

BlueScope 2024 Annual General Meeting



Date: 19 November 2024

Address by Mark Vassella, Managing Director & Chief Executive Officer

CHECK AGAINST DELIVERY

Thank you Jane, and thank you to all shareholders, employees and supporters of BlueScope here in person and online today. It's great to be here in the Illawarra with you again.

Starting with safety, where – as Jane noted – the increase in the FY2024 lagging safety indicator of TRIFR is simply unacceptable. Our commitment to safety has not wavered, and it was clear that this disappointing performance required an intervention. To tackle this, we launched a global 'Refocus on Safety' initiative in July of this year. This program highlights the importance of basic safety practices to ensure the well-being of our workforce.

This renewed focus includes; ensuring strict compliance with core safety practices; making sure that our people are committed to our fundamental safety principles, including the significant number of those that are new to BlueScope; providing our front-line leaders the resources to guide their teams. Most importantly, this means giving them the time back in their calendars to engage with their teams in toolbox meetings, audits and other key touch points, and; continuing the important work in engaging our people in risk control improvement projects, and in learning and development opportunities.

I'm pleased with how the business has responded to this program, however, there is lots of work to do to drive the required improvement in performance. We will keep you updated as we progress.

Our business delivered a resilient result in FY2024, which is a testament to our growing and diversified business, as strong contributions from North Star and the downstream and value-add components of the business, offset the impact of soft spreads in Asia on our Australian and New Zealand steelmaking operations.

To recap the key financial results; we reported an underlying EBIT of \$1.34 billion, reflecting an 11.9 per cent return on invested capital; we reported continued strength in our balance sheet, finishing the year with \$364 million net cash, and; we reported ongoing investment in growth and returns, with over \$500 million returned to shareholders, and over \$300 million invested for growth. FY2024 also saw the continued execution of key projects across the footprint under our strategy of 'Transform, Grow and Deliver' that will secure our long-term future. To update you on these projects -

In the US – BlueScope's key growth region – we're working to add an additional 10 per cent of volume at North Star, following the recent completion of our initial expansion which increased output by nearly 50 per cent. We're also looking at opportunities to further integrate our US value chain, and working to deliver value from recent investments in BlueScope Recycling and BlueScope Coated Products – including the rollout of COLORBOND® in the US, which has amazing potential.

In Australia, our successful ongoing inter-material growth is set to continue, supported by sales and marketing programs, innovation and differentiation. To support this growth, we're well underway in installing additional metal coating capacity for the anticipated increase in COLORBOND® steel and TRUECORE® steel sales.

We're also securing the future of ironmaking at Port Kembla with the No. 6 blast furnace reline – which is our bridge to low emissions iron and steelmaking when it is developed and scaled. The team are doing an outstanding job, and the project is progressing well. And in New Zealand, we're making solid progress installing an electric arc furnace (EAF) to replace over half of our existing higher-emitting production, which is being co-funded by the New Zealand Government

We're also continuing our work on the multi-decade opportunity to repurpose approximately 1,200 hectares of land in Australia and New Zealand. Our current focus is on unlocking residential land supply from the West Dapto site and progressing the development concept in Port Kembla, as announced at our AGM last year. To support this body of work, I am excited that Michael Yiend will join the BlueScope Executive Leadership Team in early January 2025 as Head of Property Development. Michael is a highly experienced property development executive, with a proven track record having been in property development across Australia and the United Kingdom for over 26 years.

An addition to our Executive Leadership Team, in December 2023, we welcomed our Chief Digital Information Officer, Sam Charmand. Sam is responsible for the global IT strategy and operations, leading digital innovation and managing the increasingly important cyber security needs for BlueScope.

In other changes to the ELT, Chief Legal Officer, Debra Counsell; Chief Executive Climate Change & Sustainability; Gretta Stephens, and Chief Executive BlueScopeX, Andrew Garey, have announced their retirements, to take effect in the coming months. I'd like to thank Debra, Gretta and Andrew for their highly valued contributions to BlueScope, and wish each of them all the best in their future endeavours. They all have made exceptional contributions to our business over the years and leave a strong legacy. Updates on these roles will be made in due course.

Our key sustainability focus areas around safety, communities, responsible supply chains and climate action, inherently reflects our position as a large-scale steel manufacturer with long lived assets in regional communities. In short, caring for our people, our environment and our communities sits at the heart of what we do.

I spoke earlier about our approach to safety and the Refocus initiative underway. As we continue to focus on our safety culture, we are also building our diversity and inclusion mindset. I'm pleased to say that our continued efforts in this space have resulted in us achieving a milestone in FY2024, with women now making up a quarter of the BlueScope workforce. Additionally, our people strategy includes a commitment to listen to our people and make sure BlueScope is one of the best places to work. In March of this year, 77 per cent of our employees provided feedback through a global employee pulse survey and I am pleased to report an overall employee engagement rate of 72 per cent.

In FY2024 we have again made great progress in our decarbonisation journey. Our near-term optimisation work and increased EAF production has resulted in a 12 per cent reduction in our steelmaking greenhouse gas intensity since FY18, aligned to our 2030 target level. And we're continuing to work in pursuit of our non-steelmaking target. We're also progressing a range of initiatives that are critical to unlocking decarbonisation pathways for our business and the steel industry more broadly, including the New Zealand EAF, our collaboration with Rio Tinto and BHP and our broader Australian DRI Options Study. And in another highlight for the year, our Vietnam plant at Phu My achieved ResponsibleSteel™ site certification. This is our third site to be certified, following Port Kembla Steelworks here in the Illawarra and Western Port in Victoria.

Now to cover the trading update released today, which confirmed the guidance range provided in our earnings update in late October. This revised outlook highlights the challenging operating conditions facing the broader global steel industry, including the continued softness in East Asian spreads off the back of record levels of Chinese steel exports, ongoing cost inflation and a period of pause and uncertainty in the US. While these pressures are impacting industry performance in the near-term, our growing position in North America and continued growth in value-added and premium branded products, gives us confidence in BlueScope's resilience and longer-term success, underpinned by a robust balance sheet, and strong operating disciplines.

BlueScope has a culture of rising to these challenges, and we will continue our work in balancing near-term performance with longer-term sustainable growth and returns. To that end, we're targeting a further improvement in annualised earnings through approximately \$200 million of cost and productivity initiatives across the Group.

In conclusion, I remain excited about BlueScope's bright future, as the resilience of our business model and balance sheet enables the company to invest for sustainable growth and deliver returns to shareholders through the cycle. I'm proud of our dedicated team of more than 16,500 people, who continue to work hard for our customers and communities. I'd like to thank them for their continued dedication, and thank you, our loyal shareholders for your support during the year. Before I finish my remarks, I'd also like to thank our Chair, Jane. You've been in the role for twelve months and it has been a pleasure working with you. Management thanks you for your energy and enthusiasm for BlueScope.

Authorised for release by: the Board of BlueScope Steel Limited

For further information
about BlueScope:

www.bluescope.com

BlueScope Contacts

Investors

Chris Gibbs

Head of Investor Relations

T +61 3 9666 4039

E Chris.Gibbs@bluescope.com

Media

Michael Reay

Head of Corporate Affairs

T +61 2 4240 1100

E Michael.Reay@bluescope.com