

CARBON NEUTRAL PROGRAM









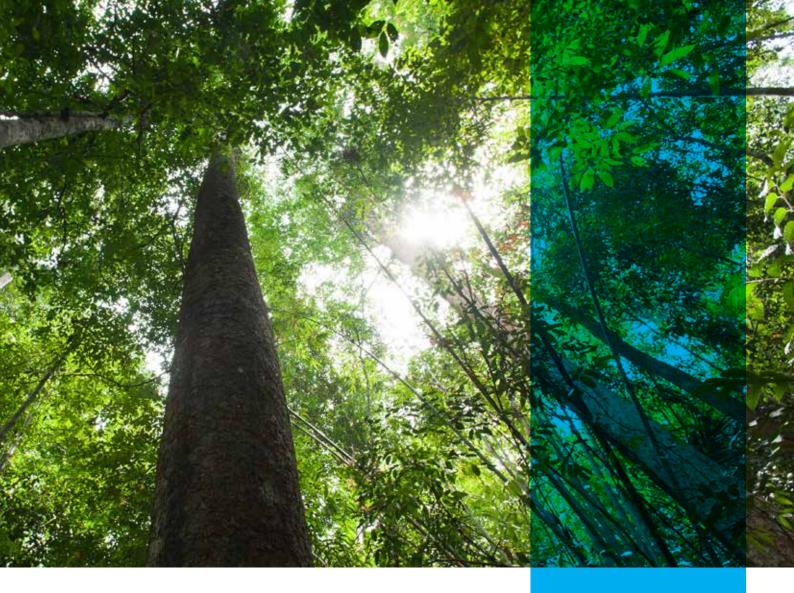


AUSTRALIAN GOVERNMENT CARBON NEUTRAL PROGRAM

The Carbon Neutral Program is a voluntary scheme which certifies products, services and organisations as carbon neutral against the National Carbon Offset Standard. This Standard provides integrity through its guidance on genuine voluntary offsets and its minimum requirements for calculating, auditing and offsetting a carbon footprint to achieve carbon neutrality.

Organisations participating in the Carbon Neutral Program are taking the lead in Australia's voluntary carbon sector and demonstrating their commitment to achieving a low carbon future. There are over 30 organisations, large and small, which are in the Carbon Neutral Network.





HOW DO KNAUF ACHIEVE CARBON NEUTRALITY?

Carbon emissions are covered from Cradle to Grave. Cradle to Grave covers the products complete lifecycle over stages like supply of raw materials, manufacturing of product, distribution from plant to site, installation by customer, and end of life.

To be able to achieve Carbon
Neutrality, we have built upon our
energy efficiency work undertaken
during the last seven years. Since
2009, we have introduced and
invested in a wide range of measures
to reduce our overall carbon emissions.
One such example being the
employment of heat exchangers in
the drying of plasterboard and waste
heat recycling in our plastermill.

The remaining carbon emissions that cannot be further eliminated are then offset. A carbon credit (or carbon offset) represents the reduction or avoidance of one tonne of carbon emissions from our atmosphere.

Knauf have chosen to offset the remaining carbon through the purchase of "Gold Standard" recognised carbon credits. It was important in the selection of the offsets that unsustainable carbon based energy use was eliminated. Furthermore there should be a strong social responsibility aspect, improving communities and making the beneficiaries of programs more independent.

The Lifestraw® Carbon for Water project in Kenya, met both these criteria, delivering health, social and carbon reduction benefits in the form of safe drinking water in the home, local employment, improving health, and removing the need to burn timber, avoiding both carbon emissions and deforestation.



KNAUF'S PROGRAM

The program, which will be initially available for customers in NSW and QLD, will provide customers with an option to offset the carbon emissions for three plasterboard types made at our Matraville Plant in NSW—

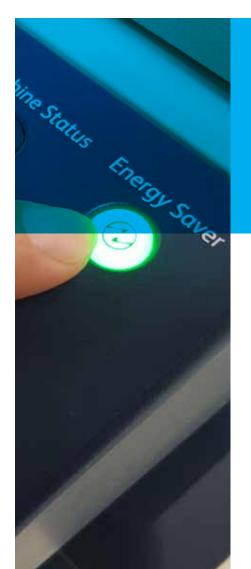
MastaShield, WaterShield, and

MastaShield, WaterShield, and **FireShield**.

A carbon offset surcharge will be applied to the standard square metre price of the board. We keep track of the amount of product purchased over the year, and the total tonnage of carbon emissions associated with that product are offset.

If you have a project in NSW or QLD and you are interested in purchasing carbon neutral board contact us for more details. You can find our contact details on the back page.

KNAUF ARE
OFFERING AN
OPT-IN CARBON
OFFSET PROGRAM
CERTIFIED TO THE
GOVERNMENT'S
NATIONAL CARBON
OFFSET STANDARD
(NCOS).



ENERGY SAVING MEASURES

Knauf's emission reduction strategy is to work on operational and behavioural factors through training of personnel; and to invest where practicable in the most efficient manufacturing processes for local operations.

Energy efficiency improvements in which Knauf has invested since 2009 for Matraville Plant include:

- Recycling of waste heat in the plastermill
- Heat exchangers installed on dryers saving gas consumption and collecting water
- Optimised mixing and dryer processes, reducing water demand and energy required to dry the board
- Automated shutdown of idle equipment, LED light replacement and use of natural light.
- Installation of waste heat recovery systems.



LifeStraw® Carbon for Water images (cover & this page) courtesy of Lifestraw.

WHAT HAS BEEN THE IMPACT OF THE LIFESTRAW PROGRAM SO FAR?

780 million people in the world still do not have access to safe drinking water. Many suffer from waterborne diseases such as diarrhoea – the third leading cause of death among children and adults in Kenya. This project cuts carbon and provides safe water by distributing 877,505 LifeStraw Family filters to households in Kenya's Western Province. The gravity driven point-of-use water filters require no electricity or consumables.

This project relies on finance from offsetting to deliver safe water to 4.5 million people in Kenya. An award winning project, it was the first to link water provision with carbon credits at scale and has been recognised by the UN.

In addition to representing the reduction of one tonne of carbon dioxide emissions from the atmosphere, one LifeStraw® Carbon credit also provides one family in Kenya with safe water for an entire year.

The LifeStraw® Carbon for Water program began in April of 2011. Over 800,000 families in western Kenya have received LifeStraw® Family water filters through this program.

Key Benefits:

- Safe Drinking Water direct to over 4 million people.
- Improved Health health impact studies are underway
- Local Jobs 4,000 health educators employed during first campaign





CARBON NEUTRAL PLASTERBOARD HELPED MEET SUSTAINABILITY REQUIREMENTS FOR LENDLEASE AT BARANGAROO SOUTH ON THE ALEXANDER AND ANADARA RESIDENTIAL BUILDING PROJECTS.



Barangaroo images (cover & above) courtesy of Lendlease.

KNAUF

Want to know more? Contact us:

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