25 August 2025

Kiersten Fishburn
Secretary
NSW Department of Planning, Housing and Infrastructure

RE: Support for Modification 4 Longwall 317 and 318 Modification

Dear Kiersten,

I am writing to confirm BlueScope's support for Metropolitan Collieries Pty Ltd (**Metropolitan**) application for Modification 4 Longwall 317 and 318 Modification (the **Project**).

BlueScope supports the Project as it will enable the continued operation of Metropolitan's Helensburgh mine in the Southern Coalfields of NSW. In this context, the purpose of this submission is two-fold:

1. To emphasise the critical importance of a continuation of mining in the Southern Coalfields of NSW for the ongoing production of iron and steel at the Port Kembla Steelworks. Metallurgical coal supplies for BlueScope rely on an ongoing commercially viable coal mining sector in the Southern Coalfields.

2. To reinforce the importance of Metropolitan's Helensburgh operations in the Illawarra. Currently Metropolitan supply around 25% of BlueScope's overall metallurgical coking coal requirements with 1 seam (Bulli seam) metallurgical coal used for cokemaking at Port Kembla. Metropolitan has been a long term supplier to BlueScope with current supply arrangements in place. The nature of the contract is commercial-in-confidence.

Critical Importance of Local Metallurgical Coal Supply

BlueScope relies on a stable, uninterrupted and competitive supply of high-quality metallurgical coal (comprising 3 seam and 1 seam) delivered on a just-in-time basis from the Southern Coalfields to remain globally cost competitive at the Port Kembla Steelworks, Australia's only flat steel producer. Despite advances in low-emissions technologies, blast furnace ironmaking remains the only commercially viable method for large-scale virgin steel production today.

The different mines across the Southern Coalfields produce different grades of metallurgical coal, of different calorific values, which BlueScope combines to produce the required blend for the optimal operation of the blast furnace to make iron. One tonne of coal is not always directly substitutional for another tonne of coal. The composition of BlueScope's coal blend (primarily comprised of Bulli 1 seam and Wongawilli 3 seam coals) is of critical commercial importance in ensuring that the Port Kembla Steelworks remains globally cost competitive and is therefore commercial-in-confidence.

BlueScope is widely recognised as producing some of the world's best quality coke due to its unique location adjacent to the Southern Coalfields; one that makes it logical and economically advantageous to use high quality coal, which in turn ensures reliable, consistent and efficient production of high-quality coke, and supports optimum Blast Furnace performance and minimum fuel rates.

Coal is supplied to the Steelworks from the Southern Coalfields in a 'just-in-time' (JIT) arrangement.

This coal is transported to the Steelworks in daily deliveries by truck and rail transport. Local coal supplies are supplemented by smaller volumes of imported coal shipped from other regions to berths at Port Kembla adjacent to the Steelworks and these primary raw materials berths operate at a high utilisation level.

At any one time, one of BlueScope's two coal beds is being filled with new coal supplies while the other is being run down to feed BlueScope's coke making plant, with these coal beds being built and depleted on a weekly cycle.

There are no facilities at Port Kembla Steelworks to allow BlueScope to stockpile coal sufficient to feed the coal beds, and therefore the operation of the Steelworks is reliant on uninterrupted just-in-time supplies of coal from the Southern Coalfields.

Given the just-in-time nature of supply, it is very important that BlueScope has access to local coal supply that is subject to the least possible interruption. For this reason, BlueScope works closely with its coal suppliers to understand their extraction plans, including milestones such as longwall changes and maintenance shut-downs. Unexpected variations to licensing conditions for existing longwalls, or restrictions on future extraction plans, have the potential to interrupt coal supply, make mining less viable, and curtail investment in mines. Any of these outcomes would be of concern to BlueScope and other local stakeholders.

We welcome Metropolitan's focus on extending operations at Helensburgh mine for two years to June 2031.

Progress on BlueScope's Decarbonisation Pathway

Since 2022, BlueScope has advanced key climate initiatives aligned with our commitment to net zero greenhouse gas emissions by 2050. Interim 2030 group-wide targets include:

- A 12% reduction in steelmaking emissions intensity (from a 2018 baseline)
- A 30% reduction in midstream GHG emissions intensity

Major projects include:

- Feasibility study for the NeoSmelt project, a joint venture between BlueScope, Rio Tinto, BHP, Woodside and Mitsui Iron Ore Development, which aims to prove the production of lower-carbon emissions molten iron using Direct Reduced Iron (DRI)-Electric Smelting Furnace (ESF) technology;
- Biochar substitution trials for blast furnace coal;
- Progressively increasing scrap use in steelmaking, targeting ~30% by 2030, delivering emissions intensity reductions and supporting circular economy outcomes; and
- Emissions and efficiency upgrades linked to the $1.15 billion No.6 Blast Furnace reline and upgrade project, now progressing through construction phase, and due to be completed in August 2026.

While our long-term strategy is to reduce reliance on coal dependency, metallurgical coal remains essential during this transition. The Blast Furnace technology will operate into the 2030s, acting as a critical bridge to future lower-emissions technologies.

Support for a Predictable Regulatory Environment

BlueScope supports a regulatory framework that is scientifically grounded, environmentally responsible, and facilitates ongoing investment in sustainable and safe mining practices.

A clear and predictable planning regime is essential for long-term investment decisions by both miners and end-users such as BlueScope. Regulatory uncertainty could discourage critical reinvestment in the mining sector and place at risk the thousands of direct and indirect jobs supported by the steel supply chain.

Economic Contribution and Regional Impact

BlueScope is a cornerstone of the Illawarra economy. Our PKSW and Springhill operations:

- Employ ~3,200 people directly
- Support approximately 10,300 indirect jobs
- Contribute $1.9 billion to Gross Regional Product
- Generate $3.8 billion in total economic output

Reliable access to high-quality local metallurgical coal underpins our cost structure, global competitiveness, and the security of Australia’s domestic steelmaking capability, which is critical for infrastructure, defence, and the energy transition.

Conclusion

BlueScope supports the Metropolitan Modification 4 Longwall 317 and 318 Modification for the role it will play in maintaining Australia's sovereign steel production capacity, supporting thousands of regional jobs, and enabling a responsible, phased transition to lower-emissions steelmaking.

We appreciate the opportunity to provide this letter of support and remain available for further engagement as needed.

Yours sincerely,

Tania Archibald

Tania Archibald
Chief Executive Australian Steel Products
BlueScope Steel Limited