

Sustainability Summary

2021/22



Managing Director and
CEO's Message

Who we are and
what we do

Sustainable growth
and transformation

Safe, healthy and
inclusive workplaces

Climate
action

Responsible products
and supply chains

Strong
communities

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.

This Report 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 2022. Read more about our approach to reporting on page 69 of our FY2022 Sustainability Report, available at bluescope.com

BlueScope Steel Limited ABN 16 000 011 058

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Managing Director and CEO
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and transformation
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Our people are our strength.
Our FY2022 Sustainability Summary recognises some of the many projects implemented globally this year, and the continued efforts of our people to support and realise our Sustainability Outcomes. Read more in our full FY2022 Sustainability Report and our FY2022 Sustainability Data Supplement, available at bluescope.com

A message from our Managing Director & CEO

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BlueScope's FY2022 Sustainability Summary features some of the highlights across our business as our people work to deliver sustainable projects, products and performance in line with Our Purpose.

We are delighted that our commitment to, and action on, sustainable development was recognised by worldsteel naming BlueScope a Sustainability Champion for 2022. And our HSE Evolution program was named a joint winner of worldsteel's Safety and Health Excellence Recognition in Leadership and Culture for 2021.

Also this year, the Port Kembla Steelworks and associated sites in New South Wales' Illawarra region were granted ResponsibleSteel™ certification – the first steelmaker in Asia Pacific to be certified and the fourth globally.

We have become a signatory to the United Nations Global Compact and commit to make its ten principles part of our culture and the way we work every day. In addition, we have updated our Human Rights Policy to enshrine further protections for our people and those we work with.

Through innovations in product development and across the steel value chain we are seizing opportunities to further contribute to the circular economy. Where possible, we

are adopting technologies to use more scrap feed at our steelmaking sites, and the establishment of BlueScope Recycling and Materials during the year helps us improve the quantity and quality of scrap.

This Sustainability Summary gives a snapshot of the many ways BlueScope people live Our Purpose, every day: 'We create and inspire smart solutions in steel, to strengthen our communities for the future.'

For a complete view of our sustainability performance this year, see our full FY2022 Sustainability Report at bluescope.com



Mark Vassella
Managing Director & CEO



The Port Kembla Steelworks and associated sites in the Illawarra region of New South Wales have been granted ResponsibleSteel™ certification – the first steelmaker in Asia Pacific to be certified, and the fourth globally. This independent, third-party certification demonstrates the sites' sustainability and climate credentials and ability to manage supply chain risks, and reflects the quality of our operations and how we engage with customers, suppliers, employees and our communities.

Supporting the Sustainable Development Goals

BlueScope supports the United Nations (UN) Sustainable Development Goals to protect and care for people, act responsibly, innovate for shared benefit and use resources wisely. Read more about how our efforts align with the SDGs in our full FY2022 Sustainability Report and our FY2022 Sustainability Data Supplement at bluescope.com



BlueScope is proud to be named a worldsteel Sustainability Champion for 2022, in recognition of our work during the last year and the way we demonstrate our commitment to, and action on, sustainable development.

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Who we are and what we do

BlueScope is a leader in metal coating and painting for building and construction. Our 15,700¹ people in 18 countries manufacture and market a wide range of branded products that include pre-painted COLORBOND® steel, metallic coated ZINCALUME® steel and the LYSAGHT® range of building products.

BlueScope is Australia's largest steel manufacturer. **Australian Steel Products** manufactures and distributes flat steel products, with a key focus on higher value, branded products for the building and construction industry.

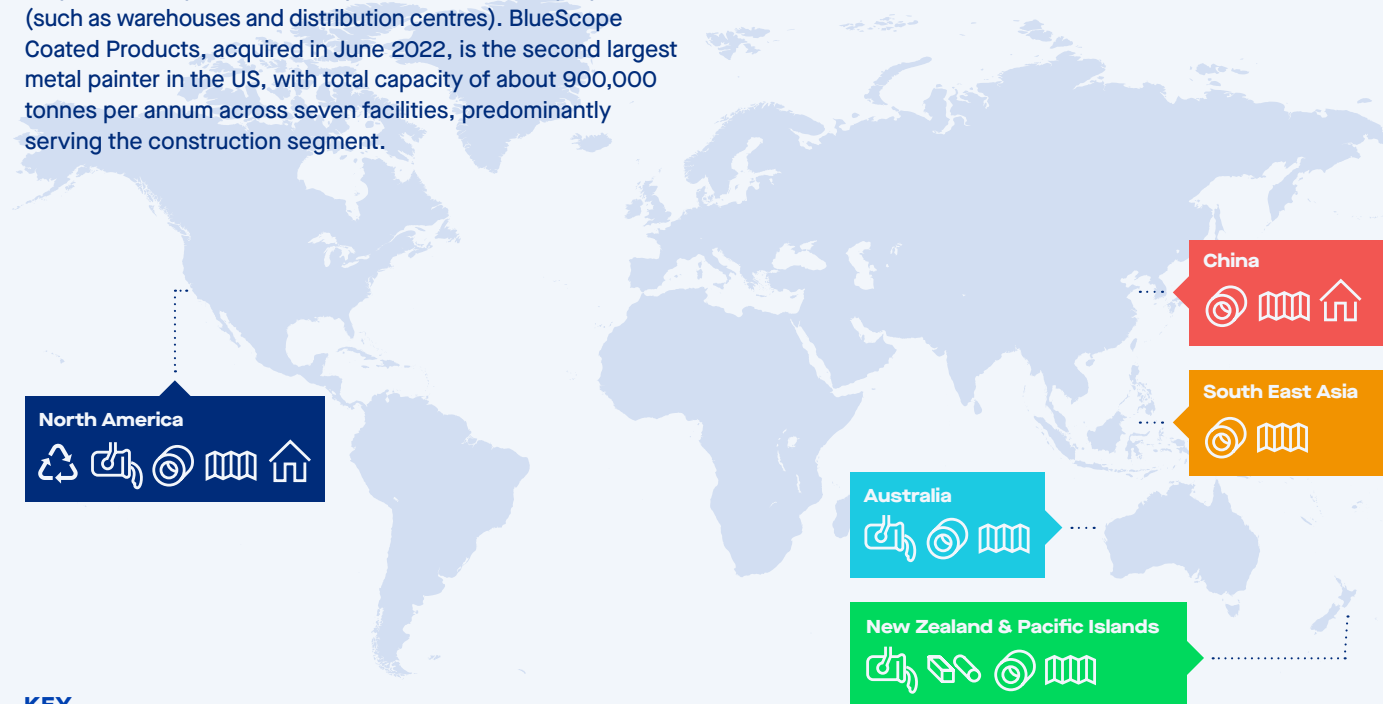
North Star BlueScope Steel is a low-cost hot rolled coil producer in the US, serving the automotive and construction industries. It operates at industry leading utilisation rates and is strategically located in Delta, Ohio, in a key scrap-rich area near its customers. BlueScope Recycling and Materials, acquired during the year, is a full-service, ferrous scrap metal recycler with one of its two processing facilities adjacent to our North Star BlueScope Steel facility. In August 2022, a third ferrous scrap processing site was acquired.

Building Products Asia and North America has an extensive footprint of metallic coating, painting and steel building product operations across China, India and ASEAN. Its coating and painting assets on the west coast of the US serve the non-residential construction industry.²

1 Includes BlueScope operations acquired in FY2022 which now form part of BlueScope Recycling and Materials, and BlueScope Coated Products.
2 BlueScope has interests in a number of joint ventures (JVs). The most substantial are in partnership across ASEAN and the west coast of North America with Nippon Steel Corporation (NSC), and in India with Tata Steel. Both are 50:50 joint ventures with BlueScope controlling and therefore consolidating the joint venture with NSC (NS BlueScope Coated Products), and jointly controlling and therefore equity accounting the joint venture with Tata Steel (Tata BlueScope Steel).

Buildings and Coated Products North America is a leading supplier of engineered building solutions to industrial and commercial segments. Based on speed of construction and low total cost of ownership, its leading brands include BUTLER® and VARCO PRUDEN®. This segment includes the BlueScope Properties Group, which develops Class-A industrial properties (such as warehouses and distribution centres). BlueScope Coated Products, acquired in June 2022, is the second largest metal painter in the US, with total capacity of about 900,000 tonnes per annum across seven facilities, predominantly serving the construction segment.

BlueScope is the only integrated steel producer in New Zealand, using locally-sourced iron sands to produce a range of flat and long steel products for domestic and export use. The **New Zealand and Pacific Islands** business has facilities in New Zealand, Fiji, New Caledonia and Vanuatu.



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

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RELIABLE, RESPONSIBLE AND LOCAL SOURCING

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

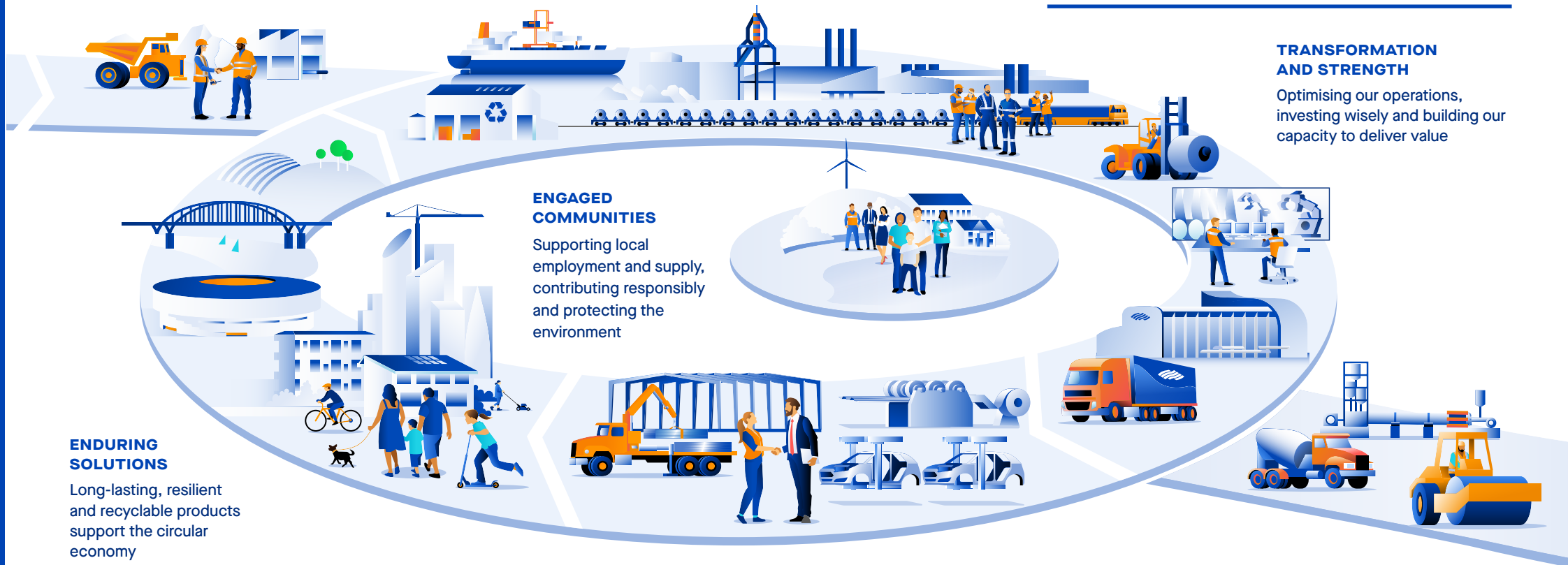
SAFE, HEALTHY AND INCLUSIVE WORKPLACES

Creating an inclusive culture, protecting human rights and supporting the health, safety and wellbeing of our people

RESOURCE EFFICIENCY AND STEWARDSHIP

Manufacturing excellence and responsible operations deliver climate action and protect shared resources

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.



TRANSFORMATION AND STRENGTH

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

ENDURING SOLUTIONS

Long-lasting, resilient and recyclable products support the circular economy

INDUSTRY COLLABORATION

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

STRONG GOVERNANCE

Robust governance 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

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Outcome 01

Sustainable growth and transformation



**FY2022 global
highlights**

Record financial
results of

\$3.8BN

underlying EBIT
in FY2022

MAJOR PROJECTS
laying foundations for
earnings and growth

**INVESTING FOR
GROWTH**
and sustainable
earnings in North America
with two strategic
acquisitions totalling

\$1BN

Business strength and resilience

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

We're optimistic about the future. The benefits we are seeing today, with a record FY2022 profit and an average Return on Invested Capital (ROIC) exceeding 20 per cent over the past five years (22.7 per cent), have been underpinned by the decisions made over the last decade. We're now seeking to lay the foundations for future growth and returns for decades to come.

We are contemplating approximately \$1.9 billion of investment priorities focussing on (i) positioning ourselves for a low carbon world, (ii) securing the future of our business and its safe and reliable operations, and (iii) investing to grow in accordance with our strategy. These projects will be subject to our rigorous capital investment evaluation process and we will provide ongoing updates on our progress.



Our Strategy sets out how we will deliver on Our Purpose and deliver strong returns and sustainable outcomes over the next five years and beyond.



Transform

Deliver a step change in customer experience and business performance



Grow

Grow our portfolio of sustainable steelmaking and world leading coating, painting and steel products businesses



Deliver

Deliver a safe workplace, an adaptable organisation and strong returns

How we are making it happen

Delivering our US growth strategy

- » Construction is substantially complete on our biggest single capital project, to add 850,000 tonnes per annum of hot rolled coil production capacity to the North Star mini-mill in Delta. We are now assessing a low capital cost hot strip mill debottlenecking opportunity, targeting a further 500,000 tonnes per annum of production.
- » We established BlueScope Recycling and Materials, or BRM, this year by acquiring the ferrous scrap steel recycling business of MetalX in Waterloo, Indiana and in

Delta, Ohio, and a third scrap processing site in August. BRM gives us a crucial presence and expertise in scrap processing. This new business will enable North Star to improve the quality and quantity of obsolete scrap it uses and reduce the mix of higher cost, prime scrap.

- » In June, BlueScope established a significant national painting footprint in the US with the \$717 million acquisition of the Coil Coatings business from Cornerstone Building Brands. Now named BlueScope Coated Products, the business is the second largest metal coil painter in the US, with around 900,000 metric tonnes of annual painting capacity.

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Transformation

Each of our businesses face different strategic challenges and opportunities relative to their local industry. We work to respond to these needs, utilising the enterprise capability across BlueScope to help accelerate and scale solutions globally and between businesses.

We have a strong culture of seeking continuous improvement and are constantly looking to increase efficiency, build capability and use resources efficiently. Our Manufacturing Excellence framework is grounded in the principles of "making every shift count" through:

Empowering an improvement mindset and culture – Includes problem solving, sustainability and environment, managing controllable costs, and digital technology.

Managing daily operations – Includes manufacturing disciplines, standardised work practices, leadership, visual performance management and building high performance teams.

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

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

One of our key priorities is to support capability development across our regions by developing shared capability frameworks and learning pathways, best practice guidelines and innovative ways of working to support our growth and transformation. We are also supplementing our teams in specific regions through acquiring talent.

We're also investing in building digital capability and a marketing technology ecosystem to integrate analytics, information and intelligence, and convert them into critical insights to offer a more personalised and seamless purchasing experience.

How we are making it happen

- » We are introducing asset intelligence technology to significantly reduce unscheduled downtime, avoid cost and improve the long-term productivity and efficiency of our steelmaking facilities. We started at our Springhill coating and painting site in Port Kembla this year, and are exploring similar opportunities for our operations in Thailand, New Zealand and Western Port (Australia).
- » We are introducing visualisation and interactive design technology to simplify decision making for our customers. This includes our Steelscape 'Visualiser' interactive design tool, our COLORBOND® steel design studio, and our AEP Span website feature that packages product technical information together for architects and designers.

- » At our Digital Manufacturing Hub in Port Kembla, we are demonstrating the possibilities of advanced analytics. For example, a machine-learning model is being developed to analyse historical data to predict the temperature response of the slabmaking process, and enable operators to make fast decisions that optimise its performance.
- » NS BlueScope has appointed a Chief Digital Officer to help strengthen its business by developing a digital strategy, roadmap, and capability, which are critical to future success.

Governance

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

BlueScope is committed to encouraging a culture of speaking up when something is not right and protecting those who do.

Our Code of Conduct, *How We Work*, sets out our expectations for employees and those we do business with, as we live Our Purpose and Our Bond. Our Speak Up Policy sets out the process to raise business conduct concerns, the protections we offer and our investigations process.



Our Code of Conduct, *How We Work*, our Speak Up Policy and details about our Speak Up Hotline are available at bluescope.com



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Outcome 02

Safe, healthy and inclusive workplaces



FY2022 global highlights

Recognised in worldsteel's
2021 Safety and Health
EXCELLENCE Recognition
Program (Safety Culture
and Leadership category)

Met our gender balance
ratio for Board and
Executive Leadership Team
in line with our

40:40
VISION

Social impact and human
rights impact assessment
completed for own
operations to guide our **FIVE**
priority areas and actions

Health, safety and environment

Protecting, supporting and promoting healthy people and healthy workplaces is core to BlueScope, and we are proud of how we manage health, safety and environment (HSE). Our people-centred approach to HSE leadership, risk management and culture – our HSE Evolution – aims to build capacity through participation, learning and leveraging the knowledge and experience of our people to continuously improve. This acknowledges that people make mistakes, and that our ability



to tolerate error and have the resilience to recover when things do go wrong lies in learning about and strengthening our controls.

We strengthened our aspirations for land, air, water, waste, noise and energy/GHG emissions this year, providing a new framework for developing group and business unit environmental targets and goals.



How we are making it happen

- » We completed 243 projects and 53 Environmental STARS (stories about the Situation-Task-Activity-Result) covering a range of risk categories.
- » NS BlueScope Thailand has introduced a Better Questions, Stronger Solutions storytelling campaign to share examples of STKYE questions in action and engage and empower employees to speak up.
- » BlueScope Building Components Western Australia developed a hydraulic arm that guides plate into a press, removing the line-of-fire risk to employees. The initiative was recognised as BlueScope's 2021 Health and Safety Innovation of the Year.
- » Teams at North Star worked together to support worker safety and maintain environmental compliance during the

site's major expansion, reflecting its strong culture of employee engagement, continuous communication and feedback with regular incident reporting.

- » Western Port introduced an automated cable puller system for crane maintenance, eliminating manual handling risks and the potential for hand injuries or puncture wounds.
- » Coated Steel Suzhou China was recognised with BlueScope's 2021 Health & Safety Excellence Award for Health, Wellbeing and Community Excellence for their "Building a Healthy Future, Enjoying the Happy Life" initiative, engaging employees through face-to-face and virtual information sessions.
- » Glenbrook New Zealand reused 25,000 tonnes of co-product in a yard extension project, diverting waste from landfill for beneficial use.

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Culture and capability

We seek to create an inclusive culture where all people feel valued and included at work. We know that a diverse workforce and inclusive culture create a competitive advantage, leading to sustained business success and make BlueScope a better place to work. We focus on five key areas:

- » Creating a safe environment for people to speak up, be heard and feel welcome
- » Growing and supporting under-represented groups
- » Community partnerships
- » Inclusive leadership
- » Measuring our progress.

It is important for our people to be able to give their opinions and ideas on how we can continue to make BlueScope a great place to work. We conduct regular Pulse Surveys to understand employees' views and opinions on working at BlueScope, and also benchmark our results externally.

How we are making it happen

- » We are engaging on our First Nations Framework in Australia. During National Reconciliation Week, a number of Port Kembla Steelworks employees participated in Cultural Awareness training.
- » BlueScope Buildings Monterrey (Mexico) held employee workshops on inclusive language and an introduction to Mexican Sign Language.
- » BlueScope Buildings North America has engaged Diversity Ambassadors across its sites to advocate and champion inclusion in the workplace.
- » New Zealand Steel is engaging operators in recruiting and selecting new employees, as it seeks to increase the proportion of women in operator and trade roles.



BlueScope employees in Suzhou, China, took part in workshops to learn how to recognise and eliminate unconscious bias.

We aim to develop a culture of learning that encourages employees to be the best they can be through learning, connecting, sharing and receiving regular feedback on what they are doing well and where they need to develop to deliver on the BlueScope strategy.

- » Australian Steel Products is supporting women in leadership through a program of target setting, focused recruitment and advancement pathways and career transition support.
- » New Zealand Steel has engaged a Culture Advisor to strengthen its relationship with the local Iwi (Māori tribes or kinship groupings).
- » Australian Steel Products established a structured set of learning content focussed on health and wellbeing to support its people and empower them to improve their physical and mental wellbeing through the impacts of COVID-19.
- » BlueScope Building North America has created learning pathways for its teams to develop skills in key interpersonal areas such as communication, influencing and team leadership.

Social impact and human rights

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

We are working to ensure our business activities and practices are aligned with the UN Guiding Principles on Business and Human Rights.

Our Social Impact Steering Committee facilitates BlueScope's human rights due diligence process. We identify actual or potential risks areas and focus on hours of work, wages and benefits, forced labour, grievance mechanism, harassment and abuse. During FY2022, we did not identify any modern slavery or other serious labour exploitation in our operations or supply chain.

How we are making it happen

- » Introduced our People and Payroll Governance Framework which strengthens our first- and second-line accountability for working hours, wages and benefits, and culture.
- » Updated our Human Rights Policy this year to reflect the maturity in our journey, and broadened the scope of 'Our Partners' to include all stakeholders we do business with.
- » Completed a series of Roundtable discussions for all senior leaders on human rights, and conducted business unit workshops on specific country risk areas (~200 employees participated in these sessions).
- » NS BlueScope ASEAN launched a Country Compliance Champions program to encourage and support open and safe conversations for our people to Speak Up when something does not feel right.

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Climate action



FY2022 global highlights

Projects exploring the use
of **HYDROGEN** in Australia
and New Zealand

3.6%
reduction in steelmaking
GHG emissions intensity,
and 3.7 per cent reduction
in non-steelmaking GHG
emissions intensity since
FY2018 (the baseline for
our 2030 targets)

Fresh water intensity of
steelmaking activities has
decreased from 2.03 kL to

1.27^{kL}
per tonne of raw steel
since FY2018

39%
per cent of our total water
consumption from recycled
sources in FY2022

BLUESCOPEX™
launched program for
small-scale, early stage
investment in steel
decarbonisation and
energy efficient buildings

Climate change and energy transition

Climate action is key to Our Purpose and is a core element of our Strategy; we commit to actively addressing climate change and investing in GHG emissions reduction to transform BlueScope for long term success.

In the near to mid-term, we are **optimising current operating assets** across our portfolio. For the longer term, we are exploring and collaborating to pursue **emerging and breakthrough technologies** to work towards our 2050 net zero goal.¹ We are actively exploring technologies that are emerging as alternative, lower emissions options for steelmaking, and applying these options to the specific local context for our steelmaking operations.

How we are making it happen

Steelmaking

At Port Kembla (Australia), we are seeking to improve raw material efficiencies and explore new technologies. We are:

- » Installing and commissioning a 10 MW electrolyser and infrastructure to facilitate the use of hydrogen as a reductant in the Blast Furnace and support the development of a 'hydrogen hub' in the Illawarra.
- » Conducting a concept study on producing low emissions iron ore through the use of Direct Reduced Iron (DRI) from Pilbara iron ores, using green hydrogen produced from renewable electricity.
- » Conducting a full feasibility assessment of a reline and upgrade of the No.6 Blast Furnace, including technical and environmental upgrades for GHG reduction.

At Glenbrook (New Zealand), we are evaluating our decarbonisation technology options. This year we:

- » Commissioned new equipment to crush and recycle hot accretion materials directly into the production stream, increasing carbon efficiency and iron yield.
- » Are collaborating on the development of a pilot-scale plant using hydrogen instead of coal to produce iron from local New Zealand ironsands.

At North Star (North America), we have invested in long-term supply of steel scrap with the establishment of BlueScope Recycling and Materials.

Non-steelmaking

Our non-steelmaking facilities are exploring their potential for further electrification of their processes combined with higher renewable energy use. This year:

- » Our Western Sydney Service Centre's heat recovery project won the 'Best industrial energy management project 2022' at the Australian National Energy Efficiency Awards in May 2022.
- » We have solar projects underway across our operations in NS BlueScope Malaysia (Sunfield Solar Farm in Kapar pictured overleaf), Australian Steel Products (Albury, Wangara and Bomaderry) and Tata Bluescope Steel (Coated Steel Products Jamshedpur).

Across our sites

- » Across our operations, more than 50 employees participated in our Climate Action Generator, developing ideas for consideration for incubation and application.
- » BlueScope is part of the Expert Advisory Group to the Science-Based Targets Initiative (SBTi), contributing to the development of methodologies and guidance for the steel sector.

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SET A GOAL FOR:

NET ZERO

GHG emissions across our
operations by 2050¹

SET TARGETS FOR:

12%

GHG emission intensity reduction by
2030 for our steelmaking activities²
(based on 2018 levels)

30%

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

INITIAL ALLOCATION UP TO

\$150m

Capital for climate projects and
initiatives over the next 5 years

- 1 Achieving our 2050 net zero goal is dependent on several enablers including the commerciality of emerging and breakthrough technologies, the availability of affordable and reliable renewable energy and hydrogen, the availability of quality raw materials and appropriate policy settings.
- 2 This target translates to a target of 1% year-on-year emissions intensity reduction (from the 2018 baseline) across our steelmaking sites.
- 3 The non-steelmaking target applies to our midstream activities that include our cold rolled, metal coating and painting lines and long and hollow products. It excludes our downstream activities. Refer to the Glossary section of the FY2022 Sustainability Data Supplement.

Water stewardship

BlueScope recognises that water is a scarce resource and that future supplies will be affected by population growth and climate change. We work to optimise water monitoring, reduce the consumption of fresh water drawn from community water sources and improve water discharge quality.

Where possible, we use internally and externally recycled water to minimise our use of fresh water. At our major sites water is cleaned, cooled and recirculated, and where practical rainwater is captured and used on site.

Water consumption is a key metric monitored at all sites and with quarterly oversight at senior leadership and Board level.



Our refreshed aspiration for water stewardship



Preserve community water sources

Conserve fresh water and protect aquatic biodiversity

Seven environment improvement projects were completed in FY2022 focused on water stewardship and reducing water consumption. Our total water consumed (recycled and fresh water) has reduced by 6.8 per cent since FY2018, and 39 per cent of our total water consumption came from recycled sources this year.



How we are making it happen

- » Our Port Kembla Steelworks in Australia has formalised a water stewardship plan as part of ResponsibleSteel™ certification this year. We continue to utilise high rates of recycled water use through our long-term recycled water agreement with Sydney Water. We are also implementing a Long Range Wide Area Network smart water metering system for improved monitoring and management.
- » Steelscape Rancho Cucamonga, California has introduced automated coagulant dosing and continuous monitoring to improve waste water discharge quality and more than halve solids disposed to local landfill.
- » At North Star (North America), we are commissioning an Ultrafine Reverse Osmosis (UFRO) system to optimise internal water recycling and significantly reduce the volume of fresh water withdrawn from Lake Erie and discharged to the Maumee River (pictured above).
- » NS BlueScope Vietnam has installed 2ML of rainwater collection and storage capacity at the Phu My facility, for use in process applications, building facilities and grass watering, helping to preserve community available water sources.

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Responsible products and supply chains



FY2022 global highlights

139

supplier assessments
completed in FY2022

PARTNERSHIPS
to research hybrid
structures, digital solutions
and climate-optimised
building systems for
unique climates

>80%

use of independent
EcoVadis supplier
assessments in FY2022

Achieved
RESPONSIBLESTEEL™
site certification for Port
Kembla Steelworks

RESPONSIBLESTEEL™
Participated in
development of steel
certification requirements
(covering responsible
sourcing and greenhouse
gas emissions)

Demonstrating
TRANSPARENCY
and stewardship through
Environmental Product
Declarations (EPDs) and
ecolabels

Supply chain sustainability

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

Our Responsible Sourcing Framework outlines our approach to supplier engagement and assessment and includes our Responsible Sourcing Standard and Supplier Code of Conduct.

We prioritise engagement with suppliers based on their country risk (inherent risk given their operating context) and business activities and the nature of our relationship with them. Prioritised suppliers are required to complete a supplier environment, social and governance (ESG) assessment, usually every two years. Our supplier segmentation approach includes over 1,000 suppliers and accounts for more than 90 per cent of spend by business unit.

Since this assessment framework was implemented in late 2019, over 400 assessments have been completed involving 308 suppliers.

How we are making it happen

- » Our NS BlueScope Thailand supply chain team received BlueScope's Supply Chain Partnership Excellence award this year, working with its warehouse operator on a range of safety initiatives for cooperative management of critical risks.
- » Our NS BlueScope Vietnam supply chain team held a face-to-face workshop with key suppliers and customers about our Responsible Sourcing program (pictured below).

- » Our Orcon Steel team in Australia has collaborated with the supplier of its SUNGAL® product to reduce the packing materials used in its dispatch. The new solution was rolled out nationally this year (pictured below).
- » We have rolled out the BlueScope Australia Supplier Payment Code across our global business, and are progressively introducing similar adjustments to payment terms for relevant suppliers.



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Responsible products

The steel we supply today will support communities for decades to come, as it underpins the critical transition required for so many sectors, including renewable energy. We continue to research improvements in design applications and believe the fundamental attributes of our products will benefit society and contribute to the circular economy. Across our businesses, we create and inspire smart solutions in steel, which help enable more sustainable outcomes by:

Supporting climate transition and resilience

- » Components to underpin the renewable energy transition
- » High strength steel grades for enhanced strength to weight performance
- » Cool roof solutions
- » Energy efficient products
- » Light gauge steel framing
- » Efficient flooring for mid and high-rise developments
- » Co-products displacing emissions in other sectors

Improved product longevity and performance

- » Advanced coating technologies and extensive performance testing for improved corrosion resistance
- » High-impact steel grades for defence, transport and mining equipment
- » Weathering steel products for bridges and other applications

Solutions for specific applications

- » Improved ventilation
- » Resilient bar and coil products to meet regional seismic design requirements.

How we are making it happen

- » LYSAGHT KLIP-LOK 700 HI-STRENGTH® in COLORBOND® steel SURFMIST® was used in the construction of the Glenroy Community Hub, the first community building in Australia to be Passive House Certified, and is also built to achieve Living Building Challenge (LBC) Petal Certification and Zero Energy Certification (pictured top left).
- » Our XLERPLATE® steel (250 grade) was used to construct Australia's first double-helix bridge, spanning a major Sydney motorway (pictured below left).
- » A Butler MR-24® Roof System was used to refurbish #1 Building, 191 Neijiang Road, built in 1930. The system improves thermal insulation and, as a pre-engineered

building solution, minimised construction disruption and noise to the community.

- » AEP Span's Design Span® hp standing seam metal roof is being used in the Lytton Ranchera project, contributing to thermal comfort and reduced energy use in a community development for the Lytton Band of Pomo Indians, comprising 147 homes, a community centre and a retreat.
- » BlueScope has launched a Solar Surface Accelerator program to support solar tech companies and start-ups in seeking out next-generation advancements in integrated solar cell technologies.
- » Around the world, we continue to engage with not-for-profit organisations which aim to accelerate the transformation of the built environment.

Managing Director and
CEO's Message

Who we are and
what we do

Sustainable growth
and transformation

Safe, healthy and
inclusive workplaces

Climate
action

Responsible products
and supply chains

**Strong
communities**

Outcome 04

Strong communities



FY2022 global highlights

Continued to support
communities during the
COVID-19 pandemic

Engaged with thousands
in the Illawarra community
for the No. 6 Blast Furnace
Reline Project

Direct economic value
generated

\$19.3_{BN}

Over

\$1.2_{BN}

Total Group tax payments

Community engagement

We understand the responsibility of being a major community employer and partner. Across the globe, we employ local people, use a mix of national and local suppliers, and support economies more broadly through taxes and other government payments. We seek to create sustainable partnerships and opportunities for our people to be involved in their community.

Community engagement

We are an integral part of our local communities, and we seek to make an active contribution, work collaboratively to understand community expectations, communicate information and resolve any issues as they arise.

Our sites have plans in place to guide the responsible management of operations, and we work to avoid or mitigate any negative effects our operations may have on our communities or the environment. Many of our major sites have established community consultation committees, providing a regular forum for open discussion between BlueScope, community representatives and other stakeholders about the environmental management and performance of our operations.

How we are making it happen

This year, comprehensive community consultation has been a vital component of the Port Kembla Steelworks No.6 Blast Furnace reline feasibility study. BlueScope has engaged with thousands of local community members in over a hundred face-to-face and online forums to convey a detailed overview of our plans for the reline and decarbonisation pathway and enable them to comment and ask questions.

A dedicated webpage on the BlueScope Illawarra website hosts all public documents related to the project for easy reference. A range of community stakeholders – government agencies, organisations and members of the public – made submissions during the exhibition period of the Environment Impact Statement (EIS) for the reline. Of over 450 submissions made in response to the Environment Impact Statement, more than 95 per cent were in support of our plans.

BlueScope makes a significant economic contribution to the Illawarra region of New South Wales. The No.6 Blast Furnace reline project includes a total investment of around \$1 billion. It is estimated 250 new jobs will be created during construction and the project will seek to give priority to engaging local contractors and suppliers.



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communities

Our contribution

Community investment

Wherever we operate we actively promote local collaboration to offer support where it is needed to people working and living in our communities. Our 'Strengthening our Communities' investment framework creates sustainable partnerships and opportunities for our people to be involved in their community.

Economic contribution

As we continue to invest and prosper through long term asset development, we share our success through our economic contribution to the communities in which we operate. We reinvest most of the direct economic value we generate into the countries where we have a presence with a significant amount directly into local communities close to our operating sites, generally as payments to our suppliers and our employees.

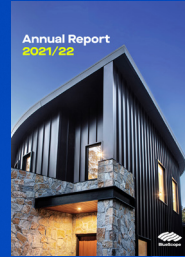


How we are making it happen

- » Australian Steel Products donated \$100,000 to the i98FM Illawarra Convoy, an annual event that raises funds for local hospitals, for families in the community dealing with life threatening medical conditions, and for the charities that also support these causes.
- » A US\$100,000 donation by the BlueScope Foundation will support a new residential centre being built in Kansas City by Halo, an organisation that provides accommodation and other essential services to homeless youth.
- » North Star hosted 150 young students from the local community at its annual Water Celebration.
- » The BlueScope Foundation has awarded ten scholarships to children of employees in North America, overseen by an independent Selection Committee (pictured below left).
- » NS BlueScope employees in Singapore volunteered at the Willing Hearts charity, preparing food for delivery in the community (pictured above).
- » As part of its partnership with Habitat for Humanity, Coated Products North America donated a metal roof for a new home for a local family. Steelscape provided the steel and ASC Building Products rollformed it into its metal roofing panel, Skyline Roofing.
- » NS BlueScope Lysaght Sabah worked with community partners to sponsor roofing and truss material for houses for two families who lost their homes following severe floods. The General Manager personally donated furniture and household items to help victims rebuild their lives.
- » The BlueScope Foundation supports FIRST (For Inspiration and Recognition of Science and Technology) in North America, which engages young students in STEM through robotics and Lego challenges and competitions (pictured top left). North Star joined a University of Toledo event for young female students, and in New South Wales, BlueScope is a participant in the state government's STEM Industry School Partnership program.



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