

Sustainability Report

FY2024



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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Sustainability Report for the year ended 30 June 2024. As at 16 September 2024.

Cover image: The Hill House in Queenstown, New Zealand, was designed to blend into the natural environment and made possible through the use of COLORSTEEL® in the colour FlaxPod®. Builder: Bayshore Construction. Designer: Hyndman Taylor Architects. Photography by David Straight.

A message from our Managing Director & CEO



Our FY2024 Sustainability Report details the ways we are evolving our sustainability practices to serve our customers and support our communities.

Mark Vassella
Managing Director and CEO, BlueScope Steel Limited

I'm pleased to introduce the FY2024 Sustainability Report, a comprehensive review of how our company is tracking against its five sustainability outcomes. This Report covers our key sustainability areas of focus and the importance of steel in building a lower carbon world. Operationally, it shows how we are strengthening our communities and growing efficient and effective workplaces across 15 countries.

We were pleased to be recognised as a worldsteel 2024 Sustainability Champion. Plus, our Vietnam site at Phu My achieved ResponsibleSteel™ site certification. This is our third site to be certified, following Port Kembla Steelworks and Western Port in Australia. Many dedicated people across multiple countries worked together to achieve this recognition. I want to thank everyone involved.

In New Zealand, following last year's NZ\$300M landmark co-investment with the New Zealand government to build the new electric arc furnace (EAF) at New Zealand Steel's Glenbrook site, work has commenced and two scrap steel supply arrangements have been signed with local suppliers. The EAF is estimated to reduce New Zealand Steel's Scope 1 and 2 greenhouse gas (GHG) emissions by approximately 55 per cent¹.

In North America, the ramp up at our Delta, Ohio, North Star steel mill has contributed to BlueScope's overall reduction in steelmaking emission intensity by 12 per cent since 2018.

In Australia, we're working on unlocking lower emissions ironmaking through natural gas and hydrogen options, with the potential to reduce GHG emissions intensity up to 85 per cent², compared to the current coal-based blast furnace ironmaking process. Additionally, 200 out of a total of 850 hectares of land across three sites adjacent to Port Kembla's steelmaking site has gone through a master planning process. The plan covers mixed commercial use options and a signed memorandum of understanding for a tertiary education campus with the NSW Government.

We continue to mature our human rights due diligence approach. Our procurement teams engage with our suppliers to understand their responsible sourcing approaches and to discuss

improvement opportunities. This year, we launched an updated Supplier Code of Conduct and we completed three more targeted worker assessments at our own sites.

Our 2024 community sentiment study results through 'Reptrak' for Australia, North America and New Zealand continue to demonstrate BlueScope's strong business reputation across our three steelmaking sites. For each of the three steelmaking sites, the reputation scores remain well above the benchmark average, reflecting a consistent and positive perception of our operations.

BlueScope was the founding sponsor and key contributor to the Global Safety Innovation Summit in Wollongong, Australia. The Summit brought together over 600 delegates from 175 global companies to explore redefining safety innovation in the workplace.

At BlueScope, we put people at the heart of what we do. One way we do this is by regularly listening to feedback to strengthen the employee experience. In March 2024, via a global employee Pulse Survey, 77 per cent of people provided feedback. Pleasingly, our overall employee engagement rate was 72 per cent.

Fostering diversity and inclusion across BlueScope continues to be a priority. We maintained our gender balance ratio for our Board and ELT in line with our 40:40:20 target, while we increased the overall percentage of women in the workforce to 25 per cent.

I hope you enjoy reading our FY2024 Sustainability Report. It captures the many ways our people are prioritising sustainability and living Our Purpose: **'To create and inspire smart solutions in steel, to strengthen our communities for the future'**.

Mark Vassella
Managing Director & CEO

1. Subject to securing additional renewable energy power purchase agreements and recycling more domestic scrap steel in New Zealand.
2. 60 per cent reduction via natural gas, and up to 85 per cent if utilising green hydrogen.

Organisation

BlueScope is a global leader in metal coating and painting for building and construction, employing more than 16,500 people at over 160 sites in 15 countries.

Principally focused on the Asia-Pacific region, the Group manufactures and markets 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.

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

North America - BlueScope operates five businesses across North America, employing around 4,600 people: North Star BlueScope Steel, BlueScope Recycling and Materials, Buildings North America, BlueScope Coated Products and NS BlueScope North America.

North Star is a low-cost regional supplier of hot rolled coil, based in Ohio, serving automotive, construction and manufacturing end-use industries. BlueScope Recycling and Materials is a full-service, ferrous scrap metal recycler with three processing facilities in the region in which North Star operates.

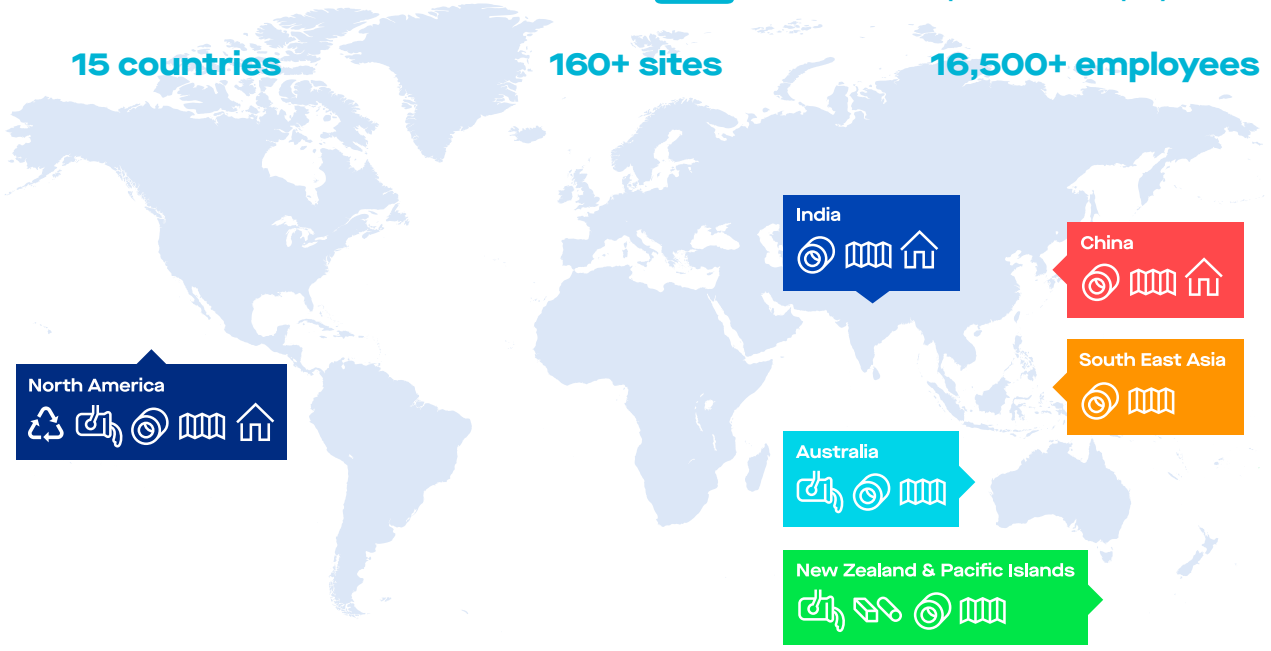
Buildings North America, BlueScope Coated Products and NS BlueScope North America collectively focus on the large non-residential construction industry, supplying quality engineered buildings systems and high-quality metal coated and painted steel building products.

Asia - BlueScope has an extensive footprint across Asia, employing around 3,200 people in the region. The operations in Thailand, Indonesia, Vietnam, Malaysia, India and China all primarily serve the domestic building and construction industries in each country in which it operates.







BlueScope operates in partnership with Nippon Steel Corporation (NSC) across Southeast 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 - The New Zealand Steel business is the only steel producer in New Zealand, with operations including the Waikato North Head ironsands mine, the Pacific Steel long products business and the Pacific Islands businesses. In the region, the business employs around 1,600 people and produces 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



Sustainability at BlueScope

Future of steel

Steel is essential for our everyday lives

Steel is an essential, durable and adaptable material, vital to modern economies and critical to the transition to a lower carbon world. Steel is used in many aspects of our lives and underpins sustainable development through its critical role in the built environment, transport and energy infrastructure. If steel is not 'in' something, it is likely in the machine that was used to make it. It is a durable material which can be reused or recycled repeatedly without loss of quality. Steel is also fundamental to a successful circular economy.

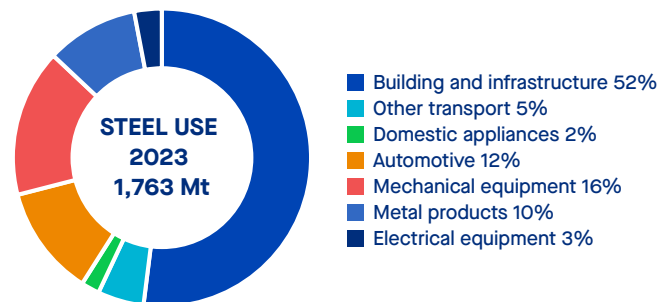
BlueScope's challenge lies in providing steel for society's needs, while reducing GHG emissions and improving circularity throughout the value chain. Across our businesses and teams, we are constantly seeking new, improved ways to support climate transition, enhance resilience, and improve product longevity and circularity.

We have set up partnerships with universities and research organisations where we operate, designed to 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 evolving expectations. We aim to develop more sustainable projects with our customers and partners by selecting the appropriate type of steel for each application and incorporating innovative designs that facilitate future use and reuse.

To support our customers' decision making and sustainability objectives, we provide information about the sustainability credentials of a range of our products, procurement and manufacturing processes.

Reducing the embodied carbon associated with our products is a crucial part of our current efforts, including through uptake of renewables, increasing the recycled steel content, and working with customers to design for longevity, material efficiency and adaptive reuse. We advocate for, and participate in, the development of relevant industry sustainability standards for the steel value chain.

Steel use by sector¹



1. Data adapted from 2024 worldsteel in Figures. World Steel Association.

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

Steel is used in most aspects of our lives¹

- From cars and buildings to refrigerators and cargo ships, and much more.
- It is 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

- Ensures the maximum value of resources through recovery and reuse, remanufacturing and recycling.
- Underpins the transition to renewable energy, including the generation of renewable energy, electrification, mass transport and the hydrogen economy.

Steel contributes to economic prosperity¹

- Globally, it supports direct employment for over 6 million people; more than 49 million people indirectly.
- The total amount of steel in use 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 society's growing population.

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

Partnering with Australia's leading iron ore producers

In February 2024, BlueScope announced a framework agreement with Australia's two largest iron ore producers, Rio Tinto and BHP, to jointly investigate Australia's first ironmaking electric smelting furnace (ESF) or 'melting' pilot plant. The collaboration provides a platform to develop and potentially invest in a pilot facility. Together, we aim to demonstrate that production of molten iron from Pilbara ores is feasible using renewable power when combined with Direct Reduced Iron (DRI) process technology. If successful, it could help open a potential pathway to near-zero GHG emissions intensity operations for steelmakers. The partnership leverages both Rio Tinto and BHP's deep knowledge of Pilbara iron ores with our unique operating experience in ESF technology.



From left to right: Tim Day - BHP, Tania Archibald - BlueScope, Simon Trott - Rio Tinto

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 valuing the steel items we produce and recognising their continued worth beyond their original intended 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.

There are 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.
- **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** – BlueScope anticipates 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, 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 life cycle.
- **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.



The Phu My Vietnam site has been granted ResponsibleSteel™ certification – the first to receive Site Certification within the Vietnamese steel industry, as well as the first pre-painted steel site to achieve this recognition in South-East Asia.



In acknowledgement of our strategic approach, BlueScope was recognised by worldsteel for safety and health excellence under the Safety Culture and Leadership category for embedding Human and Organisational Performance (HOP) into our foundational processes.

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.

Our approach to sustainability

At BlueScope, sustainability is a driver for our success, as we strive for sustainable outcomes for our people and value chain, while minimising our environmental impact.

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 Purpose drives our approach to sustainability and Our Bond outlines our core values and key stakeholders (refer to the [inside of the front cover](#)).

The Sustainability Outcomes reflect BlueScope’s long-term vision to manage economic contribution, as well as the impact on people and the environment. The material sustainability topics listed under each Outcome represent the most important sustainability related challenges and opportunities for the Company. The corporate strategy is realised through activities and programs to manage and transform operations, build the skills and engagement of people, provide a safe workplace, foster responsible supply chains, protect the environment, and deliver smart solutions in steel for our customers and communities. This approach is further supported by operating principles and standards including our Code of Conduct, *How We Work* and our Group Risk Appetite Statements.

Stakeholder engagement

BlueScope regularly engages with internal and external stakeholders to remain informed about the topics that are most relevant to them. Refer to the [Sustainability Data Supplement](#) for an overview of stakeholder interactions.

Understanding what matters most

BlueScope is committed to addressing topics that potentially have a significant impact on people, the environment, and the economy. This includes the human rights of people working for BlueScope and our business partners.

The material sustainability topics listed in the table below represent our most important sustainability related challenges and opportunities. These topics are aligned with the United Nations Sustainable Development Goals (SDGs).

We recognise the emerging emphasis on nature in disclosures on environmental management and land protection. BlueScope continues to consider overriding themes that apply across our Sustainability Outcomes and topics, such as circular economy (refer to [Responsible Products](#)), climate disruption (refer to [Climate Change and Energy Transition](#)) and demand for responsible business practices, and products (refer to [Responsible Products](#)).

Sustainability Outcomes	Material sustainability topics	UN SDGs
 Sustainable growth and transformation	Business strength and resilience	 
	Transformation	
	Governance	
 Safe, healthy and inclusive workplaces	Safety, health and wellbeing	  
	Culture and capability	
	Social impact and human rights	
 Climate action and environment	Climate change and energy transition	   
	Environmental management	
 Responsible products and supply chain	Supply chain sustainability	  
	Responsible products	
 Strong communities	Community engagement and support	
	Economic contribution	

Sustainability reporting principles

We intend to prepare future sustainability-related disclosures in accordance with the Australian Accounting Standards Board's (AASB) Australian Sustainability Reporting Standards when they are finalised.

The new reporting regime is expected to require BlueScope to increase the integration of sustainability-related information with financial information, highlighting the interconnectedness of financial, social, and environmental performance.

In this report, BlueScope has taken initial steps toward meeting these new requirements by restructuring content to better align with our Annual Report. We anticipate that our sustainability reporting, including this Report, will continue to evolve in the upcoming years.

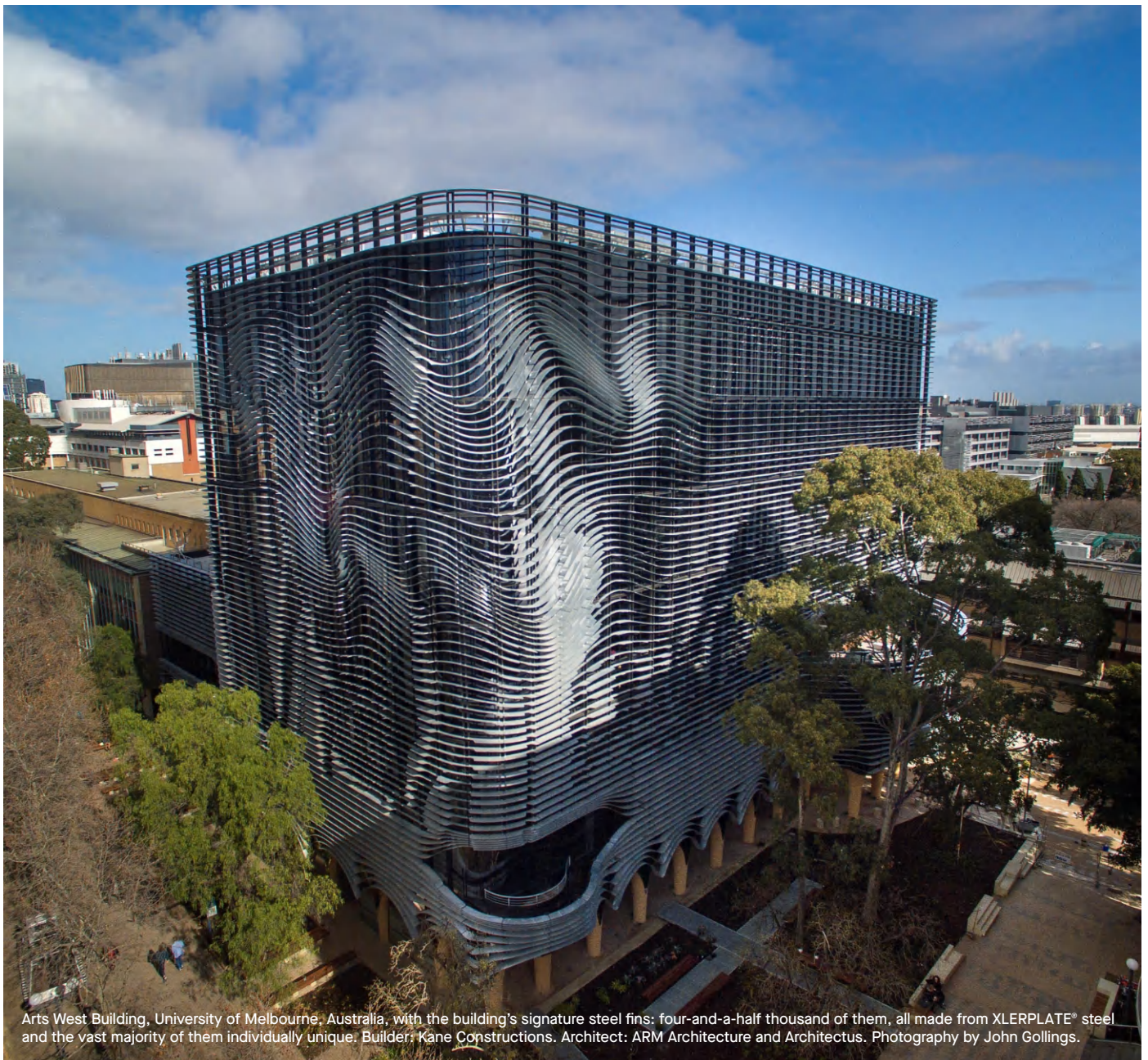
BlueScope has appointed PricewaterhouseCoopers (PwC) to provide independent assurance on a selection of sustainability information. Refer to the Sustainability Data supplement for the assurance report.

BlueScope aligns with industry frameworks that guide the approach to appropriate disclosure.

BlueScope's FY2024 Sustainability Report should be read in conjunction with our Climate Action Report and our FY2024:

- Sustainability Data Supplement
- Modern Slavery Statement
- Annual Report
- Corporate Governance Statement and
- Tax Contribution Report.

These reports are available at [BlueScope.com](https://www.bluescope.com)



Arts West Building, University of Melbourne, Australia, with the building's signature steel fins: four-and-a-half thousand of them, all made from XLERPLATE® steel and the vast majority of them individually unique. Builder: Kane Constructions. Architect: ARM Architecture and Architectus. Photography by John Gollings.

Sustainable growth and transformation

Business strength and resilience

We aim to operate resilient, cost competitive and efficient businesses. To support this, we seek to invest to generate good returns and to maintain a robust balance sheet.

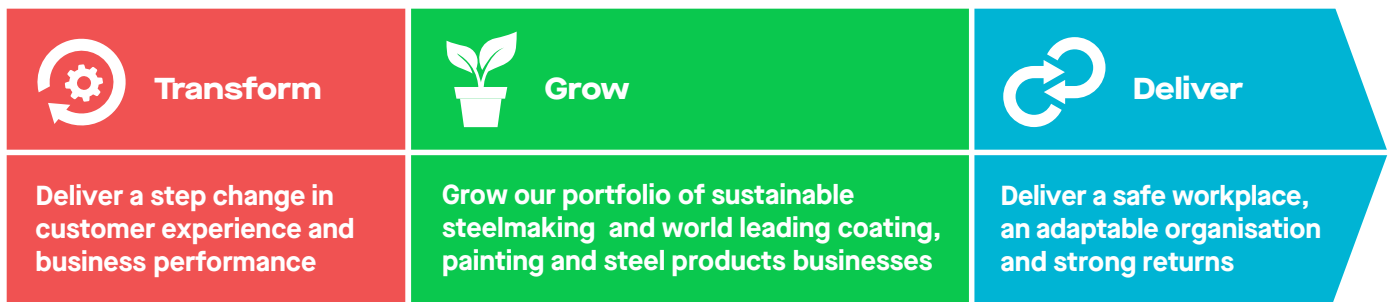
While we take a long-term view, making decisions in timeframes aligned to the life cycles of our assets, we also work to ensure that we can withstand cyclical lows and economic shocks, take advantage of opportunities and deliver returns throughout the cycle.

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

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

Our strategy

Our Strategy sets out how we will deliver on Our Purpose and seeks to balance investment in transformation and growth with our strong foundations in delivering on core expectations for our stakeholders. We have a diversified portfolio of businesses that are well positioned to participate in the favourable long-term outlook for steel, on the back of supportive longer-term industry and end use trends.



Our financial framework

Our Financial Framework has provided clarity, both internally and externally, 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	Robust capital structure	Disciplined capital allocation
<ul style="list-style-type: none"> • Deliver return on invested capital greater than our cost of capital on average through the cycle. • Return on invested capital-based incentives for management and employees. • Maximise free cash flow generation. 	<ul style="list-style-type: none"> • Strong balance sheet, with a target of around \$400-800M net debt¹. • Retain strong credit metrics. • Intent to have financial capacity through the cycle to make opportunistic investments or to fund reinvestment in, or a shutdown of, steelmaking if not cash positive. • Leverage for mergers and acquisitions (M&A) if accompanied by active debt reduction program. 	<ul style="list-style-type: none"> • Invest to maintain safe and reliable operations, to support achievement of decarbonisation pathways, and in foundation and new technologies. • Returns-focused process with disciplined competition for capital between: <ul style="list-style-type: none"> – Growth capital – Investments and M&A (but avoid top of the cycle) – Shareholder returns (distribute at least 50 per cent of free cash flow to shareholders in the form of consistent dividends and on-market share buy-backs²)
<p>1. Following review, BlueScope has updated its net debt target range to \$400M–\$800M, reflecting the growth in the business and remaining prudent in light of our goal to retain strong credit metrics. In the near-term, balance sheet capacity will be retained to fund major projects.</p> <p>2. On-market share buy-backs are an effective method of returning capital to shareholders given the flexibility they provide in managing BlueScope’s capital and for the EPS enhancement they can deliver.</p>		

Governance

Leadership

Strong governance is an important aspect of BlueScope’s culture. Our commitment to sustainability 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 (MD&CEO) and the Executive Leadership Team (ELT).

Sustainability considerations are included in strategy discussions and formulation, investment decisions and risk management oversight, and in the MD&CEO’s and the ELT’s incentive arrangements. Performance and monitoring are overseen by the Board with the assistance of the RSC, Health, Safety, Environment & Community Committee (HSEC) and the Remuneration and Organisation Committee (ROC). The Board retains overall accountability for BlueScope’s strategy, performance, reporting and risk profile. The Board is committed to transparency in reporting on sustainability progress and the risks and opportunities sustainability presents for BlueScope.

On behalf of the Board, the RSC has oversight of sustainability related risks. The RSC reviews risk scenarios, risk analyses and mitigation strategies, as well as how sustainability risks are integrated into BlueScope’s risk management framework and processes. The HSEC oversees BlueScope’s impact on people, communities, and the environment.

The Sustainability Council and other leadership groups, including the Climate Change Council and the Social Impact Steering Committee, support the implementation of governance programs, monitor, and advise on changes to sustainability reporting requirements and support the leadership teams in providing recommendations to the ELT, the Board and its Committees.

Further information about our governance structures, including Directors’ skills and experience, Committee memberships and meeting attendance is included in the Directors’ Report in our [FY2024 Annual Report](#), and our [FY2024 Corporate Governance Statement](#).

Remuneration

The Board’s ROC oversees and advises on remuneration policy and its application to the ELT and the MD&CEO. As part of BlueScope’s sustainability strategy, certain aspects, including ESG objectives related to health, safety, diversity, operating efficiency, and reduction of GHG emissions, are tied to the remuneration outcomes for key management personnel, focused on transformation and growth. Under the FY2024 STI plan, financial and non-financial measures are equally weighted, each accounting for 50 per cent. The non-financial measures are aligned with BlueScope’s strategy, emphasising long-term sustainable success and future growth.



For more information, refer to the Remuneration Report that is included in the [FY2024 Annual Report](#)

The Board has established the following Committee and leadership structure:



Refer to our [FY2024 Annual Report](#), and our [FY2024 Corporate Governance Statement](#)

Compliance and ethical conduct

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

In FY2024, BlueScope continued to strengthen its governance framework by further enhancing its Ethics and Compliance (E&C) program and promoting a Speak Up culture through various initiatives engaging people across the organisation at all levels.

Commitment to combating bribery and corruption

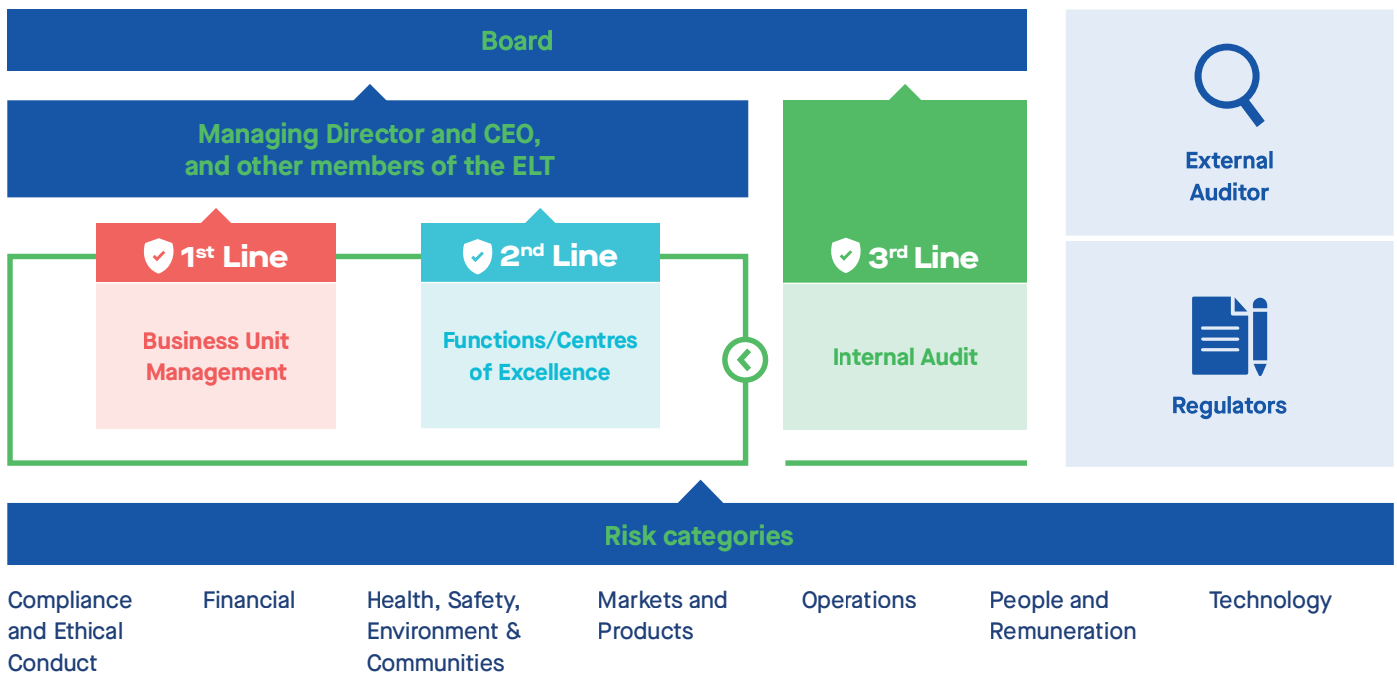
We aim to work against corruption in all its forms, including extortion and bribery. This commitment is reflected in Our Code of Conduct, *How We Work*, which outlines our expectation for BlueScope employees. BlueScope continuously assesses and enhances its programs to identify and respond to new and emerging risks and introduces measures to combat the risk exposure to bribery, corruption and conflicts of interest. Our incentive arrangements take into account adherence to our Code of Conduct and demonstrating behaviours consistent with Our Bond to ensure that our people operate in an ethical and sustainable manner.

Regulatory proceedings

In 2019 the ACCC brought civil penalty proceedings against BlueScope and a former employee alleging contraventions of the Australian competition law cartel provisions in 2013 to 2014. In August 2023 the Federal Court awarded a penalty of \$57.5M against BlueScope.

BlueScope has appealed the Court’s decision. Pending determination of the appeal, the penalty has been paid to the Commonwealth of Australia.

Risk management framework



Read more about our Ethics and Compliance team and access our Code of Conduct and Speak Up Policy at [Ethics and Compliance \(bluescope.com\)](https://bluescope.com/ethics-and-compliance)

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 integrated risk management framework, 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. Each business unit’s performance against the Group Risk Appetite is monitored quarterly and the consolidated metrics reported to the RSC.

Our Group Risk Appetite statements are set by the Board and 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 (refer to Risk categories in the figure below).

We monitor the impact of climate-related risks on our businesses and these insights inform our corporate strategy. Governments around the world continue to evolve their climate policies, which in turn affects industries, including steelmaking. Refer to [Climate change and energy transition](#) in this report for further information on the Port Kembla Steelworks upgrade and reline project and the introduction of the Australian Government’s Safeguard Mechanism policy.



Coopworth House on Bruny Island Tasmania, Australia, with clad in roofing and walling made from COLORBOND® steel in LYSAGHT CUSTOM ORB® profile, in the colour Terrain®. Builder: In2Construction Services. Architect: FMD Architects. Photography by Dianna Snape.

Operational resilience and business continuity

BlueScope’s ability to respond to, and recover from, unexpected events has been demonstrated over the years.

Our operations and customer service could be affected by external events, such as extreme weather, supply chain disruptions and cyber attacks.

Our Business Resilience Framework outlines how BlueScope will deal with unplanned interruptions to normal operations. The Framework aims to ensure the continuity of critical business processes as well as the safety and wellbeing of employees.

To ensure we are ready to manage these types of events, our response is based on real-world experience, local decision-making, and clear accountability. Every year, we test our readiness to manage a range of different scenarios. Desktop exercises provide a safe, focused environment for business units or sites to practise crisis response teamwork and decision-making.



Refer to our [Climate Action Report](#) and [FY2024 Annual Report](#) for our assessment of climate risks and opportunities.

Public policy and advocacy

BlueScope takes a bipartisan approach to political discourse in all jurisdictions where it operates, focusing on relevant policy matters. We do not endorse candidates for office, or the election (or re-election) of particular political parties. The Company will, however, take public positions in support of or opposition to policies, legislation and regulations that could have a significant effect on its operations or financial performance, including from time-to-time seeking amendments to such policies. We will also meet with ministers, MPs and officials for the purposes of informing them about the Company and its views on such policies.

The Company’s policy allows it to pay admittance or membership fees for the purpose of attending a briefing, or to have a dialogue with political figures to debate policy issues that may affect BlueScope. This includes payment to attend events organised or hosted by a political party or an organisation associated with a political party. The Company spent \$115,000 on such activities in FY2024.

BlueScope belongs to various industry associations in many countries where we operate. Most are professional or technical associations, such as those supporting 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, treasury, 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 that guide our membership and how we assess alignment between the public policy positions of the industry association and BlueScope’s position. An annual summary of these assessments is reported to the RSC. Since BlueScope is an Australian public listed company, the yearly assessment includes Australian industry associations, while the industry memberships outside Australia are managed by the relevant regions. The latest assessment of Australian memberships conducted in 2024, did not find any material differences or conflicts in policy positions between BlueScope and the main industry associations of which it is a member.



Our Industry Associations Governance Standard is available at [Ethics and Compliance \(bluescope.com\)](#)

Safe, healthy and inclusive workplaces

1,175 HSE risk control projects completed since 2021

25% female representation in the BlueScope workforce

Three audits conducted at our own operations in Thailand, China and Mexico

Safety, health and wellbeing

Our approach

Our commitment to our culture of learning and people centred approach to health and safety is unwavering, enabled by a deep focus on engaging our people in designing solutions to deliver effective controls.

In July 2024, we initiated a global 'Refocus on Safety' program, intended to ensure the ongoing emphasis on our foundational safety practices.

The Refocus requires our leaders at all levels to spend more dedicated time on site to learn from our employees about how their work is done, what can be done better, and to verify critical controls from our Codes of Practice to proactively manage risk before incidents occur. Priority activities include increasing tiered audit frequencies and improving incident management and investigation.

The Refocus comes in response to four of our employees sustaining serious injuries resulting in permanent incapacity in FY2024. Additionally, our lag indicator, Total Recordable Injury Frequency Rate (TRIFR), was 9.1¹, which is above the long-term range of 5-7.

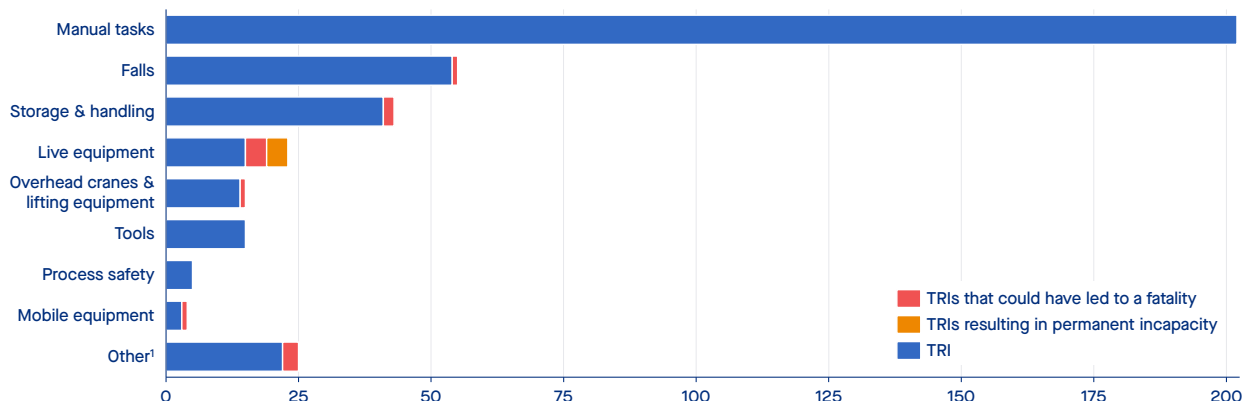
Our serious injury, near miss and risk profile

Tragically, in March 2024, a customer's contractor truck driver was fatally injured in an interaction with another customer's contracted vehicle at one of BlueScope Coated Products' sites in North-America². Our thoughts are with everyone impacted by this tragic incident.

The four incidents that led to permanent incapacities all happened while performing tasks related to live equipment³. Two of these incidents occurred while undertaking cleaning of paint coater rolls. A project on coater roll cleaning requirements is underway for implementation across all BlueScope sites to reduce the risk of serious injury during this task. This includes standardisation of all sites to a higher level of safety controls, including the implementation of no touch tools for cleaning and automatic stops. The other two injuries occurred in the processes of cleaning near a conveyor and operating a hydraulic door on a trailer. A subsequent review of the Live Equipment Code of Practice and supporting technical guide is planned for FY2025.

Our overarching number of Total Recordable Injuries (TRI) increased in FY2024 to 387 (FY2023: 302).

FY2024 TRIs per risk category



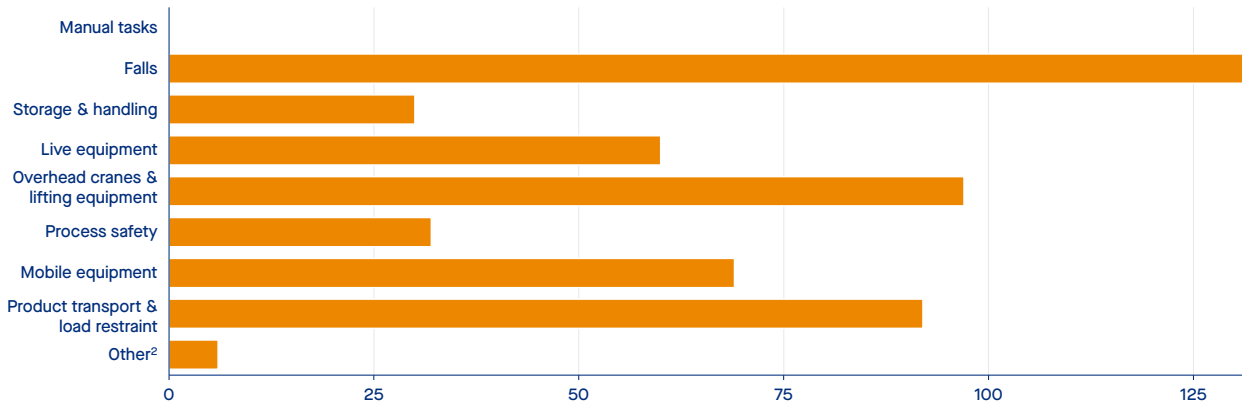
1. "Other" includes but is not limited to risks such as confined space, rail, site security, and hazardous chemicals.

1. TRIFR has been updated from data disclosed in the FY2024 annual result material, including updates to historical periods from FY2022, to correct a previous overstatement of hours worked.
 2. As this incident involved our customers' contractors, it is not classified as within BlueScope's controlled safety management system.
 3. Live equipment includes, but is not limited to: moving/rotating equipment, stored/potential energy and electrical and hydraulic hazards.

Although we continually work on reducing the number of TRIs, our priority remains on removing or mitigating the risk of those areas or activities which could cause people's lives to be impacted permanently or for a prolonged period.

We also monitor any recordable injuries and near misses which could have been a fatality to provide a broader view of our risk exposures. We do not set reduction targets for the purpose of encouraging reporting and continuous improvement of controls.

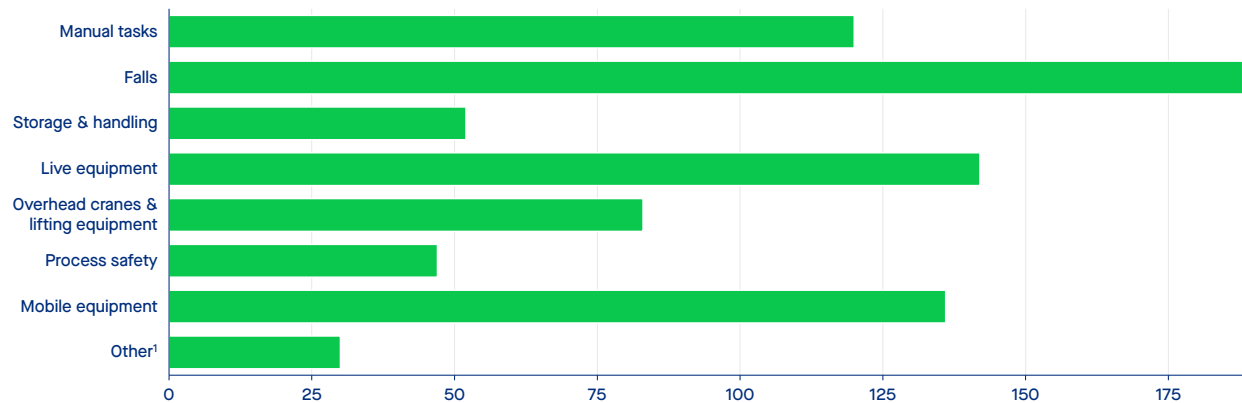
FY2022-FY2024 Near misses¹ that could have been a fatality



1. A potential hazard or incident in which no personal injury was sustained, but where, given a slight shift in time or position, injury easily could have occurred.
 2. "Other" includes but is not limited to risks such as confined space, rail, site security, and hazardous chemicals.

Our risk control projects primarily focus on reducing the risk of fatalities and life altering injuries. In FY2024, 34 risk control projects were related to strengthening Live Equipment controls, including automated solutions, such as light curtains (which are used to detect people present in the vicinity of moving machinery), and improved separation, such as safety fences and guarding.

FY2022-FY2024 Risk control projects per risk category



1. "Other" includes but is not limited to risks such as confined space, rail, site security, hazardous chemicals, and product transport and load restraint.

Although risk control projects also target frequent injury risk categories like Manual Tasks, they are not intended to significantly impact the minor injuries that make up the majority of the Total Recordable Injuries (TRI) measure.

Our people continue to deliver risk control projects, with another 271 in FY2024 (1,175 since 2021). A selection of these projects is shared globally via our Health & Safety Excellence Awards. We integrate innovative controls into our Codes of Practice and Technical Guides to leverage our global and diverse organisation. This approach enhances our efforts to improve safety, health, and wellbeing.



Our historical health and safety data is included in our [FY2024 Sustainability Data Supplement](#)

Continuing to deliver on our HSE strategy

Our integrated Health, Safety and Environment (HSE) Strategy was refreshed in FY2024 as part of our regular review cadence. Embedding Human and Organisational Performance (HOP) remains a key tenet as we continue to focus on building leadership capability.

The development and roll out of leadership materials and ongoing training aim to support our leaders in practice to proactively manage risk before incidents occur.

- 179 people participated in expert leadership training, 1,875 since 2020.
- 610 people participated in business-led learning workshops, 2,151 since 2021.

In FY2024, we refreshed our Codes of Practice for Falls, Traffic Management and Mobile Equipment to improve how we verify the effectiveness of our controls and share innovative solutions. We will continue to update our remaining Codes over the coming years, reviewing them to ensure they effectively support our approach to managing key risks.

We also published a new Process Safety Code of Practice. We are committed to managing the inherent process safety risks in our business and have dedicated resources to implementing our Code across our global footprint, prioritising our higher risk steelmaking businesses.

With the release of our Health and Wellbeing at Work Model in FY2023, business units have in FY2024 undertaken self-assessments to prioritise their respective focus areas to support their people. These include system alignment and

upskilling of teams in psychosocial risk and work redesign, upgrade of plant and facilities across all our business units with a focus on female amenities, including lactation rooms, and business-specific community and wellbeing initiatives, such as family days, sporting activities and health education.

We recognise there is always more we can do and learn not only from our people, but others from across the industry. In FY2024, BlueScope was a platinum sponsor of the inaugural Global Safety Innovation Summit hosted in Wollongong, Australia. This three-day event hosted over 600 people representing 175 companies

from 14 countries and attracted world-renowned thought leaders, executives, legal leaders and safety professionals.

BlueScope also hosted the worldsteel annual Safety & Health Committee meeting in North America in November 2023, to share our learnings in HOP with steel making peers.

In acknowledgement of our strategic approach, BlueScope was recognised by worldsteel for safety and health excellence under the Safety Culture and Leadership category for embedding HOP into our foundational processes.

BlueScope Health, Wellbeing and Community Excellence Awards

NS BlueScope Lysaght Indonesia and NS BlueScope Malaysia won BlueScope's 2023 Health and Wellbeing award, as part of our annual Health and Safety Excellence program.

The NS BlueScope Lysaght Indonesia team set up a comprehensive health and wellbeing initiative, including health talks, sports activities, employee wellness programs targeting common health issues, and a Wellbeing Carnival. This resulted in a healthier and happier workforce.

The NS BlueScope Malaysia team introduced an employee welfare program, initiated through a brainstorming session and executed by the Welfare Committee, resulting in the establishment of monthly celebrations, outdoor activities, sports clubs, and creative platforms. The program achieved high employee engagement and fosters a thriving workplace culture.



Our future focus

- Executing our Global Safety Refocus program, ensuring the ongoing emphasis on our foundational safety practices supported by HOP principles and tools.
- Continue HSE education and training programs across our organisation to facilitate the development of capability and skills amongst operational leaders and HSE professionals.
- Continue our Codes of Practice review work program to ensure they remain effective in supporting our approach to manage key risks.



Residential building in Fairhaven, Australia. using COLORBOND® steel Monument® in a Matt finish. Builder: DBS Homes. Architect: ITN Architects. Photography by Richards Rose.

Culture and capability

Our approach

At BlueScope, people are our strength and key to the success of our business in our operations, supply chains and local communities. We commit to a culture where our people feel welcome, valued and inspired, regardless of their differences, such as: ethnicity, gender, sexual orientation, age, or physical ability.

Inclusive culture

We aim to cultivate an inclusive culture where every individual feels valued and included at work. Our FY2024 program focused on strengthening our approach to growing diversity in our workplaces. We are encouraged by our progress in FY2024 and the initiatives in this section demonstrate that our strategies are making a positive impact.

	Gender Equity	Beyond Gender	Inclusive Capability
Goal	We aim to reflect the diversity of the communities where we operate.	We support under-represented groups in the communities in which we operate.	We continue to build capability in our leaders, so that the talent pipeline is strengthened.
Approach	Each BlueScope region continues to find ways to source diverse candidates, improve processes and create opportunities.	We develop region-specific strategies that suit the needs of the local community.	We support leaders in creating opportunities to ensure retention and diverse talent pipelines.

Gender equity

This year we achieved an overall percentage of women in the workforce of 25 per cent. We maintained our gender balance ratio for our Board and ELT in line with our 40:40:20 target¹.

WOMEN IN BLUESCOPE %



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

Female representation has increased in Australian Steel Products from 23 per cent in FY2022 to 25 per cent in FY2024. Female representation has increased in New Zealand & Pacific Islands from 18 per cent in FY2022 to 21 per cent in FY2024. Female appointments into the leadership pipeline for NS BlueScope has grown to 45 per cent in FY2024.

New Zealand Steel was awarded the Inclusive Workplace (Medium-Large Organisation) category at the annual Diversity Awards NZ, held in August 2023. For the third year, Australian Steel Products has been named an Inclusive Employer by the Diversity Council of Australia.

Beyond gender

At BlueScope Buildings North America, our people participate in monthly sessions on topics encompassing ethnicity, neurodiversity, and gender. These sessions focus on cultivating inclusive workplaces, that foster a sense of belonging and respect.

First Nations Framework Australia

In Australia, our First Nations Framework advanced significantly and is now embedded into ASPs Vision and Strategy,

demonstrating our commitment to grow and support the representation, engagement, and inclusion of First Nations people across our business.

Following the appointment of our inaugural Manager First Nations, we have adopted a strategic approach to identify best practices and develop a national action plan. Our approach towards this plan is guided by four fundamental strategic pillars; Community, Employment, Employee Engagement and Supply Chain.

First Nations cultural awareness workshops have continued, with over 100 employees attending face-to-face introductory training sessions. During National Reconciliation Week 2024, we launched new eLearning modules, specifically designed to foster understanding of and the skills and knowledge required for, developing work practices supporting cultural identity. These initiatives have enriched our collective understanding and strengthened our commitment to cultural sensitivity and respect within our work environments.

We took another step in our journey towards supporting the economic development of First Nations communities. We have engaged a further 14 Tier 1 First Nations suppliers (verified by Supply Nation) and more than doubled our expenditure with First Nations businesses compared to the previous financial year.

For more details, visit bluescope.com/illawarra/our-communities

Inclusive capability

In Australia, we launched an innovative and impactful training program called Respectful Behaviours across all levels of the organisation. In North America, BlueScope is piloting different shift patterns to remove barriers to the retention of women. In Indonesia, BlueScope has explored opportunities to encourage women operators to return to work after completing their parental leave.



Read more about our inclusion and diversity performance in the [FY2024 Corporate Governance Statement](#).

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

Respectful Behaviours training for all Australian employees

ASP has launched a program to improve employee experience, which includes several key initiatives, including an immersive e-learning for all employees called Respectful Behaviours and a corresponding session for leaders titled Leading Respectful Behaviours. To date, we have seen an overwhelming response to these initiatives, sparking powerful discussions about respect in the modern workplace. Respectful Behaviours has been nominated by our design partners, Thinka, for the Australian Training and Development Awards in 2024.



Employee experience

We aim to attract and retain people who are aligned to Our Purpose and demonstrate our desired behaviour. To support this, we continue our efforts to optimise our employee experience and internal communication.

We regularly review progress on delivering our global Employee Value Proposition (EVP) to ensure we're offering people inclusive and meaningful work experiences. As we continue to implement defined, localised EVPs across our businesses, our teams are progressing local improvement initiatives to ensure we continue to make BlueScope a great place to work.

Our NS BlueScope ASEAN team implemented its regional EVP across Singapore, Thailand, Indonesia, Vietnam and Malaysia. This was done through local experience improvement initiatives, such as onboarding and bite-size digital learning. With a full regional online launch, including employee ambassador testimonials and with the Chief Executive as a key sponsor, the team continue to celebrate its commitment to the journey of continual improvement in creating great employee experiences.

In FY2024 we conducted a global employee survey across all businesses in BlueScope. A participation rate of 77 per cent was achieved (last survey 2021: 69 per cent) with an engagement score of 72 per cent. Our employees made over 18,000 comments as part of their feedback. Action is then taken at local line leader level and employee listening sessions are conducted where further insight is required to action feedback.

Organisational capability

Our focus is to develop the capability of our people to deliver on BlueScope's strategy. We aim to develop a culture that encourages employees to be the best they can be through learning, connecting, sharing and receiving regular feedback.

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. Our Leading at BlueScope Framework defines our capability expectations and we support leaders in their development against this framework. At the end of FY2024, 49 leaders at ELT, ELT-1 and ELT-2 level have completed the Accelerated Development assessment process to define development needs in line with the Framework.

In addition to this, leaders attend Leading for Impact, BlueScope's leadership development program for all leaders in executive roles. To date 98 leaders have either completed or are in the process of completing the program.

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 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 continue to create learning opportunities and experiences for the development of our people. In FY2024, we enhanced the learning experience, enabling our people to easily develop the skills important to them and their roles. Through a topic-driven approach, BlueScope's people can access premium learning libraries, be assigned essential learning, and share their knowledge with others. Currently 37 themed channels are being accessed including Manufacturing Excellence, Finance, and Digital Transformation as well as numerous management and leadership programs. Newly launched channels include Diversity, Equity and Inclusion, Step Up (Cultural development) and BlueScope Recycling & Materials.

In FY2024, ASP launched the Blast Furnace No.6 Pre-Start Capability Academy. This is the first of two bespoke academies that are instrumental in upskilling ASP's workforce with the required knowledge and skills to operate the new furnace system and its technology ahead of launch.

Our future focus

- Local diversity strategies and increasing the representation of women in all roles, including operator/trade, management, and leadership.
- Enablement of consistent people processes and data management through using Workday as our people technology platform.
- Developing the capability for both the needs of today and tomorrow's business.

Social impact and human rights

Our approach

BlueScope is fully committed to the United Nations Guiding Principles on Business and Human Rights across the regions in which we operate. This means we are identifying, assessing, and taking action to mitigate potential modern slavery risks in our operations and supply chain. We strive for continuous improvement each year and summarise our key areas of action in FY2024 in the table below.

Targeted worker assessments at our own sites

In FY2024, three audits were conducted at our own operations in Thailand, China and Mexico.

Strengthening capability and capacity in Malaysia

Following the remediation process in Malaysia (described in our FY2023 Sustainability Report), we set up a program to support the local leadership team with training and coaching.

Leadership engagement in high-risk locations

Ensuring that local leadership teams are aware of the risks of modern slavery in their region is a key aspect of our due diligence process.

Supplier engagement and learning

Our procurement teams engage with suppliers regularly to understand their responsible sourcing approach and to discuss improvement opportunities.

Supplier Code of Conduct

In FY2024 we launched our updated Supplier Code of Conduct both internally and to suppliers – reminding them of the importance of decent work and fair labour practices within our supply chain.

Digital tools for supply chain risk

During FY2024 we have implemented the EcoVadis IQ Plus solution to provide contactless risk mapping of suppliers based on country and industry inherent risk. Refer to the section [Sustainability in the Supply Chain](#) in this Report.

Our mix of measures in human rights risk assessment

Social Impact Priorities



BlueScope monitors its activities to ensure that our policies and practices do not constrain respect for human rights. The priority areas are derived from our annual assessment of risk relating to BlueScope operations across our geographic footprint. The FY2024 assessment did not lead to changes in the priorities, so these form our focused activities for the next 12 months.

Actions during FY2024 include:

- Identified gaps in our controls for contract workers, and these lessons will be shared across the Group in FY2025.
- A mix of risk mitigation strategies have been adopted that consider local legislation and cultural context.
- A cultural lens and narrative that strongly links back to Our Bond and strengthening our communities for the future is included in the remediation mix.
- Collaboration with rights holders and local leaders is key to our impact.

- Fostering a culture of continuous improvement and iterative learning.

Our future focus

- Increase policy awareness and understanding with key internal stakeholders in human resources and procurement.
- Establish a cross functional community of practice for Contractor Management.
- Communicate and operationalise the key principles and expectations relating to working hours.
- Develop a comprehensive maturity model and expectations for responsible sourcing best practice.



Read our [Modern Slavery Statement 2024](#) for more information on BlueScope's processes and approach.

Climate action and environment

Collaborating with Australia's leading iron ore producers on a pilot DRI-ESF plant

12.0 per cent reduction in steelmaking GHG emissions intensity since FY2018

63 environmental improvement projects submitted by employees

Climate change and energy transition

Our approach

BlueScope understands the critical importance of taking action on climate change to our business and our stakeholders. It is crucial to our long-term success, and we have set medium-term targets and long-term goal to reduce GHG emissions intensity and absolute emissions, respectively.

Climate and decarbonisation strategy

BlueScope's mid-term 2030 targets to reduce steelmaking and non-steelmaking GHG emissions intensity, and 2050 net zero goal¹, drive our decarbonisation activities and projects and are underpinned by our capital allocation framework.

We are making good progress across our climate strategy and decarbonisation commitments, including through our Australian Direct Reduced Iron (DRI) Options Study, comprising of comprehensive analysis of DRI options to decarbonise Port

Kembla's operations; forming industry alliances and partnerships to collaborate on new technology; optimising assets to achieve energy and process efficiencies; and extensive engagement with governments, customers, suppliers and our communities.

Climate scenario analysis

In FY2024, we refreshed our climate scenario analysis to test the resilience of our business strategy and our portfolio against potential transitional climate change impacts, as well as to assess the physical impacts, risk and potential requirements for our business to adapt.

The overall findings indicate that our current strategy is broadly resilient across all of the refreshed climate scenarios tested, noting that the implications of the four scenarios vary for each of our steelmaking sites. Refer to our Climate Action Report for detailed information on the outcome of this work.

Climate Action Report

This year we have published our second Climate Action Report, which includes progress on our climate strategy and the actions we are taking, updated scenario analysis and physical risk assessments, developments in new technology, and our FY2024 performance against our 2030 emission intensity reduction targets and 2050 net zero goal.



This Climate Change and Energy Transition section should be read alongside our [Climate Action Report](#)

Safeguard Mechanism

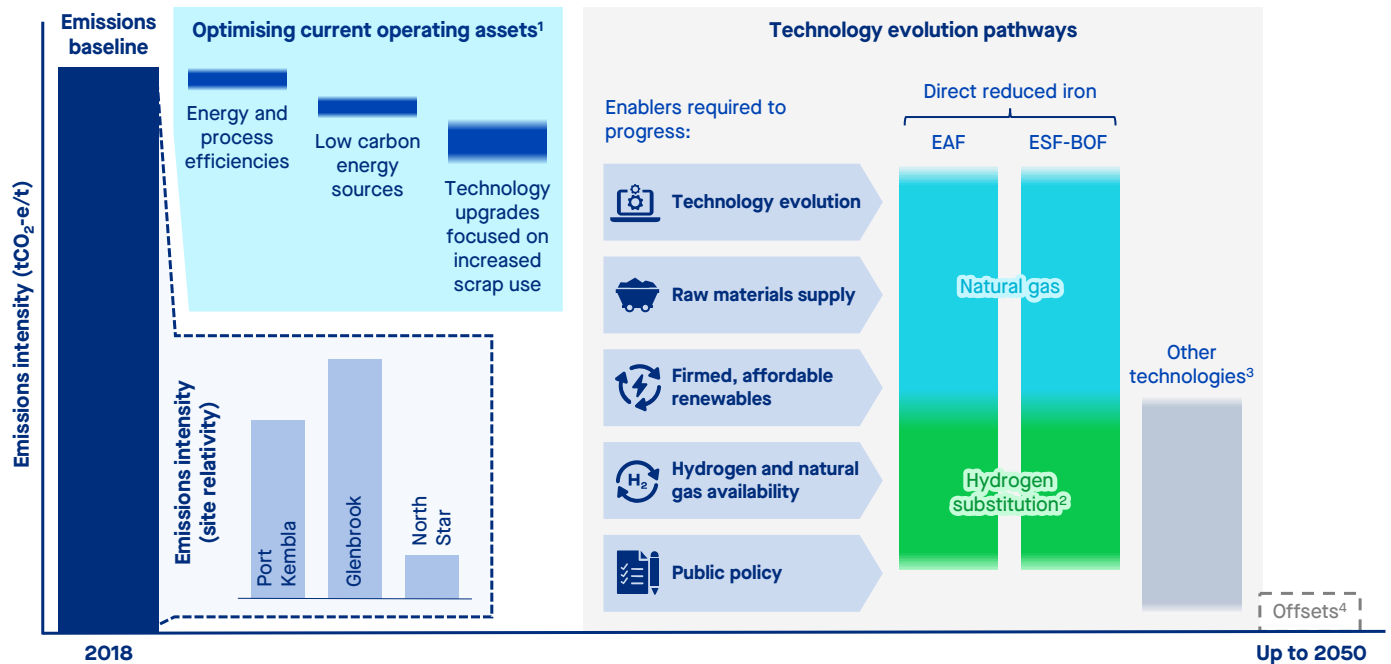
The Australian Government announced proposed changes to its Safeguard Mechanism (SGM) in January 2023. The SGM is one of the Government's policies to reduce emissions from large industrial facilities, including our Port Kembla Steelworks and Western Port Works. It sets legislated limits, or baselines, on GHG emissions from covered facilities. These baselines will decline over time, to help Australia achieve its 2030 target and 2050 emissions goal. This year, we worked cooperatively with the Australian Government to secure improvements to the SGM, to ensure the viability of the No.6 Blast Furnace reline, while still maintaining incentives to reduce emissions from iron and steelmaking.

1. Achieving our 2050 net zero goal is contingent on five key enablers: technology evolution, raw materials supply, firm, affordable renewables, hydrogen and natural gas availability, and public policy.

Indicative steelmaking decarbonisation pathway

Our decarbonisation pathway is indicative of how we expect to achieve our targets and goal. We review and revise the pathway as

new information and technology become available. This year we also produced indicative individual steelmaking decarbonisation pathways which are detailed in our Climate Action Report.



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. This continues beyond 2030 until such time as it is feasible to convert to lower emissions iron and steelmaking technology. Continuous improvement principles will apply to future production processes.
2. Contingent upon commercial supply of hydrogen from renewable sources.
3. Other technologies include electrolysis, CCS 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.

Partnering with Australia's leading iron ore producers

In February 2024, BlueScope announced a framework agreement with Australia's two largest iron ore producers, Rio Tinto and BHP, to jointly investigate Australia's first ironmaking electric smelting furnace (ESF) or 'melter' pilot plant. The collaboration provides a platform to develop and potentially invest in a pilot facility. Together, we aim to demonstrate that production of molten iron from Pilbara ores is feasible using renewable power when combined with Direct Reduced Iron (DRI) process technology. If successful, it could help open a potential pathway to near-zero GHG emissions intensity operations for steelmakers. The partnership leverages both Rio Tinto and BHP's deep knowledge of Pilbara iron ores with our unique operating experience in ESF technology.

Transforming steelmaking in New Zealand

Construction has begun on the NZ\$300 million EAF, announced in 2023. Co-funded by the New Zealand Government, it will secure the future of steelmaking at Glenbrook, and is a significant step towards our 2050 net zero goal.

Investing in the EAF leverages New Zealand Steel's reliable supply of both firmed renewable energy and domestic scrap steel, along with the right policy support. It is expected to reduce the site's Scope 1 and 2 GHG emissions by approximately 55 per cent¹ through eliminating two of the four coal fed kilns and replacing the existing oxygen steelmaking furnace¹.

The design phase for the EAF has demonstrated that there is an opportunity to achieve up to a one million tonne reduction in New Zealand Steel's annual carbon emissions, as well as an opportunity to bring commissioning forward.

1. Subject to securing additional renewable energy power purchase agreements and recycling more domestic scrap steel in New Zealand.

Capital allocation approach

BlueScope's Financial Framework describes how the Company seeks to operate, with a focus on delivering returns above the cost of capital, maintaining a robust balance sheet and a disciplined approach to capital allocation. This approach is guided by our Capital Allocation Framework and states that BlueScope:

- Invests to maintain safe and reliable operations;
- Invests to support achieving its decarbonisation pathways;
- Invests in foundation and new technologies; and
- Drives a returns-focused process with disciplined competition for capital between investments in growth and shareholder returns.

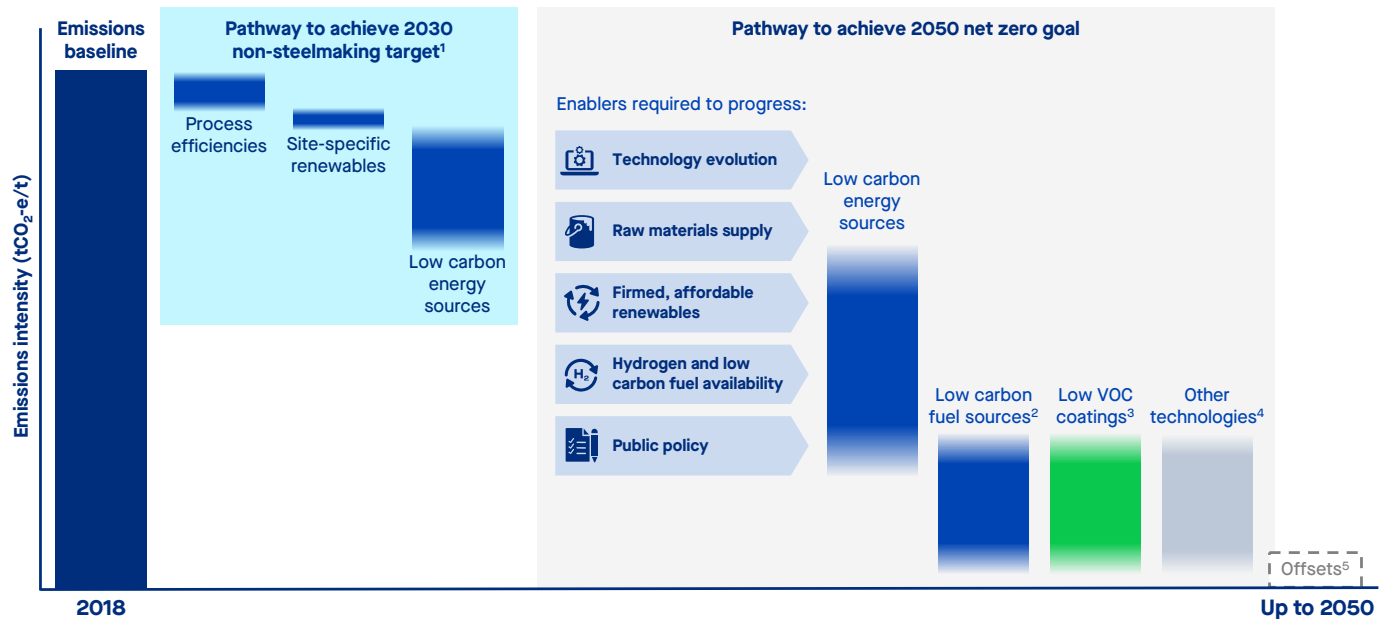
Our approach to climate-related investment is guided by our 2030 targets and 2050 net zero goal. It recognises that an appropriate commercial overlay is critical to ensure we are pursuing decarbonisation in the most capital-efficient manner.

Refer to our [Climate Action Report](#) to read more about our approach and spend to date on climate-related investment.

Indicative non-steelmaking decarbonisation pathway

Midstream activities¹ account for approximately 7 per cent of BlueScope's total Scope 1 and Scope 2 GHG emissions. We have developed an indicative midstream decarbonisation pathway

which articulates our mid-term and long-term ambitions to decarbonise our midstream operations aligned to our 2030 non-steelmaking target and long-term 2050 net zero goal.



- This involves working within currently available technology options to improve the efficiency of assets and processes, including upgrading technology where there are supportive enablers. This continues beyond 2030 until such time as it is feasible to convert to lower emissions coating and painting technology. Continuous improvement principles will apply to future production processes.
- Low carbon fuel sources are replacement fuels (for natural gas currently used in our operations) required for painting and coating operations. These may include biomethane, renewable fuels and biosolvents or other emerging technologies.
- Low Volatile Organic Compound (VOC) coatings include breakthrough technologies such as radiation curing, high solids, and water-based technology.
- Other technologies include CCS, further electrification and other emerging technologies.
- We retain the option to use offsets to meet our 2050 net zero goal where direct abatement is not technically or commercially feasible.

Energy and process efficiencies across our midstream operations helps reduce Scope 1 GHG emissions. These include installing regenerative thermal oxidisers (RTO) and waste heat recovery systems to improve efficiency of coil painting ovens.

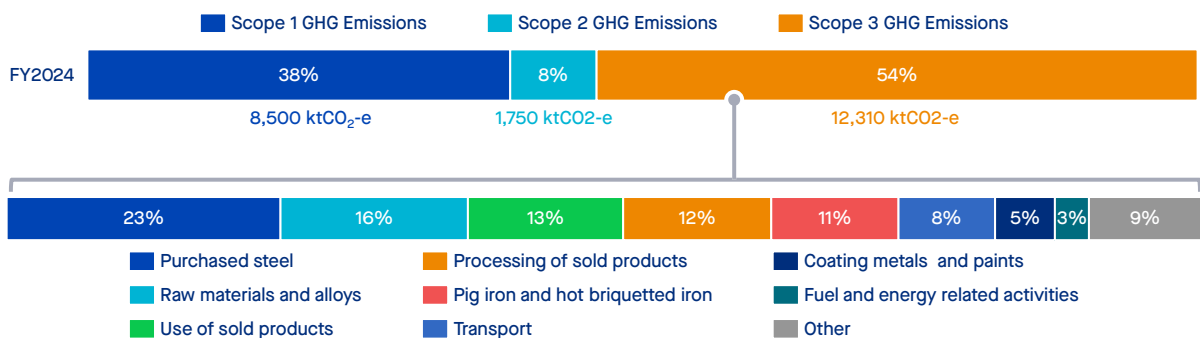
Electricity accounts for just over half of our midstream operational emissions footprint. Several midstream sites in Asia now source a portion of their energy from renewable solar power, with more projects in the pipeline. Our non-steelmaking operations are capturing the benefits of solar power systems in reducing the amount of electricity sourced from the grid, which leads to reduced emission intensity. Sites are also replacing outdated equipment with more energy efficient models and moving away from using diesel.

In the longer term, we continue to focus on building renewable energy supply and manufacturing improvements to reduce GHG emissions but recognise that emerging technologies will be critical to achieving our long-term 2050 net zero goal.

Emissions performance

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

BlueScope's FY2024 Scope 3 GHG emissions represent 54 per cent of the Company's overall emissions profile. As indicated below (and aligned to previous years), the majority of BlueScope's Scope 3 emissions come from the extraction, processing and production of raw materials and the use and processing of our sold products (e.g., coke sales and processing of intermediate products, such as slag). For raw material, most emissions come from the iron and steel that we purchase in the regions where we do not manufacture the steel ourselves. A detailed breakdown of our Scope 3 GHG emissions is presented in our 2024 Sustainability Data Supplement.



1. Covers midstream activities which include cold rolled, metal coating and painting lines, and long products.

GHG performance steelmaking

BlueScope achieved a 12.0 per cent reduction in aggregated steelmaking emission intensity against its FY2018 baseline, in line with its 2030 target level. This was primarily driven by the ramp-up of the North Star expansion, which contributed to an increased proportion of BlueScope’s production volumes coming from North Star’s low emissions process. Further incremental operating and process efficiencies at Glenbrook and Port Kembla also contributed to this outcome.

Emission intensity performance can fluctuate year-on-year due to a range of factors including production volumes, raw materials quality and mix. As FY2025 will be the first full year of expanded capacity at North Star, balanced against a challenging short term steel market outlook, we expect to maintain emission intensity in line with our 2030 target.

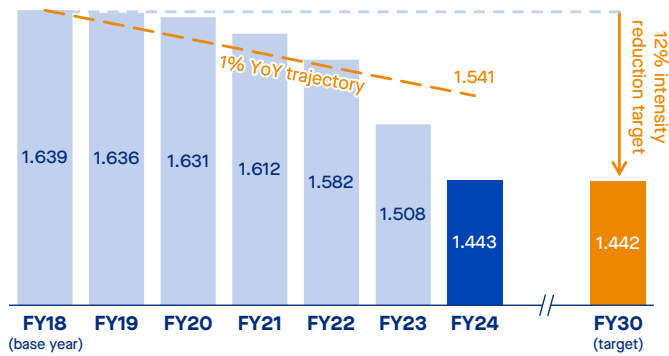
Looking further ahead, the commissioning and ramp up of the EAF in New Zealand, together with debottlenecking at North Star will

contribute to further improving our steelmaking emission intensity performance. Port Kembla will continue to improve its process efficiencies. As we better understand the timing of regional iron and steelmaking transformation and its enablers, we will consider the appropriate timing and composition of BlueScope’s potential future emission reduction targets.

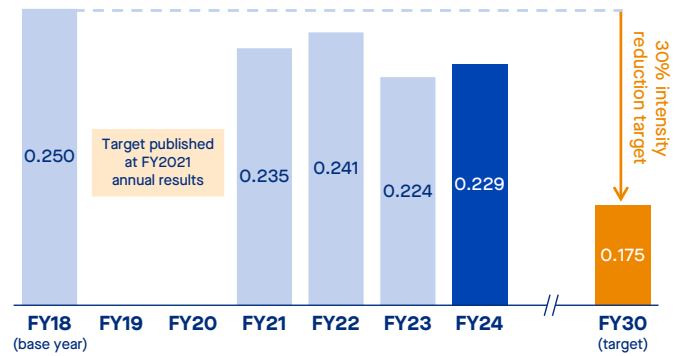
GHG performance midstream non-steelmaking

FY2024 performance shows that gross Scope 1 and 2 GHG emissions intensity across our midstream non-steelmaking activities has reduced by 8.4 per cent since FY2018. Midstream sites have implemented a range of projects to reduce emissions, including renewable energy projects across our Asian footprint, and process changes to optimise waste heat recovery, such as the Regenerative Thermal Oxidiser in Suzhou, China. However, the emission intensity reductions achieved so far have been affected by lower production and despatch volumes compared to FY2018.

GHG EMISSIONS INTENSITY FOR STEELMAKING ACTIVITIES^{1,2} (tCO₂-e/raw steel tonnes)



GHG EMISSIONS INTENSITY FOR NON-STEELMAKING ACTIVITIES^{3,4} (tCO₂-e/raw steel tonnes)



Our future focus

We will:

- Continue to advocate and support progress on the key enablers that underpin our work towards achieving our 2030 targets and net zero 2050 goal.
- Drive the introduction of lower emissions steelmaking in New Zealand; maximise the decarbonisation opportunities in Australia, including through our Australian DRI Options Study and partnership with Rio Tinto and BHP to investigate developing a pilot DRI-ESF plant; and optimise US process efficiencies (scrap capability).
- Continue to collaborate across the steel value chain, given the increase in projects globally exploring lower emissions iron and steelmaking options.
- Integrate the outcomes from the climate scenario analysis into our risk-managed approach to decision making and investment.
- Continue to execute our Scope 3 long-term work plan to improve accuracy of data and identify emissions reduction opportunities across the supply chain.

1. In FY2024, the GHG emissions calculation approach for steelmaking was updated to align with recently updated National Greenhouse and Energy Reporting Scheme (NGERS) and worldsteel requirements for estimating carbon content in ferrous feed. This has resulted in an update to the baseline and each subsequent reporting period.
 2. FY2024 steelmaking GHG emissions intensity has been updated from preliminary data disclosed in the FY2024 annual result material following the completion of further internal verification activities. This includes updates to historical data to correct previous overstatements of scope 2 emissions from FY2018 resulting in an additional restatement to our FY2018 base year and 2030 target year emission intensity.
 3. Our non-steelmaking target applies to our midstream activities that include our cold rolled, metal coating and painting lines and long products. The above graph does not include data from our hollow steel products from 2020 as production ceased in our New Zealand operation.
 4. In FY2024, non-steelmaking data was updated to incorporate BlueScope Coated Products assets from FY2023. Non-steelmaking GHG emissions intensity target has not been re-baselined as the acquired facilities do not have a material impact on the GHG emissions intensity in the base year.

Environmental management

Our approach

BlueScope is committed to protecting the environment. Our approach prioritises preservation of the environment and the longer-term viability of shared natural resources, underpinned by a commitment to compliance with environmental laws. We have strengthened our Environment Aspirations and aligned business unit targets with these revised aspirations.

Managing environmental matters is part of BlueScope's HSE strategy. See our [Health, Safety, Environment and Community Policy](#). Refer to section [Safety, health, and wellbeing](#) in this Report for an overview of BlueScope's performance on the other HSE topics.

BlueScope's Environmental Aspirations guide our business on delivering on our commitments. They align business activity, ensure progress towards our aspirations, and support actions to address risks and opportunities relating to our natural environment, both current and emerging.

Environmental improvement projects

All businesses are encouraged to participate in our environmental recognition program, implementing projects that support our Environmental Aspirations, documenting benefits and sharing lessons learnt. During FY2024 our people submitted 63 environmental improvement projects ('STARs') to this recognition program, engaging hundreds of our people, community members, customers and supply chain partners, and delivering some significant improvements, as summarised in the table below.

BlueScope's Environmental 'STARs'

<p>~ 16,000 tCO₂-e pa</p> <p>of GHG reductions, equivalent to taking nearly ~3,500 internal combustion engine cars off the road</p>	<p>~22,000 MWh pa</p> <p>reduction in electricity usage, enough to power more than 3,400 homes</p>
<p>~14,000 kL pa</p> <p>of freshwater savings, the equivalent to 6 Olympic swimming pools</p>	<p>~2,400,000 GJ pa</p> <p>of natural gas saved</p>
<p>~7,500 tonnes pa</p> <p>of waste avoided and virgin raw materials offset by reuse</p>	<p>~\$6.7 million AUD pa</p> <p>in annualised cost savings</p>
<p>1,200,000 L pa</p> <p>reduction of diesel consumption</p>	

Environmental awareness and management requirements are incorporated into BlueScope's foundational training processes. We collaborate with interested parties, local communities, water catchment participants and stakeholders along our value chain, ensuring environmental issues and opportunities beyond the boundary of our operations are considered.

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.

This section provides a few examples of how our people and processes are delivering on our Environmental Aspirations. Refer to the BlueScope website for the full list of our Environmental Aspirations and our Policy commitments [Environment \(bluescope.com\)](#)

Land – Protect the environment

Our Environmental Aspiration for Land drives a holistic consideration of our potential impact on the land, cultural heritage, and biodiversity. We continue to expand our focus on nature with tree planting and native landscaping activities.

A more sustainable solution

Skimmer poles are used to prevent blockages in the iron runners at the Blast Furnace at Port Kembla Steelworks. Previously, these were hardwood poles from mature trees that take up to 20 years to grow. Employees have come up with a solution to source more sustainable and readily available poles. Saplings shooting out of stumps are harvested after two to three years, a process that can be repeated over and over and requires minimal processing. Not only is this a better environmental solution, but operators at the Blast Furnace also say the saplings are much easier to handle than hardwood and are safer due to their flexibility and consistent moisture content.

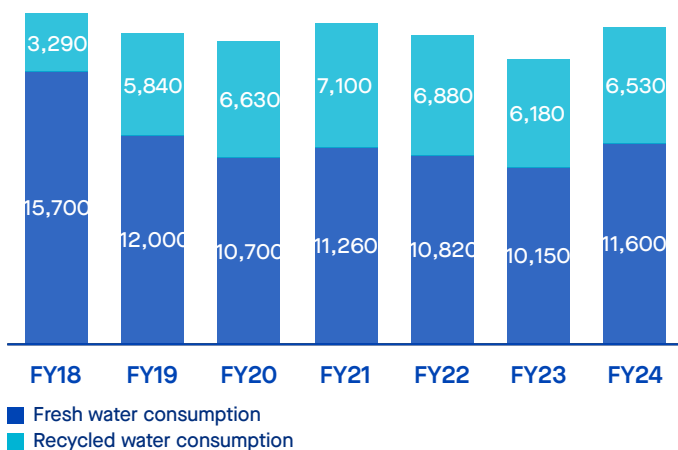


Water – Preserve community water sources

BlueScope is committed to conserving fresh water and protection of aquatic biodiversity. 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. Approximately one per cent of our fresh water is consumed in regions (Mexico and India) with high or extremely high baseline water stress.

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. Water consumption remains a key metric monitored at all sites.

RECYCLED AND FRESH WATER CONSUMPTION (ML)



Waste – Eliminate waste

Our manufacturing approach focuses on resource efficiency, driving significant environmental improvements and sustainable business outcomes. We are continuing to progress a range of opportunities to optimise current operating assets to allow increased scrap consumption. In FY2024, 50 per cent of BlueScope’s raw steel production originated from recovered and recycled scrap steel.

Our manufacturing approach focuses on resource efficiency, driving significant environmental improvements and sustainable business outcomes. Materials efficiency performance consistent with prior years.

As part of a broader reuse/recycling program, the Port Kembla Steelworks implemented a program to recycle green plastic (PET) pallet strapping that was previously disposed of via landfill. In this program, a local non-for-profit collects and chips the material that is then made into new green strapping. The program was implemented in August 2023 and is estimated to have saved approximately two tonnes of green plastic strapping from landfill.

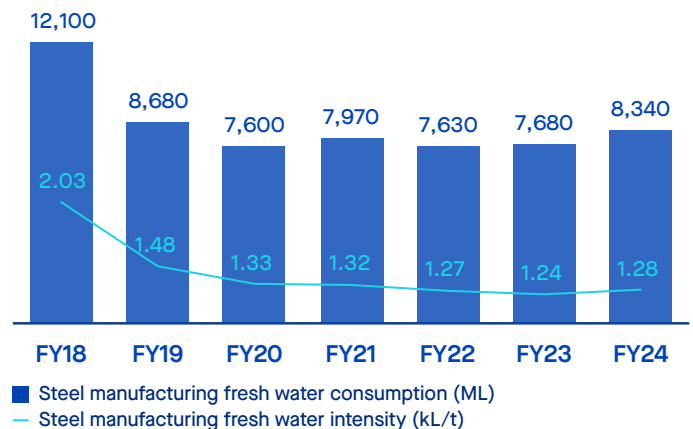
1. Hydrologic process, where water moves downward from surface water to groundwater.

Since 2018, our water intensity across our three steel manufacturing sites has reduced from 2.03 to 1.28 kL per tonne of raw steel, 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 to 36 per cent of our total fresh water use, up from 17 per cent in FY2018. Water discharge quality is subject to regulatory compliance requirements across our footprint. Monitoring is conducted at our sites. There have been no material water discharge related compliance matters in FY2024.

The Tata BlueScope Steel (TBSL) Bhiwadi plant is located in Rajasthan, which is one of the most water deficient states in India. TBSL designed and constructed a rainwater harvesting system to collect, transfer and recharge¹ the groundwater. This includes an annual maintenance system, cleaning of sump, and a digital system to monitor and measure the total annual recharge to review effectiveness of the system. This led to the plant recharging more groundwater than the amount of water consumed on site.

STEEL MANUFACTURING FRESH WATER CONSUMPTION AND INTENSITY



Air – Preserve the air

BlueScope is committed to reducing air emissions, eliminating impacts of process disturbances, and safeguarding community health and local ecology.

We maintain a strong focus on reducing our impact on local air quality, with strict monitoring processes in place to capture and report performance. During FY2024, BlueScope’s emission of nitrogen oxides, sulphur dioxide and fine particles were stable within historical ranges.

Heat recovery reduces natural gas use

The team at BlueScope Coated Products in Middletown, Ohio, has reduced the amount of natural gas consumed by the site's coil painting ovens.

The site's two Direct Thermal Oxidisers (DTOs) were replaced with a new Regenerative Thermal Oxidiser (RTO) system. The RTO utilises the solvent laden air from the ovens as a fuel to pre-heat return air to the ovens. The recovered heat reduces the amount of natural gas required to heat the ovens.

The team installed and commissioned the RTO using a combination of internal and external resources resulting in an efficient startup and minimal impact to our customers.

Preliminary data indicates that natural gas consumption has decreased by approximately 35 per cent, which equates to an annual saving of 4,200t CO₂.



Our future focus

- Continue to work towards our Environmental Aspirations by setting and delivering on aligned short-and medium-term targets across our operations.
- Building capacity through continuous improvement actions and verifying control effectiveness.
- Fostering broad workplace participation by learning from the 'blue line' (how work is done), sharing and implementing smart solutions.



Kalbarri Skywalk in Kalbarri National Park, Australia, fabricated from REDCOR® weathering steel. Builder: Bocol Construction Pty Ltd. Architect: Eastman Poletti Sherwood Architects. Photography by Dermot Boyle.

Responsible products and supply chain

ResponsibleSteel™ site certification for Phu My, Vietnam

269 supplier assessments completed

3,000 suppliers added in EcoVadis IQ Plus

Responsible products

Our approach

At BlueScope, we work with our customers, our supply network, and research institutions to create enduring product solutions that support sustainable development.

BlueScope has a proud history of product innovation. We work hard to maximise material efficiency, enhance beneficial use, and extend product life. Collaboration throughout our value chain is key to understanding relevant industry and consumer trends, as well as identifying opportunities to engage in product sustainability.

Responsible product solutions

The steel we manufacture today will support communities for decades to come, for example by facilitating the shift towards

renewable energy and the transition to a more circular economy. This section outlines how our steel solutions can facilitate sustainable outcomes for our customers.

Circularity

Steel is an essential material that is recyclable without loss of quality and in some instances may be suitable for reuse. When applied effectively, steel can contribute to reduction of material use and design for disassembly, reuse and re-manufacturing. An example of this in our product portfolio is REDCOR® weathering steel, which when used in bridge applications, combines some of the typical advantages of steel bridges, such as long spans, offsite fabrication and easy erection, with the additional advantage of low maintenance options.

Showcasing steel at Western Sydney Stadium

The design of the Western Sydney Stadium embraces steel's reuse and recycling potential. Unlike welded structures, Western Sydney Stadium's steel structure can be unbolted, facilitating disassembly, removal, relocation, reuse, or recycling in the future. Additionally, it showcases how the efficient use of a localised supply chain delivered on the ambitious timeline. Located within 100km of the construction site, the 4,500 tonnes of structural steel used on the project was procured from BlueScope's steelmaking facility at Port Kembla.



Additionally, our building frames made from TRUECORE® steel are lightweight, durable and can be screw assembled, meaning that they are highly suitable for modular design and can be designed for disassembly and reuse. Wastage is kept to a minimum with steel frames in both the fabrication and construction processes. Frames made from TRUECORE® steel are often fabricated to exact specifications using specialist software, resulting in minimal cutting onsite. Any waste that is generated throughout the value chain can be recovered and returned to the steelmaking process. The incorporation of Activate® technology¹ in TRUECORE® steel manufactured in Australia is a result of continual investment in innovation and product development alongside rigorous testing. BlueScope's industry-leading metallic coating, Activate® technology enhances the protective coating of TRUECORE® steel's substrate to provide enhanced corrosion resistance. The result is a long life that helps conserve resources and energy that may otherwise be invested in products with a shorter life span. TRUECORE® steel that is manufactured in Australia contains approximately 25 per cent recycled content².

By-products of steel manufacturing are used in other sectors, such as slag replacing cement in concrete, reducing GHG emissions.

Supporting climate transition and resilience

BlueScope products are used in components that support the renewable energy transition. Examples are steel plate for wind towers, and tubes and backing frames for solar farms. BlueScope products that can contribute to climate resilience include, for example, cool roofing products designed to provide and maintain high solar reflectance. Products such as COLORBOND® Coolmax® steel may help reduce roofing temperatures and keep the building cooler³. These products can also help mitigate the impact of urban heat islands.

Enabling the renewable energy transition

In Australia, as the largest steel manufacturer and the sole domestic manufacturer of flat steel products, BlueScope has a clear view on the critical role that steel will play in Australia's energy transition, specifically in the areas of onshore and offshore wind, transmission and utility scale solar.

To deliver on this, we are upgrading our product capabilities and helping our customers and Australian industry more broadly to participate in the energy transition.

Plate upgrades for wind towers and transmission infrastructure:

In June 2024, BlueScope received Board and NSW Government Planning approval for its \$300 million Plate Mill Modernisation Project, underscoring our commitment to enhancing sovereign manufacturing capabilities in Australia. The Project includes the installation of a new modern walking beam furnace and the development of an additional heavy plate processing route that will enhance product quality and customer experience, increase capacity, reduce emission intensity and improve process efficiency. The Project is an important step in bolstering Australia's sovereign manufacturing capability, supporting critical industries like renewable energy, defence and major infrastructure.

Solar componentry: In March 2024, BlueScope's Orrcon Steel business, a leading Australian manufacturer of tube and pipe, announced a collaboration with several global suppliers of solar components to enable the production of solar torque tubes in Queensland.

The combined operations have the capability to supply solar torque tubes to large scale commercial solar farms across Australia. In June 2024, the Northgate facility received its first solar tube order for the Aldoga Solar Farm in Gladstone, Queensland.

Industry advocacy: We are ambitious for Australian industry to develop the manufacturing capability to participate in the global energy transition. We support domestic industry in this endeavour by advocating for and supporting the establishment of modern manufacturing and processing capabilities across Australia, connecting our raw materials inputs to the high value add requirements for renewable generation. We seek to be a solutions partner, supporting and enabling our customers to build capacity and capability across Australia's renewable energy supply chains.



To see our full product and service offerings, visit [Our Products \(bluescope.com\)](https://www.bluescope.com)

Transition to renewables in Thailand

In 2024, NS BlueScope Thailand took significant steps toward environmental sustainability by completing the installation of 2MWp solar roof farm at the Map Ta Phut site, estimated to provide around 13 per cent of the site's power needs. This initiative, along with plans for a ground solar farm to be commissioned by 2026, underscores the site's commitment to sustainable energy solutions. Additionally, the site signed a contract in May 2024 with a new power supplier, utilising a lower grid emission factor, set to be commenced by 2026.



1. Activate® technology is not available in all regions.

2. Across the range of steel products manufactured by BlueScope in Australia, the average recycled content (according to recycled content categories defined in ISO 14021:2016) in the steel is 25 per cent, which includes pre- and post-consumer recycled materials. Scrap and iron-bearing materials generated and reclaimed from BlueScope's steelmaking, including the BF-BOS process up to slab casting, represent 1.7 per cent of the product mass, which is not reported as recycled content. Scrap arising from downstream processes, such as plate and coil milling, rolling, tempering, annealing, pickling, metallic coating, painting, roll forming and/or fabrication are included as pre-consumer recycled content. The figures provided are based on FY2023 data.

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

ResponsibleSteel™ site certification for Phu My Vietnam

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 GHG emissions, biodiversity, water stewardship and human rights.

In FY2024, our Phu My Vietnam site joined Port Kembla Steelworks and Western Port Works as a certified ResponsibleSteel™ site. This achievement makes our Phu My site the first to receive Site Certification within the Vietnamese steel industry, as well as the first pre-painted steel site to achieve this recognition in South-East Asia.



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.

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 potentially support our customers' steps towards achieving Green Star ratings.

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). Direct customers use our EPDs to inform and develop their own EPDs, and further communicate downstream the environmental impact of their products. 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 business units' websites.

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 Australia an additional ten products achieved Global GreenTag^{CERT™} GreenRate™ certification, achieving the highest rating, 'Level A' in FY2024. These included TRUECORE® steel, ZINCALUME® steel and DECKFORM® steel.



Read more about our ecolabels, EPDs and other certifications in our [Sustainability Report Data Supplement](#)

Collaborating for sustainable outcomes

Collaborative partnerships along the value chain are an integral part of our approach to delivering sustainable product solutions.

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 work with our key suppliers to identify opportunities to further improve the sustainability credentials of our products. 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 in which steel is combined with other materials.

BlueScope continues to play an active role in sustainability in the built environment, including participating in industry round tables and expert reference groups to ensure we understand and respond to trends and customer objectives and that we are prepared for future requirements.

Our future focus

We are committed to responding and anticipating our customers' needs and trends, and to further expand EPDs and ecolabels across our suite of products. We will continue to:

- Explore opportunities in climate resilient product solutions.
- Actively engage with industry across relevant sectors.
- Explore a diverse pipeline of research and development initiatives via new technology and collaboration across industry, government and customers.
- Pursue ResponsibleSteel™ certification for our sites.

Sustainability in the supply chain

Our approach

BlueScope focuses on promoting responsible business practices and upholding 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 to responsible sourcing addresses five guiding pillars: Business Ethics, Labour and Human Rights, Health and Safety, Environment, and Community.

We have a four-step process to understand risk and drive improvement:

- **Prioritise** – we prioritise our ESG-focused supplier engagements based on risk and where we believe our experience will be valued and have meaningful impact
- **Engage** – we engage with suppliers to explain ESG risk and ensure they understand our expectations
- **Assess** – we have a structured assessment framework with independent assessments
- **Improve** – we actively engage with our suppliers on corrective action and improvement plans

We understand, and are responding to, increasing stakeholder expectations and legislative requirements for responsible supply chains. This year we engaged both internally and with suppliers on our updated Supplier Code of Conduct. The updated code includes forward looking expectations relating to environment and sustainability, such as suppliers starting to monitor and report GHG emissions resulting from their operations. We have also undertaken a responsible sourcing governance review and developed good practice guidance to ensure that we are well positioned to meet evolving responsible sourcing risks and requirements in the future.

This year we enhanced our supplier assessment program by rolling out both the EcoVadis Carbon Action Module and EcoVadis IQ Plus. The EcoVadis Carbon Action Module is a supplier engagement solution for GHG management to drive decarbonisation across the supply chain. This provides BlueScope with additional insights to understand our suppliers' emissions maturity and profiles, helping us to identify required areas of engagement. IQ Plus provides a tailored and robust risk classification of our supply base. Using IQ Plus, we were able to increase our view of our ESG risks across our supply chain. We have also undertaken a Scope 3 pilot study working with key suppliers to understand their emissions and their emissions reduction programs. Lessons from the pilot will support our future Scope 3 activities.

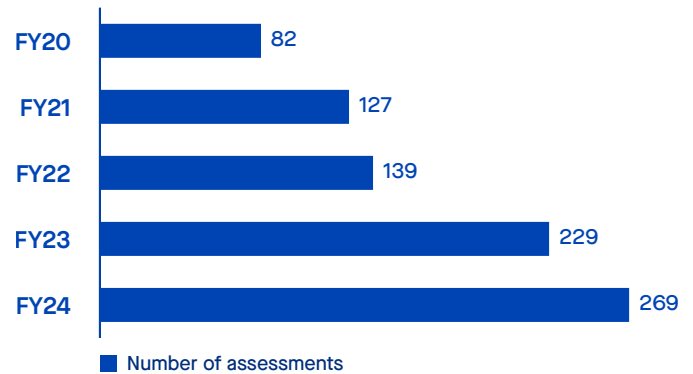
For more information, refer to [Our Supplier Code of Conduct](#).

Assessing sustainability risks in our supply chain

Our global supplier assessment program continues to be a core element of our responsible sourcing approach and helps us to identify areas for engagement with suppliers. We have added over 3,000 suppliers into IQ Plus, substantially increasing our view of the risks across the layers of our supply chain. 269 supplier assessments were completed, predominantly using the independent EcoVadis supplier assessment process.

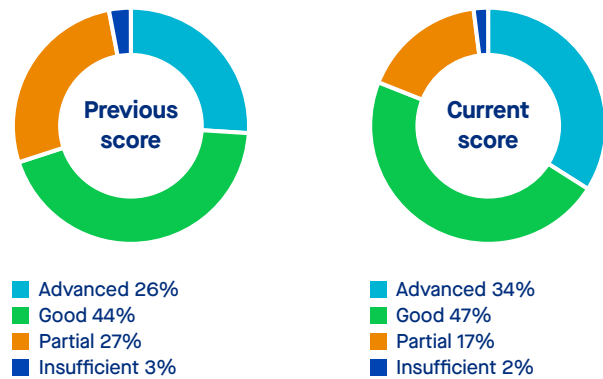
Our supplier assessment program has grown each year since its launch in 2019.

Number of supplier assessments



A large number of our suppliers are being re-assessed regularly and overall their scores are improving – reflecting an increased commitment to ESG.

Changes in suppliers' EcoVadis reassessment scores



The table below shows that suppliers in BlueScope's EcoVadis network score higher in each pillar than the EcoVadis benchmark (all companies with a scorecard). We have seen an increase in the Sustainable Procurement score.

	Overall	Environment	Labour and Human Rights	Ethics	Sustainable Procurement
	53.2	55.5	54.7	52.2	45.5
	+6.8 compared with benchmark	+8.9 compared with benchmark	+5.5 compared with benchmark	+8.2 compared with benchmark	+7.6 compared with benchmark

We continue our third-party on-site audits for key suppliers identified as high risk. This year three of the supplier on-site audits, at two of our suppliers, identified workers who had paid recruitment fees. We are working closely with these suppliers on corrective actions and remediation of the issues. These findings

show that our risk assessment model and our audit program are effective at identifying high-risk suppliers and indicators of modern slavery. We expect to continue finding instances of forced labour through our audit program given the prevalence of forced labour in the regions of our operations and supply chains.

Thailand’s commitment to responsible sourcing

NS BlueScope Thailand has a strong commitment to sustainability and sustainable supply chains. In FY2024, the business took further steps to integrate BlueScope’s Responsible Sourcing Framework into daily operations and to increase understanding and action on responsible sourcing across its supply chain and the wider business community. Throughout the year, they held sessions with employees, local on-site contractors, other suppliers and local educational institutions to increase their understanding of the importance of responsible sourcing and to share BlueScope’s approach.

The procurement team also took the significant step to become ISO 20400:2017 Sustainable Procurement Management certified. In May, the team was assessed as being at Level 3 (Intermediate) and received the certification.



Embedding our First Nations Framework in our supply chain

BlueScope Australia, committed to enhancing diversity through its First Nations Framework, recently conducted a competitive market review of stationery suppliers. From June 2024, it officially transitioned its stationery procurement to Mandura, a First Nations workplace supplies company operating in a joint venture with Winc.

Joint ventures are an important business model to support Aboriginal businesses to grow, as they foster collaboration, drive economic growth, and facilitate knowledge exchange and skills expansion for sustainable business development.

Our future focus

- Support our business units to strengthen their responsible sourcing governance and controls.
- Continue to collaborate with key suppliers to understand the emissions within our shared supply chain and potential levers to reduce these.
- Continue our education and assessment program to embed responsible sourcing within our supply chain.



Read more about our approach to sustainable and transparent sourcing in our [FY2024 Modern Slavery Statement](#)

Strong communities

Community engagement and contribution

We understand the responsibility of being a large local community employer and partner. In the regions where we operate, we employ mainly local people and engage with a combination of local, national and some international suppliers. We seek to build partnerships and opportunities for our people to get involved in their community.

Our approach to community engagement and contribution is strongly connected to our Community Investment Framework and Our Bond: our people are passionate community members who volunteer their time and play lead roles in community consultation and in community development programs. This means at a local level, our businesses seek to build partnerships and opportunities for our people to get involved in their community.

Our annual business reputation study demonstrates BlueScope's strong reputation across our three steelmaking sites Port Kembla (Australia), North Star (North America) and Glenbrook (New Zealand). For each of the three steelmaking sites, the reputation scores remain well above the benchmark average, reflecting a consistent and positive perception of our operations. The study provides insight in the categories: Products and Services, Innovation, Workplace, Leadership, Conduct, Citizenship and Performance.

Community investment

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 [Communities \(bluescope.com\)](https://www.bluescope.com/communities).

Health, Safety and Environment

NS BlueScope Thailand organised multiple environmental events for employees, their families, local communities and supply chain partners. Activities include a clean up at Nam Rin Beach and an activity centred around improving the mangrove ecosystem in the Chonburi and Rayong Province, with more than 200 people involved in planting and restoration activities.



Education

Managed by an independent selection committee, North America's BlueScope Foundation granted ten scholarships to children of employees. This year, the scholarship monetary range increased, now starting from US\$3,000 (up \$1,000) to \$14,000 (up \$2,000) to support students' studies.



Diversity and Inclusion

NS BlueScope Indonesia's employees volunteer at Terartai – a non-profit organisation helping to create a path for its 14 artists to generate an income from their art. Ranging from 12 to 43 years of age, the artists live with cerebral palsy, down syndrome, or autism spectrum disorder, making it challenging for them to express themselves verbally. Their art becomes their voice, expressing their dreams and stories. Representatives of BlueScope Indonesia's Diversity and Inclusion committee volunteered in April to accompany and develop relationships with the artists.



STEAM

Every year, New Zealand Steel dedicates time and resources to attracting women in trades, offering a graduate program and educational site tours to community members and groups. This year, it supported Women in Trades New Zealand, a not-for-profit organisation committed to increasing women's participation in trade industries. Seven new positions in the graduate program and over 1000 customers, high school and university students toured the plant to learn about the stages in the steel making process.



Community Buildings

NS BlueScope Coated Products North America (CPNA) has been a proud sponsor of Habitat for Humanity since 2019, sponsoring its Women's 'Build and Rock the Block' events. CPNA's sponsorship of Greater Sacramento's 'Rock the Block' event supported sponsors and volunteers to partner with residents in historically underserved areas in the Sacramento area to undertake vital home repairs, landscape restorations, and community revitalisation projects. CPNA was also a proud Street Sleek sponsor, donating US\$3,500, and several employees volunteered their time on dozens of home repairs and property beautification projects.



Shelter

The Customer Service team from BlueScope Australia is committed to monthly community initiatives. In June, the team led the first volunteering initiative with people from Sales, Operations and Customer Experience, based in Chullora. Fifteen volunteers spent time at Dignity, a not for profit providing food, shelter, clothing, advocacy and education for homeless people, lending a helping hand at their warehouse. The volunteers sorted through new clothing and toiletries for people experiencing homelessness and staying at Dignity's guest home. During the drive, 500 men's and women's guest packs were sorted and prepared. The packs were provided to the Bushfire Relief organisation in Batlow, NSW.



Economic contribution

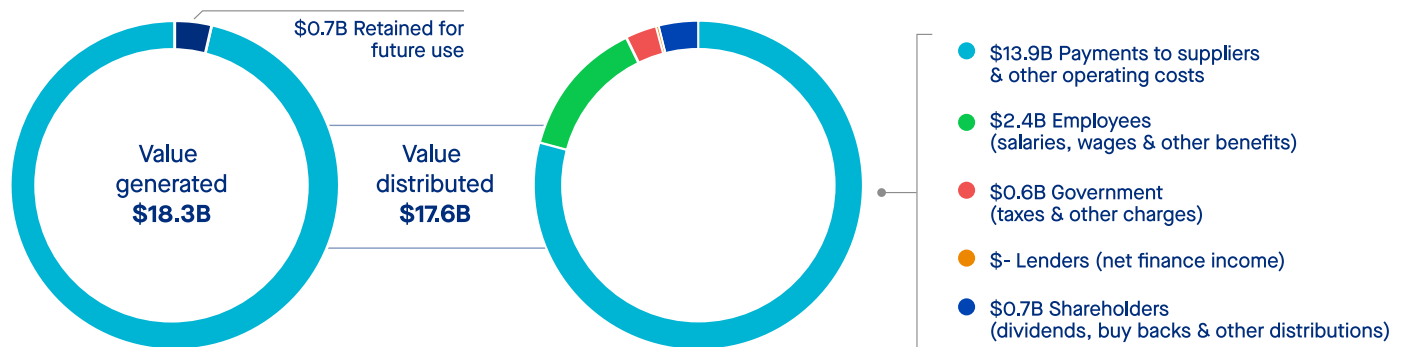
BlueScope's investment in building long term sustainable assets and businesses occurs through continued local and national engagement with the communities in the countries in which we operate, these communities being key partners to our businesses. Part of our licence to operate and grow sustainably relies on ensuring meaningful economic contribution to these communities. Continuing this engagement and contribution gives us the confidence and strength to make the long-term, sustainable investments required. In doing so, we continue to share our success through our economic contribution to the communities which are our homes.

Most of the direct economic value we generate goes back into the countries where we have a presence with a significant amount direct into local communities close to our operating sites, generally as payments to our employees and our suppliers. 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 FY2024, BlueScope generated economic value of \$18.3B of which \$2.4B related to salaries, wages and other benefits to employees, \$13.9B to suppliers and other external costs (see chart below). We reinvested \$0.7B in our businesses, while distributing \$0.7B to our shareholders and outside equity interests in the form of fully franked dividends, share buy-backs and other distributions. BlueScope also paid \$0.6B 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 \$1.7B in taxes and duties to the governments in countries in which we operate, including employee Pay As You Go withholding taxes, excise and customs duty, while processing almost \$1B in indirect tax credits.

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.

OUR DIRECT ECONOMIC VALUE GENERATED* AND DISTRIBUTED IN FY2024



* Based on direct revenue representing receipts from customers and other income. Read more in our FY2024 Annual Report, available on our website.



BlueScope is committed to transparent tax reporting.
Refer to our [FY2024 Tax Contribution Report](#)

About this Report

This Report, and its associated FY2024 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 2024. Our last report was released in September 2023 and is available on our website.

Except where otherwise stated, references to 'we', 'us' and 'our' refer to BlueScope including the reporting entities above. 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. This Report, and its associated FY2024 Sustainability Data Supplement, presents material sustainability information in line with generally accepted disclosure frameworks and BlueScope's corporate approach for reasonable and responsible disclosure. 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 2024, and can be found in the FY2024 Sustainability Data Supplement.

Forward-looking statements

This report contains forward-looking statements and metrics (i.e. statements about matters that are not historical fact), including without limitation forecasts, estimates, intentions, beliefs and expectations about the BlueScope Group's business and operations, macro and micro economic and market conditions, emission reduction targets, goals and pathways, results of operations, financial condition, and assessment or management of risks and opportunities.

Forward-looking statements can generally be identified in this report based on the use of terms such as "may", "could", "would", "will", "should", "expect", "intend", "aim", "seek", "believe", "plan", "anticipate", "estimate", "indicative", "continue", "assume", "project", "goal", "target" or "forecast" or similar expressions, or the negative thereof or comparable terminology that convey the prospective nature of events or outcomes. Forward-looking statements may also be made – verbally and in writing – by members of the BlueScope Group's management in connection with this report, and such statements are also subject to the same limitations, uncertainties assumptions and disclaimers which are set out in this report.

These forward-looking statements, which in many cases may constitute or be based on third party information, reflect our current best estimates, judgments, assumptions, views and intent as at the date of this report with respect to future events and circumstances which are not certain. These forward-looking statements are subject to change, known and unknown risks, uncertainties and assumptions and other factors which are, in many instances, beyond the BlueScope Group's control. Although management currently believes that the forward-looking statements have a reasonable basis, there can be no assurance that future developments or performance will be in accordance with our expectations or that the effect of future developments on

us will be those that are anticipated. There is a risk that the best estimates, judgments, assumptions, views, models, scenarios and projections used may subsequently turn out to be incorrect.

Actual results, performance, conditions, circumstances or the ability to meet commitments, goals and targets set forth in forward-looking statements could differ materially from those we expect or are that expressed or implied in such statements, depending on various factors. Such factors may include without limitation: significant uncertainty in climate change and sustainability related data, metrics and modelling (including scenario analysis), as well as further development of methodologies, reporting or other standards which could impact metrics, data and targets (noting that climate and sustainability science, standards, methodologies and reporting are subject to rapid change and development).

In addition, many of the forward-looking statements in this report are based upon third party data, models, projections and scenarios, which have not been independently verified and may also be subject to change and uncertainty. No representation or warranty is made as to the accuracy, completeness or reliability of such third party information.

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