

The Office of the Secretary
Department of Planning and Environment
12 Darcy Street
Parramatta NSW 2150

20 April 2022

Dear Major Projects Team,

Aurizon appreciates the opportunity to provide this submission in relation to BlueScope's Blast Furnace 6 Reline Project (application no. SSI-22545215).

Our company is pleased to support BlueScope Steel's application recognising the significant and sustainable benefits the project would generate, particularly for the communities of the Illawarra and neighbouring regions. The economic benefits include the creation of skilled, well-paid jobs, the supply of goods and services by local businesses and the revenue generated from future production supported by the blast furnace.

As BlueScope has outlined, the relining of No.6 Blast Furnace would make a vital contribution to continuing to develop the manufacturing capability of steelmaking in Australia. The steel produced is supplied to the domestic market for essential infrastructure, building and construction, defence and renewables projects.

Other project benefits include:

- \$1 Billion investment by BlueScope in the Illawarra region and within NSW;
- Ongoing support of 10,000 direct and indirect jobs during operation, plus an additional 250 jobs during the Project's development and construction phases;
- Significant economic contribution to the Illawarra region of \$1.6 billion in Gross Regional Product (11%) and \$6.5 billion of the region's total Output (Value Added);
- A commitment from BlueScope to ensuring environmentally sustainable steelmaking with over \$100 million to be spent on environmental improvement upgrades;
- Securing the short-medium term future of steelmaking at Port Kembla whilst providing a bridge to the longer-term transition to lower emissions steelmaking technologies when it is technically and commercially viable; and
- Maximum local participation throughout the development and construction phases, outsourcing contractors and suppliers from the Illawarra region

Wider benefits extend to the responsible and sustainable management of freight transport supply chain operations, including those which Aurizon operates. The significance of these benefits are outlined in this submission.

Aurizon's operations in NSW

Aurizon (ASX: AZJ) is Australia's largest rail-based transport business. Our purpose is to grow regional Australia by delivering bulk commodities to the world. In the financial year 2020-21, we transported more than 250 million tonnes of Australian commodities, connecting miners, primary producers, and other industries with international and domestic markets. We provide customers with integrated freight and logistics solutions across our operations in New South Wales, Queensland and Western Australia.

Having commenced operations in 2005, Aurizon transported 58 million tonnes of coal in New South Wales during FY2021. Aurizon also provides other bulk commodity supply chain operations in NSW.

We currently have approximately 470 employees who live and work in regional NSW. Our employees in NSW are a valued part of the company's total workforce of more than 4,800 people.

Safety

At Aurizon, our safety goal is to protect ourselves, each other, and our communities. Both Aurizon and BlueScope share a common set of values relating to safety. The companies are conducting their businesses in a way that provides and maintains safe and healthy workplaces for employees, contractors, visitors and the communities in which our operations are located.

We are both working to provide workplaces and operations where there are zero injuries by ensuring that safety and the prevention of injury is part of our culture. Having safety at the core of our culture provides the basis for safe and productive workplaces extending from the operation of mines and across all parts of the land transport supply chain. As part of this commitment, Aurizon actively participates in industry-wide efforts to help reduce rail safety incidents.

The mental health and wellbeing of our employees has always been a priority for our business. Over the years, we have tried to break the stigma associated with mental health problems, and increase awareness by participating in events such as National R U OK? Day, Rail R U OK? Day, and Movember, and by actively promoting our Employee Assistance Program (EAP) services. Our people have also held local activities to talk about mental wellbeing, raise awareness of the issues and provide support and advice to anyone who might be seeking information and assistance for themselves or on behalf of others.

Sustainability

Aurizon is also committed to a transport supply chain that is developed and operated sustainably, and to effectively managing and reducing the impacts of our operations and support services on the natural environment.

Our 2021 Sustainability Report provides a comprehensive explanation of the priorities and actions the company has committed to achieve in order to be a business that operates according to clear and well understood values. Our values are outlined in the company's annual Sustainability Report, and are the basis on which we are continuing to build a strong company that contributes to a sustainable future for our employees, customers, shareholders and the communities where we operate¹.

Climate Strategy and Action Plan

In October 2020, Aurizon released a Climate Strategy and Action Plan (CSAP).

¹ Aurizon 2021 Sustainability Report: Delivering for a Sustainable Future, <https://www.aurizon.com.au/sustainability/overview>

The CSAP is an important component of Aurizon's focus on sustainability. It provides a foundation for our long-term response to climate change, and identifies actions to mitigate risk as well as climate-related opportunities.

Decarbonising our operations and achieving net-zero operational emissions by 2050 is being pursued through a range of initiatives and investments set out in the CSAP, including:

- a) Leveraging existing energy efficiency capabilities and assets.
- b) Investing in development and adoption of low-carbon technologies through Aurizon's \$50 million Future Fleet Fund.
- c) Integrating renewable energy into our current energy usage mix.
- d) Using carbon offsets through project developments and investments where required to meet our decarbonisation goals.

To support our net-zero ambitions, we have set an interim 10% operational emissions intensity reduction target by 2030. This interim target follows progress with reducing emissions intensity by 20% between 2010 and 2020. Following the launch of the CSAP, the company has made progress with key projects that are aimed at improved climate resilience and achieving decarbonisation.

Regional communities

A high priority for Aurizon is to build on the positive contribution our businesses make to the regional communities where our employees live and work and where our train and supply chain operations are located.

More than 80 per cent of Aurizon's employees are based in regional locations. With regard to our NSW operations, all of Aurizon's employees are based in regional cities or communities.

We are working to build further on our presence in regional communities. Over the last four years, the company has given a high priority to bringing more leadership and support services closer to our operations in regional locations, including those in NSW.

We also work within regional communities to , including the safety of the communities where we have our operations. We also engage in ongoing dialogue with community representatives and use this dialogue to improve our performance. Similarly, we strive to understand and, where we can contribute or lend a hand, to support local community issues and priorities.

Diversity and inclusion

Aurizon has a commitment to building greater diversity and inclusion in our workforce, with a focus on increasing the representation of women and Aboriginal and Torres Strait Islander men and women across the company, including in skilled operational roles. Aurizon appreciates that an inclusive workplace, which supports gender balance and equality, drives better performance and outcomes for our customers, shareholders and the communities where employees live and work.

The representation of women in our workforce is currently 22.9 per cent, up from 12 per cent in 2012. This increased representation of women includes providing more opportunities to pursue skilled pathways through apprenticeships and training programs within the company.

Providing effective employment, training and development opportunities for Aboriginal and Torres Strait Islander Australians as part of a broader commitment to achieving greater understanding and contributing to reconciliation, has been a key priority for Aurizon.

We have made significant progress, with the percentage of Aboriginal and Torres Strait Islander employees in our workforce increasing from approximately 2.5 per cent of all employees in 2012, to representing 6.6 per cent of total employees today.

Our aim is to make further progress with providing opportunities for Indigenous Australians as set out in Aurizon's third Reconciliation Action Plan (RAP) which was released in March 2022. Aurizon's third RAP was endorsed by Reconciliation Australia as a 'Stretch' RAP².

Long-term benefits

BlueScope's proposed investment in the Blast Furnace 6 Reline Project would provide significant benefits for the Illawarra and neighbouring regions.

These benefits include the creation of additional skilled and well-paid jobs. In addition, jobs in this sector involve the development of skills and capabilities that provide opportunities for employees to pursue rewarding careers, with the skills and experience gained in mining being valued by many other industries. These benefits are especially important to regional communities where well-paid and highly skilled employment opportunities can be limited when compared to opportunities available in larger cities.

Aurizon values the partnership our company has with BlueScope. We share commitments and values with BlueScope including our shared commitment to safety and to the wellbeing of all employees.

In recognition of the substantial community benefits the project would deliver over many years, Aurizon is very pleased to support the BlueScope's Blast Furnace 6 Reline Project.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nathan S', with a stylized flourish at the end.

Nathan Spicer
Head of Coal Customers

² Under Reconciliation Australia's RAP framework, a 'Stretch' RAP is 'best suited to organisations that have developed strategies and established a strong approach towards advancing reconciliation internally'. This type of RAP is 'focused on implementing longer-term strategies, and working towards defined measurable targets and goals' (<https://www.reconciliation.org.au/reconciliation-action-plans/#ra-stretch-rap>).