

Sustainability Report

FY2023



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 success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

Our People are our strength

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver steel inspired solutions are our most valued and rewarded strengths.

Our Shareholders are our foundations

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

Our Local Communities are our homes

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values, and encourage involvement. Our strength is in choosing to do what is right.

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Cover image: The open gallery spaces and cantilevered structure of WA Museum Boola Bardip in Western Australia, were made possible through the use of BlueScope XLERPLATE® steel.

A message from our Managing Director & CEO

Our Sustainability Report for FY2023 features our progress as we continue to embed sustainability in everything we do.



I'm pleased to report on BlueScope's progress against the five sustainability outcomes that matter most to our stakeholders. We are playing our part, anticipating, and adapting to the environmental, social and economic demands across our businesses in 16 countries.

In a major leap forward, we have announced our intention to build a new electric arc furnace at New Zealand Steel's Glenbrook site. With a target to be operational by 2026, this NZ\$300 million project will be co-funded by the New Zealand Government and will reduce New Zealand Steel's Scope 1 and 2 greenhouse gas emissions by at least 45 per cent.

In the US, BlueScope Recycling supplied 30 per cent of North Star's scrap requirements. This is up 10 per cent compared to last financial year.

In Australia, the Board approved the reline and upgrade of the No.6 Blast Furnace (6BF) at the Port Kembla Steelworks. The \$1.15bn reline project is our bridge to a low carbon future, as we broaden our review of the most likely decarbonisation options for ironmaking in Australia.

Our Western Port site in Australia achieved ResponsibleSteel™ site certification in September 2023. This is our second certified site following Port Kembla Steelworks, and I thank our people whose efforts are reflected in this fantastic achievement. Phu My, Vietnam is also progressing work on their site certification process and other key sites will follow in coming years.

We continue to drive improvements across the steel value chain, to prevent or mitigate any potential adverse impacts on human rights. As part of our Social Impact due diligence process, we completed a comprehensive review of potential modern slavery issues across all our sites.

Through this review, we identified a number of International Labour Organization (ILO) forced-labour indicators that had affected some of our contract workers in Malaysia. The team are continuing to work through this ongoing process, and I am proud of the approach taken to consult, protect and support those affected through all stages, demonstrating our primary consideration for the safety and welfare of all workers on our sites.

We have sought to increase our understanding of the issues that matter most to the communities around our three steelmaking sites. Using a well-regarded stakeholder survey tool, we benchmarked our reputation against other peer industrial and commercial companies by country. The favourable 'RepTrack' results and insights will help to guide our future community engagement.

Meanwhile, in February 2023, we launched the Health and Wellbeing framework, building on our health, safety and environment model maturity. And, female representation on the Executive Leadership Team grew to 55 per cent, aligning with our 40:40:20 target, while female representation across the business remained stable at 24 per cent.

As you read our FY2023 Sustainability Report, you will uncover the many ways our people live Our Purpose: **'To create and inspire smart solutions in steel, to strengthen our communities for the future.'**

A handwritten signature in dark ink, appearing to read 'Mark Vassella', written in a cursive style.

Mark Vassella
Managing Director & CEO

Who we are and what we do

BlueScope makes and supplies steel for essential and enduring buildings and structures. As a business with more than 160 sites, we are built on the foundations of our local communities across 16 countries.

BlueScope is a global leader in metal coating and painting for building and construction. With a focus on the Asia-Pacific region, we manufacture and market a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of building products.

Our businesses

Australia - We are Australia's largest steel manufacturer, employing around 7,000 people at approximately 100 sites. The operations are a mix of large manufacturing plants, rollforming facilities and distribution centres making quality branded products primarily for the Australian building and construction industry.

North America - We operate five businesses across North America, employing around 4,500 people: North Star BlueScope Steel, BlueScope Recycling and Materials, Buildings North America, BlueScope Coated Products and NS BlueScope North America. North Star is one of the most efficient steel mills in North America producing high quality hot rolled coil using scrap metal (some of which is supplied by BlueScope Recycling and Materials), pig iron and alloys. The Buildings North America, BlueScope Coated Products and NS BlueScope North America all primarily focus on the large non-residential construction industry, supplying quality engineered buildings systems and high-quality building products.

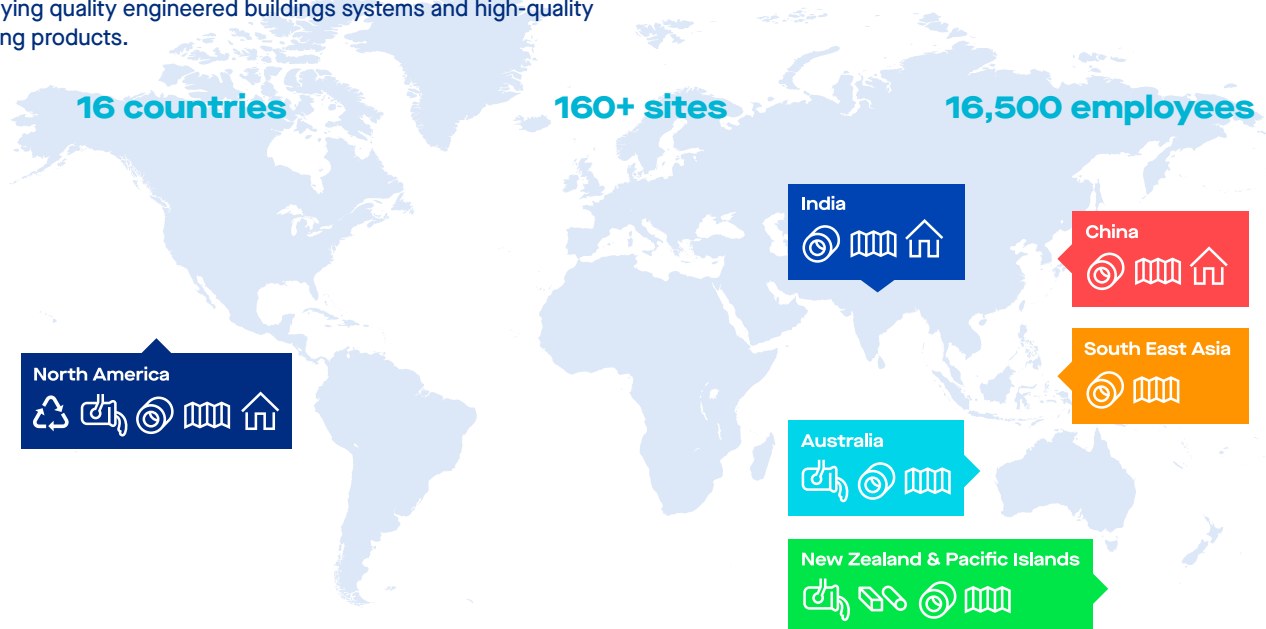
Asia - We have an extensive footprint across Asia, employing around 3,500 people across the region. Our operations in Thailand, Indonesia, Vietnam, Malaysia, India and China primarily serve the domestic residential and non-residential building and construction industries in each country.

BlueScope operates in partnership with Nippon Steel Corporation (NSC) across South East Asia and the West Coast of North America at NS BlueScope North America, and with Tata Steel in India. Both are 50/50 joint ventures with BlueScope controlling and therefore consolidating the joint venture with NSC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel.

New Zealand and Pacific Islands - Our New Zealand Steel business is the only fully integrated steel producer in New Zealand, with operations extending to the Waikato North Head mine, our Pacific Steel long products business and our Pacific Islands businesses. In the region, we employ around 1,500 people, and produce a range of flat and long steel products, primarily for domestic use.



For more information,
visit www.bluescope.com/our-company



KEY

RAW MATERIALS	UPSTREAM	MIDSTREAM		DOWNSTREAM	
					
Recycling (scrap metal)	Steelmaking (flat products)	Metal coating and painting	Long products (rebar, wire)	Steel building materials and components	Steel buildings and systems

Creating strength along the steel value chain

Guided by the values of Our Bond and the intent of Our Purpose, our contribution to sustainability extends beyond our own operations and includes the way we source materials, engage with all those we do business with and support our local communities.

RELIABLE, RESPONSIBLE AND LOCAL SOURCING

Quality inputs from predominantly local suppliers. Engagement and collaboration supports responsible practices

SAFE, HEALTHY AND INCLUSIVE WORKPLACES

Creating an inclusive culture, protecting human rights and strengthening what keeps our people safe and well

RESOURCE EFFICIENCY AND STEWARDSHIP

Manufacturing excellence and responsible operations deliver climate action, circularity and protect shared natural resources

TRANSFORMATION AND STRENGTH

Optimising our operations, investing wisely and building our capacity to deliver value

ENGAGED COMMUNITIES

Supporting local employment and supply, contributing responsibly and protecting the environment

ENDURING SOLUTIONS

Long-lasting, resilient and recyclable products that support circularity and the transition to a low carbon society

PARTNERING FOR CHANGE

Working with industry partners to address shared challenges, drive innovation and share knowledge

STRONG GOVERNANCE

Robust governance, grievance mechanisms and transparency

CUSTOMER-LED

Working with customers to create and inspire innovative and enduring solutions that support sustainable development

VALUED CO-PRODUCTS

Converting production waste into value-added inputs for other sectors, displacing raw material consumption

Future of steel



Steel is essential for our everyday lives

At BlueScope, we see a strong future for steel, providing a critical foundation for sustainable economic development and the transition to a low carbon world.

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 reused or recycled repeatedly without loss of quality, steel is also fundamental to a successful circular economy.

Steel products provide enduring solutions for long-term use, flexible design and resilience.

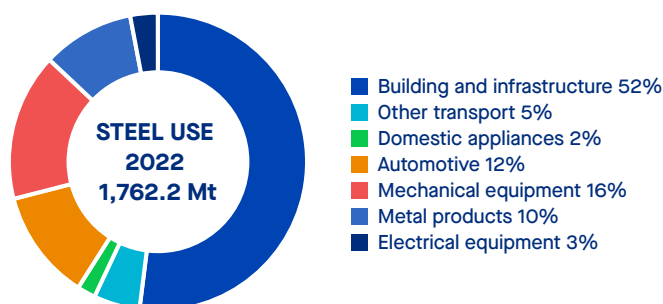
The steel we supply today will support economies for decades to come and is critical to underpinning the transformation to a low carbon economy.

We see a range of external trends reshaping the way steel is used. How we live, interact with and use steel in society is increasingly influenced by urbanisation, localisation, and climate change. Accelerating materials technology and a greater movement towards value chain collaboration is shifting how we can explore and deliver these changes.

At BlueScope, our advanced coatings and diverse product range enables steel to be transformed into products that support society today and into the future. Across our businesses and teams, we're constantly looking for new and better ways to support climate transition and resilience, and improve product longevity and circularity.

We've set up partnerships with universities and research organisations globally where we can collectively add value to solve customer, industry and broader sustainability challenges. Working directly with our customers and value chain partners such as developers, builders, architects and engineers who specify or use our products, we're addressing their changing expectations – using the right steel for the right application with clever design for future use and reuse in mind to create more sustainable projects.

Steel use by sector¹



1. Data adapted from 2023 World Steel in Figures. Worldsteel Association.

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

Steel is used in most aspects of our lives¹

- 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 the highest strength to weight ratio of all building materials.

Steel underpins sustainable development¹

- 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 prosperity¹

- Globally, supports direct employment for over 6 million people; more than 49 million people indirectly
- The amount of steel in use in the world today is equal to more than 222 kg per person
- By 2050 steel use is projected to increase by around 20 per cent compared to present levels in order to meet the needs of our growing population.



1. Source: World Steel Association <https://worldsteel.org/about-steel>

Enabling iron and steel industry transformation

Progress towards lower emissions iron and steelmaking will require major industry transformation. Over the past year, iron and steelmaking technologies have developed at an accelerated pace, in part due to increased funding for pilot-scale projects and concept studies globally. At this stage, the use of natural gas as a first step in the transition to green hydrogen in the Direct Reduced Iron (DRI) process is considered by our industry to be the most prospective pathway to low or zero emissions iron and steelmaking.

At BlueScope, we believe our transformation will be dependent on the key enablers that underpin our 2050 net zero goal, as outlined on page 40; technology evolution, access to raw materials and firms, renewable energy, hydrogen availability and supportive policies. We have updated these key enablers to reflect recent developments and to guide our future priorities and focus. Driving progress on these enablers will continue to require unprecedented levels of collaboration across a broad range of stakeholders that are external to BlueScope and the steel sector. While technology continues to be a strong area of focus for us, we understand that technology alone will not deliver the desired transition towards low or zero emissions iron and steelmaking; the focus for our industry must also prioritise progress on the remaining key enablers.

Securing the future for lower emissions steel in New Zealand

We recently announced our intention to build a new electric arc furnace (EAF) for New Zealand Steel's Glenbrook facility, to meet 50 per cent of the site's steel production capacity. The commitment to a new EAF was made possible due to a reliable and affordable supply of both firms renewable energy and domestic scrap steel, along with the right public policy settings and support through co-funding from the New Zealand Government.

Upon completion in 2026, New Zealand Steel's EAF will reduce their Scope 1 and 2 greenhouse gas emissions by at least 45 per cent, and New Zealand's overall country emissions by 1 per cent.

Progressing decarbonisation in our US and Australian operations

In the US at our North Star facility, scrap-based EAF technology combined with a decarbonising grid provides low-emissions steel products for our customers. In addition, we have added a third EAF at North Star and have ramped up scrap supply (including maximising obsolete scrap) from our BlueScope recycling business to maximise the circular use of steel whilst maintaining low-emissions production.

In Australia, we face a more complex challenge, primarily given insufficient scrap steel supply to meet our current production needs of approximately three million tonnes per annum, an expensive energy supply market.

We are therefore accelerating initiatives in lower emissions ironmaking pathways, including working with Rio Tinto to explore a Direct Reduced Iron (DRI) process for our Port Kembla Steelworks and an options study to explore natural gas as a transitional step to green hydrogen.



Read more about our approach to Climate change and energy transition on pages 38-49.



BlueScope's US steel making facility - North Star

Resilient value chains and local supply

In recent years, governments in several countries in which BlueScope operates have increasingly recognised the importance of sovereign capability, i.e. the ability to domestically manufacture goods that are essential to their defence and economic security. The importance of sovereign capability has become apparent after recent disruptions to global supply chains caused by trade restrictions, conflict and the pandemic.

While definitions of which goods are essential vary between countries, the ability to domestically manufacture certain steel products is often cited as a sovereign capability. BlueScope manufactures a wide range of steel products, that are essential inputs for sectors including energy, water supply, transportation, resources, building & construction, agriculture, and defence. The benefits of local steel manufacturing capabilities are increasingly being recognised by our customers and governments.

Around 80 per cent¹ of the raw steel BlueScope produces is consumed locally.

At BlueScope, we are investing to enhance our manufacturing capacity and capabilities.

In Australia, this includes a plan to create an Advanced Steel Manufacturing Precinct (ASMAP) to manufacture components for the renewable energy sector, and the announced plans to construct a new metal coating line (MCL7) in Western Sydney. While ASMAP has been withdrawn from the Federal Modern Manufacturing Initiative funding program, BlueScope remains committed to the project and is exploring other options for funding support. The ASMAP project suite is aimed at installing new manufacturing equipment and upgrading existing facilities in Port Kembla, including modernising the Plate Mill, to meet future demand in the renewable energy, infrastructure and defence segments. We are also developing a Master Plan for surplus land in the Illawarra and are exploring a range of options for mixed-use development that could create new jobs and attract investment to the region. Read more on page 64.

In New Zealand, the government and BlueScope's New Zealand Steel business have announced a NZ\$300 million co-investment to build an electric arc furnace, which will not only secure sovereign manufacturing capability, but also reduce greenhouse gas emissions from the plant by over 45 per cent (see page 8).

Auckland Harbour Bridge - prompt supply of domestic steel minimises adverse economic impacts

When a truck, blown over in high winds, damaged a section of the Auckland Harbour Bridge in 2020, New Zealand Steel was able to supply the plate steel required to repair the bridge within 24 hours, thus materially reducing the regional economic effects of the accident.



Read more in the New Zealand Steel Sustainability Snapshot 2022, available at nzsteel.co.nz



Through its operations, BlueScope makes a significant contribution to the communities in which it operates. Across the globe, we employ local people, support local and national suppliers, and pay taxes and other government charges that support the delivery of public services. We also seek opportunities for our employees to support and participate in their local communities. Read more about our economic contribution on pages 64-65.

As an exporter, and a company that sources raw materials both locally and internationally, we generally support the reduction of trade barriers and compliance by all countries with global trade rules, including in relation to government support for industry. We refer to this as 'free and fair' trade. This approach helps ensure security of supply for our customers and for the key inputs and services we need to ensure business continuity. In this context, we note that international trade rules allow for certain limited restrictions on trade where there is an environmental

benefit, and we support this approach. Several countries are currently developing carbon border adjustment mechanisms (CBAMs) to ensure carbon prices can be applied on a consistent basis to both domestically produced goods and their imported equivalents. Well-designed CBAMs could potentially play an important role in ensuring a level playing field and promoting the manufacture of lower-emissions goods including steel products.

At BlueScope, our diversified range of businesses and geographies underpins our business strength and resilience. With our established footprint of high quality assets across North America, Asia and Oceania, we exist to supply the markets in which we operate. This multi-domestic strategy has allowed for the development of value-added steel products that are tailored for each region's specific requirements, and supports resilient domestic supply chains that positioned the business to withstand impacts such as those felt during the COVID-19 pandemic.

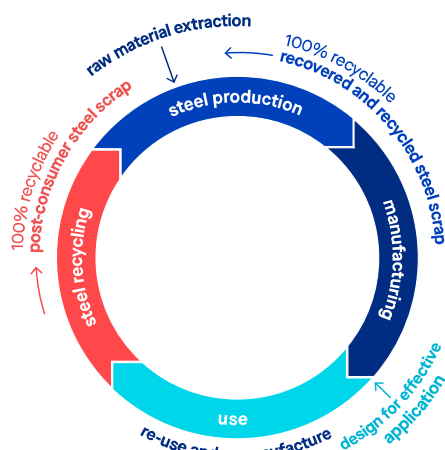
1. Calculated using data in the FY2023 Financial and Despatch History, available at bluescope.com

Activating a circular economy

Steel can play a central role in the circular economy – one where society ensures resources and materials remain in use for as long as possible. Leveraging steel's strength, durability and end-of-use potential, a circular steel economy is one where our sector's products are designed for effective and long-term application, and then repaired, reused, remanufactured or recycled, rather than discarded.

Circularity and steel

Applying the circular economy concept to steel means we value the essential steel items we produce and see ongoing value in them beyond their original designed purpose. Designed for longevity, easy repair and maintenance, to be readily taken apart, or to be made of modular components, steel products made today can become the resources of tomorrow, much like the co-products from steelmaking (blast furnace slag, for example) are valued inputs to another process or product.



We see a number of factors supporting the shift to circularity, including:

- **Design for, and retrieval of, higher value scrap** – Steel is highly recyclable but requires that its design and application allows for the recovery of good quality scrap. This shift includes design to avoid contaminants (such as copper in automotive applications) and improved scrap sorting and processing technologies (read about BlueScope Recycling and Materials on page 11).
- **Demand for data and traceability** – Strong demand for credible and readily available information for tracking the circulation, characteristics and credentials of materials. For steel in the built environment, this includes the provision of environmental product declarations (EPDs) and digital material passports, and adherence to reputable ecolabels and certification schemes such as ResponsibleSteel™.
- **Reuse and adaptive use** - With the building sector accounting for 39 per cent of global carbon emissions (28 per cent from building operations and 11 per cent from embodied carbon in building materials and construction)¹, there is an increasing focus on the opportunity to extend the useful life of existing structures and the reuse of both materials and entire structures.
- **Modular and pre-fabricated applications** - We see an increasing focus on pre-fabricated, modular applications to support fast construction, cost competitiveness, resource

efficiency and disassembly to facilitate potential reuse.

BlueScope is a foundation partner of prefabAUS; the peak body for Australia's off-site construction industry and hub for building prefabrication technology and design.

- **Product and manufacturing innovation** – Continuous innovation is driving new product design (examples include coatings to extend product life and thinner gauge steel to support dematerialisation²), manufacturing methods (such as the use of biocarbon, see page 42) and construction practices (including modular design and pre-fabrication). These shifts respond to increased expectations for higher quality products, manufactured locally using local skills and resources, delivered faster and with reduced environmental impact across the lifecycle.
- **Locally and sustainably sourced materials** – Localising supply chains can reduce embodied carbon in materials and products associated with their transport. Local procurement can also enhance supply chain resilience and supports local labour markets, including opportunities for women and vulnerable groups.
- **Supportive public policy and value chain collaboration** – All stakeholders in product and material value chains have a role to play in enabling circular solutions at scale. Industry will need to work with governments and other stakeholders to ensure policy provides the right guidance and support to underpin the circular economy. This includes matters such as product traceability schemes and appropriate platforms to share data and connect material users, access to affordable, firm renewable energy and to sufficient supplies of local, high quality, scrap resources.

Circularity and decarbonisation

Circular economy approaches that decrease the dependence on raw materials, build collaboration to close loops and keep materials in use at the highest possible value are crucial to decarbonisation.

While steel can be carbon-intensive in its manufacture, the manufacturing process is only part of the lifecycle emissions profile of a material. Steel facilitates circular design strategies like longevity and demountability (i.e. able to be taken apart or disassembled) that can support overall reduction in a building's whole-of-life carbon.

1. Australian buildings and infrastructure: Opportunities for cutting embodied carbon, Industry Report. Clean Energy Finance Corporation, November 2021.

2. Applied to the construction sector, dematerialisation is a design strategy that prioritises lower material and resource inputs across all life cycle stages of a building, without adversely affecting the operational performance or intended function of the building.

BlueScope Recycling Materials optimises scrap processing in the US

BlueScope Recycling and Materials (BRM) is BlueScope North America's full-service ferrous and non-ferrous scrap metal recycler with leading copper-analysis technology used to deliver high quality ferrous scrap and enhancing our sustainability strategy. BRM consolidates some of its shredder residue waste from sites in Waterloo, Indiana and Delta, Ohio through its third site in Mansfield, Ohio, which is home to BRM's most advanced processing equipment.

Automotive shredder residue or "fluff" is generated when vehicles undergo end-of-life shredding. Fluff is the largest waste stream from BRM's recycling process and comprises plastics, rubber, foam, dirt, glass, ferrous and non-ferrous metals. This waste stream is traditionally sent to landfill. In Mansfield, however, BRM reduces its waste-to-landfill impact by 11 per cent annually through additional processing.

Not only good for the environment, this process has a financial benefit just over US\$1 million annually in revenues from the sale of additionally extracted materials. Based on this success at Mansfield, BRM plans to invest in additional fluff processing equipment at Delta, Ohio to further its commercial and environmental credentials in the future.



Lysaght transforms an industrial facility in China



Lysaght has helped to transform a 20-year old industrial facility into a commercial centre.

Situated in the Gaoan block for New Development Co., Ltd. in Shanghai Waigaoqiao Free Trade Zone, the adaptive reuse approach retained the original building structure and divided the internal space into supermarkets, warehouses and an exhibition space. The exterior façade was redesigned using Lysaght TRIMDEK® 925 wall system to restore the architect's original, colourful 'Rubik's Cube' design inspiration.

Lysaght efficiently delivered the adaptive reuse project which provides convenient facilities and has become a new landmark in the Shanghai Waigaoqiao community.

COVID-19 Surge Centre delivered in record time with pre-fabricated steel

TRUECORE® steel was used in the rapid, five-week construction of a 51-bed emergency COVID-19 Surge Centre in Canberra, Australia. Steel was selected for its design flexibility, high strength-to-weight ratio, build speed and efficiency, and consistent quality. The Centre was designed for mobility and reuse; the structure can be packed into 40-foot containers for transport as required.

The project won the Australian Steel Institute's 2022 Steel Excellence Award (NSW/ACT State Category). At the time of writing, it was also nominated for the constructsteel 2023 Excellence in Sustainability Award (results to be announced in FY2024).



Image courtesy of Manteena Commercial

How we approach sustainability



Our approach

At BlueScope, we view sustainability as working for our success in a way that benefits our people, our value chain and the environment. Our Purpose drives our approach to sustainability:

We create and inspire smart solutions in steel

- We are a proud and trusted steel manufacturer and service provider, providing essential and enduring products and solutions for the benefit of society.
- Our innovative and quality steel products have the strength, aesthetics and flexibility to help our customers realise their vision for sustainable, beautiful design and long-term application.
- We are heavily invested in driving responsible products and practices to reduce our greenhouse gas emissions and support climate transition, resilience and circularity.

...to strengthen our communities for the future

- We put people at the heart of what we do: providing a great place to work, operating with integrity within our own operations and across our supply chains; and supporting local communities through economic participation and caring for the environment
- Working together with all our stakeholders across our value chain, we are committed to solving challenges, anticipating needs and driving opportunities that create value, now and in the future.

BlueScope. Creating strength.

Our approach to sustainability underpins the strength of our organisation, taking a balanced view of business objectives, broader trends and stakeholder interests over the short, medium and long term.

Our Sustainability Outcomes (listed below, right), reflect our long-term vision to manage our economic contribution, the effect of our operations on people and the environment, and how we engage with our communities. They represent the sustainability challenges and opportunities our stakeholders consider most important, and that are critical to our success.

Our approach to achieving these Outcomes is embedded in Our Strategy, and delivered through activities and programs to manage and transform our operations, build the skills and engagement of our people, provide a safe workplace, foster responsible supply chains, protect the environment, and deliver smart solutions in steel for our customers. Our approach is supported by operating principles and standards including our Code of Conduct, *How We Work* and our Group Risk Appetite Statements.

Together, these elements define the way BlueScope develops, manufactures and sells steel products and solutions, while building resilience and capacity to drive a sustainable future. Above all, our Sustainability Outcomes acknowledge our potential to make an enduring contribution. Through our annual Sustainability Report and other regular reporting, we outline our performance and set out our priorities for the future.

 Read more about Our Strategy on page 17 and our governance arrangements on pages 66-70.



Sustainability Outcomes



Sustainable growth and transformation



Safe, healthy and inclusive workplaces



Climate action



Responsible products and supply chain



Strong communities

Understanding what matters most

We value trusted relationships with the key stakeholders in Our Bond; our people, customers, suppliers, communities, shareholders and lenders (see *inside front cover*). We engage regularly with these and other stakeholders to understand what matters most to them.

This year we reviewed the material topics identified in last year's detailed assessment against current and emerging sustainability themes and business priorities, and the views expressed in our engagement with internal and external stakeholders and experts.

We continued to prioritise and respond to these topics in FY2023 as they could potentially have a significant impact on the

economy, environment and people, including human rights, across BlueScope and our business relationships. We recognise the emerging emphasis on nature in our disclosures on environmental management and land protection, and continue to consider overriding themes that apply across our Sustainability Outcomes and topics, such as circular economy, climate disruption and demand for responsible business practices and products. These themes are addressed in relevant topics throughout the Report.



Read more about our approach to stakeholder engagement in our FY2023 Sustainability Data Supplement, available at bluescope.com

	Sustainability outcomes	Material sustainability topics
	 Sustainable growth and transformation	Business strength and resilience Transformation Governance
	 Safe, healthy and inclusive workplaces	Health, safety and environment Culture and capability Social impact and human rights
	 Climate action	Climate change and energy transition Water stewardship
	 Responsible products and supply chain	Supply chain sustainability Responsible products
	 Strong communities	Community engagement and support Economic contribution

Our approach to reporting

We aim to report on topics that matter most to our stakeholders and align with industry frameworks that guide our approach to appropriate disclosure. These include the Global Reporting Initiative (GRI) Standards, the Taskforce on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) Industry Standard for Iron and Steel Producers and the United Nations Sustainable Development Goals (UN SDGs). We intend to prepare future sustainability-related disclosures in accordance with Australian equivalents of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS) when they are adopted in Australia.

Our corporate reporting suite aims to provide the depth of information needed on certain topics and FY2023 performance results. As such, our FY2023 Sustainability Report should be read in conjunction with our FY2023 Annual Report, FY2023 Corporate Governance Statement, FY2023 Tax Contribution Report, FY2023 Modern Slavery Statement and FY2023 Sustainability Data Supplement, available at bluescope.com

SUSTAINABLE
DEVELOPMENT
GOALS



VALUE
REPORTING
FOUNDATION
SASB
STANDARDS

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Supporting the Sustainable Development Goals

BlueScope supports the United Nations (UN) Sustainable Development Goals (SDGs), and we 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 throughout our FY2023 Sustainability Report. Our performance against these goals further complements SDG17, recognising the importance of partnership and collaboration along the steel value chain, and SDG16 which aims to reduce corruption and bribery in all its forms. This Report, and our FY2023 Sustainability Data Supplement, contain examples of how our business and our people support the UN SDGs.

In FY2023 we participated in the UN Global Compact's SDG Accelerator, working with members of the Global Compact Network Australia (GCNA) to identify internal pathways to better support SDG6 Clean Water and Sanitation. As a major industrial water user with a proud heritage of efficient water management and discharge quality, we were challenged to explore further opportunities to improve our performance in water stressed regions where we operate.



BlueScope's latest UN Global Compact Communication on Progress is available at unglobalcompact.org

WorldGBC's Asia Pacific 'Business Leadership in Sustainability Award' celebrates companies that embed climate action into their overarching corporate strategy. BlueScope was nominated as one of three award finalists, recognised for their alignment with the Sustainable Development Goals (SDGs) and their 2050 net zero goal, which recognises the critical role of partnerships and collaboration in decarbonising the sector. I am pleased to see BlueScope aligned with the mission of our global network to lead the transformation to sustainable and decarbonised built environments for everyone, everywhere."

Cristina Gamboa,
CEO, World Green Building Council



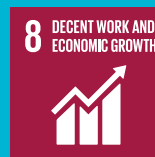
New Zealand Steel has engaged with local iwi (Ngāti te Ata and Ngāti Tamaoho) to understand cultural values and incorporate iwi feedback on our proposed ecological improvements for coastal bird habitat in the Waiuku Estuary and adjacent fresh water wetlands. Read more on page 28.

Sustainability Outcome 1

Sustainable growth and transformation



Business strength and resilience



**\$1.61Bn
underlying EBIT**

\$703M net cash

**\$518M
shareholder returns**

We operate our large and sophisticated asset base in a cyclical industry. We look through the cycle, adopting a balanced view of both current and emerging operating priorities, to achieve long-term strength and shared success. The ongoing strength and resilience of our business is core to delivering on our key sustainability outcomes.

Our approach

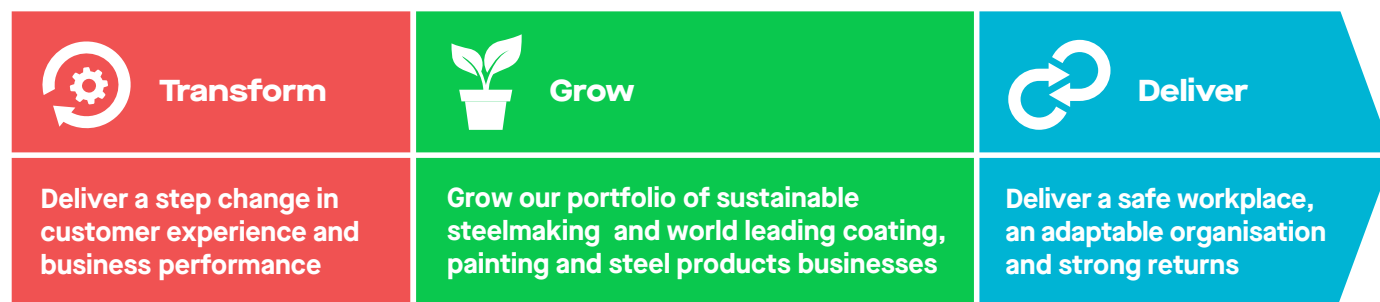
Our financial strength is vital to our ability to deliver meaningful value to our investors, customers, suppliers, employees and communities.

We aim to operate a resilient, cost competitive and efficient business by investing in businesses with good returns, maintaining a strong balance sheet and delivering returns that attract shareholder support. While we take a long-term view, making decisions in timeframes aligned to the life cycles of our assets, we also work to ensure that we can withstand cyclical lows and economic shocks, take advantage of opportunities and deliver returns throughout the cycle.

Our approach is guided by Our Purpose, our Strategy and our Financial Framework.

Our Strategy

Our Strategy sets out how we will deliver on Our Purpose and deliver strong returns and sustainable outcomes. Our Strategy seeks to drive transformation and growth, while continuing to deliver on core expectations for our stakeholders.



We have a resilient portfolio of businesses that are well positioned to participate in the favourable long-term outlook for steel, supported by favourable industry and end use trends:

- The focus on climate change is central – we're excited by the role our products play as a vital input for a clean energy future and we're simultaneously working hard to pursue the decarbonisation of our operations
- The robust pipeline of public infrastructure and non-residential investment is supporting demand in the steel intensive building and construction segments across our key markets.

Our Strategy (continued)

- Remote and hybrid working environments continue to support demand for lower density and regional residential housing – this favours BlueScope's products such as COLORBOND® and TRUECORE® steels.
- The transition to the digital economy is driving demand for steel intensive e-commerce infrastructure including warehouses, distribution centres and data centres – creating a supportive backdrop for all of our businesses.
- Recent macroeconomic and geopolitical volatility has continued to reinforce the importance of domestic supply chains and sovereign manufacturing capability – which aligns to BlueScope's strategy of focusing on supplying customers in the countries in which we operate.
- On the supply side, consolidation and rationalisation has transformed the US steel industry, which is clearly exhibiting enhanced supply side discipline, and China's efforts to reduce exports and limit overproduction and emissions is also supportive.

Corporate Confidence Index Survey

BlueScope regularly monitors investor perceptions of its performance through the Corporate Confidence Index (CCI) survey. BlueScope was rated in the top five against other Australian listed companies in the April 2023 CCI survey in the categories listed below, and first in those in bold:

- Effective CEO
- Capable senior executives
- Senior executive remuneration aligned with shareholder interests
- Judgement in acquisitions / divestments / investments
- Effective capital management
- **Communicates well with investment community**
- **High level of integrity**
- **Good market disclosure**
- **Informative management briefings**
- **Good access to senior management**

Financial Framework

Our Financial Framework has provided clarity, both internally and to our investors, as to how we approach business performance measurement, capital allocation, the balance sheet and shareholder returns.

The Framework is comprised of three pillars:

Returns Focus

- We seek to focus on delivering returns greater than our cost of capital, and to offer employee incentives linked to this.
- Maximising free cash flow generation through the cycle is crucial.
- Both measures address the capital-intensive nature of our business and so the need to maintain strong disciplines around asset performance and cash flow generation.

Robust Capital Structure

- We seek to maintain a robust capital structure which reflects the cyclical nature of the industry in which we operate, having a long term net debt target of around \$400 million.
- Our intent is to retain strong credit metrics and to maintain financial capacity to both weather the cycles and have the capacity to take advantage of value accretive opportunities.
- If we use leverage to finance acquisition activity, it is to be accompanied by an active debt reduction program.

Disciplined Capital Allocation

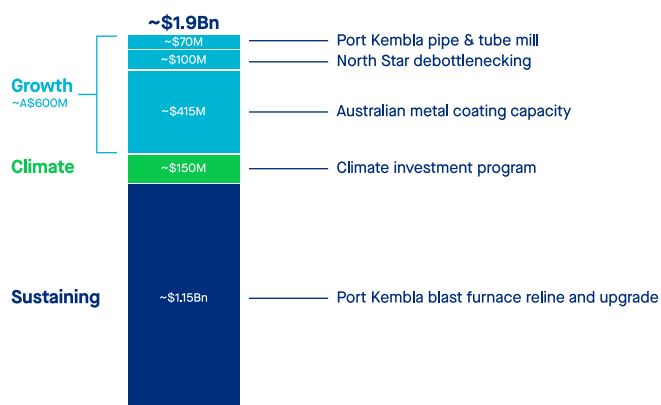
- We invest to maintain safe and reliable operations, and support the achievement of our decarbonisation pathways.
- We operate a returns-focussed process, with a disciplined competition for capital between investing for long-term sustainable growth and shareholder returns.
- Within this element of the framework, we seek to distribute at least 50 per cent of free cash flow to shareholders in the form of consistent dividends and on market share buy backs.

Investing for our future

We continue to be optimistic about the future. The strength of our balance sheet and performance of the business has been underpinned by the decisions made over the last decade, and the Company is now laying foundations for future growth and returns for decades to come, with approximately \$1.9 billion of significant future investment priorities.

These investments will help us (i) contribute to a lower carbon society, (ii) secure the future of our business and its safe and reliable operations, and (iii) grow in accordance with Our Strategy.

Future investment priorities¹ (\$M)



Project	Description	FY24	FY27
Port Kembla pipe & tube mill	New pipe mill to support entry to a new pipe and tube segment		
North Star debottlenecking	500ktpa incremental hot strip mill debottlenecking opportunity		
Australian metal coating capacity	Addition of 240ktpa metal coating capacity to support demand growth		
Climate investment program	Optimising current assets and preparing for new technologies		
Port Kembla blast furnace reline and upgrade	Securing future iron supply for Port Kembla Steelworks		

Investment projects are indicative only, and progress will be subject to BlueScope's rigorous multi-stage capital investment evaluation process

Growing our footprint in North America

Since 2019, we've sought to build out our presence throughout the North American value chain, both growing the existing footprint whilst complementing this with logical and aligned acquisitions. Since 2019, over \$2.2 billion has been invested in three key areas:

1. Expansion of our existing production at our North Star mini mill, which is recognised as one of the strongest performing assets in the US steel industry. The ramp up to full capacity is underway, along with consideration of further hot strip mill debottlenecking opportunities.

2. The establishment of BlueScope Recycling and Materials through acquisition. This business will enable us to both secure supply and improve the mix of scrap at North Star, as we progress towards 40 per cent self-sufficiency, on a post-expansion basis. Read more about how we are increasing our use of scrap on page 42.

3. Downstream integration into value-added, painted steel products, with the establishment of BlueScope Coated Products through acquisition. BlueScope is now the second largest metal painter in the US, and is focusing on product and service offer enhancements to drive growth.

Future focus

Using our financial strength to:

- Fortify the resilience of the business model in uncertain economic conditions
- Transition to a low carbon future, supported by our Capital Allocation Framework
- Invest for sustainable earnings and long-term growth, including:
 - Port Kembla Steelworks blast furnace reline and upgrade
 - Assessing further 500kt debottlenecking at North Star
 - Investing in additional metal coating capacity in Australia
 - Delivering on our North America strategy and growth roadmap
- Continue to deliver strong returns to shareholders, through consistent dividends and on-market share buy-backs.

Governance

Maintaining a strong and resilient business is a collective effort. The Board sets our risk appetite. Business unit leaders are primarily responsible for managing financial and non-financial risks in their business. Business units monitor a range of metrics aligned to our risk management principles and report performance to the Executive Leadership Team (ELT) each quarter. At a Group level these metrics are aggregated and reported to the Risk and Sustainability Committee (RSC).

Transformation



Asset intelligence

- Digital technologies support the efficiency and effectiveness of our global manufacturing assets

5 early-stage innovation projects

- BlueScopeX™ invests in green hydrogen, sustainable building materials, low carbon energy sources and logistics solutions

Operational efficiency

- Improved operational efficiency through increased use of data, advanced analytics, automation and digital mobility solutions

Investment in data, digital technologies, innovation and new ways of working will drive the next wave of operational excellence and customer experience (CX) improvements across the organisation. BlueScope is investing in a strategically aligned portfolio of projects in priority areas to drive value and growth, whilst building our foundational people and technology capabilities to accelerate the pace of change.

Our approach

Each of our businesses faces different strategic challenges and opportunities relative to their local customer needs and market conditions.

We work to respond to these needs by building a strong innovation and continuous improvement culture, investing in strategically aligned projects and ensuring we leverage the enterprise capability across BlueScope to help accelerate and scale solutions between businesses.

We have a disciplined approach to transformation investments, including building the critical capabilities, data and technology required to support our growth ambitions.

We have dedicated Global teams in Marketing, Manufacturing Excellence, Data & Technology and Strategy & Transformation who collectively work with our businesses and regions to provide strategic leadership in these areas whilst also ensuring the fast transfer of knowledge and solutions across the organisation.

Harnessing early-stage innovation through BlueScopeX™

BlueScopeX™ was created in CY2022 to help BlueScope harness early-stage innovation and support our strategy and growth. The function and associated fund identify, inspire and invest in early-stage companies globally, helping to shape and strengthen the future of our industry and communities. A key objective is to support decarbonisation activities along the value chains in which BlueScope operates, from manufacturing steel through to the built environment.

To date, BlueScopeX™ has connected with more than 350 new companies and invested in five projects, including green hydrogen, sustainable building materials, low carbon energy sources and future logistics solutions to reduce Scope 2 and 3 emissions.

Operational Efficiency

We have a strong culture of continuous improvement and are constantly looking to increase efficiency, build capability and use resources efficiently. Our Manufacturing Excellence framework describes the BlueScope manufacturing way of working to deliver on our promises to our stakeholders, and is grounded in the principles of “making every shift count” through:

- **Empowering an improvement mindset and culture** – Includes problem solving, sustainability and environment, managing controllable costs, engaging our teams and digital technology.
- **Robust daily operations** – Includes manufacturing disciplines, standardised work practices, leadership, visual performance management and building high performance teams.

Across our footprint we develop, use, and share leading manufacturing principles, processes, tools and practices in all aspects of operations through a resource hub and a network of engaged practitioners.

As data and digital technology have become more available, we are driving value across our business by investing in Internet of Things (IoT) sensors, data and connectivity platforms, machine learning and digital twin technologies to drive a greater step change in managing our daily operations and improving overall operational and capital efficiency and supply chain operations.

Incorporating digital technologies into our asset management processes

BlueScope's Asset Intelligence program aims to incorporate digital technologies into our asset management processes to maximise the efficiency and effectiveness of our global manufacturing assets. Part of the program is the deployment of smart wireless devices to measure and monitor all critical signals associated with our assets, and the introduction of predictive maintenance on these assets.

We have deployed asset intelligence capability at our Springhill site in Australia and are now rolling out similar technology at other Australian sites (Port Kembla Steelworks and Western Port), New Zealand and Thailand, with Western Sydney Service Centre and some of our US sites preparing their foundational technologies for a broader rollout next year.

An example of an early success is at our Western Port site, where Internet of Things (IoT) sensors have been deployed at one of the metal coating lines and configured into our predictive maintenance platform to monitor vibration on the strip cooling fans. Within three weeks of this configuration, a case was detected on the west cooling fan for elevated overall vibration. A visual inspection was carried out and it was found that the tunnel bearing oil lubrication reservoir was empty, which undetected, may have resulted in a catastrophic failure of the bearing potentially causing a significant delay to operations and the downstream units for which the metal

coating line provides feed. Immediate action was taken to refill the reservoir to protect the bearing and work was initiated to establish the root cause of the oil loss from the bearing itself. Given the speed at which we were able to react, the overall vibration levels were returned to a normal operation range and at least sixty hours of potential downtime was avoided.



Manual coil shipping process goes digital at North Star

North Star's coil shipping process has been transformed into a digital self-service experience this year. The approach included coil assignment, load building and load scheduling manual processes. A customer portal has been created to digitally assign selected coil purchases to carriers and track shipping status.

Since its introduction, the optimised, digital process has allowed North Star to ship the increased coil production derived from the Mill expansion with improved coil pickup turnaround time and reduced human error.



Customer experience

Strategic and intentional Customer Experience (CX) design is key to creating smart solutions in line with Our Purpose, and is critical to continuing to meet consumer expectations. We are investing in building digital capability and a marketing technology ecosystem to integrate analytics, information and intelligence, and convert them into critical insights to offer a more personalised and seamless purchasing experience for our customers.

Establishing a consistent and co-ordinated investment in our service and innovation culture across the globe will be central

to the success of our CX program. These CX improvements will come through everyone at BlueScope driving this change with a continued focus on experimentation, customer first capability and a leadership mindset.

Fundamental to effective change and customer value is understanding where improvement in our operations is required. This is why we are focused on listening to our customers and optimising our Voice of Customer and Customer Experience Design programs in the business.

Next-gen home improvement software

Our Lysaght and Fielders customers can now use cloud-based tools to design home improvement structures (such as a patio, carport, and more) for their end-consumer customers, such as homeowners.

The custom software enables three-dimensional designs and choice of colours enabling easy visualisation of projects in real-time, on any device with internet access. The software also empowers our customers to create information to support their sales process including the generation of quotes, engineering, council requirements, and layout and construction drawings. Additionally it's fully integrated with our purchasing systems enhancing ease of doing business for customers, taking the effort out of every step in the customer journey.



Growing our people

Effectively delivering on Our Purpose requires BlueScope to have both the capability to run the business today, while developing and acquiring the capability we need for the future. In this way, we aim to transform, grow and deliver to business needs.

To develop this capability BlueScope is taking a systematic approach outlining capability requirements through clear frameworks and expectations, ensuring we have the leadership in place to develop people in these capabilities, providing clear

feedback and development opportunities to address gaps and thinking ahead in terms of acquiring talent and succession plans for key capabilities. Globally, our primary focus areas are leadership capability, strategic marketing, manufacturing excellence and digital and information technology. Locally business units are working on building additional capabilities necessary for them to deliver to their local strategies.



Read more about our approach in *Culture and capability* on page 32.

Augmented reality training in Australia

Our Australian Steel Products business is using mixed reality tools such as the Microsoft HoloLens to create augmented training material which can be used and adapted to be fit-for-purpose by on-site employees in real time.

The HoloLens Guides program was trialled at our Port Kembla Steelworks, in the tundish area at the slabcaster, with new employees this year and has helped reduce the number of process errors and helped improve productivity. Participating cadets shared what they have learned, and how to use the technology, with their team.

The Microsoft HoloLens is now being trialled in other departments to teach new skills and gain a broad understanding of our business.



Data and digitally enabled platforms

As technology and data become more affordable and widespread, we are continuing to experiment and innovate to understand how these technologies may transform the way we improve our customers' and employees' experience whilst identifying ways to improve operational efficiency.

We are making targeted and strategic investments to support value delivery and build a sustainable future. These include:

- Building an insight driven organisation through a dedicated focus on uplifting our data maturity and growing our advanced analytics capability – allowing leaders to make faster and more accurate decisions
- Investing in industry 4.0 technologies including IoT sensors, connectivity platforms and digital twins to improve manufacturing and supply chain functions

- Adopting technologies to standardise and automate repetitive routine work like data entry to free up people to spend more time on higher-value work
- Enabling speed and scale through data and cloud technologies to support transformational and improvement projects
- Modernising our information technology systems to ensure they support future growth ambitions, particularly related to optimising customer experiences and our data platforms
- Building technology capability and leadership to support our transformation program.

Machine learning improves steelmaking process at Port Kembla

BlueScope's Port Kembla Steelworks has introduced a machine learning model to improve the safety, efficiency and quality of our steelmaking process.

The model assesses the characteristics of the steelmaking furnace (basic oxygen furnace, or BOF) to determine when the steel being made is ready to be tapped into the steel ladle. The model optimises safety, quality and environmental variables and provides guidance to the operator about when tapping can occur. By using the model, the production rate at the BOF can be increased, with improved quality and lower energy cost. Data from the previous batches of steel is used by the machine learning model to reduce tap-to-tap times by approximately 40 seconds, saving an estimated \$500,000 annually.

BlueScope does not use BOF processing at any other site, however these machine learning capabilities are actively being explored for a myriad of opportunities in Port Kembla and other BlueScope steelmaking operations.



Future focus

- Expand investments to improve operational efficiency across the organisation, including global asset intelligence, advanced analytics and connectivity and underlying data and technology systems
- Continue to evolve and enhance our commercial focus on product innovation, service innovation and customer experience
- Continue to grow the capability of our people across all regions by investing in education and learning pathways, strategic partnerships, and innovative ways of working
- Continuously explore and experiment with new and emerging technologies and their applicability to our organisation.

Governance

The ELT oversees BlueScope's transformation agenda. Progress is regularly reported to the ELT with key strategic focus areas reported to the Board as required. Read more about the governance role of our People and Strategy lead teams on capability in *Culture and capability* on page 32.

Sustainability Outcome 2

Safe, healthy and inclusive workplaces



Safety, health and environment



**175 environmental
improvement
projects completed
since FY2021**

**3,000+ people
participated in
HSE leadership or
learning workshops
since FY2021**

**900+ HSE risk
control improvement
projects completed
since FY2021**

Our care and commitment to health, safety, and the environment (HSE) is integral to the way we do business; for our productivity, success and above all our people who work throughout our supply chains and local communities. The safety, health and wellbeing of people is paramount, as are our values of trust, respect, and teamwork in our workplaces. We are dedicated to protecting the environment, being a responsible neighbour and providing smarter steel solutions through resource efficiency.

Our approach

BlueScope's integrated HSE strategy has embraced a people centred approach and continues to embed a culture of learning from our people. Across our business, we are implementing innovative and practical risk control improvements to enhance resilience, whilst empowering all people who make and handle our products to identify opportunities and be part of the solution.

We are focusing on 'how' we work with, and better enable, our people across our core workstreams and continue to embed a people-centred mindset in our foundational HSE processes, business support materials and systems. Since FY2021, our evolution to a more people-centred approach to HSE continues to be progressively integrated across our operations, realising demonstrable benefits.

We aim to connect with our people to deliver smart HSE solutions that sustain our environment and strengthen what keeps us safe and well. Our approach embeds Human and Organisational Performance (HOP) into our strong foundations and focuses on three areas:

- Risk and opportunity – Working with our people to improve our risk control effectiveness
- Culture and capability – Living a people-centred approach that inspires learning and development
- Systems and solutions – Enabling our people through simpler, smarter systems.



See our Health, Safety, Environment and Community Policy at bluescope.com

Risk and opportunity

Across our business, we are implementing practical HSE risk control improvements to build resilience and empower our people who make and handle our products to be part of the solution. We are engaging with and learning from our people to improve how we manage HSE risk – focusing on capacity, controls, and safeguards, rather than the absence of incidents. Our goal is to reduce the frequency and severity of harm to people and the planet, with improvement projects to strengthen the effectiveness of, and implement higher level controls for, critical risks across our sites.

This year we continued to review our HSE Codes of Practice, providing guidance and alignment across the business for our critical risks. These refreshed codes aim to better enable our people and support our focus on risk elimination (where possible) and control effectiveness.

Critical risk management has continued our focus on the most significant categories of risk for our operations, drawing on strong engagement from our people. During the year our people delivered 249 HSE critical risk control improvement projects. Many of these were recognised in BlueScope’s Health and Safety Excellence Awards this year, with 51 nominations continuing to showcase our commitment to improvement and how we drive a culture of learning. Examples of these are shared as case studies on pages 26-31.

Our Environmental Aspirations were strengthened last year, and since that time they have been reflected in business-level short- and medium-term targets and priorities, according to

the environmental context of our operations to realise practical and meaningful improvements. Forty-eight Environmental ‘STARs’ (stories about the Situation-Task-Activity-Result) were completed in FY2023, adding capacity and resilience into our work environments and realising the following benefits:

BlueScope's Environmental 'STARs'	
~ 17,000 <small>tCO2-e pa</small>	~13,000 <small>MWh pa</small>
of greenhouse gas reductions, equivalent to taking nearly ~3,600 cars off the road	reduction in electricity usage, enough to power more than 1900 homes
~200,000 <small>kL pa</small>	~57,000 <small>GJ pa</small>
of freshwater savings, the equivalent to 81 Olympic swimming pools	of natural gas saved
~12,000 <small>tonnes pa</small>	~\$4.2 <small>million pa</small>
of waste avoided and virgin raw materials offset by reuse	in annualised cost savings

Process safety

Our ongoing commitment to managing inherent process safety risks in manufacturing processes is driven by our people applying sound risk management techniques, supported by industry peers and shared learnings. Our Process Safety Management System has been reviewed this year to align more closely to current industry practice and legislative requirements common to all regions where we operate. This provides us with further clarity on the potential causes of significant process safety incidents and the control measures needed to prevent them or to mitigate the consequences. It also prepares us for any new process safety risks that may be introduced with the low emissions iron and steelmaking processes being investigated for future adoption.

Managing molten metal/water interaction process safety risk in New Zealand

At New Zealand Steel’s Glenbrook steelmaking plant an iron plate product is made by pouring molten iron into a pit in the ground. Any water in the base of the pit when the iron is poured gives rise to a process safety risk. If water encounters molten metal, it rapidly heats and can instantly expand up to 1,700 times its original volume. In a contained space, the change from liquid to gas can cause an explosive molten metal/water interaction.

After a near miss in 2022, the New Zealand Steel team worked with SteelServ, the pit operator, to investigate the control measures for this risk and identify further improvements that were then implemented. These reduced the safety risks, as seen early in 2023 when, despite once-in-a-century rainfall across the region, this process continued to operate without a significant molten metal/water interaction incident.



Culture and capability

Our people-centred approach to HSE leadership, risk management and culture aims to build capacity through participation and learning, and leveraging the knowledge and experience of our people to continuously improve. This acknowledges that people make mistakes, and that our ability to tolerate error and have the resilience to recover when things do go wrong lies in learning about and strengthening our controls.

This year we continued to build our HSE capacity through the development of our people. This process started in FY2021 with our leadership group participating in expert-led workshops, and is now extending across our workforce. More than 1,500 people participated in business-led HSE learning programs and activities in FY2023, as our lead metric shifted from Leaders to incorporate broader workforce participation and learning (see *Balanced HSE Indicators* on page 31). Over the past three years, 1,650 leaders have participated in expert-led workshops across all of our business units with Dr. Todd Conklin or HOP Coach - Bob Edwards or EFC China's HOP expert - Gary Tang. A further

264 supply chain and industry partners have also participated in the program.

We continue to support meaningful participation with our people who conduct the work in our facilities, leading to smarter, practical solutions. Our 'Better Questions, Stronger Solutions' approach involves listening to our people, especially those who make and handle our products, and sharing what we've learned to improve. This approach embeds effective questioning into existing processes, and helps leaders learn how to better manage risk. See our case study below and in previous Sustainability Reports, available at bluescope.com.

This year we sought internal feedback on our HSE approach and performance from our people, through independent surveying and from participants at our Australian HSE Conference, held at Port Kembla Steelworks (Australia) in October 2022. The responses received reinforce our view that an integrated, people-centred approach to HSE is the right approach, and that it needs to be globally aligned but also support bespoke solutions that respect culture and business context.

Award winning people-centred safety solutions at NS BlueScope Indonesia

NS BlueScope Indonesia won BlueScope's 2022 CEO award, the highest level of recognition achievable in our annual Health and Safety Excellence awards program.

The team integrated our 'Better Questions, Stronger Solutions' framework into their foundational processes to learn from the people who make and handle our products and involve them in solutions to reduce safety risks. The principles were integrated into regular small group activities, monthly risk reviews, site safety committees and the audit process.

The sites conducted audits, identified various projects and implemented actions to address various HSE risks including manual handling, live equipment interactions and falls.



Systems and solutions

We are integrating tools into foundational processes to learn and identify smarter controls, leading to stronger solutions to make a difference in our workplaces and communities.

This year we continued to support our people through simpler, smarter systems, adopting new technology and digital platforms to streamline our approach.

Our HSEC Policy continues to be integral to how we work, supported by global systems and tools to support sharing and learning. This approach has supported our sites in Western Port, Australia and at Phy My, Vietnam in working towards ResponsibleSteel™ site certification, building on the lessons, tools and approach taken at Port Kembla Steelworks last year. We completed a review of our 14 HSE Standards to embed our people-centred approach this year, updating the Risk, Incident Management, Governance and Indicators Standards. We will continue to review and update the remaining Standards in FY2024.

We continue to use BlueScope's online learning and engagement platform to share HSE information across our regions. This year we updated our Health, Safety, Environment and Community training module and translated the information into a number of languages. We also launched our Process Safety online community. Read more about Process Safety on page 26.

The integration of our HSE processes, standards, and systems within the recently acquired North American businesses (BlueScope Recycling Materials and BlueScope Coated Products) remains an ongoing focus.



Read more about our approach to driving effective HSE culture and capability in Health and Wellbeing (page 30) and our broader approach to all aspects of Culture and Capability at BlueScope on page 32.

Environmental management

BlueScope is committed to protecting the environment. We operate our facilities with the objective of compliance with environmental laws, protecting the amenity of our community neighbours and the longer-term viability of shared, natural resources.

Last year we strengthened our Environment Aspirations for land, air, water, waste, noise and energy/GHG emissions, providing a new framework for developing Group and business unit environmental targets and goals. This year business unit short and medium term targets were aligned with these revised aspirations, with resultant workstreams considering the context of our operations and the most effective use of business resources to prioritise practical solutions and realise meaningful improvements.

All businesses are encouraged to participate in our environmental recognition program, implementing projects that support our Environment Aspirations, documenting benefits and sharing lessons learnt. Our facilities worldwide are regulated on environmental matters by local authorities and report environmental performance data as required by site licensing arrangements. Many of our operating facilities, including our three steelmaking sites, also maintain ISO 14001 certification for their environmental management systems, providing additional assurance that our approach is suitable, adequate, and effective.

Protect the land

Protect our soils, preserve cultural heritage and enhance biodiversity

Our refreshed Environment Aspiration for Land drives a holistic consideration of our potential impact on the land, cultural heritage and biodiversity. We work to eliminate or mitigate land contamination from our operations, driving environmental

and broader operational risk control effectiveness improvements to realise opportunities and reduce and, where possible, eliminate risks. Where historic contamination is identified, management plans and, where appropriate, remediation activities are implemented.

While we predominantly operate brownfield sites in industrial settings, we work locally to conserve, protect, and where possible enhance, biodiversity. A number of our sites in Australia, New Zealand and North America are situated in close proximity to areas of cultural or ecological significance (read more in our *FY2023 Sustainability Data Supplement*, available at bluescope.com). Various controls and management processes are in place to ensure the preservation and, where possible, enhancement of these protected areas. This year we continued to expand our focus on nature with tree planting and native landscaping activities at our Port Kembla facility in Australia, Steelscape Kalama and ASC Sacramento facilities in North America and our Map Ta Phut site in Thailand. In addition, in the Vietnamese province of Ba Ria Vung Tau, our team has been working with its community, customers and partners, donating over 6300 trees, as well as providing volunteers to assist in planting and regenerating the coastal town of Lon Hai.

Our strong engagement with our communities, at a business and groundroofs level, is part of who we are. Taking into account the values of Indigenous peoples in the areas where we operate, and any potential community and environmental impacts, is critical to the way we do business. Beyond impact, we realise the important role BlueScope can, and does, fulfill in supporting our local communities' social and economic wellbeing.



Read more about our First Nations Framework on page 32 and our approach to community engagement on page 61.

Collaboration with local iwi in New Zealand

In addition to regular community engagement activities, New Zealand Steel engaged with local iwi (Ngāti te Ata and Ngāti Tamaoho) this year as part of the resource consent renewal process for stormwater and process water discharges.

New Zealand Steel sought to further understand cultural values and incorporate iwi feedback on its proposed ecological enhancement for coastal bird habitat in the Waiuku Estuary and adjacent fresh water wetlands. Positive discussions in the early planning stages have enabled New Zealand Steel to incorporate iwi feedback in proposals.

To date iwi representatives have provided valuable insights into the importance of the wetlands as they provide habitat for birds, medicinal plants, fish and food. Iwi support the reintroduction of indigenous species and improved pest control in and around these areas.



Preserve the air

Reduce emissions to air and eliminate impacts from process disturbances, protect community health and local ecology

We maintain a strong focus on reducing our impact on local air quality. Steel manufacturing, coating and painting activities are complex processes, and stable operations are required to minimise air emissions and disturbances in air quality. Emissions of

oxides of nitrogen (NO_x), sulphur dioxide (SO₂) and fine particles less than 10 microns (PM₁₀) are recognised as key steelmaking air emission metrics. These emissions directly impact air quality and have the potential to affect the communities where we operate. BlueScope has strict monitoring processes in place to capture and report air quality performance, monitor compliance with licence limits and identify opportunities for process improvements.

Managing fugitive dust emissions in New Zealand

This year New Zealand Steel continued to expand its water truck fleet at Glenbrook, further improving the regular program of watering unsealed roads to suppress fugitive dust emissions and to reduce the risk of poor air quality on site and for the neighbouring community. SteelServ introduced a dedicated digital system to manage dust suppression activity, with facility areas organised into zones and truck fleet routes monitored to respond to prevailing weather conditions or when employees were notified by alerts sent from continuous monitoring stations to mobile phones..



Eliminate waste

Drive resource efficiency and proactively contribute to building a circular economy

Our manufacturing approach focuses on resource efficiency, driving significant environmental improvements and sustainable business outcomes. Where practical we use co-products and waste products, from both our own operations and other sources, as substitutes for virgin raw materials. Besides the commercial benefits, this supports the circular economy, reducing greenhouse gas emissions, and preventing waste materials from going to landfill so they can be used in sectors beyond the iron and steel industry. In FY2023, 48 per cent of BlueScope's raw steel production originated from recovered and recycled scrap

steel, with 98 per cent materials efficiency¹ achieved across our three steelmaking facilities.

We continue to optimise raw materials consumption and minimise waste through raising awareness, sharing ideas and site improvements that drive both business and environmental benefits. This year we diverted more than 12,000 tonnes of material away from landfill or treatment, via internal and external reuse and recycling, and have provided more than 1.9 million tonnes² of slag and other valued iron and steelmaking co-products that go on to replace virgin raw materials in other applications.



See our environmental data in our FY2023 Sustainability Data Supplement, available at bluescope.com.

Repurposing a factory area using waste material

In Australia, our Port Kembla Steelworks has repurposed their Coil Annealing Line basement area as a coil storage facility adding 220 square metres to its overall space. By repurposing this basement, the area is now free from process flow obstruction, creating new opportunities both for coil storage and to improve the layout of Metal Coating Line (MCL) consumable materials, critical to MCL operations.

A large amount of electro-mechanical equipment was removed and recycled, and around 6000 tonnes of waste refractory and blue basalt material was reused to level the floor with adjacent ground floor areas. This diverted a significant volume of waste material from landfill, reclaimed some of the financial and materials reuse value of the decommissioned equipment and created a useful space for ongoing manufacturing activity.



1. See definition in the FY2023 Sustainability Data Supplement, available at bluescope.com.

2. Excludes export coke, BETX (benzene, toluene, ethylbenzene and xylene), ammonium sulphate, etc.

Health and Wellbeing

We continue to strengthen what keeps us safe and well at work through a holistic and integrated approach to health and wellbeing.

This year we launched our holistic *Health and Wellbeing at Work Model*, which brings together personal, environmental, work organisation and culture factors to drive four focus areas:

- Healthy People – the personal factors that each person brings to work in their own unique way
- Healthy Workplaces – the physical environmental factors that each of our workplaces contribute to our health and wellbeing at work
- Thriving at Work – the work organisation factors that come together in completing our everyday work
- Thriving Culture – how we relate to one another at work including leadership and employee behaviours.

We apply a *Protect, Support and Promote* mindset to all aspects of *Health and Wellbeing at Work*, as we seek to adopt an integrated and balanced approach to embed effective risk management actions, build culture and sustain a healthy and thriving workplace.

Our Executive Lead Team, Senior Leaders and Managers and People function leaders participated in a Townhall launch of the Model in early 2023 and our Health and Safety Global Lead Team is now developing further plans for the years ahead to engage with our teams.

While this Model is new, we already undertake a range of health and wellbeing related activities. These include gym facilities, physio programs and health initiatives in our North American

businesses, a psychosocial risk focus in Australia and wellbeing and community days in our ASEAN businesses. New Zealand Steel has partnered with 'Mates in Construction' to roll out general awareness training in mental health and suicide prevention to all employees from FY2024. Our people are also strongly supported by BlueScope's commitment to diversity and inclusion and leadership development.



Read more about *Inclusive Culture* on page 32.



Health, Wellbeing and Community Excellence in China and India

We recognised two businesses as joint winners of BlueScope's Health and Safety Excellence Awards (Health, Wellbeing and Community Excellence Category) this year.

BlueScope China undertook the 'We Do Believe' program which sought to care for its employees and local communities recovering from the impact of COVID-19. This included working with local schools, distributing supplies and providing online activities to support mental health. The team is excitedly looking forward to the future ahead and uses the catch cry "We do believe that the best is yet to come".

Tata BlueScope Steel ran a series of community support events through its Corporate Social Responsibility (CSR) initiative which seeks to make a difference in people's lives. This included procuring vital medical equipment for a local hospital to treat blood cancer patients and tackle Black Fungus disease, designing and delivering a construction safety program to upskill local workers and unemployed youths, and supporting the construction of a rainwater harvesting system in a local village which saved locals a four to five hour walk every day.

Both award winners, together with all the initiatives nominated for the award, are great examples of taking an integrated and holistic approach to health and wellbeing through the parameters of Protect, Support and Promote.



Balanced HSE indicators

We focus on reducing the severity of HSE incidents. Since FY2021, our balanced metrics include traditional lagging metrics, with leading indicators that support improved capability and HSE risk control effectiveness.

Our HSE recognition programs acknowledge improvements made at sites, with the benefits and lessons learnt communicated across BlueScope. During the year our people completed 249 HSE critical risk control improvement projects. In addition, 48 environmental projects were submitted, engaging hundreds of employees, driving environmental improvement and contributing \$4.2 million per year in ongoing business savings.

In FY2023, BlueScope notified relevant authorities of 43 incidents resulting in environmental non-compliance, 17 of which occurred in Australia and 26 in New Zealand and the US. This is numerically high by modern standards, however, the key drivers behind the sudden increase are understood (e.g. they include extreme weather in Auckland in January and February 2023, reporting from new business acquisitions and adverse impacts of native wildlife on water discharge quality) and all the reported non-compliances were low severity, with no material environmental or health impacts. The operations continue to treat low level incidents seriously, focusing on opportunities to minimise the likelihood of reoccurrence.

In FY2023 there were 302 recordable injuries, of which 8 had the potential to be a fatal incident and unfortunately 2 injuries resulted

in permanent incapacity. Where injuries occur, our focus is on care and treatment to support recovery.

Our balanced indicators of capability, risk management and severity

1,541

people participated in business-led HSE learning workshops

249

HSE risk control improvement projects completed

98%

material efficiency 77% steel, 21% co-products, 2% waste

8

injuries had the potential to be a fatal incident

2

injury resulted in permanent incapacity

43

environmental non-compliances



HSE performance data is detailed in our FY2023 Sustainability Data Supplement, available at bluescope.com

Reducing HSE risk at NS BlueScope Coated Products North America

NS BlueScope Coated Products North America's Operations team was Highly Commended for BlueScope's 2022 Health and Safety CEO Award in recognition for living our HOP approach. This included an improved approach to suspended crane loads, mobile equipment and people interactions, crane and mobile equipment interactions and manual handling.

For example, at Steelscape Kalama the Material Control Operations team (pictured) introduced the 'Hit Not System' for mobile equipment; a pedestrian / forklift proximity alert system that gives both the forklift operator and the pedestrian an audible and visual alarm when they are within 15 feet of each other.



Our future focus

- Continue to improve our top ranked HSE risk controls, including process safety and environmental aspects
- Implement innovative technical HSE solutions and foster broad workplace participation
- Embed a Human and Organisational Performance (HOP) approach in our leadership and governance processes
- Embed BlueScope's Health and Wellbeing at Work Model
- Implement simpler, globally aligned and locally configured HSE systems.

Governance

The ELT receives quarterly updates from business units HSE plans, initiatives, and performance. The ELT reviews Group HSE strategy, risks and governance processes based on regular updates from the Corporate HSE leadership team. This team undertakes HSE governance activities in accordance with our assurance framework. BlueScope's HSEC Committee comprises all members of the Board. Relevant HSE data is also presented to the Risk and Sustainability Committee of the Board.

Culture and capability



2 female Chief Executives appointed

- Female Chief Executives appointed to lead North American and Australian businesses

1,500+ employees shared their views

- Developed our employee listening strategy

First Nations engagement

- New Zealand and Australian businesses

We continue to see the benefits that a diverse and inclusive culture brings to our workplaces. We continue our commitment to creating a safe, healthy and inclusive workplace that values diversity, inspires creativity, supports capability and reflects the communities where we operate. We strive to achieve a workplace where everyone feels valued, has a sense of belonging, and can contribute in a meaningful way to our Company.

Our approach

Our people are our strength; delivering for our customers and supporting our local communities through everyday work and organisation-wide initiatives.

How we operate is guided by Our Purpose and underpinned by Our Bond, with key structures in place to nurture and support our culture, and to facilitate the ability of our people and partners to contribute in line with our Code of Conduct, *How We Work*. We understand that continuous focus, and the ability to adjust to feedback, is needed to understand what is working and not working in how we operate. We continue to establish training requirements, on-boarding practices and leadership expectations to promote positive behaviour. We value and recognise employees for their actions towards Our Purpose, celebrating achievements, milestones and successes.

Inclusive culture

We strive for an inclusive culture where all people feel valued and included at work. This year we evolved the focus areas of our Inclusion and Diversity strategy to better reflect the needs of the labour markets where we operate:

Belonging

We strive to create a sense of belonging in the workplace, and understand that this results in greater employee satisfaction, and higher performance levels. Connecting employees with Our Purpose and providing a platform to give everyone a voice on what matters to them at work is a key focus. This is underpinned by a culture of speaking up when something is not right and supporting those that do, providing a range of mechanisms for employees to raise concerns, and having various channels to listen, connect and engage. To support this connection, we have launched Global Employee Resource Groups centred on Employee Care, Disability and Accessibility, Respect@Work and Pride. Locally, business units have helped

raise awareness through diversity-themed celebrations and community partnerships.

Equity

We continue to seek opportunities to support under-represented groups in the communities where we operate. It is important that our policies, frameworks, and processes are equitable, aligned and accessible for all our employees. Our focus includes people with a disability in Asia, First Nations people in Australia and New Zealand and ethnicity in North America.

In Australia, we continued to progress a range of initiatives as part of our First Nations Framework (available at bluescopeillawarra.com.au). Australian Steel Products has appointed a First Nations Engagement Lead to manage the implementation of First Nations initiatives and commitments nationally, commencing in the Illawarra. A First Nations Working Group oversees the work of the First Nations Framework. Members of the Group includes Jawun alumni and First Nations employees. Priority areas of focus include finalising employment

and procurement strategies, with work underway to collaborate and engage with First Nations businesses in the Illawarra. Aboriginal Cultural Awareness workshops were held in February and March for key stakeholders based in the Illawarra. The workshops were facilitated by the Illawarra Aboriginal Corporation's Cultural Centre and included a yarning circle with local Elders and Aboriginal community members who shared their personal experiences on a range of challenging topics.

In New Zealand, our business works closely with the Ngāti te Ata iwi to identify historical places of significance on and adjacent to the steelworks site. Ohurua is a significant historic headland Pā (fortified settlement with palisades and defensive terraces) within our property boundary. The Pā is situated on the historic Manukau Harbour portage route for waka (Māori canoe) travelling south to the Waikato River. With members from Ngāti te Ata, we are working together to reduce soil erosion risks.

Capability

We continue to build and embed our inclusive capability in our suite of leader development programs, in our frameworks including the *Health and Wellbeing at Work Model* (see page 30), our talent development and acquisition approach and enabling access to learning through our global learning platform.

Data led

We strive to build a workforce that reflects the diversity of the communities in which we operate. Understanding our progress through data is essential to our success. We will continue to build our data collection and capability to allow leaders to measure the impact of all initiatives.

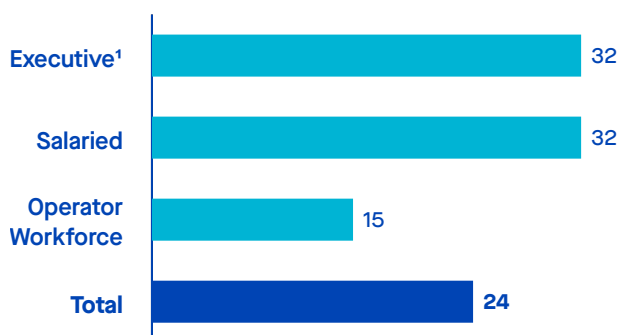
Recruitment remains a key vehicle for improving gender balance across our workforce. We know there is more work to do as we continue to evolve our attraction and retention strategies. A number of formal partnerships have been established with education institutions in New Zealand, ASEAN, and Australia to drive a diverse pipeline of candidates.

This year we maintained our overall percentage of women in the workforce at 24 per cent. We maintained our gender balance ratio for our Board and ELT in line with our 40:40:20 target¹. Four women were appointed to new roles on the Executive Leadership team, two are new appointments to the ELT and two were appointed to now lead our largest revenue-making business units.



Read more about approach to inclusive culture in our FY2023 Corporate Governance Statement at bluescope.com

WOMEN IN BLUESCOPE %



1. Executives include all employees who have an Executive contract (CEO -1, -2, -3).

BlueScope appoints two female Chief Executives in FY2023

Women now lead our largest revenue-making business units; Australian Steel Products and BlueScope North America. Tania Archibald and Kristie Keast give their views on leadership at BlueScope and the importance of diversity, equity and inclusion.

Tania Archibald CE Australian Steel Products



We have tremendous cultural diversity across our sites, giving us a huge advantage to leverage different life experiences, ways of thinking and representing the communities in which we live and work. But diversity is not enough without ensuring our people are safe, empowered

to speak up and that they truly feel they belong and can operate at their best.

I also want to ensure we have a strong pipeline of women for leadership roles and support our First Nations Framework to help foster better understanding and engagement between BlueScope and our First Nations communities. We are part of the communities in which we operate and we have the opportunity to help bridge the gap through employment and supply chain opportunities. Whilst we have made progress, there is much more to do and I will continue to support the Australian business to make a difference in our workplaces and communities.

Kristie Keast CE North America



At BlueScope, our people are our strength. This belief is central to our team members' ability to contribute and feel valued; knowing their ideas are welcome. Diverse perspectives make us stronger and enhance our ability to attract, engage and retain great people for the

future. In my view, this is the foundation for growth and prosperity for BlueScope.

Our recent investments across North America have brought together fantastic people and great businesses. As we've grown, I'm proud that we've established a very diverse and talented team that enables us to unlock our collective creativity to deliver great experiences and innovative solutions for our customers. I'm committed to ensuring we have the leadership, processes and resources in place to encourage inclusive behaviour so that our workplace is safe for everyone - our people can use their voice, be heard and feel that they belong.

1. Gender balance is defined as 40% identifying as women, 40% identifying as men, and 20% identifying as any gender.

Creating an inclusive workplace in New Zealand

New Zealand Steel is proud to have jointly won the Inclusive Workplace (Medium-Large organisation) category at this year's annual Diversity Awards NZ, in recognition of its efforts to create a more inclusive workplace for working caregivers and pregnant employees. Chief Executive Robin Davies says the award recognises a significant effort by New Zealand Steel to enhance its employees' experience and employ a safe, engaged and evolving workforce. The initiatives recognised were co-designed by the New Zealand Steel HR team and an employee focus group.

New Zealand Steel was also a finalist in the Diversity and Inclusion Award category at the Human Resources New Zealand Awards this year. While not successful in winning the category, the judging panel acknowledged that the Company's initiatives will become an increasingly compelling case study over time as we are able to track and measure the impact of these initiatives, beyond the initial positive employee feedback and testimonials.



Picture supplied by DiversityWorksNZ.

Jawun Partnership Program

Since 2017 BlueScope has supported the Jawun Partnership Program which connects corporate, government and Indigenous leaders to share their skills and knowledge to create real change. Our Australian-based employees can participate in a six-week secondment in Central Australia, working on projects with Indigenous organisations to support local and remote communities.

To date, 40 BlueScope employees have completed the secondment. In FY2023 Health and Safety Manager, Trent Yeo, and Shift Team Leader, Martin Perry, (both pictured) worked with a primary health care service, the Central Australia Aboriginal Congress (CAAC). Trent reviewed safety systems and several key safety documents, such as its Remote and Isolated Working Practices, while Martin developed a maintenance budget matrix for the almost 50 clinics, offices and residents that CAAC manages within Alice Springs and surrounding remote communities.

Our Jawun alumni are key allies in supporting the ongoing success of the program, by building a support network for

future participants and contributing directly to BlueScope's First Nations initiatives.



Employee experience

We want to attract and retain people who are aligned to Our Purpose and demonstrate our desired culture. To support this we continue our efforts to optimise our employee experience and communication internally.

Building on our FY2022 global Employee Value Proposition (EVP) and Employer Brand research program, we have built specific regional and local strategies for our businesses to support a clear, compelling and relevant employer promise; telling our local stories and communicating the wonderful initiatives our people and businesses are driving to support a sustainable business and community. The next phase of the project includes building these insights into various streams of work across BlueScope to ensure we continue to optimise and strengthen our brand and the employee experience.

We regularly review progress on delivering our EVP to ensure we are offering people inclusive and meaningful work experiences. In FY2023 we commenced developing an employee listening strategy. In developing this strategy we have sought feedback from around 10 per cent of our employee population globally. The findings and insights from this work will inform us about how our people want to provide feedback and the key topics they would like to address. This work will also inform our ongoing employee survey and feedback processes.

Organisational capability

We aim to develop a culture that encourages employees to be the best they can be through learning, connecting, sharing and receiving regular feedback on what they are doing well and where they need to develop. Our focus is to develop the capability of our people to deliver on the BlueScope strategy. This means having leaders with the strategic capability to move us forward and the operational excellence to deliver to today's customer and community needs. We are transforming our workforce to meet the needs of our customers, with innovation and digital transformation playing a key role in future proofing the business.

Leading at BlueScope

Developing talented BlueScope leaders is vital to our aspiration of creating strength. We aim to achieve this using data driven talent insights, practical experience and a commitment to continuous learning. The focus of our leadership development is twofold; to deliver to customer needs today while ensuring an eye to the future. Having set the capability expectations through our Leading at BlueScope framework in 2022, this year we have focussed on supporting leaders in their development against this framework.

Through a structured assessment process we have supported them in understanding where their strengths and areas for development lie in line with the framework. A supportive feedback process has helped leaders to understand this information and develop their own plans to leverage their strengths and work towards closing gaps in development areas. Fifty per cent of our leaders at CEO-2, including most of the Executive Leadership Team, have completed this process.

We have launched 'Leading for Impact' for all leaders in executive roles (approximately 150) with 35 commencing the program in FY2023. This program aims to develop capability at a strategic level in understanding leadership style and impact, strategic thinking, customer orientation and building capability and inclusion through people. Through this program we are raising the overall capability of leaders and developing a common language and set of tools for how to lead at BlueScope.

Learning at BlueScope

We are creating learning opportunities and experiences that support our people develop new skills. Over FY2023, we continued to enable our people to learn about what interests them at their own pace with a digital learning platform. Through a topic-driven, 'communities' approach, BlueScope people can learn from colleagues with similar interests, be assigned essential learning and share information gathered that they believe will be useful to others. Learning communities are added every week and currently more than 40 communities are being accessed – from manufacturing excellence to inclusion and diversity.

Embedding our Code of Conduct, How We Work through online training and assessment

Our global learning experience platform facilitates how we embed Our Code of Conduct, *How We Work* through training and assessment. Through it, BlueScope employees access nine short videos and a multiple choice assessment. More than 12,700 employees and contractors have now completed the training across Australia, New Zealand, North America, ASEAN and China. Users also accept a statement to confirm their agreement to operate in line with the requirements of our Code.

This year NS BlueScope ASEAN transferred all mandatory training requirements onto the platform. This allows training to be automatically allocated to employees who perform higher-risk roles, particularly those employees with responsibility for or involved in commercial transactions with customers or suppliers, or who influence strategic business decisions.

Our future focus

- Local diversity strategies and increasing the representation of women in all roles, including operator/trade, management, and leadership
- Recruitment, selection and on-boarding strategies
- Developing the capability for both the needs of today and tomorrow's business.

Governance

Accountability for organisational capability sits with our Chief People Officer, with progress reported quarterly to the ELT.

The Global People Leadership Team is chaired by the Chief People Officer and comprises all business unit people leaders and global functional people leaders. The team governs BlueScope's overall people strategy, yearly deployment plan and progress against this. The Head of Organisational Development, the Head of Social Impact, Diversity, Equity and Inclusion and the Head of Remuneration and Performance report to the Chief People Officer.

The Board has delegated responsibility to the Remuneration and Organisation (ROC) Committee to review issues pertaining to organisational capability. Certain topics are presented annually to the Board.

Social impact and human rights



Targeted Worker Voice survey deployed at our own sites

Leadership engagement

- Engaged business leaders in high-risk locations to ensure ongoing awareness and capability

5 priority risk areas

- Hours of Work
- Wages and benefits
- Forced labour
- Grievance Mechanisms
- Harassment and abuse

Recognising the increased focus on social responsibility to our people, workplaces, and communities, we are working to increase our positive social impact and help prevent or mitigate adverse impacts on human rights in which we may be involved.

Our approach

We are focused on protecting human rights across our business, and we are committed to driving positive social impact and to mitigate adverse impacts in our operations and through our supply chain.

At BlueScope, we are working to ensure our business activities and practices are aligned with the UN Guiding Principles on Business and Human Rights and believe all people should be treated with dignity and respect.

We are committed to an integrated approach to managing key risks, including our modern slavery risks. We aim to have a proactive risk culture, ensuring a balanced approach to managing uncertainty in the delivery of strategic and commercial outcomes.

Through due diligence and an appropriate remedy and governance process we aim to identify, assess, remedy and track adverse impacts on human rights in which we may be involved, and are committed to building leadership awareness and capability on identifying these issues.

We are working towards a continuous improvement model so that we apply any findings or remediation learnings across the Group to inform our management approach for prioritised areas of risk.

Increasing awareness of human rights issues is one way BlueScope can deliver positive social impact. In December 2022, the Company launched the inaugural “Be part of the conversation” program, highlighting three important days in the United Nations calendar – International Day for Persons with a Disability, Human Rights Day and International Day for the Abolition of Slavery. Forums were hosted for employees and suppliers to discuss and understand how these topics impact our work.

Our Human Rights Policy outlines our expectations for all business partners (upstream and downstream) and holds everyone to the same standard. It also encourages reporting of all concerns – including modern slavery and human rights. The Policy is published on internal communication channels and also available at bluescope.com.



We are committed to identifying, assessing, and taking action to mitigate the potential modern slavery risks in our operations and supply chain. Read more in our latest Modern Slavery Statement, available at bluescope.com

Due diligence process

Our Social Impact Steering Committee facilitates BlueScope's human rights due diligence process. Working in consultation with internal and external stakeholders, we seek to identify actual or potential risk areas and create meaningful and effective action in addressing modern slavery and other social impacts within our business and in our relationships with others.

Each year the Steering Committee complete an internal assessment to identify any actual or potentially adverse impacts arising from our business operations, products and partnerships, and the priority actions are updated based on this assessment.



We have determined that the priority areas established last year are still relevant for our business and will continue to drive our actions and focus. These five priority risk categories include:

- **Hours of work** – reasonable limitation of working hours and paid holidays
- **Wages and benefits** – accurate and timely payment
- **Forced labour** – all forms of forced labour for contract workers at our sites (and contractor management)
- **Grievance mechanisms** – accessibility of mechanisms for employees, labour hire and contractors
- **Harassment and abuse** – prevention of and response to harassment in the workplace.

In FY2024 we plan to strengthen the social impact due diligence process and grievance mechanisms for all workers (including labour hire and contractors), ensuring they are accessible, predictable, equitable, transparent and promote continuous learning, and are based on engagement and dialogue. The Steering Committee will regularly review the risk categories in our impact assessment and act on new information as appropriate.

Remediation in Malaysia

This year as part of our Social Impact due diligence process, a desk-top review of potential modern slavery issues was completed across all of our sites. Based on the findings of this assessment we engaged a third-party provider to conduct a Labour and Working Conditions Audit in Malaysia (as one of our high-risk regions).

Through our proactive due diligence process, we identified a number of modern slavery matters impacting some of our contract workers in our Malaysian business which require remediation. These matters were identified using a combination of worker interviews, confidential third-party surveys, investigations, and grievance lines.

The affected workers are being consulted through every stage of the remediation, and additional grievance mechanisms are established to protect the workers during the remediation phase.

The remediation plan, which includes our Malaysian business stepping in to reimburse recruitment fees that had been charged to some of these employees at our site by the third-party contractors or their agents, and addressing supplier breaches of our policies, is ongoing.



Read more in our FY2023 Modern Slavery Statement, available at bluescope.com

Future focus

- Develop a plan of targeted worker surveys at our own sites, focussed on contractors
- Ongoing review of our priority areas and risk assessment
- Develop a due diligence tracking register
- Develop our remedy approach
- Integration of acquired businesses into our responsible sourcing program including supplier evaluation and assessment, education and collaboration.

Governance

Our commitment to sustainable governance is led from the top, with clear accountabilities for oversight and implementation of our sustainability commitments, including those that relate to modern slavery.

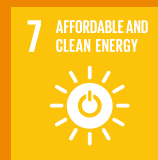
BlueScope's Social Impact Steering Committee oversees implementation of due diligence processes including our Responsible Sourcing Program and requirements to meet the Modern Slavery Act, and provides recommendations to the ELT, Board and relevant Committees.

Sustainability Outcome 3

Climate action



Climate change & energy transition



Targeting 45% reduction in New Zealand Steel GHG emissions

Collaborating to support decarbonisation

8.0% reduction in steelmaking greenhouse gas emissions intensity since FY2018¹

Action on climate change requires transformation across all sectors of the economy. We believe that steel will play a critical role in the transition to a low carbon economy and that unprecedented collaboration will be required to accelerate progress towards lower emissions iron and steelmaking. BlueScope is playing its part. We are driving GHG reductions across our operations, as well as through expanding our involvement in exploring decarbonisation technologies and opportunities, strengthening the outlook for our business, our people, our communities and our partners.

Our approach

Climate action is key to Our Purpose and is a core element of our Corporate Strategy: we remain committed to actively addressing climate change and investing in GHG emissions reduction to transform BlueScope for long-term success. Our 2030 GHG targets, net zero 2050 goal and capital allocation commitment are outlined below.

GOAL

NET ZERO

GHG emissions across our operations by 2050²

TARGETS

12%

GHG emission intensity reduction by 2030 for our steelmaking activities³ (based on 2018 levels)

\$150m

In 2021 BlueScope made an initial allocation of capital for climate projects and initiatives over the next 5 years

30%

GHG emission intensity reduction by 2030 for our non-steelmaking activities⁴ (based on 2018 levels)



Read about our alignment to the Task Force for Climate-related Financial Disclosures (TCFD) in our FY2023 Sustainability Data Supplement and further background in our Climate Action Report at bluescope.com.

1. FY2018 is the baseline year for BlueScope's steelmaking target of a 12% reduction in greenhouse gas (GHG) emissions intensity by 2030.

2. Our net zero goal covers BlueScope's scope 1 and 2 GHG emissions. Achieving our 2050 net zero goal is dependent on several enablers, as outlined on page 40.

3. This target translates to a target of 1% year-on-year emissions intensity reduction (from the 2018 baseline) across our steelmaking sites.

4. The non-steelmaking target applies to our midstream activities that include our cold rolled, metal coating and painting lines and long and hollow products. It excludes our downstream activities. Refer to the Glossary section of the FY2023 Sustainability Data Supplement.

Progressing the key enablers for our net zero 2050 goal

We continue to monitor and, where possible, drive progress on the key enablers that underpin our 2050 net zero goal. As a result of developments over the past year, we have refreshed our key enablers to ensure they reflect the accelerated pace of technology evolution and our focus on Direct Reduced Iron (DRI) using natural gas as a transitional step to green hydrogen, in particular through our Australian Options Study (See *Iron and Steelmaking Transformation* on page 41).

Progressing the key enablers necessary to achieve our 2050 net zero goal is dependent on transformational changes that are shared across a range of stakeholders external to BlueScope and the steel sector. Collaboration and advocacy are therefore crucial to underpin BlueScope's climate strategy.



During the past year, the rate of progress in research into lower emissions iron and steelmaking technologies has accelerated across the globe. This is, in part, due to increased levels of funding in pilot-scale research projects and concept studies.

At BlueScope we have also enhanced our own understanding of technology through our collaborations with several global steelmakers including Tata Steel Europe, thyssenKrupp Steel Europe and POSCO. In our assessment, this progress means the timeframe for technology development has come forward. Yet at the same time, we see an even greater need to prioritise progress on the remaining key enablers for our 2050 net zero goal (raw materials supply, firmed renewables, hydrogen availability and policy support). In our view, it is the rate of progress on these other key enablers, that will ultimately determine the pace of the transition towards lower emissions iron and steelmaking in the Australian context.

Relevant developments with respect to the key enablers over the past year include:

- **Technology** – extensive industry technical exchanges and workshops to monitor accelerated developments in DRI using natural gas, shaft furnace and smelter technologies.
- **Raw materials** – completed concept study with Rio Tinto to explore opportunities for using Pilbara ores in the DRI process. Increased scrap use across our global steelmaking operations as one of the initiatives to optimise current operating assets.
- **Renewables** – implementing multiple projects to increase the use of renewable energy sources within our operations as well as provide steel for the clean energy transition.
- **Hydrogen** – completed a feasibility study that provided useful learnings about the potential of hydrogen use to assist with the decarbonisation of the steelmaking process. We have decided not to progress the project further, as BlueScope continues to closely monitor further technical and commercial development of green hydrogen as a potential major off taker, supporting industry initiatives where it is appropriate to do so. In the meantime, we will explore natural gas as a transitional step to green hydrogen.
- **Policy** – Government support for Electric Arc Furnace in New Zealand, introduction of Safeguard reforms and funding opportunities in Australia and exploring potential opportunities for increased demand for steel driven by the Inflation Reduction Act in the US.

Climate scenario analysis

A detailed climate scenario analysis was undertaken in FY2021 to test the resilience of our business strategy and operations under different climate trajectories. The five scenarios developed through this analysis indicated that BlueScope can play an essential role in the transition to a low-carbon economy as the steel sector and global community take action to decarbonise. The scenarios have been integrated into our climate capital allocation process which was subsequently applied to inform decisions related to New Zealand Steel's EAF and PKSW's BF reline, among other investments in the business.

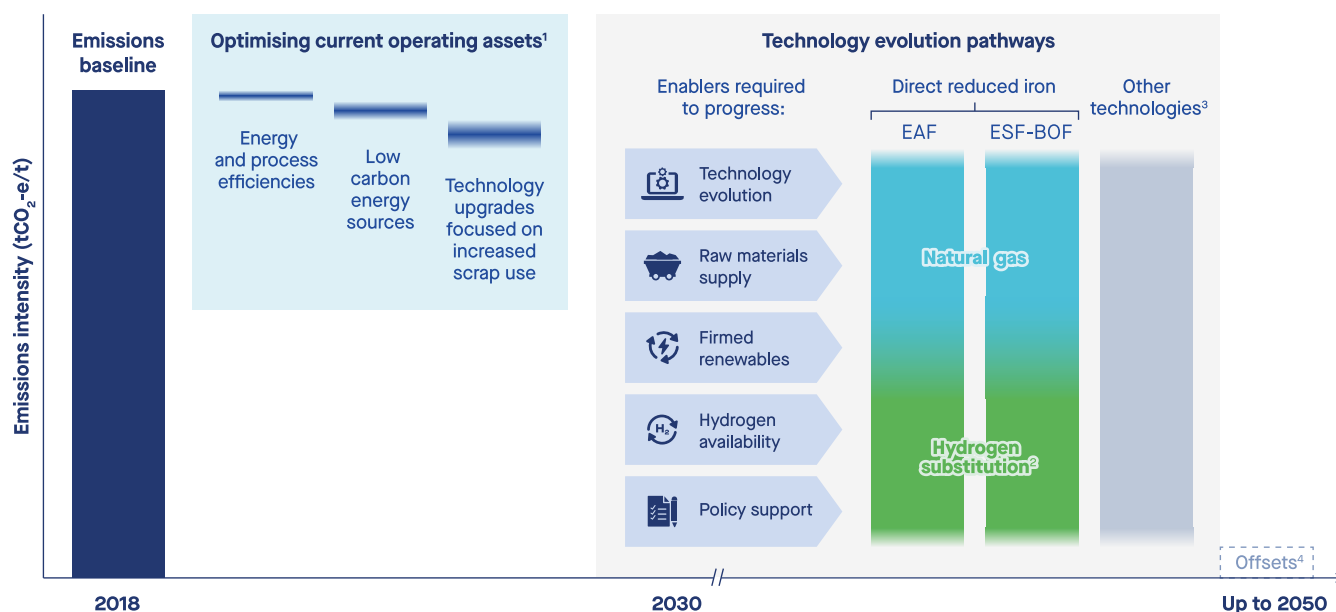
We will update our climate scenario analysis in FY2024 which will incorporate the latest IPCC and IEA projections and scenarios. We will share the results of the analysis in subsequent disclosures.



Details of these scenarios and outcomes of our climate scenario analysis are presented in our Climate Action Report, available at bluescope.com.

Delivering on our decarbonisation pathway

Our indicative decarbonisation pathway (below) provides the framework for our emissions reduction activities, as we continue to explore relevant process routes and understand how they might apply to our operations. Our actions depend on how technologies, enabling infrastructure and policy evolve.



1. Optimising current assets involves working within currently available technology options to improve the efficiency of assets and processes, including upgrading technology where there are supportive enablers.
2. Contingent upon commercial supply of hydrogen from renewable sources.
3. Other technologies include electrolysis, CCUS and biocarbon, etc.
4. We retain the option to use offsets to meet our 2050 net zero goal where direct abatement is not technically or commercially feasible.

Iron and steelmaking transformation

BlueScope's indicative decarbonisation pathway has been updated to reflect our refreshed assessment of technology developments in DRI, using natural gas as a transitional step to green hydrogen to produce lower emissions steel. This assessment was informed by our concept study with Rio Tinto to explore DRI and its application to Australia's Pilbara hematite ores in conjunction with Electric Smelting Furnaces¹(ESF), known as 'Melters'. The study is now complete and the next stage of activity will include trials and a potential pilot program.

Further development of the use of hematite ores in a DRI-ESF process would unlock opportunities for the steel sector and the minerals sector as part of the transition to lower emissions iron and steelmaking, given their abundant availability, compared to higher grade ores typically required for the DRI process.

We are also undertaking a broader options study to explore the longer-term, large-scale decarbonisation of ironmaking in Australia. This includes a project focussing on necessary enablers such as raw material options (e.g. magnetite versus hematite ores) and reductants (e.g. natural gas and hydrogen). We are also bringing together global steelmakers such as thyssenkrupp, POSCO and Tata Steel, as well as raw material and equipment suppliers.

While there are some exciting technology developments, iron and steelmaking transformation will continue to rely on urgent and effective action across all key enablers (see page 40). Where supportive regional enablers are in place, we have accelerated upgrades in technology across our iron and steelmaking operations:

In the US, we have added a third EAF to our North Star facility and have ramped up scrap supply (including maximising obsolete scrap) from our BlueScope Recycling and Materials business.

Our intention to introduce an EAF at our New Zealand Steel business is possible due to progress on the availability of commercial, firmed renewables, an enhanced quality scrap supply chain and supportive Government policy, including direct government funding.

In Australia the reline of the single blast furnace at the Port Kembla Steelworks is critical to maintaining the sovereign capability of flat steelmaking in Australia until we are able to transition to lower emissions technology. In this sense, the reline project is our bridge to the future and does not lock us into a full 20-year blast furnace campaign. Following Board approval in August 2023, the execution phase has begun, with a start-up target date in mid to late-2026.

1. Electric Smelting Furnace (ESF) is the type of furnace that processes DRI feed and separates impurities to produce a liquid pig iron product suitable for a Basic Oxygen Furnace (BOF) that can produce a wider range of steel products.

Optimising our current assets

Whilst efforts to reduce the GHG emissions of our operations have resulted in high levels of optimisation of current processes, we continue to seek and drive improvements towards our 2030 targets and 2050 net zero goal.

Energy and process efficiencies

During the year, we have continued to drive and optimise our use of raw materials, improve scrap availability and pursue process upgrades.

At Glenbrook, we have installed hot accretions crushers on the discharge of the kilns such that any oversized outputs can be crushed in situ and directly charged to the melters. This mitigates

the need to remove these oversized units, cool, crush and eventually reintroduce them back into the process, increasing overall yield and driving a reduction in emissions intensity.

At our non-steelmaking (mid-stream) sites, multiple projects are underway to drive reductions in emissions and energy consumption from high-heat processes, such as coil coating and painting lines.

Waste heat recovery at Suzhou, China

The team at Suzhou, China have improved their management of exhaust from the site's coil painting ovens.

The existing Thermal Oxidiser has been replaced with a Rotating Concentrator - Regenerative Thermal Oxidiser (RC-RTO) system, which more effectively manages large volumes of waste air and improves the recovery of heat back to the oven and other parts of the process where it is needed.

The RC-RTO reduces energy consumption and GHG emissions, saving more than 3,200 tCO₂-e per year.



Low carbon energy sources

We continue to develop and explore strategies to shift to lower-carbon electricity and energy sources across our operations, where there is commercial availability of firm renewables.

In New Zealand, the proposed new EAF will be powered by an average of 30MW of firm, renewably generated power. In addition, the EAF will provide broader stability to the electricity system via steady high demand and an ability to provide electricity back into the grid at times of peak demand.

In steelmaking, trials have been completed at the Port Kembla Steelworks on the potential use of biocarbon to replace pulverised coal injection (PCI) into the blast furnace. There have been some positive initial results, replacing up to 30 per cent of PCI during the trial with no identified process or quality impacts.

Multiple projects across our non-steelmaking sites are delivering lower electricity use, such as the Sunfield solar farm, Malaysia, now completed and supplying renewable energy that has reduced emissions by approximately 4,800 tCO₂-e in FY2023. Project plans are also underway at sites such as the NS BlueScope Vietnam Phu My, which has completed a study to generate abatement opportunities of up to 30 per cent including through greater efficiency of natural gas utilisation and renewable electricity solutions.

Increased scrap use

Increasing the proportion of scrap availability and maximising its use within all our iron and steelmaking operations remains a key focus. Investment and innovation now to optimise our current and upgraded steelmaking processes will take us through to the steelmaking transformation, where scrap will be a key enabler.

A major opportunity for our North Star operations is the beneficiation of obsolete scrap. Beneficiation is the process that consists of removing non-ferrous impurities (e.g. copper, aluminium) from previously obsolete scrap. The resulting scrap is processed to provide an increase in scrap self-sufficiency for our steelmaking operations to an anticipated 40 per cent by the end of our North Star steelmaking expansion.



Read more about how we process and recycle scrap in The Future of Steel (pages 8 and 11).

Emissions performance

Scope 1 and 2 emissions

Our iron and steelmaking activities across our three steelmaking sites (Glenbrook, North Star and Port Kembla) account for 92 per cent of our total Scope 1 and 2 GHG emissions. Non-steelmaking (mid-stream and downstream activities) account for the remaining 8 per cent of our GHG emissions profile.

BlueScope's total (absolute) Scope 1 and 2 GHG emissions are outlined in the graph below. While there was a reduction in absolute emissions in FY2023 compared to prior years, based on current assumptions, it is likely there will be a year-on-year increase in absolute emissions in FY2024 following a full year of ramp-up of the North Star expansion, and with the inclusion of the BlueScope Coated Product assets, reported for the first time.

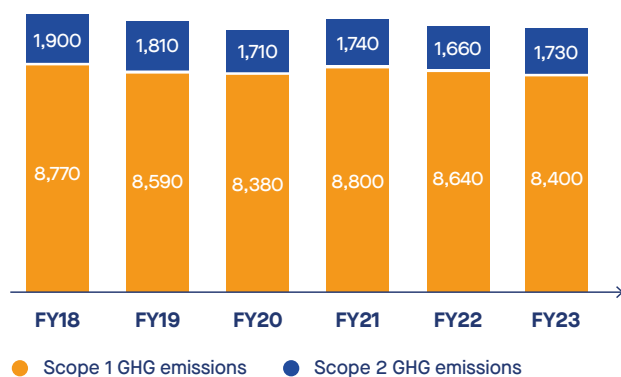
Scope 3 emissions

We have continued to progress our Scope 3 reporting journey, broadening the coverage and the accuracy of our inventory. This year, we extended our inventory to include an estimation of the GHG emissions from the processing of co-products that are sold to downstream customers, which represented over 1.0MtCO₂-e in FY2023. These co-products include waste products such as slag, coal tar and ammonium sulphate generated from our steelmaking operations that are used in downstream industries, including the cement and other industries. Downstream use of these co-products displaces virgin material that would otherwise need to be created to meet the needs of these industries, and thereby reduces emissions in those industries' supply chains.

BlueScope's FY2023 Scope 3 GHG emissions represent 54 per cent of BlueScope's overall emissions profile, with emissions from iron¹ and steel purchases, which are not manufactured by a BlueScope facility, contributing 33 per cent of our Scope 3 emissions profile.

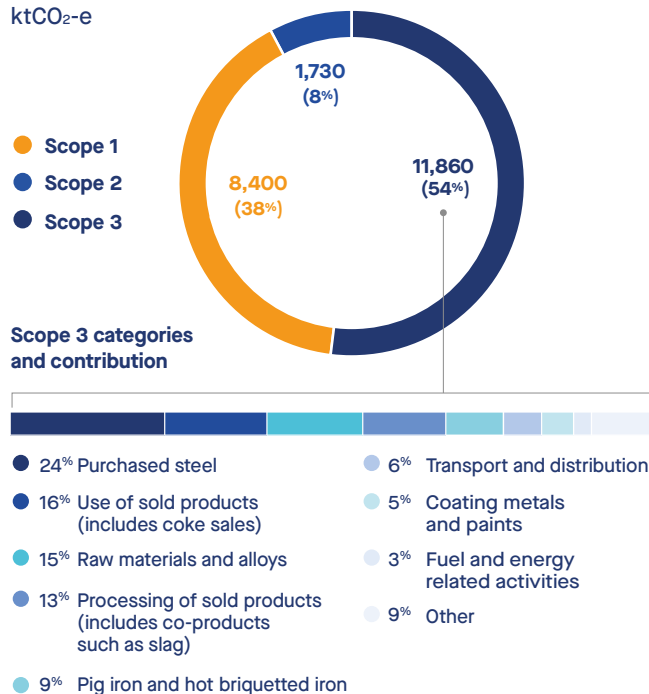
BLUESCOPE'S GLOBAL TOTAL SCOPE 1 AND 2 GHG EMISSIONS

ktCO₂-e



BLUESCOPE'S FY2023 SCOPE 1, 2 AND 3 GHG EMISSIONS

ktCO₂-e



Scope 3 data excludes BlueScope Recycling Materials and BlueScope Coated Products



Read more on our Scope 3 reporting journey, including data aligned to the fifteen Scope 3 categories of the GHG Protocol, in the FY2023 Sustainability Data Supplement, available at bluescope.com.

1. Refers to pig iron and hot briquetted iron.

Performance against 2030 targets

While this year's performance against our 2030 GHG intensity reduction targets is a strong improvement on the prior year, we recognise that our decarbonisation performance will be not linear, as decarbonisation projects can take time to progress through the capital development process, through to execution and ramp-up. Performance against these targets is also influenced by despatched tonnes, as well as factors external to BlueScope including electricity grid decarbonisation across our regions.

Steelmaking

Steelmaking performance is tracking ahead of our 2030 steelmaking target, with an aggregate 8.0 per cent reduction in GHG emissions intensity against our FY2018 baseline. This reduction is due to the impact of the North Star expansion ramp-up that has resulted in a greater proportion of production volumes from that site's lower emissions process, as well as the improved energy and resource efficiencies across our other steelmaking sites. Key projects include the installation of hot accretion crushers at the Glenbrook site in New Zealand (see page 42) and a new blast furnace humidity control process at the Port Kembla Steelworks that has reduced coke consumption.

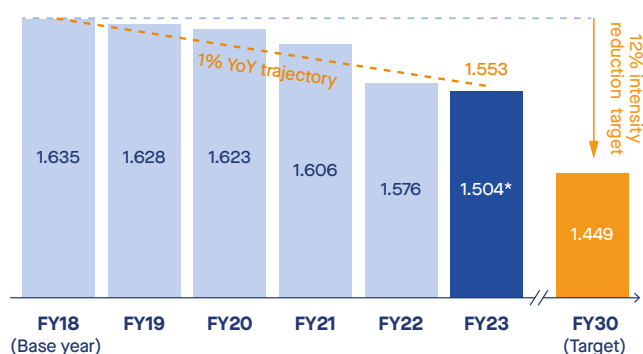
Non-steelmaking

For non-steelmaking, performance has tracked close to target with an aggregate 8.8 per cent reduction in GHG emissions intensity against our FY2018 baseline.

Emissions reductions are being driven by multiple energy efficiency projects, including paint oven upgrades in Australia and extending a metal coating line furnace pre-heat section to better utilise waste heat at the Kapar site, Malaysia. Other projects include the installation of more efficient waste heat recovery technology and renewable energy projects (read more on page 42), supported by broader electricity grid decarbonisation.

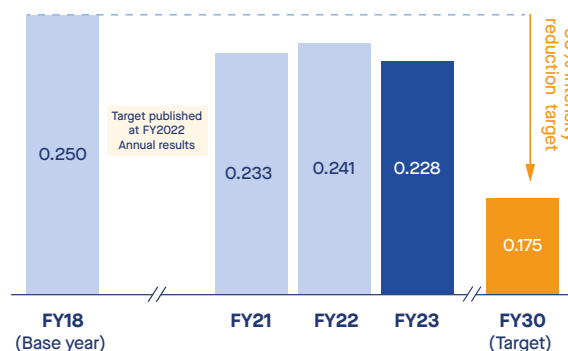
GHG EMISSIONS INTENSITY FOR STEELMAKING ACTIVITIES

tCO₂-e per tonne raw steel



GHG EMISSIONS INTENSITY FOR NON-STEELMAKING ACTIVITIES

tCO₂-e per tonne despatched steel



A new humidity control process was devised for the Port Kembla Steelworks Blast Furnace this year, utilising historical weather data to optimise steam injection. The approach lowers coke consumption, leading to a reduction in GHG emissions by approximately 70,000 tCO₂-e per annum.

How we are engaging

Engaging stakeholders continues to support delivery of our climate strategy and decarbonisation pathway. Collaboration and shared expertise are helping us to progress solutions across the steel value chain, working with our customers, communities, governments, industry and research institutions.

Listening to our customers

We continue to work with our customers to understand and meet growing demand for products and solutions that support their sustainability objectives. This approach has involved finding opportunities to share insights into the iron and steelmaking process directly with our customers and organisations that represent our customers.

In Australia, BlueScope is a founding partner of the Materials and Embodied Carbon Leaders' Alliance (MECLA), a collaboration of organisations whose aim is to drive reductions in embodied carbon in Australia's building and construction industry.

In New Zealand, New Zealand Steel is an active contributor to the Heavy Engineering Research Association (HERA), promoting understanding of the decarbonisation pathway for industrial processes. In May 2023, New Zealand Steel supported HERA's Future Forum and BlueScope's Chief Executive Climate Change and Sustainability, Gretta Stephens, outlined BlueScope's strategy and the need for collaboration across our key enablers.

MECLA visit Port Kembla Steelworks

MECLA is a collaboration of organisations which aims to accelerate decarbonisation in the construction industry in Australia. BlueScope is a Founding Partner and a member of numerous working groups, including the Steel Working Group and Residential Working Group.

In February, we welcomed around 40 members of MECLA to Port Kembla Steelworks to showcase our decarbonisation activity. Participants took part in a tour of the steelworks followed by a presentation from our Chief Executive Climate Change and Sustainability. Participants came away with a better understanding of challenges in steel decarbonisation, including what they can do to help, as well as the significant activity and investment in carbon abatement at BlueScope.



Industry collaborations and partnerships

We have continued to strengthen our collaboration initiatives to accelerate progress towards lower emissions iron and steelmaking. We continue to work with partners across the steel industry and value chain, other industrial sectors and with academic and research partners, including worldsteel's CO2 breakthrough programme group.

BlueScope continues to play an active role in the development of industry initiatives to develop consistent methodologies and approaches to GHG emissions performance, targets and a net zero pathway for the steel sector.

We have been a member of the Science Based Targets Initiative's (SBTi) expert advisory group over the past 18 months, providing feedback into the development of updated methodologies and guidance for a steel Sector Decarbonisation Approach (SDA). The SDA was finalised in July 2023.

The steel SDA acknowledges the importance of key enablers for steel sector decarbonisation, such as availability of appropriate raw materials, low-emissions fuels, a decarbonised electricity grid, and green hydrogen. As a result, steelmakers operating in regions where those enablers are more accessible, affordable or advanced will more readily be able to align with the steel SDA. For BlueScope, the regional spread and diversity of our operations, and the differing levels of maturity of the key enablers for decarbonisation in those regions mean we are currently unable to commit to a SBTi-aligned target. In the meantime, BlueScope continues to execute on our climate strategy, driving decarbonisation and advocating for the key enablers in the regions in which we operate.

Being part of the Australian Industry Energy Transitions Initiative

BlueScope was a member of the Australian Industry Energy Transitions Initiative (ETI), a platform for Australia's emissions-intensive industry and related businesses, representing around a fifth of Australia's industrial emissions, to coordinate learning and action on net zero emissions supply chains.

In early CY2023 the Australian Industry ETI published its final report outlining decarbonisation pathways that show it is possible for five of Australia's most significant heavy industry supply chains to transition to net zero, consistent with global efforts to limit warming to 1.5°C. Consistent with our enablers, the report found that strong, effective and coordinated action from government, industry and finance is crucial for the net zero transition.

Supportive policy for industrial decarbonisation

During the year, we have seen major developments across the jurisdictions in which we operate and elsewhere in the world, where Governments are supporting the transition for iron and steelmaking through large co-investments and policy settings that recognise domestic decarbonisation efforts.

In New Zealand, constructive engagement with Governments over many years has resulted in a well-constructed public/private partnership to fund a new electric arc furnace (EAF) at New Zealand Steel's Glenbrook site, subject to the successful completion of an accelerated feasibility study. Under this partnership, the New Zealand Government will contribute up to NZ\$140 million through its Government Investment in Decarbonising Industry (GIDI) Fund, with New Zealand Steel investing around NZ\$160 million. Broader policies to support renewables and scrap availability will further enable the EAF project.

In Australia, in early CY2023, key legislation was introduced to reform the Safeguard Mechanism, the federal legislation which is designed to reduce industrial greenhouse gas emissions in line with Australia's climate targets.

While supportive of the overarching emissions reduction objectives of the reforms, BlueScope sought to represent the decarbonisation challenge for the iron and steelmaking sector, the importance of maintaining sovereign capability and ensure that Australian producers are not disadvantaged relative to import competitors. BlueScope has also made a case for policy continuity to create investment certainty and co-investment with Government to catalyse pre-economic and multi-decade investments in decarbonisation technologies.

Following engagement with government by several sectors covered by the reforms, enhancements to the proposed reforms were announced in late-March 2023 that will more accurately reflect the decarbonisation pathways for hard-to-abate and trade-exposed industrial sectors, including steel, aluminium and cement. An increase in targeted funding was also announced, including \$400 million to help covered facilities that provide critical inputs to clean energy industries and a review of the feasibility of a carbon border adjustment mechanism (CBAM) to ensure a level playing field for imported and domestic goods. BlueScope publicly welcomed these changes, which provide the clarity and certainty to move forward with its investment plans including the feasibility study for the \$1.15 billion No.6 Blast Furnace reline and upgrade project.

In the US, the introduction of the Inflation Reduction Act and related funding is expected to accelerate the decarbonisation of the US industrial sector, including the research and development of lower or zero emissions technologies, including green hydrogen, carbon capture, use and storage and raw materials. BlueScope is monitoring developments closely and anticipating relevant developments and opportunities.

 **Read more about resilient value chains and the importance of local supply in *The Future of Steel* (page 9).**

Future focus

We will:

- Play an expanded role in collaboration across the steel value chain given the increase in projects globally exploring lower emissions iron and steelmaking options
- Advocate for urgent progress on the key enablers that underpin our work towards achieving our 2030 targets and net zero 2050 goal¹
- Drive the successful introduction of lower emissions steelmaking in New Zealand, maximise the decarbonisation opportunities in Australia and optimise US process efficiencies (scrap capability)
- Develop and execute non-steelmaking emissions reduction projects, including a major project to replace a paint line oven with lower emissions technology at our Western Port facility in Australia
- Understand and anticipate our customers' demand for lower embodied carbon products, with net zero product offerings being explored in Australia, North America and New Zealand
- Refresh climate scenario analysis and embed implications into capital allocation processes and decision making
- Progress Scope 3 workplan to improve accuracy of data and identify emission reduction opportunities across the supply chain.



See how our disclosures align to the requirements of the Task Force for Climate-related Financial Disclosures (TCFD) in our FY2023 Sustainability Data Supplement, available at [bluescope.com](https://www.bluescope.com).

Governance

Climate change is recognised across the business as a material strategic issue requiring clear accountabilities for oversight and implementation of our commitments.

Our Board, with the assistance of its committees, particularly the RSC, oversees all climate-related matters. Day-to-day accountability on delivering our climate strategy rests with our Executive Leadership Team (ELT) and management, lead by BlueScope's Managing Director and CEO and the Chief Executive Climate Change and Sustainability. BlueScope's Climate Change Council, consisting of senior leaders from around the business, contributes to the development and implementation of our climate strategy and associated work programs.

1. Read about our key enablers on page 40.

Water stewardship



Significant progress made in fresh water reduction

- 11 water-related projects considered in our FY2022 Environment Awards

38% of our total water consumption from recycled sources

Achieved record low fresh water intensity across our steelmaking facilities

- 1.24 kL fresh water used per tonne of raw steel produced

Water is integral to our operations, and effective water stewardship is a key part of our social licence to operate. We recognise the need to manage our water requirements with the needs of local communities and other stakeholders in water catchments, and to protect the environment. We consider the impact that climate change may have on water availability and quality.

Our approach

BlueScope recognises that water is a scarce resource and that future supplies will be affected by population growth and climate change.

We seek to contribute to effective water stewardship across communities and regions where we operate. For over a decade, our commitment to manage water use has been reflected in our aspirational environmental targets. Our businesses set short and medium-term targets to achieve this, and our usage is monitored regularly at all levels of the organisation.

We work to optimise water monitoring, reduce the consumption of fresh water drawn from community water sources and improve water discharge quality. Most of the water we use is at our three steel manufacturing plants. Water is cleaned, cooled, and recirculated, and where practical rainwater is captured and reused. Where possible, we use internally and externally recycled water to minimise our use of fresh water.

All businesses are encouraged to participate in our environmental recognition program, implementing environmental initiatives, documenting benefits, and communicating lessons learnt across BlueScope.

BlueScope is a UN Global Compact participant and this year we participated in its Sustainable Development Goals Accelerator Program with a focus on water impact. Through the Accelerator we worked with subject matter experts from the Global Compact Network Australia (GCNA) and peers from other organisations to further strengthen our knowledge of leading water stewardship processes, with a focus on better supporting water stressed basins.



Read more about our support for the UN Global Compact in *How we approach sustainability* (page 15).

Planning for effective stewardship

We recognise that water scarcity and variability in supply are important community issues in many of the regions in which we operate. Our operations in regions such as Australia, New Zealand, China and Thailand represent a significant proportion of our overall fresh water use and are subject to increasingly frequent water scarcity impacts. Approximately 1 per cent of our fresh water is consumed in regions (Mexico and India) with high or extremely high baseline water stress.

In line with our Environment Aspiration to *preserve community water sources*, we continue to drive improvements across the business to reduce our operational requirements and support the communities in which we operate. Our focus is heightened in

our upstream facilities, where the fresh water requirements are more material, and in water stressed basins where there is further impetus to support our local communities.

In addition to focussing on water efficiency, we continue to expand our water stewardship approach across our sites to support our aspiration to protect community available water sources, and in line with the requirements of the ResponsibleSteel™ Standard. This year our Western Port works and Vietnam facilities have taken further steps to formalise water stewardship plans as part of their work towards ResponsibleSteel™ certification.

Process monitoring and reduced water consumption at Rancho Cucamonga



Our Steelscape site at Rancho Cucamonga has reduced water consumption at its metal coating line (MCL) by approximately 23 per cent. The team undertook a comprehensive process to measure water use at various points, developing a water process flow diagram (Sankey diagram) to visualise water flows. A Sankey diagram is a directional flow chart where the width of the streams is proportional to the quantity of water flow, making it easier to identify the best opportunities to save water around the site. As a result, water flows have been improved and repairs to MCL water mist nozzles completed. In addition to the savings already realised, this rigorous approach to water management positions the site to identify further opportunities for improvement in the future.

Managing quench water and chemical use at Suzhou, China

BlueScope Building Products in Suzhou, China has commissioned a new deionised waste water treatment system to recycle waste water from its Metal Coating Line water quench process. The solution allows around 40,000 cubic metres of water to be recycled on site annually, more than 20 per cent of its overall water use, saving more than \$55,000 in annual freshwater and associated chemical costs.

The success of this initiative has been conveyed to other BlueScope sites through the Environmental STAR program.



Monitoring and performance

Water consumption is a key metric monitored at all sites and with quarterly oversight at senior leadership and Board level (see Governance). At our three steel manufacturing facilities:

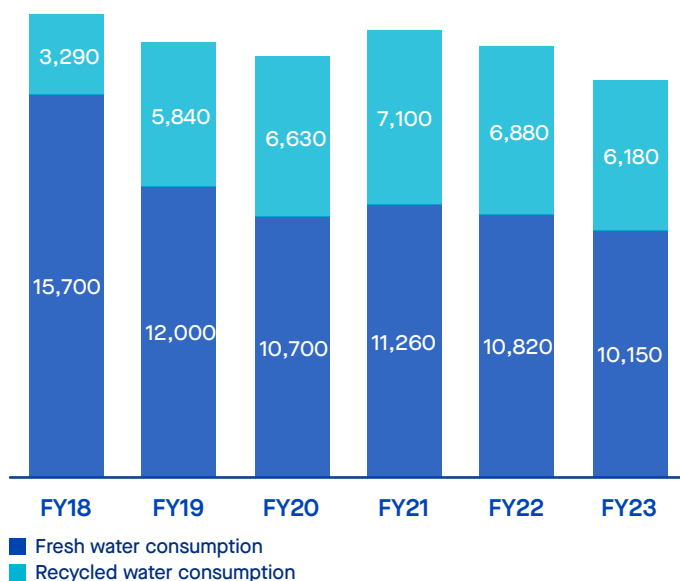
- Australia - Port Kembla Steelworks uses around 20 megalitres (ML) per day of recycled water, supplemented by sea water.
- United States - The North Star facility in Ohio installed an Ultrafine Reverse Osmosis (UFRO) system last year to optimise water recirculation on site, with a view to significantly reducing the volume of fresh water withdrawn from nearby Lake Erie.
- New Zealand - Around 98 per cent of process water used at the Glenbrook Steelworks is recirculated, recycled, and supplemented with storm water.

Collectively, water intensity across our three steel manufacturing sites continues to reduce, down 39 per cent since FY2018, driven by infrastructure improvements and water efficiency projects. Use of recycled water has increased, offsetting use from community available fresh water sources, and now making up 38 per cent of our total fresh water use, up from 17 per cent in FY2018.

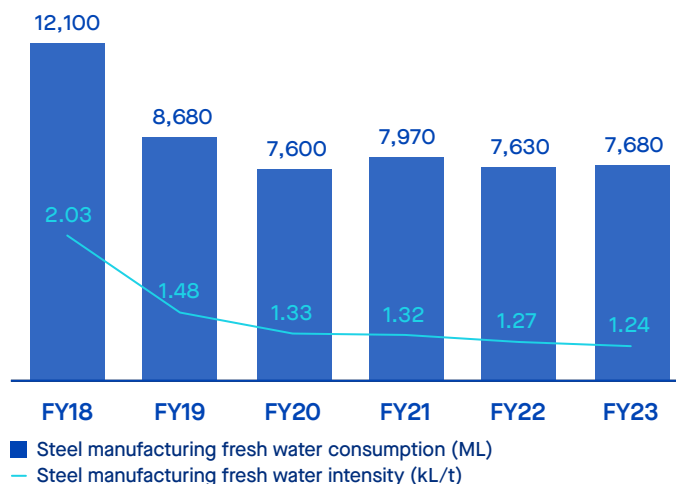
Across all of our facilities, our people have shown how they innovate, implement and share good practice, with water focused environment improvement projects driving improved awareness, reduced consumption and improved water quality. Many environment improvement projects were completed in FY2023 with a focus on water stewardship and reducing water consumption. Eleven of these were shared internally as Environmental 'STARS' (stories about the Situation-Task-Activity-Result) and were nominated for BlueScope's annual Environment Awards.

Total water consumed (recycled and fresh water) has reduced by 2660 ML, a 14 per cent reduction since FY2018. Improvements have been driven by our people, with water reduction projects aimed specifically at continuing to reduce our fresh water use and protecting shared waterways.

RECYCLED AND FRESH WATER CONSUMPTION (ML)



STEEL MANUFACTURING FRESH WATER CONSUMPTION AND INTENSITY



Our future focus

- Continue to work towards our Environmental Aspiration of preserving community available water sources, conserving fresh water, and protecting aquatic biodiversity, by setting and delivering on aligned short- and medium-term targets across our operations
- Leverage the water stewardship activities required for ResponsibleSteel™ certification to support continuous improvement across our operations.

Governance

Our businesses track water use (fresh and other sources) and compliance with regulatory discharge requirements, reporting quarterly to their business management team, the ELT and the HSEC Committee of the Board.

BlueScope's Group-level Environmental Aspiration for water, to preserve community available water sources, gives direction to business units when setting relevant short and medium-term targets through budget and planning processes each year.



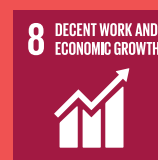
Read more about our environmental risk management framework, including water risk, in *Health, Safety and Environment* section (pages 25 - 31).

Sustainability Outcome 4

Responsible products and supply chains



Supply chain sustainability



Responsible Sourcing Policy launched

- Developed Responsible Sourcing Policy and updated Supplier Code of Conduct

229 supplier assessments

- 229 supplier assessments completed; re-started our supplier on-site audit program

Supply chain GHG emissions

- Engaging with key suppliers on Scope 3 greenhouse gas emissions

BlueScope's approach is to promote responsible business practices and uphold human rights by engaging with suppliers and implementing improvement activities. We actively seek partnerships with suppliers who share the core values expressed in Our Bond and adhere to the principles outlined in our Supplier Code of Conduct.

Our approach

Our suppliers are our partners. They are predominantly local to our operations, work with us to meet customers' needs and are critical to maintaining operations and product quality. They are also partners in managing the social, environmental and ethical risks inherent in our global supply chains. We actively seek to partner with suppliers who share the core values expressed in Our Bond and who take a similar approach to looking after their employees' wellbeing.

More than 80% of our suppliers

are based in the same country as the BlueScope site they supply

We understand and are responding to increasing stakeholder expectations for responsible supply chains. This year we launched our new Responsible Sourcing Policy which outlines our commitment to embed and promote ethical and responsible sourcing across BlueScope and our supply chain, and demonstrates executive management accountability for supply chain sustainability. Our Supplier Code of Conduct was also refreshed this year to reflect strengthened expectations for environmental, social and governance (ESG) performance. After translating the policy and amended Supplier Code of Conduct into the languages used by our main suppliers, we will carry out an extensive communication campaign.

Our supplier assessment program is now well established across our footprint and we are seeking enhanced opportunities for engagement, corrective action, learning and collaboration.

In response to increasing expectations, we have commenced a review of our approach to supply chain sustainability to explore how to most efficiently incorporate emerging needs for a broader focus, including developing a deeper understanding of risk in the lower tiers of our supply chain and better understanding our supply chain emissions.

This year we launched our Global Procurement and Supply Chain learning community, supporting our procurement teams with learning modules on all aspects of responsible sourcing, including modern slavery, and a shared platform for connection and sharing.



Our Supplier Code of Conduct is available
at bluescope.com

Assessing sustainability risks in our supply chain

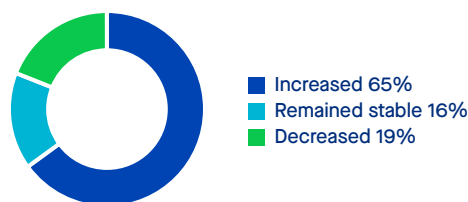
We prioritise engagement with suppliers based on their country risk (inherent risk given their operating context), business activities and the nature of our relationship with them. Prioritised suppliers are required to complete an ESG assessment, usually every two years.

Our supplier segmentation approach includes over 1,000 suppliers and accounts for more than 90 per cent of spend by business unit. Since this assessment framework was implemented in late 2019, over 650 assessments have been completed with 385 suppliers. During the course of FY2023, 229 supplier assessments were completed, predominantly using the independent EcoVadis supplier assessment process. Where a supplier's assessment score is poor or has regressed, we actively work with them on corrective actions. Through these processes, we are seeing the highest risk in small-medium sized suppliers and contractors operating in high risk regions.

Following recent pandemic-related interruptions, significant focus has been placed on re-starting third party on-site audits for key suppliers identified as high risk. Of the 12 on-site audits undertaken by independent auditor Elevate, five were assessed as being low risk, four as medium risk and three as high risk. Our local procurement teams are working with suppliers on improvement opportunities identified through the audits.

Supplier risk assessments may result in revised conditions or escalation of significant issues within BlueScope and the supplier business. We recognise the potential impacts to people and the broader community that may result from terminating these business relationships and as such, our aim is to ensure any such issues are addressed and remedied, and practices put in place to avoid recurrence. Through FY2023 we have proactively engaged with several suppliers who are well advanced on their own sustainability and supply chain journeys, to identify how we could work together on common challenges.

EcoVadis supplier assessment score improvement



Read more about our approach to sustainable and transparent sourcing in our FY2023 Modern Slavery Statement, available at [bluescope.com](https://www.bluescope.com)

Tata BlueScope Steel trains structural riggers and roofers in India

Tata BlueScope Steel launched a professional certification program for structural riggers and roofers this year. The initiative aims to address a shortage in professionally trained riggers and roofers, increase employment opportunities and address safe installation practices for steel structures and roof systems.

To support the program, India's Construction Industry Development Council (CIDC) has developed on-site and theoretical training modules on safe construction practices, working at heights, critical handling and mobile equipment operating techniques and risk management. Around 90 construction workers received CIDC Kawach Pro-Certification

this year, with many more workshops planned for the future at multiple sites across India.



Pallet and packaging recycling in Australia

Australian Steel Products distributes approximately 165,000 pallets for exports and domestic use every year. Traditionally, export pallets were sent to customers and not recovered, typically ending up in furnaces for heating. To prolong the life of pallets, the International Sales team established a pallet recovery program with one of its key export customers. Now, the used pallets are returned to Australia in shipping containers with the help of BlueScope Marine Logistics.

In May 2023, we reached the milestone of 17,000 pallets returned to Australia since the recovery program commenced in April 2020.



Even with the return shipping, repair and refumigation costs, around \$1M and 560 tonnes of timber have been saved since the program started.

Working together for responsible supply chains

BlueScope takes a collaborative approach to working across our business units and with supply chain partners to enhance responsible sourcing and supply. Our Green Economy and Human Rights Group collaborates to ensure a focus on human rights as we implement solutions to reduce emissions, and our internal Packaging Network leverages knowledge from across the business to deliver safe, sustainable and cost-effective packaging for products. For example, read about our approach to pallet and packaging recycling in Australia on page 52.

Some key input material categories are overseen by the Central Procurement Team, which engages with the suppliers of these materials on responsible supply chain opportunities. In May 2023 paint and coating metals suppliers were invited to a Coated and Painted Procurement Strategy Session to give their product and sustainability insights and to contribute towards our three- to five-year strategies.

BlueScope continues to play a key role in the development of the ResponsibleSteel™ Standard, which aims to set a performance and transparency benchmark for the responsible sourcing and production of steel. This year we supported the test period of additional sourcing and greenhouse gas emission requirements

for 'Certified Steel' certification. This work seeks to set the standard for responsible business practices in the steel industry and to influence adoption of practices in our key input material supply chains.

This year as part of our Social Impact due diligence process, a desk-top review of potential modern slavery issues was completed across all sites. As a result, we then engaged a third party to conduct a Labour and Working Conditions audit at one of our higher risk locations, in Malaysia. Through our proactive due diligence process, we identified a number of modern slavery matters impacting some of our contract workers in our Malaysian business which require remediation. The remediation plan, which includes our Malaysian business stepping in to reimburse recruitment fees that had been charged to some of these employees at our site by the third-party contractors or their agents, and addressing supplier breaches of our policies, is ongoing.



Read more in Social Impact and Human Rights > Remediation in Malaysia (page 37).

Supply Chain Partnership Excellence in Thailand

NS BlueScope Thailand and Asia Steel Transport have partnered to develop steel coil transport safety initiatives. Together, team members engaged truck drivers in meetings to learn about the reality of work and how to effectively control risk. The drivers were asked what support they needed to work more safely.

Through the partnership, around 100 fleet drivers were trained in defensive driving, improvement in auditing and equipment checks. Twelve "Did you know" videos were also developed to raise awareness about the safe transportation of steel coils.

The partnership won BlueScope's 2022 Supply Chain Partnership Excellence Award.



Our future focus

- Continue our assessment program, in particular working with suppliers who are at the beginning of their ESG (environment, social and governance) journey to support them in improving programs and controls
- Work to increase ESG visibility and to mitigate risks across the layers of our supply chain
- Continue engaging with key suppliers to understand and eventually reduce our value chain emissions.

Governance

Our Supply Chain Sustainability program of work is led by the Head of Group Procurement and Manager for Supply Chain Sustainability and delivered through business unit procurement teams. The Chief Financial Officer has executive oversight of the program and regularly reviews progress. New, major supply arrangements are overseen by a steering committee comprising the Chief Financial Officer and Chief Legal Officer, together with representatives from relevant businesses. Progress against the Supply Chain Sustainability work program is monitored by the ELT, with regular updates provided to the Risk and Sustainability Committee.

Responsible products



**Shortlisted for the
World Green Building
Council's Asia Pacific
Business Sustainability
Leadership Award**

**Western Port
achieved
ResponsibleSteel™
site certification in
September 2023**

**New Environment
Product Declarations
(EPDs) and ecolabels**

Working with our customers, our broader supply network and research institutions to develop enduring product solutions that support sustainable development – our products form part of a critical circular economy.

Our approach

BlueScope has a proud history of product innovation. We work hard to maximise material efficiency, enhance beneficial use and extend product life. We focus on product stewardship to improve the contribution our products make to health and safety throughout their life cycle, and importantly reduce our impact on the environment. Collaboration throughout our value chain is key to understanding relevant market trends and opportunities to engage on product sustainability.

We continue to review our product development pipeline, considering emerging external factors and consumer shifts in the regions where we operate. For example, our products are used in modular construction applications to support fast design, competitive cost and resource efficiency. Each of our regions focuses on building deep market and customer understanding along the entire value chain to develop and scale new solutions through our global centres of technical excellence.

BlueScope places heavy emphasis and care on field testing new products. Decades of product testing support our ability to address variations in climate, macro-environments, micro-climates and anticipated product applications, as well as changes to regulations so that our products continue to adapt in line with evolving industry standards, application trends and consumer desires.

Our customers increasingly expect clear and transparent information about the sustainability performance of our products. We conduct life cycle assessments for a range of products and provide information in accordance with national and international product ecolabelling schemes to inform decision making.

COLORBOND® steel colour refresh

This year we were excited to launch a new and refreshed COLORBOND® steel colour palette in Australia. Inspired by Australia's unique landscape, these new colours bring a fresh direction.

The refreshed palette includes two new colours in the COLORBOND® steel cool roofing range - Dover White™ and Southerly®. A 'cool roof' is made from materials designed to have high solar reflectance and thermal emittance, to help keep the roof surface temperature cooler in the sun. The COLORBOND® steel cool roofing colours all feature low Solar Absorptance (SA) values of less than or equal to 0.45, which enables 'deemed-to-satisfy' compliance for the roof cladding material within Volume One of the National Construction Code (NCC) Section J energy efficiency provisions. The COLORBOND® steel cool roofing colours have the potential to help improve thermal comfort, help reduce the need for air conditioning and help lower energy bills¹.

1. Actual cool roofing performance will depend on a wide range of factors including roof colour, roof shape, level and location of insulation and type, location, shape, and function of the building.

Responsible product solutions

The steel we supply today will support communities for decades to come, as it underpins the critical transition required for so many sectors, including renewable energy and enhanced circularity of the built environment.

We continue to research improvements in design applications and believe the fundamental attributes of our products will benefit society and contribute to the circular economy. We view steel in a building, vehicle or piece of equipment as a current and future resource, where components sustain value beyond their initial application. Modular construction using light gauge, high strength steel to reduce materials use in specific applications, and advanced coatings to extend product life, are just some of the ways we apply circular design principles to steel.

This section details how our range of steel solutions is designed to support sustainable outcomes for customers, through climate transition and resilience, solutions for specific applications and improved product longevity and performance.



To see our full product and service offerings, visit bluescope.com

Supporting climate transition and resilience

We seek to reduce the environmental impact of our products, including embodied carbon, in line with our decarbonisation commitments. Read more in *Climate action* (page 38) and see our Climate Action Report at bluescope.com for further details. BlueScope supports climate transition and resilience by providing:

- **Components to underpin the renewable energy transition** including steel plate for wind towers and piles, tubes and backing frames for solar farms. See the case study below.
- A range of **high strength steel grades** which enhance the strength to weight performance in structural steel applications when the design is governed by strength. By maximising the strength grade, a reduced volume of steel may be required in these applications, e.g. columns and primary members. This in turn can result in embodied carbon savings relative to a reference building design that uses standard steel grades.
- **Roofing products designed to provide and maintain high solar reflectance.** COLORBOND® Coolmax® steel may help reduce roofing temperatures and keep the building cooler.¹ It can also help mitigate the impact of urban heat islands.
- **Light gauge steel framing.** TRUECORE® steel and AXIS® steel uses pre-fabricated components for efficient, enduring solutions and to reduce waste on-site. TRUECORE® steel incorporates BlueScope's Activate® technology² to provide improved corrosion resistance. In addition, TRUECORE® steel won't ignite or contribute to the spread of house fire.
- **Energy efficient products** that help maintain a constant indoor temperature such as Butler's ENERWALL® System, which uses zero-volatile organic compounds (VOC) glue and low-VOC rockwool.
- **Products that support adaptive reuse of existing structures** such as light gauge steel framing (TRUECORE® steel and AXIS® steel) and structural decking (Fielders KINGFLOR® range). Read more in our Fielders Kingflor® case study on page 56 and TRUECORE® steel case studies in our previous Sustainability Reports, available at bluescope.com
- **Co-products from steel manufacturing displacing raw materials and emissions in other sectors** including road base, cement manufacture and fertiliser. Read more in *Eliminate waste* on page 29.

Creating strength for wind turbines and renewable energy supply

BlueScope is creating strength for Australia's renewable energy future, providing locally-made steel for major wind farm projects. A typical individual wind tower can include up to 300 tonnes of steel plate, averaging approximately 60 tonnes of steel for every megawatt (MW) of wind electricity generation³.

In FY2023 we supplied around 5000 tonnes of steel to projects in South Australia (Goyda Wind Farm), Queensland (MacIntyre and Clarke Creek Wind Farms) and New South Wales (Coppabella Wind Farm). These projects use our XLERPLATE® steel which meets both the Australian and global standards specified for this demanding application and extreme weather conditions.

Pictured: Wind tower anchor cages manufactured for the MacIntyre Wind Farm at Precision OxyCut.



1. Compared to conventional roofing materials of lower reflectance index, such as ZINCALUME® steel and all other roofing materials in the COLORBOND® steel range.

2. Activate® technology is not available in all markets.

3. BlueScope analysis conducted in 2020/21 based on underlying energy needs to meet 2030 state renewables targets. See BlueScope's Climate Action Report at bluescope.com.

Solutions for specific applications

- **Condensation and ventilation management.** COLORSTEEL DRIDEX® is recognised as a Sensitive Choice® product in New Zealand as it helps reduce mould and other pollutants associated with asthma and allergies. It combines a thin layer of specialised absorbent fleece to the underside of COLORSTEEL® sheeting, negating the need for roofing underlay.
- **Resilient bar and coil products** such as Pacific Steel's SEISMIC® branded bar and coil are ACRS certified, IANZ accredited and fully traceable, and meets the demanding requirements of New Zealand's seismic structural design methods (AS/NZS 4671).
- **Engineered building solutions** such as the Butler® and Varco Pruden™ brands create durable, large industrial and commercial structures, providing a customizable interior layout, efficient use of steel and pre-engineered functionality for rapid construction.
- **Structural decking for mid and high-rise developments** such as Fielders KingFlor® can provide an efficient permanent flooring solution that is less labour intensive than traditional plywood formwork. Composite slabs formed on the KingFlor® SlimDek 210® can use up to 60 per cent less concrete compared to traditional reinforced post tensioned concrete construction methods¹.

Improved product longevity and performance

- **Advanced coating technologies and extensive performance testing.** Activate® technology is BlueScope's industry-leading, patented, metallic coating technology for improved corrosion resistance.
- **High toughness steel grades** for improved ballistic performance for defence shipbuilding. We are also developing high strength grades for pumped hydro applications.
- **Weathering steel products for bridges and other applications.** BlueScope's REDCOR™ weathering steel is a high strength steel that develops a stable oxide layer on the surface of the steel known as the patina. When used in the appropriate environment, the patina enhances the corrosion resistance of the steel compared to conventional structural steels. This eliminates the need to paint the bridge and recoat during its lifespan.

Lysaght® Green Roof Solution launched in Malaysia and Singapore

Lysaght Malaysia and Singapore proudly launched Lysaght® Green Roof Solution this year, integrating Lysaght's Klip-Lok® and Standing Seam profiles with vegetation systems. Quick to install and efficient in water retention capabilities, it aims to revolutionise urban landscapes by transforming the rooftops into thriving green ecosystems.

Lysaght® Green Roof Solution helps to enhance building aesthetics and helps support alignment to green building standards such as the Green Building Index (GBI) in Malaysia and the Building and Construction Authority (BCA) Green Mark Scheme in Singapore. Moreover, it helps maintain comfortable indoor temperatures and helps reduce energy consumption.



Pictured: Lysaght® Green Roof Solution installed on a restaurant within the East Coast Park in Singapore.

'World Building of the Year' 2022 - features Fielders KingFlor® RF55®

Sydney's AMP Centre was recently transformed to Quay Quarter Tower following major upcycling work and refurbishment. The northern elevation of an existing tower was demolished and replaced with a steel composite structure that was constructed alongside and integrated into the existing building. The 45-year-old structure has been transformed from a 45,000m² office building into a 89,000m² world-class commercial tower, winning 'World Building of the Year' 2022, from a shortlisted field of over 250 buildings globally.

By retaining the foundations of the original building and around 60 per cent of the core structure, 12,000 metric tonnes of embodied carbon were avoided and construction reduced. The project has achieved a 6 Star rating under Green Star Office v3² by the Green Building Council of Australia.

Fielders KingFlor® RF55® permanent formwork played a major role in the redevelopment and was specified as part of the steel-composite structure, enabling designers to resolve large in-plane diaphragm forces and achieve floor cantilevers which were said to be instrumental to the tower's striking appearance and expanded floorspace.



1. <https://fielders.com.au/products/flooring-solutions/slimdek-210/>.
2. arup.com/projects/quay-quarter-tower

Certifications drive transparency

At BlueScope we provide information about the environmental credentials of a range of our products to support our customers' decision making and sustainability objectives. Steel product certification, ecolabelling and product declaration frameworks are vital to support informed decision making.

ResponsibleSteel™

ResponsibleSteel™ is the steel industry's first global independent multi-stakeholder standard and certification program. As a member of ResponsibleSteel™, BlueScope participated in the development of the ResponsibleSteel™ Standard, which covers a wide range of sustainability topics, including climate change and greenhouse gas (GHG) emissions, biodiversity, water stewardship and human rights.

Last year Port Kembla Steelworks became the first site in the Asia Pacific region, and the fourth steelmaker in the world, to obtain ResponsibleSteel™ certification. Our Western Port site achieved certification in September 2023 and our Phy My, Vietnam site is working towards certification.

In Australia, ResponsibleSteel™ certification has been formally recognised in the Green Star 'Responsible Products Framework', operated by the Green Building Council of Australia. All products manufactured at a ResponsibleSteel™ certified site are recognised as 'Good Practice' products under the Framework. This means that all our Australian products, produced from steel manufactured at Port Kembla Steelworks, can support our customers to achieve Green Star ratings.

Our Western Port site in Australia achieved ResponsibleSteel™ site certification in September 2023.



Many BlueScope products carry ecolabels, EPDs and other certifications. Read more about our product sustainability credentials in our FY2023 Sustainability Data Supplement, available at bluescope.com

Environmental Product Declarations

In many of our regions, we publish Environmental Product Declarations (EPDs) to clearly communicate the environmental impact of our products over their life cycle, including global warming potential (GHG emissions). EPDs can also support customers pursuing certification schemes such as ecolabels and rating tools. BlueScope's EPDs are compliant with International Standards ISO 14025 and EN 15804 and are available on our websites and in a range of industry sources.

In Australia we published new EPDs for select products in the COLORBOND® steel range this year as well as EPDs for ZINCALUME® steel, TRUECORE® steel, DECKFORM® steel, GALVABOND® steel and GALVASPAN® steel. We updated the EPD for COLORBOND® steel for roofing and walling, including an increased number of base metal thicknesses. We are also including indicative results for rollforming operations (reported separately) in some of our EPDs, and we are supporting customers to produce EPDs specific to their product ranges.

Ecolabels

An ecolabel identifies products or services considered to be environmentally preferable within a specific category. Ecolabels can help customers and consumers quickly identify products that meet specific environmental performance criteria. As with EPDs, products with ecolabels can contribute points under green building rating tools such as Green Star and Leadership in Energy and Environmental Design (LEED) frameworks. In September 2022, BlueScope China received Green Building Material Product Certification for Clean COLORBOND® M steel.



Collaborating for sustainable outcomes

Collaborative partnerships are an integral part of our approach to delivering sustainable product solutions. Not only do they drive sustainability outcomes within our operations, they also support customers in achieving their own sustainability goals.

We work with customers to develop products and services that support sustainable development and a circular economy. Our greatest impact is seen through collaboration with value chain partners such as architects, engineers and direct customers who use our products. Our product innovation involves rigorous testing and evaluation programs to ensure that potential new products meet customer needs and have proven environmental and reliability credentials. We also work with organisations such as constructsteel, the steel construction development program of the World Steel Association, to further research the role of steel in more sustainable structures, including hybrid structures.

Industry memberships, collaboration and education

Around the world, we engage with not-for-profit organisations which aim to accelerate the transformation of the built environment. These memberships help foster conversations about sustainability with customers and more broadly across our value chain, and include:

- Green Building Councils (Australia, New Zealand, US and Singapore)
- Materials and Embodied Carbon Leaders' Alliance (MECLA), Australia
- Infrastructure Sustainability Council (ISC), Australia
- Living Future Institute of Australia
- Australian Steel Stewardship Forum
- Sustainable Steel Council (SSC), New Zealand
- Australian Life Cycle Assessment Society (ALCAS)
- Life Cycle Association of New Zealand (LCANZ).

We also play an active role in educating broader industry on the challenges and opportunities in the steel industry.

In Australia, we have delivered national webinars on sustainability and climate action at BlueScope to members of the Australian Institute of Architects, Engineers Australia and MECLA. This year BlueScope was once again a Gold Sponsor of the Green Building Council of Australia's annual TRANSFORM conference. We presented on circularity and reuse in practice, showcasing the ACT Government's COVID-19 Surge Centre (see page 11), and the evolution of our products through our product innovation timeline. We also welcomed around 40 members of MECLA to Port Kembla Steelworks to showcase our decarbonisation activity (see page 45). We have also developed a Continuing Professional Development (CPD) course on ResponsibleSteel™ for architects. The CPD has been reviewed by the Australian Institute of Architects and forms part of its Refuel program.

In North America, AEP Span has launched an American Institute of Architects (AIA)- and USGBC-approved course about single skin metal panels and how they can contribute to projects being designed and built to LEED® Standards and Certification. Hosted on a third-party on-demand educational platform for AEC professionals, the course was the top in-demand course on the platform this year.

BlueScopeX™ and BBNA 'Buildings of the Future' Accelerator

BlueScopeX™ and BlueScope Buildings North America launched the 'Buildings of the Future' Accelerator Program this year, giving nine global start-ups the opportunity to leverage our building and construction network to build, test and trial real solutions for the non-residential building sector.

The Accelerator engaged startups, businesses and innovators with ground-breaking technology and ideas in advanced (non-repetitive) robotics and AI applications, sustainable and smart building solutions (including building design and management), integrated building solutions and customer experience technologies. For example, GigBridge, the Accelerator winner, leverages its online talent platform to connect builders and contractors in a regenerative labour pool that pairs skilled professionals with targeted job opportunities. The collaborative six-week program involved mentoring, building and exploring real world solutions, and working towards investment or commercial partnership. The Accelerator was offered to participants at no cost and zero equity was taken in exchange for participating. It concluded with a Demo Day event at Massachusetts Institute of Technology (MIT) in partnership with the MIT Startup Exchange.



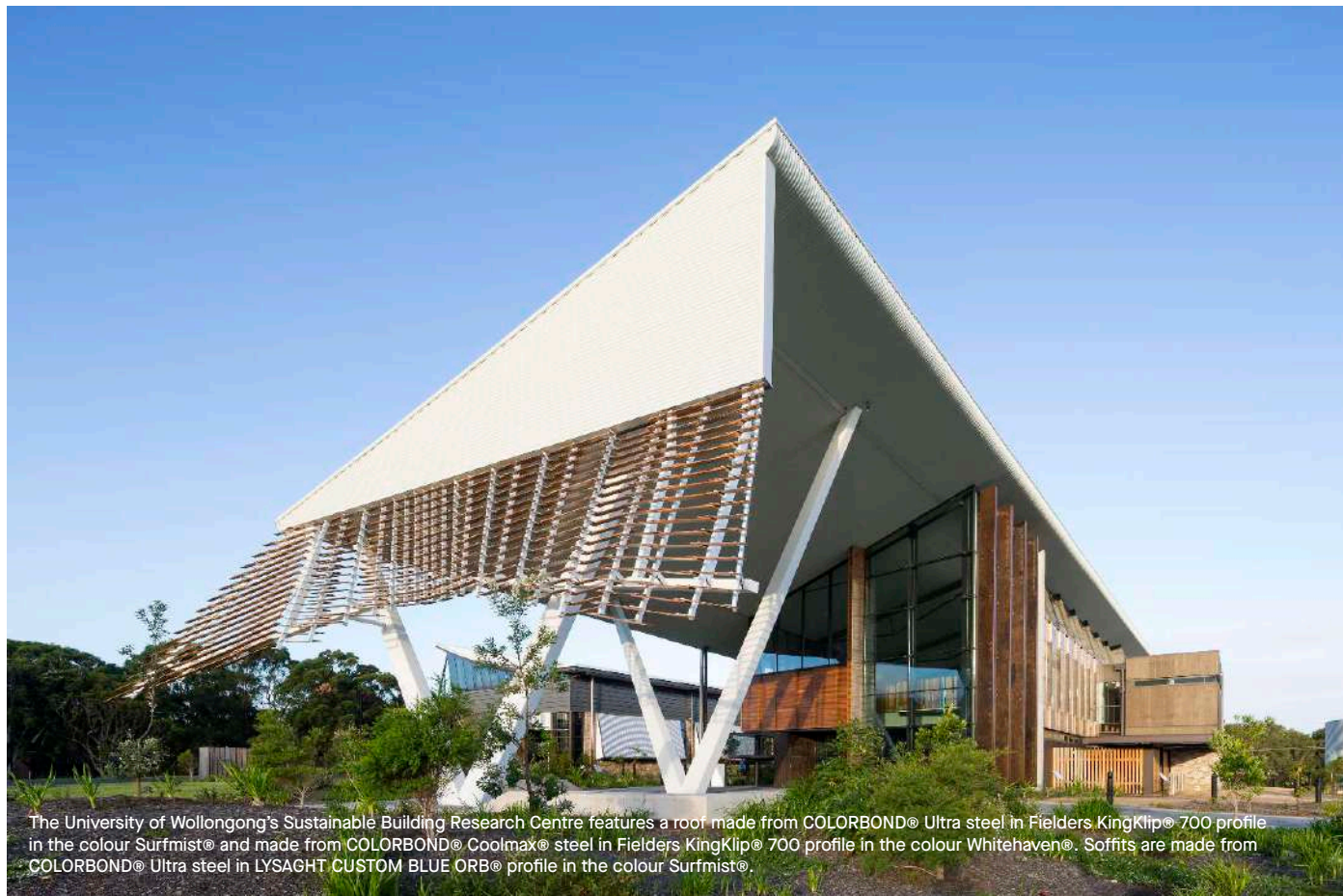
Read more about our approach to **Transformation** on pages 20 - 23.

Academic partnerships

We are a consortium partner of the Australian Building 4.0 Cooperative Research Centre (CRC), a collaboration between government, industry and several universities working to improve building performance and supply chain efficiency. With a focus on digital solutions, new products and processes for customer benefit, several of the Building 4.0 projects commenced in 2020 have completed the scoping phase and are well into the research phase.

We're also partnering with the Sustainable Building Research Centre at the University of Wollongong (pictured below) on climate-optimised building systems for unique Australian climates as part of the Australian Research Council (ARC) Research Hub for Australian Steel Innovation. This Steel Research Hub is advancing research across the Australian steel value chain from research and development to commercialisation, including evidence-based research on the application of steel building products in lightweight and material efficient construction systems to deliver durable, cost-effective and thermally efficient buildings for future climates.

We are also engaging directly with academic partners to investigate further advanced coatings and commercial partners regarding novel photovoltaic materials.



The University of Wollongong's Sustainable Building Research Centre features a roof made from COLORBOND® Ultra steel in Fielders KingKlip® 700 profile in the colour Surfemist® and made from COLORBOND® Coolmax® steel in Fielders KingKlip® 700 profile in the colour Whitehaven®. Soffits are made from COLORBOND® Ultra steel in LYSAGHT CUSTOM BLUE ORB® profile in the colour Surfemist®.

Our future focus

We intend to:

- Further expand EPDs and ecolabels across our suite of products
- Continue to explore opportunities in climate resilient product solutions
- Continue to pursue Responsible Steel™ certification for some of our sites
- Continue to explore a diverse pipeline of research and development initiatives via new technology and collaboration across industry, government and customers.

Governance

BlueScope product development is carefully managed through a gated process in which health, safety and environmental elements are all assessed by specialists and reported quarterly through tiered innovation governance processes, culminating with the approval of ELT. Commercialisation of new products includes extensive customer trials and product monitoring in market to verify benefits and impacts through the value chain. Manufacturing processes are accredited to ISO 9001 Quality Management Standards.

Sustainability Outcome 5

Strong communities



Community engagement and contribution



**First time
measuring reputation
across all three
steelmaking sites**

**Continued to
volunteer time, invest
in and support our
local communities**

**Over \$1.4 Bn in total
Group tax payments,
with \$635M in taxes
directly borne**

We understand the responsibility of being a large local community employer and partner. In our regions, we employ mostly local people and use a mix of local, national and some international suppliers. We also support economies more broadly through taxes and other government payments. BlueScope seeks to create sustainable partnerships and opportunities for our people to be involved in their community.

Our approach

Across BlueScope's operations, our businesses and people are part of the local communities where we operate.

In turn, the support of our communities underpins our local licence to operate and grow. It gives us the confidence to continue investing, to sustain and build on our operations, and deliver employment and other social and economic benefits to all.

We understand the role we have in local communities, that's why we seek to make an active contribution, consult community members, be transparent and resolve any issues as they arise. It's important to us to hear the voices from our local communities on our operations and projects that interest them. We collaborate with community members through our quarterly Community Consultation Committees and other forums, providing regular opportunities for open discussions. Together we work through

environmental risks and opportunities and other operational decisions that may have an impact locally. Read more about our approach to environmental management on page 28.

For many years, we've measured our Australian reputation by surveying the general public through Reprtrak, a leading reputation data and insights company. This year, we expanded our reputation tracking to cover the communities where we manufacture steel at Glenbrook (New Zealand), Illawarra (Australia) and Ohio (United States). All three sites performed above their relevant individual country benchmarks and the insights gathered will help us improve our community engagement approach.



New Zealand and Pacific Island (NZPI) Steel made their largest ever workplace giving contribution to the Cyclone Gabrielle relief effort this year. Read more on page 63.

Community investment

Whether it's through volunteer hours or sponsorships and donations, all our businesses give back to local communities. Our 'Strengthening our Communities' investment framework sets out how we partner with our communities and the opportunities for our people to get involved. Examples of some of our community engagement activities are outlined below and at bluescope.com.



Health, Safety and Environment

Ensuring the health and wellbeing of the community, e.g. Improved construction safety, road safety programs, mental health programs, environmental programs

- To support the communities in which we operate, including our unique wildlife, Australian Steel Products is embarking on a program to plant trees that can be sustainably harvested to feed koalas at Symbio Wildlife Park in New South Wales. These include the Grey Gum, Cabbage Gum and Swamp Mahogany, which are primary food species for koalas. After identifying unoccupied land suitable for tree planting around the Port Kembla Steelworks, we started with 160 trees last year and 380 trees in mid 2023. The trees are being kept to a maximum height of three metres to ensure all branches are within reach, with leaves expected to be harvested within 18 to 24 months.



Education

Training, skill-sharing, mentoring, coaching, community board appointments, apprenticeships

- Through the BlueScope Foundation, 11 scholarships were granted to children of employees in North America, overseen by an independent Selection Committee. The scholarships range from \$2,000 to \$12,000 to support students' studies.
- One hundred students completed a three month certification course in building and construction related skills, fully funded by Tata BlueScope Steel. In India with the Construction Industry Development Council, Tata BlueScope Steel developed a 15-day module to equip people with the skills required for steel building construction. The module, part of the broader certification course, covers topics such as introduction to steel building construction, handling equipment and accessories, understanding engineering documents and, health and safety requirements while working at heights. Out of the 100 students sponsored by Tata BlueScope Steel, 89 were successful in gaining employment in the construction industry.



Diversity and Inclusion

Supporting people with a disability, the underprivileged, homeless people, Indigenous people, promoting cultural diversity

- NS BlueScope Malaysia, through the Head Office Staff Club and the Diversity and Inclusion team, organised a Green Charity Walk to raise money for two children's homes. Thirty children from the children's homes, 184 employees, friends and family embarked on a five kilometre walk around Botanical Park Shah Alam, Selangor. After the walk, MYR\$5,000 in donations were presented to Rita Home and Shan Dai Home. The donations included both monetary contributions from employees and the company, as well as essential items, to address the immediate needs of the children's homes.
- BlueScope is a proud founding partner of Sport Access Foundation (SAF). SAF provides grants to young children and teenagers with disabilities to improve their access and participation in sports. Since the Foundation was established in 2017, BlueScope has invested over \$90,000 toward the annual grants program, operational costs and innovative projects to improve accessibility of sporting equipment and facilities.





STEAM

Science, Technology, Engineering, Arts, Maths - using our expertise in design, manufacturing, engineering, building and construction

- BlueScope Butler China has been building partnerships with local schools for several years, aiming to help students build skills, choose a career and enter the workforce. This year its Senior Engineering team worked with the Shanghai City Science and Technology School to prepare and deliver a course on engineering and construction for steel structures. More than 120 students and teachers visited BlueScope Butler China sites and exhibition halls to learn about types of building structures and their functions.
- Western Port in Victoria, Australia, has a long standing connection to the small community in which it operates. In FY2023, a total of \$14,000 was donated to local schools and an inter-school competition. A portion went towards supporting science, maths and school dux awards - given to students with the highest academic achievements. In total Western Port supported eight awards for primary and high school students.



Community buildings

Construction or improvement e.g. community centres, meeting places

- The BlueScope Foundation has donated US\$100,000 to the Rock Island Bridge project in Kansas City to revitalise the historic West Bottoms area and connect the community to the Kansas Waterfront. The historic 1905 railroad bridge is being restored and turned into a public use facility with trailhead services and entertainment space. The bridge (pictured right and on page 60) is scheduled to open in late 2024.
- NS BlueScope Malaysia helped a local primary school improve their assembly hall, auditorium and library roofs, supplying 10.6 tonnes of Zinalume®. Under the CONNATION program launched in 2016 to partner with our customers and stakeholders in sustainable corporate social responsibility (CSR) activities for the communities, BlueScope connected with DMI Building Products, which provided consultation, roll forming service and delivery of BlueScope material.



Shelter

Every aspect of shelter: homelessness, emergency accommodation, affordable housing solutions

- For Martin Luther King Day 2023, nearly 100 volunteers, family and friends across Buildings North America sites donated their time to sort and bag fresh fruit and vegetables, packaged hygiene kits for the area's homeless shelters, and cooked meals for local community members. In Jackson, Tennessee, BlueScope volunteers served around 100 free hot meals to those in need in a local soup kitchen.
- New Zealand and Pacific Island made its largest ever workplace giving contribution to the Cyclone Gabrielle relief effort, contributing NZ\$122,460 to the Red Cross Disaster Appeal. Employees directly contributed over NZ\$11,000 and also donated clothing, bedding and non-perishable items which were transported by one of our trucking contracting companies to the most affected area in the Hawkes Bay, New Zealand. See picture on page 61.



Economic contribution

BlueScope invests in long term capital projects that allow our assets and businesses to prosper. This includes investing through the local communities in which we operate. Our local licence to operate and grow sustainably gives us the strength to make these long-term, sustainable investments. In this way, we share our success through our economic contribution to the communities which are our homes.

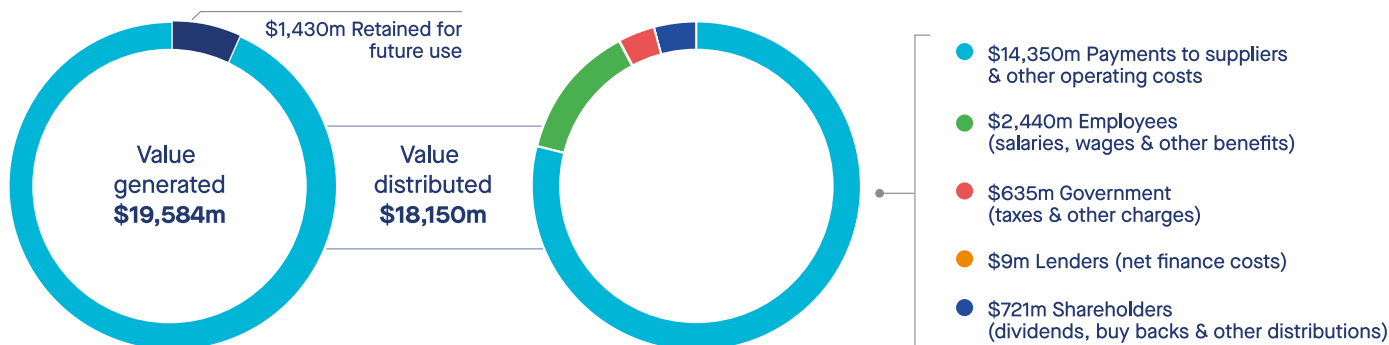
We reinvest most of the direct economic value we generate into the countries where we have a presence with a significant amount directly into local communities close to our operating sites, generally as payments to our employees and our suppliers. As outlined in *Supply Chain Sustainability* (page 51), more than 80 per cent of our suppliers are based in the same country as the BlueScope site they supply. BlueScope's economic contribution to the communities in which we operate also includes payments to governments in the form of taxes and other charges, as well as payment to our shareholders. We invest the amount we retain for future use back into the Group to assure its sustainability.

In FY2023, BlueScope generated economic value of \$19.6 billion of which \$2.44 billion related to salaries, wages and other benefits to our employees, \$14.35 billion to our suppliers and other external costs (see chart below). We reinvested \$1.43 billion in our businesses, while distributing \$721 million to our shareholders and outside equity interests in the form of fully franked dividends, share buy-backs and other distributions. BlueScope also paid \$635 million in government taxes and other charges directly. In addition to these direct tax payments, BlueScope also contributes to strengthening communities by collecting and remitting an additional \$1.89 billion in taxes and duties for the governments in countries in which we operate, including employee Pay As You Go withholding taxes, excise and customs duty, while processing \$1.1 billion in indirect tax credits.



BlueScope is committed to transparent tax reporting. Our FY2023 Tax Contribution Report is available at bluescope.com

OUR DIRECT ECONOMIC VALUE GENERATED* AND DISTRIBUTED IN FY2023



* Based on direct revenue representing receipts from customers and other income. Read more in our FY2023 Annual Report, available on our website.

Port Kembla Master Plan

As part of our planning for the next 100 years in the Illawarra, we are nearing the completion of a Master Plan for approximately 200 hectares of landholdings adjacent to the Port Kembla Steelworks.

The project will create a vision for the reimagination and transformation of land surplus to steelmaking needs, with the potential to unlock a wide range of new uses and enable significant long-term economic and social value for the region.

Supporting skills development and local businesses in Indonesia

NS BlueScope Indonesia collaborated with Al-Khairiyah University this year, supplying steel materials for the fabrication of shop-front booths for a dozen small and medium-sized local entrepreneurs at Cilegon. Students from the Technical Faculty participated in an incubator workshop where they learnt more about our products and how steel is used widely in everyday lives. Through this initiative we aim to help develop students' skills in the technical application of steel, support the economic restoration of the community post-pandemic and support local small and medium-sized entrepreneurs with the facility infrastructure they need to operate their business.



Tax contribution

BlueScope takes pride in the fact that wherever we operate, we conduct business responsibly and ethically, and work to prevent instances of bribery and corruption, which take resources away from communities and governments. BlueScope is subject to the tax regimes in each country where we have a taxable presence and makes a significant tax contribution both through its direct tax payments as well as the tax payments of its employees, customers and suppliers.

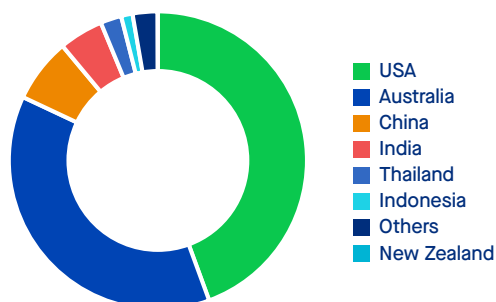
BlueScope's Tax Governance Framework underpins our approach and commitment to complying with the law and the intent of the law, as well as managing our tax affairs to protect our reputation from adverse scrutiny. BlueScope strives to pay the right amount of tax at the right time and transparently report our payments. This commitment to best practice for taxation matters has been recognised by BlueScope obtaining a high assurance rating under the Australian Taxation Office's Justified Trust Program in relation to both income taxes and Goods and Services Tax.

Following record growth in FY2022, BlueScope's strong financial performance in FY2023 means that the Group has continued to pay significant amounts of tax in the countries in which we do business, helping strengthen these communities for the future. The BlueScope Group's total tax contribution in FY2023 was \$1,425 million (\$635 million in government taxes and charges directly borne), with the largest amounts paid in Australia and the United States. In the case of Australia, BlueScope paid \$163 million in taxes in FY2023. BlueScope's strong performance in recent years has allowed it to fully recoup its significant loss balance and pay corporate income tax in FY2023, the first time since 2008.

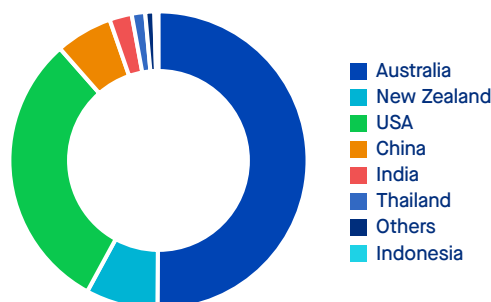


BlueScope is committed to transparent tax reporting. Our FY2023 Tax Contribution Report is available at bluescope.com

Total tax borne by BlueScope



Total tax collected and remitted by BlueScope



Future focus

- Review the Strengthening our Communities framework with a view to create better opportunities for employees to engage and strengthen relationships in our local communities
- Continue to measure BlueScope's reputation in the local communities where our three steelmaking operations are located
- Continue to enhance public disclosures regarding BlueScope's tax strategy and tax contributions.

Governance

Activity in line with BlueScope's 'Strengthening our Communities' framework is reported annually to the HSEC Committee of the Board, which oversees the Company's community engagement and risk management activities and receives regular performance reports. The Audit Committee of the Board sets the Group's tax risk appetite and has ultimate responsibility for ensuring there is an effective process to manage tax risk. The Audit Committee approves the Tax Governance Framework by which the Group operates. The Vice President Tax and Chief Financial Officer are responsible for monitoring the effectiveness of the Tax Governance Framework and must report any material tax issues to the Audit Committee and, in certain circumstances, to the Board.

Governance

Leadership

Strong governance is an important aspect of BlueScope's culture. Our commitment to sustainable governance is led from the top, with clear accountabilities for oversight and implementation of our sustainability commitments.

Our Board, with the assistance of the Risk and Sustainability Committee (RSC) and other Committees, oversees all sustainability matters, while day-to-day accountability rests with BlueScope's Managing Director & CEO, the ELT and other management.

In January 2022, two internationally based Directors, K'Lynne Johnson and ZhiQiang Zhang, were appointed to the Company's Board. In September 2022 the Company appointed two additional Directors to the Board; Australian based Director, Jane McAloon, and internationally based Director, Peter Alexander. With two Directors based in North America and one Director based in China, the Board's composition now better reflects the regions in which BlueScope operates.

In July 2023, it was announced that Mr Alistair Field will join the Board effective 15 January 2024. Mr Field brings to the Board heavy industry experience and operational expertise gained from more than 25 years in the mining and manufacturing sector together with an understanding of complex and large-scale capital projects.

Finally, in August 2023 it was announced that John Bevan will retire as Chair and Non-executive Director of the Company and that Jane McAloon has been elected Chair, effective from the conclusion of the 2023 Annual General Meeting.

The Sustainability Council and other leadership groups, including the Climate Change Council and the Social Impact Steering Committee, support the implementation of governance programs and support the functional-specific leadership teams in providing recommendations to the ELT, Board and relevant Committees.



Further information about our governance structures, including Directors' skills, Committee memberships and meeting attendance is included in the Directors' Report in our FY2023 Annual Report, and our FY2023 Corporate Governance Statement, available at bluescope.com

The Board has established the following Committee and leadership structure:

BlueScope Board

Oversees the management of BlueScope Steel Limited and its controlled entities and, whenever required, challenges management and holds them to account.

Responsible for demonstrating leadership, including:

- » Setting and instilling values and standards of conduct to underpin the desired Group culture
- » Defining purpose, setting direction and strategies and assessing and monitoring performance
- » Governance and risk management, including approving Group Risk Appetite
- » Overseeing executive talent and Group people and remuneration policy

Risk & Sustainability Committee
Health, Safety, Environment & Community Committee
Remuneration & Organisation Committee
Audit Committee
Nomination Committee



Managing Director and CEO



Executive Leadership Team



Functional-specific Leadership Teams and Forums

(including Sustainability Council, Climate Change Council, People Leadership Team and the Social Impact Steering Committee)

Compliance and ethical conduct

Living our values

At BlueScope we recognise that when we choose to do the right thing, we strengthen and protect one another, our communities and our business.

As a multi-national organisation, our people represent a wide range of diverse cultures and communities who come together to live the values espoused in *Our Purpose* and *Our Bond*. BlueScope's Ethics & Compliance (E&C) function works to enhance this principled approach to doing business by supporting our people to meet the objectives of our Code of Conduct, *How We Work* through comprehensive training, the identification of ethical and compliance risk, the implementation of effective and consistent mitigation strategies and controls, and by providing tailored advice.

In FY2023 we continued to roll out BlueScope's Code of Conduct, *How We Work* education program. All employees are required to complete *How We Work* training at least once every three years. The Code of Conduct is readily accessible to all employees, being published in 12 languages and available on BlueScope's intranet and internet site, as well as in hard copy across BlueScope sites. We are using BlueScope's global learning experience platform to share *How We Work* training, and other mandatory training content across many of our regions. Read more about *Learning at BlueScope* on page 35.

BlueScope is committed to fostering a culture that empowers people to feel safe, and feel heard when they speak up about concerns that something is not right. Further, BlueScope is committed to protecting all those who do speak up. Our Speak Up Policy applies to all BlueScope's businesses and extends to current and former employees, officers and contractors, current and former suppliers and their employees and to relatives or dependants of any of those groups.

In 2019 the ACCC brought a civil penalty proceeding against BlueScope and a former employee alleging contraventions of the Australian competition law cartel provisions in 2013 to 2014. In FY2023 the Federal Court found that nine contraventions occurred. On 29 August 2023 BlueScope was ordered to pay a penalty of \$57.5 million and has 28 days to file any appeal, should it decide to do so.



Read more about our Ethics and Compliance team and access our Code of Conduct and Speak Up Policy at www.bluescope.com.

Working against corruption in all its forms

We aim to work against corruption in all its forms, including extortion and bribery. This commitment is reflected in Our Code of Conduct, *How We Work*, which outlines our expectation for BlueScope employees to act with integrity, and our position regarding the acceptance or offering of bribes or payments (including in kind) to secure or influence a business outcome or government decision.

BlueScope's Standards on Gifts & Entertainment and Conflicts of Interest, along with related Registers that record gifts, entertainment and actual or potential conflicts of interest, were launched in the Australian business last year. This year we continued to review and update or implement equivalent Standards and Registers in other regions where we operate to ensure these risks are being managed consistently.

We also provide bespoke online training modules to help employees identify and manage bribery and corruption risks, as well as competition and consumer law risks. The latest online training modules have been tailored specifically to BlueScope and roll out commenced in Australia in 2022. It is anticipated that the updated training modules will be available in all regions by the end of CY2023.

Investigation of reported bribery and corruption risk and conflict of interest

BlueScope believes in building Speak Up culture to better understand some of the risks in its business and takes prompt actions to mitigate when these are identified. For example, in 2022 a report was received through BlueScope's externally-managed Speak Up Hotline alleging that an employee of a BlueScope business was misusing their corporate credit card. The allegation was that the employee was favouring certain suppliers or contractors, and in return receiving kickbacks.

To ensure independence and objective review, the investigation into the allegations was managed outside the operational business and led by our dedicated global Manager of Investigations domiciled in the Australian Head Office with support from an external, in-country specialist investigations consultant.

Ultimately no evidence was found to support the alleged misconduct and the investigation concluded that the report was not substantiated.

Importantly though, this experience identified an opportunity for improvement in internal governance processes and record-keeping so as to optimise risk management for potential business misconduct.

The Ethics & Compliance team made a number of practical recommendations to the specific business involved aimed at immediately strengthening capacity to identify bribery and corruption and conflict of interest risks with suppliers and contractors, ensuring clear and regular communication with employees about relevant policies including around the use of corporate credit cards, and emphasising the need for prompt and open declaration of actual or potential conflicts of interest.

Risk management

BlueScope is committed to an integrated approach to managing risk. We aim to have a proactive risk culture, ensuring a balanced approach to managing uncertainty in how we deliver strategic and commercial outcomes.

Our Group Risk Appetite statements are set by the Board, they describe the fundamental principles that govern the way we will execute our strategy and the acceptable level of risk. Understanding risk, and our appetite for particular types of risk, is a key consideration in our decision making. Seven broad categories set the structure in which business risks are to be identified and managed (pictured below).

Our integrated framework of risk management, policies, procedures and controls means that decisions are made as close as possible to the source of risk. Our three lines of accountability model aims to ensure clear accountabilities through the Group. Our business unit management teams are empowered to own and manage risks directly at the first line of accountability, followed by the functions/centres of excellence in the second line and Internal Audit representing the third line of accountability, with oversight by senior management and the Board. Each business unit's performance against the Group Risk Appetite is monitored quarterly and the consolidated metrics reported to the RSC.

We monitor the impact of climate-related risks on our businesses, and these insights inform our corporate strategy. You can find our Climate Action Report, which lists our climate-related risks and opportunities, at bluescope.com. Governments around the world continue to evolve their climate policies which in turn affects industries including steelmaking. See *Climate change and energy*

transition (page 39) for further information on the Port Kembla Steelworks reline project and the introduction of the Australian Government's Safeguard Mechanism policy.

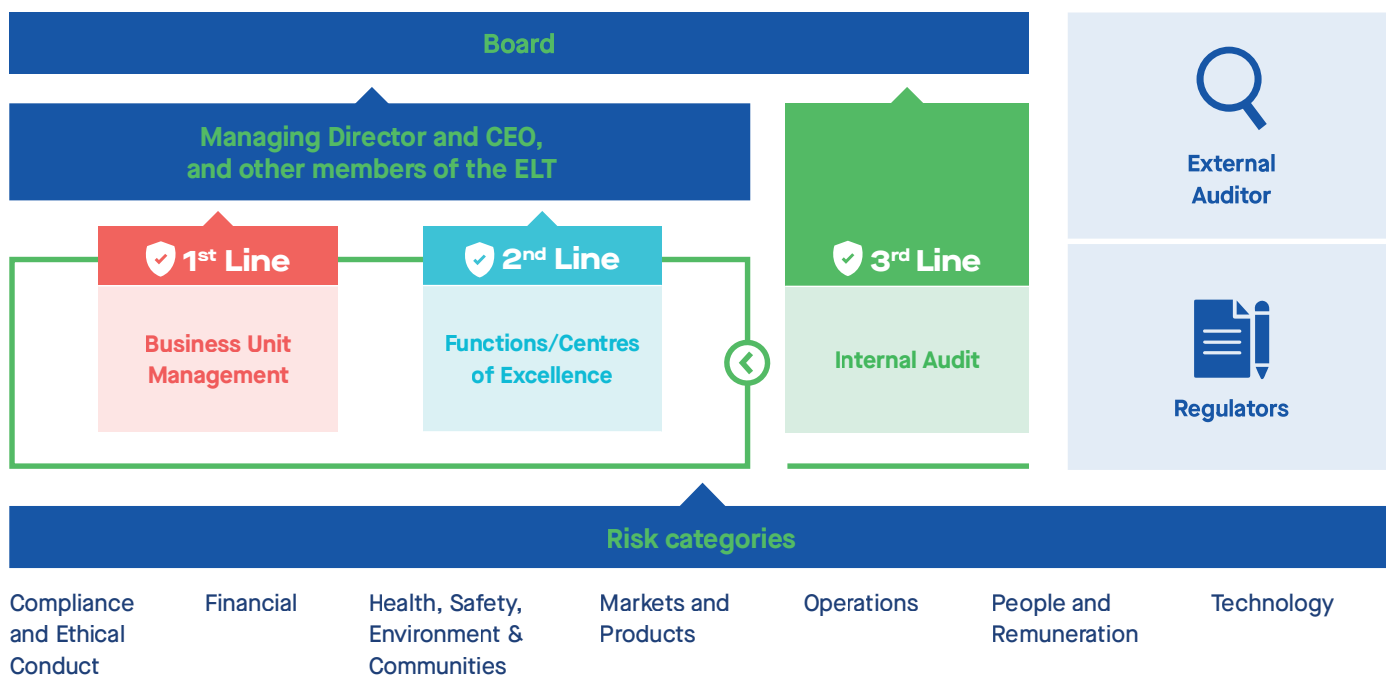
In FY2023 we expanded the capacity of the Group Risk function and continued to embed the risk management framework through a series of masterclasses with business leaders. Following a cyber incident in FY2020, a program of work to raise cyber security levels was introduced and we have continued to strengthen our approach in FY2023.

Strengthening our technology resilience

Delivery of BlueScope's digital transformation strategy and business continuity objectives requires a technology landscape that is fit for purpose. A significant program of investment is underway across our business units to ensure our systems are resilient, applying systematic life cycle assessment principles to support longer term technology planning. The overall program of work is likely to incur capital and one-off implementation costs in the order of \$300M - \$400M.



Further information about our risk management approach is available at bluescope.com



Remuneration

BlueScope's remuneration framework is designed to maintain a deliberate and continued focus on sustainable profitability through the business cycle.

The framework is closely aligned to the business strategy and ultimately delivers value to our shareholders through:

- Growing the business and delivering ROIC and cash flow targets annually
- Influencing what sustains the business – cost control, debt management and balance sheet integrity
- Delivery of key non-financial metrics critical to business success, such as safety, quantifiable ESG measures aimed at reducing BlueScope's year on year GHG emissions and the inclusion of climate change objectives and certain strategic business priorities
- Significant weighting to equity in executives' total reward package, thereby aligning executive reward outcomes to shareholder experience through the business cycle

At a regional level, we continue to maintain focus on attracting and retaining key talent in a challenging inflationary environment. Local remuneration practice benchmarks are used to ensure that BlueScope is able to attract and retain local talent in regions outside Australia, particularly where pay practices are quite different (e.g. in the US). To this end a peer group of US-based steel and material companies was selected to benchmark both fixed and variable remuneration.

We continue to build upon our commitment to diversity, equity and inclusion and to ensure that our employees and employment

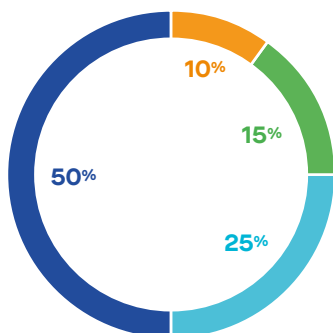
practices reflect the communities within which we operate. We review pay equity as part of the annual remuneration review process. This year, we once again confirmed a minimal gap in pay differentials between men and women in similar roles, and introduced action plans where required. We are increasingly adopting pay transparency practices as a means for narrowing the gender pay gap. In Australia we will provide our first public disclosure in accordance with WGEA on gender pay gap in 2024. In North America we are reviewing our practices and are preparing our people leaders for the state based legislative changes in relation to pay transparency.

ESG measures continue to play an important part in our ELT Short Term Incentive (STI) program with all members of the ELT having 25 per cent of their STI allocated to ESG topics, including safety, to ensure annual focus is maintained on key areas of sustainability (see below). The sustainability measures are quantifiable and include targets for BlueScope's year on year GHG emissions reduction, climate change objectives and a diversity and inclusion objective. Last year, the weighting for the safety measure was increased, from 5 per cent to 10 per cent, emphasising our focus on safety and includes both leading and lagging safety indicators.



Further information on executive remuneration policies and performance is in our FY2023 Remuneration Report, contained within the Directors' Report in our FY2023 Annual Report, available at [bluescope.com](https://www.bluescope.com)

ELT STI PERFORMANCE MEASURES



* Treatment of fatalities:

- » Zero-fatality gateway on the safety pillar, subject to Board discretion taking into account the circumstances of any incident(s)
- » Contractor fatalities classified as being under a BlueScope controlled management system will be disclosed and included in BlueScope's overall safety performance data.

Sustainability component	Safety (increased from 5% in FY2021)* <ul style="list-style-type: none"> » Lag indicator (TRIFR) » Leading indicator (Delivery of HSE risk control projects)
	ESG (Climate, Inclusion & Diversity) <ul style="list-style-type: none"> » BlueScope 1% year-on-year GHG emissions intensity reduction » Business unit or functional lead climate objective » Business unit or functional lead inclusion and diversity objective
	Individual strategic objectives <ul style="list-style-type: none"> » Two to three individual strategic objectives aligned to business growth
	Financial performance <ul style="list-style-type: none"> » 2/3 underlying ROIC » 1/3 free cashflow from operations

Public policy and advocacy

BlueScope belongs to various industry associations in many countries where we operate. Most are professional or technical associations, such as those that support employee career development, or the development of industry standards. Several memberships allow BlueScope to take positions on and participate in consultation on developing public policy, including in relation to climate change and energy, environment, trade and industry policy. We participate in these associations to be better informed and contribute our views and experience about public policy that may affect the Company.

Our Industry Associations Governance Standard details the principles which guide our membership, and how we assess alignment between the public policy positions of the industry association and BlueScope's position as stated in public documents. An annual summary of these assessments is reported to the Board's RSC. The latest assessment of Australian memberships, conducted in 2023, did not find any material differences or conflicts in policy positions between BlueScope and the main industry associations of which it is a member, namely:

- Australian Industry Group (AiGroup)
- Australian Industry Greenhouse Network (AIGN)
- Australian Steel Institute (ASI)
- Business Council of Australia (BCA)
- Energy Users' Association of Australia (EUAA)
- Manufacturing Australia (MA)
- Australian Aluminium Council (AAC).



Our Industry Associations Governance Standard is available at bluescope.com

About this Report

About this Report

This Report, and its associated FY2023 Sustainability Data Supplement, outlines the sustainability performance of the consolidated entity ('BlueScope' or 'the Group'), consisting of BlueScope Steel Limited ('the Company') and its controlled entities for the year ended 30 June 2023. Our last report was released in September 2022 and is available on our website.

Except where otherwise stated, references to 'we', 'us' and 'our' refer to BlueScope including the reporting entities above (and excludes BlueScope Coated Products, unless otherwise stated). Unless otherwise stated, environmental data is reported utilising an equity share approach, production and people data are reported on a financial control basis, and safety metrics are reported on an operational control basis. All financial information is reported in Australian Dollars unless otherwise stated.

BlueScope endeavours to ensure the data in this Report is as accurate and up to date as possible to enable readers to understand our performance and compare it to prior periods. Where appropriate, historical data has been restated to present data on a consistent and comparable basis and an explanation is provided. A selection of data included within this Report has undergone independent limited assurance procedures. The Limited Assurance Report outlines the data that was covered by the assurance scope for the year ending 30 June 2023, and can be found in the FY2023 Sustainability Data Supplement.

This Report, and its associated FY2023 Sustainability Data Supplement, presents material sustainability information in line with generally accepted disclosure frameworks and BlueScope's corporate approach for reasonable and responsible disclosure. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. We provide climate-related disclosures in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have also identified our reporting metrics that are consistent with the Sustainability Accounting Standards Board (SASB) Industry Standard for Iron and Steel Producers and the United Nations (UN) Sustainable Development Goals. We intend to prepare future sustainability-related disclosures in accordance with Australian equivalents of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS) when they are adopted in Australia.

Forward-looking statements

This Report contains certain forward-looking statements, which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "intend", "anticipate", "estimate", "continue", "assume", "project" or "forecast" or the negative thereof or comparable terminology. This report has also used publicly available third-party information and forward-looking statements, for example forecasts from the International Energy Agency (IEA) were used in developing our FY2021 climate scenario analysis. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performances or achievements, or industry results expressed or implied by such forward-looking statements. Forward looking statements should be read in the context of such risks, uncertainties and other factors. Accordingly, this report should not be relied upon as a recommendation or forecast by the Company, its related or controlled entities or officers, directors, employees or agents (BlueScope entities), and to the fullest extent permitted by law, the BlueScope entities disclaim any liability whatsoever (including for negligence) for any loss howsoever arising from any use of this report or reliance on anything contained in or omitted from it or otherwise arising in connection with this.

The BlueScope entities further disclaim any duty or undertaking, except to the extent required by law or the ASX Listing Rules, to release publicly any updates to any forward-looking statement contained herein to reflect changes to relevant risks, uncertainties or other factors, and/or the BlueScope entities' understanding of them.



Our FY2023 Sustainability Data Supplement includes detailed data, metrics, glossary of terms and guidance on how this Sustainability Report content aligns with generally accepted disclosure frameworks. The Supplement is available at bluescope.com



Read our reports at
bluescope.com

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