

ESG and Sustainability Report 2024





Committed to ESG Excellence

With a commitment to ESG excellence, Capral enhanced its approach over the past year to align with key industry standards; Safety Management ISO:45001, Environmental Management ISO:14001, Aluminium Stewardship Initiative (ASI) Performance Standard, and Global Reporting Initiative (GRI) standards. We continued to develop our Integrated Management System (IMS) which has been designed to systematise ESG considerations and refine the accuracy of our performance metrics. Central to this initiative is implementing a learning and development program to enhance our employee's comprehension of risk factors and controls to mitigate risks. Through governance and certification reviews, the integrity of our site IMS assurance processes are continually validated, enabling a culture of proactive behaviour and the swift identification of any workplace anomalies across the business.

Capral's approach to sustainability is comprehensive and dynamic. Integration of digital technology with our ESG initiatives is an important component.

Our actions and strategies reflect our commitment to being at the forefront of sustainable industry practices and corporate responsibility.

Environment

We are committed to reducing emissions, enhancing circularity, and minimising waste.



Sustainability

In 2021 Capral embarked upon a journey to lower carbon emissions across our operations. Reducing our environmental impact is an essential element of our corporate responsibility framework and our vision for a sustainable future. Our Sustainability Roadmap is closely aligned with the UN Sustainable Development Goals and the Global Reporting Initiative. This year, we have taken significant steps to enhance transparency and accountability in our reporting and day-to-day operations.

Our improved clarity of greenhouse gas emissions across Scope 1, 2, and 3 is a significant development. We have refined our tracking systems to deliver comprehensive data on our emissions, from cradle to gate. Capral's IMS incorporates lifecycle assessments and tracking of Scope 3 emissions, giving a more complete picture of our environmental impact. This increased transparency not only supports our internal targets but also provides our customers with accurate insights into the ecological footprint of our operations.

Our ongoing efforts to reduce emissions are supported by strategic investments in energy-efficient technologies and a gradual transition towards renewable energy sources. The advancements achieved in lowering carbon emissions across our operations demonstrates our commitment to meeting our long-term sustainability goals.

Capral's lower carbon aluminium, marketed under our proprietary LocAl® brand, has gained substantial industry interest and has reinforced Capral's position as the leader in sustainable aluminium extrusion production in Australia. Combined with our Aluminium Stewardship Initiative (ASI) certification, this underlines our commitment to producing more sustainable materials. We have initiated the process of aligning our sustainability reporting with the Australian Sustainability Reporting Standards (ASRS). This will ensure that our environmental performance data is accurate and transparent to our stakeholders. This year, to align with ASRS, we are reporting calendar year sustainability data to line-up with Capral's December financial year.

Alongside these initiatives, we have been evaluating the inclusion of recycled content aluminium into our process. This is a component of our broader commitment to enhancing our circular economy, optimising resource utilisation, and minimising waste across our operations.

Through these initiatives Capral is advancing its sustainability position and will keep our stakeholders informed as we progress towards a more sustainable future.





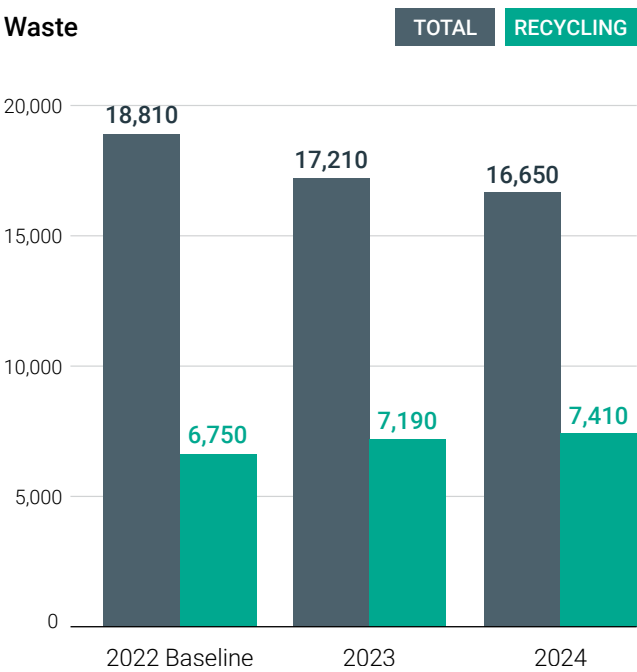
Circular Economy and Waste Management

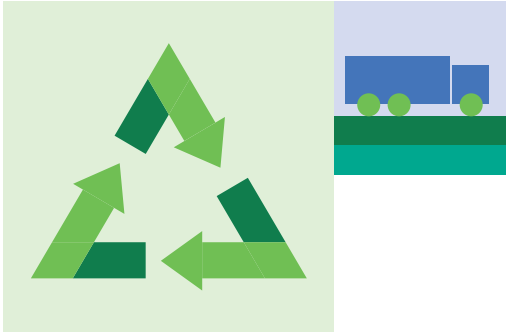
Capral acknowledges that effective waste management is important as it constitutes a secondary production chain. By leveraging data analytics, we have mapped our national network across waste streams, from packaging and chemicals to general waste. This comprehensive approach provides us with a clear understanding of waste generation at every stage of our operations.

Over the past year, we have conducted waste trials at several sites to identify best practices that can be implemented on a national scale. These trials yielded valuable insights into the most effective strategies for reducing waste and optimising recycling processes. By understanding the specific challenges and opportunities within each waste stream, we are better equipped to improve our waste management practices.

This year is Capral's first publication of waste data. We are aiming to improve processes, minimise waste, and increase the use of recyclable materials in production.

These initiatives are key to our broader sustainability strategy. By using data insights and proactive waste management, Capral leads the local industry in sustainable operations supporting a more circular economy. We are committed to improving processes and reducing waste for both business and environmental benefits.





Freight Management and Packaging Initiatives

We continue to evolve freight and packaging practices to support our sustainability goals and enhance supply chain efficiency. This year, we introduced several initiatives aimed at reducing our environmental impact and streamlining operations.

We have implemented the use of scrap metal skip-bins within our closed-loop system. These bins are collected from our customers for re-use or recycling, minimising waste and promoting resource efficiency.

Efforts are being made to identify and address sub-standard practices in our supply chain through collaboration with logistics partners and regular audits.

During the year we launched a new freight management software application. This digital tool streamlines our processes by providing real-time data to support our customers. With sustainability tracking and hazard management features the system also supports environmental and safety objectives.

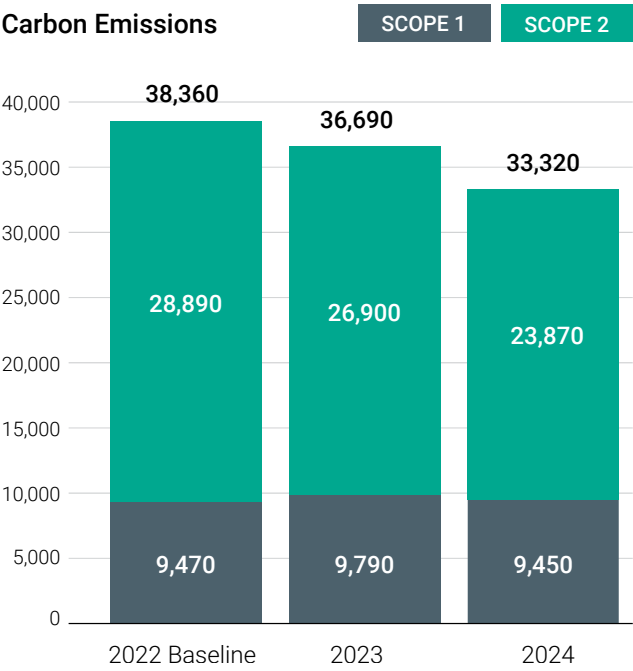
This demonstrates Capral's commitment to innovative and sustainable freight management and packaging practices. By integrating advanced technology, and continually refining our supply chain processes, we are making significant strides toward a more sustainable future.



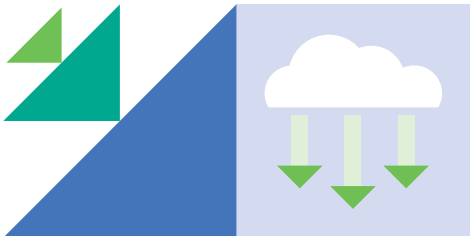
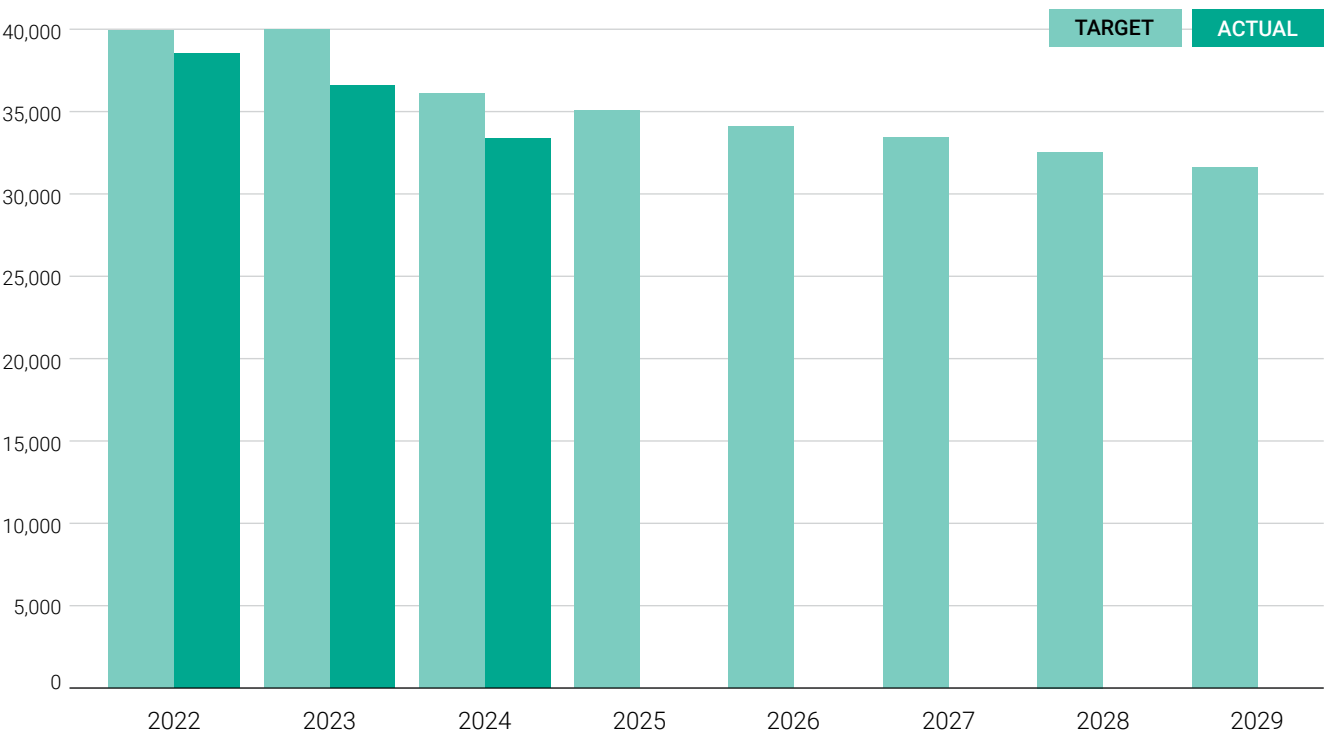
Environmental Impact and Carbon Emissions Overview

In 2022, Capral's baseline Scope 1 (gas) and Scope 2 emissions (electricity) totalled 38360t. Total emissions fell in 2023 to 36,690t, and in 2024 they fell a further 9% to 33,320t. These reductions are a result of our targeted emission reduction strategies. In 2022, Capral's emissions intensity was 0.67 tCO₂e per tonne of aluminium produced. This fell to 0.64 in 2023, and a further 5% to 0.61 in 2024.

Capral's target is net zero by 2050 with an interim target of a 20% reduction in carbon emissions by 2030. We are currently tracking ahead of that target due to emission reduction initiatives, such as; operational energy efficiency programs, process improvements, and an increased mix of renewable energy sources. Ongoing investments in low-carbon technologies, further process optimisations, and an increasing use of renewable energy will drive future reductions.



Carbon Emissions Reduction Plan



Social

We are committed to keeping our people safe within an inclusive workplace culture that supports individual development and contributing actively to the communities within which we operate.

Safety

At Capral, maintaining a secure and healthy workplace is our first priority. We view safety as an ongoing journey of collaborative improvement. Our approach integrates targeted training and proactive data analysis to help ensure a safe working environment where risks are effectively managed and mitigated.

During the past year Capral's Integrated Management System (IMS) was enhanced by adding mobile capabilities. Deploying tablets across our sites has enabled real-time data capture, providing immediate identification of hazards and implementation of corrective measures. This ensures that every incident, near-miss, or potential risk is recorded and addressed promptly, thereby enhancing our overall responsiveness.

We also introduced an in-house safety training program. This training empowers our teams with the skills necessary to identify and control hazards on site. By focusing on practical, site-specific scenarios, the program ensures that our workforce is not only aware of potential risks but also equipped to act decisively when challenges arise. This has driven a proactive risk management culture.

To further reinforce our safety strategy Capral has integrated advanced data analytics into our systems. By leveraging predictive tools, we can analyse both historical and real-time data, identifying emerging patterns and potential areas of concern before they evolve into significant issues. This allows us to implement preventative measures more effectively, strengthening our safety protocols and reducing the likelihood of incidents.

Capral's Total Reportable Injury Frequency Rate increased to 7.7 as reportable injuries increased by 4 in 2024. This continues to be below the average for listed building products manufacturers and reflects our commitment to maintaining high safety standards and the success of our integrated approach to risk management.



Employee Development and Social Responsibility

Capral's commitment to sustainability goes beyond environmental stewardship. In addition to our focus on responsible resource use, we are investing in developing our workforce to ensure we remain at the forefront of a sustainable future. We recognise that our employees are the backbone of our success. Through partnerships with various training organisations, we offer comprehensive upskilling opportunities that promote personal and professional growth. This approach ensures our teams develop the skills needed to navigate the evolving demands of our business landscape.

In addition to our focus on employee development, we prioritise community engagement. Our corporate social responsibility culture is reflected in the wide range of social initiatives we support. These include; campaigns to raise awareness of mental health (R U Ok? Day), domestic violence (Strive To Be Kind), and men's health (Movember). These efforts have attracted a high level of employee involvement.

Capral supports various charity and social organisations, underscoring our broader commitment to societal well-being. Through these combined initiatives, Capral aims to support positive change, not only within our organisation but also in the wider community. These include:

- Allison Baden-Clay – Strive To Be Kind
- Beyond Blue
- Cancer Research
- Children's Hospital
- Dandelions WA
- Disability Sports Victoria
- Festival of Magic
- Fiona Wood Foundation
- Food Bank
- Gooda Street Life
- Leaps and Bounds Disability Services
- Lions Australia
- Movember
- Rotary Down Under
- Sculpture by the Sea
- Springfield Carols
- Starlight Foundation
- TAC Q
- Tracey Village Cricket Club
- University of Wollongong
- Westmead Hospital Foundation



Governance

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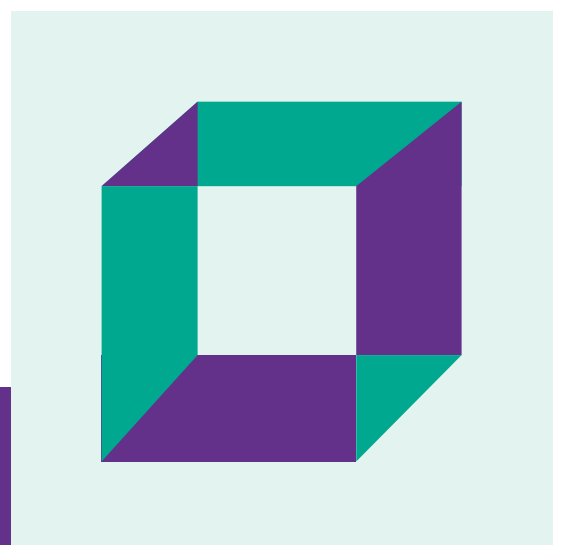
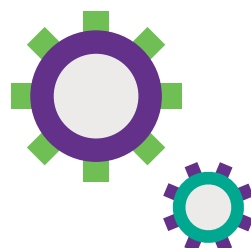
Modern Slavery and Ethical Sourcing

At Capral, we seek high ethical standards in our supply chain. Our Supplier Code of Conduct requires our partners to follow appropriate environmental, social, and governance practices. This helps to combat modern slavery and promote responsible sourcing in our supply chain.

Annual risk assessments of our suppliers is conducted to identify and address potential issues, especially in geographies prone to modern slavery. This allows for early intervention and implementation of corrective measures.

Furthermore, we have strengthened our supplier oversight by expanding our Whistle Blower programme. This confidential reporting channel now includes procurement and supplier practices, allowing ethical concerns to be raised and addressed promptly.

Through these ongoing initiatives, we aim to advance ethical sourcing and modern slavery prevention thereby setting a standard for sustainable practices within our industry.





Aluminium Stewardship Initiative (ASI)

Capral remains the only ASI certified aluminium extruder in Australia. ASI is a globally recognised accreditation body that sets rigorous standards for responsible practices across the aluminium value chain including focus on ESG requirements. This places Capral among a select group of businesses that meet the highest international benchmarks.

Lower Carbon Aluminium (LocAl)

In parallel, we continue to focus on innovation in sustainable product development. Capral's lower-carbon aluminium, LocAl®, is produced with energy generated from lower carbon emitting sources during the smelting phase.

By incorporating audit processes, product innovation, and certification systems Capral is setting new industry benchmarks in terms of sustainable aluminium supply.





DOOR MUST BE CLOSED
BEFORE
OPERATING BALER



RECYCLE



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