Sustainability Report

Supporting our purpose and our people

Environmental

Sustainability is at the core of our business model. Most of our products are sustainable and are designed to combat environmental challenges facing the built environment. We have a sustainability framework and roadmap that covers our supply chain, businesses, energy use, and our conduct. Our sustainability approach allows us to plan for the future, to set targets and metrics as part of our journey to net zero. We have also developed key metrics to help us monitor our ESG journey. Our strategy has three pillars:

Our Products

Environmental Applications

Material Sustainability

Proportion of revenue from environmental solutions

>85%

2022/23: 89%

See pages 20 and 21 for more on our Sustainable products

Our Planet

Carbon Reduction

Waste & Packaging

GHG intensity

18.77tCO_2e

2022/23: 19.69tCO_2e

See pages 26 to 29 for more on our Environmental commitments

Our People

Health & Safety and Wellbeing

Equality, Diversity & Inclusion

Code of Conduct

Days lost to accidents

5

2022/23: 65

See pages 22 to 25 for more on our People

Target setting

During the year we reviewed and discussed our targets and introduced targets for 2030. As part of our Energy Saving Opportunities scheme, Alumasc visited two sites and we have a range of actions that will help us meet these targets.

ESG targets – Roadmap to 2050

	Roadmap measure	2021 data	2022 data	2023 data	2024 progress	2030 target	2050 target
Sustainable products	Turnover derived from environmental solutions	77%	77%	89%	85%	>80%	>80%
	Product recycled content	27%	27%	27%	36%	>40%	>50%
	Product recyclability	74%	77%	80%	81%	>80%	>90%
GHG emissions	GHG emission intensity[1]	23.2	20.6	19.7	18.8	40% reduction	Net zero
Waste reduction	Waste diverted from landfill	–	99%	99%	99%	100%	100%
Plastic packaging	Reduction of preventable plastic packaging	–	50%	55%	68%	100%	100%
Health & Safety	Lost days due to accidents	83	89	65	5	0	0
Diversity & Inclusion	Gender diversity[2]	3:1	3:1	3:1	3:1	Year-on-year improvement	Even Board gender split by 2050

1 Market-based emissions (Scope 1, 2 & partial Scope 3) expressed as tonnes of CO_2 equivalents per £m revenue.

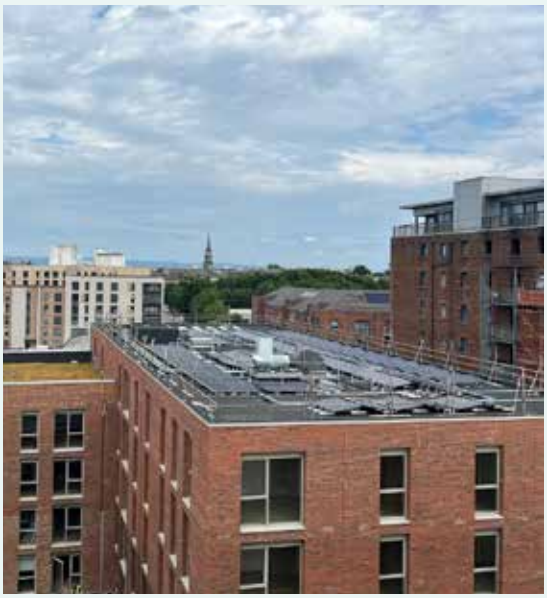
2 Male : Female.

Solar panels

Wade have had solar panels in place for more than ten years, which provide 40% of the electricity used on site in Halstead. Installation of LED lighting is also underway at the site to maximise energy efficiency. As part of the Energy Saving Opportunity scheme we are looking to replace gas boilers and roll out solar panels to other parts of our estate where we own the freehold.

How this aligns with our Sustainable Development Goals

See pages 26 to 29 for more on our Environmental commitments



Sustainability Report continued

Our **products**

The majority of our products help to tackle environmental challenges faced in the built environment.

Simon Dray
Group Finance Director

We manufacture our products using materials which achieve the desired balance of environmental and operational performance, cost effectiveness, durability, aesthetics and weight.

Our principal materials are metals (primarily aluminium, steel and iron), polymers (polypropylene and PVC) and roofing membranes and insulation.

Using recycled materials is energy and resource efficient. We work with our supply partners to maximise the recycled content of our raw materials, and invest in equipment to allow our manufacturing processes to efficiently use recycled material. The longevity of our products means that products need replacing or repairing less frequently, further reducing the energy needed over a building's lifespan. The majority of our products are also fully recyclable at the end of their useful lives, contributing to responsible consumption patterns.

Metals

Metals tend to be energy intensive to extract and process, but their durability and almost infinite recyclability helps to offset this. Using recycled metals significantly reduces their carbon footprint – in the case of aluminium, recycled material takes up to 95% less energy to produce than primary aluminium.

We therefore seek to maximise the proportion of recycled content in our products – as an example, 80% of our aluminium is derived from recycled sources. We use metals in demanding applications where their durability means lower ongoing maintenance and a significantly longer lifespan than competing/alternative products.

Plastics

Plastic products are cheaper and less energy intensive than alternative materials such as metals, although they are less durable, subject to environmental degradation, are derived from limited petrochemical resources, and many can only be recycled a number of times before performance deteriorates. Using recycled materials is resource-efficient; 80% of the polymers we use are recycled rather than virgin material. We use plastic where cost efficiency is paramount, and in applications where the products will typically last as long as the building they are attached to.

Roofing membranes and insulation

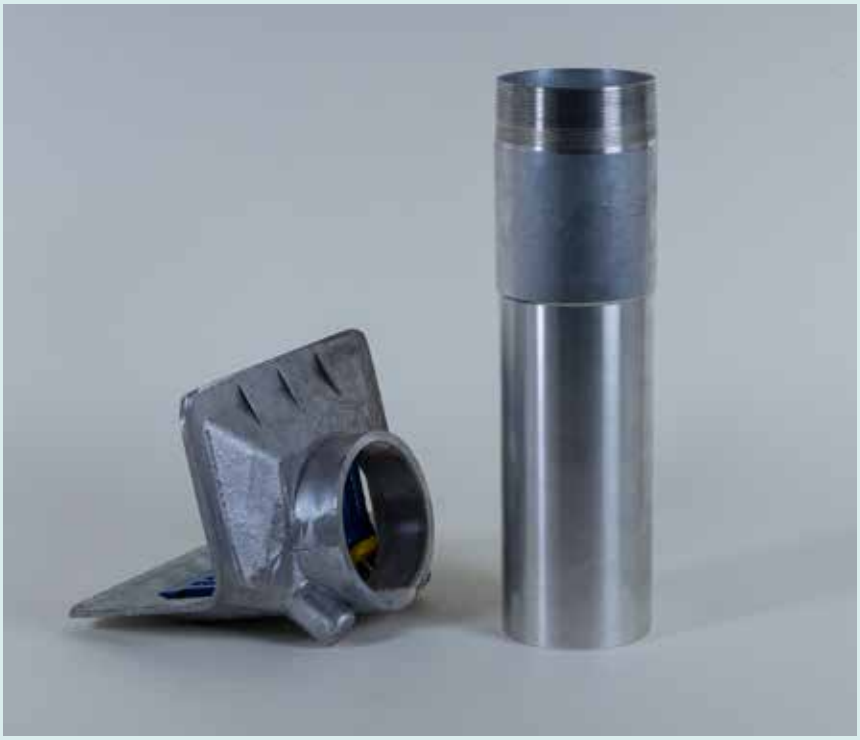
The membranes and insulation materials supplied by our Building Envelope division help to protect buildings under some of the industry's leading warranties while contributing significantly to their energy efficiency. We work with our suppliers to maximise the recycled content and lifespan of our products and systems. Cold-applied and self-adhesive installation methods reduce health and safety risks and the energy consumed during installation. We also supply Olivine mineral membranes which absorb CO_2 from the atmosphere and helps to offset a building's greenhouse gas emissions. Alongside blue roof and green roofing technologies we strive to improve construction performance while considering the wellbeing of the people who inhabit and use these buildings. Increasingly we provide non-combustible materials which are being demanded by our client base to improve building safety. Our Biosolar systems couple extensive green roofs with photovoltaic cells allowing solar energy generation while creating biodiverse habitats in urban environments.

Improving Efficiency and Sustainability

The new Building Safety Act in 2022 enforced the restriction of combustible materials in the construction of high-rise buildings. To address the newly introduced design requirements, Water Management has developed a fully compliant drainage solution which not only complies with regulations, but also reinforces our commitment to the sustainable development of our product range.

The system comprises Harmer aluminium threaded roof outlets connecting directly to internal downpipe systems. The introduction of Harmer's new aluminium ADPA threaded spigot adaptor facilitates an A1 fire-rated connection of Harmer Roof AV and threaded aluminium rainwater outlets to all types of pipe systems. Its solid aluminium construction ensures it will not combust nor contribute to the spread of fire.

This new development presents an efficient and compliant package which also supports our ongoing sustainability commitments. The adaptors are manufactured from uncoated, extruded thick wall 6000 series aluminium, which has 40% recycled content and is 100% recyclable with no loss of quality. Life expectancy for aluminium in rural/suburban areas is in excess of 40 years, and up to 25 years in industrial or marine areas, at the end of which the aluminium elements of the system can be recast into new aluminium products. Aluminium is an infinitely recyclable material, and it takes up to 95% less energy to produce than primary aluminium.



GREEN ECONOMY MARK
LONDON STOCK EXCHANGE

Alumasc recognised with a LSE Green Economy Mark

Alumasc has been recognised by the London Stock Exchange as a contributor to the global green economy. This is awarded to companies and funds that derive more than 50% of revenues from environmental solutions. We provide high-quality, low carbon, sustainable building products, systems and solutions which help manage the scarce resources of energy and water in the built environment and improve the quality of life for the owner/occupier.

How this aligns with our Sustainable Development Goals

Sustainability Report continued

Our **people**

Our number one priority is the Health & Safety and wellbeing of our people.

Paul Hooper
Chief Executive

Health & Safety

Alumasc considers Health & Safety and wellbeing of staff as a primary and integral part of its business operations. This is reflected in how we operate our business, to ensure we actively seek to operate best practice in a highly regulated environment. Health & Safety is always the first item on our plc Board and subsidiary agendas. All significant events are discussed weekly and there is a regular review of near misses. It ensures that Health & Safety is regularly discussed and reviewed. Our target is for zero harm, and we report on lost days and the learning from any incident. Health & Safety is core to our culture, and we run Health & Safety training programmes for our staff to make sure that this is part of how we operate every day. Our training programmes have been extended as we see Health & Safety reflected in our culture. Training is provided by face-to-face courses and e-learning. During the year, eight people completed NEBOSH courses and 46 people attended IOSH courses.

Operating businesses and sites have Health & Safety Committees. We use external consultants to carry out Health & Safety audits and ensure that our processes and procedures are assured and reviewed. Any observations arising from our audits are reviewed and process changes or other matters monitored by management. In addition, we have ISO certificates (ISO 9000, 9001 and 14001) in most of our divisions. In addition, Housebuilding Products have ISO 45001 and 45003 certificates.

Near-miss reporting is encouraged at all levels throughout the business. We also report hazards and lost days. Near-miss reporting has remained at a high level throughout the year. Reporting assists with continual improvements and provides management with information that can be used to improve processes and safe ways of working. The number of days lost due to accidents in the year was five (FY23: 65).

Janey Callaghan from BL successfully completed the 'IOSH Managing Safely' course, which has provided her with new skills and a greater appreciation of H&S in the workplace.

#WomenInConstructionWeek

Our charitable activities in the year included a donation to Teardrops, in St Helens. Teardrops is a non-profit-making charity supporting the homeless and vulnerable in St Helens.

Our main Health & Safety KPI is the performance rate index (a relative measure capturing the total amount of lost time and other safety incidents, relating the result to the overall numbers of hours worked). This figure is used to measure improvement in our Health & Safety performance. The cumulative PRI score was 0.76 (FY23: 3.79), a significant improvement and ahead of the Group's internal target in the year. The Group also recognised a twelve month period when no new incidents created a lost time accident.

Wellbeing

We continue to support employees to ensure they have the right environment, flexibility (where possible), including hybrid working, to improve their work-life balance. The app deployed to assist wellbeing, *Help at Hand*, provides a 24/7 GP service, counselling, nutrition and lifestyle advice. The benefits hub also provides discount vouchers for a range of goods and services; the app can be downloaded by all members of staff. A Mental Health First Aider course is offered, this provides information to help identify and know how to support people dealing with anxiety, stress and other mental health challenges.

Diversity, inclusion and engagement

Alumasc celebrates diversity and inclusion and promotes an equal and fair working environment. As part of this approach the Board receives reports from the divisions about their progress towards DEI each year.

Our divisions conduct staff surveys and interact with staff to solicit their views. The Board engages with staff at site visits, and through the strategy day, and receives reports of activities and actions underway. A central Group newsletter is provided for distribution throughout the Group. An employee recognition programme is in place. Communication with employees take place through face-to-face meetings; employee forums; Social Committees, team projects; and through training schemes.

DEI training is provided to staff through e-learning and by in-person training. Support is provided for neurodiverse employees. Alumasc is a menopause friendly employer, with policies and support in place.

Our head count by gender is provided in the table below:

	Male	Female	Total
Non-executive Director	2	1	3
Executive Director	4	–	4
Senior managers	33	12	46
Employees	306	111	418
	346	124	470

We have taken positive steps on gender balance at some locations. At Housebuilding Products, 59% of the staff are female and their local management team now comprises 50% male and 50% female colleagues.

Recruitment and apprenticeships

Alumasc is an equal opportunities employer. As a business we are committed to providing an inclusive workplace, encouraging and welcoming diversity. Alumasc has zero tolerance to harassment or discrimination in the workplace and are proud to have a friendly culture that is welcoming to all. Training and learning opportunities are provided and we encourage development for all staff.

Recruitment, training and development is offered regardless of religion, ethnicity, gender and sexual orientation. Employees with disabilities are given equality of opportunity with respect to entering and continuing employment with Alumasc. We have examples in the year where adaptations have been made to the workplace or working environment to facilitate opportunities for disabled staff. Should employees become disabled after joining the Company, every effort is made to ensure that employment continues, and appropriate training is given. A formal Equality and Diversity Policy has been approved by the Board and applies to the business.

Alumasc wants and recognises the value of having the widest range of experience, knowledge and skills. Management undertakes reviews of staff performance and recognises their achievements. Career progression is extremely important to the Company for succession planning and resilience. Promotions are usually announced at the end of the financial year.

"We had a fantastic Apprenticeship Open Day at our Halstead Site on 1 May 2024. Colchester Institute collaborated with us and Level 2 students visited Wade in Halstead to find out all about Wade and the exciting work we do. Wade were recruiting for the apprenticeship vacancies we have available".

Charlie Kitson, Operations Manager, Halstead

Sustainability Report continued

Our **people** continued

Loft-y Donation to Hull Samaritans

A donation of £2,500 was made by Timloc to their charity partner, Hull Samaritans. For every sale of a Timloc plastic loft door throughout the months of November and December 2023, a donation was made to help benefit the vital work of the charity.

This donation supports UN Sustainability Goal (UN SDG) 3, to ensure healthy lives and to promote wellbeing.

We cannot thank you enough for your generosity. This is a major donation for us and will really help us in the running of the branch. We are totally self-funded and run by volunteers, so it will give us more time to do the thing that we are meant to do – listening to our callers.

Duncan
Director at Hull Samaritans

Culture

Sustainability is core to our purpose and our business. We want to employ talented, diverse teams who can focus on growth and innovation. The Board seeks to set the culture and to align our purpose, strategy and behaviours to be Alumasc's culture. We implement our strategy through our people and have a positive environment that promotes wellbeing and employee engagement.

The people in the business need to have a common group purpose but also operate locally, where they are empowered to act. Our people know their customers and are experts in the field and they need to respond to our customers' needs.

Code of Conduct

Expected ethical standards and behaviours are covered by our Code of Conduct and Employee Handbook. We expect employees to have a high degree of integrity and for them to be honest and trustworthy. All new hires are provided with a copy of our Code of Conduct, and we remind staff of these requirements through training and briefings.

Anti-modern Slavery and Human Trafficking

Alumasc regularly reviews its Anti-modern Slavery Statement and Policy, these are published in the UK on the UK Government website and on Alumasc's website in accordance with Home Office Guidelines, along with our previous disclosures. Our statement for this year will be published in accordance with Government requirements before the deadline. Alumasc expects its suppliers and those in the supply chain to confirm that they have the same or similar policies in place for anti-modern slavery.

Anti-bribery and corruption

We have a zero-tolerance approach towards bribery and corruption. Our Anti-bribery and corruption policy is straightforward and gives clear advice on Alumasc's compliance standards and ethical requirements. In addition, we have clear policies and standards for any gifts or hospitality. Our whistleblowing policy is clear, and we have a SpeakUp line. There is an annual report to the Audit Committee on whistleblowing and our anti-bribery programme (see page 73).

Please use the QR code to find out more on our website www.alumasc.co.uk

Communities

We aim to be close to our local communities, supporting staff-nominated charities, sports and local groups. Many of our employees live close to our offices, factories and operational sites and they are motivated through support for local groups and charities. This positivity about our communities also helps to promote wellbeing and local pride. We are looking to develop this further and are currently recording our support for local groups through Social Compliance Chain (see next column).

Mental Health Awareness Week

To mark the start of Mental Health Awareness Week, running 13–19 May, Team Timloc (Housebuilding Products) took part in the 'Wear it Green' campaign to represent their commitment to mental health awareness. This is an annual event that aims to raise awareness about mental health issues and promote understanding and support for mental wellbeing. They also raised money for the Samaritans (see page 24).

Social added value

In April 2024, Alumasc started using software from Social Compliance Chain (SCC) to record the social added value of our activities in the community and to protect the environment.

Social Compliance chain use figures and sources, including, amongst others: Unit Cost Database (providing the Gross Value Added, to establish the value added per £1 spent); Office of National Statistics (for a cost benefit analysis; this is used for most proxy values to provide SCC with a monetary (£) value for each activity); Office of Qualifications and Examinations Regulation (OFQUAL) for figures relating to gaining qualifications and not claiming benefits; Power to Change (market research) paired with Office of National Statistics data (for volunteering hours and providing median annual income to equate to an hourly rate). SCC streamlines measures, offering the ability to report 'across the board' on all our social value capture with designated values. SCC's data is certified by the Social Value Taskforce.

Each activity on the Social Compliance Chain is given a social value, and these cash values can be used to monitor and track our progress and for the business to set targets.

Alumasc scores highly for:

- Employing local people;
- Recycling and diverting waste from landfill;
- Promoting wellness training and initiatives;
- Running training courses for employees and apprentices; and
- Supporting community projects and initiatives.

Compliance Chain

Pride Month

At Housebuilding Products, they celebrate and champion diversity and inclusion every day. This Pride Month, they stood in solidarity with the LGBTQIA+ community, embracing love, acceptance, and equality.

Sustainability Report continued

Our **planet**

Alumasc has partnered with Compare Your Footprint/Green Element, a leading carbon energy management company and sustainability advisers, to independently assess our greenhouse gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: including streamlined energy and reporting requirements'.

The assessment used the 2024 emission factors published by the Department of the Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment conducted follows the GHG Protocol Corporate Accounting and Reporting Standard and GHG Protocol Scope 2 Guidance, involving the reporting both location-based and market-based emissions from electricity usage.

GHG emissions and net zero

The table on page 27 summarises Alumasc's GHG emissions for the reporting year 1 July 2023 to 30 June 2024. Data for ARP has been included for the period following its acquisition in December 2023. The table covers direct emissions (Scope 1 and Scope 2) and those associated with employee expensed business mileage, and is expressed in both in absolute terms and per £ million of revenue, which is the most appropriate method to capture levels of business activity.

> **We have reduced our GHG emission intensity by 69% since 2018.**
>
> **Simon Dray**
> Group Finance Director

While the inclusion of ARP means the Group's GHG emissions have increased in absolute terms, GHG emission intensity reduced by 4.7% compared to the prior year, slightly ahead of the 4% reduction targeted for the year. Since 2018, Alumasc's GHG emission intensity has reduced by 70%: a result of the Group's investments in efficient plant and machinery; site rationalisations; installation of solar PV panels; gradual electrification of the Group's vehicle fleet; and sourcing 100% of the Group's electricity from renewable sources.

Our near-term targets, established last year and consistent with the Science Based Target initiative (SBTi) targets for limiting global warming to below 1.5°c, are currently being recalculated for the inclusion of ARP. Once completed, these will be verified with the SBTi and used to monitor our progress towards company-level net zero by 2050 or earlier.

The publication of Environmental Performance Declarations (EPDs) across the Group's product range is underway. These reports detail a product's lifetime environmental impact, including its carbon footprint, ecotoxicity and contribution to ozone depletion, and allow customers to compare different suppliers and materials. The exercise is planned to complete during 2025, with the data also being used to guide future product design and procurement decisions around our supply chain and sourcing.

Energy efficiency actions – taken and planned

As part of our programme to reduce our GHG emissions, this year we have:

- Increased the proportion of electric vehicles in our managed fleet;
- Converted 85% of lighting at our Halstead site to LEDs with PIR sensors (the remainder will be converted over 2024/25);
- Fitted two new energy efficient boilers (Halstead);
- Continued to reduce business travel by using videoconferencing, where appropriate;
- Continued to upgrade to more efficient plant and machinery, and to reduce energy costs by reducing running times; and
- Continued to purchase 100% of our electricity from renewable sources.

Our Halstead site is planning to replace their air conditioning with more energy efficient units in late 2024; and the closure of our Dover site, and relocation of its activities to Halstead, will continue our commitment to improve efficiency and energy usage.

Scope 3 emissions

Full Scope 3 calculations, covering emissions generated by our entire value chain, have now been completed by business covering approximately 75% of the Group's proforma turnover. While there is currently no regulatory requirement to publish Scope 3 emissions, they are important in understanding our overall environmental impact and developing our net zero plans. Our initial observations confirm that the majority of our Scope 3 emissions arise from the processing of our raw materials, with freight and transportation the next largest source. The key opportunities to reduce Scope 3 emissions are increasing the recycled proportion of purchased raw materials, working with our suppliers to reduce their own carbon footprints, and moving to lower emission methods of goods transportation.

Our focus for the coming year will be on completing and refining the calculations across the whole Group, setting reduction targets, and in supporting our businesses as they develop their own detailed Scope 3 decarbonisation plans.

Streamlined energy carbon reporting (SECR 2023)

Mandatory reporting as follows:

Streamlined Energy and Carbon Reporting (SECR)	FY23	FY24	Year-on-year change (%)
Energy Consumption (kWh)			
Electricity	3,066,029.73	3,268,550.93	6.6%
Gas	6,303,347.24	6,301,374.69	0.0%
Transport fuel	1,030,544.35	1,181,625.92	14.7%
Other fuels*	185,313.86	209,545.55	13.1%
TOTAL CONSUMPTION	10,585,235.18	10,961,097.10	3.6%
GHG Emissions Breakdown (tCO_2e)			
Scope 1			
Combustion of gas in buildings	1,153.06	1,152.52	0.0%
Combustion of fuel for transport purposes	141.29	178.01	26.0%
Combustion of other stationary fuels	39.64	44.95	13.4%
Scope 2			
Purchased electricity (location-based)	634.90	676.75	6.6%
Purchased electricity (market-based)**	–	65.49	n/a
Electricity used for transport purposes***	1.37	4.05	195.6%
Scope 1 & 2			
Total Scope 1 & 2 emissions (location-based)	1,970.26	2,056.28	4.4%
Total Scope 1 & 2 emissions (market-based)	1,335.36	1,445.02	8.2%
Scope 3			
Business travel in rental or employee-owned vehicles where Company is responsible for purchasing the fuel	139.58	129.81	-7.0%
Upstream transport and distribution losses and excavation and transport of fuels (location-based)	440.20	466.80	6.0%
Upstream transport and distribution losses and excavation and transport of fuels (market-based)	279.82	315.63	12.8%
Total GHG Emissions (tCO_2e)			
TOTAL EMISSIONS (location-based)	2,550.04	2,652.89	4.0%
TOTAL EMISSIONS (market-based)	1,754.76	1,890.46	7.7%
Intensity Ratios			
Metrics – Revenue £million	89.14	100.72	13.0%
Location-Based – GHG Emissions per £million (tCO_2e / £million)	28.61	26.34	-7.9%
Market-Based – GHG Emissions per £million (tCO_2e / £million)	19.69	18.77	-4.7%
Location-Based (Scopes 1 & 2 only) – GHG Emissions per £million (tCO_2e / £million)	22.10	20.42	-7.6%
Market-Based (Scope 1 & 2 only) – GHG Emissions per £million (tCO_2e / £million)	14.98	14.35	-4.2%
Methodology: GHG Protocol Corporate Accounting and Reporting Standard			
Certification and External Verification: Calculated by Green Element Limited and Compare Your Footprint Limited, UK.			

* Figure revised from previously stated FY23 SECR report owing to real (rather than estimated) data becoming available.

** The supplier-specific fuel mix was not available for one site, and so the UK residual factor was used. The government data required to calculate the UK residual factor is not available until August 2024, and so the calculation defaulted to using the 2023 residual factor.

*** Electricity associated with electric and plug-in hybrid company cars has been split out from Alumasc's last SECR report, and also revised with the new assumption that 80% of cars (and mileage) are assumed to be charged at Alumasc sites (for which electricity consumption is already captured).

Sustainability Report continued

Our **planet** continued

Definitions of Scopes 1, 2 and 3 in the SECR table

See page 27

Scope 1:

- Fuel used in company vehicles
- Office consumption of natural gas

Scope 2:

- Purchased electricity (location-based* and market-based**) methods were included – this way of dual reporting is outlined in the GHG Protocol Corporate Accounting and Reporting Standard

Scope 3:

- Business travel in employee-owned or hired vehicles
- Indirect emissions associated with the upstream production, processing and delivery of any fuel used, and losses due to the transmission and distribution of electricity
- Types of GHGs included, as applicable: CO_2, N_2O, CH_4, HFCs, PFCs, SF_6, and NF_3. The greenhouse gas emissions were calculated using UK Government 2022 conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e)

Definitions of Location-based electricity and Market-based electricity

* Location-based electricity (Scope 2): emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed. For SECR, location-based is mandatory.

** Market-based electricity (Scope 2) emissions use fuel mix that is specific to the purchased electricity's supplier and tariff. Where supplier-specific fuel mix data is absent, UK National Grid's residual fuel mix was used, in accordance with the GHG Protocol. For SECR, market-based is optional.

Environmental highlights

GHG reduction this year

4.7%

Reduction in total market-based emission intensity

GHG reduction since 2017/18

70%

Reduction in total market-based emission intensity

Increased uptake in fleet electric vehicles this year

20%

Waste and packaging

Scrap and waste

Our manufacturing operations produce very little raw material waste, as it is typically collected, reprocessed and reused in our production processes. Timloc, our most intensive user of plastics, is a signatory to Operation Clean Sweep®, an industry-led programme to prevent plastic particulates from reaching the environment.

Substantially all of our waste streams are now diverted from landfill.

Packaging

The majority of waste we produce is in the form of packaging. We are a member of Valpak for compliance reporting and comply with our obligations under the Producer Responsibility Obligations (Packaging Waste) regulations.

We have targeted a reduction in single-use plastics and an increase in the proportion of recycled packaging we use. Our Housebuilding Products division and Wade and Rainclear, within the Water Management division, now exclusively use packaging made from 100% recycled paper for shipping, which is itself 100% recyclable.

We continue to implement measures to reduce the quantity of packaging used and to improve its recyclability.

Supply Chain School of Sustainability

As part of our procurement and management of materials, sustainability leads have joined the Supply Chain School of Management.

We will focus our attention on the following environmental and sustainability goals:

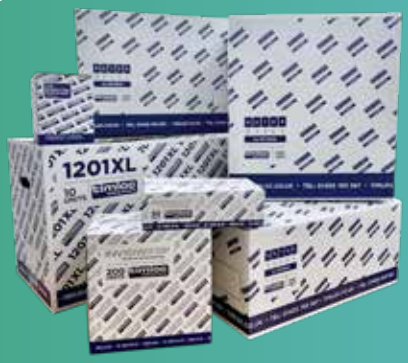
Area	Related risks	Alignment to SDGs
Carbon and energy reduction	• Climate change • Environmental harm • Legal and regulatory	
Waste management and recycling	• Environmental impact • Sales costs • Raw materials • Legal and regulatory	
People and wellbeing	• Legal and regulatory • Climate change	

Recyclable Packaging at Housebuilding Products

At Housebuilding Products , the majority of products are delivered in cardboard packaging. Approximately 70% of this packaging is produced from recycled materials, and the entire packaging range is designed to be recyclable.

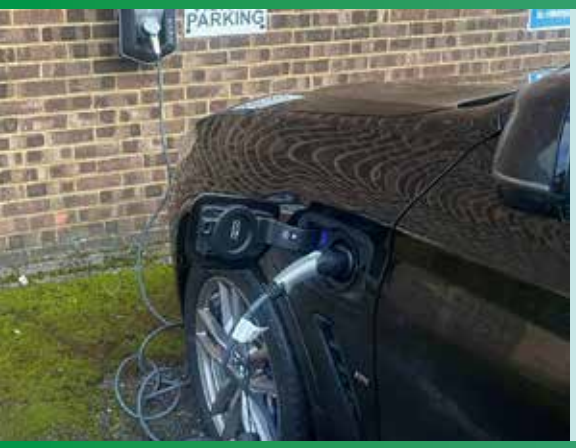
All bagged Timloc products, such as access panels and soffit vents, are packaged in 100% recyclable low-density polyethylene bags.

- LDPE (low-density polyethylene) – 100% recyclable
- Cardboard – 100% recyclable



How this aligns with our Sustainable Development Goals

Responsible use of packaging supports UN SDG 12, by ensuring sustainable consumption patterns.



Expanding our electric vehicle fleet

As part of our drive to reduce emissions we have been increasing the number of EVs in our fleet. For example, our Building Envelope division have increased EVs from 8 cars to 16 cars within the fleet, this equates to 17% of Building Envelope's total mileage in EVs (FY23: 8%). Overall, the Group's fleet of electric vehicles increased by 20% in the year.

How this aligns with our Sustainable Development Goals

This aligns with the UN Sustainable Development Goal (SDG) 9 as it supports the building of resilient infrastructure and Sustainable Industrialisation. It also supports SDG 11 to build safe, resilient and sustainable cities.

Global recycling day

Alumasc supports recycling of paper and cardboard and other items in our offices, our factories also recycle scrapped aluminium and steel. We recently confirmed our support for #GlobalRecyclingDay. Our ambition is to have zero waste going into landfill.

GLOBAL RECYCLING

Hedgehog highway

Following building regulation changes, housing developers are encouraged to add 13cm holes at the base of fences in all new developments to create 'hedgehog highways'.

The Hedgehog Highway by Timloc was created to frame these fence holes, ensuring unobstructed pathways and connecting gardens to allow hedgehogs to roam freely and forage for food, water and shelter. As hedgehogs are now classified as vulnerable to extinction, the Hedgehog Highway also helps bring awareness to the species' decline.

With each purchase of a Hedgehog Highway by Timloc a donation is made to hedgehog charities and rescues to help them continue their vital work. So far Timloc has donated over £2,500 to hedgehog rescue organisations across the UK.

How this aligns with our Sustainable Development Goals

This product supports the UN SDG 15, to protect, restore and promote sustainable use of terrestrial eco systems and to halt biodiversity loss.

Task Force on Climate-related Financial Disclosures (TCFD)

We are **reducing our greenhouse gas emissions** and responding to the future risks and opportunities related to climate change.

In these challenging times, marked by increasing greenhouse gas (GHG) emissions and a record 12-month continuous average global temperature of 1.5°C above pre-industrial levels, Alumasc remains committed to reducing GHG emissions and innovating sustainable products to mitigate climate change's impact on the built environment. We are collaborating with our supply chain partners and vendors to move towards a decarbonised future which meets the Government's goal of achieving net zero emissions by 2050 or earlier. We recognised climate change as our first principal risk in 2022 and published our first voluntary TCFD disclosure in 2021. We have worked with our climate change experts, Green Element, to gather data and to help us with our climate-related risk analysis.

The table below lists the TCFD pillars and their 11 associated recommended disclosures. The following sections provide a summary of our achievements during the financial year and our plans for the upcoming year.

TCFD pillars	**Governance** Disclosure of the organisation's governance of climate-related risk and opportunities.	**Strategy** Disclosure of the actual and potential of climate-related risks and opportunities on the business, strategy and financial planning, where such information is material.	**Risk management** Disclosure of how the organisation assesses and manages climate-related risks.	**Metrics and targets** Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Required disclosure	Board oversight. Management's governance.	Risks and opportunities. Impacts on the organisation. Resilience of strategy considering climate scenario analysis.	Risk identification and assessment process. Risk management processes. Integration into overall risk management process.	Climate-related metrics. Scopes 1, 2 & 3 GHG emissions. Climate-related targets.
Further information	Pages 60 to 67 See Strategic Report pages 1 to 66	Principal risks pages 47 to 50.	Principal risks pages 47 to 50 and climate-related risks pages 31 to 34.	Page 34 and in the Remuneration Report pages 74 to 78.

Governance

A. Board's oversight of climate-related risks and opportunities:

The Board is responsible for the risk reviews (see page 64) and for receiving regular reports on ESG activities and initiatives at all Board meetings. Assessment of risks and opportunities form part of Alumasc's strategic planning process. Climate-change-related products are a key focus for our teams at our Group Strategy meetings, the most recent of which was on 21 & 22 February 2024. We have internal reviews as well as external reviews with our professional partners to continually evaluate our approach.

B. Management's role in assessing and managing climate-related risks and opportunities:

Management has a key role in risk assessments as climate-related risk is part of our overall risk management process (see page 64).

At Divisional level we have appointed Leads and Heads of Sustainability. Regular reports are submitted to Divisional Boards, and data is collated highlighting the steps taken to ensure we are identifying and mitigating transition and physical risks and communicating this to the Boards.

The table below shows how climate-related matters are considered throughout the Group governance structure.

Climate-relate risk governance framework

The Board
Reviews the Group's sustainability and risk strategy and performance:

- Considers both GHG emissions, risk management and climate-related risks and opportunities, metrics and net-zero strategy

Audit Committee	Remuneration Committee	Nomination Committee
• As part of the audit, the SECR table and related disclosures are reviewed. • Internal Audit and compliance reviews. • Policies reviewed.	• Sets climate-related targets for senior employees' remuneration arrangements.	• Considers the range of skills and experience that the Board has and will need. Impacts of climate change are considered as part of the process.

Subsidiary boards and divisions consider the necessary steps via working groups and teams.
There are structured plans, risk registers and reporting lines for the metrics.

Strategy

A. Climate-related risks identified over the short, medium, and long term:

Alumasc's climate change risk and opportunity analysis continues to evolve. This year we have analysed some of the short and medium-term impacts relevant for our UK operations. In line with TCFD guidance we have identified both transition and physical risks which are relevant for our business over three time horizons (see page 33), as follows:

Time horizon	Time period	Detail
Short term	0–3 years	There is existing climate strategy and legislation for the built environment in place for this time horizon and it aligns with our three-year plans. We develop and sell products to help customers mitigate the most immediate physical impacts.
Medium term	3–10 years	We are planning to align this with our own science-based target data and we look to sell products that have been specified to mitigate some of the foreseen impacts. Further legislation is most likely to introduce new product specifications to reduce the impact within this time horizon.
Long term	>10 years	Because longer-term impacts mainly consist of estimated forecasts at a global level we are mapping our strategy to 10+ years rather than out to 2050. Risk mapping to 2050 allows us to consider what risks may arise. However, the full impact is unknown.

TCFD continued

Scenario analysis

Our impacts and risks were assessed using a range of climate change scenarios to test both our strategy and business model under the impact of climate change. We considered climate risks on the scenarios outlined in the table below. We are developing mitigation strategies in response to each risk identified.

The assessment of risk was guided by scenarios discussed with the business and also those available from outside agencies (Met Office UKCP18). We looked at three climate change scenarios, ranging from 1.5°c to 3°c global warming, incorporating both physical climate risks (the direct impacts of climate change on our operations) and transitional climate risks (risks associated with the business transitioning to a low-carbon economy).

For the summary of climate-related material risks and opportunities see below and on www.alumasc.co.uk.

		Potential materiality (%)			
		2023–30 (short term)	2031–40 (medium term)	2041–50 (long term)	Strategic response and mitigations
Scenario 1–1.5°C	Some changes have taken place and to achieve this goal there has been an unprecedented change in behaviour. Key risk: Transition. Key opportunity: Support clients to transition.				**Supply chain:** Manufacture of goods within the UK may help customers meet their climate change targets. Near-sourcing of materials may reduce the carbon cost of transportation across the supply chain. **Operations:** Availability of EPDs will allow comparison of the whole-life carbon cost of products and help promote our durable and sustainable ranges. **Customers and markets:** Expected greater demand for lower carbon products from RMI and low-carbon homes and customer engagement is critical.
Scenario 1.5–2°C	Some challenges to mitigate. Key risks: Acute physical through supply chain vulnerabilities, power interruptions and flood risk.				Investment in R&D to develop new products and to research new materials for use in the built environment that provide greater climate resilience and/or are more sustainable.
Scenario 2–3°C	High degree of challenges to mitigation.				Further development of new products and innovation to provide resilience to cope with the changing environment. Greater challenges to mitigate.

Key: ■ = 25%

Consideration has been given to:

- IEA (the International Energy Agency) scenarios and pathways based on assumptions about how the energy system may be used
- RCP (Representative Concentration Pathways) to assess physical climate risk. There are different degrees of impact under RCP 2.6 and RCP 8.5 and the financial impacts are deemed to be the same
- IPCC (Intergovernmental Panel on Climate Change) provides RCPs that are accepted as reference scenarios that outline potential consequences of climate change

B. Impact of climate change risks on business, strategy, and financial planning:

We produce sustainable building products that help address and mitigate climate impacts on the built environment, and continually assess our products, supply chains and operations to reduce our impact on the environment as much as possible. To achieve our ambitions, we are committed to reducing GHG and capitalising on product and market opportunities. We are obtaining EPDs for our key products, to provide our customers with the necessary information to calculate their environmental impact, including their embodied carbon. We have science-based targets to help us navigate the journey to net zero, which will be accredited by the SBTi later in the year.

C. Resilience of strategy, taking into consideration different climate-related scenarios, including 2°C or lower:

We consider that there are no material physical or transition climate risks to our business in the short term (0–3 years) that have not been mitigated in our Business Continuity Plans; only opportunities. Our products combat climate change and our strategy is to champion their use. We produce products that help protect the environment, and improve the climate resilience of the built environment (see pages 6 to 9, and 20 & 21).

We also look to continually develop new products to help our customers manage climate-related risk in the built environment. Our product development activities anticipate future climate-related regulation and the potential for carbon-related regulations.

Transition risks

Risk description	Financial driver	Management's response
Policy and legal		
Government drivers for net-zero have effectively established pricing etc. to curb GHG emissions. Increased fuel and energy duties may impact the supply and distribution chain and our manufacturing processes.	Potential increase in cost of sales. **Time horizon:** Short to medium term.	We are reviewing our supply chain, to identify ways to improve its efficiency, while engaging with our supply and distribution chain partners to understand their own net zero plans. Manufacturing efficiency is a key part of our capital expenditure plans, to reduce costs and energy consumption.
Emerging regulations		
We anticipate increasing focus on the drive to net zero. The UK Government has a net zero target and has prioritised energy transition and net zero policy, with 2050 the deadline for zero carbon electricity and close alignment of carbon taxes and green finance with the EU.	**Time horizon:** Short to medium term. See Strategic Report pages 1 to 52.	We continually innovate to improve the environmental credentials of our product portfolio, and have our own net zero plan which will meet or exceed the UK Government's 2050 target.
Technology		
The transition to a low carbon culture will mean the adoption of energy-efficient machinery.	Energy and cost efficiency from new equipment. Plans for capital expenditure. See our Strategic Report on pages 8, 11 & 12, 16 to 17, and 46.	We prioritise manufacturing efficiency, and energy consumption is a key factor in our plant replacement and upgrade programmes.
Market		
Government policies will drive markets to demand more low-carbon products.	Potential for increased sales of sustainable products.	We prioritise the use of recycled materials to manufacture our products, which are durable and low maintenance, decreasing their whole-life energy cost. We engage with our customers and reflect their requirements and climate change drivers in our product development plans.

Risk management

Processes for assessing climate-related risk.

A. Approach for identifying and assessing climate-change-related risks:

Climate-related risk assessment is part of our annual risk review process and Business Continuity Plans. We ask each division to record these risks, together with any actions taken to mitigate their likelihood or impact, and these are reviewed by the divisional Boards and at Group level. With our partners, Green Element, we confirm that we have considered all the factors relating to these risks and to ensure our risk register is kept up to date. We have also looked at the opportunities relating to climate-related risk and consider these in our new product development programmes. Details of our strategy in action can be found on pages 6 to 9. We adopted science-based targets for Scope 1 and 2 GHG reduction in 2023, and are in the process of updating these for the acquisition of ARP, and collating our Scope 3 emissions data. Our net zero targets will be submitted for SBTi accreditation later this year.

B. Processes for managing climate-related risks:

Transition risks: We have, as part of the Energy Saving Opportunities Scheme, identified ways to reduce our GHG emissions, with new machinery, solar panels, renewable energy, and greater use of electric vehicles.

Physical risks: Following the quantification of climate-related risk in 2023/24, the risk of flooding and wildfires were also considered. We have considered our products and strategy in light of these potential changes.

TCFD continued

C. Processes for identifying and managing climate-related risks are integrated in the organisations overall risk management:

Climate-related risk is our first principal risk (see page 47) and it is integrated into our risk management framework, forming part of the evolving risk landscape along with other key risks.

Priorities for 2024/25	How these have been/will be delivered	References
Review the climate-related risks and integrate the impacts of climate change into our strategy, new product development and financial analyses.	A refresher workshop held and review of the risks has taken place, with follow-up workshops planned during the year. We have integrated our climate-related risks within the Group-wide risk register process.	See page 46.
Climate-related scenario risks: Continued review of these with further focus on the acute and chronic physical risks. This will inform the combined risk approach for our new product innovation plans.	We are planning further Sustainability Lead meetings from our businesses and we will be incorporating climate-related risk reporting into our risk management process. Divisional leads have their own committees that are focused on ESG.	See pages 32 and 33.
Supply chain resilience: We are training and providing additional know-how on improving resilience and enhancing our supplier questionnaires to evaluate sector exposure and resilience.	Sustainability leads in the business and procurement personnel have joined the Supply Chain School of Sustainability. We are reviewing our supply chains and engaging with our partners to ensure efficiency and to manage emissions.	See page 28.
Impact assessments and scenario analysis: These will be further developed in 2024/25.	The impact assessments provide detail of the climate-related risks identified for the business. This will be reviewed again in 2024/25 as part of our Sustainability and reporting plans.	See page 32.

Metrics and targets:

A. Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process; and

B. Targets used to manage climate-related risks and opportunities and performance against targets.

We are using metrics and targets to monitor our performance (see pages 19, 74, 78 to 79). The metrics are part of the way we monitor our progress and address climate risk and opportunities for the Group. Our responses are focused on areas where we can have the most impact and be most efficient in our approach to climate-related risks.

Priorities for 2026	Our plans
Horizon scanning for future risks and opportunities.	We will ensure that our climate-related plans and risks are incorporated into the Board's rolling agenda. Our divisional Board meetings and the information is shared top-down.
Metrics and targets.	Our existing science-based targets for Scope 1 and 2 emissions reductions are being revised for the inclusion of ARP, which was acquired during the year. The final data for the full Scope 3 emissions data has been collected and we are in the process of setting reduction targets for all our businesses. Once collated and updated, we will seek SBTi accreditation for our net zero targets.