



2023 Sustainability Report

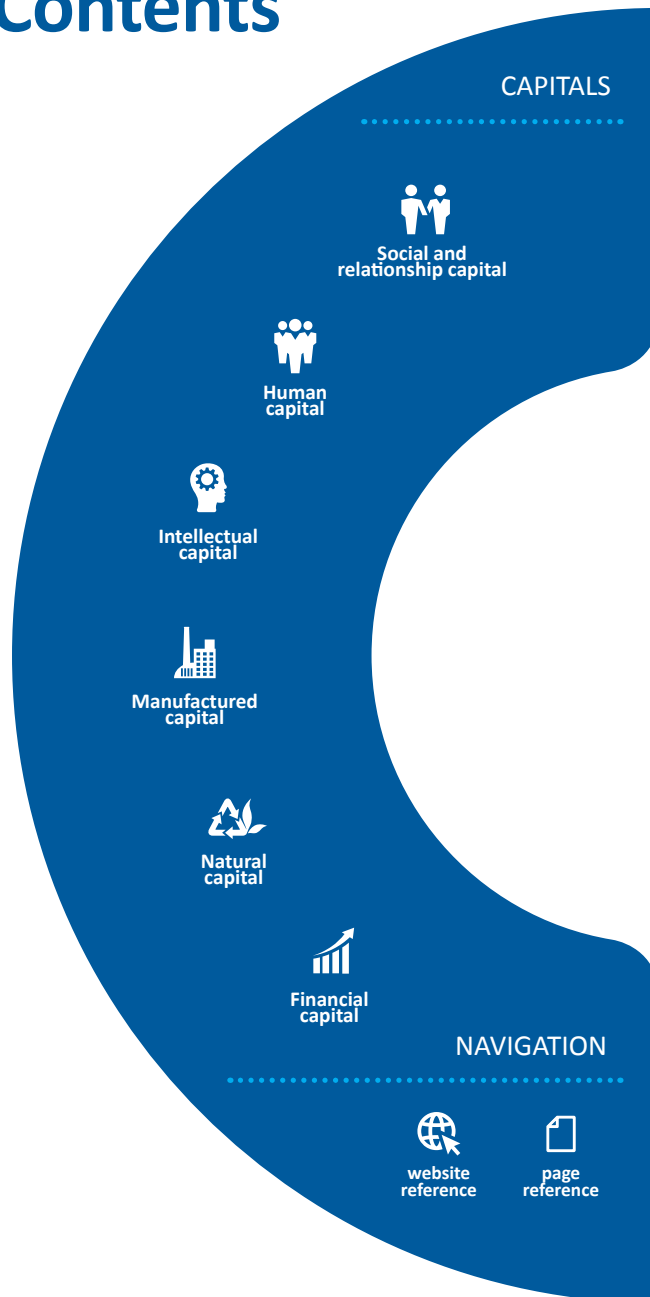
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for the year ended 31 December 2023



HULAMIN

Think future. Think aluminium.

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Glossary

Some sustainability and ESG terms you should know

Acute climate change events: Acute events may include extreme weather events such as heat waves, floods, storms and fires, while drought is an example of a sub-acute event. Long-term underlying drying and warming are chronic events.

Business sustainability. Also known as corporate sustainability, it is the ethical, responsible management of an organisation's continued success with environmental, social and financial concerns.

Carbon footprint. A carbon footprint measures the amount of carbon dioxide and methane produced by individuals, organisations, products or practices.

Climate change. The shifts over time in the average temperature and weather patterns that define specific locations. In particular, climate change has come to mean the rise in global temperatures from heat-trapping gases resulting from mining and using oil, coal and other fossil fuels. Climate change indicators include rising sea levels; increase and severity of extreme weather, such as hurricanes, droughts and floods; and ice loss at the Earth's poles.

Climate mitigation. The process of decreasing the flow of heat-trapping pollution. For example, reducing fossil fuel burning by using renewable energy sources may help.

Climate resilience. The ability to support a community, company or the natural environment before, during and after a climate event in a timely, efficient manner. Climate resilience differs from climate adaptation, but the two are often used synonymously.

Climate risk. As wildfires, droughts, food scarcity, hurricanes and other climate change effects happen, businesses face increased vulnerability. Climate risk describes that vulnerability. It is the potential for climate change to create negative effects on human or ecological systems. Risks fall into two main categories: risks based on the transition to a greener economy, such as losing market share by moving away from fossil fuel-based products, and risks related to the physical effects of climate change, such as flooded offices.

Closed-loop. A production process that reuses material waste to create additional products or repurpose recycled materials.

Direct energy. A term that usually refers to the use of energy in its direct form, without being transformed into another type of energy.

Drawdown. A drawdown is the point at which atmospheric greenhouse gas levels stop climbing and start declining.

Energy efficiency. The same task or result is achieved with less energy. For example, heating, cooling and operating appliances and electronics are less energy-intensive in energy-efficient buildings.

EME's: Exempted Micro -Enterprises are small businesses with an annual turnover of less than R10 million.

ESD: Under the revised B-BBEE Codes, ESD refers to the combination of Preferential Procurement, Enterprise Development and Supplier Development.

ESG framework. A set of objectives that companies can use to report on ESG issues. The process begins when an organisation selects an ESG reporting method. Examples of standardised reporting frameworks include the following:

CDP. A not-for-profit global environmental disclosure system for investors, companies, cities, states and regions use the system.

Global Reporting Initiative. A nonprofit and independent standards organisation that helps organisations report ESG impacts.

Science Based Targets Initiatives. A nonprofit partnership that helps private sector organisations set science-based emissions goals meant to uphold climate science and the Paris Agreement. The partnership is between the CDP, World Resources Institute, Worldwide Fund for Nature and UN Global Compact.

Sustainability Accounting Standards Board. A nonprofit that sets sustainability standards for numerous industries relevant to financial performance.

Global warming. Global warming refers to Earth's heating from trapped greenhouse gases resulting from human activities such as transportation, agriculture, overfishing, fossil fuel energy production and overconsumption. Unless companies, governments and consumers make major shifts, global warming and climate change will heat the planet so much that it will be unliveable in the near future.

Greenhouse effect. The result of carbon dioxide, methane and nitrous oxides in Earth's atmosphere trapping the sun's heat.

Greenhouse gas emissions. The sum of emissions of various heat-trapping gases. Greenhouse gases include carbon dioxide, methane, nitrous oxides and fluorinated gases such as hydrofluorocarbons.

Indirect energy. Indirect energy refers to energy sources provided by a retail provider or facility not owned or operated by the user of the energy.

Intergovernmental Panel on Climate Change (IPCC). The United Nations' body for evaluating scientific climate change information. The IPCC releases regular reports on climate impacts and risk and offers options for mitigation and adaptation.

Materiality assessment. A materiality assessment is a formal way of assessing stakeholders' commitment to specific ESG issues and calculates an organisation's ESG score. It works by identifying the impact of a certain issue on a company's performance and competitiveness in the market.

Paris Agreement. The Paris Agreement is a legally binding international treaty on climate change that aims to limit global warming to a 1.5°C temperature increase by the end of the century. The Agreement was adopted at the 2015 UN Climate Change Conference.

Preferential procurement. The South African Department of Trade and Industry (DTI) defines preferential procurement as "the procurement of goods and services from Empowering Suppliers as a percentage of total procurement.

Recycling. The process of collecting and processing waste materials, ideally to make new products.

SDG's: The Sustainable Development Goals (SDGs) aim to transform our world. They are a call to action to end poverty and inequality, protect the planet, and ensure that all people enjoy health, justice and prosperity.

Scope 1, 2, 3 emissions. Developed by the Greenhouse Gas Protocol, scopes give organisations a way to categorize their emissions. Organisations may find it easier to control scopes 1 and 2, but scope 3 emissions are the most difficult to track.

Scope 1 emissions. The direct emissions generated by an organisation's operations. Running machinery, manufacturing products, driving vehicles, heating buildings and providing power to devices generate emissions.

Scope 2 emissions. The indirect emissions generated by an organisation's energy purchase and usage. Investment in renewable energy sources may help lower these emissions.

Scope 3 emissions. The indirect emissions generated by an organisation's customer and supplier activities.

Sustainability. The ability to meet present needs without compromising the needs of future generations. In practice, sustainability aligns environmental protection, human well-being and economic development.

Taskforce on Climate-Related Financial Disclosures. TCFD develops voluntary climate risk disclosures. The recommendations are divided into operational categories: governance, strategy, risk management, and metrics and targets.

QSEs: Qualifying Small Enterprises are small businesses with an annual turnover of greater than R10 million but less than R50 million.

Zero waste. The concept of managing products, packaging and materials responsibly to minimise environmental harm.

Hulamin is a leading, **mid-stream aluminium semi-fabricator and fabricator of aluminium products** located in Pietermaritzburg, KwaZulu-Natal.

Introduction

01

Hulamin at a glance
About this report



Hulamin at a glance

We are a leading, mid-stream aluminium semi-fabricator and fabricator of aluminium products located in Pietermaritzburg, KwaZulu-Natal.

We purchase primary aluminium and supply a range of high value, niche rolled products, aluminium containers and complex extrusions to manufacturers of finished products in South Africa and over 50 countries around the world.

Hulamin's largest activity is aluminium rolling which contributes around 80% of our revenue, with the balance comprising extruded products and aluminium food containers.

Although a portion of rolled products are exported to regions such as Europe, North America, the Middle East and Asia, the South African market is showing a significant growth within our business.



Our philosophy

Through a commitment to a common purpose we can forge our own destiny. Knowledge and attitude give us power over our business challenges and personal circumstances.

The standards we set ourselves

Our success is measured by the extent to which:

- We are respected and admired by all our stakeholders
- We are regarded as an employer of choice
- We are filled with pride in our achievements
- We make the world a better place

Our core purpose

Our core purpose is to create value through the manufacture of high-value aluminium semi-fabricated products. In doing so, we aim to contribute to the upliftment of the standard of living in the region. We achieve this by stimulating business activities associated with adding value to the large quantities of primary aluminium produced in the region and through pursuing related business opportunities within which we can further apply our capabilities.

Our promises

- Earn a reputation for excellent customer service
- Assist all employees to uplift their skill levels
- Generate respectable profits in our operations
- Set the benchmark in our industry for safe and responsible manufacturing

Our vision

To drive value to all stakeholders, whilst contributing to a better, more inclusive world.

About this report

This report is designed to provide an overview of Hulamin's data on sustainability-related indicators during the 2023 financial year, with reference to and in comparison with previous years.

Hulamin has an organisational culture that places great value on its shareholders, employees, communities and key stakeholders with a clear understanding of the close connection between the value created for health of these key stakeholders to that of the business. As such, Hulamin has committed to contribute to a new, sustainable economic order of South Africa that reflects the demographic reality of our country that addresses poverty, inequality, social injustice and racism and promoting broad-based black economic empowerment (B-BBEE).

Independent assurance

Hulamin has obtained external independent limited assurance covering selected key performance areas. To avoid duplication, B-BBEE key performance areas are not covered by the limited assurance. Key performance areas covered by limited assurance are:

- Environmental indicators.
- Health and safety indicators.



The full list of specific indicators for which assurance was obtained in 2023 is contained in the assurance letter from BDO which is on page 13. The social and employment equity indicators are assured by Empowerdex.

These include the following areas:

- Social indicators
 - CSI spend
 - Enterprise development spend
 - B-BBEE spend
 - Skills development spend
- Employment equity indicators

Verification in line with dti B-BBEE codes

Hulamin's B-BBEE scorecard elements are verified by independent and accredited verification agency, Empowerdex.

Scope and boundaries

Apart from sales agents in Europe and North America, Hulamin is located entirely in South Africa. All reporting takes place within the South African regulatory and socio-economic context, with consideration for international standards. The scope of this report includes Hulamin Operations, its subsidiaries and operating divisions, listed on page 7.



The report covers the period 1 January 2023 to 31 December 2023.

Reporting boundaries

Hulamin Rolled Products and Hulamin Richards Bay Casthouse together form the Rolled Products operating division which forms the Rolled Products reportable segment, responsible for semi-fabrication and fabrication of rolled aluminium products. Hulamin Extrusions comprises the Extrusions operating division and reportable segment, responsible for the semi-fabrication of extruded aluminium products.



The specific KPI boundaries are defined on page 11. Hulamin Containers comprises the Containers operating division and reportable segments responsible for the manufacturing of aluminium food containers.

Board approval

The Board acknowledges its responsibility for ensuring the integrity of the sustainability report and to the best of its knowledge and belief.

The sustainability report addresses human, social and natural capitals and presents fairly the sustainability performance of Hulamin and its impacts.

The report has been prepared in line with best practice and the Board confirms that it has approved the release of the 2023 sustainability report.

Our 2023 reports



Group overview

02

Group overview

The aluminium value chain

Chief Executive Officer's Report

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KPI boundaries

Our key relationships

Independent assurance

Hulamin's Circle of Synergy

The relevance of the SDGs to
Hulamin's business plan

Our six capitals and primary inputs



Group overview

Hulamin Rolled Products



Principal activity

Hulamin Rolled Products produces a range of technologically sophisticated sheet, coil and plate products focusing on high-quality, tight tolerance and complex products.

Production facilities include a casting, re-melting and recycling facilities, hot, cold and foil rolling mills and further finishing processing lines, all based in Pietermaritzburg, KwaZulu-Natal with exception of the casthouse based in Richards Bay, KwaZulu-Natal.

Key markets

Our products are sold to our South African customers and exported to customers in North America, Western Europe and the Far and Middle East for use in the packaging, automotive and transportation, engineering, and building and construction markets.

Key strategic focus areas

- Business Simplification
- On-time delivery
- Local market growth and opportunities
- Capture growing CAN packaging market segment
- Aligning cost base to benchmark
- Investment in reliable plant performance
- Circularity and decarbonisation of our products

Hulamin Containers



Principal activity

Hulamin Containers, a downstream business, is a leading producer of standard and customised rigid aluminium foil containers for the catering industry and for household use.

Hulamin Containers is based in Pietermaritzburg, KwaZulu-Natal, with sales and distribution offices in Johannesburg and Cape Town.

Key markets

Hulamin Containers supplies the local packaging and container market.

Key strategic focus areas

- Operational performance and cost competitiveness
- Regain market share

Hulamin Extrusions



Principal activity

Based in Pietermaritzburg, KwaZulu-Natal, Hulamin Extrusions is a leading local supplier of standard and custom aluminium extrusions.

Key markets

Hulamin Extrusions supplies the local engineering and architectural markets.

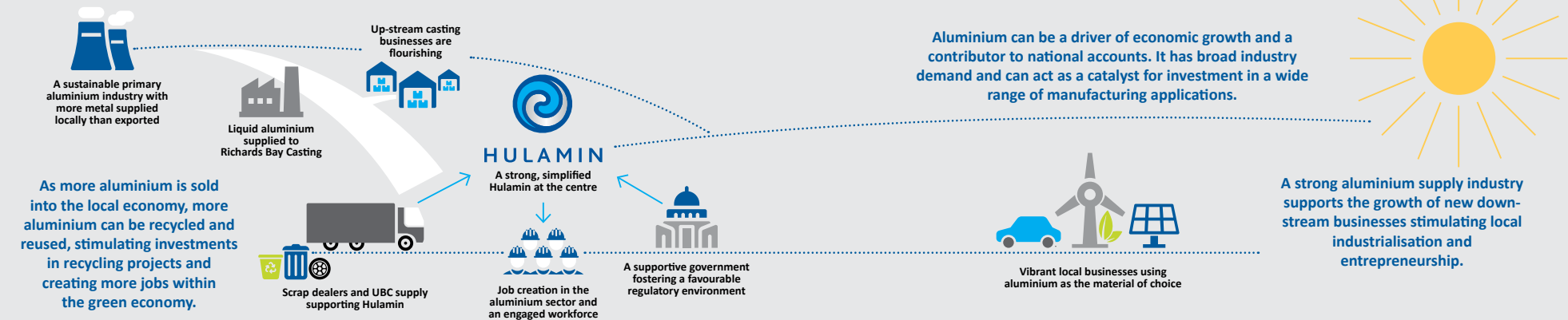
Key strategic focus areas

- Security of billet and secondary metal supply
- Reliable manufacturing performance and cost competitiveness

The aluminium value chain

Aluminium is a driver of industrialisation, an enabler of innovation and a sustainable metal that is infinitely recyclable. Our vision for the South African aluminium industry is shown below, where Hualamin is an enabler of upstream and downstream businesses using aluminium as the material of choice. A circular economy is created using scrap from customers and scrap dealers which is bought and recycled by Hualamin.

A vibrant, secure and transformed aluminium industry in South Africa



South Africa's economic vision

To achieve the objectives set out in the National Development Plan (NDP) and the Industrial Policy Action Plan (IPAP) goals, the South African government aims to:

- **Create jobs** (downstream fabrication development, recycling, mid-stream growth)
- **Balance national accounts** (export fabricated aluminium products rather than primary aluminium)
- **Manage carbon footprint and just energy transition** through aluminium's energy-bank properties
- **Improve environmental sustainability**
- **Drive growth in local downstream fabrication**
- **Drive transformation** of the economy
- **Develop the nation's human capital**
- **Improve South Africa's competitiveness**
- **Promote technological development**
- **Create industry success** with a world-class aluminium supply package
- **Create investment opportunities**

Hualamin's role in developing the local economy

A creator of economic value and human capital developer

- Hualamin contributes to national current accounts through the exportation of semi-fabricated aluminium
- We provide employment, mentor and develop SMMEs
- We support and promote investment in downstream fabrication industries in South Africa
- We procure the majority of our goods and services in South Africa

Regional social partner/stabiliser

- We are committed to transformation and B-BBEE
- We support our economy by procuring the majority of our goods and services locally
- We believe that social investment is key to the upliftment of our communities
- We are a major regional employer

Contributor in the South African aluminium value chain

- We are one of the largest suppliers of aluminium raw materials to the South African manufacturing industry
- We promote development and innovation in aluminium technology and use
- As a strategic asset to South Africa, we assist in promoting and driving foreign direct investment in downstream manufacturing
- Our world-class asset base and knowledge unlocks the properties inherent in primary aluminium, for use in a variety of industries and product applications
- Aluminium is 100% recyclable, and we are a leader in recycling
- We promote the use of aluminium in the local economy

Beneficiary of export material

- In line with government policy on beneficiation, we are an earner of foreign currency and support the national current account

Preferred supplier of aluminium manufacturing inputs

- We are committed to supplying quality goods locally and internationally
- Our development of aluminium products supports downstream industries and is an enabler of economic growth

Major partner in metals semi-fabrication

- Technology – developer and partner in government support programmes
- A partner of government and other industry players to support the NDP vision

Growing excellence in manufacturing

- Developer and provider of skilled people
- Benchmark in metals processing

Positive counter to aluminium smelting carbon footprint

- Scrap recycling enables up to 95% energy saving compared to primary aluminium production
- Increased recycled content significantly contributes to low carbon emissions

Chief executive officer's review

I am both honoured and excited to address you as the new CEO of Hulamin since 1 December 2023. As I step into this role, I am inspired by the incredible legacy of skills and resilience that our people demonstrate against all challenges.

Allow me to extend my utmost gratitude to the Hulamin board of directors for entrusting me with this role and to our former Interim CEO, Geoff Watson, for his outstanding leadership and dedication in the 16 months with us as he moves back to his role as Hulamin Board Member.

Under his guidance, Hulamin achieved significant milestones and became a force to be reckoned with in the industry.

Sustainability must be at the forefront of any business to ensure its future. Hulamin's approach is nurturing relationships with the local community (Social Capital), investing in the safety, education and skills development of our people (Human Capital), and addressing climate change and environmental impacts, in alignment with the expectations of our global markets (Natural Capital). Each of these capitals is indispensable in shaping our collective future and is fundamental to achieving sustainable development and long-term prosperity.

Human Capital

I am delighted to announce that we have once again attained the ISO 45001:2018 certification from the International Organisation for Standardisation. This achievement underscores our unwavering dedication to occupational health and safety standards, affirming our commitment to creating a secure and healthy work environment for all our employees.

Furthermore, I am proud to share that we made notable progress in reducing Lost Time Injuries (LTIs), from six in 2022 to four in 2023, and Total Recordable Injuries (TRI) reduced from 12 to eight. Our Total Recordable Case Frequency Rate (TRFCR) per 200 000 work hours reduced from 0.42 to 0.28 which places us in the top 2% for comparative companies. These achievements reflect our relentless pursuit of safety excellence and our commitment to the well-being of our employees.

Our employees are at the heart of our success, and we remain committed to fostering a culture of inclusivity, collaboration and respect. Despite facing challenges such as industrial action during the year under review, we engaged in collaborative negotiations resulting in a multi-year agreement that ensures stability and productivity in the years ahead.

At Hulamin, we believe in creating a work environment where every individual feels valued, respected and empowered to contribute their unique perspectives. We strive to facilitate open dialogue on challenging topics such as cultural stereotypes and biased methods, fostering a culture

of understanding and acceptance. We recognise that a diverse workforce is essential for driving innovation and maintaining strong relationships with all our stakeholders.

Social Capital

Our Socio-Economic Development efforts under the corporate social investment programme were delivered through some of our headline programmes like the partnerships with the Maritzburg College Khanyisa Programme and the Nelson Mandela Foundation Legacy Ride4Hope, both of which have been growing in both impact and stature. In line with our strategic imperatives, Hulamin further invested R3 504 740 of which 83% was towards Education, 11% in Community Development and 6% towards Health & Welfare.

2023 also saw a growth in the onboarding of new partnerships with other anchor brands such as MTN, Cambridge Publishing and Macmillan Education to enhance our touchpoints with our communities and deliver programmes beyond what the allocated Hulamin budget enables.

It was also pleasing to witness a growth in the number of projects initiated by our employees in their own communities under the Employee Volunteerism Initiative. This remains testament to the depth of the roots of our brand within the community in the past 89 years and the strength of our social contract with the communities within which we operate.

In the realm of Preferential Procurement, Enterprise and Supplier Development, Hulamin has demonstrated its commitment to fostering economic inclusion and empowerment. One of the key highlights of our initiatives is the creation of the SMME portal, providing a platform for suppliers to engage with Hulamin in priority categories that promote diversity, particularly for Black-owned and Black women-owned businesses.

We are also proud to report significant investments in qualifying small enterprises (QSE) and emerging micro-enterprises (EME). We spent R410.1 million on QSE and R385.8 million on EME on procurement of goods and services, contributing to the growth and sustainability of these businesses. In total we have spent R1.73 billion with enterprises that are at least 51% Black-owned, and R1.1 billion on enterprises where Black women ownership is more than 30%. These initiatives underscore our commitment to driving economic transformation and empowering historically disadvantaged entrepreneurs.

Natural Capital

As far as our natural capital is concerned, we are proud to report that we have made substantial progress in our efforts to source renewable energy through an independent power producer (IPP), which is a critical aspect of our overarching decarbonisation strategy.



**Mark
Gounder**

During the year under review, Hulamin collaborated with the National Cleaner Production Centre (NCPC) to underscore our dedication to energy efficiency, and to demonstrate our commitment to embedding energy management system fundamentals into our operations. These energy-related initiatives form the cornerstone of our long-term resilience.

As with the rest of the world, our business is also facing significant climate-related transition risks and opportunities. In 2023, we undertook a Task Force Climate-related Financial Disclosure scenario analysis which has informed a journey that will deliver resilience and innovation in the face of climate change. Through its guidance, we move forward to navigating pathways, involving our value chain toward our success in a low-carbon economy.

In conclusion, I would like to express my gratitude to our employees, customers, suppliers and stakeholders for their continued support and partnership. Together, we will continue to respect human rights, advance our sustainability agenda, drive positive change and create value for all our stakeholders.

The Social, Ethics and Sustainability Committee



**VUSI
KHUMALO**
Chairman



**AYANDA
MNGADI**



**SIBUSISO
NGWENYA**



**DR BONAKELE
MEHLOMAKULU**

Committee members

V Khumalo, Chairman
BA Mngadi
SP Ngwenya
B Mehlohlakulu

Invitees

M Gounder, CEO
M Janneker, Group Executive: Human Capital
GH Watson: Interim CEO
R Green-Thompson, Manufacturing Director: Rolled Products
Mani Ramdeen: Risk Manager
M Reddy, Rolled Products Executive: Engineering

Key responsibilities

- Recommend to the Board the strategies and policies to be adopted to ensure the group's Social, Ethics and Sustainability targets are achieved.
- Align the group's Social, Ethics and Sustainability strategy with its overall business strategy.
- Monitor the implementation and efficacy of the employment equity, black management development, black equity ownership, preferential procurement, skills and enterprise development and socio-economic initiatives of the group.
- Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships.
- Review policies and statements on ethical standards, the code of conduct for suppliers and service providers and on whistle-blowing.
- Oversee and monitor the implementation of safety, health and environment policies, strategies, targets, plans and systems and review the safety, health and environment risk profile.
- Risk oversight
- The committee is an integral component of the risk management process and specifically the committee will oversee the risk management activities relative to:

B-BBEE, Social and economic development, Good corporate citizenship, Environment, health and public safety, Consumer Relationships, Labour and employment, Ethics, Stakeholders (Reputation Risk), Supply chain management, Sustainability Report to the Chairman of Risk Committee on the above risks in the format agreed and approved by the board.

Key areas of focus of the committee during the reporting period are set out in Annexure A of the AGM notice. Key areas of future focus will be to monitor the implementation of the transformation plan. Further details on this, and other committees, can be found  in our IAR at www.hulamin.com

KPI boundaries

KPIs	Boundary	KPIs	Boundary	KPIs	Boundary
Employment equity	Hulamin group	Environmental incidents	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Health education/awareness	Pietermaritzburg operations of Rolled Products and Extrusions
Preferential procurement	Hulamin group	LTIFR	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Occupational health training	Pietermaritzburg operations of Rolled Products and Extrusions
CSI	Hulamin group	TRCFR	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Goal-oriented learning	Hulamin Rolled Products
Enterprise and Supplier Development	Hulamin group	Fatalities	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Learnerships	Hulamin Rolled Products
Skills development	Hulamin group	Health – HIV costs	Hulamin group (Rolled Products, Containers and Extrusions)	Talent management	Hulamin Rolled Products
Water consumption	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Health – NIHL cases	Pietermaritzburg operations of Rolled Products and Extrusions	Pipeline management programmes	Hulamin Rolled Products and Hulamin Extrusions
Effluent	Rolled Products, Extrusions and Richards Bay Casthouse	Health – dermatitis cases	Pietermaritzburg operations of Rolled Products and Extrusions	Total skills development spend	Hulamin group
Direct energy	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Value added analysis	Hulamin group	Investment in employee training and development as percentage of leviabile amount	Hulamin group
Indirect energy	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Environmental training	Pietermaritzburg operations of Rolled Products and Extrusions	Average learning hours per employee	Hulamin group
Carbon footprint	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Air quality	Rolled Products, Extrusions and Richards Bay Casthouse	Investment in bursary scheme	Hulamin Rolled Products
Waste – general, low, high	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	Employee participation	Hulamin group	Employee in company-sponsored education programmes	Hulamin Rolled Products
Waste – recycled	Hulamin group (Rolled Products, Containers, Extrusions and Richards Bay Casthouse)	HIV testing	Hulamin group		

Once the structures and resources are in place for improved monitoring and collection of data, and the complexity of reporting on multiple sites has been dealt with, those entities that do not currently report fully will start to report on their KPIs in more detail.

The Key Performance Indicators (KPIs) for reporting purposes are prepared in accordance with Hulamin's internal reporting criteria. These are available on request.



Our key relationships



Government (local, provincial, national) and regulatory authorities

Means of engagement

- Personal meetings
- Written correspondence
- Through industry organisations, such as BUSA, AFSA and Manufacturing Circle

Why it is important to us

Licenses us to operate and provides a supportive regulatory environment

Expectations

Continual and responsible contribution to regional development

Concerns of our stakeholders

- Job retention and creation
- Transformation and empowerment
- Safer workplaces
- Healthy competition amongst businesses
- Energy consumption reduction
- Reduce emissions
- Cleaner environment
- Carbon emissions
- Renewable energy wheeling framework



Shareholders, investment community, creditors and lenders

Means of engagement

- Investor day
- Road shows
- Regular presentations
- Interim and annual reports
- Published results
- One-on-one meetings
- Written correspondence

Why it is important to us

Provides financial capital required to sustain growth

Expectations

Sustainable growth and returns on investment

Concerns of our stakeholders

- Sustainable returns
- Competitive currency
- Supportive regulatory and business environment
- Future growth for the business
- Green funding opportunities



Employees

Means of engagement

- Regular letter from the Chief Executive Officer
- Weekly plant and shop floor walkabouts by executives
- Internal newsletters
- Interim and full-year financial performance updates
- Meetings with internal trade union representations
- Shop floor briefings
- Communication boards
- Employee engagement surveys
- Climate surveys

Why it is important to us

Develop customer-centric teams

Expectations

Provision of gainful and safe employment

Concerns of our stakeholders

- Employment security
- Safe working environment
- Competitive remuneration and benefits packages
- Workforce transformation
- Information and communication
- Participation and empowerment
- Ethics and anti-bribery and corruptions, cyber security



Communities and NGOs

Means of engagement

- Public and personal meetings
- Community outreach programmes
- Corporate social investment initiatives

Why it is important to us

Building and nurturing existing relationships, and creating a conduit to better understand community needs and interests

Expectations

Responsive contribution to community interests and needs

Concerns of our stakeholders

- Support for key community developments and activities
- Sponsorships and donations
- Employment opportunities
- Support for environmental initiatives
- SMME portal on the Hulamin website



Media

Means of engagement

- Media releases
- Interviews by media

Why it is important to us

Creating and sustaining awareness about Hulamin

Expectations

Responsible corporate citizenry

Concerns of our stakeholders

- Non-compliance with legislation
- Growth opportunities



Customers

Means of engagement

- Meetings and site visits
- Business association meetings
- Contract negotiations

Why it is important to us

To sustain growth

Expectations

Reliable service, good quality products and competitive prices

Concerns of our stakeholders

- Long-term security of supply
- Consistent supply of products
- Improved manufacturing capability and greener product range
- On time delivery
- Climate change and decarbonisation
- Product stewardship



Suppliers and service providers

Means of engagement

- Meetings and site visits
- Performance audits and reports
- Contract negotiations

Why it is important to us

Safe, good quality and good value products, and reliable services that support growth

Expectations

Continued growth and relationships

Concerns of our stakeholders

- Long-term supply contracts
- Efficient payment cycles
- Code of ethics, grievance mechanism



Business organisations

Means of engagement

- Participation in meetings
- Affiliations

Why it is important to us

To influence and drive agendas that support our business. Also, to network for expertise and experience

Expectations

United business voice

Concerns of our stakeholders

- Workforce transformation and continued industrialisation of South Africa
- Climate change and decarbonisation initiatives
- Advocacy on energy risk and opportunities

Independent assurance statement

To the directors of Hulamin Operations (Pty) Ltd

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators in terms of the ISAE 3000 standard

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2023 Sustainability Report of Hulamin Operations (Pty) Ltd (Hulamin) for the year ended 31 December 2023 (the Report). BDO South Africa's Sustainability and Integrated Reporting team with multidisciplinary team experience in areas including environmental, Information technology, assurance and sustainability reporting conducted this engagement in the areas indicated below.

Subject matter

We have been engaged to provide a limited assurance conclusion in our Management Report on the selected KPIs listed below. The selected KPIs have been prepared in accordance with Hulamin reporting criteria that accompanies the sustainability information on the relevant pages of the latest Sustainability Report ("the accompanying Hulamin reporting criteria").

In terms of the indicators, the table below illustrates the selected KPIs including their unit of measurement and boundary:

TABLE 1: ENVIRONMENTAL INDICATORS AND THEIR UNIT OF MEASUREMENT

Scope of limited assurance engagement			
Environmental indicators			
KPI	Unit of measurement	Boundary	
Direct and Indirect Energy	Gigajoules (GJ)	Hulamin Group Hulamin Rolled Products Hulamin Containers Hulamin Extrusions	Hulamin Rolled Products ¹
Energy Stationary Combustion	GJ	Hulamin Rolled Products	For the purposes of reporting to the Department of Forestry, Fisheries and the Environment (DFFE) South African Greenhouse Gas Emissions Reporting System (SAGERS), a subset of Direct Energy
Carbon Footprint Scope 1 and Scope 2	Tons Carbon dioxide emissions (CO ₂ e)	Hulamin Group Hulamin Rolled Products Hulamin Containers Hulamin Extrusions	Hulamin Rolled Products
Carbon Footprint Scope 3 Metal Input	Tons CO ₂ e per ton metal input	Hulamin Group	Only reportable at group level
Recycled Content	Tons recycled metal on metal purchased	Hulamin Group	Only reportable at group level
Environmental Incidents	Number	Hulamin Group	Only reportable at group level
Water consumption Effluent	Kilolitres (kℓ)	Hulamin Group Hulamin Rolled Products Hulamin Containers	Hulamin Rolled Products
General, Low and High Hazardous waste disposed Recycling waste to avoid landfill	Megatons (MT)	Hulamin Group Hulamin Rolled Products Hulamin Containers Hulamin Extrusions	Hulamin Rolled Products

¹ With reference to Richards Bay Casthouse (RBC), it should be noted that RBC is included within Rolled Products except where specifically detailed.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: **LD Mokoena**

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Independent assurance statement continued

TABLE 2: HEALTH AND SAFETY INDICATORS AND THEIR KPIS

Scope of limited assurance engagement		
Health and safety indicators		
Key areas	Selected KPIS	Boundary
Health	- ARV expenditure (actual spend) - COVID Management Programme - NIHL cases (new cases for the year) - Dermatitis (new cases for the year)	All Hulamín (includes Hulamín Rolled Products, Extrusions, Container; excludes Richards Bay Casthouse)
Safety	- LTIFR (combined employee and contractor) - TRCFR (combined employee and contractor) - Fatalities (combined employee and contractor)	All Hulamín (includes Hulamín Rolled Products, Extrusions and Containers)

The indicators mentioned in Tables 1 and 2 are found on the following pages of the Report:

- PAGE 47** • Energy performance
- PAGE 48** • GHG Scope 1 and 2
- PAGE 47** • Fuel consumption
- PAGE 47** • Electricity consumption
- PAGE 49** • Water consumption
- PAGE 50** • Waste
- PAGE 41, 49** • Recycling
- PAGE 30** • Health
- PAGE 20** • Safety

Scope boundary

The sustainability key performance indicators considered all three of Hulamín operations, namely:

- Hulamín Group which includes Rolled Products, Extrusions and Hulacon Businesses in Pietermaritzburg, and
- Casthouse in Richards Bay which forms part of the Rolled Product Business.

Directors' responsibilities

The Directors are responsible for the selection, preparation, and presentation of the selected KPIS in accordance with the accompanying Hulamín reporting criteria. This responsibility includes the identification of stakeholder and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation, and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIS and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the assurance objectives set out above.

Exclusions for this engagement

There were no data exclusions for this engagement.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

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

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIS based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIS are free from material misstatement.

Independent assurance statement continued

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Hulamin's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both 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 inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the purpose of the engagement, in performing the procedures listed above, we:

- Made enquiries of those responsible for the preparation of the specified information, internal controls, risk assessment process, and information systems relevant to the sustainability reporting process, as we considered necessary.
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs.
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate data generation and reporting processes against the reporting criteria.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, 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 any reasonable assurance opinion about whether Hulamin's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Hulamin reporting criteria.

Assessment criteria

The following assessment criteria were used in undertaking this engagement:

- Sustainability data best practice criteria
 - » Relevance – Data relates to the procedure and provides information for the controls.
 - » Completeness – Data is recorded and does not omit relevant factors.
 - » Reliability – Data recorded follows procedures and reported methodology.
 - » Neutrality – Data is free from bias as appropriate when recorded.
 - » Understandability – Data is clear and accurately reported.
- Greenhouse Gas Protocol: Revised Edition (WRI & WBCSD, 2004) (GHG Protocol).
- ISO 140221:2016 – *Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling)*.

Assurance procedures performed

Our assurance methodology included:

- Data collection.
- Stakeholder engagement.
- Data testing and evaluation control:
 - » Review and assess systems, processes and controls to collate, aggregate, validate and report the data per indicator;
 - » Discuss with and interview key personnel responsible for the relevant data process and the governance thereof;
 - » Review information provided by third parties and make additional enquiries where necessary;
 - » Apply analytical procedures and where applicable, carry out sample tests on collated data; and
 - » Confirm the source of conversion factors applied during the carbon emissions calculations.
- Reporting: Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject matter paragraph above for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other matters

The firm performed assurance procedures for financial year 2021 and 2022 on the previous Hulamin Sustainability Report. The maintenance and integrity of Hulamin's website is the responsibility of Hulamin management. Our engagement and procedure did not involve the consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Sustainability Report or our independent limited assurance report that may have occurred since the initial date of presentation on the Hulamin website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Hulamin in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Hulamin, for our work for this report, or for the conclusion we have reached.

BDO South Africa Inc

Theunis Schoeman
Director

Registered Auditor
26 March 2024

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Hulamin's Circle of Synergy

As an African-based aluminium semi-fabricator, and the only major aluminium rolling operation in sub-Saharan Africa, Hulamin has the unique opportunity to drive sustainable value to all its stakeholders.

Key pillars of our vision and focus



Hulamin's reinforcing **Circle of Synergy** lies at the heart of our vision to drive value to all stakeholders, whilst contributing to a better, more inclusive world. The Circle of Synergy illustrates our commitment to our customers, employees, the community and the environment.



01

Sustainable and innovative products

We support the production of sustainable and innovative products, unlocking the powerful properties of aluminium for a variety of applications that advance our world sustainably. Our strategic focus is on supporting sustainable advancements in cans.



02

Industrialisation

We support economic growth in South Africa and Africa. A strong upstream industry supports downstream industrial investment and growth.



03

Research and Innovation

We enhance product properties through research and development of advanced alloys, improved recycling efficiencies, and adopting newer technologies to reduce carbon emissions.



04

Transformation

Hulamin to be reflective of the society in which we are based, in order to contribute to the creation of a new, sustainable economic order in South Africa.



05

Sustainable production

We encourage and advance sustainable production by:

- increasing recycled content (which also advances job creation through the closed-loop system), especially cans;
- providing viable alternatives to non-sustainable materials;
- focusing on reducing water and energy use; and
- pursuing green energy options to reduce our carbon footprint.



06

Financial returns

We generate sustainable growth and return on investment for our providers of capital.

Hulamin's contribution to the SDGs



Corporate Social Investments projects.



Employee wellness days and Ask Nelson project.



Training and skill development.



Focus on talent development and employment.



Resource efficiency projects.



Science-based targeting and renewable energy. Resource efficiency projects.



Human capital.



Enterprise development projects and CSI projects.



Development and funding of CSI projects. Enterprise development projects.



Science-based targeting and reporting Environmental Sustainability Projects.



Can recycling projects. Creation of jobs (ESD). Collecting cans.

The relevance of the SDGs to Hulamin's business plan

	Why we value this SDG	How we contribute	Commentary	Our target
HUMAN CAPITAL 	Ensures the health and wellbeing of people Research and Innovation	- Employee wellness day - Training and skills development - University funded projects - EV and battery technology - New economy jobs creation	Economic growth is the key driver for demand of various products and services. It also one of the key enablers for long term demand. Development oriented policies should support entrepreneurial growth, innovation and establishment of micro, small, and medium businesses that build the economy and community. Developing our research and innovation capability is critical to the future success of the business and supports our vision to become an African Innovator of aluminium solutions for the world. This will also lead to increased downstream, value add activities in Hulamin's portfolio which supports industrialisation in RSA and thus SDG 8.	Employee engagement score of 70% Acknowledged multi-product Green Aluminium Innovator
SOCIAL CAPITAL 	Ensures equal opportunities To developing partnerships for recycling aluminium	- Development funding - CSI projects - Enterprise development projects: » Exempt Micro Enterprise » Qualifying Small Enterprise » Generic Enterprises - Recycling project - Creation of jobs (ESD) - Collecting cans	All of the B-BBEE requirements for South African companies fall into this SDG. The various components of B-BBEE are not only a regulatory requirement in South Africa, but provide a specific competitive advantage for Hulamin in the RSA market relative to its competitors which are imports. For us, greening our production process and the products we produce is a key driver of competitive advantage and a time linked definer of future survival in the next five to 100 years. It is upon us and its prioritisation can no longer be delayed or there will be no customers to speak of and, in turn, no business. Not only is the cradle to grave concept important as part of being a responsible corporate, but recycling and recycled content is particularly important to Hulamin's customers in the Cans and Cars industries. Minimum recycled content levels are fast becoming order qualifiers for key customers. We believe that partnering with our customers and end users to support each other on achieving the SDGs will also strengthen our relationship going forward. Collaboration with customers to develop light weight cans and down gauging.	Transformation B-BBEE score 1 Part of the industrialisation initiative Develop six scrap SMMEs through ESD Programme by 2024
NATURAL CAPITAL 	Mitigating climate change Our customers and the government require carbon footprint reporting and low carbon product credentials	- Resource efficiency - Renewable energy projects - Carbon footprint disclosures - Environment sustainability strategy	Reduction in emissions which ensures clean environment for generations to come. Without adequate response to climate change, Hulamin will not be able to sell products. Environmental sustainability metrics, including: carbon foot printing, energy efficiency, clean energy sources etc. are becoming key requirements for customers. Responsible and efficient use and recycling of water resources is growing in importance in the sustainability requirements of key customers.	Environmental sustainability roadmap towards 2030

Our six capitals and primary inputs



Manufactured capital

Manufactured Capital refers to the use of infrastructure in casting and rolling stages in our aluminium manufacturing, from shaping raw materials into semi usable forms. Beginning with casting, heated aluminium is moulded into intricate forms, ensuring precise product specifications. Following casting, rolling operations compress the aluminium, refining its thickness and properties while enhancing surface finishes for diverse applications.

Our strategic approach in managing our assets:

- Market leaders in diverse aluminium products.
- Streamlined production workflows while minimising downtime.
- Quality in material composition and aluminium-specific properties.
- Capital investment for enhancing production capacity, technology, and overall competitiveness.



Natural capital

Natural Capital refers to the natural resources and other input materials used to produce our products and services, including sourcing renewable, recycling of waste and management of environmental impacts. Decarbonisation efforts are intertwined, as reducing carbon emissions are essential components in building a sustainable future.

Natural resources as a fundamental aspect of business operations:

- Our direct use of and impact to natural resources.
- Resource efficiency including action and conduct to sustain conservation and stewardship.
- Our decarbonisation initiatives to support and mitigation in a future shaped by climate change.
- Disclosures fostering transparency, informed decision-making and trust by providing relevant information in various ESG contexts.



Social and relationship capital

Social and Relationship Capital refers to the values relating to Hualamin's relationships with other people, society in general, and other organisations. Social and Relationship Capital includes the trust placed in Hualamin by its customers, suppliers and society, and the impacts that flow from everything Hualamin does.

Maintain strong relationships with all our stakeholders.

- Our trusted relationships with our stakeholders are key to our reputation, the delivery of our goals and central to the environment in which we operate.
- Our material stakeholders.
- Effective stakeholder engagement.
- Leaders in transformation.
- Our sustainable development goals (SDGs).
- Environmental, social and governance goals (ESG).



Human capital

Focus on retaining our high performers and growing our talent pool.

- A strong Board.
- An experienced and diverse management team and employee base.
- Equal opportunities employer.
- Investing in our employees' growth.
- Building social capital.
- Promote positive and objective performance management.
- Fair and transparent remuneration.
- Health, safety and well-being of employees.
- Workplace transformation and diversity.



Intellectual capital

Intellectual Capital encompasses a wide range of assets, including technical expertise, R&D achievements, intellectual property, quality assurance systems, supply chain capabilities, customer insights, talent development programmes, and environmental stewardship initiatives.

These assets collectively contribute to Hualamin's competitiveness, innovation and long-term success in the industry.

- Focus on sustainable, innovative products and processes in our business through our intangible assets.
- Knowledge and expertise embedded in the product, including the skills of employees involved in the development, the documentation of best practices, and the transfer of knowledge within the organisation and external to our customers.
- Strong metallurgy services associated with our product, enhance customer satisfaction, retention rates, and lifetime value of our products.
- In-house research and development efforts creating and improving our products for packaging, automotive and engineering markets.



Financial capital

Arguably, Financial Capital has no real value other than shares, bonds and bank notes used to trade manufactured, natural, human, social, and intellectual capitals. It is the sum of funds available to an organisation, including cash in bank, invested capital, liabilities, CAPEX and true assets value and income.

- Our ability to operate in a capital-constrained environment.
- Access to cost-effective capital
- Flexible balance sheet.
- Transparent, relevant, and timeous reporting to investors.
- Ensured sustainability by managing the risks and capitalising on opportunities in our markets.

Human capital

03

Safety
Human capital
Health



Safety always!

At Hulamin, our dedication extends to prioritising the well-being of our employees and fostering a secure work environment. This commitment is integral to sustaining the effective and efficient functioning of our business operations.

We also continue to focus on enhancing our safety systems and on meeting the most recent industrial safety standards, in order to eliminate or minimise harm from risks and hazards. It is important for us to ensure that our machines are operated safely and that employees are protected from injury or harm. Hulamin seeks to continuously improve its safety performance by measuring and monitoring both leading and lagging indicators, which are aligned with the industry's best practices.

Governance

Through our strong safety leadership, an approach of "I am my brother's and sister's keeper" remains ingrained within our employees, thus driving the message that safety is the responsibility of each employee.

Our three-way accountability approach (which includes the leadership team, general employees, and a team of specialists) ensures that the required level of ownership is shown by all.

Receiving ISO 45001:2018 certification once again in 2023 from the International Organization for Standardization is a testament to our unwavering commitment to occupational health and safety standards. This achievement reflects our dedication to creating a secure and healthy work environment for our employees. As we proudly display our certification, we understand the responsibility it carries, and we are resolute in maintaining these standards in the years to come.

In essence, our journey with ISO 45001:2018 certification is not just about compliance. It's also a reflection of our organisational ethos – a commitment to fostering a workplace that prioritises safety, values and transparency, and constantly seeks improvement. We look forward to not only meeting these standards, but also exceeding them as we move forward, ensuring that the wellbeing of our employees remains at the forefront of our operations.

Internally, our organisation conducts regular audits as part of a proactive approach to ensuring adherence to established standards. These internal audits serve as a crucial element in supporting our continuous improvement process, allowing us to identify areas of enhancement, refine existing procedures, and fortify our commitment to excellence.

Approach

Our vision remains "zero harm" and this is supported by our mission of "living our values". The strategy has been developed to focus on three key elements:

- **Paper:** This element includes all documented systems and review processes. The fundamental aspect of this element is to identify and manage risks.
- **Plant:** This includes all physical components of the operational process (e.g., equipment, product, materials and tools). The fundamental aspect of this element is to ensure the correct component and to ensure that the component is in good condition.
- **People:** This element consists of two parts: supervision and individuals.

Supervision focuses on leaders carrying out active management, which requires them to:

- Be there
- Look to see
- Appreciate the risk
- Address appropriately
- Ensure compliance

Individuals need to be knowledgeable through training, skilled through monitoring and coaching, and have the correct attitude through coaching and consequence management.

This safety strategy is underpinned by the following principles:

- A risk-based approach
- Caring leadership
- A competent and committed workforce
- Best-practice solutions
- Compliance with legal and statutory requirements
- A principles-based versus rules-based approach

HULAMIN RULES SAVES LIVES (HRSL)



CONFINED SPACE

Obtain a valid permit to work before entering.



WORKING AT HEIGHTS

Adhere to Fall Protection requirements at all times.



LOCK-OUT AND ISOLATION

Follow procedure before work begins.



MOBILE EQUIPMENT

Keep a safe distance from mobile vehicles.



SUSPENDED LOADS

Adhere to all precautions and continuously assess risks during lifting operations.



HAZARDOUS SUBSTANCES

Adhere to all precautions listed on Safety Data Sheets.



MOLTEN METAL EXPLOSIONS

Adhere to Molten Metal rules at all times to avoid metal explosions.

Safety always! continued

This systematic approach utilises the “plan-do-check-act” principle. The ISO 45001:2018 (OH&S) Occupational, Health and Safety Management System is used for the framework of risk management.

Safety performance is tracked by means of a scorecard that reflects both leading and lagging indicators. Emphasis is placed on ensuring that we measure the correct leading indicators in order to achieve optimum results.

Competent and committed workforce

A competent and committed workforce starts with caring leadership. Training, development and coaching also contribute significantly towards this key principle. Hulamín continues to invest in safety training and development programmes to improve employees’ understanding of safety.

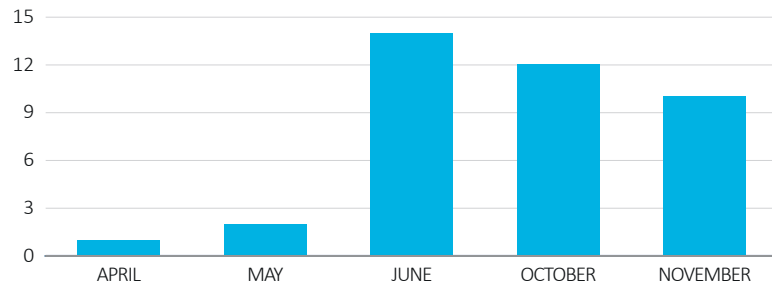
Fitness for work

Hulamín remains committed to enhancing employee competency, and recognises the importance of addressing everyday challenges like fatigue, stress and substance abuse to maintain a safe working environment.

In order to emphasise behaviour-based safety and employee well-being, Hulamín entered into a partnership with Kaelo in 2019 to introduce the lifestyle programme, Ask Nelson. This programme was specifically designed to support business leaders and team managers in the management of personal and work-related issues. The programme extends its assistance to address a spectrum of challenges faced by employees and their families, encompassing financial pressure, high levels of personal stress, addictions, health concerns, demanding work schedules and societal issues such as crime and violence. By proactively tackling and resolving these issues, businesses can experience positive outcomes that include reduced absenteeism, increased productivity and diminished staff attrition.

On the right is a utilisation summary of the programme.

UNIQUE NUMBER OF EMPLOYEES ACCESSING THE KAELO LIFESTYLE 2023



Months with zero values do not appear in the chart.

Hulamín Operations

TOTAL
NEW CASES

9

TOTAL
FOLLOW UP

34

TOTAL
INTERACTIONS

43

AVERAGE NUMBER OF EMPLOYEES

1 866

Percentage utilisation of the AskNelson

NEW CASES

0.48%

FOLLOW UPS

1.83%

INTERACTIONS

2.31%

Safety always! continued

Safety improvement drive

During 2024, we will continue to strive to enhance the efficiency of our safety systems, such as our online training and monitoring, risk assessments programme, and automated safety device monitoring. Over the last couple of years, Hulamin has invested significantly in programmes to improve the safe behaviour of our employees. However, achieving our vision of “zero harm” requires Hulamin to enhance leadership capabilities to further improve safe behaviour by employees. This leadership enhancement will be achieved through our Active Management programme. This programme consists of five steps:

- **Be there:** This requires management to spend more time on the shop floor.
- **Look to see:** While on the shop floor, management is expected to observe and engage with employees, and to raise awareness of the hazards and risks that employees are exposed to.
- **Appreciate the risk:** Once aware of risks and hazards, management is required to consider the harm that can befall employees from the hazards and risks that they are exposed to.
- **Corrective action:** Management is to ensure that appropriate steps are implemented to eliminate or minimise the potential harm from risks and hazards.
- **Reinforce:** Management is then required to have routines to inspect and correct non-compliant behaviour. The success of the Active Management programme will be achieved by establishing a culture of active engagement by frontline leaders (i.e., shift leaders and coordinators).

Giving our employees the necessary competencies and the right safety information, direction and training helps them contribute to the success of our business, and it allows them to consistently return safely to their greatest value in life – their families. Achieving and maintaining full compliance is a critical goal for 2024.

Comparative historical safety performance

The key indicators that measure the safety performance of the Hulamin Group are shown in the table below:

Lost time injury frequency rate (LTIFR)	Rate	Number of incidents
2023	0.14	4
2022	0.21	6
2021	0.25	7
2020	0.22	5
2019	0.14	5
2018	0.05	2
2017	0.22	8

Total recordable case frequency rate (TRCFR)	Rate	Number of incidents
2023	0.28	8
2022	0.42	12
2021	0.69	19
2020	0.31	7
2019	0.37	13
2018	0.24	9
2017	0.58	21

Hulamin achieved a commendable milestone by recording a sixth consecutive year without any fatalities. Our unwavering commitment to safety is evident in our consistent pursuit of a zero fatality rate, a goal we actively target. In 2023, our objective included a Lost Time Frequency Rate (LTIFR) of 0.13 and a Total Recordable Frequency Rate (TRCFR) of 0.43. Notably, the number of LTIs decreased from six in 2022 to four in 2023. Furthermore, our TRCFR showed improvement, dropping from 12 in 2022 to eight in 2023, primarily attributable to behavioural factors. Our continued emphasis on changing these behaviours underscores our dedication to achieving and maintaining a zero-harm working environment.

High-potential hazards and incidents that caused injuries are monitored in order to learn from them, and to improve safety behaviour and conditions.

Beyond implementing effective risk-management processes, Hulamin conducts thorough analyses and investigations of all significant incidents and accidents. Employing root-cause analysis techniques, we scrutinise these events in detail to review and align our mitigation controls, ensuring a comprehensive understanding and implementation of proactive measures to prevent reoccurrences.



Human capital

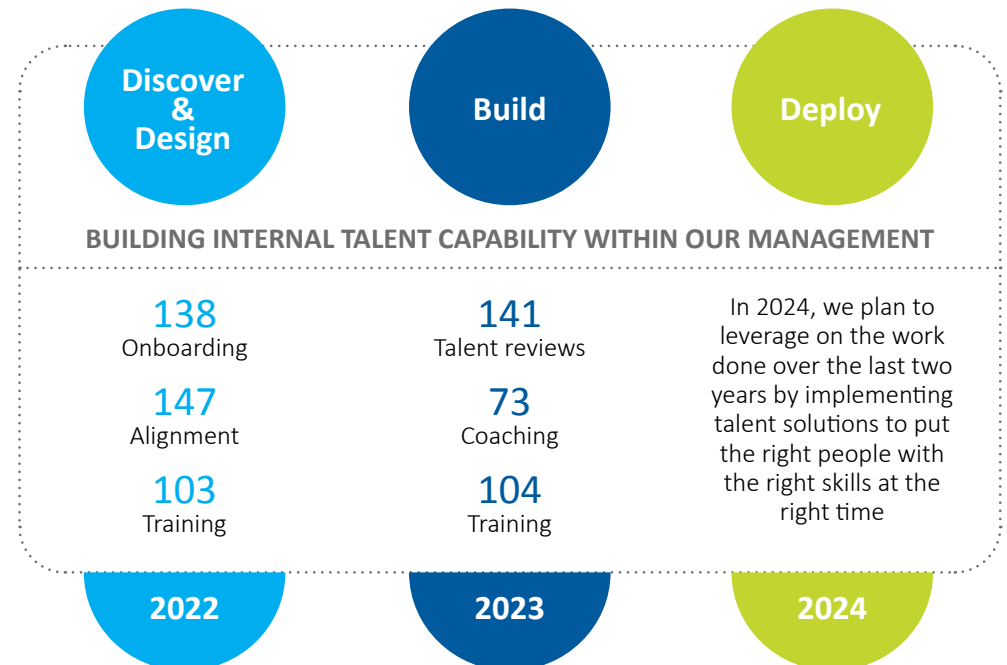
At Hulamin, we recognise that nurturing and developing our human capital is fundamental to achieving long-term success. As part of our dedication to fostering a thriving workforce, we continued with our journey of talent engagement in 2023.

Our investment in talent management exemplifies our commitment to nurturing a sustainable and thriving workforce. We believe that by recognising and cultivating the unique talents of our employees, we can achieve not only business success, but also contribute to a more fulfilling work environment for all.



The Hulamini Talent Universe Programme ***“Leveraging talent, unleashing capability.”***

H-TUP PHASES



Human capital continued

A paradigm shift: Embracing a new learning and development mindset

To embrace change and adapt to the challenges of a multi-generational workplace with persistent skills shortage – specifically in high-risk positions – as well as pressure from the business for an efficient and effective workforce, we need to build a new mindset.

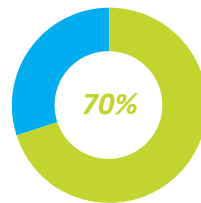
While there is no single solution to the challenge, at Hulamin we strive to reimagine the workplace and are nurturing a new culture to transform the workplace into a platform for learning experiences for each employee. In 2023 we continued to make progress in embedding our learning offering into the flow of work.

What is Kaizen?

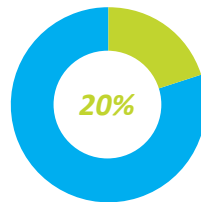
Kaizen is a compound of two Japanese words that together translate as “good change” or “improvement.” However, Kaizen has come to mean “continuous improvement” through its association with lean methodology and principles.

MODEL

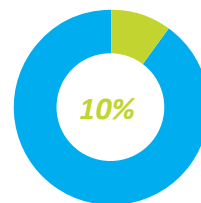
LEARNERS IN THE FLOW OF WORK



SOCIAL LEARNING



INSTRUCTOR LED LEARNING



OUR EXPERIENCE

8
of Kaizen projects
completed

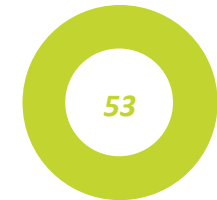


59%
of total employees
with large portion of
on the job training



75
number of employees in
accredited programmes

LEARNERSHIP



APPRENTICESHIP



INTERNSHIP



Routines meetings	Level 1	Level 2	Level 3
% (total employees)			
Learning	Machine unit	Cross functional team	Divisional team
	- Review previous shift performance - Address problems - Share day plan	- Review performance against target - Review and feedback from level 1	- Action plans to meet target - Kaizen projects review

SKILLS



Human capital continued

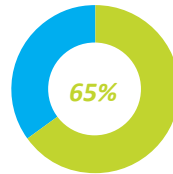
Changing nature of jobs

The process of upskilling and reskilling the workforce

The world of work is evolving at a rapid pace and is changing the skills employees need to perform their jobs. To meet these challenges, we strive to develop skilled and motivated employees through an outcomes-based approach to development that endorses personal growth, individual responsibility and a culture of lifelong learning.

During the year under review, through our skills-based system, we continued the process of upskilling and reskilling our workforce.

Our training and development initiatives draw on the technological, operational and process knowledge that exists within the business, and use this to guide employees into developing innovative solutions for real business challenges. This builds organisational learning, while maximising the potential of individual employees within the working environment.



- The skills-based system is a negotiated system between the company and organised labour.
- The objectives of the skill-based system are to continually upskill and reskill the workforce in line with business needs, technological advancement, and changing customer needs.
- The system includes all bargaining staff, which comprises roughly 65% of the total workforce.

JOB LEVEL COMPETENCY

18
2022: 75

Acquire knowledge and skills beyond current job level in the same field of work

Depth of competency

JOB LEVEL COMPETENCY

58
2022: 44

Learning skills from another discipline within the organisation

Breadth of competency

JOB LEVEL COMPETENCY

110
2022: 87

Learning skills from another discipline within the organisation

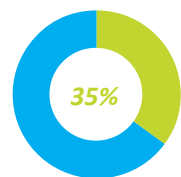
Job fit achieved

Using technology to embed a routine of coaching and feedback

The revised system has brought about several noteworthy benefits:

- **Real-time loops:** Immediate feedback exchange between managers and employees, enabling timely recognition of achievements and opportunities for immediate course correction where necessary.
- **Data-driven decision-making** to identify patterns, strengths and areas for improvement.
- **Progress tracking** enhances goal clarity and enables progress tracking throughout the review period, ensuring that efforts are consistently directed towards organisational priorities.
- **Employee empowerment** allows employees to take ownership of their development journey.

Overall, the system fosters a culture of continuous improvement and employee development.



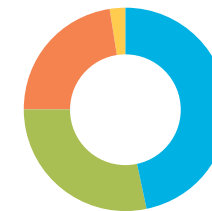
In alignment with our commitment to lifelong learning, we have reviewed our performance management system to improve users' experience. The programme aims to foster a culture of accountability, growth and transparency within our workforce.

At Hulam, the aim of the performance system is to improve the business's overall performance by effectively engaging and managing employee performance. The system includes all non-bargaining staff, which comprise roughly 35% of the total workforce.

Workforce profile, pipeline development and talent retention

Among our key sourcing strategies is our pipeline development programme. The emphasis on building our own talent reinforces the organisation's commitment to talent management and skills development. Furthermore, the programme demonstrates our commitment to connecting youth with sustainable jobs. The programme also expands our talent pool, which is aligned to the organisation's transformation objectives.

WORKFORCE GENERATION PROFILE



6% Gen Z <27 years
50% Millennials 23 to 43 years
40% Gen X 44 to 59 years
4% Boomers >59 years

ROLES FILLED BY EX-PIPELINE CANDIDATES



19% Managers and specialists
18% Technicians
43% Artisans

TOTAL WORK FORCE

1 866
2022: 1 835

TURNOVER

4.6%
2022: 6.2%

VOLUNTARY TURNOVER

3.2%
2022: 4.1%

AVERAGE TENURE

14 yrs
2022: 13 yrs

Human capital continued

Strengthening our learning capabilities through collaborative networks

In line with the company core capability to build strategic partnerships to extend our internal capabilities, we embrace collaboration networks with various strategic partners to extend our internal capabilities beyond the company boundaries. During the year under review, learners in our Pipeline programmes, and employees from Product development, Research and process control departments continued to benefit from our collaboration networks.

Self-directed learning: the key to personal and professional growth

Learning is a lifelong process, and self-directed learning is a critical skill for continued personal and professional growth. When individuals manage their own learning process, they are better equipped to continue learning throughout their lives.

Self-paced online learning

Our online learning platform enables our employees to access learning and knowledge according to their individual needs. It is essential in operating our increasingly sophisticated machine centres. We use Udemy for employees to broaden their skills in subjects relevant to their career, and Udacity for in-depth know-how for our specialists.

In addition, the model provides the right kinds of learning approaches for the workforce to learn new skills, model new behaviours, and adapt to a culture of learning continuously. This not only safeguards the organisation's competitiveness, but also leads to the employees' overall development and career growth.

Collaborative network

Professional and occupational accreditation bodies

Pipeline programmes:

Customisation of our learning interventions through certified and accredited learning programmes.

- Internship programmes with ECSA
- Learnership with QCT

Partnership with higher education institution

Product development and research team:

Provide support in product development and specialised research instruments and expertise. In partnership with:

- Centre of Material Engineering at the University of Cape Town and DTI-SP11 initiatives.
- Technology Strategy Consultants (TSC)

Industry experts and suppliers

Process control and research team:

Equipment optimisation and analytical capacities:

- Achenbach
- Innoval



Know-how
and in-depth
customised
capabilities



BREADTH OF KNOWLEDGE
Udemy business

DEPTH OF EXPERTISE
UDACITY

Human capital continued

Industrial relations

The current labour union landscapes are not isolated from factors affecting the nation.

Factors affecting current labour/union landscape

01 INSTITUTIONAL FACTORS

Labour laws, collective bargaining agreements, unions rivalry

02 ECONOMIC FACTORS

Sector economy performance, Economic Policies and labour supply in market

03 SOCIAL FACTORS

Social values, norms, the country social status

What does this mean for Hulamin?

- Enhanced relationships with key stakeholders, in specific to the majority Union, and in particular our shop stewards.
- Shift from industrial relations to Employee relations strategic approach

“

Changing Industrial Relations to Employee Relations (ER) means to define and implement synergy drivers between organisational structures and employees.

This means moving the organisation towards a business-centered Employer/Employee relationship supported by a stakeholder social pact.

”

To this end, actions with measurable metrics have been implemented to realise the shift.

BUSINESS GOALS:

appreciate the business we are in

ALIGNED LEADERSHIP:

between leadership and unions

SUPPORTIVE CULTURE:

agreed values binding us together

SHARED INFORMATION:

effective communication to enhance trust and relationships.

VALUE-ADDING LEARNING:

continuous investment in capacitating our shop stewards.

INDUSTRIAL ACTION

During the year under review, the company was affected by industrial action, resulting in lost production time.

Further collaborative engagements resulted in the parties reaching a multi-year agreement ending in 2026.

Advocating a more diverse workplace: equity and inclusion

We strive to foster a work environment where people can feel comfortable engaging in honest, open dialogue about hard topics, such as cultural stereotypes and biased methods, without judgement or career limitation.

We believe a diverse workforce is an essential factor in building innovative capabilities and a supportive resource in maintaining relationships with our diverse stakeholders across the globe.

Embracing and accelerating diversity across all levels within the company remains a priority and is one of Hulamin's key strategic pillars. Therefore, special attention is given to areas where this aspiration is not realised yet. Female representation and meeting workforce profiles comparable with the economically active population (EAP) targets, specifically related to female representation and Africans, remains the group's key area of focus.



Human capital continued

Female representation

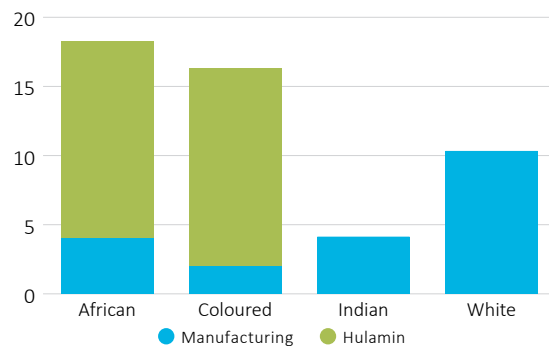
Representation at top and senior management is comparatively higher than levels in manufacturing. Source: EE (2022 to 2023)

Whilst progress at top and senior management has improved, the current representation at middle and junior management remains a challenge.

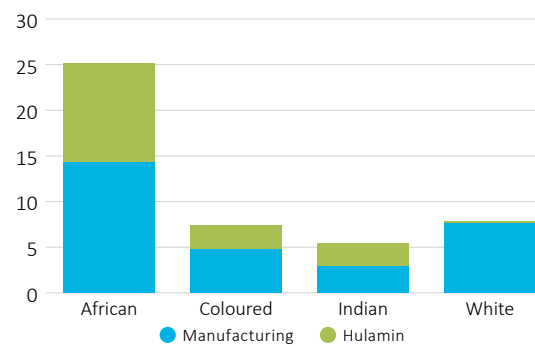
Among the interventions in place is robust pipeline management aligned to our talent management system, as most positions at these levels are technical, with sector and organisational requirements.

Percentage of female representation in the manufacturing sector vs Hulamini

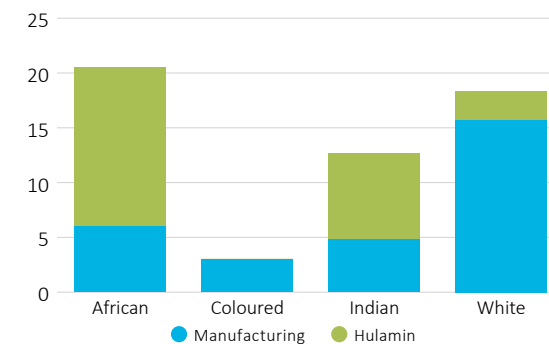
TOP MANAGEMENT (%)



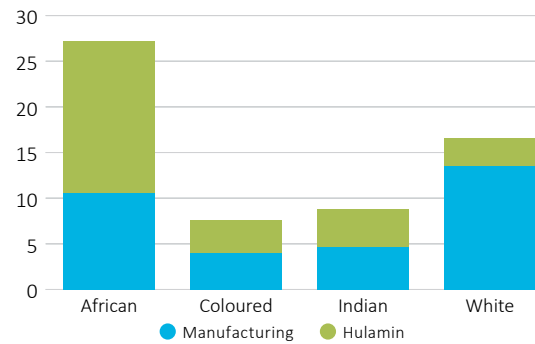
JUNIOR MANAGEMENT (%)



SENIOR MANAGEMENT (%)



MIDDLE MANAGEMENT (%)



African representation

Over the years, significant improvement has been achieved in black representation against economic active population (EAP) targets. However, African representation at management levels remains a challenge. Therefore special emphasis is being placed on increasing representation in these levels, such as targeted recruitment and internal mobility.

New engagement headcount

SENIOR MANAGEMENT

6

83%
BLACK50%
AFRICAN

MIDDLE MANAGEMENT

18

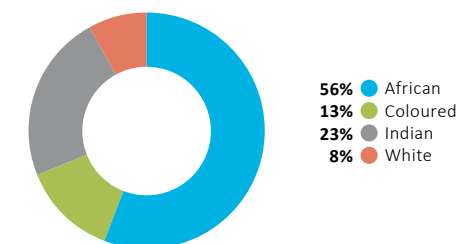
89%
BLACK78%
AFRICAN

JUNIOR MANAGEMENT

33

97%
BLACK73%
AFRICAN

INTERNAL MOBILITY



Human capital continued

Employment equity

Philosophy and why it is important

Hulamin believes in the development of all its employees, regardless of race and gender, but with emphasis on people from designated groups. Hulamin regards employment equity as a key pillar within our business.

Employment equity is an integral component of Hulamin's business strategy and is focused on:

- the elimination of unfair discrimination within the workplace; and
- the implementation of affirmative action measures to achieve equitable representation of designated groups across all occupational levels within the organisation.

Governance

The CEO is ultimately responsible for employment equity within the organisation, and the Human Capital (HC) executive is the senior employment equity manager appointed to drive its implementation. The CEO reports to the board of directors, and the HC executive reports to the CEO.

As one of the elements of the B-BBEE scorecard, employment equity scores are annually verified by an independent and accredited B-BBEE verification agency.

Approach

Planning and implementation of equity targets involves a consultative process at Hulamin. This includes the Board, Executive Committee and employees' representative.

Employment equity targets are aligned with the targets for the economically active population (EAP) in South Africa as set out in the B-BBEE Codes, to ensure that Hulamin drives a process to achieve a racial and gender workforce demographic profile that is representative of the South African racial and gender profile, including people with disabilities.

Progress against set targets is reviewed annually through the Employment Equity Plan, which is submitted to the Department of Labour.

Employment Equity Committee

Back row left to right: Zama Cele, Neville Frankson, Matshidiso Xaba, Tobela Monakali, Lulu Sililo and Pieter Grobler.

Middle row left to right: Riccardo Benedetti, Mpilonhle Khwela, Siyabonga Ngubane, Ram Harryburan and Roxanne Stegen.

Front row left to right: Andrew Archibald, Prince Mthemba, Thembile Baai, Marlene Janneker, Vanmali Avinash and Thami De Bruin.

Missing from the image: Bonginkosi Gasa, Rodney Green-Thompson, Zithulele Gumede, Khuzwayo Qwabe, Zwelithini Madonda, Sizwe Majazi, Lindelani Mbanjwa, Songezo Mhluzi, Thendo Molami, Sibongile Msomi, Ntokozo Mthemba, Bonga Ngcobo, Bonginkosi Radebe and Siphamandla Sokhela.

Data submitted to the Department of Labour

In accordance with the Employment Equity Act No. 55 of 1998, employment equity information is submitted to the Department of Labour on an annual basis. The table below reflects Hulamin's employee profile as of 31 December 2023:

	All male employees				All female employees				Foreign nationals		
Occupational Level	A	C	I	W	A	C	I	W	Male	Female	Total
Top management	1	1	1	2	1	1	0	0	0	0	7
Senior management	17	2	16	21	11	0	6	2	1	0	76
Professionally qualified and experienced specialists, and mid-management	62	11	45	22	32	7	8	6	0	0	193
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	467	89	217	30	105	25	25	3	0	0	961
Semi-skilled and discretionary decision makers	257	60	52	3	160	25	8	1	0	0	566
Unskilled and defined decision makers	31	12	0	0	12	8	0	0	0	0	63
Total permanent	835	175	331	78	321	66	47	12	1	0	1 866
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	835	175	331	78	321	66	47	12	1	0	1 866



Health

Good health breeds a healthy and productive environment.



Philosophy and why it is important

At Hulamin, we believe that the good health of our employees is essential. It is also essential for the motivation, safety, capability and productivity of our people. Enhanced employee health also contributes to reduced absenteeism and promotes good working relationships.

Hulamin has adopted a “shared responsibility” approach to the well-being of its employees. In this regard, the company equips employees with appropriate education and healthcare facilities for them to best manage their own health.

Governance

The Manufacturing Executive leads the Employee Health and Safety, Environment, and Security portfolio and reports to the Chief Executive Officer, who in turn reports to the Board of Directors.

Hulamin is audited for verification and compliance, in line with the ISO 45001:2018 management standard.

Approach

A broad range of stakeholders are involved in employee health, including the Hulamin board, management, employee representatives, health practitioners, and the employees themselves. Hulamin is dependent on its workforce for valuable skills and experience, and thus the consequences of poor health would affect Hulamin’s performance across all indicators.

Progress is monitored through reviews conducted by the Safety Committee, the Health and Environment Committee, the Risk Management Committee, and the Health Care Centre.

We distinguish three key components to managing health in a workplace:

- Occupational health
- Occupational medicine
- Occupational hygiene

Occupational health is the promotion and maintenance of the physical, mental and social well-being of employees, in order to control risks. It also describes the adaptation of work to people, and people to their jobs. Occupational health deals with the prevention and treatment of injury and disease at work, including:

- Injuries on duty
- Occupational asthma
- Noise-induced hearing loss

Hygiene surveys and medical surveillance programmes are conducted that comprise, *inter alia*, lung function tests, audiograms, and eyesight tests. Biological monitoring is also conducted where appropriate. The objective

of these surveys and surveillance is to assist in determining whether the concentration levels of hazards conform to legal requirements. The sources of hazards are addressed through various engineering methods to eliminate or significantly reduce risks. If this is not feasible then suitable personal protective equipment is provided, based on the assigned protection factor for respiratory equipment or the noise reduction rating for ear protection.

Health management

To manage the three components of occupational health, medicine and hygiene, a healthcare centre is staffed by employees with the appropriate skills, competencies and qualifications in the field of medicine and occupational health nursing practices.

The Hulamin clinic provides a comprehensive medical surveillance programme for our employees. This programme is tailored around health risks that may have been identified by the occupational hygiene surveys conducted in the manufacturing departments.

Annual audiometric testing allows for early detection of hearing loss and intervention where required. Sight screening identifies employees with reduced visual acuity, and provides the necessary interventions where required. Medical surveillance also provides employees with the opportunity to acquire an individual health profile and all employees are encouraged to be proactive about their health, as opposed to being reactive to ailments and illnesses.

A primary healthcare service is provided by the clinic to assist with the treatment of minor ailments and illnesses. Advice, guidance, counselling and referrals are given where needed, and flu vaccines are offered to employees every year. Health and lifestyle issues are addressed, and ongoing relevant education and advice are given.

Non-medical aid employees are assisted by the clinic in the management of all chronic conditions. This includes diagnosis and treatment, education, ongoing monitoring, and follow-up. This service is provided onsite and helps reduce time spent off-site for monitoring, treatment and reviews. The clinic also provides opportunities throughout the year for employees who wish to undergo HIV counselling and testing. Pre-employment medicals are performed on all new recruits to determine a baseline health profile for each employee. Exit medicals are done on all employees leaving the company, documenting the status of health on departure.

In 2023, there were zero noise-induced hearing loss (NIHL) claims reported and zero cases of occupational dermatitis reported.

Total HIV-management costs for 2023 amounted to R254 809.33. The HIV-management programme entered its 21st year in 2023 and continues to assist approximately 52 non-medical aid employees with support, treatment and surveillance.

Social capital

04

Corporate social investment
Preferential procurement
Enterprise supplier development



Corporate social investment

Hulamin continues to maintain a philosophy that encourages investment in its broader community.

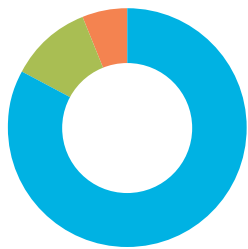
Hulamin's corporate social investment (CSI) approach is developed from the framework provided by legislation and by our CSI policy. Our corporate social investment initiatives over the years have become a vehicle of impact, change and transformation in the lives of those that need uplifting in South Africa.

Hulamin believes that it has a fundamental responsibility to assist in improving the lives of disadvantaged communities in South Africa and has therefore developed a CSI policy. It is aligned to the company's strategy, and contributes to the company's overall mission and vision. It is positioned as a deliberate, focused, coherent and progressive programme.

We plan to execute a programme that is:

- Well co-ordinated.
- Guided by a common policy framework.
- Has clear focus areas.
- Is mutually beneficial.
- Is seen as a strategic business function.
- Is aligned to the core business.

CSI ALLOCATIONS (%)



83% Education
11% Community Development
6% Health and Welfare

Highlights of the 2023 FY

2023 CSI HIGHLIGHTS

FORMALISED CSI COMMITTEE WITH REPRESENTATIVE FROM EACH DEPARTMENT

APPOINTED CSI TEAM

12 SUPPORTED INITIATIVES

6 EVP PROJECTS APPROVED

COLLABORATION WITH FOUR CORPORATES TO LEVERAGE FUNDS

CSI focus areas

Under our commitment to help communities move forward and progress, Hulamin invests both time and financial support in key focus areas, such as **Youth Development, Education, Health and Welfare, Environmental Protection, Crime Prevention**, and the company's **Employee Volunteerism Programme**.

Hulamin has packaged its focus areas into three types of interventions that it will invest in, as follows:

Flagship projects

Flagship means the positioning of a few high impact, target-driven, long-term sustainability-focused projects. These projects must be a deliberate strategic intervention by Hulamin, rather than a response to a request received from the public.

Employee Volunteerism Programme (EVP)

Employee Volunteerism denotes a planned and managed co-operative effort that seeks to motivate and enable employees to serve community needs through the leadership of their organisation, with additional support from the company.

Sponsorship and grant contributions

Sponsorships and grants are aligned to what has been Hulamin's focus over the past 16 years. Most of the applications come from the public throughout the year, requesting funding for various community interventions. The maximum budget for sponsorship and grant contributions is R50 000 and below.

The focus areas outlined in our policy indicate the areas to which Hulamin directs its CSI spend. In allocating resources to the outlined focus areas, Hulamin is guided by the needs of these support areas, which are fully aligned with the guidelines in the B-BBEE Revised Codes of Good Practice. These guidelines state that suitable beneficiaries (at least 75% of contributions) must include communities, black natural persons, as well as groups of black natural persons.

Corporate social investment continued

CSI trends and expenditure

The following is a summary of our 2023 CSI spend:

Organisation	Category	Project brief summary	Amount funded
Maritzburg College	Education	The Khanyisa Educator and Learner Enrichment Programme is one of the educational initiatives supported by Hulamin, in partnership with Maritzburg College. The programme achieves two objectives: to equip teachers of Mathematics, Physical Sciences and English from under-resourced schools with the skills and tools necessary to take their teaching and their students' learning to the next level, while tutoring Grade 10 and 11 learners from these schools in those subjects. The programme has grown tenfold since it was established in 2009 and follows a two-year cycle to support learners through their final two years of high school.	R577 540,20
SANCA	Education	SANCA conduct drugs and alcohol campaigns to schools around Pietermaritzburg. During the year under review, two schools were identified in the uMgungundlovu district. The funds donated by Hulamin contributed towards the campaign.	R37 750,00
Msunduzi Hospice	Health	Hulamin supported the Msunduzi Hospice, a home-based Palliative Care programme that provides comprehensive, high-quality physical, psychosocial, and spiritual care for people with serious, life-limiting illnesses and their families, in the comfort and familiarity of the patient's home.	R210 000,00
Thuthuka Community Development	Community Development	Thuthuka community development in collaboration with the local municipality (Msunduzi Municipality) have identified community members whose lives have come to a standstill because of lack of mobility. Requested sponsorship of 50 wheelchairs to donate to identified community.	R124 800,00
Little Big	Education	An ECD located in the outskirts of Pietermaritzburg (KwaSwayimane) called Little Big suffered damage during the 2022 KwaZulu-Natal floods, which left one of their main buildings without a roof. Hulamin contributed towards the refurbishment of the school.	R730 554,89
Midlands Community College	Education	Hulamin supported the Midlands Community College (MCC) Maths, Science and Technology (MST) Programme, the purpose of which is to provide learners from marginalised communities the opportunity to upgrade their Grade 12 results in Maths and Science. This enables them to access opportunities to study further.	R180 000,00
Thandanani Childrens Foundation	Community Development	Hulamin supported Thandanani Children's Foundation, which facilitates community-based care and support for orphans and other vulnerable children. They have a well-established system of community-based care and support for orphans and their families that involves capacitating and supporting community-based fieldworker teams to respond to the basic material, physical, cognitive, and emotional needs of orphans and vulnerable children, through their Family Strengthening Project.	R147 000,00
Mpophomeni High School	Education	Hulamin has sponsored the purchases of 80 single study desks and chairs for the two classrooms that were donated by Ride4Hope initiative under the legacy projects.	R81 972,00
SPCA	Community Development	Animal welfare outreach, rabies elimination work in impoverished areas (often remote and deeply rural areas). The SPCA is usually the only assistance available for the animals such as pets and livestock in communities.	R100 000,00
Nyanda Primary School	Education	Hulamin assisted Nyanda Primary School to establish reading corners and the refurbishment of the computer lab. The initiative aims to enhance literacy and reading habits among primary school pupils by providing a variety of reading materials, primarily books, in a comfortable and engaging environment.	R338 523,38
Ride4Hope	Education	Hulamin and Umgeni Water in partnership with the Ride4Hope and the Nelson Mandela Foundation identified Empophomeni Secondary School, Howick as a beneficiary of the Legacy Project. The school received a refurbishment of two dilapidated classrooms and fencing of the school.	R450 000,00
Protec	Education	Protec empowers students with optimal scientific, maths, technology, engineering, and life skills to access and succeed in STEM-based careers. Hulamin funding provides this quality education enrichment for disadvantaged children in Grades 8 to 12. The aim is to provide students with expert teaching and tuition in core subjects that will empower them to pursue tertiary education in fields of their choice.	R526 600,00
Total			R3 504 740,47

Corporate social investment continued

Partnerships/Collaboration/ Funds leveraged

Nyanda Primary School Project

Hulamin, in collaboration with strategic partners, launched the Nyanda Primary School Project. This project allowed Hulamin to exercise its new strategy of collaborating with different companies to address the current social ills in the country.

Nyanda Primary School needed a library and assistance with refurbishing a computer lab that was demolished during the widespread looting incidents in 2021. The project's objective was to refurbish the computer lab that was demolished, and establish reading corners as an interim solution to the larger need for a library.

Through a partnership with **Macmillan Education South Africa** and **Cambridge University Press**, Hulamin was able to successfully deliver reading corners for every classroom within the school. The educators and the school's management teams also received the following:

- Learning and teaching support materials
- Teacher training workshops
- School management training.

The training workshops were to ensure that educators encourage reading and build a culture of reading within the school.

MTN is a strategic partner and provided Wi-Fi for the school, as well as ICT training for the educators to build on their ICT skills as part of capacitating them for the Fourth Industrial Revolution.

This project presented an opportunity to improve literacy, foster a love for reading, and enhance overall educational outcomes, to make a significant positive impact on the learners' personal development.



Corporate social investment continued

Hulamin and **Umgeni Water**, in partnership with **Ride4Hope** and the **Nelson Mandela Foundation**, identified Mpophomeni Secondary School in Howick as a beneficiary of the Nelson Mandela Legacy Ride4Hope initiative. The school is located in the heart of Pietermaritzburg and has 950 learners from Grade 8 to 12.

LADYSMITH TO HOWICK, 100 KILOMETRES:

This ride saw over 80 cyclists take on the 100 km distance to raise awareness and funds for the Nelson Mandela Foundation. The aim was to encourage the broader public to be part of the event and, most importantly, to witness the generous contribution by event partners.

LEGACY PROJECT HANDOVER:

Hulamin and Umgeni Water funded the refurbishment of two dilapidated classrooms at Mpophomeni Secondary School and fenced the school. The assistance was well received by the school and immediate community. Over 80 cyclists, students, dignitaries and media were at the handover.



Corporate social investment continued

School initiatives

Protec

Hulamin-funded Protec achieved a 100% pass rate at the end of 2023 and all learners attained bachelor admission passes, affording these learners the possibility of progressing to bachelor degree study at university. The 2023 Grade 12 learners also scored 66 subject distinctions.

One of the most challenging factors affecting these 2023 Grade 12 learners, who were in Grade 10 in 2021, was that during the second Covid-19 pandemic year their ongoing education was largely ignored. Grade 10 lays the foundation for the further education and training phase of high school or secondary school, and these learners received little formal teaching from their schools during 2021. They received limited printed instruction on what to study and many did not have textbooks, which meant that their education effectively ground to a halt.

A recent News24 report reflected on the consequences for the country's Grade 12 results in 2023: "The Grade 10 cohort of 2021 consisted of 1 081 618 children. Only 53% of these children passed Grade 12 in 2023." This means that 47% of the learners who were in Grade 10 in 2023 have since dropped out of school.

This low overall throughput rate occurred in spite of government's attempts to bolster Grade 12 pass rates. Not only has the pass mark been lowered to 30%, but easier, more "light-weight" subjects are now being offered by many schools. These have little academic or vocational merit – Mathematical Literacy being one of these "new" subjects. All technological careers demand excellence in core Mathematics and Physical Science, including all fields of engineering, ICT, medicine and paramedical careers, forestry, agricultural engineering and research, biotechnology, and more.

"Of huge significance this year is the fact that our results have remained at a 100% pass rate, as well as an amazing 100% university admission or bachelor's admission. This is a phenomenal achievement, and every learner and tutor is congratulated on their outstanding results."

We can happily celebrate the following successes at Protec Pietermaritzburg Academy:

	2023	2022
Protec Pietermaritzburg Pass Rate	100%	100%
National South African pass rate	82.9%	80.1%
KwaZulu-Natal pass rate	86.4%	83%
Protec Pietermaritzburg bachelor's admission rate	100%	92%
National bachelor's admission rate	40.9%	45.3%
KwaZulu-Natal bachelor's admission rate	45.7%	51.2%
Number of subject distinctions achieved by Protec Pietermaritzburg learners*	66	71

* From 30 students

In 2023, 30 learners achieved 66 subject distinctions, averaging 2.2 distinctions per learner.

	2023	2022
Zulu	27	24
English	3	5
Mathematics	4	8
History	1	1
Physical Science	2	6
Life Science	7	4
Life Orientation	13	15
Accounting	2	5
Business Studies	0	1
Geography	5	1
Information Technology	0	1
Tourism	2	0

Top Protec Pietermaritzburg learners in 2023

Six distinctions:

- Mr Sluthando Ndlovu (Zulu FAL, Mathematics, Life Orientation, Geography, Life Science and Physical Science)
- Mr Luthando Khanyile (Zulu FAL, Mathematics, Life Orientation, Accounting, Life Science and Physical Science)

Five distinctions:

- Mr Elihle Ntanz (Zulu FAL, English HL, Life Orientation, Geography and Life Science)

Four distinctions:

- Ms Aphiwe Chaba (Zulu HL, Life Orientation, Geography and Life Science)
- Mr Snakhokonke Khumalo (Mathematics, Life Orientation, Geography and Life Science)
- Ms Anathi Sibeko (Zulu FAL, English HL, Life Orientation and Tourism)
- Ms Sanelisiwe Zulu (Zulu FAL, English HL, Life Orientation and Tourism)
- Ms Mthabiseni Zuma (Zulu FAL, Mathematics, Life Orientation and Life Science)

In addition, several learners achieved three, two and single distinctions.

The Protec Pietermaritzburg class of 2023 received many conditional offers from a variety of universities ahead of these results being published, based on which the learners are currently making difficult, life-defining decisions.

Protec Pietermaritzburg Academy is greatly indebted to its well-qualified and highly experienced tutors, who drive its intensive academic programmes during Saturday and vacation school.

"We also appreciate our wonderful donors, without whom we could not function," said Bonga Ntuli, Chairman of the Protec Board. "They ensure the continued survival of Protec Pietermaritzburg Academy."

Preferential procurement

The importance of Enterprise and Supplier Development for Hulamin in South Africa

Hulamin promotes the economic empowerment of local, black-owned, and black women-owned businesses, while also encouraging procurement from local companies that are actively driving transformation in line with South Africa's social and economic inclusion agenda. Hulamin continues to focus on Preferential Procurement (PP) as a key driver of transformation in its supply chain, by developing potential suppliers that can become Hulamin sustainable suppliers, where they are further developed under Supplier Development initiatives.

Supporting the local economy and businesses

Enterprise and Supplier Development (ESD) creates an opportunity to support local businesses, while also stimulating growth in the local economy, thereby contributing to the socio-economic upliftment of the communities in which Hulamin operates. We aspire to have a real effect in these communities through stakeholder involvement, as represented by our institutional values.

Hulamin ensures that we create a pipeline of local, previously disadvantaged SMMEs into the company's supply chain, as well as grow and develop these businesses through our structured ESD programme. Hulamin ensures that SMMEs get the resources and knowledge that they need to operate more efficiently, profitably, and sustainably.

Hulamin's preferential procurement objectives

Hulamin is committed to boosting the participation of local black-owned businesses in its procurement spend, with a special emphasis on growing spend with:

- businesses that are majority black-owned ($\geq 51\%$), and/or have significant black woman ownership ($\geq 30\%$), and/or have significant black youth ownership ($\geq 30\%$);
- small, local, black-owned Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) from the communities and surrounding areas in which Hulamin operates;
- suppliers with B-BBEE recognition Levels 1 to 3; and
- suppliers that are B-BBEE compliant, and actively reducing spend from non-compliant suppliers.

Preferential procurement approach

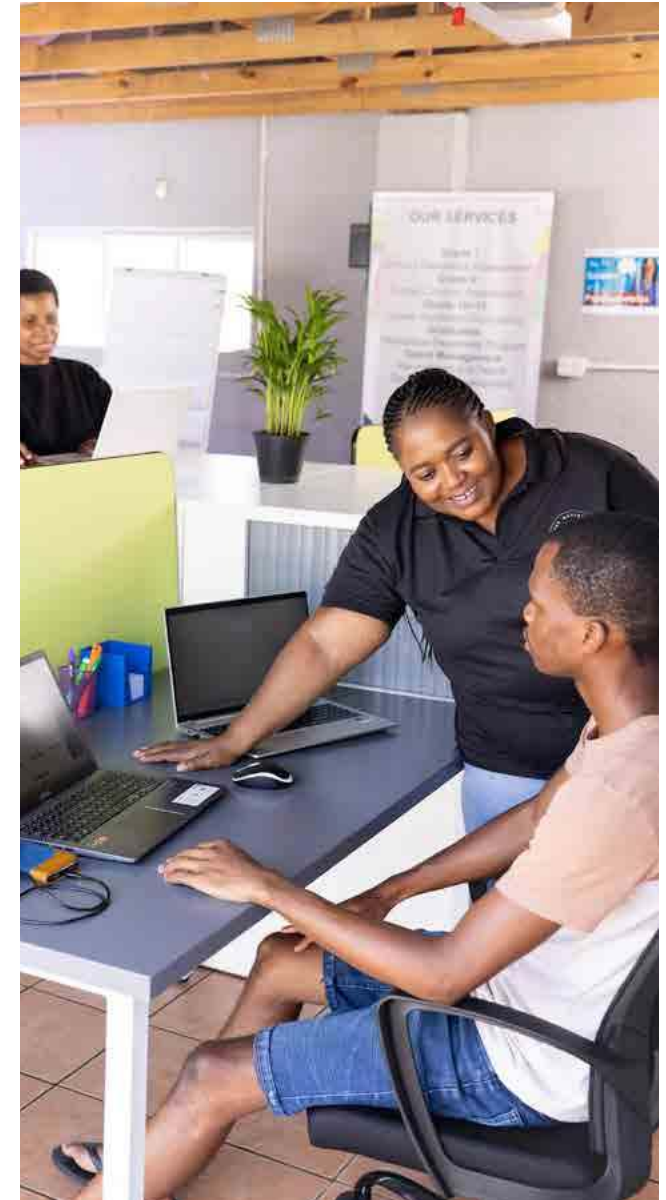
To achieve its PP objectives, Hulamin:

- gives preference to competitive B-BBEE compliant suppliers and majority black-owned suppliers, when adjudicating bids and proposals;
- may, for certain spend categories, ring-fence for majority black-owned EMEs and QSEs from the surrounding areas in which Hulamin operates; and
- encourages and supports joint ventures or partnerships and subcontracting arrangements between small majority black-owned suppliers and large incumbent suppliers, to effect knowledge and skills transfer and to provide entry opportunities for the smaller black-owned suppliers into larger scope contracts.

Governance

Hulamin's Enterprise and Supplier Development (ESD) committee oversees the company's activities and progress in ESD, and reports to the Social, Ethics and Sustainability Committee, a sub-committee of the Board. The mandate of the ESD committee includes:

- Overseeing the development and execution of Hulamin's ESD strategy, policy, and procedures.
- Overseeing the company's ESD programme and associated activities, and approving any monetary and non-monetary support to be provided to ESD beneficiaries.

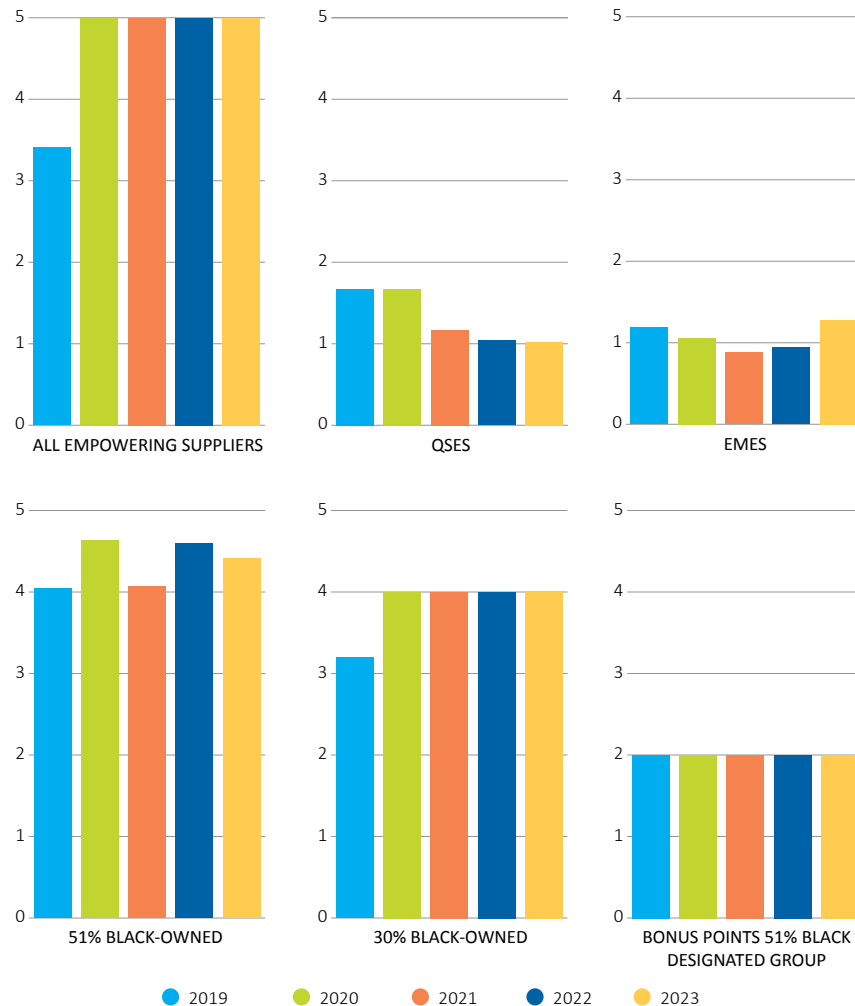


Preferential procurement continued

2023 Preferential procurement overview

Hulamin continues to focus on increasing support for black-owned SMMEs with the greatest potential to make an impact on providing job opportunities in the uMgungundlovu District.

Hulamin maintained its focus in supporting black-owned SMMEs. The chart below reflects the Preferential Procurement scorecard over the past five years:

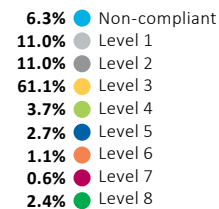
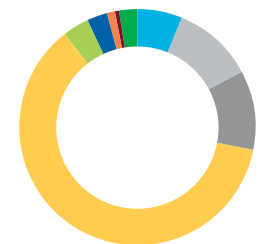


Hulamin has maintained full points for all empowering suppliers, suppliers with more than 30% black women-owned and 51% black designated group. Hulamin is gradually increasing its spend with EMES, QSES and 51% black-owned suppliers, but the impact is low because South32 accounts for 75% of the spend.

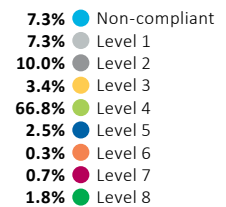
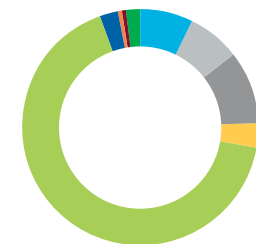
The table below illustrates how Hulamin's total procurement spend with suppliers accredited with the more significant B-BBEE recognition Levels 1 to 3 ($\geq 110\%$ recognition level) has increased in percentage terms from 21% in 2022 to 83% in 2023. The main reason for this significant increase is due to South32's B-BBEE status improvement from Level 4 to Level 3 accreditation.

B-BBEE Level	Spend (ZAR) 2023	Recognised amount (B-BBEE) (ZAR)	2021 Spend profile	2022 Spend profile	2023 Spend profile
Level 1	1 221 285 592	2 502 983 775	8.4%	7.3%	11.0%
Level 2	1 220 102 432	1 813 999 393	10.2%	10.0%	11.0%
Level 3	6 797 483 960	7 521 544 373	2.8%	3.4%	61.1%
Level 4	414 145 577	464 606 908	1.8%	66.8%	3.7%
Level 5	302 660 343	290 002 547	66.1%	2.5%	2.7%
Level 6	124 075 994	87 367 059	2.2%	0.3%	1.1%
Level 7	67 062 019	39 993 486	0.2%	0.7%	0.6%
Level 8	270 800 180	32 492 835	0.9%	1.8%	2.4%
Non-compliant	701 866 297	—	7.4%	7.3%	6.3%
Total 2023	11 119 482 394	12 752 990 377	100.0%	100.0%	100.0%

2023 BY B-BBEE LEVEL (%)



2022 BY B-BBEE LEVEL (%)

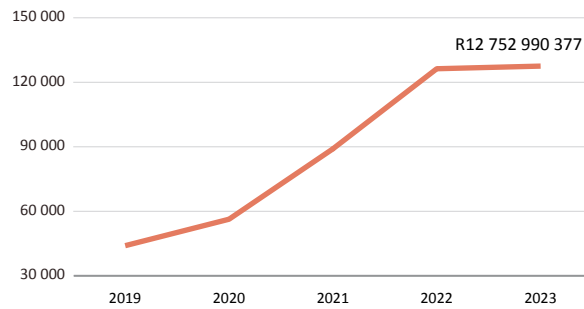


Preferential procurement continued

B-BBEE spend trends

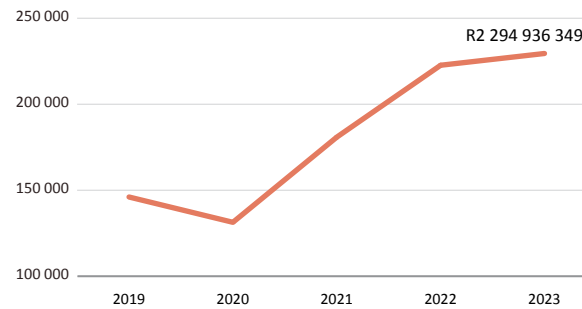
Hulamin B-BBEE spend from all empowering suppliers in the past five years has remained flat from 2022 to 2023, having increased by 42% in 2022, as illustrated in the graph below:

TOTAL B-BBEE SPEND (Rand)



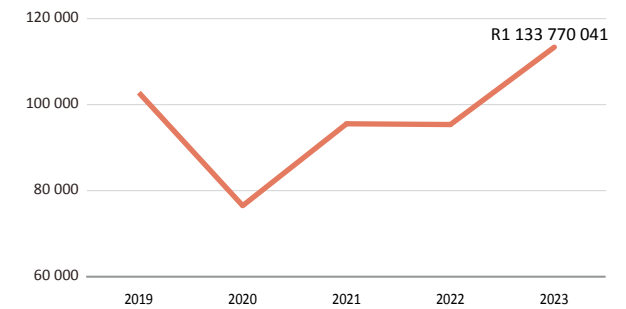
Hulamin's total spend with black-owned suppliers have increased by 3% in 2023, and by 23% in 2022, as illustrated in the below graph:

TOTAL (>51%) (Rand)



Spend with QSE and EME suppliers increased significantly with a 19% rise in 2023. Growth in QSE and EME has been the focus area in recent years.

QME AND EME SPEND (Rand)



Enterprise and supplier development

Hulamin is committed to the advancement and transformation of the South African economy through the implementation of the Broad-Based Black Economic Empowerment (B-BBEE) framework. In 2023, Hulamin contracted Enterprise Room (Pty) Ltd as their Implementation partner to support execution of our third wave of the Enterprise and Supplier Development (ESD) programme. The programme is aimed at developing and growing small, local, black-owned, black women-owned and black designated group-owned enterprises to become sustainable suppliers to Hulamin and other organisations in South Africa. Hulamin's ESD strategy is built on the principles of procurement transformation, supply chain diversification and economic inclusion.

Hulamin's ESD objectives

Hulamin's ESD objectives:

- Contribute to the development and growth of SMMEs that can become sustainable suppliers of goods and services. The focus is on local businesses that are black-owned, Exempt Micro Enterprises (EMEs), and Qualifying Small Enterprises (QSEs) with a majority of black shareholding, and with preference to black women and youth-owned businesses.
- Increase economic participation of predominantly black women-owned businesses in Hulamin's procurement spend to better reflect the demographic realities of South Africa.
- Increase job creation in the uMgungundlovu district and in KwaZulu-Natal.
- Encourage skills transfer and training for local SMMEs.
- Collaborate with external strategic partners and internal stakeholders.

Our approach to enterprise and supplier development

Hulamin recognises that suppliers are critical partners in our business, and growing and capacitating our SMMEs remains a high priority on our agenda. Hulamin created the SMME portal, where suppliers that want to do business with Hulamin in priority categories that are not diverse with black-owned or black women-owned business, can register their businesses.

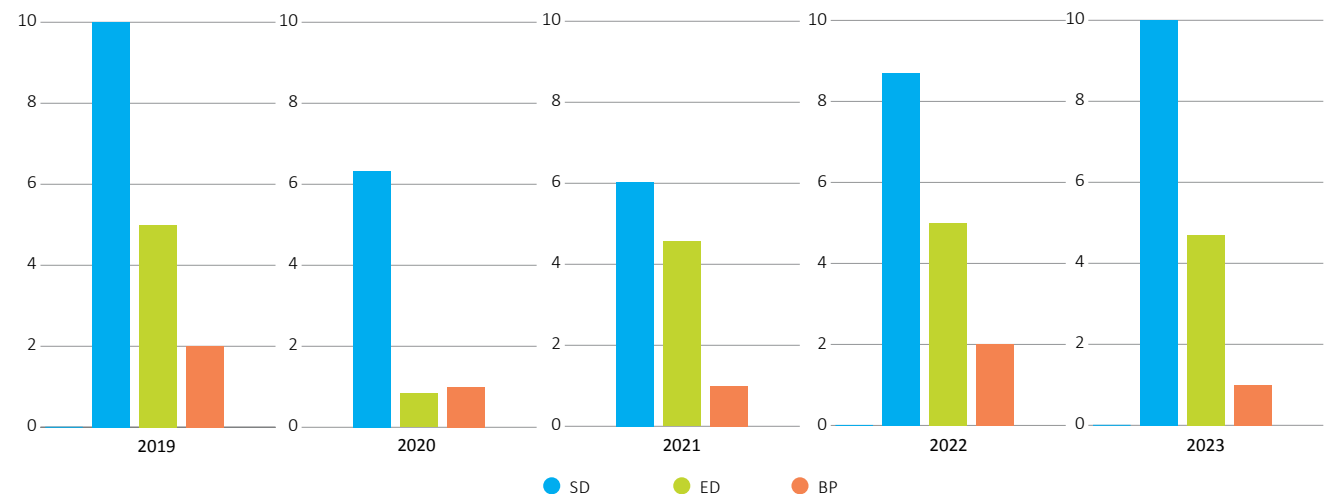
Recycling, primarily of Used Beverage Cans (UBCs), is one of Hulamin's ESD focus categories, and aligns with the business strategy of scrap metal recycling. Hulamin has prioritised its extended producer responsibilities (EPR), which arise from its prominent position in the beverage can supply chain as a raw material supplier to can makers, and has invested over R300 million in its recycling plant for UBCs. UBCs are the most recycled packaging material in the world, with a recycle rate of up to 70%.

ED and SD positive impacts in 2023

- Hulamin spent R2.5 million to provide ED beneficiaries with equipment to help recyclers trace and increase volumes, as well as to provide training, workshops, mentorship, and coaching.
- We provided support to Supplier Development beneficiaries to the value of R6.7 million, which went towards the purchase of equipment, overhead costs, free rental space, shorter payment terms, training, and mentorship.
- We sent four small and medium-sized enterprises to Quality Management System (QMS) Training offered by SEDA.

The positive impact made by Hulamin in Enterprise and Supplier Development for the past five years has been reflected on the chart below:

ED AND SD SCORECARD: 2019 TO 2023 (MAX 15+2BP)



Recycling

Enterprise development initiatives

In leveraging the Enterprise Development (ED) pillar to advocate, educate and expand the use of beverage can recycling, Hulamín hosted its first UBC Recycling Workshop. The workshop attracted the participation of 19 SMMEs operating in waste management from around the KZN province. Four of the attending SMMEs – MKGs Solutions, Mandy's Envirocare (Recycle' M), Mzimkhulu Scrap Metal, and Africa's Green Grass Recycling – are currently enrolled in Hulamín's Enterprise Development programme. These ED beneficiaries are receiving business and technical support, to increase capacity and eventually supply Hulamín with quality UBCs.

Hulamín's Head of Procurement, as well as members of the procurement team, technical team and ESD team, attended the UBC recycling workshop. Masterclasses offered in the workshop covered the opportunities for SMMEs in UBCs and UBC Product Quality Specification, and included topics such as aluminium tonnage, site, materials handling, packaging, and supply requirements. The workshop concluded with a guided tour of the Hulamín recycling plant in Pietermaritzburg.

The workshop was an eye-opener for SMMEs, as they were previously not exposed to the end-to-end aluminium can recycling process or aware of quality product specifications. The workshop provided an enabling space for SMMEs to connect and share learning.

Here is what some of the SMMEs had to say about the workshop:

"I was most impressed by seeing the UBC recycling plant in action. It was amazing to see UBCs we collect getting recycled into brand new products." *Nokukhanya Mthembu, Director of Mzimkhulu Scrap Metal.*

"I saw an opportunity to collaborate with other companies, rather than to compete." *Siyabonga Mahlinza, Operations Director, MKG Solutions.*

The UBC recycling workshops will take place several times a year and will be complemented by business management and technical training, and community recycling campaigns.



Natural capital

05

Natural outcomes



Natural outcomes

Our approach

We place reliance on natural capital at the centre of our values. As an aluminium semi-fabricator, Hualamin derives its operational and energy requirements from mined inputs, which include upstream-sourced aluminium slab, billets and hardeners; energy inputs such as electricity, fossil fuels and gas from non-renewable sources; and water. In turn, these inputs generate outputs such as waste, effluent, air emissions and scrap.

The standard we set ourselves

Hualamin conducts its operations with a strong commitment to environmental responsibility, making sustainability a foundation of our business principles. We oversee environmental sustainability through a well-established enterprise-wide risk management process, the results of which are reflected in the Hualamin strategy. It is through this process, coupled with input from customer engagements and global trends, that an exceptionally ambitious Environmental Sustainability (ES) Strategy was formulated in 2022 to delineate our trajectory of change leading up to 2030. The goals of environmental sustainability are closely aligned with the progress towards achieving Sustainable Development goals (SDG).

Environmental sustainability goals

Doing what matters to meet our business strategy

01



Sustainable and innovative products

We unlock the powerful properties of aluminium for a variety of cans and car applications.

- Reduce carbon emissions related to our business and establish pathways to **meet science-based targets** and **market expectations**.
- Achieve **low-carbon aluminium** credentials by strongly focusing on, **acquiring renewable energy, increasing scrap metal input** and substantially decreasing demand for primary aluminium.
- Promote a truly circular aluminium by increasing recycled content, driving **solutions to recycle aluminium, and increasing efficiencies in recycling processes**.

02



Sustainable production

We encourage and advance sustainable production.

- Improve **resource efficiency** (energy use, water consumption and waste recovery) in proportion to production.
- Integrate recent advances in process design in accordance with **continuous improvement objectives and pollution prevention**
- Implement best in class environmental management systems that are geared toward **a delivering an improved life cycle perspective**.

03



Transformation

We drive sustainability across the value chain.

- **Source raw materials responsibly**, from environmental, economic and social perspectives, **promoting traceability practices**.
- Ensure our value chain is recognised as **ethical and environmentally responsible**.
- Work with stakeholders, on a pathway by the realisation of the **reduction of the greenhouse by 2050**.

04



Financial returns

We generate sustainable growth for our providers of capital

- Prioritise initiatives where investments can yield the greatest positive impact and safeguard our **license to operate**.
- Maximise financial returns by adopting energy transition towards **renewable energy and cleaner technology**.
- **Minimise exposure** to Carbon Tax and Carbon Border Adjustment Mechanism.

Natural capital continued

Environmental governance

Our commitment to safety, health and environmental policies, and environmental sustainability is evident in our compliance with environmental legislation, and the internal policies and procedures that support International Frameworks and Voluntary Disclosure requirements.

Hulamin has a C-Suite-led Environmental Sustainability Committee, which feeds into the Social, Ethics and Sustainability Committee, a subcommittee of the Board of Directors. The subcommittee oversees the policy development necessary to implement the ES roadmap, and ensures there is ongoing:

- compliance with environmental laws and the requirements of our stakeholders, as well as voluntary frameworks;
- development and tracking of ES goals, targets, environmental audits and ES data that is externally assured;
- improvement in resource-efficiency performance, energy management systems, and financing of initiatives;
- monitoring and response to low-carbon drivers and climate change adaptation; and
- reduction of environmental risks in the supply chain.

We've prioritised intensifying our efforts to improve stakeholder engagement processes. The initiatives we're currently undertaking are gaining momentum, particularly in the realm of improving interactions with suppliers. We will also be educating our employees on the critical importance of responsible sourcing, emphasising the direct impact on overarching environmental life cycle goals.

This approach is not just timely but represents a dynamic shift in our ongoing efforts towards Environment, Social and Governance (ESG) informed business practices.



Environmental compliance

To guarantee positive environmental management outcomes, Hulamin follows an environmental management system that is certified to ISO 14001:2015 standards. To ensure the effectiveness of our environmental management practices, annual environmental compliance audits are diligently conducted by specialised legal professionals. Air emissions, waste, and wastewater discharge activities are managed under government-issued permits, and environmental monitoring is undertaken by registered third-party assessors to monitor compliance.

A multidisciplinary team collaborates to drive innovation and enhance resource efficiencies. Their goals include reducing carbon taxes, accessing energy-incentive services (such as Section 12L) and carbon credits, and securing energy-performance certificates (EPCs) in alignment with the South African National Standard (SANS) 1544:2014.

The legal records, a testament to our commitment to regulatory adherence, are regularly updated under the oversight of the secretary of the Social, Ethics, and Sustainability Committee.

Environmental incidents

During the reporting period, Hulamin did not face any environmental complaints or sanctions from outside parties or authorities. Significant operational risks associated with flooding, spills, and air-emission events are managed in line with an emergency response plan. Stormwater drains in high-risk areas are either sealed, plugged, or equipped with interceptor pits. In the event of a leak or spill, instructions stress the importance of containing the runoffs from reaching any vulnerable areas. Emergency response efforts are supported by dedicated onsite third-party service providers. As a policy and practice, hazardous chemical containers are returned to suppliers, or as a last resort, disposed of at a recognised disposal site.

For the period under review, one Level 2 (medium) environmental incident occurred, as a result of an oil spill. No Level 3 (major) environmental incidents took place. In contrast, 2022 went without Level 2 and 3 incidents.



Natural capital continued

Our climate change position

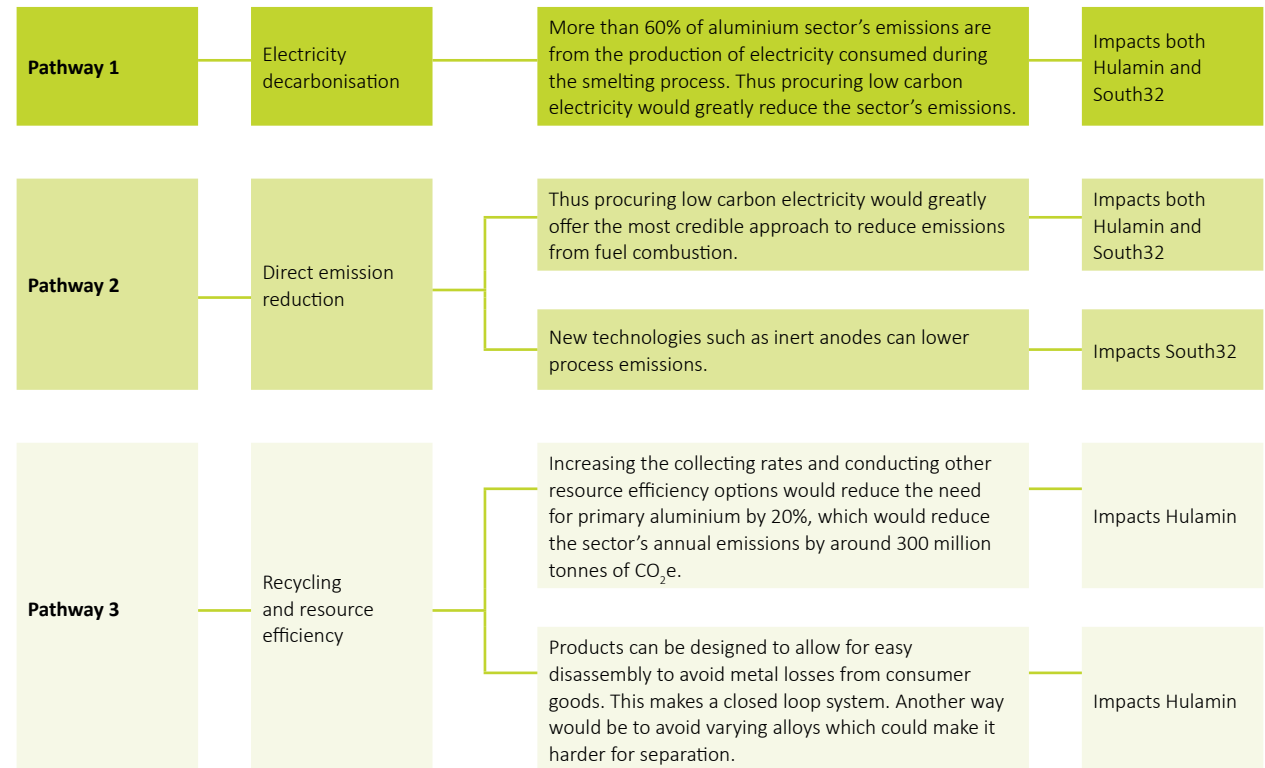
Hulamin recognises climate change and has committed itself to be responsive to meeting greenhouse gas reduction targets as set by the Science-Based Target initiative (SBTi), by implementing a decarbonisation plan. The SBT and Paris Agreement are integral components of a global effort to address climate change and promote sustainability.

Working from the 2018 baseline year, we committed to reduce absolute Scope 1 and 2 greenhouse gas emissions by 30%, and to reduce Scope 3 greenhouse gas emission intensity by 24% per metric ton of aluminium produced by Hulamin, by 2030. This target is currently set on a scenario of limiting the increase in global temperature to below 2°C pre-industrial levels. However, our ambition is to transition to a verified 1.5°C scenario in 2024, while engaging with our suppliers to ascertain a desirable net-zero outcome by 2050.

Supply chain decarbonisation will be an ultimate game changer for Hulamin in terms of a commitment to meeting net-zero goals. South32, our primary aluminium supplier, has a significant share of approximately 90% of our overall embedded emissions. Hulamin stands to gain from South32's net-zero goal (<https://www.south32.net/sustainability/climate-change>) as it effectively mitigates the substantial Scope 3 emissions, thereby actively supporting our imperative for a transition to a low-carbon economy.

We have developed a decarbonisation plan that is focused on reducing Hulamin-controlled emissions through improved energy and water efficiency, the adoption of renewable energy, and augmenting the use of scrap to displace primary aluminium, thereby aligning with low-carbon benchmarks. The execution of this decarbonisation roadmap was estimated to necessitate an investment of approximately R200 million over the next three to five years, and commitments towards the execution of this roadmap started in 2023.

GHG reduction pathways



This diagram illustrates the current sector-wide deployed and commercially implemented GHG reduction technologies, and which company they will impact.

Natural capital continued

Physical and transitional risk to Hualamin

During the year under review, Hualamin updated the TCFD (Task Force on Climate-related Financial Disclosures) to enhance our internal systems for assessing climate-related risks and opportunities. We are now in a position to provide our stakeholders with vital information about the physical and transitional risks and opportunities faced by Hualamin. Embracing TCFD has given us the chance to synchronise our Hualamin business strategies with worldwide standards and engage in responsible, long-term planning for the years leading up to 2030.



Physical risks

Identifier	Climate-related driver	Business impact
Acute climate change events	Increased severity of extreme weather events such as cyclones (e.g., KwaZulu-Natal's subtropical cyclone Issa) and floods event.	- Infrastructure damage, for instance, can affect access routes between Richards Bay and Durban, leading to an increase in supply chain disruptions. - Operational and partner operation disruptions. - Utility supply disruptions (e.g. Eskom blackouts). - Inability of employees to access site.
Extreme heat	Extreme heat as a result of increased temperatures	- Electricity supply shortages from Eskom is seen as a high risk for short- and medium-term. - With the increase in temperature and extreme heat, utility supply disruptions may increase. - With the increase in temperature and extreme heat, labour productivity and human health impacts may decrease (employees and regional impacts).
Supply chain disruption	Rising sea levels, extreme weather events and chronic weather pattern changes disrupt local and international supply chains and logistics routes such as seaports	- Inability to source raw materials in a timely manner causing operational stoppages and disruptions. - Inability to deliver products to markets and customers.

Transition impacts

Identifier	Climate-related driver	Business impact
Reputation	Increased stakeholder concern or negative stakeholder feedback	Hualamin faces mounting pressure as its customers commit to decarbonisation across operations and value chains. The challenge is significant due to South Africa's coal-powered electricity reliance and energy-intensive primary aluminium production. Failure to meet emission reduction expectations could lead to lower revenue from declining product demand.
Policy	Increased pricing of GHG emissions	The carbon tax in South Africa has a direct cost impact on operations. Given the rising risk of climate change, there is likely to be additional costs related to carbon pricing in other jurisdictions. Further, Hualamin exports their products to EU countries and therefore are exposed to the CBAM policy.
Legal	Increased compliance requirements	Increased requirements in reporting GHG emissions.
Technology	Increased investment in technologies	As we transition to a low-carbon economy, the need to invest in technology to become more energy efficient and sustainable, is required. However, there is a risk associated with the investment in technologies as Hualamin may invest significant capital now in a technology that may be outdated or less effective than technologies available a year from now.
Market	Increased pricing of GHG emissions for suppliers	As the pressure on countries to address climate change increases, the cost of carbon is likely to rise. There may be additional pass-through costs from suppliers of raw materials if these suppliers are impacted by carbon pricing.

Natural capital continued

Hulamin climate change-related disclosures

CDP Disclosures are available at www.CDP.net

Energy consumption

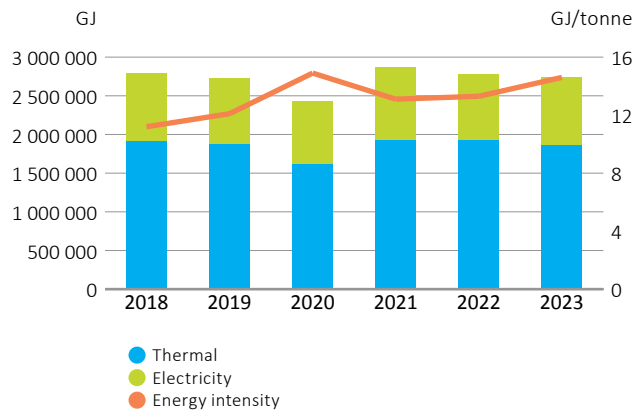
During the reviewed period, the energy consumption totalled 2 730 000 gigajoules (GJ). Compressed natural gas (CNG) and liquefied petroleum gas (LPG) made up 70% of this energy, with grid electricity contributing the remaining 30%. The decrease in overall output led to a 2% reduction in overall energy consumption.

Electricity intensity (GJ/tonne product) increased by 14% owing mainly to the lower efficiencies in the plant when not operating at full capacity (9% contribution). In addition, some lower-value products were discontinued in favour of more profitable products that have a higher energy intensity (5% contribution).

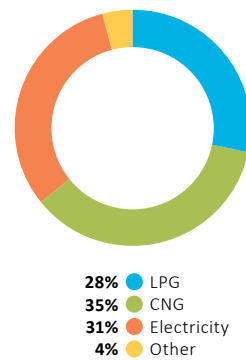
Improving resource efficiency will in the long term enable Hulamin to meet our science-based targets, meet customer product life cycle expectations, and reduce the cost of energy. Energy currently makes up 27% of total expenditure and rates are constantly increasing, requiring intense focus on this.

At this stage, Hulamin does not consume any renewable energy. Nonetheless, we are making significant progress towards achieving our target of obtaining 50% of our power from renewable sources by 2030.

ENERGY CONSUMPTION



ENERGY SPLIT



Energy saving project

Air compressors are significant energy users, and with an electricity consumption for 2023 at roughly R30 million they therefore remain a focus point for resource efficiency improvement. As part of the ongoing programme to improve compressed air efficiency, Hulamin procured an ultrasonic measurement instrument for the quick and easy detection of compressed air leaks, in order to facilitate leak reduction.

Hulamin also invested in two new multistage screw compressors of the highest available efficiency, which will be delivered during 2024 to replace two 15-year-old machines. Apart from maintaining reliable compressed air supply, these machines are expected to produce 2 400 MWh/a savings and pay back the investment in less than three years. The new compressors are also fitted with waste heat recovery units that will be utilised for heating up the rolling oil on the Foil Mills and Cold Mills, and thus reduce the electric heating requirements. The investment required to utilise the recovered waste heat is expected to provide an additional 1 000 MWh/a saving, with a payback period of less than two years.



Natural capital continued

Greenhouse gas emissions

Hulamin greenhouse gas (GHG) emissions result primarily from energy (Scope 1 and 2) and upstream purchased metal (Scope 3).

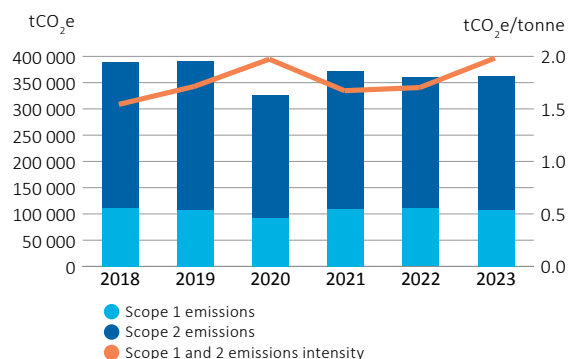
The total GHG emissions from Scopes 1 and 2 were 361 758 metric tons of carbon dioxide-equivalent (tCO₂e-), which was relatively the same when compared with the previous year. The Scope 2 emissions, which include those from purchased grid electricity, accounted for 70%; while Scope 1 emissions from the combustion of fuels (LPG, CNG and Diesel), accounted for 30% of the total emissions.

Relative to the 2018 baseline year, absolute emissions have reduced by 7%. Hulamin has developed a project hopper – a list of initiatives prioritising the potential to reduce GHG emissions. This project hopper facilitates decision-making and planning for short-, medium- and long-term implementation. This has largely been directed to energy-efficiency programmes since 2018. To anchor progress in achieving long-term targets, in 2023 we focused on embedding an energy-management mindset and sourcing cleaner renewable solar energy, which will bear fruit in 2026.

The carbon tax in South Africa applies to direct emissions, imposing a direct tax on emissions from stationary combustion of fossil fuels used at the Richards Bay site and Pietermaritzburg main site. Additionally, we incur the carbon tax through the fuel levy, when purchasing diesel and petrol. We also participate in the carbon credit scheme every year.

See Hulamin CDP Disclosures available at www.CDP.net

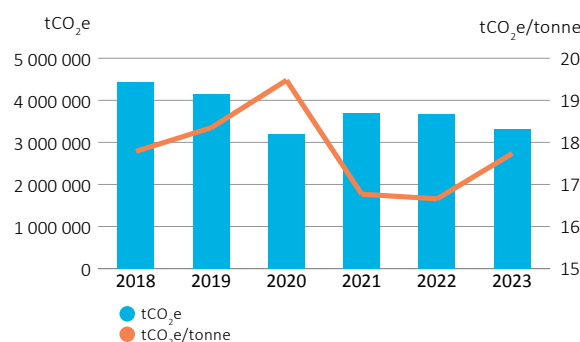
SCOPE 1 AND 2 GHG EMISSIONS



Sourcing of renewable energy: update

Since 2020, the Sustainability Team has embarked on a journey to secure electricity from renewable sources. Strategies for obtaining renewable energy will involve on-site generation, such as rooftop solar PV or solar carports, and the “wheeling” of electricity from an off-site facility. Introduced legislative changes, along with electricity tariff hikes and tax rebates, have provided financial incentives for these initiatives. Hulamin can now decrease its operating costs and reduce the carbon footprint of our products, while enhancing our competitiveness and appeal in the global marketplace. Simultaneously, this effort contributes much-needed generation capacity to South Africa’s grid amid the country’s ongoing energy crisis.

SCOPE 3 GHG EMISSIONS



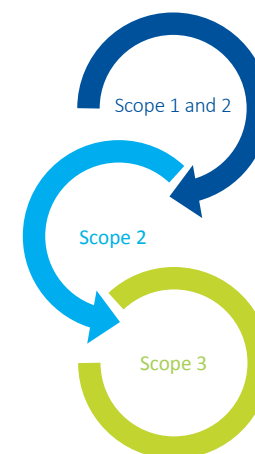
Supply chain emissions

The main contributor to the Hulamin Scope 3 emissions (approximately 90%) is the primary aluminium we convert into our semi-fabricated products. The calculated Scope 3 emissions from purchased metal encompass primary aluminium, alloying metals (hardeners), the input of scrap metal, and reclaimed metal from aluminium dross.

Hulamin Scope 3 emissions from upstream purchased metal were 3 324 736 (tCO₂e). We have a science-based target to reduce our Scope 3 emissions by 24% per tonne of aluminium produced by 2030, from a 2018 base year.

To achieve this target, we have over the years pursued means to increase the recycled aluminium content on selected products, displacing primary aluminium content per ton of aluminium sold. Given this, we are focused on recycling as much pre- and post-consumer aluminium scrap as possible, mainly benefiting the beverage can market. Merely 5% of the energy necessary for aluminium production is required for re-melting scrap for new purposes. Additionally, scrap adds a zero-GHG emission factor to our product’s carbon footprint, contributing significant value to enhancing low-carbon credentials for some of our products.

OVERALL CARBONISATION INITIATIVES FOR HULAMIN SUPPORT



- Scope 1 and 2: Improved efficiency. Ongoing fuel gas and electricity efficiency projects.
- Scope 2: Incorporating renewable energy sources, such as onsite solar on an immediate-term basis, while pursuing offsite solar energy access.
- Scope 3: Increasing the recycled aluminium content, while engaging with primary metal suppliers about their GHG reduction plans.

Natural capital continued

Material usage

Our major material input is metal. In 2023, we purchased approximately 200 000 tonnes of metal, hardeners and scrap from our suppliers. The Scope 3 emissions intensity for purchased metal increased between 2022/23 to 17.56 (16.68: 2021/2022), due to lower production volumes.

Hulamin's state-of-the-art recycling facility is the largest and most modern recycler of pre- and post-consumer aluminium scrap. We procure diverse aluminium scrap varieties, such as class scrap from can manufacturers, UBCs, auto body sheet scrap, high-purity wire, lithographic plates from the printing industry, and various other types of customer buyback scraps. All these diverse scrap types are cleaned and processed into new products, mainly for the beverage can market. We also recycled all generated dross and problematic scrap types through strategic tolling partners, reclaiming metals from dross for reuse at our remelt facility.

Due to the implementation of recycling regulations and recycled content requirements in our export markets, we give preference to using recycled materials in the production of the most impacted products. In 2023, the overall scrap processed through the recycling furnace increased by 10% as compared to 2022. In 2023, Hulamin approved strategic capital investment into the recycling plant to improve the scrap consumption capability by 2025.

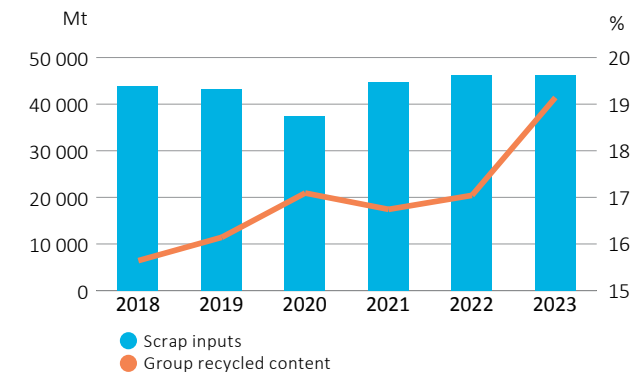
Recycling collection action

Playing a central role as a member of MetPac-SA (Metal Packaging South Africa), Hulamin actively endorses the collective vision of extended producer responsibility within the packaging industry, particularly focusing on post-consumer metal packaging recovery in accordance with Section 18 of NEMWA legislative obligations. Leveraging the infinite recyclability of aluminium, Hulamin, in collaboration with MetPac-SA, emphasises the imperative to enhance the efficiency of the post-consumer metal packaging recovery model in South Africa, aligning with the Department of Forestry, Fisheries and Environment's (DFFE's) sustainability development goals, especially in promoting a circular economy for metal.

Serving as the metal packaging Producer Responsibility Organisation (PRO) in South Africa, MetPac-SA, backed by Hulamin, represents over 75% of the metal packaging tonnage in the country, working closely with its members to ensure the achievement of the mandated DFFE material recovery and recycling targets.

A prevailing consensus within the industry, echoed by Hulamin, suggests that this industry-driven approach to Extended Producer Responsibility (EPR) will yield positive outcomes over the legislated five-year period.

RECYCLED CONTENT



Water and effluent

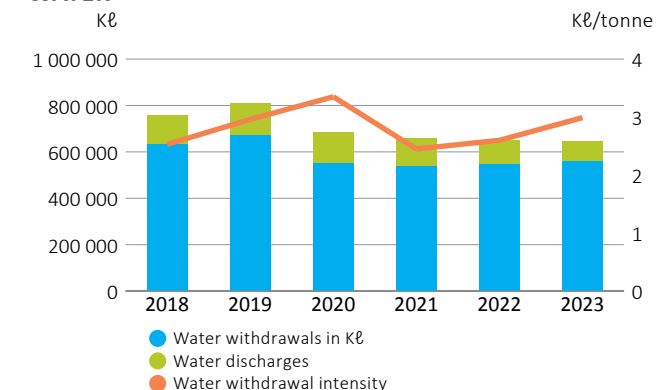
Ensuring sustainable water withdrawal from municipal water supplies remains a continuous effort to minimise water consumption, especially at the Pietermaritzburg main site. Hulamin has a target to cut water intake by 30% by 2025, and 50% by 2030, primarily by replacing municipal water with treated final effluent, leading to substantial savings. As of now, we have addressed 90% of our water metering programme since the 2018 baseline year, and we are focusing on managing wastage in critical water intensive processes.

In 2023, a total of 560 040 kℓ was withdrawn. This marked a 10% decrease in water withdrawal relative to a baseline year of 2018, primarily attributed to a heightened emphasis on precise water usage in various processes. To save 11 000 kℓ per year, the effluent plant at Camps Drift was converted to use recycled cast water. This initiative unfortunately ran into some difficulties that had to be addressed and should deliver better results during 2024. Looking ahead, our focus will extend to augmenting the volume of recycled water, leveraging a cutting-edge reverse osmosis water treatment and recycling system thereby reducing consumption rate by 50% by 2030.

In 2023, there was a 15% increase in water withdrawal intensity (kℓ/tonne product) due to a decrease in production volumes and a plant shutdown. From an effluent standpoint, Hulamin operates three wastewater treatment plants. We are mindful that water shedding will become a threat in the near future. Therefore, improving wastewater quality, reusing wastewater, and ultimately reducing effluent generation are our primary water goals.

Hulamin CDP Water Disclosures are available at www.CDP.net

WATER



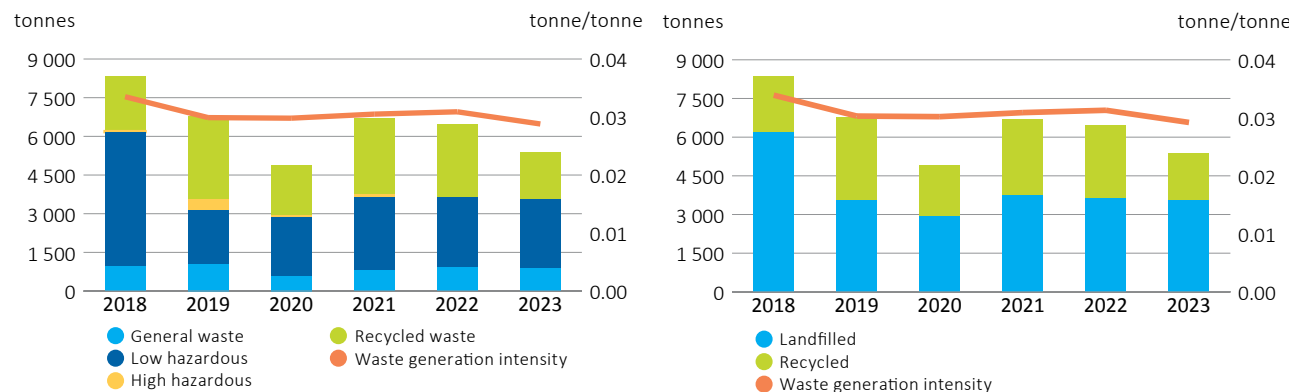
Natural capital continued

Waste

In 2023, the total waste generated amounted to 5 390 tonnes, reflecting a 17% reduction. This is attributable to a five-week shutdown that occurred during the year. Additionally, waste management intensity slightly decreased by 7%, shifting from 0.0309 tonnes of waste per tonne of aluminium produced in 2022, to 0.0288 tonnes of waste per tonne of aluminium produced in 2023. Compared to the 2018 baseline year, the overall waste has decreased by 28%.

Low and high hazardous waste generation decreased, and there was no high hazardous waste generated for the year under review. Hualamin continues to focus on reducing waste generated and on increasing recycling. At present, 34% of the waste generated is recycled, significantly less than the previous year due to a short production year. We have had remarkable success working with local waste recyclers through our third-party partner, Enviroserve. As part of the environmental sustainability framework, Hualamin is working towards reducing waste to landfill by 5% year-on-year, reaching a 50% reduction by 2030.

WASTE



Air emissions

Hualamin's aluminium production activities are broadly classified as listed activities in terms of atmospheric air legislation, and we must comply with a range of air emission limits. For the most part, emissions such as SO_x and NO_x are well below limits. However, other emissions such as fluoride emissions, in the form of gaseous hydrogen fluoride (HF) and total volatile organic compounds (VOCs), are the major undesirable fume components produced in the aluminium melting process. To integrate recent advances in process re-design, in accordance with continuous improvement objectives and pollution prevention, we have secured special capital investment to install abatement technology by 2025, keeping air emissions within legal limits.

Biodiversity and land management

Hualamin Rolled Products occupies a prominent 105 ha of land within the thriving Pietermaritzburg region, encompassing two seamlessly integrated sites. Notably, Hualamin Extrusions is also strategically situated on the same property.

Hualamin Containers is also situated in Pietermaritzburg, occupying a separate but distinct and purposefully designed property, while the casthouse, 13 ha in extent, is located in the Richards Bay Development Zone, adjacent to the Hillside Smelter. These sites are already established within industrial zones. No new areas were developed in 2023, and there are no plans for development in the upcoming year.

Hualamin has undertaken comprehensive biodiversity assessments across its facilities and the surrounding areas, aiming to gain insights into potential impacts and formulate effective mitigation strategies. Our approach is to achieve a Net Positive Gain in biodiversity by supporting outcome that will not only minimise negative impacts, but actively contribute to positive results.

For Hualamin, control and eradication of identified invasive plant species, as well as preventing negative impacts on land and water from handling metals, is paramount.

We are committed to extending our commitment beyond minimising our direct impact, as we actively engage in initiatives to address the biodiversity challenges associated with our suppliers – particularly in the eradication of invasive plant species, supporting nature-based projects to advance the restoration of natural systems, and supporting water resource management.

By adopting a holistic approach, we aspire to not only enhance our environmental stewardship within our operations, but also influence positive change throughout our entire supply chain. We are delighted to start this journey with our suppliers and partners in 2024.

Supply chain engagement

Hualamin has also been working towards improving stakeholder engagement processes, especially with customers and suppliers, by expanding awareness on how responsible sourcing affects overall environmental life cycle goals (including product value to customers).

All our Suppliers and Service Providers sign a Code of Conduct. By aligning with this code of conduct, our suppliers commit to conducting their businesses in compliance with the applicable environmental laws and regulations when performing their obligations to Hualamin. The majority of the emissions associated with our products are from the production of primary aluminium by our suppliers. We engage the supplier to work with them on reducing GHG emissions and identifying and managing climate-related risks.

In terms of the recycling value chain, Hualamin believes it has a key role to play. We have built on Enterprise and Supplier Development programmes with SMME scrap collectors by extending the provision of guaranteed buyback agreements. See page 39 in Social Capital.

Note: Hualamin manufacturing matrices can be accessed on the Hualamin website. Products LCA information can be requested via Markets Technical Representatives.



Capital outcomes

06

Capital outcomes scorecard
summary
Corporate information



Capital outcomes scorecard summary



SOCIAL AND RELATIONSHIP

	2023
Income taxes paid	
2022: (41 017) (R'000)	(167 712)
Spending on corporate social responsibility	
2022: 2 797 (R'000)	3 504
B-BBEE expenditure	
2022: 107 479 (R million)	122 723
B-BBEE status	
2022: 4 (Level)	5

MOVING FORWARD

Hulamin is committed to the advancement and transformation of the South African economy through the adoption of the B-BBEE framework.

CAPITAL TRADE-OFF

Hulamin balances investment in communities and development of EMEs and QSEs with the return required by providers of capital.

ACTIONS TO ENHANCE OUTCOMES

- Contribute to the development of small, local businesses that have majority black shareholding.
- Promote job creation in the KwaZulu-Natal region.



HUMAN

	2023
Employee costs	
2022: 1 314 696 (R'000)	1 472 450
Number of employees	
2022: 1 835	1 866
Lost time injury frequency rate	
2022: 0.21	0.14
Total recordable case frequency rate	
2022: 0.42	0.28

MOVING FORWARD

Embed strategic workforce planning ensuring the acquisition, retention, development and effective use of the people that the organisation needs. As part of our employment equity process, a key objective includes transforming representation on key strategic decision-making bodies at all levels in the organisation.

CAPITAL TRADE-OFF

Investment in the safety of our people is of critical importance to Hulamin regardless of the production man-hours lost.

ACTIONS TO ENHANCE OUTCOMES

- Enhance the Hulamin Talent Pipeline Management Programme to build the capabilities of tomorrow.
- Optimise and enhance the retention of Africans and females by building a corporate culture that values transformation.
- Provide our people with the right safety information, direction and the competencies necessary to contribute to the success of our business.



MANUFACTURED

	2023
Capital expenditure	
2022: 233 (R'000)	311
Repairs and maintenance	
2022: 395 154 (R'000)	358 248
Depreciation and amortisation	
2022: 102 589 (R'000)	134 790
Rolled Products production volumes	
2022: 211 328 (tons)	173 933

MOVING FORWARD

With the overlay of our digital strategy acquire improved manufacturing insights to provide market leading innovation in our products and their applications.

CAPITAL TRADE-OFF

The overall objective of free cash flow generation is balanced against the need to maintain and invest in the assets of today.

ACTIONS TO ENHANCE OUTCOMES

- Continued adherence to the asset management strategy.



NATURAL

	2023
Total CO₂ emissions	
2022: 1.72 (CO ₂ /MT produced)	1.93
Water consumption	
2022: 2.45 (Kℓ/MT produced)	2.99
Electricity consumption	
2022: 1.13 (KWh/MT produced)	1.29
Fuel gases intensity	
2022: 8.8 (GJ/MT)	10.0

MOVING FORWARD

Hulamin considered emerging stakeholder, market expectation and sustainability trends and expectation in the development of its long range environment sustainability framework.

CAPITAL TRADE-OFF

Although energy efficiency savings require additional capital investment, the medium- to long-term benefits outweigh the cost of investment.

ACTIONS TO ENHANCE OUTCOMES

- Continue to increase scrap inputs where possible to decrease reliance on natural resources.
- Continue to improve energy efficiency and carbon emission per production tonnage.
- Source renewable energy.



FINANCIAL

	2023
Operating profit	
2022: 530 051 (R'000)	532 019
Free cash flows	
2022: (162 743) (R'000)	54 148
Net debt to equity	
2022: 28 (%)	25
Basic headline earnings per share	
2022: 99 (cents)	88

MOVING FORWARD

Free cash-flow generation is the base requirement to unlock the group's medium-term and long-term strategy.

CAPITAL TRADE-OFF

The group balances the return required by the providers of capital with the requirements of all other stakeholders.

ACTIONS TO ENHANCE OUTCOMES

- Continue to drive cost optimisation programme.
- Sustain reduction in inventory and trade receivable days on hand.
- Increased sales volumes aligned to new mix enhancements.

Please see page 18 for Intellectual Capital.

Corporate information

Hulamin Limited

(Incorporated in the Republic of South Africa)
 Registration number: 1940/013924/06
 Share code: HLM
 ISIN: ZAE000096210
 Founded: 1940
 Listed: 2007
 Sector: Industrial Metals and Mining

Business address and registered office

Moses Mabhida Road
 Pietermaritzburg
 3200

Postal address

PO Box 74
 Pietermaritzburg
 3200

Contact details

Telephone: +27 33 395 6911
 Facsimile: +27 33 394 6335
 Website: www.hulamin.co.za
 Email: hulamin@hulamin.co.za

Securities exchange listing

South Africa (Primary) JSE Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
 Private Bag X9000
 Saxonwold
 2132
 South Africa

Sponsor

Questco Corporate Advisory Proprietary Limited
 Ground Floor, Block C
 Investment Plaza
 10th Road
 Hyde Park
 2196
 Telephone: +27 11 011 9200
 Email: sponsor@questco.co.za
 Website: www.questco.co.za

Directorate

Non-executive directors

CA Boles*
 VN Khumalo
 RL Larson*
 TP Leeuw, Chairman*
 N Maharajh*
 Dr B Mehlomakulu*
 SP Ngwenya
 GHM Watson⁺
 GC Zondi (Alternate)

Executive directors

M Gounder, Chief Executive Officer[^]
 P Nirghin, Interim Chief Financial Officer[#]

* Independent non-executive directors.

+ Served as Interim CEO from 30 September 2022 to 30 November 2023 and will continue to serve as non-executive director from 1 December 2023.

[^] Appointed Chief Executive Officer on 1 December 2023.

[#] Appointed Interim Chief Financial Officer on 1 December 2023.

Company secretary

Luvivi (Pty) Limited*
 Email: secretarial@hulamin.co.za
 * Appointed as company secretary on 1 August 2023

Corporate information and investor relations

BA Mngadi
 Email: Ayanda.Mngadi@hulamin.co.za
 Telephone: 033 395 6911

Date of SENS release

4 March 2024

Auditors

Ernst & Young Inc.
 102 Rivonia Road, Sandton, 2146
 Private Bag X14, Sandton, 2146
 Practice number: 918288
 Telephone: +27 11 772 3000
 Facsimile: +27 11 772 4000
 Website: <http://www.ey.com>



HULAMIN
 Think future. Think aluminium.