

# Whakakahangia ngā hāpori mō ngā rā ō mua

## Strengthening our Communities for the future

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Sustainability Snapshot 2022



# Our Purpose

**We create and inspire smart solutions  
in steel, to strengthen our communities  
for the future.**

# Our Bond

**Our Customers  
are our partners**

**Our People  
are our strength**

**Our Shareholders  
are our foundations**

**Our Local Communities  
are our homes**

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## A message from our Chief Executive

**Robin Davies**  
Chief Executive  
New Zealand & Pacific Islands



I am proud to present the 2022 Sustainability Snapshot – our latest update on the Company's progress towards our sustainability goals.

As we entered another year facing the uncertainties of a global pandemic, our focus remained on the health and wellbeing of our employees, their families, our contractors, customers, suppliers and visitors to mitigate the business impacts and maintain job stability for our people. Our teams adapted to a new way of working to keep themselves and those around them safe and to keep our businesses operating to meet our customer demands.

Sustainability sits at the heart of our business. It is important to us in every facet of our business including environmental, social, economic and cultural. We take a lifecycle approach, seeking to improve the performance of our products over their entire lifecycle.

Over 55 years ago, our forebears had a grand vision to develop a local steel industry as a strategic asset for New Zealand, utilising local resources and raw materials.

Fast forward to today and we are still doing exactly that, we are committed to our role in supporting the economic resilience and optionality that having a domestic steel maker provides for New Zealand businesses and critical infrastructure projects. Steel is used in everything from roads and railways to earthquake resilient buildings and electric vehicles and will play an important role in New Zealand's transition to a net zero carbon economy.

As you read this report I trust it will become evident to you that our people are living Our Purpose: 'We create and inspire smart solutions in steel, to strengthen our communities for the future'.

## A message from our Chief Executive Climate Change & Sustainability

**Gretta Stephens**  
Chief Executive  
Climate Change & Sustainability



It is great to see New Zealand Steel working for success in a way that benefits our people, communities and the environment.

This snapshot gives some inspirational insights into the commitment and spirit of the people and communities across the NZPI businesses, who have played a very special role in my professional and personal journey as former NZPI Chief Executive.

We are learning from many of the initiatives across NZPI as we continue to build sustainability across our diverse operations and regions at BlueScope. Collaboration – with our employees and our external

stakeholders – is a major focus for our efforts to progress climate action as well as our other sustainability focus areas. Many of the challenges and opportunities are shared, including the need for breakthrough technologies to help us make the transition to low-emissions iron and steelmaking, so learning from each other only serves to make us stronger.

I am especially encouraged to see our engagement with first nations communities – listening to their experience and bringing their voice into our business.

[www.bluescope.com/sustainable-steel/reports/](http://www.bluescope.com/sustainable-steel/reports/)

## Snapshot Overview

The Sustainability Snapshot describes the New Zealand and Pacific Islands business activities in the context of our sustainability performance and our contribution to sustainable development. This Snapshot should be read in conjunction with our parent company, BlueScope's, Sustainability Report which further explores many of the topics discussed.

-  **Read more about Sustainability at BlueScope**  
[bluescope.com/sustainable-steel](https://bluescope.com/sustainable-steel)
-  **Read more about Sustainability at NZ Steel**  
[nzsteel.co.nz/sustainability](https://nzsteel.co.nz/sustainability)

## Supporting the Sustainable Development Goals

We support the United Nations (UN) Sustainable Development Goals (SDGs), and align our efforts to these global imperatives to protect and care for people, act responsibly, innovate for shared benefit and use resources wisely. Our Sustainability Outcomes are aligned to relevant SDGs as shown below. This snapshot shows many examples of how our business and our people support the SDGs.



## New Zealand Treasury's Living Standards Framework

The New Zealand Treasury's Living Standards Framework (LSF) looks across the human, social, natural, financial and physical aspects of those things that affect our wellbeing – the 'four capitals'.

### Our Contribution to the Four Capitals

Look for the LSF coloured icon in each section to easily identify which capital is covered by the activities and initiatives we have in place.



## Quick Facts Our Business at a Glance

-  New Zealand Made for 55+ years  
\$900M to the New Zealand economy annually<sup>2</sup>
-  Our steel making co-products are a valuable resource for road making, drainage fields, wastewater treatment  
\$398 million in value added to the Auckland region<sup>2</sup>
-  40+ apprentices and graduates trained annually  
Reducing our water intensity is a key focus in our mining and manufacturing processes
-  4,000 people employed - 1,400 people employed directly, a further 2,500 indirectly<sup>2</sup>  
Female participation rate increased from 11% to 19% between 2017 and 2020
-  92% of our Glenbrook electricity comes from renewable sources and from co-generation on-site  
Committed to GHG emission intensity reduction by 2030 - 12% for steel, making and 30% for non-steelmaking facilities<sup>3</sup>
-  Our NZ Steel and Pacific Steel businesses both have an on-site Wellbeing & Response Hub  
421 employees engaged in 'Asking Better Questions for Better Solutions' - a new programme to actively advance our safety, health & environmental goals
-  Certified to the rigorous ISO14001 and Environmental Choice standards, externally audited each year
-  BlueScope set a goal for NET ZERO Greenhouse Gas Emissions across its operations by 2050<sup>4</sup>

<sup>2</sup> Berl - NZ Steel Wellbeing Assessment July 2021

<sup>3</sup> Steelmaking is primary steel production to hot mill; non-steelmaking is cold rolling mill, finishing operations and Pacific Steel wire and rod mills.

<sup>4</sup> Our 2050 net zero goal covered BlueScope's Scope 1 and 2 GHG emissions. Achieving the 2050 net zero goal is highly depended on several enablers, including commerciality of emerging and breakthrough technologies, the availability of affordable and reliable renewable energy and hydrogen, availability of quality raw materials, and appropriate policy settings. Source: BlueScope Climate Action Summary Sept 2021.



## Who we are and what we do

With ten sites across New Zealand, Fiji, Vanuatu and New Caledonia, our 1,400 people manufacture and market a wide range of steel products to the New Zealand and Pacific Islands construction, infrastructure and manufacturing industries.



Our business at a glance

Who we are and what we do

Safe and Inclusive workplaces

Strong Communities

Environment & Climate Action

Responsible products

## BlueScope & Our New Zealand & Pacific Island Business

### BlueScope

BlueScope has over 160 manufacturing, processing and distribution sites and sales offices located in 18 countries, including New Zealand and Pacific Islands. The transformation of BlueScope in recent years has resulted in a more diversified business with a greater contribution of value-added products, principally focussed on building and construction markets.

### New Zealand & Pacific Islands

Our New Zealand and Pacific Island businesses consist of four main operational groups:

- » New Zealand Steel (NZ Steel)
- » Pacific Steel (NZ)
- » Steltech®
- » BlueScope Pacific Islands

With ten sites across New Zealand, Fiji, Vanuatu and New Caledonia, our 1,400 people manufacture and market a wide range of steel products to the New Zealand and Pacific Islands construction, infrastructure and manufacturing industries.

### Contributing to New Zealand

Our business has helped grow the New Zealand economy for over 55 years and now supports over 4000 local jobs directly and indirectly.<sup>5</sup> We also contribute over \$900 million per annum to the New Zealand economy<sup>6</sup> and deliver local steel products that would require foreign exchange payments of \$1 billion if not solely sourced in New Zealand.

### A Diverse Product Range

Our businesses manufacture products which are essential to New Zealand's building, construction, manufacturing and infrastructure industries. Key products include roofing, structural beams, steel framing and reinforcing steel, all of which help grow homes, businesses and transport routes. Having a local supply chain of steel products also helps to ensure reliable product deliveries and smooth project rollout while contributing directly to the New Zealand economy through buying local.

In addition, co-products from our Glenbrook site provide synthetic aggregate for the New Zealand market, reducing the requirement for quarrying.

<sup>5</sup> Berl - NZ Steel Wellbeing Assessment July 2021





# New Zealand Steel

## Our Unique Story

Since 1968, iron and steel making at NZ Steel has used a unique process to convert ironsands into steel products.

We produce around 670,000 tonnes of steel a year to meet a large amount of the steel demands of the construction, infrastructure, manufacturing and agricultural sectors.

## The Strength of Steel

Since the early 80's, COLORSTEEL® has been protecting New Zealanders from the elements, providing long-lasting performance using a tough, durable paint system. AXXIS® Steel for Framing is exceptionally strong and built to last. It is fire resistant and has been shown to have excellent earthquake resistance. New Zealand Steel's relentless commitment to research and development ensures our products can stand up to our intense weather conditions.

## Local Manufacturing is Important

Our companies are trusted, safe suppliers with quality certifications that can be relied on. There are critical benefits of having a domestic steelmaker.

The case studies throughout this report provide examples of how our domestically produced steel cannot be replaced by imported steel product without adverse impacts on NZ businesses and communities.



## STEEL IS EXTREMELY DUCTILE

Meaning it does not buckle, distort, warp or splinter. These properties make it an essential component in earthquake prone areas of NZ and provides superior structural performance in cases of building fires.



## LONGEVITY & DURABILITY OF STEEL

Buildings constructed with steel tend to have longer useful lives and lower maintenance and replacement requirements.



## STEEL IS INFINITELY RECYCLABLE

Steel can be recovered and recycled without losing any of its properties, resulting in almost zero construction demolition waste.



## STEEL IS AN ESSENTIAL INGREDIENT IN A LOW CARBON ECONOMY

It takes over 140 tonnes of steel to build a new wind turbine.



### CASE STUDY

## PAINT LINE SEEKS OUT SOLUTIONS TO WASTED PAINT

The NZ Steel paint line recently converted from paint drums to Intermediate Bulk Containers (IBC) which feature a flat bottom. This design unfortunately led to a substantial amount of paint remaining at the bottom, unused and inaccessible, contributing to overall waste for the mill. The team identified a solution to the problem by purchasing two IBC 'tilters' that could safely tilt the containers in order to utilise as much paint as possible. As a result, the team have managed to extract an extra 30 litres of paint per IBC, which amounts to a carbon reduction of approximately 26tCO<sub>2</sub>-e. This is equivalent to 87,130kms travelled in a petrol car.



### CASE STUDY

## AUCKLAND HARBOUR BRIDGE, PROMPT SUPPLY OF DOMESTIC STEEL MINIMISING DELAYS & ADVERSE ECONOMIC IMPACTS

The regional economic effects of the accident when a truck was blown over in high winds damaging an integral part of the Auckland Harbour Bridge in 2020 were materially reduced because NZ Steel was able to supply the plate steel required for the section replacement within 24 hours.



By contrast, importation of the same steel component would have likely involved months of delay if imported steel was necessary.



## Pacific Steel

### Helping Grow New Zealand

Pacific Steel is NZ's only manufacturer of wire rod, reinforcing bar and coil products. It has been an iconic NZ business for 60 years, helping to provide strength for a growing nation. The Auckland based manufacturing facility produces around 250,000 tonnes of manufactured steel per year, with most of this volume destined for foundations and fences around New Zealand.

### Iconic and Reliable Brands

Pacific Steel brands are a mainstay of the New Zealand construction and fencing industries. SEISMIC® branded reinforcing products carry a reputation that has been tried, tested and trusted by thousands of customers. While its WIREMARK® branded fencing wire remains a popular material

within the fencing community. Both brands hold their own in a competitive local marketplace and are well known for quality and reliability.

### Reinforced by Trust

SEISMIC® products are designed for the local market conditions and the demanding requirements of the seismic structural design methods required by local Standards (AS/NZS 4671). Because NZ experiences high earthquake activity, highly ductile reinforcing products are required for much of the market.

High ductility enables the steel to stretch more before failure, which is important when designing structures to avoid catastrophic failures in earthquake events. Pacific Steel ensures stringent testing is in place to meet these requirements, providing the marketplace with reassurance in SEISMIC® branded products.



### PRODUCTION EFFICIENCY REDUCES CARBON INTENSITY

When steel billets are rolled into reinforcing bar and cut based on customer requirements, there is a remainder, called a random. The random cannot be sold as prime product and instead becomes scrap. The Pacific Steel team sought to minimise these losses through a number of process control improvements. These included optimising steel billet lengths and designing new shear blades and deflector plates to minimise damage to the bars. This project led to a significant decrease in the randoms produced and greenhouse gas intensity reduced by an impressive 8.4% from FY18 to FY21 for Pacific Steel.



CASE STUDY

### SEISMICALLY RESILIENT PRODUCTS

SEISMIC® branded products are made to meet NZ's seismic conditions, satisfying the demanding building and construction standards required by local authorities around the country.



### TEST HOUSE IANZ ACCREDITED

Pacific Steel's onsite Quality Assurance Centre is IANZ accredited, providing confidence in its testing processes.



### PRODUCTS ACRS CERTIFIED

ACRS is an independent, third-party product certification. It certifies that SEISMIC® products meet the Reinforcing Standard AS/NZS 4671.



### ENSURING TRACEABILITY

Each bundle of SEISMIC® reinforcing steel carries its own unique label and lot number which links to the related test certificate.



### GREENHOUSE GAS INTENSITY REDUCTION OF OVER 8%

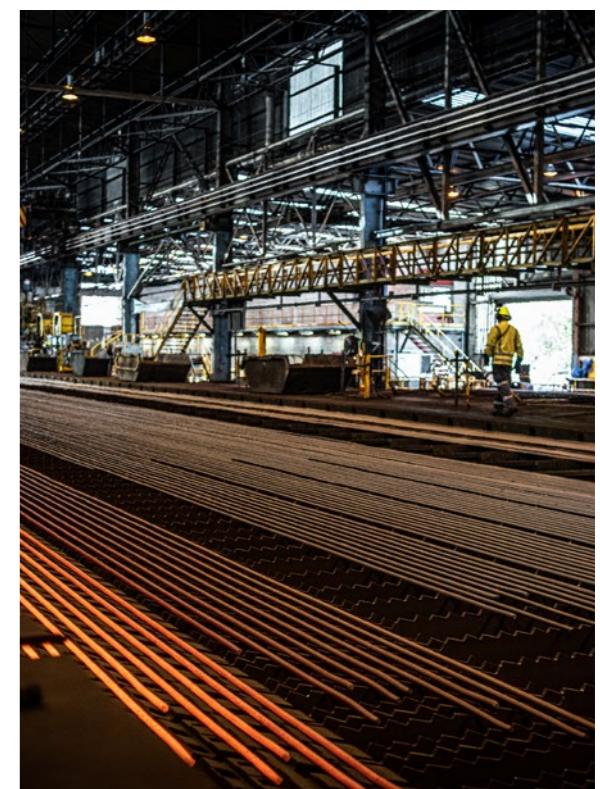
An impressive 8.4% reduction in greenhouse gas intensity.



CASE STUDY

### LOCAL STEEL DELIVERS SOLUTION FOR AUCKLAND'S CITY RAIL LINK

Auckland's City Rail link (CRL) is New Zealand's first ever underground railway. It is made up of a 3.45km twin-tunnel which runs up to 42 metres below the Auckland city centre and links up to the already established rail network. The project is due for completion in 2024 and aims to double the rail capacity, meaning more trains, more often. In January 2017 Pacific Steel were given the challenge to produce a 50mm reinforcing steel bar for the CRL. They quickly committed the required time and resources to make this happen, pulling together their manufacturing, technical and supply chain expertise to develop a product solution, the first of its kind to be manufactured in New Zealand. These 50mm steel bars are now holding up the historic Chief Post Office building which the rail tunnels run under, helping to advance Auckland's future transport network and preserve a historic landmark. Due to the recent focus on infrastructure, significant short lead times are critical. Approximately 25,000 tonnes of locally produced reinforcing steel will be used over a three to four-year period, providing economic and social benefits to future generations.





## Pacific Islands

### A Pacific View

Our Pacific Island businesses have facilities in Fiji, New Caledonia and Vanuatu and offer a wide range of products including roofing, water tanks, purlins and reinforcing.

Having businesses located within these small island nations helps to contribute directly to their economies and also ensures a local supply of building and construction materials for these growing countries.

### A Sustainable Focus

Our Suva Rolling Mill has been designed to use waste oil as a fuel source for its Reheat Furnace. Recognising disposal of waste oil is a significant issue within small Pacific Islands, the Fiji Pacific Steel business established a community-based waste oil collection system, serviced by a dedicated truck. This required educating the owners of collection depots to ensure that no additional contaminants were added to the tanks, so that air quality standards could be maintained in the Rolling Mill stack emission. From 2020 this program was extended to assist other Pacific Islands, as described in the case study below.



#### CASE STUDY

### WORKING TOGETHER FOR RESPONSIBLE WASTE OIL MANAGEMENT IN THE PACIFIC REGION

Working with Pacific Bulk Fuels (New Zealand), Fish Kiribati Limited, respective Government departments, shipping agents and local communities, the team collected approximately 21,000L of waste oil, removing a significant environmental risk from small Pacific Island nations who have limited other means to destroy or safely dispose of waste oil. The team is exploring opportunities to extend the program to other areas of the Pacific.



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## PARTNERING WITH GOVERNMENT

BlueScope Pacific Steel (Fiji) has worked collaboratively with the Fijian Government around establishing building standards in accordance with AS/NZS 4671.



## PRODUCTS ACRS CERTIFIED

ACRS is an independent, third-party product certification. This certifies that our BlueScope Pacific Steel (Fiji) products meet the New Zealand Reinforcing Standard AS/NZS 4671.

## COMMUNITY ENGAGEMENT AWARD

BlueScope Pacific Steel Fiji received BlueScope's FY2021 Community Engagement Award, recognising the team's work to co-ordinate, collect and reuse waste oil products from communities across the Pacific.

## SUPPORTING THE NEXT GENERATION

BlueScope New Caledonia has established a work experience programme for 16 to 18 year old students, helping to open their minds up to new career pathways



#### CASE STUDY

### CARE PACKS FOR FIJI EMPLOYEES

The COVID pandemic dramatically affected the lives and families of our BlueScope Fiji team when operations in Nadi and Suva were forced into a complete lockdown for several weeks. An employee workplace giving scheme across our operations in New Zealand and New Caledonia was matched by the Company. Each of our team members in Fiji received food care packages worth \$265 per person. These care packs changed and benefited our colleagues and their entire home by not just a week, but in most cases by more than a month. Our people were really overwhelmed with joy from this kind gesture – Iftikar Khan, Manager BlueScope Lysaght.



#### CASE STUDY

### TURNING WASTE INTO ART

BlueScope New Caledonia have partnered with a local company HANVIE Association to successfully implement two progressive initiatives; responsibly recovering and recycling waste and strengthening their communities by supporting an initiative that is providing employment opportunities for people with disabilities.

HANVIE association recycle scrap steel from the operational site to produce a range of decorative products as part of a work reintegration project for people who struggle to find employment.





Photo: NGA PUNA WAI SPORTS HUB, CHRISTCHURCH, built by Hawkins

## Steltech®

### The backbone of buildings

Operating since 1987, STELTECH® manufacture columns and beams to almost any size, shape or length which gives engineers, designers and owners the freedom to develop visually interesting buildings that are also cost effective in relation to space.

The company proudly supports the local economy, using New Zealand made steel and local operators to manufacture its beams.

### Helping reduce waste

By reducing overall weight and limiting wastage, custom welded beams can be incredibly cost effective and provide great value. These weight savings can also reduce the costs associated with the building's foundations.

Custom welded beams help reduce fabrication time. Large, clear spans with no columns are made possible by including tapered beams and this can deliver far more flexible internal layouts.



CASE STUDY

### PERFECT WEATHER YEAR-ROUND UNDER STELTECH® BEAMS

The 10,000 sqm Snowplanet on Auckland's North Shore acts like a state-of-the-art freezer. The Steltech® beams that span the 40 x 200 metre ski slope allow the skiers and snowboarders to move freely without obstruction. Working with Sinclair Knight Mertz Engineers, Steltech® designed and manufactured bespoke beam solutions to maximise the area and fit the unusual requirement of being angled up hill.

A first for NZ, and still one of the largest indoor ski slopes in the Southern Hemisphere.



### REDUCED WASTE & COSTS

10% to 15% in reduced waste and fabrication costs through optimising the design.



### HERA VERIFIED

The design methodology for Steltech® VERTEBEAM® has been verified by the Heavy Engineering Research Association (HERA).



### BIRDPROOF WITH VERTEBEAM®

The flush layout of beams, girts, and rafters makes a building constructed with VERTEBEAM® virtually vermin-proof.



### HIGH CAPACITY WELDED SECTIONS FOR HIGH-RISE BUILDINGS

Specifically for columns and beams in high-rise construction up to 40 and 50mm.



CASE STUDY

### STELTECH® BEAMS FOR ENGINEERS OF THE FUTURE

Designed and constructed around the theme of visible engineering, the University of Auckland's engineering building B405 showcases exposed Steltech® custom welded beams to students, faculty and visitors.



The exposed beams have been entirely forged from within 80Kms of the University. Design, manufacture and fabrication all completed in South Auckland, with the steel made in Glenbrook from iron sands.

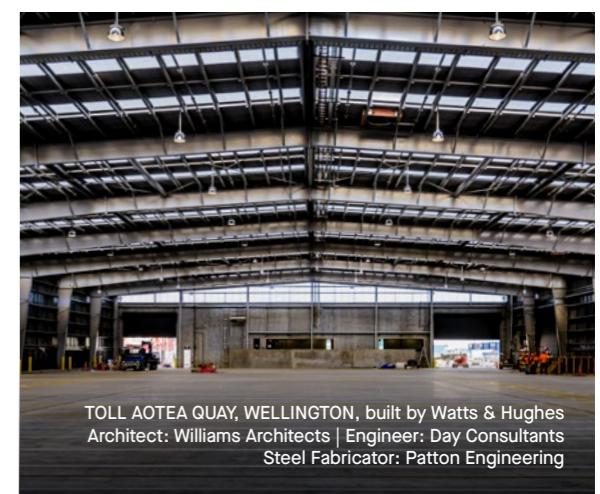
Not a bad engineering feat in itself!



CASE STUDY

### SAVING TIME & REDUCING H&S RISK IN WINDY WELLINGTON

Toll Aotea is a purpose-built logistics facility designed and constructed using a bespoke Steltech® custom designed portal frame. The building was created to allow faster and more efficient handling of freight for the lower North and upper South Island.



The use of Steltech® beams and columns was key to the design as it enables a clear span internally so vehicles can move through the building without obstruction. The construction involved less components which saved time and meant less risk to Health and Safety with contractors working at 15m heights in Wellington's famous winds.



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



# Safe & inclusive workplaces

Create safe, healthy and inclusive workplaces that value diversity, inspire creativity, support capability and reflect the communities where we operate.



HUMAN CAPITAL



SOCIAL CAPITAL

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## Safety, health & wellbeing

Our care and commitment to health, safety and the environment is integral to the way we do business: for our productivity and success, for our people who work through our supply chains and our local communities. The safety and health of people is paramount, as is our commitment to trust, respect and teamwork in our workplaces.

### Effective outcomes

Delivering effective outcomes for our safety, health and wellbeing where we connect with and learn from our people, actively collaborate and share what we learn. In our integrated health, safety and environment (HSE) approach, we build on our risk-based management foundations to continuously strengthen the effectiveness of our controls and make a positive difference in our workplaces and communities. We have continued to adapt our safety processes and look for new ways to continue to learn and improve.

### Better Questions, Stronger Solutions

Through our Health, Safety and Environment (HSE) programme, we are implementing practical HSE risk control and improvements to build resilience, whilst empowering our people who make and handle our products to be part of the solution.

A core component of HSE Evolution are 'Better Questions, Stronger Solutions' mindset. A new approach to building effective questioning into our existing processes. It's about listening to our people, especially those who make and handle our products, and sharing what we've learned with each other so we can improve. By asking better questions, we identify smarter controls, and this leads to stronger solutions to make a difference in our workplaces and communities.



#### CASE STUDY

### MELTER HOIST

Occasionally operators are required to transport a bobcat to or from the control room floor via the melter hoist which wasn't designed for this type of load. This requires the hoist safety gates to be opened for the duration of the task as the bobcat doesn't fit properly on the hoist thus introducing an unprotected fall risk of >10m. It also requires the operators to back the unit out onto the platform with no fall stop in place to prevent the machine inadvertently falling over the edge.

To mitigate the risk, a new, larger platform was engineered with drop in wheel chocks and new fall stops to accommodate the Bobcat without the need to open the safety gates.

### Health & wellbeing through a COVID-19 lens

Protecting, supporting and promoting health people and healthy workplaces is core to our business.

As COVID-19 continues to present challenges around the world, our health & safety has continued to evolve to prioritise effective management of the pandemic in our workplaces and communities. We continue to work closely with the Ministry of Health (MoH) to ensure we stay up to date with the latest advice.

We recognise that many of our people have been directly affected by the impacts of COVID-19 on their physical and mental health and through resulting economic uncertainty. Our businesses have supported each other and their communities during this challenging time.





HUMAN CAPITAL



SOCIAL CAPITAL

## Diversity & Inclusion

'Diversity' refers to all the ways we differ. 'Inclusion' refers to creating a work environment and culture where all differences are valued and respected. Our success comes from our people. We recognise and value the different skills, experiences, perspectives and backgrounds that our people bring to the company.

### Talent Attraction & Acquisition

Talent attraction and acquisition is an integral part of our diversity journey and in positioning our employment brand to drive diverse candidate pools. We continue to transform our recruitment practices to ensure we have a capable and engaged workforce that reflects the variety of skills, backgrounds and perspectives needed to strengthen our business now and for the future.

We train over 40 future leaders each year to help build our early talent pool as well as expanding on our collective knowledge within the industry. Our graduate programme consists of three unique nine-month placements in different business units across NZ Steel and Pacific Steel. We partner with ETCO and Competenz (ATNZ) for apprentice training.

### Identity - Our Diversity & Inclusion Committee

'Identity' is our committee for diversity and inclusion. The Committee is comprised of employees from a cross-section of the business, supported by an executive sponsor from our Senior Leadership team and are responsible for planning, promoting and implementing initiatives that promote diversity as a key strategic business driver and provide a platform for employees to share knowledge, professionally develop and network in ways that improve diversity and inclusion.

Our aim is to provide all employees with a stable, positive culture where everyone can grow and give their best.

### Initiatives

A key achievement in 2022 was the engagement with our teams on bullying, harassment and discrimination. These sessions involved having 'tough conversations' to ensure that as we continue to expand the diverse demographic of our workforce and reflect the communities in which we operate, we create and maintain a safe environment for all to contribute, be heard and feel welcome.

We are undertaking a variety of engagement initiatives to enhance our inclusive practices. These include conducting detailed exit interviews with female employees to understand how we can better accommodate females in our work environment, enhancing our flexible working practices and trialling the inclusion of front-line operators in the recruitment and selection of new employees.



CASE STUDY

### SPEAK UP, STAND TOGETHER, STOP BULLYING!

In May each year schools, workplaces and communities around NZ celebrate Pink Shirt Day, a campaign encouraging everyone to speak up, stand together and stop bullying. We marked the day by wearing pink, holding special toolbox talks as part of shift briefings and team meetings on workplace bullying. We reinforced the role we all have to help stop bullying and to celebrate diversity and promote kindness and inclusiveness.



## MANAGEMENT OF CRITICAL RISK

Teams from across the business identified 104 improvement projects during 2022 for our critical risks. These projects focused on implementing High Order Controls.



## NEW APPROACH TO AUDITING EFFECTIVE QUESTIONING

It's about listening to our people, especially those who make and handle our products, and sharing key learnings with each other so we can improve.



## ONSITE FIRST RESPONSE

New Zealand Steel has on-site emergency services for first response to any health & safety event.



## EMPLOYEE ASSISTANCE PROGRAMMES READILY AVAILABLE

Employee Assistance Programme and 1737 free counselling text service are available to our people 24 hours a day, 7 days a week.



## WELLBEING & RESPONSE HUB

Our NZ Steel and Pacific Steel businesses both have an on-site Wellbeing & Response Hub.



## PROMOTING & IMPLEMENTING INITIATIVES THAT PROMOTE DIVERSITY

Pink Shirt Day (Anti-bullying) Te Wiki o Te Reo Māori (Māori Language Week), New Zealand Sign Language Week and other cultural celebrations such as Diwali and Matariki (Māori New Year).



## BUILDING ON 19% FEMALES

Female participation rate increased from 11% to 19% from 2017 at NZ Steel and 19.5% at Pacific Steel.



## TRAINING 40+ FUTURE LEADERS

40+ apprentices & graduates onsite each year developing future skills for heavy and light industry.



2018

Nominated in the NZ Diversity Awards; Emerging Diversity & Inclusion category - Diversity Works NZ

2020

YWCA Equal Pay Awards - a strong entry that was commended by the judging panel for initiatives in addressing equal pay and diversity & inclusion issues

2021

Awarded Highly Commended in the NZ Diversity Awards; Inclusive Workplace category - Diversity Works NZ



# Strong Communities

We understand the responsibility of being a major community employer and partner. We employ local people and use a mix of local and national suppliers. We seek to create sustainable partnerships and opportunities for our people to be involved in the community.



SOCIAL CAPITAL

## Community engagement & support

### Giving Back to Our Communities

We understand the responsibility of being a major community employer and partner. As a company that has operated in NZ since 1968, we are an integral part of our local community. We employ local people and use a mix of national and local suppliers. Making a positive contribution to the communities we operate in is important and underpins our social investment.

Each year, we provide kickstart scholarships to Year 13 students at Waiuku College, Pukekohe High School and Otahuhu College, two Undergraduate Scholarships in the field of engineering and a NZ Steel Sir John Ingram Scholarship in Canterbury for women in engineering.

### Valuable work experience for future generations

New Zealand Steel has a long history of supporting local primary and secondary schools. The Company supports a pathway to tertiary study, apprenticeships and employment for senior high school students through the Gateway programme. The programme is designed to give students practical, real-world insights into STEM careers.

Two students are on site each week in the school holidays working alongside Tradespeople in our



### CASE STUDY

### MY WHARE - TINY HOUSES

In order to create solutions for homeless youth and those transitioning out of care in Auckland, community trust Vision West has created 'My Whare', an innovative youth housing programme that places tiny houses on the properties of host families, who offer support for the young person as they become independent.

The structural components are prefabricated off-site using AXXIS® steel framing supplied by NZ Steel. They are then shipped to the manufacturer's yard and assembled with COLORSTEEL® cladding & roofing, before interiors are built and finished. Constructed on trailers to be towed to residential properties ready to be used as a stepping stone for young people identified as being in need. Steel eliminates the chances of warping and movement of the frame as well as significantly reducing fire risk. Waste can be recycled and often mitigated altogether.

A great project for helping young people find their feet, with a comfortable and warm roof over their heads.

Read more at [visionwest.org.nz/youth-solutions/mywhare/](http://visionwest.org.nz/youth-solutions/mywhare/)

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Mechanical Workshop. Our employees enjoy the opportunity to inspire and share their time and knowledge with young people who are keen to learn more about working in the steel industry. Several of our Apprentices have been through the Gateway programme prior to starting their apprenticeship.

The Company continues to engage with high school Career Advisors to ensure they are well informed when talking with students about industry pathways.

### Supporting Kiwi Can

The Graeme Dingle Foundation Kiwi Can programme is creating a safer environment for students across New Zealand schools. After learning of the struggles that Pukekohe North School was facing to engage students and maintain a positive, violence free environment, NZ Steel provided support to the Dingle Foundation to enable the launch of a Kiwi Can programme, which is seeing some amazing results.

**"What we're seeing now, we've got beautiful traction where our kids are starting to work together, to play in the playground properly, to negotiate & communicate rather than resorting to physical violence to solve all their problems."**

**Jim Stafford-Bush**  
Principal, Pukekohe North School





## Mana Whenua Engagement

*'E hara taku toa i te toa takitahi, engari he toa takitini ke'*  
*'My strength is not that of an individual, but that of the collective'.*

### Our Iwi Relations

Māori have strong spiritual, genealogical, cultural and customary bonds to the land. As part of our ongoing commitment to our relationship with mana whenua (people of the land) we work with our local iwi groups to identify ways we can strengthen our relationships.

In 2021 NZ Steel appointed a cultural advisor to represent the interests of mana whenua and the wider Māori community.

This appointment has enabled the Company to grow awareness through education on local history and basic Te Reo Māori and has increased employee participation in annual events such as Te Reo Māori Language Week and Matariki.



### Te Whangai Trust enhancing lives

*'Ka Whakatupu ki te whenua ka ora ki te iwi'*  
*'Nurture the land, give life to the people'*

NZ Steel supports Te Whāngai Trust to help people reach their full potential and make a positive contribution to society. The Company provides senior management representation on the Te Whāngai Trust Board. (Our GM Mining & Engineering served as a board member for 3 years, and now the GM People & External Affairs is the Company representative on the Te Whāngai Board).

Core to the Te Whāngai Trust charter is their commitment to Māori values and philosophy.

The Trust aims to create a sustainable ecological, social and educational enterprise that supports, trains and advocates for people who have difficulty finding jobs and encourages them to break habits and make changes for more healthy and sustained lives. By empowering people to break habits and change the inter-generational cycle, they can create a better life for themselves and future generations.



### TAHUNA MARAE RE-ROOF & WORKING BEE

New Zealand Steel has a long-standing relationship with Ngaati Te Ata as local iwi covering Waiuku and the Manukau Heads which adjoins the steelworks and includes Waikato North Head mining operation.

NZ Steel formed a project team to replace the roof of the Whare Oranga (place of wellbeing) at Tahuna Marae which was in desperate need of repair.

Several employees also rolled up their sleeves to join whanau in a working bee at the Marae. The re-roof project also provided the perfect backdrop to involve local High School students with an interest in trades or roofing to compete in a roofing games challenge organised by NZ Steel.



## SUPPORTING WAIUKU SEARCH & RESCUE

NZ Steel has supported the Waiuku Search & Rescue vessel for over two decades - [coastguard.nz](http://coastguard.nz)



## HELPING GROW RESILIENT KIWI KIDS

We sponsor the Graeme Dingle Foundation Kiwi Can programme at Pukekohe North School, building student engagement and achievement - [dinglefoundation.org.nz](http://dinglefoundation.org.nz)



## CO-FOUNDER OF RYDA

New Zealand Steel is a co-founding sponsor of the Road Safety Education, RYDA Programme. Over 85,000 students have participated since 2007 - [rse.org.nz](http://rse.org.nz)



## GROWING TREES NATIONWIDE

Our business is a supporting organisation of the nationwide Trees for Survival Charitable Trust, which links school children to growing and planting native trees - [tfsnz.org.nz](http://tfsnz.org.nz)



## CULTURAL ADVISOR APPOINTED

To represent the interests of mana whenua and the wider Māori community



## SUPPORTING CULTURAL INITIATIVES FOR YOUTH

We support youth through cultural initiatives and events of importance to Iwi and the wider community including Māori Language week and Matariki.



## TE WHANGAI TRUST SUPPORTED OVER 800 NEW ZEALANDERS

Te Whangai Trust supported over 800 New Zealanders from challenging backgrounds to upskill with career opportunities supporting nature [www.tewhangai.org](http://www.tewhangai.org). Adrienne Dalton, who co-established the Trust in 2007 with her husband Gary, was recognised in the Queens honours for services to conservation and youth - [tewhangai.org](http://tewhangai.org)



### CASE STUDY

### TAHUNA MARAE RE-ROOF & WORKING BEE

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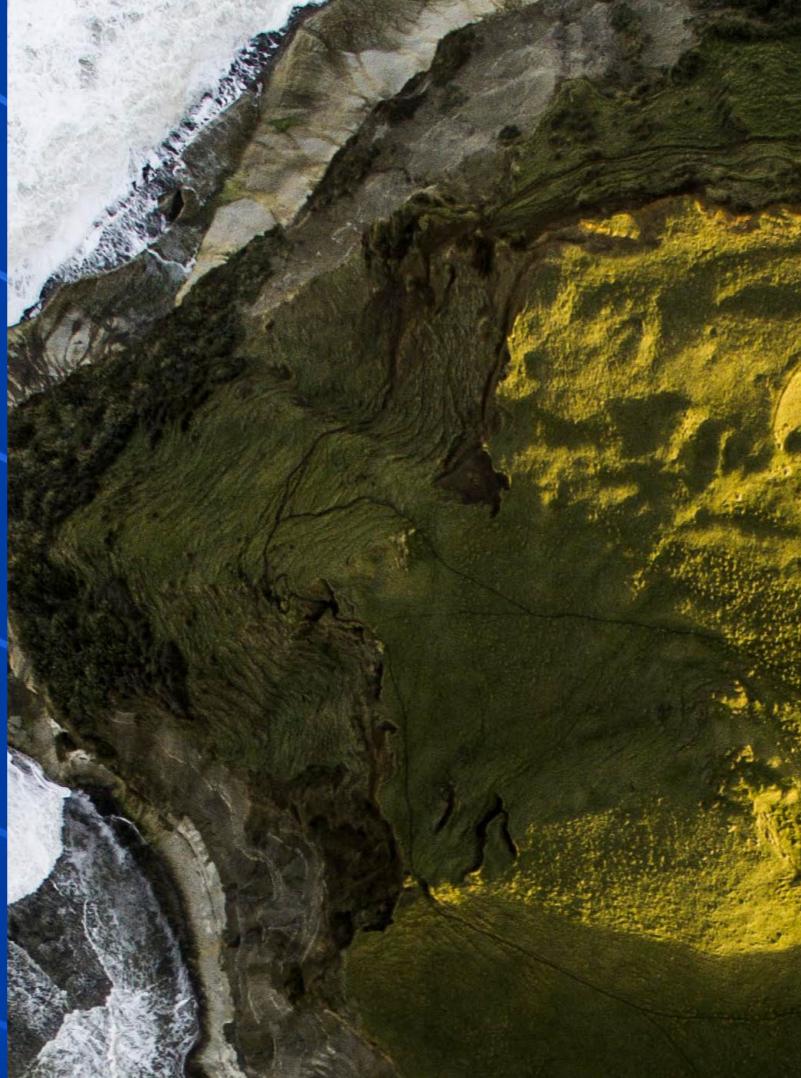
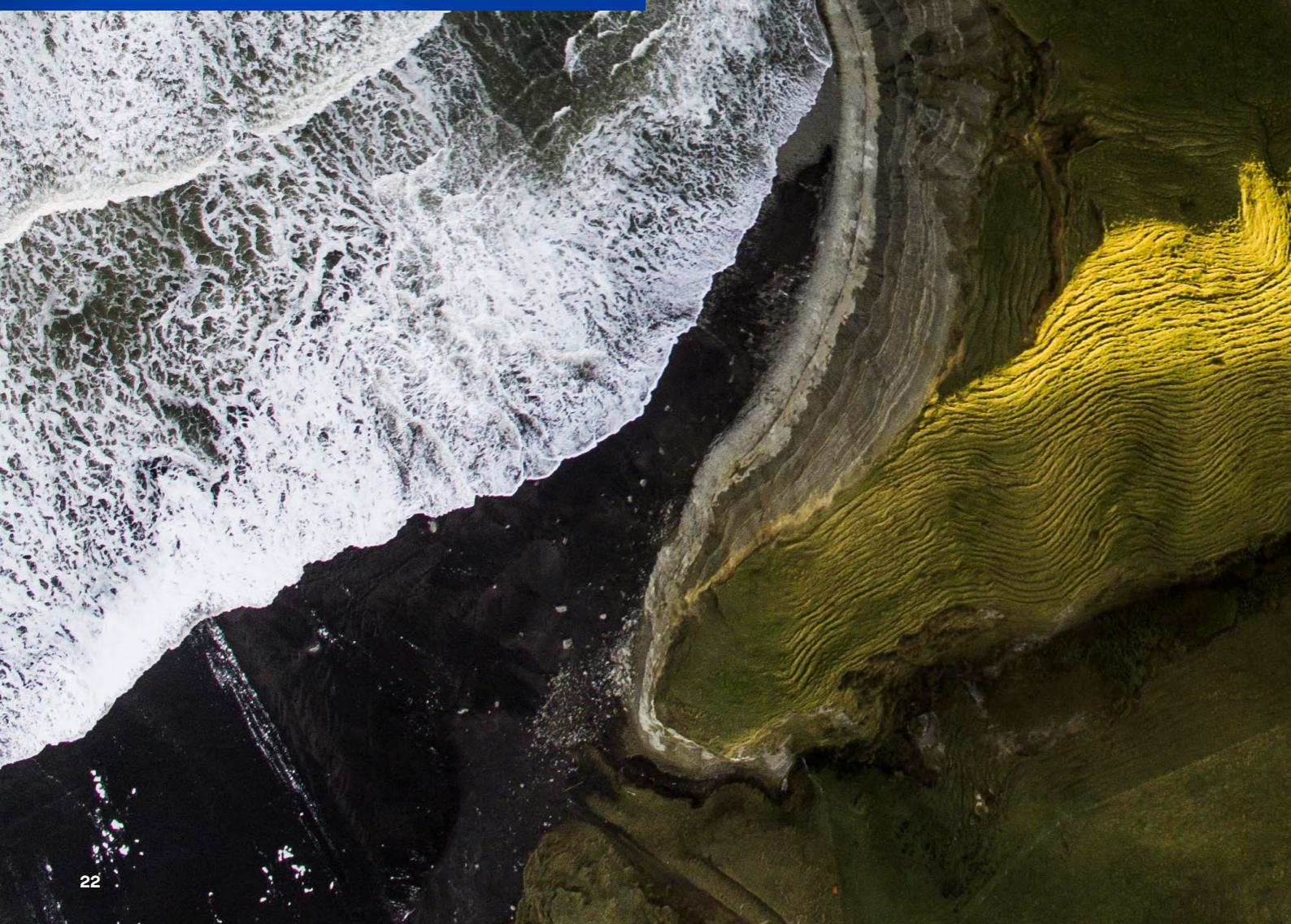
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# Environment & Climate Action

One of the ways we demonstrate our commitment to the environment is our Environmental Management System, which considers the environmental impact of raw material acquisition, energy use & efficiency, content of materials & chemical substances, emissions to air, soil & water as well as waste generation. Only through considering the full life cycle of our products can make the best possible decisions to continue to lower our impact on our environment.



Our business at a glance

Who we are and what we do

Safe and Inclusive workplaces  
Strong Communities

Environment & Climate Action

Responsible products



NATURAL CAPITAL

## Focus on Water

**Water is integral to our operations and water stewardship is a key part of our social licence to operate. Our manufacturing and mining teams place great importance on water conservation and achieving high water quality standards before water is discharged into the Waikato River and Manukau Harbour.**

Recycling water is paramount in our manufacturing and mining operations. Without treating water to enable its reuse, the Glenbrook integrated steel mill would require a massive 1 million tonnes of fresh water each day. Less than 2 percent of water in the steel mill's water circuit is discharged to the Waiuku Estuary each day.

To achieve maximum water conservation, water is cleaned, cooled and recirculated many times in each of the steel mill manufacturing processes. Some treated water must be discharged and fresh water added to our water circuits to avoid issues such as scaling of equipment and to ensure the efficient operation of the cogeneration boilers which provide around 60 percent of the Glenbrook site's electricity needs.

A recent project at the Pacific Steel rolling mill resulted in a 30% reduction in water at a time when the Auckland region was in the midst of a drought, requiring water-use restrictions.

Water conservation is also a key focus at the Waikato North Head iron sand mine, where Waikato River water is abstracted near the river mouth and recirculated many times.



**"In 2021, when the Glenbrook water treatment team knew zinc limits in the Australian and New Zealand Water Quality (ANZWQ) standards were likely to reduce, they took this challenge head-on. The operators identified and trialled a number of options to lower zinc concentration levels - nearly 1.5 times below our current consent limit. This is a substantial benefit for the wider Manukau Harbour, ahead of regulation changes and shows how our people are committed to protecting our waterways."**

Claire Jewell  
Environment Manager



CASE STUDY

### PACIFIC STEEL FOCUS ON WATER REDUCTION

In 2020 Pacific Steel's Rolling Mill reduced the monthly average water usage to 3,000 kL per month, down from 14,000 kL per month previously. This was achieved by converting two bearings in their scale pit pumps from water to grease lubrication.

The Pacific Steel's Rolling Mill team then went on in 2021 to reduce water further and focused on converting a third pump bearing, currently using town supply water. The team came up with a solution to turn water on and off automatically based on when the pump was operating. This setup resulted in a further reduction in freshwater usage for the site, from an average of 3,000 kL per month to 500 kL per month.





NATURAL  
CAPITAL

## Supporting a Low-Emissions Economy

BlueScope has set a climate strategy and decarbonisation pathway to respond to the challenges presented by Climate Change. Our business is deeply committed to working with our customers, research organisations, and industry bodies to create sustainable steel products that support the ethos of a truly circular economy.

### Driving continual emission reduction

We recognise the challenge that climate change presents to NZ and the world. While there is no current viable alternative to carbon based primary steel production, we are committed to a 12% reduction in our Scope 1 & Scope 2 greenhouse gas emissions intensity for our steelmaking manufacturing facilities by 2030.\* We have reduced our GHG emissions intensity by 5.5% since 2019. In 2021 we set a target to reduce non-steelmaking greenhouse gas intensity by 30%.\* Already some substantial reductions have been made with our Pacific Steel business achieving an impressive 8.4% reduction since 2019. It also covers issues like recycling and reducing waste, both of which we do as business as usual.

We use co-products and waste products, from both our own operations and other sources, as substitutes for virgin raw materials. An example of this is replacing purchased limestone with our steelmaking slag, which reduces the need for coal to calcinate the limestone.



**Our Climate Action Report provides detailed insights into our approach & strategy**  
[bluescope.com/sustainable-steel/  
climate-action](https://bluescope.com/sustainable-steel/climate-action)



CASE STUDY

### Hydrogen R&D Project - UniVentures and Robinson Research Institute

Research and innovation have a critical role to play in accelerating the steel industry's transition to a low carbon future. NZ Steel has an agreement to collaborate with Victoria University and Robinson Research in Wellington to help support the ongoing research into producing direct reduced iron using hydrogen. Hydrogen is an alternative to using coal to produce direct reduced iron from local iron sand and thereby reduces or eliminates the CO<sub>2</sub> emissions resulting from the ironmaking process. Through the collaboration, NZ Steel will provide funding support to accelerate scaling up of the world-class research that has established an initial proof-of-concept technology.



### RECYCLING 98% OF WATER

Over 98% of the water used by NZ Steel is recycled within the manufacturing processes.



### 80% OF CO-PRODUCTS ARE RECYCLED, REUSED OR SOLD

Our steelmaking co-products are a valuable resource for road making, drainage fields and as raw materials in other business.



### STEELMAKING SLAG REPLACES 30% OF PURCHASED LIMESTONE



### 250,000 NZ NATIVE PLANTS

More than 250,000 NZ native plants have been planted on the Glenbrook Industrial site.



### WASTE TO LANDFILL REDUCED BY 24%

Through optimising production and increasing recovery of iron-rich materials from housekeeping tasks.



### REDUCING GHG EMISSION INTENSITY

We are committed to a 12% reduction by 2030\* for steelmaking facilities (Scope 1 & 2) and 30% reduction by 2030 for non-steelmaking.



### UTILISING CO-GENERATION & RENEWABLES

92% of our Glenbrook electricity comes from renewable sources and from co-generation on-site from off-gases and waste heat from iron making.



### PRODUCING 60% OF OUR ELECTRICITY

At our Glenbrook steel making site 60% of the electricity used is produced on-site from recycled gases.



### 3 YEAR PROJECT TO INCREASE COGENERATION BY 10%

Representing 5% of total electricity requirements at Glenbrook.

\*Based on 2018 GHG intensity for steelmaking facilities



## Responsible Products & Supply Chains

We are committed to sustainable sourcing practices that create, protect and grow long term environmental, social, economic and cultural value for all stakeholders involved in bringing products and services to the market for our New Zealand and Pacific Islands businesses.



HUMAN CAPITAL



NATURAL CAPITAL

## Safe, Ethical & Responsible Sourcing

We are committed to sustainable sourcing practices seeking products and services that are produced responsibly and create long term environmental, social and economic value for all stakeholders involved in bringing our products and services to market.

We actively seek to partner with suppliers who share the core values expressed in Our Bond and take a similar approach to looking after their employees' wellbeing. Our suppliers are our partners, they are predominately local to our operations, work with us to meet our customers' needs and are critical to managing the social, environmental and ethical risks inherent to our supply chains. We foster responsible business practices and uphold human rights through engagement risk assessment and improvement activities.

The ongoing widespread disruption caused by COVID-19, and global shipping issues has created many supply chain challenges this year, however, we have been able to work with our suppliers to find a suitable solution and avoid serious business impacts.



## PROMOTING ZERO TOLERANCE

We have a zero tolerance approach to bribery, corruption, improper practices, forced and compulsory labour and child labour.



## COLLABORATING WITH SUPPLIERS

We source goods and services from suppliers who share our core values and meet our expectations for conduct.



## SUPPLIER ASSESSMENTS ENGAGEMENT MODEL IN PLACE

Our supplier assessment engagement model prioritises our supplier engagement based on supply chain and industry risk factors. 8 completed in 2022 and 4 supplier assessments targets for 2023.



## BLUESCOPE FOUNDING MEMBER OF RESPONSIBLE STEEL™

BlueScope is a founding member of ResponsibleSteel™, an international organisation established to improve the transparency of steel product supply chains.



Read more about our approach to sustainable and transparent sourcing in our FY2022 Modern Slavery Statement  
<https://www.bluescope.com/sustainable-steel/reports/>

# Product Solutions

Our business is deeply committed to working with our customers, research organisations, and industry bodies to create sustainable steel products that support the ethos of a truly circular economy.

## AXXIS® Steel for Framing

Axxis® light steel framing for residential construction is non-allergenic and has been recognised as a 'Sensitive Choice' product, as it won't rot and support mould growth. Axxis® steel does not contain additional preservative chemicals and won't give off gases or emit VOC's, is Red List Free, Living Building Challenge Compliant and provides Environmental Choice accreditation.

Built for the toughest conditions yet a third of the weight of comparable timber frames. Axxis® delivers a high degree of dimensional accuracy, enabling consistently straight walls, square corners and an overall superior finish. Straight and true regardless of age.

## SIESMIC® Bar and Coil Products

SEISMIC® bar and coil products are made to meet New Zealand's seismic conditions, satisfying the demanding building and construction standards required by local authorities around the country.

## COLORSTEEL® Bounce®

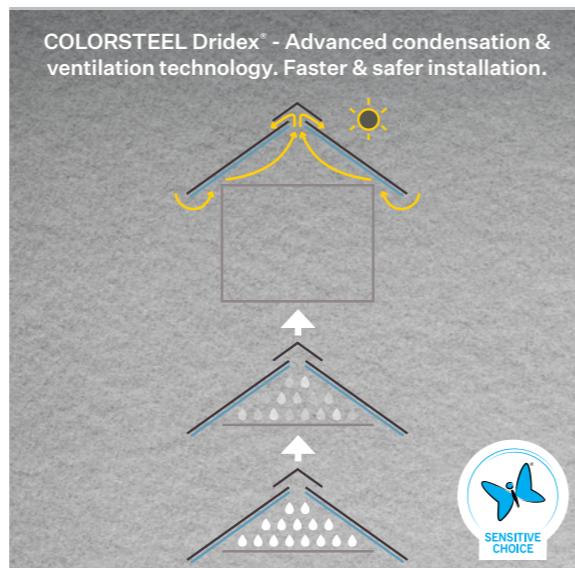
COLORSTEEL® Bounce® prepainted steel is a bright white colour that has been developed specifically to deliver optimised solar reflectance. This gives both environmental benefits as well as a positive financial impact going forward due to lower cooling energy requirements.

## COLORSTEEL DRIDEX®

An innovative roof and wall cladding solution that delivers superior condensation absorption and enhanced ventilation to create warmer, drier, healthier homes.

Dridex® combines a thin layer of specialised absorbent fleece to the underside of the COLORSTEEL® sheet, negating the need for roofing underlay. It works to absorb accumulating moisture from the roof cavity and then releases it when conditions improve.

Dridex® also carries the 'Sensitive Choice' label recognising the healthier inside environment.



FINANCIAL & PHYSICAL CAPITAL



NATURAL CAPITAL

# Product Credentials

As demonstrated throughout this sustainability snapshot our business commitment to care for the environment is verified through the following external processes and certifications.

## Certified to ISO14001

One of the many ways in which NZ Steel has demonstrated its commitment to the environment is by implementing a formal Environmental Management System. We chose to meet the international standard ISO14001 and annual audits by an independent auditor ensures NZ Steel and Pacific Steel retain Certification.

Our management system provides a structured process to monitor and continually improve environmental performance. It is also a key input to our lifecycle approach to sustainability.

## Product Life Cycle Assessments

A comprehensive life cycle assessment has been completed for our manufacturing processes.

This requires collection of all the inputs and outputs, including raw materials (coal, iron sand, limestone), consumables (paints, oils, alloys, chemicals), water used and discharged, energy consumed and recovered. This exercise took over 2 years to complete and must be verified by a third-party.

## NZ Green Building Ratings

Environmental Choice NZ eco-label is officially recognised by the NZ Green Building Council (NZGBC). Products that have an Environmental Choice label gain points under the NZGBC's Homestar and Greenstar sustainability programmes.

Find out more at [nzgbc.org.nz](http://nzgbc.org.nz) and [environmentalchoice.org.nz](http://environmentalchoice.org.nz)

## EPD (Environmental Product Declaration)

Environmental Product Declarations provide transparent environmental information, and a verified disclosure of a product's life cycle. EPD's are held for our COLORSTEEL® and SEISMIC® reinforcing products.

## Environmental Choice Eco-Label

Achieving certification to the Environmental Choice New Zealand standards requires our NZ Steel and Pacific Steel manufacturing facilities to rigorously evaluate monitoring and consumption data, demonstrate continual improvement and managing environmental effects.

Each year our performance is evaluated by an independent auditor, who must ensure NZ Steel and Pacific Steel continue to meet the Environmental Choice Specifications, including certification to ISO14001.

## DECLARE label

Declare is a nutrition label for building products and is designed to help specifiers quickly identify products that meet their project requirements. We have recently been awarded the DECLARE Label for our GalvSteel®, Zincalume® and AXXIS® products. This external annual audit label enables these products to be used in any building as part of the Living Building Challenge Programme.

Find out more at [living-future.org](http://living-future.org)





## The future of steel

Steel is central to a circular economy

- one where society ensures resources and materials remain in use (and reuse) for as long as possible.



## Creating strength for the future with steel

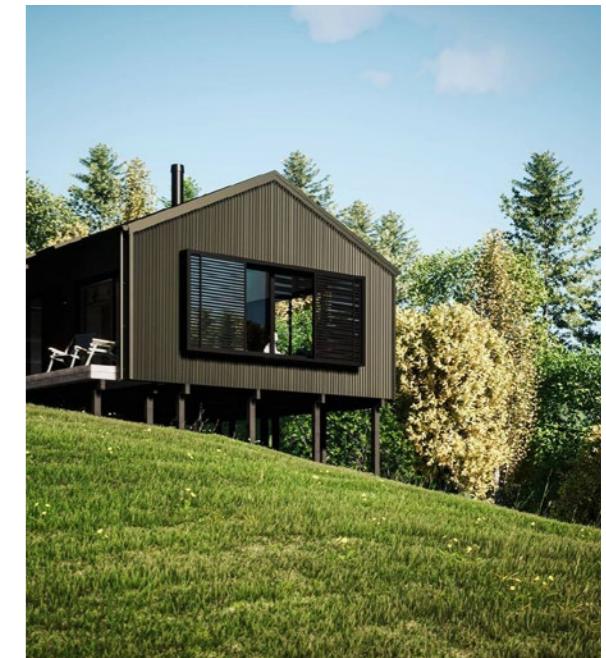
We see a strong future for steel, providing a critical foundation for sustainable economic development and the transition to a low carbon society.

Steel's strength, durability and adaptability make it vital to modern economies. It's in the buildings we call home, the cars we drive, the electronics we use every day and the equipment we all rely on.

If steel is not 'in' something, it's probably in the machine that was used to make it. A durable material which can be recycled repeatedly without loss of quality, steel is also fundamental to a successful circular economy.

Steel products provide enduring solutions for rapid construction and long-term use, flexible design, thermal comfort and weather resilience. The steel we supply today will support economies for decades to come and is critical to underpinning the transition required in many sectors including the renewable energy industry.

Demand for steel, coupled with industry shifts towards greater engagement, collaboration and standards setting, underpins our industry's response to climate change and the opportunity for improved circularity.



Steel is an essential material, critical to the transition to a low carbon future.

### Steel is used in every aspect of our lives<sup>5</sup>

- » From cars and buildings to refrigerators and cargo ships, and much more
- » It's the world's most important engineering and construction material
- » It has highest strength to weight ratio of all building materials.

### Steel underpins sustainable development

- » Can be recycled over and over again making it important in a circular economy
- » Underpins the transition to renewable energy as electricity infrastructure (including transmission, wind towers and solar farms).

### Steel contributes to economic prosperity<sup>6</sup>

- » Globally, supports direct employment for over 6 million people; 50 million people indirectly
- » The amount of steel in use in the world today is equal to more than 233 kg per person
- » Global demand expected to increase for decades, driven by emerging economies.

Read more about our **Responsible Products** on pages 26 and 27

<sup>5</sup> Source: World Steel Association <https://worldsteel.org/about-steel/steel-facts/>.



Nestled comfortably in the native bush that surrounds it, this new holiday home in Abel Tasman National Park is subtle and understated, appearing as though it has always been there. Wrapped in COLORSTEEL® in a classic corrugated profile, the house takes on the essence of a rural structure, and the warm natural richness of the FlaxPod® colour helps to absorb the building into the bush setting. The choice of COLORSTEEL® offers a low maintenance cladding option that will look great for years to come.

> Read more at [colorsteel.co.nz/inspiration/showcase-projects/honeymoon-bay](http://colorsteel.co.nz/inspiration/showcase-projects/honeymoon-bay)



For more details on our sustainability journey visit our websites:

[nzsteel.co.nz](https://nzsteel.co.nz) | [pacificsteel.co.nz](https://pacificsteel.co.nz) | [bluescope.com](https://bluescope.com)



Now you have read this you can see it in action by watching our story of steel videos:

**New Zealand Steel** [https://youtu.be/R\\_LAj4AwI5A](https://youtu.be/R_LAj4AwI5A)

**Pacific Steel** <https://www.youtube.com/watch?v=pUth8HOu8w0>

Disclaimer: All care has been taken to ensure the information is true and verified as at September 2022

BlueScope Steel Limited