

BlueScope

Modern Slavery Statement

FY2023



BlueScope

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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A message from our Managing Director & CEO

The approach and progress outlined in BlueScope’s FY2023 Modern Slavery Statement demonstrates our commitment to the United Nations Guiding Principles, and also bring to life how we seek to live Our Purpose, strengthening communities for the future wherever we operate.

We are proud to call local communities our homes in the 16 countries we operate in. That’s 16,500 people supporting our customers, partners, shareholders and neighbours. We foster responsible sourcing practices and align our business conduct to applicable laws and regulations, while our values expressed in Our Purpose and Our Bond, and the principles of our Code of Conduct guide us.

Maintaining a strong focus on supply chains through responsible business practices and upholding human rights through supplier engagement, risk assessment and continuous improvement remain an area of focus. It’s importance to BlueScope is demonstrated as we seek to work with suppliers and partners who share similar values and approaches to human rights and caring for people.

This year’s Statement builds on our efforts to identify, manage and, where necessary, remediate modern slavery risks in our own operations and supply chains. We highlight progress against the commitments made in our FY2022 Statement, outline the actions we have taken and the controls we have in place to manage these risks, and those in our supply chain.

As part of our Social Impact due diligence process, a desk-top review of potential modern slavery issues was completed across all of our sites, leading to a more detailed audit in Malaysia. Through proactive due diligence, we identified a number of International Labour Organisation (ILO) forced labour indicators impacting some of our contract workers in our Malaysian business, which require remediation.

The team is continuing to work through this process, and I am proud of the approach taken to consult, protect and support those affected through all stages, demonstrating our primary consideration for the safety and welfare of all workers on our sites. Our aim is to ensure problems and concerns are acknowledged and addressed, that we learn from the experience and take preventative measures by implementing improved practices across the business.



Mark Vassella
Managing Director & CEO
14 September 2023

Key Highlights for FY2023

Our actions to prevent, address and manage modern slavery risks

- Completed annual assessment of risk for our operations (page 14)
- Engaged third-party providers to conduct a Labour and Working Conditions Audit in Malaysia
- Implemented remediation principles and process (pages 12-13)
- Continued to educate our supply chain on responsible sourcing standards (page 22)
- Developed a Responsible Sourcing Policy and framework and updated our Supplier Code of Conduct (page 10)
- Updated our Human Rights Policy
- Assessed 229 suppliers and engaged with 59 suppliers on corrective actions (page 20)
- Completed 12 on-site social impact audits
- Initiated a targeted program in China to help suppliers increase understanding and controls for ESG risks
- Developed resources to support ethical sourcing of renewable energy infrastructure

Building our capability

- Increasing awareness and engagement with business leaders on potential modern slavery risks
- Ongoing remediation in Malaysia for some contract workers (page 12)
- Trialling additional grievance mechanisms in some locations
- Continuing to develop a robust due diligence process
- Increasing awareness of our Speak Up Policy and culture

“We take seriously our obligations and commitments to addressing and helping eradicate Modern Slavery. We continue to adapt our approach, ensuring we share and apply learnings as we go.”

About this statement

BlueScope Steel Limited (BlueScope) is committed to respecting and upholding human rights across our business practices and supply chains. We believe everyone should be treated with dignity and respect, and we are working to ensure our business activities and practices align with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We are guided by Our Purpose and Our Bond, and together these documents express our values, principles, and vision to strengthen our communities for the future. They guide our actions and decisions, and are complemented by our Code of Conduct, *How We Work*, which supports us in choosing to do what is right.

BlueScope is also committed to responsible sourcing practices, seeking products and services that are produced responsibly and create long-term environmental, social and economic value for all stakeholders. We require existing and potential suppliers to demonstrate that how they operate aligns with BlueScope's expectations and to commit to our Supplier Code of Conduct.

This joint Modern Slavery Statement is made by BlueScope Steel Limited ABN 16 000 011 058 and the following entities which we have determined are reporting entities pursuant to the Australian **Modern Slavery Act 2018 (Cth)** and which are owned and controlled by BlueScope Steel Limited.

BlueScope Steel Ltd ABN 16 000 011 058

BlueScope Steel (AIS) Pty Ltd ABN 19 000 019 625

Glenbrook Holdings Pty Ltd ABN 62 007 258 059

BlueScope Distribution Pty Ltd ABN 88 096 380 068

Orrcon Manufacturing Pty Ltd ABN 15 113 998 066

BlueScope Steel Americas Holdings Pty Ltd ABN 13 073 776 271

BlueScope Steel Asia Holdings Pty Ltd ABN 25 102 832 100

BlueScope Steel (Finance) Ltd ABN 53 098 842 338

Lysaght Building Solutions Pty Ltd ABN 61 103 232 444

This statement describes the actions that BlueScope Steel Limited and its owned and controlled entities, including the reporting entities above, (together BlueScope) have taken during FY2023 to identify, assess and address modern slavery risks. Except where otherwise stated, references to 'we', 'us' and 'our' refer to BlueScope including the reporting entities above (and excludes the Tata BlueScope Joint Venture (JV)). As Tata BlueScope Steel is jointly controlled, it is not covered by this statement unless otherwise stated). This statement was approved by the Board of BlueScope Steel Limited on behalf of all reporting entities on 14 September 2023 and is signed by Mark Vassella (Managing Director and CEO) on page 3.

| Australian Modern Slavery Act 2018 reporting criteria | BlueScope FY2023 Modern Slavery Statement response by page |
|--|---|
| (a) Identify the reporting entity and (b) describe the structure, operations and supply chains of the reporting entity | Pages 04-07 |
| (c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | Pages 14-15 |
| (d) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | Pages 11-13, 16-22 |
| (e) Describe how the reporting entity assesses the effectiveness of such actions | Page 23 |
| (f) Describe the process of consultation with any entities that the reporting entity owns or controls. In the case of a reporting entity covered by a statement under section 14 – the entity giving the statement | Page 24 |
| (g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant | Page 25 |

Our structure

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

As a global leader in coating and painting, we directly employ approximately 16,500 people across manufacturing, processing, distribution, sales channels and functional teams. Our operations range from small product storage sites to our core steelmaking facilities in Australia, New Zealand, and North America.

BlueScope Steel Limited is head-quartered in Melbourne, Australia and listed on the Australian Securities Exchange. It has a number of owned and controlled entities, structured into the following business segments.

Australia

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

North America

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

Asia

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

BlueScope operates in partnership with Nippon Steel Corporation across ASEAN and the West Coast of 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 & Pacific Islands

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

Our Workforce

16,500
Total employees

8,500
Salaried

8,000
Non-salaried

24%
Total women in BlueScope

55%
Women in Executive Leadership team

50%
Women on Board

Our global supply chain

We continue to be a significant purchaser of goods and services in the countries within which we operate, with a total procurement spend of approximately \$12.8 billion in FY2023. Across each of our business entities we continue to focus on domestic supply chains which support local jobs and economic development.

Our procurement and supplier relationship management processes are primarily managed by business unit or country procurement teams with the exception of some strategic raw material and maintenance, repairs and operations (MRO) categories which are managed at a Group level with insight and support from our business unit and country procurement teams.

Group-wide standards and processes govern our approach to responsible sourcing to ensure they are consistently applied.

BlueScope businesses are required to assess their suppliers based on importance to our business and sustainability risk factors. We require existing and potential new suppliers to demonstrate that the way in which they operate aligns with BlueScope's expectations, and to commit to BlueScope's Supplier Code of Conduct.

We do not tolerate critical breaches of our Supplier Code of Conduct. However it is important to note that we do not walk away from suppliers facing genuine difficulties in achieving compliance. Our aim is to ensure that any such difficulties are addressed, and practices implemented to prevent similar issues from happening again. Ongoing non-compliance with our principles and expectations, as communicated by us to a supplier, may lead BlueScope to terminate the business relationship.

We continue to work to understand and map the complex layers of our supply chain. At a high level, we have mapped the principal

country of supply for the goods and services in the top 90 per cent of our supplier spend. This enables us to determine our potential supply chain risk based on source country and industry. In addition to this there are some specific cases where we seek to understand our tier 2 supplier risks.

Raw material sourcing for Australian Steel Products

Across our businesses we focus, wherever possible, on sourcing goods which are local to our operations. For example at our Port Kembla Steelworks in Australia, we consume approximately 3 million tonnes per annum of metallurgical coking coal, the majority of which is sourced from mines in the Illawarra region. The majority of our other raw materials, such as iron ore, limestone and dolomite, are sourced from within Australia wherever possible.

By sourcing raw materials from local and Australian suppliers we can have clear visibility of the chain of custody of the raw materials and can visit the sites to assess that the suppliers align with our strong safety, human rights and ESG values.

Long-term partnerships

Over our more than 100-year history, BlueScope has focused on building strong, long-term partnerships with our suppliers across the globe. We have partnered with many of our suppliers for decades and through these ongoing relationships we have developed a strong understanding of their operations and their commitment to human rights. BlueScope has also established significant joint ventures with other steel companies in different parts of the world, notably in India and ASEAN/North America.

Tata BlueScope Steel:

In 2005, the Tata BlueScope Steel joint venture was established between BlueScope and Tata Steel in India. The JV is owned 50:50 and jointly controlled by BlueScope and Tata Steel. There is equal representation between the two on the JV Board, and an independent management team. Accordingly, the JV has its own systems, processes and governance structure, although it does seek guidance from its shareholders. There is ongoing engagement between the responsible sourcing teams at BlueScope and Tata BlueScope to share learnings and drive increased focus on human rights across both organisations.

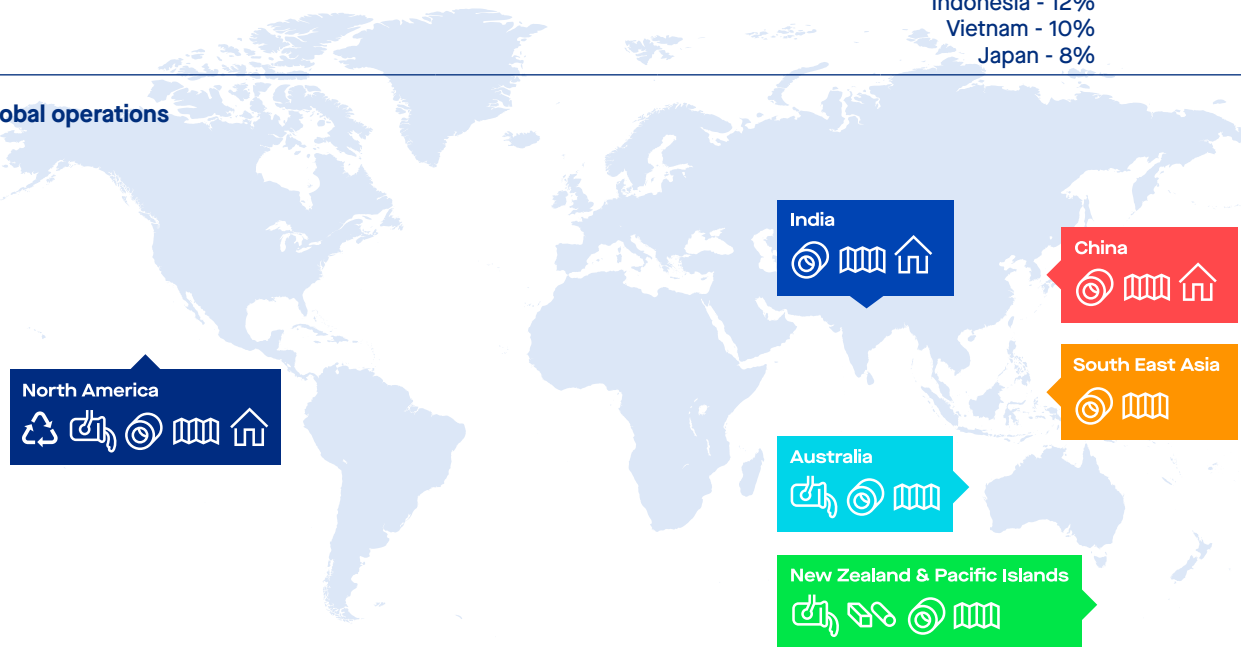
NS BlueScope:

In 2013, the NS BlueScope joint venture was established between BlueScope and Nippon Steel with operations in ASEAN and the west coast of North America. The JV is managed by BlueScope and our responsible sourcing and modern slavery processes and controls are in place across the JV. Nippon Steel continues to be a key supplier to the NS BlueScope business.

Supplier breakdown of service categories

| Categories (% total supplier spend) | Australia | North America | Asia | NZ & PI |
|--|---|---|--|--|
| Total spend in AUD | 4.9 billion | 5.4 billion | 2 billion | 0.5 billion |
| Raw materials – such as coal, limestone, iron ore and scrap steel | 43.5% | 50% | 0.5% | 22% |
| External steel feed – includes all supplier purchased steel products | 5% | 14% | 64% | 0% |
| Downstream accessories – such as fasteners, guttering and brackets | 3% | 6% | 11% | 0% |
| Production materials – such as paints, chemicals and rolls | 8.5% | 6.5% | 10.5% | 17% |
| Freight & logistics – including shipping, rail and road transport | 13.5% | 4% | 1.5% | 13% |
| Services – include facilities, mechanical, process services and contract labour | 11% | 9% | 2% | 20% |
| Maintenance, Repairs and Operations (MRO) – supplies such as electrical and machine parts and equipment | 3.5% | 4% | 5% | 11% |
| Communications IT&T | 2% | 0.5% | 0.5% | 2% |
| Other – including utilities, corporate services and packaging | 10% | 6% | 5% | 15% |
| Total | 100% | | | |
| Primary supplier country risk - top source countries per business unit (BU) | Australia - 93% South Korea - 1% New Zealand - 1% | USA - 90% Japan - 4% South Korea - 2% | <u>BlueScope China:</u> China - 95% South Korea - 2% Australia - 1% <u>NS BlueScope:</u> Thailand - 31% Indonesia - 12% Vietnam - 10% Japan - 8% | New Zealand - 70% Australia - 14% Indonesia - 7% |

Our global operations



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 |

Governance and policies

Governance

- Our commitment to sustainable governance is led from the top, with clear accountabilities for oversight and implementation of our sustainability commitments, including those related to modern slavery.
 - The Remuneration and Organisation Committee is responsible for approving and reviewing the Group’s Social Impact priority areas (which include our modern slavery actions) and monitoring progress against the plans bi-annually.
 - The Risk and Sustainability Committee assists the Board to fulfil its responsibilities in relation to risk management, ethics and compliance, legal proceedings, corporate governance, sustainability, and insurance. This includes the Sustainable Supply Chain program, and developing the Modern Slavery Statement.
 - The Executive Leadership Team instils and monitors adherence to our values, in the interests of shareholders, employees, customers, suppliers and our communities. This includes monitoring progress of actions to manage and mitigate human rights and modern slavery risks.
 - The Head of Social Impact & Inclusion, Head of Group Procurement, and the Social Impact Steering Committee, in consultation with internal and external stakeholders, continue to oversee the due diligence process for BlueScope. We understand that this is an iterative process that allows for learning and insights to be incorporated into a sustainable governance model.
 - The People & Payroll Governance Framework provides a formal structure for first and second line reviews of payroll compliance and working hours. This framework is managed by the Head of Social Impact & Inclusion and reports to the Remuneration and Organisation Committee bi-annually.
 - A collaborative approach is utilised to learn from each other in identifying and managing our modern slavery risks. We share experiences, seek feedback, and regularly consult with employees, management teams, our Board and suppliers.
- Discussions from a business unit level up to Board committees enable us to build our knowledge and leverage each other’s experiences to ensure we are all aware of what actions need to be taken.



Risk management framework

BlueScope is committed to an integrated approach to managing key risks, including our modern slavery risks.

We aim to have a proactive risk culture, ensuring a balanced approach to managing uncertainty in the delivery of strategic and commercial outcomes.

Our integrated framework of risk management, policies, procedures, and controls means that decisions are made as close as possible to the source of risk. Our leaders are empowered to own and manage risks directly, with the support of second line functions and third line independent assurance for the oversight of senior management and the Board. Each business unit's performance against the Group Risk Appetite fundamental principles is monitored periodically, and consolidated metrics reported to the Risk and Sustainability Committee of the Board.

Our Risk Appetite statements set out the fundamental principles that govern the way we will execute our strategy and the acceptable level of risk. Understanding risk, and our appetite for types of risk, is a key consideration in our decision making.

Human rights, including modern slavery, are included as a specific component in our risk management framework under the risk appetite statement of compliance and ethical conduct. The fundamental principles relating to human rights are:

- Do the right thing and call out where behaviours do not align with our Code of Conduct.
- Demonstrate a commitment to preventing and remediating adverse human rights impacts associated with our business activities including through our supply chain.
- Working to ensure our business activities are aligned with the UNGPs

Policy framework

BlueScope's Framework of Guiding Documents (the Framework) contains a governed suite of specific global and business unit documents, which together provide direction and instruction to our people in carrying out their daily work activities according to required BlueScope expectations of behaviour and practice. The Framework uses a document hierarchy and governance process to ensure all Guiding Documents are 'controlled'. From our foundational beliefs and principles through to our work procedures, these documents are accurate, aligned and consistent, and are made available to our people in the most relevant, efficient and straightforward manner.

- We aim to act fairly, ethically and with integrity, helping to create lasting benefits for our customers, suppliers, people, shareholders, and community. We expect this of our people and business partners, including our third party and agent representatives, suppliers, and contractors.
- We know that addressing modern slavery risks requires clear guidance and action. The Framework is applied globally across all owned and controlled entities including the reporting entities, and assists our people and business partners working with us to make ethical, well-judged decisions consistent with our values and expectations of business conduct.

Supporting the Sustainable Development Goals

BlueScope supports the United Nations Sustainable Development Goals (SDGs), and we align our efforts to these global imperatives to protect and care for people, act responsibly, innovate for shared benefit and use resources wisely. Our performance against these goals further complements SDG17, recognising the importance of partnership and collaboration along the steel value chain, and SDG16 which aims to reduce corruption and bribery in all its forms.

Supporting the Sustainable Development Goals

We Support



Human Rights and green economy solutions

BlueScope's approach to climate change is a key part of our overall strategy, and we are aware that the green economy can have significant human rights risks. In FY2023, the issue was discussed by both the Executive Leadership Team and the Board, and a commitment was made to prioritise human rights in our roll-out of green economy solutions. An awareness campaign of the risks was undertaken across our business units and procurement teams, and a list of preferred products created. Ongoing engagement across relevant business units has shown strong commitment and actions taken to understand the source of the goods being considered. In FY2024 we will continue to focus on this key risk.

At BlueScope, choosing to do the right thing is important to all of us.

Our Policies communicate BlueScope’s expectations and guide employees to make good decisions that are consistent with Our Bond, business strategies and objectives. Our Policies and other Guiding Documents are designed to be clear, concise and accessible.

The policies listed below are the core policies that communicate our human rights and modern slavery expectations.

| Policy | Relevance to modern slavery | How we implement this policy |
|--|---|---|
| Our Bond | Our Bond outlines the guiding principles for strengthening our business. It identifies our key stakeholders; guides how we work together and conduct ourselves. It is the foundation of our business culture and sets the expectation for our people to be proactive and considerate in looking out for the best interests of others. | Our Bond is publicly available on our corporate site and is published extensively on internal communication channels. Any breach of these expectations and standards will be investigated and may result in disciplinary action. |
| Our Code of Conduct, How We Work | Our Code of Conduct sets out what we expect of every single employee as we all live Our Purpose and Our Bond. It sets out commitments in relation to human rights, including modern slavery, as summarised under our Human Rights Policy. We expect anyone we do business with will adhere to this Code of Conduct. | Our Code of Conduct is publicly available and is a mandatory training requirement for all new starters. Every BlueScope employee is required to undertake a refresher every three years. It is available in local languages to reflect the diversity of our employee base, and provided for all workers on our sites. |
| Human Rights Policy | This policy provides the foundation of our approach to human rights, including modern slavery, and includes the following commitments: » We actively protect and uphold the human rights of our people, the people we work with and the people in our communities: rights based on dignity, fairness, equality, respect and independence. » We support the elimination of all forms of forced or compulsory labour and the abolition of the worst forms of child labour and require our partners to do the same. | This policy is publicly available on our corporate site and is published on internal communication channels. It outlines the expectations for all business partners (upstream and downstream) and holds everyone to the same standard. It also encourages reporting of all concerns – including modern slavery and human rights. In FY2023 additional clauses relating to Security Services and Remuneration have been included. |
| Speak Up Policy | Our Speak Up channel is established under this policy and is our key global grievance mechanism. It is available to all stakeholders, and reports can be made anonymously. Modern slavery grievances can be raised through this channel. The policy includes information about how to make a disclosure and reinforces the protection of those who do. | This policy is publicly available on our corporate site, communicated through internal channels and promoted by posters across our sites, as well as being communicated through our Code of Conduct, <i>How We Work</i> training. |
| Supplier Code of Conduct | BlueScope is committed to sustainable sourcing practices that create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing BlueScope’s products and services to market. This includes our expectation of suppliers regarding labour conditions such as; child labour, forced labour, harassment and abuse, freedom of association, wages and benefits and working hours. | This policy is publicly available on our corporate site and is published on internal communication channels. We partner with suppliers large and small who share our values. We communicate this document, and our principles and expectations to suppliers, and review supplier alignment with our approach to responsible sourcing. |
| Health, Safety, Environment and Community (HSEC) Policy | Our care and commitment to health and safety is integral to the way we do business, and it starts with each one of us. We are committed to a workplace where all people are protected; because everyone deserves to feel safe and valued. | Our HSEC policy is publicly available on our corporate site and is published extensively on internal communication channels. Any breach of these expectations and standards will be investigated and may result in disciplinary action. |
| Responsible Sourcing Policy | This policy outlines our commitment to embed and promote ethical and responsible sourcing across BlueScope and our supply chain. Our approach to responsible sourcing aligns with the best practices outlined in the United Nations Universal Declaration of Human Rights’ (UDHR) principles, the United Nations Global Compact’s (UNGC) Ten Principles and the United Nations Sustainable Development Goals. Our Responsible Sourcing Policy, together with our Responsible Sourcing Framework, Our Supplier Code of Conduct and our responsible sourcing standards and procedures, set out our internal commitments and our expectations of our suppliers. | This policy is publicly available on our corporate site and is published on internal communication channels. In FY2024 it will be officially launched to suppliers at the same time as our updated Supplier Code of Conduct. |

Grievance mechanisms

BlueScope encourages our employees, contractors and other stakeholders (including suppliers and their employees) to speak up if they become aware of, or reasonably suspect, that something is not right at BlueScope – including modern slavery or other labour rights violations in our operations or supply chains.

BlueScope’s Speak Up channel is a global, externally managed service available 24 hours a day, 7 days a week and can be accessed online or by phone. Reports to the Speak Up channel may be made anonymously. BlueScope is committed to the protection of all people who speak up and does not tolerate retaliation or adverse action.

During FY2023, 114 employee grievances (which related to bullying, discrimination, harassment, sexual harassment, and inappropriate workplace behaviour) and 59 business conduct matters were received via the Speak Up channel and other internal channels.

We will continue to monitor and build the effectiveness of our mechanisms, and those of our supplier base, including targeted on-site assessments to identify where continuous improvement is required. In FY2024, we will continue to identify and trial new grievance mechanisms specifically for supply chain partners and labour hire and contract workers to ensure that everyone has access to a safe and timely method of raising a concern. In Malaysia, we are utilising the services of a third-party to ensure all contract workers have direct and easy access to a local language grievance process.

Key consideration

A grievance mechanism can only serve its purpose if the people it is intended to serve know about it, trust it and are able to use it.

Examples of our internal grievance mechanisms

- Suggestion boxes
- Open door policy/ open dialogue
- Meetings between workers and management
- Worker surveys
- Speak up/ethics line
- Targeted social dialogue

Examples of our external grievance mechanisms

- Speak up/ whistleblower line
- Facilitated dialogues
- Audits with worker interviews
- Third-party worker surveys
- Phone/app/web-based helplines
- Third-party grievance line for contractors

BlueScope recognises the importance of grievance mechanisms to responsible business practices. The UNGPs define grievance mechanisms as any routine process through which grievances concerning business-related human rights abuse can be raised and remedied.

A grievance mechanism can only serve its purpose if the people it is intended to serve know about it, trust it and are able to use it. As such, we expect our suppliers to provide grievance mechanisms that conform to the principles below.

Effective grievance mechanisms are primarily managed and implemented internally across various stakeholder groups but are also supported by external parties, including but not limited to independent providers, industry programs, community partners, civil society organisations, and non-governmental organisations (NGOs).

The UNGPs have established effectiveness criteria for operational-level grievance mechanisms:

Legitimate

Enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.

Accessible

Being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face barriers to access.

Predictable

Providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring.

Equitable

Seeking to ensure that aggrieved parties have reasonable access to sources of information, advice, and expertise necessary to engage in a grievance process on fair, informed and respectful terms.

Transparent

Keeping aggrieved parties informed about its progress and providing sufficient information about the mechanism’s performance to build confidence in its effectiveness.

Rights-compatible

Ensuring that outcomes and remedies accord with internationally recognised human rights. Integrating human rights norms and standards into processes and ensuring they are based on principles of non-discrimination, equity, accountability, empowerment, and participation.

Source of continuous learning

Drawing on relevant measures to identify lessons for improving the mechanisms and preventing future grievances and harms.

Remediation

BlueScope has an established crisis response process that would guide the organisation through a modern slavery incident, if required. This process includes an outline of roles and responsibilities, first response protocols and preparing a fit for purpose action plan – depending on the circumstance. Senior leaders are trained in this Group-wide process, with annual role playing and refresher training at business unit management teams.

The Social Impact Steering Committee is responsible for establishing an appropriate incident or crisis management plan for all significant matters relating to modern slavery or human rights and will escalate to the Chief People Officer and Managing Director and CEO if a protocol is enacted.

Remediation in Malaysia

This year, as part of our Social Impact due diligence process, the Social Impact Steering Committee conducted a desk-top review of potential modern slavery issues across all of our sites. Malaysia and Thailand were identified as priority locations for further analysis, and a third-party consultant was engaged to conduct a Labour and Working Conditions Audit in Malaysia in the first instance.

Working closely with our team, and utilising a combination of worker interviews, confidential third-party surveys, investigations, and grievance lines, a proactive due diligence process was undertaken which identified a number of ILO forced labour indicators impacting some of the employees of third-party contractors engaged by our Malaysian business. The remediation plan, which includes our Malaysian business stepping in to reimburse recruitment fees that had been charged to some of these contract workers at our site by the third-party contractors or their agents, and addressing supplier breaches of our policies, is ongoing.

Our remediation approach will continue to be led with the safety and welfare of the affected parties as the primary consideration. This means affected parties are consulted through every stage of the remediation, and additional grievance mechanisms are in place to protect the contractor employees during the remediation phase.

We are working closely with suppliers to strengthen our governance and controls and are committed to implementing practices to prevent similar issues from happening again with third-party contractors.

The Head of Social Impact & Inclusion and Head of Group Procurement are monitoring the remediation actions in Malaysia and will ensure that these learnings are applied to the broader program of assessments across the Business.

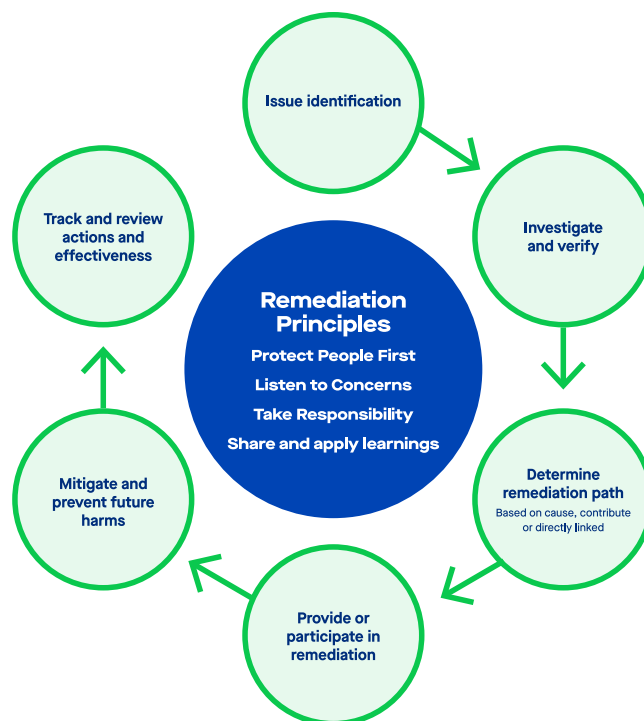
New Process

We have recently implemented a remediation process (as outlined below) that highlights four key principles to guide our decision making;

- Protect people first
- Listen to concerns
- Take responsibility
- Share and apply learnings

We expect this process to continually evolve as we **learn through our experience**.

This process is embedded within a continuous improvement approach as outlined in *Our Approach to assess and address modern slavery* and ensures the assessment of impact is based on severity to the affected parties. If any findings are validated then a remedy plan will be developed with input from the affected party.



SpeakUp)

At BlueScope we are committed to fostering a culture of speaking up when something isn't right and protecting those that do.

We expect our suppliers to uphold and respect the commitments within the BlueScope Supplier Code of Conduct. The Code clearly details our expectation for suppliers to have a robust worker employee grievance mechanism in place.

We expect suppliers to provide and maintain grievance mechanism channels for workers to raise issues without fear of retaliation. Grievance mechanisms should allow for anonymous submissions, and workers must be trained on how to use them.

Remediation Process

The following table describes the six key steps we follow to ensure our remediation process is accessible and effective, prevents further harm, and has a fair process for investigation. We have incorporated learnings from our experience in Malaysia into these steps to ensure they are fit for purpose and meet our business needs. We expect further changes to this process as we learn and adapt.

| Process Step | Description |
|---|---|
| Issue identification | <p>Reports of harm or potential harm can be received through various channels including directly from workers through a grievance mechanism, an audit process, a third party or a member of the community.</p> <p>Consider any immediate actions to address or prevent harms – while it can be a difficult decision to intervene before a situation is fully understood, there are some urgent circumstances where this is necessary.</p> |
| Investigate and verify | <p>While considering the primary objective of protecting people - investigate and verify claims or concerns raised. This may involve the use of external specialist organisations or agencies.</p> <p>Seek to understand the affected party's perspective, and what rights have been violated.</p> <p>Where possible, gather evidence and inputs from other stakeholders.</p> |
| Determine remediation path | <p>Assess the Company's involvement in the harm and identify which other stakeholders should be involved in any remediation.</p> <ul style="list-style-type: none"> •Caused – Cease and/or prevent the impact. Provide remediation •Contributed – Cease contribution and use leverage to mitigate the remaining impact. Provide for or cooperate in remediation. •Directly Linked – use leverage to seek to prevent and mitigate impact. Determine the role in remediation (direct or facilitation). |
| Provide or participate in remediation | <p>Develop a remediation plan in consultation with the affected workers. The remediation should respond to the needs of the workers, including financial compensation, provision of facilities or services and restoration of rights and freedoms. Ensure grievance mechanisms are maintained and emphasised. Confirm that workers are satisfied with the remedy provided.</p> |
| Mitigate and prevent future harms | <p>Part of providing an effective remedy includes correcting the cause of harm and preventing the harm from recurring. Implement required changes to contracts, engagement plans and responsibilities, systems and policies, training awareness and capability.</p> <p>Implement controls that will minimise risk of future harms.</p> <p>Ensure ongoing grievance mechanisms are trusted, safe and effective.</p> |
| Track and review actions and effectiveness | <p>It is important to track the implementation of remediation and corrective actions to ensure they remain effective and achieve the desired outcomes. Often corrective actions need to be adapted to fit changing circumstances.</p> <p>Share learnings to help build capability.</p> |

We use the 'continuum of involvement' in the UNGPs – the authoritative global standard for how businesses should manage their involvement in potential and actual adverse impacts on human rights – to identify, understand and respond to our modern slavery risks. This sets out three ways in which a company could be involved in an adverse human rights impact including modern slavery:

Cause

Businesses may cause modern slavery where their actions or omissions directly result in modern slavery occurring. *An example of this would be if a company subjected workers in its own workforce to exploitation such as debt bondage or forced labour.*

Contribute

Businesses may contribute to modern slavery where their actions or omissions significantly facilitate or incentivise modern slavery to the extent that the exploitation would have been unlikely to occur without them. *An example of this would be if a company forced service providers to reduce costs to a level that could only be sustained by using exploited workers.*

Directly linked

Businesses may be directly linked to modern slavery where their products, services or operations are directly linked to harm carried out by a third party, such as a supplier. *An example of this would be the purchase of safety equipment that was manufactured (or whose inputs were manufactured) using forced labour.*

Modern slavery risks in operations and supply chain

We are committed to identifying, assessing, and taking action to mitigate potential modern slavery risks in our operations and supply chain.

Potential risks in our operations¹

During FY2023 the Social Impact Steering Committee completed our annual internal assessment of risk topics. The process mapped the severity to the affected party for each human right, against the risk exposure for our industry and BlueScope businesses. Our findings did not materially change from the prior assessment, and therefore our current priority areas remain unchanged for the year ahead. We have, however, outlined more specific aspects of these focus areas as priorities.

BlueScope considers the following areas as key priorities for operations and supply chain, and we are working on actions to ensure ongoing continuous improvement, with particular regard to more vulnerable populations including migrant workers:

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

Our actions in FY2023 were aligned to mitigating these potential risk areas, and we are working to ensure there are controls in place to monitor and evaluate BlueScope's exposure. Leadership awareness and understanding are key to a successful ongoing process for identifying and managing modern slavery risks and we are continuing to build internal capability regarding modern slavery due diligence.

We acknowledge that, without proper controls, we may be **directly linked** or **contribute** to modern slavery through the use of exploited labour on our sites through our contractor workforce.

BlueScope has non-operated JVs (as described on page 24) and investments where (without proper controls) we may be **directly linked** to modern slavery through the use of exploited labour. We continue to engage with all JV partners on modern slavery risk management.



More detailed actions can be found in *Our actions to assess and address*.

Potential risks in our supply chain¹

The Global Slavery Index 2023 states that G20 countries are importing US\$468 billion worth of at-risk products per annum. BlueScope has a complex supply chain encompassing a large variety of goods and services sourced from across the globe. We acknowledge that we could be **directly linked** to modern slavery if any of the goods or services we procure, or their inputs, were produced, transported, or provided using modern slavery. We recognise that the risk of modern slavery may be higher in the lower tiers of our supply chain, where we have less visibility and influence.

For example, there is a risk that, within the layers of our supply chain there are victims of human trafficking particularly within the ASEAN region from which we source a large proportion of goods and services, and which has seen an increase in human trafficking and migrant labour in recent years.

Anti-Slavery International research reveals that debt bondage/ bonded labour is widespread in South Asian countries such as India and Pakistan. Although only two per cent of our direct suppliers source goods from India, it is likely that many of the goods we source contain equipment and parts which are manufactured in countries where there is a higher risk of debt bondage.

The risks of child labour continue to increase globally due to complex factors such as the cost-of-living crisis and the increase in migrants and climate-change refugees looking for a better life. In many high-risk settings, children are at an increased risk of exploitation and slavery. There is a risk that BlueScope is directly linked to child labour through the supply chains of manufactured goods that we purchase.

We acknowledge the inherent risks within the complex layers of our supply chain and have implemented strong controls and robust business as usual processes to identify and mitigate against these.

BlueScope remains committed to creating strength in all our communities based on the foundations of care and respect for all people.

1. Excludes Tata BlueScope Steel JV, BlueScope Coated Products and BlueScope Recycling and Materials.

Risk profile

The below table outlines the potential high-risk categories we have identified in our supply chain.

| High risk category | Operational or Supply Chain | Description of potential exposure and approach | Risk factors ¹ |
|--|-----------------------------|--|---|
| On-site contract services | Operational & Supply Chain | BlueScope utilises some services in its operations that have a high risk of modern slavery such as security, cleaning and catering. Targeted on-site audits are used to identify gaps in process, agree action plans and remedy any situation which may not meet the standards outlined in BlueScope's policies and codes. | <ul style="list-style-type: none"> High-risk product and service categories Vulnerable populations |
| Labour hire, contractors, and sub-contractors | Operational & Supply Chain | BlueScope's Supplier Code of Conduct applies to all contractors, including subcontractors, and details our expectations relating to labour and human rights. Contractors and labour hire suppliers which are assessed as having a medium to high risk of modern slavery are prioritised for assessment and we collaborate with them on identified improvement opportunities (refer page 20 for Supplier Segmentation model). | <ul style="list-style-type: none"> Vulnerable populations |
| Raw and recycled materials | Supply Chain | The supply chains of raw and recycled materials are complex and, in some geographies, are known to be at a high risk of modern slavery. These suppliers are prioritised for assessment and if risks are identified we collaborate with them on improvement opportunities and on third-party on-site audits. | <ul style="list-style-type: none"> High-risk product and service categories Vulnerable populations High risk geography |
| Green economy solutions | Supply Chain | The supply chains of the raw materials and the components that are used in solar panels and some batteries are known to have a high risk of modern slavery. We have prioritised internal education of the potential issues and have implemented a process for assessing human rights risks in our green economy projects. | <ul style="list-style-type: none"> High-risk supply chain |
| Shipping & logistics | Supply Chain | <p>There is a medium to high risk of labour exploitation and modern slavery in shipping and logistics and these suppliers are prioritised for assessment.</p> <p>Every vessel chartered directly by BlueScope continues to be governed by our Charter Party Agreement and we engage with RightShip to support our vessel selection process helping to drive standards in the industry beyond compliance.</p> | <ul style="list-style-type: none"> Vulnerable populations High-risk business model |

1. Risk factors originally drawn from the Modern Slavery Risks, Rights & Responsibilities guide (commissioned by the Australian Council of Superannuation Investors – ACSI) and reviewed and updated based on research and publications such as the Global Slavery index 2023.

Mapping the layers of our complex supply chain

We source a wide range of raw materials and manufactured goods across our global operations. In a small number of cases we have been able to map and engage with tier two and tier three suppliers on assessments. In FY2024, we will undertake a number of risk-based campaigns to map the layers of our supply chain for key products in an effort to better understand the modern slavery risks beyond tier one.

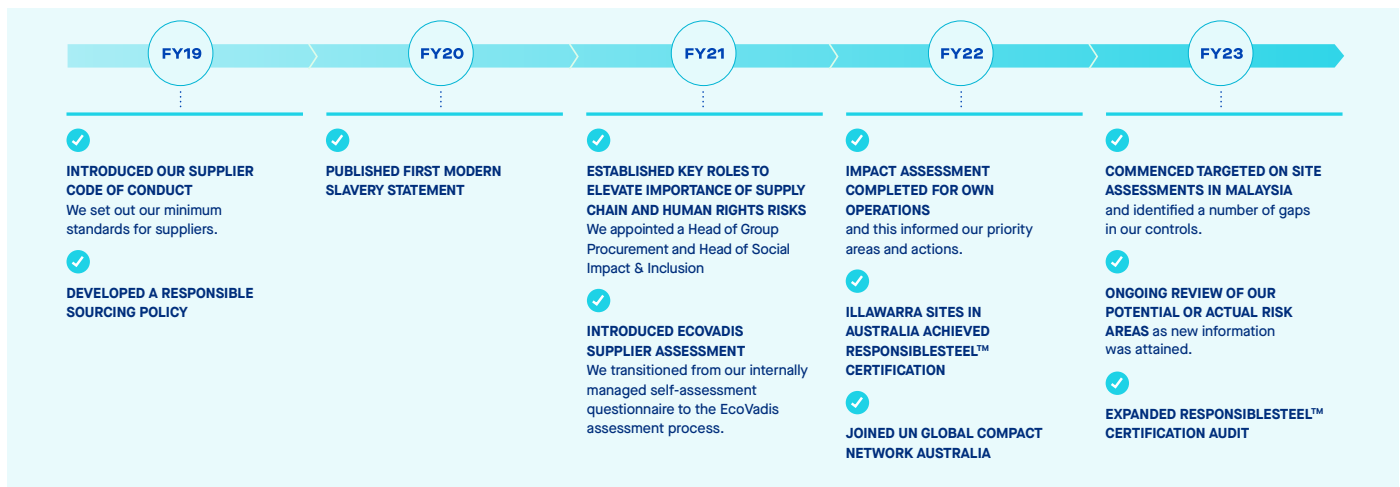
229 supplier assessments

During FY2023 we assessed 229 suppliers and engaged with 59 of these on corrective actions

Our actions to assess and address modern slavery

During FY2023 we continued to undertake a number of activities to identify, assess and mitigate the potential modern slavery risks in our own operations and within our supply chain.

Key Milestones in our journey include:



The following table outlines commitments made in last year's statement and the progress against this plan. These activities are underpinned by an annual review of our priority areas, and monthly monitoring by the Social Impact Steering Committee.

The activities completed in FY2023 demonstrate BlueScope's ambition to hold ourselves accountable to the same standard that we expect from our suppliers. We know that the impact from some of this work will take time to achieve, and we are learning and building our internal capability with each action. Refer *Detailed actions* (pages 17-22) for more information.

| Our Progress in FY2023 | FY2024 Goals |
|--|---|
| Review priority areas and risk assessment ✔ | Establish a cross-functional Modern Slavery Working Group |
| Targeted worker voice survey deployed at own sites ✔ | Develop a due diligence tracking register |
| Develop remedy approach ✔ | Conduct follow-up worker interviews in Malaysia |
| Collaborate with joint venture partners regarding risk areas ➔ | Identify gaps in our controls for contract workers |
| Explore grievance mechanisms for suppliers, contractors and sub-contractors ➔ | Targeted assessments at own sites for high-risk locations |
| Responsible sourcing education program ➔ | |
| <ul style="list-style-type: none"> targeted at traders targeted at on-site contract services (security and cleaning) | |

In FY2024 we will continue to engage with business leaders and complete a gap analysis on contract management controls. We will continue to build capability of risk identification in high-risk regions and with key functional leadership teams (such as People and Procurement).

✔ Completed in Full ➔ Work in Progress

Actions – operations

1. Approach

Following on from last year, our approach to assess and address modern slavery in our operations is based on a continuous improvement due diligence process.

Like our approach to safety, we are engaging with business leaders to ensure modern slavery awareness and risk identification is integrated into every step of our process, and ultimately the way we do business.

Our health and safety principles that guide our safety journey are also foundational for modern slavery and human rights. For example:

- Fostering an inclusive workplace culture that values and invites a diversity of people and perspectives, and which extends to our customers, contractors, suppliers and communities

- Providing safe and healthy working conditions to enhance wellbeing and prevent work-related injuries, ill health and harm to the environment and our communities
- Applying practical, effective controls to eliminate hazards and reduce risks associated with our workplaces, products and services.

For our operations, we continue to take a risk-based approach, and have established a program of targeted site assessments in order to identify any actual or potential adverse impacts. There are many factors we use to assist with the prioritisation, such as; internal grievance trends, externally available data for geographic risk profile, and local leadership knowledge.



OBJECTIVES

- Identify actual or potential adverse impacts
- Build awareness, understanding and buy-in from senior leaders
- Establish a process to identify, prioritise, remedy and track actions
- Develop an iterative process involving refinements of BlueScope's risk profile as more is learned
- Build capability across the business for local identification and management of issues

Key Lessons Learned in FY2023

Modern Slavery issues can be hiding in plain sight, and we must create a safe environment for all workers to speak up.

Holistic and ongoing contractor management is a critical control to ensure vulnerable workers are safe.

Modern Slavery and remediation processes are complex and take time.

SOCIAL IMPACT STEERING COMMITTEE

The Social Impact Steering Committee was established in 2021 and represents a cross-functional team of leaders who are passionate about human rights and modern slavery. As outlined on page 8, the Committee includes representatives from Sustainability, Procurement, Risk, Ethics & Compliance and Social Impact and its purpose is to oversee implementation of the social impact due diligence process, including our Responsible Sourcing Program and requirements to meet the Modern Slavery Act.

Key responsibilities of the Committee include:

- Annual human rights assessment of risk
- Review and agree program of work
- Track and monitor business actions and remediation

2. Detailed actions for FY2023

Review priority areas and risk assessment

An annual internal assessment was completed during the year, starting with the human rights that were most relevant to our business, and the priority areas that were identified throughout FY2022-23. The Social Impact Steering Committee mapped the severity to the affected party for each human right, against the risk exposure for our industry and BlueScope businesses.

The findings from the assessment had not largely changed from the prior year; however as our experience evolves, our understanding of the complexity evolves also. For example, after completing the proactive audit in Malaysia, our understanding of the contractor management process has deepened.

The Social Impact Steering Committee continues to meet each month to review the actions and commitments based on the Group priorities. The team discusses the progress of the plan, emerging issues and the effectiveness of actions.

Targeted worker voice survey deployed at own sites

During FY2023, a proactive program of targeted surveys and audits were planned for Malaysia and Thailand, after these countries were identified as high risk due to their geographic location and external assessment ratings from ELEVATE.

The Malaysian program of work included surveys, interviews and data review and is now in the remediation phase, which we expect will take some time due to the need to embed new practices and controls.

The Thailand business has been engaged, and is now preparing for a tailored third-party audit (including a worker voice mechanism) which is planned for FY2024.

Explore grievance mechanisms for suppliers, contractors and subcontractors

During FY2023, an additional grievance mechanism was established for contract workers in Malaysia. This service is managed by a third-party and is separate to our whistleblower line. It provides easy access to a support network (in local language) for any grievance that is raised by contractors in Malaysia. Our goal is to provide a safe space for all workers to raise any concerns. Our external Speak Up channel continues to remain available for all suppliers, contractors and sub-contractors.

Collaborate with Non-operated JV partners regarding risk areas

The Social Impact Steering Committee has worked collaboratively with all joint venture partners in FY2023, sharing our Modern Slavery Statement and in particular our priority areas. Where we own less than 100% and do not operate these joint ventures, we will request a review of risk topics (Refer *Consultation* section on page 24).

Develop remedy approach

In this Statement we have outlined our current thinking for how we might respond to any findings of worker exploitation (including modern slavery), and whilst we acknowledge this is an iterative process that we will keep evolving, we have outlined some core principles (aligned to Our Bond) to guide our approach. These include; Protect people first, Listen to concerns, Take responsibility and Share and apply learnings (Refer *Remediation* section on pages 12-13).

“Our response to modern slavery will continue to be led with the safety and welfare of the affected individuals as the first and foremost consideration”

Social Impact Steering Committee

RISK IDENTIFICATION WORKSHOPS

During FY2023, a number of modern slavery workshops were conducted with local leadership teams to help them understand the broader human rights risks that exist in the country in which they are operating.

External data was used to demonstrate the geographic risk profile, and then a facilitated discussion was held to help leaders map the potential risks that exist within our operations.

Following this process, further third-party assessments are conducted where required, including a gap analysis of modern slavery controls.

These workshops are integral to build awareness and understanding for our local leaders, and ensure everyone is engaged and alert to potential modern slavery risks. The sessions also provide a platform for the Social Impact Steering Committee to share learnings from other workshops and assessments.

More information on grievance mechanisms and remediation can be found on pages 11-13

BlueScope China: Targeted Supplier Engagement

The BlueScope China supply chain team has implemented a program to work with suppliers to increase their ESG understanding and controls. This has resulted in more suppliers receiving a low risk self-assessment questionnaire (SAQ) score. The BlueScope China team has also partnered with a consultancy to develop a program to help suppliers' implement stronger ESG controls and processes.

Actions – Supply Chain

1. Approach

BlueScope is committed to a sustainable supply chain that is free from labour abuse including modern slavery. Because of the geographic spread of our business, with business units and operations across many countries, our responsible sourcing program is overseen at a corporate level, and supplier engagement and collaboration are managed at a business unit level.



Our responsible sourcing approach includes

Policies, Standards and Controls

- We have a Responsible Sourcing Policy, a Supplier Code of Conduct and a Responsible Sourcing Framework, which are discussed and shared with suppliers during contract negotiations and on-boarding. Where appropriate, our contracts refer to these standards.

Supplier Segmentation and Assessments

- We use a segmentation model (Refer page 20) to prioritise suppliers for engagement and assessment based on overall risk and leverage.
- Our local management and procurement teams engage with suppliers on assessments, third-party audits and corrective actions.

Collaboration

- We collaborate with our suppliers to understand the layers of our shared value chain and the modern slavery risks within it.
- We collaborate across the steel industry and with NGOs to improve our understanding of the issues relating to modern slavery in our supply chain and to contribute to shared solutions.
- We are a founding member of ResponsibleSteel™ and, through it, work with other steel industry and civil society members to develop appropriate and ambitious industry

standards, including for responsible sourcing. This work seeks to influence the adoption of responsible business practices in the steel industry and to leverage the broader steel industry to influence adoption of responsible business practices in our key input material supply chains.

Education

- We undertake ongoing internal education across all procurement teams on responsible sourcing and modern slavery risks.
- We undertake ongoing internal education of senior business leaders on modern slavery and the risks within our supply chain and operations, and the potential impact of our business decisions.
- We undertake ongoing engagement with suppliers on the importance of their approach to responsible sourcing and the risks of modern slavery within our shared value chain.

Ongoing improvement

- We continually review and update our responsible sourcing program and the assessment of modern slavery risks within our supply chain based on changes in the local and global markets; for instance, changes to risk profiles post COVID-19 impacts, the human rights risks in the green economy and the increased risks in human trafficking.

2. Progress and plan

New contracts are assessed for modern slavery exposure risk and, where relevant, include terms to address these risks.

- We require key suppliers to monitor their compliance with the BlueScope Supplier Code of Conduct.
- We seek declarations of compliance with conflict minerals regulations from relevant suppliers.
- Local procurement teams have responsibility for supplier engagement and assessment processes and for partnering with suppliers to improve collective performance. Our teams make use of a due diligence database and alert tools to support our supplier assessment work and to help monitor the conduct of suppliers. As most of our suppliers are local to the communities and countries where we operate, the relevant supplier conduct documents and our supplier Self-Assessment Questionnaire (SAQ) have been translated into local languages.
- Major new supply arrangements are overseen by a steering committee comprising the Chief Financial Officer and Chief Legal Officer together with representatives from relevant businesses. This includes a review of the due diligence processes completed, any modern slavery risk assessments and a plan for further engagement with the supplier on modern slavery risk management and/or corrective actions.
- Allegations of misconduct or breaches of our performance standards by suppliers can be reported through our independent Speak Up hotline, for investigation by our Ethics and Compliance function.

Our primary assessment tool is EcoVadis but we continue to engage with some smaller suppliers to provide education and assistance with completing our SAQ. We also engage ELEVATE to undertake third-party on-site social impact audits on some high-risk suppliers.

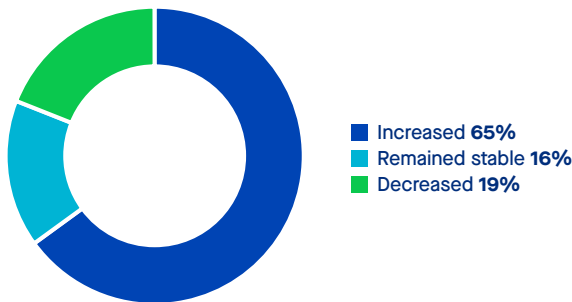
While our assessment processes provide insight into responsible sourcing and modern slavery risks in the first tier of our supply chain, it is essential for our suppliers to continuously enhance their human rights risk management programs and controls throughout their supply chains. Without such improvements, the risks across our shared supply chain may not decrease. In FY2023, we continued to focus on improving our suppliers' commitment to improvement on human rights and modern slavery risk management in their operations and supply chains.

Depending on their assessment score, suppliers are required to undertake a re-assessment within 12 months (High risk score), 18 months (Medium risk score) or 24 months (Low risk score). We have seen consistent ESG improvement in suppliers that have been re-evaluated.

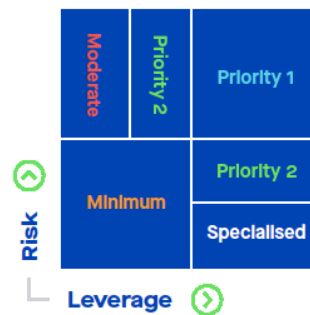
Where a supplier's assessment score is low or has regressed, we actively work with them on corrective actions and will utilise third-party on-site audits as a deep-dive assessment and improvement tool for high-risk suppliers.

As can be seen from the chart below, since BlueScope started using EcoVadis, 65 per cent of suppliers that have been reassessed through the tool have increased their ESG score and 16 per cent have remained stable. Where suppliers' scores have decreased, we work with them to understand why and engage with them on corrective actions.

EcoVadis supplier assessment score improvement



Supplier Segmentation Model



Supplier Assessment outcomes

| Business unit | FY2023 Assessment target | FY2023 Assessment completed | Assessment rating | | |
|-------------------------------|--------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
| | | | High risk score | Medium risk score | Low risk score |
| Australian Steel Products | 33 | 75 | 1 | 18 | 56 |
| North America | 31 | 50 | 0 | 10 | 40 |
| Asia | 57 | 96 | 6 | 17 | 73 |
| New Zealand & Pacific Islands | 6 | 8 | 0 | 0 | 8 |
| Total | 127 | 229 | 8 3.5% of assessments | 44 19% of assessments | 177 77.5% of assessments |

3. Detailed actions for FY2023

We continue to use our Supplier Segmentation Model to prioritise suppliers for engagement and assessment processes, and to identify and address risks within our shared value chain. This captures all suppliers, including raw materials, manufactured supplies and services, as well as a small number of tier 2 and tier 3 suppliers.

- We developed a Responsible Sourcing Policy and a Responsible Sourcing Framework (refer page 25).
- We reviewed and updated our Supplier Code of Conduct in-line with our continuous improvement approach to responsible sourcing. The new code will be launched internally and to suppliers in early FY2024.
- We continued our supplier assessment program and expanded the use of independent assessments. 229 assessments were completed in FY2023: 172 EcoVadis assessments, 45 self-assessment questionnaires and 12 on-site social impact audits. Refer page 20 for the assessment rating breakdown.
- In FY2023, BlueScope Australian Steel Products directly chartered 118 vessels. Every vessel chartered directly by BlueScope continues to be governed by our Charter Party Agreement. This document incorporates key clauses to cover anti-bribery and corruption measures, sanctions, modern slavery, and our Supplier Code of Conduct, displaying BlueScope's commitment to sustainable sourcing practices.
- We use the RightShip risk management tools to support our vessel selection process, helping to drive standards in the

industry beyond compliance. In FY2023, RightShip incorporated a crew welfare assessment questionnaire for shipowners. It provides clear guidance on how they can adopt the RightShip Code of Conduct as well as how to track progress against it.

- We engaged with key suppliers to better understand their own responsible sourcing programs.
- We developed a supplier site evaluation guide for BlueScope team members who visit supplier sites. This was piloted during a small number of supplier site visits and will be embedded across all business units in the coming year.
- We integrated the BlueScope Recycling and Materials business into our responsible sourcing program.
- We continued our partnerships with ELEVATE and EcoVadis to support our risk management approach and supplier assessments. We continued to use ELEVATE's up-to-date risk analytics information, and our local business knowledge, to prioritise our engagement with suppliers.
- We are an active member of the the UNGC Network Australia's Modern Slavery Community of Practice, Be Slavery Free, and the World Steel Association Sustainability Reporting Expert Group. We also attended the Australian Government Modern Slavery Conference and many other relevant forums focused on human rights and modern slavery within supply chains.
- BlueScope continues to play a leadership role in the ResponsibleSteel™ standard and certification program, which aims to set a performance and transparency benchmark for the responsible sourcing and production of steel.

Iron ore sourcing for our Port Kembla Steelworks

Iron ore is a primary raw material input to the iron and steelmaking operations at the Port Kembla Steelworks. The chemical, physical and mineralogical properties of iron ore can vary significantly from mine to mine and these properties can have a material impact on process efficiency. BlueScope uses a comprehensive decision-making process to select iron ore for its Port Kembla Steelworks which considers aspects such as quality, cost, process optimisation, sustainability and counterparty risk. A material proportion of the iron ore currently used at Port Kembla is sourced through Cargill Metals from Société Nationale Industrielle et Minière (SNIM), whose mines are in Mauritania. A North Africa country, Mauritania has its own specific ESG considerations including a high risk for modern slavery.

To ensure that human rights and modern slavery risks are understood and effectively mitigated by SNIM, we implemented a robust engagement and due diligence process:

- We work closely with Cargill Metals to understand its own governance processes and due diligence and responsible sourcing processes on iron ore trade flows.
- We also work directly with SNIM to understand its ESG policy and process. SNIM has been publishing an annual sustainability report since 2014.
- SNIM is ISO9000 and ISO14001 accredited and has implemented the ISO26000 Social Responsibility framework and has undergone an independent on-site audit.
- SNIM completed an initial assessment through EcoVadis where no extreme risks were identified. It actioned the improvement opportunities which were identified in the assessment and has since been re-assessed with an improved score.
- In January 2023 we engaged ELEVATE to conduct a thorough on-site ERSR audit of SNIM's mining operation, head office and port operations where the iron ore is transported out of Mauritania. SNIM scored 64/100 with no zero tolerance or critical issues found. SNIM agreed to implement all the corrective actions identified during the audit.
- A few months after the audit, a delegation from Cargill and BlueScope visited all 3 SNIM locations and observed the worker conditions and reviewed the corrective actions that had been implemented.

Given the high risk of modern slavery in Mauritania, we regard this type of engagement with both Cargill and SNIM as a critical element of our ongoing relationship and are proud of the demonstrable improvements that SNIM has been able to implement.

FY2023 human rights and modern slavery training approach

The table below details our ongoing engagement approach to increasing awareness and understanding of human rights and modern slavery risks both internally and with our suppliers.

| Training and Awareness | Details | Future Training and Awareness |
|--|---|---|
| Specific training and awareness | <p>Global procurement teams:</p> <ul style="list-style-type: none"> 1-to-1 responsible sourcing training for all new team members. Regular updates on new global modern slavery issues, legislation and available tools. <p>Other global teams:</p> <ul style="list-style-type: none"> Responsible sourcing training provided to other teams/team members who have influence over our suppliers and sourcing activities. Specific training and engagement based on specific risks such as those related to the green economy and migrant workers. <p>Suppliers:</p> <ul style="list-style-type: none"> Procurement teams across all business units actively engage with suppliers on responsible sourcing including human rights and modern slavery. Group Procurement team had direct engagement with a number of suppliers specifically to understand the human rights risks within their supply chain and to understand what actions they are taking to address the risks. | <ul style="list-style-type: none"> Mandatory learning plans for all procurement team members Supplier webinars to be held when new Supplier Code of Conduct launched which will cover modern slavery training on actions that can be taken to reduce risks. |
| <p>Conversation on Human Rights – 1 to 10 December 2022</p> <ul style="list-style-type: none"> International Day for the Abolition of Slavery (2nd Dec) International Day of People with Disability (3rd Dec) Human Rights Day (10th Dec) | <p>Global procurement teams:</p> <ul style="list-style-type: none"> Targeted awareness sessions for procurement teams across the globe. <p>All BlueScope employees:</p> <ul style="list-style-type: none"> Webinars, videos and information posts across the business. Video on modern slavery - 1,300 views, posts about International Human Rights Day - 2,000 views. <p>Suppliers:</p> <ul style="list-style-type: none"> A responsible sourcing webinar hosted for our Australian and New Zealand trader suppliers. | <ul style="list-style-type: none"> Ongoing Company-wide awareness programs aligned to national and international awareness days. More supplier awareness webinars and engagements. |
| FutureScope Global Procurement & Supply Chain (Learning) Community | <p>Global procurement teams:</p> <ul style="list-style-type: none"> New learning community developed which includes extensive training on human rights, modern slavery and responsible sourcing. <p>All BlueScope employees:</p> <ul style="list-style-type: none"> All training on the Global Procurement & Supply Chain Community is available for all BlueScope employees to complete. | <ul style="list-style-type: none"> Global procurement teams Include modern slavery and responsible sourcing online courses as part of development plans. |

FY2024 Plan

Over the coming year we will continue to adapt to changing risks and challenges, and will focus on the following program of work:

| Responsible sourcing approach focus areas | FY2024 deliverables |
|---|--|
| Policies, Standards and Controls | Launch our revised Supplier Code of Conduct internally and with suppliers, and take the opportunity to highlight key regional modern slavery risks. |
| Education | Expand our focus on education with business leaders, procurement teams and suppliers. |
| Risk Model and Assessments | <p>Continue our risk assessment methodology to drive prioritisation and deeper risk assessment, with targeted use of direct engagement and on-site audits.</p> <p>Expand our knowledge of risk in the lower tiers of our supply chain (tier two and beyond) through targeted supply chain mapping and risk assessment processes.</p> |
| Corrective actions and supplier collaboration | Drive the focus on continuous improvement through our “after the assessment” activities with supply chain partners and contractors. |

Effectiveness of our actions

Our progress and effectiveness in identifying and managing modern slavery risks is constantly evolving as we learn from our experiences and adapt.

BlueScope is committed to maintaining effective systems to identify and proactively manage modern slavery risks in accordance with Our Bond and our regulatory obligations.

We consider an effective response to modern slavery as one that identifies current and emerging risk areas and helps us to prevent and address any involvement in harm. We understand that raising awareness and building knowledge and capacity is key to addressing the risk of modern slavery. We recognise the need to continue building capability among our employees to identify the risks of modern slavery and the actions required to respond effectively.

This year, our cross-functional Social Impact Steering Committee continued to work with business leaders to understand localised risk identification and key controls. The due diligence process is outlined below and forms the basis of monthly reviews by the Committee.

The following goals have been used to measure the effectiveness of our outcomes in FY2023

We will continue to challenge our effectiveness and ensure our metrics are relevant and fit for purpose for our business. We have assessed our effectiveness against two aspirational goals (refer table below):

1. Integrating human rights practices into our existing processes, and
2. Focusing on high-risk areas for maximum impact

 More detailed actions can be found in *Our actions to assess and address*.

BlueScope continues to monitor the following data points as indicators of effectiveness:

- Measuring the number of suppliers screened and the improvement in risk scores
- The number of grievances received and outcomes
- Training records
- Reviewing policies, codes, and frameworks (refer to Policy Framework)
- Reviewing our potential risks and emerging issues every month with the Social Impact Steering Committee
- Ensuring our Speak Up policy is shared with all business partners and employees
- Conducting our internal audit program and targeted on-site assessments
- Collaborating with suppliers to understand the level of awareness of the risks of modern slavery through the layers of our shared value chain and to put controls in place to reduce those risks. We have seen an increase in commitment from our key suppliers on responsible sourcing as reflected in the consistent reduction in labour and human rights risks for suppliers that have been reassessed through our supplier assessment program.

FY2023 Effectiveness Review

| | |
|--|--|
| <p>Integrating human rights practices into existing processes</p> | <ul style="list-style-type: none"> • Continued to build our culture of speaking up when something isn't right • Remedial actions monitored by the Social Impact Steering Committee to ensure governance and accountability • Commenced building capability on contractor management standards across BlueScope leaders and suppliers (including interpretation of contract clauses) • Payroll compliance and working hours governance process embedded in the business |
| <p>Focusing on high-risk areas for maximum impact</p> | <ul style="list-style-type: none"> • Strengthened engagement and built leadership capability with high-risk locations such as Malaysia and Thailand • New grievance mechanism launched in Malaysia for contract workers (in local language) • Targeted third-party audits focused on foreign contract workers • Prioritised supplier audits on track (including beyond tier 1) • Completed 12 on-site social compliance audits with high risk suppliers |

Due diligence process



Consultation and approval

As outlined under *Our structure*, BlueScope has a number of owned and controlled entities globally.

This Statement has been prepared in consultation with our key teams that collaborate across the Group to deliver on our human rights commitments, including identifying modern slavery risk, assessment and management processes for our own operations and supply chain. These teams include; the Social Impact Steering Committee, Social Impact & Inclusion, Sustainability, Procurement, Risk, Legal, and Ethics & Compliance.

This Statement presents material sustainability information in line with generally accepted disclosure frameworks and BlueScope's corporate approach for reasonable and responsible disclosure.

The Statement was also reviewed and approved by BlueScope's Executive Leadership Team (which includes all reporting entities), and the BlueScope Board after consultation with the Board Risk and Sustainability Committee. The approach for this year's Modern Slavery Statement and the final draft of this report have been shared for comment, discussion, and approval.

The following table outlines our consultation approach.

| Category | Wholly owned | Joint Venture / controlled | Joint Venture /Not operated |
|----------------------|--|--|--|
| Description | BlueScope owns 100% of the entity and has control | BlueScope owns less than 100% of the entity but has control | BlueScope owns less than 100% of the entity and either does not control, or jointly controls |
| Consultation | Regular engagement with Executive Leadership team (and business leaders) and annual briefing of Modern Slavery Statement | Regular engagement with Country business leaders and annual briefing of Modern Slavery Statement | Regular engagement and sharing of experiences |
| Due diligence | Ongoing due diligence through the Social Impact Steering Committee | Ongoing due diligence through the Social Impact Steering Committee | Request annual due diligence review and report |
| Tracking | Monthly tracking of actions via the Social Impact Steering Committee | Monthly tracking of actions via the Social Impact Steering Committee | Social Impact Steering Committee to monitor risks via BlueScope JV Board members |

If you have any questions about this statement, or any concerns about any form of modern slavery within BlueScope's supply chains or organisation, please contact sustainability@bluescope.com or BlueScope's Speak Up Line.

BlueScope's Speak Up Line is an externally managed service available 24 hours a day, 7 days a week.

Reports to the Speak Up Line may be made anonymously. BlueScope treats all concerns raised seriously and in strict confidence. You can make a report via web: <https://australia.deloitte-halo.com/whistleblower/website/BlueScope> or by email bluescopespeakup@deloitte.com.au.

Appendix 1 – Responsible Sourcing Framework

BlueScope Responsible Sourcing Framework



BlueScope is committed to sustainable sourcing practices, seeking products and services that are produced responsibly and create long-term environmental, social and economic value for all stakeholders. Our approach is to foster responsible business practices and uphold human rights through supplier engagement and collaboration, risk assessment and continuous improvement.

Our Responsible Sourcing Framework is focused on our 5 Guiding pillars and supported by a 4 step targeted risk based approach.

Our guiding pillars

- Business Ethics**
- Labour & Human Rights**
- Health & Safety**
- Environment**
- Community**

Our engagement and improvement process

PRIORITISE → ENGAGE → ASSESS → IMPROVE

- PRIORITISE**
We prioritise our supplier engagement based on supply chain and industry risk factors. We align with local business knowledge across all areas of our business.
- ENGAGE**
We focus on internal and external engagement to explain why responsible sourcing is important and to describe ESG risks across our value chain. We collaborate with industry partners to effect sustainable change.
- ASSESS**
We have a structured assessment framework with independent assessments:
 - Supplier adverse media and sanction checks
 - EcoVadis Assessments
 - 3rd Party Onsite assessments
 - Industry certification schemes
- IMPROVE**
We have a structured approach to internal and external training. We actively engage with our suppliers on Corrective Action and Improvement plans. We collaborate with and reassess suppliers to drive continuous improvement.

How our procurement teams support this

- Include Responsible and Sustainable business practices as a key criteria in our sourcing processes.
- Conduct initial risk assessment and required due diligence on suppliers. Contribute to supplier prioritisation for engagement on sustainability risks.
- Engage with suppliers on our Supplier Code of Conduct, and required sustainability assessment processes. Make responsible sourcing a standing agenda item for supplier review meetings.
- Collaborate with suppliers on responsible sourcing continuous improvement. Work with suppliers on responsible sourcing corrective action and improvement plans.

What we expect of our suppliers

- 1** Commit to our Supplier Code of Conduct.
- 2** Develop and implement a responsible sourcing program of your own to increase awareness and manage risks within our shared value chain.
- 3** Implement a Grievance Mechanism for all workers and share the BlueScope Speak Up details with relevant team members.
- 4** Provide information as required and complete an EcoVadis assessment or undertake a 3rd party audit if requested.
- 5** Take corrective actions where responsible sourcing and business risks are identified. Focus on responsible sourcing continuous improvement.

Our Framework is supported by a foundation of strong policies and standards
Our Purpose Our Bond | Human Rights Statement | Health, Safety, Environment and Community Policy | Responsible Sourcing Policy | Supplier Code of Conduct | SpeakUp)



Read our reports at
bluescope.com

Level 24, 181 William Street
Melbourne, Victoria 3000 Australia

bluescope.com

