

Australian Ship Builder Austal, Takes a Stand for Sustainability with LocAl Low Carbon Aluminium

FOR IMMEDIATE RELEASE

Australian shipbuilder Austal has committed to using LocAl® lower-carbon Aluminium supplied by Capral to support their initiatives in sustainable manufacturing and responsible procurement.

Well known for developing defence and commercial vessel platforms, the Austal product range includes vehicle passenger ferries, patrol boats, high-speed support vessels, surface combatants, and revolutionary, multi-role vessels.

Capral has been a long-term supplier to Austal, providing proprietary aluminium extrusions and rolled products to support their diverse manufacturing needs.

With a clear focus on integrating sustainable development priorities into the organisation's operations, business planning, and investment decision-making, Austal is taking great strides in aligning its business strategies and operations with the interests and needs of its stakeholders, customers and communities.

Early in 2023, Austal committed to switching their locally extruded aluminium to the LocAl® Green offer introduced by Capral in late 2022 where practical to do so. LocAl® Green, with carbon emissions of 8kg CO₂e/kg Al*, offers significantly lower Carbon emissions than traditional aluminium, delivering Australian manufacturers a cleaner, green option for extruded aluminium.

Shipbuilding produces vessels with a typical expected life span of 20 to 30 years. Austal recognises that understanding the influences and opportunities to reduce GHG emissions over this long period is critical to successfully achieving a sustainable business model. Sales Operations Manager Matthew Klingberg comments.

"Austal has made a public commitment to achieve a reduction of embodied emissions, and this includes Scope 1, 2 and 3-upstream."

"In selecting materials for incorporation into our products, we consider material longevity, durability, and repairability to ensure the vessels we construct are of high quality as well as efficient and long-lasting. Our aim is to manufacture vessels that are highly economical and sustainable over their lifecycle"

"Aluminium suffers from little to no corrosion. Marine-grade aluminium ensures that protective coatings are not required on all hull surfaces, limiting materials used to construct our ships. Correctly designed aluminium structures will operate effectively for up to 30 years without any structural issues or needing a single coat of paint. "

"Furthermore, aluminium is highly economical to recycle. We recognise, however, that producing aluminium is energy intensive when compared with steel."

Aluminium is often touted as the "Sustainable metal", its versatility and recyclability earning it this reputation. However, there are significant variations in the carbon emissions generated by smelters during the production of primary aluminium - one might argue that some aluminium is considerably more sustainable than others.



The main contribution to the carbon emissions of aluminium comes from the electrolysis process used in aluminium smelting. Around 60% of the aluminium sector's GHG emissions are from the production of electricity consumed during the aluminium smelting process.

A salient fact that may surprise some is that combined, the four Aluminium Smelters producing primary aluminium within Australia consume approximately 10% of the national energy grid.

The carbon emissions in primary aluminium production range from under 4kg CO₂e/kg Al to over 20kg CO₂e/kg Al, largely dependent upon the energy sources used. The current global average carbon emission for primary aluminium is approximately 12.4 kg CO₂e/kg Al.*

Such environmental impact is accounted for in Austal's upstream Scope 3 GHG emissions, while the benefit of lower-weight aluminium in reducing diesel consumption is reflected in Austal's downstream Scope 3 emissions. Matthew Klingberg explains:

"Austal's downstream Scope 3 emissions are also our customers' Scope 1 emissions. When we actively make decisions to reduce the emissions associated with the materials we use to construct our vessels, by sourcing LocAl® Green aluminium from Capral, we are delivering a far more sustainable solution to our customers."

Austal is committed to reducing the footprint of the aluminium used in its vessels, including through sourcing "green aluminium", noting that sourcing flexibility is restricted due to Austal's requirement for specific grades of marine quality aluminium.

"When we introduced LocAl® Green Aluminium in October 2022, we knew that organisations like Austal had a requirement for more sustainable aluminium options supplied locally within Australia. At eight kilograms of carbon emissions per kilogram of aluminium, the LocAl® Green offer has substantially lower carbon emissions than the current global average for primary aluminium. It gives Australian shipbuilders like Austal an important opportunity to make more responsible procurement decisions when they source extruded aluminium." adds Luke Hawkins, Division General Manager of Industrial and Supply Chain

Austal understands that sustainability goes beyond material choices and extends to every aspect of its operations. The company has implemented various initiatives to reduce carbon emissions and promote energy efficiency in its manufacturing processes.

Additionally, Austal has invested in energy-efficient equipment and technologies to optimise its manufacturing processes. By adopting advanced technologies and innovative practices, the company minimises waste, reduces energy consumption, and improves overall operational efficiency.

"Implementing environmental stewardship is increasingly important to align with regulatory requirements, safeguard our business reputation and address our stakeholder expectations. Austal seeks to manage the environmental impact of our operations and products and contributing to the global transition to a low-carbon economy." States Neil Formosa, Strategic Procurement Manager

In addition to the lower carbon content of LocAl® supplied by Capral, responsible sourcing is also important to Austal. In 2023, Capral became the first Australian aluminium extruder to be certified under the ASI Performance Standard V3 and Chain of Custody (CoC) V2 for the extrusion, warehousing and distribution of aluminium products and services. The certifications apply to all of Capral's 26 facilities, which are composed of mills, distribution centres, and trade centres, and are spread across every state and territory in Australia.

These certifications recognise Capral's commitment to responsible production, sourcing, and management of aluminium products.



"Capral's ASI certification provides us assurance that the materials we source from Capral have been responsibly produced at every stage in the value chain" Neil adds

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Imagery to accompany this Release

<https://www.dropbox.com/scl/fi/m7739blv7o13f6oilqqoc/RAN-Cape-Inscription-Cape-Class-Patrol-Boat-2.jpg?rlkey=g9nh2x57a32fqulfu83kalif3&dl=0>

Any questions or to request additional imagery or quotes please contact

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