VULCAN.

Group Climate Disclosure Report 2026

Introduction to our climate-related disclosures

At the heart of our business, sustainability and long-term value is 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 disclosures 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 — one for Vulcan Steel (Australia) Pty Limited, and this report for the Vulcan Group. These can be found at investors.vulcan.co

Contents

About this report

Reporting Entity

This Group Climate Disclosure Report (**CD Report**) relates to Vulcan Steel Limited (NZX: VSL | ASX: VSL) ('**Vulcan**' / the **Group**) for the financial year ended 30 June 2026 (**FY26**).

Basis of preparation and compliance

These Climate Statements are a complete set of climate-related financial disclosures prepared in accordance with External Reporting Board's (**XRB**) New Zealand Climate Standards (**NZ CS 1-3**).

This CD Report is intended to be read alongside Vulcan's annual report FY26, which can be found on our investor site.

Visit investors.vulcan.co

Adoption Provisions

The following NZ CS 2 adoption provisions have been applied for FY26:

- Adoption provision 4: Scope 3 GHG emissions.
- Adoption provision 5: Comparatives for Scope 3 GHG emissions.

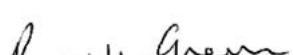
Forward-looking statements

This CD 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 CD Report has been prepared using reasonable and supportable information available at the reporting date (30 June 2026) (**Reporting Date**), but actual outcomes may differ from those described. Forward-looking statements do not guarantee future performance, and Vulcan has no obligation to update such statements after the Reporting Date, except where the law requires it.

Statement of compliance

Taking into account the adoption provisions set out above, the Climate Statements in this Group CD Report are compliant with the New Zealand Climate Standards. The directors of Vulcan Steel Limited authorise these Climate Statements for the reporting date of June 30 2026.

Rhys Jones
CHAIR OF BOARD
25 August 2026



Russell Chenu
LEAD INDEPENDENT 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 that 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, psychologically and physically safe, 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 new 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 and 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 last year — 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. New Zealand's output rose 34%, from 144,201 kWh to 193,559 kWh between FY25 and FY26; 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 and 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

Growth brings new sites, new teams and new acquisitions making it more important than ever to stay connected, both internally and with the stakeholders who hold us accountable.

We report our direction and progress openly, including publishing our sustainability reports and ESG report found in our annual report each year.

Internally — our senior leadership team presents at every site twice a year, backed by a monthly company-wide newsletter, and with other regional leaders also attending site meetings more regularly. This keeps our people informed and connected as we grow.

Externally — we stay close to our customers, suppliers and communities through direct, ongoing engagement. This includes supplier visits and independent human rights verification, to the community partnerships we choose to support.

For investors — everything sits in one place: our dedicated investor website, home to annual reports, ASX and NZX announcements, governance information and key dates. Visit investors.vulcan.co

Summary overview of this report

This is Vulcan's third year of reporting under the New Zealand Climate Standards (NZ CS). Building on the foundations laid in our first two disclosures, this year we undertook a fuller review of our climate-related risks and opportunities by separating distinct hazards, further distinguishing risk from impact, and re-assessing our materiality threshold to support greater rigour in our understanding of what is relevant to our business.

Alongside this, we refreshed our scenario analysis boundaries, compressing our time horizons to better reflect how the business actually plans and invests. We also considered our Australia operations in greater detail and engaged a wider internal stakeholder perspective to identify and assess our climate risks and opportunities at the Group level and understand how they might play out across the combined business.

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.

Risks

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 NZ CS, AASB, New Zealand's ETS, carbon pricing, and the Carbon Leakage Review outcomes in Australia, 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.

In addition to our climate risk and opportunity assessments, our governance practices and oversight were revisited, updating our documented processes to best reflect how we have been operating in practice over the reporting period and setting realistic expectations for the way in which our Board, Audit and Risk Committee, leadership teams and ESG team all engage on climate-related matters.

The most significant step forward this year was the introduction of the financial quantification of our climate-related risks and opportunities. For the first time, we have quantified the potential financial impact of our risks and opportunities in today's terms and assessed the materiality of our risks and opportunities across our three climate scenarios and three time horizons. We leveraged elements of our enterprise risk framework to undertake this work, with the expectation climate will more formally be integrated into climate risk management as a natural next step.

This analysis also supported us to assess the resilience of our current strategy at the Group level as well as our approach to transition planning. Findings reinforced our current strategic initiatives, with our hub-and-spoke network and hybrid model for distribution, 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 electrification, and this year's expanded disclosure process, 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.

Pleasingly, our Scope 1 and 2 GHG emissions intensity continues to improve. A highlight this year has been the 8% reduction in emissions per tonne of product delivered. 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 in both New Zealand and Australia.

Our NZ CS efforts were carried out alongside Vulcan's inaugural disclosure under Australia's climate-related disclosure standard (AASB S2), with the more prescriptive Australian requirements used to anchor a consistent, rigorous methodology across both countries. We continue to build out our metrics and targets against this more robust foundation. Overall, Vulcan's third NZ CS disclosure reflects a more mature, evidence-based view of our climate resilience than in either of our first two disclosures, and one that we believe reflects the realities of operating across both New Zealand and Australia. We expect our disclosures to continue to mature as our data, modelling and reporting experience develop in future years.

SECTION 01

Governance

Governance

Governance body oversight

Board oversight and structure

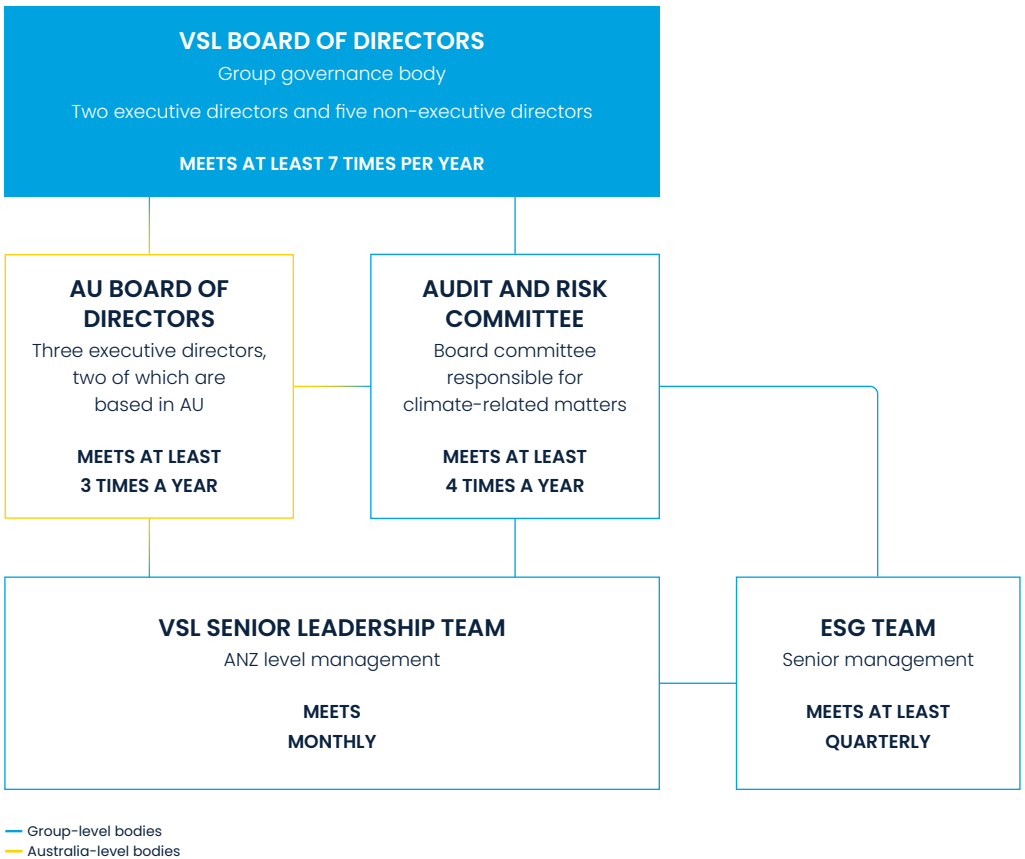
The Vulcan Board of Directors has delegated authority for sustainability and climate-related matters across Australia and New Zealand to the Audit and Risk Committee ('**ARC**'). The ARC is a formal committee of the Board and meets at least four times a year, and sustainability climate-related matters are a standing item on its agenda.

From 1 January 2026, Vulcan's Board grew from six to seven directors. Three Vulcan directors are members of the ARC, although all other directors have a standing invitation to attend and observe ARC meetings.

Vulcan previously disclosed that two Board meetings a year had climate-related matters as an agenda item. In FY26, climate oversight now happened through discussion about general business matters, rather than a separate agenda item.

Typically, five of Vulcan's seven directors attend every ARC meeting. Three directors sit on both the Board and the ARC. The Board Chair and MD/CEO are not ARC members but attend regularly ARC meetings and have confirmed they will continue doing so. Another director is an executive director, who is also Vulcan's COO. ARC meeting minutes are included in the papers for every Board meeting. This means that the Board is informed of climate-related matters as they arise. At the next Board meeting after every ARC meeting, the Chair of the ARC updates the Board on what was discussed and decided.

The ESG team briefed the ARC every quarter at the relevant ARC meeting.



Climate in strategy development and implementation

Climate-related risks and opportunities sit within Vulcan's risk management framework alongside the risk appetite statement, risk register and risk matrix. The Audit and Risk Committee reviews this framework, including its climate content, twice a year, typically in May and November. The Board considers these risks and opportunities as part of that framework when developing and overseeing the implementation of Vulcan's strategy and has done so consistently since the company's first climate-related disclosure in FY24.

Day to day, climate considerations often reach the Board through commercial decisions and operational updates from the senior leadership team, alongside the formal risk framework review. Over the coming year, Vulcan plans to strengthen the direct link between climate risk and strategic decision-making, building on work already underway through Vulcan's Australian climate governance review.

Skills and competencies

The Board reviews its skills matrix every August, and again 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 running sustainability initiatives; awareness of emerging technologies and sustainable alternatives relevant to steel, aluminium and other metals; and experience establishing, implementing and monitoring ESG policies and practices.

Five of Vulcan's seven directors are also directors of one or more ASX and/or NZX listed companies. The directors consider that their other directorships keep them close to how climate governance is developing more broadly.

This is also the first year Vulcan Australia has made a disclosure under AASB S2, so the Board of Vulcan Australia undertook a facilitated self-assessment to ensure those three directors (which are different to the Vulcan directors) have the appropriate skills and competencies to provide oversight of climate-related risks and opportunities.

Targets and remuneration

The Board holds overall responsibility for setting the goals related to climate-related risks and opportunities. Vulcan's Board has delegated authority to the ARC, which oversees the establishment of any goals, monitors progress against them, and makes sure management has what it needs to deliver on them.
No aspect of any remuneration for any Vulcan employee is currently directly linked to climate performance. This is consistent with Vulcan's broader approach to remuneration, where incentives are not tied to individual or team-specific targets.

Management's role

Day-to-day responsibility for climate-related risks sits with the MD/CEO, who reports to the Board. The senior leadership team shares responsibility for delivering the sustainability strategy as part of Vulcan's wider business strategy. The senior leadership team meets monthly, which includes a regular progress update on sustainability, which is delivered by the CFO and the Procurement Officer. Cross functional working groups are in place across the business to progress different sustainability initiatives, and updates from these working groups form the basis of any progress updates provided to the senior leadership team.

SECTION 02

Strategy

Strategy

This section sets out what we have learned about how climate change may play out for our business across both our New Zealand and Australian operations: the risks and opportunities we consider material, where they could impact us across our operations and value chain, and what they could mean financially.

Some of this work was informed by the foundation of our previous NZ CS reporting in FY24 and FY25, as well as through work undertaken during FY26 for our first Australian climate-related disclosure against AASB S2. Our key streams of work included scenario analysis, financial quantification and strategic resilience across a series of structured workshops with our senior leadership. This section 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.

Strategy, business model and value chain

Vulcan is a leading metals and steel distributor operating across Australasia. The company has 82 warehousing, manufacturing and processing facilities across Australia and New Zealand and over 1,600 employees across two segments (metals and steel). Vulcan 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. Vulcan's operating model combines value-added processing (plate, coil and long product processing, and aluminium extrusion) with pure distribution. Vulcan's key end-user markets across New Zealand and Australia are construction, manufacturing, mining, and food and beverage.

Vulcan'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 (Australia only), and food and beverage).

Climate-related risks and opportunities

Our approach

Vulcan identified and refined its climate-related risks and opportunities through a climate risk and opportunity assessment, scenario analysis, financial quantification and strategic resilience testing during the reporting period, for both the New Zealand and Australian operations. As highlighted earlier in this CD Report, this disclosure is made at the Group level and covers both countries. Where a risk or opportunity was identified in both countries, the financial cost and likelihood were always the same or higher in Australia, so the Group view reflects that worst case. From a Group perspective, a risk that was material in Australia was material for Vulcan Group, even where it was not material within New Zealand's physical boundary alone. Some risks do not have the same characteristics in each country.

SCENARIO ANALYSIS REFRESH

We undertook a foundational scenario analysis when preparing our first NZ CS disclosure in FY24 and revisited the outputs in our second reporting period (FY25) as an input to transition planning. For this third disclosure, Vulcan carried out a full review and refresh of that analysis and of the resulting climate-related risks and opportunities. We refined our original climate risk and opportunities by separating out different types of risk, separating risk descriptions from their impacts, and distinguishing acute from chronic physical risks. The refreshed list was tested against other New Zealand industry disclosures, policy updates and New Zealand's National Climate Risk Assessment, and validated within the business.

Part of the assessment included identifying the value chain components and geographies where impacts could be concentrated, potential mitigations to respond to risks and opportunities, and the types of financial impact 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 engaged Tadpole, an external sustainability consulting firm, to support and facilitate the climate risk and opportunity assessments, scenario analysis, financial quantification and strategic resilience for the Group. Workshops with the business facilitated by Tadpole were held between March and July 2026, with sessions focused on Australian operations in March, April and June 2026, and sessions focused on New Zealand operations in April and July 2026. Vulcan's finance, commercial and procurement leadership was involved across both workstreams, supporting an aligned approach between the two countries of operation. In the later stages of this time period, findings were also considered and consolidated at a Vulcan Group level. 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 CD Report while additional detail on our scenario analysis is provided under **Notes on our scenario analysis** at the end of this Strategy section.

Our test of materiality: throughout our identification and assessment of our climate risks and opportunities, we treated a risk or opportunity as material where both its anticipated impact (or effect) and the 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 climate resilience later in this section, including how we have treated low-probability, high-impact events and the combined effect of related risks. The assessment of the 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 **Strategy, business model and value chain** above.

TIME HORIZONS

Vulcan 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's three to five year planning cycle and near-term solar commitments.	Aligned to Vulcan'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.

The endpoints of these horizons are determined by a year, with the 2060 endpoint capturing the globally recognised 2050 net zero reference point within the long-term analysis. These horizons are shorter than the 2100 endpoint used in Vulcan's first two NZ CS disclosures, which we now consider too distant for meaningful strategic analysis, and they match the horizons used for Vulcan's Australian AASB S2 disclosure, supporting consistency across the two climate-related disclosure regimes.

GEOGRAPHY

The scope of the analysis was Vulcan's New Zealand and Australian operations and value chain. Geographies were broken down by state for Australia (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 and at the national level for New Zealand.

CLIMATE SCENARIOS

Vulcan carried out climate-related scenario analysis using three scenarios from the Network for Greening the Financial System (**NGFS**). Vulcan 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.

The three scenarios Vulcan chose and what each one means in practice for us is outlined below (more detailed descriptions of these are provided under the **Notes on our scenario analysis** section of this report).

Climate scenario characteristics

We analysed each scenario over the short, medium and long term, across our New Zealand and 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 risk	Lowest. Warming stays close to the Paris Agreement goal, limiting increases in extreme heat, bushfire and storm exposure across both countries.	Medium. Physical risk builds as warming rises, with more extreme heat and fire weather in Australia and more variable rainfall and storm activity in New Zealand.	Highest. The largest increase in extreme heat, bushfire, storm and flood exposure across both countries.
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 as both markets scale renewables, hydro and geothermal in New Zealand and wind, solar and storage in Australia, with short-term bottlenecks as grids catch up.	Supply gaps and price spikes until policy catches up after 2030. New Zealand's hydro-heavy grid is also more exposed to dry-year shortfalls.	Australia's coal and gas continue longer. New Zealand's hydro and geothermal system faces more frequent dry-year shortfalls. Weather and ageing infrastructure drive disruption in both.
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.

Why these scenarios?

Vulcan's three chosen climate scenarios cover a diverse range of temperature outcomes and capture both transition risks (through the Shared Socio-economic Pathways (SSPs)) and physical risks (through the Representative Concentration Pathways (RCPs)). Net Zero 2050 is aligned with the latest international agreement on climate change. Vulcan chose these scenarios because they are global, well supported by New Zealand and Australian data, widely used by other reporting entities, and together they stress-test our strategy against fast, disorderly transition and high physical impact futures. Vulcan 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 the company's operations, such as heat and supply chain disruption. Vulcan also used these scenarios during the company's first NZ CS disclosure and accompanying climate scenario analysis. The refresh of the scenario analysis for this reporting period builds on previous work through the introduction and consideration of SSP and RCP pathways.

The three selected climate scenarios also guided the assessment of specific climate-related risks and opportunities that may impact Vulcan, 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.
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's material climate risks and opportunities. Vulcan's 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's New Zealand and Australian operations, logistics and supply chain. The anticipated financial impacts 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 of New Zealand and Australia (noting that acute heat and bushfire risks are concentrated in Australia only). Vulcan Australia's 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. Cyclone and hail exposure are anticipated to affect many aspects of our New Zealand operations as well as Vulcan Australia's Queensland operations, and the solar market in both countries.

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 NZ CS, AASB, New Zealand's Emissions Trading Scheme (ETS), carbon pricing, and the Carbon Leakage Review outcomes in Australia.

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 of New Zealand and all Australian 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 EFEFCT

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 unlikely to have a material impact in New Zealand. In Australia 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'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 in Australia and hydro and geothermal in New Zealand, 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'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.

In New Zealand, this risk is less substantial due to New Zealand's energy infrastructure. However, the materiality of this risk in Australia is expected to impact the New Zealand business at a Group level.

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 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'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 New Zealand, and in 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'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'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, 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 New Zealand or Australian 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'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 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'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 in New Zealand and Australia — 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 and across both New Zealand and Australia, 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 or New Zealand 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 assessed a further seven shortlisted risks and opportunities and concluded they are not material in relation to this reporting period. Those risks included: water scarcity, broad geopolitical risks, specific technology adoption risks, specific physical and chronic risks, climate-related claims against businesses and those 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 consolidated physical risk above. Vulcan will continue to monitor all of those risks and opportunities.

Asset and business activity exposure

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

Given the geographical location of Vulcan's sites, the diversity of our 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 concentrations described against each risk and opportunity above indicate where those effects could be expected to sit. Most of Vulcan's material risks span multiple value chain elements, rather than attaching to 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 have assessed exposure by the type of financial impact 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 impacts

Current impacts: During FY26 Vulcan did not experience any material climate-related impacts across the Group. Given that Vulcan did not experience any material climate-related impacts in FY26, we did not experience any material financial impacts during this time either.

Our approach

Vulcan's climate-related risks and opportunities assessment process defined material anticipated impacts 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 impact 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.

Anticipated financial impacts

The trend over time of these impacts differs by scenario. In transition-led scenarios, Vulcan 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

We expect our 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 FY27, as the next annual reporting period. We plan to fund our strategy through our existing lean capital structure, supported where needed by early engagement with finance partners.

Why we have not quantified future-terms impacts

We have disclosed qualitative information about anticipated financial impacts, together with quantitative estimates in today's terms, rather than modelled future amounts. The measurement uncertainty involved in projecting these impacts 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 our 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, decision-making, and transition planning

Vulcan's response to climate-related risks and opportunities is built on testing our current strategy against them. During FY26, Vulcan assessed each 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 those strategies and initiatives were identified as not sufficient, we identified the changes or new mitigations required and assessed whether implementing them would be a material cost. Further detail on the risk assessment associated with this materiality threshold is provided in the **Risk Management** section of this CD 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 flexibility to respond to physical risks and shifting demand.
Hub-and-spoke network	A network model built for efficiency and reach that Vulcan 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's value chain.
Decarbonisation	Solar installation and fleet decarbonisation are already underway.
Lower-carbon product	Vulcan already sources and supplies lower-carbon steel and hydro-powered aluminium, and the company expects this to grow.
New markets and product innovation	Vulcan explores growth in climate-adjacent segments, balanced against customer readiness.
Technology monitoring	Vulcan monitors technology adoption so the company does not commit early to options that may be superseded.

Changes to our business model, including resource allocation and capital deployment

Vulcan does not currently plan material changes to its business model or resource allocation. Vulcan's hub-and-spoke model and hybrid site strategy give the company some flexibility to respond to physical risks and shifting demand and can be adapted for some risk mitigation. For other risks, Vulcan's assessment indicates that more substantial change may be required. Vulcan may need to increase investment in some sites and in the company's distribution network to further strengthen the business. There is no plan to do so at this stage. Should Vulcan see the signals that material investment is needed, whether from worsening physical conditions in the value chain, significant and rapid changes to legislation, or shifts in customer demand and product mix (or any combination of these), we would need to respond, and a blend of material changes to the current strategy and implementation of new responses with material costs may be needed.

Vulcan will be resourcing the activities described in the transition plan section below with our existing team and capabilities. If Vulcan needs to secure any resources not already available to support strategic resilience to climate-related risks and opportunities, and doing so would be a material cost, Vulcan will communicate to its stakeholders appropriately at that time.

The transition plan aspects of Vulcan's strategy as set out below are aligned with our capital deployment and funding decision-making in the following ways: Our decarbonisation focus (solar and fleet decarbonisation) and the sourcing of lower-carbon product are capital deployment efforts already underway. New mitigations are tested against Vulcan's materiality threshold of at least $3 million profit before being progressed.

Transition planning

Our transition plan combines adapting what we already do (our network, sites, product capability and capital discipline) with potential new mitigations organised into six themes and integrating some work undertaken in this space for New Zealand operations in FY25. These themes were drawn from the detailed mitigation assessment conducted through Vulcan'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'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's risk framework, considering internal carbon pricing, and related process changes.

Key assumptions: Vulcan applied the materiality test described previously and relied on the scenario data considered during scenario analysis. Vulcan 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.

IMPACTS ON OUR STRATEGY

Our current strategy — the following actions would not be material

- Vulcan's existing hub-and-spoke model and hybrid strategy provide us some flexibility to respond to acute and chronic physical risks, as well as to managed retreat.
- Vulcan has a proven ability to procure and supply new products in response to shifts in product demand and customer preferences. Vulcan already sources and provides low-carbon product, and expects this to continue to grow.
- Vulcan already assesses sites for a variety of physical risks, and will be enhancing site resilience assessment for key climate physical risk factors that have been identified. Vulcan is also considering reviewing business continuity planning.
- Vulcan's lean capital structure is well proven in supporting flexibility and agility across the value chain.

- Current initiatives that specifically address climate-related risks and opportunities are as follows:
  - Solar — We will continue adding solar at our sites where it makes economic sense to do so.
  - Fleet decarbonisation — We will continue with our fleet decarbonisation strategy where practical and as our fleet comes up for renewal.
  - Climate-related disclosures — Each year a climate disclosure is required for reporting at a Group level (NZ CS 1—3) and for Vulcan Australia (AASB S2). The work behind this provides key insights that will support our strategic resilience in the future. The process of producing this CD Report has not been a material cost.

Potential changes to strategy

- Vulcan is closely monitoring customer demand, supplier capability, and regulatory movements — Vulcan's efforts to do so involve some minor adjustments to existing business process, and that effort is not material. Vulcan recognises that insights may lead to material changes in the future.
- Vulcan is also considering the integration of climate data and carbon pricing into planning processes.
- Vulcan may need to boost investment in some sites and our hub-and-spoke network to further strengthen the business. There is no plan to do so at this stage.
- Should Vulcan see the signals that material investment is needed, we are confident that we can adapt as needed — we may need to respond to any one of: worsening physical conditions in our value chain, significant and rapid changes to legislation, and customer demand and product mix; or any combination thereof.

Vulcan now has a comprehensive understanding of the climate-related risks and opportunities for ongoing consideration. At this stage, Vulcan does not have any specific targets on any of the actions we may take.

Climate resilience

VULCAN'S CAPACITY TO ADJUST AND ADAPT TO CLIMATE CHANGE

Vulcan's assessment, at the time of publishing this CD Report, is that our current strategy provides a degree of resilience to the climate-related changes, developments and uncertainties we have analysed, but that it is not fully sufficient on its own to cover all of the material risks and opportunities. For some, adapting what Vulcan 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'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'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 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's current solar and fleet decarbonisation efforts and lower-carbon product sourcing reduce our exposure. Increasing investment beyond current plans could form part of a future strategy, but Vulcan does not currently have plans for this and cannot yet assess the materiality of doing so.

Notes on our scenario analysis

SCENARIO ANALYSIS UNCERTAINTIES AND ASSUMPTIONS

Given the forward-looking nature of scenario analysis, there were significant areas of uncertainty considered in Vulcan's assessment and these 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's current, resources and time available. 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.

External responses: The pace and shape of New Zealand and 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.

These uncertainties are not limited to the scenario analysis itself. Because our assessment of climate resilience is informed by these scenarios, the same assumptions and limitations flow through into our resilience findings, set out in the **Climate resilience** section of this report above.

SCENARIO DESCRIPTIONS

Net Zero 2050 (1.5°C; NGFS Orderly; SSP1-2.6). An orderly global transition, with immediate, ambitious and coordinated policy action that reaches net zero emissions by 2050. Warming peaks at around 1.7°C mid-century, then declines to around 1.5°C by 2100 as carbon removal offsets residual emissions, consistent with the Paris Agreement goal of limiting warming to 1.5°C with limited overshoot. Carbon prices rise steadily, supported by strong global policy coordination such as carbon budgets and border adjustments. Technology changes very quickly, with hydrogen steelmaking and carbon capture scaling in the 2030s, and steel demand shifts to lower-carbon production routes. Physical risks are the lowest of the three scenarios but are not absent, as some physical change is already locked in.

Delayed Transition (approximately 2°C; NGFS Disorderly; SSP2-4.5). Policy action arrives late and unevenly across regions. Emissions peak and then decline in a disorderly way, causing higher transition costs and stranded assets. Carbon prices start low, then suddenly increase after 2030. Electrification accelerates after 2030 and green steel uptake is slower, with higher import costs from carbon pricing. Both physical and transition risks are elevated, with increasing droughts, storms and coastal erosion affecting supply chains.
Current Policies / Hothouse World (greater than 3°C; NGFS Hot House World; SSP3-7.0). Minimal policy ambition and no effective transition. Emissions stay high and warming exceeds 3°C by 2100, with a persistent rise. Carbon prices remain low through 2050. Technology change is slow, fossil fuels continue to dominate, and demand for coal-based steel remains high. Physical risks are severe, with heat, water scarcity and cyclones disrupting operations, ports and supply chains across Australasia.

DATA SOURCES AND MODELLING

Data used in scenario analysis, and later in the validation of the identified climate-related risks and opportunities, came from the following data sources:

- NGFS Climate Analytics (physical risk variables);
- SSP Scenario Explorer (socio-economic variables).

No modelling was undertaken by Vulcan in the exploration of each scenario. However, some data may rely on modelling undertaken, and relevant scenario frameworks developed, by the organisations who have provided the primary data.

OVERSIGHT AND MANAGEMENT OF SCENARIO ANALYSIS

The Board, through the ARC, oversees Vulcan's climate-related work, including the scenario analysis process. The ARC provided guidance on the materiality thresholds applied in the scenario analysis assessment. Management responsibility sits with the MD/CEO and the senior leadership team, with the ESG team tracking progress against climate-related goals and reporting to the senior leadership team each month.

The scenario analysis undertaken was a standalone process and is not currently integrated within Vulcan's strategy processes.

SECTION 03

Risk Management

Risk management

This section sets out our approach for the climate-related risk and opportunity assessment undertaken for New Zealand and Australia operations and how we have drawn on elements of our enterprise risk management framework to achieve that.

Our climate risk assessment approach

During FY26, we revised and refined our assessment of climate-related risks and opportunities for our New Zealand and Group operations. Specifically, Vulcan developed a more comprehensive view of potential value chain exposure — covering all of our value chain and reviewing the boundaries of the climate scenario analysis. Time and effort were taken 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 and further assessment. This approach also supported assessment of climate-related risks and opportunities specific to both New Zealand and Australian operations.

Vulcan's structured approach used aspects of both the Group's enterprise risk framework, and the climate-related scenario analysis undertaken, to identify, assess, and prioritise the climate-related risks and opportunities that are disclosed in this CD Report. Vulcan 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 previous New Zealand Group climate-related disclosures. Findings were cross-referenced with key insights from publicly available New Zealand government and industry information.	Initial long list of climate-related risks and opportunities for further consideration.
PHASE 2 Scenario analysis integration	Based on Vulcan's selected climate scenarios. Development of clear and specific categorisation of 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 Vulcan's strategic climate resilience.
PHASE 3 Initial financial effects assessment	Qualitative assessment of which aspects of Vulcan'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's climate-related assessment; while risk identification within the 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 the enterprise risk framework and used an inherent risk basis and was based on Vulcan management expertise.	Shortlisting of risks and opportunities based on potential for material financial impacts.
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 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 would need to undertake to mitigate or adapt to the risk. This step included referencing activity that Vulcan already undertakes that could be suitable, including activity that is already captured in the enterprise risk framework. Vulcan also determined any new activity that might be needed as a risk mitigation, or to pursue an opportunity. We then applied our materiality thresholds to the potential incremental or new cost of mitigation activity or opportunity investment.	Development and definition of our potential responses to Vulcan's material climate risks and opportunities, and the 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 our resource beyond what we consider to be a reasonable extent in the time available to complete this CD Report.

Integrating climate risk into our enterprise risk management

The climate risk assessment approach Vulcan 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 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 has disclosed in this report. Vulcan's broader climate-related risks and opportunity assessment is carried out on annual basis; while the ARC reviews enterprise risk register quarterly.

Monitoring climate-related risks and opportunities

Currently, we expect that Vulcan's process to monitor climate-related risks and opportunities will be based on monitoring the business for current year financial impacts 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 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. Vulcan's primary climate reporting metric is GHG emissions, both absolute and intensity. This metric will inform whether Vulcan's decarbonisation activities are proving effective, or not. Other metrics Vulcan is reporting include self-generated renewable electricity and fuel consumption by the company's vehicle fleet, both focus areas within the decarbonisation strategy.

Climate-related metrics

Absolute Scope 1 and 2 GHG emissions

Absolute Scope 1 and 2 GHG emissions in FY26 totalled 13,395 tonnes CO2e. Scope 1 emissions come from the combustion of transport fuel in Vulcan's owned and leased vehicles. Fuel emissions derived from gases such as LPG used in manufacturing and in Vulcan's 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 Vulcan calculates them on the basis that the company consume electricity from state grids).

ABSOLUTE GROUP GHG EMISSIONS (tCO2e)

	FY26	FY25	FY24	FY23
Scope 1				
Transport fuel — petrol	781	713	824	922
Transport fuel — diesel	6,894	5,212	5,708	5,478
Scope 1 total	**7,675**	**5,925**	**6,532**	**6,400**
Scope 2				
Purchased electricity (location based)	5,720	6,432	7,333	7,563
Scope 1 and 2 total	**13,395**	**12,357**	**13,865**	**13,963**

Scope 3 emissions

Vulcan has elected not to disclose Scope 3 emissions in this report, utilising Adoption Provisions 4 and 5 under NZ CS 2. Given the anticipated significance of Vulcan's Scope 3 emissions, confirmed in a materiality screening exercise in 2025, it is important we measure these emissions as accurately as possible. Purchased goods, specifically the embodied carbon of the products Vulcan procures, 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 through FY26. This has been our focus in FY26. If Vulcan can obtain data from suppliers, the Scope 3 measurement will have less uncertainty, which is the aim.

Intensity Scope 1 and 2 GHG emissions

In addition to measuring and tracking our GHG emissions, we also track emissions intensity to understand its "carbon efficiency" and how it is changing over time. The metric Vulcan is using for the intensity measures is tonne of product sold.

	FY26	FY25	FY24	FY23
Total gross Scope 1 & 2 emissions per tonne of product sold	53.0	57.8	60.7	55.6

NOTES ABOUT VULCAN'S GHG MEASUREMENT

Vulcan's GHG emissions have been measured in compliance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (**GHG Protocol**) using an operational control consolidation approach. All sites and business operations have been accounted for, including both aluminium extrusion sites and Roofing Industries acquired 30 September 2025.

Measurement approach: Emission factors used in the calculation of emissions are country, and where possible, state specific, use AR5 Global Warming Potentials (**GWP**), and have been sourced from the New Zealand Ministry for the Environment and 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. AR5 GWPs have been used in line with New Zealand and Australia reporting obligations under the Paris Agreement.

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 country (and 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. It is consistent with the approach taken in previous years — in measuring FY26 emissions we have not deviated in any way from the approach taken in FY25, nor the years preceding it.

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.

Other metrics and KPIs

SELF-GENERATED RENEWABLE ENERGY

Self-generation of renewable energy is a key initiative within Vulcan's decarbonisation strategy. Provided below is the progress Vulcan has been making.

	FY26	FY25	FY24	FY23
New Zealand				
Sites with solar	3	2	ND	ND
Self-generated power (kWh)	193,559	144,201	ND	ND
Australia				
Sites with solar	13	12	ND	ND
Self-generated power (kWh)	494,679	367,145	ND	ND

Note: ND means no data

VEHICLE FLEET FUEL CONSUMPTION

To track the effectiveness of our fleet decarbonisation initiatives, we record fuel consumption year on year.

	FY26	FY25	FY24	FY23
Litres				
Petrol	334,384	303,835	352,665	381,636
Diesel	2,561,517	1,926,939	2,113,425	2,024,034

Fuel consumption has increased significantly despite efforts to make our distribution model more efficient. However, contributing to this increase was the inclusion of the diesel used by our recently acquired rollforming division which was 598,797 L in FY26. Without including the amount of diesel used by the Roofing Industries business, then Vulcan's other business units used similar amounts of diesel to that used in FY25, despite an increase in delivery volumes.

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

Deloitte.

Independent Limited Assurance Report on Selected Greenhouse Gas ('GHG') Disclosures included within the Group Climate Statements (also referred to as the Group Climate Disclosure Report)

To the Shareholders of Vulcan Steel Limited

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Scope 1 and 2 gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below), included in the Group Climate Statements of Vulcan Steel Limited (the **Company**) and its subsidiaries (the **Group**) for the year ended 30 June 2026 (the 'Selected GHG Disclosures'), are not fairly presented and not prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards* (**NZ CSs**) issued by the External Reporting Board (**XRB**).

Scope of assurance engagement

We have undertaken a limited assurance engagement over the Selected GHG Disclosures included in the Group Climate Statements for the year ended 30 June 2026:

Subject matter: Selected GHG Disclosures	Reference
GHG emissions: gross emissions in the metric tonnes of Carbon dioxide equivalent (**tCO2e**) classified as: • Scope 1; • Scope 2 (calculated using the location-based method).	Page 33.
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* (**NZ CS 1**), being: • The statement describing the GHG emissions have been measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (the 'GHG Protocol'); • The statement that the GHG emissions consolidation approach used is operational control; • Sources of GHG emission factors and the global warming potential (**GWP**) rates used or a reference to the GWP source; and • The summary of specific exclusions of GHG emissions sources (if applicable), including facilities, operations or assets with a justification for their exclusion.	Page 34.
Disclosures relating to GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate related Disclosures* (**NZ CS 3**): • Description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.	Page 34.

Our engagement has not covered Scope 3 GHG emissions as the Group is taking advantage of the adoption provision to not report Scope 3 GHG emissions for the year ended 30 June 2026.

Our limited assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 1 to 34. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Other matter — comparative information

The comparative GHG disclosures (that is GHG disclosures for the periods ended 30 June 2024 and 30 June 2023) have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* (**NZ SAE 1**). These disclosures are not covered by our assurance conclusion.

Director's responsibilities for the GHG disclosures

Directors are responsible for the preparation and fair presentation of the Selected GHG disclosures in accordance with NZ CSs, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of Selected GHG disclosures that are free from material misstatement whether due to fraud or error.

Inherent uncertainty in preparing Selected GHG Disclosures

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of the Group's compliance with NZ CSs are undertaken on a test basis, our limited assurance engagement cannot be relied on to detect all instances where the Group may not have complied with the NZ CSs. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

In addition, we note that a limited assurance engagement is not designed to detect all instances of non-compliance with the NZ CSs, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our responsibilities

Our responsibility is to express an independent limited assurance conclusion on the Selected GHG Disclosures, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with NZ SAE 1 and International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* (ISAE (NZ) 3410), issued by the XRB. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected GHG Disclosures are free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand);*
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us 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; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews.*

Our firm is the statutory auditor of the financial statements and also carries out other assurance assignments for the Group in respect of the sustainability information disclosed in the Australia Sustainability Report, pursuant to the Corporations Act 2001. These services have not impaired our independence as assurance practitioner of the Group. In addition to this, partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Our firm has no other relationship with, or interest in, the Group.

As we are engaged to form an independent conclusion on the Selected GHG Disclosures prepared by the Group, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves assessing the suitability in the circumstances of Group's use of NZ CSs as the basis for the preparation of the Selected GHG Disclosures, assessing the risks of material misstatement of the Selected GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected GHG Disclosures.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Selected GHG Disclosures, we:

- Obtained, through inquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Considered the presentation and disclosure of the Selected GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Selected GHG Disclosures are fairly presented and prepared, in all material respects, in accordance with NZ CSs.

Use of our Report

Our assurance report (**our Report**) is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the GHG disclosures are prepared and assured to appropriate levels of materiality.

Our Report is made solely to the Company's shareholders, as a body. Our assurance engagement has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an assurance 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 Company's shareholders as a body, for our work, for our Report, or for the conclusions we have formed.

Andrew Dick, Partner
FOR DELOITTE LIMITED

Auckland, New Zealand
25 August 2026

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