]:		
Deloitte Touche Tohmatsu		
Taxation services[2]	**163**	3,359
Due diligence	**–**	–
Advisory	**–**	1,183
	163	4,542
	978	**5,482**

1. All non-audit services provided in 2022 were arranged prior to Deloitte's appointment as auditors.
2. Taxation services relate to compliance and advice provided in respect of discontinued operations.

8.5 Related party disclosures

Controlled entities

Interests held in controlled entities are set out in Note 6.3.

Associated entities

Interests held in associated entities are set out in Note 6.2. The business activities of a number of these entities are conducted under joint venture arrangements. Associated entities conduct business transactions with various controlled entities. Such transactions include purchases and sales of certain products, dividends, interest and loans. All such transactions are conducted on the basis of normal commercial terms and conditions.

	2023	2022
	$m	$m
Sale of goods and services		
Associates	**47.9**	42.2
Purchase of goods and services		
Associates	**165.4**	120.6
Other entities	**23.7**	16.4
Others		
Associates		
Loan receivable	**19.0**	23.6
Payables	**7.1**	1.6

Director transactions with the Group

Transactions entered into during the year with Directors of Boral Limited and the Group are within normal employee, customer or supplier relationships on terms and conditions no more favourable than dealings in the same circumstances on an arm's length basis and include:

- the receipt of dividends from Boral Limited;
- participation in the Boral Long Term Incentive Plan;
- terms and conditions of employment;
- reimbursement of expenses; and
- purchases of goods and services.

A number of Directors of the Company hold directorships in other entities. Several of these entities transacted with the Group on terms and conditions no more favourable than those available on an arm's length basis.

Section 8: Other notes (continued)

8.6 Parent entity disclosures

	BORAL LIMITED	
	2023	2022
For the year ended 30 June	$m	$m
RESULT OF THE PARENT ENTITY		
Profit after tax	83.0	673.6
Total comprehensive income for the period	83.0	673.6
SUMMARISED BALANCE SHEET		
Current assets	1,606.4	1,557.7
Non-current assets	1,518.2	1,376.3
Total assets	3,124.6	2,934.0
Current liabilities	1,556.0	1,459.1
Non-current liabilities	115.8	103.2
Total liabilities	1,671.8	1,562.3
Net assets	1,452.8	1,371.7
Issued capital	593.7	593.7
Reserves	35.5	37.6
Retained earnings	823.4	740.4
Total equity	1,452.6	1,371.7

AASB 17 Insurance Contracts (AASB 17) will be first applicable to the Group for the year commencing 1 July 2023 and must be applied retrospectively. AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The parent entity, Boral Limited, will be impacted by the application of AASB 17 as the parent entity is the licensed self-insurer in New South Wales and South Australia for workers compensation insurance. The Group is currently determining the financial impact on the parent entity disclosures.

Parent entity contingencies

Bank guarantees

The Company has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities to a maximum exposure of $17.4 million (2022: $22.3 million).

8.7 Deed of cross guarantee

Under the terms of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, certain wholly owned controlled entities have been granted relief from the requirement to prepare audited financial reports. Boral Limited has entered into an approved deed of indemnity for the cross-guarantee of liabilities with those controlled entities identified in Note 6.3.

The following consolidated Statement of Comprehensive Income and Balance Sheet comprises Boral Limited and its controlled entities, which are party to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed.

	2023	2022
	$m	$m
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	**3,460.6**	2,955.9
Profit before income tax expense	**283.1**	576.2
Income tax (expense)/benefit	**(70.6)**	52.8
Profit from continuing operations	**212.5**	629.0
Discontinued operations		
Profit/(loss) from discontinued operations (net of income tax)	**5.5**	(24.9)
Net profit	**218.0**	604.1
Other comprehensive income		
Items that may be reclassified subsequently to Income Statement:		
Foreign currency translation reserve transferred to net profit on disposal of controlled entities	**–**	30.8
Fair value adjustment on cash flow hedges	**(25.1)**	11.7
Income tax on items that may be reclassified subsequently to Income Statement	**7.5**	(3.5)
Total comprehensive income	**200.4**	643.1
Reconciliation of movements in retained earnings		
Balance at the beginning of the year	**1,185.6**	658.7
Net profit	**218.0**	604.1
Dividends paid	**–**	(77.2)
Balance at the end of the year	**1,403.6**	1,185.6

Section 8: Other notes (continued)

8.7 Deed of cross guarantee (continued)

	2023 $m	2022 $m
BALANCE SHEET		
CURRENT ASSETS		
Cash and cash equivalents	**592.7**	409.2
Receivables	**589.3**	525.7
Inventories	**255.7**	222.5
Financial assets	**3.0**	27.0
Current tax assets	**–**	23.9
Other assets	**20.3**	36.2
TOTAL CURRENT ASSETS	**1,461.0**	1,244.5
NON-CURRENT ASSETS		
Receivables	**19.9**	22.1
Inventories	**13.4**	12.9
Investments accounted for using the equity method	**36.0**	31.2
Financial assets	**60.8**	671.4
Property, plant and equipment	**2,087.2**	2,078.6
Intangible assets	**71.2**	71.5
Deferred tax assets	**107.9**	166.6
Other assets	**36.1**	24.1
TOTAL NON-CURRENT ASSETS	**2,432.5**	3,078.4
TOTAL ASSETS	**3,893.5**	4,322.9
CURRENT LIABILITIES		
Payables	**525.9**	564.3
Interest bearing liabilities	**23.2**	654.2
Financial liabilities	**10.3**	1.4
Employee benefit liabilities	**105.0**	91.9
Provisions	**34.0**	35.8
TOTAL CURRENT LIABILITIES	**698.4**	1,347.6
NON-CURRENT LIABILITIES		
Interest bearing liabilities	**973.1**	943.9
Financial liabilities	**10.4**	9.8
Employee benefit liabilities	**7.1**	7.2
Provisions	**179.1**	187.2
Other liabilities	**–**	0.1
TOTAL NON-CURRENT LIABILITIES	**1,169.7**	1,148.2
TOTAL LIABILITIES	**1,868.1**	2,495.8
NET ASSETS	**2,025.4**	1,827.1
EQUITY		
Issued capital	**593.7**	593.7
Reserves	**28.1**	47.8
Retained earnings	**1,403.6**	1,185.6
TOTAL EQUITY	**2,025.4**	1,827.1

Directors' Declaration

1. In the opinion of the Directors of Boral Limited:
   (a) the consolidated financial statements and notes set out on pages 94 to 158 and the Remuneration Report in the Directors' Report, set out on pages 73 to 93, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;
   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that Boral Limited and the controlled entities identified in Note 6.3 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between Boral Limited and those controlled entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.
4. The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Ryan Stokes AO
Chairman

Vik Bansal
CEO & Managing Director

Sydney, 10 August 2023

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of Boral Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Boral Limited (the "Company") and its subsidiaries (the "Group") which comprises the Balance Sheet as at 30 June 2023, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying Financial Statements of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Accounting for revenue (refer to Note 2.2(a) of the financial statements)
 	
The Group has recorded revenue from continuing operations of $3,460.6m for the year ended 30 June 2023.
 	
We considered the accounting for revenue from continuing operations as it relates to the risk of cut-off to be a Key Audit Matter due to:
• The significance of revenue;
• The judgement involved in the determination of the stage of completion and measurement of progress towards satisfaction of performance obligations particularly for Asphalt operations;
• The estimated value of construction materials supplied under long term contracts from the last progress claims to the end of the reporting period; and
• The estimated revenue recognised in respect of goods supplied to customers between the date of the last billing cycles and the end of the reporting period.
	Our procedures included, amongst others:
	
	• Obtaining an understanding of the revenue processes and relevant controls that management has in place in respect of the recognition of revenue, in particular around cut-off;
	• Testing a sample of revenue transactions recorded during June and July 2023 to proof of delivery and customer acceptance documentation, in order to:
	  o Assess assumptions relating to volume and customer pricing used in recognising revenue;
	  o Validate the relevant performance obligation has been met; and
	  o Determine whether revenue has been recognised in the relevant financial period.
	• Assessing the appropriateness of the Group's accounting policies and disclosures in the financial statements regarding revenue recognition against the requirements of Australian Accounting Standards.

Estimation of rehabilitation provisions (refer to Note 3.6 of the financial statements)
 	
Rehabilitation provisions associated with quarries have been recognised by the Group as at 30 June 2023.
 	
The rehabilitation provisions comprise an estimate of make-good costs and costs associated with environmental obligations pertaining to quarries for which the Group has a legal or constructive obligation.
 	
Expected costs are assessed annually and are based on estimates of current costs to rehabilitate relevant quarries. The expected current costs are adjusted for inflation over the useful life of each site and are discounted to present value, using a pre-tax discount rate appropriate to the risks inherent in the liability. Other key inputs applied in estimating the provisions include management's expected decommissioning plans, regulatory requirements and opportunities to partially or fully mitigate rehabilitation costs through alternate use outcomes.
 	
We considered the accounting for rehabilitation provisions to be a Key Audit Matter due to the complexity and judgement required in their determination.
	Our procedures included, amongst others:
	
	• Performing inquiries of management to understand whether there were any significant changes during the financial year that would impact the estimates made;
	• Assessing and evaluating the appropriateness and integrity of the rehabilitation provision calculation prepared by the Group, particularly whether the key assumptions meet the measurement requirements of Australian Accounting Standards, judgements have been applied consistently and testing the mathematical accuracy of the relevant calculations;
	• Testing the completeness of the quarries included in the rehabilitation provision;
	• For a sample of quarries:
	  o Obtained an understanding of the legal or constructive obligation that presently exists;
	  o Assessed the nature, timing and extent of future rehabilitation work to be performed, including the reasonability of any alternate use outcomes; and
	  o Compared the cost estimate to rehabilitate the quarries to external cost benchmarks.
	• In conjunction with our internal valuation specialists, assessing the appropriateness of inflation and discount rates applied by management; and
	• Assessing the disclosures in the Group financial statements in respect of the rehabilitation provisions recorded against the requirements of Australian Accounting Standards.

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Other Information

The Directors are responsible for the Other Information. The Other Information comprises the information included in the Group's Annual Report for the year ended 30 June 2023 but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the Financial Statements that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Statements.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Financial Statements. We are responsible for the

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direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Boral Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 10 August 2023

Shareholder information

Boral Limited and Controlled Entities

Shareholder communications

Enquiries or notifications by shareholders regarding their shareholdings or dividends should be directed to Boral's share registry:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

Hand deliveries to:
Level 12, 680 George Street
Sydney NSW 2000 Australia
Telephone +61 1300 730 644
Facsimile +61 2 9287 0303

Online services

Shareholders can access and update information about their Boral shareholdings via the internet by visiting Link Market Services' website at www.linkmarketservices.com.au or Boral's website at www.boral.com.

Some of the services available online include: checking current and previous holding balances, choosing a preferred Annual Report option, updating address and bank details, confirming that a tax file number (TFN), Australian business number (ABN) or proof of exemption has been lodged, checking the share prices and graphs, and downloading a variety of forms.

Dividends

The Board has determined not to pay a dividend for FY23.

Dividend Reinvestment Plan

Boral's Dividend Reinvestment Plan (DRP) was reactivated in February 2020. For additional information on the DRP please visit Boral's website.

Dividend payments

Boral uses direct credit as the preferred method for paying cash dividends.

For those shareholders with a registered address in Australia or New Zealand, dividend payments will only be made by direct credit to a nominated bank account (rather than by cheque posted to a registered address). To provide or update bank account details, please contact the share registry or visit its website at www.linkmarketservices.com.au.

Shareholders who don't have a registered address in Australia or New Zealand and who wish their dividends to be paid directly to a bank, building society or credit union account in Australia or New Zealand should contact the share registry or visit its website at www.linkmarketservices.com.au for an application form. Payments are electronically credited on the dividend payment date and confirmed by a payment advice mailed to the shareholder's registered address. All instructions received remain in force until amended or cancelled in writing.

Shareholders are also reminded to bank dividend cheques as soon as possible. Dividend cheques that are not banked are required to be handed over to the Chief Commissioner of State Revenue under the *Unclaimed Money Act 1995* (NSW).

Tax or exemption

Shareholders are strongly advised to lodge their TFN, ABN or exemption. If these details are not lodged with the share registry, Boral Limited is obliged to deduct tax at the highest marginal rate (plus the Medicare levy) from the unfranked portion of any dividend payment. Certain pensioners are exempt from supplying a TFN. Shareholders can confirm whether they have lodged a TFN, ABN or exemption via the internet at www.linkmarketservices.com.au.

Uncertificated forms of shareholding

Two forms of uncertificated holdings are available to Boral shareholders:

Issuer-sponsored holdings: this type of holding is sponsored by Boral and provides shareholders with the advantages of uncertificated holdings without the need to be sponsored by any particular stockbroker.

Broker-sponsored holdings (CHESS): shareholders may arrange to be sponsored by a stockbroker (or certain other financial institutions) and are required to sign a sponsorship agreement appointing the sponsor as their 'controlling participant' for the purposes of CHESS. This type of holding is likely to attract regular stock market traders or those shareholders who have their share portfolio managed by a stockbroker.

Holding statements are issued to shareholders not later than five business days after the end of any month in which transactions alter the balance of a holding. Shareholders requiring replacement holding statements should request them from their controlling participant.

Shareholders communicating with the share registry should have to hand their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as it appears on the Issuer Sponsored/CHESS holding statements or dividend statements. For security reasons, shareholders should keep their Securityholder Reference Numbers confidential.

Annual report mailing list

Shareholders are able to update their preferences for receiving the annual report via the Link Market Services or Boral websites, and can nominate to receive email notification of the release of the Annual Report and then access it via a link.

Change of address

Issuer-sponsored shareholders should notify any change of address to the share registry promptly. This can be done via the Link Market Services website or in writing quoting their Securityholder Reference Number, previous address and new address. Change of Address application forms are also available for download via the Link Market Services or Boral websites. Broker-sponsored (CHESS) holders must advise their sponsoring broker of the change.

Information on Boral

Boral has a comprehensive website featuring news items, announcements, corporate information and a wide range of product and service information. Boral's internet address is www.boral.com.

The Annual Report is the main source of information for shareholders. Other sources of information include:

- February – the interim results announcement for the December half year
- August – the annual results announcement for the year ended 30 June, and
- October/November – the Annual General Meeting.

Requests for publications and other enquiries about Boral's affairs should be addressed to:

Group Communications & Investor Relations
Boral Limited
PO Box 6041
North Ryde NSW 2113

Enquiries can also be made via email:
investorrelations@boral.com.au.

Or visit Boral's website at www.boral.com.

Share trading and price

Boral shares are traded on the Australian Securities Exchange Limited (ASX).

The stock code under which they are traded is 'BLD' and the details of trading activity are available on the internet and published in most daily newspapers under that abbreviation.

Share sale facility

Issuer-sponsored shareholders, particularly small shareholders, can sell their entire Boral shareholding using the share registry's sale facility.

To do so, contact Link Market Services' Share Sale Centre on +61 1300 730 644.

American depositary receipts (ADRs)

In the USA, Boral shares are traded in the over-the-counter market in the form of ADRs issued by the depositary, The Bank of New York Mellon (BNY Mellon). Each ADR represents four ordinary Boral shares.

Holders of Boral's ADRs should contact BNY Mellon on all matters relating to their ADR holdings.

By mail:
BNY Mellon Shareowner Services
PO Box 30170
College Station, TX 77842-3170
USA

By telephone:
To speak directly to a BNY Mellon representative, please call 1-888-BNY-ADRS (1-888-269-2377) if calling from within the United States. If calling from outside the United States, please call 201-680-6825.

By email:
Send email enquiries to
shrrelations@bnymellon.com or visit the website at www.bnymellon.com.

Share information as at 7 July 2023

Substantial Holders Notice as at 7 July 2023

Name	No. of shares	% of Issued Capital	Date of Last Notice Received
Macquarie Group Limited	100,576,030	9.12	30 May 2023
Seven Group Holdings Limited	800,850,696	72.6	11 October 2022

Rights granted under the Equity Incentive Plan

As at 7 July 2023, Boral Limited had 7,322,327 unquoted rights under its Equity Incentive Plan for which the number of holders was 81.

Rights do not give the holder an entitlement to be issued Boral Limited shares, and do not confer any voting rights on the holder, unless and until those rights vest (subject to performance hurdles) and are converted into shares.

Share information as at 7 July 2023 (continued)

Distribution schedule of shareholders as at 7 July 2023

Size of shareholding	Number of shareholders	% of ordinary shares
(a) in the categories –		
1 to 1,000	23,948	1.01
1,001 to 5,000	20,738	4.44
5,001 to 10,000	4,187	2.74
10,001 to 100,000	2,654	5.03
100,001 and over	112	86.78
	51,639	100.00
b) holding less than a marketable parcel of 125 securities ($4.010 on 07/07/2023)	2,326	0.01

Voting rights – ordinary shares

On a show of hands, every person present, who is a member or proxy, attorney or representative of a member, shall have one vote and on a poll every member who is present in person or by proxy, attorney or representative shall have one vote for each share held by him or her.

On-market share buy-back

Boral does not have a current on-market share buy-back in place.

On-market acquisitions for employee incentive schemes during the financial year ended 30 June 2023

No Boral Limited ordinary shares were purchased on-market during FY23.

Twenty largest shareholders as at 7 July 2023

		Ordinary shares	% of ordinary shares
1	NETWORK INVESTMENT HOLDING PTY	613,609,369	55.63
2	INDUSTRIAL INVESTMENT HOLDINGS PTY LIMITED	66,312,997	6.01
3	HSBC CUSTODY NOMINEES	65,963,065	5.98
4	J P MORGAN NOMINEES AUSTRALIA	46,875,318	4.25
5	WOODROSS NOMINEES PTY LTD	46,619,440	4.23
6	CITICORP NOMINEES PTY LIMITED	40,248,243	3.65
7	MANOOKA HOLDINGS PTY LTD	19,893,899	1.80
8	NATIONAL NOMINEES LIMITED	14,393,345	1.30
9	BNP PARIBAS NOMS PTY LTD	12,694,724	1.15
10	BUTTONWOOD NOMINEES PTY LTD	3,359,645	0.30
11	BROADGATE INVESTMENTS PTY LTD	2,823,484	0.26
12	UBS WEALTH MANAGEMENT AUSTRALIA	1,852,657	0.17
13	PACIFIC CUSTODIANS PTY LIMITED <BLD PLANS CTRL A/C>	1,481,674	0.13
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,374,506	0.12
15	PORTMAN TRADING PTY LIMITED	1,013,830	0.09
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	895,518	0.08
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	883,357	0.08
18	INVIA CUSTODIAN PTY LIMITED	788,270	0.07
19	AUSTRALIAN PIONEER PTY LTD	713,631	0.06
20	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	659,477	0.06

Financial history

Boral Limited and Controlled Entities

Contents

30 June	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue	**3,461**	3,908	5,346	5,728	5,861	5,869	4,388	4,311	4,415	5,204
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	**455**	481	882	807	1,010	1,051	720	645	605	556
Depreciation and amortisation	**223**	218	437	483	378	368	260	247	249	261
Earnings before interest and tax (EBIT)[1]	**232**	263	445	324	632	684	460	398	357	294
Net interest expense[1]	**(36)**	(83)	(131)	(126)	(103)	(104)	(51)	(63)	(64)	(83)
Profit before tax[1]	**196**	180	314	197	529	580	409	335	293	211
Income tax expense[1]	**(53)**	(30)	(63)	(24)	(110)	(110)	(67)	(67)	(44)	(37)
Non-controlling interests	**–**	–	–	–	–	–	–	–	–	(3)
Profit after tax[1]	**143**	150	251	174	419	469	343	268	249	171
Significant items – net of tax	**5**	811	389	(1,318)	(168)	(32)	(46)	(12)	8	2
Net profit/(loss) attributable to members of Boral Limited	**148**	961	640	(1,145)	251	437	297	256	257	173
Total assets	**3,939**	4,401	7,609	9,162	9,520	9,507	9,381	5,801	5,865	5,559
Total liabilities	**1,913**	2,503	3,274	4,667	3,688	3,781	3,940	2,294	2,341	2,211
Net assets	**2,026**	1,898	4,335	4,495	5,832	5,726	5,441	3,506	3,524	3,348
Net debt	**338**	476	899	2,580	2,193	2,453	2,333	893	817	718
Funds employed	**2,268**	2,203	5,120	6,918	8,019	8,168	7,833	4,199	4,192	4,002
Dividends paid or declared	**–**	77	–	111	311	311	281	167	139	117
Statistics										
Dividend per ordinary share	**–**	7.0c	–	9.5c	26.5c	26.5c	24.0c	22.5c	18.0c	15.0c
Dividend payout ratio[1]	**–**	51%	–	64%	74%	66%	82%	62%	56%	68%
Dividend cover[1]	**–**	1.9	–	1.6	1.3	1.5	1.2	1.6	1.8	1.5
Earnings per ordinary share[1]	**12.9c**	13.6c	20.6c	14.5c	35.7c	40.0c	33.7c	35.8c	31.9c	22.0c
Earnings per ordinary share[1,2]	**12.9c**	13.6c	20.6c	14.5c	35.7c	40.0c	33.7c	33.3c	29.7c	20.5c
Return on equity[1]	**7.0%**	7.9%	5.8%	3.9%	7.2%	8.2%	6.3%	7.6%	7.1%	5.1%
EBIT to sales[1]	**6.7%**	6.7%	8.3%	5.7%	10.8%	11.7%	10.5%	9.2%	8.1%	5.7%
ROFE[3,4] (EBIT to average funds employed[1])	**10.4%**	7.2%	7.4%	4.3%	7.8%	8.5%	7.6%	9.5%	8.7%	6.7%
Net interest cover (times)[1]	**6.4**	3.2	3.4	2.6	6.1	6.6	9.1	6.3	5.6	3.5
Gearing (net debt to equity)	**17%**	25%	21%	57%	38%	43%	43%	25%	23%	21%
Gearing (net debt to net debt plus equity)	**14%**	20%	17%	36%	27%	30%	30%	20%	19%	18%
Net tangible asset backing per share	**$1.77**	$1.66	$2.04	$1.85	$2.10	$1.99	$1.79	$4.40	$4.31	$4.03

Results have been prepared under Australian equivalents to International Financial Reporting Standards (A-IFRS).

Figures may not add due to rounding.

1. Excludes significant items.
2. Adjusted to reflect the bonus element in the renounceable entitlement offer which occurred during November and December 2016.
3. Return on funds employed (ROFE) is calculated as EBIT before significant items on funds employed (average of opening and closing funds employed for the year).
4. Refer to the Remuneration Report for a discussion of how ROFE is used as an additional performance hurdle under the Company's Long Term Incentive Plan.

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Share registry
c/- Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14,
Sydney South NSW 1235

t: +61 1300 730 644
w: www.linkmarketservices.com.au
e: boral@linkmarketservices.com.au

AGM details
The Annual General Meeting
of Boral Limited will be held on
Thursday, 26 October 2023.