LIBERTY

SUSTAINABILITY REPORT 2022

PUSH FOR CHANGE.

Working together to build a sustainable future

LIBERTY

CONTENTS

INTRODUCTION

Sanjeev Gupta, Executive Chairman and CEO 3

Our Operations 5

Our Impact 8

GOALS AND STRATEGY

Our Goals 11

Our Sustainability Strategy 14

ENVIRONMENTAL DELIVERY

Driving Transformation 21

Delivering our Decarbonisation Programmes 27

PEOPLE AND COMMUNITY

People 46

Safety 58

GOVERNANCE

Governance 62

RISK

Risk Management 67

APPENDICES

Environmental, Social, and Governance Disclosure Standards 75

1. Environmental Metrics 76

2. Social Metrics 80

3. Global Reporting Initiative (GRI) 84

4. ESG Policy 90

COMMITTED TO FUTURE GENERATIONS.

WE NEED TO TRY HARDER THAN MOST TO REDUCE OUR IMPACTS ON THE PLANET BECAUSE OF THE ENERGY-INTENSIVE NATURE OF STEELMAKING AND BECAUSE OF THE CRUCIAL ROLE STEEL PLAYS IN ALL ECONOMIES.

I am pleased to introduce this significant report that outlines LIBERTY Steel Group's (LIBERTY's) plans to be an industry leader with our ambitious commitment to Environmental, Social and Governance (ESG) standards across our operations. This is our first published Group Sustainability Report, and it openly acknowledges the environmental and regulatory barriers we face. Our individual companies have been working for many years across the communities we serve to ensure that, as new technologies emerge, we are at the forefront of responsible and sustainable production.

Our commitment to transparency

Legislators, investors, and customers increasingly demand that heavy industry takes action to significantly reduce greenhouse gas emissions. Organisations are also increasingly expected to explain the extent and nature of their operation's impact on local communities. Credible plans to meet quantifiable targets are now important indicators when gauging the true value of an enterprise. Part of that value is defined by the ESG criteria outlined in this report. But for sustainability commitments to be seen as more than simply ticking boxes, or a cynical way of greenwashing activities, it is important that our internal benchmarks, criteria, and methodologies are also fully transparent, tangible and open to scrutiny. The ability to respond to sustainability challenges is key to doing business today. In this report, we outline how we are rising to such challenges and what we are doing to ensure that LIBERTY provides a worthwhile legacy for future generations.

If you do what you did, you'll get what you got

While the report outlines our current work in detail, what it does not record is the long road that has brought us here. Greater sustainability and social responsibility are part of LIBERTY's founding vision. We have always been mindful that because of the energy-intensive nature of steelmaking and because of the crucial role that steel plays in all economies, we need to try harder than most to reduce our impacts on the planet. We do this by choosing and developing production methods that cause least harm to the environment. Rather than see this as an onerous burden, we have always viewed it as an opportunity to distinguish ourselves and play a leading role in changing the face and perception of heavy industry.

As this report makes clear, we have been bold and ambitious, pushing boundaries and disrupting the status quo to bring about a transformation in manufacturing

> **IF WE'RE SERIOUS ABOUT CLIMATE CHANGE AND WANT TO CONTINUE TO OPERATE, WE NEED TO TRANSFORM OURSELVES – AND QUICKLY.**

techniques that we believe is the route to an economic, social and environmentally sustainable future for industry. As a Group, we do not believe there is room or reason to do things as they have always been done. We have challenged the orthodox, 'carbon-heavy' methods of production and been prepared to think radically to reinvent the old and invent the new.

Sustainable production is non-negotiable

Decarbonising is not simply a 'nice to have'. For LIBERTY it is a non-negotiable demand and an enormous opportunity. The steel industry is facing what we describe as a 'trilemma'. Firstly, it has a significant carbon footprint, accounting for some 8% of global CO_2 emissions. Secondly, according to the World Steel Association, demand for steel is projected to double between 2012 and 2050. At the same time, there are stringent regulatory and consumer pressures on steel companies to decarbonise: principally from Europe so far, but with North America, Australia, China and other regions heading the same way.

So, if we're serious about climate change, and we want to continue to operate and capture the value in that growth of demand for our products, we need to transform ourselves – and quickly.

Our carbon neutral goal

For LIBERTY, there is no alternative. We must meet rising demand by creating new green economies of scale; providing long-term security and prosperity for the communities in which we operate, while serving the wider needs of society. Behind that opportunity, urging it forward, lies our CN30 goal: to make our existing operations carbon neutral by 2030.

Universally acknowledged as one of the most ambitious programmes anywhere in industry, CN30 demands a major transition from coke-fired blast furnaces to scrap fed, electric arc furnaces (EAF) and hydrogen fuelled plants that use direct reduced iron (DRI), supported by a raft of renewable energy technologies. Developing and utilising these advanced systems will allow us to transform our production methods swiftly, steadily and economically.

No one in the industry has yet solved the problem of carbon neutral steel production across all their operations. We are leading the way and know that we must break new ground. As such, we might be earlier, or later. We might develop different strategies as we learn from our pilot projects. But, as this report makes clear, we are already setting out our strategy and its roadmap. We have a clear, precise destination and have made provision to adjust our course as we move towards it.

None of us is as smart as all of us

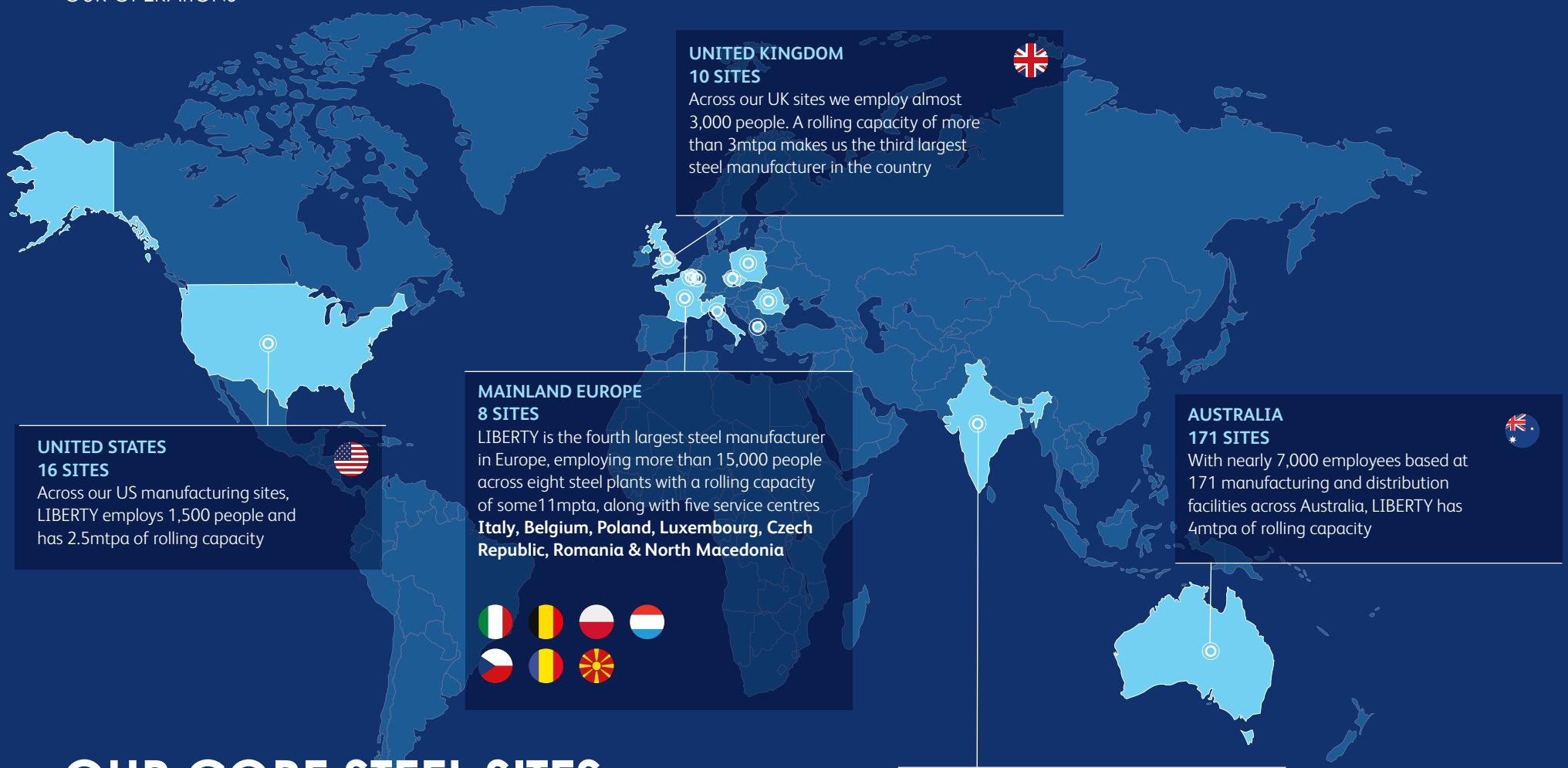
Meeting our goals and achieving true sustainability will require a new way of thinking and considerable investment. Like everyone else, we do not have all the answers yet, but we are well on our journey to help change the industry from its carbon blackened past to one that lights the way ahead. The scale and scope of our CN30 ambition requires collaboration with other visionaries in government and the private sector. Hitting our targets will require work alongside technologists, energy generators, finance providers and policy makers. Our belief is that by leading the way, and clearing a path, we can help them, help us, deliver a carbon neutral future in less than a decade.

As you will read, our goals serve as both map and compass for LIBERTY to drive real change for the common good, with sound investment flows supporting ambitious but realistic, measurable and manageable targets.

I invite you to read this report with those thoughts in mind.

Sanjeev Gupta Executive Chairman and CEO, LIBERTY

SHAPING THE WORLD OF STEEL.



UNITED KINGDOM
10 SITES
Across our UK sites we employ almost 3,000 people. A rolling capacity of more than 3mtpa makes us the third largest steel manufacturer in the country

MAINLAND EUROPE
8 SITES
LIBERTY is the fourth largest steel manufacturer in Europe, employing more than 15,000 people across eight steel plants with a rolling capacity of some11mpta, along with five service centres **Italy, Belgium, Poland, Luxembourg, Czech Republic, Romania & North Macedonia**

UNITED STATES
16 SITES
Across our US manufacturing sites, LIBERTY employs 1,500 people and has 2.5mtpa of rolling capacity

AUSTRALIA
171 SITES
With nearly 7,000 employees based at 171 manufacturing and distribution facilities across Australia, LIBERTY has 4mtpa of rolling capacity

INDIA
2 SITES
With around 2,000 employees based at two manufacturing facilities, LIBERTY has 1.8mpta of rolling capacity

OUR CORE STEEL SITES ACROSS THE GLOBE.

With plants in the UK, Europe, USA, India and Australia, LIBERTY is a significant employer and part of the local economies where we operate

Notes: Our operational headquarters are in Dubai. We have three sites in China.
Indian production is not reflected in the rest of this report.
Employee data takes into account contractors.
Mpta denotes million tonnes per annum.

HOW PRODUCTION IS SPLIT

BLAST FURNACE
Coke-fired blast furnaces are being transitioned to a more sustainable alternative

ELECTRIC ARC FURNACE
EAFs fed by recycled scrap steel

LIQUID STEEL PRODUCTION.

As a global industry leader LIBERTY is committed to reducing blast furnace production and moving to electric arc furnaces under our CN30 goal

AVERAGE CO_2 PER TONNE OF STEEL

BLAST FURNACE
2.2 tonnes CO_2 per tonne of crude steel (tCO_2/tCS)

ELECTRIC ARC FURNACE
0.6 Tonnes CO_2 per tonne of crude steel (tCO_2/tCS)

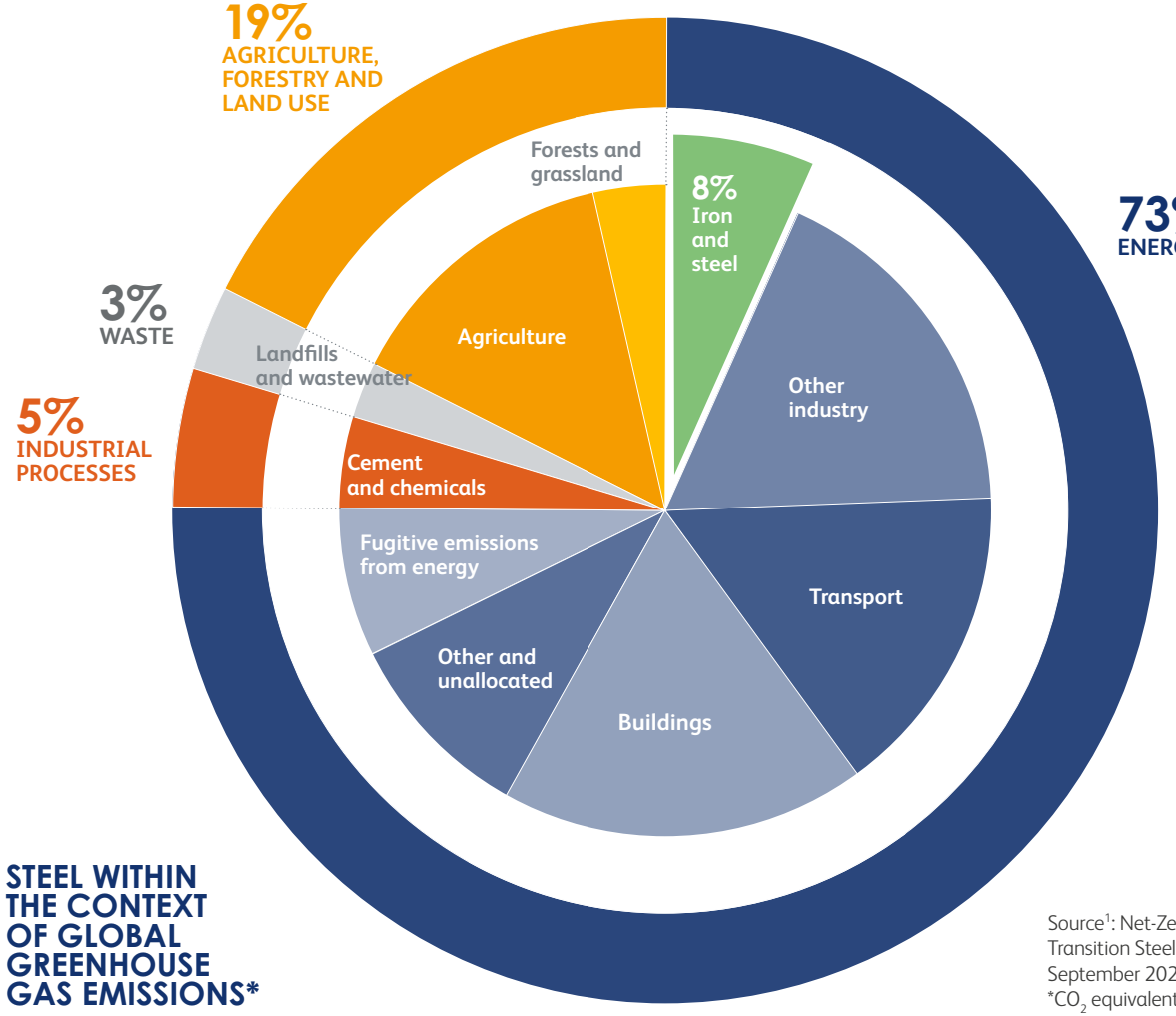
STEEL AND SUSTAINABILITY.

Steel plays a key role in a modern world – its challenge is to do it sustainably

Steel is a critical raw material in the delivery of a decarbonised economy. It is essential to a wide range of carbon-friendly technologies, including wind turbines and electric vehicles. Like other foundational materials such as cement, glass, ceramics, paper, metals, and bulk chemicals, demand is set to keep growing as the world's economies develop further, and there is increased urbanisation.

However, the steel sector is a significant carbon emitter among the heavy industries that deliver for modern life, as shown in the diagram on this page. Even with incremental improvements in technology performance and material efficiency, the steel industry is projected to emit 90 gigatonnes of CO_2 (GtC) by 2050 in the absence of targeted measures and technology breakthroughs. This is equal to almost 20% of the remaining global CO_2 budget for a 50% chance to keep temperature rise within 1.5 degrees[1].

It means that as the world stands on the brink of a new industrial revolution, which is embracing a low-carbon future, the steel industry faces significant challenges.



STEEL WITHIN THE CONTEXT OF GLOBAL GREENHOUSE GAS EMISSIONS*

Source[1]: Net-Zero Transition Steel Strategy, September 2021
*CO_2 equivalent

The industry works together under initiatives such as the Net-Zero Steel Initiative (NZSI), which LIBERTY is part of, to better understand how to reach net-zero emissions by 2050. We have committed to achieve this within our existing operations by 2030 – our CN30 plan.

STEEL IS A GLOBAL PRODUCT THAT IS PART OF A COMPLEX SUPPLY CHAIN AND IT HAS AN ENVIRONMENTAL IMPACT

THE ROLE OF STEEL IN A MODERN WORLD

THE STEEL INDUSTRY IS ALSO PART OF THE SOLUTION. IT IS ESSENTIAL TO A WIDE RANGE OF CARBON FRIENDLY TECHNOLOGIES AND CAN LEAD THE WAY IN DEVELOPING AND ENABLING GREEN TECHNOLOGIES AND IMPACTING SUSTAINABLE FUTURES

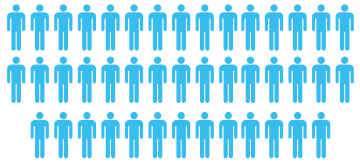
$874.6bn

Size of **global** steel market in 2021

Source: IMARC Group

6m

Jobs worldwide...



and the source of an estimated **43m** additional jobs in other sectors

Source: World Steel Association

240kg

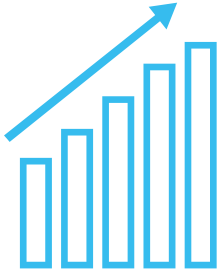
Approximate amount of liquid steel produced each **year** for every person on the planet

Source: The World Counts

$2.5tn

Annual sale value of a range of products that the steel industry is transforming from **iron ore**

Source: World Steel Associaton



x100%

Expected increase in demand for steel between **2012 and 2050**

Source: World Steel Association

LIBERTY'S IMPACT IS WIDE-REACHING

LIBERTY's capabilities range from liquid steelmaking from raw and recycled materials through to high-value precision engineered products and associated services, which are sold around the world. We have committed to carbon neutral steel production by 2030 (CN30). According to the NZSI, early progress on steel decarbonisation could unlock 1.3Gt of CO_2 emissions reductions by 2030. It's this early action that will help keep the target of limiting global warming to 1.5 degrees alive.

Understanding our impact and where we are today is key to formulating a strategy to achieve our vision.
This report articulates the strategy and plans we have in place to manage the impacts which have been outlined in this section.

WE WILL BE PART OF THE SOLUTION TO CLIMATE CHANGE THROUGH OUR COMMITMENT TO TRANSFORM OUR EXISTING STEEL PLANTS TO CARBON NEUTRALITY BY 2030

28,000
approximate number of employees globally – includes contractors

100%
of major integrated sites covered by ISO14001 or equivalent environmental management

A safer place to work*

36%
Fall in total recordable injury

29%
Fall in days away or restricted work due to injury

14%
Fall in lost time injury frequency rate

*Reporting period 2019-2022

6,000
Students supported by GFG Foundation since 2017

Foundation present in **3 countries**

$16bn
Global turnover – annual revenues of US$16bn in FY22

TRANSITIONING TO A LOW-CARBON FUTURE.

LIBERTY's values are aligned with a clean and resilient low emissions world. To achieve this, our operations must serve the long-term interests of all our stakeholders, which is why we have committed to lead the industry's transformation. We are already putting our promises into action, investing in – and using – technologies to manufacture steel with minimal emissions. Our assets are uniquely positioned to benefit from reinvention. Our heaviest carbon-emitting facilities are coming to the end of their economic life, and it makes sense to convert them to lower carbon technology. Our geographic spread means we can deploy tailored solutions that fit local conditions, whether it is solar, wind, hydrogen, magnetite, or scrap. As we implement our transition programme, we will revitalise locations, support communities and create highly-skilled, sustainable jobs.

Sandip Biswas
GFG Alliance's Chief Investment Officer and LIBERTY's Interim CEO for Primary Steel Europe

A COMMITMENT TO A SUSTAINABILITY.

Our sustainability goals are framed around Environment, Social, and Governance (ESG) pillars and they set out our ambition to deliver transformation within the steel industry

Our purpose, strategy, values and ambitions			
PURPOSE	To create a sustainable future for industry and society		
STRATEGY	To create an economically sustainable business model for our industries, which is profitable for the long term, allows for socially sustainable development in local communities, and has a carbon neutral environmental impact		
INDUSTRY CONTEXT	**Our strategy is driven by four key trends and enables us to identify opportunity and drive positive change**	• Increasing demand for steel • The urgent need to decarbonise the sector	• The decline of traditional manufacturing industries in developed economies • The need to be competitive in a changing world.
VALUES	**Our guiding values make LIBERTY unique in our approach to business**		
	CHANGE Recognising change is a constant in the world, we are dynamic in that we seek to drive change rather than let it drive us. We pride ourselves on having an open mindset and continually challenging the status quo.	**FAMILY** We are more than a team, we are a family. We have an intergenerational outlook, which means we make decisions for the welfare of our future generations.	**SUSTAINABILITY** As a family-owned group of businesses, we think of sustainability across three dimensions: economic, social, and environmental.
GOALS	**ENVIRONMENT** **CN30** Build sustainable businesses which transition to carbon neutral by 2030 **Resilience** Understand and mitigate the impact of different climate transition scenarios **Impact** Manage environmental impact and comply with local standards	**SOCIAL** **Our people** Deliver safe, equitable and good quality working lives while developing tomorrow's workforce **Our communities** Make a positive contribution to our communities **Our supply chains** Manage supply chains our customers can trust	**GOVERNANCE** **Corporate governance** Demonstrate integrity, diversity and transparency **Effective structures and controls** Adhere to clear decision-making and risk management frameworks **ESG integration** Embed ESG considerations in our strategic and operational decision making

CONTRIBUTING TO GLOBAL GOALS

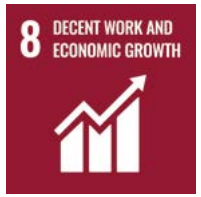
Our sustainabilty ambitions align with

- the World Economic Forum's International Business Council's set of common metrics for reporting sustainable value creation
- the United Nations' 17 Sustainable Development Goals (SDGs) and principal ESG domains of governance, planet, people, and prosperity

SDGs and LIBERTY

The 17 SDGs are integrated, recognising that progress in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability. We fully subscribe to the objectives of the 17 goals and have identified six, outlined here where our work will have the most impact.

We show where these six goals are most applicable to our business throughout this report



By transitioning to sustainable business models we aim to secure thousands of high quality well-paying jobs in industrial communities and provide products that are essential to economic growth, development and prosperity.

We aim to supply sustainable materials critical for the transition to a net zero economy. By pioneering new technologies such as hydrogen steelmaking we aim to encourage wider application of hydrogen technologies across the economy that will create industrial hubs to foster innovation.

For every person we employ, a further 6-7 jobs are supported in the local community and supply chain*. By investing in community programmes and by supporting the work of the GFG Foundation we aim to help members of the community reach their full potential.

We aim to use our resources efficiently by reducing waste and optimising recycling opportunities throughout our production processes. We work with our customers to explore waste reduction opportunities and look to provide details on the environmental impact of our products.

By investing in low-carbon production processes, breakthrough technologies and renewable energy, we aim to become carbon neutral by 2030 – two decades ahead of the net zero target under the Paris Agreement. By doing so we aim to support our customers, governments, and other stakeholders, to reach net zero with us.

We actively participate in industry forums and business events to promote sustainability practices in our industry and work with associations, partners, governments, and non-governmental organisations (NGOs) to promote progress towards sustainability goals.

*Source: Eurofer

THE ROAD TO A SUSTAINABLE FUTURE.

LIBERTY's magnetite mine in Whyalla Australia will position us as a leader in green DRI production

It is refreshing to work in an organisation where sustainability is not seen as a box tick exercise, or nice to have, but rather is treated as an integral part of the global business strategy and planning process. Our business leaders are committed to transitioning our industry into one that provides reliable and resilient supply to our customers and long term jobs for our people, in the face of the climate risks we all face.

The emphasis on training and making a positive impact on our communities, alongside the environmental and decarbonisation agenda, is key to ensuring that we bring our people and communities with us as we embark on an ambitious and uncharted journey towards large-scale carbon neutral steel production by 2030.

Marian D'Auria
Head of Risk and Sustainability

OUR CN30 MISSION IS UNDERWAY.

Transforming the steel industry as the world transitions to net zero presents an opportunity for reinvention and growth.

Without a solution for net zero steel, we will not transition to a net zero world. We see the transformation of steel production as not only a business imperative but an opportunity to develop the industry yet again into an engine for growth that will continue to sustain vibrant industrial communities worldwide.

First movers in the reinvention of our sector will have a significant advantage. Those who innovate will gain market share by meeting market demands for cleaner, low-carbon emission steel; they will attract the best talent and build the skills needed for sustainable growth.

In recognition of the need for urgent action, and the opportunity presented by the transition to low-carbon production, our strategy is to develop profitable, resilient businesses, which are carbon neutral by 2030 – this is our CN30 mission.

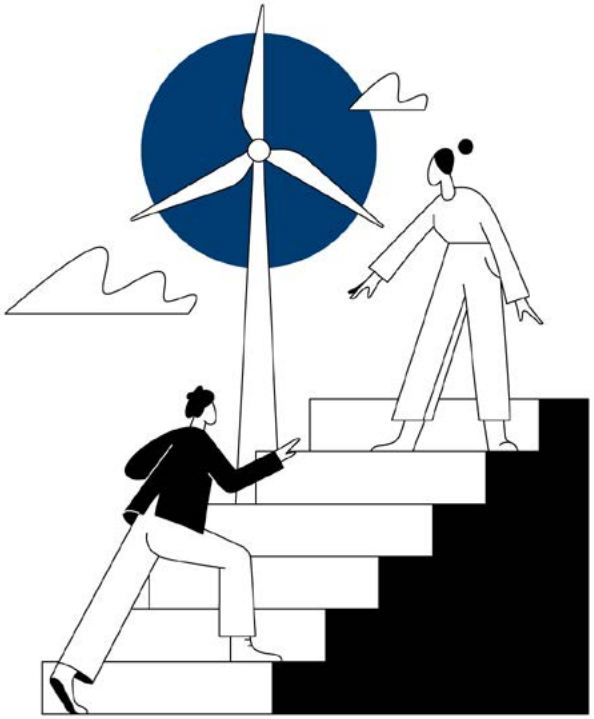
OUR SUSTAINABILITY STRATEGY: WHERE WE ARE TODAY

The biggest impact and most material risks stem from reducing our carbon emissions. This will affect:

- **Our people** as we transition to lower carbon emission production methods
- **Our communities** as we re-shape our operations to rise to the decarbonisation challenge
- **Our customers** as they seek to manage their carbon reduction journeys
- **Governments** in countries we operate in and trade with as our transition to low carbon production methods will help meet carbon reduction targets
- **Our financial results** as we look to increase volume, benefit from the ability to produce green steel products and manage our carbon taxes
- **Our risk profile** as we reduce reliance on carbon emissions in our production processes

Current emissions

Most of LIBERTY's emissions come from primary (ore-based) production. The reduction reactions and refining process are currently achieved with fossil fuel, which emit an average of 2.2 tonnes of CO_2 per tonne of crude steel (tCO_2/tCS). LIBERTY has primary production facilities in Australia (Whyalla), Romania (Galați) and the Czech Republic (Ostrava).



The rest of our steelmaking plants in the US, Europe and Australia use electric arc furnaces (EAFs) to melt scrap steel and other sources of metallic iron such as direct reduced iron (DRI) or hot metal. Emissions from these operations depend on the carbon intensity of the electricity supply but are on average 0.6 tCO_2/tCS.

Today, integrated steelmaking sites are either located close to the market, with raw materials being imported from afar, or close to the mine, in which case the finished product is transported to the market.

WHAT WILL CHANGE

The focus of our sustainability strategy is on ensuring security of supply, while transitioning away from blast furnace production and using renewable energy in our EAF sites. We will see a phased shift in our global production footprint by 2030, as we reconfigure primary production locations to take advantage of renewable energy, new technologies, and access to raw materials, while keeping our melt shops and rolling sites close to the market.

Two distinct 'tracks' in our decarbonisation strategy

1 Expanding our use of EAFs and transitioning to renewable energy as their power source.

2 Adopting hydrogen as the reductant fuel for our remaining primary production facilities.

While our headline CN30 goal sets an ambitious vision for decarbonising our global operations, its strategy and implementation is part of an integrated sustainability approach. Our transition plans will be underpinned by careful environmental management, social initiatives such as the GREENSTEEL Academy, engagement with the communities in which we operate, and charitable activities including the GFG Foundation. In this way, we will develop future skills to deliver our strategy and bring our people and communities with us as we transform our operations.

HOW WE WILL ACHIEVE THIS

The transition plan for our existing EAF plants centres on the rapid evolution towards renewable energy, expanding the product mix that can be produced through these furnaces and ensuring the security of scrap supply. But moving to EAF production from scrap doesn't solve the whole problem because the demand for steel is likely to outstrip the supply of scrap. So, we need a solution for decarbonising primary ore-based production.

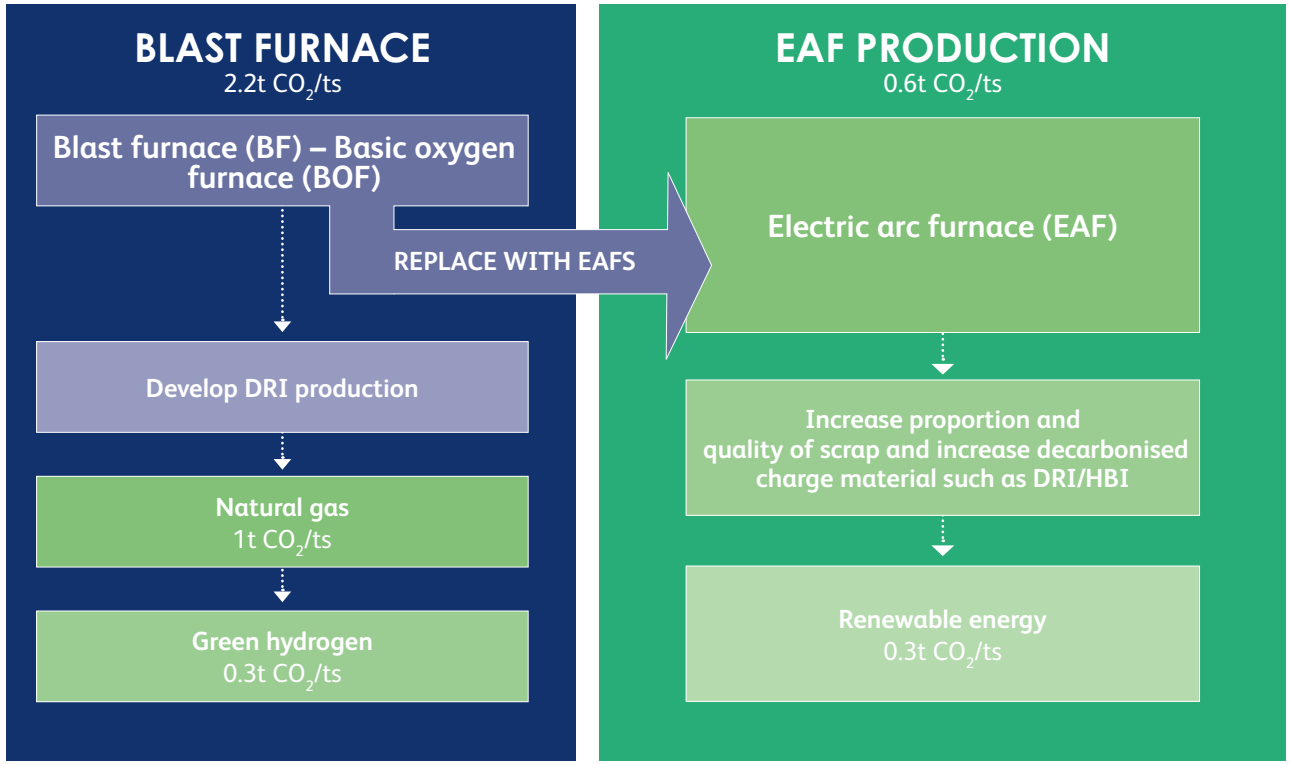
Our approach to decarbonisation of primary production involves using DRI plants which will initially be fuelled with natural gas and, in time, transition to hydrogen.

LIBERTY's magnetite mine in Whyalla Australia will position us as a leader in green DRI production. Our Whyalla mine is one of the very few places that can deliver the right quality of material for hydrogen-fuelled production and where there is the greatest opportunity to harness renewable energy.

Through a phased transition plan, Whyalla will become one of the first global-scale commercial hydrogen DRI production facilities. The significant quantities of green DRI we can produce in Whyalla will be exported to our plants in Europe, which are being fitted with the latest EAF technology so they can melt DRI as well as scrap.

OUR STRATEGY AT A GLANCE

Reshaping our operations by moving from a reliance on BFs and BoFs towards EAFs, using new technology



This will allow them to produce competitive GREENSTEEL and cease blast furnace production early, as we develop plans to make green DRI production viable in Europe.

This reshaping of our operations will be facilitated by a governance structure, whereby sustainability considerations are incorporated in business strategy and planning processes. We will collect the data we need to report against progress, but also to assess environmental trade-offs and drive business insights.

THE BIGGEST OBSTACLES WE NEED TO OVERCOME TO DELIVER OUR STRATEGY

Key risk area	Challenge	How we will respond to challenge
TECHNOLOGY	The chemical process of using hydrogen to produce steel is proven, but it is not mature technology, and producing the volume of affordable hydrogen needed has not been done yet. We are pushing technology boundaries to make this possible.	A significant amount of work has been done to explore the technology that will be needed to produce hydrogen at scale. This will include co-located hydrogen pilots to test production, storage, and integration of industrial amounts of locally consumed green hydrogen. We are partnering with universities and governments in Australia and Europe to develop hydrogen-based steelmaking technology. It includes an intention to work with the South Australian government, which has committed to invest in a 250MW hydrogen plant in Whyalla, supporting our hydrogen steelmaking plans.
PEOPLE	We will require a diverse skillset and a new generation of steelworkers, so attracting, training, and retaining the right people to drive transition is key. This is done against a backdrop of an ageing workforce, skills shortages and global competition for talent.	Our GREENSTEEL Academy and partnership with local universities and communities (set out in more detail in the People and Communities section) supports the training and recruitment of the next generation of steelmakers. The increased output of our operations will result in a greater variety of jobs, changing the image of the steel industry and creating opportunities for a range of new skills to be deployed within our businesses. The GFG Foundation, a registered charity, is encouraging and supporting future generations.
INVESTMENT	Transitioning to hydrogen-based production will require tens of billions of dollars of capital expenditure for the industry. All our projects have financeable investment plans, the structure and availability of capital investment will need to be worked through.	Our biggest investment requirements are around the Whyalla transformation project and the plans to transition our primary sites in Galați and Ostrava to low-carbon production processes. The magnetite volumes we are anticipating in Whyalla are sufficient to attract finance in the form of offtake agreements or joint ventures. We anticipate this will support the funding of this project. The transition plan opens up new market and funding opportunities as the demand for green DRI will undergo significant growth while only a few places worldwide can match the production conditions in Whyalla.
POLICY	It is crucial that policy frameworks are in place that give a competitive advantage to players who move faster in the transition to low-carbon steel, rewarding innovation.	Through our government relations experts and trade associations, we engage in policy development to provide the technical support and advice to help shape effective policy in each of our key regions. We ensure the impact of proposed policies is well understood by policy makers before implementation, and provide advice on measures that would boost investment and protect competitiveness.
REGULATORY APPROVALS	Our plans require regulatory approvals, permits for use of space and natural resources, and integration with existing infrastructure (e.g. electricity grids). Government support is strong, but approvals are needed to achieve our goals in time.	We have dedicated teams who engage with policymakers in our main areas of operations to ensure we have deep knowledge of the regulatory requirements associated with our transformation projects and can engage with regulators effectively to ensure they are aware of, and supportive of our plans.

Key risk area	Challenge	How we will respond to challenge
MARKET	While demand for products made from steel is increasing, firm commitments and rapid actions from stakeholders across the value chain are needed to stimulate greater demand for green steel products.	We regularly engage with our customers and trade association to understand their sustainability requirements and anticipate their demands for sustainable production. We are already seeing a growing awareness of the benefits of, and growing demand for, GREENSTEEL products. Developments in public procurement and supply chain reporting, along with an expansion in external accreditation and kite marks, will result in further demand for, and premium attached to, sustainably produced steel.
SECURITY OF SUPPLY OF SCRAP	Scrap will increasingly become a precious commodity as more steelmakers transition to lower carbon emission production methods.	We are engaging with policy makers around export and sorting policies, as well as re-engineering our sites and supplier infrastructure to anticipate and manage our future requirement for scrap volumes. Our financial plans consider the potential future volatility in scrap pricing. Our magnetite mines in South Australia, which are undergoing multi-phased expansion projects and will be used to produce DRI that can be exported internationally, can be used to reduce our reliance on domestic scrap markets worldwide.
AVAILABILITY OF LOW-COST RENEWABLE ENERGY	Regardless of which technology route we take to decarbonise, secure, affordable and low-carbon energy is an essential prerequisite – 1mt of hydrogen-based steel requires more than 60,000 tonnes of green hydrogen, which, in turn, requires around 380 MW of firm renewable energy to produce. Low-carbon energy supply needs to scale up if we are to produce enough green power to produce the hydrogen required.	We will address this challenge through a combination of Power Purchase Agreements (PPAs), delivery of solar and wind power generation projects through our SIMEC Energy teams, and national grid decarbonisation in Europe. Our primary production site will be in a location with the highest capacity to produce renewable energy in the world.
RANGE OF PRODUCTS	The grade of steel products that can be produced using scrap in an EAF is currently restricted.	We will invest in our European sites to improve capabilities, widen our product range and increase the addressable market for EAF production. Improvements in scrap sorting methodology, use of DRI in the EAF, and developments in EAF technology are expected to expand the product range. Nevertheless, this remains a constraint.

LEADING THE TRANSITION

LIBERTY has one of the most ambitious decarbonisation plans in the industry. We are aiming for our existing sites to achieve carbon neutral scope 1 and scope 2 emissions by 2030. This is supported by the GREENSTEEL Academy, providing the platform to develop and recruit the talent we need to drive this transition.

The characteristics of our Group which we believe help us to lead the transition to carbon neutral steel production are:

1 **Location of our production facilities**

Many of our production facilities are already located in areas which benefit from favourable environmental characteristics. For example, our electricity intensive ferro alloy facility is located in Tasmania, where the national grid is powered by hydro power stations and wind, and where grid carbon intensity is the lowest in the world. Australia has some of the best conditions for solar and onshore wind anywhere in the world and our Whyalla site has access to abundant high quality, energy efficient magnetite ore. Our Galați plant in Romania also enjoys excellent conditions for renewable energy generation with high average levels of sunshine, and consistent Black Sea winds. All facilities are located in areas with strong transport links, a deep history of steelmaking and links to the local communities.

2 **The nature of our assets**

Our blast furnaces in Australia, Galați and Ostrava will all need to be relined in the next five-ten years. A reline happens every 15-20 years and costs hundreds of millions of dollars. Decommissioning blast furnaces in favour of investment in EAFs and DRI plants are much easier decisions for us to make than for others who have recently re-lined their furnaces and might be exposed to the risk of stranded assets.

3 **Quality of our magnetite reserves**

Our magnetite reserves are of the highest quality available anywhere in Australia and through our Magnetite Expansion Project (MEP) we are in the process of significantly expanding our annual capacity. This means we can produce sufficient DRI to not only supply our 1.2mt Whyalla production facility and our European EAFs, but also provide hydrogen-produced DRI to other facilities across the world. In this way, we can generate an additional revenue stream, de-risk the financing of the project and facilitate other steelmakers' decarbonisation journeys across the industry.

4 **Renewable energy capacity in Australia**

This is sufficient to support our electrolysis programme to produce hydrogen at scale. Compared with Europe where the Capacity Utilisaton Factor (CUF) of solar is typically 16 % (i.e. you need 100MW of solar energy to generate 16MW of electricity), Australia's CUF is closer to 30 %. Generation of renewable power in Australia is therefore much more efficient than other locations in the world.

Our sustainability strategy does not belong to a separate team, but is embedded in the plans of each of our businesses and owned by all our employees across the Group. Our business leaders recognise it is only by achieving our sustainability aims that we will ensure the continued success of our businesses and the health and wellbeing of our people.

DRIVING TRANSFORMATION.

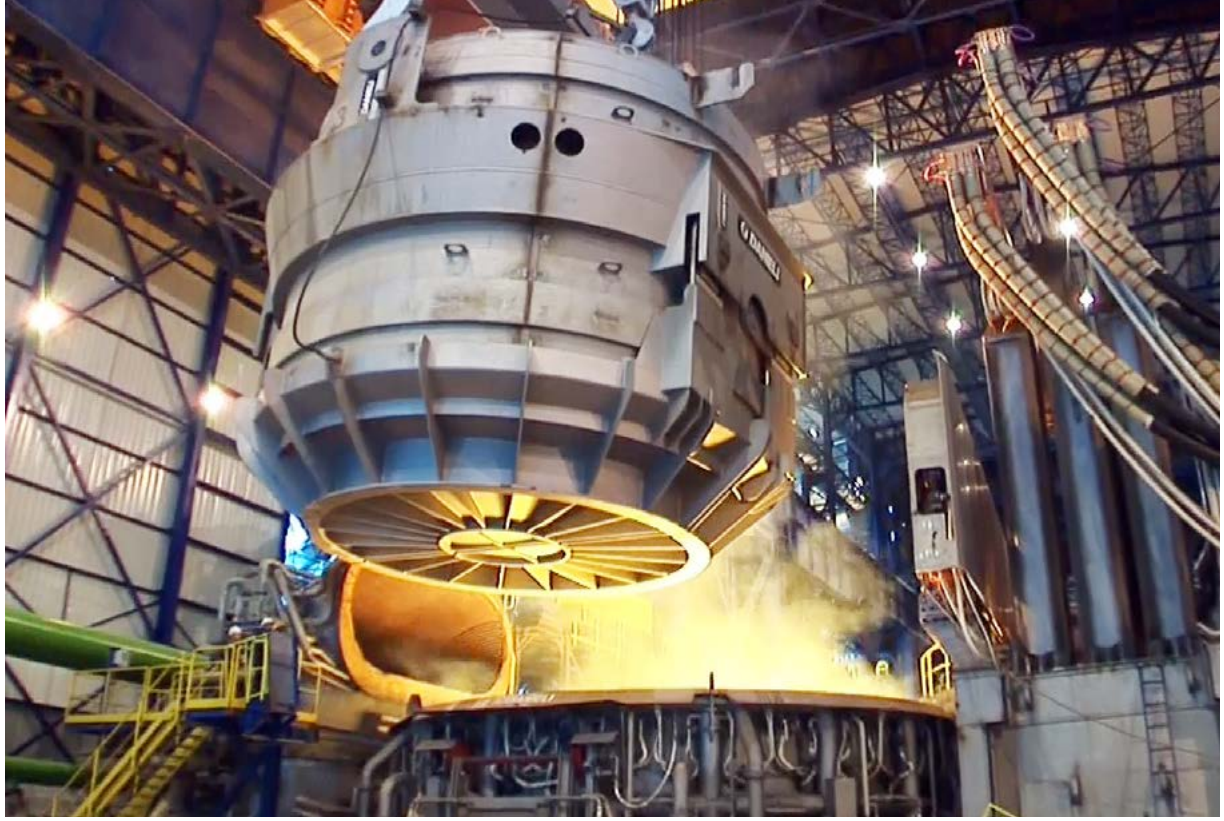
OUR ENVIRONMENTAL AMBITIONS

- **CN30** Build sustainable businesses which transition to carbon neutral by 2030
- **Resilience** Understand and mitigate the impact of different climate transition scenarios
- **Impact** Manage environmental impact and comply with local standards

LIBERTY's hydro-power and aluminum smelting operation at Lochaber, near Fort William, Scotland

Our main challenge is the reliance of our industry on carbon as the main source of fuel. It makes steel manufacturing a carbon-intensive and hard-to-abate industry that has to transform to be sustainable. LIBERTY's plans to deliver this transformation are broad and far-reaching: they require significant investment, large amounts of renewable power, and affordable hydrogen. To deliver, we will deploy breakthrough technologies, disrupt existing production and business models, and maximise our use of available resources. We have a competitive advantage in the nature of our existing assets and the environments in which we operate. We have set an ambitious goal to transition our current assets to carbon neutrality by 2030, allowing us to meet the growing demand for sustainably produced steel and contribute to the transition to a net zero economy.

Theuns Victor
Executive Director, Chairman's Industrial Projects Office (CIPO)



OUR STRATEGY IN ACTION.

Taking responsibility for our businesses and their environmental impact will enable change

LIBERTY's environmental delivery plans

Every individual business has a comprehensive environmental delivery plan in place to ensure that it monitors, manages and mitigates its environmental impact across the board – from carbon to particulates, to water. Delivering these plans will ensure our plants are able to achieve our CN30 ambition and also protect the wider environment for the benefit of those who live and work in the communities within which they operate.

Carbon emissions reduction plans

Almost 90% of LIBERTY's scope 1 emissions are generated by our three major primary steel making plants (Galați, Ostrava and Whyalla) and we have credible, defined delivery plans in progress to move each to a GREENSTEEL model.

These plans are broken into four phases, shown overleaf.

ROADMAP TO CARBON REDUCTION.

1 PHASE 1 PREPARATION (2019-2021)

Our first priority was to benchmark the plants' existing carbon emissions. This ensured we had an effective baseline of our existing carbon intensity and allowed us to fully scope out our future requirements.

We also worked with the plants' management and environmental teams to benchmark performance and identify opportunities to implement operational improvements and efficiency initiatives.

Key projects to improve emissions in Phase 1:

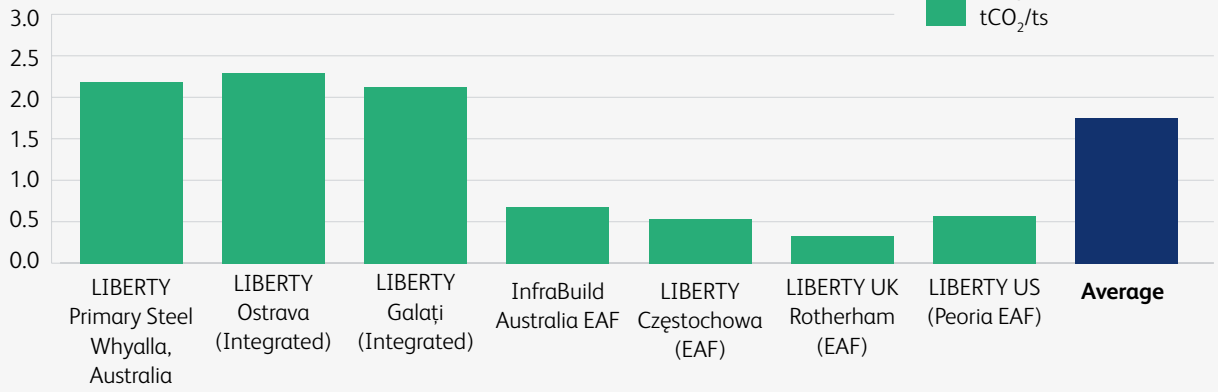
- Whyalla's basic oxygen furnace (BOF) slag detection project, which included an upgrade to the site BOF monitoring system to limit slag generation and transfer between processes
- A modernisation project at LIBERTY Galați, which significantly lowered the energy consumption for hot metal production by injecting oxygen-enriched air into the plant's blast furnace (BF) number 5, reducing carbon emissions and reducing methane gas use by 75%
- Gaining regulatory permission to close the LIBERTY Galați slag dump. Containing millions of tonnes of slag generated over 40 years, the dump's closure has been carefully planned with input from the authorities. The future redevelopment of the 110ha site will allow the installation of new solar and wind renewable energy fields.

During this phase we also created the Chairman's Industrial Projects Office (CIPO), led by the Executive Chairman, made up of global experts on the design, planning and delivery of major projects. CIPO ensures strategic alignment of all major projects globally as well as supporting local businesses in the development of their projects. The monitoring of major capital projects in execution and the post implementation reviews will also form part of the team's responsibilities.

Over the last 18 months, CIPO has worked with LIBERTY's on-site technical teams to assess the technology required to deliver our CN30 plans, develop the tenders needed to ensure the right technology and partners are appointed, draft the effective business cases required to attract subsidies and financing, as well as support the preparation of the highly complex design, zoning and building permits required before work can start.

The comprehensive approach shown by CIPO has meant we are now able to enter the next phase of the delivery plan with an agreed list of projects that make up the roadmap, their impact on plants' emissions, the likely costs and technology readiness assessment.

CO_2 EMISSIONS IN 2021

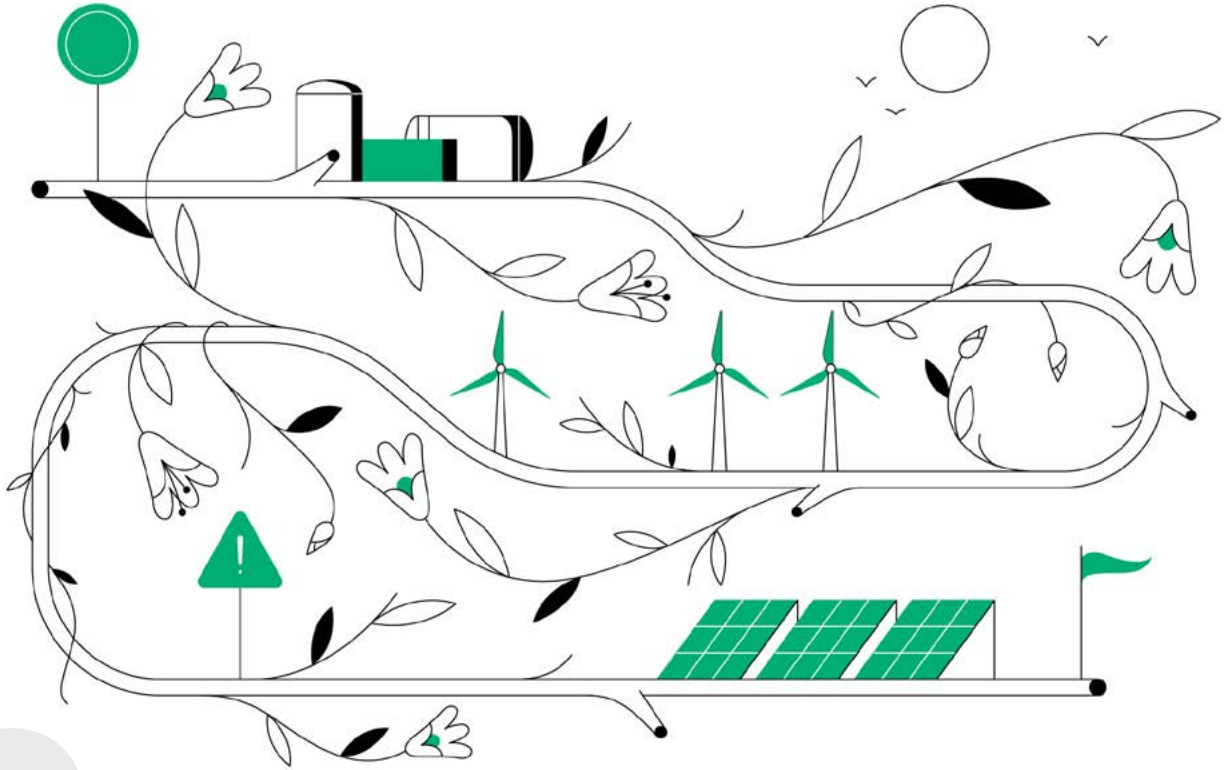


2 PHASE 2 TRANSITION (2022-2026)

We have now started the transition phase for our primary production sites, under which our carbon intensity levels will approximately halve over the next four years. For these three sites emissions are expected to fall from 2.2 tonnes of CO_2 per tonne of crude steel (tCO_2/tCS) to around 1.2 tCO_2/tCS.

A selection of the key transition projects that we plan to complete in this phase include:

- **Whyalla** The expansion of magnetite production, and the installation of a new direct reduced iron (DRI) plant producing DRI and hot briquetted iron (HBI), and a new state-of-the-art EAF
- **Ostrava** The installation of the two state-of-the-art Danieli hybrid EAFs at the centre of Ostrava's GREENSTEEL transformation plan. The contracts for these were signed in July 2022
- **Galați** The installation of two new hybrid EAFs at the centre of Galați's GREENSTEEL transformation plan. The tender process has been launched. This will be supported by a 180MW on-site solar farm, of which the first 50MW is already being connected
- **InfraBuild** The transition to a 100% renewable electricity Power Purchase Agreement



3 PHASE 3 TRANSFORMATION (2027-2030)

Under the transformation phase our carbon intensity levels will fall by a further 75%, from around 1.2 tCO_2/tCS to around 0.3 tCO_2/tCS.

Projects which will be completed in this phase include:

- **Whyalla** Further major increase in the production of magnetite concentrate, feeding new DRI facilities and supported by large-scale hydrogen electrolysis and renewable energy generation
- **Ostrava** The completion of a 400kV electricity line into the Ostrava steelworks which will allow its new hybrid EAFs to melt 100% scrap by 2027
- **Galați** The installation of a DRI plant and a hydrogen electrolyser at Galați, which will allow it to feed green DRI/HBI directly into its hybrid EAFs when hydrogen production in Europe becomes economically viable

4

PHASE 4 FUTURE DEVELOPMENT (POST-2030)

Whilst we are absolutely committed to reducing emissions to the lowest possible level, there will always be residual carbon from our operations. To deal with this small volume of residual emissions, we are studying and investing in new approaches, such as effective land management, to capture and sequester carbon.

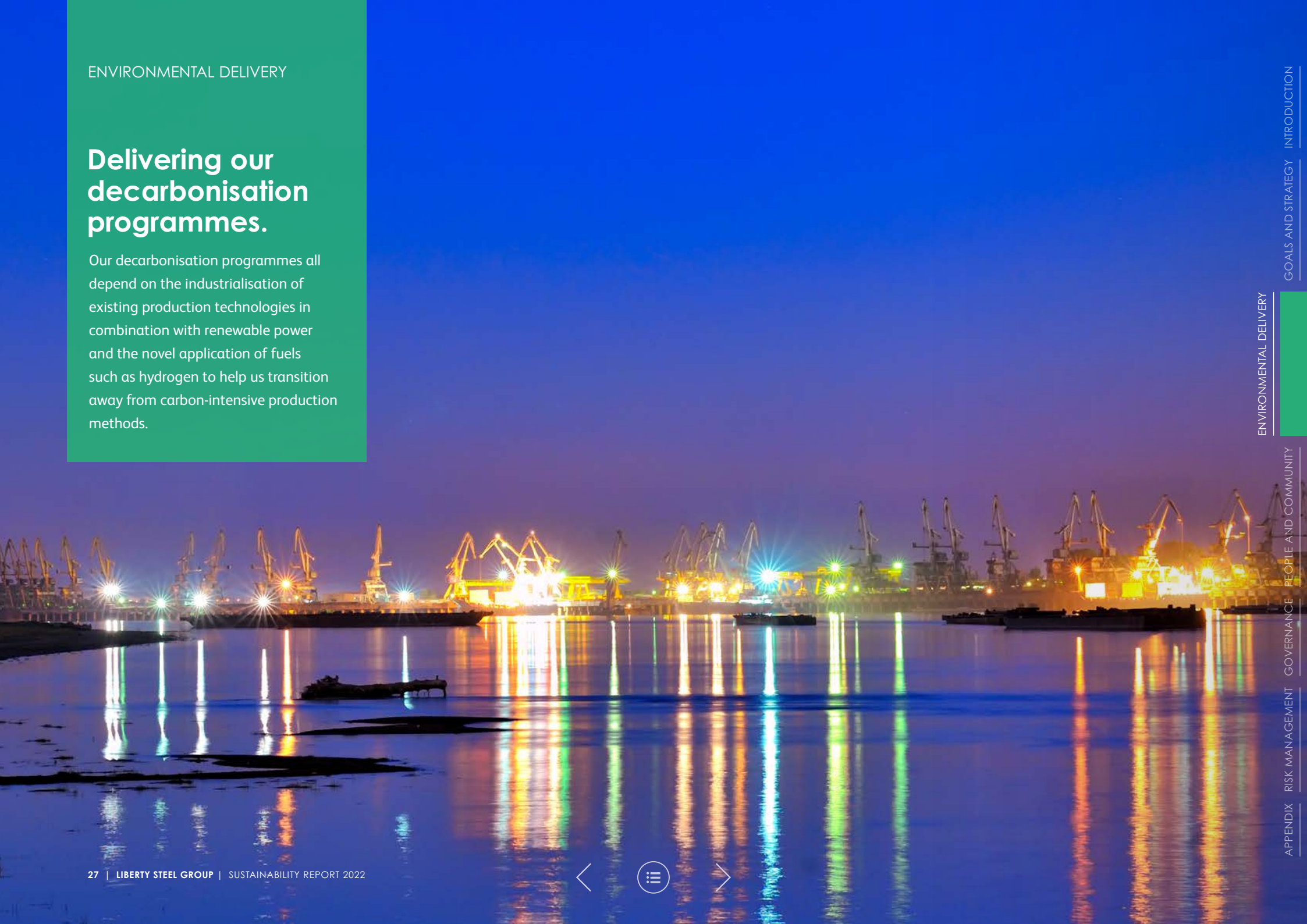
An example of this approach being put into action is at our JAHAMA Highland Estates (JHE), which is leading in the restoration and management of peatland in Scotland. JHE is a multi-enterprise rural business extending over 114,000 acres of Lochaber and Badenoch in the Scottish Highlands.

JHE provides two important carbon stores in its woodland and peatland. Peatland is the most efficient terrestrial carbon store as it holds c.100kg carbon/m3, grows indefinitely and in perpetuity. JHE has already restored more than 150 hectares of peat, which has ensured that the threat of emissions from peatland which might otherwise deteriorate has been arrested. The peat reserves on the estate contain historically sequestered carbon and, looking to the future, it will be more important than ever to ensure that this carbon sink is protected from erosion during changing climatic conditions.

LIBERTY is also exploring carbon capture and storage projects with a number of partners, including OMV Petrom in Romania.

Delivering our decarbonisation programmes.

Our decarbonisation programmes all depend on the industrialisation of existing production technologies in combination with renewable power and the novel application of fuels such as hydrogen to help us transition away from carbon-intensive production methods.



THE TECHNOLOGY

Direct reduced iron (DRI)

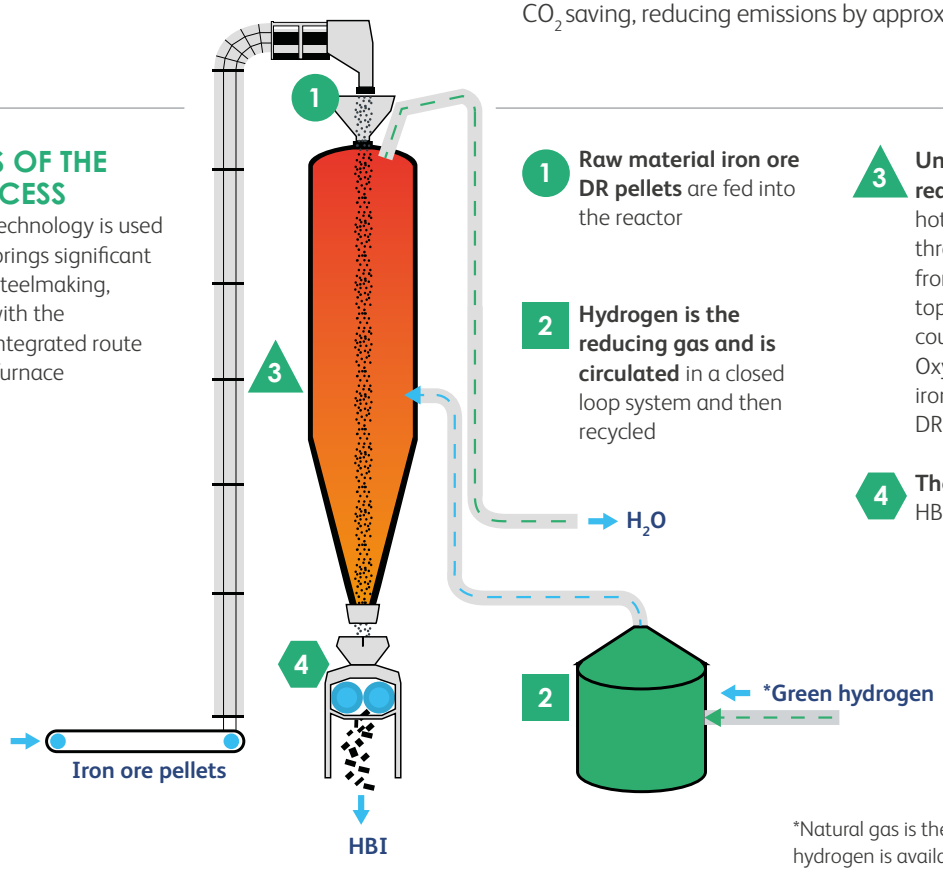
The DRI process using natural gas, and eventually green hydrogen, is the most effective technology primary steel producers can use to reduce their carbon emissions and rapidly transition to decarbonised green steel.

The DRI process removes the oxygen from iron ore, to create metallised iron, without melting it.

This is achieved using a reductant to remove the oxygen in the ore. Using natural gas as the reductant has a significant CO_2 saving, reducing emissions by approximately 70 % compared with using coal in a blast furnace. Once green hydrogen is applied as the reductant the process emits water instead of CO_2. Using green hydrogen in the process produces a carbon neutral DRI which can then be used to make steel. The DRI can also be made into a Hot Briquetted Iron (HBI) product making it suitable for transporting.

BENEFITS OF THE DRI PROCESS

When DRI technology is used with EAF it brings significant benefits to steelmaking, compared with the traditional integrated route using blast furnace



1 **Raw material iron ore DR pellets** are fed into the reactor

2 **Hydrogen is the reducing gas and is circulated** in a closed loop system and then recycled

3 **Under the direct reduction process** hot reducing gas flows through the iron ore, from the bottom to the top, according to the counterflow principle. Oxygen content of the iron ore is reduced and DRI is produced

4 **The DRI** is pressed into HBI (briquettes)

*Natural gas is the transition fuel until hydrogen is available.

The DRI process is both effective and flexible. The technology has a broad range of benefits:

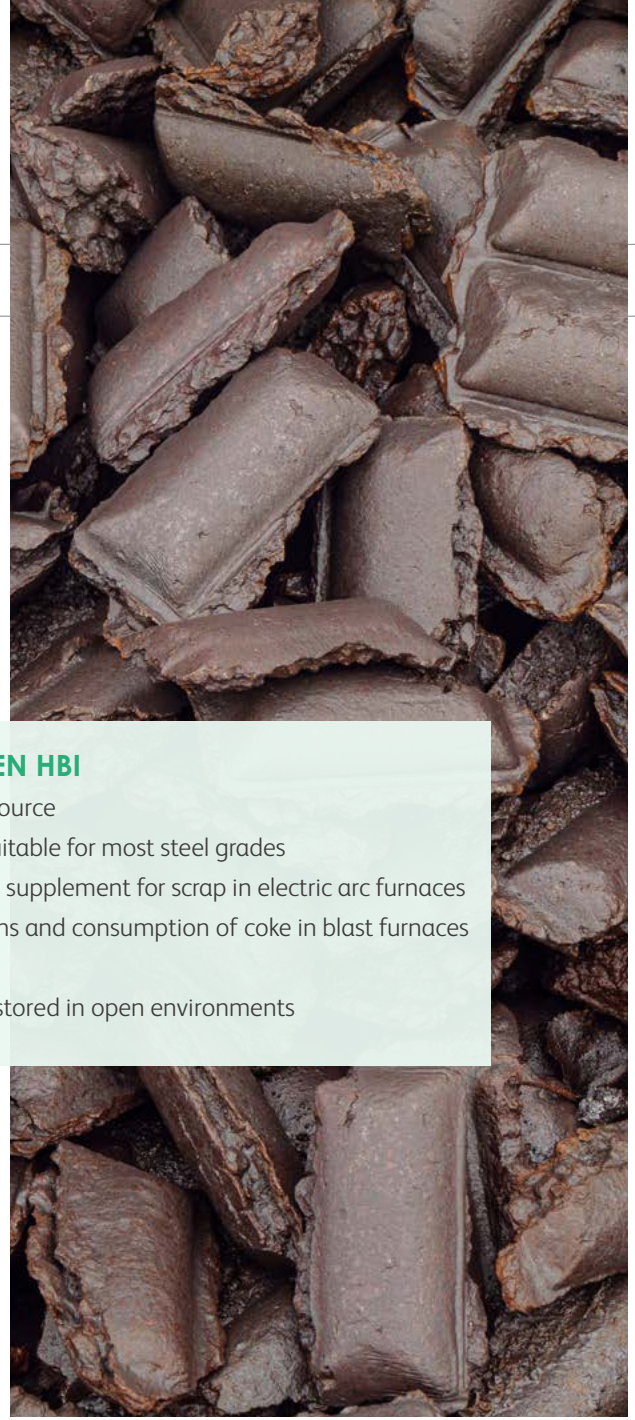
- The process allows producers to use various hydrocarbon sources and off gases, making it an ideal technology to support the staged transition to hydrogen
- It is proven to consistently produce high quality metallised products
- Any combination of products can be produced simultaneously such as hot or cold DRI and HBI
- The process is very tolerant of fluctuations
- The plant can be idled over short or long periods

THE TECHNOLOGY

Hot briquetted iron (HBI)

HBI is a premium and compacted form of DRI, with a predictable quality product that can be used as feed material to make most steel grades. It can be used to supplement scrap in EAFs and to reduce the consumption of coke in blast furnaces and increase productivity. Due to its compact form, HBI overcomes the problems associated with the handling and transportation of DRI. It's much less porous and reactive, meaning HBI can be shipped and stored in open environments.

On top of the known benefits of HBI, using green hydrogen in the DRI process has the added bonus of making HBI a carbon-neutral material. Green HBI is the ideal solution for steelmakers to complement existing feeds and provides the flexibility to scale up or down as required without affecting the quality of the steel. As a transport-ready, environmentally friendly material Green HBI will enable customers to make cleaner and more sustainable steel, ultimately contributing to greener communities and a better future.



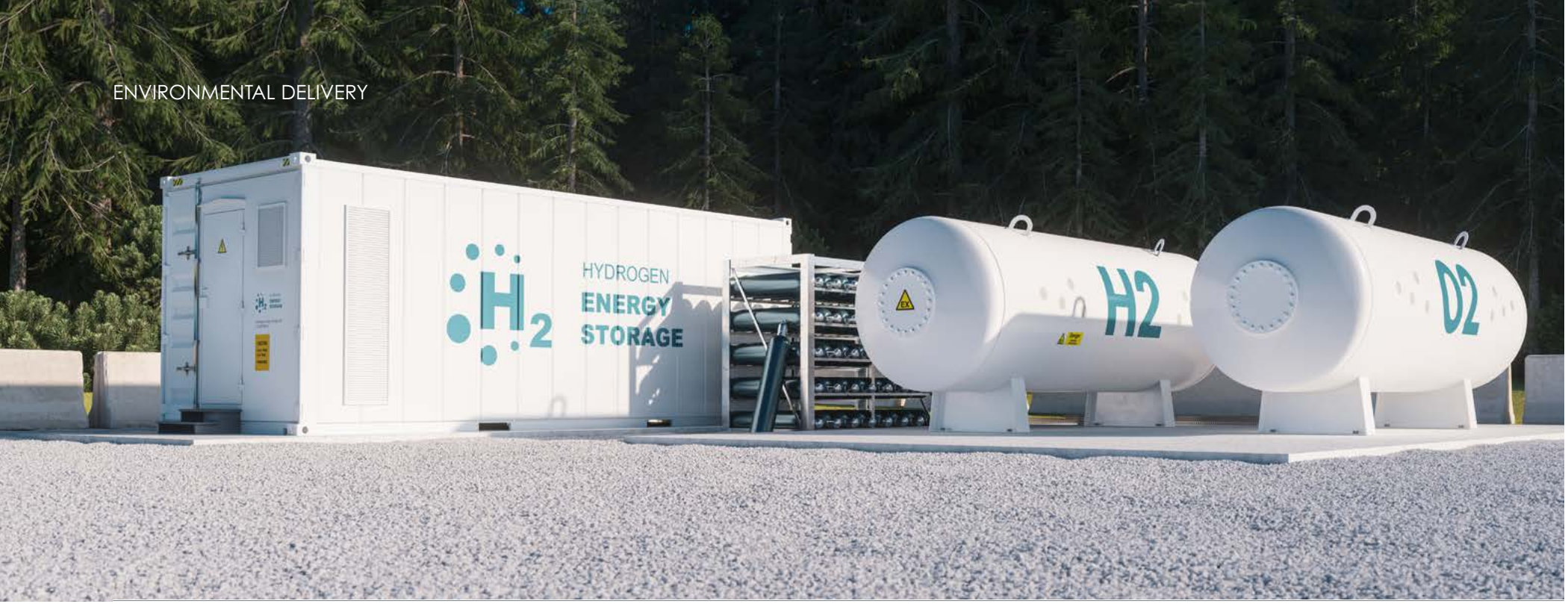
BENEFITS OF GREEN HBI

- Carbon neutral iron source
- Predictable quality suitable for most steel grades
- Low residual element supplement for scrap in electric arc furnaces
- Reduces CO_2 emissions and consumption of coke in blast furnaces
- Suitable for transport
- Can be shipped and stored in open environments

Hybrid EAFs

Hybrid EAFs have emerged as an innovative solution for integrated steel manufacturers to transition away from blast furnace (BF) and basic oxygen furnace (BOF) production. The hybrid furnace offers producers the ability to dynamically switch between different energy sources depending on the inputs. It also allows the furnaces to be more flexible in the charge mix, from large quantities of hot metal and direct reduced iron (DRI/HBI) to up to 100 % steel scrap.

This new cleaner hybrid technology can dynamically switch between different energy sources depending on the electricity mix, so it can be powered by more renewable forms of energy. This technology is more energy efficient, has lower operating costs, reduces plants' reliance on imported coal and iron ore and provides them with even greater production flexibility in the future, so that they can respond more effectively to changing market conditions.



THE TECHNOLOGY

Hydrogen production

As noted on page 18, the technology for hydrogen production is proven but still needs to be delivered at an industrial level.

Hydrogen, as part of water, is the most abundant universal element in nature, but generally doesn't appear in its elemental molecule. It requires energy to separate the hydrogen and oxygen molecules, through the process of electrolysis, which can be done a number of ways.

Using the more traditional alkaline electrolysis process, a strong electrical current from normal or renewable energy sources is passed through a tank of alkaline water solution to split the water molecules into two constituent elements. Hydrogen atoms (H+) form hydrogen molecules (H_2), while the oxygen atoms (O-) form oxygen gas molecules (O_2). Each element can then be stored separately while the waste H_2O, or water, which is created as part of the process can be endlessly recycled.

Together with our partners we are working to undertake the following actions:

- Install a 20MW hydrogen electrolyser and a hydrogen storage facility
- Support the creation of a fully hydrogen-powered value chain from production, storage, and subsequent use in our Whyalla steelworks
- Develop green know-how and capabilities for production and storage

PRIMARY PRODUCTION

LIBERTY WHYALLA PHASE 2 TRANSITION

Carbon intensity level reduction by 2030: 86% down to 0.3 tCO_2/tCS

Our plan for Whyalla is to combine hydrogen iron – making technology with highly energy efficient EAFs for steel making, underpinned by local raw materials and large-scale renewable energy. The investment into the overall transformation and expansion projects will run to several billion US dollars.

Whyalla has some of the best conditions for solar and onshore wind anywhere in the world. We are harnessing that power to generate and store renewable energy. Our Whyalla mines provide us with access to abundant high-quality, energy-efficient magnetite ore, an essential ingredient for green iron and steel production. Our magnetite reserves are of the highest quality available in Australia and through our Magnetite Expansion Programme (MEP) we will significantly increase capacity.

Whyalla, also has a deep-sea port, extensive rail infrastructure, a skilled workforce and a supportive community backed up by a forward-thinking government dedicated to developing hydrogen power in Whyalla to help facilitate our plans. The South Australian government has announced that it aims to become a green hydrogen supplier, with a commitment to a AUD$593m hydrogen power plant in Whyalla as one of its many initiatives. This facility will include a 250MW hydrogen electrolyser and a 200MW hydrogen-fuelled power station. Through a phased transition plan across our energy, mining, iron and steel projects we are transforming LIBERTY Whyalla into a major GREENSTEEL hub. It will become one of the first global scale commercial hydrogen DRI production facilities.

To achieve this we are building a new DRI plant that will produce hydrogen iron from our abundant magnetite resources and a new state-of-the-art EAF, which will use this iron to produce GREENSTEEL at scale. The new DRI plant will be fed by natural gas before transitioning to green hydrogen produced from our energy arm, SIMEC's renewable energy projects in Australia. This includes the 280MW Cultana Solar Farm – built at Whyalla – and the 100MW Playford Battery.

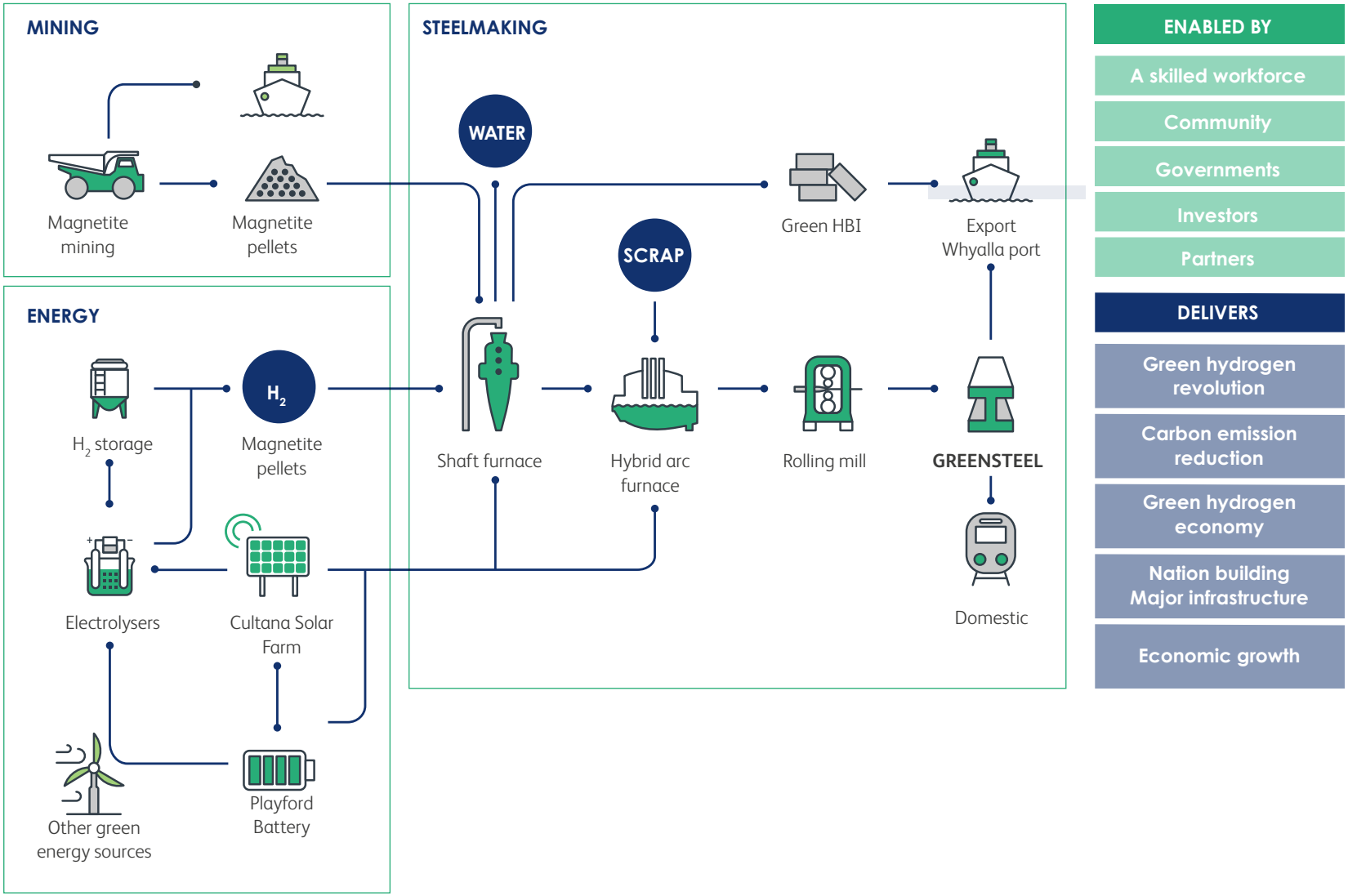
By 2030, Whyalla will transition towards clean renewable energy to produce hydrogen, without CO_2 emissions, from its large scale electrolyser facilities and will feed hydrogen directly into our DRI plant, bypassing the problems and expense of hydrogen transportation and allow benefits to be gained from hydrogen production integrated with the site operation.

Construction of the new EAF and DRI plant is expected to begin in late 2023, but the Whyalla team has already completed a range of preliminary steps including early engineering for the new EAF and DRI processes.

LIBERTY WHYALLA

A PATH TO GREENSTEEL

Creating a GREENSTEEL hub by 2030 revolves around the core elements of mining, energy iron and steelmaking



LIBERTY GALAȚI **PHASE 2** TRANSITION

Carbon intensity level reduction by 2030: 86% down to 0.3 tCO_2/tCS.

Our plan for Galați is to install two hydrid EAFs to be fed by hot metal, locally sourced steel scrap and green DRI or HBI as it becomes available within the Group and becomes viable to produce in Europe. The developments will be supported by large-scale renewable energy produced from the abundant sunshine and consistent Black Sea winds. The overall transformation plan is expected to cost up to US$1bn.

We've already spent significant resources to date on the engineering and design work for the transformation plan, and in July 2022 we launched a tender for the two hybrid EAFs. One of those EAFs will be dedicated to cast slabs for Galați's plate mill, while the other will be an integrated energy saving MI.DA Minimill, with the potential to increase production up to 4mtpa, from 3mtpa, with the extra volume focused on long products.

This will be supported by a major wind and solar renewable energy programme, developed by SIMEC, which aims to generate around 180MW from an onsite solar farm and 20MW from wind.

We also have plans to develop an onsite DRI plant at Galați. The timing of installation depends on the availability of affordable and secure natural gas as a transitional reductant fuel, before moving to green hydrogen in the second phase once it becomes available or viable to produce in Europe.

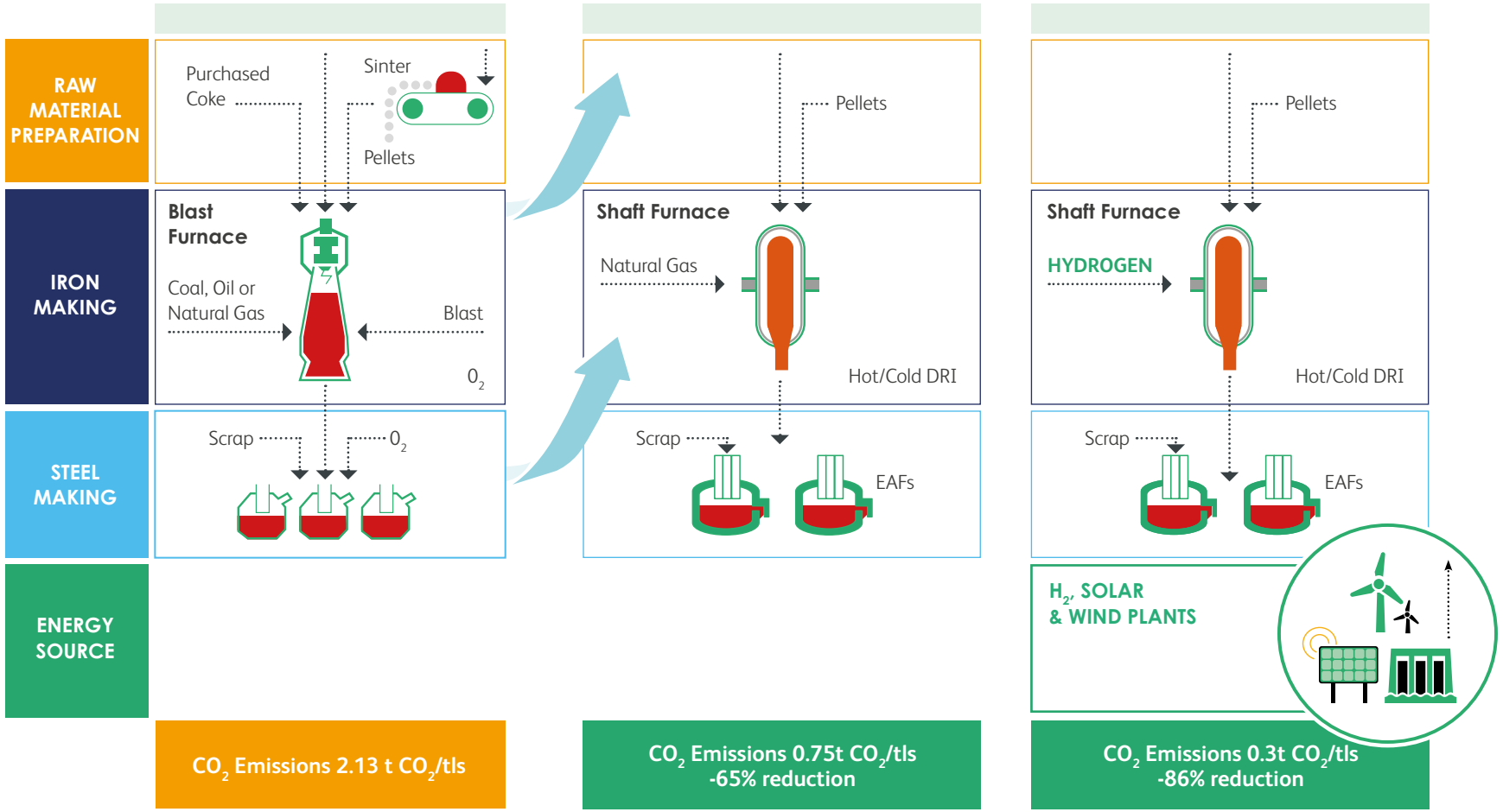
LIBERTY Galați has already developed a range of partnerships with local and international energy organisations, including the Romanian Energy Centre (CRE), MTAG Switzerland and OMV Petrom, the largest integrated energy company in South-Eastern Europe.

These partnerships will help us develop sustainable electric, thermal and hydrogen energy sources, carbon capture and storage projects as well as build the necessary infrastructure required to drive LIBERTY Galați's transition to carbon neutral.

LIBERTY GALAȚI

A TRANSITION PLAN

LIBERTY Galați's path to carbon neutral is already in progress



LIBERTY OSTRAVA **PHASE 2** TRANSITION

Carbon intensity level reduction by 2030: 93% down to 0.15 tCO_2/tCS.

Our transformation plan for Ostrava is based on recycling the large amounts of scrap available in the Czech Republic and Central Europe using two hybrid EAFs, supported by renewable energy. The overall transformation plan is expected to cost up to US$750m.

In July 2022, LIBERTY signed a contract with Danieli, a leading global manufacturer of plant and machinery, for the delivery of two state-of-the-art hybrid EAFs which will be at the centre of Ostrava's plan. The new furnaces, the first of their kind in Europe, will have a combined capacity of 3.5 mtpa and will reduce the overall CO_2 emissions of the Ostrava steelworks by more than 80% by 2027.

The two 200 tonne furnaces will use the innovative and patented Danieli Q-ONE power electronics technology to control arc current and voltage for a more efficient and stable power delivery to the furnaces. The new furnaces are expected to be operational in 2025 and will be able to melt 100% scrap in 2027 following the planned installation of a 400kV electricity line into the Ostrava steelworks.

Full carbon neutrality will be achieved once the plant has transitioned to using 100% scrap or green DRI/HBI, uses green hydrogen to fuel its reheating furnaces and captures the CO_2 from its primary units, while offsetting residual carbon production.

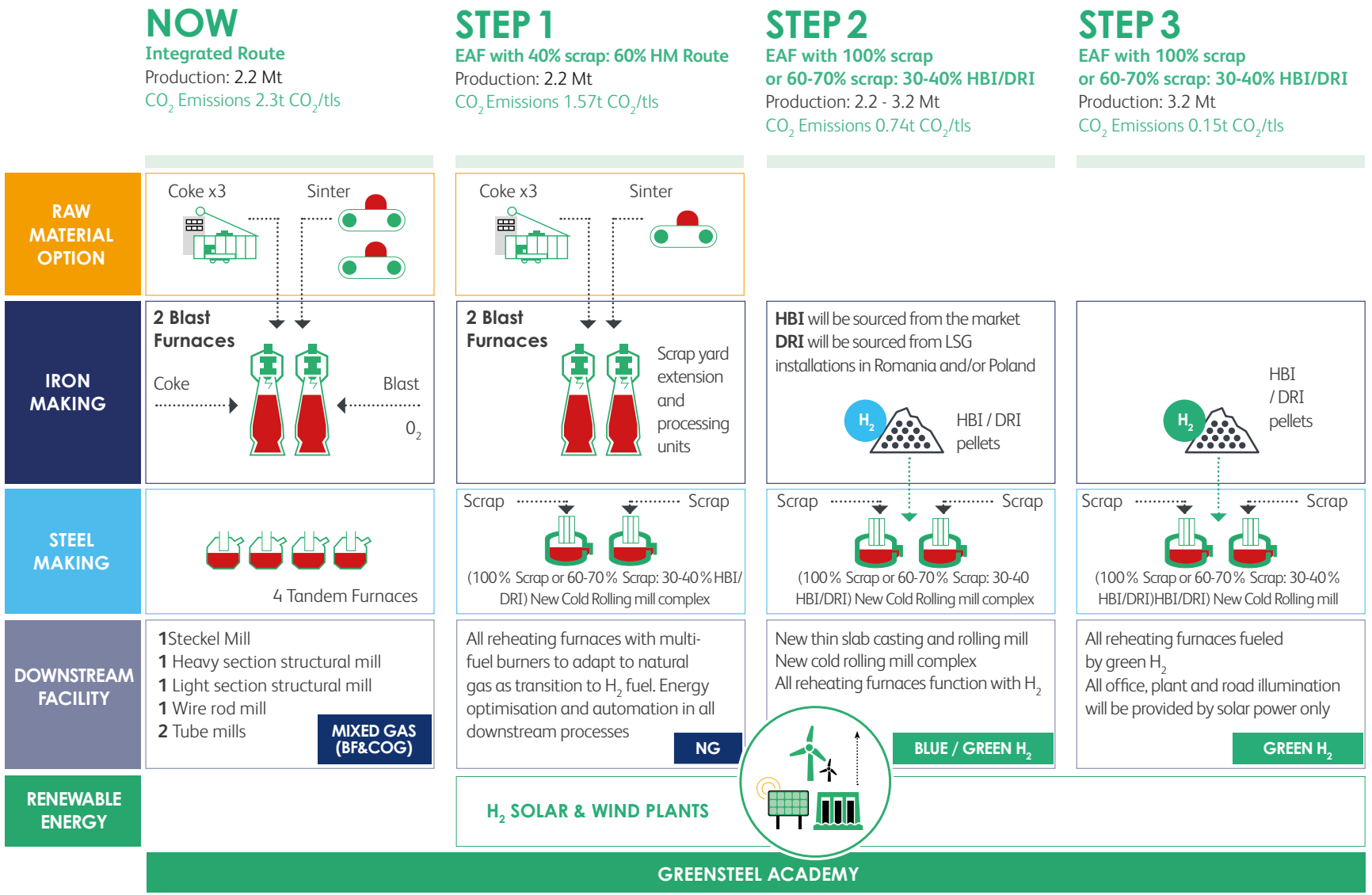
The LIBERTY Ostrava team has already achieved some important milestones in the company's move towards delivering the hybrid furnace project:

- Received approval for an amended environmental impact assessment (EIA) to incorporate the new furnaces and submitted many applications for the required zoning, demolition and building permits
- Launched a tender for the pipe and pipe bridge, sewerage, cable and railway relocations required before ground-breaking can start for the furnaces
- Completed the tender for a general designer who will have responsibility for the integration of the many different transformation projects, as well as the installation of the furnaces

LIBERTY OSTRAVA

A TRANSITION PLAN

LIBERTY Ostrava's path to carbon neutral is already in progress



EAF PRODUCTION

Steel is one of the most highly recycled materials in use and steel recycling accounts for 30% of global steel production today. Around 30% of LIBERTY's production is already delivered by EAFs in Australia, Poland, the UK and the US. These EAFs generate two thirds fewer emissions than conventional blast furnace production.

The pathway for these businesses, operating in mature economies with abundant scrap arisings, involves recycling and upcycling the growing mountain of scrap steel. When combined with renewable power, from solar, wind or eventually hydrogen, these emissions will fall to near zero.

The two major issues for our EAF plants are:

- **Scrap supply** will increasingly become a strategic material as steel producers switch to EAF technology to reduce emissions. This will drive up demand and prices as scrap recovery rates are already high. However, many regions still do not utilise their local resources. For example, the UK exports around 10 million tonnes of scrap a year with no value add to more than 80% of its overall supply, while Europe currently exports more than 20 million tonnes of scrap a year. To mitigate this issue we are encouraging governments to support domestic use of scrap through incentives and policy frameworks.

We are also installing flexible production technologies through hybrid EAFs that can switch between charge materials based on scrap availability and other market dynamics.

- **Energy prices** have risen exponentially over the last year, driven initially by the global economy's recovery from the pandemic and more recently by uncertainty of European gas supply from Russia.

  In the short term, our EAF businesses continue to partially mitigate those pressures, by investing in energy efficiency, reducing overall energy consumption and operating at times of the day when there is less pressure on the electricity grid.

In the medium term, our businesses seek to enter into long term contracts to fix pricing and reduce uncertainty. In the long term our businesses aim to become more energy self-sufficient through a comprehensive renewable energy plan that will lead to the introduction of more on site or neighbouring solar and wind farms over the next few years.

Progress already made:

- LIBERTY Częstochowa has already installed the first phase of a 3,000 KWh solar farm next to its plate rolling mill. The 1,840 solar panels are primarily powering the equipment and lighting in the area of the cutting line. The planning for a second phase of the project, to be completed later this year, is already underway.

INFRABUILD AND THE REUSE OF SLAG

InfraBuild contributes about 1.4m tonnes of recycled metals every year into its steelmaking operations. It also reuses and repurposes steelmaking by-products such as slag, of which it produces about 130,000 tonnes each year. InfraBuild does everything possible to use its slag in a safe and sustainable way so none of it goes to waste.

Giyas Mohammed, Manufacturing Manager at InfraBuild's Sydney Steel Mill, said: 'We are substituting it for quarried rock and aggregate where possible. In addition to being used in road construction, other uses of slag are being developed, such as around retaining walls and foundations.'

Slag produced by InfraBuild's steelmaking operations is crushed, screened, tested and approved for use in various construction applications, including sealing, asphalt and filter aggregate, road pavement and road base, and engineered fill.

Before reuse, the slag is subjected to various safeguards to ensure it presents no environmental risks. Originating from the well-controlled manufacturing processes of InfraBuild, slag is a very stable and inherently safe material which is viewed as a valuable resource and not as a waste material. InfraBuild maintains records to prove ongoing compliance with all regulatory requirements.

In 2021, all slag produced by InfraBuild was available for reuse with none going to landfill. 'By reusing slag in this way, we are diverting slag from landfill while producing an essential product for construction and reducing the need for mining and quarrying natural rock,' Mohammed said.

MANAGEMENT OF OTHER ENVIRONMENTAL IMPACTS

While we work to bring our decarbonisation strategy to life as part of our long-term CN30 effort, our teams are also implementing ways to manage our environmental impact more broadly. We strive to maintain high standards of environmental performance throughout our operations by embedding risk management practices in the way we work, to identify and mitigate the physical and transition risks associated with climate change.

An important way in which we meet our environmental commitments is by having environmental management systems that comply with international standards. All our major integrated sites have achieved certification or recertification against the ISO 14001:2015 standard for environmental management system in the last two years.

LIBERTY Steel UK, LIBERTY Częstochowa, LIBERTY Ostrava's tubular plant, and the InfraBuild and LIBERTY Primary Steel businesses in Australia have developed environmental product declarations (EPDs) for a range of their steel products. These EPDs are independently verified and registered documents which communicate transparent and comparable information following a life cycle assessment (LCA) of the environmental impact of products, including construction, packaging and transport.

The EPD system is a global programme that operates in accordance with ISO 14025 and is aligned with the European standard EN1580. The publication of sustainability credentials for these products informs the decision-making process of building contractors, sustainability practitioners, regulators, asset owners and procurement specialists.

INFRABUILD AND THE CIRCULAR ECONOMY

InfraBuild as a recycler is committed to its role in the circular economy, with a focus on making use of materials and technologies that extend the lifespan and potential reuse value of the things we produce, while minimising waste.

Quantifying this process helps manufacturers understand how circular their products are and what contributes to or affects the circularity of these products. InfraBuild used the Material Circularity Indicator (MCI) to provide a benchmark for improving products and to add value to its EPDs by providing a more complete picture of the overall sustainable credentials of that product.

The MCI was developed by the Ellen MacArthur Foundation to measure the circularity of products. It is particularly relevant to the building, construction, and infrastructure industries. It encourages more circular design principles, from the extraction of raw resources to construction and eventual demolition.

InfraBuild, working with sustainability specialist thinkstep-anz, measured the circularity of the products covered by its five EPDs. It was the first business in Australia to include MCI metrics into its EPDs, and it now has a benchmark to quantify each product's circularity and to identify opportunities for improvement.

WASTE

We constantly strive to reduce the amount of waste created by our operations, recycling as much of our unwanted material as possible.

Steel scrap

Recycling one tonne of steel scrap saves 1.5 tonnes of CO_2, 1.4 tonnes of iron ore, 740kg of coal and 120kg of limestone. So, recycling metal reduces pollution, saves resources and reduces waste going to landfill.

LIBERTY already uses over 4.3 million tonnes of recycled metals each year in our global steelmaking operations, both at our EAF plants and as part of the mix used in our blast furnaces. InfraBuild, which is an industry leader in the supply of processed ferrous scrap products, has 26 recycling facilities in Australia. It also has an extensive non-ferrous business that supplies both domestic and international markets with high-quality products for recycling, as well as facilities in the US (Tampa, Florida and LaPlace, Louisiana) Hong Kong, and a recycling export terminal in Gdansk, Poland.

As we transition to a greater proportion of EAF production, our ability to utilise recycled scrap and contribute to the circular economy will only increase.

Slag

Our major integrated steelworks produce about 2.7 million tonnes of slag, a by-product of blast furnace steel making, each year. Slag created by our operations is crushed, screened, tested and approved for use in many construction applications. This includes sealing, asphalt and filter aggregate, road pavement and road base, engineered fill, and as a component of concrete through so-called 'slag cement', which is recognised as being at least 30% less carbon intensive than cement produced traditionally.

This explains why LIBERTY Galați's slag is used by cement producers in Romania and countries across Europe and Africa to create slag cement. LIBERTY Bell Bay re-uses silicomanganese (SiMN) slag for road base, hardstand and as an aggregate in concrete or bitumen. Through LIBERTY Ostrava's collaboration with the specialist scientists at its local Technical University, its slag has now been returned to its rightful position as one of the country's most used products for road construction, reducing the amount of natural stone used.

Other waste

Separating and recycling our other waste is also key. Each of our plants aims to use the combustible components of municipal waste as an additional step towards preserving the natural environment.

At Ostrava the plant uses Palazzo fuel, which is made from separated municipal waste, eliminating the need to burn other natural resources. Ostrava also carries out the thorough filtration of the protective oils used for its machinery and equipment, which allows it to reuse the oil across its operations.

COAL

Our Tahmoor coal mine (Tahmoor) is an underground coal mine located approximately 80km south-west of Sydney, New South Wales. Each year Tahmoor produces up to three million tonnes of primary hard coking coal and a secondary higher ash coking coal product used predominantly for coke manufacture for steel production. Its operations are highly regulated by the local and national authorities, and, as such, it is subject to an annual independent environmental audit.

Our major integrated steelworks all store coal in the most effective way possible to avoid coal dust and associated emissions contaminating their local communities.

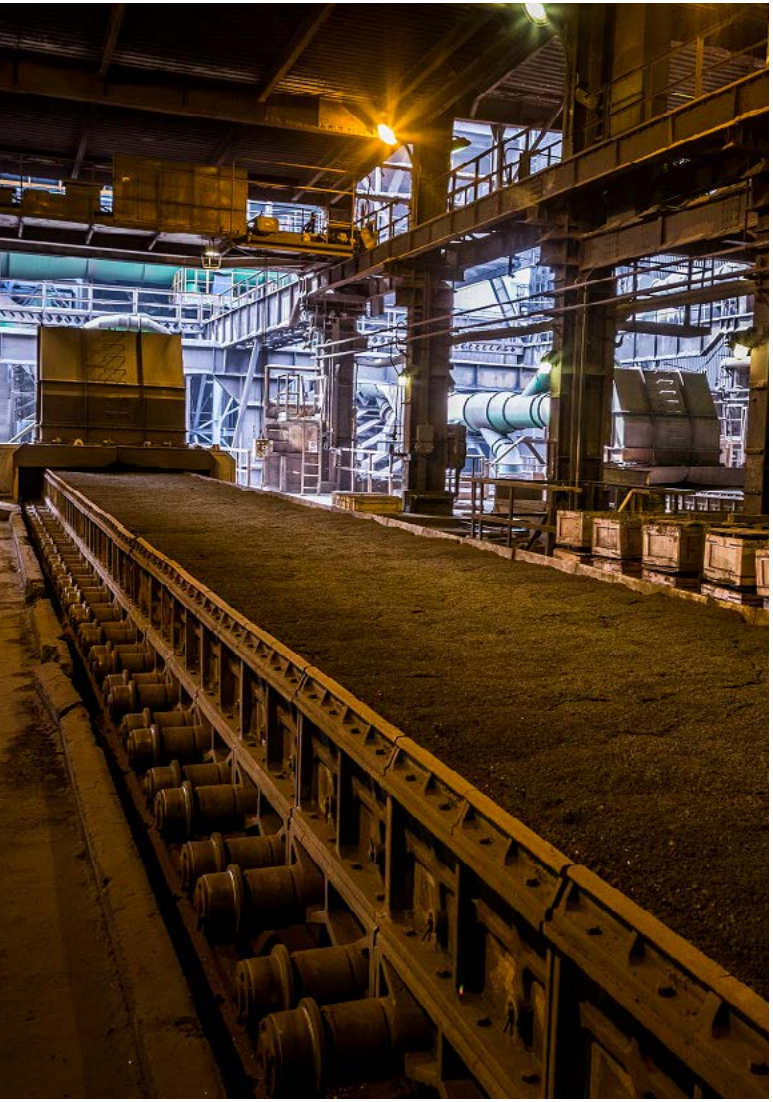
WATER

We track and manage our water usage, waste and recycling carefully. Our total fresh water consumption is approximately 5.6 m_3/t every year. The remainder of our water requirements are satisfied by a system of recirculation and reuse.

Fresh water is a limited resource near our Whyalla operations, so it uses seawater for cooling. Many areas of the plant reuse water streams to reduce demand. The plant generates 35 % of its own energy, with waste process gases used for power generation as a fuel source. Whyalla also manages its own port, which operates in the False Bay on Spencer Gulf. The Gulf is the transport route into our site by ship for some of our raw materials, the route out for our iron ore products, some steel products, third party cargoes, and it supplies cooling water for our operations.

We take our responsibility for preserving the ecosystems in the Spencer Gulf seriously and have a comprehensive monitoring programme to measure discharges and to assess the health of the receiving environment. Whyalla's water streams are treated and then released in a controlled manner into a buffer zone before final release to the marine environment. We also report regularly on a range of measurements to the South Australian Environmental Protection Authority.

Many non-greenhouse gas (GHG) emissions, including particulates, lead, nitrogen oxide (NOx), sulphur oxide (SOx) and volatile organic compounds are generated during iron and steel production.



NON-GHG EMISSIONS

As part of our operations, it is also necessary to move large amounts of bulk materials into, around and out of our sites. This means that dust is a key environmental focus for all of our steelmaking sites. Dust is also a key focus at our mines, and we do our best to minimise the amount of dust that could leave the operational areas and affect surrounding vegetation or property.

Modern emission reduction technologies, such as the dedusters found at each of our major sites, allow us to effectively capture the vast majority of these dust emissions. An example of the actions we are taking can be seen at LIBERTY Ostrava which already has about 40 fabric filters to reduce emissions. It has recently introduced two new filters that will capture another 11 tonnes of dust per year created by its straighteners. Today the plant captures even the finest dust particles with more than 99 % efficiency.

As captured steel dust has a composition similar to feedstock it is suitable for further use in production. In total, we recycle approximately 95 % of all captured steel foundry dust, with the rest treated as waste. This usage of steel foundry dust is environmentally friendly and also preserves non-renewable mineral resources.

ENERGY

Our sites all have comprehensive energy reduction plans in place to try and reduce the amount of energy used, notwithstanding their more strategic CN30 transformation plans. They are also encouraged to implement ongoing energy saving projects as part of their operational improvement plans.

Examples of projects already underway include:

- LIBERTY Ostrava expects to reduce its annual electricity consumption by almost 7,000 MWh through a major project, which replaced 3,000 old fashioned and energy-intensive lights with new low-energy LED ones
- LIBERTY Galați has also introduced an operational improvements programme to reduce natural gas usage through: energy recovery from the off gases produced by the blast furnaces; the optimisation of steam usage by the plant's production lines; technical improvements of the natural gas burners to reduce consumption; and a reduction of the heat loss from steam pipes. The programme to reduce power consumption includes a range of upgrades to motors and drives across the plant as well as the replacement of more than 1,000 old fashioned and energy-intensive lights with new low-energy LED ones which will drive energy savings of around 700 MWh per year.

HABITATS PROTECTED OR RESTORED

None of LIBERTY's UK, European or US sites are adjacent to any protected area or high biodiversity habitats. However, many of our businesses are involved in continued programmes of non-operational land management, whether it is LSUK supporting the Steel Valley Project partnership at Stocksbridge or Ostrava's support for public spaces in its local communities.

In Australia, LIBERTY is responsible for approximately 300 mining tenements and has a duty to manage its custodianship of land responsibly and with care. One of the ways we seek to achieve this in the Middleback Ranges is through the Middleback Alliance, a cooperative framework for sustainable land management across the southern Middleback Range and surrounding areas.

The Alliance delivers improved and sustainable land management outcomes. To date, 12 properties have participated over an area of more than 250,000 ha. We also undertake regular flora and fauna surveys and assessments around our operations and report on these against baseline and control sites.

ENABLERS

At LIBERTY, like many in the steel industry, we are working hard to reduce our environmental footprint, especially our carbon emissions which will make the most positive impact. However, significant enablers are needed to achieve that ambition.

Funding

Across the industry, there is a significant requirement for additional capital expenditure to make decarbonisation plans a reality. We have the same challenge with our major transformation programmes requiring investment running to billions of US$, so there is a need to present a strong business case to investors to attract capital flows. We believe that any project that has a strong business case is fundable, and that, particularly for higher value products, the case for investment in low-carbon steel technology is sound. Therefore, we have built robust and credible financial business cases around each of our projects, using a combination of internal and external expertise.

However, we will still need support and expect this financing to come from a mix of debt, equity, operational cash flows, governmental or supra-governmental support programme, ECAs or vendor financing.

On the government side alone, there is a wide range of potential funding and incentivisation streams available for businesses looking to decarbonise:

- National / regional government support – funding as well as infrastructure upgrades
- Significant EU funding streams available for European businesses: NextGenerationEU, the EU's post-Covid recovery fund; the Modernisation Fund; and the Just Transition Fund
- Potential Carbon Border Adjustment measures and/or ETS changes for our businesses in the UK or Europe
- Australian Renewable Energy Agency (ARENA)
- Clean Energy Finance Corporation (CEFC)
- Clean Hydrogen Industrial Hubs programme

We're also working with our technology partners and academics to design equipment which is highly efficient and can bring the cost of transition down to further improve the financials of those transformational projects. We believe that the ability to deliver low carbon products will also become a key element of a supplier's licence to operate in these markets and so the case for investment in near-zero steelmaking technology is strong.

A stable policy environment

Our efforts will also need to be underpinned by a stable policy framework that rewards ambition and incentivises investment in low-carbon technologies. With the right policy and regulatory support, and with collaboration across the value chain, the investments we make in the next decade can transform our facilities into sustainable operations that the generations to come will be proud of. Governments have the opportunity to lead the transformation of their economies to a future in which they are carbon-free, environmentally responsible, circular and able to compete internationally. We therefore welcome the encouraging signs that policy makers, particularly the European Union and in South Australia, are considering how best to enable these changes and consider the sort of carbon pricing and trade rules that our industry needs to compete as it cuts emissions.

As part of our efforts to drive collaboration and achieve a level playing field for investment, we engage regularly on major policy areas with our national governments and supranational ones, advocating policy for evolution in a number of areas:

- **Energy and electricity** Steelmakers in the UK and Europe face much higher electricity prices than their global counterparts, with those in the UK and Belgium in particular paying very high prices compared to countries near them. We aim to encourage governments to consider how electro-intensive industries, such as steel, can be supported more effectively. We also remind them that regardless of which technology route steel companies take to decarbonise, an essential prerequisite is the ability to secure affordable, reliable and low carbon energy.
- **Carbon** Steel companies such as LIBERTY, which are investing to reduce emissions, need a level playing field to prevent carbon leakage and provide the right incentives. We believe that Carbon Border Adjustment Mechanisms (CBAMs) can be an effective carbon leakage instrument, but should be complementary to existing carbon leakage mechanisms, which should be maintained until new technologies are mature.
- **Procurement** We believe the supply issues raised through the Covid pandemic should encourage governments to consider their steel industry one of national strategic importance. As part of that learning, we believe governments should amend their public procurement strategies to incorporate and encourage low-carbon, nationally-produced steel in their new public infrastructure.
- **Scrap policy** Many of the jurisdictions in which we operate are exporting millions of tonnes of a strategically important resource which could be better used to support their national steel industries, optimising domestic circular economies.
- **Hydrogen** Governments should focus on supporting the use of existing technologies in the short term. However, as a long-term project, we are encouraging them to explore emerging technologies, such as hydrogen.

Collaboration

We are also members of, or partner with, a wide range of commercial, policy and academic organisations to help us identify and articulate the best decarbonisation options for us and the wider industry.

Those organisations include:

- **Australia** HILT CRC, SA-H2H hydrogen technology cluster, Electric Vehicle Council, Swinburne University, BOSMA, Australian Steel Institute, thinkstep-anz
- **UK** UK Steel**,** Green Alliance, the University of Sheffield Advanced Manufacturing Research Centre; Bright Blue and Aldersgate Group
- **Europe** EUROFER, Eurometaux, national steel organisations, national business councils, ResponsibleSteel, OMV Petrom, the Romanian Energy Center, The Romanian Institute for Research and Development for Cryogenic and Isotopic Technologies, Danieli, ČEZ ESCO, Ostrava Technical University
- **Global** WorldSteel, The UN's Industrial Deep Decarbonization Initiative, the Mission Possible Partnership Net Zero Steel programme, the Net-Zero Steel Initiative, Science Based Targets initiative Steel Sector Expert Group

We are pushing for change to achieve a greener sector and future. Inspiring leadership, a clear vision and strategy only get us so far. To reach our ambitious targets all colleagues need to understand how they can play their part. We must have a culture where everyone feels safe, informed, and encouraged to contribute. For my team, this means recognising the diverse needs and positions of our people, and then supporting them to deliver for the Group and for our communities. The following pages show how we do this and celebrate some of our colleagues' contributions. Taken together, they have a meaningful impact on our society.

Denise Timns
Chief Human Resources Officer

WORKING TOGETHER TO ACHIEVE MORE.

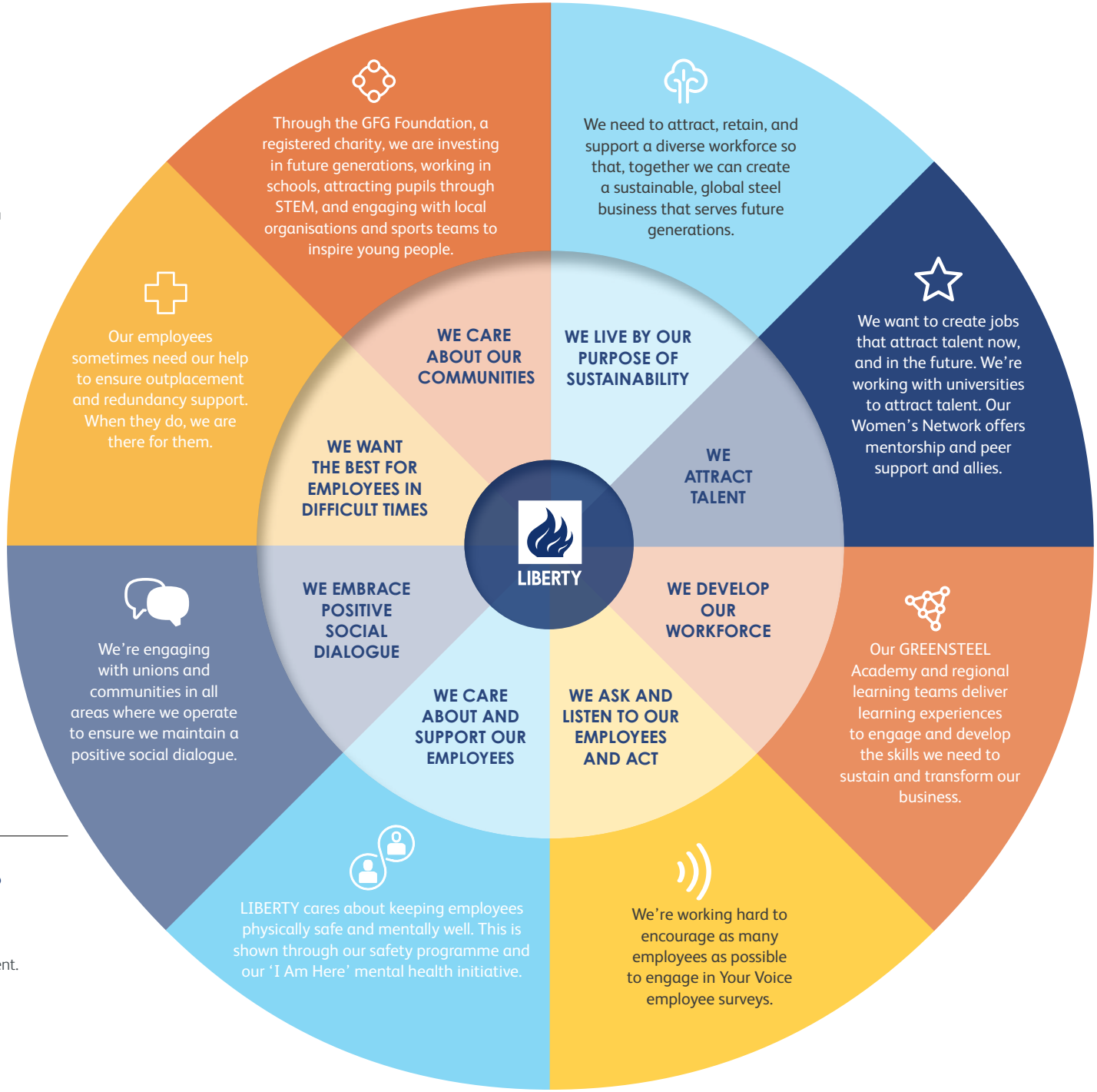
OUR SOCIAL AMBITIONS

- **Our People** Deliver safe, equitable, and good quality working lives while developing tomorrow's workforce
- **Our Communities** Make a positive contribution to our communities
- **Our Supply Chains** Manage supply chains our customers can trust

EMPLOYEE ENGAGEMENT STARTS HERE.

Our sustainability purpose underpins everything we do

We know we cannot deliver on our sustainabliity ambitions without a global team of people who will help make this happen. We show how we deliver for our people and communities against our over-arching plan (shown here) over the following pages.



OUR PEOPLE PLAN IS A HOLISTIC APPROACH ACROSS THE GROUP

Employee engagement is embedded in everything we do and shown through safety and mental health programmes, and the way we attract and retain talent.

WE ATTRACT TALENT
PROMOTING DIVERSITY AND INCLUSION

Today's jobseekers are much more inclined to consider our environmental record and ambition when deciding on their next career move. Our CN30 vision will help us to attract talent from this and future generations. In attracting talent, we focus on People, Planet and Profit. While profit remains important, we place an increasing priority on employee development and improving working environments.

of the workforce is **40-years** or over

We promote diversity through inclusive recruitment and by offering benefits packages that attract the best talent in the industry. We recognise that our industry has historically attracted more men than women and are recruiting across the Group to help address this. Sustainable employment practices create a positive work environment that improves the mental, physical, financial and social wellbeing of employees. Alongside a competitive salary, we offer perks such as relocation support, health insurance, work from home, learning and development opportunities and professional designation support.

Q&A WOMEN OF STEEL

MARIAN D'AURIA, GLOBAL HEAD OF RISK & SUSTAINABILITY ON LIBERTY'S WOMEN'S NETWORK

What is LIBERTY's Women's Network?

MD'A: The global Women's Network is under the banner of the Diversity & Inclusion committee. The network is a space to support and connect allies across our businesses, regardless of gender.

How does it work?

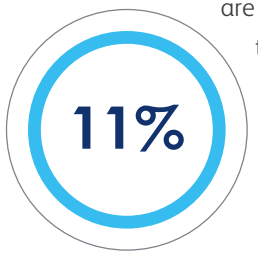
MD'A: We launched on International Women's Day in 2021. Since then, we have provided a programme of meetings every six to eight weeks. We attract a wide range of external speakers who have delivered sessions covering the importance of male allies, the power of the pack, psychological safety, and practical workshops on goal setting and dealing with anxiety. A recent meeting was about menopause, where 45% of the attendees were men. We all learned something valuable about understanding what we and our colleagues might be going through.

What impact do you think the network has had to date?

MD'A: New joiners are surprised and encouraged that there is a women's network within a steel business, and see it as a positive part of their induction. Attendants' feedback is that having space for these conversations is great. We've been lucky to have eminent speakers who've given us the benefits of their knowledge. The networking element is important too. You can have a conversation with people who are grappling with similar issues, even if they're in a different country. It has provided an opportunity for people to lift their heads from their day-to-day jobs and challenges to engage in something for themselves. We have also connected with other established women's networks and similar initiatives in Australia and Europe, where we learn from their experiences and work.

What are your plans for developing the Network?

MD'A: We tend to get people in Europe and on the east coast of America dialling in, given the time zones. We are conscious that this all started during Covid, and there wasn't an opportunity to have face-to-face meetings. Next, we want to encourage local networks to meet face to face, which should increase attendance by people who aren't office based. We plan to record our sessions with external speakers and use those as the basis for local Q&A and discussion.



of the workforce **is female**

CASE STUDY

LIBERTY OSTRAVA

In the Czech Republic, LIBERTY Ostrava is actively working to recruit and retain women. The plant is building connections with local universities to encourage students to work in areas such as mechanical engineering. It encourages students into part-time jobs or to write their bachelor's or diploma works at the plant. In addition, the plant places regular editorial in women's magazines to inspire the future workforce.

There is support regarding maternity leave. Women in managerial positions can receive additional benefits to support work-life balance for cleaning, babysitting services, childcare and children's activities.

The plant also embraces mentoring opportunities and has worked in partnership with the British Chamber of Commerce. There's also a gender club, which invites external speakers.

Putin, zdochi! Přípitek kávou a přání konce války v Kováku

"THE WOMEN'S NETWORK IS A POSITIVE STEP FORWARD FOR DIVERSITY OF GENDER AS WE ARE STILL A VERY MALE-DOMINATED INDUSTRY

EMPLOYEE SURVEY

WE DEVELOP OUR WORKFORCE GREENSTEEL ACADEMY

We will only achieve our vision of being carbon neutral by 2030 (CN30) if we equip current and future employees with the right skills. We set up the GREENSTEEL Academy in January 2021 to explore skills needed for a net-zero future and to grow our global learning culture.

We've already established worldwide and regional programmes to support this mission. Specifically, an online portal allows all employees to access information on GREENSTEEL initiatives. For example, it includes information on why we need to change the way we make steel to reduce our carbon footprint.

There is also an external portal with information about our transition and links to our climate change fundamentals eLearning module, which we have translated into seven languages.

Academy programmes worldwide

Regionally, teams deliver professional development programmes for apprentices, interns and graduates, which provide skills to enable the transition to working life. The learning focuses on soft and life skills as well as technical know-how, including project work where students are mentored by business and technical leaders. LIBERTY students can learn at work and at partner schools.

OUR ACADEMIES

GREENSTEEL ACADEMIES HAVE BEEN ROLLED OUT WORLDWIDE

Whyalla, Australia A four-year apprenticeship programme has kicked off with a foundation year focused on formal qualifications and trade-specific workshops. Apprenticeships are available in numerous disciplines, including mechanical fitter, fabricator, machinist, and electrician. Apprentices will complete on-the-job training, rotate across sites, and receive mentorship to support their development. We are partnering with the Australian Institute of Mining & Metallurgy (AusIMM) regarding professional development for mining and metallurgical engineers.

Galați, Romania LIBERTY Galați is delivering vocational classes in partnership with the Paul Dimo, Radu Negru and Costache Conachi high schools. We are delivering a programme of thematic sessions, including one on climate change for high school students, delivered by our Environment and HR teams. We are partnering with the Technical University Dunarea de Jos to develop a GREENSTEEL for Students degree level programme, which students can bolt onto their degree programmes to highlight the steel industry and our CN30 transformation.

Ostrava, Czech Republic We embrace new ideas to help transform old ways of working. The Coke Production Academy in Ostrava, created with the Technical University of Ostrava, provides employees with a detailed introduction to coke making, to improve their orientation in coke production and open their perception and thinking toward new procedures and technologies in this area. Ostrava's annual Learning Week helps employees develop skills outside their day-to-day jobs, financial literacy, first aid and data analytics.

Częstochowa, Poland In February 2022, LIBERTY Częstochowa entered into agreements with the Municipality of the City of Częstochowa to implement pupil apprenticeships to help pupils gain experience and acquire practical skills. Seminars and process visualisations for university students include thematic seminars to share practical knowledge in technology, engineering, organisation, quality and health and safety.

WE ASK AND LISTEN
YOUR VOICE

People are the best barometer of how we perform in terms of our culture, safety, wellbeing and more. That's why we've introduced Your Voice, a survey powered by Peakon, an employee survey across LIBERTY. However, it's not always easy getting everyone to complete the survey.

Irina Poeana-Radu, Head of Culture and Performance at LIBERTY Galați, said: "It is very complicated to ensure people working on the shop floor have access to computers."

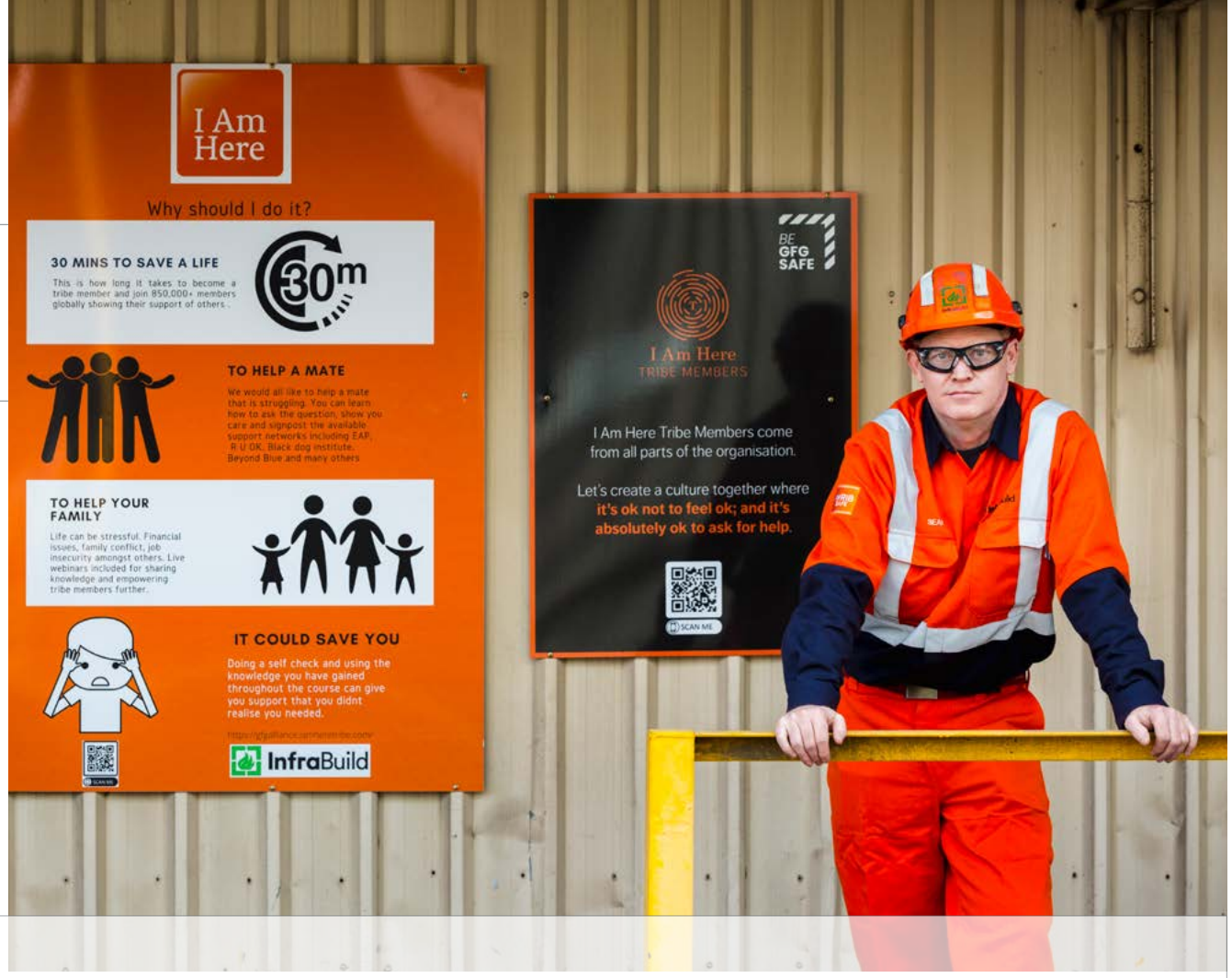
The site has taken a proactive approach to empower employees to take part. For example, it has installed computers on the shop floor so multiple people can fill out the Your Voice survey. It also allowed workers to finish shifts ten minutes early to complete the survey. "We took the survey to them by moving computers into the plant," Irina said.

In addition, Galați launched a poster campaign to raise awareness and stress confidentiality. It also sent a survey link by SMS to people's phones. The response has been good and is helping to drive change. "It's a great opportunity to give people the chance to speak their mind, to make their voices heard and be given a space where they can share their ideas," said Irina.

WE CARE ABOUT AND SUPPORT OUR EMPLOYEES ‘I AM HERE’ MENTAL HEALTH INITIATIVE

Good mental health is vital, and we are working to support all our staff. That’s why we’ve adopted I Am Here as a business-wide initiative in response to employee feedback.

A guiding principle of the global programme is to embed the belief that it’s “OK not to feel OK” and to encourage anyone suffering to ask for help. The voluntary course empowers individuals with the courage, confidence, and skills to signpost colleagues, family and friends to the help and support they need. It aims to create a human connection without labels.



CASE STUDY

SEAN AHERNE, INFRABUILD

Sean witnessed the devastation caused by the loss of a co-worker to suicide some years ago and was inspired to learn more about mental health. “We are a very male-dominated industry. I wanted to break down some of the stigmas,” he said.

He completed the ‘I Am Here’ training modules and rolled the programme out on-site at InfraBuild’s rod and bar manufacturing business in Victoria, Australia. Ambassadors wear stickers on their hats to identify themselves so others can approach them for a chat. A QR code signposts people to ‘I Am Here’ resources. Plus, there’s also a wellbeing room on-site.

Attitudes have already shifted. “There are open conversations and a change in attitudes within those discussions. It is becoming acceptable to speak up,” said Sean. “The people who use the assets provided are breaking down the stigma around mental health.”

As a father of two, Sean also hopes he is making a change that will impact his two sons. “I don’t want them growing up ashamed of going and getting help.”

OUR MENTAL HEALTH PROGRAMME IS LIKE WEARING A HARD HAT WHEN YOU'RE ON A CONSTRUCTION SITE. IT SHOULD JUST BE THERE

SEAN AHERNE
AN AMBASSADOR FOR 'I AM HERE'

POSITIVE SOCIAL DIALOGUE ENGAGING WITH UNIONS AND LOCAL COMMUNITIES

LIBERTY believes in a positive, proactive approach to partnering with unions and other employee representative groups. We believe in creating an open and transparent platform for social dialogue and encourage opportunities for unions to interact and connect with our CEOs.

Senior management has regular contact with unions (locally, nationally and regionally) to discuss business progress, including our decarbonisation strategy. In Europe, as an example, we have engaged with the European Works Council (EWC) to support the company in our transition to GREENSTEEL, especially in reskilling and attracting employees for the future.

The EWC is a formal consultative and information body designed to help LIBERTY build a positive social dialogue between its management teams and trade unions across Europe.

The new EWC council will meet twice a year and is made up of members who represent more than 18,000 GFG Alliance employees (most of them from LIBERTY) in eight European countries, including the UK and North Macedonia.

Since acquiring our Australian operations in September 2017, we've been engaging with workers and representatives, including the Australian Workers' Union. We have renewed more than 30 enterprise agreements, collaborated on workers' safety during Covid, and engaged with unions on the introduction of a new integrated time and digital attendance system using biometric and / or scan technology.

We hold meetings quarterly, which bring together local, state and national company and union representatives.

EMBRACING POSITIVE SOCIAL DIALOGUE GLOBALLY

LOCAL WORKS COUNCILS / UNIONS

Build local site relations

- Local management engagement
- Local social dialogue
- Transparent
- Frequent meetings

NATIONAL UNIONS

Senior level relationship building

- Focus on corporate management relations with key officials
- Yearly business update

INDUSTRIAL

Senior level relationship building

- Operational involvement minimised
- Helps facilitate cross-union activities
- Lobbying capability with EU

EUROPEAN WORKS COUNCIL

Communication of high-level business updates and strategy

- Channel of communication for company business plans
- Discussion / consultation on strategic pan-European matters
- Forum for helicopter view of company
- Need for close relationship with chairman and bureau

CASE STUDY

CONNECTION TO COUNTRY

In Australia LIBERTY is working hard to build and strengthen relationships, foster respect and understanding, and create opportunities for Indigenous people, communities and organisations.

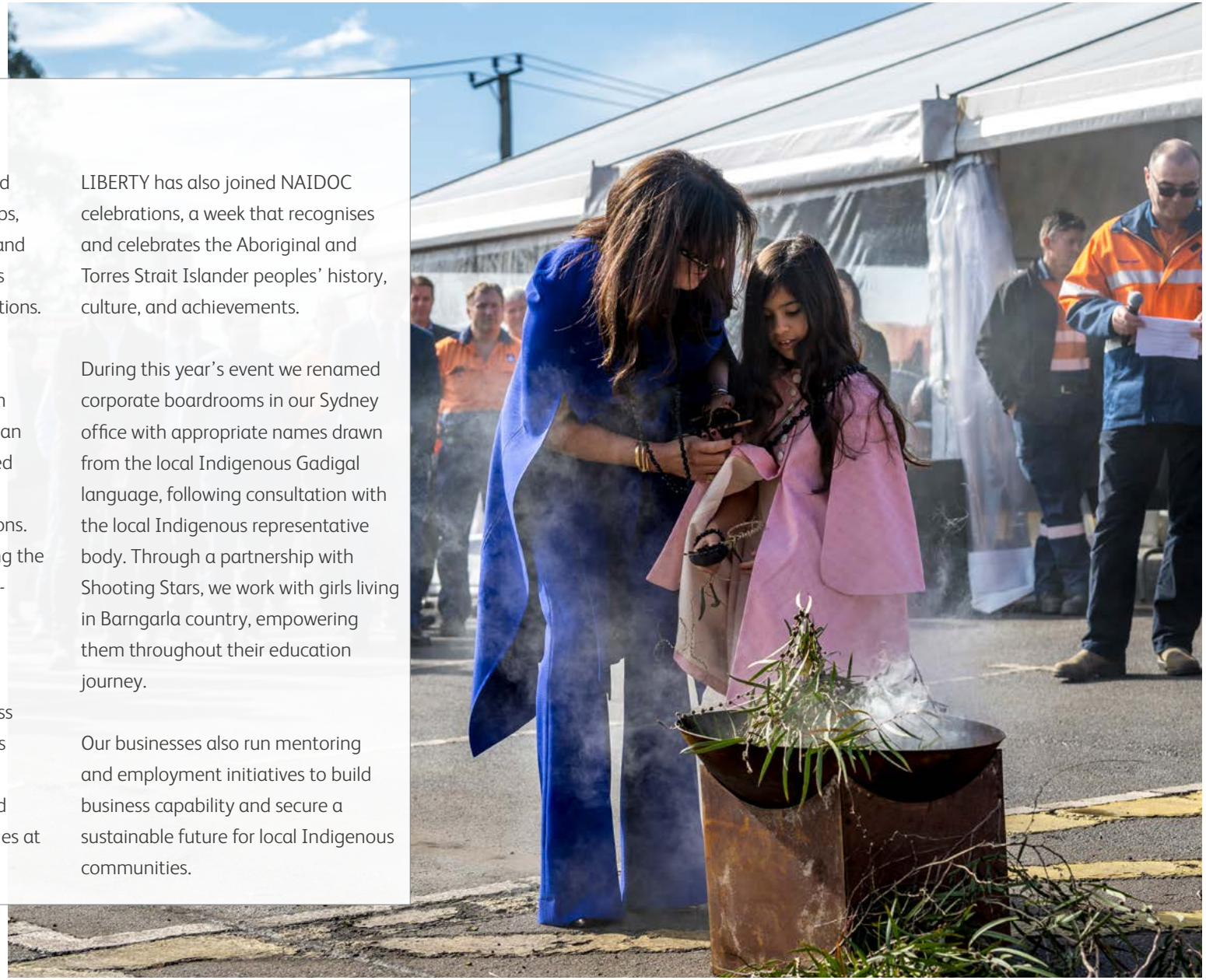
We are taking tangible steps to reconciliation through the creation of our first Reconciliation Action Plan (RAP) - REFLECT. RAPs are designed and accredited by Reconciliation Australia for Australian organisations. RAPs offer a framework for bridging the gap between Indigenous and non-Indigenous Australians.

Through our businesses LIBERTY has commenced cultural awareness workshops, implemented protocols such as Welcome to Country and Acknowledgement of Country, and held traditional smoking ceremonies at special events.

LIBERTY has also joined NAIDOC celebrations, a week that recognises and celebrates the Aboriginal and Torres Strait Islander peoples' history, culture, and achievements.

During this year's event we renamed corporate boardrooms in our Sydney office with appropriate names drawn from the local Indigenous Gadigal language, following consultation with the local Indigenous representative body. Through a partnership with Shooting Stars, we work with girls living in Barngarla country, empowering them throughout their education journey.

Our businesses also run mentoring and employment initiatives to build business capability and secure a sustainable future for local Indigenous communities.



Top picture: Celebrating skills in STEM

Bottom picture: Her Majesty Margareta, Custodian of the Crown of Romania, and His Royal Highness Prince Radu of Romania at LIBERTY Galați's launch of its dual education programme with the "Paul Dimo" Vocational School in May 2022.

WE CARE ABOUT OUR COMMUNITIES GFG FOUNDATION

LIBERTY recognises that we impact the society and environment surrounding us and we are responsible for giving something back to the local communities where we operate.

In 2017, Sanjeev and Nicola Gupta launched the GFG Foundation. **This charitable initiative aims to:**

- Serve the community
- Inspire the next generation
- Unlock student potential

The Foundation seeks to be at the heart of the communities it serves, so it has set up 'our community matters' programme. This supports local projects and involves employees in local activities to build a sense of pride.

Inspiring the next generation

LIBERTY works with several partners to deliver student programmes and scholarships. In 2021, the GFG Foundation launched as a registered charity in Romania. The project, which aims to inspire young people to work in science, technology, engineering and maths (STEM), is what inspired a visit from the Romanian Royal Family to our Galați steelwork. In Australia, the Foundation ran the Student Programme in Whyalla for the third consecutive year and launched the Year 9 and 10 Student Programme in Newcastle, New South Wales.

In the UK, it worked with the Engineering Development Trust (EDT), which works with young people aged 9-21 in schools and the workplace to encourage skills in STEM. In 2020, it sponsored the Industrial Cadet Awards. The event engaged directly with almost 140 schools and reached approximately 17,000 students across the week. In addition, nearly 1,500 students joined the GFG Foundation live sessions.

In Rotherham, 20 students from Wath Academy and St Bernard's Catholic School have graduated from a 14-week programme pilot, which focused on sustainability. At a ceremony, students presented a project called 'A Renewable Rotherham', which they worked on with LIBERTY's Rotherham site in collaboration with EDT. In recognition, the students received an industry accredited Industrial Cadet Award.

The Gold Industrial Cadet Award ran from December 2020 to April 2021 and involved students from England and Scotland in a 16-week project. The GFG Foundation sponsored five schools, providing each one with an employee mentor. The brief was to design a project to help achieve carbon neutrality by 2030 (CN30).

SECURING THE SAFETY OF OUR GLOBAL WORKFORCE.

Safety is a top priority for any manufacturing business, and an essential prerequisite for sustainable production. At LIBERTY, we work tirelessly to instil a culture of safety and introduce the systems that help us look after the wellbeing of all members of the LIBERTY family, enable safe performance, and prevent critical incidents. By consistently measuring and monitoring the health and safety of our people, we are able to integrate learnings and roll out best practice measures across all of our operations. Even though our sites have different manufacturing processes, we apply the same set of safety procedures and uncompromising standards everywhere in the world.

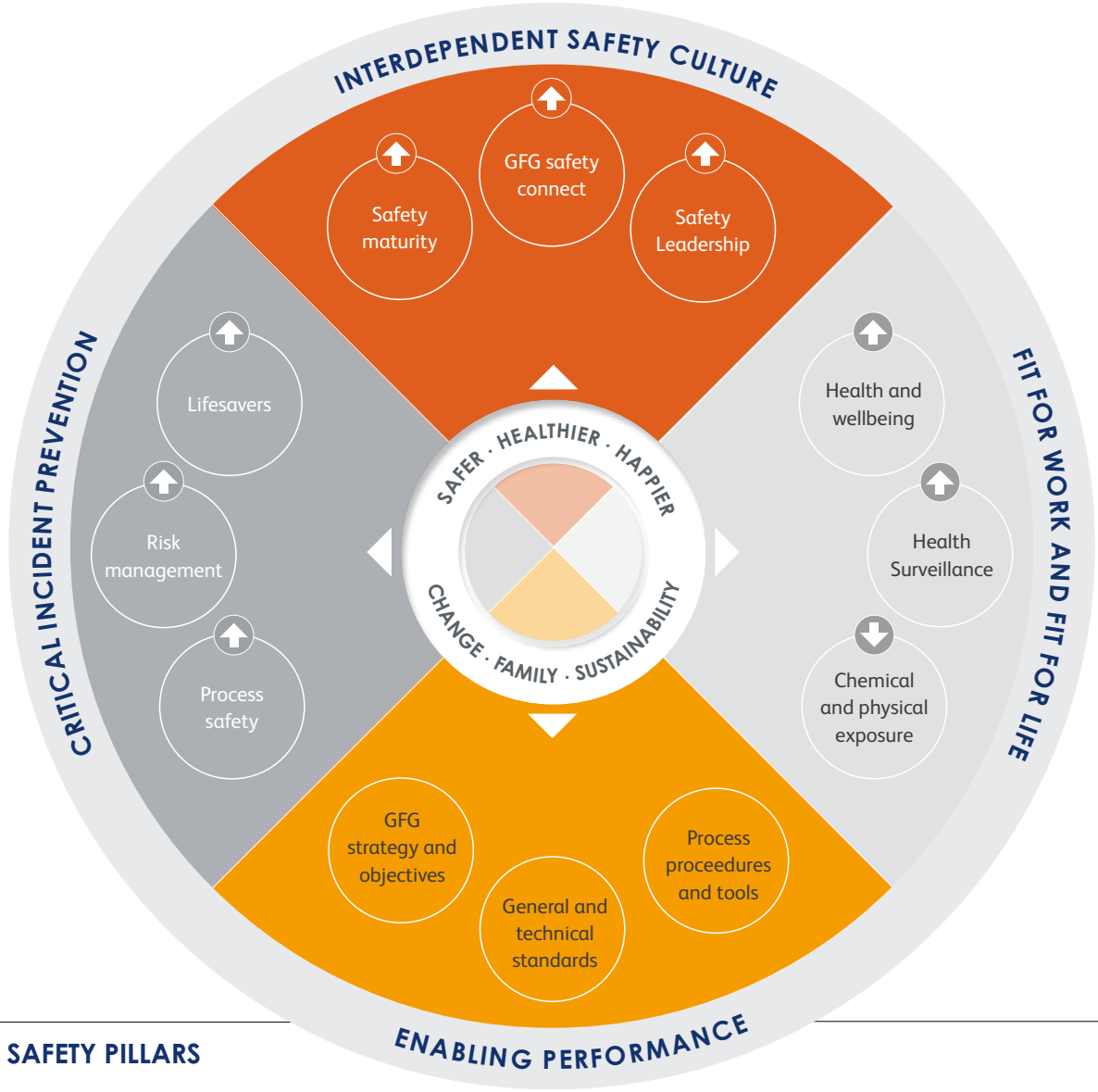
Arnaud de Weert
Chief Operating Officer

WHEN IT COMES TO OUR PEOPLE, IT'S SAFETY FIRST

Our employees are our most important asset and their safety matters. That's why it is at the heart of our sustainability strategy.

We want all our people to return home fit and well each workday. So, in 2020 we established our global health and safety strategy. 'Be GFG Safe', which LIBERTY has adopted, is a strategy that cascades through the Group. It aims to achieve world-class safety excellence by 2025, and to realise our safety vision for every employee to return home safe and well at the end of each working day.

The safety strategy sets out a framework that outlines how we use a range of tools and programmes to manage safety in an interconnected way. It demonstrates that LIBERTY values human life above all else and manages risk accordingly, because one injury is one too many. Our approach is to continually improve our health and safety systems and processes and encourage employees to participate and promote awareness of health and safety threats. Our four strategy pillars combine to create a holistic approach to health and safety.



OUR SAFETY PILLARS

1. **Enabling Performance** by leveraging existing safety practices and eliminating waste

2. **Critical Incident Prevention** to manage low likelihood but high consequence events

3. **Interdependent Safety Culture** where everyone takes responsibility for themselves and others

4. **Fitness for Work and Life** which is about protecting the health and wellbeing of people

DELIVERING OUR FRAMEWORK

Programmes that support the safety framework in driving behavioural and cultural change include:

- Safety Connect
- Life Savers
- Cority: our environment, health and safety (EHS) monitoring software platform

SAFETY CONNECT
LOOKING AFTER EACH OTHER

Developing an interdependent safety culture is vital to achieving world-class safety. 'Safety Connect' supports our vision of creating a workplace where everyone looks out for their workmates and knows their workmates are looking out for them. It inspires a shift from a culture of compliance to one where we drive actions with respect, trust, and care between workers by reminding us of what matters to our people.

A cultural shift

In delivering Safety Connect, LIBERTY worked hard to involve all employees, from executive leaders to shopfloor workers. The programme encourages conversations and coaching from all employees when they observe at-risk behaviours. Employees attend either a six-hour face-to-face session or three sessions of two hours each facilitated by internal speakers who include senior leaders, site leaders and shopfloor workers. Sessions cover the impact of incidents, mechanisms, and lines of defence. Notably, we encourage workers to intervene if they see a workmate at risk, and accept if someone intervenes when they are at risk.

The aim is to develop a culture of care and improve hazard reporting in the workplace. Safety Connect is already paying dividends (see above) as more people have stepped in to stop an error-likely situation.

PROACTIVE REPORTING

Moving beyond leaders and safety practitioners to shopfloor workers

64% increase in the percentage of unique reporters of at-risk behaviours

52% increase in the number of hazards reported proactively year-on-year

55% increase in unsafe condition reporters

Reporting period 2019-2022

LIFE SAVERS
PREVENTING ACCIDENTS

Life Savers are the behaviours that can help prevent 80 % of critical incidents that occur in the workplace. They support the 'Be GFG Safe' vision that every employee should be able to return home safe and well at the end of each working day. Everyone has the authority to intervene and stop unsafe work.

The fundamental Life Saver behaviours are that employees will:

- Always assess and control the risks
- Only enter areas and carry out work they are trained in and competent for
- Always report all incidents with and without injuries
- Always intervene where they see someone at risk
- Not be under the influence of drugs or alcohol or impaired by medication
- Always use PPE that's in good condition
- Be familiar with the emergency, evacuation, and rescue procedures

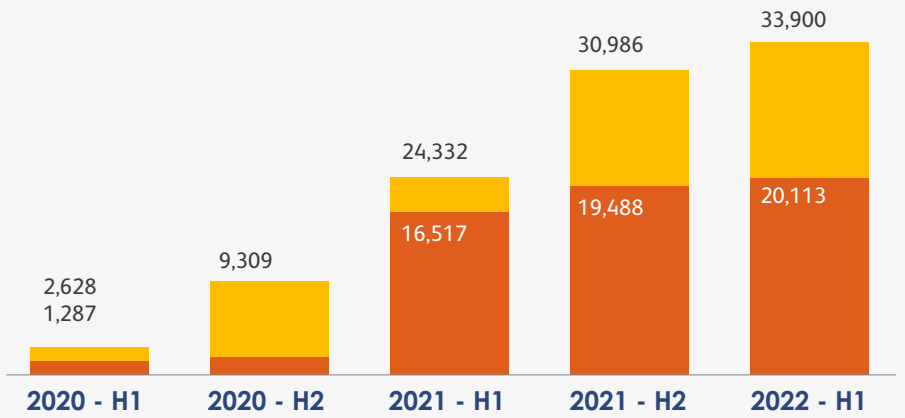
Specific behaviours are in place for our critical risks, including confined spaces, lifting operations, isolation - lockout, tagout and verification, mining, machine safety, and more.

CORITY GLOBAL REPORTING

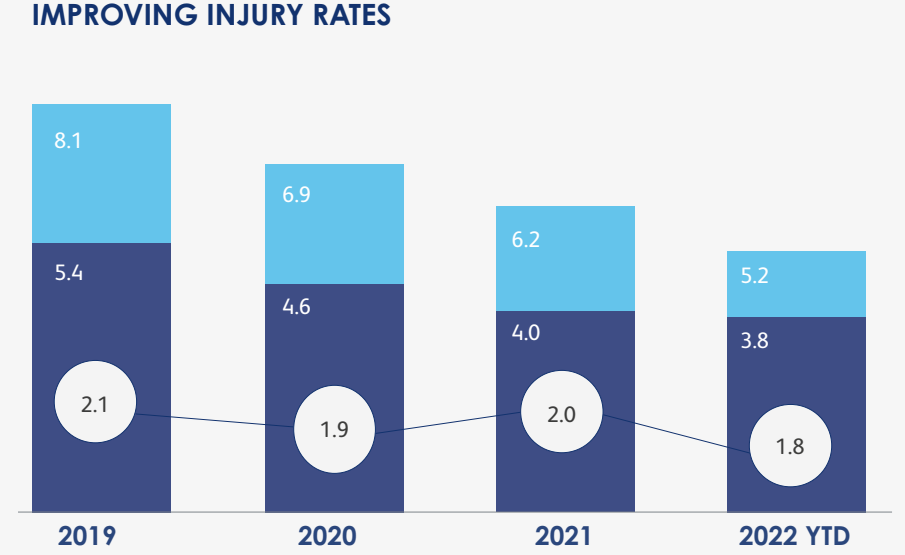
Cority is our EHS management software. It helps us to report, track, and manage safety and environmental incidents, risk registers, at-risk behaviours and unsafe conditions, job observations, inspections, audits, change management, quality issues and complaints.

In 2020, LIBERTY undertook a considerable venture to migrate all our businesses to Cority to consolidate our EHS reporting globally. The system was meticulously designed and built to suit LIBERTY's needs. It has substantially improved our ability to analyse our safety performance, identify and respond to trends, and manage critical actions and activities, at the same time as minimising redundancies and duplication by having one system managed centrally.

PROACTIVE SAFETY REPORTING INCREASES



IMPROVING INJURY RATES



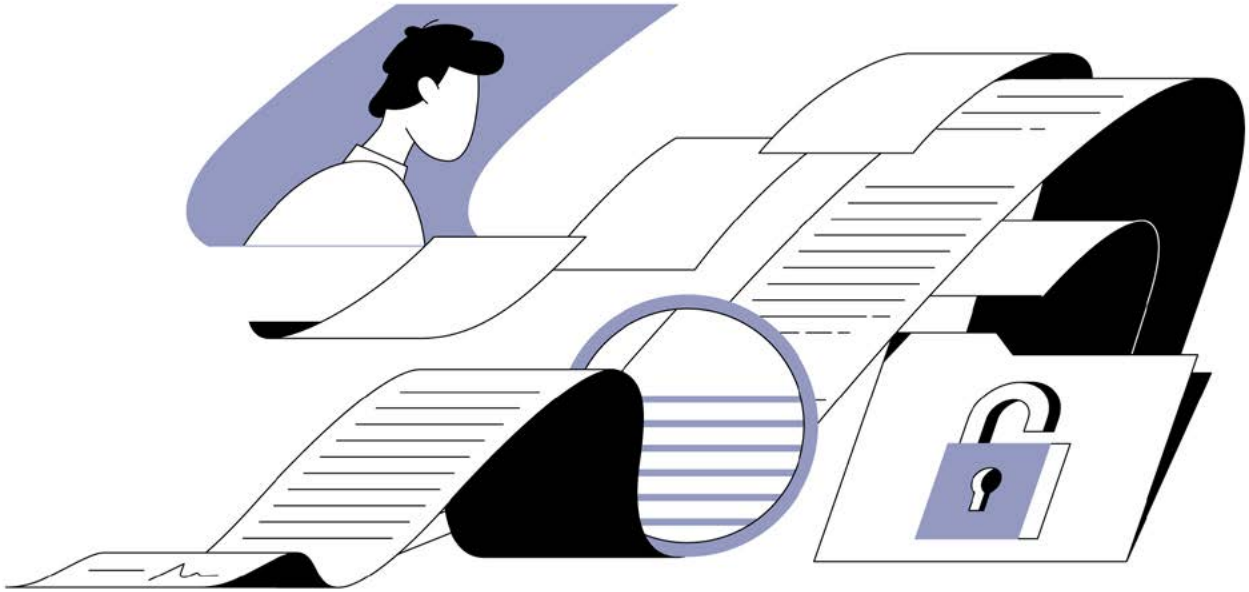
HOW WE WORK

OUR GOVERNANCE AMBITIONS

- **Corporate governance** Demonstrate integrity, diversity and transparency
- **Effective structures and controls** Adhere to clear decision-making and risk management frameworks
- **Environmental Social Governance (ESG) integration** Embed ESG considerations in our strategic and operational decision making

As a global group of private companies, we have embarked on a journey to implement a consistent and robust governance framework. Our ultimate goal, and the fundamental feature of a sustainable business, is to ensure the right decisions are made by the right people based on timely and accurate information. In 2019 we consolidated most of our steel businesses into a single global company – LIBERTY Steel Group. We have since accelerated our work to enable transparency and evolve our corporate structures and governance, in particular since the creation of our Restructuring and Transformation Committee in May 2021. We are instilling a rigorous approach to policy and encouraging independent challenge at all levels of decision-making. Processes, data collection, compliance and regulatory alignment are prioritised throughout the group. We will continuously evolve, develop, and mature.

Iain Hunter
Chief Governance Officer



A FRAMEWORK FOR THE BUSINESS.

Clear accountability for progress and an enhanced governance structure are helping drive change.

Governance structures, policies and systems enable LIBERTY to deliver the long-term, responsible and positive action that we believe is required to create a sustainable future for our business, industry and society.

Over the last 12 months, we have enhanced our governance in the following ways:

- Strengthened our management teams through the addition of highly experienced, independent-thinking directors across our businesses
- Expanded our regional boards to include representatives from the global leadership team and increased the frequency of meetings
- Developed a Governance Scorecard to map the maturity of the sustainability and governance approach within each individual business to ensure sustainability objectives are embedded in Board performance and planning processes
- Made progress in the implementation of a Group-wide risk management framework, new policies, and data collection

1 DRIVING CHANGE FROM THE TOP

New management structure

In April 2022, we announced a significant step in the evolution of the structure and operating model of the group and LIBERTY Steel Group. The new management structure simplified and formalised the organisation of its senior management team, clarifying roles and responsibilities, creating simpler reporting lines, better enabling value creation and protection, and providing more robust systems and processes.

To enhance operational governance, LIBERTY appointed regional presidents who have delegation of authority to represent LIBERTY's shareholders in their given countries or regions and to serve on local boards. The new presidents are listed below, with further appointments to be made in due course:

- **Ajay Aggarwal** President, Europe
- **Jeffrey Kabel** President, UK
- **Dak Patel** President, Australia
- **Vik Sharma** President, US
- **Paul Francis** President, Middle East
- **Mehmet Coruh** President, Turkey

The presidents work alongside Group CEOs who lead operations and performance across their regions and divisions. Group functions such as HR, Finance, and IT are centralised in our Dubai Head Office and operate under a matrix reporting structure to ensure efficiency of resource and improve accountability.

We will continue to develop our Governance. This will involve setting up formal structures to further differentiate decision-making at all levels, increasing accountability of decision-makers as well as the frequency at which our policies are reviewed.

The governance of our transition to a carbon neutral business is not 'a nice to have'. It is embedded in the heart of how we do business and is driven from the very top. This section outlines how sustainability governance fits into our organisation, how we hold ourselves to account and how we comply with our obligations as a Group.

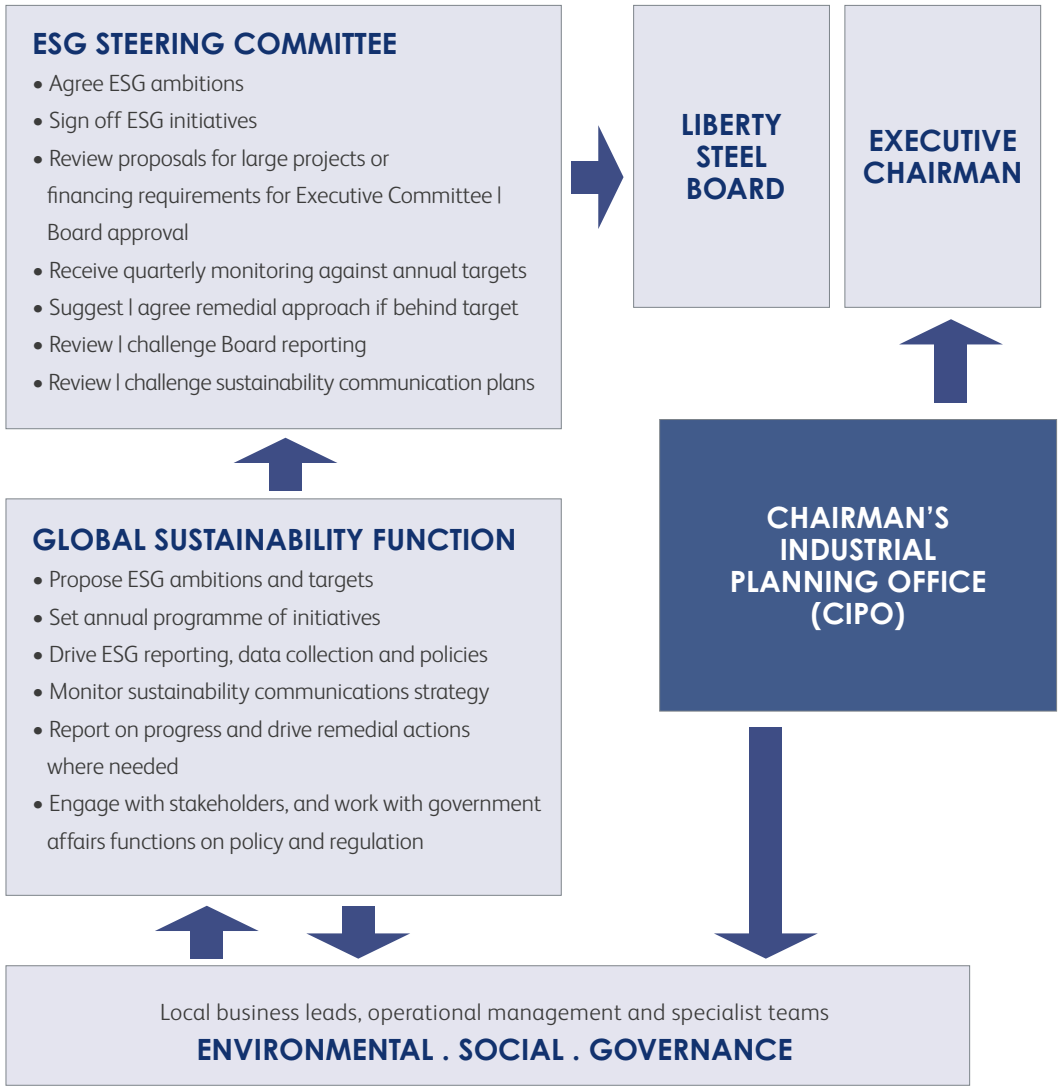
Board engagement

Commitment to our sustainability goals is driven by our Executive Chairman, Sanjeev Gupta, supported by our Board.

Over the past 12 months this has been shown by:

- The tasking of management teams to deliver the most radical and ambitious decarbonisation programme in the steel sector
- Commitment to track progress against and meet scope 1 and 2 emission targets
- Commitment to align against the highest international disclosure standards by benchmarking our report against SASB and GRI frameworks
- Commitment to invest in LIBERTY's first large-scale European transformation project to replace four tandem furnaces with two state-of-the-art hybrid EAFs in Ostrava
- Continued development of the global approach to our people and communities. This includes the running of community programmes through the GFG Foundation and roll-out of GREENSTEEL Academies
- Group-wide implementation of our 'Safety Connect' initiative to develop a culture of care and improve hazard reporting in the workplace
- Investment in our senior sustainability leadership team – creation of new roles and function
- Significant investment in the Chairman's Industrial Planning Office (CIPO)

2 GOVERNANCE IN ACTION How sustainability is delivered



The ESG Steering Committee

The ESG 'SteerCo' meets quarterly and reports against a framework, tracking progress across our businesses. Meetings run to a fixed agenda and reports are produced and shared with the LIBERTY Board.

The membership and attendance of this group is shown here

Name	Role	No. of meetings attended [1]
Arnaud de Weert	Chief Operating Officer	3/4
Simon Nasta	Global Group General Counsel	2/4
Iain Hunter	Chief Governance Officer	3/4
Denise Timns	Chief HR Officer	3/4
Vik Bansal**	Group CEO & Managing Director of InfraBuild	2/4
Ajay Aggarwal	President of LIBERTY Steel Group Europe	4/4
David Ollier*	Global Head of Communications	3/3
Patrick Toyne-Sewell*	Head of Communications Europe	3/3
Toker Ozcan*	CEO GREENSTEEL EMEA	3/3
Marian D'Auria	Global Head of Risk and Sustainability	4/4

* joined part way through the year
** left the Group in October 2022

[1] 12 months from September 2021

Delivering on our purpose

The transformational environmental activities that are at the heart of our sustainability strategy are identified, assessed, funded, and delivered by CIPO. It is based centrally in Dubai and reports directly to our Executive Chairman. The CIPO team works on projects across LIBERTY's global portfolio, supporting the delivery of large-scale transformation projects. In the last year, CIPO has grown substantially, and it will receive future investment.

Our sustainability function is led by our Global Head of Risk and Sustainability who reports directly to the Chief Governance Officer. She is tasked with integrating risk and sustainability considerations across our operations.

Measurement and assessment

This is the first year we have published a Group Sustainability Report. Given the various maturity profiles of our businesses' operations, we are in the process of putting in place the measures required to track and analyse performance against relevant metrics and key performance indicators (KPIs) at both local and group level. We benchmark and align our sustainability activities against selected ESG frameworks – the SASB and GRI reporting standards (see Appendix for more detail). We will continue to assess the most appropriate frameworks for keeping our stakeholders informed of material sustainability data about our operations as global reporting standards develop.

Key data we gather at Group level includes:

- Workforce health and safety statistics
- Greenhouse gas (GHG) emissions data
- Material environmental and energy management metrics
- Diversity, equity and inclusion (DE&I) and training data

These metrics allow us to understand the impact of our plans and initiatives, where we need to take remedial action, and to communicate our progress to stakeholders. The process of collecting and reporting data helps us learn, adapt, and drive change over time.

3 COMPLIANCE

Regulatory compliance is managed in each market by the relevant business units, with oversight from the ESG SteerCo and LIBERTY's Head of Compliance. This ensures all relevant disclosure is made in local markets whilst being tracked and measured at group level, which is necessary for a global business where local regulatory demands vary.

The integration of compliance into our decision-making allows us to ensure that the current legislation is complied with, and to look ahead and implement best practice into our business in advance of regulatory pressures.

Our code of conduct outlines our strict compliance with laws, rules, and regulations, including:

1. Anti-bribery and corruption
2. Anti-money laundering and counter-terrorist financing
3. Sanctions
4. Environment, health and safety
5. Conflict of interest
6. Gifts and hospitality

Group governance is overseen by our Chief Governance Officer, Iain Hunter. Brendan Leddy, Global Head of Compliance, has oversight of compliance policies across LIBERTY. Simon Nasta, Group General Counsel, ensures appropriate legal structures are in place. Tax compliance and tax risk management are priority areas. The Global Head of Tax reports to the group CFO and is responsible for tax operations and risk management, assisted by a central corporate tax team and geography-centric tax manager teams. We seek to comply with relevant regulations and laws in the jurisdictions we operate in. We conduct a periodic review of internal controls, assessment of accounting quality, identification and mitigation of tax risk, and stakeholder engagement wherever we operate.

We are proud of the structure and oversight that will deliver our transition to a truly sustainable business. Good governance will ensure we meet our environmental targets and play a key role in developing and supporting the people and communities we employ and interact with.

RESPONDING TO RISK IN A MODERN WORLD.

> AS PART OF OUR ENTERPRISE RISK MANAGEMENT PROCESS, WE HAVE IDENTIFIED SEVEN KEY RISK AREAS FOR OUR GLOBAL OPERATIONS

PUSHING TOGETHER TO CREATE A MORE SUSTAINABLE FUTURE.

Climate change brings risks and opportunities for our business and directly impacts our overall risk approach.

Our industry and operations have an impact on people and the planet. But our business is itself impacted by the direct and indirect effects of climate change on people and the planet. The LIBERTY Board recognises that the physical and transition impacts of climate change represent a significant source of risk and opportunity.

Sustainability risk at a global level is integrated into our worldwide risk management and reporting process. The Head of Risk and Sustainability reports directly into the Board and is tasked with oversight of the sustainability programme, as well as the development of a consistent global approach to identifying, managing, and reporting risks that specifically incorporate climate change considerations.

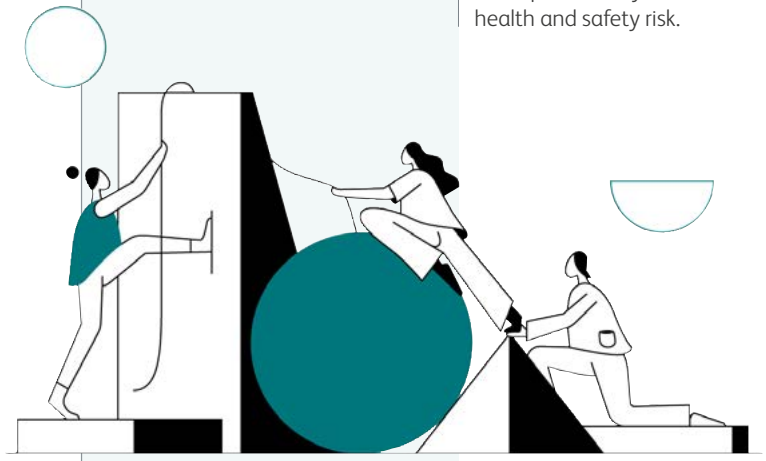
Climate risk identification and mitigation

As part of our enterprise risk management process, we have identified seven key risk areas for our global operations, which range from economic and market risks, to operational risks. These are set out in the table on the next page, which shows how the physical and transition risks associated with climate change affect our assessment and response to traditional risk areas.

KEY RISK AREAS FOR OUR GLOBAL OPERATIONS.

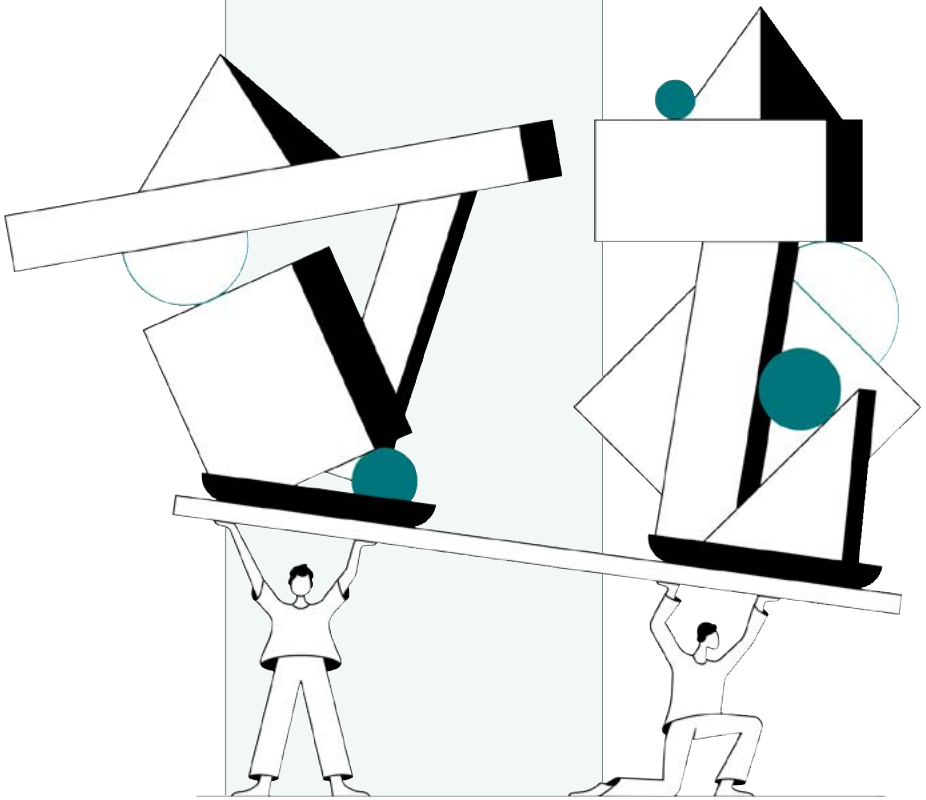
Key Risk Area	Description	Key physical climate risk/opportunity	Key transition climate risk/opportunity	Risk response
ECONOMIC AND MARKET RISK	Potential for changes in market value and price of inputs, as well as demand for and market pricing of our products.	Acute: increasing number of severe extreme weather conditions could cause shocks to input pricing, as well as market demand. Chronic: changes in rainfall patterns and weather conditions will impact the price and availability of renewable electricity, as well as the success of our own solar and wind projects. This represents both a risk and an opportunity for us.	Greater concentration of risk around energy prices as an input cost, as we transition to production methods that are more reliant on electricity as the primary power source. Demand for steel impacted by demand for renewable infrastructure and a circular economy. Customer demand, and willingness to pay, for low carbon-emitting steel products. Greater exposure to changes in price and availability of scrap as we, along with others in the market, transition to lower carbon production, which requires a greater proportion of scrap.	To mitigate economic and market risks associated with climate change, we will: • Develop our own solar and wind energy projects • Engage with governments and industry groups around local approaches to energy price mitigation for industrial companies, as well as scrap policy • Hedge strategies for energy prices included in individual business planning processes where relevant • Engage with customers to understand and anticipate their future requirement Our business plans for transformation projects do not allow for an explicit green premium, in order to incorporate a margin of prudence and to reflect uncertainty in this area.
LIQUIDITY AND FUNDING RISK	Maintaining sufficient cash and cash equivalents to meet funding requirements.	N/A	New funding structures and a greater requirement for capital expenditure to fund transformation projects.	Local management teams prepare profit and cash flow forecasts, subject to regular review by the global finance function. These incorporate likely levels of demand from key customers and suppliers, and monitor and review availability and requirements for credit and other funding. Transformation projects are managed centrally by the Chairman's Industrial Planning Office (CIPO) to ensure visibility of all transformation-related capital expenditure requirements and to allow liquidity requirements to be managed centrally.

Key risk area	Description	Key physical climate risk/opportunity	Key transition climate risk/opportunity	Riskresponse
PEOPLE RISK	Potential for loss of key staff members, or inability to recruit and retain sufficient people with the required skillsets.	Acute: severe or extreme weather events could cause travel disruption or displacement of communities. Chronic: increased temperature may require altered work patterns, lower productivity or an increase in health and safety risk.	Change in skillsets required to operate lower carbon-emitting production methods. Ability to attract a new generation of the workforce into what has historically been seen as a 'dirty' industry. Ability for the steel industry to adequately respond to an increased requirement for diversity at all levels of the organisation.	LIBERTY has launched the GREENSTEEL Academy in our major jurisdictions to provide future skills training and development to current employees, as well as training to a new generation of steelworkers. A skills gap analysis process is underway to align recruitment policies with the skills for low-carbon emitting production. We are designing curriculums in partnership with local universities and technical colleges and will work with them to encourage young people to enter the industry and help develop more sustainable production methods. Diversity & Inclusion Committee activities, including women's networks and mentoring programmes, will enhance the experience of under-represented groups. We have a five-year plan to achieve world-class safety performance by 2025. Initiatives include behavioural programme 'Safety Connect', rolled out to all levels of the organisation in face-to-face sessions, and 'I Am Here' trains mental health ambassadors to support colleagues.
TECHNOLOGY RISK	The impact of changes in technology on the viability of existing products, manufacturing processes and costs.	N/A	Changes to the cost of production as a result of the implementation of new technologies. Technologies such as carbon capture and storage might come on stream more quickly than anticipated, resulting in a higher relative cost of transition for us compared to our peers.	LIBERTY is conducting pilot projects ahead of transformation activities being approved. Pilots will test assumptions around the cost of production associated with new technologies. Ongoing interaction with industry groups and government will help LIBERTY understand investment in and development of alternative carbon removal technologies. LIBERTY's business plans for transformation projects incorporate risk assessments regarding technology readiness, as well as the ongoing cost of production associated with incorporating new technology.



Key risk area	Description	Key physical climate risk/opportunity	Key transition climate risk/opportunity	Risk response
CREDIT RISK	Risk of incurring losses due to failure of counterparties to perform their contractual obligations. Or increased cost of capital associated with investors' assessment of our own credit risk.	Exposure to parts of the supply chain where greater incidence of extreme weather events or changes in climate patterns might reduce their credit worthiness, e.g. suppliers located in high-risk areas whose operations could be disrupted by storms, increased temperature or displaced workforce.	Bank and investor approaches to funding high-carbon emitting sectors. The relative importance of environmental, social and governance (ESG) factors when determining the cost of capital is likely to increase.	LIBERTY's due diligence process for key suppliers will include an assessment of climate exposure. New supplier relationships are secured through letters of credit or credit insurance. Carbon reduction plans show accelerated reduction relative to most of our peers, which should increase our attractiveness to sources of 'sustainable capital'. Engagement with banks and investors to understand their requirements regarding ESG considerations and reporting. Participation in industry groups covering finance, government customers and suppliers will help develop a framework for investment in transition activities in the steel sector.
LEGAL, REGULATORY AND REPUTATIONAL RISK	Exposure to cost or reputational risk as a result of political, economic, and regulatory activity.	N/A	Changes to carbon pricing, broader adjustment mechanisms and environmental policy frameworks will significantly impact our operating costs. We anticipate reducing carbon emissions more quickly than our competitors so this could be an advantage for us, but also poses a risk if changes occur more quickly than anticipated or are pushed back significantly. Risk associated with failure to adhere to environmental or waste management regulations.	Specific environmental policy team that engages with senior government officials to ensure that the impact of changes to policy and carbon pricing mechanisms are taken into account. LIBERTY has set a target date of 2030 for carbon neutrality covering scope 1 and 2 emissions, which reduces risk associated with future carbon pricing mechanisms. Our major sites have a process in place for continuous engagement with local communities around environmental and waste management concerns. Any breaches or complaints are logged and acted on. Significant breaches are reported centrally to ensure mitigation activities are co-ordinated and to capture lessons learnt.

Key risk area	Description	Key physical climate risk/opportunity	Key transition climate risk/opportunity	Risk response
OPERATIONAL RISK	Risk of direct loss or reputational damage arising from shortcomings or failures in internal processes, human errors, system breakdown or outside events such as extreme weather or terrorist attacks.	More frequent or severe extreme weather can cause property damage and business interruption – either to our own business or supply chains. Heat can also affect worker productivity (see People Risk).	Significant transformation projects required to transition to low-carbon emitting production methods will introduce additional operational, technology and financial risk, relative to business as usual activities. Reporting against and compliance with ESG criteria, environmental regulations and policies could introduce additional systems and internal process risk. Policy changes could result in the cost of high-carbon emitting technology becoming prohibitive more quickly than anticipated, leading to stranded assets.	LIBERTY has a robust internal audit system, which serves to highlight and reduce risk of fraud, internal control and systems failure. Internal audit processes are being adapted to specifically incorporate ESG policies and environmental regulation. Business entity risk teams are tasked with first line management of operational risk. Second line oversight of the operational risk approach is conducted globally through reporting to the global Board, a Business Excellence team tasked with benchmarking process effectiveness, and global Chief Operating Officer (COO) oversight. Insurance is in place to cover physical damage associated with severe or extreme weather and the location of our sites is such that the physical risks associated with climate change are not expected to result in significant exposure during the time horizon of the strategic planning process. Our transformation projects are large scale and capital intensive and all either have been or will be fully risk assessed as part of the feasibility stage of the project planning process. Specific mitigation strategies are put in place, relevant to the risks identified for that project. Oversight of all transformation projects is carried out by the Executive Chairman's Industrial Planning Office to ensure risk concentrations and timing considerations are visible and taken into account. The life cycle of our existing infrastructure and time horizon for transitioning to low-carbon emitting production processes are such that the risk of asset stranding is low. For example, all our blast furnaces are expected to be decommissioned shortly before they would have had to be re-lined.



For more about our risk response, please see the Sustainabilty Strategy

Climate risk assessment and scenario analysis

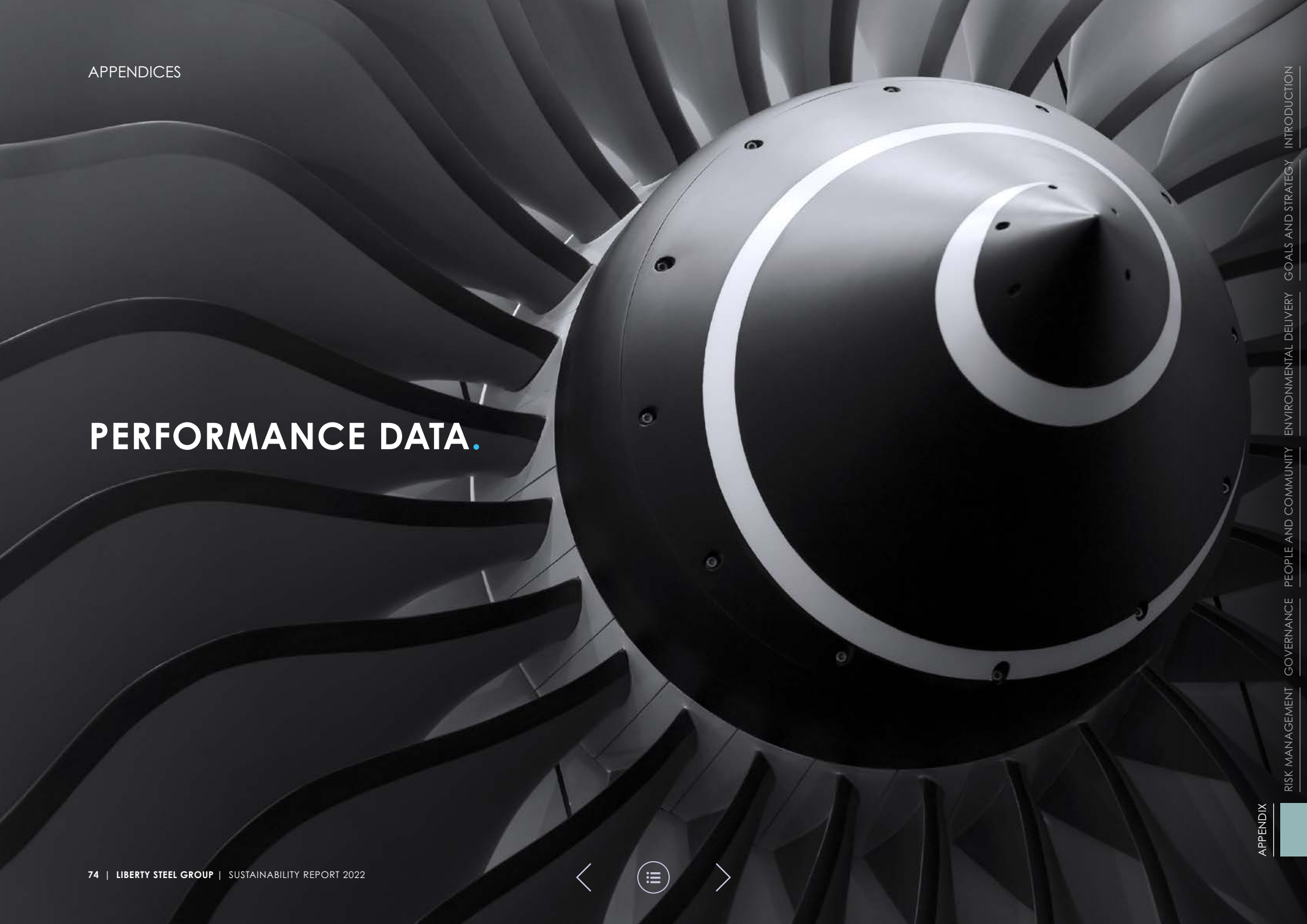
We know the impact of the key risks we have identified will depend on the extent to which global climate mitigation strategies are implemented and are effective, and the timescales over which climate interventions are adopted.

In an 'orderly' transition, policy interventions are likely to be implemented early and ratcheted over time, resulting in near-term transition risk but lower long-term physical risk. In a 'disorderly' transition, near-term transition risk is lower but more severe policy impact in the medium to long term is expected. A 'failed' transition is likely to result in a greater impact from physical rather than transition risk.

We will assess the weighting of the various risk factors and the potential impact on our businesses through scenario analysis. This analysis will consider at least two scenarios, one of which will be aligned with a successful transition to a world where warming is limited to 2-degrees celsius above pre-industrial levels. Future reports will share this scenario analysis, and findings will be incorporated in our business planning processes.

Risk metrics and monitoring

The key environmental and social metrics we monitor are set out from page 76 onwards. These will be categorised into key risk indicators associated with the risks identified in the table, and monitored by the associated risk owner. Where a risk is outside of risk appetite, it will be reported to the ESG Steering Committee or referred to the Board.



PERFORMANCE DATA.

ESG DISCLOSURE STANDARDS.

LIBERTY has conducted a comprehensive review of different frameworks to guide its disclosure of material data relating to Environmental, Social, and Governance (ESG) factors and will continue to review appropriate guidelines as the global sustainability reporting landscape develops.

We have benchmarked our disclosures against the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). We will further refine our disclosures as our reporting processes develop alongside the wider regulatory approach to sustainability reporting. The data collected and disclosed in this report are consistent with the information we use to inform and monitor our global strategy and targets. This information is used not only to communicate progress to stakeholders, but also for our global Board and local management teams to learn, adapt, and drive change over time.

LIBERTY's board assesses core data to identify key areas of risk and opportunity for our businesses, make informed strategic decisions and ensure that our operations are in line with the group's vision. The ESG Steering Committee defines the group's Environmental, Social and Governance ambitions, and uses a subset of the ESG data collected to monitor progress towards these ambitions and to help shape each annual programme of work. The Group Sustainability Function drives reporting and communicates data internally and externally, ensuring that operational management across the world integrates the available data into their decision-making.

Data in the following tables cover these sites:

- Primary Production in Europe: LIBERTY Ostrava and LIBERTY Galați
- EAF Production in Europe: Rotherham and LIBERTY Częstochowa steel plants
- Downstream production in Europe: LIBERTY Steel UK downstream (including Hot Rolling), LIBERTY Częstochowa Rolling Mill, LIBERTY Skopje, LIBERTY Magona, LIBERTY Liège-Dudelange
- EAF and downstream production in the USA: LIBERTY Steel USA (Peoria is included – Georgetown production was idled in 2021 and restarted in January 2022)
- InfraBuild Australia: all InfraBuild steelmaking sites
- Primary Production in Australia: LIBERTY Primary Steel – Whyalla Steelworks, LIBERTY Bell Bay, SIMEC Mining Tahmoor Coking Coal, and SIMEC Mining Iron Ore
- India data is not reported here. India sites represent approximately 2,000 people.

METHODOLOGY FOR THE FOLLOWING TABLES

Environmental data

Data presented in the following tables are split by production type and geographic area. The methodology used for calculating CO_2 emissions varies due to regional reporting requirements. For EAF production in Europe, this data has been calculated in line with ETS requirements: Monitoring, reporting and verification of EU ETS emissions europa.eu, Primary production in Europe and data from the USA uses the Worldsteel methodology: Climate Action data collection worldsteel.org. The Australian sites used the NGER (National Greenhouse and Energy Reporting) scheme. As the figures calculated using each of these methodologies are not materially different, the figures have not been adjusted when global figures are quoted throughout the report.

Social data

In the table presented in the pages that show our social data, we reported the number of LIBERTY full-time equivalent employees (FTEs) by jurisdiction on December 31 2021. No material significant fluctuations in the number of employees were reported in the data collection process. The contractors' number has not been included as contractors are managed at the site level and their number might fluctuate based on the production activities.
The recruitment (temporary) data cover contractors as well as short-term assignees and are indicative at this stage. We will seek to increase the extent to which we report these data in the coming years.

APPENDIX 1
ENVIRONMENTAL METRICS.

This table provides disclosures against the Sustainability Accounting Standards Board (SASB)

		EUROPE			USA	AUSTRALIA					
							PRIMARY PRODUCTION IN AUSTRALIA		AUSTRALIA MINING		
		Primary Production Europe	EAF Production Europe	Downstream Production Europe	EAF & Downstream Production in the USA	InfraBuild Australia	LIBERTY Primary Steel Whyalla	LIBERTY Bell Bay - Ferro alloys	SIMEC Mining Iron Ore	SIMEC Mining Tahmoor coking coal	
METRICS	UNIT	CY 2021	CY 2021	CY 2021	CY 2021	FY 2022	FY 2022				SASB	MORE INFORMATION
PRODUCTION												
Production volume (BoF) - crude steel	t	4,565,966					1,022,214				EM-IS-000.A EM-IS-000.B EM-IS-000.C	
Production volume (EAF) - crude steel	t		510,157		496,427	1,241,635						
Production volume (downstream production)	t			2,145,679	555,565							
Production volume (iron ore, coking coal, Ferro alloys, etc.)	t							394,392(13)	14,733,396	1,690,121		
Out of total scrap recycled in the furnaces	t	1,665,316	526,671		546,411	1,354,397	249,791					All externally sourced scrap usage (ferrous and non-ferrous). Internally created arisings from steel manufacturing process, including downstream processing/stockist facilities where relevant.
Total external metal recycled	%	52%	93%		92%	94%	36%					
Total internal metal recycled	%	48%	7%		8%	6%	64%					
ENERGY MANAGEMENT												
Energy intensity per tonne produced – Total	GJ/t	24.86	3.17	2.51	2.94	4.32	28.53	15.49	0.13	0.29	EM-IS-130a.1 EM-IS-130a.2	
Energy intensity per tonne produced - coal	GJ/t	17.49	0.00	0.00	0.19	0.00	22.37	8.16	0.00	0.00		
Energy intensity per tonne produced - natural gas	GJ/t	1.76	1.12	1.57	1.30	1.60	4.91	0.13	0.00	0.00		
Energy intensity per tonne produced - electricity	GJ/t	3.48	2.05	0.80 (9)	1.45	2.15	0.87	7.11	0.04	0.25		
Energy intensity per tonne produced - other	GJ/t	2.13	0.00	0.15	0.00	0.57	0.37	0.09	0.09	0.04		

Environmental metrics continued

		EUROPE			USA	AUSTRALIA						
							PRIMARY PRODUCTION IN AUSTRALIA		AUSTRALIA MINING			
METRICS	UNIT	Primary Production Europe	EAF Production Europe	Downstream Production Europe	EAF & Downstream Production in the USA	InfraBuild Australia	LIBERTY Primary Steel Whyalla	LIBERTY Bell Bay - Ferro alloys	SIMEC Mining Iron Ore	SIMEC Mining Tahmoor coking coal	SASB	MORE INFORMATION
		CY 2021	CY 2021	CY 2021	CY 2021	FY 2022	FY 2022					
ELECTRICITY MANAGEMENT (1)												
% grid electricity (out of the total energy intensity per tonne produced)	%	14%	65%	32%	49%	50%	3%	46%	29%	86%	EM-IS-130a.1 EM-IS-130a.2	
Energy intensity per tonne produced - renewable	GJ/t	0.96	0.46	0.18	0.23	0.66	0.53	6.97	0.02	0.06		
Energy intensity per tonne produced - non - renewable	GJ/t	2.52	1.59	0.57	1.21	1.49	0.34	0.14	0.01	0.19		
Energy intensity per tonne produced - coal	GJ/t	1.65	0.85	0.10	0.55	1.41	0.00	0.00	0.00	0.18		
Energy intensity per tonne produced - natural gas	GJ/t	0.27	0.38	0.26	0.43	0.07	0.33	0.13	0.01	0.01		
Energy intensity per tonne produced - nuclear	GJ/t	0.57	0.11	0.17	0.23	0.00	0.00	0.00	0.00	0.00		
Energy intensity per tonne produced - other	GJ/t	0.03	0.25	0.04	0.00	0.01	0.01	0.01	0.00	0.00		
GREENHOUSE GAS EMISSIONS												
Carbon dioxide emissions intensity - Scope 1 and 2	t/t	2.21	0.47	0.20	0.59	0.68	2.19	1.20	0.01	0.62	EM-IS-110a.1	Methodologies used to calculate CO_2 emissions: NGERS for Australian sites, Worldsteel for Primary production in Europe and data from the USA, ETS requirements for EAF production in Europe. Note: CO_2 equivalent emissions are calculated under the NGER scheme. Scope 2 not under the EU ETS (European sites) and the Safeguard mechanism (LIBERTY Primary Steel - Whyalla and Laverton Steel Mill) requirements. No emission-limiting regulation in the USA.
Scope 1	t/t	2.07	0.16	0.09	0.20	0.15	2.10	0.89	0.01	0.57		
Scope 2	t/t	0.13	0.31	0.11	0.38	0.53	0.09	0.32	0.00	0.05		
% scope 1 emissions covered under emission-limiting regulations	%	92%	99%	99%		61% (12)	80%	88%	95%	48%		

Environmental metrics continued

		EUROPE			USA	AUSTRALIA						
							PRIMARY PRODUCTION IN AUSTRALIA		AUSTRALIA MINING			
METRICS	UNIT	Primary Production Europe	EAF Production Europe	Downstream Production Europe	EAF & Downstream Production in the USA	InfraBuild Australia	LIBERTY Primary Steel Whyalla	LIBERTY Bell Bay - Ferro alloys	SIMEC Mining Iron Ore	SIMEC Mining Tahmoor coking coal	SASB	MORE INFORMATION
		CY 2021	CY 2021	CY 2021	CY 2021	FY 2022	FY 2022					
AIR EMISSIONS (2)												
Particulate Matter (3)	kg/t	0.29158	0.10071	0.01842	0.03614	0.09424	2.70760	0.55768	0.77312	0.01573	EM-IS-120a.1	CO/MnO not measured as it isn't mandatory anymore in jurisdictions
Pb emissions	kg/t	0.00141	0.00271	0.00137	0.00150	0.00017	0.00014	0.00040	0.00005	0.00000		
NOx (oxides of nitrogen)	kg/t	1.02722	0.15279	0.14175	0.18295	0.21226	1.82227	1.14900	0.08463	0.03053		
SOx (sulphur oxide in general) (4)	kg/t	1.12063	0.04300	0.01169	0.03407	0.02339	0.67009	0.27110	0.00005	0.00001		
Volatile organic compounds (VOCs) (5)	kg/t	0.00042	0.07552	0.00713	0.03552	0.00104	1.16808	0.05846	0.00761	0.00098		
WASTE MANAGEMENT												
Waste generated – material reused, recycled by third parties (6)	kg/t	199.49	183.16	51.78	13.44	158.00	17.85	0.92	0.01	0.01	EM-IS-150a.1	SASB – % hazardous not displayed this year
Waste generated – material disposed to landfill	kg/t	6.76	10.96	3.97	9.77	4.00	0.26	0.13	0.003	0.72		
WATER MANAGEMENT												
Fresh water withdrawal	m_3/t	8.48	4.70	4.35	5.57	0.98	2.87	1.57	0.28	0.28	EM-IS-140a.1 EM-IS-120a.1	SASB – % recycled and % in regions not displayed this year.
Water discharged where available	m_3/t	6.94	5.65	2.10	(16)	(16)	0.20	0.29	0.71	1.55		
Mass emissions to water, PAH (2)	kg/t	(7)	0.00008	0.00087	(16)	(16)	(14)	0.00003	(14)	N/A		
Mass emissions to water, suspended solids (2)	kg/t	0.11	0.07	0.02	0.03	(16)	(15)	(15)	(15)	0.02		

Environmental metrics continued

		EUROPE			USA	AUSTRALIA						
							PRIMARY PRODUCTION IN AUSTRALIA		AUSTRALIA MINING			
METRICS	UNIT	Primary Production Europe	EAF Production Europe	Downstream Production Europe	EAF & Downstream Production in the USA	InfraBuild Australia	LIBERTY Primary Steel Whyalla	LIBERTY Bell Bay - Ferro alloys	SIMEC Mining Iron Ore	SIMEC Mining Tahmoor coking coal	SASB	MORE INFORMATION
OTHERS												
Material Environmental complaints/compliance breaches	#	1(8)	1(10)	0	0	0	0	0	0	0		Any breach which results in regulatory action (prosecution, fine or operational restriction).
ISO 14001 Accreditation or equivalent environmental management system	Y/N	Y	Y	(11)	N	Y	Y	N	Y	N		
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Y/N	N	N	N	N	N	Y	N	Y	N		LIBERTY Liege not adjacent but close to "Natura 2000" zones
Discussion of long and short term plan to manage Scope 1 emissions reduction targets and an analysis of performance against targets		Included in Environmental Delivery and Sustainability Strategy									EM-IS 110a.2	Performance against targets included in metrics above
Discussion of the process for managing iron ore and/ or coking coal sourcing risks arising from environmental and social issues		Included in Environmental Delivery									EM-IS-430a.1	

NOTES

- 1 For 'Primary Production in Australia' and 'Australian mining': data sourced from Australian Energy Statistics Data FY21 by state, FY22 not available yet.
- 2 Average for the sites monitoring it as a requirement, this is not relevant for all sites, depending on the processes carried out.
- 3 Total Suspended Particular Matters except for Australian sites which only report PM10 as per local requirements
- 4 Only SO_2 is monitored for the Australian sites.
- 5 Different approaches for calculating VOCs emissions were used:
  a. Primary Production in Europe – measurements in 2021
  b. LIBERTY Steel UK: no VOCs generated for some of the entities. Estimated data based on PRTR inventory for the others.
  c. In Australia Primary Production: both fugitive (including coke ovens and diesel use - estimated) and point source (stack-measured and extrapolated) and tanks (estimated)
  Note that the sites reported the VOC data as per their applicable regulatory definition (only including the painting shops for example in Ostrava and in Częstochowa).
- 6 Only slags that are not considered by-products have been included by our Primary Production sites in Europe while slags are not included by our Australian sites.
- 7 Not monitored by LIBERTY Galați. 0.00000162 kg/t for LIBERTY Ostrava.
- 8 Galați: In 2021, a €2,000 fine was levied in relation to incorrect classification of hazardous waste, as waste management, and then disposed of. Remedial measures applied:
  - waste eliminated by a specialised company;
  - activity in area and waste report monitored monthly by the environmental team
- 9 Electricity grid mix not available for Skopje reflected in variation between the total energy intensity per tonne produced – electricity and the sum of the energy intensities per tonne produced – renewable and not-renewable.
- 10 No Material Environmental complaints/compliance breaches except in Częstochowa where the steel plant got an environmental penalty for noise violations at night and work has commenced on resolution.
- 11 Yes for all sites except LIBERTY Liege-Dudelange
- 12 Only concerns the Laverton Steel Mill.
- 13 This figure includes the Ferroalloys production and the sinter production which is consumed on site.
- 14 Not meeting threshold for monitoring requirements
- 15 Not measured as part of NPI reporting (NPI = National Pollutant Inventory, which is statutory emissions reporting scheme to the Australian Government). No obligation to monitor it at discharge as per EPA Licence.
- 16 Data not monitored/reported as not required by local regulation.

APPENDIX 2
SOCIAL METRICS.

The tables on this page summarise our current workforce

PRIMARY PRODUCTION EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**7,699**	**723**	**9%**
<=40	1,584	99	6%
>40	6,115	624	10%
White collar	**2,822**	**840**	**30%**
<=40	581	185	32%
>40	2,241	655	29%
Total	**10,521**	**1,563**	**15%**

EAF PRODUCTION IN EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**3,420**	**143**	**4%**
<=40	933	26	3%
>40	2487	117	5%
White collar	**1,808**	**383**	**21%**
<=40	347	77	22%
>40	1,461	306	21%
Total	**5228**	**526**	**10%**

EAF PRODUCTION IN AUSTRALIA AND US – INFRABUILD			
Working Class	Total FTE	Female FTE	% of Female FTE
Blue collar	**3,316**	**37**	**1%**
<=40	1,044	17	2%
>40	2,272	20	1%
White collar	**2,116**	**547**	**26%**
<=40	610	194	32%
>40	1,506	353	23%
Total	**5,432**	**584**	**11%**

PRIMARY PRODUCTION IN AUSTRALIA			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**1243**	**52**	**4%**
<=40	511	38	7%
>40	732	14	2%
White collar	**751**	**142**	**19%**
<=40	217	51	24%
>40	534	91	17%
Total	**1994**	**194**	**10%**

TOTAL			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**16,822**	**955**	**6%**
<=40	4,486	180	4%
>40	12,336	775	6%
White collar	**8,258**	**1,924**	**23%**
<=40	2,039	515	25%
>40	6,219	1,409	23%
Total	**25,080**	**2,879**	**11%**

Note: We have approximately 2,000 people in our India operations and these are included in all total columns

The tables on this page summarise the recruitment of our permanent employees

PRIMARY PRODUCTION EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**10**	**1**	**10%**
<=40	6	0	0%
>40	4	1	25%
White collar	**6**	**4**	**67%**
<=40	4	3	75%
>40	2	1	50%
Total	**16**	**5**	**31%**

EAF PRODUCTION IN EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**475**	**14**	**3%**
<=40	148	6	4%
>40	327	8	2%
White collar	**241**	**55**	**23%**
<=40	34	10	29%
>40	207	45	22%
Total	**716**	**69**	**10%**

EAF PRODUCTION IN AUSTRALIA AND US – INFRABUILD			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**402**	**0**	**0%**
<=40	274	0	0%
>40	128	0	0%
White collar	**306**	**117**	**38%**
<=40	175	73	42%
>40	131	44	34%
Total	**708**	**117**	**17%**

PRIMARY PRODUCTION IN AUSTRALIA			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**138**	**0**	**0%**
<=40	97	0	0%
>40	41	0	0%
White collar	**143**	**37**	**26%**
<=40	77	19	25%
>40	66	18	27%
Total	**281**	**37**	**13%**

TOTAL			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**1025**	**15**	**1%**
<=40	525	6	1%
>40	500	9	2%
White collar	**696**	**213**	**31%**
<=40	290	105	36%
>40	406	108	27%
Total	**1721**	**228**	**13%**

The tables on this page summarise the recruitment of our temporary employees

PRIMARY PRODUCTION EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**1453**	**582**	**40%**
<=40	778	299	38%
>40	675	283	42%
White collar	**262**	**189**	**72%**
<=40	187	136	73%
>40	75	53	71%
Total	**1715**	**771**	**45%**

EAF PRODUCTION IN EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**161**	**6**	**4%**
<=40	125	2	2%
>40	36	4	11%
White collar	**11**	**5**	**45%**
<=40	3	0	0%
>40	8	5	63%
Total	**172**	**11**	**6%**

EAF PRODUCTION IN AUSTRALIA AND US – INFRABUILD			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**19**	**0**	**0%**
<=40	13	0	0%
>40	6	0	0%
White collar	**40**	**13**	**33%**
<=40	31	10	33%
>40	9	3	33%
Total	**59**	**13**	**22%**

PRIMARY PRODUCTION IN AUSTRALIA			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**30**	**0**	**0%**
<=40	30	0	0%
>40	0	0	
White collar	**42**	**9**	**21%**
<=40	36	7	19%
>40	6	2	33%
Total	**72**	**9**	**12%**

TOTAL			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**1663**	**588**	**35%**
<=40	946	301	32%
>40	717	287	40%
White collar	**355**	**216**	**61%**
<=40	257	153	60%
>40	98	63	64%
Total	**2018**	**804**	**40%**

The tables on this page summarise employees who have left the Group in 2021

PRIMARY PRODUCTION EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**1188**	**111**	**9%**
<=40	362	16	4%
>40	826	95	12%
White collar	**433**	**126**	**29%**
<=40	178	63	35%
>40	255	63	25%
Total	**1621**	**237**	**15%**

EAF PRODUCTION IN EUROPE			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**193**	**12**	**6%**
<=40	77	0	0%
>40	116	12	10%
White collar	**112**	**35**	**31%**
<=40	52	23	45%
>40	61	12	19%
Total	**305**	**47**	**15%**

EAF PRODUCTION IN AUSTRALIA AND US – INFRABUILD			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**593**	**21**	**3%**
<=40	330	14	4%
>40	263	7	3%
White collar	**398**	**121**	**30%**
<=40	169	56	33%
>40	229	65	28%
Total	**991**	**141**	**14%**

PRIMARY PRODUCTION IN AUSTRALIA			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**124**	**8**	**6%**
<=40	54	5	9%
>40	70	3	4%
White collar	**142**	**29**	**20%**
<=40	50	8	15%
>40	91	21	23%
Total	**266**	**37**	**14%**

TOTAL			
Working class	Total FTE	Female FTE	% of Female FTE
Blue collar	**2098**	**152**	**7%**
<=40	823	35	4%
>40	1275	117	9%
White collar	**1085**	**310**	**29%**
<=40	449	149	33%
>40	636	161	25%
Total	**3183**	**462**	**15%**

APPENDIX 3
GLOBAL REPORTING INITIATIVE (GRI).

GRI 1
FOUNDATION 2021

LIBERTY has reported the information cited in this GRI content index for the period January 2021-December 2021 with reference to the GRI Standards.

	DISCLOSURE	LOCATION / STATEMENT
GRI 2 GENERAL DISCLOSURES 2021	**2-1** Organisational details	Operations, Governance
	2-2 Entities included in the organisation's sustainability reporting	Operations
	2-3 Reporting period, frequency and contact point	Data collected relates to calendar year 2021 for our European operations and financial year 2022 for our businesses in Australia. Our Financial reporting is done on a country by country basis at different times of the year. This report is published in December 2022. Questions should be directed to gfgglobalcommunications@gfgalliance.com.
	2-4 Restatements of information	N/A
	2-5 External assurance	No external assurance has been commissioned for this report
	2-6 Activities, value chain and other business relationships	Operations, Impact, Environmental Delivery
	2-7 Employees	People and Community, Social Metrics
	2-8 Workers who are not employees	We monitor and manage our contractor labour force at entity level. The number of contractors is variable and will fluctuate dependent on the needs and status of operations. More details can be found in Operations
	2-9 Governance structure and composition	Reference to links below: https://libertysteelgroup.com/news/gfg-alliance-issues-update-on-restructuring-and-refinancing-progress-4/ https://libertysteelgroup.com/about/our-leadership/ More detail can be found in Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance
	2-13 Delegation of responsibility for managing impacts	Governance

	DISCLOSURE	LOCATION / STATEMENT
GRI 2 GENERAL DISCLOSURES 2021	**2-14** Role of the highest governance body in sustainability reporting	The Board is responsible for reviewing and approving topics that are material to LIBERTY. More information can be found in Governance
	2-15 Conflicts of interest	All employees and third parties engaging with GFG Alliance must immediately disclose any existing, perceived, or potential conflicts of interest to their line manager/supervisor/HR or legal department, in a Conflicts of Interest Declaration form. Disclosure forms should be shared with GFG Global Compliance Team for cross entity oversight. Additional information is documented in the GFG Global Compliance Standards.
	2-16 Communication of critical concerns	Through regular management reporting structures, critical concerns are raised with the Board in a timely manner. More details can be found in Governance
	2-17 Collective knowledge of the highest governance body	Governance
	2-18 Evaluation of the performance of the highest governance body	Governance
	2-19 Remuneration policies	Across all of its businesses, LIBERTY has established leadership compensation programmes that are driven by performance and are aligned to industry-specific market practices around policies and reward governance globally. Our philosophy incorporates competitive base salaries within our peer companies and broader talent markets, coupled with annual performance bonuses to incentivise achievement (or over-achievement) of our challenging business targets. The targets set reflect the business plan and strategy in place and are subject to central governance and review to ensure fairness and consistency. Our reward policy reflects the value of the job and the quality of performance and is applied equitably to all of our employees. In addition, our competitive and flexible benefits policy delivers greater market competitiveness on our total remuneration offering that results in enhanced talent engagement, culture and a robust employee value proposition.
	2-20 Process to determine remuneration	Overall remuneration principles are established centrally and applied locally as per local market with policies established locally. For bonuses, frameworks are established centrally and adapted and executed locally.
	2-21 Annual total compensation ratio	Not yet reported
	2-22 Statement on sustainable development strategy	Chairman's Introduction and Sustainability Strategy
	2-23 Policy commitments	The UN Guiding Principles on Business and Human Rights is an integral part of our business conduct and we will continuously monitor our impact on human rights through our dedicated functions. Additional information is documented in our GFG Global Compliance Standards that demonstrates our commitment to fighting human rights abuses and modern slavery https://libertysteelgroup.com/legals/slavery-and-human-trafficking-statement/ More details can be found in Goals
	2-24 Embedding policy commitments	Governance
	2-25 Processes to remediate negative impacts	Impact, Sustainability Strategy, Environmental Delivery, People and Community

	DISCLOSURE	LOCATION / STATEMENT
GRI 2 GENERAL DISCLOSURES 2021	**2-26** Mechanisms for seeking advice and raising concerns	Additional information with respect to employees' obligations is detailed in the GFG Global Compliance Standards that provide employees with guidance on how to raise concerns for Reportable Conduct. More details can be found in People and Community, Governance
	2-28 Membership associations	Environmental Delivery
	2-29 Approach to stakeholder engagement	Environmental Delivery, Sustainability Strategy, People and Community
	2-30 Collective bargaining agreements	All of our blue-collar workers in Europe, US and Australia are covered by collective bargaining agreements. More details can be found in People and Community
GRI 3 MATERIAL TOPICS 2021	**3-1** Process to determine material topics	We have not performed a materiality assessment with our external stakeholders. For this first report, the material topics have been determined by our ESG Steering Committee and senior leadership, based on their knowledge of the business and our stakeholders. For future reports, consideration will be given to a full materiality assessment. More details can be found in GRI table, Impact, Sustainability Strategy, ESG Disclosure Standards
	3-2 List of material topics	GRI table
	3-3 Management of material topics	Impact, Sustainability Strategy, Environmental Delivery, People and Community
GRI 205 ANTI-CORRUPTION 2016	**205-2** Communication and training about anti-corruption policies and procedures	The organisation's anti-corruption policies and procedures have been communicated to all businesses. Training is managed at entity level with oversight from the Global Compliance Team. More details can be found in Governance
GRI 207 TAX 2019	**207-1** Approach to tax	Governance
	207-2 Tax governance, control, and risk management	We rely on broader corporate mechanisms to raise concerns about the organisation's business conduct and the organisation's integrity in relation to tax. More details can be found in Governance
GRI 301 MATERIALS 2016	**301-1** Materials used by weight or volume	Environmental Metrics
	301-2 Recycled input materials used	Environmental Metrics
GRI 302 ENERGY 2016	**302-1** Energy consumption within the organisation	Environmental Metrics
	302-3 Energy intensity	Environmental Metrics

	DISCLOSURE	LOCATION / STATEMENT
GRI 303 WATER AND EFFLUENTS 2018	**303-1** Interactions with water as a shared resource	Environmental Delivery, Environmental Metrics
	303-3 Water withdrawal	Environmental Metrics
	303-4 Water discharge	Environmental Metrics
GRI 304 BIODIVERSITY 2016	**304-1** Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Delivery, Environmental Metrics, Operations
	304-3 Habitats protected or restored	Environmental Delivery
GRI 305 EMISSIONS 2016	**305-1** Direct (Scope 1) GHG emissions	Environmental Delivery, Environmental Metrics, Impact
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Metrics
	305-4 GHG emissions intensity	Environmental Metrics, Sustainability Strategy, Impact
	305-5 Reduction of GHG emissions	Sustainability Strategy, Environmental Delivery, Environmental Metrics
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Metrics "
GRI 306 WASTE 2020	**306-1** Waste generation and significant waste-related impacts	Environmental Delivery
	306-3 Waste generated	Environmental Delivery, Environmental Metrics
	306-4 Waste diverted from disposal	Environmental Metrics
	306-5 Waste directed to disposal	Environmental Metrics
GRI 308 SUPPLIER	**308-1** New suppliers that were screened using environmental criteria	The Global Compliance Standards state that all GFG businesses should have appropriate screening protocols in place that assess the suitability of any potential customer, supplier or third party and have completed the screening activity before a business relationship is established, which can include Reportable Conduct associated with environmental damages. More details can found in ESG Policy

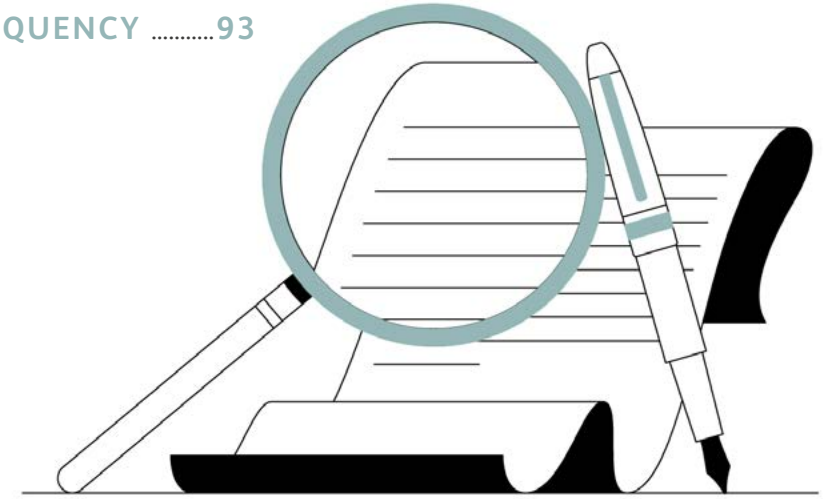
	DISCLOSURE	LOCATION / STATEMENT
GRI 401 EMPLOYMENT 2016	**401-1** New employee hires and employee turnover	People & Communities, Social Metrics "
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018	**403-1** Occupational health and safety management system	Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Safety "
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety
	403-5 Worker training on occupational health and safety	Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety "
	403-8 Workers covered by an occupational health and safety management system	Safety
	403-9 Work-related injuries	Safety, Impact Health and Safety Metrics as per SASB requirement - EM-IS-320a.1 1 fatality in FY 2022 LTIFR and TRIFR reported in the Safety"
GRI 404 TRAINING AND EDUCATION 2016	**404-1** Average hours of training per year per employee	On average between 15 and 24 working hours per employee per year
	404-2 Programmes for upgrading employee skills and transition assistance programmes	People and Community
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance management process in place for all eligible employees in all businesses with ~ 90% having completed a Performance Management Review cycle in our major sites.

	DISCLOSURE	LOCATION / STATEMENT
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016	**405-1** Diversity of governance bodies and employees	Social Metrics
GRI 408 CHILD LABOUR 2016	**408-1** Operations and suppliers at significant risk for incidents of child labour	We operate in highly regulated places with experienced HR teams. **Risk on our supply chain:** see our Modern slavery Statement on our website https://www.gfgalliance.com/modern-slavery-and-human-trafficking-statement/
GRI 409 FORCED OR COMPULSORY LABOUR 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor	We operate in highly regulated places with experienced HR teams. **Risk on our supply chain:** see our Modern Slavery Statement on our website https://www.gfgalliance.com/modern-slavery-and-human-trafficking-statement/
GRI 411 RIGHTS OF INDIGENOUS PEOPLES 2016	**411-1** Incidents of violations involving rights of indigenous peoples	Community communication processes are in place in our Australian businesses. There have been no known incidents of violations.
GRI 413 LOCAL COMMUNITIES 2016	**413-1** Operations with local community engagement, impact assessments, and development programmes	People and Community
GRI 414 SUPPLIER SOCIAL ASSESSMENT 2016	**414-1** New suppliers that were screened using social criteria	The Global Compliance Standards state that all GFG businesses should have appropriate screening protocols in place that assess the suitability of any potential customer, supplier or third party and have completed the screening activity before a business relationship is established, which can include Reportable Conduct associated with social damages. For more details see ESG Policy

APPENDIX 4
ESG POLICY.

CONTENTS

1.SCOPE 91
2.STRATEGY 91
3.PRINCIPLES 91
4.ENVIRONMENT 91
5.SOCIAL 92
6.GOVERNANCE 93
7.POLICY REVIEW FREQUENCY 93



ESG POLICY.

1. SCOPE

This document defines the ESG Policy applicable to all major LIBERTY Steel Group sites and businesses.

2. STRATEGY

To create an economically sustainable business model for our industries that is profitable for the long term, allows for socially sustainable development in our local communities, and is carbon neutral.

3. PRINCIPLES

Our ESG principles are aligned with the World Economic Forum's International Business Council set of common metrics for reporting sustainable value creation, and we have aligned our ambitions with the UN's Sustainable Development Goals (SDGs).

We will benchmark our sustainability reporting against the SASB and GRI frameworks, according to our assessment of materiality. We will measure progress towards our ambitions, and performance against the principles in this policy, using relevant key performance indicators set out in an annual sustainability report.

4. ENVIRONMENT

4.1 Objective: Build sustainable and resilient businesses which support our ambition to be carbon neutral by 2030

We will be part of the solution to climate change with a carbon neutrality by 2030 (CN30) commitment covering scope 1 and scope 2 emissions for our existing steel plants.

Wherever a new plant or business is acquired, a plan will be formulated to reduce carbon emissions associated with those operations as quickly as is technologically and economically feasible.

We will partner with others across academia, industry and finance to develop new technologies for producing low carbon-emitting steel.

We will set out a road map covering each of our major sites, detailing the path to carbon neutrality by 2030. We will embed sustainability considerations in our risk management approach, in order to identify and mitigate the physical and transition risks associated with climate change.

We will engage with our key suppliers and contractors to encourage them to behave in environmentally responsible ways and to abide by principles similar to those set out in this policy.

ESG POLICY.

4.2 Objective: Comply with regional environmental legislation and reduce the environmental impact of our operations

We will comply with the requirements of relevant legislation in the countries and regions in which we operate, through the efficient use of natural resources and energy, and through careful management of the environmental impact of our operations.

Effective environmental and energy management systems will be implemented and maintained at each of our major steelmaking sites. We will encourage external audit of our sites in line with ISO14001.
Sustainable waste management processes will be deployed across our businesses, and we will report on the environmental impact of our operations.

The re-use and recycling of products and the effects of our products throughout their life cycle will be communicated to customers where appropriate.

Wildlife habitats in and around LIBERTY sites will be respected and, where opportunities arise to do so in a way that is conducive to business operations and the local community, they will be progressively enhanced for the benefit of nature.

5. SOCIAL (PEOPLE AND COMMUNITIES)

5.1 Objective: Deliver safe, equitable and good quality working lives for our people

Each location within LIBERTY must have a policy, appropriate to the nature and scale of activities being managed that incorporates the principles and objectives set out in the GFG Health and Safety Vision Values Mission Policy. All local policies should align with our global commitment to achieve world class performance in work health safety and wellbeing.

We will operate globally in a safe, responsible manner, respecting the health of our employees, our customers, suppliers, contractors and the communities in which we operate. We will not compromise health or safety values for profit or production.

We will proactively identify, analyse and address diversity challenges and comply with local legal, regulatory obligations and values in the regions in which we operate.

We will put in place appropriate training structures to ensure all employees have the required skills and competencies to carry out their roles safely and to progress their careers.

We will invest in training to equip our people with the skills for the future and develop a pipeline of critical future talent. This will include retraining our existing workforce and building technical programmes with industry awareness to encourage future generations to join us from the local communities we serve.

ESG POLICY.

5.2 Objective: Make a positive contribution to our communities

We will invest in young people and communities to create high-quality jobs, sustain local suppliers and forge meaningful partnerships to support local economies. We will deliver specific community engagement programmes, such as the GFG Foundation to promote STEM skills to school and university students.

We are committed to doing our part in eradicating modern slavery in all its forms from our global business and supply chains in line with our Modern Slavery and Human Trafficking Statement.

6. GOVERNANCE

6.1 Objective: Ensure integrity and transparency, as well as clear decision-making and risk management frameworks are at the heart of our corporate governance

We will set out clear roles and responsibilities and maintain simple reporting lines to enable a focus on value creation.

We will provide timely and comprehensive information to stakeholders and expect our businesses to comply with local laws, rules and regulations, together with our Global Compliance Standards.

We will monitor and test the implementation and application of our Global Compliance Standards, covering Modern Day Slavery, Anti-Money Laundering & Counter-Terrorist Financing, Anti-Bribery and Corruption, Whistleblowing, Gifts and Hospitality, Sanctions, Counter-Fraud and Conflicts of Interest.

The global Executive Committee will receive reports of any material deficiencies against the standards, along with any remedial actions which have been agreed.

We will benchmark our businesses against a governance scorecard and put in place plans to deliver year on year improvements against the scorecard metrics.

6.2 Objective: Embed sustainability considerations into our strategic decision-making and governance structures

Our Sustainability Strategy is led and reviewed by the ESG Steering Group, which includes regional CEOs, and global Function Heads and meets quarterly. Our sustainability approach is managed and reported against by Marian D'Auria, Global Head of Risk & Sustainability.

ESG Ambitions are approved by the Board and reported against regularly. We will include sustainability initiatives in our standard capitak expenditure, risk management and budgeting processes.

LIBERTY's Governance and Compliance is overseen by our Chief Governance Officer Iain Hunter.

7. POLICY REVIEW FREQUENCY

We will review and update this policy as appropriate, at least every two years.

LIBERTY

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