

REPORT ON FORCED LABOUR AND CHILD LABOUR RISKS – FY2023



1. Introduction

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

BlueScope is 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.

2. Reporting Context

This Report is made by BlueScope Buildings North America, Inc. ("BBNA") and Steelscape, LLC ("Steelscape") (collectively the "Reporting Entities") which we have determined are reporting entities pursuant to Canada's new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") and which are owned and/or controlled by BlueScope. This Report describes the actions that BlueScope, including the Reporting Entities, have taken during FY2023 ending June 30, 2023 (the "Reporting Period") to identify, assess and address modern slavery risks. For the purposes of this Report, "modern slavery" includes both forced labour and child labour.

This Report constitutes the first report that the Reporting Entities have prepared pursuant to the Act.

BlueScope Steel Limited is a reporting entity under the Australian Modern Slavery Act 2018 and its 2023 Modern Slavery Statement is available here [1.18 Modern_Slavery_Statement_2023.pdf](#)

The Reporting Entities are subject to California's Supply Chain Transparency Act.

3. Structure, Activities, and Supply Chain

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 across manufacturing, processing, distribution, sales channels and functional teams. BlueScope's operations range from small product storage sites to our core steelmaking facilities in Australia, New Zealand, and North America.

BlueScope is head-quartered in Melbourne, Australia and listed on the Australian Securities Exchange.

The Reporting Entities for this Report are incorporated and based in the United States and are primarily focused on the large non-residential construction industry, supplying quality engineered buildings systems and high-quality building products. The manufacturing operations of the Reporting Entities are located in the United States. BBNA is a Delaware, USA corporation with its headquarters in Kansas City, Missouri USA and has manufacturing operations in the following US states: Alabama, California, Missouri, Pennsylvania, Tennessee and Wisconsin. BBNA employs 2,300 employees in the United States and 16 in Canada. BBNA imports its engineered building systems into Canada. Steelscape is a Delaware, USA limited liability corporation and operates two facilities in Washington and California. Steelscape employs approximately 375 employees in the United States and none in Canada. Steelscape imports its non-prime, secondary material into Canada.

BlueScope is a significant purchaser of goods and services in the countries within which the BlueScope group operates. BlueScope's procurement and supplier relationship management processes are primarily managed locally by each business unit or country procurement teams.

BlueScope-wide standards and processes govern the approach to responsible sourcing. BlueScope businesses, including the Reporting Entities, are required to assess their suppliers based on importance to the business and sustainability risk factors, including labour and human rights risks.

BlueScope continues to work to understand and map the complex layers of its supply chain. At a high level, the Reporting Entities have mapped the principal country of supply for the goods and services in the top 90 per cent of their supplier spend. The supplier categories include: raw materials; external steel feed; downstream accessories (such as fasteners, guttering and brackets); production materials; freight and logistics; services; maintenance, repairs and operations; communications IT&T; and other miscellaneous. In FY2023, the majority of supplier spend for BBNA was external steel feed, downstream accessories and services of which were primarily sourced in the United States. For Steelscape, the majority of its supplier spend relates to external steel feed, production materials and freight and logistics and was primarily sourced from Japan, United States, South Korea and Australia.

4. Policies, Governance and Due Diligence Process

a. Policies

BlueScope's Policies communicate BlueScope's expectations and guide employees to make good decisions that are consistent with Our Bond, business strategies and objectives. BlueScope's 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.

| BlueScope 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 | <p>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.</p> <p>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.</p> | 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. |

b. Governance and Due Diligence

BlueScope’s 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 table below details BlueScope’s governance framework.



5. Assessing Risk Exposure

a. Potential risks in BlueScope operations

During FY2023, the BlueScope's Social Impact Steering Committee completed its 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. The findings did not materially change from a prior assessment, and therefore the 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.

b. Potential risks in our suppliers' operations

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.

6. Steps to Prevent and Reduce Risks of Forced and Child Labour

a. Approach and steps taken with our operations

BlueScope's approach to assess and address modern slavery in our operations is based on a continuous improvement due diligence process.

Review priority areas and risk assessment: As noted in Section 5 of this Report, an annual internal assessment was completed during the year, starting with the human rights that were most relevant to the BlueScope 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 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.

Develop remedy approach: In this Report, we outline 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. (See Section 7, Remediation)

b. Approach and steps taken with regard to our suppliers

BlueScope is committed to a sustainable supply chain that is free from labour abuse including modern slavery. Because of the geographic spread of BlueScope's 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, such as Reporting Entities.

Responsible sourcing: BlueScope developed a Responsible Sourcing Policy and Framework, and updated its Supplier Code of Conduct.

Supplier Segmentation and Assessments: BlueScope uses a segmentation model to prioritise suppliers for engagement and assessment based on overall risk and leverage. Local management and procurement teams engage with suppliers on assessments, third-party audits and corrective actions. In FY2023, BBNA had a target of assessing 11 suppliers, and completed 15. Steelscape had a target of assessing 5 suppliers and completed 10. BlueScope partners with ELEVATE (an LRQA Company) and EcoVadis, as appropriate, to support our risk management approach and supplier assessments.

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.

Education: BlueScope undertakes ongoing internal education across all procurement teams and senior business leaders on responsible sourcing and modern slavery risks. 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: BlueScope continually reviews and updates 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.

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

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.

7. Remediation Measures

a. 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.

b. Crisis Response Process

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.

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.

BlueScope recently implemented a remediation process that highlights four key principles to guide decision making: protect people first; listen to concerns; take responsibility; and 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 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.

8. FY2023 Human Rights and Modern Slavery Training Approach

The table below details BlueScope's 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. |

9. Assessing Effectiveness

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.

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:

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

In addition, 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; and,
- 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.

10. Approval and Attestation of Report

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate, and complete in all material respects for the purposes of the Act, for the Reporting Period listed above.

I have the authority to bind BlueScope Buildings North America, Inc.



Susan Stark, President
Date: May 23, 2024

I have the authority to bind SteelScape, LLC



Sarah Deukmejian
Date: May 23, 2024