

20 December 2023

## **Adbri enters into a long-term agreement to replace MV Accolade II and extends BHP supply agreement**

### **Highlights**

- **New vessel for South Australia's Birkenhead's limestone transportation scheduled for 2026**
- **Supply contracts for BHP's Prominent Hill and Carrapateena operations extended to 2026**

Adbri Limited (ASX:ABC) ("Adbri" or "the Company") announces that its wholly owned subsidiary, Adelaide Brighton Cement Ltd, trading as Adbri Cement, has entered into two significant agreements – MV Accolade II replacement and an extension of the BHP supply agreement in South Australia.

### **Long-term agreement to replace MV Accolade II**

Adbri Cement has entered into a long-term agreement for CSL Group Inc. ("CSL") to supply and operate a new diesel/electric powered limestone transport vessel to support the Company's South Australian cement operations from mid-2026.

The agreement with CSL will span 20 years, plus two five-year options, with the vessel transporting Adbri's limestone from Klein Point to the Company's integrated cement plant at Birkenhead, South Australia.

The new vessel is expected to transport up to 2.7M tonnes of limestone per annum, representing 35% more carrying capacity than the existing MV Accolade II, supporting increased efficiency and production of lower embodied carbon cement at Adbri's Birkenhead facility.

Service fee payments for the new vessel will commence once it is operational.

The MV Accolade II will be retired in 2026 after 40 years as Adbri's owned and operated limestone carrier.

Adbri Chief Executive Officer Mark Irwin said:

*"Adbri is excited to have one of the world's first 100% battery electric capable cargo vessels as our limestone carrier. The new vessel, owned and operated by CSL, will support Adbri to increase cement volumes at Birkenhead, while also supporting the production of lower carbon products such as EvoCem™ that uses limestone as a clinker substitute."*

*"The new vessel is expected to start operations with a hybrid system, where electric power will replace about 25% of its diesel fuel. This is expected to reduce Scope 1 emissions by about 40% compared to the current emission intensity seen in the Accolade II operation. By 2031, we aim to achieve 100% electric power capability, further reducing Scope 1 emissions to less than 10% of the current emission intensity seen in the Accolade II operation. This milestone is a crucial step forward in our ongoing net zero emission journey."*

## Extension of BHP supply agreements

Adbri Cement has agreed with BHP an extension to its supply contracts for BHP's Prominent Hill and Carrapateena operations in South Australia to 2026.

Adbri Chief Executive Officer, Mark Irwin said:

*"The commitment to extend our supply arrangements at Prominent Hill and Carrapateena to 2026 demonstrates the strong relationship we have built with BHP over many years. As a leading Australian manufacturer of sustainability focused building products, with Australia's lowest embodied carbon Type GP cement, Adbri is pleased to be able to support our customers' transition to net zero across value-chains. We are proud of being a partner to BHP, committed to building a better South Australia."*

-ENDS-

Authorised for release by the Board.

## About CSL Group Inc.

The CSL Group is a world class provider of complex marine solutions and the largest owner and operator of self-unloading ships in the world. Headquartered in Montreal with operations throughout the Americas, Australia, Europe and Africa, CSL delivers millions of tonnes of cargo annually for customers in the construction, steel, energy and agri-food sectors.

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