

BlueScope 2024 Annual General Meeting



Date: 19 November 2024

Address by Rebecca Dee-Bradbury, Chair Remuneration & Organisation Committee

CHECK AGAINST DELIVERY

Good morning, my name is Rebecca Dee-Bradbury and it is my pleasure as Chair of the Remuneration and Organisation Committee, to briefly update you on key items outlined in more detail in the Remuneration Report.

The purpose of the Remuneration Report is to provide you with an overview of BlueScope's approach to remuneration, the performance achieved and in turn the remuneration outcomes for this year. BlueScope is an Australian-listed company that employs thousands of people across 15 countries. These people are at the centre of our continued success with their dedication and hard work reflected in our solid financial performance in FY2024.

We strive to build a workforce that reflects the diversity of the communities in which we operate. We are pleased to again report that at a Board and Executive Leadership Team level, female representation is at 50 per cent and is aligned to our 40:40:20 target. To attract, engage and retain the best talent globally, it is essential that our remuneration framework is relevant and competitive within the markets where we operate.

We do this by having a robust governance structure and remuneration framework that is fit-for-purpose for our company and supports our business strategy. The framework not only drives performance but also ensures that our leaders are accountable for upholding our values, shaping our culture, and prioritising the safety and wellbeing of our people.

Let me quickly provide you with a brief recap on our approach and how it has landed this year.

The MD & CEO and the Executive KMP's remuneration structure reflects BlueScope's remuneration strategy which sets fixed remuneration at or slightly above market median with STI and LTI opportunities set below market median. This is offset by a greater probability of LTI vesting through the industry cycle. This approach results in their realised pay being in line with market median and provides value for them through the industry cycle whilst maintaining a balance between having a cost-effective remuneration structure and consistent returns to shareholders.

For FY2024, the MD & CEO's annual fixed remuneration increased by 3.5 per cent (from \$1,947,000 to \$2,015,100) reflecting market benchmarks, his responsibilities in a highly complex global organisation, and in line with fixed remuneration increases provided to the broader business. The Executive KMP also received an uplift of 3.5 per cent to their fixed remuneration. It is anticipated that the MD & CEO will not receive an increase to his remuneration for FY2025.

I will now turn to our performance and other remuneration outcomes for the year.

When the Board determined the FY2024 Executive KMP incentive outcomes, we considered the Group's underlying business performance, our remuneration principles, the Executive KMP's behaviours against Our Bond and the delivery of value to our shareholders. The Board is satisfied that Executive KMP behaved in line with Our Bond, performed well in FY2024 and incentive outcomes accurately reflect this balanced performance.

Under the short-term incentive plan, Executive KMP are measured against both financial and non-financial objectives, each weighted at 50 per cent. Non-financial objectives include safety, sustainability, diversity and strategic measures. For FY2024, the STI assessments included discretion to reduce the payout under the safety category to zero for all Executive KMP including the MD & CEO. Although BlueScope delivered on its committed risk control improvement projects, TRIFR was above the targeted range and the Board felt that it was appropriate to reduce payout under the safety category to zero.

The Board approved an FY2024 STI award for the MD & CEO of 99.3 per cent of his target opportunity. For other Executive KMP, the STI awards ranged from 73.9 per cent to 126.4 per cent of their target opportunities. The range of STI outcomes demonstrates differentiation in performance across the Executive KMP and reflects the varying performance across all our businesses and the different stages of the cycle that these businesses are in.

The FY2022 long term incentive Alignment Rights award was tested on 30 June 2024, at the end of the three-year performance period. The LTI award was subject to a behavioural gateway, two performance conditions and a service condition. The MD & CEO and Executive KMP were rigorously assessed and were deemed to have behaved in line with Our Bond (the behavioural gateway) and met the service condition. For the three-year period ending 30 June 2024, management delivered strong ROIC performance and maintained a strong balance sheet which aligns to BlueScope's financial framework objectives. As a result, the Board determined the FY22 LTI Alignment Rights award would vest in full for the MD & CEO and Executive KMP.

The Committee will continue to monitor the remuneration framework to ensure it remains competitive in the global market, and that it is aligned to our strategy and drives shareholder outcomes.

Now Turning to the Board of Directors.

Considering market benchmarks and the Directors' responsibilities in a large complex global organisation, fees paid to Directors were increased by 3.5 per cent in October 2023. From 1 July 2024, fees were set in US dollars for overseas-based Directors. This aims to mitigate variances in their fees due to foreign exchange rate volatility. More details on this will be presented in our FY2025 Remuneration Report.

We consider that this approach aligns with our remuneration principles of fairness and transparency while also ensuring that we can attract and retain high performing Non-executive Directors from relevant geographies to our Board. As a Board, we are pleased with the performance of our people and believe that incentive outcomes for the MD & CEO and Executive KMP are consistent with the execution of our strategy, overall Group performance and shareholder experience.

Also, I want to thank you, our shareholders, for your support over the year and I look forward to speaking to many of you at the conclusion of today's meeting.

Authorised for release by: the Board of BlueScope Steel Limited

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