

**YOU**

our people  
are our strength

**BLUESCOPE** PEOPLE  
PEOPLE REPORT 2014



# Welcome

This report is for BlueScope's people, wherever you are across our 17,000-strong global workforce in more than 100 manufacturing plants in 17 countries. It acknowledges your valuable contribution to the Company's performance, and to building a profitable future.

At BlueScope, we value people who are practical and forward-looking; people who put safety first, and who care about the communities in which they work. In short, BlueScope business people with an interest in the long-term strength of the Company.

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This report is for  
our people



Yes.  
You.

# The world's changing. So are we.

Our track record  
of successful global  
partnerships enables  
us to prosper in widely  
diverse markets



## Our transformation

**The transformation of our business through significant restructuring, cost-reduction programs, prudent capital management and strategic investments has positioned us for future growth.**

Our investment in growth and strength for the future includes:

- the ASEAN Coated Products joint venture with Nippon Steel & Sumitomo Metal Corporation giving access to new markets and technology in March 2013;
- opening of the new \$70 million Xi'an facility in Shaanxi Province central China in October 2013;
- expansion of New Zealand iron sands exports, with further expansion targeted for FY2015;
- new metal-coating facilities in the high-growth markets of Indonesia and India;
- development and launch of next generation COLORBOND® and ZINCALUME® steel products in 2013;
- acquisition of Orrcon, a pipe and tube manufacturer and distributor, and the Fielders building products business in February 2014;
- acquisition of Arrium's OneSteel sheet and coil processing and distribution assets in April 2014; and
- acquisition of Pacific Steel Group downstream long products business in New Zealand in June, and the construction of a billet caster and associated plant at the Glenbrook steelworks.

The transformation journey continues, with different parts of the business launching their own programs, such as Triple A, BAMBOO and Bridgespan, in line with a more customer and market-focused mindset.

We have fought hard to transform our business, to create a more sustainable BlueScope as measured by shareholder value, employment, customer goodwill and community recognition.





## BlueScope today

BlueScope is a steel manufacturer for the domestic markets of Australia, New Zealand and the US, and a leading international supplier of steel products and solutions principally in the global building and construction industries. Your Company's footprint covers 100 factories in 17 countries employing 17,000 BlueScope people.

BlueScope:

- The world's 3rd largest supplier of metal coated and painted steel products for building and construction markets, principally focused on the Oceania and Asia Pacific regions;
- The world's leading global supplier of engineered building solutions to industrial and commercial markets;
- Through our North Star BlueScope Steel joint venture, North America's leading customer focused supplier of flat products in the US – rated #1 in customer satisfaction in North American flat rolled steel supplier for the 12th consecutive year;
- The largest steel producer in Australia and New Zealand with a key focus on higher value, branded steel products for the building and construction industry;
- Strong brand recognition, including **COLORBOND®** steel, **ZINCALUME®** steel, **COLORSTEEL®**, **LYSAGHT®**, **BUTLER®**, **VARCO PRUDEN®**, **Spectrascape®**, **ZACS®** steel;
- In joint venture partnerships with two of the world's largest steel companies: with Nippon Steel & Sumitomo Metal Corporation in ASEAN and North America, and with Tata Steel in India.

# Switch on Safety



At BlueScope we all care about working safely because we know that our families and work mates depend on us.

**We put in much time and effort to work safely, and to look out for each other. Many of us work in high risk jobs, and we have safety processes and procedures in place to protect us.**

Tragically, the death of Shen Bin at the BlueScope Buildings facility in X'ian, China, in June showed us more than ever why we need to switch on to safety.

Switch On Safety means working to our safety beliefs and remembering why we work safely. Every day we switch on to what is important to us – whether that be our family, a hobby or a prized possession, our plans for the future. So, when we are at work we must switch on to safety to make sure we continue to enjoy those things that are important to us outside work. And this includes our workmates – we must also ensure that they 'switch on' to safety.

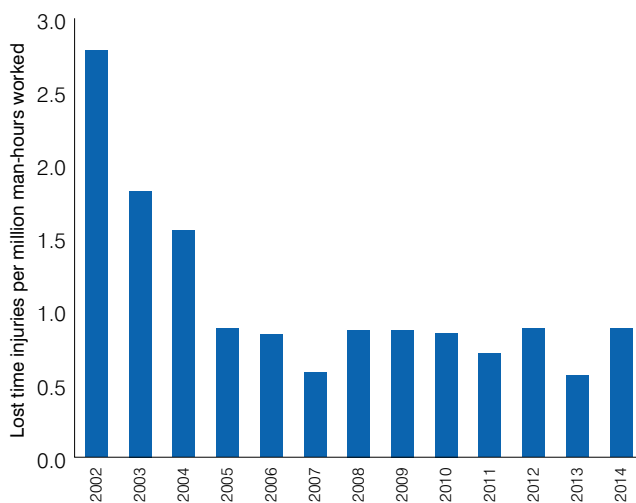
If we see something that is not safe, we all have a responsibility to remind our colleagues why we work safely and why we switch on to what is important to us.

Switch on Safety is about everyone taking responsibility for safety at work and at home – looking out for each other, our team mates and our family. It's an opportunity for teams to share stories, experiences and personal actions, and discuss ideas to find safe ways of working.

Switch on is about re-energising the way we think about safety and our Zero Harm goal.

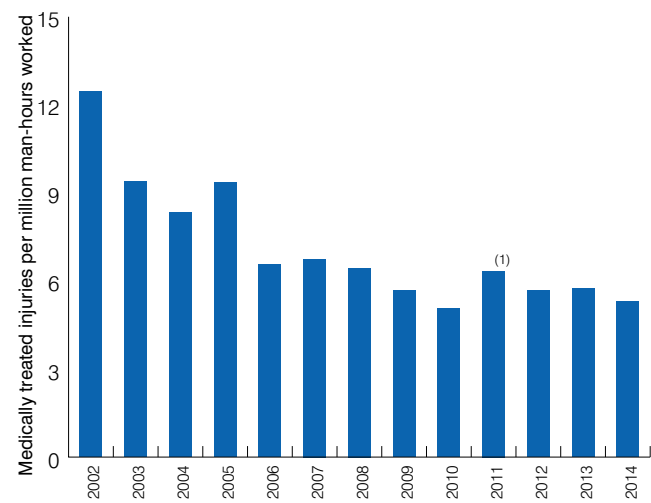
Here we can see our safety performance, as measured by LTIFR and MTIFR, for FY2014:

**Lost Time Injury Frequency Rate 0.9 (FY2013: 0.6)**



Includes Contractors from 1996. Includes Butler from May 2004. Includes 2007/8 acquisitions. Includes Australian operational restructure 2012.

**Medically Treated Injury Frequency Rate 5.3 (FY2013: 5.7)**



Includes Contractors from 2004. Includes Butler from May 2004. Includes 2007/8 acquisitions. Includes Australian operational restructure 2012. Note: 1 – The MTIFR baseline has been reset from 4.4 to 6.3. This change relates to revised principles that raise the bar on BlueScope's MTI definition





**Switchonsafety**

**SWITCH ON SAFETY** means working to our safety beliefs:

- Working safely is a condition of employment
- Employee involvement is essential
- Management is accountable for safety performance
- All injuries can be prevented
- Training employees to work safely is essential
- All operating exposures can be safeguarded





## Felt Leadership

Leaders who act according to BlueScope's leadership standards demonstrate 'Felt Leadership' – that is, there is no discrepancy between their words and their actions.

**Matt Burke – Painting, Finishing & Despatch Team Leader, BlueScope ANZ**

Winner of Felt Leadership Award  
2013 Managing Director & CEO Zero Harm awards

### What does Felt Leadership mean to you?

To me Felt Leadership means interacting at every opportunity to give people guidance. Enacting Felt Leadership is just part of what it means to be a Supervisor or Team Leader. Like it or not you're being observed for your actions – and your inactions – all the time as a front line leader, so you have to "walk the talk" if you want to have credibility and respect.

### How has Felt Leadership become part of the way you work?

I like the quote "the standard you just walked past is the standard you just set..." I think about this when I'm out on the plant. It doesn't mean you have to get upset with people but you have to let people know if they aren't doing something as per expectations. Once there is a clear understanding of why a certain expectation exists I find the majority of people are highly co-operative and adjust their behaviours. Once people know the standard and where their supervisor stands, they also work within safe boundaries.

### How has Felt Leadership changed the way your team approaches safety?

Once people are trained to do things the right way both in theory and practically, the team functions better as a whole. If people are not sure of the right way to do a task or something changes they tend to stop and ask for help rather than launching into the unknown which could lead into territory where injuries or incidents occur.



## Holding on to knowledge and experience

Safety reviews undertaken by the Corporate Occupational Health and Safety (OH&S) team have highlighted the potential to improve the skills and competencies of some relatively new business operations and their safety leaders. Tapping into the vast knowledge and experience of long-standing BlueScope operations and safety managers, the corporate safety team developed the Business Leaders Safety Coaching Program, which calls on a group of recently retired operations managers with decades of experience between them, as well as experienced operations and safety managers. Together, they impart to front line leaders their depth of OH&S knowledge, and their understanding of the right processes and necessary tools.

In the last quarter of FY2014, 48 employees participated in 17 safety coaching programs held in most BlueScope

businesses and regions. The recent retirees, bringing a wealth of experience and skills to the program, are using their knowledge to coach and mentor the next generation of BlueScope leaders.



## Setting the standard in construction safety

At BlueScope, we all believe that good safety management is good business. To continue improving our safety performance, we must focus on safety leadership, safe behaviour and managing critical risks.

As many businesses within the Global Building Solutions (GBS) footprint now offer construction services to customers, the business has a new safety risk profile, particularly in areas such as working at heights, handling beams and frames, and temporary bracing.

In 2013, GBS introduced Global Requirements for construction safety to help manage the new safety risks – a rule book for building safely. Now, over 600 construction managers, project managers, site product consultants, site supervisors and contractors have actively participated in construction safety workshops to become familiar with the Global Requirements and how to use them. There was very positive feedback, and many suggestions were made on how the Requirements could be improved.

In response, and following further consultation with safety and construction professionals at all levels across the business, the Global Requirements have been refined and relaunched as a new set of nine Requirements covering safety risks such as erecting, connecting and temporary bracing of steel, elevated lifts, roofing and decking, and

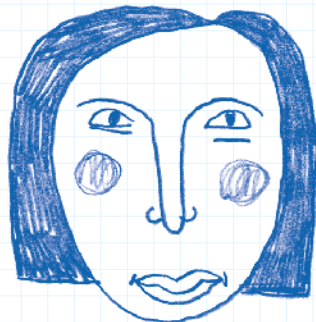
separating people and equipment. The new Requirements are more engaging and practical for the businesses to use.

The Global Requirements (available on the intranet <http://www.ext.bluescopesteel.com/SiteDirectory/087/PEMB%20Construction%20Safety/Forms/AllItems.aspx> in English, Thai, Vietnamese, Malay, Spanish, Indonesian and Mandarin) apply to all projects where GBS is providing construction services, whether the work involves GBS employees, or contractors directly engaged by GBS to carry out construction work.

The Global Requirements are a great example of the power of connecting the knowledge and best practices of our businesses across regions.



# Living our Bond



In the 2013 survey there were positive results for pride in BlueScope, clarity of work goals, a sense that BlueScope tries to do the right thing under Our Bond, equal opportunity and safety leadership.

## The results of the 2013 Our Bond survey are being used to:

- better understand how employee engagement varies across different groups;
- understand how familiar employees are with Our Bond; and
- highlight the areas requiring greatest attention to enable us to focus our resources and action plans productively.

The performance of areas most in need of improvement from previous Our Bond surveys has lifted as a result of actions taken across the Company. For example, the 2004 survey highlighted 'work and family' as the weakest area. This has shown steady improvement since, with a score of 70% in 2010 and 77% in 2013. The 2010 survey reported 'trust and respect' at 67%, and this has improved to 72%.

In the 2013 survey there were positive results for pride in BlueScope, clarity of work goals, a sense that BlueScope tries to do the right thing under Our Bond, equal opportunity and safety leadership. There were also very positive responses to questions relating to supervisor support for safety at work (88%); diversity as it relates to career development opportunities (79%), and performance assessment (83%).

Each business has its own action plans in place to address issues raised by employees. However, further analysis of the results, including employee focus groups, review of verbatim comments and interviews with line managers to identify issues underlying the results, has confirmed that three areas deserve Company-wide attention:

### i) Senior leader communication

Responding to employees, business units will improve the communication of strategic direction, Company updates and financial results. We will also improve how Company-wide messages and other communication initiatives are delivered.

### ii) Career opportunities

We will assist employees to understand career development opportunities

### iii) Right people being recognised and rewarded

We have an opportunity to improve how recognition programs are used to recognise outstanding performance, such as the BANZ Triple A program and BAMBOO in Building Products which recognise employee performance in those businesses.

The progress of individual Our Bond action plans in each business is being tracked and reported regularly to senior management.







## Our Bond

We and our customers proudly bring inspiration, strength and colour to communities with BlueScope.

### **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**

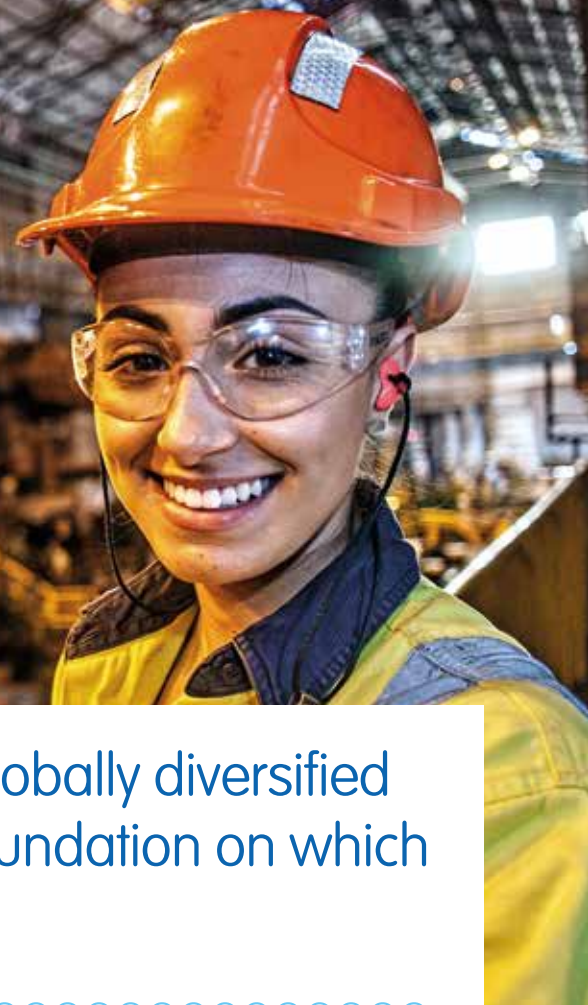
Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

### **Our 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.



# Our shareholders are our foundations



BlueScope has developed a strong, globally diversified portfolio of assets that provided the foundation on which our turnaround is being built.

At a strategic level, in FY2014 the Company made good progress on our stated growth initiatives.

In Australia, the acquisition of the Orrcon and Fielders businesses was completed in February 2014, while the acquisition of Arrium's OneSteel Sheet and Coil Processing and Distribution assets was completed in April 2014. Integration of these three businesses is on track.

Acquisition of Pacific Steel Group in New Zealand took place in June 2014. Construction of a billet caster and associated plant at the Glenbrook steelworks, and integration tasks, are running to plan.

All of these acquisitions and expansions are cost-effective growth initiatives, which deliver synergies and scale economies. They allow us to broaden the portfolio of products we offer our customers in the important building and construction sector and to lower the cost of serving customers.

The second and third Taharoa (NZ) iron sands export ships are on track to commence around the middle of calendar 2015, and financial year 2016 respectively.

BlueScope is proud to be one of Australia's largest manufacturing employers.

A strong manufacturing sector is important for the nation. Manufacturing provides skilled and well-paid jobs. It also contributes strongly to the country's GDP and exports.

The manufacturing sector has faced many headwinds in recent years. Some of these headwinds, like the high Australian dollar, are difficult for anyone to control. Others, however, were a result of poorly conceived or executed government policies that simply added unnecessary costs and reduced Australia's competitiveness.

Although some of the headwinds facing manufacturing have abated, times continue to be tough. However, BlueScope's turnaround demonstrates that even in a tough market, it is possible to survive and grow.

## Delivering our strategy

BlueScope is now well positioned within our four core businesses to pursue growth opportunities. Our Company has a more positive financial outlook than previously, and we look forward to a time of paying consistent dividends.

# Our performance in FY2014

## Key priorities going into FY2015

### Australia & New Zealand:

- Deliver benefits of acquisitions, and progress announced iron sands expansions
- Maintain or build on market leading positions in Australian flat steel products to grow domestic volumes
- Minimise impact of cost inflation, pursue cost reductions

### Building Products:

- Capture benefit from non-residential construction markets growth
- Deliver benefits of new products and new customers through JV relationship

- Improve performance in Indonesia, manage Thailand business through political instability

### Global Building Solutions:

- Capture benefit of forecast US non-residential construction growth
- Improve performance of China business
- Continue to expand global accounts business

### North Star BlueScope Steel:

- Maintain profitability with low cost, highly flexible operations
- Maintain strong focus on customer relations
- Continue to look at productivity improvement initiatives

“Our FY2014 financial results illustrate our turnaround and transformation of the past few years. We have a strategy: new product and market development, being close to customers, and prudent capital investment to deliver growth and strong returns to shareholders.

“Throughout our focused actions to restructure our business we have remained confident in the underlying value of our assets, and especially of you, our people. I wish to thank you all for delivering on our turnaround

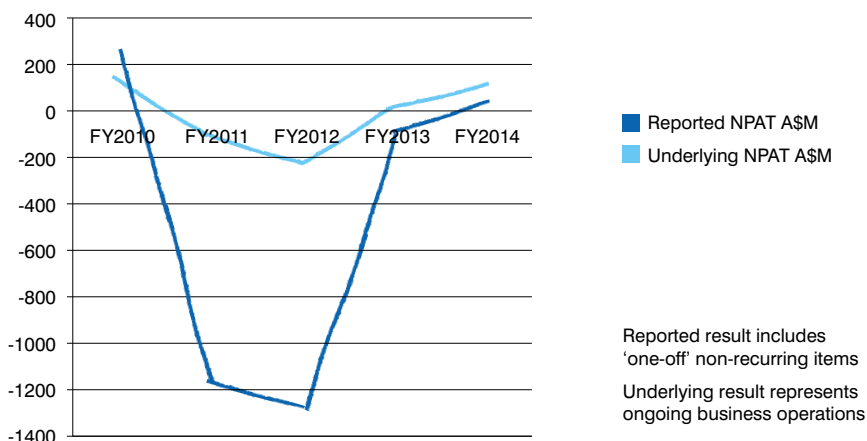
plan. And together I am confident that we will deliver on our strategies and projects and ensure BlueScope sees even more success in FY2015 and beyond.

“Finally, I remind you to remain switched on to safety – always remember why we work safely, look out for your colleagues and Take Two.

“Thank you – and congratulations.”

Paul O'Malley, Managing Director & CEO

**Transformation and turnaround: Net Profit After Tax (NPAT) FY2010 – FY2014**





# Our customers are our partners

The products and brands that we market and sell around the world are the result of many years of research, and we continue to build on our competitive advantage and grow through developing innovative new products.

Here's a sample of the major initiatives BlueScope has launched around the world in the last five years:

- Next generation **ZINCALUME®** steel with patented **Activate™** technologies incorporates magnesium compounds in its formulation which 'activate' the aluminium in the coating to provide even more effective corrosion resistance. The superior corrosion resistance has been confirmed in independent testing conducted by the internationally recognised French Corrosion Institute.
- The **ENDURO®** rollformer is a high-speed, specialist, steel framing rollformer that manufactures the **ENDUROFRAME®** steel building system designed and detailed using the **ENDUROCAD®** software. Its design is based on the specification of the best steel framing rollformers BlueScope operates across the world. More information at [www.enduroframe.com](http://www.enduroframe.com).
- **COLORBOND®** steel **Thermatech®** technology optimises the solar reflectance properties of roofing products, thus improving the energy efficiency of the building, and reducing energy costs; while **COLORBOND® COOLMAX®** steel is specifically designed to provide the highest solar reflectance prepainted steel roofing to achieve the best benefit from cost effective and durable thermal performance.
- In Asia, **Clean COLORBOND®** steel prevents fine dirt and other particles from bonding to the building surface even in very hot and humid environments. As a result, these particles remain "loose" on the surface and are washed away with subsequent rainfall so they do not accumulate into dark permanent unsightly stains.
- Developed by BlueScope Thailand, **ZACS®** steel is a hot dipped zinc/aluminium alloy-coated steel with a spangled surface designed for Asian markets, and is longer lasting and more thermal efficient than zinc galvanized steel, giving longer lasting and cooler buildings.
- The **Sunlite Strip/Primax SL™** daylight system, developed at BlueScope Buildings North America Research and Testing centre allows natural sunlight to provide interior lighting, and is a feature of BlueScope's new facility at Xi'an, China.
- BlueScope Buildings North America **WideBay Truss Purlin<sub>xt</sub>™** is a cost effective solution that offers wider spanning capability for low incremental cost.

## Global Building Solutions project customers include:



Go to the People Report online for more customer and innovation case studies.



# BlueScope Buildings: differentiation through innovation

**For the past three years a central initiative of BlueScope Buildings North America has been to innovate with new products and systems that differentiate its Builders in the North American marketplace.**

The Research and Testing (R&T) centre in Grandview, Missouri in the US is the starting point for most of this work. Currently, the R&T centre supports all BBNA brands including Butler Manufacturing, VP Buildings, and BlueScope Construction.

Since it was established for Butler Manufacturing Company in 1959, a large number of important industry innovations have originated from the centre, including the standing seam roof concept and product (the MR-24® roof system), the introduction of Galvalume to the metal building industry, and most recently the Sunlite Strip/Prismax SL™ daylight system which was used extensively in the new BlueScope Buildings facility in Xi'an, central China. Numerous patents have been earned, most of which are valid today in many countries around the world.

Dave Evers, Vice President Research and Testing, works closely with Ron Miller, Vice President Innovation and the BBNA management team to select and focus on projects with the highest impact for the business.

Senior professionals at the R&T centre are industry experts in product and materials testing, thermal performance, and structural engineering. The facility has extensive in-house testing capability including Guarded Hot Box Thermal testing, accelerated weathering of materials such as coatings, fasteners and mastics, wind uplift testing, and full-scale structural testing.

With the strong support of BlueScope during the past few years, the R&T centre has been able to continue its product innovation work to expand the BlueScope Buildings business throughout the world.



**The Research and Testing Centre team**  
**Back Row:** Dave Evers, Richard McClure, Wil Hostettler, Mark Henry, Greg Effland, Jim Wilson, Shawn Williams, Cliff Robinson. **Front Row:** Tori Johnson, Janet Timberlake, Rich Grabmeier, Al Harrold

## Showcase of green innovation

**BlueScope's new facility at Xi'an in central China, demonstrates how premium steel buildings support sustainable green building technology.**

The facility, a custom-engineered building commissioned with BlueScope roofing and walling systems, is one of the most environmentally sustainable facilities of its kind, meeting stringent environmental design principles in the US and the highest industry standards in China.

It is China's first three-star green industrial building, the highest environmental rating available in that country. It also won a Leadership in Energy & Environmental Design gold award from the US Green Building Council, showing how BlueScope leads the industry with its energy saving and pollution-reducing green technologies.

Integrated green-building technologies designed to minimise energy consumption and emissions, reduce the urban 'heat island' effect and protect the environment accounted for about 10% of the cost of constructing the Xi'an facility. However, the expected energy savings will recover this cost within three years. An 'intelligent' measuring system collects and analyses data to help optimise energy use.

The facility has been recognised for its sustainable features and shows our customers a new generation of BlueScope products and sustainable industrial building solutions, including recycled materials, rainwater harvesting, a 'green' roof, natural ventilation and natural light through the SunLite

Strip™ daylighting system developed at BlueScope Buildings Research and Testing Centre in North America.

The facility moves perceptions of BlueScope beyond a traditional steel manufacturer to now be seen as a global high-tech building and construction company. Importantly, it will ensure that BlueScope can optimise its operating efficiency to supply more value-added, high-quality, branded products and building solutions to our customers.

The facility covers more than 126,600m<sup>2</sup> and houses two BUTLER® engineered buildings and LYSAGHT® Building Products manufacturing lines.



Natural light provided by the SunLite Strip™ daylighting system is one of the features of the interior of the Xi'an facility.



# Our people are our strength

## BlueScope and its people

**BlueScope aims to offer all employees a safe workplace environment and a satisfying career.**

Data used throughout the year to gauge levels of employee engagement include rates of absence, and voluntary turnover, where an employee resigns or retires, or leaves the Company for reasons such as ill health. Above-average rates in these areas suggest employees may not want to be working for the Company, and are most likely not engaged or willing to make extra effort.

Employee absence rates for FY2014 show significant differences between sites, roles and countries. The best performance was between 0.5 and one average day absent per employee, with the worst performance showing between 3.5 and four average days absent per employee.

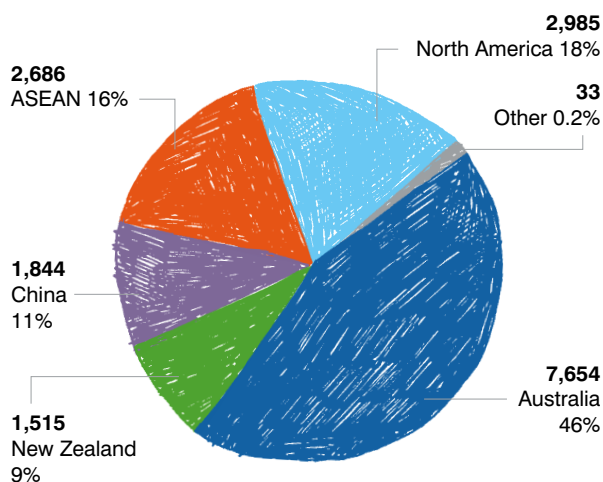
BlueScope's voluntary turnover rates for FY2014 are lower than industry norms, indicating that those who join BlueScope want to stay. In FY2014, voluntary turnover rates ranged between 5.5% and 8% across the Company.

We strive to hire, develop, promote and retain the most qualified people available to reflect the global diversity of our customers, markets, and the communities in which we operate. Our aim is to foster an inclusive environment and culture that values difference and thereby attracts, encourages, and develops a talented, diverse, and capable workforce.

We are working to continue to improve gender diversity in both the Company overall and in management positions, increase diversity of perspective on leadership teams and build on the success in reducing past reliance on Australian expatriates in overseas management teams.

Since 2009, the percentage of female executives has increased from 8% to 14%. The proportion of local management represented on leadership teams in all regions has increased, and emphasis is also placed on facilitating talent development across functions, businesses and regions.

**Employees by country – (As at 30 June 2014)**





## Learning from experience

**BlueScope Buildings North America's mentoring program fosters professional growth and cultivates diverse talent. Through monthly meetings, mentors guide mentees in gaining skills and perspective, and the tools they need to develop their potential as promising and emerging leaders. A pilot program was launched in 2011 with five partnerships, and has now grown to 15 partnerships for FY2015.**

A strategic interviewing and matching process at the outset aims to achieve a successful partnership between mentors and mentees, and ensures cross-business exposure. The program delivers one on one coaching and development, fosters increased engagement, prepares the mentee for a leadership role, and helps cultivate diverse perspectives. Participants have measureable business and individual development objectives to work towards with the guidance of their mentor.



Matt Threadgill, President BlueScope Construction, with mentees Kelli Woolsey, Lead Project Manager Global Accounts (R) and Valerie Wilkinson, Regional Finance Manager (L).

Why mentoring? Research across a broad range of professions has consistently demonstrated that employees in mentoring relationships report higher levels of job satisfaction and higher levels of commitment to their companies. Mentoring allows opportunities for diverse views to be discussed and understood, offering new insights and new perspectives for both mentees and mentors.

### What participants in the 2014 program said about...

... the value of networking with partner and mentoring group as a whole:

"Great opportunity to network with senior leaders...and access the highest quality sounding board in the company."

...understanding the business from a different perspective:

"The biggest impact for me was the gaining of a different perspective on the business from a person at the senior management level. This helped me understand how business decisions are made long-term."

"My experience was definitely a two way process. I was able to learn as much from my mentee and reevaluate my own perspective..."

...affirmation and growth in confidence:

"My mentor gave me confidence. Questions I may have normally been afraid or hesitant to ask, my mentor actually had exposure and experience with the same issues."

"...being a sounding board for my ideas and often just affirming my plans were sound."

## A new take on recruitment

Struggling to find electrical and mechanical technicians locally in Delta, Ohio, North Star BlueScope Steel expanded its search to members of the US Navy's nuclear program, where skilled technicians operate, control and maintain the state-of-the-art components that power Navy aircraft carriers and submarines. Now, more than 25 per cent of North Star BlueScope Steel's 360 employees are military veterans. They have proven to be a great fit for the business and a number of them have been promoted to new roles in the Company.





# Diversity at BlueScope

## A letter from Paul O'Malley, Managing Director & CEO

**BlueScope operates across the globe through four business units – Global Building Solutions, NS BlueScope Coated Products, North Star BlueScope Steel and BlueScope Australia and New Zealand. We have around 17,000 employees with major facilities in 17 countries and sales activity in many others.**

We have seen much change in recent years and we have had to adapt to ensure we can be a great business today and into the future. "The world is changing. So are we".

I believe that ultimately change has presented us all with an opportunity to get ahead of our competition with new products and new service offers so that we can all be part of a growing and profitable business.

You will have noted the positive response from the share market to the initiatives we have taken in the past few years:

- Radically restructuring the manufacturing business in Australia, while at the same time investing in the next generation ZINCALUME® and COLORBOND® steels and acquiring companies like Fielders, Orrcon and OneSteel Sheet & Coil Distribution to better serve our customers at lower cost;
- In New Zealand, acquiring the Pacific Steel Group long products business and ordering a billet caster at New Zealand Steel, and continuing to expand our iron sands business;
- Continuing to invest in profitable growth in Asia through the joint venture with Nippon Steel and Sumitomo Metals Corporation to form the NS BlueScope Coated Products JV;

- Demonstrating environmental leadership with Global Building Solutions commissioning the first 3-star environmentally rated industrial building in China; and
- Undertaking cost cutting and innovative process improvements in North America over the past five years that are now delivering benefits.

We would not have achieved so much without very good, experienced and diverse teams. We must ensure we are always building the capability of our team to face new challenges, develop new products and markets and continue to manufacture the outstanding products for which BlueScope is famous. We must also continue to challenge ourselves to provide opportunities for capable people who can bring different perspectives to solving problems and making decisions.

"Diversity" can mean different things to different people. Diversity is not just about ensuring equal representation of men and women in the workforce. To encourage the best thinking possible to meet our business objectives we must foster a diverse workforce and a culture of inclusion. An inclusive workplace respects and actively encourages the diversity of opinion, background, education, culture, experience, beliefs and attitudes that exist in every team.

## Creating a diverse team

Following BlueScope ANZ's acquisition of Fielders in March, work began on integrating the new business with BlueScope Lysaght in Australia. One vital task was the creation of a new leadership team for the combined Lysaght/Fielders business.

For the first time in BANZ, building a diverse team was one of the key criteria used to achieve the right balance in the group. Drawing from the existing Lysaght and Fielders lead teams, as well as other BlueScope businesses, the new lead team is diverse in background, age and experience:

- the team consists of seven with a Lysaght background, three from Fielders and two from other areas of BANZ;
- the ages of the team members range from the mid-30s to mid-50s;

- some have had other industry experience within the past five years, some have international experience, and most have been in their current role less than three years, or are new to their role; and
- a mixture of personalities.

The team formally came together on 1 July 2014.



I ask you all to consider how we can work to build diversity within our businesses. Diversity of thought and inclusion is essential for us to be successful in a world that is changing so quickly. For many years we have experienced the benefits of having people with the right mix of skills and experiences, the right mix of thinking styles and the right mix of perspectives, which is essential to our business success. As the pace of change continues to increase, we need to be diligent about the processes we use to ensure that we stay in front of our competitors.

We have very structured processes to ensure that we run the right cadet programs and graduate recruitment programs, and that we employ a mix of people that reflect the communities where we operate.

Over the past ten years we have seen steady improvements in the participation of women in senior management, a significant reduction in our reliance on Australian expatriate managers in Asia, and the great benefits that have come from our highly capable local staff being able to participate in decision making that enables us to provide the support our customers need in their markets.

We have been really successful leveraging our Australian manufacturing and technology skills to set up our manufacturing facilities in Asia. In many cases, as we have increased the number of talented employees at BlueScope who have grown up in the local markets, we have achieved better sales and marketing, and better business results.

We should be able to get the right work-life balance between the needs of the business and the needs of the employee during those times in our working lives when we need time away from work for one reason or another – particularly for those who are having families. If we do not get this right, that is not in the best interests of the Company or the employee.

**To continue to challenge ourselves and to ensure that our processes are effective in promoting an inclusive workforce, my Executive Leadership Team colleagues and I will monitor:**

1. The number of promotions, cross-business moves, lateral moves and job rotations;
2. The number of new hires by gender;
3. The participation of female and male employees in structured development programs, including essentials, cadet and graduate programs;
4. Retention rates of women who return to work after maternity leave; and
5. The effectiveness of our recruitment practices in driving diversity, through surveying the level of diversity across the candidate and interviewing groups.

All of these measures should, in combination, assure us that we are continuing to select the best candidates for the right roles. Diversity will build team strength, so we can succeed in meeting the challenges that the pace of change will bring.



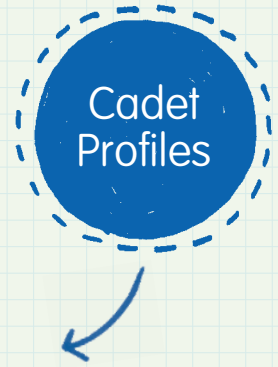
## Dedication to detail and excellence

At Lysaght Sarawak, BlueScope Malaysia's Borneo business, a team of five operators shows enormous dedication and attention to detail in delivering business results, and our customers benefit from the high standards of excellence shown by this team.

The team members – with an average length of service of more than 11 years – perform roles that are not traditionally held by women in many cultures, including Borneo. These women are fitters and machine operators who operate and inspect TRIMDEK®, LITEDEK® and crimp-curve machines, fabricate roofing accessories, and pack and despatch finished products. The team leader also records raw material details for production.



BlueScope's cadet program, run in Australia, mainly at Port Kembla Steelworks and Western Port, and at BlueScope Indonesia, accepts school leavers who are about to begin or have just started an undergraduate university degree. The cadets gain exceptional work experience while completing their studies, and the skills they acquire during a cadetship are invaluable to a successful career.



## Shannon Peace

Electrical Engineering



**The best thing about being a BlueScope cadet is...** having a job that is related to your study. It gives you a much deeper understanding of the concepts taught throughout your engineering degree, and assists greatly in being able to remember them for exams and later subjects because you have seen them first-hand.

## Lani Guerreiro

Mechanical Engineering



**The best thing about being a BlueScope Cadet is...** having the opportunity to experience a variety of engineering roles and responsibilities within a dynamic, heavy industry. Let's face it, studying at uni can get boring! The practical experience I have gained through my cadetship not only complements the theoretical knowledge taught at university but keeps me motivated and focused to do well in my studies.

## Jordan Starkey

Mechatronics Engineering



**Right now I'm working...** at energy services electrical maintenance. After previously working at the Springhill machine shop getting practical experience in the mechanical discipline, I'm now getting some hands on experience working with electrical tradesmen and maintenance crews. It has been good to now see the electrical aspect of my mechatronics degree. I'm gaining a good grounding in industrial wiring, instrumentation, control systems and fault finding. This kind of experience has increased my understanding of fundamental electrical concepts which is invaluable at university.

## Alice Patterson

Sinter Plant Process Engineer  
(Graduate Cadet)



**What's it like being a female engineer?** Some people, my mother and grandmother particularly, had concerns about me becoming an engineer and working in heavy industry. But all I can say is I haven't had any issues, I've been treated with a high level of respect. After graduation I became the Sinter Plant Process Engineer, responsible for making 10,000 tonnes of sinter a day, particularly its quality, chemistry and size. Although I have only just finished my degree I have the experience and training required to make decisions regarding the process, including when to turn 4.5 megawatt fans on or adjusting the eight tonnes per hour water addition. Today, I made a decision to save \$2000 a day while reducing carbon consumption; my job is awesome!

## Sajneet Pooni

Mechatronics Engineering



**The best thing about being a BlueScope cadet is...** having the ability to study part time and putting it into practice when working full time. BlueScope has allowed me to become good friends with other cadets as well as being introduced to knowledgeable people in the industry. Safety is a key factor at BlueScope, which makes me feel extremely comfortable when working in this type of environment. The hands-on industrial experience has allowed me to see things that the average student my age wouldn't be able to, like 20-tonne dump trucks, mobile cranes and heaps more!

[Go to the People Report online to read more case studies.](#)





## Training and development

BlueScope offers excellent training for operators, as demonstrated by high standards of safety at all manufacturing sites around the Company, and by the quality of the products produced, which are highly sought after by our customers.

The Essentials program is offered at five levels across the Company. It aims to develop leadership capability and build a high performance organisational culture that meets customers' expectations.

Essentials uses a common approach to develop key competencies that employees at each level of the business require for success. The program modules, content and delivery are tailored to challenge participants and meet their specific development needs.

The expectation that people will apply what they learn, and deliver real, measurable business benefits sets this work apart from previous training and development initiatives at BlueScope.

*[Go to the People Report online for more training and development case studies.](#)*





# Our communities are our homes

At BlueScope we are proud of our generous response to disaster relief, such as the 2004 Asian tsunami, the 2008 earthquake in Sichuan, China, the bushfires in Victoria, Australia in 2009 and the earthquakes in Haiti and Christchurch, New Zealand. We are also known for stepping in to support our local communities in times of difficulty. Here are some examples.

BlueScope Lysaght **Malaysia** employees supported the Destiny Starting Point Welfare Association, which provides shelter to boys and girls with various social problems and helps them embrace a healthier and better life. The BlueScope volunteers explained the importance of taking care of the environment, and led the children in some fun activities, which included using recycled materials to create a fashion show.

For the sixth year, BlueScope **Thailand** employees joined forces with other local steel companies to organise and participate in a Mini Marathon in support of a number of community organisations.



In **Australia** Ranbuild and its dealer network went pink to support the McGrath Foundation, which raises money to place McGrath Breast Care Nurses in communities right across Australia, and to increase breast awareness in young women.



In **Malaysia** BlueScope Lysaght runs a quarterly program for employees to get involved in their communities. In the past year, the activities have included events at local charity homes, a working bee to clean up a local school, and a blood donation campaign.



This year Lysaght **Surabaya's** annual community event for local school children focused on road safety education, incorporating elements of BlueScope Indonesia's SmartRoads safety program. The children responded enthusiastically to a fun quiz which tested their safety knowledge.



To coincide with this year's Tree-planting Day, nearly 8% of BlueScope's employees in **China** joined in to plant trees around Company sites and in the industrial zones where the business is located.



Representatives from **New Zealand Steel's** IS Helpdesk have handed over old laptops and PCs to local community groups, including Waiuku Family Support Services which refers families to counsellors and Community Support Workers, and hands out children's clothing and household goods donated by the community.



BlueScope **Indonesia** donated 45 computers to six local schools. Both students and teachers benefit from incorporating technology into learning and teaching activities and having access to the internet. BlueScope believes that knowledge of technology will offer the students greater opportunities when they are competing in the workforce in the future.



BlueScope **China** volunteers supported the 'AustCham I Care Project' to give children in migrant schools a better chance at proper eye care. They were set the task of teaching groups of children the importance of eye care, and a hospital in Shanghai gave the children a free eye test.



BlueScope **Indonesia** has been named a 'Road Safety Pioneer' by the Traffic Corps of Indonesia Police Department for promoting road safety through the SmartRoads – road safety for our communities – program. BlueScope employees are trained as SmartRoads ambassadors to educate young people about safer practices on the roads.



A new community engagement program at **Port Kembla Steelworks** enables BlueScope employees to get actively involved in supporting three community groups in the Warrawong community, neighbouring the Steelworks. Each group has immediate challenges to overcome to ensure they are able to continue serving the community. Under the program, the result of a partnership between BlueScope, the Wollongong City Council and other local businesses, three employees are working with each of the community groups to help them meet their targets. The long term aim is for BlueScope people to give their time, experience and expertise to help the groups become sustainable. Each group is good at what they do, but they don't have the business skills or resources to grow – and that's where BlueScope people can help.

Mark Harden, Engineering Systems Programmer, Memphis, **Tennessee**, presented the Youth Villages Runner's Club with a \$3,000 cheque from the BlueScope Foundation. The Memphis-based Youth Villages' Runners Club works to change a child's life one mile at a time, and is a national organisation that serves more than 22,000 children and families each year across 11 states and Washington, D.C.



BlueScope Buildings **North America** employees pledged over \$283,000 to the 2014 United Way campaign, and continued to support local agencies through volunteer activities. The BlueScope Foundation also makes an annual contribution to support area campaigns. In Kansas City, Missouri, over 40 BBNA volunteers helped at the annual United Way Day of Action at a local agency for youth, Gillis Home.



In 2014, the BlueScope Foundation issued 10 internal scholarship awards to children of employees, including at Steelscape's **Kalama, Washington** location to Jessica Barkley, daughter of Scott and Angela Barkley. Scott is a Manufacturing Associate and has been with the company for 10 years; Michael Morgan, son of Rick and Devanie Morgan. Rick is a Paint Analyst and has been with the company for 17 years; and Jewell Penn, daughter of Denise Rockwood who is a Security Guard with Steelscape in Kalama, Washington and has been with the company for six years.







**BlueScope: 17,000 people in more than  
100 manufacturing plants in 17 countries**

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Australia	Fiji	New Caledonia	Thailand
Brunei	India		USA
Canada	Indonesia	New Zealand	Vanuatu
China	Malaysia	Singapore	Vietnam
	Mexico	Sri Lanka	