

BlueScope

Tax Contribution Report

FY2024

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.

Contents

Message from the CFO	3
1. Overview of business operations	4
2. Effective company tax rates for Australian and Group operations	5
3. Accounting profit reconciliation	6
4. Tax policy, strategy, governance and engagement	7
5. Tax contribution summary	8
6. ATO public transparency disclosures	10
7. International related party dealings	11
8. Basis of report preparation	11

Message from the CFO



On behalf of the Board, I am pleased to present BlueScope's Tax Contribution Report for the year ended 30 June 2024, to provide transparency to the public regarding our tax affairs in Australia and internationally

David Fallu
Chief Financial Officer

Our disclosures through this report are designed to help the community, including our investors, better understand our tax contributions, strategy, governance and compliance with the tax laws in the countries in which we operate. BlueScope is committed to transparency and compliance from a regulatory and financial perspective and understands the importance to all stakeholders of being transparent with respect to its tax strategy and compliance in Australia and internationally.

BlueScope takes pride in the fact that wherever we operate, we strive to conduct business responsibly and ethically. BlueScope's strong tax governance underpins its commitment to complying with the tax laws in the jurisdictions in which we operate. We strive to pay the right amount of tax, at the right time, in the jurisdictions where we create value, ensuring we contribute economic value to these communities and governments. This is consistent with Our Purpose, Our Bond and our belief in operating sustainably, responsibly and with integrity.

This commitment to how we manage our taxation matters has been reflected in BlueScope continuing to maintain a high assurance rating under the Australian Taxation Office's (ATO) Justified Trust Program in relation to both corporate income tax and Goods and Services Tax (GST). BlueScope is proud that its tax strategy and approach to tax governance as articulated above and through this report is recognised as creating confidence that the right Australian tax outcomes are achieved.

In the face of global macroeconomic and steel industry volatility, BlueScope delivered a solid performance in FY2024, albeit slightly weaker than the cyclically robust financial performance in FY2023. This result demonstrates the resilience of BlueScope's diversified business model, as the strength in our North American businesses and many of our downstream operations partly offset the impact of materially softer Asian steel spreads, which retreated to historically bottom of cycle levels late during the financial year.

BlueScope's robust financial performance in FY2024 means that it can continue to balance investing in long-term sustainable growth and the delivery of shareholder returns, with almost \$550 million returned via dividends and on-market share buy-backs during the financial year. The result also means that the Group has continued

to pay significant amounts of tax in the countries in which we do business, helping strengthen these communities for the future.

The BlueScope Group contributed \$553.8 million in government taxes and charges, with the majority of that tax paid in Australia and North America, reflecting the significant operations in both countries. In the case of Australia, BlueScope paid \$206.7 million in taxes in FY2024 and had an effective tax rate for its Australian operations of 36.8%. During FY2024, BlueScope commenced preparing for the introduction of the Organisation for Economic Cooperation and Development (OECD) Global Minimum Tax of 15% which will apply to the countries in which BlueScope operates from income years commencing 1 July 2024. The impact of this tax will be further explained in the coming years as the law is gradually implemented by the inclusive framework countries in which we operate across the world.

This report provides details of the taxes paid by the BlueScope Group, information about our effective tax rates, our approach to tax governance, strategy and engagement, and a summary of our international related party dealings. The information provided in this report should be read in conjunction with the BlueScope 2024 Annual and Sustainability Reports. In the FY2024 Sustainability Report, you will also find details of the direct economic contribution generated by BlueScope internationally. What is also reflected is the flow of that direct economic contribution as payments generating value to the communities in which we operate, including through the taxes paid and disclosed in this report.

Details regarding our FY2024 Annual and Sustainability Reports can be found on our [website](#). For further details on Our Purpose & Our Bond, please also refer to our [website](#).

In this report, references to BlueScope, 'the Group', 'we' and 'our' refers to BlueScope Steel Limited and each of its controlled entities incorporated in any jurisdiction.

David Fallu
Chief Financial Officer

1. Overview of business operations

BlueScope is a global leader in metal coating and painting for building and construction, employing more than 16,500 people at over 160 sites in 15 countries.

Principally focused 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.

Our businesses

Australia

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

North America

BlueScope operates five businesses across North America, employing around 4,600 people: North Star BlueScope Steel, BlueScope Recycling and Materials, Buildings North America, BlueScope Coated Products and NS BlueScope North America.

North Star is a low-cost regional supplier of hot rolled coil, based in Ohio, serving automotive, construction and manufacturing end-use industries. North Star is highly efficient, operates at industry leading utilisation rates and is strategically located near its customers and in one of the largest scrap regions of North America. BlueScope Recycling and Materials is a full-service, ferrous scrap metal recycler with three processing facilities in the region in which North Star operates.

Buildings North America, BlueScope Coated Products and NS BlueScope North America collectively focus on the large non-residential construction industry, supplying quality engineered buildings systems and high-quality metal coated and painted steel building products.

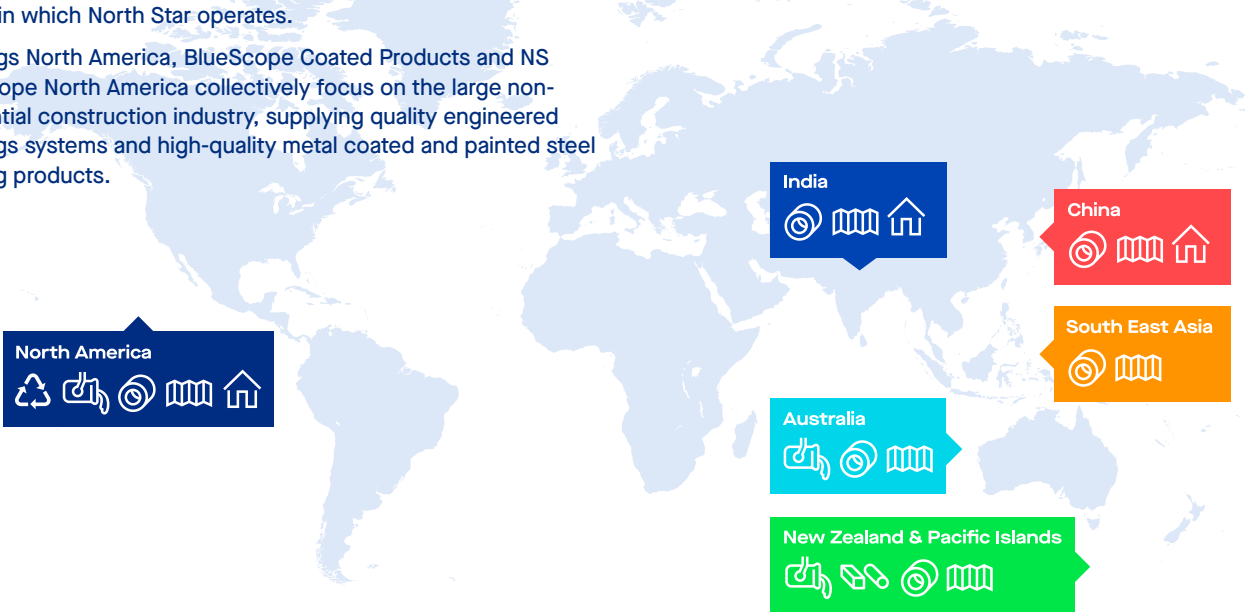
Asia

BlueScope has an extensive footprint across Asia, employing around 3,200 people across the region. The operations in Thailand, Indonesia, Vietnam, Malaysia, India and China all primarily serve the domestic building and construction industries in each country in which it operates.

BlueScope operates in partnership with Nippon Steel Corporation (NSC) across South East Asia (and the West Coast of North America at NS BlueScope 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

The New Zealand Steel business is the only steel producer in New Zealand, with operations also including the Waikato North Head iron sands mine, the Pacific Steel long products business and the Pacific Islands businesses. In the region, the business employs around 1,600 people, and produces a range of flat and long steel products, primarily for domestic use.



KEY

RAW MATERIALS		UPSTREAM		MIDSTREAM		DOWNSTREAM	
							
Recycling (scrap metal)		Steelmaking (flat products)		Metal coating and painting			
						Steel building materials and components	
						Steel buildings and systems	

2. Effective company tax rates for Australian and Group operations

BlueScope calculates its accounting effective tax rate as income tax expense divided by accounting profit before tax, adjusted for post-tax share of results of equity accounted investments.

A calculation of BlueScope's effective tax rate on a group consolidated basis is published in the BlueScope FY2024 Financial Report in Note 4 of the consolidated financial statements.

The primary factors impacting BlueScope's accounting effective tax rates in the current year relate to:

- For Australia, withholding tax costs associated with non-assessable non-exempt foreign dividends from subsidiaries and an additional expense for penalties relating to a legal matter arising in FY2023 which continue to be non-deductible; and

- For the BlueScope Group, the foreign tax rate differential predominantly relating to lower tax rates on profits earned in North America and, to a lesser extent, Asia.

As can be seen from the table, BlueScope's effective tax rate in Australia is higher than Australia's statutory rate of tax, even taking into account the credits claimed by BlueScope for its continuing investment in research and development in Australia to support the growth and sustainability of its operations.

Accounting effective tax rate

\$M	Australia		Group	
	2024	2023	2024	2023
Profit before income tax	829.5	841.0	1,268.3	1,450.5
<i>Adjust:</i>				
Less: Inter-company dividends	(674.5)	(644.7)	-	-
Subsidiary provisions & impairments/(write-backs)	24.7	101.5	-	-
Share of results of equity accounted investments	-	-	(7.1)	(21.3)
Adjusted profit before tax	179.8	297.9	1,261.1	1,429.2
Prima facie income tax (benefit)/expense (@30%)	53.9	89.4	378.3	428.7
Temporary & Non-temporary differences (excl Australian tax losses)	12.3	24.2	(58.2)	(76.7)
Adjusted income tax expense/(benefit) before losses	66.2	113.6	320.1	352.0
Accounting effective tax rate	36.8%	38.1%	25.4%	24.6%

3. Accounting profit reconciliation

Reconciliation of accounting profit to income tax expense and to income tax paid/payable.

A reconciliation of BlueScope's accounting profit to income tax expense on a Group consolidated basis is published in the BlueScope FY2024 Annual Report in Note 4 of the consolidated financial statements. This disclosure was prepared for the statutory accounts in accordance with International Financial Reporting Standards.

Income tax expense, reported on a company's income statement, is calculated by multiplying accounting profit for the year, adjusted for non-temporary differences, by the relevant corporate tax rate (30 per cent in Australia).

Included below is a reconciliation of BlueScope's accounting profit to current income tax paid or payable on both a group consolidated basis and for Australia separately.

Income tax paid or payable is calculated by multiplying accounting profit for the year, adjusted for both temporary and non-temporary differences, by the relevant corporate tax rate. Current income tax paid or payable represents the estimated income tax paid or payable to the ATO and other tax authorities.

In relation to the Australian figures, dividends received from foreign subsidiaries are non-assessable non-exempt income in the hands of the BlueScope Australia tax group. In addition to their impact on BlueScope's ETR, these dividends create a significant decreasing adjustment to taxable profit year on year when calculating the BlueScope Australian income tax payable.

Current income tax paid or payable reconciliation

\$M	Australia		Group	
	2024	2023	2024	2023
Profit before income tax	829.5	841.0	1,268.3	1,450.5
Adjust:				
Inter-company dividends	(674.5)	(644.7)	-	-
Subsidiary provisions & impairments	24.7	101.5	-	-
Post-tax share of results of equity accounted investments	-	-	(7.1)	(21.3)
Adjusted profit before tax per ETR table	179.8	297.9	1,261.1	1,429.2
Tax at the Australian tax rate of 30%	53.9	89.4	378.3	428.7
Adjust:				
Temporary & Non-temporary differences	12.3	24.2	17.6	(12.7)
Tax rate differential	-	-	(75.8)	(64.0)
Total income tax (benefit)/expense	66.2	113.6	320.1	352.0
(Under)/over provision for income tax	0.0	(0.6)	(5.0)	(17.3)
Temporary differences	(1.0)	(15.3)	(26.1)	23.4
Current income tax paid/payable	65.2	97.7	289.0	358.1

4. Tax policy, strategy, governance and engagement

Approach to tax governance and risk management

BlueScope is committed to complying with the law and the intent of the law. BlueScope has a low risk tax appetite. BlueScope aims for reasonable certainty in our tax positions. When tax laws are unclear, BlueScope seeks external and/or regulator guidance to ensure that our positions are more likely than not correct.

Tax havens are not used for tax planning purposes. As part of the new Consolidated Entity Disclosure Statement published by BlueScope for the first time in FY2024 as part of its Annual Financial Report, there are a small number of entities in the BlueScope Group disclosed as tax resident in tax haven locations, tax haven defined broadly to include countries such as Singapore, Hong Kong, Vanuatu and Mauritius. These entities are part of the BlueScope group and they either operate active trading operations in their own right, or are legacy investment and holding companies which hold operating subsidiaries.

The Audit Committee of the Board sets the Group's tax risk appetite and has ultimate responsibility for ensuring there is an effective process to manage tax risk. The Audit Committee approves the Tax Governance Framework by which the Group operates. The Vice President Tax and CFO are responsible for monitoring the effectiveness of the Tax Governance Framework and must report any material tax issues to the Audit Committee (and in certain circumstances the Board).

BlueScope will only implement transactions that are aligned with its business, have clear commercial objectives, and do not rely on returns driven by tax for their commercial effect. We will not operate artificial or contrived tax structures. These principles reflect BlueScope's long-standing practice in relation to the management of tax risks and are intended to guide BlueScope's tax strategy and policies, to:

- Meet regulatory and statutory obligations and maintain high ethical standards.
- Be transparent with revenue authorities/governments to improve their understanding of BlueScope's business and key tax matters.
- Ensure related party transactions are on arm's length terms and are supported by appropriate transfer pricing documentation, adapted for local regulatory conditions.
- Ensure commercial considerations are paramount in any corporate structure transaction and are documented prior to execution.
- Protect reputation.

Approach to stakeholder and revenue authority engagement

As a multinational company, BlueScope interacts with a range of stakeholders.

BlueScope is committed to maintaining open and constructive relationships with our tax policy setters and administrators, both domestic and overseas, and seeks to foster a transparent and cooperative relationship with the ATO, and other tax authorities and governments more broadly. We also engage with a broader group of stakeholders on tax policy matters through our participation in industry and local associations.

BlueScope's approach to engagement with revenue authorities, including but not limited to the ATO, is to be compliant with tax laws and ensure its statutory obligations are met.

In Australia, BlueScope is a Top 100 taxpayer given our significance to the Australian tax community. BlueScope has its own dedicated large taxpayer case team and is subject to ongoing engagement with the ATO through the Tax Assurance Review (TAR) process in relation to income tax and GST. The TAR process allows BlueScope to regularly engage with the ATO as part of regular assurance and consultation on significant tax matters.

The ATO recently issued a Tax Assurance Report for FY2022 and FY2023 in respect of Income Tax and GST, and BlueScope received 'Justified Trust' and unqualified High Assurance Ratings. Achieving high assurance allows the Australian community to have confidence that the ATO considers BlueScope is paying the right amount of tax.

To achieve Justified Trust, the ATO requires organisations to provide objective evidence that would lead a reasonable person and the community to conclude that large businesses are paying the right amount of tax, and BlueScope is proud to have achieved this rating. BlueScope is currently working with the ATO in relation to the TAR for FY2024 on a real time compliance basis for both Income Tax and GST.

5. Tax contribution summary

BlueScope's tax contribution is significant, with total Group tax payments of approximately \$1,226 million, comprising almost \$554 million in taxes borne and \$672 million in taxes collected and remitted.

The distribution of taxes paid and collected by BlueScope reflects the geographical spread of our businesses (noting available corporate tax losses in some countries which offset taxable profits).

The majority of tax, including corporate income tax, was paid in North America and Australia, BlueScope's two largest businesses by jurisdiction. While North America again represented the largest corporate taxpaying jurisdiction, there was an overall reduction in tax paid in North America compared to the prior year due to reduced profits, even accounting for the deferred timing of tax payments.

In Australia, BlueScope continued to pay corporate income tax into FY2024 albeit at lower levels than the prior year, reflecting the reduced profits generated in the current financial year. In addition to the significant Australian corporate income tax payments made, BlueScope also made a meaningful contribution in state payroll tax, as a result of having a large Australian workforce.

In relation to overall global taxes paid, the table below includes more details of the material taxpaying jurisdictions in which BlueScope operates. The growth in operations in North America now sees it being on par with Australia as the most significant contributors to the Group's total taxes collected and remitted in FY2024 (refer to the table on page 9).

Total tax borne by BlueScope

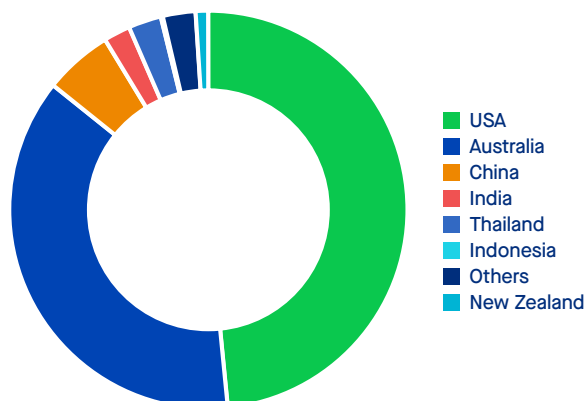
\$M	Corporate Income and WHT ¹	Other Local Taxes and Levies	Employer Payroll Taxes ²	TOTAL TAX PAYMENTS BORNE
Australia	127.6	16.6	62.5	206.7
China	23.2	7.5	0.0	30.7
India ³	4.4	7.6	0.0	12.0
Indonesia	(0.6)	1.3	0.2	0.9
Malaysia	0.2	0.5	0.5	1.2
New Caledonia	0.5	0.8	1.5	2.8
New Zealand	1.7	2.4	1.6	5.7
Singapore	0.4	0.6	0.1	1.1
Thailand	7.6	5.9	1.3	14.8
USA	186.0	30.9	51.4	268.3
Vietnam	1.6	1.8	0.0	3.4
Rest of World	0.6	5.1	0.5	6.2
Total	353.2	81.0	119.6	553.8

1. Corporate income taxes and withholding taxes are sourced from the BlueScope cash flow statement included in the audited financial report within the 2024 Annual Report.

2. Employer payroll taxes comprise payroll and employer taxes payable in the capacity as an employer, whereas Employee taxes are taxes withheld from employee remuneration and paid to governments.

3. India has been included in the tables above but is not currently shown in the consolidated cashflow statement in the financials as this is an equity accounted investment.

Total tax borne by BlueScope

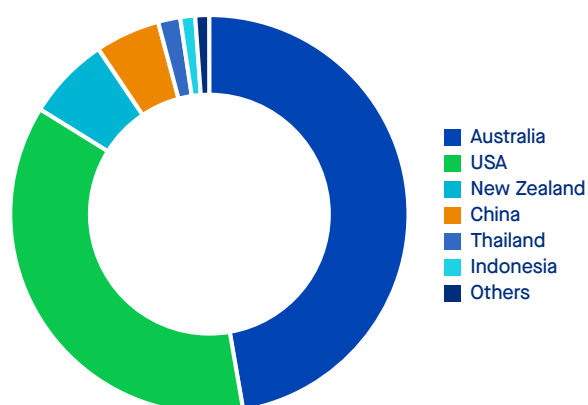


Total tax collected and remitted by BlueScope

\$M				TOTAL TAX PAYMENTS COLLECTED AND REMITTED
	GST/VAT/Sales Tax Collected	GST/VAT/Sales Tax Paid	Employee WHT	
Australia	581.3	(535.9)	269.6	315.0
China	150.0	(126.4)	11.5	35.1
India	81.0	(76.5)	1.5	6.0
Indonesia	29.0	(23.0)	2.0	8.0
Malaysia ¹	0.0	(1.3)	2.4	1.1
New Caledonia	0.9	(0.9)	0.4	0.4
New Zealand	115.2	(131.2)	61.0	45.0
Singapore	1.8	(1.6)	0.1	0.3
Thailand	42.0	(32.9)	2.9	12.0
USA	84.1	(3.0)	162.4	243.5
Vietnam	14.2	(15.0)	1.1	0.3
Rest of World	10.8	(7.9)	2.4	5.3
Total	1,110.3	(955.6)	517.3	672.0

1. Malaysian Sales and Service Tax which is included as part of total tax payments collected and remitted, is not reclaimable.

Total tax collected and remitted by BlueScope



6. ATO public transparency disclosures

The ATO is required by law to publicly report information about Australian public and foreign owned corporate tax entities with total income of \$100 million or more (and certain other entities). This requirement also extends to details about the Research & Development (R&D) tax incentive.

On 9 November 2023, the ATO published tax entity information from the BlueScope Australian tax consolidated group income tax return for FY2022. Further details about these numbers can be found in BlueScope's FY2023 Tax Contribution Report. In or around November 2024, the ATO will also publicly disclose the following tax entity information, as reported in BlueScope's Australian tax consolidated group income tax return for FY2023:

\$M	FY2022 published	FY2023 to be published
Total income	9,131.5	8,419.7
Taxable income	1,249.5	342.9
Tax payable	139.8	90.3

The corporate income tax return for BlueScope Australia is a consolidated tax return and comprises the results of its wholly owned, Australian tax resident entities. The amount disclosed as Total Income in the tax return is the total accounting revenue of the BlueScope Australia tax consolidated group. Accounting revenue is the gross receipts before any expenses are deducted, and therefore does not represent the accounting or operating profits of an organisation. Profit before Tax, rather than Total Income, is the basis upon which Taxable Income is then determined.

Taxable Income is calculated based on accounting profit adjusted for allowable tax timing and permanent differences (including overseas dividend income) as provided for in the Australian tax law. Tax Payable is then calculated at the corporate income tax rate (30%) of Taxable Income, reduced by available tax offsets. For BlueScope, the primary tax offset which reduces the Tax Payable amount is R&D tax offsets. A summary reconciliation in relation to FY2023, which will be published shortly, is provided below:

\$M	FY2023
Total income (as will be reported by ATO)	8,419.7
Total expenses	(7,578.7)
Profit before tax	841.0
Non temporary & temporary adjustments	(498.1)
Taxable income (as will be reported by ATO)	342.9
Tax payable on taxable income	102.9
Less R&D tax incentive offset	11.0
Less foreign income tax offset	1.5
Income tax payable (as will be reported by ATO)	90.3

R&D Tax Transparency disclosures

Commencing in September 2024, the ATO will annually publish the following information on a company's R&D tax incentive claim as reported to them in the R&D entity's income tax return:

- The name of the R&D entity claiming the tax incentive
- The entity's Australian Business Number
- The entity's total expenditure on R&D (broadly this figure represents eligible R&D expenses from which the R&D tax incentive is calculated).

The rationale for publishing this information is to provide transparency on the benefits derived by companies from the Australian R&D tax incentive program. The ATO will publish the above information two years after the end of the financial year. This means that BlueScope Australia's R&D information for the year ended 30 June 2022 as outlined below, is expected to be published in September 2024.

	FY2022 to be published
Name of R&D Claimant Entity	BlueScope Steel Limited
ABN of R&D Claimant Entity	16000011058
Total expenditure on R&D	\$26.6M

BlueScope Australia's R&D expenditure reflects the continuing commitment to enhance our range of products and solutions and evolve as a modern manufacturer. Additionally, BlueScope Australia continues to invest in areas including climate change, artificial intelligence and data analytics.

7. International related party dealings

BlueScope Steel Limited is the ultimate parent entity of the BlueScope Group. BlueScope has its head office in Melbourne, Australia, with regional headquarters in China, ASEAN, New Zealand and North America.

Consistent with our multi-jurisdictional strategy, BlueScope undertakes manufacturing activities in each of these regions and elsewhere. As a developer of steel products and solutions, BlueScope mostly undertakes R&D activities in Australia, with some R&D activities also undertaken in North America and New Zealand. All new knowledge and intellectual property (IP) generated from the R&D activities undertaken in Australia is owned by BlueScope Steel Limited.

A summary of the most significant international related party dealings between the Australian BlueScope group (BlueScope Australia) and overseas related entities during FY2024 is provided below:

- **Sales of products to overseas controlled entities** – BlueScope Australia exported goods as related party sales to its controlled entities in North America, ASEAN and New Zealand.
- **Intra-group loans** – the financing activities of the BlueScope Group relate to interest received and paid in respect of intra-group loans, predominantly advanced by BlueScope Australia, used to fund operations and capital expenditure.
- **Group support services** – certain administrative and support services are provided by BlueScope's Australian Corporate Office, Australian Steel Products business and regional head offices in North America, China and ASEAN to offshore subsidiary businesses as well as back to BlueScope's Australian Corporate Office.
- **Intangible licence and technology service fees** – BlueScope Australia performs a large part of all functions related to the development, enhancement and protection of IP (except in relation to some IP owned in North America and New Zealand). BlueScope Australia correspondingly bears the responsibility and control of the risk associated with the development, maintenance and protection of the relevant IP. Accordingly, BlueScope Australia licenses and receives royalties for use of its IP by other Group entities (noting there is IP for which no royalties are charged, such as in the case of trade marks). BlueScope Australia also provides technology support services to Group entities for which it receives fees.
- **Insurance** – BlueScope has a captive insurance company in Singapore. It provides captive insurance services to all subsidiaries in the BlueScope Group, including in Australia. The captive insurance company is managed by an independent third-party insurance broker.

All related party transactions are made on arm's length terms in accordance with global transfer pricing laws and OECD Guidelines, reflecting both normal market prices and normal commercial terms.

8. Basis of report preparation

The purpose of this report is to provide an overview of the tax contribution made by BlueScope and provide further information in relation to BlueScope's tax governance process and tax profile.

The report has been prepared in line with the Australian Voluntary Tax Transparency Code.

Audited financial statements – where possible, the amounts included in this report are sourced from audited financial information. While Group financial statements have been audited, the Australian subsidiary accounts external audit was not complete at the time of publication. BlueScope has also followed the AASB guidance in preparing its disclosures.

Currency – all of the amounts included in this report are disclosed in Australian dollars. Foreign income tax payments have been translated at the month's average exchange rate applicable to the month of payment. The balance of foreign tax payments has been translated at the June 2024 month's average exchange rate.

Income Tax Paid – income tax paid is calculated as the cash tax paid in the year 1 July 2023 – 30 June 2024. It is the amount of tax paid by the BlueScope companies in that country. It includes both corporate tax payments made to the local revenue authority, and also any withholding taxes paid on payments to non-residents.

Other Taxes – this includes items such as property taxes, customs and excise tax, stamp duty and property taxes etc.



Read our reports at
bluescope.com

Level 24, 181 William Street
Melbourne, Victoria 3000 Australia

bluescope.com

