



MODERN SLAVERY STATEMENT 2023

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ABOUT THIS STATEMENT

This statement has been produced in accordance with the standard Australian Modern Slavery Act 2018 (Cth). This is Capral's fourth statement disclosing progress towards identifying and addressing the risks of modern slavery in our business operations and supply chain in the financial year ended 31 December 2023.

This statement has been approved by Capral Board of Directors.

ABOUT CAPRAL

Capral Limited (ABN: 78 004 213 692) commenced operations in Australia in 1936 and is Australia's largest manufacturer and distributor of Aluminium extrusions, with sales during 2023 of \$660 million and total assets of \$425 million.

Capral has a national footprint of world class Aluminium extrusion plants, comprising of eight operating presses with an annual capacity of around 65,000 tonnes.

Capral also has an extensive distribution network, consisting of major distribution facilities, as well as regional and metropolitan centres with an extensive range of products and logistics capabilities. Capral is a market leader in supply to fabricators and distributors, focusing on the residential and commercial building and industrial segments.

Capral has a comprehensive product range and innovative R&D capability.

Capral employs over 1,000 people within its operations throughout Australia, with significant industry skills and expertise.



6 plants; 8 extrusion presses



**23 distribution centres
Australia-wide**



**Annual extrusion capacity
65k tonnes**



**Annual turnover
~\$660 million¹**



**Residential & commercial
construction, industrial**



Over 1,000 employees

MESSAGE FROM THE MANAGING DIRECTOR AND CEO

At Capral, we are all committed to working on our strategic goals to make our business something we can be proud of.

Not only what we accomplish is important - but also how we accomplish it.

Our core values guide how we run our business. They are Safety First, Play Fair, Own It, Customer Success and Better Every Day. We persistently pursue these values, and they influence our decision making.

Modern Slavery is a widespread but often hidden problem in global supply chains and has serious and sometimes devastating impacts on victims. Capral supports any effort to help stop Modern Slavery in domestic and global supply chains.

With many direct suppliers from different countries, Capral is taking a risk-based approach and focusing our efforts on areas assessed as at high risk of Modern Slavery practices in our supply chains. Capral opposes all forms of slavery and forced labour in our operations and the operations of our suppliers.

Preventing and addressing our own involvement in Modern Slavery is central to our sustainability approach including our commitment to running a safe and responsible business.



Tony Dragicevich
CEO and Managing Director

CAPRAL'S VISION AND VALUES

Capral's commitment to leadership in responsible manufacturing and ethical business practices is deeply embedded in our corporate vision and resonates through our core values. Additionally, our strategic alignment with the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals drives dedication to meeting and achieving global standards in our operations.

Incorporating GRI standards into our reporting and assurance processes enables us to maintain high levels of transparency and accountability. These standards provide a framework through which we can deliver clear, measurable insights into our performance, helping us to continually assess and enhance our impact on the economy, the environment, and society.

Through educational initiatives and collaborative partnerships, we entrust our suppliers and partners to adopt best practices in sustainability and human rights. We value everyone's role in this process and believe we can significantly impact global sustainability efforts together.

By integrating our vision and values with the GRI and UN SDGs, Capral upholds our responsibilities towards modern slavery and ethical sourcing and aims to set a benchmark in corporate leadership for sustainability and human rights advocacy. We are committed to advancing these global frameworks within our industry and contributing positively to the worldwide community.



Capral's Vision & Values

<p>Our Vision is to be Australia's first choice supplier of aluminium products and solutions.</p>	<p>Safety First</p>
<p>Play Fair</p>	<p>Own It</p>
<p>Better Every Day</p>	<p>Customer Success</p>

CAPRAL'S BUSINESS STRUCTURE, OPERATIONS AND SUPPLY CHAIN

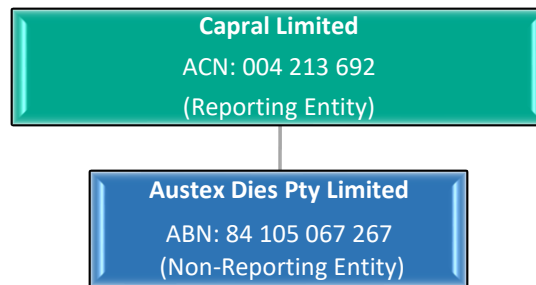
Business Structure

This statement is made by Capral Limited, for itself and its subsidiary company, Austex Dies Pty Ltd (Austex). Capral was incorporated in Victoria in 1936, and now has its registered office at Bundamba, Queensland and its corporate head office at Huntingwood, New South Wales.

Capral is a public company listed on the Australian Stock Exchange (CAA).

Registered Office: 71 Ashburn Road, Bundamba, QLD, 4304, Australia.

The corporate structure of Capral is shown below. All entities shown in the corporate structure are companies and subsidiaries are 100% owned. Not all entities are reporting entities.



Operations Footprint

Capral has a national footprint with a presence in every state and Extrusion plants near five mainland capital cities

Distribution Centres

Queensland

1. Cairns AC
2. Townsville RDC
3. Sunshine Coast (Kunda Park) AC
4. North Brisbane (Deception Bay) AC
5. Bremer Park RDC
6. Brisbane (Springwood) AC
7. Gold Coast (Burleigh Heads) AC

New South Wales

8. Newcastle AC
10. Huntingwood RDC
11. Rockdale AC
13. Wollongong AC

Victoria

14. Lyndbrook AC
15. Carrum Downs AC
16. Noble Park AC
17. Campbellfield RDC
18. Laverton AC

South Australia

20. Kilburn RDC

Western Australia

21. Canning Vale RDC
22. Welshpool AC
23. Wangara AC

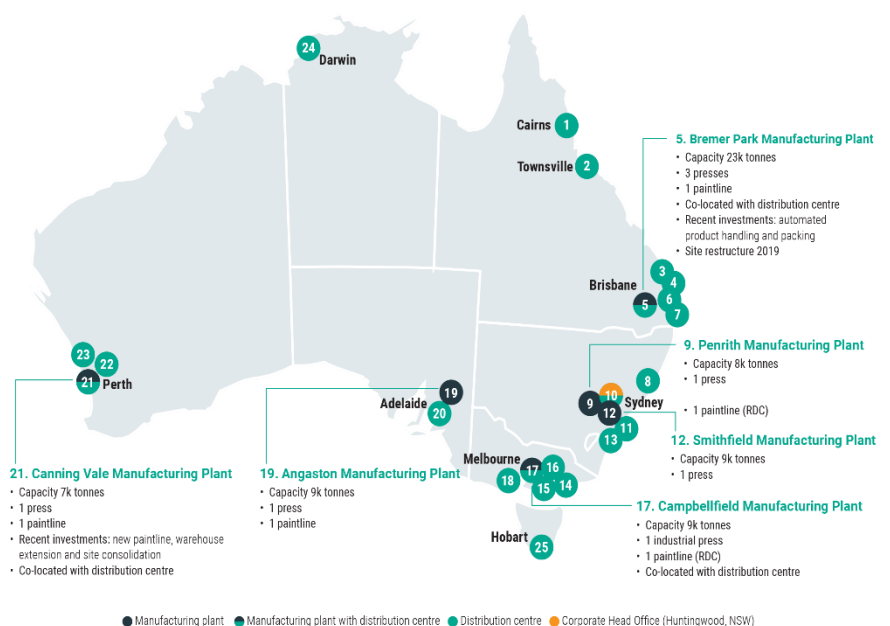
Northern Territory

24. Darwin RDC

Tasmania

25. Hobart RDC

RDC - Regional Distribution Centre
AC - Aluminium Trade Centre



Supply Chain

Capral is proud of its long-standing relationship with suppliers.

The majority of products and services are sourced from domestic suppliers, with the remainder imported from South and East Asia, the Middle East and Europe.

Capral sources products and services for use in manufacturing, sale to customers, and to support operations.

- **Products sourced for use in manufacturing** may include Aluminium billet, paint powder, packing materials, machinery and other.
- **Services sourced for use in manufacturing** may include labour hire, contractors, consulting services, utilities, and other.
- **Products sourced for sale to customers** may include Aluminium sheet and plate, Aluminium extrusions, fabricated Aluminium windows and doors, window and door hardware and other.
- **Products sourced to support operations** may include IT equipment, manufacturing machinery, distribution network requirements, and other.
- **Services sourced to support operations** may include cleaning, security, consulting, and other corporate and operational requirements.

Capral has a centralised procurement team managing the procurement of the bulk of products and services purchased.

GOVERNANCE, POLICIES AND RISK ASSESSMENT

Governance

Capral has a formal governance structure with Board-level oversight through an Audit Committee, which is responsible for managing and monitoring corporate compliance, including reporting for Modern Slavery.

Capral's Governance structure and this statement are supported by a policy set. The policies outlined below are those most relevant to managing Modern Slavery risk.



Policies

Policy	Purpose
Corporate Governance Statement	We believe good governance means ethical dealings with everyone - investors, customers, suppliers and employees. This statement outlines Capral's corporate governance policies and practices in line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Code of Conduct	A series of clear and concise rules concerning the conduct of directors, executives, management and staff of Capral including expectations regarding creating a safe and non-discriminatory workplace, and only dealing with business partners who demonstrate similar ethical and responsible business practices. The Code of Conduct commits the directors and all employees to adhere to high standards of business conduct and compliance with the law and articulates the principles and values that allow the directors and all employees to work in a positive, supportive environment.
Equal Employment Opportunity Policy and Diversity Policy	Capral recognises the importance of equal opportunity and diversity in the workforce and values the contribution of all employees regardless of gender, age, ethnicity, disability, sexual orientation, and cultural background. These policies aim to ensure that the work environment is free from discrimination, harassment and bullying and that everyone respects and values the diversity of our workplace.
Whistleblower Policy	Provides all employees, stakeholders and communities the opportunity to raise concerns regarding improper conduct without fear of any adverse ramifications. These concerns can be raised internally with our human resources department, or through an independent and confidential service.
Supplier Trading Agreement	Our contracts with suppliers set out our terms of trade. It enlists our suppliers to act as partners and support our business to act responsibly and ethically. Suppliers without individual Trading Agreements are bound by Capral's Purchasing Terms - <i>updated to include a specific Modern Slavery clause in 2021.</i>
Ethical Sourcing and Modern Slavery Policy	We have a commitment to verify our suppliers do not engage in, or support modern slavery, while helping Capral to adhere to its ethical sourcing and social responsibility requirements - <i>updates in slide 10 below</i>
Supplier Code of Conduct	A series of clear and concise rules concerning the conduct of suppliers including expectations regarding sustainability, adherence to legislation and regulations and ethical and responsible business practices. The Code of Conduct commits the supplier to adhere to high standards of business conduct and compliance with the law and articulates the principles and values that allow all stakeholders to work in a positive, supportive, sustainable environment.

Risk Assessment – Modern Slavery Risks in Our Operations

As part of Capral’s efforts to address Modern Slavery, risk areas have been identified and are described in the table below. In 2023, Capral received certification via the Aluminium Stewardship Initiative (ASI). The certification outlines a framework that must be adhered to by members that includes social and employee related requirements to have responsible sourcing and management within the organisation including areas of Modern Slavery.

Risk	Description	Finding	Our Risk Exposure
1	Casual or Contract workers engaged directly by Capral	Capral’s workforce is almost all permanent, with only 1.5% casual and 13% contractors (via labor hire).	Low
2	Casual workers under the age of 18	Capral has 0 casual employees under the age of 18.	Low
3	Migrant Workers	Capral has 3 employees on a temporary visa. All of these employees are in managerial positions.	Low
4	Seasonal workforce fluctuation	Capral operations are not seasonal, with consistent workforce turnover during the reporting period.	Low
5	Freedom of association	A large percentage of Capral employees operate under Enterprise Bargaining Agreements.	Low
6	External Auditing	Capral is certified to quality, environmental and safety management standards ISO9001, ISO14001, ISO45001. Additionally, Capral’s ASI certification requires detailed system and suppliers’ verification auditing to meet the responsible sourcing requirements.	Medium
7	Sector Risk	Capral operates in high-risk sectors including: i) Manufacturing, and ii) Wholesale and Trade	Medium
8	Services engaged by Capral	Capral relies on services including recruitment, legal, cleaning services, property maintenance, waste disposal and equipment maintenance. As part of our supplier code of conduct, all suppliers and contractors are reviewed as per our risk based systems. Recruitment, construction and cleaning services are considered particularly high risk, but none of these are sourced outside Australia, thus lowering the risk.	Low

Risk Assessment – Modern Slavery Risks in Our Supply Chain

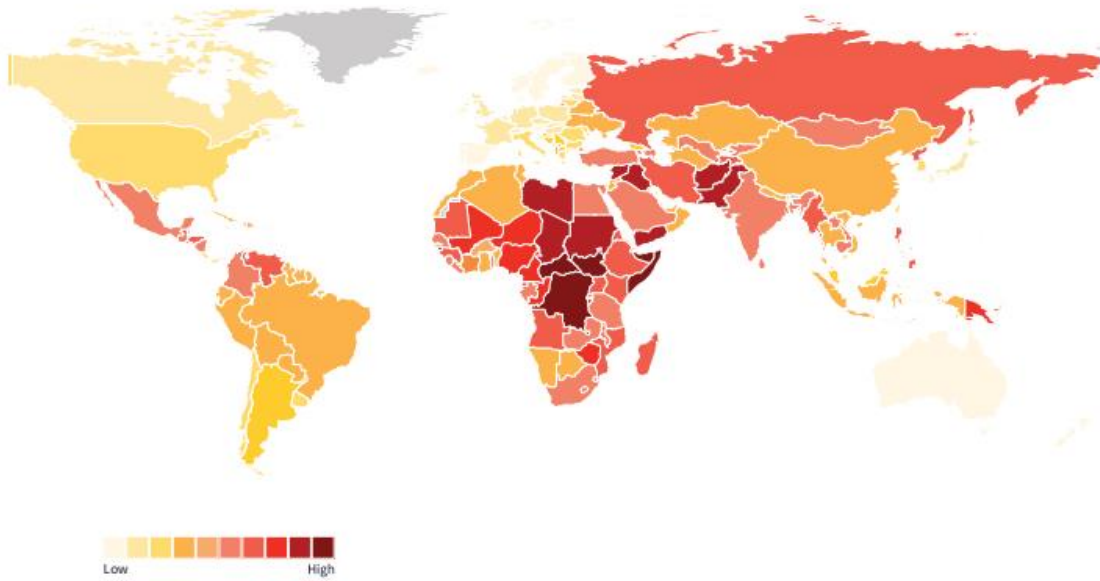
Capral has developed a risk-based procurement methodology to identify and mitigate potential risks within the supply chain. By conducting due diligence on suppliers and subcontractors and prioritising those with the highest risk, Capral can take proactive measures. Capral's supply chain is reassessed via a risk-based approach time frame. Low risk is reviewed annually, moderate is reviewed every six months and high risk is reviewed every quarter against conflict-affected and high-risk areas (CAHRA), reported outcomes of the organisation, in-country legislation and organisation for economic co-operation and development (OECD) countries. In 2022 Capral implemented a Supplier Code of Conduct stating the requirements of suppliers in terms of their environmental, social and governance conduct to align with Capral's legislative and ethical measures.

Capral extended its Whistle Blower program for use within the organisation's procurement sphere of influence to allow individuals to report areas of concern. Capral understands its role as a consumer and supplier and has strategies to support the development of organisations that are found to be deficient in areas that enable continued supplier compliance. Onsite visits to moderate or high-risk suppliers include an observational assessment in alignment with the Supplier Code of Conduct. To further enhance the chain of custody methodology, Capral achieved certification in 2023 under the Aluminium Stewardship Initiative (ASI), which promotes responsible sourcing practices.

Capral's risk assessment of suppliers considered the following:

- **CAHRA:** Whether a supplier's country has been identified as a CAHRA and for what reason
- **OECD:** Whether a supplier's country is actively involved in the OECD and promotes democracy and market economy
- **Reported Outcomes:** Supplier reports including annual reports, policies and procedures and statements
- **Reported Breaches:** Any reported breaches to the whistleblower system or any known breaches to the public
- **In-Country Legislation:** Legislation in the supplier's country to regulate risks of Modern Slavery

During the year 2023, Capral sourced products and services from 1,434 suppliers, of which 1,358 (95% in number) were based in Australia and New Zealand. The weighted average Global Slavery Vulnerability Score (weighted on \$ purchased) is 17.6. Capral's overall supply chain risk is Low.



Estimated vulnerability to modern slavery by country

Supplying Country	% of Total Capital Purchases	Number of Suppliers	Country Global Slavery Vulnerability Score (%)*
Australia	70.2%	1352	7
Bahrain	8.6%	1	40
Belgium	0.0%	2	11
Canada	0.0%	2	11
China	5.1%	17	46
France	0.0%	2	13
Germany	0.1%	7	11
Hong Kong	0.0%	4	28
India	5.5%	1	56
Indonesia	1.5%	2	49
Italy	0.5%	15	22
Japan	0.0%	3	11
Liechtenstein	0.0%	1	0
Netherlands	0.0%	1	6
New Zealand	0.5%	6	8
Poland	0.0%	1	19
Qatar	5.9%	1	38
Singapore	0.6%	2	24
South Korea	0.0%	1	29
Switzerland	0.0%	1	14
Thailand	1.3%	2	46
Turkey	0.0%	2	51
United Kingdom	0.0%	3	14
USA	0.0%	6	25

*Walk Free 2023, Global Slavery Index 2023

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS IN OPERATIONS

Aluminium Stewardship Initiative (ASI) Accreditation

In 2023, Capral achieved ASI accreditation demonstrating our commitment to sustainable aluminium production and stewardship. ASI is a globally recognised, non-profit organisation that sets comprehensive standards for responsible practices in the aluminium industry covering environmental, social, and governance aspects. This accreditation places Capral among an elite group of companies that adhere to the highest international standards across the aluminium value chain.

Capral underwent a rigorous third-party audit to achieve ASI accreditation. This process assessed our governance, environmental impact, and social practices against ASI's stringent Performance Standard V3, addressing crucial issues such as biodiversity, human and indigenous rights, greenhouse gas emissions, material stewardship from cradle to end-of-life, and material recovery and re-use.

ASI certification validates our efforts and guides our future initiatives, ensuring sustainability is ingrained in our decision-making, aligning with international best practices, and reinforcing our position as an industry leader.

Capral's ASI certification and making lower-carbon aluminium available, supports our sustainability strategy. This highlights our responsibility towards reducing the environmental impact of our products and processes and our commitment to influencing sustainable practices across the industry.

As Capral continues its sustainability journey, introducing our LocAl brand represents a key milestone to reduce the environmental impact of the aluminium industry and contribute positively to global sustainability efforts.

Continued Risk-based Procurement Methodology

Capral's procurement methodology is risk-based, ensuring we continually assess and address the potential risks of modern slavery within our supply chain. Our approach is dynamic and informed by up-to-date risk assessments reflecting the diverse geographies and industries we source. Over the past year, we have enhanced our procurement strategies by implementing advanced monitoring systems that leverage technology and human expertise to evaluate supplier compliance with our stringent standards.

We actively review and update our risk assessment protocols to capture emerging risks and ensure that our methodology remains vital against the evolving landscape of global supply chains. This includes comprehensive checks on supplier practices regarding labour rights and environmental standards. In 2023, our risk assessments confirmed the effectiveness of our methodologies, as we found no issues of non-compliance among our suppliers.

Our procurement team actively engages with our suppliers, facilitating a mutual understanding of Capral's values and requirements regarding modern slavery. This collaborative approach, where every stakeholder's input is valued, helps build a responsible supply chain that contributes to the broader goals of ethical sourcing and human rights protection.

Our risk-based procurement methodology is aligned with international best practices and standards, such as the OECD Due Diligence Guidance for Responsible Supply Chains. This alignment highlights our commitment to operating at the highest ethical standards, ensuring our stakeholders can trust in our practices and approach. We remain committed to refining our practices to ensure they not only meet but exceed the requirements of laws and regulations in the jurisdictions we operate in, thereby safeguarding our operations from modern slavery risks. In 2023, Capral undertook a comprehensive review of our Responsible Sourcing and Modern Slavery policies to ensure alignment with current legal standards and best practices. These policies are designed to uphold our commitment to ethical procurement and are regularly assessed to adapt to evolving regulatory requirements and stakeholder expectations.

Issued Supplier Code of Conduct to Suppliers

Capral has distributed our Supplier Code of Conduct to all our suppliers, which outlines our expectations regarding labour rights and ethical practices. This code is the basis of our procurement process, ensuring our suppliers know our standards. Our risk assessments have not identified any compliance issues with the suppliers who have acknowledged and agreed to these terms

Review of Work Hours and Benefits

Our commitment to fair labour practices includes regular audits of work hours and benefits provided by our suppliers. In 2023, we conducted two system checks, which confirmed that all our suppliers comply with the stipulated working hours and benefits, showing no discrepancies or violations of our standards.

Expand Whistle Blower Program to Cover Procurement

To enhance transparency and accountability, we expanded our Whistle-blower Program to include all aspects of procurement. This program covers all suppliers and contractors, aligning with Capral's Supplier Code of Conduct, Responsible Sourcing, and Modern Slavery Practices. It provides a secure and confidential channel for reporting any concerns related to procurement activities, ensuring that issues can be raised without fear of retaliation

ASSESSING EFFECTIVENESS

Capral is committed to ensuring that our actions and controls in mitigating modern slavery risks are effective. In 2023, the Working Group introduced the following indicators to be measured annually going forward. This set of indicators provides an objective measure of Capral's actions and progress.

Evaluation Area	Outcome FY2023
Number of Procurement staff trained on modern slavery program	All
Number of suppliers who were provided with a copy of Capral's Supplier Code of Conduct	1336
Audit of supply chain custody (ASI)	3
Reports of modern slavery concern on Fair Call hotline	0
Number of suppliers removed due to modern slavery concerns	0

CONSULTATION

This statement has been prepared with the support and collaboration of Capral internal stakeholders led by the Modern Slavery Working Group, which included subject matter experts from:

- ESG
- Risk Management
- Procurement
- Legal

In assessing the risks of Modern Slavery practices in its operations, Capral has also undertaken consultations with the entity under its control. Namely, Austex Dies Pty Ltd (Austex). Despite Austex status as a non-reporting entity under the Modern Slavery Act 2018, and having common Management oversights as Capral (with Capral's CEO and CFO serving as directors of Austex), we considered it prudent to carry out internal consultations.

This process involved discussions with General management and officeholders at Austex regarding their procurement processes and supply chains, ensuring they adhere to Capral's Group policies and procedures. Confirmation that Austex's process of supplier vetting is handled via Capral's centralised resources and procedures. We consider this as a vital internal control as Capral's centralised Procurement team carries out the same risk assessment of new and prospective suppliers of Austex under the same policies, and procedures as Capral's own suppliers. We further requested purchasing data from Austex, and the Modern Slavery Working Group analyses this data to identify risks of modern slavery. Our consultation with Austex's management and officeholders, and analysis of Austex's purchasing data, provided assurance that the risk of modern slavery within this business is extremely low.