VULCAN.

Australia Sustainability Report 2026

Introduction to our climate-related disclosures

At the heart of our business, sustainability and long-term value has a simple purpose: a safe, supportive and fulfilling environment for everybody. It is about building a business our people, customers and communities can keep relying on for years to come.

Vulcan's ESG approach looks at the full spread of material topics across four key pillars:

- Our People;
- Our Business;
- Our Environment;
- Our Growth.

Our Climate-related Disclosure applies that same rigour and framework, narrowed to climate: the same data, governance and decision-making discipline, applied to the risks and opportunities climate change presents for our business — building the insights that support Vulcan's resilience and long-term value in a lower-carbon economy.

FY26 is a milestone year on this front — our first climate-related disclosure for Australia, and our third for New Zealand.

The full detail behind this ESG summary sits in our FY26 Annual Report, with Vulcan's two separate climate-related disclosure reports available for the Vulcan Group, and this report for Vulcan Steel (Australia) Pty Limited. These can be found at investors.vulcan.co

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About this report

Reporting Entity

This Sustainability Report relates to the activities and performance of Vulcan Steel (Australia) Pty Limited (ACN 100 061 283) (referred to in this report as **Vulcan Australia**) in the financial year ended 30 June 2026 (**FY26**).

Basis of preparation and compliance

The Climate Statements presented in this report are a complete set of climate-related financial disclosures prepared in accordance with the Australian Accounting Standards Board (**AASB**) Sustainability Reporting Standards (**Standards**), AASB S2 Climate-related disclosures, and requirements under the Corporations Act 2001 (Cth).

This is the first year in which Vulcan Australia is required to report under this framework. The report is intended to be read alongside Vulcan Group's annual report for FY26.

Transition relief

The Standards permit certain relief in an entity's first reporting year. Vulcan Australia has relied on the following reporting relief and has not disclosed the following information:

- Scope 3 greenhouse gas emissions.
- Comparative climate-related information.

Work on the key elements of Scope 3 measurement is expected to begin in FY27.

Assurance

In line with the phased assurance requirements that apply to first-year reporters, Vulcan Australia's FY26 disclosures in this Sustainability Report that are subject to mandatory assurance have received limited assurance from Deloitte Limited, as an independent assurance practitioner. Deloitte's report is attached at the end of this Sustainability Report.

Forward-looking statements

This Sustainability Report contains forward-looking statements, including scenario analysis and descriptions of climate-related risks, opportunities and planned responses. Such forward-looking statements are inherently uncertain and depend on assumptions about future events, the compounding nature of climate risk, and conditions that may not occur. This Sustainability Report has been prepared using reasonable and supportable information available at the reporting date (being 30 June 2026) (**Reporting Date**), but actual outcomes may differ from those described. Forward-looking statements do not guarantee future performance, and Vulcan Australia has no obligation to update such statements after the Reporting Date except where the law requires it.

Directors' declaration

The directors declare that, in the directors' opinion, the entity has taken reasonable steps to ensure the substantive provisions of the attached climate statements are in accordance with the *Corporations Act 2001*, including:

- Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures.*
- Making the climate statement disclosures required by s.296D of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.296A(7) of the *Corporations Act 2001*.

Wayne Bowler
DIRECTOR

25 August 2026

Matthew Lee
DIRECTOR

25 August 2026

Summary of Vulcan's FY26 ESG highlights

We strive for sustainable business growth

Nurturing an ethical, rewarding culture is the constant priority behind our ESG work. Because when trust is high, businesses and communities grow and thrive together.

ESG performance highlights

Our approach to sustainability and long-term commitment is built on four pillars.
This year's results reflect our resilience in practice.

Our people — an engaged resilient workforce

1,669 employees across approximately 82 birth countries and 68 languages, in New Zealand and Australia.

Our FY26 DEIB survey results show that overall we have engaged in a psychologically and physically safe manner, and fairly treated employees (FY26 DEIB survey):

- 85% are prepared to put in extra effort for Vulcan's success.
- 89% agree they can speak up on unsafe behaviours.
- 80% agree they have clear goals for their role.
- 75% feel Vulcan puts team first, with respect for the individual.

FY26 Vulcan launched its first graduate programme — seven graduates across three disciplines within our business: operations, finance, and IT. A second intake is planned for 2027.

Piloted the Leader as Coach programme, to be broadened to a larger cohort next year. In addition, Vulcan had customised continuous learning and career development programmes for employees in diverse roles to participate in throughout the year. Such programmes are either online or through special-interest external education programmes.

A strong commitment to community impact — A sentiment of *"When you rise, so does your community."* Continued sponsorship and mentoring for the arts, sport, and mental health support services, including support for Helicopter Rescue services.

Our business

98% DIFOT — Delivered in Full, on Time — third consecutive year at this level.

Almost 100% of deliveries to customer sites made using Vulcan's own transport fleet.

82 sites, up from 66 — warehousing, manufacturing, and value-added processing facilities across Australasia.

Acquired Roofing Industries Limited (30 September 2025), adding specialised rollforming capability and 15 new sites across New Zealand.

Summary of Vulcan's FY26 ESG highlights cont.

Our environment

TRANSITIONING TO GENERATING RENEWABLE ENERGY

Two new solar power installations — invested in self-generated solar across Australia and New Zealand. Self-generated power now spans three sites in New Zealand and 13 sites in Australia. Between FY25 and FY26 New Zealand's output rose 34%, from 144,201 kWh to 193,559 kWh; Australia's rose 35% from 367,145 kWh to 494,679.

MORE ELECTRIFICATION OF OUR VEHICLE FLEET TO REDUCE CONSUMPTION OF FOSSIL FUELS

70% of the light vehicle fleet is now electric or hybrid, up from 68% in FY25.

53.0 kg CO2e per tonne — our Scope 1 and 2 emissions intensity footprint, an 8% improvement on FY25.

Our growth

COMMITTED TO TRANSPARENT CLIMATE GOVERNANCE

FY26 is Vulcan's inaugural Australian Sustainability Report and third New Zealand climate reporting year. Public reporting holds us accountable to future proofing our business through understanding and mitigating climate related risks and reducing our own impact.

STEADY, READY — BUT NOT DONE

FY26 Scope 1 & 2 emissions intensity improved 8% on FY25, even as the business grew through acquisitions like Roofing Industries. That's the dual pathway we are on: reducing emissions across the existing business while we expand.

COMMUNICATING WITH PURPOSE

We report our direction and progress to stakeholders openly, and give them a channel to challenge and shape it — publishing sustainability reports each year, expanding emissions disclosure as our data matures, and sharpening our progress through their feedback.

Summary overview of this report

This is Vulcan's first climate-related disclosure under Australia's climate related disclosure standard (AASB S2), covering our Australian operations for FY26. The development of this disclosure was undertaken in parallel with our third New Zealand Climate Standards (NZ CS) disclosure. As such, we were able to draw on our previous climate reporting experience, applying an Australian-specific lens across our assessments, including geography, value chain and scenario analysis.

This work led us to identify six climate risks and two climate opportunities we believe are most likely to impact our business in the future.

1. **Acute and chronic physical risks** — Increased frequency of storms, rainfall, wind, heatwaves and drought could disrupt supplier and customer sites, our own operations, and logistics.
2. **Policy and regulatory uncertainty (regulatory change)** — Changes to any one or several climate-related laws and regulations, including AASB S2, carbon pricing, and the Carbon Leakage Review, could restrict our ability to operate our current business model and increase compliance costs.
3. **Legislation on managing exposure to extreme heat** — New laws in response to acute heatwaves and chronic permanent heat increases could require changes to our facilities and operating procedures.
4. **Energy availability and price volatility** — High energy prices or difficulty accessing affordable clean energy could impact our ability to offer competitive pricing.
5. **Changing customer preferences** — Rapid shifts in product demand may outpace Vulcan's ability to adapt which could result in lost revenue or margin, and increased competitor threat.
6. **Financial market destabilisation** — Rising insurance costs and tightening access to capital, both increasingly tied to climate performance, could raise costs and constrain funding across our operations and value chain.

Opportunities

7. **Enabling and supporting adaptation** — As physical damage and managed retreat push customer demand toward adaptation solutions, we are well placed to capture this shift.
8. **Regulatory and government-backed stimulus** — Demand from government-backed infrastructure projects, whether directly climate-related or delivered under climate-related requirements, presents growth opportunities.

Summary overview of this report cont.

Our climate strategy work this year has focused on identifying and prioritising our material climate-related risks and opportunities, quantifying their potential financial impact in today's terms, and testing our current strategy against three climate scenarios to assess how resilient that strategy is likely to be over the short, medium and long term. That resilience assessment has shaped our approach to transition planning, setting out where our current strategy is likely to be sufficient and where more substantial change may be needed. Findings reinforced our current strategic initiatives, with our hub-and-spoke network and hybrid model, adaptable product sourcing, and lean capital model providing genuine flexibility to respond to physical risks, managed retreat, and changing demand. We are enhancing site resilience assessments for the physical risks identified. Current initiatives, including solar, fleet decarbonisation, and this year's expanded disclosure process, to remain appropriate to support our response to climate change. We continue to monitor customer demand, supplier capability, and regulatory developments, and are considering how climate data and carbon pricing might inform future planning.

Our assessment of climate risks draws on elements of our enterprise risk framework, with the expectation climate will more formally be integrated into this as a natural next step. Our financial quantification is similarly a first iteration: we have estimated costs and benefits in today's terms, reviewing the degree of alignment across the underlying models with the scenario analysis we undertook as an indication of risk likelihood, rather than modelling financial outcomes decades into the future. We consider this the right approach at this reporting date, reflecting the reasonable and supportable information available to us without undue effort. We expect our quantification, our metrics and targets, and the integration of climate risk into everyday business planning to continue to develop in future reporting periods.

In terms of oversight of climate-related matters, we have established clear governance for climate-related risks and opportunities, including oversight and management responsibility sitting at both Board and senior leadership level, supported by regular reporting on our progress.

Pleasingly, our Scope 1 and 2 GHG emissions intensity continues to improve. Emissions per tonne this year across Australia were 14% less than last year. The ongoing installation of solar across many of our sites, coupled with the changes made to our distribution model as described above, appear to be effective decarbonisation strategies for us. We are also benefiting from the greening of the grid across the states we operate.

SECTION 01

Governance

Governance

Governance body oversight

This section sets out how Vulcan Australia governs climate-related risks and opportunities: who oversees the risks and opportunities at Board level and manages day to day responsibilities, and how the governance structure connects back to the Vulcan Group's governance across Australia and New Zealand.

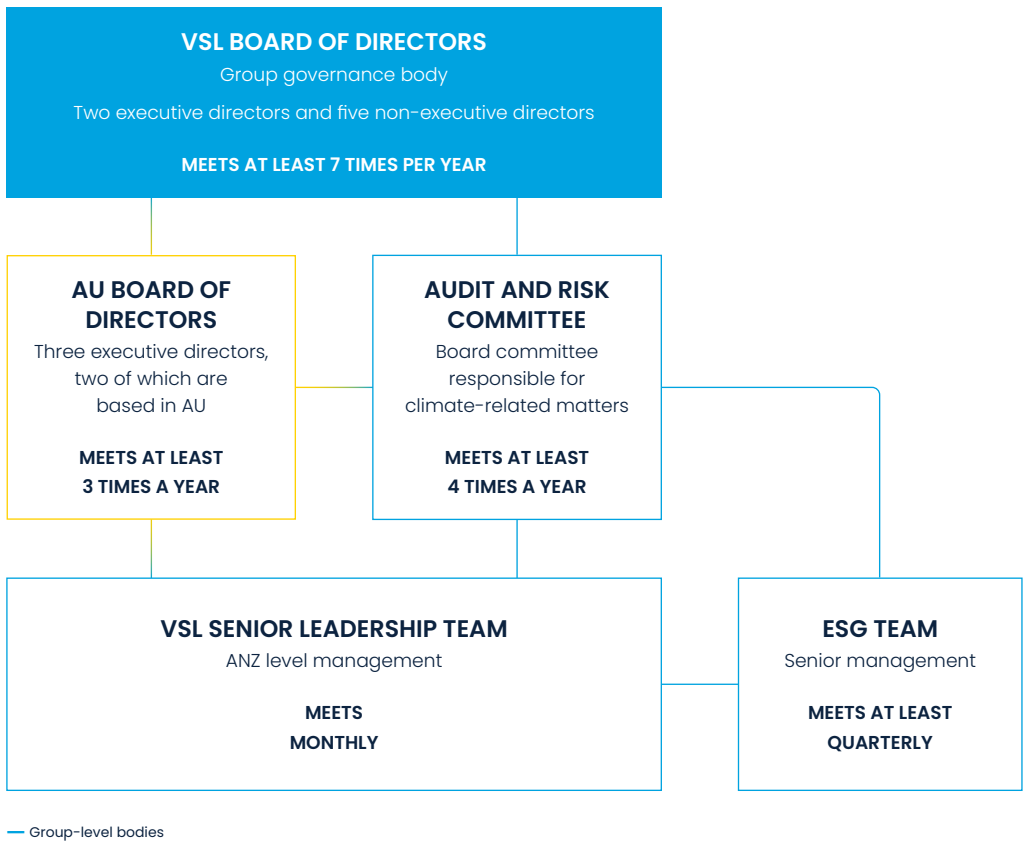
Board oversight and structure

Vulcan Australia is a wholly owned subsidiary of Vulcan Steel Limited (**Vulcan NZ**). Vulcan NZ has delegated oversight of certain matters to Board Committees, one of which is the Audit and Risk Committee (**ARC**). The ARC holds Vulcan NZ's delegated authority over ESG matters, including climate, across the Vulcan Group. Oversight of Vulcan Australia's climate-related risks and opportunities sit with its own Board of three directors. Two of the three directors of Vulcan Australia are also senior leaders in the Australian business.

Vulcan Australia has a Board meeting policy, which details the responsibility of the directors and how, when and where the Vulcan Australia Board meets.

The Board of Vulcan Australia meets at least three times a year, plus additional Board workshops as needed, including sessions dedicated to ESG. Group-level oversight of climate sits with the ARC, which meets at least four times a year and treats ESG as a standing agenda item. In FY26 Vulcan Australia's Board added climate as a standing agenda item to all Board meetings, to bring local cadence in line with Vulcan NZ's practice. Climate-related responsibilities were formally included into the Vulcan Australia's Board meeting policy in August 2026.

During FY26, the Vulcan Australia Board held four Board meetings and climate-related risks and opportunities were discussed at each of those meetings. In addition, the Vulcan Australia Board had four other climate-specific workshops with external consultants Tadpole during FY26.



Climate in strategy, transactions and risk oversight

Vulcan NZ's Board holds final decision-making authority over strategy, major transactions, and risk management for the Vulcan group. Vulcan Australia's Board does not set strategy or soley decide on major transactions.

Climate-related risks and opportunities in Australia are brought into Vulcan NZ's Board oversight through two channels:

1. The Group Financial Controller (also an Australia Director) attends all Vulcan NZ Board and ARC meetings and provides direct input on climate risks and opportunities in that setting.
2. Significant issues affecting the Australian business are also raised with the Australia senior leadership team.

Skills and competencies

The Board of Vulcan Australia engaged sustainability consultants, Tadpole, to facilitate a self-assessment to ensure the Board has the appropriate skills and competencies to provide oversight of climate-related risks and opportunities. Tadpole continues to advise the Vulcan Australia Board on specific climate reporting obligations and help build internal expertise on climate-related matters.

Skills and competencies relevant to climate governance are also considered at the Vulcan Group level. The Vulcan NZ Board reviews its skills matrix every August, and as part of the recruitment and induction process for any new director. The Board skills matrix sets out the desired experience for directors, including experience relating to identifying environmental, economic and social developments, and in establishing, implementing and monitoring ESG policies and practices.

Targets and remuneration

As at the Reporting Date, no targets for Vulcan Australia or Vulcan NZ's climate-related risks and opportunities have been set. As Vulcan Australia progresses its transition planning, target setting will be considered. If targets are set, they will be monitored through the same governance channels described above.

No aspect of any remuneration for any Vulcan Australia employee is currently directly linked to climate-related performance. This is consistent with the Vulcan Group's broader remuneration approach, where incentives are not tied to individual or team-specific targets.

Management's Role

Day-to-day responsibility

Day-to-day management of climate-related risks and opportunities for Vulcan Australia sits with the Australian senior leadership team, which report to Vulcan's MD/CEO, Gavin Street. The Australian senior leadership team meets monthly to consider all matters that effect operations in Australia. There is no separate, dedicated climate or ESG committee within Vulcan Australia. Climate related issues, opportunities or activity requiring Board input are brought to the Australian Board's attention in the first instance. Where Group level input is needed it is sought through the ESG team and ultimately the ARC.

Controls and integration with other functions

Climate-related matters currently reach Vulcan Australia's senior leadership team as part of broader ESG updates, rather than through a dedicated climate-specific control or reporting process. The Vulcan Group's enterprise risk framework, covering the risk appetite statement, risk register and risk matrix, extends to Vulcan Australia and is the primary mechanism through which climate risk is identified and escalated.

SECTION 02

Strategy

Strategy

This section sets out what we have learned about how climate change may play out for Vulcan Australia: the risks and opportunities we consider material, where, how and when they concentrate across our operations and value chain, and what they could mean financially.

Some of this work was informed by the foundation of our New Zealand climate reporting at the Vulcan Group level, adapted with an Australian lens through scenario analysis, financial quantification and a series of structured workshops with our senior leadership for this report. It also explains how this thinking is feeding into our strategy and decision-making today, and our early view on how resilient that strategy is likely to be as the climate, markets and policy landscape continue to shift.

Business model and value chain

The Vulcan Group is a leading metals and steel distributor operating across Australasia. It has 82 warehousing, manufacturing and processing facilities across Australia and New Zealand and over 1,600 employees across two segments (metals and steel). The Vulcan Group operates in seven industry verticals, being steel distribution, plate processing, coil processing, and rollforming (in the steel division), and aluminium, stainless steel and engineering steels (in the metals division) supported by its own trucking fleet. The Group's operating model combines value-added processing (plate, coil and long product processing, and aluminium extrusion) with pure distribution. Key end-user markets for the business are construction, manufacturing, mining, and food and beverage.

Vulcan Australia's value chain is comprised of the following elements:

1. Supply chain (inbound logistics)
2. Raw materials (extraction, scrap and primary production)
3. Operations (processing and extrusion)
4. Storage
5. Distribution
6. Sourcing and procurement
7. Sales and finance
8. Corporate
9. Third-party service providers
10. Customer segments (manufacturing, construction, mining, and food and beverage).

Climate-related risks and opportunities

Our approach

Vulcan Australia identified and refined its climate-related risks and opportunities through climate scenario analysis, financial quantification and strategic resilience testing during FY26, drawing on national and industry climate risk assessments where relevant. The assessment included identifying the value chain components and geographies where effects could be concentrated, potential mitigations to respond to risks and opportunities, and the types of financial effect that could arise. From an initial list of more than 40 plausible risks and opportunities, we shortlisted 16 for detailed assessment. Part of this shortlisting included assessing the materiality of each risk and opportunity across our selected climate-related scenarios and time horizons (outlined in the Boundaries of assessment section below) and identifying where , when and how a risk or opportunity could first reasonably become material should it eventuate. Of these, we consider six risks and two opportunities to be material and reasonably likely to affect our prospects. These are set out at the end of this section under **Climate-related risks and opportunities**.

Vulcan Australia engaged Tadpole, an external sustainability consulting firm, to support and facilitate the climate risk and opportunity assessments, scenario analysis, financial quantification and strategic resilience. Workshops with the business facilitated by Tadpole were held in March, April and June 2026, and included Vulcan Australia's finance, commercial and procurement leadership. Industry peer disclosures and publicly available government and industry information were also used as inputs. A more comprehensive overview of the specific steps we followed is provided in the **Risk Management** section of this report.

Our test of materiality: throughout our identification and assessment of climate risks and opportunities, we treated a risk or opportunity as material where both its anticipated impact (or effect) and the potential cost to respond to it are material, guided by a threshold of more than $3 million profit impact. This threshold was set by the ARC. This same materiality test underpins our assessment of our climate resilience, including how we have treated low-probability, high-impact events and the combined effect of related risks. The assessment potential materiality of each climate-related risk and opportunity was led by management judgment and expertise. Likewise, the materiality of potential strategic choices, mitigations, and responses to material risks and opportunities was guided by management judgement and expertise.

Boundaries of assessment

The risks and opportunities below are described against the following boundaries. For our value chain elements, see Business model and value chain above.

TIME HORIZONS

Vulcan Australia defines the time horizons for climate risks and opportunities as follows. These are linked directly to the planning horizons we use for strategic decision making.

Short Term 2026-2030	Medium Term 2031-2040	Long Term 2041-2060
Aligned to Vulcan Australia's three to five year planning cycle and near-term solar commitments.	Aligned to Vulcan Australia's planned investment period to deliver decarbonisation project outcomes.	Captures longer-dated physical risks (and, to a lesser extent, transition risks) while staying close enough to inform decisions today. The end point also covers the globally recognised 2050 net zero reference point.

GEOGRAPHY

- Queensland
- New South Wales
- Victoria
- Western Australia
- Australian Capital Territory
- South Australia
- Tasmania
- Northern Territory

CLIMATE SCENARIOS

Vulcan Australia carried out climate-related scenario analysis using three scenarios from the Network for Greening the Financial System (**NGFS**). We overlaid these with the IPCC's Shared Socioeconomic Pathways (**SSPs**) for transition and socio-economic data, and the aligned Representative Concentration Pathways (**RCPs**) for physical climate data.

Climate scenario characteristics

We analysed each scenario over the short, medium and long term, across our Australian operations and value chain. The characteristics of each scenario we considered during our climate risk and opportunity assessment are set out below.

	Net Zero 2050 Orderly	**Delayed Transition** Disorderly	**Current Policies** Hot house world
NGFS pathway	Net Zero 2050 (Orderly). SSP1-2.6.	Delayed Transition (Disorderly). SSP2-4.5.	Current Policies (Hot house world). SSP3-7.0 (RCP7.0).
Warming outcome	Limits warming to 1.5°C by 2100.	Likely holds warming below 2°C.	3°C or more by 2100.
Policy assumption	Climate policy tightens early and consistently across major economies.	Policy action is delayed and uneven, then tightens sharply after 2030.	Only currently legislated policies continue. No further action.
Physical signals, 2050*	76.6 days a year of extreme fire weather. Daily maximum air temperature of 30.1°C.	79.7 fire-weather days. Daily maximum air temperature of 30.4°C.	80.4 fire-weather days. Daily maximum air temperature of 30.6°C.
Transition risk	High. A fast, coordinated shift away from fossil fuels.	Highest. A late, sudden policy shift creates the sharpest cost and disruption.	Low. Little further policy change.
Energy**	Reliable, lower-cost supply over time, with short-term bottlenecks as the grid is built out.	Supply gaps and price spikes until policy catches up after 2030.	Coal and gas continue longer. Weather and ageing infrastructure drive disruption.
Technology**	Faster uptake of low-carbon steel, storage and green inputs.	A slower, then compressed, push to adopt low-carbon processing.	Uptake driven by customer demand, not regulation.
What it tests	How well we adapt to fast policy change and a low-carbon economy.	Whether we can respond quickly if risks compound. A plausible middle pathway.	How resilient we are to the most severe physical impacts.

* NGFS-modelled, Australia national average, 2050. State figures are higher in Queensland, NSW and the Northern Territory.
** Tadpole's qualitative view, not modelled.

Why these scenarios?

The three scenarios cover a diverse range of temperature outcomes and capture both transition risks (through the **SSPs**) and physical risks (through the **RCPs**). Net Zero 2050 is aligned with the latest international agreement on climate change. Vulcan Australia chose these scenarios because they are global, well supported by Australian data, widely used by other reporting entities, and together they stress-test our strategy against fast, disorderly transition and high physical impact futures. We selected RCP 7.0 rather than RCP 8.5 for the high-warming pathway because it is more credible under current energy trends while still capturing the chronic physical risks most relevant to our operations, such as heat and supply chain disruption.

Vulcan Australia analysed each scenario over its short term (2026 to 2030), medium term (2031 to 2040) and long term (2041 to 2060). The scope of the analysis was our Australian operations and value chain, broken down by state (Queensland, New South Wales, Victoria, Western Australia, Australian Capital Territory, South Australia, Tasmania and Northern Territory) to reflect differences in physical climate trends and policy between states. While AASB S2 requires at least two scenarios, Vulcan Australia elected to use three to add a plausible middle pathway and greater diversity of outcomes.

The three selected climate scenarios also guided the assessment of specific climate-related risks and opportunities that may impact Vulcan Australia, as follows:

1. The internal logic of each scenario — based on a future global temperature outcome — provided a key input to the initial long list of climate-related risks and opportunities selected for further assessment of relevance to Vulcan Australia.
2. The degree of alignment between the models within each scenario — scenario model relative probability as a substitute for likelihood of the risk or opportunity eventuating in the future.

Below sets out Vulcan Australia's material climate risks and opportunities. Our overall assessment of these is that many of our material transition risks could first have material effects in the short to medium term while physical risks were anticipated to build through the medium term and intensify in the long term. The below list consists of plausible risks and opportunities, the magnitude of which, should they eventuate, has been deemed material to Vulcan in both impact and potential strategic response.

Physical risks

1. Flooding, bushfires, drought and extreme storms

Classification

Physical (acute & chronic); combination of hazards

Scenario Risk Profile

● Material ○ Non-material	Short term 2026-2030	Medium term 2031-2040	Long term 2041-2060
Net Zero 2050	○	●	●
Delayed Transition	○	●	●
Current Policies	○	●	●

DESCRIPTION

A significant increase in the quantum and severity of rainfall, wind, bushfires, heatwaves, drought and other extreme storms.

IMPACT

Multiple including direct and indirect impacts to supplier and customer sites, own operations, and logistics.

ANTICIPATED EFFECT

Physical climate events create direct and indirect effects across Vulcan Australia's operations, logistics and supply chain. The anticipated financial effects are wide and varied, including and not limited to:

- Cashflow issues with upstream value chain elements — for example access to and transport of raw materials and manufactured components being severely restricted — leading to supply cost increases.
- Capital and cashflow issues across operations — for example, extensive damage to multiple sites, severe restrictions on fleet movements, and inability for team members to travel to workplaces — leading to business continuity costs and lost revenue.
- Cashflow issues in customer elements of the value chain — for example customers unable to receive delivery of products, or significant reduction in their activity and a reduction in demand for Vulcan products — leading to lost revenue.

The geographic spread of these potential effects is across all Australian states. Vulcan Australia's own operations are primarily located in Queensland and New South Wales, and to a lesser extent Victoria. The range of plausible physical risks considered are all more than likely in at least one of our selected scenarios, from the medium term onwards, in all states of Australia where other elements of the value chain are located.

Transition risks

2. Climate-related regulatory mechanisms

Classification

Transition; policy and regulatory uncertainty

Scenario Risk Profile

● Material ○ Non-material	**Short term** 2026-2030	**Medium term** 2031-2040	**Long term** 2041-2060
Net Zero 2050	●	●	○
Delayed Transition	○	●	●
Current Policies	○	○	○

DESCRIPTION

The introduction, expansion or strengthening of climate-related regulatory mechanisms, including AASB, carbon pricing, and Carbon Leakage Review outcomes.

IMPACT

Restrictions on ability to operate current business model, and compliance costs.

ANTICIPATED EFFECT

Policy setting changes could create direct and indirect costs to cover greenhouse gas emissions across our operations and supply chain. These costs would arise from the effort required to either quantify the carbon intensity of purchases metals and steel, or to implement solutions to reduce those emissions to avoid compliance costs or lost business. Inability to meet required policy settings may also impact market perception and brand reputation, as would disclosing unacceptable emissions performance or targets, particularly Scope 3.

The effect in our raw materials and inbound supply chain would be primarily on cashflow — this would arise from cost for compliance, reporting, or tariffs being passed on in pricing. In our own operations, cashflow could also be impacted — through adjustments to our pricing or margin, or through the additional cost of engagement with value chain partners to support compliance. Other input costs may also be affected — in particular energy costs for operations. Capital may be required to implement solutions to ensure compliance, or adherence to customer requirements driven by their compliance needs.

The breadth of plausible policy setting changes considered in this risk covers all states in our value chain.

Transition risks cont.

3. Legislation on managing exposure to extreme heat

Classification

Transition; workforce health & safety

Scenario Risk Profile

● Material ○ Non-material	**Short term** 2026-2030	**Medium term** 2031-2040	**Long term** 2041-2060
Net Zero 2050	○	●	○
Delayed Transition	○	●	○
Current Policies	●	●	●

DESCRIPTION

Introduction of new legislation linked to acute heatwaves and chronic temperature increases, impacting the management of workforce exposure to extreme heat.

IMPACT

Changes to facilities and operating procedures.

ANTICIPATED EFFECT

Potential harm to workers and reduced worker productivity could lead to legislation that requires upgrade to facilities, formal worker acclimatisation requirements (including significant shift timing changes), and the addition of heat related illness to workers' compensation deemed disease lists.

This risk is more than likely in multiple scenario settings, and would impact Vulcan Australia's storage, distribution and operations in Queensland (including Cairns, Townsville, Mackay, Rockhampton and six Brisbane locations), and in regional Western Australia. These areas are among Australia's hottest regions, with steel yards and warehouses inherently exposed to outdoor and semi-outdoor environments.

Failure to respond to this risk would likely impact cashflow through non-compliance penalties, while responding to this risk could lead to capital investment in plant and facilities upgrades. There could be cashflow impacts from additional training, and from changed compensation arrangements — especially in response to union pressures.

Transition risks cont.

4. Energy availability and pricing volatility

Classification

Transition; market conditions

Scenario Risk Profile

● Material
○ Non-material

	Short term 2026-2030	Medium term 2031-2040	Long term 2041-2060
Net Zero 2050	●	●	○
Delayed Transition	○	●	●
Current Policies	○	○	●

DESCRIPTION

Unviable costs of energy affecting Vulcan Australia's ability to create competitively priced products, and difficulty procuring clean, affordable energy.

IMPACT

Ability to provide a competitive offer impacted by input costs.

ANTICIPATED EFFECT

Energy supply could become less reliable in different ways in each scenario, leading to unpredictable supply and higher prices.

This may make our operating costs harder to predict. If our energy costs rise faster than we can pass them on, we may lose pricing competitiveness on the product itself, particularly in competitive segments where buyers can switch to cheaper imported or domestically processed steel. We may also see production scheduling changes (running energy intensive processing outside peak price windows), which adds complexity and may reduce throughput.

In Net Zero, a combination of legislative requirements to rapidly shift to renewables combined with restrictions on fossil fuels is likely in the short and medium term. In Delayed Transition, a similar pattern could unfold in the medium term, potentially compounded by less co-ordinated legislative drivers. As the electricity grid shifts to more wind and solar, supply can become less predictable and prices swing more. When renewable output drops (for example, low wind periods that fall outside the usual seasonal pattern, or extended cloud cover), the shortfall is filled by gas peaking plants or onsite storage. Both are more expensive, and this pushes up spot prices at exactly the times our sites are drawing power for processing. Diesel prices add a second, separate source of volatility for our distribution costs.

In the Current Policies scenario, physical impacts to energy sources and supply chains are a likely driver of disrupted to energy availability.

These impacts if eventuating could affect Vulcan Australia's cashflow across raw materials, processing, storage, and distribution as costs rise. Likewise, pricing decisions on cost pass-through or margin shrinkage could occur. Capital may be needed to ensure energy supply at or near Vulcan Australia's sites in Queensland, New South Wales and Victoria, and to a lesser extent in other states.

Transition risks cont.

5. Changing customer preferences

Classification

Transition; customer

Scenario Risk Profile

● Material ○ Non-material	**Short term** 2026-2030	**Medium term** 2031-2040	**Long term** 2041-2060
Net Zero 2050	●	●	○
Delayed Transition	○	●	●
Current Policies	○	○	○

DESCRIPTION

Rapid change in product demand at a pace that Vulcan Australia cannot adapt to. Challenges in sourcing the appropriate mix of products, to adapt to a continued social licence to operate, or suppliers' inability to produce the products that match customer demand.

IMPACT

Loss of revenue or margin, increased threat of competitor entry or growth.

ANTICIPATED EFFECT

This risk could impact us in any or all of the following ways:

1. Material and product substitution: Customers move towards lighter, lower carbon materials and demand shifts to products with a longer service life. This could lead to cash and capital requirements to support stock and processing of new materials and products — potentially further compounded if our existing supplier contracts and processing equipment can't support the pace or volume required.
2. Embodied carbon: Customers and regulators require more detailed information on the carbon footprint of Vulcan Australia's products. Being able to clearly demonstrate that our products are low carbon may become essential to winning business — leading to cashflow impacts from additional data gathering and reporting, and potential capital impacts to support stock levels and facilities enhancements.
3. Certification: Government contracts and larger construction and infrastructure tenders increasingly require formal product certification (for example, chain of custody or low carbon steel certification) as a condition of bidding. If we or our suppliers do not hold the right certification, we do not get to compete on price or quality and may be excluded before that conversation starts.

In addition, our people need new skills to successfully handle a different product mix, on different processing equipment, with different quality and certification requirements — supporting this change will require investment in training.

Should this risk eventuate, it will primarily impact our processing, storage, and distribution sites across Australia, particularly in Queensland, New South Wales, and Victoria.

Transition risks cont.

6. Financial market destabilisation

Classification

Transition; insurance, high capital costs & financial barriers

Scenario Risk Profile

● Material ○ Non-material	Short term 2026-2030	Medium term 2031-2040	Long term 2041-2060
Net Zero 2050	●	●	○
Delayed Transition	○	●	●
Current Policies	●	●	●

DESCRIPTION

Climate reshapes the cost and availability of financial services, including insurance and capital, in ways that directly affect Vulcan's ability to operate, invest, and grow. As physical and transition risks are priced into financial markets, Vulcan, its suppliers, and its customers face a tightening set of financial conditions that are largely outside their control — particularly where operations, assets, or supply chains are concentrated in high-risk locations or carbon-intensive sectors.

IMPACT

Multiple impacts including restrictions on suppliers or customers under managed retreat, and cost increases or increased risk across value chain. Cost increases to fund existing strategy, or to implement climate risk mitigations.

ANTICIPATED EFFECT

On insurance, the immediate pressure could be cost: premiums for assets, infrastructure, and operations may rise, with levies and further increases potentially occurring before certain locations or asset classes become uninsurable altogether. Managed retreat driven by insurers rather than by Vulcan Australia's own decisions could restrict where we, our suppliers, and our customers can operate, with impacts felt across supply chain, raw materials, operations, storage, distribution, and sales.

On capital, access to debt and equity may become increasingly conditional on carbon footprint and climate risk management. Investor and lender preferences may also shift, meaning Vulcan Australia's carbon performance could shape both whether capital is available and at what price. This could create a dual pressure: the cost of funding existing strategy increases at the same time as implementing mitigations and decarbonisation projects demands additional investment. Green materials carry real premiums; steel via electric arc furnace and low-carbon aluminium both cost more, and no low-carbon aluminium is currently produced domestically, while holding sustainable stock pushes up working capital needs further.

The potential nexus of this risk eventuating is very broad — it could first arise anywhere in Vulcan's value chain outside of our own operations, leading to cashflow pressure on Vulcan as an indirect impact. Or the risk could first sit directly with Vulcan — leading to cashflow impacts (especially insurance), and capital cost for plant and facilities enhancements required to secure viable support from our finance partners.

Opportunities

7. Enable and support adaptation

Classification

Physical (acute & chronic); linked to physical hazards

Scenario Risk Profile

● Material ○ Non-material	Short term 2026-2030	Medium term 2031-2040	Long term 2041-2060
Net Zero 2050	○	●	●
Delayed Transition	○	●	●
Current Policies	●	●	●

DESCRIPTION

Physical damage and managed retreat from vulnerable locations leads to new developments and increased demand for Vulcan Australia's materials, for example rebuild activity as a revenue driver.

IMPACT

Physical damages and managed retreat from vulnerable locations leads to increased demand.

ANTICIPATED EFFECT

As communities and governments respond to physical climate risks, Vulcan Australia expects sustained demand for construction materials. Adaptation programmes, relocation of housing and infrastructure away from vulnerable areas, and rebuilding to more resilient standards all require significant volumes of metals and steel. This puts Vulcan Australia's business in a good position for the response to climate change, supporting stronger, safer construction over the long term.

We would see effects in our supply chain, sourcing and procurement, and processing — we would expect cash impact to be minimal if we absorb this demand within our current business model. Or, we may see additional cash invested, with an expected benefit to doing so. Likewise, capital investment in our operations, storage, and distribution would be defined by the specific requirements on the business should this opportunity become apparent. Where this opportunity may arise is nationwide, as managed retreat is a coordinated response to physical risks.

Opportunities cont.

8. Demand driven by government-backed infrastructure projects

Classification

Transition; policy-driven

Scenario Risk Profile

● Material
○ Non-material

	Short term 2026-2030	Medium term 2031-2040	Long term 2041-2060
Net Zero 2050	●	●	○
Delayed Transition	○	●	●
Current Policies	○	○	○

DESCRIPTION

Direct or indirect regulatory and governmental stimulus relating to climate change, often framed around building back better and resilient infrastructure, presents an opportunity. This can be state and federal government driven, for example a requirement that a percentage of Australian local metals and steel be incorporated into a project. This can also either directly relate to climate risks and opportunities, or large projects with climate-related delivery requirements.

IMPACT

Either directly related to climate risks and opportunities, or large projects with climate-related delivery requirements.

ANTICIPATED EFFECT

As governmental stimulus grows, it creates a direct opportunity for Vulcan to have access to more projects, and a procurement environment where sustainability credentials and local supply chain provenance increasingly determine who a preferred supplier may be. This includes infrastructure explicitly designed to respond to climate risks (flood mitigation, resilient transport corridors, upgraded utilities) as well as large projects with climate-related delivery requirements. Both create demand for suppliers who can demonstrate a credible sustainability position.

To take advantage of this opportunity, Vulcan would be required to demonstrate alignment with product mix and reporting requirements that would define a new operating environment. This in turn may require additional cash investment in raw materials or processing to support product switching if required. Capital investment in new processing, storage, and distribution capability may also be required. In both cases, any investment incremental to the existing business model at the time would be made on the basis of a clear benefit.

A note on other risks and opportunities deemed immaterial:

Vulcan Australia assessed a further seven shortlisted risks and opportunities and concluded they are not material in relation to this reporting period (FY26). Those risks included: water scarcity, broad geopolitical risks, specific technology adoption risks, specific physical and chronic risks, climate-related claims against businesses and the opportunities included: specific technology adoption opportunities, and growth in renewables infrastructure (which we already benefit from). Individual acute and chronic physical hazards are captured within the first consolidated physical risk above. We intend to continue monitoring all of those risks and opportunities.

Asset and business activity exposure

Vulcan Australia has identified various climate-related physical and transition risks and opportunities for FY26. Vulcan Australia's interpretation is that many of our sites, divisions and value chain components (and their associated activities and assets) are susceptible to the impacts of climate change. However, Vulcan Australia has not yet quantified the exposure of its assets or business activities to these climate risks and opportunities.

Given the geographical location of Vulcan Australia's sites, the diversity of its business divisions and value chain activities are all expected to be exposed to the impacts of climate change to varying degrees, and the value chain and geographic impacts described against each risk and opportunity above indicate where those effects could be expected to sit. Most of our material risks span multiple value chain elements, rather than impacting a small number of discrete assets.

We have used all reasonable and supportable information available to us at the reporting date without undertaking undue effort. Attributing a reliable percentage of assets or activities exposure based on highly uncertain data for each individual risk or opportunity would require undue effort to produce in FY26.

A single, disaggregated figure would not be reliable here. So instead, we've assessed exposure by the type of financial effect each part of our value chain is most likely to face. In future reporting periods we may refine this further, down to the level of individual assets and business activities.

Current and anticipated financial effects

Current impacts: During FY26, climate-related risks and opportunities did not have a material effect on Vulcan Australia's financial position, financial performance or cash flows.

Our approach

Vulcan Australia's climate-related risks and opportunities assessment process defined material anticipated effects based on firstly on an estimated inherent risk cost, or potential benefit, quantified in today's terms, and secondly by overlaying relevant model alignment within our three scenarios and time horizons to understand where and when they could be most material.

We first assessed the financial effect of each risk and opportunity in today's terms. For each, we assumed it occurred today, assessed the inherent financial impact using the impact bands in our enterprise risk framework, and reflected on any current-period events that demonstrated the risk having eventuated. We then mapped each impact to our value chain and expressed it against the categories used by AASB S2: cash flows, access to finance, and cost of capital.

Anticipated financial effects

The trend over time of these effects differs by scenario. In transition-led scenarios, Vulcan Australia could face higher energy, compliance, insurance and financing costs, partly offset by revenue from lower-carbon product and adaptation-driven demand. In higher-warming scenarios, the costs of physical damage and disruption become more significant over the medium to long term.

Changes to our financial position

Vulcan Australia expects its financial position to change gradually rather than suddenly. Planned investments include solar installation, fleet decarbonisation and enhanced site resilience assessments; we may invest further in sites and in our distribution network if risk signals warrant it, though we are not contractually committed to any such investments. We have no material climate-related asset disposal plans, and we have not identified any climate-related risks or opportunities that could lead to a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. We plan to fund our strategy through our existing lean capital structure.

Why we have not quantified future-terms effects

Vulcan Australia has disclosed qualitative information about anticipated financial effects, together with quantitative estimates in today's terms, rather than modelled future amounts. In this first reporting year (FY26), the measurement uncertainty involved in projecting these effects across scenarios and decades was high enough that the resulting figures would not be useful, and we deemed that the detailed modelling required would constitute undue effort. Further quantification may require changes to our current processes, including integrating the key scenario variables into our financial modelling and strategic planning approaches and extending the enterprise risk framework to accommodate the longer time horizons and other characteristics of climate risk. We have not yet committed to making those process changes.

The financial statement line items most likely to be affected are revenue, cost of sales, operating expenses (including energy and insurance), finance costs, capital expenditure, and the carrying amounts of property, plant and equipment, and inventory. For the same reasons of measurement uncertainty and undue effort, we have determined that quantitative information about the combined future financial effects of our risks and opportunities would not currently be useful.

Strategy and decision-making

Vulcan Australia's response to climate-related risks and opportunities is built on testing its current strategy against them. During FY26 we assessed each plausibly material risk and opportunity in two steps. First, we tested whether the current strategy and initiatives were sufficient to address a climate risk or opportunity. Second, where they were not sufficient, we identified the changes or new mitigation actions required and assessed whether implementing them would be a material cost. Further detail on the risk assessment associated with this materiality is provided in the Risk Management section of this report.

Our current strategy and initiatives are outlined below.

Current initiative	How it responds
Hybrid sites	A distributed footprint of multi-purpose facilities gives Vulcan Australia flexibility to respond to physical risks and shifting demand.
Hub-and-spoke network	A network model built for efficiency and reach that Vulcan Australia can adapt as conditions change. As well as mitigating risk, this initiative is designed to mitigate our own impact (GHG emissions).
Lean capital structure	Proven capital discipline that supports flexibility and agility across Vulcan Australia's value chain.
Decarbonisation	Solar installation and fleet decarbonisation are already underway.
Lower-carbon product	Vulcan Australia already sources and supplies lower-carbon steel and hydro-powered aluminium, and the company expects this to grow.
New markets and product innovation	Vulcan Australia explores growth in climate-adjacent segments, balanced against customer readiness.
Technology monitoring	Vulcan Australia monitors technology adoption so the company does not commit early to options that may be superseded.

Changes to our business model and resource allocation

Vulcan Australia does not currently plan material changes to the business model or resource allocation in response to the potentially material climate-related risk and opportunities that we have identified so far. Our hub-and-spoke network and hybrid site strategies give us some flexibility to respond to physical risks and shifting demand and can be adapted for some potential risk mitigation. For other risks, our assessment indicates that more substantial change may be required. Vulcan Australia may need to increase investment in some sites and in the business' distribution network to further strengthen the business. There is no plan to do so at this stage. Should we see the signals that material investment is needed, whether from worsening physical conditions in our value chain, significant and rapid changes to legislation, or shifts in customer demand and product mix (or any combination of these), Vulcan Australia would need to respond, and broadly, a blend of material changes to the current strategy and implementation of new responses with material costs may be needed. Further detail on how our strategy might need to change to respond to our climate risks and opportunities is provided in the Climate Resilience section below.

Climate Resilience

Transition planning — key dependencies and assumptions

Our transition planning combines adapting what we already do (our network, sites, product capability and capital discipline) with potential new mitigations organised into six themes. These themes were drawn from the detailed mitigation assessment conducted through Vulcan Australia's climate resilience assessment and provide the structure for testing whether our responses are sufficient.

Mitigation theme	Description
Asset and site resilience	Ensuring the long-term viability of Vulcan Australia's facilities.
Customer climate resilience	Readiness assessments with key customers.
Supplier climate resilience	Readiness assessments, collaboration and partnerships with suppliers.
Engaging finance partners	Early awareness and engagement on climate exposure and funding needs.
Industry engagement and lobbying	Early awareness of regulatory change and market shifts.
Governance and corporate processes	Adapting Vulcan Australia's risk framework, considering internal carbon pricing, and related process changes.

Vulcan Group is developing a transition plan under the New Zealand Climate Standards (NZ CS 1-3). Vulcan Australia's transition planning has been informed by that Group level work, and the dependencies and assumptions set out below reflect Vulcan Australia's own position as at the reporting date.

Key assumptions: Vulcan Australia applied the materiality test described previously, and relied on the scenario data considered during scenario analysis. Vulcan Australia can successfully develop and execute a strategy that combines some of the initiatives we currently undertake with potential new initiatives/mitigations.

Key dependencies: Customer demand signals, the pace and scale of changes to climate regulation, access to affordable clean energy, and the availability of capital and insurance. For some risks, to date only initial exploratory actions have been identified as potential mitigations, and that exploratory work may lead to material investments in the future. Additionally, Vulcan Australia has a dependency that the Group can deliver a transition plan that sufficiently applies to Vulcan Australia too.

VULCAN AUSTRALIA'S CAPACITY TO ADJUST AND ADAPT TO CLIMATE CHANGE

Vulcan Australia's assessment, at the time of publishing this report, is that the company's current strategy provides a degree of resilience to the climate-related changes, developments and uncertainties it has analysed, but that it is not fully sufficient on its own to cover for all of the material risks and opportunities. For some risks adapting what Vulcan Australia already does is enough and is not a material change. For others, new mitigations would be required and implementing them would carry material costs.

At present, we consider our capacity to adjust or adapt our strategy and business model to be strong.

This reflects the flexibility of our asset base and network, our capital discipline, and our ongoing engagement with finance partners and customers, which together let us respond as conditions change. We see this strength as broadly consistent across the short, medium and long term, though the qualifications below are more likely to come into play in the medium to long term, as further investment and material capital become relevant. The following qualifications set out where this capacity has limits.

Financial resources: Vulcan Australia's lean capital structure supports flexibility and agility across the value chain, and early engagement with finance partners keeps funding options open. However, several material risks would require material capital to mitigate, and our access to and cost of finance is itself one of those risks identified.

Assets: Vulcan Australia's geographically dispersed, multi-purpose sites and hub-and-spoke network means we can redeploy, repurpose or upgrade assets as conditions change. For some risks Vulcan Australia sees this flexibility as sufficient; for others, boosting investment in sites and in the network may be needed, and there is no plan to do so at this stage.

Investments: Vulcan Australia's current solar installation, fleet decarbonisation and lower-carbon product sourcing reduce our exposure. Increasing investment beyond current plans could form part of a future strategy, but Vulcan Australia does not currently have plans for this and cannot yet assess the materiality of doing so.

UNCERTAINTIES AND ASSUMPTIONS UNDERPINNING OUR CLIMATE RESILIENCE

The significant areas of uncertainty considered in Vulcan Australia's assessment are set out below.

Scenario likelihoods: Our process included assessing the degree of alignment between the models within each scenario as a substitute likelihood of the risk or opportunity eventuating in the future. We have not undertaken separate probabilistic modelling of likelihood, nor assigned relative likelihoods across our three scenarios; doing so was not considered proportionate to Vulcan Australia's current capability, resources and time available for this first year of Australian climate-related reporting. Further granular climate and financial modelling data would help us narrow this uncertainty in the future. We consider this a reasonable starting basis given the scenarios chosen are widely used and grounded in credible external data and expect our treatment of likelihood to become more granular as our approach matures in future reporting periods.

Materiality: As disclosed in other Strategy sections of this report, our test of materiality was applied directly to our assessment of the anticipated effects of climate-related risks and opportunities, and to the strategic responses that we may need to invest in. This approach was informed by our scenario analysis, and supplemented by publicly available information from government, industry, and peer sources. This information itself is subject to multiple levels of uncertainty and assumptions. To apply a test of materiality to all of this information would require a level of resource beyond what we consider to be reasonable at this time. Our selection of the initial broader list of risks and opportunities was based on identifying those that were reasonably plausible to be potentially material. While we have disclosed what we consider to be material at this time, the broader information that we have gathered will continue to be of use to management. Likewise, as per our strategic resilience disclosed, our close ties with industry, government, and customers ensures we will be well informed as and when more information becomes available.

External responses: The pace and shape of Australian climate regulation, the speed at which customer demand shifts, and the responses of the insurance and finance industries, which could trigger or amplify other risks.

SECTION 03

Risk Management

Risk management

This is Vulcan Australia's first dedicated assessment of climate-related risks and opportunities solely for our Australian operations, and this section of the Report sets out our approach. In referencing the work undertaken for our Group reporting, additional time and effort has been taken for each of the New Zealand and Australian businesses to more clearly articulate risk descriptions distinctly from hazards and impacts, and to start with a more granular assessment of specific risks prior to consolidation. The assessment at an Australian state-level is also a change to the previous Group disclosures, which considered Australia at a national level.

Our climate risk assessment approach

Our structured approach used aspects of the Vulcan Group's enterprise risk framework, and the climate-related scenario analysis undertaken, to identify, assess, and prioritise the climate-related risks and opportunities for Vulcan Australia. Vulcan Australia integrated processes unique to the climate-related risk and opportunity assessment where relevant.

Identifying, assessing and prioritising our climate-related risks and opportunities

An overview of the process undertaken is shown below.

PHASE	DESCRIPTION	OUTPUT
PHASE 1 Universe development	Development of a broad list of over 40 possible risks and opportunities based on management insight and expert insights. Built on and adapted the processes and outcomes used for Vulcan Group's climate-related disclosures previously published under the New Zealand Climate Standards. Findings were cross-referenced with key insights from publicly available Australian government and industry information.	Initial long list of climate-related risks and opportunities for further consideration.
PHASE 2 Scenario analysis integration	Based on Vulcan Australia's selected climate scenarios. Development of clear and specific categorisation of plausible acute physical risks, chronic physical risks, transition risks, and opportunities. Detailing of resultant hazards and plausible impacts that could arise from risks, as well as potential benefits from opportunities.	Refined long-list of risks and opportunities to be further assessed for financial effects and our strategic climate resilience.
PHASE 3 Initial financial effects assessment	Qualitative assessment of which aspects of Vulcan Australia's value chain and state-level geography would be impacted should the risk materialise today, or should we choose to pursue the opportunity. This step is unique to Vulcan Australia's climate-related assessment; while risk identification within our enterprise risk framework process can be at a value chain activity or geography level. Quantitative assessment of the potential magnitude of the risk materialising today, with no treatments, controls, or mitigations in place. This step directly referenced the relevant aspects of our enterprise risk framework and used an inherent risk basis and was based on Vulcan AU management expertise.	Shortlisting of risks and opportunities based on potential for material financial effects.
PHASE 4 Mitigation development and refinement of anticipated financial effect	Review of the degree of alignment across the underlying models within each scenario from the scenario analysis that we had undertaken as an indication of risk likelihood. Specifically, Vulcan Australia used the **IPCC** calibrated probability range for each risk in each of the selected time horizon boundaries in each of the climate scenarios chosen for analysis. Defining the potential actions Vulcan Australia would need to undertake to mitigate or adapt to the risk. This step included referencing activity that we already undertake that could be suitable, including activity that is already captured in our enterprise risk framework. We also determined any new activity that might be needed as a risk mitigation, or to pursue an opportunity. Vulcan Australia then applied the company's materiality thresholds to the potential incremental or new cost of mitigation activity or opportunity investment.	Development and definition of our potential responses to material climate risks and opportunities, and our level of strategic resilience to those.

Assessing materiality and mitigation costs

The consideration of mitigation materiality was based on senior management expertise and did not use more formal investment criteria for any further assessment as doing so would necessitate deploying Vulcan Australia's resource beyond what we consider to be a reasonable extent in the time available to complete this disclosure.

Integrating climate risk into our enterprise risk management

The climate risk assessment approach Vulcan Australia has used to date has not been formally integrated into our enterprise risk assessment processes. An outcome of the climate risk and opportunity assessment process is identification of key climate scenario variables and data sources that underpin the material risks and opportunities. Vulcan Australia is considering how that data might be further integrated into business planning.

One climate-related risk that is already monitored at an enterprise level is the risk of a compulsory emissions levy being introduced. This risk correlates to the broader regulatory and policy uncertainty risk that Vulcan Australia has disclosed in this report.

Monitoring climate-related risks and opportunities

Currently, we expect that Vulcan Australia's process to monitor climate-related risks and opportunities will be based on monitoring the business for current year financial effects and undertaking the climate-related risks and opportunities assessment process on an annual basis — including reviewing prior year inputs and outputs, any new information that is relevant, and potential enhancements to the process itself.

SECTION 04

Metrics and Targets

Metrics and targets

Vulcan Australia understands the importance of providing detail in relation to the sustainability metrics we focus on, and ensuring those metrics are appropriately measured and disclosed consistently.

Our primary climate reporting metric is GHG emissions. This metric will inform whether our decarbonisation activities are proving effective, or not.

Climate-related metrics

Absolute Scope 1 and 2 GHG emissions

Absolute Scope 1 and 2 GHG emissions in FY26 totalled 8,555 tonnes CO2e. Scope 1 emissions come from the combustion of transport fuel in our owned and leased vehicles. Fuel emissions derived from gases such as LPG used in manufacturing and in our forklift and side-lifter fleet are omitted as they are below the 1% materiality threshold for inclusion, as are fugitive emissions from refrigerant gas losses. Scope 2 emissions come from the generation of purchased electricity, and are location based (meaning we calculate them on the basis that we consume electricity from state grids).

ABSOLUTE GHG EMISSIONS (tCO2e)

	FY26
Scope 1	
Transport fuel — petrol	405
Transport fuel — diesel	3,004
Scope 1 total	**3,409**
Scope 2	
Purchased electricity (location based)	5,146
Scope 1 and 2 total	**8,555**

These are the consolidated emissions for Vulcan Australia. In undertaking the inventory measurement, an operational control consolidation approach has been applied.

Scope 3 emissions

Vulcan Australia has elected not to disclose Scope 3 emissions in this report, utilising the Transition Relief available in Year 1 (AASB S2 Appendix C, para. C4(b)). Given the anticipated significance of Vulcan Australia's Scope 3 emissions, confirmed in a materiality screening exercise in 2025, it is important that we measure these emissions as accurately as possible. Purchased goods, specifically the embodied carbon of the products we procure, is estimated to contribute over 90% of all Scope 1, 2 and 3 emissions. For this reason, we have been mapping our supply chain and developing a supplier engagement programme as a focus in FY26. If we can obtain data from our suppliers, our Scope 3 measurement will have less uncertainty, which is our aim.

NOTES ABOUT OUR GHG MEASUREMENT

Our GHG emissions have been measured in compliance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition 2004) (**GHG Protocol**) using an operational control consolidation approach. All sites and business operations have been included. In our application of the GHG Protocol there are no conflicts with any requirements of AASB S2.

Measurement approach: Emission factors used in the calculation of emissions are country, and where possible, state-specific. These have been sourced from the Australian Government Department of Climate Change, Energy, the Environment and Water. The emission factors consider and aggregate all seven greenhouse gases and are expressed in kg CO2e/unit.

Emissions are calculated by applying the relevant emission factor to activity data for each material emission source.

- For Scope 1 emissions associated with transport fuel combustion, total litres of fuel purchased in the reporting period has been multiplied by the corresponding emission factor, for petrol and for diesel respectively.
- For Scope 2 electricity emissions, consumption data for the year (kWh) has been applied to an electricity emission factor, relevant to the state the electricity was purchased in

This measurement approach has been applied as it facilitates the most accurate calculation method available to us. No data conversion has been needed, and estimations have been avoided.

Assumptions: No assumptions have been made in measuring Scope 1 emissions, other than the assumption that invoice and statement data provided by suppliers is free from error. Uncertainty is low as calculations are activity based using emission factors with +/- 0.9% to 1.8% uncertainty. For Scope 2 electricity emissions, calculations are location-based and use ICP meter data, which is assumed accurate.

Deloitte Limited has provided limited assurance over the FY26 Scope 1 and Scope 2 emissions as part of the wider assurance opinion on other content within this report. An assurance statement can be found in the Appendix of this report.

Carbon pricing: Vulcan has not applied carbon pricing in any decision making in FY26 and climate related performance is not presently directly factored into executive remuneration.

Climate-related targets

Vulcan Australia has not set any climate-related targets for FY26. This includes any voluntary GHG reduction targets. Vulcan Australia also does not meet the threshold for reporting under the Safeguard Mechanism or the NGER scheme.

Because Vulcan Australia has not set any climate-related targets, and none are required by law, the related AASB S2 disclosures do not apply for FY26. That covers target timeframes, base year, interim milestones, target type, methodology, validation, and performance against targets.

Deloitte.

Independent Auditor's Review Report to the Members of Vulcan Steel (Australia) Pty Ltd

Review Conclusion

I, Andrew Dick, using the staff and resources of Deloitte Limited, have conducted a review of the following specified Sustainability Disclosures in the Australia Sustainability Report of Vulcan Steel (Australia) Pty Ltd (the 'Entity') for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)	Location in the Sustainability Report
Governance	Paragraph 6	*Governance section* on pages 8 and 9
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Descriptions of the climate-related risks and opportunities on pages 14 to 21
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Table 'Absolute GHG emissions (tCO2e)' on page 30

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the 'Act').

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the '*Auditor's Responsibilities*' section of this report.

We are independent of the Entity in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024 (the 'Code'), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

We confirm that the independence declaration required by the Act, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Entity are responsible for the other information. The other information comprises the information included in the Entity's Australia Sustainability Report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, 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 FOR THE SPECIFIED SUSTAINABILITY DISCLOSURES

The Directors of the Entity are responsible for:

a) The preparation of the specified Sustainability Disclosures in accordance with the Act; and

b) Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS IN PREPARING THE SPECIFIED SUSTAINABILITY DISCLOSURES

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include judgements and assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

AUDITOR'S RESPONSIBILITIES

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

SUMMARY OF THE WORK PERFORMED

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Performed inquiries, walk-throughs, and inspection of documentation to understand the processes, systems, methodologies and personnel involved in preparing the specified Sustainability Disclosures.
- Inspected internal information supporting the Governance disclosures.
- Assessed the appropriateness of management's determined reporting boundary.
- Assessed the completeness and accuracy of disclosed climate-related risks and opportunities based on management's process and judgements to identify material information for disclosure.
- Performed analytical procedures and/or tested on a sample basis Scope 1 and 2 emissions data and emission factors and assessed management's estimation methods against the relevant requirements of AASB S2 and the GHG Protocol.
- Reconciled the specified Sustainability disclosures in the Sustainability Report to the underlying outcome of procedures performed.
- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.
- Our procedures did not include assessing the adequacy of design or operating effectiveness of controls, assessing the adequacy of the Company's governance framework and processes or separately developing our own estimate to compare with the Company's estimates.

RESTRICTION ON USE

This report is made solely to the Entity's members, as a body, in accordance with Section 309A of the Corporations Act 2001. Our limited assurance engagement has been undertaken so that we might state to the Entity's members those matters we are required to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entity's members as a body, for our work, for this report, or for the conclusions we have formed.

Andrew Dick
REGISTERED COMPANY AUDITOR

Auckland, 25 August 2026

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