



LIBERTY

# Sustainability Report 2021

Mining & Primary Steel | Australia



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# Foreword

## *A message from Theuns Victor, Interim CEO Primary Steel & Integrated Mining*

I am pleased to present this 2021 Sustainability Report for our Australian mining and primary steel business, comprising our Whyalla, Tahmoor and Bell Bay operations.

Let me start by acknowledging that 2021 was tough. COVID-19 continued to exert significant influence across businesses, borders, and communities, while at the same time we were managing our way through the challenges created by the collapse of Greensill Capital, GFG Alliance's main lender.

However, the determination and resilience of our people and the support of our many stakeholders has seen us emerge stronger than ever, with our Australian operations now performing the best they have for many years.

In 2021, in spite of the pandemic and due to significant and devastating weather events globally, governments and industries around the world were challenged to take quick and affirmative action to combat climate change.

In supporting this, sustainability remains one of our core values, as does our ambition to be carbon neutral by 2030 (CN30). It drives our relentless efforts to decarbonise our manufacturing assets by adopting GREENSTEEL technologies and approaches, such as hydrogen and direct reduction furnaces to produce low carbon emissions steel. It also means investing in our people – equipping them with new skills and developing new talent.

We remain committed to our GREENSTEEL vision and firmly believe the future of steelmaking can be and will be environmentally sustainable. Nowhere is this more ready to be realised than here in Australia, where a rich mix of abundant sunshine, consistent onshore wind and mineral wealth can unlock and enable a decarbonised future.

However, it will take the combined efforts and courage of industry, government and most importantly, community, to realise this change – another of our core values.



The transformation of the industry will be led by transition technologies and pathways as we maintain our business profitability while we carefully but with urgency plan and implement the breakthrough technologies.

We have an opportunity now, to set forth on a new trajectory towards a green industrial revolution, powered by green hydrogen produced by renewable energy. We are uniquely positioned in Australia to play a different role in the new low-emission industrial world and make a positive contribution to climate change.

We remain steadfastly committed to our operations in Whyalla, Tahmoor and Bell Bay, and to have a positive impact on our community, economy, and environment. Our long-term vision has not changed – a smooth transition to a modern steel industry with an upskilled workforce supporting vibrant and prosperous communities.





# Our Strategy

*We create an economically sustainable business model for our industries centred on long-term profitability, socially sustainable development in local communities, and the goal of becoming carbon neutral by 2030 (CN30).*

As part of the LIBERTY Steel Group (a member of the GFG Alliance), our strategy enables us to identify opportunities and drive positive change in our industries. It is driven by four key trends:

1. Increasing demand for steel
2. The urgent need to decarbonise these sectors
3. The decline of traditional manufacturing industries in developed economies
4. The need to be competitive in a changing world

This means modernising industrial sites that have been left behind, establishing partnerships with employees to create self-determined change, and transforming manufacturing processes by harnessing renewable power and agile production. This leads to lower costs, reduced emissions, and sustainable profits to secure long-term employment in the communities in which we operate.

We embrace change and are agile in what we do to create a future business that is economically, socially, and environmentally sustainable.

## Economic sustainability

We promote growth through investment and improved commercial and operational performance – transforming businesses by working at a local level to improve safety, reduce costs, and boost output thereby generating the full value for production.

Our strategy allows us to transform our facilities to capitalise on the new opportunities created by GREENSTEEL. It also helps us to serve local and regional markets, introducing flexible business models and opportunities for integration which create value across the supply chain.

Being a core member of the global GFG Alliance gives us access to expertise and experience to support our

businesses with commercial improvement, procurement and supply chain, and sales and distribution.

## Social sustainability

Our commitment to health and safety underpins everything we do. We are constantly working to extend our track record and continue improving the health and safety measures for all our people and promote overall wellbeing. Be GFG Safe is our roadmap to world-class safety excellence and outlines how we manage health and safety – bringing together all aspects of our health and safety.

We have a long-term commitment to the steel industry and jobs, reflecting the values of a family-owned company. As part of our GREENSTEEL initiatives, we are investing in training to equip our people with the skills for the future and develop a pipeline of critical future talent.

We are determined that as part of our role in driving the low carbon transition, no community is left behind. That's why we are investing in young people and communities, creating high-quality jobs, sustaining local suppliers, forging meaningful partnerships to support local economies, and promoting an energy future that works for all.

## Environmental sustainability

Through GREENSTEEL, energy efficiency programs, and upgrading and replacing existing equipment, we are reducing emissions, creating cleaner products, and supporting our CN30 ambition.

Our GREENSTEEL initiatives will help our customers to build the infrastructure needed for the transition to a carbon-constrained world. We also see this as an opportunity to help them achieve their sustainability targets.

# Our Values

*Our vision is to build a sustainable future for industry and society.*

Delivering on our vision is not only defined by the size of our operations, but by the quality of our people.

We recruit the best, safeguard our people, and invest to ensure they continue to grow as we do.

Our vision ensures that we continue to push boundaries and deliver for many decades to come.

To support our vision, our values are our frame of reference for the decisions we make every day.

Our values define who we are, what we stand for, how we behave, and how we do business.



## Change

*We will be courageous, maintain an open mindset and continually challenge the status quo.*

Recognising that change is a constant in the world, we are dynamic and seek to drive change rather than let it drive us.

We pride ourselves in having an open mindset and continually challenging the status quo.

We seek out innovative ideas to stay ahead of the curve and we encourage our people to persist.

Using an agile approach, we take calculated risks.

We are nimble and respond to setbacks and opportunities at pace.

Regardless of where we work, our unbridled curiosity means we are not afraid to push boundaries and innovate, adding value to every industry in which we operate.



## Family

*We will embrace all stakeholders as members of our extended family.*

We are more than a team; we are a family.

We have an inter-generational outlook which means we make decisions for the welfare of our future generations.

We do this by caring for each other, our partners, and our communities.

We support, respect, and help each other, making integrity and transparency the foundations for our relationships.

We are inclusive, embrace diversity, and collectively build on our success.



## Sustainability

*We will operate our business to perform over time and build a legacy for the future.*

We think of sustainability across three sustainability dimensions:

1. Economic is fundamental to the success of our businesses and those who depend on them.
2. Social recognises the important contribution of a successful industrial sector and the jobs and security it creates to a well-balanced and thriving society.
3. Environmental flows naturally from the long-term perspective of a family business and incorporates the interests of future generations.



# Our Operations

## Primary steel

The iconic Whyalla Steelworks is a historic steel manufacturer, supplying steel long products for the domestic steel market and InfraBuild businesses.

The steelworks is configured as an integrated steelmaking route that produces slabs, billets, hot rolled structural steel and rail products. It is the only Australian manufacturer of special grade billet and steel long products, producing semi-finished steel billet and custom made hot rolled structural, rail and sleeper products to internal and external customers (~35% volume). Total production capacity at Whyalla Steelworks is 1.2 Mtpa of cast steel and 475 ktpa of hot rolled product.

The steelworks and its blast furnace are supplied by our mining business (SIMEC Mining) with operations in the nearby Middleback Ranges and Ardrossan in South Australia.

## Mining

Tahmoor Coking Coal operates in the Bulli coal seam, with the majority of its product being hard coking coal while also producing small amounts of a speciality blend coal.

The Tahmoor site is able to supply coking coal, a key ingredient in the steelmaking process, for steelmaking at Whyalla and export to the European and Asian markets. Tahmoor currently has development consent to produce up to 3 Mtpa Run of Mine (ROM) and operates 24 hours a day.

Iron ore operations at the Middleback Ranges incorporate the Iron Baron, Iron Knob and South Middleback Range mine sites. They mine both hematite and magnetite iron ore which is respectively railed and piped to Whyalla. Most of the magnetite is pelletised (about 1.6 Mtpa) and used within the steelworks, whereas the hematite ore (about 6 Mtpa) and excess magnetite is loaded onto ships for transport to a primarily Asian customer base. Total reserves and resources are just under 500 million tonnes.

The GFG Alliance also owns a portfolio of non-ferrous mining assets located in South Australia. This includes the Ardrossan dolomite mine which supplies dolomite flux to the steelworks as well as a collection of copper-gold exploration projects.

## Whyalla Port

We own the Whyalla Port, a deep-sea port which handles the import and export of a variety of commodities, mining consumables and equipment. The port, which features two mobile harbour cranes, is one of the most competitive ports in the region and provides a strong industrial gateway for South Australia.

It is composed of three main geographic areas (inner harbour, outer harbour, and offshore transshipment points) and each of these areas has its own related shipping operations. The port of Whyalla has been exporting iron ore since 1903.

## Bell Bay

The hydro energy-powered Tasmanian Electro Metallurgical Company (TEMCO) smelter in Bell Bay (northern Tasmania) joined the LIBERTY Steel Group in early January 2021. With four submerged electric arc furnaces, including a sinter plant, LIBERTY Bell Bay can produce 150 ktpa of ferromanganese and 120 ktpa of silicomanganese used in steel manufacturing.

LIBERTY Bell Bay further enhances GFG Alliance's drive to be self-sufficient and fully integrated across its supply chain, complementing our iron ore and coking coal operations and renewable energy initiatives. It ensures Australia has a sustainable and globally competitive steel manufacturing sector.







**TO MAKE  
CHANGE  
WE HAVE  
TO PUSH**

**CN30**

**A GFG INITIATIVE**

*Carbon Neutral by 2030 (CN30) is a wide-reaching program by the GFG Alliance that will transform industrial manufacturing for a truly sustainable future.*

**CN30**

As a LIBERTY Steel Group brand and part of the GFG Alliance, we work with a clear purpose to create a more sustainable future for industry and contribute to GFG's ambition to become carbon neutral by 2030 (CN30).

CN30 applies renewable power and breakthrough technologies to steel manufacturing that create environmentally and socially sustainable businesses – generating long term profits, offering secure jobs, and contributing to community prosperity.

In 2020, a global committee was established to support this strategy, working on the CN30 transformation planning across the business, focusing on developing new GREENSTEEL technologies and supporting individual transformation projects. This includes significant low emissions transformation initiatives which we have already announced in our core businesses.





## GREENSTEEL

We are exploring the potential of new technologies, such as hydrogen steelmaking powered by renewable energy, to significantly reduce emissions from primary steel production via direct reduction iron (DRI) furnaces that can feed electric arc furnaces (EAF).

Put simply, steel production requires stripping oxygen from iron ore to produce iron metal. In traditional steelmaking, this is done using coking coal or natural gas in a process that releases carbon dioxide. In GREENSTEEL production, hydrogen made from renewable energy replaces fossil fuels as the reduction agent.

This is in addition to producing steel from recycled materials through EAFs which emit only one-third of the emissions compared with primary steel production through blast furnaces. When combined with renewable power, emissions are reduced to near zero.

GREENSTEEL also aims to recycle and upcycle the growing amount of scrap steel using EAFs powered by renewable energy. Raw materials and resources will be secured locally to make world-class products that serve local markets.

GREENSTEEL provides a more flexible and customer-focused solution while also reducing the carbon footprint, shortening the supply chain, retaining and upgrading skills, stimulating new technologies, and engendering sustainable and globally competitive steel manufacturing.

***"Manufacturing steel from recycled materials produces only one-third of the emissions compared with primary steel production."***

## Future direction

In Australia, we are working on several pathways towards achieving this GREENSTEEL transformation across the business. However, this transition and development of new technologies towards zero emissions steel making will not happen overnight and needs to develop in parallel to existing operations.

Successful execution of CN30 will depend on:

- Consolidating and scaling our operations to lower costs, compete globally and support major nation-building infrastructure projects.
- Collaborating with key stakeholders to form partnerships that will spread costs, accelerate change and turbo-charge the development and implementation of new technology.
- Adopting policy frameworks that support GREENSTEEL technologies and encourage learning and problem solving.





## COP26

Over the last century the world has changed and so have our attitudes to industry and business.

It's clear that time for action is running out for the planet so we need to change what we do and how we do it. Steel production accounts for about nine per cent of industrial emissions worldwide. However, these materials are essential to a modern economy, and therefore demand for them will increase significantly in the coming decades. At the same time, governments are putting in place tougher emission regulations and our customers are demanding lower carbon products.

Decarbonising our industries is not only right for the environment, but it will ensure our businesses are economically and socially sustainable too, by remaining competitive and providing high quality jobs in our communities. Never has our purpose – to create a sustainable future for industry and society – meant more.

As a key sponsor of the World Climate Summit at COP26, the GFG Alliance launched its campaign which promoted work being done on decarbonisation and other initiatives, such as the GREENSTEEL Academy.

## GREENSTEEL Academy

The GREENSTEEL Academy was created to help build and retain the skills needed to transform the steel industry and meet GFG Alliance's CN30 strategic objectives.

The academy will support this transformation by developing the skills needed by the current and future workforce through innovative development programs – created in collaboration with regional educational and technical institutes.

A global program called Discover GREENSTEEL will cover topics on renewable energy, green technologies, and specific technical skills training which are aimed at developing GFG Alliance's existing workforce capability as the steel industry transitions to using new, greener technologies.

The academy aligns with the GFG Foundation's aims of ensuring younger generations are inspired by the importance of industry, the compelling case for change and the opportunities to be part of the transformation.

The academy is already operating at LIBERTY Steel plants in Romania, North Macedonia, and the Czech Republic, with future plans to establish other regional academies.



## Case study – GFG Alliance completes acquisition of TEMCO

*In January 2021, GFG Alliance finalised the purchase of the hydro energy-powered Tasmanian Electro Metallurgical Company (TEMCO) smelter in Bell Bay in northern Tasmania, a significant step forward in its pursuit to be self-sufficient in the supply chain.*

After entering a binding sale and purchase agreement with South32 Limited and Anglo American Plc in August TEMCO joined LIBERTY Steel Group as part of the GFG Alliance family.

GFG Alliance Executive Chairman Sanjeev Gupta said the acquisition not only secured the jobs of the smelter's 250 workers but would also play a key role in enhancing LIBERTY's drive to be self-sufficient in the supply chain.

"When we entered into the agreement in August, I flagged that our investment in key inputs such as ferromanganese and silicomanganese would generate supply chain value to ensure a sustainable and globally competitive steel manufacturing sector," Mr Gupta said.

"This acquisition is an upstream integration for Whyalla and all our steel plants globally.

"The Bell Bay precinct and nearby George Town is a long-standing industrial community with a proud heritage, and we are committed to seeing this facility

continue to play an important role in the future of the Australian steel industry."

The TEMCO facility has four submerged arc furnaces, including a sinter plant, and has the capacity to produce around 150 ktpa of high carbon ferromanganese and 120 ktpa of silicomanganese used in the production of steel.

"GFG Alliance already produces the lowest carbon aluminium in the world in both the UK and France and I'm proud to add one of the world's greenest ferroalloy producers to our portfolio," Mr Gupta said.

***"Our goal is to be carbon neutral by 2030 and I am proud to invest in a state like Tasmania, which has a plentiful supply of renewable energy resources."***





# Economic sustainability

*We believe this forms part of the foundation of our vision to build a sustainable future for the industry and society more broadly.*

Our holistic approach is threefold and considers:

- 1.Economic sustainability
- 2.Efficient use of human capital
- 3.Optimal consumption of natural resources

After completion of the initial business reviews post-acquisition in mid-2017, we focused on executing a series of optimisation and continuous improvement programs targeting:

- Growth in volumes through expanded market share and new products to displace customers’ reliance on imports
- Efficiency by debottlenecking manufacturing and processing facilities, and streamlining supply chains
- Reducing overhead costs to improve margins and long-term economic sustainability

At the same time as championing a wide range of operational improvements, we have been focused on adapting our procurement activities to support our CN30 ambition and reduce our overall consumption of water and other scarce natural resources. SIMEC Energy (part of the GFG Alliance) has a singular objective to help our operations reduce energy loads and pivot towards renewable energy sources.

The GFG Alliance has continued make investments in mining and steelmaking activities that focus on long-term sustainability, striving to harness the latent value in our iron ore and coking coal resources to protect the viability of its mining operations into the next decade and beyond.

Furthermore, a multi-year upgrade program has been initiated to consolidate financial systems onto a single enterprise resource plan (ERP), down from six, and standardise some front-end mechanical control systems.

Finally, mindful of the dramatic impact COVID-19 has had on the Australian economy, we have sought to protect our workers through enhanced hygiene protocols and rigorous use of testing procedures and personal protection equipment (PPE). We are absolutely committed to ensuring the health, safety, and wellbeing of our people.

## Working with us

Our values are reflected in our approach to procuring goods and services. We strive to deliver a smarter, more sustainable, and viable future for industry and society. In line with this, we aim to mitigate adverse impacts to the environment and society while upholding economically viable business practices throughout our operations and supply chains.

We recognise that our suppliers play an important role in the success and sustainability of our operations and aspire to foster collaborative partnerships with our suppliers that are based on delivering maximum value to our business, our customers, and communities. We apply a continuous improvement mindset in all that we do, and seek out suppliers who, like us, strive to continually optimise their performance.

Our supplier relationships extend from local operators through to international suppliers. This gives us the flexibility to match supplier solutions to our operational requirements while generating employment opportunities and economic benefits to the communities within which we operate.



## How we operate

Our supply chain is managed by the Mining and Primary Steel procurement team. We have a defined set of procedures for establishing, negotiating, awarding, and managing contracts with suppliers, to ensure rigorous accountability across our operations.

We aim to balance the economic, social, and environmental factors in all procurement activities, and seek to engage with suppliers who share our commitment under the following principles:

- **Health and Safety.** We are committed to pursuing a high standard of health and safety throughout our operations and strive for continual improvement of health and safety.
- **Value for Money.** Our approach is based on total cost of operations (TCO) to bring maximum value to our business.

- **Open, Fair and Effective Competition.** Our procurement activities foster a competitive and innovative business environment to drive opportunities.
- **Delegations and Control.** Appropriate governance followed to instil confidence as to the accountability and efficiency of procurement activities.
- **Ethical Practices, Probity, Compliance and Professional Integrity.** We will uphold a high standard in business conduct and ethical behaviour throughout our operations and supply chains.
- **Corporate Social Responsibility.** We consider the social and environmental impacts of our procurement activities.



## Business updates

### Debt Restructuring

In October 2021, GFG Alliance and Credit Suisse Asset Management (CSAM) agreed to a debt restructuring for LIBERTY Primary Metals Australia (LPMA), which comprises its integrated mining and primary steel business at Whyalla and its coking coal mine at Tahmoor. The deal provided a stable financial platform for our operations in Whyalla and Tahmoor.

The LPMA business has registered record-breaking performances following its operational efficiency drive, continuous improvement initiatives and favourable market conditions underpinned by strong investment in infrastructure. Continued strength in the steel and coking coal markets helped to offset a recent correction in iron ore prices.

The strength of the LPMA business has enabled it to make a substantial upfront payment to Greensill Bank and CSAM, which has been closely involved in GFG Alliance's work to refinance and restructure its portfolio following the collapse of its main lender, Greensill Capital.

Under the agreement, which represented the best of several options to achieve refinancing, the balance will be paid in instalments to CSAM and Greensill Bank through to the amended maturity date of June 2023.

### Restructuring & Transformation Committee

LIBERTY Steel Group's Restructuring and Transformation Committee (RTC) was established in May 2021 to restructure LIBERTY's global operations to focus on core profitable units.

Since then, the RTC has evolved a strategy for LIBERTY's future which will see the company focus on its primary metal production hubs and associated downstream units, and renewable energy developments. The restructuring has been supporting GFG Alliance's refinancing efforts which have been boosted by the strength of core assets and record steel, aluminium and iron ore prices.

### Whyalla Integrated Steelworks

In 2021, our integrated steel and iron ore mining operations saw an uplift in performance following a three-month review commencing in June 2020 to identify and implement cost reductions and efficiency improvements. The review transitioned into an ongoing continuous improvement program.

The review evaluated all aspects of the business, including production inputs, processes and proposed investments that would increase capacity and revenue. Projects that required capital have moved to concept design.

Our continuous improvement initiatives, coupled with strong steel and mining markets, resulted in a solid performance while discussions to secure alternative long-term funding were progressing.

### Tahmoor South

In October 2021, we welcomed the federal government's approval of the Tahmoor South Project under the Environment Protection and Biodiversity Conservation Act. This followed state government approval in April 2021.

The extension of mining for a further 10 years at the Tahmoor Colliery, through the Tahmoor South Project, is critical to our business continuity. Approval of the project secures the futures of more than 400 workers and will inject millions of dollars into the region.

The decision is a positive outcome for our employees, suppliers, local businesses, and the broader community, and reaffirms the importance of supplying high quality metallurgical (coking) coal used in steelmaking and manufacturing.

### LIBERTY Bell Bay

In January 2021, the hydro-energy powered Tasmanian Electro Metallurgical Company (TEMCO) ferroalloy smelter joined GFG Alliance as LIBERTY Bell Bay.

The smelter is located six kilometres from George Town (Tasmania) in the Bell Bay industrial precinct where about 60 per cent of Tasmania's manufactured exports are produced.

As the only ferroalloy producer in Australia, LIBERTY Bell Bay plays an important role in the future of the Australian and global steel industry. Its four furnaces produce about 270,000 tpa of high carbon ferromanganese and silicomanganese alloys and its on-site sinter plant can produce up to 325,000 tpa of manganese sinter.

LIBERTY Bell Bay's customer base is diversified across 13 countries with about 11 per cent of production supplied directly to steel customers in Australia and New Zealand.

Following acquisition, LIBERTY Bell Bay set about transforming its operations into a largely standalone asset – independent of central support functions yet still capable of leveraging expertise from within the GFG Alliance.

Organisational changes included creation of a Commercial function which incorporates onsite Finance, Procurement, and Information Technology teams. Through this localised approach, LIBERTY Bell Bay now has an essential understanding of the local network of suppliers and service providers needed to operate efficiently while leveraging the wider GFG Alliance expertise.





## Continuous improvement

Through a continuous improvement (CI) regime, we have seen dramatic reductions in costs and increases in efficiency across our business. CI efforts to iterate and change operations for the better are critical to our ongoing economic sustainability.

### LIBERTY Primary Steel

Our Whyalla Steelworks is constantly reviewing and considering ways to improve operations. The cost reduction effort continued in 2021, including:

- A reduction of the higher-cost pellet charge in the blast furnace feed blend from 80 per cent to 65 per

cent, which saved approx. \$10 million in operating cost per annum.

- A reduction of the flux consumption in steelmaking by 25 per cent, saving about \$4 million a year operating cost. The latent flux production capacity resulting from reduced consumption has created a new revenue opportunity by selling extra flux.
- Moving operators manufactured refractory consumables in-house, instead of purchasing from overseas suppliers. The in-house made products are 12 per cent cheaper and last longer.
- Our Procurement team negotiating more favourable terms with vendors such as water treatment, consumable suppliers and material handling service providers.

### Case study – Hot Rolling Mill

*By systematically analysing and addressing root causes of key reliability issues, the plant reliability improved from 80 per cent (FY20) to 83.6 per cent in the last quarter of FY21 which is a material improvement.*

Additionally, a series of debottlenecking studies and initiatives increased use of the mill from 61 per cent (FY20) to 70 per cent in the last quarter of FY21 by continuously challenging and improving the speed of bottlenecks of the rolling mill production line.

The mill achieved daily, weekly, and monthly production records (10-year highs) in a single month during August 2020. The result was a 31 per cent increase in annual throughput capability of the existing mill without major capital investment.

The increased production secured flexible and high-quality supply of structural and rail products to the domestic market during the COVID-19 pandemic.



### Case study – South Australian Premier's Awards in Energy and Mining

*Whyalla Steelworks has won the SA Premier's Awards in Energy and Mining in the Innovation and Transformation (Productivity Improvement) category.*

The Whyalla Steelworks' Continuous Improvement (CI) Program was recognised for having improved efficiency, productivity, and competitiveness, and for demonstrating innovative thinking. Twenty employees attended the awards night – representing the diverse teams from across our operations.

Since the CI program was introduced, about 1,600 employees have contributed to the 100+ initiatives with many more ideas being generated and actioned.

Commenting on the award, Executive Managing Director of Primary Steel, Jason Schell, said the success of the CI program and the award was testament to the active engagement and participation of employees and their out-of-the-box thinking to solve problems – both big and small.

The CI program has unlocked significant value through productivity and efficiency improvements and has contributed to the Whyalla Steelworks' successful turnaround. Examples of continuous improvement initiatives include:

- Automating control of the freshwater recirculation system, reducing freshwater usage by about 120kL a year.
- Reducing reheat furnace natural gas consumption by 10 per cent and reducing the plant's carbon footprint.
- Trialling different electrodes used in steelmaking, reducing significant operating costs each year.
- Changing crane lubrication from synthetic to mineral oil, reducing costs by 30 per cent and saving significant operating costs each year.
- Manufacturing refractory consumables in-house, instead of purchasing from overseas suppliers, and achieving significant saving each year.
- Increasing the lifespan of rolls used for producing structural steel products by 88 per cent from 3,200 to 6,000 tonnes per roll.

Now in its tenth year, the Premier's Awards in Energy and Mining showcases innovative approaches and technology, and exceptional leadership in South Australia. It also recognises the employment and business opportunities and the positive economic, social, and environmental contribution the industry makes.



## Iron ore mining

Whyalla iron ore in South Australia has a rigorous program to implement and embed a CI philosophy. Cost reduction and value add projects using the CI method have seen unit rate reductions across the entire iron ore business.

Our magnetite operations delivered benefits from 53 CI ideas with the concentrator and pelletising plant breaking all daily, monthly, and annual production records. There were unit cost reductions in all streams with a unit cash cost reduction for pellets of 12 per cent. Our hematite operations delivered benefits from 22 ideas with cost and export sales better than budget through continued operational improvements and reduced cycle times.



### Case study – Bentonite Addition Optimisation (magnetite)

*Identified through an ideas generation session (IGS), the bentonite feeders were not operating effectively, resulting in unreliable bentonite addition rates.*

The impact of this was insufficient bentonite addition, leading to breakage of pellets in the induration process. This results in lost product and increased dust generation – increased dust poses a higher chance of amenity impacts to the community.

To resolve the issue, a project started with the improvement and calibration of the bentonite addition equipment and repair work to the induration equipment to support the smooth movement of pellets through to the kiln. This resulted in improved product quality, fewer broken pellets, less dust generation, and less waste. It also created an operating cost saving of \$6.2 million.

To sustain the project, a standing Project Management Office for quarterly inspections and calibrations was initiated as well as an additional project for the stripper tips to be re-engineered.

### Case study – Lump Scalping (hematite)

*It was identified through an IGS that feed material with a sizing >20-25mm already had a grade of about 60 per cent iron.*

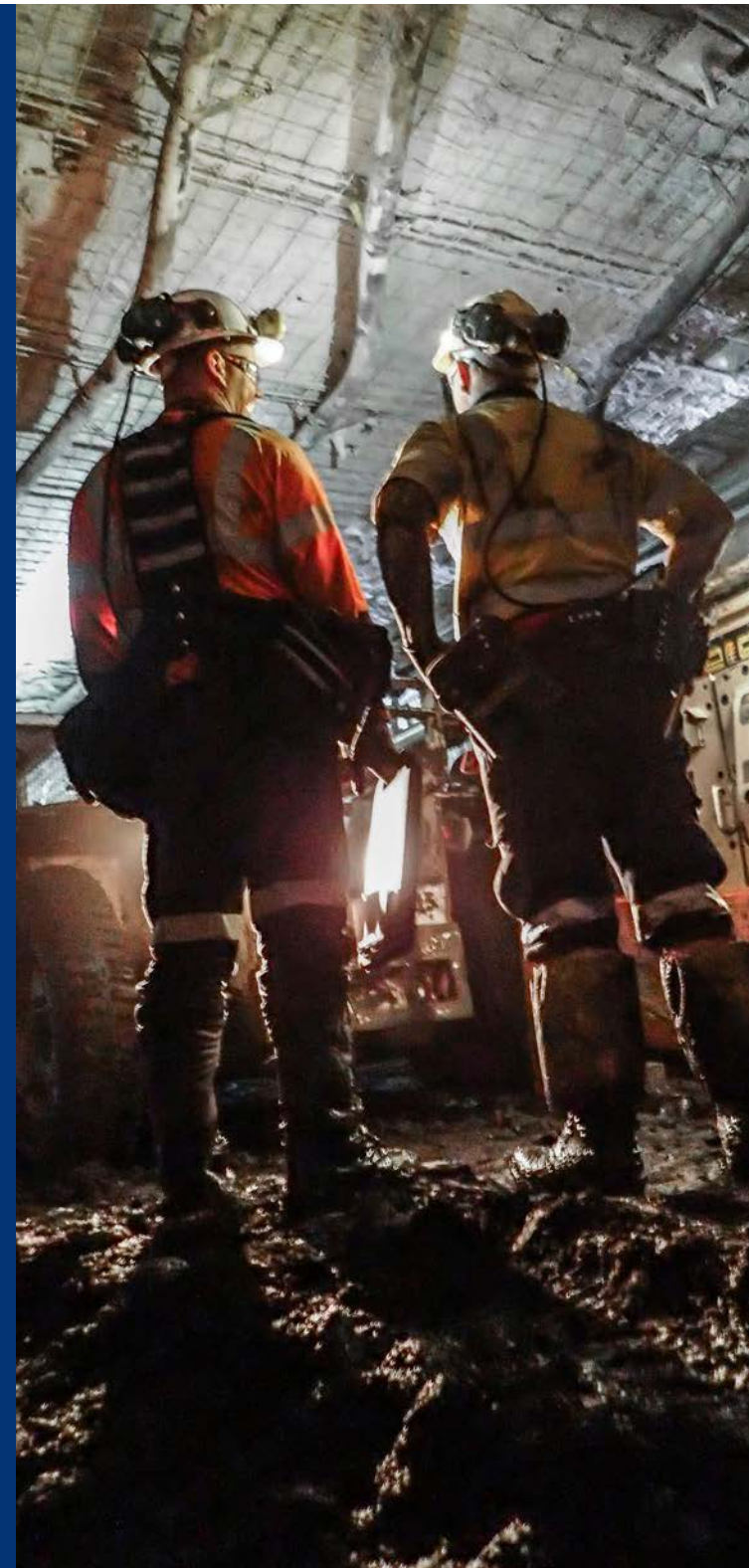
With the change in feed source, the Iron Baron mining area integrated processing facility was jig capacity constrained which reduced the overall feed rate into the plant from ~700 tph to ~520 tph as a demonstrated rate.

By removing the lump (>20-25mm feed material/product) after being washed in a vibrating screen and processed through the Aggmax, it allowed the existing lump Jig capacity and overall circuit loadings to be rebalanced. With additional feed being presented to the plant, the jig capacity was maximised.

## Coking coal mining

In 2019, Tahmoor Coking Coal Operations commenced a CI program with assistance from an independent advisory firm Partners in Performance. At the conclusion of the initial program, which included establishment of CI processes and inclusion of these processes in the management operating system (MOS), Tahmoor implemented a site-based improvement team which focused on maintaining a healthy pipeline of improvement initiatives.

The primary focus of the CI program was to improve the unit cost of operations sustainably and consistently through a combination of volume uplift and cost reduction improvements.



### Case study – Longwall West 2

*The primary objective of the initiative was to improve the consistency of output from the longwall through a combination of new equipment and process enhancement. This body of work was termed Project Resilience.*

For Longwall West 2, we implemented two key pieces of new equipment. The first was a state-of-the-art electro-hydraulic control system for the longwall roof supports which was the first of its kind to be installed on any longwall in the world. This was an upgrade to the system which was purchased with the longwall in 2004. The second was a panline with a “lift and lower” capability like that used on plough faces throughout the world but had never been implemented on a shearer face.

Additionally, processes were developed to best use this new equipment, with the focus being consistent horizon control to facilitate even longwall retreat and to minimise stone dilution.

The result was Longwall West 2 being the most successfully mined at Tahmoor and Run of Mine (ROM) production for FY21 exceeding the levels produced at any time in mine’s 40-year history. With the equipment and processes being tested and proven, it will be carried forward for the remainder of the longwalls in Tahmoor North and into Tahmoor South.



## LIBERTY Bell Bay

Immediately following acquisition by the GFG Alliance, LIBERTY Bell Bay commenced a 100 day plan aimed at improving performance and cementing its position as being self-sufficient and sustainable throughout all stages of the alloy price cycle.

Of primary importance was the need to increase output to cover fixed costs, focus on disciplined cost management, prepare the smelter for efficient processing of alternative ore sources, and address legacy issues.

Some of the key activities undertaken during the plan included:

**Increasing output.** Furnace 1 was repaired and restarted which re-established about 20 per cent in production capability.

**Ore projects.** The addition of material from spillage stockpiles into the sinter plant with expected yield savings of \$3 million over the next 18 months, as well as recycling by-product filter cake through the sinter plant to reduce input costs.

**Reducing fines generation.** Crushing and screening finished product through an alternative process reducing the generation of fines by up to four per cent, and changes to the casting machine mould design resulting in a reduction in oversize material.

**Reducing raw material screening costs.** New screens were reinstated in the raw materials feed systems for all furnaces and the sinter plant resulting in savings of more than \$1 million each year.

**Reducing working capital.** A review of raw materials stock holdings resulted in a savings of about \$4 million.

Through this process, LIBERTY Bell Bay has yielded significant value improvements. The focus will now pivot towards implementing a continuous improvement strategy which, combined with disciplined cost management, will be essential to ensuring business sustainability at all stages of the alloy price cycle.





# Governance and risk

## Governance

Sustainability is dependent on enterprise risk being identified, addressed, and mitigated appropriately. To ensure transparency and accountability, ongoing risk management depends on a robust governance framework.

A pillar of governance for us is a set of core policies, including Environment, Work Health and Safety (WHS), Code of Conduct, Be GFG Safe, and Family and Domestic Violence.

## Health, Safety and Environment

The respective leadership teams of our Whyalla, Tahmoor and Bell Bay operations provide direction and drive improvement within the business. Their goal is to deliver zero injuries and occupational illnesses, and improve the overall health and wellbeing of our people.

The team monitors HSE performance and associated improvement plans, and promotes active participation in the WHS and Environment programs. It enables the sharing of best practice and sponsors recognition of outstanding safety behaviour and leadership through the Be GFG Safe Excellence Awards program.

Be GFG Safe is the safety standard across the business. Each location must have a policy that is appropriate to the nature and scale of activities being managed and that incorporates the principles and objectives of the Be GFG Safe standard.

## Modern Slavery

We are compliant with current Australian legislation regarding modern slavery. The Procurement Policy and Principles reflect that legislation in their supply chain engagements.

## Auditing

Auditing of financial accounts plays a key strategic role in our governance framework. KPMG are retained to audit the financial accounts.

## Risk management

The processes for identifying, assessing, monitoring, and managing enterprise risk are embedded in our operations.

These processes deliver risk management that is capable of promptly responding to and mitigating emerging and evolving risks. Our risk management has a comprehensive framework that delivers:

- Key risks identification and implementation of mitigating strategies
- Monitoring of management systems to deliver optimum standards of performance and compliance in operational areas, including safety and environment
- Identification and remediation of internal control weaknesses
- Control of financial exposures
- Systems control to ensure appropriate authorisation and execution of all business transactions.

## Commitment to excellence in safety

We have a long-running commitment to excellence in safety that has been recognised and shared through the World Safety Excellence recognition program and the Be GFG Safe Excellence Awards.

## Internal and external audit

### Internal

The annual internal assurance program delivers assurance to management of our enterprise risk management system, business risk management, compliance and control assurance, and the effectiveness of its implementation.

### External

The internal audit function liaises with statutory auditors to eliminate duplication and to maximise information flow between the assurance providers.

## Group-wide material business risks

The following key business risks have been identified as having the potential to impact our earnings stream. Appropriate management of the identified risks is a priority for the businesses.

## Cyclical nature of our industries

Our revenues and earnings are sensitive to the level of activity in the Australian construction, manufacturing, mining, and agricultural industries.

We have a continuous monitoring and forecasting process in place to monitor the risk.

## Competition

We face import and domestic competition across our operations and product range. A significant increase in competition, including through imports, has the potential for a material effect – product price and volume. This affects both financial and performance targets for the business.

We are active in monitoring competition outcomes and initiating appropriate reactions.

## Dependence on key customer and supplier relationships

We rely on various key customer and supplier relationships, and the loss or impairment of any of these relationships can have a materially adverse effect on our operations, financial condition, and prospects.

For this reason, we optimise customer and supplier relationship management.

## Product risk

The company maintains an internal risk management process and follows quality assurance procedures in relation to the manufacture of its products and materials, such as accreditation to internationally recognised

standards and ISO for relevant operational functions. Likewise, the company operates quality assurance programs for all its operations and whilst this does mitigate the business position it does not eliminate the potential for claims.

## Operational risk

The production of raw materials (SIMEC Mining) and distribution of products (Primary Steel) involves several inherent risks relating to the operation of the company's mining, manufacturing, and distribution facilities.

There is an inherent operational risk in the production/movement of liquid metal and the hot rolling/forming of steel (primary steel). The use of energy (including electricity, gas, and water) and complicated logistical processes are contributors to this risk.

## Domestic and global conditions

Our financial performance responds to a variety of economic and market conditions, including fluctuations in interest rates, foreign currency exchange rates, inflation, changes in government fiscal, monetary and regulatory policies, as well as commodity prices, industry activity levels, and steel prices and margins. These have the potential to impact our financial position and performance. As a result, our Treasury directly engages with our operations to monitor and manage these variables.

## Managing liquidity and debt level

Our Treasury also directly engages with our operations to address the balance sheet with a focus on debt levels to reduce interest payments and raise debt funding to address future liquidity requirements.



# Social sustainability

*As part of the GFG Alliance, we take an inter-generational outlook – making decisions for the welfare of our future generations.*

We are inclusive, nurturing and embrace diversity to drive performance and collectively build on our success. We believe that our ability to deliver on our vision is defined by our most valuable asset: our people.

We recruit the best, safeguard people and skills, and then invest to ensure our people continue to grow as we do.

## Investing in our people

We strive to attract and develop capable people and afford them a high-performing and motivating workplace. We value leaders who bring out the best in their teams.

Our leaders are responsible for appointing, developing, motivating, and retaining high-performing employees who actively demonstrate our values. We invest in our managers to help them become more effective leaders with our Human Resources (HR) function helping them attract, retain, and develop talent, and support cultural growth.

Our mix of functional specialists, HR business partners and shared services allows us to deliver programs that support specific talent and change support needs.

## Employee engagement

As our business continues to gain momentum, our ability to listen to and improve how we understand and engage with our people is fundamental. We have invested in a bi-annual engagement platform to help us to better understand our people; what is motivating or demotivating them and where we need to focus to enable fulfilling employee experiences.

We have processes in place to proactively manage change in the workplace, with significant focus on employee impact and welfare. We are proud of our efforts in supporting affected employees, including identifying alternative opportunities across the organisation.

## Managing performance

We understand the performance of our people is critical to our success, so we work hard to make sure everyone has a clear definition of their role within the business. Our performance approach is simple to understand and is tightly aligned with our business plans. It empowers individuals to understand what matters and how they play a part in delivering business performance.

## Remuneration and reward

Our remuneration and reward policies are designed to ensure we are competitive in the various labour markets in which we operate. Reward structures are designed to support delivery of business objectives and reflect contemporary remuneration practices.

Staff salaries are set and regularly reviewed against similar roles in the labour market, and we are focused on our remuneration packages being market competitive.

We operate under the national workplace relations system as a National System Employer. The system is governed by the Fair Work Act 2009 which provides that all employees have a right of representation regarding dealing with workplace matters. This system is overseen by the Fair Work Commission and the Fair Work Ombudsman.

Our people are employed under numerous awards and agreements, as well as a range of state and federal legislation. Ten National Employment Standards (NES) underpin the workplace relations system and these minimum standards are supplemented by modern awards. The awards apply nationally for specific industries and occupations.

## Employee relations

We are committed to maintaining an efficient, skilled, flexible, and committed workforce through a range of employment practices and arrangements. We take an open and positive approach to employee relations. We maintain a wide range of policies dealing with various employee rights and obligations such as workplace behaviour, discrimination, whistleblowing, and bullying.

While most employees are engaged on a full-time permanent basis, a range of alternatives are available to meet specific business requirements. Our Employment Arrangements Policy outlines the general conditions that apply under the various arrangements, including fixed-term, part-time, and casual employment. It also provides guidelines on the use of probation periods, as well as the implementation of flexible work arrangements.

## Flexible work arrangements

We are committed to maintaining an attractive working environment that supports the work-life balance of employees without compromising our standards of customer service, safety and productivity. Our Employment Arrangements Policy specifies the conditions that apply to flexible work arrangements.

Employees are encouraged to have matters raised and dealt with by their managers, and to seek independent help from HR to resolve concerns.

## Mental health and wellbeing

We encourage a healthy work-life balance for employees and offer a range of flexible work options. This includes part-time employment, job sharing, remote working, non-standard hours, paid maternity benefits, career breaks, return-to-work programs, transition-to-retirement arrangements and the opportunity to purchase additional annual leave.

Mental health and wellbeing are about showing we care for each other today and into the future. We all want to help one another and need courage, confidence, and skills to create compassionate connections with those around us. We know that with these skills, those who are struggling can get the help they need.

## Employee assistance

Employee Assist provides timely intervention to help employees, including our leaders, deal effectively with any difficulties and assist with referrals to other professionals or agencies if longer-term assistance is needed.

Manager Assist provides confidential advice and support for our leaders, line supervisors and HR Business Partners, to support the establishment of clear plans and engagement with employees.

Our Employee Assistance Program (EAP) provider, Converge International, is available to all employees and offers confidential, professional, and free counselling and support in areas such as:

- Marriage and family difficulties
- Interpersonal conflict
- Stress, depression, or anxiety
- Alcohol and drug dependencies
- Grief, loss, or trauma
- Workplace problems

## I AM HERE

We want to live our values through our actions every day. Collectively looking after each other to ensure we are getting the help and support that we need is an expression of our values.

I AM HERE aims to give our people the courage and skills to support one another's mental health and wellbeing and, more broadly, to promote a culture of care. It does this through helping us build a community around the simple but powerful idea that "it's okay not to feel okay; and it's absolutely okay to ask for help".



### I Am Here

*There are levels within the I Am Here program – a Tribe member (right) and an Ambassador (left) for the program once additional training has taken place*



Diversity and inclusion

We believe that there is strength in diversity, and what sets us apart and makes us unique as individuals makes us stronger as a team. A diverse and inclusive environment that is dynamic and broad minded underpins our drive to be a world class organisation.

We are focused on diversity within three specific areas: diversity of thinking, gender diversity and cultural diversity. As well as recruiting people from the total population, fostering diversity across our Australian operations means we will also be a workplace where all employees can flourish and grow.

Case study – Women in Resources National Awards

*LIBERTY Bell Bay’s Michael Spicer was recently recognised at the 2021 Women in Resources National Awards in the Gender Diversity Champion category.*

In his role as Production Materials Movement Manager, Michael won the award for his tireless efforts to increase female participation in the workforce – increasing his team’s diversity to 50 per cent of leadership roles and 16 per cent overall female participation while simultaneously supporting the development of women in his team to advance with the company.

A small team from LIBERTY Bell Bay attended the award ceremony, hosted by the Tasmanian Minerals and Energy Council.

In accepting the award, Michael said he was proud to have supported and mentored women to achieve personal and professional excellence within the industry.

“The workforce has significantly changed over the years. When I started my career, the workforce was male dominated, with a few women working in administrative roles on site,” he said.

“The benefits of diversity are clear to me. There is more diverse thinking, we challenge each other, and we help each other. I have seen women grow and develop through increased and changing responsibilities and accountabilities.”

General Manager Richard Curtis, said supporting diversity and gender equality in the workplace is at the heart of building and maintaining a vibrant workforce in the mining and resource sector.

“Critical positions are increasingly being filled by women. Our current apprenticeship program has female representation at 60 per cent and in 2021, 24 per cent of new team members were women,” he said.

“LIBERTY Bell Bay values diversity, equality, and inclusion as part of the Family value within the GFG Alliance and it is great to see Michael’s efforts in this area being acknowledged.

“I am pleased to say that I work in an increasingly gender diverse environment across all of our operations.”

The Women in Resources Awards reflect the breadth of talent, contribution, skill, and passion of women in Australia’s world-leading resources industry. The awards raise awareness of the diverse careers in science, technology, engineering, and mathematics, as well as the trades and social sciences that exist in the resources sector for women.



Modern Slavery

The GFG Alliance implements a Supplier Standard (code of conduct) describing minimum requirements to suppliers. We ask suppliers to work with us to promote a shared commitment to ethical, safe, and socially responsible practices and behaviours.

The Supplier Standard specifically addresses our commitment to human rights, zero tolerance to human trafficking, child labour or the use of conflict minerals.

To specifically address modern slavery, the GFG Alliance has conducted a high-risk assessment amongst its supply base to identify suppliers with a high risk to any potential modern slavery practices.

Agreements now include specific clauses relating to modern slavery and have been put in place with high-risk suppliers.

Reconciliation Action Plan (RAP)

*We acknowledge the traditional custodians of the lands on which we work and whose customs and cultures have nurtured these lands. We extend our respects to Elders past, present and emerging.*

As part of the GFG Alliance, we are committed to building and encouraging relationships between First Nations peoples, communities, organisations, and the broader Australian community.

As part of this commitment, we commenced our formal RAP process – working with people across a range of roles in our business to identify ways to build upon relationships with First Nations peoples, foster respect, and increase Indigenous employment and procurement opportunities.

We have begun working on some of the fundamental actions that form a RAP, including celebrating and supporting Indigenous events, such as NAIDOC Week.

Being our first RAP, it will be what’s known as a Reflect RAP and will include several actions across four categories:

- 1. Relationships** – building closer ties with local Indigenous communities and identifying groups or businesses from whom we can learn.
- 2. Respect** – making the most of our internal platforms to ensure all employees understand why this is an important journey, and participating in external events to support reconciliation.
- 3. Opportunities** – identifying where we can be doing more to close the gap, including recruitment, procurement, and partnerships with Indigenous businesses.
- 4. Governance** – providing a framework to ensure we make real progress.

In summary, our RAP will outline the practical actions we intend taking to drive our contribution to reconciliation internally and with the communities in which we operate.







### Case study – Walga Mining Services

*Walga Mining Services, a 100 per cent Aboriginal-owned and controlled company, employs several people from the Barngarla nation and has long provided contracted services to SIMEC Mining as part of our extended workforce.*

Walga aims to upskill local Aboriginal people into key leadership roles within the company and assists in training and education for Indigenous youth to become self-supporting. It has set a target to have 40 per cent Indigenous employment by 2025.

Led by executive director, Elliott McNamara, and his daughter and General Manager, Karina, Walga provides crushing and screening, material handling and train loading activities at our South Australian Iron Knob site, a region rich in Aboriginal heritage.

“The relationship that we’ve built and still have with SIMEC on site is great,” Karina says.

**“People may wear different shirts, but everyone’s working for the same team.”**

“People may wear different shirts, but everyone’s working for the same team.”

Jacqui Higgins, Executive General Manager Iron Ore, says the partnership has been mutually beneficial and echoes Karina’s view about the strong sense of teamwork.

“It’s been great to work with the Walga team over the last few years and also see the capability of the Walga business and its people,” Jacqui says.

“They’ve gone from crushing and screening to taking on beneficiation plants in the last 18 months and developing capability for load and haul applications.

“I’m really looking forward to working with the Walga business as we develop the Iron Knob mining operations over the coming years.”

Good business practice is particularly evident in Walga’s excellent workplace safety, with the company receiving a SIMEC Safety Excellence Award for recording two years without a lost-time injury.

### Case study – Scar tree protection

*SIMEC Mining’s Tahmoor Colliery is working closely with local traditional owners to preserve a culturally significant scar tree.*

SIMEC Mining liaises with the Tharawal Local Aboriginal Land Council, Cubbitch Barta Native Title Claimants, and the Aboriginal Cultural Heritage Advisory Committee (ACHAC) about our mining operations.

Each year, our apprentices undertake a special community project. This year’s project was initiated following an approach by NSW National Parks and Wildlife Service and an onsite meeting with local Tharawal woman, Glenda Chalker.

The scar tree, located in the Thirlmere Lakes National Park, is one of only two known trees in the area. In 2019, the tree was struck by lightning resulting in a large split down its entire trunk. Heavy branches were lopped from the tree to prevent it toppling over.

As part of the project, our apprentices sourced engineered bands to brace the tree and will later undertake landscaping around the site.

Ms Chalker said that traditionally, bark taken from the trees was used to fashion shields, coolamon (bowls) and in some cases to carry infants. Preserving the tree meant that in time, it would return to the earth naturally and in its own time.

While the exact age of the scarring was difficult to know, Ms Chalker estimated the scarring could date back to pre-colonisation times. The tree represents a long-held connection to country of the Tharawal people and traditional cultural practices.

Executive General Manager of Coal Operations, Peter Vale, said the work being completed was aligned with our first Reconciliation Action Plan (RAP).

“We are committed to further strengthening our relationships with local Aboriginal communities and stakeholders by building on our existing efforts and implementing new initiatives and partnerships,” Mr Vale said.



“These partnerships will better inform us to identify and implement initiatives that are impactful, culturally appropriate, and deliver change.

“This project is not only helping to preserve a culturally and historically important site in the area but is fostering greater understanding and respect of First Nations peoples and cultures.”

**“This project is not only helping to preserve a culturally and historically important site in the area but is fostering greater understanding and respect of First Nations peoples and cultures.”**



# Safety and wellbeing

*GFG Alliance is a family group, committed to achieving world class performance in work health, safety, and wellbeing.*

The GFG Alliance has grown significantly over the past few years. With that growth, we have brought new members into GFG Alliance’s global family, each bringing a unique set of values to the business along with their own safety experiences, cultures, and practices. We will not compromise environmental, health or safety values for profit or production.

Given the high-risk nature of the businesses, and with more than two thousand people working on the Mining and Primary Steel sites in Australia, it is important that we unite under a new approach to safety, in partnership with other members of the GFG Alliance family.

This new safety approach is a vision to Be GFG Safe and is a global rallying cry for everyone to look out for each other because we want all members of the GFG family to be safe, always.

### Be GFG Safe

The ‘Be GFG Safe’ approach is an all-encompassing safety vision and strategy applicable to all GFG businesses around the world. It is designed to drive consistency and unity and prioritise safety in the context of the high-risk environments in which GFG operates.

Each location within GFG must have a policy, appropriate to the nature and scale of activities being managed, that incorporates the following principles and objectives:

- We value human life above all else and manage risks accordingly
- We comply with all laws and set higher standards for ourselves and our suppliers where unacceptable risks are identified
- We seek to continually improve health and safety systems and processes to achieve zero fatal and serious injuries and zero major environmental incidents
- We establish measurable objectives to track our progress
- We facilitate transparent assessment and reporting of H&S incidents
- We are a learning organisation
- We incorporate stakeholder impacts into our decision-making processes
- We incorporate social responsibility, and environmental excellence into our decision-making processes
- We encourage employee participation and promote employee awareness of H&S threats and opportunities.

To deliver on this, the approach brings together four strategic pillars which are the core of ‘Be GFG Safe’. These pillars set the foundation for GFG to achieve world-class safety outcomes within five years.



### Safety performance

In 2021, Mining and Primary Steel renewed its focus on critical risk prevention with a program of work to align with the newly developed GFG Alliance Critical Risk Standards.

These standards are applicable across GFG Alliance globally and were developed through a review of other GFG Alliance businesses and other industry best practices. As part of this, we completed a gap analysis against the critical five risks for each of the businesses and completed a thorough action plan to close those gaps identified.

Despite all the disruptions caused by the COVID-19 pandemic on operations and personnel, we ended 2021 with no fatalities or serious permanent disabilities.

However, the Lost Time Injury Frequency Rate (LTIFR) slightly increased by four per cent to 1.8 and the Total Recordable Injury Frequency Rate (TRIFR) increased by 20 per cent compared to the previous year.

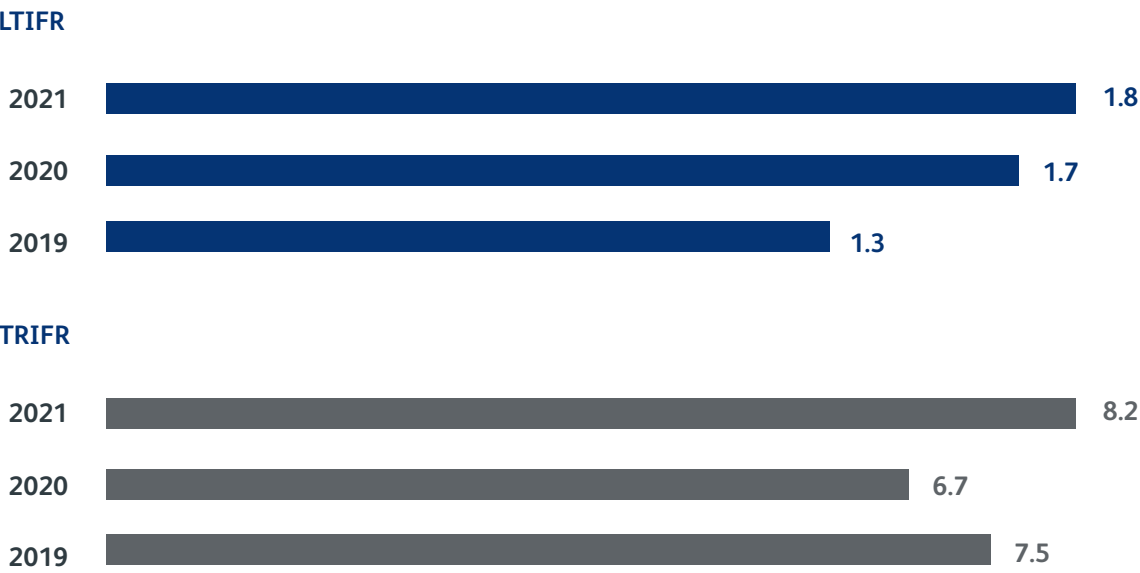
Although there was a decline in lagging performance indicators, there are positive signs that we are moving in the right direction with significant improvements in leading indicators and evidence that the proactive reporting program is becoming further embedded in our culture.

### Health & Safety Management System

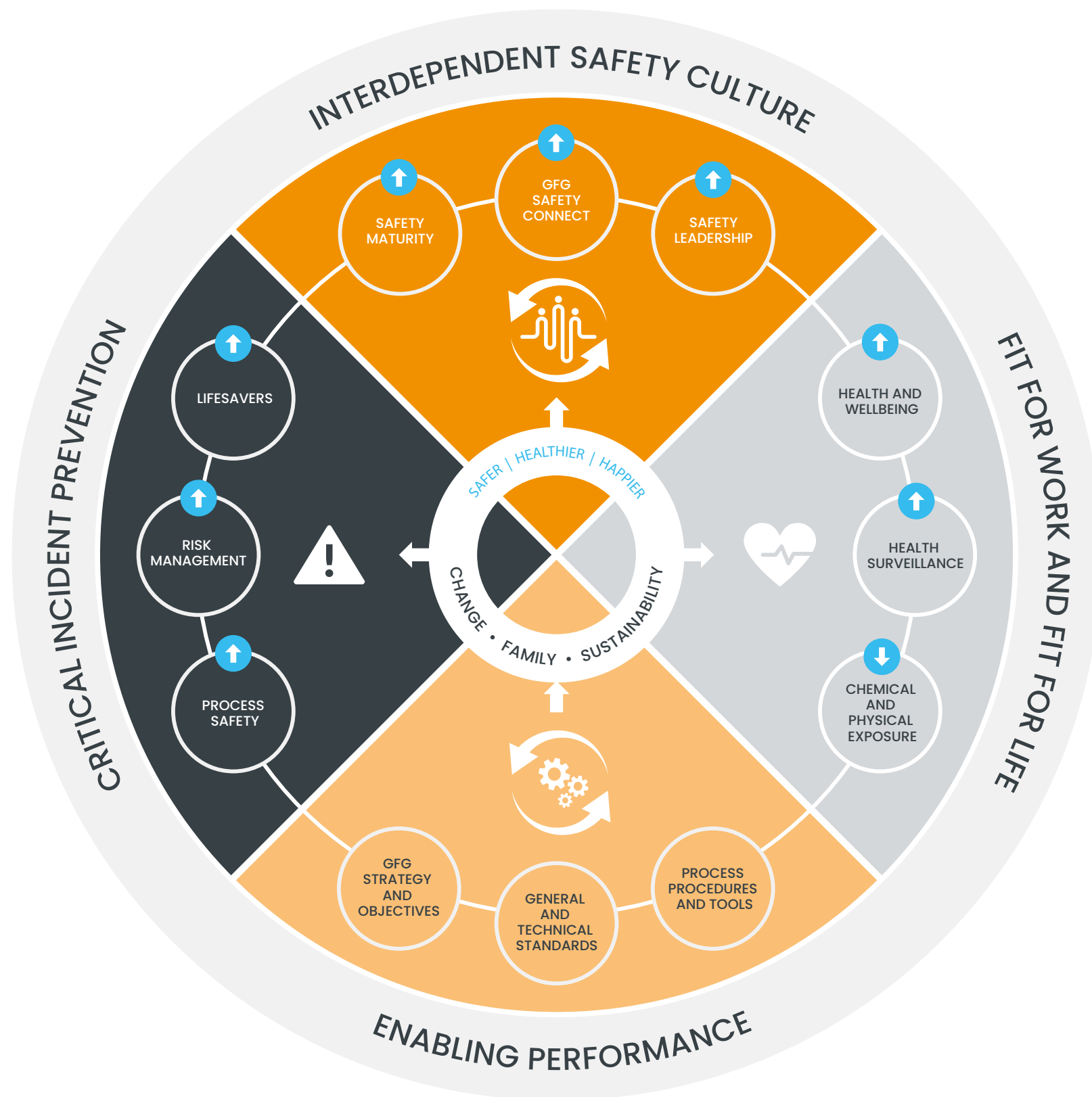
The improvement in our proactive performance has been facilitated by the introduction of a world-class EHS management software platform, Cority, which has empowered the reporting, transparency, and follow-up of all EHS events and actions across the group.

Key Performance Indicators	2019	2020	2021
Fatalities	0	0	0
LTIFR	1.3	1.7	1.8
TRIFR	7.5	6.7	8.2
Hours	7,104,619	7,450,833	8,177,167

### Key Performance Indicators







## Safety pillars

All our safety actions and behaviours are underpinned by our Be GFG Safe strategy to ensure that every employee returns home fit and well at the end of each workday. We have four safety pillars that support this:

**Enabling performance.** We constantly review our processes, procedures, tools and performance to identify and correct deviations and eliminate waste, and by promoting organisational learning and identifying best practice we inform the continuous development of our policies and standards.

**Critical incident prevention.** We maintain a strong focus and discipline on identifying and allocating resources to manage low likelihood but high consequence events through our process safety management processes, fatal risk standards and our behavioural Life Savers.

**Interdependent safety culture.** We empower our employees across our operations to stop any job if it is not safe and work together to make it safe to proceed, and we work to develop a safety culture of shared vigilance where everyone takes ownership of their own safety and that of their colleagues.

**Fit for work – fit for life.** We are committed to increasing the health and wellness of our employees through our occupational health strategies, health surveillance and working to reduce/control physical and chemical exposures in the workplace.

The strategic pillars are underpinned by the 'Be GFG Safe' vision; a global rallying cry for everyone to look out for each other's safety and wellbeing. Every employee should be able to return home fit and well at the end of each workday. We believe one injury is one too many.



Preventing life-threatening incidents by understanding and managing our biggest risks



Driving a safety-focused culture where everyone takes responsibility for looking out for themselves, and each other



Encouraging fitness for work and life through target health and wellness programs and support



Enabling performance by constantly reviewing our processes and tools, promoting organisational learning and best practice, and maintaining a high standard of work





### Life Savers

Our Life Savers reinforce the behaviours we want our people to follow, so everyone can return home safely at the end of the day. They form part of the critical incident prevention safety pillar.

Our Life Savers have been developed after a review of critical incidents in our business and worldwide fatal incident trends. They are intended to develop unconscious safety behaviours and apply to everyone: employees, contractors, service suppliers and visitors.

All our employees have the authority to intervene and stop unsafe work. They are empowered to:

- Always assess and control the risks – stop work if it is unsafe and make it safe before continuing

- Only enter areas and carry out tasks that they are trained, competent and authorised for
- Report all incidents, with or without injuries, and participate in the investigation
- Always intervene if they observe a person at risk and accept feedback if a person intervenes
- Always use tools and equipment that are in good condition and appropriate for the task
- Always use PPE that is in good condition and appropriate to the hazard
- Be familiar with emergency, evacuation, and rescue procedures

### COVID-19

The COVID-19 pandemic continued to be a challenging time for many people.

Our COVID-19 Advisory Group provides coordinated oversight and governance to our businesses. Our objective was to ensure the safety of employees, customers, and the broader community by implementing COVID-safe practices and procedures in line with public health advice, including localised COVIDSafe plans for each of our locations.

We maintained the highest levels of COVID-19 control measures on our sites, including pre-shift temperature testing, physical distancing, split shifts, enhanced hygiene measures, site deep cleans and area capacity limits in line with public health orders. Where appropriate, we introduced Rapid Antigen Testing as an additional preventative health measure within our COVIDSafe Plan.

Like all companies, we continue to closely monitor this ongoing challenge. The safety of our people, our customers, and suppliers is our priority.

### COVID Leave

Special COVID-19 Isolation Leave is available to employees who are either unwell or are required to isolate due to COVID-19. Special COVID-19 Isolation Leave is a period of up to two weeks of paid leave and applies when:

- An employee has been diagnosed with COVID-19
- An employee has been in close contact with a confirmed case of COVID-19
- An employee or someone in the employee's household has been directed to self-isolate or is awaiting the outcome of a COVID-19 test.
- An employee is attending a COVID-19 vaccination appointment





# Community

*We strive to make a positive impact in the communities in which we operate, supporting them through sponsorship, providing funds and materials and promoting Indigenous businesses.*

Our key values of Change, Family and Sustainability guide how we think about our role in the community, how we can enable change and how we can achieve a sustainable future.

Whilst our support of local communities includes financial, we also contribute to their social wellbeing in other ways, including participation, mentoring and in-kind donations.

Our approach is to share information on our operations, our opportunities, and our challenges, and to treat our community stakeholders as valued partners.

COVID-19 presented challenges when engaging with our local communities, including stakeholder access to technology and reliable internet services, and disruption of community events and opportunities for GFG to support these activities.

Our ability to adapt quickly and appropriately was important to us maintaining our connection and presence – and continues to shape our way forward.





## Whyalla

We have continued our support of the Whyalla Christmas Relief Program which provides Christmas hampers and children's gifts to those in need, and the Smith Family through its Learning for Life program, which supports disadvantaged students in reading, writing and mentoring programs.

Over the past few years, we also supported several local cultural events, including the uneARTH Fringe Festival in 2019, an extension of the Adelaide Fringe Festival, and the annual Christmas Pageant and Carols in the Park.

The Gupta family's partnership with Port Adelaide Football Club was instrumental in bringing the AFL pre-season competition to Whyalla in 2020 and upgrades to Bennett Oval – which was recently awarded the AFL's Ken Gannon Community Facility Project of the Year for South Australia. The partnership is an investment by GFG Alliance Executive Chairman and CEO Sanjeev Gupta and his family to give back to the Whyalla community. It includes programs for young people in regional areas of Australia, like Whyalla, to develop sustainable industry and strong communities for generations to come.



### Case study – Indigenous Heritage Protection

*In 2021, SIMEC Mining (Whyalla) received approval to open a new hematite mining area in the Bark and Sheoak Hills area north of Iron Baron.*

In determining the area as a suitable mining site, Indigenous heritage survey work was undertaken in 2020 and identified several important culturally significant sites.

To ensure these sites were well protected, SIMEC Mining worked in partnership with the local Barngarla people to ensure these sites were not disturbed. We undertook an extensive education program with our employees and contractors of the importance of protecting Aboriginal heritage sites. As part of these protection measures, local Barngarla people were employed/engaged as monitors to oversee the clearance of vegetation outside of the protected zones to ensure no sites were impacted.

Additionally, delivery of heritage management training provided a valuable opportunity to strengthen relationships with the Barngarla people and share in the positive outcomes of a successful partnership.

## Tahmoor

SIMEC Mining's Tahmoor Coking Coal Mine supported many local events and initiatives in the Wollondilly region, including the Illuminate Light Festival in Picton, Tharawal Aboriginal Land Council NAIDOC Fun Day, Wollondilly Women in Business Awards and the Born to Ride Freestyle BMX Pumptrack upgrade in Tahmoor.

### Case study – Australian Wildlife Sanctuary Wild Rover Program

The Australian Wildlife Sanctuary is a heritage-listed fauna and flora sanctuary, native plant nursery and education centre located in Bargo NSW and neighbours our Tahmoor coking coal mine.

During the Black Christmas bushfires, 95 per cent of the sanctuary was destroyed, including the loss of nine buildings and the Environmental Education Centre. While the site remediation process continues, the sanctuary has been actively engaging with the local community and tourists in the Wollondilly Shire.

To assist the sanctuary with their community engagement and education activities, in January 2021 Tahmoor Coal provided a grant of \$55,000 (over five years) for the Wild Rover project.

The Wild Rover is a mobile education van used to attend schools, community events and transport suitable animal species including mammals, reptiles and mini beasts. It also assists with wildlife rescue, partnering with local veterinarians and wildlife rehabilitation groups.



### Case study – Our Community Pantry

Our Community Pantry (OCP) is a food-rescue service located in Bargo NSW that diverts safe and edible food, household items, fruit, vegetables and bakery items heading to landfill. OCP provides food hampers at five local outreach locations on a weekly basis.

Tahmoor Coal has been a major supporter of OCP for nearly five years. Our apprentices built OCP a cold room to store cold goods for food hampers and has participated in barbecue fundraisers.

In December 2020, Tahmoor Coal partnered with OCP to provide in-kind support with use of our administration block carpark for the Bargo food hamper collection point every Friday night for a 12-month period. This has been very successful to date and has provided more space for streamlined hamper collections compared to the OCP shop in Bargo where cars would line up and block the main road.





## Bell Bay

Our operations are in the Bell Bay precinct of Tasmania and six kilometres from George Town. Our continued contribution to the community of George Town and its surrounding region, through involvement in community initiatives and supporting local businesses, is an important feature of our overall operations.

### Case study – George Town Future Impact Group

LIBERTY Bell Bay is a proud member of the local Future Impact Group (FIG) which was formed in 2016 and operates under a collective impact framework. Members work collaboratively with community members and government to achieve objectives that address the area's complex social issues.

Through our support, the FIG has been successful in securing funding packages to support all these initiatives

and its efforts, in collaboration with other organisations and government programs, is initiating positive change in the George Town region.

Several working groups have been established focusing on education and employment, supporting disadvantaged people in the region, and instilling a sense of pride in the community.

The Launchpad Project is one such initiative – an innovative and place-based response to long term unemployment in the George Town region. It focuses on working with people in the local community, leveraging service providers and expertise within a social innovation hub.

Launchpad will be administered from an existing re-purposed community building to support social inclusion and an accessible learning environment. The project's interim committee is chaired and supported by LIBERTY Bell Bay.







## GFG Foundation (Australia)

The GFG Foundation vision is to identify and develop the potential in people to allow them to succeed in life. The Foundation focuses on programs to support people, particularly young people, to reach their potential and strengthen industries and local communities by boosting skills and employment prospects.

Along the way, our people are involved through mentoring programs and transfer their skills, knowledge, and experience to the next generation.

Our goals are:

**Serving the community** – supporting and educating young people and the communities in which we have a significant presence.

**Inspiring the next generation** – inspiring students by showcasing technology, engineering, and science in local industrial businesses.

**Unlocking potential** – helping students to build confidence as they enter adulthood by nurturing their spirit of innovation, imagination, invention, and entrepreneurship.

The GFG Foundation seeks to address the emerging gap in industry skills by presenting a modern and sustainable perspective on industrial careers to inspire future generations. We involve GFG Alliance employees as mentors, so the students are learning and being inspired by people who have established their own pathways to careers in industry.

### Case study – Whyalla STEM Program

In Australia, the GFG Foundation aims to empower and enable young people to reach their potential, and set them up to seek, gain and remain in employment by encouraging young people to enter and engage in education and training, and providing opportunities for young people to develop their skills.

The foundation is engaging with young people in Whyalla – getting them excited about science, technology, engineering and mathematics (STEM) and linking them to real-world experiences in their communities. This gives them insight into a new world of possibilities that they never knew existed. We help young people and help close the skills gap.

From a pilot STEM program for Year 9 and 10 students in 2019 with 15 students, we have since had more than 50 students participate in Whyalla. The program has two sides to it, a STEM-based education coupled with a strong life-skills element aimed at developing young people's confidence in dealing with adults and having their voices heard.

The CSIRO, Prince's Trust Australia, and volunteer mentors from our Whyalla operations work closely together to make this happen. CSIRO and Prince's Trust Australia deliver the program, which the foundation

developed in the pilot stage, while our incredible volunteer mentors encourage, guide and steer the students through the program's two-term duration.

Experiential education is another key element, with students going on excursions each term to see first-hand how industry works.

An environmental theme is very strong throughout the program with students developing group-driven enquiry projects, based on local scenarios that focus on how they can improve the community from an environmental perspective.

This has resulted in students having a much greater understanding of what makes their community tick from a business perspective. Students have also grown in confidence when communicating with adults and have a new-found understanding of their community.

In 2022, Whyalla will be the pioneers once again with the launch of a pilot Juniors Program for Year 7 and 8 students. Additionally, LIBERTY Bell Bay in Tasmania will be running the Year 9 and 10 Program and along with InfraBuild's Newcastle operations, we will have engaged with more than 100 students.

Not only is the program expanding in Australia, but the model is being used to develop similar programs in the UK and Romania.



# Environmental sustainability

As part of the GFG Alliance, we position sustainable strategies at the heart of our business model through a focus on recycled materials, seeking to harness renewable energy and minimise waste. This is articulated in our Environment Policy.

As part of the Global LIBERTY Steel Group, we are a member of worldsteel, which promotes environmental sustainability through several initiatives.

We are also a key supporter of schemes that promote sustainable design and construction. Among these are the Green Star program operated by the Green Building Council of Australia (GBCA), and the Infrastructure Sustainability (IS) rating tool program operated by the Infrastructure Sustainability Council of Australia (ISCA).

These tools provide ratings that promote and reflect the sustainability of buildings and infrastructure projects.

Finally, in recent years there has been increased understanding and awareness of the importance of the supply chain in delivering sustainable outcomes. We have been at the forefront of this and were one of the first listings in the ISupply directory. This directory, established by ISCA, provides direct access to suppliers that can help a project or asset achieve sustainability outcomes rewarded under the IS rating scheme.

## Cleaner, safer industry and manufacturing

Steel is recyclable over-and-over again with no loss in quality each time, helping to save energy and raw materials. But to enable this downstream recycling and reuse of steel, it must first be made for its primary use.

This is what happens at the Whyalla Steelworks where locally mined iron ore from the Middleback Ranges is used in its blast furnace, along with scrap steel in basic oxygen steelmaking (BOS) to make finished products, such as rail, and structural products used in Australia's construction and infrastructure projects.

In late 2020, LIBERTY Primary Steel released its updated Environmental Product Declaration (EPD) for its hot rolled structural products and rail. EPDs provide transparent information about the environmental impact of a product throughout its lifecycle. Since 2020 this has included material circularity indicators which provide vital information for sustainability professionals as the industry shifts to a more circular production model. A further five EPDs for downstream products from InfraBuild provide transparent information for those products.

Steel is an ideal building material to reuse at the end of a building's lifecycle or during a major transition in that building's lifecycle. We actively promote this thinking through design for deconstruction.

### Case study – Environmental Product Declarations

Sustainability, infrastructure, and construction market professionals now have access to the latest sustainability data on a range of our steel products with the release of updated Environmental Product Declarations (EPDs).

The EPDs cover a range of Australian made steel products manufactured, processed and distributed by our businesses. The declarations provide transparent and independently verified information about the environmental impacts of these different steels throughout their lifecycle and illustrate our commitment to conducting our operations to the highest environmental, social and commercial standards.

The updated EPDs play a major role in the overall approach taken by the business through the environmentally sustainable manufacture and application of our products, as well as delivering value and greater transparency to customers and industry more broadly.

## Certification

An important way in which we meet our environmental commitments is by having environmental management systems that comply with international standards. During the reporting period, all certified sites achieved recertification against the ISO 14001:2015 standard for Environmental Management Systems.

### Whyalla

The major manufacturing operation of the Whyalla Steelworks and SIMEC Mining's iron ore mining operations (including its pelletising plant and the Whyalla Port) have been certified to this quality standard and have held continuous external certification since 2001.

### Tahmoor

Our Tahmoor operations have an environmental management system that is audited against the requirements of the ISO 14001 standard, with an emphasis on continuous improvement in its approach. Triennial independent environmental audits are also conducted against all development consents and approvals.

### Bell Bay

LIBERTY Bell Bay maintains an Environmental Management System to deliver all its environmental and social obligations as well as commitments under its environmental licence to operate under Tasmania's Environmental Management and Pollution Control Act. The management system is regularly updated to meet evolving obligations.





### Resource use

We seek to use energy, fresh water, and other resources efficiently, including an emphasis on scrap metal recovery and recycling.

Fresh water is regarded as a precious resource, so seawater is used preferentially at our Whyalla operations for cooling, and reuse of water streams exists in many areas of the plant to reduce demand.

Power use is minimised to the extent possible and while most energy was consumed by our Whyalla Steelworks, it also generated more than 35 per cent of its own energy with waste process gases used for power generation and as a fuel source.

LIBERTY Bell Bay is powered by the renewable energy generated in Tasmania which means the alloys produced help lower the carbon footprint of the steel products in which they are used. Furthermore, the sinter plant uses piped natural gas to fire the ignition hood. We are currently considering updating the burner system to use a hydrogen-enriched natural gas feed when it becomes available from our gas supplier.

#### Case study – Slag re-use

In October 2021, the Tasmanian Environmental Protection Authority (EPA) approved the re-use of silicomanganese (SiMn) slag outside of the Bell Bay region for road base, hardstand and as an aggregate in concrete or bitumen. This followed a previous approval in 2000 for its restricted use in the Bell Bay region for road base and hardstand applications.

The 2021 approval is the outcome of many years of research and experimentation to understand any potential environmental consequences of using slag, and the management procedures required for its more widespread use within the community for civil construction.

The slag product works exceptionally well in the approved applications because it displaces other materials that would have to be quarried for the same purpose and it can also contribute to the compressive strength of concrete.

In addition to the EPA approval, stringent independent testing and certification is undertaken by third party

technical experts to ensure technical standards and specifications are met regarding the physical composition of the slag that is used in the construction of roads and other applications.

The re-use of slag in this way by LIBERTY Bell Bay for industrial and commercial infrastructure projects supports our environmental and sustainability goals through the reduction of slag stockpiles, the repurposing of a by-product of the smelting process, as well as reducing the need to quarry new materials.

### Mine rehabilitation

The protection of biodiversity is a key consideration in the planning, development, and operation of SIMEC’s mining, processing, and manufacturing operations.

#### Tahmoor

Tahmoor Coal is committed to rehabilitating all areas disturbed by activities under the mining lease as soon as practicable after the disturbance occurs.

Tahmoor operates under an approved Mine Operations Plan (MOP) and Reject Emplacement Area Management Plan (REAMP). These are used to manage and mitigate mine closure and rehabilitation required under the relevant mining leases and development consents.

Our MOP outlines specific mine closure rehabilitation requirements for decommissioning, landform establishment, ecosystem and land use establishment and development. The REAMP covers rehabilitation and monitoring at the Reject Emplacement Area (REA) and includes a site rehabilitation program that aims to re-establish bushland as near as possible to its original state on contours which blend with the surrounding terrain.

Annual walkover inspections are conducted of all areas within the REA where rehabilitation has been completed, including newly established revegetation. Monthly surveying is conducted in active landform areas to ensure slopes conform to final landform designs. Annual inspections of permanent monitoring sites across the REA and other mining domains sites have shown that the number of target species remains “adequate to good” despite previous drought conditions. Target species are those that are consistent with reference sites and nearby native vegetation.

### Whyalla

At Whyalla, each mining development has an approved Program for Environmental Protection and Rehabilitation (PEPR) from the South Australian government. A PEPR identifies all relevant environmental, social, and economic impacts that may result from proposed activities and how each of the identified impacts will be mitigated or managed. The PEPR also sets out an integrated approach to managing all stages in the lifecycle of the mine, including its closure and completion through rehabilitation.

Effective rehabilitation requires a variety of techniques to match the conditions. Maintaining unconsolidated soil cover on slopes is an example of these challenges. Different final cover establishment techniques, such as “seed boxing”, have been trialled and are now widely employed with good results. Seed boxing refers to creating repeated depressions in the soil surface to capture rainwater, minimise runoff and erosion, and maximise infiltration. It provides localised areas in which seeds are more likely to germinate and establish.

Flora and fauna surveys, which are used to assess the success of rehabilitation activities, showed good early coloniser vegetation cover was established on completed surfaces. It is anticipated that local native perennial vegetation cover will establish in time. The return of such vegetation supports the return of local fauna.

In the FY21 period, 275 ha was disturbed due to mining activity in the Middleback Ranges and Iron Knob near Whyalla. SIMEC sought to progressively rehabilitate sections of its mining domains as soon as they became available and during the same period, 28 ha was able to be rehabilitated, with a further 75 ha planned for the next period.

#### Case study – Land management and ecological offsetting

Like anyone that needs to clear land to conduct their operations, whether it be from farming or mining, a significant environmental benefit (SEB) to “offset” impact on biodiversity is required under state legislation.

Rather than choosing to pay into a fund, SIMEC Mining has chosen to offset the impact of vegetation clearance associated with its operations in the Middleback Range Mines through the establishment of the 19,900 ha Ironstone Hill Conservation Park to the west of the Middleback Ranges.

To offset future clearance, SIMEC Mining has selected an offset area of 2,395 ha, located about 50 km southwest of Whyalla called the Uplands SEB Area Block A as an offset area. SIMEC Mining will be implementing management actions across this area, including:

- Permanent exclusion of livestock from the area unless “ecologically beneficial”, e.g. grazing to control weeds
- Maintaining fencing in a livestock-proof condition
- Not permitting woodcutting or firewood collection
- Controlling pests, such as goats, rabbits, cats and foxes, and overabundant native herbivores like kangaroos if required
- Controlling noxious weeds like prickly pear
- Conducting and reporting the outcomes of ecological surveys

#### Case study – Middleback Alliance

SIMEC Mining is a founding member of the Middleback Alliance, a cooperative framework for sustainable land management across the southern Middleback Range and surrounding areas.

The Middleback Alliance is directed by three major landholders in the region: SIMEC Mining, Ecological Horizons and Landscape SA Eyre Peninsula Board (part of the South Australian Department for Environment & Water). Other landholders also participate by sharing resources and cooperatively delivering a works program across land boundaries.

The Middleback Alliance delivers improved and sustainable land management outcomes. To date, 12 properties have participated over an area of more than 250,000 ha.





# Water

In FY21, towns-water use by LPMA was approximately 7,362 million litres. The largest use of towns-water at a combined 92 % of the LPMA total occurred at the Liberty Primary Steel – Whyalla Steelworks, and the SIMEC Mining Iron Ore processing operations within the South Middleback Ranges.

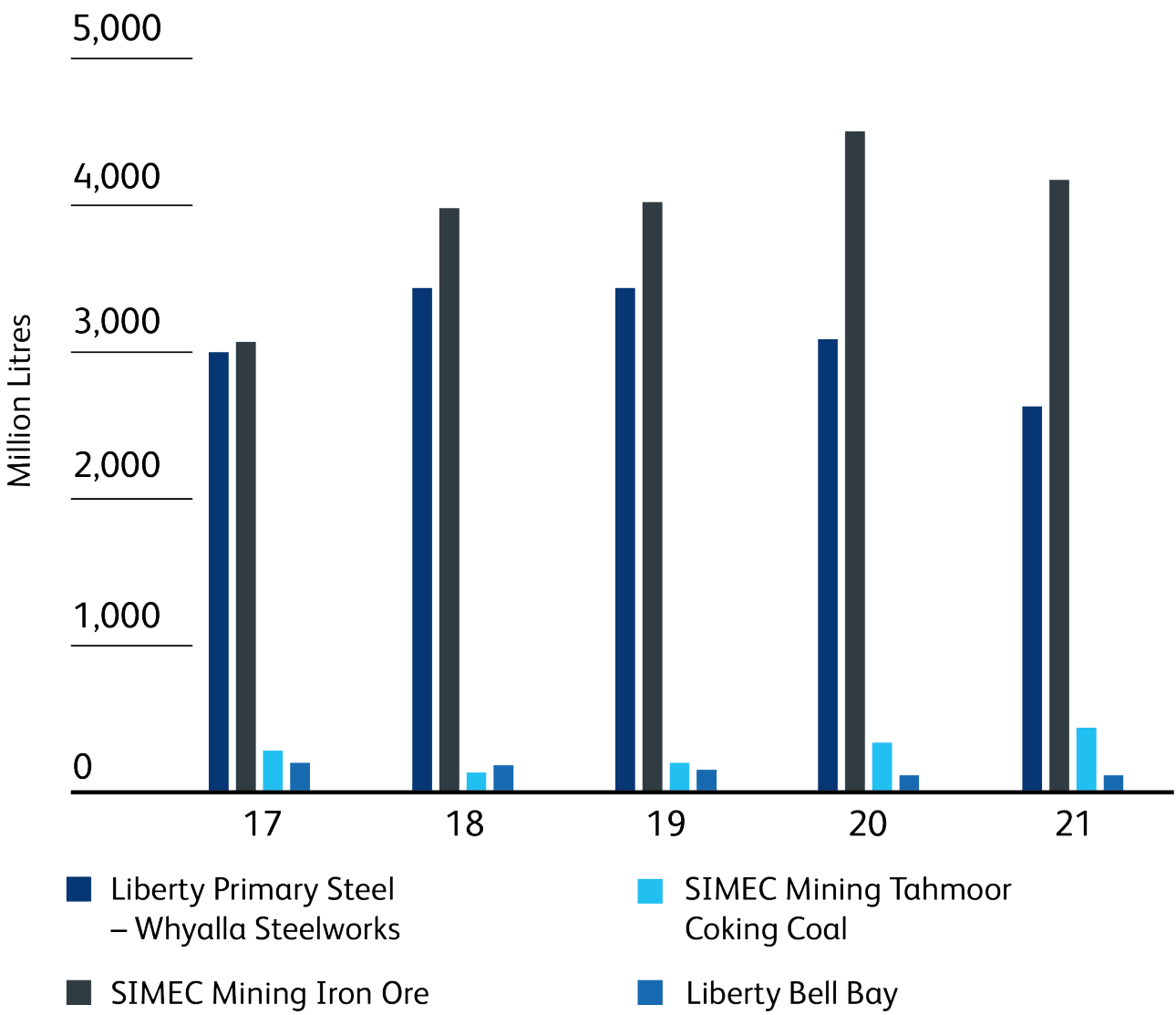


In FY21, combined towns-water use at the Whyalla Steelworks and SIMEC Mining’s Iron Ore operations in the Middleback Ranges was 6,807 million litres. This represents a decrease of 10 % on the previous year, despite a 10 % increase in production of mining product, and only a small (1.8 %) reduction in steel output. Overall water intensity across Whyalla Steelworks & SIMEC Mining Iron Ore thus achieved an 18 % improvement.

The Whyalla Steelworks and SIMEC Mining Iron Ore continue to work towards minimising their use of Murray River water through ongoing use of desalinated water,

use of recycled Municipal Water Treatment Plant water, reuse of process and tailings water, and use of seawater for cooling.

Towns-water consumption by SIMEC Mining at Tahmoor saw a 31 % increase, but with a 20 % improvement in water intensity in FY21 compared to the previous year as a result of a 64 % increase in saleable coal production. For the same period, Liberty Bell Bay saw a 4 % reduction in towns-water use with an 8 % reduction in production of manganese alloys and sinter.



Graph 1: Towns-water consumption



# Energy

Energy is used throughout LPMA facilities to produce steel, iron ore, coking coal, sinter, and ferroalloys.

The energy used in the period spanning financial years 2017 to 2021, is shown in Table 1 for the various Liberty Primary Metals Australia (LPMA) facilities. The energy use shown here is the total for all energy types (electricity, natural gas, diesel, LPG, etc.)

	FY17	FY18	FY19	FY20	FY21
	(petajoules – PJ)				
Liberty Primary Steel – Whyalla Steelworks	60.698	61.141	62.098	57.965	57.783
SIMEC Mining Iron Ore	1.948	1.885	2.001	2.193	2.114
SIMEC Mining Tahmoor Coking Coal	0.406	1.483	1.419	1.363	1.591
Liberty Bell Bay	7.601	8.287	7.574	5.442	5.027
LPMA TOTAL	70.653	72.796	73.092	66.963	66.515

Table 1: Energy Use FY17-FY21

The majority of energy used by LPMA across the five-year period was for steelmaking processes at the Whyalla Steelworks facility, with electricity forming a lesser portion of overall energy use. Electricity requirements for LPMA are obtained through both self-generation and from the grid, which is produced using a combination of renewable and non-renewable sources.

The main emissions by LPMA are in the form of Scope 1 emissions with Figure 1 indicating the proportion of Scope 1 versus Scope 2 emissions and the key sources. The detailed Scope 1 and 2 emissions by facility are provided in Table 2.

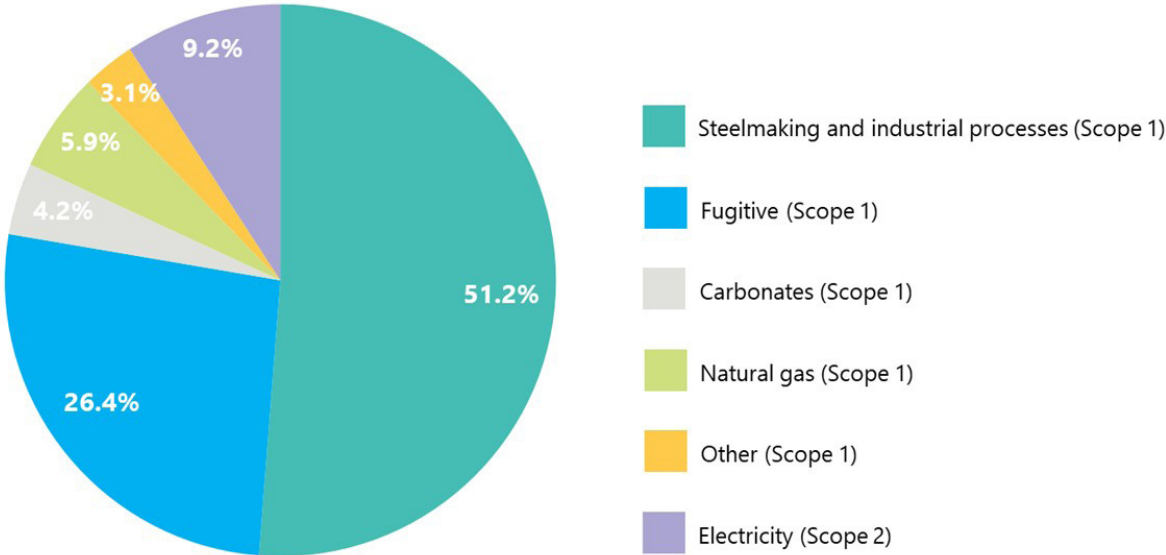


Figure 1: Scope 1 & 2 emissions by source type

	Scope 1 Emissions	Scope 2 Emissions	Total Emissions
	(million tonnes CO <sub>2</sub> -e)		
Liberty Primary Steel – Whyalla Steelworks	2.346	0.113	2.459
SIMEC Mining Iron Ore	0.103	0.072	0.175
SIMEC Mining Tahmoor Coking Coal	1.125	0.098	1.223
Liberty Bell Bay	0.275	0.107	0.383
LPMA TOTAL	3.849	0.39	4.24

Table 2: Greenhouse Gas Emissions



A useful way of understanding GHG emissions from steelmaking and industrial processes is through emissions intensity. This is the tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>-e) emitted per tonne of product produced. Using emissions intensity makes it possible to determine whether manufacturing processes are becoming more or less carbon-efficient over time. The emission intensities of Liberty Primary Metals Australia's facilities are shown in Figure 2.

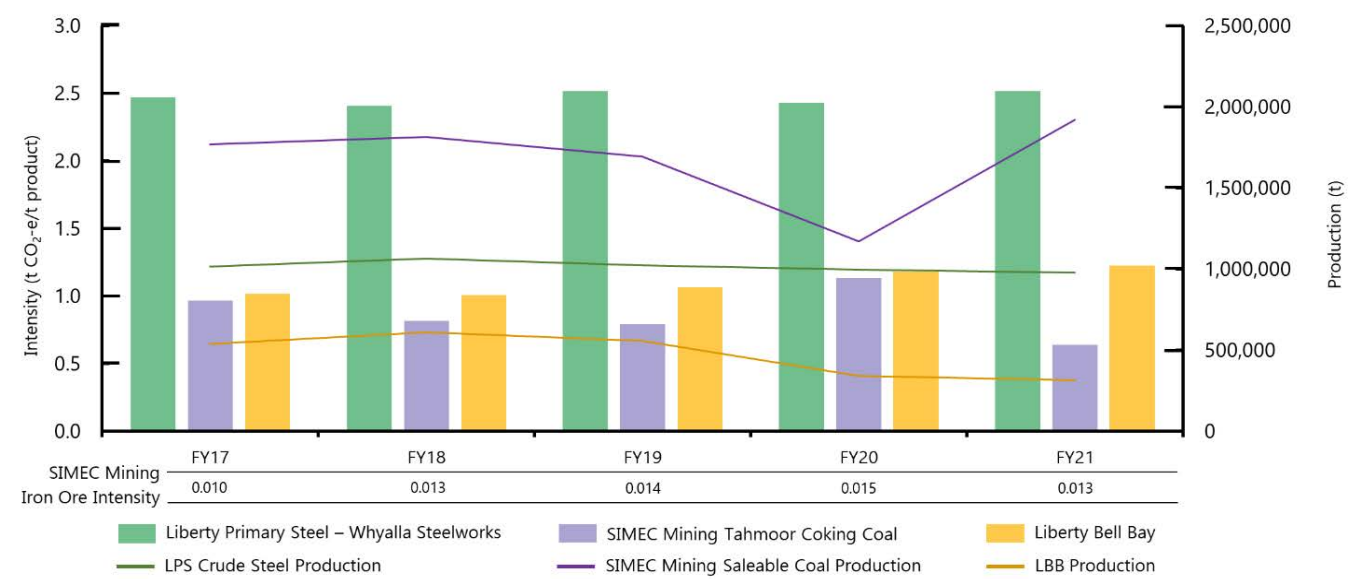


Figure 2: Greenhouse Gas Emission Intensity FY17-FY21





# Sustainable energy

Clean, reliable, and low-cost power supply that is both economically and environmentally sustainable is essential to our GREENSTEEL strategy

## Strategic energy management

Throughout 2021, SIMEC Energy has developed and commenced the implementation of a Strategic Energy Management framework for Mining and Primary Steel, with the aim of delivering the lowest cost and lowest emissions energy to support cost-competitive steel production as well as the GFG Alliance global aspiration of carbon neutrality by 2030 (CN30).

The Strategic Energy Management framework leverages SIMEC Energy's extensive experience in the Australian electricity and gas markets and renewable energy project development to deliver a coordinated energy strategy that will improve business resilience, increase productivity and global competitiveness, and align with CN30 targets. The framework is centred on four key pillars:

**Sustainability.** Improve our sustainability and resilience to a volatile energy market and growing customer and stakeholder expectations. Continuously assessing opportunities to source renewable generation and optimise energy productivity across our businesses to integrate into sustainability strategies focused on delivering CN30.

**Lowest cost.** Reduce the burden of energy prices within a challenging economy by delivering best-in-class energy sourcing and hedging optimisation and energy productivity measures, including active use of demand response to create flexibility in energy demand and avoid high price periods.

**Flexibility.** Agile and adaptable operating systems and processes to suit a dynamic energy market by maximising early adopter advantages with new technologies, including behind-the-meter solutions.

**Risk and data driven.** Using extensive data, analytics, and automation to maximise cost reduction benefits, and data-driven decision making and target setting while working within consistent and prudent risk management frameworks.

This risk driven approach to energy management is already delivering cost and process savings across the business, along with the development of a strong pipeline of energy productivity opportunities.

## Renewable energy offtakes

SIMEC Energy, through its trading business LIBERTY Greenpower (LGP), has entered into a long term Power Purchase Agreement for the offtake of the Molong Solar farm – a 30 MW solar farm located in the central west region of NSW (just northwest of Orange). This commitment not only builds on our portfolio of renewable energy offtake agreements, but also supports the continued decarbonisation of the national electricity grid.

The Molong Solar Farm completed commissioning in April 2021 and is expected to produce enough solar energy to serve the needs of about 8,500 average NSW homes and displace more than 55,000 cubic tonnes of CO<sub>2</sub> emissions each year – the equivalent of taking about 14,500 cars off the road.

## Renewable energy developments

GFG Alliance has reviewed offers from investors to the proposed sale of the Cultana Solar Farm and Playford Utility Battery and has determined to keep ownership of Cultana Solar Farm but proceed with the sale of the Playford Utility Battery.

The 280 MW Cultana Solar Farm, and its provision of renewable energy, remains part of our GREENSTEEL transformation of the Whyalla Steelworks.

GFG Alliance's SIMEC Energy Australia will work with the selected bidder on the Playford Utility Battery to secure completion to financial close and finalise outstanding elements to deliver notice to proceed on Cultana Solar Farm.

This is a practical step to explore ways to power our Whyalla operations with low-cost renewable energy sooner, which is key to our future ambitions. This project is not only important for our own needs, but all also contribute clean and green energy back into the national power grid.



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