Annual Report
FY2024

BlueScope

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 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 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 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

Cover Image: Waco Aircraft Corporation hanger in Battle Creek, MI, produced by VARCO PRUDEN™

BlueScope Steel Limited ABN 16 000 011 058

Message from the Chair

In the face of global macroeconomic and steel industry volatility, BlueScope delivered a solid performance in FY2024, again demonstrating the resilience of its diversified business model

Jane McAloon AM
Chair, BlueScope Steel Limited

FY2024 Highlights

In FY2024, your Company again demonstrated the resilience of its business model, as it generated robust earnings, invested for long-term, sustainable growth and delivered returns to shareholders. This ongoing success is underpinned by the continued support of our customers, suppliers and shareholders, as well as the efforts and dedication of the entire BlueScope team.

During the year, the Company continued to execute on its "Transform, Grow, Deliver" strategy. Key highlights include:

- in the US, the ramp up of the North Star expansion and assessment of additional debottlenecking, along with the evaluation of further value chain integration in the US with a potential midstream facility;
- in Australia, the progression of a new metal coating line in Western Sydney and the reline and upgrade of No.6 Blast Furnace at Port Kembla;
- in New Zealand, the commencement of the project to install an electric arc furnace at the Glenbrook site; and
- the significant body of work across the business to unlock a low-carbon future for our operations, and the iron and steelmaking process.

This FY2024 Annual Report includes more information on these important projects, which will underpin our future success and growth, and I commend it for your reading.

Safety

Our commitment to our people-centred approach to health and safety, and culture of learning is unwavering, which is enabled by our deep focus on engaging our people in designing solutions to deliver effective controls. We are continually improving how incidents and injuries are managed to prevent re-occurrence through strengthening controls and learning. In FY2024 our people delivered 271 critical risk control improvement projects, bringing the total projects completed to 1,175 since 2021.

In July 2024, the Company instigated a global “Refocus on Safety” program, intended to ensure ongoing emphasis on its foundational safety practices, supported by HOP principles and tools. The refocus comes as FY2024 saw four of our people sustaining injuries resulting in permanent incapacity, and a lag indicator of TRIFR of 8.8, which is above the long-term range of 5-7.

In March, a customer’s contractor truck driver was fatally injured in an interaction with another customer’s contracted vehicle at one of BlueScope Coated Products’ sites in North America[1]. Our thoughts are with everyone impacted by this tragic incident.

FY2024 Results

Reported NPAT
$806M
20% lower than FY2023

Underlying NPAT
$861M
22% lower than FY2023

Underlying EBIT
$1.34Bn
17% lower than FY2023

Underlying EBIT ROIC
11.9%
Down from 14.6% in FY2023

Net Cash
$364M
Down from $614M at 31 Dec 23

1. As this incident involved BlueScope's customers' contractors, it is not classified under a BlueScope controlled safety management system.

BlueScope's Financial Framework

Since its establishment in 2017, BlueScope's Financial Framework has guided the Company's decision-making, supporting the "Transform, Grow, Deliver" strategy in the pursuit of its Purpose. The Framework outlines the guiding principles for financial management, built on the lessons from BlueScope's first 15 years as a listed entity.

The Framework serves as a foundation for BlueScope's long-term financial sustainability, driving quality earnings, underpinning financial and operating strength, and balancing the competition for capital between shareholder returns and capital investments. This discipline is specifically designed to enable confident operation and investment in our long-life, capital-intensive business through macroeconomic cycles. Under the Framework in FY2024, as in all years since its inception, BlueScope delivered robust returns in the context of its cyclical operating environment, maintained a strong balance sheet, and balanced shareholder returns through dividends and buy-backs with investments in long-term sustainable earnings and growth.

The Framework, along with BlueScope's performance under it, provides enduring confidence in the Company's ability to not only weather industry and macroeconomic cycles but also capitalise on them for long-term, quality earnings and growth.

Business Performance

BlueScope delivered an underlying EBIT of $1.34 billion in FY2024, against a backdrop of global macroeconomic and steel industry volatility. This result was delivered primarily by the strength in our US businesses and many of our downstream operations, which partly offset the impact of materially softer, bottom-of-cycle Asian steel spreads on the Australian steelmaking operations. Operating cash flow for the year, after capital expenditure[1] was $434 million, lower than the prior financial year on slightly lower earnings, higher working capital and higher capital expenditure. Despite this lower operating cash flow, BlueScope again finished the financial year with a robust balance sheet, with $364 million net cash at bank.

BlueScope also continued to make progress on its key sustainability outcomes in the year, most notably achieving a 12.2 per cent reduction in aggregated steelmaking emissions intensity against its FY2018 baseline, in line with its 2030 target level. This was primarily driven by the ramp-up of the North Star expansion, along with operating and process efficiencies at Glenbrook and Port Kembla Steelworks. A range of projects continue to be progressed to unlock a low-carbon future for our business, including our partnership with Rio Tinto and BHP, as well as our Australian Direct Reduced Iron options study (Project IronFlame). The business also continued to strengthen its approach to growing diversity in our workplaces in the areas of gender equality, beyond gender and inclusive capability, and conducted a responsible sourcing governance review to ensure that we are well positioned to meet evolving responsible sourcing risks and requirements.

Rewarding Shareholders

A core part of BlueScope's Financial Framework is balancing the competition between growth investments and returns to shareholders. Under this framework, we aim to distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and buy-backs. In FY2024, the Company returned $548 million to shareholders, comprised of $225 million in dividends and $323 million in on-market buy-backs.

In light of the increased scale and resilience of BlueScope's portfolio, as well as the reduced share count as a result of the buy-back program[2], following review, the Board's intention is to increase the annual ordinary dividend level to target 60 cps per annum[3]. Accordingly, for 2H FY2024 the Board has approved the payment of a fully franked final dividend of 30.0 cents per share. In addition, the Board has approved an extension of the share buy-back program to allow the remaining amount of up to $270M to be bought over the next 12 months[4].

FY2024 Shareholder Returns

Dividends paid
50 cps
Totalling $225M

Share buy-backs
$323M
15.5 million shares bought back and cancelled

1. Cash flow before investment expenditure and financing.
2. 151.1 million shares bought back and cancelled since FY2017, delivering a 33% improvement in earnings per share (EPS)
3. The revised annual dividend level will be subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements and the Board's determination at the relevant time.
4. The timing and value of stock purchased will be dependent on the prevailing market conditions, share price and other factors.

Board Composition and Renewal

At BlueScope's 2023 Annual General Meeting (AGM), I was privileged to succeed John Bevan as Chair of the BlueScope Board. I have thoroughly enjoyed working with my fellow Non-executive Directors, Managing Director and CEO Mark Vassella and the BlueScope management team to continue this Company's journey of growth and success. I would again on behalf the Board, management and shareholders like to sincerely thank John for his remarkable leadership and contribution to BlueScope over the past decade, including eight years as Chair.

Alistair Field joined the Board in January 2024, bringing more than 25 years' experience in the mining, metals and manufacturing sectors, and extensive experience at senior executive level in North America, the Middle East, South Africa and the UK, as well as Australia. His international heavy industry experience and operational expertise coupled with his understanding of complex, large-scale projects complement the Board's collective skills and experience and reflects the global diversity of BlueScope's operations.

Since 2022, the Board has been undergoing a period of succession. It is critical that the Board retains the diversity and breadth of skills and experience relevant to BlueScope as a large-scale, international manufacturer. In addition, with more than half our earnings coming from outside Australia, it is important that our Board reflects all the regions in which we operate, and this remains a focus of Board renewal.

To ensure a process of orderly succession and knowledge transfer, at the 2021 AGM shareholders voted to temporarily increase the maximum number of Directors to twelve until the 2025 AGM. With demonstrated benefits of such overlap between outgoing and incoming Directors, approval will be sought at the 2024 AGM to retain the maximum number of Directors at twelve, in order to facilitate this important knowledge transfer as Board renewal continues.

Outlook

At the start of 1H FY2025, BlueScope is seeing a convergence of macroeconomic challenges across BlueScope's largest regions, with ongoing softness in Asian spreads, the recent contraction in US spreads and cost pressures from persistent inflation. These challenges reinforce the importance of maintaining a globally competitive cost base whilst pursuing growth in domestic, value-add products to support margins.

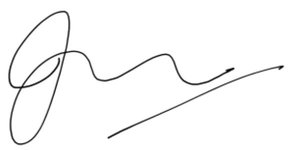
BlueScope consistently balances short-term performance with investments in long-term growth, as guided by its Financial Framework. Amid near-term uncertainty, the Company will maintain this balance by managing costs and revenues wherever possible and prioritising the timing of capital expenditures appropriately, including a body of work in the Australian business to drive productivity and performance.

In this context, the Company expects 1H FY2025 underlying EBIT to be in the range of $350 million to $420 million, subject to spread, foreign exchange and market conditions. A further update on trading conditions will be provided at our AGM on 19 November 2024.

Conclusion

Your Company delivered a solid performance in FY2024, again demonstrating the power of its diversified business model in generating quality earnings, investing for long-term, sustainable growth, and delivering shareholder returns. BlueScope remains in good shape, even in the face of the above-mentioned challenges.

The Board and I extend our thanks to BlueScope's dedicated team of over 16,500 people, whose commitment to maintaining safe work practices, supporting each other, and serving our customers and communities is commendable. Additionally, I wish to express my gratitude to our shareholders, and my fellow Directors for the support and partnership provided in FY2024.



Jane McAloon AM
Chair

Section

01.

Earnings Report

Operations and Strategy

Description of 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 focussed 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 (BRM) 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 in the region. The operations in Thailand, Indonesia, Vietnam, Malaysia, India and China all primarily serve the domestic building and construction industries in each of these countries.

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

In summary

BlueScope has outstanding assets and capability

- Strong operating leverage from a diverse business portfolio.
- A global leader in metal coating and painting for building and construction.
- Iconic industrial brand position of COLORBOND® steel.
- Integrated and resilient Australian business delivering returns across the cycle.
- Expanded footprint across the US flat steel value chain, providing an exciting platform for growth.
- One of the most productive and profitable mini-mills in the US in North Star.
- Expansive footprint across high growth Asian markets.

A Resilient Business Delivering Returns Through the Cycle

Diversified business delivering through-cycle quality earnings

- Leading positions in Australia and NZ; best-in-class steelmaking in the US
- Suite of premium branded products and solutions that enhance margins

Performance underpinned by quality assets and land portfolio, robust balance sheet and disciplined approach to capital allocation

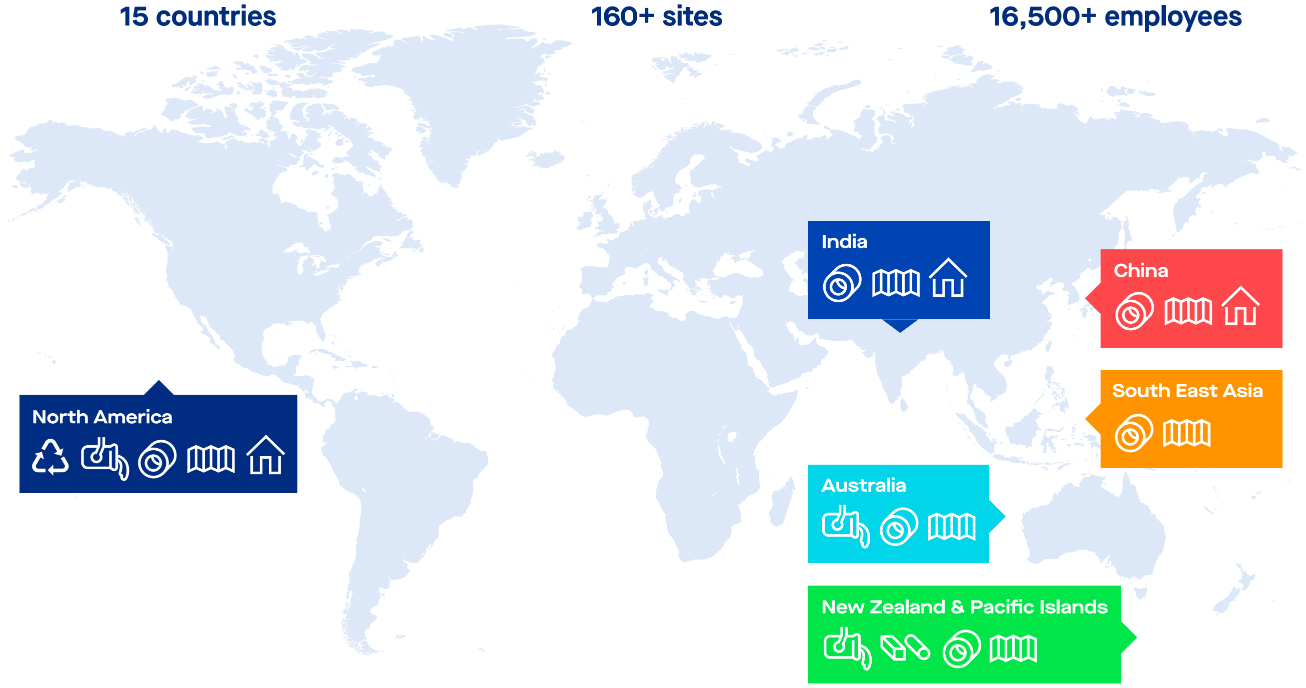
Outstanding growth opportunities across core business

- Continued product shift towards premium branded products in Australia and NZ
- Volume growth from investments in advantaged US steelmaking asset; growing coating and painting capability in the US
- Operate in key South East Asian markets, positioned for growth of premium coated and painted segment

Securing long-term future through decarbonisation program and sustainability approach

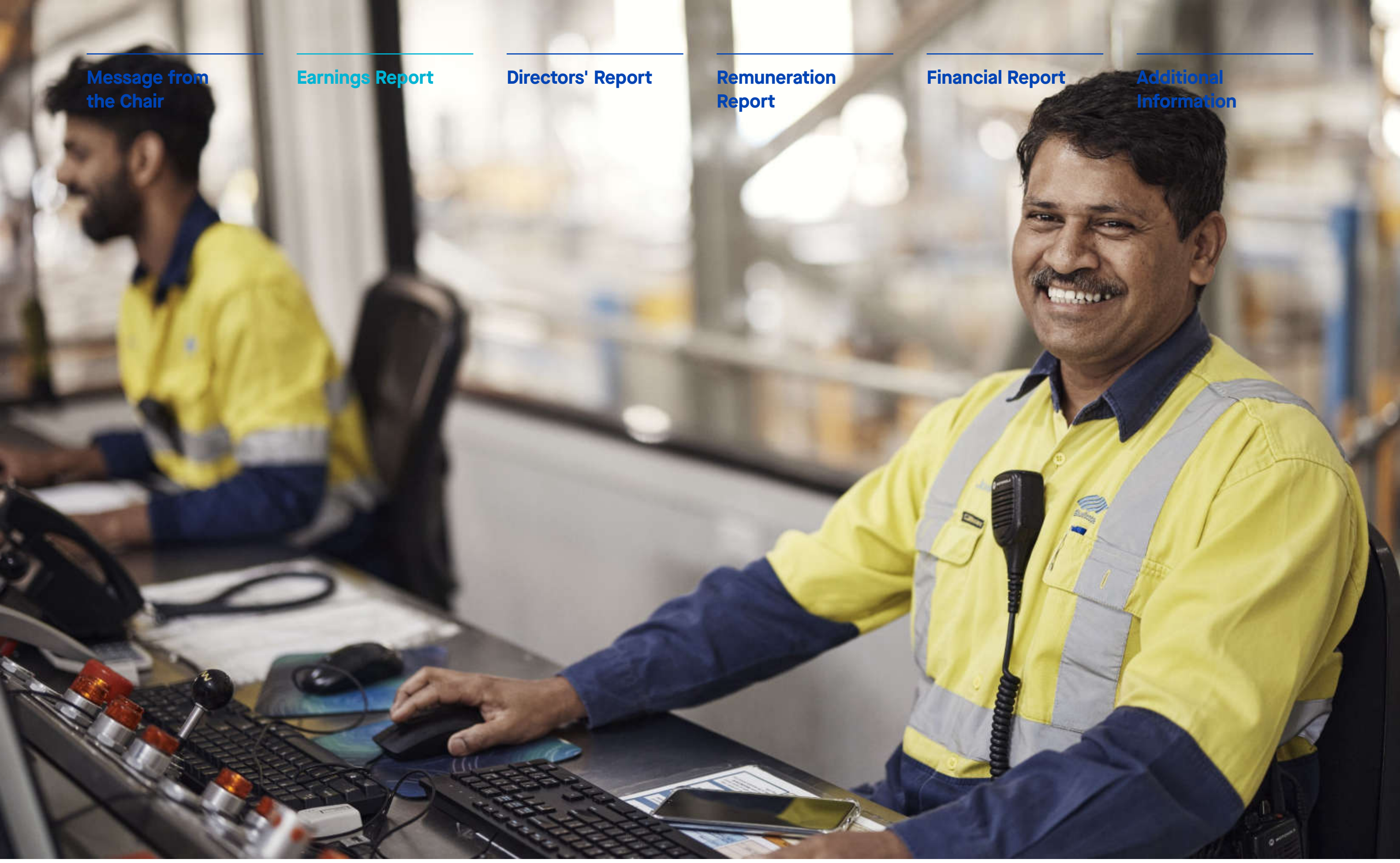
BlueScope's Operating Footprint

15 countries | **160+ sites** | **16,500+ employees**



KEY

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



Well Positioned for the Favourable Long-Term Outlook for Steel

The global green revolution driving demand for steel as a critical input for a clean energy future (including wind, solar and transmission infrastructure)

Steel intensive building and construction supported by a robust pipeline of public infrastructure and non-residential investment

Preference for lower density and regional housing maintained by consumers post-pandemic

Transition to the digital economy driving demand for steel intensive e-commerce infrastructure (including warehouses, distribution centres and data centres)

Recognition of the importance of domestic supply chains and sovereign manufacturing capability, given macroeconomic volatility

Consolidation and rationalisation in the US steel industry supporting enhanced supply-side discipline

Focus on overproduction and emissions reduction in China's steel industry improving regional industry conditions

Our Strategy and Financial Framework

Our Strategy

Our Strategy sets out how we will deliver on Our Purpose and deliver strong returns and sustainable outcomes over the next five years and beyond. Our Strategy drives transformation and growth, while continuing to deliver on core expectations of our stakeholders. Core elements of Our Strategy include investment in carbon reduction technologies, product and service innovation, and delivering a safe, inclusive and diverse workplace.

Transform	Grow	Deliver
Deliver a step change in customer experience and business performance	Grow our portfolio of sustainable steelmaking and world leading coating, painting and steel products businesses	Deliver a safe workplace, an adaptable organisation and strong returns

Our Financial Framework

Since 2017, our Financial Framework has provided clarity, both internally and to our investors, as to how we approach business performance measurement, capital allocation, the balance sheet and shareholder returns.

The Framework is comprised of three pillars:

		FY2024 Highlights
Returns Focus	• ROIC > WACC on average through the cycle • ROIC incentives for management and employees • Maximise free cash flow generation	11.9% ROIC
Robust Capital Structure	• Strong balance sheet, with a target of around $400-800M net debt[1] • Retain strong credit metrics • Intent to have financial capacity through the cycle to make opportunistic investments or to fund reinvestment in or a shutdown of steelmaking if not cash positive • Leverage for M&A if accompanied by an active debt reduction program	$364M Net Cash $3.1Bn Liquidity Investment Grade Credit Ratings
Disciplined Capital Allocation	• Invest to maintain safe and reliable operations, to support achievement of decarbonisation pathways, and in foundation and new technologies • Returns-focussed process with disciplined competition for capital between: – Growth capital – Investments and M&A (but avoid top of the cycle) – Shareholder returns (distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and on-market share buy-backs[2])	$312M Invested for Growth $548M Returned to Shareholders

1. In the short- to medium-term, BlueScope will retain balance sheet capacity to fund investment for growth and major projects. Following review, BlueScope has adjusted its longer term target net debt to a range of $400-800M. This reflects the increased scale and resilience of our portfolio, and is considered to remain prudent in light of our goal to retain strong credit metrics.
2. On-market share buy-backs are an effective method of returning capital to shareholders given the flexibility they provide in managing BlueScope's capital and for the EPS enhancement they can deliver.

More information on BlueScope's Strategy and Financial Framework can be found at https://www.bluescope.com/about-us/our-strategy/

Major Project Update

Update on Projects Underway

6BF Reline & Upgrade	• Project to secure future of ironmaking at PKSW underway. • Expected total capital cost of ~$1.15Bn, partly offset by $136.8M grant from Australian Government. • Early works well advanced and site contractors mobilised; key long lead items well progressed. • Transition from existing 5BF to relined 6BF expected in the second half of CY2026.
MCL7 in Western Sydney	• Additional metal coating capacity to support continued shift towards premium branded products. • Capacity of 240ktpa, located adjacent to Western Sydney paint line; capital cost expectation of ~$415M. • Project progressing to plan; equipment supply on track, building construction progressing well. • Expect commissioning in FY2026.
EAF at NZ Steel	• Transforming NZ Steel; expected to reduce Scope 1 and 2 greenhouse gas emissions by more than 45%. • Total capital cost estimate of NZ$300M; NZ$140M being funded by the NZ Government. • Project on schedule; civil works commenced, domestic scrap supply contracts in place. • Expect commissioning in FY2026.
1,200ha Land Portfolio	• Established a BlueScope / NSW whole-of-government working group to guide redevelopment at the Port Kembla and West Dapto sites. – Near-term focus on residential land supply at West Dapto and SuperTAFE at Port Kembla. • Continuing to progress planning processes across Western Port and Glenbrook sites.

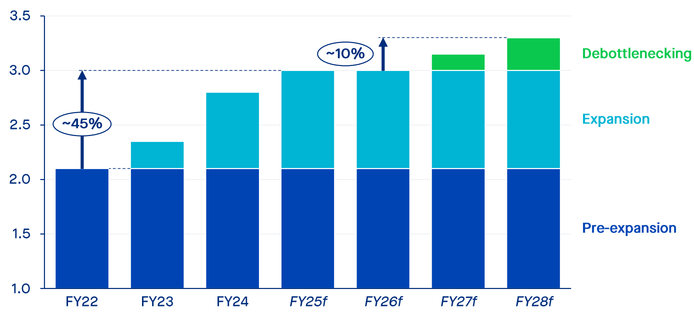
Investing for Long-Term Growth

North Star Debottlenecking

Successfully completed ~45% expansion of our best-in-class mini mill; further unlocking output by an additional ~10% through hot strip mill debottlenecking program.

- Following recent expansion, North Star's total output is limited by current hot strip mill capacity of ~3.0mtpa.
- Debottlenecking project now approved by BlueScope Board, will further increase North Star output by ~10% to 3.3mtpa.
  - Expected to achieve full run rate in FY2028.
- Expect capital cost of US$130M, across a range of projects
  - Spend expected across FY2025 to FY2027
- Subject to anticipated regulatory and environmental approvals.
- Raw materials supply arrangements strengthened to support volume growth.

Expected North Star production (mt, annualised)



Progressing US Value Chain Integration

Continuing feasibility study to further integrate US value chain through addition of cold rolling and metal coating capacity

- Progressed feasibility study into integration of relevant components of BlueScope's US value chain through addition of a new midstream facility.
  - Supports US growth strategy through supply of high-quality feed to underpin painted growth (including roll out of COLORBOND® steel).
  - Includes ability to produce and supply BlueScope's leading proprietary AM[1] metal coating technology.
- Long-term, a total 550kt of cold rolling and metal coating capacity would be required to underpin painted growth ambitions.
  - To be delivered in a phased approach over the next 5-7 years.
- Assessment of initial phase progressing well.
  - Expected to deliver 275ktpa of pickling, cold rolling and metal coating capacity, with expected commissioning by mid CY2028.
  - Preliminary capital estimate for initial phase of up to ~US$800M across FY2026 to FY2028.
- Further update to be provided during 1H CY2025.

Location	Site		Product	Capacity (per annum) Phase 1	Phase 2
Delta, OH	North Star		Hot Rolled Coil	3.3mt (post expansion)	
Midwest locations logical for supply chain *incl. Ohio, Kentucky, Indiana, Michigan and Tennessee*	New Midstream Facility	Pickle Line	Pickled Hot Rolled Coil	~275kt	~275kt
		Cold Rolling Mill	Cold Rolled Coil	~275kt	~275kt
		Metal Coating Line	Metallic Coated Coil *(Galvanised / Galvalume)*	~275kt	~275kt
Middletown, OH, Marietta, GA & Jackson, MI	BlueScope Coated Products		Painted Coil *(incl COLORBOND® steel)*	~450kt	

1. AM coating: Introduces magnesium into aluminium-zinc alloy (AZ) coating, which improves galvanic protection over AZ coating (a protective alloy coating of zinc and aluminium, which protects its steel base against corrosion).

Sustainability Update

Safety

1,175

HSE risk control projects completed since 2021

Climate Change

12.2%

Reduction in steelmaking GHG emissions intensity since FY2018[2]

Health, Safety and Environment (HSE)

BlueScope's commitment to its culture of learning and people-centred approach to health and safety is unwavering, enabled by its deep focus on engaging its people in designing solutions to deliver effective controls. In conjunction, the Company takes a risk-based approach to implementing innovative and practical risk control improvements. This way resilience is enhanced across top-ranked risks, whilst empowering all people who make and handle products to identify opportunities or improvement and be part of the solution.

In July 2024, BlueScope instigated a global "Refocus on Safety" program, intended to ensure ongoing emphasis on its foundational safety practices. The refocus requires leaders at all levels to spend more dedicated time on site to learn from employees about how work is done, what can be done better, and to verify critical controls from our Codes of Practice to proactively manage risk before incidents occur. Priority activities include increasing tiered audit frequencies and improving incident management and investigation.

The refocus comes as during FY2024 four employees sustained serious injuries resulting in permanent incapacity (related to live equipment) and the lag indicator of TRIFR increased to 8.8, above the long-term range of 5-7. Tragically, in March 2024, a customer's contractor truck driver was fatally injured in an interaction with another customer's contracted vehicle at one of BlueScope Coated Products' sites in North-America[1].

The Company continues to extract significant insights from both leading and lagging indicators as it continues to improve how incidents and injuries are managed to prevent re-occurrence, through strengthening controls and learning. In FY2024, 271 risk control improvement projects were delivered, representing 100% completion of identified projects and bringing the total number of projects completed to 1,175 since 2021.

In addition to the 271 projects mentioned above, during FY2024, 63 environmental improvement projects were submitted as entries in the annual BlueScope Environmental Awards, which resulted in a reduction of approximately 22,000 megawatt hours in electricity consumption, a saving of around 14,000 kilolitres of fresh water and approximately $6.7M in annualised cost savings.

Climate Change

BlueScope achieved a 12.2 per cent reduction in aggregated steelmaking emissions intensity against its FY2018 baseline, in line with its 2030 target level[2]. This was primarily driven by the ramp-up of the North Star expansion, along with operating and process efficiencies at Glenbrook and Port Kembla Steelworks. Looking ahead, the EAF in New Zealand and North Star debottlenecking will contribute to further improvements in steelmaking emissions intensity performance. As we better understand the timing of regional iron and steelmaking transformation and its enablers, we will consider the appropriate timing and composition of BlueScope's potential future emission reduction targets.

BlueScope's non-steelmaking emissions intensity has reduced by 8.4 per cent since FY2018. Whilst midstream sites have implemented a range of projects to reduce emissions, the emissions intensity in FY2024 was affected by lower production and despatch volumes compared to 2018.

In FY2024, BlueScope announced a framework agreement with Australia's two largest iron ore producers, BHP and Rio Tinto, for a project to jointly investigate Australia's first ironmaking electric smelting furnace (ESF or 'melter') pilot plant, using Pilbara ores. This collaboration will consolidate the work each party has completed on this technology to date and provide a platform to develop and potentially build and operate a Direct Reduced Iron (DRI)-ESF pilot plant.

BlueScope also made solid progress in the year on Project IronFlame, its Australian DRI Options Study, refining 42 different configurations for DRI supply chains at various locations to seven options across three locations, for further investigation. In the year, BlueScope also progressed the installation of an EAF at New Zealand Steel, which is being co-funded by the NZ Government and is expected to reduce its Scope 1 and 2 GHG emissions by at least 45 per cent.

In September, BlueScope will release its second Climate Action Report, which will provide an update on progress towards its climate goals and decarbonisation pathway outlined in its inaugural 2021 Climate Action Report. The report will include an update on the enablers of iron and steelmaking decarbonisation, GHG emissions performance for BlueScope's three steelmaking sites, an update on Scope 3 reporting, climate capital allocation and policy engagement, as well as the outcomes of our renewed climate scenario analysis and physical climate risk assessment.

1. As this incident involved BlueScope's customers' contractors, it is not classified under a BlueScope controlled safety management system.
2. Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2024 Sustainability Reporting Suite, to be released in September 2024.

Inclusion and Diversity

25%

Female participation in the BlueScope workforce

Sustainable Supply Chain

269

Supplier assessments completed in FY2024

Inclusion and Diversity

BlueScope aims to cultivate an inclusive culture where every individual feels valued and included at work. The Company's FY2024 program focused on strengthening its approach to growing diversity in its workplaces in the areas of gender equality, beyond gender and inclusive capability. In FY2024, BlueScope's increased its overall percentage of women in the workforce to 25% and maintained the gender balance for Board and ELT in line with its 40:40:20 target.

BlueScope is encouraged by the progress made in FY2024, and the below examples demonstrate that local strategies are making a positive impact.

To further support inclusive capability in the workplace, different shift patterns were piloted at a number of North American sites to help remove barriers to retaining women in our workforce. In Indonesia, we explored opportunities to encourage women operators to return to work after completing their parental leave, and across South East Asia we achieved 45% female appointments into NS BlueScope's leadership pipeline.

In Australia, the First Nations Framework advanced significantly and is embedded into the Australian business' Vision and Strategy. This includes a focus on First Nations procurement, which has resulted in an increase in expenditure with First Nations suppliers of 151% in FY2024, along with the addition of 14 Indigenous-owned Tier 1 suppliers.

Human Rights and Social Impact

BlueScope is fully committed to the United Nations Guiding Principles on Business and Human Rights across the regions in which we operate. This means we are identifying, assessing, and taking action to mitigate potential modern slavery risks in our operations and supply chain. BlueScope monitors its activities to ensure our policies and practices do not impinge respect for human rights. This year a mix of risk mitigation strategies have been adopted that consider local legislation and cultural context. Gaps were identified in our controls for contractor workers, and these lessons are being shared across the Group. Collaboration with rights holders and local leaders continues to be key to our approach, as is fostering a culture of continuous improvement and iterative learning.

In FY2024, three targeted worker assessments were conducted at our own operations in Thailand, China and Mexico. We continue to strengthen capability and capacity in Malaysia following the remediation process reported last year, with the local leadership team further supported with training and coaching this year.

Sustainable Supply Chain

BlueScope continues to focus on promoting responsible business practices and upholding human rights by engaging with suppliers and implementing improvement activities.

In FY2024, BlueScope undertook a responsible sourcing governance review and developed good practice guidance to ensure that it is well positioned to meet evolving responsible sourcing risks and requirements. The Company also engaged internally and with suppliers on our updated Supplier Code of Conduct, particularly regarding forward looking expectations for suppliers to monitor and report GHG emissions resulting from their operations. BlueScope also worked with key suppliers to conduct a Scope 3 pilot study to understand suppliers' emissions profiles and emissions reduction programs. Lessons from the pilot will support future Scope 3 activities.

In FY2024, 269 supplier assessments were completed, predominantly using the independent EcoVadis supplier assessment process. BlueScope enhanced its supplier assessment program with the roll out of the EcoVadis *IQ Plus* and *Carbon Action* modules during the year; *IQ Plus* further enhances visibility of ESG risk across the Company's supply chain and *Carbon Action* helps understand suppliers' maturity in managing their emissions profile and assists to identify areas for improvement.

BlueScope also continued its third-party on-site audits for key potential high-risk suppliers. This year three of the supplier on-site audits identified workers who had paid recruitment fees. BlueSocpe is working closely with these suppliers on corrective actions and remediation. These findings show that BlueScope's risk assessment model and audit program are effective in identifying high-risk suppliers and indicators of modern slavery.

Regulatory Proceedings

On 29 August 2023, the Federal Court awarded a penalty of $57.5M against BlueScope, in relation to the civil proceeding brought by the ACCC. BlueScope has appealed the Court's decision. Pending determination of the appeal, the penalty has been paid to the Commonwealth of Australia.

Group Financial Review

FY2024 Results

Sales from continuing operations

$17.0Bn

↓ 6% on FY2023
2H result $8.5Bn

Reported NPAT

$806M

↓ 20% on FY2023
2H result $366M

Underlying EBIT

$1.34Bn

↓ 17% on FY2023
2H result $621M

Underlying ROIC[1]

11.9%

↓ from 14.6% in FY2023

Capital Management

↑ Fully franked final dividend of 30.0 cps

Extension of buy-back to allow up to $270M to be bought over next 12 months

Net Cash

$364M

↓ from $614M in 31 Dec 23

1. Return on Invested Capital – calculated as last 12 months' underlying EBIT over trailing 13 month average capital employed.

Financial Summary

Table 1: Financial summary

$M unless marked	FY2024	FY2023	Variance %
Sales revenue from continuing operations	**17,009.4**	18,174.2	(6%)
EBITDA - underlying[1]	**2,025.8**	2,266.0	(11%)
EBIT - reported[1]	**1,276.0**	1,487.3	(14%)
EBIT - underlying[1]	**1,339.2**	1,607.7	(17%)
Return (Underlying EBIT) on invested capital (%)	**11.9%**	14.6%	-2.7%
NPAT - reported	**805.7**	1,009.2	(20%)
NPAT - underlying	**860.7**	1,098.8	(22%)
Interim dividend	**25.0**	25.0	-
Final dividend	**30.0**	25.0	20%
Reported earnings per share (cps)	**180.0**	217.4	(17%)
Underlying earnings per share (cps)	**192.3**	236.7	(19%)
Net Debt / (Cash)	**(364.0)**	(703.3)	48%
Gearing %	**N/A - net cash**	N/A - net cash	-
Leverage (net debt / LTM underlying EBITDA)	**N/A - net cash**	N/A - net cash	-

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. Underlying adjustments included discontinued operations, acquisitions and disposals of businesses, asset impairments/write-backs and restructuring costs. Tables 12, 13 and 14 explain why the Company has disclosed underlying results and provide reconciliations of underlying earnings to reported earnings.

Revenue

The 6% decrease in sales revenue from continuing operations was primarily due to lower selling prices and lower despatch volumes, partially offset by favourable impacts from a weaker Australian dollar exchange rate (A$:US$).

Earnings Before Interest & Tax

The 17% decrease in underlying EBIT reflects:

- $27.7M spread decrease, primarily due to:
  - Lower domestic prices due to lower global steel prices ($731.5M).
  - Partially offset by higher export prices ($39.2M) and lower raw material costs across the Group ($664.6M).
- $76.2M unfavourable impact of volume/mix.
- $188.1M unfavourable movement in costs, comprised of:
  - $29.8M cost improvement initiatives, primarily at Australian Steel Products and Coated Products Asia.
  - $45.7M unfavourable volume impact on costs.
  - $124.6M unfavourable impact of general cost escalation, predominantly on higher labour, utilities and services costs, partly offset by lower profit share plan expenses and lower freight costs.
  - $47.6M unfavourable movement in other costs.
- $21.0M favourable translation impact from a weaker A$:US$ exchange rate.
- $2.6M favourable movement in other items.

The $211.3M (14%) decrease in reported EBIT reflects the movement in underlying EBIT discussed above and $57.2M favourable net underlying adjustments as outlined in Tables 13 and 14.

Finance Costs and Funding

Net finance costs in FY2024 decreased by $29.1M compared to FY2023, largely due to higher interest income on cash and investments due to rising interest rates in FY2024, and a non-repeat of the interest incurred on the now retired US$300M Reg-S Bonds in FY2023.

Financial liquidity was $3,132.2M at 30 June 2024 ($3,171.7M at 31 December 2023), comprised of $2,046.7M committed undrawn bank debt capacity and $1,085.5M cash. Liquidity in the NS BlueScope Coated Products JV was $680.4M, which is included in the Group liquidity measure.

In July 2024, BlueScope extended and increased its core bilateral loan facilities to $1,500M from $1,310M with the support of its group of 10 key banks, which provides BlueScope the benefit of increased funding availability and tenor, while maintaining robust financial liquidity.

Tax

FY2024 tax expense of $320.1M (FY2023 $352.0M), equivalent to an effective tax rate of 25.4% (FY2023 24.6%), was impacted by the foreign tax rate differential predominantly relating to lower tax rates on profits earned in North America, and, to a lesser extent, Asia.

The BlueScope Australian consolidated tax group made $127.6M in corporate income tax payments in FY2024, generating franking credits to allow both the interim dividend paid in FY2024 to be fully franked, and franking credits to be attached to the FY2024 final dividend. The BlueScope Group's total tax payments in FY2024 were $1,226M (FY2023 $1,425M), represented by $554M in taxes borne and $672M in taxes collected and remitted.

Further tax contribution details can be found in BlueScope's Tax Contribution Report for the year ended 30 June 2024, available on BlueScope's website.

Capital Management

The Company's capital management policy is as below:

- BlueScope pursues a returns-focussed process with disciplined competition for capital that balances annual shareholder returns and long-term profitable growth.
  - Having regard to the above, the current policy is to distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and buy-backs.
- Following review, in the longer term BlueScope will now target net debt in a range from $400 million to $800 million. This reflects the growth in the business portfolio and remains prudent in light of our goal to retain strong credit metrics.

Dividend

- Since August 2021, the Company has targeted an annual ordinary dividend of 50cps per annum. Aligned to this, during FY2024 the Company paid an unfranked final ordinary dividend in respect of FY2023 of 25.0 cents per share and a fully franked interim ordinary dividend in respect of 1H FY2024 of 25.0 cents per share.
- In light of the increased scale and resilience of BlueScope's portfolio, as well as the reduced share count as a result of the buy-back program[1], following review, the Board's intention is to increase the annual ordinary dividend level to target 60 cents per share per annum, i.e. 30 cents per share per half.[2]
  - The revised annual dividend level will be subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements and the Board's determination at the relevant time.
- Accordingly, for 2H FY2024, the Board has approved the payment of a final ordinary dividend of 30.0 cents per share, which will be fully franked for Australian tax purposes.
  - As the dividend is fully franked, there is no requirement for it to be declared to be conduit foreign income, and there are no New Zealand imputation credits attached to the final dividend. the Company's dividend reinvestment plan will not be active for the final dividend
- Relevant dates for the final dividend are as follows:
  - Ex-dividend share trading commences: 10 September 2024.
  - Record date for dividend: 11 September 2024.
  - Payment of dividend: 15 October 2024.

Buy-back:

- The Company will continue to use on-market share buy-backs to supplement the payment of consistent dividends. Buy-backs are attractive given the flexibility they provide in managing BlueScope's capital and for the EPS enhancement they can deliver.
- During FY2024, $323M of shares were bought through the buy-back program.
- The Board has approved an extension of the share buy-back program to allow the remaining amount of up to $270M to be bought over the next 12 months. The timing and value of stock purchased will be dependent on the prevailing market conditions, share price and other factors.

Financial Position

Net assets increased $254.8M to $11,285.5M at 30 June 2024 from $11,030.7M at 30 June 2023. Net assets were lower as a result of foreign exchange translation (approximately $50M), primarily as a result of a stronger A$:US$. This was more than offset by an increase in net assets in their functional currency. Significant movements in underlying currency were:

- $484M increase in property, plant and equipment, including assets associated with the reline and upgrade of No.6 Blast Furnace at Port Kembla.
- $256M decrease in trade payables, mainly due to lower raw material prices.
- $69M increase in inventories, mainly due to higher volumes, partially offset by a decrease in rate/steel feed costs.
- $66M decrease in deferred income.
- $64M decrease in the provision for income tax, mainly due to lower profits than the prior year.
- $60M decrease in borrowings and lease liabilities.
- These movements were partially offset by a $405M decrease in cash due to net cash flow during the period, and a $256M decrease in receivables, mainly due to lower steel prices.

1. 151.1 million shares bought back and cancelled since FY2017, delivering a 33% improvement in earnings per share (EPS)
2. Announcements of future dividends and franking are subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements, amount and timing of tax payments and the Board's determination at the relevant time.

Business Unit Reviews

Australia

BlueScope's Australian business, Australian Steel Products (ASP), employs around 7,100 employees at approximately 100 sites, being a mix of large manufacturing plants, rollforming facilities and distribution centres across Australia.

The business specialises in flat steel products, including hot rolled coil, cold rolled coil, plate and value-added metallic coated and painted steel solutions. Its key focus is on higher value, branded products for the building and construction industry.

The Port Kembla Steelworks – in New South Wales' Illawarra region – is the largest steel production facility in Australia, with an annual crude steel production capacity of over three million tonnes.

BlueScope's branded products are recognised leaders in Australia, and include COLORBOND® steel, TRUECORE® steel, ZINCALUME® metallic coated steel and TRU-SPEC® steel.

The ASP segment includes LYSAGHT® and FIELDERS® building products, Orrcon Steel® pipe and tube manufacturing and distribution, and BlueScope Distribution across Australia.

Financial Performance – FY2024 vs. FY2023

Sales Revenue

The $947.9M decrease in sales revenue was primarily due to lower selling prices and lower despatch volumes.

EBIT Performance

The $160.2M decrease in underlying EBIT was largely due to:

- weaker sales volume / mix, including impacts from reduced production levels and subsequent reduction in exports
- higher costs, largely due to inflationary pressures and the impact of lower volumes
- lower realised spreads due to lower domestic selling prices, partially offset by lower raw material costs
- weaker contribution from export coke sales.

Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Return on Invested Capital

ROIC decreased to 10.3% driven by lower EBIT and higher net operating assets. Net operating assets at 30 June 2024 were $346.9M higher than at 30 June 2023, primarily due to higher fixed assets, lower payables and higher inventories, partially offset by lower receivables.

Key Financial and Operational Measures

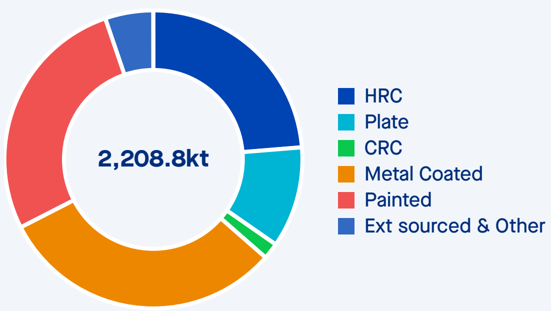
Table 2: ASP financial performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**6,982.3**	7,930.2	(12%)	3,395.3
Reported EBIT	**354.4**	492.1	(28%)	119.2
Underlying EBIT	**376.9**	537.1	(30%)	119.2
NOA (pre tax)	**3,812.9**	3,466.0	10%	3,812.9
Underlying EBIT ROIC	**10.3%**	14.4%	-4.1%	10.3%

Table 3: ASP steel sales volume

'000 tonnes	FY2024	FY2023	Var %	2H FY2024
Domestic				
- ex mill	**2,081.3**	2,252.4	(8%)	996.5
- ext sourced	**127.5**	122.7	4%	61.6
Export	**824.2**	950.0	(13%)	436.7
Total	**3,033.0**	**3,325.1**	**(9%)**	**1,494.7**

Chart 1: FY2024 ASP domestic sales volume mix



Sales and Operations

Domestic Mill Sales

FY2024 domestic sales volumes ex-mill decreased 8% on FY2023 to 2,081.3kt.

Despatch volumes were lower in the year across all segments due to a general economic slowdown, together with the pullback in construction as the residential pipeline of activity narrowed.

Sales into the residential construction segment decreased in FY2024 compared to FY2023. Detached housing approvals fell by ~10% in 2024, impacted by softer consumer sentiment given the higher interest rate environment, along with reduced backlogs from prior periods. Conversely, demand in the Alterations and Additions sub-segment remained robust during the year, supported by strong house prices.

Targeted campaigns continue to focus on consumers, builders, and fabricators, and saw total sales of COLORBOND® steel remain at historically robust levels in the year, slightly above 600kt - albeit softening in the second half to 288kt. Despite the pullback in approvals data seen during the year, underlying demand for housing in Australia remains robust, with the medium-term demand outlook strong on the back of strong population growth due to high immigration, and the current shortage of housing stock.

Sales into non-residential construction were lower in FY2024 compared to FY2023 - most evident during the second half, reflecting a pullback in approvals off a strong peak. Demand was supported by the robust pipeline of projects across the segment from prior periods.

The Social and Institutional sub-segment continues to be supported by government investment in major health and education projects, whilst the Commercial and Industrial sub-segment is seeing ongoing investment in factories and retail segments, driving demand for new warehousing on the back of the continued shift towards e-commerce.

Sales into the Engineering and Mining segments were lower in FY2024 compared to FY2023. Whilst the level of investment was robust with the continuation of the National Infrastructure plan, rising cost pressures have had an impact on general trading conditions. Demand in the Manufacturing sector was impacted by increased import competition, customer destocking and softer end market conditions.

Export Sales

Despatches to export customers in FY2024 (824.2kt) were lower than FY2023 (950.0kt), predominantly driven by a non-repeat of the elevated export sales levels in late FY2023, along with reduced steel production, particularly in the second half, due to the softer spread environment. Export margins were lower in FY2024 due to lower global steel prices.

Export Coke Sales

In FY2024, despatch volumes were 500.8kt, down 14% on FY2023 due to lower production.

North America

BlueScope operates five businesses in North America, employing around 4,600 people. BlueScope's North American operations are represented in two reporting segments; North Star and Buildings and Coated Products North America (BCPNA). The North Star reporting segment comprises the North Star BlueScope Steel (North Star) and BlueScope Recycling and Materials (BRM) businesses. The BCPNA reporting segment comprises Buildings North America (BNA), BlueScope Coated Products (BCP) and NS BlueScope Coated Products (Steelscape and ASC Profiles).

Established in 1996 in Delta, Ohio, North Star is one of North America's most efficient steel mills, producing high-quality hot rolled coil from electric arc furnaces. North Star is consistently rated among the top flat-rolled steel producers in the annual Jacobson Survey of customer satisfaction. The business services the US domestic automotive, non-residential construction manufacturing, and agricultural segments, primarily through service centres.

BRM is a full-service ferrous and non-ferrous scrap metal recycler, focused on supplying North Star's scrap requirements. It operates three sites: Delta, Ohio (adjacent to North Star), Waterloo, Indiana, and Mansfield, Ohio.

Serving the low-rise non-residential construction sector, BNA is a leading provider of precision-engineered steel building solutions through its BUTLER® and VARCO PRUDEN™ brands. BNA also includes the BlueScope Properties Group (BPG), developing industrial real estate, mainly warehouses and distribution centers.

BCP is the second-largest metal painter in the US, with a capacity of around 900,000 tonnes per annum across seven facilities, serving commercial and industrial construction applications. It is known for its customer service, particularly the flexibility of paint systems on steel and aluminum substrates.

BlueScope operates the NS BlueScope Coated Products business on the West Coast as part of its 50/50 joint venture with Nippon Steel Corporation (NSC), including the Steelscape metal coating and painting business and the ASC Profiles building products business, primarily serving the Western US non-residential construction industry.

Financial Performance – FY2024 vs. FY2023

Sales Revenue

The $440.5M increase in sales revenue was due to higher despatch volumes at North Star, partially offset by lower selling prices across both North Star and BCPNA.

EBIT Performance

The $29.6M decrease in underlying EBIT was due to:

- **North Star:** Delivered an underlying EBIT of $493.9M in FY2024, compared to $443.0M in FY2023. The increase was mainly driven by an increase in despatch volumes and the benefit of a weaker A$:US$, partially offset by slightly weaker spread and higher conversion costs.
- **BCPNA:** Delivered an underlying EBIT of $431.4M in FY2024, compared to $526.9M in FY2023. The weaker performance was mainly due to lower margins at BNA, which eased after a period of particular strength, combined with a softer performance at BCP on continued operational challenges and lower volumes. This was partially offset by a stronger contribution from BPG and the benefit of a weaker A$:US$.

Key Financial and Operational Measures

Table 4: North America performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**7,460.5**	7,020.0	6%	3,958.2
Reported EBIT	**918.0**	930.8	(1%)	516.9
Underlying EBIT	**935.1**	964.7	(3%)	518.4
NOA (pre tax)	**5,698.3**	5,442.3	5%	5,698.3
Underlying EBIT ROIC	**16.7%**	17.9%	-1.2%	16.7%
Despatches	**3,664.4**	3,295.7	11%	1,840.6

Table 5: North Star performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**3,840.7**	3,479.6	10%	2,049.8
Reported EBIT	**492.4**	433.0	14%	292.4
Underlying EBIT	**493.9**	443.0	11%	292.7
NOA (pre tax)	**3,667.7**	3,561.6	3%	3,667.7
Underlying EBIT ROIC	**13.5%**	12.6%	0.9%	13.5%
Despatches	**2,704.7**	2,353.9	15%	1,374.5

Table 6: North Star performance in US$M

US$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**2,519.8**	2,340.8	8%	1,350.4
Underlying EBITDA	**416.0**	379.6	10%	238.7
Underlying EBIT	**325.1**	297.3	9%	192.8

Table 7: BCPNA performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**3,697.0**	3,640.8	2%	1,928.4
Reported EBIT	**415.9**	503.1	(17%)	219.7
Underlying EBIT	**431.4**	526.9	(18%)	220.7
NOA (pre tax)	**2,031.4**	1,891.3	7%	2,031.4
Underlying EBIT ROIC	**21.9%**	27.7%	-5.8%	21.9%
Despatches	**1,011.3**	1,004.1	1%	480.4

Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Return on Invested Capital

ROIC decreased to 16.7% driven by lower EBIT and higher net operating assets. Net operating assets at 30 June 2024 were $256.0M higher than at 30 June 2023, primarily due to lower payables and higher receivables.

Sales and Operations

North Star (including BRM)

Benchmark Midwest steel prices and spreads softened during the first half of FY2024, impacted by United Auto Workers strike activities and associated distributor destocking. Following the resolution of the strike in October 2023, steel prices and spreads increased rapidly through to the end of the calendar year, as inventories were replenished and large mills increased prices as service centre demand recovered. From February 2024, pricing again contracted as service centres ran down inventories in a falling price environment, with spreads retreating back to the US$300/t level towards the end of the half, particularly impacting spot sales.

Demand for North Star's product remained solid throughout FY2024 – with North Star again operating at full capacity through the period. Approximately 660kt was produced from the expansion project in FY2024 (340kt in 2H FY2024) during the ongoing ramp up process, which was largely completed during the year. Whilst underlying demand remains robust, activity levels in the automotive segment were impacted by the previously mentioned strike activity in 1H FY2024. Activity across the non-residential construction and manufacturing sectors remained robust in FY2024.

BRM continued to perform well during FY2024, processing around 30% of North Star's scrap requirement, with work continuing to increase processing capabilities to be able to supply around 40% of North Star's post-expansion total scrap requirement over time. Supply of hot briquetted iron continued in FY2024 under the multi-year contract with Cleveland-Cliffs from its Toledo HBI plant, as part of North Star's diversified metallics supply arrangements.

Buildings and Coated Products North America

Buildings North America

BNA delivered a softer result in FY2024 compared to FY2023, as margins progressively normalised from cyclically high levels observed in prior periods. BPG sales in 2H FY2024 resulted in a stronger performance than 1H FY2024.

Key initiatives being progressed to drive improved performance and support future growth potential include:

- A continued focus on segmentation to better understand, identify, prioritise and organise around the greatest opportunities for growth.
- The design and development of an extended data platform, to generate efficient, accurate and reliable business intelligence and customer insights.
- Foundational technology investment to modernise and provide a holistic digital engineering and customer experience.
- Continued investment in engineering and manufacturing capacity to enable business expansion.

As noted, BPG realised two project sales in 2H FY2024, with no project sales in 1H FY2024. An additional project sale that was expected to complete in 2H FY2024 was delayed, however, this has since completed, and will contribute to 1H FY2025 earnings.

BlueScope Coated Products

Throughout FY2024, the BCP integration program continued, however the business underperformed on continued production and quality challenges. This operating underperformance was compounded by lower levels of utilisation on lower volumes from the foundational customer. A program of work is underway to bring the existing business into line with targeted post-acquisition performance, and to further advance the offering of branded and packaged products.

The opportunity provided by evolving BCP through offering of branded and packaged products remains attractive - accordingly, the business continued to invest in uplifting operational capabilities, and progressing initiatives such its single-bill and COLORBOND® steel offerings.

NS BlueScope Coated Products (Steelscape & ASC Profiles)

SteelScape (coating and painting) sales volumes increased in FY2024 compared to FY2023, on robust end use demand and improved customer sentiment. ASC Profiles (building components) sales volumes decreased in FY2024 compared to the prior year, primarily due to projects delays in the decking segment. Downstream margins contracted during the year as the high-priced deck backlog was worked through and new orders were placed at lower prices.

Asia

The business has an extensive footprint of metallic coating, painting and steel building product operations in Thailand, Indonesia, Vietnam Malaysia, India and China, primarily servicing the domestic residential and non-residential building and construction industries in each of these countries. Collectively, these businesses employ around 3,200 people, and form the Coated Products Asia reporting segment.

BlueScope is a technology leader in metal coated and painted steel building products, with 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.

BlueScope operates its South East Asian businesses in partnership with Nippon Steel Corporation (NSC) and in India with Tata Steel. 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.

The BlueScope China business is wholly owned by BlueScope and is comprised of metal coating, painting and LYSAGHT® operations, and Engineered Buildings Solutions (EBS).

Financial Performance – FY2024 vs. FY2023

Sales Revenue

The $554.7M decrease in sales revenue was primarily due to lower despatch volumes in both South East Asia and China, and lower selling prices in South East Asia.

EBIT Performance

The $17.9M increase in underlying EBIT was due to:

- **South East Asia:** Delivered an underlying EBIT of $107.3M in FY2024, compared to $38.3M in FY2023. This was driven by improved margins, on improved cost and pricing management.
- **China:** Delivered an underlying EBIT of $48.0M in FY2024, compared to a record result of $90.8M in FY2023. The weaker outcome was driven by lower despatch volumes, particularly from weak demand in the electric vehicle manufacturing segment, partially offset by higher margins.
- **India:** The Tata BlueScope Steel (TBSL) joint venture delivered an equity accounted profit of $5.5M (50% basis) in FY2024, compared to $20.5M in FY2023, due to increased sales of lower margin tier 3 product and increased investment in business expansion.

Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Return on Invested Capital

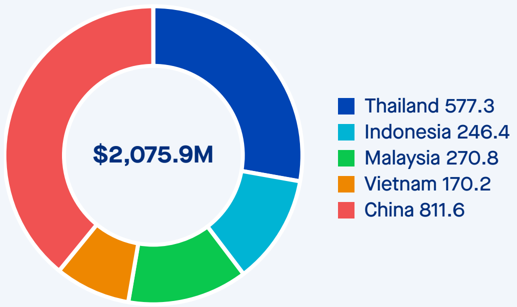
ROIC increased to 16.1% driven by higher EBIT and lower net operating assets. Net operating assets at 30 June 2024 were $88.9M lower than at 30 June 2023 on lower inventories, receivables and fixed assets, partially offset by lower payables.

Key Financial and Operational Measures

Table 8: CPA performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	2,075.9	2,630.6	(21%)	973.7
Reported EBIT	146.6	91.7	60%	50.9
Underlying EBIT	159.6	141.7	13%	63.9
NOA (pre tax)	909.4	998.3	(9%)	909.4
Underlying EBIT ROIC	16.1%	12.4%	3.7%	16.1%
Despatches	1,233.4	1,432.4	(14%)	603.4

Chart 2: FY2024 Segment geographic sales revenue, $M[1]



1. Chart does not include India, which is equity accounted.

Table 9: Tata BlueScope Steel performance

$M	FY2024	FY2023	Var %	2H FY2024
Tata BlueScope Steel (100% basis)				
Sales Revenue	790.6	623.8	27%	407.6
Underlying EBIT	22.0	49.0	(55%)	11.6
Underlying NPAT	10.4	40.4	(74%)	5.5
Despatches	451.4	326.0	38%	235.7
BlueScope share (50% basis)				
Underlying equity accounted profit	5.5	20.5	(73%)	2.9

Sales and Operations

South East Asia

FY2024 sales volumes across the South East Asian business decreased on FY2023 levels, driven by increased competition from higher levels of imports, however margins improved significantly on the prior year, largely due to effective management of inventory, cost and pricing.

Demand in the project segment was stable in FY2024. In the retail segment, the business continues to focus on the Authorised Dealer network, with a growing focus on alternative distribution channels in some segments.

Cost and productivity improvement programs continue to deliver incremental benefits, and the business is now balancing robust cost discipline to maintain and drive performance across the region, and support investment in future growth.

China

The Chinese economy slowed during FY2024, with activity in key steel consuming sectors (such as real estate) remaining challenged. The muted economic performance saw lower demand across building and construction end-use segments.

BlueScope China delivered a softer result in FY2024 compared to the record performance in FY2023, impacted by a reduction in despatch volumes on softer construction activity, particularly driven by a non repeat of the robust demand from the electric vehicle manufacturing sector seen in FY2023. This was partly offset by improved margins in the period, driven by cost control across the business.

Sales volume of coated products decreased in FY2024 on the prior year, with less pull-through from downstream Buildings and Components businesses. The ongoing promotion of Next Generation ZINCALUME® steel and COLORBOND® steel continues to position the business as a premium supplier of coated steel, which has combined with the focus on sectors of the economy that are growing faster than GDP to deliver robust margins.

India (in joint venture with Tata Steel (50/50) for all operations)

Despatch volumes in the Tata BlueScope Steel (TBSL) business increased significantly in FY2024 compared to FY2023, whilst average selling prices softened year on year. TBSL margins were softer in FY2024 compared to the prior year, as the business integrated product from the new supply agreement.

The growth in volume is a result of the supply agreement with Tata Steel, which was signed in late FY2023. In total, 196kt of products were supplied under the agreement in FY2024. This supply agreement provides an exciting growth opportunity for TBSL, which is working closely with Tata Steel to enhance the quality of the products and optimise the cost of production, so as to establish a premium position for these products.

New Zealand & Pacific Islands

The New Zealand & Pacific Islands (NZPI) business comprises the Waikato North Head mine, New Zealand Steel, Pacific Steel and the Pacific Islands businesses.

As the only steel producer in New Zealand, New Zealand Steel uses locally sourced ironsand to manufacture up to approximately 650,000 tonnes each year of steel slab and billet at the Glenbrook Steelworks, south of Auckland. NZPI produces a range of flat and long steel products for domestic and export use, and supplies all major industries, including construction, manufacturing, infrastructure, packaging and agriculture.

NZPI employs around 1,600 people and includes Pacific Steel New Zealand (rolling mill and wire drawing facilities), and the Pacific Islands business, with facilities in Fiji, New Caledonia and Vanuatu which manufacture and distribute the LYSAGHT® range of products and long steel products through Pacific Steel Fiji.

Key Financial and Operational Measures

Table 10: NZPI financial performance

$M	FY2024	FY2023	Var %	2H FY2024
Sales Revenue	**914.7**	962.6	(5%)	417.3
Reported EBIT	**43.7**	128.6	(66%)	18.2
Underlying EBIT	**43.7**	128.6	(66%)	18.2
NOA (pre tax)	**918.1**	820.8	12%	918.1
Underlying EBIT ROIC	**5.0%**	18.0%	-13.0%	5.0%

Table 11: NZPI steel sales volume

000 tonnes	FY2024	FY2023	Var %	2H FY2024
Domestic flats	**196.2**	214.4	(8%)	90.7
Domestic longs	**151.8**	163.4	(7%)	72.1
Domestic	**348.0**	**377.8**	**(8%)**	**162.8**
Export flats	**149.4**	83.4	79%	70.2
Export longs	**8.5**	16.0	(47%)	2.4
Export	**157.9**	**99.4**	**59%**	**72.6**

Financial Performance – FY2024 vs. FY2023

Sales Revenue

The $47.9M decrease in sales revenue was primarily due to lower selling prices and lower despatch volumes.

EBIT Performance

The $84.9M decrease in underlying EBIT reflects weaker spreads, primarily due to weaker domestic selling prices, as well as higher conversion costs and lower despatch volumes. These impacts were partially offset by favourable mix.

Return on Invested Capital

ROIC decreased to 5.0% driven by lower EBIT and higher net operating assets. Net operating assets at 30 June 2024 were $97.3M higher than at 30 June 2023, mainly on higher fixed assets and higher inventories.

Sales and Operations

Domestic Sales

Against a backdrop of softer macroeconomic performance, end use demand across all construction sectors softened in FY2024 compared to FY2023. Accordingly, NZPI's FY2024 domestic despatch volumes were lower compared to the prior year.

New residential dwelling consents declined across the year, to end the year 30% down from FY2023.

- Whilst demand for metal coated products contracted in FY2024, sales of COLORSTEEL® products remained stable compared to FY2023, supported by robust activity in the Commercial and Industrial sub-segment.
- Demand for AXXIS® steel for light gauge residential steel framing into new builds softened in FY2024 due to the softening in this segment, especially for project home builders, however remained at historically robust levels.
- Demand for heavy plate products contracted in FY2024 on the prior year, which was strong on the back of robust infrastructure demand.

Sales of domestic long products in FY2024 fell 7% compared to FY2023, as a number of infrastructure projects in the public sector were put on hold as the newly formed New Zealand Government reviewed and reprioritised spending commitments in late 2023. The private sector also saw a number of projects put on hold, however this was largely in response to the softer domestic market conditions and sustained high interest rates.

Export Sales

Export volumes of flat products in FY2024 were materially higher in FY2023 on softer domestic despatches, while volumes of export long products reduced 7.5kt compared to the prior year, on the back of lower export availability.

Vanadium

Sales of Vanadium slag by-products have been an ongoing cost-offset for the business for a number of years. The business also buys in both ferro and nitrided vanadium as inputs into the steelmaking process, mainly for rebar strengthening purposes, which has the effect of dampening any price related increase in the vanadium slag contribution. The FY2024 net vanadium contribution was approximately $10M lower than FY2023, primarily due to softer global index pricing.

Outlook, Future Prospects and Risks

1H FY2025 Outlook

At the start of 1H FY2025, BlueScope is seeing a convergence of macroeconomic challenges across BlueScope's largest regions. In Australia, performance is impacted by low Asian steel spreads, driven by high regional steel production and exports, which affect both steel prices and raw material costs. Inflationary pressures, including higher electricity costs, add to the challenges. In the US, while demand in steel-consuming sectors is stable, channel purchasing behaviour has seen the hot rolled coil spread fall to post-pandemic bottom-of-cycle levels.

These challenges reinforce the importance of maintaining a globally competitive cost base whilst pursuing growth in domestic, value-add products. BlueScope seeks to balance near-term performance with investment in longer-term growth, the approach to which is guided by its Financial Framework.

To ensure this balance is maintained, and that the business remains fit for these trading conditions, BlueScope is increasing its usual focus on managing cost and revenue performance, and on the timing of capital expenditure. This is particularly relevant for the Australian buiness to ensure ongoing resilience in an environment of sustained low spreads and cost escalation.

Group outlook:

- Underlying EBIT in 1H FY2025 is expected to be in the range of $350M to $420M.
- For the purposes of the outlook, the Company has made the following 1H FY2025 average assumptions:
  - Lagged spreads:
    - US mini-mill benchmark spreads of ~US$310/t, down ~US$200/t on 2H FY2024.
    - Asian benchmark spreads of ~US$210/t, down ~US$60/t on 2H FY2024[1].
  - Unlagged prices:
    - East Asian HRC price of ~US$540/t.
    - 62% Fe iron ore price of ~US$100/t CFR China.
    - Index hard coking coal price of ~US$240/t FOB Australia.
    - A$:US$ at US$0.67.
- Relative to 2H FY2024, expect similar underlying net finance costs, a lower underlying tax rate and lower profit attributable to non-controlling interests.

Expectations for the performance of our operating segments in 1H FY2025 relative to 2H FY2024 are as follows:

- Australia:
  - Expect a moderately softer result than 2H FY2024 as stronger benchmark spreads are offset by:
    - Weaker realised pricing on lower domestic IPP relative to index and softer US export prices.
    - Higher realised raw material and conversion costs (including ~$25M higher electricity cost).
    - Similar domestic volumes, however impacted by unfavourable export product mix.
  - Ongoing cost and productivity initiatives to support performance.
- North America:
  - Expect a result around half that of 2H FY2024.
  - North Star – expect a result around one-third that of 2H FY2024.
    - Materially lower benchmark spread, partially offset by favourable realised pricing[2].
    - Further offset by incremental volume from expansion.
  - Buildings & Coated Products – expect a result around two-thirds that of 2H FY2024.
    - Continued easing of cyclically strong margins with similar contribution from BPG.
    - Includes completed BPG property sale.
- Asia:
  - Expect a result approaching 50 per cent higher than 2H FY2024.
  - Southeast Asia and India – expect a similar result to 2H FY2024.
  - China – expect a stronger result on typical seasonality.
- New Zealand and Pacific Islands:
  - Expect a result around 50 per cent higher than that of 2H FY2024.
  - Higher domestic despatches and lower costs on non-repeat of maintenance shuts, however energy prices remain elevated.
- Intersegment, Corporate & Group:
  - Expect a slightly improved performance compared to 2H FY2024.

1. Calculation infers an FOB iron ore estimate by deducting the Baltic cape index freight cost from CFR China iron ore price.
2. Benchmark prices may not be representative of realised mill prices due to a range of factors. Movements in prices across the majority of sales correlate with Midwest regional benchmark pricing, on a short lag; a minority of sales are priced on a longer term basis. Accordingly the degree of correlation between realised and benchmark prices can vary in a given half but is more fully reflected over the medium term.

Matters Subsequent to Year End

During July 2024, BlueScope finalised the refinancing of its core bilateral loan facilities, increasing the capacity to $1,500 million from $1,310 million and extending the maturity of each of the three tranches by two years. This refinancing was supported by BlueScope's group of 10 key banks, and benefits the Company through longer term, more cost-effective financial liquidity.

Future Prospects and Risks

The Group has an Integrated Risk Management Framework and internal controls to identify and manage risk across seven broad categories:

- Markets and Products;
- Health, Safety, Environment and Communities;
- Ethical Conduct and Compliance;
- People and Remuneration;
- Operations;
- Technology; and
- Financial.

BlueScope's systems are designed to ensure the Group understands its appetite for risk across each of these broad categories, monitors tolerance metrics, identifies current and emerging risks, and implements appropriate mitigating actions. More information can be found on our website.

The nature and potential impact of risks are by their nature uncertain and change over time. In addition to the economic variables and climate risks, BlueScope is also exposed to, and actively manages, a range of other risks that have the potential to materially impact the achievement of the Group's strategies and future prospects.

Economic risks

BlueScope operates in markets and market segments which are impacted by short term volatility, economic cycles and long-term trends which can affect the Group's performance and financial outcomes both positively and negatively. Economic and market risk factors going forward include:

Economic Risks		Our Response
Sustained economic downturn or prolonged weak economic conditions.	A deep or prolonged economic downturn in developed economies, or significantly slower growth in emerging economies (especially China), could have a material adverse effect on the global steel industry reducing demand for the Group's products and financial prospects. Persistent inflation and high interest rates could dampen economic growth or lead to an overcorrection and recession.	BlueScope monitors and responds to these risks as required including through targeted cost control initiatives, driving operational efficiencies, business diversification, maintaining adequate liquidity and keeping stakeholders informed through continuous disclosure.
A significant cyclical or permanent downturn in the industries to which the Group supplies its products.	The Group's financial prospects are sensitive to the level of activity in a number of industries, principally the building, construction and manufacturing industries. These industries are cyclical in nature, with the timing, extent and duration of these economic cycles unpredictable. Not all of the Group's cost base varies with production volumes and accordingly the Group may not readily be able to reduce its costs in response to an economic downturn. Therefore, a significant, extended or permanent downturn could negatively affect the Group's financial prospects.	
Declines in the price of steel, or any significant and sustained increase in the price of raw materials in the absence of corresponding steel price increases.	The Group's financial outlook is closely tied to the long-term price trends of international steel products and essential raw materials. In particular, fluctuations in the prices of key raw materials like iron ore, coking coal, pig iron, and scrap, can significantly impact the Group's financial prospects. If there is a substantial and sustained increase in the price of these raw materials, without a corresponding rise in steel prices, it will negatively affect the Group's financial performance. Conversely, a decline in steel prices without a proportional decrease in raw material prices will also have an adverse impact. Additionally, the short term financial performance of the Group is susceptible to rapid price fluctuations in both raw materials and steel products. This is particularly relevant for commodity products such as plate, hot rolled coil, cold rolled coil, and some metallic coated steel products.	BlueScope's exposure to commodity price risks are monitored and, where appropriate, action is taken in response through a range of risk management activities, including adjusting commercial contract terms, optimising delivery timeframes, and selective use of commodity price hedging where available. These exposures are communicated to stakeholders, including debt lenders and equity investors.

Economic Risks		Our Response
Competition from other materials and from other steel producers could significantly reduce prices and demand for the Group's products.	BlueScope's products compete with other materials such as aluminium, concrete, composites, plastic and wood in various end use applications. Improvements in the technology, production, pricing, embodied carbon or acceptance of these competitive materials relative to steel could adversely impact BlueScope's sales volumes and/or prices. BlueScope competes with local and international steel suppliers. This global competition means that changes to trade measures (such as tariffs, anti-dumping duties or changes to local content requirements) could directly or indirectly have an adverse impact on the volumes and/or prices of the Group's sales.	BlueScope monitors and responds to this risk as required by one or more of the following measures; through product development, focusing on customer experience, business diversification, reducing the carbon intensity of products, and competitive pricing. In addition, BlueScope actively engages with governments and regulators on trade policies to advocate for fair trading conditions.

Climate Change Risks

We reported in detail on climate risks in our Climate Action Report released in September 2021, and have provided additional information in subsequent sustainability reports. In 2024, we re-assessed our climate risks in light of our renewed climate scenario analysis to better understand the impacts of the physical and transitional climate-related risks on our assets and business activities. No material changes were made to these identified risks following this process. BlueScope will release its second Climate Action Report in September 2024.

BlueScope is also exposed to risks associated with positioning the business for a low carbon world, these include:

Climate Change risks		Our Response
Reputational impacts if not demonstrating progress against public commitments.	BlueScope has made commitments to both medium term emission intensity targets and set a goal of net zero by 2050[1]. Failure to achieve and transparently communicate sufficient progress may negatively impact its ability to recruit and retain employees, erode trust of customers, regulators, governments, investors and the communities in which it operates.	BlueScope's decarbonisation pathway was detailed in the 2021 Climate Action Report, progress against this pathway is outlined each year in the annual Sustainability Report. A detailed update in our Climate Action report will be released in September 2024. BlueScope achieved a 12.2 per cent reduction in aggregated steelmaking emissions intensity against its FY2018 baseline, in line with its 2030 target level. This was primarily driven by the ramp-up of the North Star expansion, along with operating and process efficiencies at Glenbrook and Port Kembla Steelworks.
Susceptibility of operations and supply chains to more extreme weather events and climate-related hazards.	BlueScope is exposed to long-term implications of climate change, such as increased frequency and intensity of natural hazards, which can disrupt our operations and supply chains.	To update our analysis from 2021, in FY2024 BlueScope used a specialist technical consultant to model the exposure of our operations to climate-related hazards as well as understand the high-level impacts of such hazards on the most critical parts of our supply chain. The outputs of this analysis indicated that our risk exposure to climate related hazards does not increase significantly in the short- to medium-term; however this exposure will increase towards 2050 and the second half of this century under the 'high climate' scenario[2].
Access to capital (debt or equity) and insurance becomes more restricted or expensive.	Concern over climate-related risks may result in higher cost of capital or insurance premiums for BlueScope's business and our suppliers of energy and raw materials, impacting the Group's ability to execute on our strategy.	BlueScope actively engages with capital and insurance markets to understand and respond to how climate change is impacting these markets in the longer term.
Challenges to develop and deploy low emission iron and steelmaking and manufacturing technologies.	The pace of evolution of low emissions iron and steelmaking technology may not align with key capital decision milestones. Limitations in infrastructure, supply chains and/or energy costs may impact the ability for breakthrough low emissions steel to be practically and commercially adopted in Australia and New Zealand.	In FY2024, BlueScope announced a framework agreement with Australia's two largest iron ore producers, BHP and Rio Tinto, to jointly investigate Australia's first ironmaking electric smelting furnace (ESF or 'melter') pilot plant using Pilbara ores. Named Project NeoSmelt, this project will consolidate the work each party has completed on this technology to date in developing, building and ultimately operating a Direct Reduced Iron (DRI)-ESF pilot plant. BlueScope also made solid progress in the year on Project IronFlame, its Australian DRI Options Study, refining 42 different configurations for DRI supply chains at various locations to seven options across three locations, for further investigation.

Climate Change risks		Our Response
Impact to availability of local or commercially suitable raw material supplies or energy due to climate change transition risks.	Changes to climate and energy policies or licence conditions may restrict operating licences or increase the cost base of raw material suppliers or restrict their access to capital or insurance.	BlueScope monitors the exposure of our suppliers and works to maintain the capacity and relationships for alternate supply options if required.
Government regulation of GHG emissions without sufficient measures to maintain competitiveness.	Policy settings in key operating regions may not adequately support the transition to low emission iron and steelmaking technology. Climate change and energy policies may increase BlueScope's cost base compared to steel imports from countries with less regulation.	In Australia, constructive engagement with the Federal Government achieved key modifications to the Safeguard Mechanism that have materially alleviated BlueScope's concerns regarding potential adverse impacts. BlueScope also secured a commitment from the Federal Government to provide a $136.8M grant to support the No.6 Blast Furnace Reline and Upgrade project at Port Kembla Steelworks. However, ongoing close engagement with government will be required to manage residual political and regulatory risks. A government review is also underway to examine whether to apply a carbon border adjustment mechanism to imported steel products. The Company has made a submission to the review and briefed its officials. The review is scheduled to report to government by the end of September 2024. In New Zealand, BlueScope has partnered with the Government to co-fund an electric arc furnace at the Glenbrook Steelworks, which is expected to reduce the site's annual GHG emissions by over 45 per cent. The EAF is targeted to be operational in 2026. As part of the co-funding arrangement, BlueScope is represented on an official government working group, which is discussing further carbon reduction opportunities and helps inform the government's emissions targets and policies.
Regulatory and litigation risk.	There has been an increase in the number of claims brought against businesses with respect to Climate Change matters, both domestically and globally. As we operate in and are connected to sectors that are hard to abate, there is a continued risk of climate and environmental claims.	BlueScope is closely monitoring this risk in the jurisdictions in which we operate and taking proactive steps to manage it. Fundamentally, this means having a considered strategy to decarbonise our operations, taking concrete steps to execute this strategy – with demonstrable results – and ensuring that we have the necessary resources and governance structures in place. We also carefully consider our public commitments and statements regarding our decarbonisation efforts and results, to ensure that these are achievable, accurate and supported by evidence, in order to mitigate the risk of 'greenwashing' claims.

1. Our net zero goal covers BlueScope's scope 1 and 2 GHG emissions. Achieving our 2050 net zero goal is dependent on several key enablers, including: the development and diffusion of ironmaking technologies to viable, commercial scale; access to access to internationally cost-competitive, firmed large-scale renewable energy; availability of green hydrogen with natural gas enabling the transition to green hydrogen; access to appropriate quality and sufficient quantities of economic raw materials; and supportive and consistent policies across all these enablers to underpin decarbonisation.
2. Intergovernmental Panel on Climate Change, Shared Socioeconomic Pathway, SSP5-8.5

Our climate action performance is reported annually in our Sustainability Report.

Other Material Risks

Category	Material risk
Markets & Products	
Customer Experience	• Not meeting the expected level of customer service and experience.
Brands & Products	• Failure to protect and innovate BlueScope's premium brands and products.
Product Quality	• Poor product performance resulting in customer dissatisfaction and warranty claims.
Health, Safety, Environment & Communities	
Safety & Health	• Failing to protect the safety, health and wellbeing of BlueScope's people, including the physical and non-physical impacts of BlueScope's operations on the health of the people who work in its supply chains.
Environment	• Not optimising BlueScope's use of resources or minimising the impact of its operations on the local environment and the communities in which it operates.
Communities	• Not maintaining BlueScope's local licence to operate, by not participating in the communities that support its businesses or respecting local values.

Category	Material risk
Ethical Conduct & Compliance	
Laws and Regulation	• Not complying with laws and regulations in each of the jurisdictions in which BlueScope operates. • Potential legal claims.
Social Impact and Human Rights	• Not meeting BlueScope's compliance obligations and community expectations on ethical conduct. Includes payroll compliance, employment practices, wage theft, human rights and tax structuring.
People & Remuneration	
Culture	• Failing to maintain a culture that aligns with *Our Purpose* and *Our Bond*, and *Code of Conduct*.
Capability, Talent & Succession	• An inability to recruit and retain the leadership, management and technical skills required to develop and deliver strategic plans and manage risk (particularly the engineering skills required for large capital projects and technology capabilities to maintain BlueScope's technology currency).
Operations	
Production and Costs	• Failing to ensure the asset portfolio is efficiently utilised, including leveraging digital transformation to optimise outcomes. • Not maintaining a competitive cost base and security of supply for key inputs including labour, energy, consumables and services. • Not having the capacity to mitigate a major operational failure or disruption to BlueScope's manufacturing facilities or supply chain.
Technology	
Cyber Security	• Failing to prevent cyber-attacks that disrupt BlueScope's operations or lead to the loss of Personally Identifiable Information (PII) or commercially sensitive information.
Systems, data and information	• Failing to implement and maintain technology and leverage digital transformation to achieve BlueScope's strategic business objectives.
Financial	
Business unit cashflow and earnings	• Failing to deliver acceptable levels of ROIC and cashflow. • Significant asset write-downs, particularly if market conditions deteriorate for an extended period of time.
Financial strength	• Failing to maintain funding capacity to manage volatility through the cycle including capacity to execute M&A in troughs in the cycle. • Exposure to bad and doubtful debts during an economic downturn.

Emerging Risks & Trends

The Group monitors emerging trends. While they are considered not to pose an immediate material threat to BlueScope, they have the potential to rapidly disrupt or slowly evolve in such a way that could significantly impact the achievement of our strategic objectives in the future. Examples include:

Category	Emerging Risks
Geopolitical tensions	• Geopolitical tensions which could disrupt normal business operations, logistics or supply chains in the regions in which the Group operates.
Emerging technologies and automation	• Emerging technologies like generative AI, robotics, and advanced analytics are evolving rapidly, bringing about significant and sometimes unpredictable implications for society. From a business perspective, these technologies are disruptive and may advantage competitors if successfully adopted by them. They also offer opportunities for BlueScope while introducing novel risks. • A step change in iron making technology and adoption at scale would structurally change the economics of the steel industry globally.

This document sets out information on the business strategies and prospects for future financial years and refers to likely developments in BlueScope's operations and the expected results of those operations in future financial years. This information is provided to enable shareholders to make an informed assessment about the business strategies and prospects of BlueScope for future financial years. Detail that could give rise to likely unreasonable prejudice to BlueScope, for example, public disclosure of information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included.

Detailed Explanatory Tables

(A) Detailed Income Statement

The Group comprises five reportable operating segments: Australian Steel Products; North Star BlueScope Steel; Buildings and Coated Products North America; Building Products Asia & North America and New Zealand & Pacific Islands.

Table 12: Detailed income Statement

$M	Revenue FY2024	Revenue FY2023	Reported Result FY2024	Reported Result FY2023	Underlying Result FY2024	Underlying Result FY2023
Sales revenue / EBIT[1]						
Australian Steel Products	**6,982.3**	7,930.2	**354.4**	492.1	**376.9**	537.1
North Star BlueScope Steel	**3,840.7**	3,479.6	**492.4**	433.0	**493.9**	443.0
Buildings and Coated Products North America	**3,697.0**	3,640.8	**415.9**	503.1	**431.4**	526.9
Coated Products Asia	**2,075.9**	2,630.6	**146.6**	91.7	**159.6**	141.7
New Zealand and Pacific Islands	**914.7**	962.6	**43.7**	128.6	**43.7**	128.6
Discontinued operations	**-**	-	**1.2**	8.5	**-**	-
Segment revenue / EBIT[1]	**17,510.6**	**18,643.8**	**1,454.2**	**1,657.0**	**1,505.5**	**1,777.3**
Inter-segment eliminations	**(501.2)**	(469.6)	**22.1**	16.2	**22.2**	16.3
Segment external revenue/EBIT	**17,009.4**	**18,174.2**	**1,476.3**	**1,673.2**	**1,527.7**	**1,793.6**
Other revenue/(net unallocated expenses)	**102.6**	68.2	**(200.3)**	(185.9)	**(188.5)**	(185.9)
Total revenue / EBIT[1]	**17,112.0**	**18,242.4**	**1,276.0**	**1,487.3**	**1,339.2**	**1,607.7**
Borrowing costs			**(64.4)**	(72.4)	**(62.1)**	(70.5)
Interest Revenue			**56.7**	35.6	**56.7**	35.6
Profit / (loss) from ordinary activities before income tax			**1,268.3**	**1,450.5**	**1,333.8**	**1,572.8**
Income tax (expense)/benefit			**(320.1)**	(352.0)	**(324.6)**	(359.6)
Profit / (loss) from ordinary activities after income tax expense			**948.2**	**1,098.5**	**1,009.2**	**1,213.2**
Net (profit)/loss attributable to outside equity interest			**(142.5)**	(89.3)	**(148.5)**	(114.4)
Net profit / (loss) attributable to equity holders of BlueScope Steel			**805.7**	**1,009.2**	**860.7**	**1,098.8**
Basic Earnings per share (cents)			**180.0**	217.4	**192.3**	236.7

1. Performance of operating segments is based on EBIT, which excludes the effects of interest and tax. The Company considers this a useful and appropriate segment performance measure because Group financing (including interest expense and interest income) and income taxes are managed on a Group basis and are not allocated to operating segments.

(B) Reconciliation of Underlying Earnings to Reported Earnings

The Company has provided an analysis of unusual items included in the reported IFRS financial information. These items have been considered in relation to their size and nature, and have been adjusted from the reported information to assist readers to better understand the financial performance of the underlying operating business. Throughout this report, the Group has used the term 'reported' to reference IFRS financial information and 'underlying' to reference non-IFRS financial information. These adjustments are assessed on a consistent basis from period to period and include both favourable and unfavourable items. Non-IFRS financial information while not subject to audit or review has been extracted from the financial report which has been audited by BlueScope's external auditors. An explanation of each adjustment and reconciliation to the reported IFRS financial information is provided in the table below.

Table 13: Reconciliation of Underlying Earnings to Reported Earnings

	EBITDA $M		EBIT $M		NPAT $M		EPS $[1]	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Reported Earnings	**1,968.9**	**2,145.7**	**1,276.0**	**1,487.3**	**805.7**	**1,009.2**	**1.80**	**2.17**
Underlying adjustments:								
Net (gains) / losses from businesses discontinued[2]	**(1.2)**	(8.5)	**(1.2)**	(8.5)	**1.3**	(4.0)	**0.00**	(0.01)
Asset Impairments[3]	**-**	50.0	**-**	50.0	**-**	25.0	**-**	0.05
Business development and acquisition costs[4]	**17.1**	30.4	**17.1**	30.4	**13.5**	24.0	**0.03**	0.05
Restructure and redundancy costs[5]	**6.6**	-	**6.6**	-	**2.7**	-	**0.01**	-
Operating Disruptions[6]	**-**	3.4	**-**	3.4	**-**	2.7	**-**	0.01
Entity Liquidation[7]	**11.8**	-	**11.8**	-	**11.8**	-	**0.03**	-
Legal Provisions[8]	**22.5**	45.0	**22.5**	45.0	**22.5**	42.0	**0.05**	0.09
Land Asset re-classification[9]	**-**	-	**6.3**	-	**3.2**	-	**0.01**	-
Underlying Operational Earnings	**2,025.8**	**2,266.0**	**1,339.2**	**1,607.7**	**860.7**	**1,098.8**	**1.92**	**2.37**

1. EPS is based on the average number of shares on issue during the respective reporting periods of 447.7M in FY2024 and 464.2M in FY2023.
2. FY2024 reflects royalty revaluation gain ($1.4M pre-tax) relating to the previously sold Taharoa iron sands operations, and net losses ($0.2M pre-tax) from other discontinued operations. FY2023 reflects royalty revaluation gain ($5.9M pre-tax) relating to the previously sold Taharoa iron sands operations, warranty provision write-back relating to the previously sold Australian water tank business ($2.3M pre-tax), and gains ($0.3M pre-tax) from other discontinued operations.
3. FY2023 reflects the impairment of the property, plant and equipment of Building Products Malaysia ($50.0M pre-tax).
4. FY2024 reflects costs associated with the acquisition and integration of the US coil coatings business ($15.5M pre-tax) and the US ferrous scrap steel recycling businesses ($1.6M pre-tax). FY2023 reflects costs associated with the acquisition and integration of the US coil coatings business ($20.4M pre-tax) and the US ferrous scrap steel recycling businesses ($7.4M pre-tax), and pre-commissioning costs associated with the expansion project at North Star ($2.7M pre-tax).
5. FY2024 reflects restructure and redundancy costs in the Coated Products Asia business ($6.6M pre-tax).
6. FY2023 reflects costs relating to storm damage at US coil coatings business Rancho Cucamonga site ($3.4M pre-tax).
7. FY2024 reflects the impact of equity reserves (foreign currency translation) transferred to profit & loss on liquidation of the dormant BlueScope Steel International Ltd entity (UK).
8. FY2024 reflects additional provision raised and paid during the period, arising from the civil proceedings against BlueScope brought by the ACCC. FY2023 reflects provision raised for an estimate of penalty and legal costs associated with the ongoing ACCC civil cartel proceedings against BlueScope.
9. FY2024 reflects the accounting re-classification of a land asset in Indonesia to leases ($6.3M pre-tax).

Table 14: Segmental underlying EBIT adjustments

FY2024 EBIT Underlying Adjustments $M	ASP	North Star	BCPNA	CP Asia	NZPac	Corp	Discon Ops	PISE	Total
Net (gains) / losses from businesses discontinued	-	-	-	-	-	-	(1.2)	-	**(1.2)**
Business development and acquisition costs	-	1.6	15.5	-	-	-	-	-	**17.1**
Restructure and redundancy costs	-	-	-	6.6	-	-	-	-	**6.6**
Entity Liquidation	-	-	-	-	-	11.8	-	-	**11.8**
Legal Provisions	22.5	-	-	-	-	-	-	-	**22.5**
Land Asset re-classification	-	-	-	6.3	-	-	-	-	**6.3**
Underlying Adjustments	**22.5**	**1.6**	**15.5**	**13.0**	**-**	**11.8**	**(1.2)**	**-**	**63.2**

(C) Cash Flow Statement

Table 15: Consolidated cash flow statement

$M	FY2024	FY2023	Variance %
Reported EBITDA	**1,968.9**	**2,145.7**	**(8%)**
Adjust for non cash items			
- Share of profits from associates and joint venture partnership not received as dividends	**12.8**	(1.9)	779%
- Expensing of share-based employee benefits	**21.4**	23.4	(8%)
- Impairment of Assets	**-**	49.7	(100%)
- Net (gain) loss on sale of assets & investments	**8.6**	9.3	(7%)
Cash EBITDA	**2,011.7**	**2,226.2**	**(10%)**
Changes in working capital	**(245.3)**	394.5	(162%)
Gross operating cash flow	**1,766.4**	**2,620.7**	**(33%)**
Finance costs	**(60.2)**	(73.3)	18%
Interest received	**55.3**	34.9	58%
Tax received / (paid)[1]	**(351.4)**	(431.5)	19%
Net cash from operating activities	**1,410.0**	**2,150.9**	**(34%)**
Capex: payments for PP&E and intangibles	**(976.3)**	(808.7)	(21%)
Other investing cash flows	**9.3**	(170.4)	105%
Cash from operating and investing (post-tax)	**443.0**	**1,171.8**	**(62%)**
Share buy-backs	**(323.3)**	(284.9)	(14%)
Dividends to BSL shareholders	**(224.9)**	(233.1)	4%
Dividends to outside equity interest[1]	**(126.2)**	(203.1)	38%
Net drawing / (repayment) of borrowings	**(58.5)**	(527.7)	89%
Repayment of leases	**(116.3)**	(111.9)	(4%)
Other	**-**	-	100%
Net increase / (decrease) in cash held	**(406.2)**	**(188.9)**	**(115%)**

1. These dividend payments primarily relate to dividend payments to Nippon Steel Corporation (NSC) in respect of the NS BlueScope Coated Products joint venture.

Section

02.

Directors' Report

Board Composition and Meetings

Board Composition

The following persons were Directors of the Company during the whole of the financial year and up to the date of this Directors' Report, except as otherwise stated:

- Jane McAloon AM
  Chair
- Ewen Crouch AM
- Jennifer Lambert
- K'Lynne Johnson
- Peter Alexander
- John Bevan *(retired 21 November 2023)*
- Mark Vassella
  Managing Director and Chief Executive Officer
- Rebecca Dee-Bradbury
- Kathleen Conlon
- ZhiQiang Zhang
- Alistair Field

Particulars of the skills, experience, expertise and special responsibilities of the Directors in office at the date of this report are set out below.

Directors' Biographies

Jane McAloon AM

Chair
(Independent)
BEc(Hons), LLB, GDip CorpGov, FAICD

Chair since: November 2023

Director since: September 2022

Directorships of other Australian listed entities in the past three years:

- Newcrest Mining Ltd (Jul-21 to Nov-23)
- United Malt Group Ltd (Feb-20 to Feb-23)
- HMC Capital Ltd (Oct-19 to Nov-22)
- Viva Energy Group Ltd (Jun-18 to Aug-21).

Ms McAloon is Chair and a non-executive director of EnergyAustralia Holdings Ltd and a non-executive director of Allianz Australia Ltd. Ms McAloon held executive leadership positions with BHP where she spent nine years, including two years on the Group Management Committee as President Governance. She was a senior executive at AGL and held executive leadership roles with the NSW Cabinet Office and the Energy, Rail and Natural Resources Departments. She previously worked as an economist and in private legal practice.

Ms McAloon is Chair of the Monash University Foundation and is an independent member of the advisory board of Allens. She was a non-executive Director of the Civil Aviation Safety Authority and the Port of Melbourne. She was Chair of Australian Defence Reserves Support Council, a senior adviser to Brunswick Group Asia, a director of the Australian War Memorial and a member of the Referendum Council on Constitutional Recognition for Aboriginal and Torres Strait Islander Peoples.

Ms McAloon brings to BlueScope over 30 years of business, government and regulatory experience at senior executive and board levels across the natural resources, energy, infrastructure and utilities sectors. Having spent most of her career in emissions intensive industries, she has deep experience working at the intersection of business and sustainability challenges including across the UK, US and Asia.

Ms McAloon is a member of the Remuneration & Organisation Committee and the Nomination Committee.

Mark Vassella

Managing Director &
Chief Executive Officer
BCom, MBA
Director since: January 2018

Directorships of other Australian listed entities in the past three years: Nil.

Mark Vassella was appointed Managing Director and Chief Executive Officer of the Company in January 2018.

He joined the Company following BlueScope's 2007 acquisition of Smorgon Steel Distribution where he was the Chief Executive. He was appointed Chief Executive Australian Distribution and Solutions before moving to the US as President, BlueScope Steel North America in 2008. He returned to Australia in 2011 to take up the role of Chief Executive BlueScope Australia and New Zealand.

Mr Vassella is on the Executive Board of Directors at World Steel Association (worldsteel) and holds the office of Treasurer. He is a past Board member, President and Treasurer of the Family Life charitable organisation.

Ewen Crouch AM

Non-executive Director (Independent)
BEc (Hons) LLB, FAICD
Director since: March 2013

Directorships of other Australian listed entities in the past three years:

- Corporate Travel Management Limited (Mar-19 to date)
- AnteoTech Ltd (Apr-22 to date)

Mr Crouch is Chairman of RSL LifeCare Ltd and is a non-executive director and Chairman of both Corporate Travel Management Limited and AnteoTech Ltd. He is a Fellow of the Australian Institute of Company Directors and a board member of Jawun. Mr Crouch was a Partner at Allens from 1998 to 2013 where his roles included Chairman of Partners, Co-Head Mergers and Acquisitions and Equity Capital Markets, Executive Partner – Asian Offices and Deputy Managing Partner, as well as 11 years' service on its board. He served as a director of Mission Australia between 1995 and 2016, including seven years as its Chairman.

Mr Crouch served as a non-executive director of Westpac Banking Corporation from 2013 to 2019. He was a member of the Takeovers Panel from 2010 to 2015, a member of the Commonwealth Remuneration Tribunal from 2015 to 2019 and a director of the Sydney Symphony Orchestra from 2009 to 2020.

Mr Crouch brings to the Board the breadth of his experience in service industries, financial markets, governance and risk management together with his knowledge of strategic mergers, acquisitions and capital markets transactions.

Mr Crouch is Chair of the Risk & Sustainability Committee and is a member of the Audit Committee and the Nomination Committee.

Rebecca Dee-Bradbury

Non-executive Director (Independent)
BBus (Mkt), GAICD
Director since: April 2014

Directorships of other Australian listed entities in the past three years:

- Bapcor Limited (Sep-23 to Dec-23)
- Australian Foundation Investment Company Ltd (May-19 to date)

Ms Dee-Bradbury is a non-executive director of EnergyAustralia Holdings Ltd and Australian Foundation Investment Company Ltd. She is a former non-executive director of Bapcor Limited, GrainCorp Limited and Tower Limited (NZ). She is also a member of Chief Executive Women and a former member of the WomenCorporateDirectors Foundation, the Federal Government's Asian Century Strategic Advisory Board and the Business Advisory Board at the Monash Business School.

Ms Dee-Bradbury was Chief Executive Officer/President Developed Markets Asia Pacific and ANZ for Kraft/Cadbury from 2010 to 2014, leading the business through significant transformational change. Before joining Kraft/Cadbury Ms Dee-Bradbury was Group CEO of the global Barbeques Galore group and has held other senior executive roles in organisations including Maxxium, Burger King Corporation and Lion Nathan/Pepsi Cola Bottlers.

Ms Dee-Bradbury brings to the Board significant experience in strategic brand marketing, customer relationship management, digitisation and innovation.

Ms Dee-Bradbury is Chair of the Remuneration & Organisation Committee and is a member of the Health, Safety, Environment & Community Committee and the Nomination Committee.

Jennifer Lambert

Non-executive Director (Independent)
BBus, MEc, CA, FAICD
Director since: September 2017

Directorships of other Australian listed entities in the past three years:

- NEXTDC Limited (Oct-19 to date)
- REA Group Limited (Dec-20 to date)

Ms Lambert is a non-executive director and Chair of the Audit and Risk Committee for each of NEXTDC Limited, REA Group Limited and Investa Property Group. Ms Lambert is also on the Council of the Sydney Church of England Grammar School (Shore). She is a Fellow of the Australian Institute of Company Directors and a member of its Reporting Committee.

Ms Lambert has extensive business and leadership experience at the senior executive and board level. Ms Lambert was Group Chief Financial Officer of 151 Property (previously known as Valad Property Group) from 2003 to 2016 and prior to this, a director at PricewaterhouseCoopers in transaction services. Ms Lambert was previously on the boards of Mission Australia and Place Management NSW.

Ms Lambert brings more than 30 years of financial management and accounting experience, along with over 15 years specialising in the property industry and 15 years of experience as a director of for-purpose entities.

Ms Lambert is Chair of the Audit Committee and is a member of the Risk & Sustainability Committee and the Nomination Committee.

Kathleen Conlon

Non-executive Director (Independent)
BA (Econ)(DIST), MBA, FAICD
Director since: February 2020

Directorships of other Australian listed entities in the past three years:

- Lynas Rare Earths Limited (Nov-11 to Nov-23)
- REA Group Limited (Jun-07 to Nov-21)
- Aristocrat Leisure Limited (Feb-14 to date)
- Pilbara Minerals Limited (Jan-24 to date)

Ms Conlon is Chair and a non-executive director of Pilbara Minerals Limited. She is also a non-executive director of Aristocrat Leisure Limited and a former non-executive director of CSR Limited, REA Group Limited and the Benevolent Society. Ms Conlon also Chairs the Corporate Governance Committee of the Australian Institute of Company Directors (AICD) and is a member of Chief Executive Women. She is also a former Chair of Lynas Rare Earths Limited, a former President of the NSW Council and a former National Board member of the AICD.

Ms Conlon brings over 20 years of professional management consulting experience specialising in strategy, supply chain, technology and operational improvement and has advised leading companies across a wide range of industries and countries. An American/Australian dual national, Ms Conlon joined the Chicago office of The Boston Consulting Group (BCG) in 1985, before transferring to the Sydney office in 1994. In her seven years as partner and director, Ms Conlon led BCG's Asia Pacific operations practice and the Sydney Office. She was awarded a Commonwealth Centenary Medal for Services to Business Leadership in 2003.

Ms Conlon is a member of the Remuneration & Organisation Committee, the Audit Committee and the Nomination Committee.

K'Lynne Johnson

Non-executive Director (Independent)
BSc(OrgPsych), MOrgBehav
Director since: January 2022

Directorships of other Australian listed entities in the past three years: Nil.

Ms Johnson is a non-executive director of US based companies JM Huber Corporation (2020 to present), Sylvatex Inc (2016 to present) and FMC Corporation (2013 to present) and is Chair of Trinseo SA (2017 to present), the latter two companies both listed on the NYSE.

Ms Johnson has had a global career with extensive knowledge of the US market and has spent significant time in Asia. Ms Johnson was an executive in the chemicals industry for over 28 years and has worked in early stage sustainability-driven ventures as well as in more mature businesses.

Ms Johnson is the former Chair of Elevance Renewable Sciences Inc (2015 to 2016) following eight years as President and founding CEO (2007 to 2015). Prior to joining Elevance, Ms Johnson spent over twenty years in the oil and petrochemical industry with Amoco Corporation (1992 to 1999) and BP Chemicals (1999 to 2004), joining BP after its merger with Amoco in 1998. During this time, Ms Johnson held both operational and functional roles, culminating in her role as Senior Vice President of Global Derivatives with BP's Innovene business (2004 to 2005) (which was sold to the Ineos group in 2005). In addition, Ms Johnson was the co-founder and owner of BeauLily LLC (2006 to 2014), a therapeutic hand products company.

Ms Johnson brings to BlueScope extensive experience in the areas of technological led transformation, sustainability, renewables, human resources, customers and innovation. She also brings traditional high capital-intensive sector experience.

Ms Johnson is based in North America.

Ms Johnson is Chair of the Health, Safety, Environment & Community Committee and a member of the Remuneration & Organisation Committee and the Nomination Committee.

ZhiQiang Zhang

Non-executive Director (Independent)
BEng(Elec), MBA, FAICD
Director since: January 2022

Directorships of other Australian listed entities in the past three years: Nil.

Mr Zhang is the Head of China for Fortescue Energy, President of the Swiss Chamber of Commerce in Beijing and Operating Partner of CITIC Capital. Mr Zhang was an advisor to CLEC Co Ltd from 2022 to 2023 and a non-executive director of the Swedish Chamber of Commerce in China (2016 to 2022). He was also a non-executive director of Georg Fischer AG (2005 to 2021) and Datwyler Holding AG (2016 to 2021), companies listed on the Swiss Stock Exchange.

Mr Zhang has extensive business and leadership experience at the senior executive level including over 25 years at Siemens and Siemens Nokia Networks with his last role as President & Chief Executive Officer, Greater China Region (2005 to 2012). More recently, Mr Zhang was President of Asia Pacific Region and a member of the Group Executive Management team of Sandvik AB (2012 to 2018) and Group Senior Vice President & President of ABB China (2018 to 2021).

Mr Zhang has a background in blue-chip manufacturing and product development, including industrial digitisation, automation and robotics. Having worked in asset-heavy industrials for most of his career, Mr Zhang has deep sector knowledge in automotive, machine tools, steel making, foundry, telecommunications and infrastructure. He also brings to BlueScope a deep understanding of China and broader Asian markets and insight into areas of innovation and growth.

Mr Zhang is based in China.

Mr Zhang is a member of the Risk & Sustainability Committee, the Health, Safety, Environment & Community Committee and the Nomination Committee.

Peter Alexander

Non-executive Director (Independent)
BA, MBA
Director since: September 2022

Directorships of other Australian listed entities in the past three years:

- Boral Limited (Sep-18 to Oct-21)

Mr Alexander is the Lead Director of Overhead Doors LLC and Colony Hardware Corporation. He is a former non-executive director of Boral Limited. Mr Alexander is an experienced former chief executive with more than 28 years of senior executive experience in US building materials and distribution, technology products and services. From 2010 until 2018, Mr Alexander was CEO of Building Materials Holding Corporation and then President and CEO of the merged NASDAQ listed group BMC Stock Holdings Inc (BMC), a building materials distributor and construction solutions provider. Prior to this, Mr Alexander was President and CEO of ORCO Construction Distribution from 2005 to 2009, the largest independent building materials distributor in the Western United States. He was managing partner of KinderOaks Business Services from 2002 to 2005. Mr Alexander previously served as President and CEO, or in other executive positions, for several other companies in the technology, retail, distribution and service industries, including GE Capital, ComputerLand/Vanstar, Premiere Global Services and Coast to Coast Hardware.

Mr Alexander brings to BlueScope extensive experience in the US and Australian building materials, retail, technology and telecommunications sectors.

Mr Alexander is based in North America.

Mr Alexander is a member of the Risk & Sustainability Committee, the Health, Safety, Environment & Community Committee and the Nomination Committee.

Alistair Field

Non-executive Director (Independent)
Mech Eng, MBA
Director since: January 2024

Directorships of other Australian listed entities in the past three years:

- Sims Limited (Oct-15 to Sep-23)
- Alumina Limited (Jan-24 to Aug-24)
- Alcoa Limited (Aug-24 to present)

Mr Field has most recently held the position of Chief Executive Officer and Managing Director of Sims Limited based in the US and Australia. Mr Field has more than 30 years of experience in the mining, metals and manufacturing sectors. Prior to joining Sims Limited, he held a number of senior leadership positions including as Director of the Patrick Terminal & Logistics division of Asciano Limited and as Chief Operating Officer of Rio Tinto's Bauxite and Alumina Division.

Mr Field brings to BlueScope a global perspective, having worked at a senior executive level in North America, the Middle East, South Africa and the UK with extensive heavy industry experience, operational and safety expertise, including an understanding of complex and large-scale capital projects.

Mr Field is a member of the Audit Committee, the Health, Safety, Environment & Community Committee and the Nomination Committee.

Company Secretaries

The following are Company Secretaries of the Company:

Penny Grau

BCom, LLB, LLM

Responsible for the Company Secretarial matters of the Company.

Appointed the Company Secretary & Group Counsel Governance on 30 June 2022 following her appointments as Group Counsel – Secretariat with BlueScope on 6 November 2017, and a Company Secretary on 27 November 2017.

Previously occupied positions of general counsel and company secretary at a number of listed companies for 10 years, and prior to this practised as a corporate lawyer for 18 years.

Debra Counsell

BA, LLB

Global responsibility for legal affairs, ethics and compliance of BlueScope.

Appointed Chief Legal Officer on 1 January 2017 and Company Secretary on 1 July 2017.

Prior to that occupied the position of General Counsel – Corporate at BlueScope since 2014, following 23 years of private practice in Australia, Asia and Europe.

Particulars of Directors' Interests in Shares and Options of BlueScope Steel Limited

As at the date of this Directors' Report the interests of the Directors in shares and options of the Company are:

Director	Ordinary shares	Share rights
J McAloon AM	15,128	-
M Vassella	1,052,748	363,580[1]
E Crouch AM	42,092	-
R Dee-Bradbury	27,300	-
J M Lambert	21,608	-

Director	Ordinary shares	Share rights
K Conlon	10,208	-
K Johnson	-	3,820[2]
Z Zhang	4,800	-
P Alexander	16,000	-
A Field	-	-

1. Unvested rights, subject to achieving performance hurdles.
2. Rights will remain as vested share rights until the exercise and allocation of shares, which occurs automatically at the end of the Trading Restriction Period (i.e. 15 years after the date the share rights are granted, or the date the Director ceases to be a Director of the Company, whichever occurs earlier, unless BlueScope determines otherwise).

Meetings of Directors

Attendance of the Directors at Board and Board Committee meetings from 1 July 2023 to 30 June 2024 is as follows:

		Board Meetings		Audit Committee		Remuneration and Organisation Committee		Health, Safety and Environment Committee		Nomination Committee		Risk and Sustainability Committee		Director Sub-Committees[1]		Annual General Meeting	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
J McAloon AM	*(as member)*	13	13	-	-	2	2	3	3	6	6	2	2	6	6	1	1
	(as invitee)[2]	-	-	-	4	-	2	-	2	-	-	-	2	-	-	-	-
M Vassella	*(as member)*	13	13	-	-	-	-	3	3	-	-	-	-	3	3	1	1
	(as invitee)[2]	-	-	-	4	-	5	-	2	-	6	-	4	-	3	-	-
E Crouch AM	*(as member)*	13	12	4	4	-	-	3	3	6	6	4	4	3	3	1	1
	(as invitee)[2]	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-
R Dee-Bradbury	*(as member)*	13	13	-	-	6	6	5	4	6	5	-	-	-	-	1	1
	(as invitee)[2]	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-
J Lambert	*(as member)*	13	13	4	4	-	-	3	3	6	6	4	4	6	6	1	1
	(as invitee)[2]	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-
K Conlon	*(as member)*	13	12	4	4	6	6	3	3	6	6	-	-	-	-	1	1
	(as invitee)[2]	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-	-
Z Zhang	*(as member)*	13	11	-	-	-	-	5	5	6	6	4	4	2	2	1	1
	(as invitee)[2]	-	-	-	2	-	1	-	-	-	-	-	-	-	-	-	-
K Johnson	*(as member)*	13	13	-	-	6	6	5	5	6	6	-	-	-	-	1	1
	(as invitee)[2]	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-
P Alexander	*(as member)*	13	12	3	3	-	-	5	4	6	6	1	1	2	2	1	1
	(as invitee)[2]	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
A Field	*(as member)*	5	5	2	2	-	-	3	3	2	2	-	-	3	3	-	-

1. The Board forms sub-committees from time to time to provide oversight on specific matters as may be required.
2. The Director is not a Committee member and attended pursuant to their standing invitation.

Ms McAloon was appointed Chair of the Board on 21 November 2023 and from this date attended all meetings of Committees of which she was not a member as an invitee. Mr Field was appointed as a Director in 15 January 2024. Otherwise all current Directors have held office for the entire year ended 30 June 2024.

A = Number of meetings held in the period 1 July 2023 to 30 June 2024, during which time the relevant Director was a member of the Board or the Committee, as the case may be.
B = Number of meetings attended by the relevant Director.

Directors meet regularly in the absence of management.

Other Matters

Review of Operations

A review of the Group's operations during the financial year and the results of those operations is set out in the FY2024 Earnings Report on pages 6-33 of this Annual Report. The FY2024 Earnings Report is incorporated by reference into, and forms part of, this Directors' report.

Remuneration Report

The FY2024 Remuneration Report is set out on pages 43-70 of this Annual Report and is incorporated by reference into, and forms part of, this Directors' report.

Environmental Regulation

BlueScope's manufacturing operations are subject to significant environmental reporting obligations. In FY2024, BlueScope notified relevant authorities of thirty-nine incidents resulting in environmental non-compliance, sixteen of which occurred in Australia, seven of which occurred in New Zealand and sixteen of which occurred in the United States of America. This is a reduction in BlueScope's total reportable environmental non-compliances, when compared with FY2023. This reduction is despite continued expansion of our global operations in FY2024, principally through production increases at our North Star operations and the inclusion of our BlueScope Coated Products acquisition in external reporting in FY2024. All the reported non-compliances were low severity, with no material environmental or health impacts. The operations continue to treat low level incidents seriously, focusing on opportunities to minimise the likelihood of re-occurrence.

The NSW Environment Protection Authority (EPA) issued Australian Steel Products three separate penalty infringement notices in FY2024. The first of these notices was issued in response to two air emission incidents from our coke making operations at Port Kembla Steelworks, which occurred on 14 and 27 September 2023, incurring a penalty of $15,000. The second notice, also incurring a penalty of $15,000, was issued in response to a grout discharge incident at our berth operations at Port Kembla Steelworks, which occurred on 10 February 2024. The third notice was issued in response to an air emissions incident from our coke making operations at Port Kembla Steelworks, which occurred on 30 May 2024, incurring a penalty of $30,000. Australian Steel Products also received a formal warning from the EPA in relation to coke oven door emissions from our coke making operations at Port Kembla Steelworks, recorded on 14 December 2023.

In the United States of America, the Oregon Department of Environmental Quality (DEQ) issued a stormwater record keeping violation (US$1,500) at our NS BlueScope ASC Salem facility, recorded on 23 December 2023. In addition, following a South Coast Air Quality Management District (SCAQMD) review of historic incidents and documentation from our NS BlueScope Rancho Cucamonga facility in California, the SCAQMD issued three backdated violations, one violation in each of FY2019, FY2021 and FY2022. The total fine issued for these three incidents was US$11,000.

No additional environment-related penalty infringement notices or violations have been reported across BlueScope's operations.

Further environmental information will be provided in BlueScope's Sustainability Report, due for release in September 2024.

Indemnification and Insurance of Officers

The Company has entered into directors' and officers' insurance policies and paid an insurance premium in respect of the insurance policies, to the extent permitted by the *Corporations Act 2001*. The insurance policies cover former Directors of the Company along with the current Directors of the Company (listed on page 35). Executive officers and employees of the Company and its related bodies corporate are also covered.

In accordance with Rule 21 of its Constitution, the Company to the maximum extent permitted by law:

- must indemnify any current or former Director or Secretary; and
- may indemnify current or former executive officers,

of the Company or any of its subsidiaries, against all liabilities (and certain legal costs) incurred in those capacities to a person, including a liability incurred as a result of appointment or nomination by the Company or its subsidiaries as a trustee or as a Director, officer or employee of another corporation.

Current and previous Directors of the Company and a previous Chief Financial Officer and a previous Chief Legal Officer and Company Secretary have entered into an Access, Insurance and Indemnity Deed (Deed) with the Company. The Deed addresses some or all of the matters set out in Rule 21 of the Constitution and includes, among other things, provisions requiring the Company to indemnify an officer to the extent to which they are not already indemnified as permitted under law, and to use its best endeavours to maintain an insurance policy covering the period while they are in office and seven years after ceasing to hold office. It is the Company's practice that its employees should be protected from any liability they incur as a result of acting in the course of their employment, while acting in good faith.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as (in accordance with normal commercial practice) such disclosure is prohibited under the terms of the contract.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Proceedings on Behalf of BlueScope

As at the date of this Report, there are no leave applications or proceedings made in respect of BlueScope or that a person has brought or intervened in on behalf of BlueScope under section 237 of the *Corporations Act 2001*.

Matters Subsequent to the Year Ended 30 June 2024

Refinance of bilateral loan facilities

During July 2024, BlueScope finalised the refinancing of its core bilateral loan facilities, increasing the capacity to $1,500 million from $1,310 million and extending the maturity of each of the three tranches by two years.

Other than matters outlined elsewhere in the financial report, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods

Rounding of Amounts

BlueScope is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Auditor's Independence

Ernst & Young was appointed auditor for BlueScope at the 2002 Annual General Meeting.

Auditor Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 42 within the Directors' Report for the year ended 30 June 2024.

Non-Audit Services

Ernst & Young provided $808,800 of non-audit services during the year ended 30 June 2024, comprising:

- $677,000 for advisory services; and
- $131,800 for tax compliance and other assurance services.

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Further details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are set out in Note 33 of the consolidated financial statements.

This report has been made in accordance with a resolution of the Directors.

Jane McAloon, AM
Chair

Mark Vassella
Managing Director and Chief Executive Officer

19 August 2024

Building a better working world

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Auditor's independence declaration to the directors of BlueScope Steel Limited

As lead auditor for the audit of the financial report of BlueScope Steel Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BlueScope Steel Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
19 August 2024

Section

03.

Remuneration Report

Message from the Board

We have a robust governance structure and remuneration framework that supports our business strategy, drives performance, and holds our leaders accountable for demonstrating our values, shaping our culture, and the safety of our people.

Rebecca Dee-Bradbury
Chair, Remuneration and Organisation Committee

Contents

To our Shareholders

On behalf of the Board, I am pleased to present BlueScope's Remuneration Report for FY2024.

As Chair of the Remuneration and Organisation Committee, I am proud to acknowledge the continued hard work and dedication of our more than 16,500 people, employed at over 160 sites spanning 15 countries. We have a robust governance structure and remuneration framework that supports our business strategy, drives performance, and holds our leaders accountable for demonstrating our values, shaping our culture, and the safety of our people.

As a Board, we understand the role our decisions play in shaping the future of the Company, and we are dedicated to overseeing the delivery of our strategic priorities to meet the evolving needs of our business. The Remuneration and Organisation Committee actively oversees BlueScope's remuneration framework and people strategy to support our growth goals and adapt to changing market dynamics. We are focused on maintaining an appropriate fit-for-purpose global remuneration strategy and structure, to attract and retain capable and experienced talent across all of our locations around the world. We continue to invest in our people and their skills for the future.

As a global organisation with thousands of employees who share passion and expertise in one of the world's most useful materials, steel, we see an opportunity to make a real difference. We listen to feedback from our people, to understand what's working well and what can be improved to enhance the employee experience and our culture. In March 2024, 77 per cent of our employees provided feedback through a global employee pulse survey. We are pleased to report an overall employee engagement rate of 72 per cent.

Leadership is a critical enabler for achieving our strategy and maintaining the engagement of our people, and we invest in leadership development that is aligned with best practices. Developing succession plans to manage succession risk for global critical roles continues to be an ongoing focus, including ensuring succession bench strength for our Executive KMP.

We continue to focus on recruitment, ensuring that our workforce reflects the communities in which we operate. Our approach is to empower leaders to develop local strategies to meet the needs of our diverse geographic footprint, and we are encouraged by our progress in FY2024.

Underlying EBIT ROIC
11.9%
Down from 14.6% in FY2023

Free Cash Flow
$434M
Down $908M on FY2023

Three Year average ROIC
22.7%
FY2022, FY2023, FY2024

Performance and Remuneration Outcomes

We've delivered robust financial performance in FY2024, benefiting our shareholders and reflecting management's unwavering focus on delivering to our customers. We continued to generate strong cash flows, supporting the Company's strong balance sheet across our various locations.

During the year, our people continued to progress a range of projects that underpin future operations stability and earnings growth, including the reline and upgrade of the No.6 Blast Furnace at the Port Kembla Steelworks, the progression of the new metal coating line in Western Sydney, the commencement of the installation of the electric arc furnace in New Zealand and the expansion ramp-up at North Star and the exploration of value chain integration with a potential midstream facility in the United States. We are also proud of the work that is being undertaken across the business to unlock a low-carbon future for our operations, and the iron and steelmaking process.

Fixed Remuneration

Effective from 1 September 2023, the Executive KMP's (including the MD & CEO, but excluding the Chief Financial Officer) fixed remuneration levels were increased by 3.5 per cent, reflecting market benchmarks, the scope and complexity of the roles they hold, sustained high performance, and remuneration increases provided to the broader business. This is in line with our remuneration strategy, which is to set fixed remuneration levels at or slightly above market median and incentive opportunities below market median (offset by a greater probability of the LTI vesting through the industry cycle), resulting in realised pay which is in line with the market. The Chief Financial Officer did not receive a fixed remuneration increase, as he commenced employment after the review was completed.

Short term Incentive (STI)

The Board carefully assessed the FY2024 MD & CEO and Executive KMP STI scorecards, considering the Executive KMP's behaviours against Our Bond, the Group's and their performance, the economic and operating environment, as well as the shareholder experience during the year. This assessment included the application of Board discretion to reduce the payout under the safety category of the FY2024 scorecards to zero for all Executive KMP (including the MD & CEO). Although BlueScope completed 100 per cent of its committed health, safety and environment (HSE) risk control improvement projects, the Total Recordable Injury Frequency Rate (TRIFR) did not meet threshold. These two outcomes would have resulted in a 5 per cent payout (out of 10 per cent) for the safety category of the FY2024 STI scorecards. However, the Board felt that, given recent trends in safety performance, it was appropriate to exercise its discretion to reduce the payout to zero for this category.

Overall, the Board approved an STI award for the MD & CEO of 99.3 per cent of his target opportunity (66.2 per cent of his maximum opportunity), and for other Executive KMP, the STI awards ranged from 73.9 per cent (for the Chief Executive, New Zealand and Pacific Islands) to 126.4 per cent (for the Chief Executive, North America) of their target opportunities. The Board considers this to be an appropriate result, and reflects the performance of the Group and the underlying businesses, particularly in the face of global macroeconomic and steel industry volatility.

The Board is satisfied that management has performed well which is reflected in our business performance. Our Executive KMP demonstrated strong leadership aligned to our remuneration principles to behave like owners, deliver on BlueScope's strategy and ultimately deliver value to our shareholders.

Long-term Incentive (LTI)

LTI Alignments Rights that were granted in FY2022 were performance tested at the end of the three-year performance period (following 30 June 2024). For the three-year period up to 30 June 2024, management delivered strong ROIC performance (three-year ROIC of 22.7%) and maintained a strong balance sheet (including a three-year average Net Debt to EBITDA ratio of -0.21X), aligning with our financial framework objectives. As a result, both performance thresholds (ROIC and Net Debt to EBITDA ratio) were met. All Executive KMP were rigorously assessed and were deemed to have behaved in line with Our Bond, and consequently, the FY2022 LTI Alignment Rights will vest in full in September 2024 (FY2025) for all Executive KMP (including the MD & CEO).

Key Management Personnel (KMP) Changes

Mr Zhang's role was expanded to include the China business on an interim basis in November 2023, and permanently in April 2024. In recognition of Mr Zhang's expanded role (as Chief Executive, NS BlueScope **and China**), he received a fixed remuneration adjustment of 4.1 per cent.

Mr Fallu joined BlueScope as Chief Financial Officer in September 2023. Mr Fallu's package was set in recognition of his role and responsibilities in a highly complex global organisation.

Non-Executive Directors

Ms McAloon AM was appointed as Chair of the Board upon Mr Bevan's retirement at the 2023 Annual General Meeting, with Mr Field joining the Board as a Non-Executive Director in January 2024. We'd like to take this opportunity to sincerely thank Mr Bevan for his contribution to BlueScope over the last 10 years, with eight of those served as the Board Chair.

In 2023, Non-Executive Director fees were reviewed to ensure they remain competitive and commensurate with the Directors' experiences, accountabilities, and workloads in a highly complex global organisation. Following this review, the Board Chair, Committee, and Board base fees were increased by 3.5 per cent effective 8 October 2023.

Looking Forward to FY2025

To ensure our overseas based Non-Executive Directors are paid consistently and transparently, from FY2025, Non-Executive Director fees for overseas based Directors have been set in US dollars. This aims to mitigate variances in their fees due to foreign exchange rate volatility. This approach aligns with our remuneration principles of fairness and transparency. Further details will be provided in BlueScope's FY2025 Remuneration Report.

Thank you for your ongoing support. As always, we welcome shareholder feedback.

Rebecca Dee-Bradbury
Chair, Remuneration and Organisation Committee

Jane McAloon AM
Chair, BlueScope Steel Limited Board

FY2024 Key messages

Remuneration element	Rationale
Executive KMP remuneration	**MD & CEO** As disclosed in BlueScope's FY2023 Remuneration Report, Mr Vassella's annual fixed remuneration was increased by 3.5 per cent (from $1,947,000 to $2,015,100) on 1 September 2023, reflecting market benchmarks, his responsibilities in a highly complex global organisation, and in line with fixed remuneration increases provided to the broader business. Mr Vassella's remuneration structure reflects BlueScope's remuneration strategy which is to set fixed remuneration at or slightly above market median, and STI and LTI opportunities below market median, offset by a greater probability of LTI vesting through the industry cycle. This results in his realised pay being in line with market median and provides a balance between having a cost effective remuneration structure, consistent returns to shareholders, and value for him through the industry cycle. **Executive KMP** Following a market remuneration benchmarking exercise conducted during FY2024, the Board approved fixed remuneration increases of 3.5 per cent for Executive KMP (effective from 1 September 2023) except for Mr Fallu (Chief Financial Officer). Mr Fallu did not receive a fixed remuneration adjustment in FY2024 as his employment start date fell after the review period was completed. Upon appointment to the role of Chief Financial Officer on 18 September 2023, Mr Fallu's remuneration arrangements were: • Annual fixed remuneration of $950,000 including superannuation (set with reference to market benchmarks and his responsibilities in a highly complex global organisation). • Sign-on equity with a face value of $900,000, with half vesting 12 months, and the other half vesting 24 months, following his employment date. This equity was granted in recognition of equity foregone in his former role. • Sign-on cash of $300,000 to replace short term incentive awards foregone in his former role, that will be paid 12 months after his employment start date. **For more information on KMP remuneration, refer to pages 66-70.**
Group performance and reward outcomes	BlueScope performance highlights in FY2024 include: **Financial results** • Sales revenue from continuing operations of $17.0Bn, 6% lower than FY2023, on lower global steel prices. • $1.34 billion in underlying EBIT and ROIC of 11.9% per cent. • Free cash flow of $434M. • Retained investment grade credit ratings from S&P Global Ratings and Moody's. • $364M net cash position at 30 June 2024. • Financial liquidity of $3,132M at 30 June 2024, including $680M in NS BlueScope Coated Products joint venture. • $548M returned to shareholders during FY2024, through $225M in dividends and $323M in buy-backs. **Safety results** • 100 per cent of the 271 committed HSE risk control improvement projects were completed • In July 2024, BlueScope instigated a Global "Refocus on Safety" program, intended to ensure ongoing emphasis on its foundational safety practices, supported by Human and Organisational Performance (HOP) principles and tools. The refocus requires leaders at all levels to spend more dedicated time on site to learn from employees about how work is done, what can be done better, and to verify critical controls from our Codes of Practice to proactively manage risk before incidents occur. Priority activities include increasing tiered audit frequencies and improving incident management and investigation. **ESG (climate and diversity) results** • BlueScope achieved a 12.2 per cent reduction in aggregated steelmaking emissions intensity against its FY2018 baseline, in line with its 2030 target level. This was primarily driven by the ramp-up of the North Star expansion, along with operating and process efficiencies at Glenbrook and Port Kembla Steelworks. • BlueScope's non-steelmaking emissions intensity has reduced by 8.4 per cent since FY2018. Whilst midstream sites have implemented a range of projects to reduce emissions, the emissions intensity in FY2024 was affected by lower production and despatch volumes compared to 2018. • In FY2024, BlueScope announced a framework agreement with Australia's two largest iron ore producers, BHP and Rio Tinto, to jointly investigate Australia's first ironmaking electric smelting furnace (ESF or 'melter') pilot plant using Pilbara ores. This project will consolidate the work each party has completed on this technology to date in developing, building and ultimately operating a Direct Reduced Iron (DRI)-ESF pilot plant. • BlueScope also made solid progress during the year on Project IronFlame, its Australian DRI Options Study, refining 42 different configurations for DRI supply chains at various locations to seven options across three locations, for further investigation. • BlueScope increased its overall percentage of women in the workforce to 25% and maintained the gender balance for Board and ELT in line with its 40:40:20 target. • In Australia, the First Nations Framework advanced significantly and is embedded into the Australian business' Vision and Strategy. This includes a focus on First Nations procurement, which has resulted in an increase in expenditure with First Nations suppliers by 151% in FY2024, along with the addition of 14 Indigenous-owned Tier 1 suppliers.

Remuneration element	Rationale
Group performance and reward outcomes (cont)	**Strategic results** • During the year, our people continued to progress a range of projects that underpin future operations stability and earnings growth, including: – in North America, the ramp up of the North Star expansion and assessment of additional debottlenecking options, along with the evaluation of further value chain integration in the US with a potential midstream facility. – in Australia, the progression of a new metal coating line in Western Sydney and the reline and upgrade of No.6 Blast Furnace at Port Kembla. – in New Zealand, the commencement of the project to install an electric arc furnace at the Glenbrook site. – the significant body of work across the business to unlock a low-carbon future for our operations, and the iron and steelmaking process. **For more information on the strategic priorities' achievements and the financial performance, refer to page 52.**
Board discretion	The Board carefully assessed the FY2024 MD & CEO and Executive KMP STI scorecards, considering the economic and operating environment, as well as the shareholder experience during the year. Given the recent safety performance trend, the Board exercised its discretion to reduce the pay outcomes under the safety category of the FY2024 STI scorecards to zero for all Executive KMP (including the MD & CEO). Although TRIFR did not meet threshold, BlueScope completed 100 per cent of committed HSE risk control improvement projects. This would have resulted in a 5 per cent payout (out of 10 per cent) for the safety category. This was the only discretion the Board applied, as it felt that the FY2024 STI outcomes accurately reflect the performance of the business and the Executive KMP.
FY2024 Short-term Incentive (STI)	The STI awarded to the MD & CEO was 99.3 per cent of his target opportunity (66.2 per cent of his maximum opportunity), and for other Executive KMP, STI payouts ranged from 73.9 to 126.4 per cent of their target opportunities. The range of STI outcomes demonstrates differentiation in performance across the Executive team and is an indication of the varying results across the different businesses. The Board considers the STI outcomes to be appropriate, reflecting the Group's and underlying business performance during FY2024, particularly in the face of global macroeconomic and steel industry volatility. **For more information on the STI, refer to pages 51-56.**
FY2022 Long-term Incentive (LTI) (Alignment Rights)	The FY2022 LTI Alignment Rights, which were granted to the MD & CEO and Executive KMP, were tested at the end of the three-year performance period on 30 June 2024. The award had three performance conditions: • **Our Bond**: individual assessment of the Executive KMP's conduct against Our Bond (a behavioural gateway). • **Underlying EBIT ROIC**: minimum of 10 per cent average over three years (FY2022, FY2023 and FY2024). • **Net debt to EBITDA ratio**: less than 1.3x average over three years (FY2022, FY2023 and FY2024). The award is also subject to a service condition, where Executive KMP are required to be employed on 31 August 2024 to receive benefit from the award (exceptions may exist, depending on the nature of the termination of their employment or where the Board determines otherwise). All performance and behavioural conditions have been achieved and, subject to the service condition being met, the FY2022 LTI (Alignment Rights) award will vest in full in September 2024. The Board is satisfied that the reward outcomes appropriately reflect individual, business, and Group performance, and are aligned to the experience of shareholders and our people. **For more information on the LTI, refer to page 56.**
Changes for FY2025	**MD & CEO fixed remuneration** Following market remuneration benchmarking being undertaken in FY2024 and in consultation with the MD & CEO, the Board has elected **not** to increase the MD & CEO's remuneration in FY2025. **Executive KMP remuneration** Effective from 1 September 2024, the Executive KMP's annual fixed remuneration will increase by 3.0 per cent except for Ms Keast who will receive an increase of 8.0 per cent and Mr Zhang who will receive an increase of 2.0 per cent. These adjustments reflect market benchmarks, the scope and complexity of the roles they hold, business performance, and increases provided to the broader business. This is also in line with our remuneration strategy, which is to set fixed remuneration levels at or slightly above market median, incentive opportunities below market median (offset by greater probability of the LTI vesting through the industry cycle), resulting in realised pay which is in line with the market. **Fees paid to overseas-based Non-Executive Directors** Effective from 1 July 2024, to ensure overseas based Non-Executive Directors are paid consistently and transparently, their fees will be set in US dollars to mitigate for variances that arise from foreign exchange rate volatility. This approach is consistent with other companies and aligns with our remuneration principles of fairness and transparency. Further details will be provided in the FY2025 Remuneration Report. **Remuneration structure** No changes to the remuneration structure or framework are anticipated for FY2025.

Key Management Personnel

This Remuneration Report has been prepared in accordance with the requirements of section 300A of the Corporations Act 2001 for the Company and its consolidated entities ('BlueScope' or 'Group') for the year ended 30 June 2024. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001. This Remuneration Report forms part of the Directors' Report.

Key Management Personnel in FY2024

The following people were Key Management Personnel (KMP) for the full reporting period except where otherwise indicated. There were no changes to KMP subsequent to the end of FY2024 and the date of release of this report.

Name	Position	Period as KMP	Location
Executives			
Mark Vassella	Managing Director & Chief Executive Officer (MD & CEO)		Australia
Tania Archibald	Chief Executive, Australian Steel Products		Australia
Robin Davies	Chief Executive, New Zealand and Pacific Islands		New Zealand
David Fallu	Chief Financial Officer	From 18 September 2023	Australia
Kristie Keast	Chief Executive, North America		United States of America
Connell Zhang[1]	Chief Executive, NS BlueScope and China		Singapore
Non-Executive Directors			
Jane McAloon AM	Board Chair	From 21 November 2023	Australia
	Non-Executive Director	To 21 November 2023	
Peter Alexander	Non-Executive Director		United States of America
Kathleen Conlon	Non-Executive Director		Australia
Ewen Crouch AM	Non-Executive Director		Australia
Rebecca Dee-Bradbury	Non-Executive Director		Australia
Alistair Field	Non-Executive Director	From 15 January 2024	Australia
K'Lynne Johnson	Non-Executive Director		United States of America
Jennifer Lambert	Non-Executive Director		Australia
ZhiQiang Zhang	Non-Executive Director		China
Former Non-Executive Directors			
John Bevan	Chair of the Board	Until and including 21 November 2023	

1. Mr Zhang's role was broadened in November 2023, when he acquired responsibility for BlueScope's China business.

1. Our Remuneration Framework

Remuneration Principles

Our remuneration objective and principles guide the design of our remuneration framework. Our remuneration framework is structured to attract and retain capable and experienced people to support the delivery of BlueScope's strategy and ultimately deliver value to our shareholders.

Objective	**To pay fairly for delivering on our strategy, and to create value over time in the eyes of internal and external stakeholders.**				
Principles	**Owners** Encourages our people to behave like owners	**Strategy** Enables the delivery of BlueScope's strategy	**Retention** Retains top talent and skills	**Fair** Feels fair over the industry cycle for all stakeholders	**Simple** The remuneration framework can be easily explained

Executive KMP Remuneration Key Features

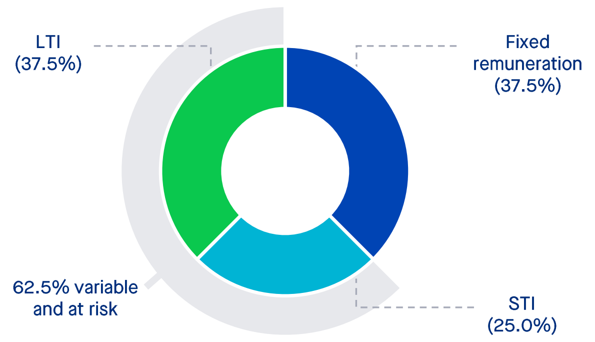
	Fixed remuneration	Short term incentive (STI)	Long term Incentive (Alignment Rights)
Purpose	To compensate Executives KMP for their roles and responsibilities	To motivate and reward Executive KMP for the achievement of challenging annual performance targets that reflect BlueScope's key financial and strategic priorities and longer term Corporate Plan	To motivate and reward Executive KMP for creating long-term sustainable business and shareholder value and promote shareholder alignment through equity ownership
Target market positioning	Set at or slightly above the market median	Target and maximum quantum set below the market median[1]	Quantum set below the market median, offset by the increased likelihood of vesting[1]
Delivery mechanism	Cash (base salary, salary sacrificed benefits and superannuation / pension)	Cash. Executive KMP may elect to take none, 50 per cent or 100 per cent of their potential STI payment in equity	Equity (Alignment Rights)
Performance period	N/A	One-year performance period	Three-year performance period
Measures	Recognises the accountabilities and expectations of the role	**50 per cent financial objectives:** • Underlying Return on Invested Capital (70 per cent) • Cash flow from operations (30 per cent) **10 per cent safety objectives:** • Gateway of no fatalities • Total Recordable Injury Frequency Rate (TRIFR) • Delivery of health, safety and environment (HSE) risk control improvement projects **15 per cent environment, social and governance (ESG) objectives:** • Reduction in year-on-year greenhouse gas emissions intensity • Other climate impact and related objectives • Improvement in inclusion and diversity **25 per cent strategic objectives:** • Group, business unit and individual strategic objectives aligned to the broader BlueScope strategy and longer term Corporate Plan	**Performance conditions:** • Minimum 10 per cent rolling three-year average underlying ROIC • Net Debt to EBITDA ratio of less than 1.3x over three years **Service condition:** • Executives must remain employed up to and including the vesting date (exceptions may exist, depending on the nature of the termination of their employment or where the Board determines otherwise) **Gateway condition:** • Executive KMP behaviours must adhere to Our Bond (values gateway)
Malus and Clawback	Executive KMP STI and LTI awards are subject to malus and clawback provisions. This enables the Board to reduce, forfeit or lapse payments and equity awards or require paid or vested equity awards to be repaid in appropriate circumstances. These circumstances include where there has been a material misstatement in, or omission from, BlueScope's financial statements, fraud, dishonesty, adverse risk management outcomes, a violation of any material law or regulation, a material violation of BlueScope's How We Work code of conduct or any other policy governing the conduct of employees, or any other serious and wilful misconduct.		
Shareholding Requirement	**Percentage of fixed remuneration**	**MD & CEO: 200% Executive KMP: 100%**	

1. In 2018, when the current Executive remuneration structure was set, each Executive's STI and LTI opportunities were reduced in value, offset by the current LTI structure which has an increased likelihood of vesting through the industry cycle.

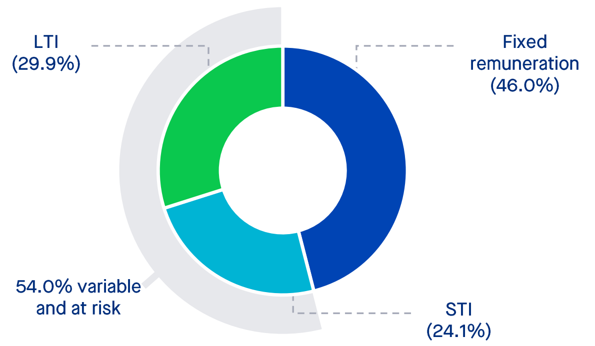
Executive KMP pay mix

The following graphs show BlueScope's MD & CEO and Executive KMP pay mixes at maximum. The actual STI payments and LTI (Alignment Rights) awards that may vest are subject to performance against pre-determined targets, and may differ to what has been shown in the graphs. The significant weighting of at-risk variable remuneration (62.5 per cent of the MD & CEO's and 54 per cent of the other Executive KMP's at maximum remuneration packages) and equity, combined with the minimum shareholding requirements, means Executive KMP are encouraged to act like owners and their remuneration outcomes are directly aligned to shareholder experience.

MD & CEO

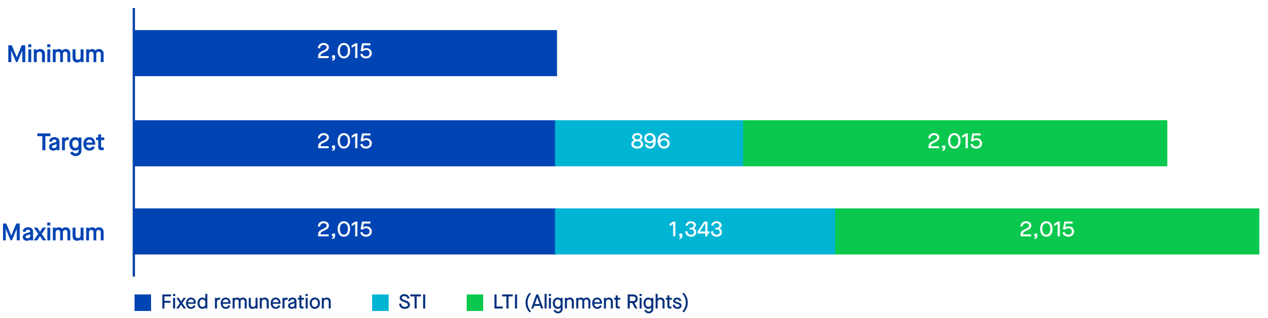


Executive KMP



Range of possible remuneration outcomes

As actual business and individual achievement over the performance period determines reward outcomes, the total remuneration received by Executive KMP each year will vary. Actual remuneration outcomes can also vary, depending on BlueScope's share price performance. The diagram below illustrates the range of possible remuneration outcomes for the MD & CEO, based on three performance outcome scenarios.



Under the **Minimum** scenario, no STI is paid (STI targets have not been achieved) and LTI (Alignment Rights) do not vest (all rights are forfeited). The MD & CEO would only receive fixed remuneration inclusive of superannuation of $2,015 million per annum.

Under the **Target** scenario, STI targets have been achieved and STI is paid out at target levels (i.e. 44 per cent of fixed remuneration). LTI (Alignment Rights) vest in full (the vesting value assumes no changes in share price between the grant date and the vesting date).

To receive the **Maximum** outcome, BlueScope would need to achieve stretch performance targets resulting in a maximum STI award of 67 per cent of fixed remuneration. LTI (Alignment Rights) vest in full (the vesting value assumes no changes in share price between the grant date and the vesting date).

2. Business Performance and Reward Outcomes

FY2024 Performance

Underlying EBIT ROIC

11.9%

Down from 14.6% in FY2023

Free Cash Flow

$434M

Down $908M on FY2023

Three-year average ROIC

22.7%

FY2022, FY2023, FY2024

Safety

8.8 TRIFR (387 injuries)
1,875 leaders involved in our industry expert-led HSE training since 2020 (incl Board & ELT), plus 610 employees involved in business-led HSE learning workshops in FY2024
271 team based projects were completed resulting in a 100% completion rate for HSE risk control improvement projects

Sustainability

- ✔ 12.2%[1] reduction in steelmaking GHG emissions intensity since FY2018
- ✔ Signed agreement and commenced collaboration with Rio Tinto and BHP to jointly investigate DRI-ESF technology
- ✔ Accelerated feasibility study into an EAF at NZ Steel
- ✔ 25% female workforce representation
- ✔ 269 supplier assessments completed

Strategy Execution

- ✔ Progressed ramp up of North Star expansion; debottlenecking program approved
- ✔ Progressed assessment of further US value chain integration
- ✔ Continued integration of BRM & BCP businesses
- ✔ Approved new metal coating line in Western Sydney
- ✔ 6BF reline and upgrade project on track

1. *Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2024 Sustainability Reporting Suite, to be released in September 2024.*

Five-year performance

	FY2020	FY2021	FY2022	FY2023	FY2024
Underlying NPAT ($M)	353	1,166	2,701	1,099	861
Underlying EBIT ($M)	564	1,724	3,787	1,608	1,339
Share price at beginning of period ($)[1]	12.25	11.67	22.24	15.88	20.45
Share price at end of period ($)[1]	11.69	21.96	15.90	20.55	20.43
Dividends per ordinary share (cents)	14	50	50	50	55
Buy-backs ($M)[2]	229	0	638	285	323
Reported earnings per share (cents)	19.0	237.0	549.4	217.4	180.0
Underlying EBIT ROIC	7.6%	24.8%	41.6%	14.6%	11.9%
Annual total shareholder return[3]	(2%)	89%	(25%)	33%	2%
MD & CEO STI award (% of maximum)	75%	97.6%	82%	88.9%	66.2%
3-year average annual ROIC	15.7% (FY18 - FY20)	17.3% (FY19 - FY21)	24.7% (FY20 - FY22)	27.0% (FY21 - FY23)	22.7% (FY22 - FY24)
3-year total shareholder return[3]	(9%) (FY18 - FY20)	31% (FY19 - FY21)	39% (FY20 - FY22)	90% (FY21 - FY23)	1.7% (FY22 - FY24)
Alignment Rights Vesting (performance period)	✔ (FY18 - FY20)	✔ (FY19 - FY21)	✔ (FY20 - FY22)	✔ (FY21 - FY23)	✔ (FY22 - FY24)

1. Not adjusted for dividend and/or capital gain distributions.
2. Value of shares purchased during period.
3. TSR is calculated as (share price at end of period multiplied by Cumulative Dividend Factor divided by share price at beginning of period) and assumes that dividends are reinvested on the payment date.

2.1 FY2024 Business Performance Outcomes

BlueScope delivered an underlying EBIT of $1.34 billion in FY2024, against a backdrop of global macroeconomic and steel industry volatility. This result was delivered primarily by the strength in our US businesses and many of our downstream operations, which partly offset the impact of materially softer, bottom-of-cycle Asian steel spreads on the Australian steelmaking operations. Operating cash flow for the year, after capital expenditure[1] was $434 million, lower than the prior financial year on slightly lower earnings, higher working capital and higher capital expenditure. Despite this lower operating cash flow, BlueScope again finished the financial year with a robust balance sheet, with $364 million net cash at bank.

BlueScope continued to make progress on its key sustainability outcomes during the year, most notably achieving a 12.2 per cent reduction in aggregated steelmaking emissions intensity against its FY2018 baseline, in line with the 2030 target level[2]. A range of projects continue to be progressed to unlock a low-carbon future for our business, including our partnership with Rio Tinto and BHP, as well as our Australian Direct Reduced Iron options study (Project IronFlame). The business also continued to strengthen its approach to growing diversity in our workplaces in the areas of gender equality, beyond gender and inclusive capability, and conducted a responsible sourcing governance review to ensure that we are well positioned to meet evolving responsible sourcing risks and requirements.

BlueScope's commitment to its culture of learning and people-centred approach to health and safety is unwavering, enabled by its deep focus on engaging its people in designing solutions to deliver effective controls. In FY2024, our people delivered 271 critical risk control improvement projects, bringing the total projects completed to 1,175 since 2021. In July 2024, the Company initiated a global "Refocus on Safety" program, intended to ensure ongoing emphasis on its foundational safety practices. The Refocus comes as during FY2024, four employees sustained serious injuries resulting in permanent incapacity (related to live equipment) and the lag indicator of TRIFR increased to 8.8, above the long-term range of 5-7. Tragically, in March 2024, a customer's contractor truck driver was fatally injured in an interaction with another customer's contracted vehicle at one of BlueScope Coated Products' sites in North America.[3]

We strive to build a workforce that reflects the diversity of the communities in which we operate. Female representation overall has increased to 25 per cent. Female representation on the Executive Leadership Team is 50 per cent, and the Board also has 50 per cent female representation, aligned with our 40:40:20 target. Beyond gender, diversity strategies are gathering significant momentum across the business, tailored to local community needs, such as a focus on ethnicity in North America.

In Australia, the First Nations Framework advanced significantly and is embedded into the Australian business' Vision and Strategy. This includes a focus on First Nations procurement, which has resulted in an increase in expenditure with First Nations suppliers by 151% in FY2024, along with the addition of 14 Indigenous-owned Tier 1 suppliers.

Our focus on both financial and non-financial measures during FY2024, resulted in strong performance outcomes against the MD & CEO's and the Executive KMP STI scorecards as summarised below.

2.2 STI Scorecard Outcomes

The FY2024 Group (MD & CEO) STI scorecard contained a balance of financial (50 per cent weighting) and non-financial (50 per cent weighting) objectives and targets linked to BlueScope's strategy and longer term Corporate Plan. The non-financial objectives span the key categories of safety (10 per cent weighting, with a gateway of no fatalities), ESG (15 per cent weighting) and strategy (25 per cent weighting). These categories reflect BlueScope's priorities which include sound financial management, ensuring all employees and contractors are safe, engaging in projects and initiatives that minimise climate impact and that the business is performing, growing and adding value to shareholders.

The FY2024 Executive KMP STI scorecards were set with reference to the FY2024 Group (MD & CEO) STI Scorecard as well as key priorities within each of BlueScope's business units. The Executive KMP STI scorecards contained the same categories and weightings as those of the MD & CEO's but reflected a balance between Group and business unit priorities.

The FY2024 MD & CEO and FY2024 Executive KMP STI scorecards are presented below, and include performance outcomes and commentary.

1. Cash flow before investment expenditure and financing.
2. Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2024 Sustainability Reporting Suite, to be released in September 2024.
3. As this incident involved our customers' contractors, it is not classified as within BlueScope's controlled safety management system.

2.3 MD & CEO STI Scorecard

Measure	Target Weighting	Performance Targets: Threshold	Performance Targets: Target	Performance Targets: Stretch	FY2024 Outcome	Commentary
BlueScope Financials	**50%** (0-100%)				**45.4%**	
Underlying ROIC Drive earnings growth and healthy returns on capital invested.	35%	9.2%	10.8%	14.6%	45.4%	Group underlying ROIC of 11.9%. This was primarily driven by strong performance within the BlueScope North American and downstream operations.
Free cash flow Maximise free cash flow and financial health.	15%	$707M	$785M	$1,021M	0%	Free cash flow of $434M. Lower than FY2023 on slightly lower earnings, higher working capital and higher capital expenditure.
Safety (Gateway of No Fatalities)	**10%** (0-20%)				**0%**	
Total Recordable Injury Frequency Rate (TRIFR) Improve employee safety.	5%	<=7.5	7	<=6.6	0%	The TRIFR result of 8.8 did not meet threshold and has deteriorated compared to FY23 (7.5), and is above the long term target range of 5-7.
HSE Risk Control Projects Completed Reduce the number and severity of injuries, while managing material risk controls.	5%	90%	95%	100%	0%	Good progress made in the year with 100 per cent of the 271 projects completed. Despite this, the Board reduced the entire safety category to zero to acknowledge the trend in safety performance.
Environmental, Social & Governance	**15%** (0-30%)				**17.7%**	
Percentage reduction in steelmaking Scope 1 & 2 greenhouse gas emission intensity from 2018 baseline Reduce climate impact from steelmaking activity.	5%	8%	10%	12%	10.0%	Achieved 12.2 per cent[1] GHG emissions reduction since FY2018. This represents a reduction from 1.645 tonnes of CO2 emissions equivalent per tonne of raw steel to 1.444.
Progress climate-related strategic initiatives as well as reduce non-steelmaking emission intensity by 30% by 2030 Progress climate impact reduction initiatives.	5%	Behind Plan	On Track to deliver	Ahead of Plan	5.0%	Substantial progress on a number of key climate-related projects and initiatives during the year. Non-steelmaking emissions intensity has reduced by 8.4 per cent since FY2018, in line with threshold performance.
Gender diversity Increase gender diversity in recruitment across all roles, including operator/trades.	5%	30%	40%	43%	2.7%	Achieved 31% gender diversity in recruitment.

Measure	Target Weighting	Performance Targets			FY2024 Outcome	Commentary
		Threshold	Target	Stretch		
Individual Strategic Objectives	**25%** (0-50%)				**36.3%**	
Execute on BlueScope Strategic Plan Execute on FY2024 strategic plan	5%		Delivery to plan		7.5%	Significant progress has been achieved in progressing BlueScope's strategic objectives with investor support for priorities.
Organic growth Pursue organic growth opportunities in line with strategic plan	2.5%		Delivery to plan		3.8%	Organic growth opportunities progressed in line with or ahead of plan.
Inorganic growth Assess and act on inorganic growth opportunities that create value for BlueScope	2.5%		Delivery to plan		2.5%	Inorganic growth opportunities continue to be assessed with identification and progression of key opportunities.
People Continue to build people capability, including senior manager succession planning	5%		Delivery to plan		7.5%	Critical roles identified globally, with clear succession plans developed and regularly interrogated by the Board. Key new finance and technology Executive appointments have been made during FY2024.
Leadership Unity of vision and purpose at ELT and senior management levels	5%		Delivery to plan		10.0%	Bi-annual development sessions implemented, focusing on role, purpose and performance of the senior management team. 68% of leaders in senior management roles have completed leadership development programs specific to BlueScope and its expectations of leaders.
Technology Advance our technology efforts, performance and innovation. Mitigate cyber risks	5%		Delivery to plan		5.0%	Chief Digital and Information Officer appointed with new Group wide leadership team in place. Developed a comprehensive Group strategy and vision that aligns digital and information initiatives with BlueScope's overall business objectives.
	100% **(0-150%)**				**99.3%**	

1. Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2024 Sustainability Reporting Suite, to be released in September 2024.

2.4 Executive KMP STI Scorecard

The chart below represents the range of outcomes for Executive KMP across various elements of the scorecard.

Measure	Target Weighting	Performance Targets			FY2024 Outcome	Commentary
		Threshold	Target	Stretch		
BlueScope Financials	**25%** (0-50%)				**22.7%**	
Underlying ROIC	17.5%	9.2%	10.8%	14.6%	22.7%	Group underlying ROIC of 11.9%. This was primarily driven by strong performance within the BlueScope North American and downstream operations.
Free cash flow	7.5%	$707M	$785M	$1,021M	0%	Free cash flow of $434M. Lower than FY2023 on slightly lower earnings, higher working capital and higher capital expenditure.
Business Unit Financials	**25%** (0-50%)				**0%-44.1%**	
Underlying ROIC	17.5%	Threshold	Target	Stretch	0% - 33.9%	Depending on the business unit, performance ranged from below threshold to near stretch.
Free cash flow	7.5%	Threshold	Target	Stretch	0% - 14.5%	Depending on the business unit, performance ranged from below threshold to near stretch.
BlueScope Safety (Gateway of No Fatalities)	**10%** (0-20%)				**0%**	
TRIFR	5%	<=7.5	7.0	<=6.6	0%	The TRIFR result of 8.8 did not meet threshold and has deteriorated compared to FY23 (7.5), and is above the long term target range of 5-7.
HSE Risk Control Projects Completed	5%	90%	95%	100%	0%	Good progress made in the year with 100 per cent of the 271 projects completed. Despite this, the Board reduced the entire safety category to zero to acknowledge the trend in safety performance.
Environmental, Social & Governance	**15%** (0-30%)				**15.0% - 22.7%**	
Percentage reduction in Group steelmaking Scope 1 & 2 greenhouse gas emission intensity from 2018 baseline	5%	8%	10%	12%	10%	Achieved 12.2 per cent[1] GHG emissions reduction since FY2018. This represents a reduction from 1.645 tonnes of CO2 emissions equivalent per tonne of raw steel to 1.444.
Business Unit Climate Objective	5%	Threshold	Target	Stretch	2.5% - 10%	Business unit climate objectives included non-steelmaking emission targets, and stakeholder engagement. Outcomes ranged from below target to stretch.
Gender diversity	5%	30%	40%	43%	0% - 4.8%	We continue to focus on recruitment as a key enabler to achieve our goal of reflecting the communities in which we operate. Our approach is to empower leaders to develop local strategies to meet the needs of our diverse geographic footprint, and we are encouraged by our progress in FY2024.
4. Individual Strategic Objectives	**25%** (0-50%)	Threshold	Target	Stretch	**27.5% - 45.3%**	
Total	**100% (0%-150%)**				**73.9% - 126.4%**	

1. Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2024 Sustainability Reporting Suite, to be released in September 2024.

2.5 Short-term Incentive (STI) Outcomes

The FY2024 STI scorecard outcomes resulted in the individual STI awards for the MD & CEO and Executive KMP as shown below.

	STI Maximum	% of maximum STI achieved	% of maximum forfeited	Value of cash STI	Value of equity STI[1,2]	Award as % of fixed pay
Name	**$**	**%**	**%**	**$**	**$**	**%**
Mr Vassella	1,343,400	66.2%	33.8%	-	905,474	44.1%
Ms Archibald	560,987	57.1%	42.9%	320,154	-	30.0%
Mr Davies	379,855	49.3%	50.7%	187,218	-	25.9%
Mr Fallu[3]	391,096	63.8%	36.2%	249,442	-	33.5%
Ms Keast	516,206	84.3%	15.7%	435,063	-	44.2%
Mr Zhang	542,965	80.9%	19.1%	439,293	-	42.5%

1. The equity STI is granted in rights in the first half of the plan year which vest in accordance with assessed performance against the STI objectives. The amounts shown in this column are based on the Fair Value of $20.93 determined in accordance with AASB 2 Share-Based Payments multiplied by the number of instruments that will vest. Shares to fulfil the vesting of FY2024 STI share rights have been purchased on-market.
2. In FY2024 Mr Vassella elected for 100 per cent of the STI to be delivered in share rights.
3. Mr Fallu commenced as KMP effective 18 September 2023. Amounts have been pro-rated as of this date.

2.6 Long-term Incentive (LTI) Outcomes

BlueScope's LTI (Alignment Rights) plan, directly ties Executive KMP reward to the Company's financial performance. It does this through two performance conditions that requires BlueScope to satisfy a minimum 10 per cent rolling three-year average underlying Return on Invested Capital (ROIC) and an average three-year net debt to EBITDA ratio of less than 1.3x. This ROIC threshold is aligned with the long-term median performance of BlueScope's peer groups and is designed to broadly meet the Company's risk-adjusted cost of capital over the three-year performance period. The ROIC threshold ensures that there is a minimum level of ROIC performance that results in alignment between Executive KMP and shareholders throughout the business and industry cycle.

Although BlueScope aims for and has historically achieved higher levels of ROIC performance, Executive KMP do not receive any additional LTI (Alignment Rights) benefits if ROIC performance exceeds the threshold. This prevents windfall gains during extreme fluctuations in the industry cycle. The FY2022 LTI (Alignment Rights) award, granted in December 2021, was tested on 30 June 2024. All Executive KMP demonstrated adherence to Our Bond (behavioural gateway), and their FY2022 (Alignment Rights) award will vest in full subject to continued employment up until the vesting date.

Plan	Performance Measure	Result	Achieved	Vesting & Timing
FY2021 September 2020 to September 2023	Minimum 3-year average ROIC of 10 per cent Average net debt to EBITDA ratio of less than 1.3x over 3 years	29.5% (0.23)x	✔ ✔	**100% vested in September 2023**
FY2022 September 2021 to September 2024	Minimum 3-year average ROIC of 10 per cent Average net debt to EBITDA ratio of less than 1.3x over 3 years	22.7% (0.21x)	✔ ✔	**100% vesting in September 2024**[1]

1. Shares to fulfil the vesting of the FY2022 LTI (Alignment Rights) award were bought on-market during the year.

2.7 Realised Pay

The following table outlines the actual remuneration received by Executive KMP during FY2024. This voluntary disclosure provides additional information to the statutory remuneration table in section 6.1 which presents remuneration information in accordance with the Australian Accounting Standards.

Realised pay includes the base salary, superannuation/retirement contributions, and other benefits paid or payable in relation to FY2024. It also encompasses the realised value of STI awards earned in the performance year (both cash and equity components) and the realised value of LTI awards with a performance period ending on 30 June 2024.

		Fixed remuneration[1]	Other benefits[2]	Share rights[3]	STI (cash)[4]	STI (equity)[5]	LTI[6]	Total
Name	**Year**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Mr Vassella	**FY2024**	**2,004,623**	**1,292**	**-**	**-**	**883,843**	**1,676,404**	**4,566,162**
	FY2023	1,936,038	100,799	-	-	1,425,800	3,118,647	6,581,284
Ms Archibald	**FY2024**	**1,062,988**	**-**	**-**	**320,154**	**-**	**575,084**	**1,958,226**
	FY2023	1,025,699	-	-	-	590,751	1,069,853	2,686,303
Mr Davies	**FY2024**	**719,768**	**7,697**	**-**	**187,218**	**-**	**400,694**	**1,315,377**
	FY2023	687,019	-	-	219,376	-	434,016	1,340,411
Mr Fallu[7]	**FY2024**	**749,039**	**1,292**	**-**	**249,442**	**-**	**-**	**999,773**
	FY2023	-	-	-	-	-	-	-
Ms Keast[7]	**FY2024**	**977,708**	**476,291**	**550,728**	**435,063**	**-**	**441,921**	**2,881,711**
	FY2023	395,835	130,206	-	194,796	-	822,102	1,542,939
Mr Zhang	**FY2024**	**1,013,262**	**456,514**	**492,285**	**439,293**	**-**	**479,717**	**2,881,071**
	FY2023	918,998	417,521	-	469,035	-	-	1,805,554

1. Fixed Remuneration is salary inclusive of superannuation and allowances.
2. Other benefits includes Executive health checks, fringe benefits tax, benefits provided under the Company's relocation policy and spouse flights.
3. Represents sign-on equity that vested during FY2024.
4. Amounts relating to performance in FY2024 which will be paid in cash in September 2024.
5. Amounts relating to performance in FY2024 which the Executive elected to take as equity (closing share price at end of performance period 30 June 2024 was $20.43).
6. The FY2022 LTI award will vest in September 2024. LTI value is equal to the number of rights vested multiplied by the closing price at the end of the performance period (30 June 2024).
7. Mr Fallu commenced on 18 September 2023 and Ms Keast commenced on 1 February 2023 as KMP.

3. Remuneration Key Details

Approach

BlueScope's remuneration framework is designed to:

- drive consistent financial and non-financial business performance and shareholder value creation throughout the industry cycle.
- reward Executive KMP transparently and fairly for what is in their control, irrespective of macroeconomic influences.
- align the interests of Executive KMP with those of shareholders.

To achieve this:

- fixed remuneration is set at or slightly above market median. This ensures Executive KMP are compensated fairly for their responsibilities in their roles.
- STI and LTI (Alignment Rights) opportunities are set below market median.
- LTI (Alignment Rights) performance hurdles are set at threshold levels representing the minimum performance expectations that will deliver shareholder returns irrespective of the industry cycle.
- No additional LTI (Alignment Rights) vesting occurs above threshold, ensuring no windfall gains from peaks in the industry cycle, which are outside of the control of the Executive KMP.
- equity makes up a significant part of Executive KMP remuneration and, in conjunction with the minimum shareholding requirements, encourages Executive KMP to act like owners, aligning decisions with shareholder interests.

As a result, total remuneration is placed below the market median for comparable organisations, but actual "realised" pay is placed at around the median of the market.

BlueScope's remuneration approach has been successful in delivering strong returns to shareholders and retaining and motivating a highly skilled and strongly performing Executive team over the long term.

+ **For more information on the Remuneration Framework, refer to pages 49-50.**

Alignment of our remuneration framework to Company strategy

The remuneration framework aligns to our investment strategy to deliver consistent returns through the cycle and supports BlueScope's overall strategy. It rewards Executive KMP for:

- growing the business and delivering appropriate returns on investments.
- sound financial and balance sheet management, ensuring sustainability of the business.
- focusing on improving critical business aspects and sustainability, including safety, reducing environmental impact, and diversity.
- successfully executing strategic initiatives such as investments in digital technologies, enhancing manufacturing capabilities, and managing talent and leadership succession planning.

Fixed remuneration

Fixed remuneration comprises cash salary, superannuation / pension, and annual benefits (e.g. health insurance, life insurance, personal accident insurance, and expatriate benefits).

Market positioning and remuneration benchmarking groups

The Remuneration and Organisation Committee has selected (and reviews annually) a peer group of companies for the purposes of benchmarking both fixed and variable remuneration. Other peer groups may be used from time to time, as required.

Our Australian peer group

The Australian peer group reflects companies with the size and complexity of BlueScope and who:

- operate in multiple geographies.
- have manufacturing or logistics operations in Australia.
- are involved in the building and construction industry.
- have a similar number of employees.

Considering the above criteria, three companies have been removed from the peer group for FY2024 (Adbri Ltd, CSR Ltd and Orora Ltd) and one has been added (Seven Group Holdings Ltd). The remainder of the peer group is consistent with FY2023 (the list of peer group companies can be found in BlueScope's FY2023 Annual Remuneration Report).

Fixed remuneration *(cont)*	 **Our global peer group** In addition, the Executive KMP are also benchmarked against local peers in international markets, where this is appropriate for the role and the incumbent. This ensures that BlueScope is able to attract and retain local talent in regions outside Australia, particularly where pay practices are quite different, such as in the US. The global peer group consists of companies of similar size and who operate in the steel and materials sector in key markets in which BlueScope is present (as relevant for each Executive KMP) notably the US, ASEAN and New Zealand. Two organisations have been added to this peer group for FY2024 (Alcoa Corporation and CMC). Due to Noranda Aluminum Holding Corporation delisting, it has been removed from this peer group. The remainder of the peer group is consistent with FY2023 (the list of peer group companies can be found in BlueScope's FY2023 Annual Remuneration Report).
Minimum Shareholding Requirement	A key principle of BlueScope's remuneration framework is to encourage Executive KMP to behave like owners. The Board believes that the interests of all Executive KMP should be closely aligned to those of shareholders through exposure to the Company's share price and dividends. The Executive KMP are expected to build their shareholding progressively over a reasonable period. The Remuneration and Organisation Committee regularly monitors the Executives KMP's shareholding. The minimum shareholding requirement for Executive KMP is presented below.

MD & CEO	200% of fixed remuneration	The minimum shareholding requirement includes the aggregate value of current shareholdings plus 50 per cent of vested but unexercised share rights.
Executive KMP	100% of fixed remuneration	

Short-term Incentive (STI)

For more information on the STI outcomes, refer to Section 2

Feature	Rationale
Purpose	To reward Executive KMP for achieving BlueScope's annual objectives, linked to the broader Corporate Plan.
Eligibility	All Executive KMP.
Opportunity	STI opportunities are set below the median of our peer group reflecting our overall remuneration philosophy.

	Target (% of fixed remuneration)	Maximum (% of fixed remuneration)
MD & CEO	44%	66.7%
Other Executive KMP	35%	52.5%

Assessment	When evaluating Executive KMP performance, the Board reviews both achievements and conduct. Each Executive KMP's behaviour is rigorously assessed against Our Bond, our guiding principles for how we operate. Adjustments to STI awards may be made if these expectations are not met (including forfeiture of the entire STI award). The Board also uses discretion based on set principles, considering shareholder and employee experiences, as well as factors affecting the Executive KMP's performance, whether controllable or not.
Performance measures	The Board (for the MD & CEO) and the Remuneration and Organisation Committee (for other Executive KMP), assess the performance outcomes after the end of the financial year. Each Executive KMP's conduct is rigorously assessed against Our Bond, which is undertaken by the MD & CEO for the Executive KMP, and by the Board in respect of the MD & CEO. Performance against the financial measures includes verification of financial results by the Audit Committee. Under the STI plan, financial and non-financial measures each carry a 50 per cent weighting. The non-financial measures are in line with BlueScope's strategy, focusing strongly on sustainable long-term success and BlueScope's future growth. These measures were chosen by the Board considering input from investors and other stakeholders. During the financial year, the Board sets performance targets. The threshold marks the minimum level for a payment, while the Stretch level determines the maximum STI payout for each measure. Targets are designed to be challenging yet motivating. **For more information on STI scorecard outcomes, refer to sections 2.2-2.5.**
Payment	Each Executive KMP may elect to take none, 50 per cent or 100 per cent of their potential STI payment in equity, with the remainder in cash.

Feature	Rationale
Instrument	If chosen, equity is granted in share rights, awarded based on the average BlueScope share price over the three months up to 31 August (face value). Each vested share right allows the holder to acquire one fully paid ordinary share in the Company, subject to meeting time and performance conditions. Share rights do not entitle holders to dividends. If Executive KMP opt for share rights, they are allocated at the maximum STI opportunity at the beginning of the performance period. At the end of the period, some share rights may lapse based on the actual STI outcomes. This arrangement allows Executive KMP to increase their shareholding in the Company, aligning their interests with shareholders. Granting share rights early in the performance period, ensures that Executive KMP are focused on share price growth from the outset, and they are exposed to any changes to share price during this period. For FY2024, the MD & CEO elected that 100 per cent of his STI award will be provided in share rights.
Exercise and Expiry	If participants elect to take all or part of their STI in equity, vested share rights can be exercised in a trading window (as defined in BlueScope's Securities Trading Policy) before 31 December 2027 or they will lapse. Exercise occurs automatically on vesting unless the participant elects not to exercise prior to the end of the performance period.
Malus and clawback	A malus provision applies which allows the Board to forfeit STI cash payments and / or lapse STI share rights where material adverse events or reputational matters have occurred. A clawback provision also applies, which allows the Board to reclaim compensation for any resulting cash payments or shares awarded from exercise of the STI share rights or the financial benefit of those resulting shares, in these circumstances. For share rights, the clawback provision applies for a period of three years after the vesting date.

Long-term Incentive (LTI)

For more information on the LTI outcomes, refer to Section 2

Feature	Rationale	
Purpose	To focus Executive KMP on creating long term, sustainable growth through the industry cycle, align the Executive KMP experience with that of shareholders and rewards them for generating shareholder returns.	
Opportunity	**Participant**	**Maximum opportunity (% of fixed remuneration)**
	MD & CEO	100%
	Other Executive KMP	65%
Value	The quantum of LTI (Alignment Rights) allocated is based on the maximum opportunity divided by the volume weighted average share price (VWAP) over the three-month period to 31 August at the beginning of the performance period (face value allocation methodology). No amount is payable by participants on exercise. The Alignment Rights are specifically designed for the cyclical nature of our sector market and share price volatility. The allocation methodology, using a three-month VWAP, smooths out much of the share price variation.	
Instrument	Each LTI Alignment Right vests into one fully paid ordinary BlueScope share, subject to time and performance conditions being met. No dividends are payable on Alignment Rights.	
Performance conditions	**Our Bond** At BlueScope, how Executive KMP reach their achievements is as important as what they achieve. By including Our Bond as a gateway, Executive KMP must behave in line with the Company's values to receive benefit from the LTI award. For LTI (Alignment Right) awards to vest, both the following performance conditions must be achieved (in addition to the "Our Bond" gateway). If both performance conditions are achieved, all Alignment Rights will vest. If either or both performance conditions are not achieved, no Alignment Rights will vest. **Performance condition 1: minimum 10 per cent rolling three-year average underlying ROIC threshold** ROIC has been adopted as an LTI measure as it creates clear value for shareholders and is relevant in the capital-intensive nature of the business. It also incentivises Executive KMP to be disciplined when investing capital.	

Feature	Rationale
	While a ROIC measure is used in both the STI and the LTI (Alignment Rights) plans, the STI plan focuses on rewarding for the achievement of shorter-term initiative returns and the LTI plan focuses on rewarding for initiatives that will generate returns over the longer term.

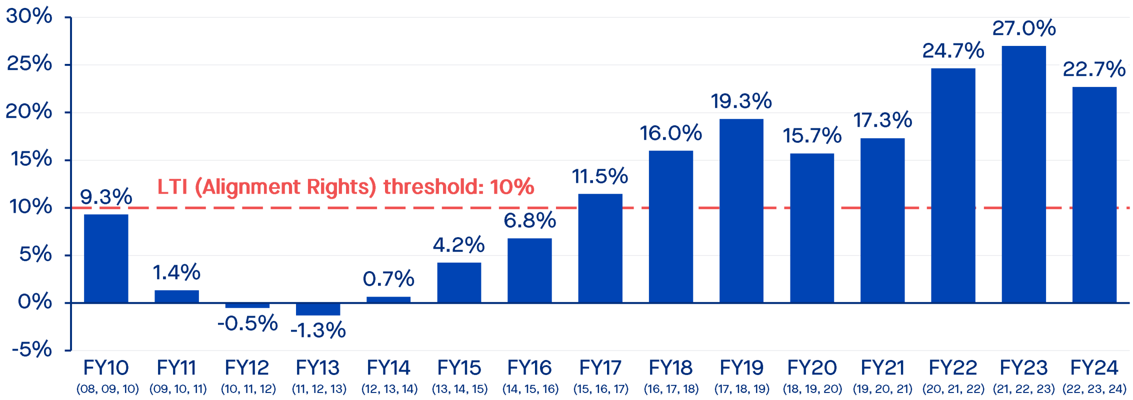
For LTI Alignment Rights to vest, three-year average underlying ROIC must be at a minimum of 10 per cent (threshold). This threshold was chosen as:

- it is broadly aligned with BlueScope's weighted average risk-adjusted cost of capital.
- It represents what the Board considers to be the minimum acceptable ROIC performance level that will generate value for shareholders throughout all points in the industry cycle (protects shareholders during the low point of the cycle).

If the three-year average underlying ROIC performance is greater than the threshold, Executive KMP do not receive any additional benefit from the LTI (Alignment Rights) award. This prevents any Executive KMP windfall gains when the industry is at the top of the cycle.

The ROIC threshold represents the minimum acceptable level of ROIC performance. However, the organisation targets and has outperformed this threshold since FY2017 as can be seen from the graph below.

BlueScope's three-year rolling ROIC performance (percentage)



The ROIC threshold was set at a level representative of long term median performance across BlueScope's peer groups, major steel companies, and the ASX 100. This peer information is used to ensure a challenging threshold. A ROIC threshold of 10 per cent would achieve second quartile returns compared to our remuneration peers, and broadly achieves BlueScope's risk-adjusted cost of capital. Below is a summary of second quartile ROIC performance across the various groups[1] (% p.a).

	FY2019-2021	FY2020-2022	FY2021-2023	FY2022-2024
BlueScope	17.3%	24.7%	27.0%	22.7%
ASX100[2]	11%	11%	13%	13%
Remuneration peers	10%	10%	10%	10%
Major steel companies	9%	13%	15%	15%

Performance condition 2: Net debt to EBITDA ratio of less than 1.3X

The Net Debt to EBITDA ratio has been adopted as an LTI (Alignment Rights) measure as it ensures Executive KMP focus on sustainable investments, and protection of the Company's balance sheet.

The Net Debt to EBITDA Ratio provides clear linkage with BlueScope's strategy to retain a strong balance sheet through the cycle and reflects the cyclical nature of the industry and markets in which BlueScope operates.

Feature	Rationale
Performance assessment	The Board, on recommendation from the Remuneration and Organisation Committee, assesses the performance outcomes after the end of the performance period. Each Executive KMP's conduct is rigorously assessed against Our Bond, which is undertaken by the MD & CEO for the Executive KMP, and by the Board in respect of the MD & CEO. Performance against the financial measures includes verification of financial results by the Audit Committee. Unlike traditional long term incentives with linear vesting outcomes based on threshold to out-performance and a higher quantum of award, the BlueScope LTI Alignment Rights vest in full if both performance thresholds have been met. This is because: • a threshold provides a minimum level of acceptable performance which will generate returns to shareholders and value to Executive KMP, especially at the bottom of the industry cycle. • no additional vesting of Alignment Rights occurs above threshold performance, which ensures that Executive KMP do not receive any windfall gains (outside of their control), especially at the top of the industry cycle. The LTI (Alignment Rights) plan drives consistent, sustainable performance, even during extremes in the cycle and ensures that Executive KMP are not advantaged or disadvantaged by these extremes. In circumstances where performance is close to the threshold hurdles, extensive reviews are conducted by the Remuneration and Organisation Committee to ensure that outcomes are valid. The Committee may exercise discretion up or down to ensure that performance and vesting outcomes accurately reflect the achievement of results consistent with BlueScope's strategic priorities, in line with Our Bond and enhanced shareholder value. It is expected that the plan will vest regularly and in recognition of this increased certainty, awards are lower in quantum relative to the market. Each Alignment Right that vests entitles the holder to acquire one ordinary fully paid share in the Company. LTI (Alignment Right) awards are not eligible for re-testing.
Malus and clawback	A malus provision applies which allows the Board to lapse Alignment Rights where material adverse events or reputational matters have occurred. A clawback provision also applies, which allows the Board to reclaim compensation for any resulting shares from exercise of the Alignment Rights or the financial benefit of those resulting shares, in these circumstances. The clawback provision applies for a period of three years after the vesting.
Hedging	Executives are not permitted to hedge (such as 'cap and collar' arrangements) LTI Alignment Rights.

1. Table references minimum ROIC for each quartile. Simple average over periods. Quartiles allocated by number of companies. ROIC defined as underlying EBIT / (assets (excl. cash and deferred tax assets) – liabilities (excl. financial debt, lease liabilities and deferred tax liabilities)). Periods based on constituent annual reporting. Excludes companies which did not return a value.
2. The ASX100 represents the constituents of the index.

3.1 Employment Agreement

The table below summarises the material terms of employment for the current Executive KMP, subject to applicable laws. These agreements also detail the Group's approach to termination payments and the exercise of discretion regarding the vesting of Alignment Rights in the event of a 'Change of Control' of the organisation.

Executive KMP are subject to post-employment restraints designed to protect BlueScope's business interests. No additional payment is made for these restraints beyond the contractual entitlements outlined below. The maximum payment upon termination, including notice, is capped at 12 months of fixed remuneration for these Executive KMP.

Role	Term of agreement	Notice period by Executive	Maximum notice period by Company	Termination benefits
MD & CEO	Open	12 months	12 months	12 months fixed remuneration
Other Executive KMP	Open	6 months	6 months	12 months fixed remuneration

3.2 Loans to Key Management Personnel

There have been no loans granted to Executive KMP and Directors of the Company or their related entities.

3.3 Other Transactions with Key Management Personnel

In the normal course of business, the Group occasionally enters into transactions with various entities with Directors in common with BlueScope Steel Limited. Transactions with these entities are made on commercial arm's length terms and conditions. The relevant Directors do not participate in any decisions regarding these transactions. The Group also occasionally enters into transactions with KMP and their related parties including in relation to the purchase of Group products. These transactions are within normal employee, customer and supplier relationships on terms and conditions no more favourable than those available in similar arm's length dealings and with any benefits being of a small or insignificant value.

4. Remuneration Governance

The roles and responsibilities of our Board, Remuneration and Organisation Committee, management, and external advisors in relation to remuneration for Executive KMP and employees of BlueScope are outlined below.

The Remuneration and Organisation Committee (Committee) plays a crucial role in advising the Board on the Group's remuneration arrangements, while the Board retains ultimate decision-making authority for these matters.

Committee Responsibilities

The Committee is responsible for ensuring the Group's remuneration strategy and policy align with the Group's objectives, risk profile, shareholder interests, regulatory requirements, and market developments. This includes:

- Conducting regular reviews and making recommendations to the Board on the Group's remuneration strategy and policy.
- Advising the Board on remuneration arrangements for the MD & CEO and Executive KMP, particularly the terms of performance-based remuneration.
- Reviewing and recommending performance-based remuneration outcomes for Executive KMP.

The Committee exercises its discretion to adjust incentive and performance-based remuneration, ensuring that these adjustments reflect the outcomes of business activities and associated risks. This aligns with the fiduciary duties imposed on the Board to act in the best interests of the Company and its shareholders.

Risk adjustments and compliance mechanism

In alignment with regulatory and corporate governance standards, the Committee collaborates with the Chairs of the Risk and Sustainability Committee and the Audit Committee to determine necessary risk adjustments to incentive outcomes. These adjustments may include reductions in current-year cash incentives, future incentive awards, or the application of BlueScope's Malus and Clawback provisions. These provisions serve as a compliance mechanism to recoup bonuses in cases of significant restatements of financial results, misconduct, or misrepresentation of performance metrics.

External advisers

To fulfil its duties effectively, the Committee may consult with professional advisers or experts, at BlueScope's expense, when necessary. Pricewaterhouse Coopers (PwC) are the independent remuneration adviser to the Committee. During FY2024, the Committee sought advice on remuneration data trends, NED fees and other ad-hoc remuneration matters from remuneration consultants. No remuneration recommendations, as defined under the Corporations Act 2001 (Cth), were provided to the Committee during FY2024 with respect to KMP remuneration.

By maintaining these robust governance practices, the Committee upholds its legal and compliance responsibilities, ensuring that BlueScope's remuneration framework is not only competitive and aligned with corporate goals but also adheres to stringent regulatory standards.

4.1 Managing Risk

The continued focus on and investment in managing our risks provides for a stronger and more resilient BlueScope. Executive KMP are required to adhere to a range of Group-wide policies to ensure risks are well managed, strong governance structures are in place and high ethical standards are maintained. The remuneration governance framework incorporates risk oversight principles so that Executive KMP cannot unduly influence a decision that could materially impact their own incentive or other remuneration outcomes.

4.2 How We Work

BlueScope's code of conduct, "How We Work", provides clear guidance to employees, contractors, Directors, and others representing BlueScope on how we should conduct ourselves, reinforcing our culture and highlighting the responsibilities we have to the organisation, each other, and to our customers, partners, communities and governments. Through following the code of conduct and adherence to Our Bond, we demonstrate the expected standards of professionalism and ethical behaviour in our actions and interactions. Our Bond also forms a behavioural gateway across all of BlueScope's incentive plans.

A copy of BlueScope's How We Work is available on [BlueScope's website]

4.3 Adjustment to Incentive Arrangements

The Remuneration and Organisation Committee and the Board consider it critical to be able to exercise appropriate discretion to ensure that remuneration outcomes for Executive KMP appropriately reflect the performance of the Group and individuals and meet shareholders' expectations.

The Remuneration and Organisation Committee may defer the vesting of any award after the end of any performance period in circumstances where there is a dispute of any nature between the Executive KMP and BlueScope, or in cases where an Executive KMP's actions or inactions may be relevant to an ongoing internal or external investigation.

Further, the Remuneration and Organisation Committee may reduce any unvested award to zero, or clawback vested / paid awards if considered appropriate, in the instances of misconduct, misstatement or to protect the financial soundness of BlueScope.

Malus provision	In the event of serious misconduct by management which undermines the Company's performance, financial soundness and/or reputation, or inappropriate ethics and/or behaviour, the Board has absolute discretion to cancel and withdraw any unvested STI or LTI awards that Executive KMP elects to take in cash or equity. Misconduct includes misrepresentation or material misstatements due to errors, omissions, or negligence.
Clawback provision	The Board has discretion in certain circumstances to clawback STI (share rights) and LTI (Alignment Rights), resulting shares or the financial benefit of those shares. These circumstances include fraud or gross misconduct, breach of law, material breach of policies or standards, bringing BlueScope into disrepute, material misstatement in financial statements, certain oversight failures or any other circumstances where there would be an inappropriate benefit.

4.4 Securities Trading Policy

The Company's Securities Trading Policy prohibits employees from dealing in the Company's securities while in possession of material non-public information relevant to the Company. It also prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes. In addition, nominated employees, including KMP, are prohibited from dealing in the Company's securities outside prescribed trading periods.

A copy of BlueScope's Securities Trading Policy is available from
www.bluescope.com/investor-resource-library

4.5 Change of Control Provision

The Board may permit share rights or Alignment Rights to vest if, at any time while there are share rights or LTI (Alignment Rights) which have not lapsed or vested, a takeover bid is made to acquire the whole of the issued ordinary share capital of the Company or a transaction is announced by the Company which, if implemented, would result in a person owning all of the issued shares in the Company. The Company must permit the Share Rights and Alignment Rights to vest if a person acquires more than 50 per cent of the issued share capital of the Company provided that the Board determines that the performance hurdles have been satisfied as assessed at that time having regard to the shorter performance period.

5. Non-Executive Director (NED) Fees

NEDs receive a base fee in relation to their service as a Director of the Board, and an additional fee for membership of, or for chairing a Committee. The Board Chair receives a higher fee but does not receive any additional payments for service on Committees.

The Board reviewed NED fees during the year, considering relevant market benchmarks and the roles, responsibilities, and time commitments of the Board in a large, global and complex organisation. Considering this information, annual Board and Committee fees increased by 3.5 per cent, effective from 8 October 2023.

5.1 Board and Committee Fees

The following table details the annualised Board and Committee fees prior to and following the increase on 8 October 2023.

Role		Fees as at 1 July 2023 (including superannuation)	Fees as at 30 June 2024 (including superannuation)
Board Chair[1]		$521,275	$539,985
Non-Executive Director	Base fee	$183,370	$189,785
Audit Committee	Chair	$41,000	$42,435
	Member	$21,000	$21,735
Remuneration and Organisation Committee	Chair	$41,000	$42,435
	Member	$21,000	$21,735
Health, Safety and Environment Committee	Chair	$41,000	$42,435
	Member	$21,000	$21,735
Risk and Sustainability Committee	Chair	$41,000	$42,435
	Member	$21,000	$21,735

1. Additional fees are not payable to the Chair for membership of Committees

Traditionally, the Company has paid its overseas-based NEDs (currently Mr Alexander, Ms Johnson and Mr Zhang) in Australian dollars. To minimise the impact of foreign exchange volatility on fees paid to overseas-based NEDs, the Board has agreed that their fees will be paid in US dollars, effective from 1 July 2024. Details of the fee structure applicable for overseas-based NEDs will be disclosed in the FY2025 Annual Remuneration Report.

Travel Allowance

A travel allowance per international trip is payable, to compensate NEDs undertaking scheduled international business travel as a consequence of the global nature of the organisation. The current fee payable is $5,175 per trip for those NEDs who travel outside their country of residence and was increased on 8 October 2023 from $5,000.

Superannuation

Compulsory contributions are paid on behalf of each NED unless they have elected an exemption or are otherwise exempt due to their Australian resident status, with no other retirement benefits provided.

Minimum Shareholding

NEDs, including the Chair, are expected to build a shareholding in the Company equivalent to one year's base fees (including superannuation). The minimum shareholding requirement includes the aggregate value of current shareholdings. For US-based NEDs, the requirement may also be satisfied by vested and restricted share rights held under the NED Fee Sacrifice Plan. Details of NED shareholding levels are provided in table 6.7.

Non-Executive Director Aggregate Fee Pool

The current NED aggregate Fee Pool is $3,250,000 per annum (inclusive of superannuation) as approved by shareholders at the Annual General Meeting in 2022. Total fees paid to Directors for the year ended 30 June 2024 amounted to $2,570,169 (FY2023 $2,515,146).

5.2 Fee Sacrifice Plan

NEDs may participate in a Fee Sacrifice Plan which enables them to build meaningful levels of equity over time. The plan provides a mechanism for NEDs to acquire shares, recognising that they may be limited in their ability to purchase shares because of Australian insider trading laws. From 1 July 2022, the plan was extended to allow US-resident Directors to participate in the plan. Details of the plan are outlined below.

Feature	Description
Eligibility	NEDs who are Australian or US residents.
Plan year	1 July to 30 June the following year
Grant dates	Rights are allocated in two tranches. • Tranche One share rights: The trading window following the release of the full year results. • Tranche Two share rights: The trading window following the release of half year results.
Value and instrument	In a trading window prior to the beginning of the plan year, NEDs can elect to sacrifice between 20 and 100 per cent of their pre-tax base fees in return for a grant of share rights. Each share right entitles the NED to acquire one ordinary share in the Company. The number of share rights granted is equivalent to the fees sacrificed divided by the three-month volume weighted average share price up to 31 August (tranche one) or 28 February (tranche two) in the plan year.
Vesting period	Tranche One share rights will vest shortly after 31 December, while Tranche Two share rights will vest shortly after 30 June. For Australian tax resident NEDs, share rights are automatically exercised and shares allocated on vesting. The vested shares are held in the BlueScope Steel Employee Share Plan Trust during the Trading Restriction Period (see below). From FY2023, for US tax resident NEDs who elect to participate in the plan, share rights will remain as vested rights until exercised and shares are allocated which occurs automatically on the earlier of the end of the Trading Restriction Period or when the NED ceases to be a NED of the Company.
Trading Restriction Period	There is a trading restriction of 15 years after the date the first tranche of share rights are granted, or the date the participant ceases to be a NED of the Company, if that occurs earlier, unless the Board determines otherwise.
Exercise	No price is payable on vesting or exercise of rights.
Performance conditions	As this is a fee sacrifice plan, no performance conditions apply to the share rights beyond the service condition. Participants must remain in office for the full vesting period for all of the share rights to vest. The vesting period is a continuous six-month period in relation to each Tranche of share rights.
Cessation of Board membership	If a participant ceases to be a NED after share rights have been exercised and shares allocated, they will retain the shares held by the Trustee on their behalf, the Trading Restriction Period will end and they will be free to sell or otherwise deal in those shares (subject to complying with applicable law and the Company's Securities Trading Policy). If a participant ceases to be an NED after the Grant Date for a tranche of share rights but before the end of the Vesting Period for that tranche, a pro rata number of the share rights in that tranche will lapse. The Board may determine (in its absolute discretion) that the remaining share rights will vest and be exercised on the date the participant ceases to be a NED.
Disposal restrictions	At the earlier of 15 years or retirement from the Board, NEDs can access their shares or share rights.
Hedging	NEDs are not permitted to hedge (such as 'cap and collar' arrangements) share rights or restricted shares under the Fee Sacrifice Plan.
Acquisition of shares	The shares are purchased on market. Additional shares may be purchased by NEDs on market at the prevailing share price in accordance with the Company's Securities Trading Policy.

6. Remuneration Tables (Statutory Disclosures)

6.1 Executive KMP Statutory Remuneration Outcomes

The values in the table below are reported in accordance with the applicable Australian Accounting Standards for the financial year ending 30 June 2024.

Rights amounts are the amortised accounting expense of equity held by Executive KMP for FY2024 and are not indicative of the actual value. Further details of realised values are provided in Table 2.7.

		Short-term employment benefits				Post-employment benefits		Share-based payments				
		Cash salary[1]	Short term incentive[2]	Non-monetary benefits[3]	Movement in annual leave provision[4]	Super-annuation	Movement in long service leave[4]	Share rights[5]	STI rights[6]	LTI (alignment rights)[7]	Total	% of performance related pay[8]
Name	**Year**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**%**
Executive Director												
Mr Vassella	**FY2024**	**1,977,123**	**-**	**1,292**	**(45,148)**	**27,500**	**94,999**	**-**	**905,474**	**1,844,220**	**4,805,460**	**57%**
	FY2023	1,908,538	-	100,799	36,209	27,500	85,925	-	1,245,407	2,036,009	5,440,387	60%
Executive KMP												
Ms Archibald	**FY2024**	**1,035,488**	**320,154**	**-**	**12**	**27,500**	**22,890**	**-**	**-**	**634,798**	**2,040,842**	**47%**
	FY2023	998,199	-	-	(15,035)	27,500	33,460	-	516,009	699,533	2,259,666	54%
Mr Davies	**FY2024**	**654,335**	**187,218**	**7,697**	**3,400**	**65,433**	**(2,261)**	**-**	**-**	**426,940**	**1,342,762**	**46%**
	FY2023	624,563	219,376	-	(610)	62,456	60,447	-	-	392,654	1,358,886	45%
Mr Fallu	**FY2024**	**727,356**	**249,442**	**1,292**	**55,549**	**21,683**	**-**	**334,417**	**-**	**199,616**	**1,589,355**	**49%**
	FY2023	-	-	-	-	-	-	-	-	-	-	-
Ms Keast	**FY2024**	**950,208**	**435,063**	**452,004**	**28,346**	**27,500**	**38,782**	**52,680**	**-**	**521,868**	**2,506,451**	**40%**
	FY2023	384,375	194,796	157,819	29,566	11,460	9,608	129,897	-	220,906	1,138,427	48%
Mr Zhang	**FY2024**	**881,097**	**439,293**	**556,302**	**35,619**	**132,165**	**-**	**173,842**	**-**	**567,540**	**2,785,858**	**42%**
	FY2023	799,129	469,035	501,663	(14,706)	119,869	-	353,677	-	610,027	2,838,694	50%
Total	**FY2024**	**6,225,607**	**1,631,170**	**1,018,587**	**77,778**	**301,781**	**154,410**	**560,939**	**905,474**	**4,194,982**	**15,070,728**	
Total[9]	FY2023	4,714,804	883,207	760,281	35,424	248,785	189,440	483,574	1,761,416	3,959,129	13,036,060	

1. For overseas based KMP their cash salary has been converted to AUD.
2. The amount disclosed represents STI payable in cash.
3. Non-monetary includes Executive health checks, fringe benefits tax, benefits provided under the Company's relocation policy and spouse flights.
4. Negative movement in annual leave provision indicates leave taken during the year exceeded leave accrued during the current year.
5. Includes sign-on awards.
6. In FY2024, Mr Vassella, elected to receive all of his STI in equity (65,328 rights). Approval for the STI award for Mr Vassella was obtained under Listing Rule 10.14.
7. Approval for the LTI award for Mr Vassella was obtained under Listing Rule 10.14.
8. The percentage of remuneration that is performance related includes STI and LTI based on accounting values and not vested amounts received by executives.
9. FY2023 total does not include Mr Finan and Mr Nowlan who ceased being KMP effective 31 January 2023.

No termination benefits were paid in FY2024 to Executive KMP.

6.2 Movements in Executive KMP Equity Holdings During FY2024

	Balance at 1 July 2023	Granted[1]	Vested	Exercised[2]	Forfeited / lapsed[3]	Net change / other[4]	Balance at 30 June 2024
Name	**#**	**#**	**#**	**#**	**#**	**#**	**#**
Executive Director							
Mr Vassella							-
Shares	976,841	-	-	221,141	-	(145,234)	1,052,748
Share Rights	-	-	-	-	-	-	-
STI Rights	69,382	65,328	43,262	(69,382)	(22,066)	-	43,262
LTI (Alignment Rights)	352,019	97,992	151,759	(151,759)	-	-	298,252
Executive KMP							
Ms Archibald							
Shares	141,093	-	-	80,809	-	(54,779)	167,123
Share Rights	-	-	-	-	-	-	-
STI Rights	28,748	-	-	(28,748)	-	-	-
LTI (Alignment Rights)	120,951	33,775	52,061	(52,061)	-	-	102,665
Mr Davies							
Shares	10,063	-	-	21,120	-	(15,000)	16,183
Share Rights	-	-	-	-	-	-	-
STI Rights	-	-	-	-	-	-	-
LTI (Alignment Rights)	67,287	22,786	21,120	(21,120)	-	-	68,953
Mr Fallu[5]							
Shares	-	-	-	-	-	-	-
Share Rights	-	21,883	-	-	-	-	21,883
STI Rights	-	-	-	-	-	-	-
LTI (Alignment Rights)	-	30,028	-	-	-	-	30,028
Ms Keast							
Shares	64,709	-	-	65,118	-	(28,708)	101,119
Share Rights	25,113	-	25,113	(25,113)	-	-	-
STI Rights	-	-	-	-	-	-	-
LTI (Alignment Rights)	92,942	31,079	40,005	(40,005)	-	-	84,016
Mr Zhang							
Shares	42,965	-	-	45,536	-	(25,348)	63,153
Share Rights	-	-	-	-	-	-	-
STI Rights	-	-	-	-	-	-	-
LTI (Alignment Rights)	105,611	31,666	45,536	(45,536)	-	-	91,741

1. Mr Vassella elected to receive share rights under the FY2024 STI Award. As per S.300 (1)(d) of the Corporations Act, Mr J Nowlan, Chief Technical and Development Officer is in the top five most highly remunerated officers of the Company. Mr Nowlan was granted 31,997 LTI (Alignment Rights) and 25,844 STI share rights in the year. Of the STI share rights that were granted, 17,990 are expected to vest and 7,854 will lapse in September 2024.
2. Shares received during the year on the exercise of rights awarded under the FY2021 LTI (Alignment Rights), FY2023 STI Plan and FY2022 Sign-on Award. The number of shares issued is equal to the number of rights exercised and no amount was paid or is payable for each share issued. For Mr Vassella and Ms Archibald the FY2023 STI Rights award which vested in FY2023 was exercised during the year.
3. The number of shares lapsed during the year relates to FY2024 STI Award for Mr Vassella.
4. These amounts represent on-market acquisitions and disposals of shares including shares sold to fund payment of income tax liabilities arising from vesting of share right awards.
5. The opening balances are reflected from 18 September 2023.

There were no options or rights vested and unexercisable at the end of FY2024.

There were 3,170,368 unvested securities on issue at the time of this report. No shares were issued during or since the year as a result of the exercise of unvested securities.

6.3 Executive KMP Minimum Shareholding Requirement (MSR)

Executives must retain all equity received through incentive plans until they've met their MSR requirement, unless selling shares to meet tax liabilities.

The MSR value is calculated as the number of shares held at 30 June multiplied by the closing share price as at 30 June 2024.

The minimum shareholding requirement for Executive KMP includes the aggregate value of current shareholdings and 50 per cent of vested, but unexercised share right awards.

	Fixed remuneration[1]	Shares held	Value of holding[2]	% of MSR achieved
Name	**$**	**#**	**$**	**%**
Executive Director				
Mr Vassella	2,015,100	1,052,748	21,507,642	533.7%
Executive KMP				
Ms Archibald	1,068,547	167,123	3,414,323	319.5%
Mr Davies	723,533	16,183	330,619	45.7%
Mr Fallu[3]	950,000	-	-	0.0%
Ms Keast	983,250	101,119	2,065,861	210.1%
Mr Zhang	1,034,219	63,153	1,290,216	124.8%

1. Represents fixed remuneration as at 30 June 2024.
2. The shareholding value is calculated by multiplying the number of shares held on 30 June by the closing share price on that date. The closing share price on 30 June 2024 was $20.43.
3. Mr Fallu commenced 18 September 2023 and holds sign-on equity (subject to service conditions). Tranche 1 (21,883 share rights) is due to vest September 2024 and Tranche 2 is due to vest September 2025 therefore he will be on track to achieving his minimum shareholding requirement.

6.4 Details of Awards Granted, Vested, Lapsed

	Award details	Grant date	Units granted	Value at grant[1]	Vested	Value at vest[2]	Forfeited / lapsed[3]	Value forfeited / lapsed
Name			**#**	**$**	**#**	**$**	**#**	**$**
Executive Director								
Mr Vassella	FY21 LTI AR Award	14-Dec-20	151,759	2,532,858	151,759	3,328,075	-	-
	FY22 LTI AR Award	13-Dec-21	82,056	1,565,628	-	-	-	-
	FY23 LTI AR Award	15-Dec-22	118,204	2,009,468	-	-	-	-
	FY24 LTI AR Award	13-Dec-23	97,992	1,957,880	-	-	-	-
	FY24 STI Award	13-Dec-23	65,328	1,367,315	43,262	883,843	22,066	450,808
Executive KMP								
Ms Archibald	FY21 LTI AR Award	14-Dec-20	52,061	868,898	52,061	1,141,698	-	-
	FY22 LTI AR Award	13-Dec-21	28,149	537,083	-	-	-	-
	FY23 LTI AR Award	15-Dec-22	40,741	692,597	-	-	-	-
	FY24 LTI AR Award	13-Dec-23	33,775	674,825	-	-	-	-
Mr Davies	FY21 LTI AR Award	14-Dec-20	21,120	352,493	21,120	463,162	-	-
	FY22 LTI AR Award	13-Dec-21	19,613	374,216	-	-	-	-
	FY23 LTI AR Award	15-Dec-22	26,554	451,418	-	-	-	-
	FY24 LTI AR Award	13-Dec-23	22,786	455,264	-	-	-	-
Mr Fallu	FY24 LTI AR Award	13-Dec-23	30,028	599,959	-	-	-	-
	Sign-on Award	26-Sep-23	21,883	410,087	-	-	-	-
Ms Keast	FY21 LTI AR Award	14-Dec-20	40,005	667,683	40,005	877,310	-	-
	FY22 LTI AR Award	13-Dec-21	21,631	412,719	-	-	-	-
	Sign-on Award	10-Mar-22	25,113	465,344	25,113	550,728	-	-
	FY23 LTI AR Award	15-Dec-22	31,306	532,202	-	-	-	-
	FY24 LTI AR Award	13-Dec-23	31,079	620,958	-	-	-	-
Mr Zhang	FY21 LTI AR Award	23-Sep-21	45,536	759,996	45,536	998,604	-	-
	FY22 LTI AR Award	13-Dec-21	23,481	448,017	-	-	-	-
	FY23 LTI AR Award	15-Dec-22	36,594	622,098	-	-	-	-
	FY24 LTI AR Award	13-Dec-23	31,666	632,687	-	-	-	-

1. External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of rights awarded in the year ended 30 June 2024. The valuation has been made using the Black-Scholes Option Pricing Model (BSM). The fair value per instrument of the share rights granted was: FY2021 Alignment Rights Award - $16.69; FY2022 Alignment Rights Award - $19.08; FY2023 Alignment Rights Award - $17.00; FY2024 Alignment Rights Award - $19.98; FY2024 STI Award - $20.93; FY2024 Sign-on Award - $18.74; FY2022 Sign-on Award - $18.53.
2. Rights vested during the year includes the FY2024 STI Award (share price as at 30 June 2024, $20.43), FY2021 LTI Alignment Rights Award and FY2022 Sign-on Award (share price as at 4 September 2023, $21.93).
3. The number of rights lapsed during the year relates to FY2024 STI Award for Mr Vassella.

6.5 Equity Award Valuations

The table below sets out the equity and restricted share award valuations of each grant issued by BlueScope to Executive KMP.

Award	Fair value	Share price	Risk free rate	Dividend yield	Expected volatility	Expected life	Vest date	Expiry date
	$	$	%	%	%			
FY2022 LTI AR Award	19.08	20.47	0.90	2.57	32.5	3 years	31-Aug-24	31-Aug-27
FY2023 LTI AR Award	17.00	18.31	3.07	2.75	35.0	3 years	31-Aug-25	31-Aug-28
FY2024 LTI AR Award	19.98	21.29	4.23	2.35	30.0	3 years	02-Sep-26	31-Aug-29
FY2024 STI Award	20.93	21.29	4.52	2.35	30.0	8 months	02-Sep-24	31-Dec-27
Sign-on Award (T2)	22.84	25.20	0.01	2.04	32.5	2 years	31-Aug-24	-
Sign-on Award (T1)	18.74	19.20	4.38	2.60	30.0	1 year	02-Sep-24	02-Sep-24
Sign-on Award (T2)	18.27	19.20	4.29	2.60	30.0	2 years	02-Sep-25	02-Sep-25

6.6 Non-Executive Director Remuneration Outcomes

Details of the FY2024 audited remuneration for each NED is set out in the following table.

		Short-term employment benefits		Post-employment benefits		
		Fees[1]	Non-monetary[2]	Superannuation[3]	Share-based payments[4]	Total
Name	Year	$	$	$	$	$
Non-Executive Directors						
Ms McAloon	**FY2024**	**343,643**	**-**	**-**	**66,422**	**410,065**
	FY2023	168,526	-	16,120	-	184,646
Mr Alexander	**FY2024**	**231,135**	**3,644**	**-**	**-**	**234,779**
	FY2023	179,896	-	-	-	179,896
Ms Conlon	**FY2024**	**239,661**	**-**	**24,755**	**-**	**264,416**
	FY2023	266,370	-	-	-	266,370
Mr Crouch	**FY2024**	**193,767**	**-**	**-**	**66,422**	**260,189**
	FY2023	187,875	-	6,810	88,680	283,365
Ms Dee-Bradbury	**FY2024**	**256,050**	**-**	**12,490**	**-**	**268,540**
	FY2023	242,054	-	23,316	-	265,370
Mr Field[5]	**FY2024**	**106,530**	**-**	**10,580**	**-**	**117,110**
	FY2023	-	-	-	-	-
Ms Johnson	**FY2024**	**225,322**	**5,082**	**-**	**26,413**	**256,817**
	FY2023	223,697	1,411	-	35,356	260,464
Ms Lambert	**FY2024**	**242,408**	**-**	**6,672**	**26,569**	**275,649**
	FY2023	249,696	-	-	35,459	285,155
Mr Zhang	**FY2024**	**256,050**	**11,940**	**785**	**-**	**268,775**
	FY2023	244,713	2,783	659	-	248,155
Former Non-Executive Director						
Mr Bevan	**FY2024**	**213,829**	**-**	**-**	**-**	**213,829**
	FY2023	534,915	-	6,810	-	541,725
Total	**FY2024**	**2,308,395**	**20,666**	**55,282**	**185,826**	**2,570,169**
Total	FY2023	2,297,742	4,194	53,715	159,495	2,515,146

1. During FY2024 there was a 3.5% increase to Board Chair, Director's base fees and Committee fees. Fees includes travel allowances. Ms McAloon, Mr Crouch, Ms Dee-Bradbury, Ms Lambert and Mr Bevan have elected superannuation guarantee exemptions. The additional superannuation allowance has been included under fees. Ms McAloon, Mr Crouch, Ms Lambert and Ms Johnson have elected to sacrifice a portion of their fees in exchange for BlueScope shares. Fees have been reduced to reflect these sacrificed amounts: Ms McAloon - $91,685, Mr Crouch - $91,685, Ms Lambert - $36,674 and Ms Johnson - $36,674.
2. Non-monetary short term benefits includes tax advice for overseas based Directors Mr Alexander, Ms Johnson and Mr Zhang.
3. NEDs receive statutory superannuation contributions in line with the Superannuation Guarantee unless they elect an exemption. No other post-employment benefits apply.
4. Includes rights allocated to NEDs under the Fee Sacrifice Plan. The fair value has been assessed at $15.56 (Tranche 1) and $15.36 (Tranche 2).
5. Mr Field was appointed to the role of Non-Executive Director on 15 January 2024.

6.7 Non-Executive Director Interest in Shares

The following table shows the number of shares and share rights held by Directors and/or their related parties during FY2024. A related party is typically a family member of the NED and/or is an entity in which the NED has direct or indirect control.

NEDs are eligible to participate in a Fee Sacrifice Plan, designed to provide them with the opportunity to acquire share rights through sacrificing a fixed portion of their fees covering periods of 6 months intervals. The share rights are being settled by an on-market purchase of Company shares.

To meet the minimum shareholding, NEDs are required to hold the equivalent of 100% of the annual NED base fee in Company shares. For Australian Directors, it includes the aggregate value of current shareholdings. For US-based Directors, the requirement includes the aggregate value of current shareholdings and vested rights held under the NED Fee Sacrifice Plan.

	Balance at 1 July 2023	Granted[1]	Vested	Exercised[2]	Forfeited / lapsed	Net change / other[3]	Balance at 30 June 2024	Minimum shareholding requirement
Name	**#**	**#**	**#**	**#**	**#**	**#**	**#**	**%**
Non-Executive Directors								
Ms McAloon								
Shares	3,352	-	-	2,253	-	7,481	13,086	49.5%
Share Rights	-	4,295	4,295	(2,253)	-	-	2,042	
Mr Alexander								
Shares	16,000	-	-	-	-	-	16,000	Achieved 172.2%
Share Rights	-	-	-	-	-	-	-	
Ms Conlon								
Shares	10,208	-	-	-	-	-	10,208	Achieved 109.9%
Share Rights	-	-	-	-	-	-	-	
Mr Crouch								
Shares	35,313	-	-	4,737	-	-	40,050	Achieved 431.1%
Share Rights	2,484	4,295	4,295	(4,737)	-	-	2,042	
Ms Dee-Bradbury								
Shares	27,300	-	-	-	-	-	27,300	Achieved 293.9%
Share Rights	-	-	-	-	-	-	-	
Mr Field[4]								
Shares	-	-	-	-	-	-	-	0.0%
Share Rights	-	-	-	-	-	-	-	
Ms Johnson								
Shares	-	-	-	-	-	-	-	41.1%
Share Rights	2,112	1,708	1,708	-	-	-	3,820	
Ms Lambert								
Shares	18,897	-	-	1,894	-	-	20,791	Achieved 223.8%
Share Rights	993	1,718	1,718	(1,894)	-	-	817	
Mr Zhang								
Shares	-	-	-	-	-	4,800	4,800	51.7%
Share Rights	-	-	-	-	-	-	-	
Former Non-Executive Director								
Mr Bevan[5]								
Shares	62,797	-	-	-	-		62,797	
Share Rights	-	-	-	-	-	-	-	

1. The number of share rights granted includes the FY2024 NED Fee Sacrifice Plan (Tranche 1 and Tranche 2).
2. Shares received during the year on the exercise of the FY2023 NED Fee Sacrifice Plan (Tranche 2) and FY2024 NED Fee Sacrifice Plan (Tranche 1). The number of shares issued is equal to the number of rights exercised and no amount was paid or remains unpaid for each share issued.
3. These amounts represent on-market acquisitions and disposals of shares.
4. Mr Field's opening shareholding balance reflects his start date of 15 January 2024.
5. Mr Bevan's shareholding closing balance is as at 21 November 2023.

Section

04.

Financial Report

Financial Report Contents

Consolidated statement of comprehensive income

For the year ended 30 June 2024

	Note	2024 $M	2023 $M
CONTINUING OPERATIONS			
Revenue from continuing operations	2	**17,055.3**	18,206.9
Other income	3.2	**117.3**	124.3
Net impairment (expense) / write-back of non-current assets	14.4	**-**	(49.7)
Expenses	3.1	**(15,904.7)**	(16,821.6)
Operating profit		**1,267.9**	1,459.9
Share of net profits of associates and joint ventures accounted for using the equity method	24.1, 25.1	**7.1**	21.3
Interest revenue	2	**56.7**	35.6
Profit before financing and income tax expense		**1,331.7**	1,516.8
Finance expense	16.6, 17.3	**(64.4)**	(72.4)
Profit before income tax		**1,267.3**	1,444.4
Income tax expense	4.1	**(320.1)**	(351.7)
Profit from continuing operations		**947.2**	1,092.7
DISCONTINUED OPERATIONS			
Profit from discontinued operations after income tax		**1.0**	5.8
Profit for the year		**948.2**	1,098.5
Profit for the year is attributable to:			
Owners of BlueScope Steel Limited		**805.7**	1,009.2
Non-controlling interests		**142.5**	89.3
Profit for the year		**948.2**	1,098.5
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified subsequently to profit or loss:			
Net gain (loss) on cash flow hedges	19.1	**1.5**	(58.4)
Net gain (loss) on net investments in foreign subsidiaries	19.1	**0.8**	7.1
Exchange differences on translation of foreign operations attributable to BlueScope Steel Limited	19.1	**(34.1)**	209.0
Income tax on items that may be reclassified subsequently to profit or loss		**(0.6)**	15.0
Exchange fluctuations transferred to profit on translation of foreign operations disposed	19.1	**12.0**	-
Items that will not be reclassified subsequently to profit or loss:			
Net actuarial gains on defined benefit and retirement plans	11	**12.7**	30.4
Investment revaluation	22	**(6.3)**	(3.6)
Exchange differences on translation of foreign operations attributable to non-controlling interests		**(15.3)**	11.7
Income tax on items that will not be reclassified subsequently to profit or loss		**(3.6)**	(8.7)
Other comprehensive income (loss) for the year		**(32.9)**	202.5
Total comprehensive income for the year		**915.3**	1,301.0
Total comprehensive income for the year is attributable to:			
Owners of BlueScope Steel Limited		**788.0**	1,200.3
Non-controlling interests		**127.3**	100.7
Total comprehensive income for the year		**915.3**	1,301.0
Earnings per share for profit attributable to owners of BlueScope Steel Limited from:			
		Cents	Cents
Continuing operations:			
Basic earnings per share	5	**179.7**	216.2
Diluted earnings per share	5	**178.4**	214.6
Total operations:			
Basic earnings per share	5	**180.0**	217.4
Diluted earnings per share	5	**178.7**	215.8

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2024

	Note	2024 $M	2023 $M
ASSETS			
Current assets			
Cash and cash equivalents	15	**1,085.5**	1,489.8
Trade and other receivables	6	**1,592.4**	1,854.0
Contract assets	2.2	**109.9**	54.4
Inventories	7	**3,186.2**	3,141.0
Operating intangible assets	8	**-**	73.4
Derivative financial instruments	32.4	**5.8**	15.5
Deferred charges and prepayments		**111.5**	129.7
Assets classified as held for sale		**5.2**	-
Total current assets		**6,096.5**	6,757.8
Non-current assets			
Trade and other receivables	6	**35.7**	37.8
Inventories	7	**87.2**	77.7
Operating intangible assets	8	**302.9**	209.2
Derivative financial instruments	32.4	**11.8**	18.4
Investments accounted for using the equity method	24, 25	**126.3**	141.4
Other investments - fair value through other comprehensive income	22	**20.7**	27.0
Property, plant and equipment	12	**6,094.8**	5,642.2
Right-of-use assets	17.1	**393.3**	386.9
Intangible assets	13	**2,441.3**	2,513.9
Deferred tax assets	4.2	**61.4**	113.8
Deferred charges and prepayments		**3.7**	7.3
Retirement benefit assets	11	**2.4**	1.7
Total non-current assets		**9,581.5**	9,177.3
Total assets		**15,678.0**	15,935.1
LIABILITIES			
Current liabilities			
Trade and other payables	9	**1,961.9**	2,176.8
Borrowings	16	**94.8**	63.4
Lease liabilities	17.2	**96.0**	108.9
Current tax liabilities		**13.9**	78.6
Provisions	10	**637.3**	706.9
Contract liabilities	2.2	**219.1**	277.0
Deferred income		**46.1**	52.8
Derivative financial instruments	32.4	**18.9**	10.0
Total current liabilities		**3,088.0**	3,474.4
Non-current liabilities			
Trade and other payables	9	**24.4**	31.0
Borrowings	16	**90.4**	181.4
Lease liabilities	17.2	**440.3**	432.8
Deferred tax liabilities	4.2	**513.6**	532.8
Provisions	10	**208.4**	201.7
Contract liabilities	2.2	**7.9**	8.2
Retirement benefit obligations	11	**6.3**	17.6
Deferred income		**1.6**	2.2
Derivative financial instruments	32.4	**11.6**	22.3
Total non-current liabilities		**1,304.5**	1,430.0
Total liabilities		**4,392.5**	4,904.4
Net assets		**11,285.5**	11,030.7
EQUITY			
Contributed equity	18.1	**2,368.8**	2,673.0
Reserves	19	**665.4**	693.5
Retained profits		**7,687.2**	7,100.9
Total equity attributable to owners of BlueScope Steel Limited		**10,721.4**	10,467.4
Non-controlling interests	23	**564.1**	563.3
Total equity		**11,285.5**	11,030.7

The consolidated statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of changes in equity

As at 30 June 2024

30 June 2024	Note	Attributable to owners of BlueScope Steel Limited Contributed equity $M	Reserves $M	Retained profits $M	Non-controlling interests $M	Total equity $M
Balance as at 1 July 2023		**2,673.0**	**693.5**	**7,100.9**	**563.3**	**11,030.7**
Profit for the year		-	-	805.7	142.5	948.2
Other comprehensive income (loss)		-	(26.8)	9.1	(15.2)	(32.9)
Total comprehensive income (loss) for the year		**-**	**(26.8)**	**814.8**	**127.3**	**915.3**
Transactions with owners in their capacity as owners:						
Shares purchased on market; net of shares used for employee share awards (treasury shares)	18.2	16.7	-	-	-	16.7
Share-based payment expense	19.1	-	21.4	-	-	21.4
Settlement of employee share awards	18.2, 19.1	0.7	(28.1)	-	-	(27.4)
Share buy-backs	18.2	(323.3)	-	-	-	(323.3)
Dividends paid		-	-	(224.9)	(126.2)	(351.1)
Tax credit recognised directly in equity from share-based payments	18.2	1.7	-	-	-	1.7
Other		-	5.4	(3.6)	(0.3)	1.5
		(304.2)	(1.3)	(228.5)	(126.5)	(660.5)
Balance as at 30 June 2024		**2,368.8**	**665.4**	**7,687.2**	**564.1**	**11,285.5**

30 June 2023	Note	Attributable to owners of BlueScope Steel Limited Contributed equity $M	Reserves $M	Retained profits $M	Non-controlling interests $M	Total equity $M
Balance as at 1 July 2022		**2,958.0**	**516.9**	**6,307.6**	**665.6**	**10,448.1**
Profit for the year		-	-	1,009.2	89.3	1,098.5
Other comprehensive income		-	169.4	21.7	11.4	202.5
Total comprehensive income for the year		**-**	**169.4**	**1,030.9**	**100.7**	**1,301.0**
Transactions with owners in their capacity as owners:						
Shares purchased on market; net of shares used for employee share awards (treasury shares)	18.2	(7.8)	-	-	-	(7.8)
Share-based payment expense	19.1	-	23.4	-	-	23.4
Settlement of employee share awards	18.2, 19.1	(6.7)	(20.5)	-	-	(27.2)
Share buy-backs	18.2	(272.3)	-	-	-	(272.3)
Dividends paid		-	-	(233.1)	(203.1)	(436.2)
Tax credit recognised directly in equity from share-based payments	18.2	1.8	-	-	-	1.8
Other		-	4.3	(4.5)	0.1	(0.1)
		(285.0)	7.2	(237.6)	(203.0)	(718.4)
Balance as at 30 June 2023		**2,673.0**	**693.5**	**7,100.9**	**563.3**	**11,030.7**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 $M	2023 $M
Cash flows from operating activities			
Receipts from customers		**18,216.6**	19,527.3
Payments to suppliers and employees		**(16,532.4)**	(16,963.8)
		1,684.2	2,563.5
Dividends received - associates and joint ventures	24.1, 25.1	**19.9**	19.5
Dividends received - other		**1.8**	2.3
Interest received		**55.3**	34.9
Other revenue received		**60.4**	35.5
Finance costs paid		**(60.2)**	(73.3)
Income taxes paid		**(351.4)**	(431.5)
Net cash inflow from operating activities	15.1	**1,410.0**	2,150.9
Cash flows from investing activities			
Payments for business acquisitions, net of cash acquired	21	**14.5**	(166.0)
Payments for other investments		**(5.5)**	(9.6)
Payments for property, plant and equipment		**(963.3)**	(797.8)
Payments for intangibles		**(13.0)**	(10.9)
Proceeds from sale of property, plant and equipment		**0.3**	5.2
Net cash (outflow) from investing activities		**(967.0)**	(979.1)
Cash flows from financing activities			
Proceeds from borrowings		**737.5**	510.5
Repayment of borrowings		**(796.0)**	(1,038.2)
Repayment of principal component of lease liabilities	17.2	**(116.3)**	(111.9)
Dividends paid to Company's shareholders	20.1	**(224.9)**	(233.1)
Dividends paid to non-controlling interests in subsidiaries		**(126.2)**	(203.1)
Share buy-backs		**(323.3)**	(284.9)
Net cash (outflow) from financing activities		**(849.2)**	(1,360.7)
Net increase / (decrease) in cash and cash equivalents		**(406.2)**	(188.9)
Cash and cash equivalents at the beginning of the year		**1,488.7**	1,675.1
Effects of exchange rate changes on cash and cash equivalents		**0.8**	2.5
Cash and cash equivalents, net of overdrafts, at the end of the year	15	**1,083.3**	1,488.7
Reconciliation of liabilities arising from financing activities	16.1, 17.2		
Financing arrangements	16.2		
Non-cash financing activities	17.2		

The consolidated statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2024

About this report

This section provides information about the basis upon which the Group's financial statements are prepared. It includes an overview of the reporting entity, a summary of certain accounting policies that are not disclosed elsewhere, and highlights the key accounting judgements and estimates applied by management and where that information is disclosed in this report.

Reporting entity

BlueScope Steel Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. The registered office of the Company is Level 24, 181 William Street, Melbourne, Victoria, Australia 3000. The nature of the operations and principal activities of the Group are described in note 1.1 and the Directors' Report.

The financial report of BlueScope Steel Limited for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 19 August 2024.

Basis of preparation

The financial report is a general purpose financial report, which:

- Has been prepared in accordance with the requirements of the Australian *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
- Has been prepared on a historical cost basis, except for certain derivative financial instruments and other investments which are measured at fair value.
- Is presented in Australian dollars rounded to the nearest hundred thousand dollars, unless otherwise stated, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
- Presents reclassified comparative information where required for consistency with the current year's presentation.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 1 July 2023.
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.
- Has been prepared on a going concern basis of accounting as, at the time of approving the financial statements, the Directors' have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Basis of consolidation

The consolidated financial statements comprise the financial statements of BlueScope Steel Limited ('the Company' or 'parent entity') and its controlled entities (together 'the Group'). Details of controlled entities (subsidiaries) of the Company are contained in note 23.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The financial statements of subsidiaries are consolidated in the Group financial statements from the date that the Group obtains control until the date that control ceases. The subsidiary financial statements are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full.

Foreign currency

Items included in the financial statements of entities within the Group are measured using the currency of the primary economic environment in which the entity generates and expends cash ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is BlueScope Steel Limited's functional and presentation currency.

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date. Non-monetary items measured in terms of historical cost in a foreign currency are translated at the exchange rate as at the date of the initial transaction. Foreign exchange gains and losses arising from translation are recognised in the income statement, except when deferred in equity as qualifying cash flow or net investment hedges, or where those gains or losses are attributable to part of the net investment in a foreign operation.

Notes to the consolidated financial statements

For the year ended 30 June 2024

On consolidation at the reporting date, the assets and liabilities of entities within the Group that have a functional currency different from the presentation currency, are translated into Australian dollars at the rate of exchange at the reporting date and the income statements are translated at the average exchange rate for the year. Exchange differences arising from the translation are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

Goods and services tax (GST) / value added tax (VAT)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST/VAT, unless the GST/VAT incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable.

Cash flows in the consolidated statement of cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, a taxation authority.

Other accounting policies

Material and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the consolidated financial statements.

The consolidated financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended 30 June 2023. There were no significant changes in accounting policies during the year ended 30 June 2024 nor did the introduction of new accounting standards or amendments lead to any change in measurement or disclosure in the financial statements as described in note 34.1.

The notes to the consolidated financial statements

The notes to the consolidated financial statements includes information which is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant due to its size or nature, or the information is important for understanding current and future performance or significant changes in operations.

The notes to the consolidated financial statements have been organised into logical groupings to help users find and understand the information reported. Where possible, related information has been provided in the same place.

Key accounting judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed and highlighted in the following notes:

Accounting judgements and estimates	Note
Uncertain tax matters	Note 4 Income tax
Recognition and recoverability of deferred tax assets	Note 4 Income tax
Recognition and calculation of provisions	Note 10 Provisions
Determination of retirement benefit obligations	Note 11 Retirement benefit obligations
Estimation of the useful lives of property, plant and equipment	Note 12 Property, plant and equipment
Impairment of non-financial assets - carrying value assessment	Note 14 Carrying value of non-financial assets
Determining lease contract terms and lease components	Note 17 Leases
Fair value measurement of share-based payments	Note 28 Share-based payments

Notes to the consolidated financial statements

For the year ended 30 June 2024

Financial performance

This section provides information about the operating results and financial performance of the Group. It includes disclosure of segment financial information, revenue and other income, costs and expenses, taxes and earnings per share, including the accounting policies, and key accounting judgements and estimates relevant to understanding these areas.

1. Segment information

1.1 Description of segments

The Group has identified its operating segments based on the information that is regularly reviewed and used by the chief operating decision maker (Managing Director and Chief Executive Officer) for the purposes of allocating resources and assessing performance.

The following summary describes the operations of the Group's reportable segments, which comprise individually material operating segments and an aggregation of operating segments when they have similar economic characteristics and satisfy the aggregation criteria.

Segment	Description
Australian Steel Products (ASP)	• ASP produces and markets a range of high value coated and painted flat steel products for Australian building and construction customers as well as providing a broader offering of commodity flat steel products. • Products are primarily sold to the Australian domestic market, with some volume exported. • Key brands include zinc/aluminium alloy coated - ZINCALUME® steel and galvanised and zinc/aluminium alloy-coated pre-painted COLORBOND® steel. • Main manufacturing facilities are at Port Kembla (NSW) and Western Port (VIC). • This operating segment also operates pipe and tube manufacturing, and a network of roll-forming and distribution sites throughout Australia, acting as a major steel product supplier to the building and construction, manufacturing, transport, agriculture and mining industries.
North Star BlueScope Steel	• North Star BlueScope Steel is a low-cost regional supplier of hot rolled coil, based in Ohio (USA), 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 metal recycling regions of North America. • This operating segment also includes BlueScope Recycling and Materials which is a full-service ferrous scrap metal recycler, primarily focussed on supplying North Star's scrap steel requirements. It has processing facilities in Waterloo (Indiana, USA), Mansfield (Ohio) and Delta (Ohio), adjacent to the North Star facility.
Buildings and Coated Products North America	• Leader in engineered building solutions, servicing the low-rise non-residential construction needs of customers from an engineering and manufacturing base in North America. • This segment includes the coil paintings operation that extend nationally throughout BlueScope Coated Products (BCP). BCP is the second largest metal painter in the US, with seven facilities predominantly serving the commercial and industrial construction applications. • This segment also includes Building Products North America, representing the US operations of the joint venture with Nippon Steel Corporation (NSC) and BlueScope Properties Group which develops industrial properties, predominantly warehouses and distribution centres.

Notes to the consolidated financial statements
For the year ended 30 June 2024

1. Segment information (Continued)

Segment	Description
Coated Products Asia	• Technology leader in metal coated and painted steel building products, principally focused on the Asia-Pacific region, with a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of products. • This segment has an extensive footprint of metal coating, painting and steel building product operations in Thailand, Indonesia, Vietnam, Malaysia and India, primarily servicing the residential and non-residential building and construction industries across Asia. • This segment also aggregates the Building Products China operating segment, comprising metal coating, painting, Lysaght operations and engineered building solutions. • BlueScope operates in ASEAN and the west coast of North America in partnership with NSC and in India with Tata Steel. 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. The ASEAN operating segments of the joint venture with NSC are aggregated in this segment, as is the interest in the Tata BlueScope joint venture.
New Zealand & Pacific Islands	• Consists of three primary business areas: New Zealand Steel, Pacific Steel and BlueScope Pacific Islands. • New Zealand Steel is the only steel producer in New Zealand, producing slab, billet, hot rolled coil and value added coated and painted products for both domestic and export markets across the Pacific Region. Operations include the manufacture and distribution of the LYSAGHT® range of products in Fiji, New Caledonia and Vanuatu and rod and bar in Fiji. • Pacific Steel is the sole producer of long steel products such as rod, bar, reinforcing coil and wire in New Zealand. • This segment also includes the Waikato North Head iron sands mine which supplies iron sands to the Glenbrook Steelworks.

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. Segment information (Continued)

1.2 Information about reportable segments

Performance of operating segments is based on EBIT, which represents earnings excluding the effects of Group financing (including interest expense and interest income) and income taxes, as these items are managed on a Group basis.

Sales between segments are carried out at an arm's length basis and are eliminated on consolidation. The revenue from external parties is measured in a manner that is consistent with the consolidated statement of comprehensive income.

Segment assets and liabilities are measured in a manner consistent with the consolidated statement of financial position. Cash and liabilities arising from borrowings and leases are not considered to be segment assets and liabilities due to these being managed by the Group's centralised treasury function.

Segment information for the reportable segments for the year ended 30 June 2024 is as follows:

30 June 2024	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M	Consolidated North America[1] $M
Segment sales revenue	**6,982.3**	**3,840.7**	**3,697.0**	**2,075.9**	**914.7**	**-**	**17,510.6**	**7,460.5**
Intersegment revenue	(262.2)	(77.2)	-	(16.1)	(145.7)	-	(501.2)	-
Sales revenue from external customers	**6,720.1**	**3,763.5**	**3,697.0**	**2,059.8**	**769.0**	**-**	**17,009.4**	**7,460.5**
Interest revenue							56.7	
Other revenue							45.9	
Total revenue							**17,112.0**	
Segment EBIT	**354.4**	**492.4**	**415.9**	**146.6**	**43.7**	**1.2**	**1,454.2**	**918.0**
Comprises:								
Depreciation and amortisation expense	342.6	138.7	79.5	87.9	43.3	-	692.0	218.2
Share of profit / (loss) from associates and joint ventures	-	1.5	-	5.6	-	-	7.1	1.5
Segment assets	**5,190.4**	**4,177.0**	**2,586.6**	**1,406.7**	**1,189.0**	**13.0**	**14,562.7**	**6,760.7**
Segment liabilities	**(1,377.5)**	**(509.3)**	**(555.2)**	**(497.3)**	**(270.9)**	**(2.8)**	**(3,213.0)**	**(1,062.4)**
Comprises:								
Investments in associates and joint ventures	-	0.7	-	125.6	-	-	126.3	0.7
Additions to non-current assets[2]	739.2	137.1	90.6	49.0	114.2	-	1,130.1	227.7

1. Consolidated North America is the total of North Star BlueScope Steel and Buildings and Coated Products North America. It is included to provide a summary of total North America operations.
2. Other than financial assets and deferred tax.

Notes to the consolidated financial statements
For the year ended 30 June 2024

1. Segment information (Continued)

30 June 2023	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M	Consolidated North America[1] $M
Segment sales revenue	**7,930.2**	**3,479.6**	**3,640.8**	**2,630.6**	**962.6**	**-**	**18,643.8**	**7,020.0**
Intersegment revenue	(248.4)	(100.5)	(0.9)	(30.4)	(89.4)	-	(469.6)	(0.9)
Sales revenue from external customers	**7,681.8**	**3,379.1**	**3,639.9**	**2,600.2**	**873.2**	**-**	**18,174.2**	**7,019.1**
Interest revenue							35.6	
Other revenue							32.7	
Total revenue							**18,242.5**	
Segment EBIT	**492.1**	**433.0**	**503.1**	**91.7**	**128.6**	**8.5**	**1,657.0**	**930.8**
Comprises:								
Depreciation and amortisation expense	344.7	122.3	76.9	81.0	31.8	-	656.7	199.2
Net impairment expense / (write-back)	-	-	-	49.7	-	-	49.7	-
Share of profit / (loss) from associates and joint ventures	-	0.8	-	20.5	-	-	21.3	0.8
Segment assets	**4,967.0**	**4,180.0**	**2,543.9**	**1,629.5**	**1,116.4**	**16.5**	**14,453.3**	**6,701.9**
Segment liabilities	**(1,500.9)**	**(618.3)**	**(652.6)**	**(630.8)**	**(295.5)**	**(3.2)**	**(3,701.3)**	**(1,259.5)**
Comprises:								
Investments in associates and joint ventures	-	0.4	-	141.0	-	-	141.4	0.4
Additions to non-current assets[2]	518.9	210.0	87.0	57.2	92.8	-	965.9	262.3

1. Consolidated North America is the total of North Star BlueScope Steel and Buildings and Coated Products North America. It is included to provide a summary of total North America operations.
2. Other than financial assets and deferred tax.

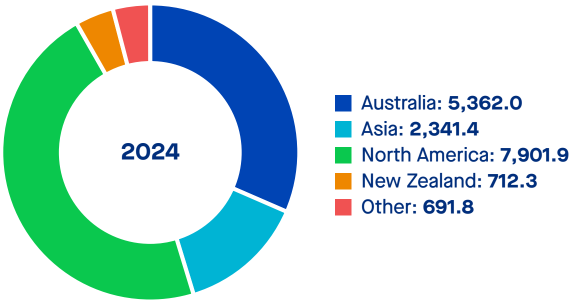
Notes to the consolidated financial statements
For the year ended 30 June 2024

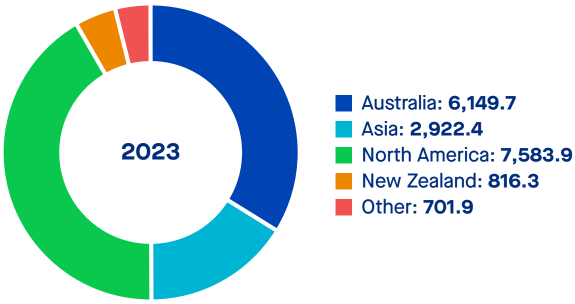
1. Segment information (Continued)

1.3 Geographical information

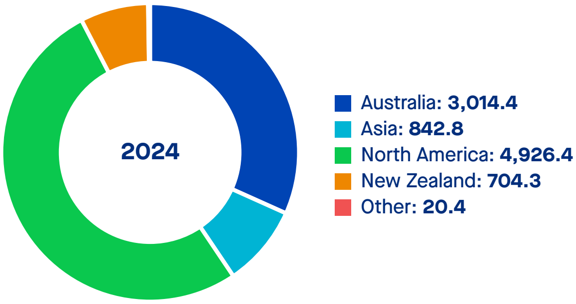
The Group's geographical regions are based on the location of markets and customers. Segment non-current assets exclude tax assets and are allocated based on where the assets are located.

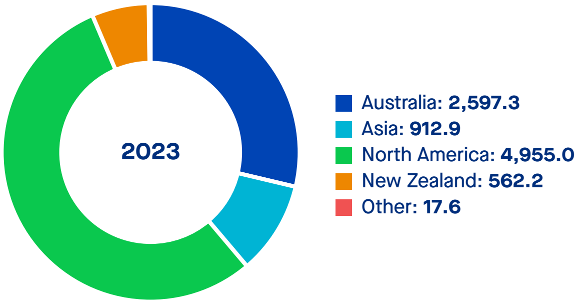
Segment revenue from external customers ($M)





Non-current assets ($M)





1.4 Reconciliation segment information

A reconciliation of segment EBIT, assets and liabilities to the consolidated financial statements is as follows:

Segment EBIT

	Note	2024 $M	2023 $M
Total segment EBIT		**1,454.2**	1,657.0
Intersegment eliminations		**22.1**	16.2
Interest income	2	**56.7**	35.6
Finance costs	16.6, 17.3	**(64.4)**	(72.4)
Discontinued operations		**(1.0)**	(6.1)
Corporate operations		**(200.3)**	(185.9)
Profit before income tax from continuing operations		**1,267.3**	1,444.4

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. Segment information (Continued)

Segment assets

	Note	2024 $M	2023 $M
Segment assets		**14,562.7**	14,453.3
Intersegment eliminations		**(230.7)**	(404.8)
Unallocated:			
Deferred tax assets	4.2	**61.4**	113.8
Cash	15.1	**1,085.5**	1,489.8
Accrued interest receivable		**2.6**	1.2
Corporate operations		**196.5**	281.8
Total assets		**15,678.0**	15,935.1

Segment liabilities

	Note	2024 $M	2023 $M
Segment liabilities		**3,213.0**	3,701.3
Intersegment eliminations		**(229.5)**	(381.4)
Unallocated:			
Borrowings	16	**185.2**	244.8
Lease liabilities	17.2	**536.3**	541.7
Current tax liabilities		**13.9**	78.6
Deferred tax liabilities	4.2	**513.6**	532.8
Accrued borrowing costs payable		**2.8**	2.7
Corporate operations		**157.2**	183.9
Total liabilities		**4,392.5**	4,904.4

2. Revenue

	2024 $M	2023 $M
Sales revenue from contracts with customers	**17,009.4**	18,174.2
Other	**45.9**	32.7
Revenue from continuing operations	**17,055.3**	**18,206.9**
Interest revenue	**56.7**	35.6
Total revenue	**17,112.0**	**18,242.5**

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Revenue (Continued)

2.1 Disaggregation of sales revenue from contracts with customers

30 June 2024	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M
External sales revenue recognition							
Point in time	6,720.1	3,763.5	1,868.9	1,471.4	769.0	-	14,592.9
Over time	-	-	1,828.1	588.4	-	-	2,416.5
Total external sales revenue	**6,720.1**	**3,763.5**	**3,697.0**	**2,059.8**	**769.0**	**-**	**17,009.4**
External sales revenue by destination							
Australia	5,354.5	-	-	7.5	-	-	5,362.0
Asia	328.3	-	-	2,013.2	-	-	2,341.5
North America	438.6	3,763.5	3,697.0	2.8	-	-	7,901.9
New Zealand	23.6	-	-	-	688.6	-	712.2
Other	575.1	-	-	36.3	80.4	-	691.8
Total external sales revenue	**6,720.1**	**3,763.5**	**3,697.0**	**2,059.8**	**769.0**	**-**	**17,009.4**
External sales revenue by category							
Steelmaking products	1,786.8	3,576.6	-	0.2	62.9	-	5,426.5
Building products	4,518.8	-	1,770.4	1,471.2	706.1	-	8,466.5
Engineered building solutions	-	-	1,828.1	588.4	-	-	2,416.5
Other	414.5	186.9	98.5	-	-	-	699.9
Total external sales revenue	**6,720.1**	**3,763.5**	**3,697.0**	**2,059.8**	**769.0**	**-**	**17,009.4**

30 June 2023	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M
External sales revenue recognition							
Point in time	7,681.8	3,379.1	1,724.4	1,678.7	873.2	-	15,337.2
Over time	-	-	1,915.5	921.5	-	-	2,837.0
Total external sales revenue	**7,681.8**	**3,379.1**	**3,639.9**	**2,600.2**	**873.2**	**-**	**18,174.2**
External sales revenue by destination							
Australia	6,115.1	-	-	34.6	-	-	6,149.7
Asia	411.2	-	-	2,511.3	-	-	2,922.5
North America	564.8	3,379.1	3,639.9	-	-	-	7,583.8
New Zealand	27.5	-	-	0.9	787.9	-	816.3
Other	563.2	-	-	53.4	85.3	-	701.9
Total external sales revenue	**7,681.8**	**3,379.1**	**3,639.9**	**2,600.2**	**873.2**	**-**	**18,174.2**
External sales revenue by category							
Steelmaking products	2,228.8	3,141.2	-	-	224.5	-	5,594.5
Building products	5,001.1	-	1,724.4	1,678.7	648.7	-	9,052.9
Engineered building solutions	-	-	1,915.5	921.5	-	-	2,837.0
Other	451.9	237.9	-	-	-	-	689.8
Total external sales revenue	**7,681.8**	**3,379.1**	**3,639.9**	**2,600.2**	**873.2**	**-**	**18,174.2**

The Group generates a significant portion of it's revenue from the following:

Steelmaking products

Includes sales of flat steel products including hot rolled coil, cold rolled coil and plate within Australian Steel Products (ASP) and sale of slab and billet in New Zealand. Products are primarily sold to the Australian and New Zealand domestic market, with some volume exported. Additionally, it includes North Star domestic sales of hot rolled coil.

Building products

Includes sales of value-added metallic coated and painted steel solutions across Australia, New Zealand, Asia and North America.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Revenue (Continued)

Engineered building solutions
Includes sales of pre-fabricated distribution centres, factories and stores to low-rise non-residential construction segment in Buildings North America and China.

Other
Includes scrap sales within Australian Steel Products and North Star and sales of industrial real estate, predominately warehouses and distribution centres, within Buildings and Coated Products North America through the BlueScope Properties Group.

2.2 Assets and liabilities related to contracts with customers

	2024 $M	2023 $M
Current contract assets		
Engineered building solutions	**109.9**	54.4
Total current contract assets	**109.9**	54.4
Current contract liabilities		
Customer deposits received in advance of work performed	**218.2**	276.1
Service warranties	**0.9**	0.9
Total current contract liabilities	**219.1**	277.0
Non-current contract liabilities		
Service warranties	**7.9**	8.2
Total non-current contract liabilities	**7.9**	8.2

There have been no contract assets recognised from costs to fulfil a contract.

Non-current service warranties relate to the North American Buildings and Building Product businesses and range from 5 to 30 years.

2.3 Recognition and measurement

Sales revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

As a manufacturer, the Group's primary performance obligation is the delivery of steel products. In addition to delivering goods, the Group also provides design, construction or installation services in our Buildings and Building Product businesses. Other than the provision of service warranties, the Group's performance obligations are typically satisfied within one year or less.

Where multiple goods and services (e.g. design, materials, construction and/or installation services) are provided to a customer under a single performance obligation, revenue is recognised over time, where required by accounting standards. The input method is used for measuring progress towards completion of a performance obligation, whereby the amount of revenue recognised is based on the percentage of costs incurred for work performed to date, relative to the total costs expected to be incurred in satisfying that performance obligation.

Revenue for other performance obligations, is recognised at a point in time when control of a good or service passes to the customer, with the performance obligation being satisfied at that point in time.

The transaction price in a contract can vary due to volume and steel pricing rebates, early payment discounts and credits for product shipped and billed to the customer that did not meet previously agreed specifications. Variable consideration is estimated using the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold.

The majority of the Group's product warranties are assurance type warranties. However, the North American Buildings and Building Product businesses offer service warranties to customers, ranging from 5 to 30 years. These service warranties are treated as a separate performance obligation with revenue from premiums recognised over the warranty period.

Notes to the consolidated financial statements

For the year ended 30 June 2024

3. Expenses and other income

3.1 Expenses

	Note	2024 $M	2023 $M
Changes in inventories of finished goods and work in progress		**(78.7)**	277.3
Raw materials and consumables used		**10,456.8**	11,273.8
Employee benefits expense		**2,483.7**	2,378.3
Depreciation and amortisation expense	12, 13, 17.1	**692.9**	658.3
Freight on external despatches		**784.8**	771.7
External services		**1,039.1**	951.0
Other expenses		**526.1**	511.2
Total expenses		**15,904.7**	16,821.6

3.2 Other income

	2024 $M	2023 $M
Carbon permit income	**107.7**	107.0
Energy certificates income	**2.2**	-
Government grants	**5.7**	1.9
Insurance recoveries	**0.6**	0.2
Net gain on sale of subsidiaries	**1.1**	-
Net foreign exchange gains	**-**	15.2
Total other income	**117.3**	124.3

Carbon permit income

Carbon permit income arises from the receipt of emission unit permits under different national greenhouse gas (GHG) emissions reduction schemes. The majority is attributable to the New Zealand Government's Emissions Trading Scheme (ETS) where units are granted on a calendar year basis, recorded as intangible assets at their fair value, with a corresponding entry to deferred income, and income is recognised based on production outputs across the period.

Sale of subsidiary

In November 2023, BlueScope sold it's 30% investment in NS BlueScope Lysaght (B) Sdn Bhd for $0.9M. As part of the disposal of the investment, $1.1M of reserves was transferred to profit or loss.

Notes to the consolidated financial statements
For the year ended 30 June 2024

4. Income tax

4.1 Income tax expense

	Note	2024 $M	2023 $M
(i) Income tax expense recognised in profit or loss			
Current tax		**284.0**	340.8
Deferred tax		**31.4**	(4.1)
Temporary difference on net investments in foreign subsidiaries	19.1	**(0.3)**	(2.0)
Adjustments for current tax of prior periods		**5.0**	17.3
Total income tax expense		**320.1**	352.0
Income tax expense is attributable to:			
Continuing operations		**320.1**	351.7
Discontinued operations		**-**	0.3
Total income tax expense		**320.1**	352.0
(ii) Reconciliation of prima facie tax expense in income tax expense			
Profit from continuing operations before income tax expense		**1,267.3**	1,444.4
Profit from discontinued operations before income tax expense		**1.0**	6.1
Profit before income tax		**1,268.3**	1,450.5
Tax at the Australian tax rate of 30.0% (2023: 30.0%)		**380.5**	435.1
Effect of different tax rates in foreign jurisdictions		**(75.8)**	(64.0)
Adjustments for current tax of prior periods		**5.0**	17.3
Tax effect of amounts which are not deductible / (taxable):			
Withholding tax		**10.8**	10.5
Non-tax effected (gains)/losses		**(30.6)**	(30.6)
Share of net profits of associates and joint ventures		**(1.4)**	(5.2)
Sundry items		**5.1**	(1.1)
Tax losses and temporary differences not recognised		**3.2**	15.6
Tax effect of the utilisation of tax losses not previously recognised		**-**	(0.3)
Tax losses and temporary differences now recognised		**23.3**	(25.3)
Income tax expense		**320.1**	352.0

Notes to the consolidated financial statements
For the year ended 30 June 2024

4. Income tax (Continued)

	Note	2024 $M	2023 $M
(iii) Income tax relating to items in other comprehensive income			
Net gain / (loss) in cash flow hedges		**0.3**	(17.0)
Actuarial gains in defined benefit and retirement plans		**3.6**	8.7
Total movement in deferred tax recognised in other comprehensive income		**3.9**	(8.3)
Temporary difference on net investments in foreign subsidiaries	19.1	**0.3**	2.0
Income tax recognised in other comprehensive income		**4.2**	(6.3)
(iv) Income tax recognised directly in equity			
Excess tax deductions for share-based payments on share awards	18.2	**(1.7)**	(1.8)
Income tax recognised directly in equity		**(1.7)**	(1.8)

Income tax expense for the year was $320.1M, resulting in an effective tax rate of 25.4% (excluding the impact of net profits of associates and joint ventures). The Group's effective tax rate is lower than the Australian 30% statutory tax rate primarily due to lower tax rates in North America and Asia and recognition of temporary differences during the year.

4.2 Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
	2024 $M	2023 $M	2024 $M	2023 $M
The balance comprises temporary differences attributable to:				
Employee benefits provision	**20.8**	30.9	**(122.1)**	(129.2)
Other provisions	**8.6**	7.6	**(57.5)**	(34.3)
Property, plant and equipment	**12.6**	5.0	**545.7**	538.6
Foreign exchange (gains) / losses	**-**	0.1	**19.0**	21.2
Intangible assets	**(5.4)**	(5.8)	**131.7**	121.9
Inventory	**13.1**	23.0	**23.9**	21.5
Tax losses	**32.6**	42.4	**(20.3)**	(22.1)
Other	**(20.9)**	10.6	**(6.8)**	15.2
Total	**61.4**	113.8	**513.6**	532.8

Notes to the consolidated financial statements

For the year ended 30 June 2024

4. Income tax (Continued)

	2024 $M	2023 $M
Recognised deferred tax balances:		
Deferred tax asset	**61.4**	113.8
Deferred tax liability	**513.6**	532.8
Net deferred tax liability	**452.2**	419.0
Net deferred tax liability movements:		
Opening balance at 1 July	**419.0**	411.2
Charged / (credited):		
Amount expensed / (credited) to profit or loss	**31.4**	(4.1)
Amount expensed / (credited) to other comprehensive income	**3.9**	(8.3)
Amount recognised in business acquisitions	**-**	4.0
Exchange differences	**(2.1)**	16.2
Closing balance as at 30 June	**452.2**	419.0

4.3 Unrecognised deferred tax assets and liabilities

	2024 $M	2023 $M
Unrecognised deferred tax liabilities:		
Temporary difference relating to investment in subsidiaries	**169.4**	204.6
Potential tax effect	**17.4**	22.1
Unrecognised deferred tax assets:		
Deductible temporary differences	**328.9**	406.1
Unused tax losses	**37.8**	7.9
Potential tax effect	**97.4**	112.8

Overseas subsidiaries have undistributed earnings, which, if paid out as dividends, would be subject to withholding tax. An assessable temporary difference exists, however no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from its subsidiaries and is not expected to distribute these profits in the foreseeable future.

Unrecognised deferred tax assets for the Group totalling $97.4M (2023: $112.8M) in respect of temporary differences have not been recognised as they are not probable of realisation.

Unused tax losses relate to entities in Singapore, Indonesia and China. Unused losses in China expire after 5 years of being incurred.

4.4 Recognition and measurement

Income tax expense in the consolidated statement of comprehensive income comprises current and deferred tax, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is also recognised directly in equity or other comprehensive income, respectively.

Current taxes

The income tax expense or benefit for the period is the tax payable on the current period taxable income using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates, and generates taxable income, and any adjustment to tax payable with respect to prior years.

Notes to the consolidated financial statements
For the year ended 30 June 2024

4. Income tax (Continued)

Deferred taxes
Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and the tax base. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when deferred tax balances relate to the same taxation authority and there is a legally enforceable right to offset current tax assets and liabilities.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill in a business combination or the initial recognition of an asset or liability in a transaction (other than from a business combination or the adoption of a new accounting standard) that at the time of the transaction affects neither accounting nor taxable profit.

Furthermore, deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. For the current year a $0.3M deferred tax expense, relating to investments in foreign operations, was recognised in other comprehensive income (2023: $2.0M).

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

OECD Pillar Two Model Rules
The Group operates in jurisdictions where new legislation to implement the global minimum top-up tax has been enacted. This includes Japan, Korea, Malaysia, New Zealand and Vietnam. There is no impact on current tax arising from enacted legislation for the year ended 30 June 2024 as in each of these jurisdictions, the Pillar Two Rules do not apply to the Group until the financial year commencing 1 July 2024.

Additionally, we do not expect there to be a material impact on current tax for the year ending 30 June 2025 arising from legislation that has been enacted, or is expected to be enacted (including substantively enacted) before the end of the FY2025 annual reporting period. This includes in Australia where legislation has been introduced into the Federal Parliament and when passed by both houses, will operate to implement the Pillar Two model rules with retrospective effect for the Group from 1 July 2024.

The Group has and will continue to apply the mandatory temporary exception in AASB 112 *Income Taxes* not to recognise or disclose information about deferred tax assets and liabilities that could arise from OECD Pillar Two model rules.

Any impact arising from the top-up tax will be presented as current tax in the period when it is incurred.

4.5 Key accounting judgements and estimates

Uncertain tax matters
The Group is subject to income taxes in Australia and foreign jurisdictions and as a result the calculation of the Group's tax payable involves estimation and judgement, including assumptions made in respect of the application of tax legislation. There are transactions and calculations for which the ultimate tax determination is uncertain.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, these differences will impact the current and deferred tax provisions in the period in which the determination is made.

Recognition and recoverability of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of probable future taxable profits.

Notes to the consolidated financial statements

For the year ended 30 June 2024

5. Earnings per share

	Basic		Diluted	
	2024 Cents	2023 Cents	2024 Cents	2023 Cents
Continuing operations	**179.7**	216.2	**178.4**	214.6
Discontinued operations	**0.3**	1.2	**0.3**	1.2
Earnings per share	**180.0**	217.4	**178.7**	215.8

5.1 Earnings used in calculating earnings per share

	2024 $M	2023 $M
Continuing operations	**804.6**	1,003.3
Discontinued operations	**1.1**	5.9
Profit used in calculating basic earnings per share	**805.7**	1,009.2

5.2 Weighted average number of shares used as the denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares (basic)	**447,656,053**	464,166,573
Weighted average number of share rights	**3,285,020**	3,426,623
Weighted average number of ordinary and potential ordinary shares (diluted)	**450,941,073**	467,593,196

5.3 Calculation of earnings per share

Basic earnings / (loss) per share

Calculated as net profit / (loss) attributable to the owners of the Company divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings / (loss) per share

Calculated by dividing the net profit / (loss) attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued upon the conversion of all dilutive potential ordinary shares into ordinary shares. Dilution arises as a result of the employee reserved shares issued under the employee share plan being accounted for as in-substance options and unvested restricted shares.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Working capital

This section provides information about the Group's working capital and provisions, including the accounting policies and key accounting judgements and estimates relevant to understanding these areas.

6. Trade and other receivables

		2024		2023	
		Current	Non-current	Current	Non-current
	Note	$M	$M	$M	$M
Trade receivables		**1,524.9**	**-**	1,742.3	-
Loss allowance for trade receivables	6.1	**(40.8)**	**-**	(29.2)	-
Total trade receivables		**1,484.1**	**-**	1,713.1	-
Workers compensation receivables	10.2	**-**	**26.6**	-	28.2
Sale of receivables	6.3	**35.2**	**-**	64.5	-
Other receivables		**73.1**	**9.1**	76.4	9.6
Total other receivables		**108.3**	**35.7**	140.9	37.8
Total trade and other receivables		**1,592.4**	**35.7**	1,854.0	37.8

6.1 Loss allowance for trade and other receivables

	2024 $M	2023 $M
As at 1 July	**29.2**	26.6
Additional loss allowance recognised	**21.6**	10.6
Amounts used during the year	**(2.5)**	(2.1)
Unutilised loss allowance written back	**(6.7)**	(5.7)
Exchange differences	**(0.8)**	(0.2)
Total loss allowance for trade and other receivables	**40.8**	29.2

6.2 Past due but not impaired

	2024 $M	2023 $M
Within 30 days	**131.5**	94.2
31 - 60 days	**17.3**	13.8
61 - 90 days	**1.0**	1.4
Total	**149.8**	**109.4**

Nil non-current receivables are impaired or past due.

Notes to the consolidated financial statements

For the year ended 30 June 2024

6. Trade and other receivables (Continued)

6.3 Transferred financial assets that are derecognised

The Group has receivables securitisation programs totalling $345.1M (2023: $345.3M) that mature in September 2024 ($45.1M) and December 2025 ($300.0M). These programs involve the sale of relevant trade receivables across Australian Steel Products and North Star BlueScope Steel. The business services the programs and collects cash from its customers on behalf of the program provider for which a fee is received.

Relevant trade receivables under the receivables securitisation programs are required to be derecognised in their entirety, when the contractual rights to the cash flows from the trade receivables have expired or are transferred. The Group maintains a continuing involvement in the derecognised financial assets by virtue of reserving requirements under the programs. The maximum exposure to loss for the Group from its continuing involvement is $35.2M which is determined by the amount of reserves funded by BlueScope, less customer collections during the month. Interest income and service fees earned were $13.2M (2023: $12.7M). Total costs from selling the receivables and running the programs were $35.8M (2023: $30.7M), presented within other expenses in the consolidated statement of comprehensive income.

In the event bad or doubtful debts exceeding a specified limit, the Group is required to recognise the trade receivables on the balance sheet. Under these securitisation programs, the program provider is exposed to the first loss and to qualify for derecognition bad or doubtful debts must not exceed the first loss limit. Current experience and bad debt history is below this level. In the event this limit is exceeded, the Group would have to recognise the trade receivable on the balance sheet with the program recorded as borrowings.

The carrying amount of trade receivables derecognised as at 30 June 2024 is $347.2M (2023: $350.0M) which is reflected in a decrease in trade receivables of $126.4M (2023: $151.4M), and an increase in sundry payables of $256.0M (2023: $263.1M) offset by a $35.2M (2023: $64.5M) increase in sundry receivables which approximates fair value.

6.4 Recognition and measurement

Trade receivables not included in securitisation programs are held in a business model to collect contractual cash flows which are solely payments of principal and interest on the principal amounts outstanding. These trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 90 days.

Loss allowance for trade receivables and contract assets

The Group recognises a loss allowance for expected credit losses (ECLs) associated with trade receivables and contract assets using the simplified approach, based on lifetime expected credit losses. ECLs are based on the difference between the contractual cash flows due under a contract and the cash flows that the Group expects to receive. The Group calculates loss allowances using a provision matrix that is based on the Group's historically observed credit loss experience and risk of default, adjusted for current and any forward-looking factors specific to the debtors and the economic environment.

Customer credit risk is managed by each business in accordance with the procedures and controls set out in the Group’s credit risk management policy. Credit limits are established for all customers based on external and internal credit rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate.

The Group assesses the recoverability of receivables continuously and debts are written off when there is no reasonable expectation of recovery. Where there is objective evidence that amounts due may not be received, specific allowances are recognised. Indicators that amounts due may not be received include financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments.

The amount of the loss allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to current receivables are not discounted if the effect of discounting is immaterial.

Notes to the consolidated financial statements

For the year ended 30 June 2024

7. Inventories

	2024		2023	
	Current $M	Non-current $M	Current $M	Non-current $M
At lower of cost and net realisable value:				
Raw materials and stores	**994.4**	**-**	1,035.9	-
Work in progress	**859.2**	**-**	831.8	-
Finished goods	**969.9**	**-**	951.7	-
Spares and other	**362.7**	**87.2**	321.6	77.7
Total inventories	**3,186.2**	**87.2**	3,141.0	77.7

During the year, $37.4M (2023: $16.3M write-back) was recognised as an expense for inventories carried at net realisable value. The expense has been included in 'raw materials and consumables used' in the consolidated statement of comprehensive income.

7.1 Recognition and measurement

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials. Costs are assigned to inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Raw materials and stores

Raw materials comprise of acquired products that are further processed into saleable products during the production process. Stores comprise of inventories that will be utilised in the production process.

Work in progress

Work in progress comprise of inventories that are not in a finished state for sale but have had some value added to them or have had their physical properties altered by a manufacturing process.

Finished goods

Finished goods comprise of inventory that is held for sale and is the output from the production processes.

Spares and other

Spares consist of consumable and maintenance spare parts when they do not meet the definition of property, plant and equipment and other comprise of real estate inventories in North America. Any amount that is not expected to be utilised or sold within 12 months after the reporting date are classified as non-current.

8. Operating intangible assets

	2024		2023	
	Current $M	Non-current $M	Current $M	Non-current $M
Emission unit (EU) permits	**-**	**285.1**	68.5	209.2
Australian carbon credit units	**-**	**14.1**	-	-
Energy certificates	**-**	**3.7**	4.9	-
Total operating intangible assets	**-**	**302.9**	73.4	209.2

Notes to the consolidated financial statements

For the year ended 30 June 2024

8. Operating intangible assets (Continued)

8.1 Recognition and measurement

Emission unit (EU) permits

Emission unit (EU) permits are classified as operating intangible assets and are carried at cost. Intangible EU assets are not amortised as the economic benefits are realised from surrendering the rights to settle obligations arising from the emissions trading scheme. As at 30 June 2024, all emission unit permits are considered non-current.

9. Trade and other payables

		2024		2023	
		Current	Non-current	Current	Non-current
	Note	$M	$M	$M	$M
Trade payables		**1,542.0**	**-**	1,747.5	-
Sale of receivables	6.3	**256.0**	**-**	263.1	-
Other payables		**163.9**	**24.4**	166.2	31.0
Total trade and other payables		**1,961.9**	**24.4**	2,176.8	31.0

9.1 Recognition and measurement

Trade and other payables are all classified as financial liabilities held at amortised cost and represent liabilities for goods and services provided to the Group which are unpaid at the reporting date. The amounts are unsecured and are usually paid within 30 to 62 days of recognition.

The carrying value of trade and other payables is considered to approximate fair value due to the short-term nature of the payables.

10. Provisions

	2024		2023	
	Current	Non-current	Current	Non-current
	$M	$M	$M	$M
Annual leave	**135.5**	**-**	119.2	-
Long service leave	**126.9**	**16.2**	127.2	15.6
Redundancy	**1.3**	**0.3**	1.3	-
Other employee benefits	**265.3**	**19.1**	334.7	24.0
Restructure	**3.0**	**4.7**	3.2	4.9
Product claims	**29.9**	**30.8**	20.8	33.0
Workers compensation	**15.4**	**85.0**	17.5	80.3
Restoration and rehabilitation	**0.8**	**48.8**	1.0	41.9
Carbon emissions	**36.4**	**-**	28.5	-
Other	**22.8**	**3.5**	53.5	2.0
Total provisions	**637.3**	**208.4**	706.9	201.7

Notes to the consolidated financial statements

For the year ended 30 June 2024

10. Provisions (Continued)

10.1 Movements in provisions

Movement in significant provisions, other than employee benefits, are set out below.

30 June 2024 ($M)	Restructure	Product claims	Workers compensation	Restoration & rehabilitation	Carbon emissions	Other
Current and non-current						
Carrying amount at the start of the year	8.1	53.8	97.8	42.9	28.5	55.5
Additional provisions recognised	0.2	22.3	23.0	2.1	68.5	33.4
Unutilised provisions written back	-	(2.5)	(1.9)	-	-	(1.3)
Amounts used during the year	(0.8)	(12.7)	(18.7)	(0.9)	(59.8)	(61.3)
Exchange differences	-	(0.2)	-	(0.1)	(0.1)	-
Transfers	-	-	(1.6)	-	(0.7)	-
Asset additions	-	-	-	5.6	-	-
Unwinding of discount	0.2	-	1.8	-	-	-
Carrying amount at the end of the year	**7.7**	**60.7**	**100.4**	**49.6**	**36.4**	**26.3**

10.2 Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Annual leave and long service leave

The liability for annual leave and long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, including on-costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds other than New Zealand where Government bonds are used, with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Amounts not expected to be settled within 12 months for current leave provisions

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service. The Group does not have an unconditional right to defer settlement, so the entire annual leave amount and vested portion of long service leave are presented as current. However, based on past experience, the Group does not expect all employees to take the full amount of accrued annual leave and long service leave or require payment within the next 12 months. Current annual leave and long service leave obligation expected to be settled after 12 months is $117.1M (2023: $125.3M).

Redundancy or termination benefits

Liabilities for termination benefits, not in connection with a business combination or the closure of an operation, are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

The employee redundancy provision balance reflects a range of internal reorganisations. All redundancies are expected to take effect within 12 months of the reporting date.

Other employee benefits - short-term incentive plans

The Group recognises a liability and an expense for short-term incentive plan payments made to employees. The Group recognises a provision where past practice and current performance indicates that a probable constructive obligation exists. This is recorded in other employee benefits.

Notes to the consolidated financial statements

For the year ended 30 June 2024

10. Provisions (Continued)

Restructuring costs

Liabilities arising directly from undertaking a restructuring program, defined as the closure of an operating site, are recognised when a detailed plan of the restructuring activity has been developed and implementation of the restructuring program as planned has commenced, by either entering into contracts to undertake the restructuring activities or making a detailed announcement such that affected parties are in no doubt the restructuring program will proceed.

The provision primarily relates to Australian Steel Products segment to cover estimated future costs of site closures which are to be utilised over various terms up to a maximum period of 9 years.

Product claims

Provision for claims is based on modelled data combining sales volumes with past experiences of repair and replacement levels in conjunction with any specifically identified product faults.

Workers compensation

In Australia and North America, the Company is a registered self-insurer for workers compensation. Provisions are recognised based on calculations performed by an external actuary in relation to the expectation of future events. A contingent liability exists in relation to guarantees given to various state workers compensation authorities, due to self-insurance prerequisites (refer to note 26.1).

For the Group, an actuarially determined asset of $26.6M (2023: $28.2M) has been recognised for expected future reimbursements associated with workers compensation recoveries from third parties. This amount is included in non-current other receivables (refer to note 6) as there is no legal right offset against the workers compensation provision.

Restoration and rehabilitation

Restoration and rehabilitation provisions include $10.1M (2023: $4.6M) for New Zealand Steel in relation to its operation of its iron sands mine in Waikato North Head. The provision has been classified as non-current as the timing of payments to remedy the site will not be made until cessation of operation which is not expected in the near future.

The balance of the provision relates to leased sites that require rectification and restoration work at the end of their respective lease periods, primarily within the Australian Steel Products Segment for $30.3M (2023: $29.6M).

Recognising restoration, remediation and rehabilitation provisions requires assumptions to be made as to the application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

Carbon emissions

The Group is a participant in the New Zealand Government's uncapped Emissions Trading Scheme (ETS). A provision for carbon emissions is recognised, measured at the carrying amount of Emission Units (EUs) held.

ETS costs passed through from suppliers are included as part of the underlying cost of the good or service rendered. The liability is either included within trade creditors or recorded as an emissions liability within the carbon provision account when an agreement has been reached with the supplier to settle the ETS cost by transferring EUs.

When EUs are delivered to the government or a third party, the EU asset along with the corresponding carbon provision are derecognised from the consolidated statement of financial position.

Other - legal matters

ACCC civil cartel proceedings

In August 2019 the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against BlueScope and one of its former employees in the Federal Court alleging contraventions of the Australian competition law cartel provisions. On 9 December 2022, the Federal Court found against BlueScope and its former employee on nine allegations of its former employee attempting to induce certain suppliers of flat steel products in Australia to reach an understanding on pricing.

At the year end 30 June 2023, in the absence of a final determination of the matter, BlueScope recognised a provision for an estimate of penalty and legal costs of $45.0M. On 29 August 2023, a penalty of $57.5M was awarded against BlueScope and this existing provision was increased to reflect the full amount of the penalty. BlueScope has since made the payment as required.

On 22 September 2023, BlueScope filed a notice of appeal. If BlueScope is successful in its appeal, it may have the whole of the liability decision set aside (in which case the full penalty amount will be recoverable) or some of contraventions dismissed (in which case the size of the penalty may be reduced).

Notes to the consolidated financial statements

For the year ended 30 June 2024

10. Provisions (Continued)

10.3 Key accounting judgements and estimates

Recognition and calculation of provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

11. Retirement benefit obligations

11.1 Defined contribution plans

The Group makes superannuation contributions to defined contribution funds in respect of the entity’s employees located in Australia and other countries. These are fixed contributions recognised as an expense as they become payable, with the Group's legal obligation limited to these contributions. For the current year the amount recognised as an expense was to $141.8M (2023: $133.7M).

11.2 Defined benefit plans

Country	Fund type	Description
New Zealand	Pension Fund and Retirement Savings Plan (closed to new participants)	New Zealand employees are members of the New Zealand Steel Pension Fund.
USA	Pension Plan (closed to new participants)	Certain BlueScope Coated Products (BCP) employees are members of two pension plans (BCP Pension Fund).

Defined benefit funds provide defined lump sum benefits based on an employee's years of service and salary. Actuarial assessments of the defined benefit funds are made at no more than three-yearly intervals, with summary assessments performed annually. The last formal actuarial assessments for the New Zealand Steel Pension Fund and for the BCP Pension Fund were made as at 30 June 2024.

The average duration of New Zealand defined benefit plan obligation is 11.0 years (2023: 12.0 years). The net liability is not immediately payable. Any plan surplus will be realised through reduced future Group contributions.

	New Zealand Pension Fund		BCP Pension Fund		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Present value of the defined benefit obligation	**(240.7)**	(254.0)	**(15.1)**	(16.3)	**(255.8)**	(270.3)
Fair value of defined benefit plan assets	**234.4**	236.4	**17.5**	18.0	**251.9**	254.4
Net retirement benefit (obligation) / asset	**(6.3)**	(17.6)	**2.4**	1.7	**(3.9)**	(15.9)

Notes to the consolidated financial statements

For the year ended 30 June 2024

11. Retirement benefit obligations (Continued)

11.3 Reconciliation of defined benefit plans

	Plan assets		Defined benefit obligation	
	2024	2023	2024	2023
	$M	$M	$M	$M
Balance at the beginning of the year	**254.4**	256.0	**270.3**	297.8
Actuarial losses / (gains)	**5.9**	7.7	**(6.7)**	(23.6)
Change in asset ceiling	**(3.9)**	(4.7)	**-**	-
Current service cost	**-**	-	**2.2**	2.7
Interest income (net of tax paid)	**13.5**	8.6	**-**	-
Interest cost	**-**	-	**14.0**	9.6
Contributions by the Group	**3.4**	5.8	**-**	-
Tax on employer contributions	**(1.1)**	(1.9)	**-**	-
Contributions by plan participants	**0.6**	0.7	**-**	-
Benefits paid	**(23.4)**	(22.5)	**(23.4)**	(22.5)
Plan expenses	**(0.7)**	(0.6)	**-**	-
Foreign currency exchange rate changes	**3.2**	5.3	**(0.8)**	6.5
Other - contribution tax movement	**-**	-	**0.2**	(0.2)
Balance at the end of the year	**251.9**	254.4	**255.8**	270.3

11.4 Actuarial assumptions and sensitivity

The principal actuarial assumptions, which require estimation and judgement, used to calculate the net defined benefit balance were as follows (expressed as a weighted average). The sensitivity analysis has been determined based on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions for the year ended 30 June 2024.

			Impact on defined benefit obligation	
	Rate used	Change	Increase ($M)	Decrease ($M)
Discount rate	4.9%	+/-1%	(37.4)	40.9
Salary growth rate	2.0%	+/-1%	4.1	(4.0)

11.5 Categories of plan assets

	2024	2023
	$M	$M
Cash	**8.6**	4.7
Equity instruments	**114.7**	121.7
Debt instruments	**105.3**	104.5
Property	**23.3**	23.5
Total plan assets	**251.9**	254.4

Notes to the consolidated financial statements

For the year ended 30 June 2024

11. Retirement benefit obligations (Continued)

11.6 Amounts recognised in consolidated statement of comprehensive income

	2024 $M	2023 $M
(i) Amounts recognised in profit or loss		
Current service cost	**2.2**	2.7
Contributions by plan participants	**(0.6)**	(0.7)
Net interest	**0.6**	1.0
Plan expenses	**0.6**	0.6
Allowance for contributions tax	**1.3**	1.7
Total included in employee benefits expense	**4.1**	5.3
Actual return on plan assets	**18.7**	14.9
(ii) Amounts recognised in other comprehensive income		
Actuarial gains recognised in other comprehensive income - defined benefit plans	**12.6**	31.3
Actuarial gains (losses) recognised in other comprehensive income - retirement plans	**0.1**	(0.9)
Total actuarial gains recognised in other comprehensive income during the year	**12.7**	30.4
Cumulative actuarial (losses) recognised in other comprehensive income on active plans	**(66.1)**	(78.8)

11.7 Employer contributions

Employer contributions to the defined benefit section of the Group's plans are based on recommendations by the plan's actuaries. The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. Total employer contributions expected to be paid for the year ending 30 June 2025 are $6.0M.

11.8 Key accounting judgements and estimates

Determination of retirement benefit obligations

A liability or asset in respect of defined benefit plans is measured as the present value of the defined benefit obligation less the fair value of the fund's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the end of the reporting period, calculated half yearly by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields on government or corporate bonds where a deep market exists, with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, in other comprehensive income.

Past service costs are recognised in profit or loss, unless the changes to the superannuation plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period. Upon settlement the net defined benefit liability is remeasured using the current fair value of plan assets and current actuarial assumptions, including current market yields. A gain or loss on settlement, being the difference between the benefits of the plan prior to the settlement and the benefits of the plan post settlement, is recognised in profit or loss.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Invested capital

This section provides information about property, plant and equipment, non-current intangibles assets and the carrying amounts for these non-financial assets, including the accounting policies and key judgements and estimates relevant to understanding these areas.

12. Property, plant and equipment

		Year ended 30 June 2024			Year ended 30 June 2023		
	Note	Land & Buildings $M	Plant & equipment $M	Total $M	Land & Buildings $M	Plant & equipment $M	Total $M
Opening net book amount		**1,258.0**	**4,384.2**	**5,642.2**	926.9	4,383.4	5,310.3
Additions		**67.9**	**939.6**	**1,007.5**	32.8	695.2	728.0
Additions through business acquisitions		**-**	**-**	**-**	14.5	30.8	45.3
Depreciation charge		**(61.7)**	**(436.3)**	**(498.0)**	(58.7)	(415.0)	(473.7)
Disposals		**(1.4)**	**(9.6)**	**(11.0)**	(0.5)	(14.4)	(14.9)
Net impairment write-back / (charge)	14.4	**-**	**-**	**-**	(8.5)	(41.2)	(49.7)
Transfers between asset classes		**10.0**	**(10.0)**	**-**	330.3	(330.3)	-
Asset reclassifications to ROU		**(6.9)**	**-**	**(6.9)**	-	-	-
Transfers (to) / from computer software		**-**	**(8.2)**	**(8.2)**	-	(0.7)	(0.7)
Exchange differences		**(9.0)**	**(21.8)**	**(30.8)**	21.2	76.4	97.6
Closing net book amount		**1,256.9**	**4,837.9**	**6,094.8**	**1,258.0**	**4,384.2**	**5,642.2**
Cost		**2,289.7**	**14,220.7**	**16,510.4**	2,239.1	13,428.9	15,668.0
Accumulated depreciation and impairment		**(1,032.8)**	**(9,382.8)**	**(10,415.6)**	(981.1)	(9,044.7)	(10,025.8)
Net book amount		**1,256.9**	**4,837.9**	**6,094.8**	**1,258.0**	**4,384.2**	**5,642.2**
Assets under construction included above		**22.6**	**1,083.2**	**1,105.8**	**9.5**	**707.1**	**716.6**

Notes to the consolidated financial statements

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12. Property, plant and equipment (Continued)

Assets under construction include the capital work in progress associated with the No.6 blast furnace reline and upgrade for ASP and the electric arc furnace for New Zealand Steel Limited (NZS). The carrying amount of the capital expenditure associated with these assets has been reduced by $30M and $24M (NZ$26M) respectively as a result of government grants received during the period.

The Group accounts for government grants received for the construction of assets on the balance sheet as a reduction to the carrying amount of the asset. The grant is subsequently recognised in profit or loss over the life of the related assets as a reduction in depreciation expense.

A portion of the funding received from the NZ Government becomes repayable if the EAF is not commissioned before the end of 2027 or if New Zealand Steel fails to achieve an emissions reduction target during the 9 years following the date of commissioning, both of which are expected to be achieved.

12.1 Sale and disposal of property, plant and equipment

	2024 $M	2023 $M
Net (loss) on sale and disposal of property, plant and equipment	**(9.7)**	(9.4)

12.2 Capital commitments

Significant capital expenditure for property, plant and equipment contracted at the end of the reporting period but not recognised as liabilities is as follows:

	2024 $M	2023 $M
Payable:		
Within one year	**746.2**	386.9
Later than one year but not later than five years	**104.8**	152.1
Later than five years	**-**	3.1
Total capital commitments	**851.0**	542.1

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12. Property, plant and equipment (Continued)

12.3 Recognition and measurement

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are expensed to profit or loss during the reporting period in which they are incurred.

Depreciation
Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life or, in the case of leasehold improvements, the lease term. The useful lives of major categories of property, plant and equipment are as follows:

Category	Useful life
Land	Not depreciated
Buildings	30 - 40 years
Iron and steel making plant and machinery	20 - 40 years
Coating lines	20 - 30 years
Building components plant and equipment	12 - 18 years
Other plant and equipment	5 - 15 years

Derecognition
Property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits.

12.4 Key accounting judgements and estimates

Estimation of the useful lives of property, plant and equipment
The estimation of the useful lives of plant and machinery has been based on historical experience and judgement with respect to technical obsolescence, physical deterioration and usage capacity of the asset in addition to any legal restrictions on usage. An asset's condition is assessed at least once a year and considered against the remaining useful life.

Notes to the consolidated financial statements
For the year ended 30 June 2024

13. Intangible assets

		Year ended 30 June 2024						Year ended 30 June 2023					
		Goodwill	Patents, trademarks and other rights	Computer software	Customer relationships	Other intangible assets	Total	Goodwill	Patents, trademarks and other rights	Computer software	Customer relationships	Other intangible assets	Total
	Note	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Opening net book amount		1,899.0	4.4	123.4	445.8	41.3	2,513.9	1,800.0	4.4	132.1	461.1	32.0	2,429.6
Additions		-	-	13.0	-	-	13.0	-	-	10.9	-	-	10.9
Additions through business acquisitions	21	-	-	-	-	-	-	22.4	-	-	15.6	18.6	56.6
Amortisation expense		-	-	(21.0)	(50.0)	(11.3)	(82.3)	-	(0.2)	(22.1)	(48.4)	(10.1)	(80.8)
Reclassifications from PP&E		-	-	8.2	-	-	8.2	-	-	0.7	-	-	0.7
Exchange differences		(9.4)	-	(0.6)	(1.5)	-	(11.5)	76.6	0.2	1.8	17.5	0.8	96.9
Closing net book amount		**1,889.6**	**4.4**	**123.0**	**394.3**	**30.0**	**2,441.3**	**1,899.0**	**4.4**	**123.4**	**445.8**	**41.3**	**2,513.9**
Cost		2,411.4	23.7	487.5	779.6	70.4	3,772.6	2,421.3	23.8	471.4	783.4	70.7	3,770.6
Accumulated amortisation and impairment		(521.8)	(19.3)	(364.5)	(385.3)	(40.4)	(1,331.3)	(522.3)	(19.4)	(348.0)	(337.6)	(29.4)	(1,256.7)
Net book amount		**1,889.6**	**4.4**	**123.0**	**394.3**	**30.0**	**2,441.3**	**1,899.0**	**4.4**	**123.4**	**445.8**	**41.3**	**2,513.9**

Notes to the consolidated financial statements

For the year ended 30 June 2024

13. Intangible assets (Continued)

13.1 Recognition and measurement

Goodwill

Goodwill represents the excess of the fair value of the consideration paid in a business combination over the fair market value of the net assets acquired. Goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Customisation and configuration costs for cloud computing arrangements are capitalised when the Company has control of a separate identifiable asset. All software data migration and training costs are expensed.

Intangible assets are subsequently measured at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight line basis over their useful life. The amortisation period and method are reviewed at each reporting date.

A summary of the useful lives of intangible assets is as follows:

Category	Useful life
Patents, trademarks and other rights	Indefinite and finite (7 - 15 years)
Computer software	Finite (3 - 10 years)
Customer relationships	Finite (10 - 20 years)

Research and development

Research expenditure is recognised as an expense as incurred. For the year ended 30 June 2024, $31.0M (2023: $29.0M) was recognised for research and development expenditure within other expenses in the consolidated statement of comprehensive income. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

14. Carrying value of non-financial assets

14.1 Impairment assessment

The Group tests property, plant and equipment (note 12), right-of-use assets (note 17) and intangible assets with definite useful lives (note 13) when there is an indicator of impairment. In testing for impairment, the recoverable amount is estimated for an individual asset or, if it is not possible to estimate the recoverable amount for the individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Goodwill and other intangible assets with indefinite useful life are tested at least annually for any impairment. For the purpose of impairment testing, goodwill is allocated to CGUs or groups of CGUs according to the level at which management monitors goodwill.

For assets, excluding goodwill and intangible assets with an indefinite useful life or not yet available for use, an assessment is made at each reporting period to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

Notes to the consolidated financial statements

For the year ended 30 June 2024

14. Carrying value of non-financial assets (Continued)

14.2 Allocation of goodwill and intangible assets with indefinite useful lives to cash generating units

Goodwill is allocated to the Group's CGUs for impairment testing purposes as follows:

Cash generating units	Reportable segments	2024 $M	2023 $M
Building Products North America	Buildings and Coated Products North America	**4.2**	4.2
Buildings North America	Buildings and Coated Products North America	**329.2**	330.8
BlueScope Coated Products	Buildings and Coated Products North America	**353.7**	355.5
North Star BlueScope Steel	North Star BlueScope Steel	**1,199.2**	1,205.2
Buildings China	Coated Products Asia	**3.3**	3.3
Total goodwill		**1,889.6**	1,899.0

The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. In addition to goodwill, the Group has other intangible assets with indefinite useful lives of $4.4M (2023: $4.4M) allocated to the Buildings North America CGU which primarily relates to the Varco Pruden trade names acquired in February 2008. All of the above CGUs were tested for impairment at the reporting date.

14.3 Key accounting judgements and estimates

Impairment of non-financial assets - carrying value assessment

The recoverable amount of each CGU is determined on the basis of value-in-use (VIU), unless there is evidence to support a higher fair value less costs of disposal. BlueScope operates in markets which are impacted by economic cycles and short-term volatility. The price, cost and demand for BlueScope's products are uncertain and the Company considers a range of recognised external forecasters when assessing possible future market conditions.

The key assumptions the Group has used in its VIU calculation when determining the recoverable amount of each CGU were:

Key assumptions	Basis of estimation
Future cash flows	• VIU calculations use post-tax cash flows, inclusive of working capital movements which are based on financial projections approved by the Group covering a three-year forecast period, being the basis of the Group's forecasting and planning processes, or up to five years where circumstances pertaining to a specific CGU support a longer period. • Cash flows beyond the forecast period are extrapolated to provide a maximum of 30 years of cash flows with adjustments where necessary to reflect changes in long-term operating conditions. No terminal value is calculated.

Notes to the consolidated financial statements
For the year ended 30 June 2024

14. Carrying value of non-financial assets (Continued)

Key assumptions	Basis of estimation
Growth rate	• The growth rate used to extrapolate the cash flows for each CGU beyond the forecast period does not exceed 2.5% (2023: 2.5%). • The growth rate represents a steady indexation rate which does not exceed the Group's expectations of the long-term average growth rate for the business in which each CGU operates.
Discount rate	• The discount rate applied to the cash flows has been assessed to reflect the time value of money and the perceived risk profile of the industry in which each CGU operates. • The base post-tax discount rates range from 9.0% to 9.5% (2023: 8.8% to 9.1%). • Given the differing characteristics, currencies, and geographical locations of the Group's CGUs, where appropriate the base discount rate is adjusted by a country risk premium (CRP) to reflect country specific risks. Such adjustments do not reflect risks for which cash flow forecasts have already been adjusted. The CRP is derived from a range of externally sourced foreign country risk ratings.
Raw material costs	• Based on commodity price forecasts derived from a range of external commodity forecasters.
Selling prices	• Based on management forecasts, taking into account commodity steel price forecasts derived from a range of external commodity forecasters.
Sales volumes	• Based on management forecasts, taking into account external forecasts of underlying economic activity for the market sectors and geographies in which each CGU operates.
Foreign exchange rates	• Key foreign exchange rates, most prominently AUD:USD and NZD:USD, are based on forecasts derived from a range of external banks.
Climate related risks	• BlueScope considers climate change and other sustainability risks when determining the carrying value of each CGU. • The Group has climate change action plans, greenhouse gas (GHG) emission intensity reduction targets for its steelmaking and midstream sites for scope 1 & 2 emissions, as well as environmental management, water stewardship and other sustainability initiatives. The Company reports these in its annual Sustainability Report, together with a Climate Action Report that was last completed in 2021 and is in the process of being updated for 2024. The Sustainability and Climate Action reports will be published in September 2024. Prior reports are available on the Company's website. • Forecast operating and capital expenditure associated with these initiatives is, to the extent necessary, taken into account when determining the recoverable value of each CGU. • BlueScope's updated climate scenario analysis and physical risk assessments conducted in FY2024 (of which summaries will be included in the forthcoming Climate Action Report), have not resulted in any material change to these operating and capital expenditure forecasts. • Regarding climate change, and specifically GHG emission reductions, the cash flows: – include estimates of the operating and capital expenditure required to achieve the Group's 2030 GHG emission intensity reduction targets. – include consideration of the revisions to the Safeguard Mechanism (SGM) which is effective from 1 July 2023. Further information on SGM estimates and assumptions is below. – do not include the operating and capital expenditure that may be required to achieve the Group's 2050 net zero emissions goal as it is uncertain, and is highly dependent on several enablers, including: the development and diffusion of ironmaking technologies to viable, commercial scale; access to affordable, firmed large-scale renewable energy; availability of competitively priced green hydrogen, with natural gas enabling the transition; access to appropriate quality and sufficient quantities of economic raw materials; and supportive and consistent policies across all these enablers to underpin decarbonisation investment and avoid carbon leakage. • Where applicable, a cost of carbon net of assistance, in jurisdictions where legislation has been enacted, in particular in New Zealand, is taken into account based on a continuation of legislation as it is currently enacted.

Notes to the consolidated financial statements

For the year ended 30 June 2024

14. Carrying value of non-financial assets (Continued)

Key assumptions	Basis of estimation
Safeguard mechanism (ASP CGU)	• For the ASP CGU, both the Port Kembla Steelworks (PKSW) and the Western Port Works are captured by the SGM, with PKSW at greater risk of impact given its Scope 1 emissions profile. • A cost to comply with the SGM has been forecast for PKSW based on the guidance of the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Amendment (Reforms) Rules 2023.* The cost refers to the cost to acquire Australian Carbon Credit Units (ACCUs) to offset any emissions above the relevant Scope 1 emission intensity baseline. • The key assumptions used include the PKSW and industry production Scope 1 emission intensity factors, production planning volumes, forecast ACCU prices based on external analyst forecasts, and consideration of PKSW as a trade exposed baseline adjusted facility and eligibility for differential concessional decline rates. • The forecast does not include any amendments to pricing or other mitigating strategies to recover any incremental costs from the SGM.

14.4 Recognised impairment expense / (write-back)

	2024	2023	Discount rates in %[1]	
	$M	$M	2024	2023
Buildings Products Malaysia CGU impairment	-	50.0	-	13.6
Buildings Products Malaysia - other	-	0.3	-	-
Building Products Thailand net impairment write-back	-	(0.6)	-	-
Net impairment expense / (write-back) of non-current assets	-	49.7		

1. The discount rate used is pre-tax.

In the prior period Building Products Malaysia recognised an impairment of property, plant and equipment of $50.0M as a result of sustained weaker than expected volumes and lower margins in the project and retail segments.

14.5 Cash generating units with significant goodwill

The results of impairment testing for CGUs with significant goodwill, and consideration of changes in key assumptions, are as follows:

Buildings North America CGU

Buildings North America is tested for impairment on a VIU basis using three-year cash flow projections, followed by a long-term growth rate of 2.5% for a further 27 years. Post-tax VIU cash flows are discounted utilising a 9.0% post-tax discount rate (2023: 8.8%).

At 30 June 2024 the recoverable amount of this CGU is 2.3 times (2023: 1.5 times) the carrying amount of $610M (2023: $544M), including non-current assets and net working capital. This CGU is most sensitive to assumptions in relation to North American non-residential building and construction activity. Taking into account external forecasts the Group expects non-residential building and construction activity to decline until the end of FY2025. However, non-residential building and construction activity in North America is uncertain. To illustrate the sensitivity of these assumptions, if they were to differ such that the expected cash flow forecasts for Buildings North America were to decrease by approximately 57%(2023: 31%) across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

BlueScope Coated Products CGU

BlueScope Coated Products is tested for impairment on a VIU basis using five-year cash flow projections, followed by a long-term growth rate of 2.5% for a further 25 years. Post-tax VIU cash flows are discounted utilising post-tax discount rate of 9.0% (2023: 8.8%).

Notes to the consolidated financial statements

For the year ended 30 June 2024

14. Carrying value of non-financial assets (Continued)

At 30 June 2024 the recoverable amount of the CGU is 1.1 times (2023: 1.4 times) the carrying amount of $752M (2023: $753M), including non-current assets and net working capital. This CGU is also most sensitive to assumptions in relation to North American non-residential building and construction activity, as noted above for the Buildings North America CGU. To illustrate the sensitivity of these assumptions, if they were to differ, such that the expected cash flow forecasts for BlueScope Coated Products were to decrease by approximately 10% (2023: 30%) across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

North Star BlueScope Steel CGU

North Star BlueScope is tested for impairment on a VIU basis using three-year cash flow projections, followed by a long-term growth rate of 2.5% for a further 27 years. Post-tax VIU cash flows are discounted utilising post-tax discount rate of 9.5% (2023: 9.1%).

At 30 June 2024 the recoverable amount of the CGU is 1.2 times (2023: 2.1 times) the carrying amount of $3,682M (2023: $3,562M), including non-current assets and net working capital. This CGU is most sensitive to assumptions in relation to the spread between North American hot rolled coil and purchased scrap steel prices. Recognised external forecasters expect spreads to increase from the current level through FY2025. To illustrate the sensitivity of these assumptions, if they were to differ, such that the expected cash flow forecasts for North Star BlueScope Steel were to decrease by approximately 18% (2023: 52%) across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

14.6 Sensitivity of carrying amounts

The carrying value of property, plant and equipment of the Group is sensitive to the cash forecasts of the Australian Steel Products and New Zealand and Pacific Islands CGUs, as they are exposed to global steel macroeconomic factors. For Australian Steel Products, its recoverable value is also sensitive to the outcomes of the SGM. The recoverable amount of these CGUs is determined taking into account the key assumptions set out above.

Australian Steel Products (ASP) CGU

For ASP, recognised external forecasters estimate the Australian dollar relative to the US dollar to strengthen in the long-term relative to the year ended 30 June 2024 and estimate Asian commodity steel prices to be similar, with a decrease in iron ore and coking coal average costs relative to the year ended 30 June 2024. The Group believes that the long-term assumptions adopted are appropriate.

ASP is exposed to variable macroeconomic factors and domestic demand, and to illustrate the sensitivity of these assumptions, if they were to differ such that the expected cash flow forecasts were to decrease by approximately 10% (2023: 19%) across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

The SGM presents potential risk to the carrying value of ASP to the extent it results in incremental costs being borne in the form of acquiring ACCUs to offset emissions above the relevant Scope 1 emission intensity baseline. The potential additional cost to comply with the SGM is dependent on a range of factors including future emissions intensity, production volume, ACCU prices and the Scope 1 baseline reductions rates applied under the SGM, including consideration of PKSW as a trade exposed baseline adjusted facility. Although assumptions and estimates have been made about these factors, the final outcome may be different. To express the sensitivity of the ASP recoverable value to the cost of complying with the SGM, an increase in the cost to comply with the SGM by 20% in each year of the 30-year cash flow forecast for impairment testing, without any mitigating strategies, would reduce the recoverable amount of ASP by $46M.

New Zealand and Pacific Islands (NZPI) CGU

For NZPI, recognised external forecasters estimate the New Zealand dollar relative to the US dollar to strengthen in the long-term relative to the year ended 30 June 2024 and estimate global commodity steel prices to be similar relative to the year ended 30 June 2024 in the longer term. The Group believes that the long-term assumptions adopted are appropriate.

NZPI recognised partial impairment of its non-financial assets in FY2016 and FY2020 and as at 30 June 2024 has approximately $155M (2023: $160M) available to be reversed. NZPI is exposed to variable global macroeconomic factors such as commodity steel prices and exchange rates, together with regional New Zealand factors such as domestic demand and energy costs, which impact its cash flows. After taking into account the variable historical earnings performance of the CGU through the economic cycle and the range of possible long-term forecast scenarios, the Company has determined that the recoverable value is consistent with the carrying value.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Capital structure and financing activities

This section provides information about the Group's cash, borrowings, contributed equity, reserves and dividends, including the accounting policies and key accounting judgements and estimates relevant to understanding these areas.

15. Cash and cash equivalents

	2024 $M	2023 $M
Cash at bank and on hand	**1,085.5**	1,487.3
Deposits at call	**-**	2.5
Total cash and cash equivalents	**1,085.5**	1,489.8
Bank overdrafts	**(2.2)**	(1.1)
Balance per statement of cash flows	**1,083.3**	1,488.7

15.1 Reconciliation of profit after income tax to net cash inflow from operating activities

	Note	2024 $M	2023 $M
Profit for the year		**948.2**	1,098.5
Depreciation and amortisation expense	3.1	**692.9**	658.3
Net impairment expense / (write-back) of non-current assets	14.4	**-**	49.7
Foreign exchange reserve and other reserves transferred to P&L	19.1	**11.2**	-
Non-cash employee benefits expense - share-based payments	28.4	**21.4**	23.4
Net loss / (gain) on disposal of non-current assets	12.1, 17.3	**8.6**	9.3
Share of net profits of associates and joint ventures	24, 25	**(7.1)**	(21.3)
Associate and joint venture dividends received	24, 25	**19.9**	19.4
Change in operating assets and liabilities:			
Decrease / (increase) in trade receivables		**167.1**	301.8
Decrease / (increase) in other receivables		**36.7**	20.3
Decrease / (increase) in other operating assets		**(5.7)**	39.4
Decrease / (increase) in inventories		**(69.0)**	593.6
Increase / (decrease) in trade payables		**(236.0)**	(347.5)
Increase / (decrease) in other payables		**(15.4)**	(21.4)
Increase / (decrease) in borrowing costs payable		**2.2**	(2.0)
Increase / (decrease) in income taxes payable		**(64.1)**	(80.4)
Increase / (decrease) in deferred tax balances		**35.3**	1.0
Increase / (decrease) in other provisions and liabilities		**(134.4)**	(164.8)
Movement in treasury shares	18.2	**16.7**	(7.8)
Cash settlement of vested equity awards		**(27.4)**	(27.2)
Other variations		**8.9**	8.6
Net cash inflow from operating activities		**1,410.0**	2,150.9

15.2 Recognition and measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Notes to the consolidated financial statements

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16. Borrowings

	2024		2023	
	Current $M	Non-current $M	Current $M	Non-current $M
Secured				
Other loans	**18.9**	**-**	11.3	-
Total secured borrowings	**18.9**	**-**	11.3	-
Unsecured				
Bank loans	**76.4**	**90.6**	55.8	181.7
Bank overdrafts	**2.2**	**-**	1.1	-
Deferred borrowing costs	**(2.7)**	**(0.2)**	(4.8)	(0.3)
Total unsecured borrowings	**75.9**	**90.4**	52.1	181.4
Total borrowings	**94.8**	**90.4**	63.4	181.4

16.1 Reconciliation of borrowings arising from financing activities

	2024 $M	2023 $M
Balance at the beginning of the year	**243.7**	769.6
Cash flows	**(58.5)**	(527.7)
Non-cash changes:		
Borrowing costs capitalised	**2.1**	(0.6)
Exchange differences	**(4.3)**	2.4
Balance at the end of the year (excluding bank overdrafts)	**183.0**	243.7

16.2 Financing arrangements

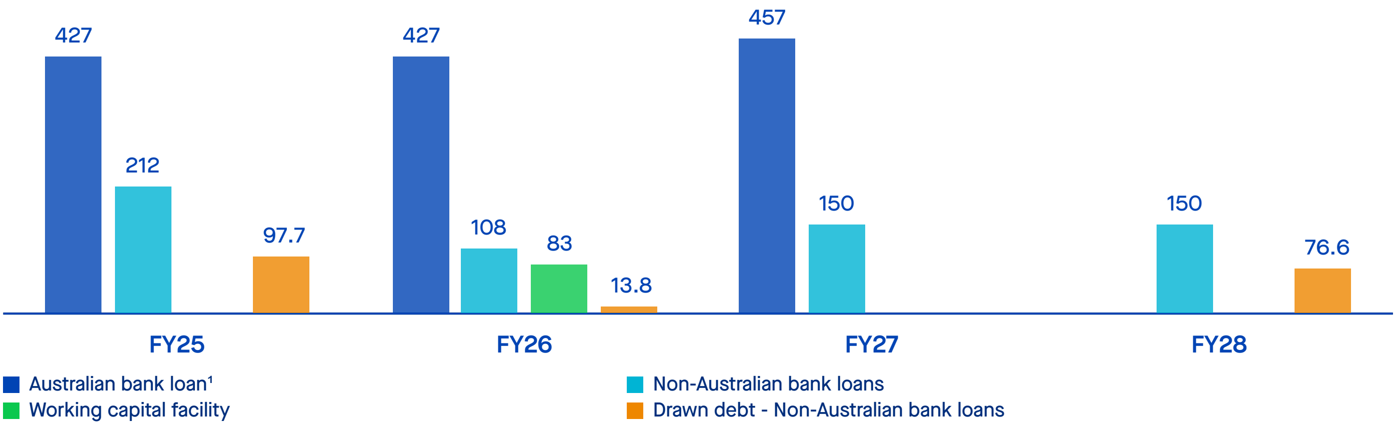
Financing facilities available	Description
Australian bank loan	• Series of bilateral revolving facilities, totalling $1,310M. At 30 June 2024 the maturities are split across July 2025, July 2026 and July 2027. The facility is currently undrawn. • In July 2024, subsequent to the year end, the revolving bilateral facilities were extended by 2 years and increased to $1,500M. The new maturities are split across July 2027, July 2028 and July 2029.
Non-Australian bank loans	• Six facilities totalling THB 2,500M ($102M), maturing December 2024 to March 2026, available for NS BlueScope Steel (Thailand) Ltd cash requirements. • Four facilities totalling MYR 266M ($85M), maturing October 2024 to June 2025, to support working capital and other short-term cash requirements for NS BlueScope Steel (Malaysia) Sdn Bhd. • Two revolving facilities totalling $57M, maturing March 2025 and June 2025, available for NS BlueScope Steel (Indonesia) cash requirements. • Two US$100M revolving facilities maturing October 2026 and October 2027 for NS BlueScope Coated Products joint venture. • One US$50M term facility maturing August 2025 for NS BlueScope Coated Products joint venture.
Working capital facility[1]	• An inventory financing facility for BlueScope Steel (AIS) operates as a sale and repurchase facility whereby the inventory is sold upon shipment and repurchased by the company at the point of consumption. The facility limit is US$55M (inclusive of GST) and matures in September 2025.

1. Excludes the off-balance sheet receivables securitisation programs, refer to note 6.3.

Notes to the consolidated financial statements
For the year ended 30 June 2024

16. Borrowings (Continued)

Maturity profile of committed facilities and drawn debt - June 2024



1. In July 2024, the bilateral facilities were extended by 2 years and increased to $1,500M. Maturities are split across July 2027, July 2028 and July 2029.

16.3 Bank overdrafts

Bank overdraft facilities are arranged with a number of banks with the general terms and conditions agreed to on a periodic basis.

16.4 Lines of credit

Unrestricted access was available at reporting date to the following lines of credit:

	2024 Total facilities $M	2024 Unused $M	2023 Total facilities $M	2023 Unused $M
Bank overdrafts	**46.2**	**44.0**	46.5	45.4
Bank loan facilities	**2,023.7**	**1,856.7**	2,064.7	1,827.4
Total facilities	**2,069.9**	**1,900.7**	2,111.2	1,872.8

16.5 Contractual maturity analysis

The table below reflects all contractual repayments of principal and interest resulting from recognised financial liabilities. The amounts disclosed represent undiscounted, contractual cash flows for the respective obligations in respect of upcoming fiscal years and therefore do not equate to the values shown in the consolidated statement of financial position.

30 June 2024	Note	< 1 year $M	1 - 2 years $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	> 5 years $M	Total $M
Payables	9	**1,961.9**	**6.0**	**6.0**	**6.0**	**6.0**	**0.4**	**1,986.3**
Derivative financial instruments	32.4	**18.9**	**-**	**-**	**-**	**-**	**11.6**	**30.5**
Borrowings								
-Principal		**97.7**	**9.3**	**4.5**	**76.7**	**-**	**-**	**188.2**
-Interest		**8.4**	**5.4**	**5.1**	**2.5**	**-**	**-**	**21.4**
Total contractual repayments		**106.1**	**14.7**	**9.6**	**79.2**	**-**	**-**	**209.6**

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16. Borrowings (Continued)

30 June 2023	Note	< 1 year $M	1 - 2 years $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	> 5 years $M	Total $M
Payables	9	2,176.8	6.0	6.0	6.0	6.0	7.0	2,207.8
Derivative financial instruments	32.4	10.0	0.7	0.8	-	-	20.8	32.3
Borrowings								
-Principal		68.2	172.9	8.8	-	-	-	249.9
-Interest		9.1	5.4	0.2	-	-	-	14.7
Total contractual repayments		**77.3**	**178.3**	**9.0**	**-**	**-**	**-**	**264.6**

16.6 Borrowing costs

	2024 $M	2023 $M
Interest and finance expenses paid/payable	**14.5**	26.2
Ancillary finance expenses	**16.6**	15.4
Provisions: unwinding of discount	**2.0**	1.1
Borrowing costs expensed	**33.1**	42.7

Interest and finance expenses
Includes interest on short-term and long-term borrowings and interest on bank overdrafts.

Ancillary finance expenses
Includes commitment fees on undrawn facilities and amortisation of deferred borrowing costs over the term of loan.

Present value unwinding
Includes the unwinding of present value discounting of non-current provisions on restoration and rehabilitation, workers compensation and product claims.

16.7 Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are consequently recognised in profit or loss over the term.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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17. Leases

17.1 Right-of-use assets

	Year ended 30 June 2024			Year ended 30 June 2023		
	Land & Buildings $M	Plant & equipment $M	Total $M	Land & Buildings $M	Plant & equipment $M	Total $M
Opening net book amount	**250.8**	**136.1**	**386.9**	226.5	147.9	374.4
Additions	**49.2**	**64.5**	**113.7**	83.6	30.5	114.1
Depreciation charge	**(67.0)**	**(45.6)**	**(112.6)**	(59.8)	(44.0)	(103.8)
Lease terminations	**(0.1)**	**(0.2)**	**(0.3)**	(1.1)	(0.1)	(1.2)
Asset reclassifications from PP&E	**6.9**	**-**	**6.9**	-	-	-
Exchange differences	**(0.7)**	**(0.5)**	**(1.2)**	1.6	1.8	3.4
Closing net book amount	**239.0**	**154.3**	**393.3**	**250.8**	**136.1**	**386.9**
Cost	**669.7**	**485.5**	**1,155.2**	651.5	477.2	1,128.7
Accumulated depreciation and impairment	**(430.7)**	**(331.2)**	**(761.9)**	(400.7)	(341.1)	(741.8)
Net book amount	**239.0**	**154.3**	**393.3**	**250.8**	**136.1**	**386.9**

Notes to the consolidated financial statements

For the year ended 30 June 2024

17. Leases (Continued)

17.2 Lease liabilities

Reconciliation of lease liabilities arising from financing activities

	2024 $M	2023 $M
Balance at the beginning of the year	**541.7**	538.4
Cash flows	**(116.3)**	(111.9)
Non-cash changes:		
Additions	**113.7**	111.0
Lease terminations	**(1.5)**	(1.3)
Foreign exchange differences	**(1.3)**	5.5
Balance at the end of the year	**536.3**	541.7
Split by:		
Current	**96.0**	108.9
Non-current	**440.3**	432.8
Total lease liability	**536.3**	541.7

Contractual maturity analysis

30 June 2024	< 1 year $M	1 - 2 years $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	> 5 years $M	Total $M
Lease rentals							
Lease liability	**96.0**	**75.6**	**56.4**	**42.6**	**40.6**	**225.1**	**536.3**
Interest	**30.8**	**26.0**	**22.1**	**19.1**	**16.3**	**94.6**	**208.9**
Total lease rentals	**126.8**	**101.6**	**78.5**	**61.7**	**56.9**	**319.7**	**745.2**

30 June 2023	< 1 year $M	1 - 2 years $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	> 5 years $M	Total $M
Lease rentals							
Lease liability	108.9	78.0	58.6	42.2	31.0	223.0	541.7
Interest	27.4	22.3	18.9	16.1	14.0	63.8	162.5
Total lease rentals	**136.3**	**100.3**	**77.5**	**58.3**	**45.0**	**286.8**	**704.2**

Notes to the consolidated financial statements

For the year ended 30 June 2024

17. Leases (Continued)

17.3 Amounts recognised in profit or loss

	2024 $M	2023 $M
Depreciation expense on right-of-use assets	112.6	103.8
Net (gain) on lease terminations	(1.1)	(0.1)
Interest on lease liabilities (included in finance costs)	31.3	29.7
Variable lease rental expense	39.8	38.9
Short term lease rental expense	2.7	3.6
Low value lease rental expense	8.9	8.4
Total net expenses	**194.2**	184.3

17.4 Recognition and measurement

Group as a lessee

The Group, as a lessee, is required to recognise right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

A contract that conveys rights to use an asset is regarded as a lease to the extent of such rights, notwithstanding that the contract may deal to a greater or lesser extent with other matters. Service contracts may be, in substance, wholly or partly leases.

In determining whether all or part of a contract should be recognised as a lease it may be necessary to identify the components of the contract. The component of the contract that represents service costs are not included as part of the lease rentals.

Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Cost comprises of the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs; and
- Restoration costs.

The right-of-use asset is depreciated on a straight line basis over the term of the lease or over the life of the asset if ownership of the underlying asset is to be transferred at the end of the lease term. The right-of-use assets are subject to impairment and are assessed at either individual asset level, if it generates cash flows which are largely independent from other assets, or at a cash generating unit level.

Notes to the consolidated financial statements

For the year ended 30 June 2024

17. Leases (Continued)

Lease liabilities

The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any incentives receivable,
- Variable lease payments that are based on an index or a rate as at the commencement date; and
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.

Variable lease payments that vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time (e.g. rentals based on usage) are excluded from lease payments recognised on balance sheet and are recognised in profit or loss as incurred. Variable leases for the Group primarily relate to leases embedded within service agreements relating to transport and steel mill services.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by interest on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, changes in the assessment of whether a purchase option, extension option or lease termination is reasonably certain to be exercised or when there is a lease modification.

Short-term and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases, being a period of 12 months or less from the commencement date, and one which does not contain a purchase option. It also applies the lease of low-value assets recognition exemption, being a distinct asset worth less than $10,000 when brand new. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

17.5 Key accounting judgements and estimates

Determining lease contract terms and lease components

The Group has applied judgement when determining the relative standalone prices of the lease and non-lease components contained within service agreements. The lease asset rentals have been determined using estimated asset depreciation uplifted for specific contract margins. Judgement has also been applied when determining the lease terms for lease contracts containing extension options. Lease terms have been assessed based on whether the Group is reasonably certain to exercise such options. This assessment impacts the value of the lease liability and right-of-use asset recognised. Lease extension options are at the Group's discretion of being exercised and are primarily associated with property leases within the ASP building product businesses. The use of extension options provides the Group flexibility when determining the future use of leasehold properties that meets ever changing business requirements.

Gross lease extension options, for which the Group is not reasonably certain of exercise and has been excluded from the lease liability, total $565.8M (2023: $626.2M). Of this amount, $415.5M (2023: $339.6M) relates primarily to property lease extension options beyond 2030.

Notes to the consolidated financial statements

For the year ended 30 June 2024

18. Contributed equity

18.1 Share capital and treasury shares

Parent Entity	2024 Shares	2023 Shares	2024 $M	2023 $M
Issued fully paid ordinary shares	**440,074,849**	455,566,042	**2,389.6**	2,710.5
Treasury shares	**(985,401)**	(2,157,971)	**(20.8)**	(37.5)
Total contributed equity	**439,089,448**	453,408,071	**2,368.8**	2,673.0

18.2 Contributed equity movements

	2024 Shares	2023 Shares	2024 $M	2023 $M
Issue of ordinary shares during the year				
Opening balance	**455,566,042**	470,602,388	**2,710.5**	2,987.7
Share buybacks	**(15,491,193)**	(15,036,346)	**(323.3)**	(272.3)
Share rights settled	**-**	-	**0.7**	(6.7)
Share rights - excess tax deduction	**-**	-	**1.7**	1.8
Ordinary share capital	**440,074,849**	455,566,042	**2,389.6**	2,710.5
Movement in treasury shares				
Opening balance	**(2,157,971)**	(1,517,531)	**(37.5)**	(29.7)
Shares purchased on market	**(560,000)**	(2,050,000)	**(12.5)**	(35.4)
Share rights settled	**1,732,570**	1,409,560	**29.2**	27.6
Treasury shares	**(985,401)**	(2,157,971)	**(20.8)**	(37.5)
Total contributed equity	**439,089,448**	453,408,071	**2,368.8**	2,673.0

Share buy-backs

As at 30 June 2024, a total of 15,491,193 shares had been bought back at an average cost of $20.87 (including $0.3M brokerage costs) as part of the FY2024 share buy-back program.

The Board has approved an extension of the share buy-back program to allow the remaining amount of up to $270M to be bought over the next 12 months. The timing and value of stock purchased will be dependent on the prevailing market conditions, share price and other factors.

Share rights - settled and excess tax deduction

The share rights settled and excess tax deduction recognised in share capital represents shares acquired on-market in excess of the accounting expense of the settled equity schemes and estimated tax deduction in excess of accounting expense recognised for share right awards issued to employees.

Treasury Shares

Treasury shares are shares purchased in BlueScope Steel Limited that are held by the BlueScope Employee Share Trust for the purpose of issuing shares under employee share right awards. In September 2023 and February 2024, 300,000 and 260,000 shares were purchased on market at an average cost of $21.47 and $23.19 which are available to be utilised for future settlement of equity share award schemes.

18.3 Capital risk management

Management monitors its capital structure through various key financial metrics with an emphasis on net debt. The Group's net debt is managed through the economic price cycle to ensure access to finance at reasonable cost regardless of the point in the cycle. On occasions, the Group will take advantage of certain investment opportunities where an increased level of net debt will be tolerated,

Notes to the consolidated financial statements
For the year ended 30 June 2024

18. Contributed equity (Continued)

provided there is sufficient future cash flow strength and flexibility to be confident of credit strengthening rather than uncertainty and risk of credit weakening.

In managing equity, all methods of returning funds to shareholders outside of dividend payments or raising funds are considered within the context of its balance sheet objectives. In managing debt, the Group seeks a diversified range of funding sources and maturity profiles. Sufficient flexibility is maintained within committed facilities in order to provide the business with the desired liquidity support for operations and to pursue its strategic objectives.

	Note	2024 $M	2023 $M
Total borrowings	16	**185.2**	244.8
Lease liabilities	17.2	**536.3**	541.7
Less: Cash and cash equivalents	15	**(1,085.5)**	(1,489.8)
Net (cash) debt		**(364.0)**	(703.3)
Total equity		**11,285.5**	11,030.7
Total capital		**10,921.5**	10,327.4
Gearing ratio		**0.0%**	0.0%

18.4 Recognition and measurement

Ordinary shares
Ordinary shares are classified as equity and have no par value. Ordinary shares carry one vote per share, the right to participate in dividends and entitle the holder to the proceeds on winding up of the Group in proportion to the number of shares held.

The consideration paid for share buy-backs are deducted from equity, including directly attributable incremental costs (net of income taxes). No gain or loss is recognised in profit or loss.

19. Reserves

	2024 $M	2023 $M
Hedging	**(16.8)**	(18.0)
Share-based payments	**67.2**	73.9
Foreign currency translation	**419.3**	440.9
Non-distributable profits	**57.2**	53.4
Asset realisation	**182.1**	180.5
Asset revaluation	**(21.7)**	(15.3)
Controlled entity acquisition	**(21.9)**	(21.9)
Total reserves	**665.4**	693.5

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For the year ended 30 June 2024

19. Reserves (Continued)

19.1 Movements in reserves

30 June 2024	Hedging $M	Share based payments $M	Foreign currency translation $M	Non-Distributable profits $M	Asset realisation / revaluation $M	Controlled entity acquisition $M	Total $M
Opening balance	(18.0)	73.9	440.9	53.4	165.2	(21.9)	693.5
Net gain / (loss) on net investments in foreign subsidiaries	-	-	0.8	-	-	-	0.8
Share-based payments expense	-	21.4	-	-	-	-	21.4
Vesting of share awards	-	(28.1)	-	-	-	-	(28.1)
Deferred tax	(0.3)	-	(0.3)	-	-	-	(0.6)
Transfer to inventory / PP&E	1.5	-	-	-	-	-	1.5
Transfer to profit or loss	-	-	12.0	-	(0.8)	-	11.2
Transfers from retained profits	-	-	-	3.8	-	-	3.8
Asset acquisition / disposal	-	-	-	-	2.4	-	2.4
Investment revaluation	-	-	-	-	(6.4)	-	(6.4)
Exchange differences	-	-	(34.1)	-	-	-	(34.1)
Closing balance	**(16.8)**	**67.2**	**419.3**	**57.2**	**160.4**	**(21.9)**	**665.4**

30 June 2023	Hedging $M	Share based payments $M	Foreign currency translation $M	Non-Distributable profits $M	Asset realisation / revaluation $M	Controlled entity acquisition $M	Total $M
Opening balance	23.4	71.0	226.8	48.8	168.8	(21.9)	516.9
Net gain / (loss) on cash flow hedges	(57.5)	-	-	-	-	-	(57.5)
Net gain / (loss) on net investments in foreign subsidiaries	-	-	7.1	-	-	-	7.1
Share-based payments expense	-	23.4	-	-	-	-	23.4
Vesting of share awards	-	(20.5)	-	-	-	-	(20.5)
Deferred tax	17.0	-	(2.0)	-	-	-	15.0
Transfer to inventory / PP&E	(0.9)	-	-	-	-	-	(0.9)
Transfers from retained profits	-	-	-	4.6	-	-	4.6
Investment revaluation	-	-	-	-	(3.6)	-	(3.6)
Exchange differences	-	-	209.0	-	-	-	209.0
Closing balance	**(18.0)**	**73.9**	**440.9**	**53.4**	**165.2**	**(21.9)**	**693.5**

19.2 Nature and purpose of reserves

Hedging reserve

Records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Share-based payments reserve

Recognises the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration.

Notes to the consolidated financial statements

For the year ended 30 June 2024

19. Reserves (Continued)

Foreign currency translation reserve

Records exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of the translation of the net investments in foreign operations. The cumulative amount is reclassified to the consolidated statement of comprehensive income when the foreign subsidiary is disposed of. In the current year, $11.8M and $0.2M of foreign exchange losses were transferred to profit or loss upon liquidation of BlueScope Steel International Ltd and the sale of NS BlueScope Lysaght (B) Sdn Bhd respectively.

Non-distributable profit reserve

In certain overseas operations local regulations require a set amount of retained profit to be set aside and not be distributed as a dividend.

Asset realisation reserve

Arises from the disposal of 50% interest in BlueScope's ASEAN and west coast North American Building Product businesses to Nippon Steel Corporation in March 2013. During the year, $2.4M was adjusted against the reserve due to the closure of a historical tax legal matter in BlueScope Indonesia that resulted in the receipt of $2.4M. This was offset by a $0.8M gain on sale of NS BlueScope Lysaght (B) Sdn Bhd.

Asset revaluation reserve

Arises from the investment held by New Zealand Steel Ltd in Steel & Tube Holdings Ltd. Designated changes in fair value are recognised in the asset revaluation reserve (refer to note 22).

Controlled entity acquisition reserve

Arises from the Group's acquisition of the remaining 40% non-controlling interest in BlueScope Steel (Malaysia) Sdn Bhd and 5% of Lysaght Thailand Ltd and BlueScope Steel Thailand Ltd, adjusted for the subsequent 50% disposal of their additional interests into BlueScope and Nippon Steel Corporation joint venture established in March 2013. This item represents the difference between the amount paid and the balance of the non-controlling interest acquired.

20. Dividends

20.1 Ordinary shares

	Parent entity			
	Date paid	Franked	Cents per share	Amount $M
Declared and paid during the period				
For the year ended 30 June 2024:				
FY24 interim ordinary dividend (fully franked)	26 March 2024	100% franked	**25.0**	**111.4**
FY23 final ordinary dividend (fully franked)	17 October 2023	100% franked	**25.0**	**113.5**
Total dividends paid			**50.0**	**224.9**
For the year ended 30 June 2023:				
FY23 interim ordinary dividend (fully franked)	27 March 2023	100% franked	25.0	115.9
FY22 final ordinary dividend (unfranked)	12 October 2022	0% franked	25.0	117.2
Total dividends paid			50.0	233.1

20.2 Dividends not recognised at year-end

For the year ended 30 June 2024, the Directors have approved the payment of a fully franked dividend of 30 cents per fully paid ordinary share. The proposed dividend expected to be paid, but not recognised as a liability at year end, is $132M.

The Company's Dividend Reinvestment Plan (DRP) is not active for the FY24 final dividend.

Notes to the consolidated financial statements

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20. Dividends (Continued)

20.3 Dividend franking account

	Parent entity 2024 $M	2023 $M
Actual franking account balance as at the reporting date	**143.5**	112.8
Adjustments to franking account balance	**(5.1)**	65.9
Franking credits available for future years based on a tax rate of 30%	**138.4**	178.7

The franking credits available represent the balance of the franking account as at the reporting date, adjusted for:

- franking credits / debits that will arise from the payment / receipt of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

20.4 Recognition and measurement

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

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Group structure

This section provides information about the Group's structure including equity accounted investments, its controlled entities and when applicable, any business acquisitions or disposals. It includes the accounting policies and key judgements and estimates relevant to understanding these areas.

21. Business combinations

In July 2023, $14.5M (US$ 9.8M) was received for the final adjustment to the purchase price as part of the Coatings business acquisition from Cornerstone Buildings Brands in June 2022.

The prior period included a total of $153.4M cash paid for the purchase of US ferrous scrap metal recycling businesses and $12.6M (US $8.7M) of additional acquisition costs paid for the Coatings business acquisition.

22. Other investments - fair value through other comprehensive income (OCI)

	2024 $M	2023 $M
Gross investment	**42.1**	42.2
Fair value revaluation	**(21.4)**	(15.2)
Total other investments	**20.7**	27.0

Other investments represents New Zealand Steel Limited's (NZS) 15.8% interest in Steel & Tube Holdings Limited (Steel & Tube), a company listed on the NZ stock exchange and a customer of NZS. NZS neither has control (requiring consolidation) nor joint control nor significant influence (requiring equity accounting) over this investment. This investment is recorded at fair value with changes recognised to an equity reserve.

23. Subsidiaries and non-controlling interests

23.1 Subsidiaries

Name of entity	Note	Country of incorporation	Equity holding 2024 (in %)	Equity holding 2023 (in %)
A.C.N. 676 749 456 Pty Ltd	e.	Australia	100	-
Amari Wolff Steel Pty Ltd	a.	Australia	100	100
Australian Iron & Steel Pty Ltd		Australia	100	100
BlueScope APT Holdings Pty Ltd	a.	Australia	100	100
BlueScope Building and Construction Limited	a.	Australia	100	100
BlueScope Distribution Pty Ltd	a.	Australia	100	100
BlueScope Pacific Steel (Fiji) Pty Limited	a.	Australia	100	100
BlueScope Pty Ltd		Australia	100	100
BlueScope Steel (AIS) Pty Ltd		Australia	100	100
BlueScope Steel (Finance) Limited		Australia	100	100
BlueScope Steel Americas Holdings Pty Ltd		Australia	100	100
BlueScope Steel Asia Holdings Pty Ltd		Australia	100	100
BlueScope Steel Employee Share Plan Pty Ltd		Australia	100	100
BlueScope Water Australia Pty Ltd	a.	Australia	100	100
BlueScopeX Pty Ltd		Australia	100	100
Fielders Manufacturing Pty Ltd	a.	Australia	100	100
Glenbrook Holdings Pty Ltd		Australia	100	100
John Lysaght (Australia) Pty Ltd		Australia	100	100
Laser Dynamics Australia Pty Ltd	a.	Australia	100	100
Lysaght Building Solutions Pty Ltd	a.	Australia	100	100
Metalcorp Steel Pty Limited	a.	Australia	100	100

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23. Subsidiaries and non-controlling interests (Continued)

Name of entity	Note	Country of incorporation	Equity holding 2024 (in %)	Equity holding 2023 (in %)
New Zealand Steel (Aust) Pty Limited	a.	Australia	100	100
Orrcon Distribution Pty Ltd	a.	Australia	100	100
Orrcon Manufacturing Pty Ltd	a.	Australia	100	100
Permalite Aluminium Building Solutions Pty Ltd	a.	Australia	100	100
The Roofing Centre (Tasmania) Pty Ltd	a.	Australia	100	100
NS BlueScope Lysaght (B) Sdn Bhd	h.	Brunei	-	30
BlueScope Bliss Buildings (Shanghai) Co Ltd		China	100	100
BlueScope Building Systems (Xi'an) Co Ltd		China	100	100
BlueScope Lysaght (Shanghai) Limited		China	100	100
BlueScope Steel (Suzhou) Co. Ltd		China	100	100
BlueScope Steel Investment Management (Shanghai) Co Ltd		China	100	100
Butler (Shanghai) Inc		China	100	100
Butler (Tianjin) Inc		China	100	100
BlueScope Lysaght (Fiji) Pte Limited		Fiji	68	68
BlueScope Steel North Asia Ltd		Hong Kong	100	100
BlueScope Steel India (Private) Ltd		India	100	100
PT BlueScope Buildings Indonesia	g.	Indonesia	100	100
PT BlueScope Distribution Indonesia		Indonesia	100	100
PT NS BlueScope Indonesia	b.	Indonesia	50	50
PT NS BlueScope Lysaght Indonesia	b.	Indonesia	50	50
PT NS BlueScope Service Center Indonesia	b.	Indonesia	50	50
BlueScope Buildings (Malaysia) Sdn Bhd		Malaysia	100	100
NS BlueScope Malaysia Sdn Bhd	b.	Malaysia	50	50
NS BlueScope Asia Sdn Bhd	b.	Malaysia	50	50
NS BlueScope Lysaght Malaysia Sdn Bhd	b.	Malaysia	30	30
NS BlueScope Lysaght Sabah Sdn Bhd	b.	Malaysia	25	25
Global BMC (Mauritius) Holdings Limited		Mauritius	100	100
Butler de Mexico S. de R.L. de C.V.		Mexico	100	100
NS BlueScope Lysaght Myanmar Limited	b.	Myanmar	50	50
BlueScope Acier Nouvelle Caledonie SA	c.	New Caledonia	65	65
BlueScope Steel Finance NZ Limited		New Zealand	100	100
BlueScope Steel Trading NZ Limited		New Zealand	100	100
New Zealand Steel Development Limited		New Zealand	100	100
New Zealand Steel Holdings Ltd		New Zealand	100	100
New Zealand Steel Limited		New Zealand	100	100
Pacific Steel (NZ) Limited		New Zealand	100	100
SteelServ Limited		New Zealand	100	100
Steltech Structural Ltd		New Zealand	100	100
Tasman Steel Holdings Ltd		New Zealand	100	100
Toward Industries Ltd		New Zealand	100	100
Waikato North Head Mining Limited		New Zealand	100	100
BlueScope Steel International Holdings SA		Panama	100	100
BlueScope Steel Philippines Inc		Philippines	100	100
BlueScope Buildings (Singapore) Pte Ltd		Singapore	100	100
NS BlueScope Holdings Thailand Pte Ltd	b.	Singapore	50	50
NS BlueScope Lysaght Singapore Pte Ltd	b.	Singapore	50	50
NS BlueScope Pte Ltd	b.	Singapore	50	50
Steelcap Insurance Pte Ltd		Singapore	100	100
BlueScope Steel Southern Africa (Pty) Ltd		South Africa	100	100
BlueScope Lysaght Taiwan Limited	g.	Taiwan	80	80
BlueScope Buildings (Thailand) Ltd		Thailand	80	80
NS BlueScope (Thailand) Limited	b.	Thailand	40	40
NS BlueScope Lysaght (Thailand) Limited	b.	Thailand	40	40
Steel Holdings Company Limited	b.	Thailand	40	40
BlueScope Steel International Ltd	f.	UK	-	100
ASC Profiles LLC	b.	USA	50	50
BIEC International Inc		USA	100	100
BlueScope Blazer LLC		USA	100	100

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23. Subsidiaries and non-controlling interests (Continued)

Name of entity	Note	Country of incorporation	Equity holding 2024 (in %)	Equity holding 2023 (in %)
BlueScope Buildings North America Inc		USA	100	100
BlueScope Buildings North America Engineering (Michigan) LLC		USA	100	100
BlueScope Coated Products LLC		USA	100	100
BlueScope Construction Inc		USA	100	100
BlueScope Finance (Americas) LLC		USA	100	100
BlueScope Properties Development LLC		USA	100	100
BlueScope Properties Group LLC		USA	100	100
BlueScope Properties Holdings LLC		USA	100	100
BlueScope Steel Americas LLC		USA	100	100
BlueScope Steel Holdings (USA) Partnership		USA	100	100
BlueScope Steel Investments 2 LLC		USA	100	100
BlueScope Steel Investments 3 LLC		USA	100	100
BlueScope Steel Investments Inc		USA	100	100
BlueScope Steel North America Corporation		USA	100	100
BPG Apopka Properties 1 LLC	f.	USA	-	100
BPG Arizona 1 LLC		USA	100	100
BPG AB Olathe 1 LLC		USA	100	100
BPG Dove Valley 1 LLC	f.	USA	-	100
BPG Dove Valley 2 LLC		USA	100	100
BPG Mid Florida South 1 LLC		USA	100	100
BPG Olathe 1 LLC		USA	100	100
BPG Riverside 1 LLC	e.	USA	100	-
BPG Tradeport East 1 LLC		USA	100	100
BlueScope Recycling and Materials LLC		USA	100	100
BlueScope Recycling and Materials Transport LLC		USA	100	100
Butler Holdings Inc		USA	100	100
Butler Pacific Inc		USA	100	100
Fulton County Properties LLC		USA	100	100
IPI Waterloo LLC		USA	100	100
North Star BlueScope Steel LLC		USA	100	100
NS BlueScope Holdings USA LLC	b.	USA	50	50
Steelscape LLC	b.	USA	50	50
Steelscape Washington LLC	b.	USA	50	50
Tri-Star Investment Company LLC		USA	100	100
VSMA Inc		USA	100	100
BlueScope Lysaght (Vanuatu) Ltd	c. d.	Vanuatu	39	39
BlueScope Buildings Vietnam Limited		Vietnam	100	100
NS BlueScope Lysaght Vietnam Limited	b.	Vietnam	50	50
NS BlueScope Vietnam Limited	b.	Vietnam	50	50

All subsidiaries incorporated in Australia are members of the BlueScope Steel Limited tax consolidated group (refer to note 30.4). The references in the table above refer to the following:

a. These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission (refer to note 31).

b. These entities are part of the joint venture established between BlueScope and Nippon Steel Corporation in March 2013 and have been classified as controlled entities because of the Group's unilateral right to appoint the CEO (and other Key Management Personnel), approval of the operating budget and retaining significant decision-making authority.

c. These controlled entities are audited by firms other than Ernst & Young and affiliates.

d. The Group's ownership of the ordinary share capital in this entity represents a beneficial interest of 39% represented by its 65% ownership in BlueScope Acier Nouvelle Caledonie SA, which in turn has 60% ownership of the entity.

e. New entities incorporated/acquired during the year.

f. Entities liquidated during the year.

g. Entities in process of liquidation.

h. Entity sold during the year.

Notes to the consolidated financial statements

For the year ended 30 June 2024

23. Subsidiaries and non-controlling interests (Continued)

23.2 Non-controlling interests (NCI)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Financial information of subsidiaries that have material non-controlling interests, as determined by reference to the net assets of the Group, are provided below. The equity interest stated is that held by non-controlling interests.

	Country of incorporation	NCI equity holding 2024 (in %)	NCI equity holding 2023 (in %)
NS BlueScope (Thailand) Ltd	Thailand	60	60
Steelscape LLC	USA	50	50

	2024 $M	2023 $M
Accumulated balances of material non-controlling interest:		
NS BlueScope (Thailand) Ltd	**208.4**	194.6
Steelscape LLC	**184.3**	168.0
Profit / (loss) allocated to material non-controlling interest:		
NS BlueScope (Thailand) Ltd	**42.0**	20.1
Steelscape LLC	**51.1**	13.7

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	NS BlueScope (Thailand) Ltd		Steelscape LLC	
	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of financial position				
Current assets	**188.3**	210.7	**360.6**	368.9
Non-current assets	**256.7**	279.9	**166.3**	170.7
Total assets	**445.0**	490.6	**526.9**	539.6
Current liabilities	**82.4**	138.0	**104.0**	145.3
Non-current liabilities	**15.3**	28.2	**54.3**	58.3
Total liabilities	**97.7**	166.2	**158.3**	203.6
Net assets	**347.3**	324.4	**368.6**	336.0
Attributable to:				
Owners of BlueScope Steel Limited	**138.9**	129.7	**184.3**	168.0
Non-controlling interests	**208.4**	194.7	**184.3**	168.0

Notes to the consolidated financial statements
For the year ended 30 June 2024

23. Subsidiaries and non-controlling interests (Continued)

	NS BlueScope (Thailand) Ltd		Steelscape LLC	
	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of comprehensive income				
Revenue	**527.0**	567.9	**1,061.7**	961.8
Expenses	**(448.3)**	(528.8)	**(959.5)**	(934.3)
Profit before tax	**78.7**	39.1	**102.2**	27.5
Income tax (expense)	**(8.6)**	(5.5)	**-**	-
Profit after tax	**70.1**	33.6	**102.2**	27.5
Attributable to non-controlling interests	**42.0**	20.1	**51.1**	13.7
Dividends paid to non-controlling interest	**19.9**	20.1	**33.8**	97.3
Summarised statement of cash flows				
Cash inflow / (outflow) from operating activities	**81.9**	120.7	**89.3**	139.2
Cash (outflow) from investing activities	**(10.4)**	(6.4)	**(13.5)**	(13.2)
Cash (outflow) from financing activities	**(58.2)**	(102.1)	**(77.7)**	(182.1)
Net increase / (decrease) in cash and cash equivalents	**13.3**	12.2	**(1.9)**	(56.1)

24. Investment in associates

	2024 $M	2023 $M
Investment in associates	**0.6**	0.4

Name of entity	Country of incorporation	Equity holding 2024 (in %)	Equity holding 2023 (in %)
Saudi Building Systems Manufacturing Company Ltd	Saudi Arabia	30	30
NS BlueScope Lysaght (Sarawak) Sdn Bhd	Malaysia	25	25
Tri Star Metal Alliance LLC	USA	33	33

24.1 Movements in carrying amounts

	2024 $M	2023 $M
Carrying amount at the beginning of the year	**0.4**	1.3
Share of profits after income tax	**1.6**	0.8
Dividends received/receivable	**(1.4)**	(1.4)
Reserve movements	**-**	(0.2)
Exchange differences	**-**	(0.1)
Carrying amount at the end of the year	**0.6**	0.4

24.2 Contingent assets and liabilities relating to associates
There were no contingent assets and liabilities relating to investments in associates.

Notes to the consolidated financial statements

For the year ended 30 June 2024

24. Investment in associates (Continued)

24.3 Recognition and measurement

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates in the consolidated financial statements reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

25. Investment in joint ventures

	2024 $M	2023 $M
Interest in joint ventures	**125.7**	141.0

The Group has a 50% interest in Tata BlueScope Steel Private Ltd (TBSL), an Indian resident company, the principal activity of which is to manufacture metallic coated and painted steel products.

25.1 Movements in carrying amounts

	Tata BlueScope Steel	
	2024 $M	2023 $M
Carrying amount at the beginning of the year	**141.0**	138.9
Share of profit after income tax	**5.5**	20.5
Dividends received/receivable	**(18.5)**	(18.0)
Reserve movements	**0.3**	0.4
Exchange differences	**(2.6)**	(0.8)
Carrying amount at the end of the year	**125.7**	141.0

Notes to the consolidated financial statements
For the year ended 30 June 2024

25. Investment in joint ventures (Continued)

25.2 Summarised financial information

	Tata BlueScope Steel	
	2024 $M	2023 $M
Summarised statement of financial position		
Cash and cash equivalents	**33.3**	51.8
Financial investments	**56.9**	41.4
Other current assets	**173.7**	165.0
Non-current assets	**250.6**	269.5
Total assets	**514.5**	527.7
Current borrowings and lease liabilities	**5.5**	16.6
Other current liabilities	**106.4**	76.9
Non-current borrowings and lease liabilities	**139.2**	134.5
Other non-current liabilities	**12.1**	17.7
Total liabilities	**263.2**	245.7
Net assets	**251.3**	282.0
Proportion of the Group's ownership (%)	**50.0**	50.0
Carrying amount of the investment	**125.7**	141.0
Summarised statement of comprehensive income		
Revenues	**790.6**	623.8
Expenses	**(749.0)**	(562.6)
Depreciation and amortisation expense	**(18.8)**	(11.5)
Net finance income (expense)	**(7.8)**	4.7
Profit before income tax	**15.0**	54.4
Income tax (expense)	**(4.0)**	(13.4)
Profit after income tax	**11.0**	41.0
Group's share of profit for the year	**5.5**	20.5
Group's share of capital commitments	**0.5**	0.5

25.3 Contingent liabilities relating to joint ventures

Disputed rent
The Jharkhand Government has been in a land rental dispute with Tata Steel for several years and this matter impacts the rental costs of TBSL as a sub-tenant of Tata Steel. BlueScope's 50% share of this contingent liability is $7.1M (2023: $6.8M).

Taxation
TBSL has direct and indirect tax computations which have been submitted but not agreed by the relevant authorities. TBSL has provided for the amount of tax it expects to pay taking into account professional advice it has received. The matters currently in dispute could result in amendments to the original computations. BlueScope’s 50% share of the potential amendments is $5.0M (2023: $5.3M).

Notes to the consolidated financial statements

For the year ended 30 June 2024

25. Investment in joint ventures (Continued)

25.4 Secured liabilities and assets pledged as security

The Tata BlueScope Steel borrowings and lease liabilities totalling $144.7M (2023: $151.1M) are secured against property, plant and equipment.

25.5 Recognition and measurement

Joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ('joint operators') have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ('joint venturers') have rights to the net assets of the arrangement.

The interests in joint ventures are accounted for in the financial statements using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss, and the share of post-acquisition movements in reserves is recognised in other comprehensive income.

Profits or losses on transactions establishing a joint venture and transactions with a joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Unrecognised items

This section provides information about items that are not recognised in the financial statements as they do not yet satisfy the recognition criteria but could potentially have an impact on the Group's financial position and performance.

26. Contingencies

26.1 Contingent liabilities

The Group had contingent liabilities as at 30 June 2024 in respect of:

Outstanding legal matters

There are a range of individually immaterial outstanding legal matters that were contingent on court decisions, arbitration rulings and private negotiations to determine amounts required for settlement.

Guarantees

In Australia, BlueScope Steel Limited has provided $87.8M (2023: $89.2M) in guarantees to various state workers compensation authorities as a prerequisite for self-insurance. An amount, net of recoveries, of $67.9M (2023: $62.7M) has been recognised as recommended by independent actuarial advice.

Bank guarantees have been provided to customers and suppliers in respect of the performance of goods and services provided and purchases of goods and services which are immediately callable by default. Bank guarantees outstanding as at 30 June 2024 totalled $138.9M (2023: $144.7M).

Taxation

The Group operates in many countries across the world, each with separate taxation authorities, which results in significant complexity. At any point in time there are tax computations which have been submitted but not agreed by those tax authorities and matters which are under discussion between Group companies and the tax authorities. The Group provides for the amount of tax it expects to pay taking into account those discussions and professional advice it has received. While the conclusion of such matters may result in amendments to the original computations, the Group does not believe that such adjustments will have a material adverse effect on its financial position, although such adjustments may be significant to any individual year's income statement.

Regulatory

The Group is subject to extensive government laws and regulation, including environmental, greenhouse gas (GHG) emissions, tax, occupational health and safety, competition law and trade restrictions in each of the countries in which it operates. The Group is also subject to risks posed by the conduct of our employees and other participants in the supply chain and to the risk of regulatory investigations into compliance with government laws and regulations which could be lengthy and costly.

26.2 Contingent assets

There are no material contingent assets required for disclosure as at 30 June 2024 (2023: Nil).

27. Subsequent events

Refinance of bilateral loan facilities

During July 2024 BlueScope finalised the refinancing of its core bilateral loan facilities, increasing the capacity to $1,500 million, from $1,310 million, and extending the maturity of each of the three tranches by two years.

Other than matters outlined elsewhere in the financial report, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Other information

This section of the notes includes information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements but are not considered critical in understanding the financial performance or position of the Group.

28. Share-based payments

28.1 Share award schemes

Eligible employees of the Group have the right to participate in the Group's share plans. Shares, share rights and performance rights are offered in these share plans and are granted by the Company to eligible employees of the Group. This note should be read in conjunction with the Remuneration Report which forms part of the Directors' Report and contains detailed information regarding remuneration for Key Management Personnel.

STI share award (STI)

The Board approved the annual FY2024 STI for the CEO and executives, being a one-year equity program. No amount will be paid in cash. Performance was assessed against a range of financial and other measures aligned with the returns delivered to shareholders from the implementation of initiatives under the Group's strategic plan.

Long Term Alignment Rights Plan (LTAR)

The LTAR plan is a program determined annually by the Board, which awards share rights to the CEO and eligible senior management. The share rights are designed to build share ownership and reward senior management for long-term value creation, and are part of the Group's overall recognition and retention strategy. The share rights give the right to receive an ordinary share at a later date subject to the satisfaction of certain performance criteria and continued employment with the Group.

The share rights available for exercise are contingent on the Group's achievement of a three-year rolling average Return on Invested Capital (ROIC) and debt leverage, as well as individual adherence to Our Bond. Share rights that fail to meet performance vesting conditions will lapse upon the expiry date, or sooner upon employee resignation or termination. Plans have been granted at $Nil exercise price.

Deferred Equity / Retention Rights Award (RR)

The Board awarded deferred equity awards to senior management throughout the Group, with no performance hurdles required to be met. The equity award gives the right to receive an ordinary share at a later date subject to continued employment with the Group.

Talent Retention Equity Rights (TRE)

The Board awarded talent retention equity rights to selected senior management. The equity award gives the right to receive an ordinary share at a later date subject to maintaining personal performance ratings above the required level and continued employment with the Company.

Non-Executive Director Salary Sacrifice Share Plan (NED)

The Board awarded a fee sacrifice plan to non-executive directors, designed to provide them the opportunity to acquire share rights through sacrificing a fixed portion of their fees covering periods of 6 months intervals. The share rights are being settled by an on-market purchase of BlueScope Steel Limited shares.

Notes to the consolidated financial statements

For the year ended 30 June 2024

28. Share-based payments (Continued)

28.2 Fair value of share rights granted

The fair value of the share rights granted during the year ended 30 June 2024 are as follows:

Fair Value inputs	FY2024 STI award	FY2024 LTAR plan	FY2024 TRE rights	FY2024 NED Tranche 1	FY2024 NED Tranche 2
Grant date	6-Dec-23	6-Dec-23	6-Dec-23	7-Dec-22	7-Dec-22
Vesting date	2-Sep-24	2-Sep-26	2-Sep-25	31-Dec-23	30-Jun-24
Share rights granted	118,873	1,105,445	85,000	6,298	5,718
Fair value estimate at grant date ($)	20.93	19.98	20.45	15.56	15.36
Cash settled rights[1]	-	32,627	7,000	-	-
Valuation date share price ($)	21.29	21.29	21.29	18.31	18.31
Expected dividend yield (%)	2.35	2.35	2.35	2.75	2.75
Expected risk-free interest rate (%)	4.52	4.23	4.37	3.09	3.07
Expected share price volatility (%)	30.00	30.00	30.00	35.00	35.00

1. The cash settled rights have been issued to eligible employees in Asia who are entitled to receive cash bonuses three years from grant date, in place of shares. The fair value of the cash rights is calculated as the sum of the market value of shares and dividends that would have otherwise been received.

In addition to the above, in FY2024, there were various sign-on rights awarded to selected senior management totalling 35,944 share rights.

28.3 Cash and equity settled awards outstanding

	STI award	LTAR plan	TRE rights	RR and Sign-on rights	NED plan
Outstanding at the beginning of the year	271,504	3,278,462	219,500	148,627	4,476
Granted during the year	118,873	1,138,072	92,000	35,944	12,016
Exercised during the year	(232,848)	(1,338,473)	(95,000)	(113,153)	(10,774)
Lapsed during the year	(46,951)	(152,039)	(10,500)	(410)	-
Outstanding at the end of the year	**110,578**	**2,926,022**	**206,000**	**71,008**	**5,718**
Exercisable at the end of the year	**110,578**	**683,113**	**-**	**-**	**5,718**

The average share price for the year ended 30 June 2024 was $21.29 (2023: $17.98). The weighted average remaining contractual life of share rights outstanding at the end of the reporting period was 1 year (2023: 1 year).

28.4 Expense arising from share-based payment transactions

	2024 $M	2023 $M
Employee share rights expense	**21.4**	23.4
Employee share awards expense	**0.8**	1.3
Total net expense arising from share-based payments	**22.2**	24.7

28.5 Recognition and measurement

Equity settled transactions

The fair value of equity settled awards is recognised as an employee benefit expense with a corresponding increase to the share based payments reserve within equity. The amount to be expensed is determined by reference to the fair value of the share awards or share rights granted, which includes any market performance conditions but excludes the impact of non-market performance vesting conditions.

Notes to the consolidated financial statements

For the year ended 30 June 2024

28. Share-based payments (Continued)

Non-market vesting conditions are included in assumptions about the number of share awards or share rights that are expected to vest. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are expected to be satisfied. At the end of each period, the entity revises its estimates of the number of share awards and share rights that are expected to vest based on non-market vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the expected vesting period has expired and the number of rights that are expected to ultimately vest. This number is based on the best available information at the reporting date. No expense is recognised for awards that do not ultimately vest due to a performance condition not being met, except for share rights where vesting is only conditional upon a market condition. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Upon the exercise of equity settled share awards, the balance of the share-based payments reserve relating to those rights and awards is transferred to share capital. The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of diluted earnings per share.

Cash settled transactions

The ultimate expense recognised in relation to cash-settled transactions will be equal to the actual cash paid to the employees, which will be the fair value at settlement date. The expected cash payment is estimated at each reporting date and a liability is recognised to the extent that the vesting period has expired and in proportion to the amount of the awards that are expected to ultimately vest.

28.6 Key accounting judgements and estimates

Fair value measurement of share-based payments

The fair value of equity settled awards at grant date is independently determined by an external valuer using a Black-Scholes option pricing model that includes a Monte Carlo simulation analysis, which takes into account the exercise price, the term of the share right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the share right.

29. Related party transactions

29.1 Parent entities

The ultimate parent entity within the Group is BlueScope Steel Limited, which is incorporated in Australia.

29.2 Key Management Personnel compensation

	2024 $'000	2023 $'000
Short-term employee benefits	**11,282.2**	8,695.7
Post-employment and other long-term benefits	**511.5**	491.9
Share-based payments	**5,847.2**	6,363.6
Total Key Management Personnel compensation	**17,640.9**	15,551.2

Notes to the consolidated financial statements

For the year ended 30 June 2024

29. Related party transactions (Continued)

29.3 Transactions with other related parties

The following transactions occurred with related parties other than Key Management Personnel or entities related to them:

	2024 $M	2023 $M
Sales of goods and services		
Sales of goods to associates	**2.5**	2.4
Superannuation contributions		
Contribution to superannuation funds on behalf of employees	**145.2**	139.5

29.4 Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties other than Key Management Personnel:

	2024 $M	2023 $M
Current receivables (sales of goods and services)		
Associates	**0.7**	1.0

29.5 Terms and conditions

Sales of finished goods and purchases of raw materials from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

The terms and conditions of the tax funding agreement are set out in note 30.4.

Outstanding balances are unsecured and are repayable in cash.

Other director transactions with Group entities

Transactions with related parties of directors of subsidiaries within the BlueScope Steel Group total $1.5M (2023: $1.8M). These transactions have been made on commercial arm's length terms and conditions.

Notes to the consolidated financial statements

For the year ended 30 June 2024

30. Parent entity financial information

30.1 Summary financial information

	Parent entity	
	2024 $M	2023 $M
Summarised statement of comprehensive income		
Revenue	**3,899.9**	4,265.2
Other Income	**0.8**	2.9
Impairment (expense) / write-back of non-current assets	**(29.3)**	(15.6)
Finance costs	**(178.3)**	(148.6)
Other expenses	**(3,541.7)**	(4,155.8)
Profit / (loss) before income tax	**151.4**	(51.9)
Income tax (expense) / benefit	**(60.1)**	8.1
Profit / (loss) for the year	**91.3**	(43.8)
Other comprehensive income / (loss) for the year	**1.1**	(15.5)
Total comprehensive income / (loss) for the year	**92.4**	(59.3)
Summarised statement of financial position		
Assets		
Current assets	**1,769.7**	2,463.3
Non-current assets	**3,910.0**	3,739.9
Total assets	**5,679.7**	6,203.2

Notes to the consolidated financial statements

For the year ended 30 June 2024

30. Parent entity financial information (Continued)

	Parent entity 2024 $M	Parent entity 2023 $M
Liabilities		
Current liabilities	**2,865.8**	2,975.2
Non-current liabilities	**142.4**	119.6
Total liabilities	**3,008.2**	3,094.8
Net assets	**2,671.5**	3,108.4
Equity		
Contributed equity	**2,389.6**	2,710.6
Share-based payments reserve	**42.1**	33.9
Hedge reserve	**2.5**	1.4
Profits reserve[1]	**1,891.4**	2,025.0
Retained losses	**(1,654.1)**	(1,662.5)
Total equity	**2,671.5**	3,108.4

1. Profits reserve represents profits available for distribution to BlueScope Steel Limited shareholders as dividends.

Current liabilities largely comprise balances with other entities within the Group. These balances will not be called within the next 12 months.

30.2 Guarantees entered into by the parent entity

In Australia, the parent entity has given $87.8M (2023: $89.2M) in guarantees to various state workers compensation authorities as a prerequisite for self-insurance and has entered into a deed of cross-guarantee with certain Australian wholly-owned subsidiaries (note 31). Additionally, the parent entity has provided financial guarantees to subsidiaries in respect of the following:

	Parent entity 2024 $M	Parent entity 2023 $M
Bank overdrafts and loans of subsidiaries	**1,385.2**	1,385.6
Trade finance facilities	**225.6**	226.7
Total	**1,610.8**	1,612.3

30.3 Capital commitments

As at 30 June 2024, the parent entity had capital commitments for property, plant and equipment of $230.1M (2023: $183.3M). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

Notes to the consolidated financial statements

For the year ended 30 June 2024

30. Parent entity financial information (Continued)

30.4 Recognition and measurement

The financial information for the parent entity BlueScope Steel Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the financial statements of BlueScope Steel Limited.

Tax consolidation legislation

BlueScope Steel Limited and its wholly-owned Australian controlled entities have entered into a tax sharing and funding agreement in relation to their participation in the tax consolidation regime. Under the terms of this agreement, the wholly-owned entities reimburse BlueScope Steel Limited for any current tax payable assumed and are compensated by BlueScope Steel Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to BlueScope Steel Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from BlueScope Steel Limited, which is issued as soon as practicable after the end of each financial year. BlueScope Steel Limited may require payment of interim funding amounts to assist with its obligations to pay tax instalments.

The tax sharing agreement limits the joint and several liability of the wholly-owned entities in the case of a default by BlueScope Steel Limited. At the reporting date, the possibility of default is considered remote.

The tax consolidated group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group. Intercompany receivables of $58.4M (2023: $107.0M) and intercompany payables of $84.3M (2023: $4.4M) of BlueScope Steel Limited have been recognised as a tax consolidated adjustment.

31. Deed of cross-guarantee

BlueScope Steel Limited and certain Australian wholly owned subsidiaries are parties to a deed of cross-guarantee (Deed) under which each company guarantees the debts of the others. The companies in the Deed are referenced in Note 23.1, and are as follows:

- Amari Wolff Steel Pty Ltd
- BlueScope Building and Construction Ltd
- BlueScope Distribution Pty Ltd
- BlueScope Pacific Steel (Fiji) Pty Limited
- BlueScope Steel Limited
- BlueScope APT Holdings Pty Ltd
- BlueScope Water Australia Pty Ltd
- Fielders Manufacturing Pty Ltd
- Lysaght Building Solutions Pty Ltd
- Laser Dynamics Australia Pty Ltd
- Metalcorp Steel Pty Ltd
- New Zealand Steel (Aust) Pty Ltd
- Orrcon Distribution Pty Ltd
- Orrcon Manufacturing Pty Ltd
- Permalite Aluminium Building Solutions Pty Ltd
- The Roofing Centre (Tasmania) Pty Ltd

By entering into the Deed, wholly owned subsidiaries which are large proprietary companies have been relieved from their requirement to prepare a financial report and Directors' Report under ASIC (wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

Notes to the consolidated financial statements

For the year ended 30 June 2024

31. Deed of cross-guarantee (Continued)

31.1 Statement of comprehensive income and a summary of movements in consolidated retained losses

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross-guarantee that are controlled by BlueScope Steel Limited, they also represent the 'extended closed group'.

	Deed	
Statement of comprehensive income	2024 $M	2023 $M
Revenue	**4,897.1**	5,529.5
Other income	**0.8**	2.8
Changes in inventories of finished goods and work in progress	**56.2**	(261.6)
Raw materials and consumables used	**(2,903.4)**	(3,399.0)
Employee benefits expense	**(730.7)**	(701.5)
Depreciation and amortisation expense	**(136.6)**	(133.1)
Impairment (expense) / write-back of non-current assets	**(20.2)**	(29.3)
Freight on external despatches	**(330.9)**	(365.4)
External services	**(265.5)**	(273.6)
Finance costs	**(188.2)**	(155.7)
Other expenses from ordinary activities	**(185.0)**	(177.0)
Profit / (loss) before income tax	**193.6**	36.1
Income tax (expense)	**(70.2)**	(22.5)
Profit / (loss) for the year	**123.4**	13.6
Other comprehensive income / (loss) for the year	**(6.9)**	(5.4)
Total comprehensive income / (loss) for the year	**116.5**	8.2

	Deed	
Summary of movements in consolidated retained losses	2024 $M	2023 $M
Retained losses at the beginning of the year	**(1,590.4)**	(1,604.0)
Net profit / (loss) for the year	**123.4**	13.6
Transfer to profits reserve	**(91.3)**	-
Retained losses at the end of the year	**(1,558.3)**	(1,590.4)

Notes to the consolidated financial statements

For the year ended 30 June 2024

31. Deed of cross-guarantee (Continued)

31.2 Statement of financial position

	Deed 2024 $M	2023 $M
ASSETS		
Current assets		
Cash and cash equivalents	**0.2**	0.2
Trade and other receivables	**1,428.2**	2,169.7
Contract assets	**3.4**	2.0
Inventories	**835.4**	803.7
Deferred charges and prepayments	**21.6**	23.2
Total current assets	**2,288.8**	2,998.8
Non-current assets		
Trade and other receivables	**2.6**	-
Inventories	**26.1**	26.1
Other financial assets	**2,423.2**	2,450.2
Property, plant and equipment	**1,075.7**	837.3
Right-of-use assets	**208.3**	184.5
Deferred tax assets	**49.9**	56.0
Intangible assets	**53.6**	62.2
Deferred charges and prepayments	**0.9**	4.1
Total non-current assets	**3,840.3**	3,620.4
Total assets	**6,129.1**	6,619.2
LIABILITIES		
Current liabilities		
Trade and other payables	**696.1**	652.8
Borrowings	**2,144.8**	2,172.1
Lease liabilities	**48.7**	51.3
Provisions	**182.0**	231.4
Contract liabilities	**18.1**	16.8
Current tax liabilities	**-**	65.8
Total current liabilities	**3,089.7**	3,190.2
Non-current liabilities		
Trade and other payables	**9.8**	13.9
Lease liabilities	**204.2**	177.1
Provisions	**57.8**	56.9
Deferred income	**0.3**	0.5
Total non-current liabilities	**272.1**	248.4
Total liabilities	**3,361.8**	3,438.6
Net assets	**2,767.3**	3,180.6
EQUITY		
Contributed equity	**2,389.6**	2,710.6
Share-based payments reserve	**42.1**	33.9
Hedging reserve	**2.5**	1.5
Profits reserve	**1,891.4**	2,025.0
Retained losses	**(1,558.3)**	(1,590.4)
Total equity	**2,767.3**	3,180.6

Notes to the consolidated financial statements

For the year ended 30 June 2024

32. Financial instruments and risk

32.1 Financial assets and liabilities

		30 June 2024					30 June 2023				
	Note	Debt instruments at amortised cost $M	Equity instruments at FVOCI $M	Derivative instruments at fair value $M	Financial liabilities at amortised cost $M	Total carrying amount $M	Debt instruments at amortised cost $M	Equity instruments at FVOCI $M	Derivative instruments at fair value $M	Financial liabilities at amortised cost $M	Total carrying amount $M
Financial assets											
Receivables	6	**1,628.1**	**-**	**-**	**-**	**1,628.1**	1,891.8	-	-	-	1,891.8
Equity investment	22	**-**	**20.7**	**-**	**-**	**20.7**	-	27.0	-	-	27.0
Derivative financial instruments	32.4	**-**	**-**	**17.6**	**-**	**17.6**	-	-	33.9	-	33.9
		1,628.1	**20.7**	**17.6**	**-**	**1,666.4**	1,891.8	27.0	33.9	-	1,952.7
Financial liabilities											
Payables	9	**-**	**-**	**-**	**(1,986.3)**	**(1,986.3)**	-	-	-	(2,207.8)	(2,207.8)
Borrowings	16	**-**	**-**	**-**	**(185.2)**	**(185.2)**	-	-	-	(244.8)	(244.8)
Lease liabilities	17.2	**-**	**-**	**-**	**(536.3)**	**(536.3)**	-	-	-	(541.7)	(541.7)
Derivative financial instruments	32.4	**-**	**-**	**(30.5)**	**-**	**(30.5)**	-	-	(32.3)	-	(32.3)
Total net financial assets / (liabilities)		**1,628.1**	**20.7**	**(12.9)**	**(2,707.8)**	**(1,071.9)**	**1,891.8**	**27.0**	**1.6**	**(2,994.3)**	**(1,073.9)**

Notes to the consolidated financial statements

For the year ended 30 June 2024

32. Financial instruments and risk (Continued)

32.2 Risk management

The Board of Directors has overall responsibility for overseeing the management of financial risks, and approves policies for financial risk management with the objective of supporting the delivery of financial targets while protecting future financial security.

The Group's Audit Committee regularly reviews the financial risk management framework to ensure it is appropriate when considering any changes in market conditions. It reviews financial risk management controls and procedures and oversees how management monitors compliance with these, and monitors the levels of exposure to fluctuations in commodity prices, interest rates, and foreign exchange rates.

Risk	Exposure arising from	Measurement	Management
Foreign exchange risk	Foreign currency payables and receivables (primarily USD) and investments in foreign currency entities.	Sensitivity analysis and cash flow forecasting	Hedged with forward foreign exchange contracts or internal net investment hedges of foreign operations, as disclosed in note 32.3.
Interest rate risk	Floating interest rate bearing liabilities (2024: $176.9M, 2023: $227.9M) and investments in cash and cash equivalents (2024: $1,085.5M, 2023: $1,489.8M).	Sensitivity analysis	The profit impact from a reasonably possible movement in interest rates (+/- 100 basis points) is +/- $6.9M net of tax.
Commodity price risk	International steel prices (primarily hot rolled coil and slab), and commodity prices including iron ore, coal, scrap, zinc, aluminium, electricity and brent oil.	Sensitivity analysis	Forward commodity contracts as disclosed in note 32.4. The equity impact from a reasonably possible movement in brent oil prices (+/- 10 %) is +/- $6.3M net of tax.
Liquidity risk	Difficulty in meeting obligations associated with financial liabilities.	Rolling cash flow forecasts	The Group's net exposure to liquidity risk is not significant based on available funding facilities and cash flow forecasts. Refer to note 16.2 for a summary of the Group's material financing facilities. When undertaking financing facilities, the Group considers a liquidity buffer which is reviewed at least annually.
Credit risk (counterparties / geographical)	• Possibility that counterparties to the Group's financial assets, including cash, receivables and derivative financial instruments, will fail to settle their obligations under their contracts. • Large number of customers internationally dispersed with trades in several major geographical regions. • Regions in which the Group has a significant credit exposure are Australia, USA, China, South-East Asia and New Zealand. • Significant transactions with major customers, being Kanji Group, Southern Group, Liberty OneSteel and Fletcher Building Group within the Australian and New Zealand operations and Worthington Industries Inc. within the North American operations.	Ageing fair value exposure management	• Establish credit approvals and limits, including the assessment of counterparty creditworthiness. • Undertake monitoring procedures such as periodic assessments of the financial viability of its counterparties and reviewing terms of trade. • Obtain letters of credit from financial institutions to guarantee the underlying payment from trade customers. • Undertake debtor insurance to cover selective receivables for both commercial and sovereign risks.

Notes to the consolidated financial statements

For the year ended 30 June 2024

32. Financial instruments and risk (Continued)

32.3 Foreign currency risk exposure and sensitivity analysis (A$/US$)

	2024 $M	2023 $M
Cash and cash equivalents	**82.2**	55.8
Trade and other receivables	**60.7**	52.9
Forward foreign exchange contracts	**0.6**	4.2
Forward commodity contracts	**8.6**	5.3
Commodity option	**8.0**	11.0
Financial assets	**160.1**	129.2
Trade and other payables	**115.7**	107.7
Borrowings	**30.1**	39.3
Forward commodity contracts	**2.4**	1.5
Financial liabilities	**148.2**	148.5
Net exposure	**11.9**	(19.3)

	Post-tax profit higher (lower)		Equity higher (lower)	
Judgement of reasonably possible movements:	2024 $M	2023 $M	2024 $M	2023 $M
A$/US$ + 10% (2023: +10%)	**(0.1)**	2.4	**(0.1)**	2.4
A$/US$ - 10% (2023: -10%)	**(0.1)**	(3.2)	**(0.1)**	(3.2)

32.4 Commodity price and foreign exchange risk management

The Group uses derivative instruments to manage commodity price risk and foreign exchange risk by entering into forward contracts. Derivatives are used only for the purposes of managing these risks and not for speculative purposes.

	2024		2023	
	Current $M	Non-current $M	Current $M	Non-current $M
Forward foreign exchange contracts - cash flow hedges	**0.6**	**-**	4.2	-
Commodity option	**-**	**8.0**	-	11.0
Forward commodity contracts - cash flow hedges	**5.2**	**3.4**	5.3	-
Solar PPA	**-**	**0.4**	6.0	7.4
Financial assets	**5.8**	**11.8**	15.5	18.4
Forward foreign exchange contracts - fair value hedges	**13.2**	**-**	3.0	-
Forward commodity contracts - cash flow hedges	**2.4**	**-**	-	1.5
Electricity forward commodity contracts - cash flow hedges	**3.3**	**-**	7.0	-
NZ electricity PPA	**-**	**11.6**	-	20.8
Financial liabilities	**18.9**	**11.6**	10.0	22.3
Net exposure	**(13.1)**	**0.2**	5.5	(3.9)

Notes to the consolidated financial statements

For the year ended 30 June 2024

32. Financial instruments and risk (Continued)

Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts designated as cash flow hedges relating to foreign currency sales and purchases, plant and equipment purchases and hedging of net working capital exposures. For the cash flow hedges relating to future commitments not recognised in the consolidated statement of financial position the effective portion of gains and losses are recognised directly in equity. Otherwise, they are being marked to market through profit or loss in line with the Group's risk management strategy.

Forward commodity contracts

The Group has entered into a gas supply agreement with Esso Australia (supply from 1 January 2021 to 31 December 2025) and Senex Energy (supply from 1 January 2026 to 1 January 2036) for it's Australian business, with contract prices linked to Brent Oil in US dollars. Given exposure to a variable Brent Oil price, 95% of the remaining term has been hedged on the Esso contract and up to 70% of the first four year's on the Senex Energy contract. Both forward contracts have been designated as cash flow hedges with the effective portion of gains and losses recognised in equity.

Commodity option

As part of the sale agreement of New Zealand Steel Mining Limited to Taharoa Mining Investments Limited (TMIL), BlueScope is eligible to receive future royalties of US$1.66 per dry metric tonne (DMT) when the Platts Index Quotation is equal or greater than US$65 per DMT. The royalty period is for iron sand shipments made between years 2 and 11 from 1 May 2017. The royalty agreement ends on 10 May 2028.

The key inputs impacting the value of the derivative are the Platts index iron ore price, the historical volatility of iron ore prices, the credit worthiness of TMIL and production risk. The royalty was valued at US$5.3M as at 30 June 2024 (2023: US$7.3M). The royalty value is reassessed at each reporting date with any movement in the fair value of the derivative recognised in profit or loss and included in discontinued operations. Royalties received for the year were $4.5M (2023: $6.5M).

Solar PPA

The Group entered into a solar power purchase agreement (Solar PPA) in June 2018 for a period of seven years from the commencement of commercial production of a 133MW solar farm situated in Finley NSW. The project was completed in February 2020 and the Group’s percentage offtake is 88MW or 66% of the total output. The Group has no involvement in financing, operating and maintaining the solar farm.

The Solar PPA is not a physical electricity supply contract. It operates as a 'contract for differences' (CfD) whereby the parties have agreed to a ‘strike price’. If the NSW electricity spot price is higher than the strike price then the solar farm will pay the difference to the Company and vice versa if the spot price is lower than the strike price. The CfD is a derivative and is required to be fair valued at each reporting date with any movements recorded in profit or loss.

The key inputs impacting the value of the derivative are the strike price, the contract period, forward NSW electricity spot prices (level 3 unobservable input), future estimates of the Group’s share of solar output and the credit worthiness of the service provider. The 30 June 2024 PPA derivative receivable was valued at $0.4M (2023: receivable $13.4M). The fair value decreased due to lower forecast future spot electricity prices. The profit impact from a reasonably possible movement in spot electricity prices (+/- 10 %) is +/- $1.3M net of tax.

NZ electricity PPA

In May 2023 New Zealand Steel Limited (NZS) entered into an agreement with Contact Energy Limited to provide price certainty for a fixed amount of electricity from 1 December 2025 to 30 November 2035. No physical transfer of electricity will take place under the agreement which is structured as a CfD, whereby the parties have agreed a ‘strike price’ for a fixed quantity of electricity for a 10-year term. Where the spot price exceeds the strike price, Contact Energy will pay the difference to NZS and vice versa if the spot price is lower than the strike price.

The CfD has been designated in a hedging relationship against NZS’s highly probable future electricity purchases with the CfD’s fair value movements, that are deemed to be an effective hedge, being recognised in other comprehensive income until the forecast transactions occur in future. Any ineffective portion of the CfD’s fair value movements is presented in profit or loss.

The key inputs impacting the value of the CfD are the strike price, the contract period, forward electricity spot prices (level 3 unobservable input) and the credit worthiness of the service provider. The 30 June 2024 the CfD payable was valued at $11.6M. The fair value decreased primarily due to lower forecast future spot electricity prices. The profit impact from a reasonably possible movement in spot electricity prices (+/- 10 %) is +/- $10.1M net of tax.

Notes to the consolidated financial statements

For the year ended 30 June 2024

32. Financial instruments and risk (Continued)

32.5 Fair values

The carrying amounts and estimated fair values of the Group's financial instruments recognised in the financial statements are materially the same.

The fair value of interest bearing financial liabilities where no market exists is based upon discounting the expected future cash flows by the current market interest rates on liabilities with similar risk profiles that are available to the Group (level 3).

Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the method used:

Valuation method	Description
Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (i.e. derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

Derivatives valued using valuation techniques with market observable inputs are primarily foreign exchange forward contracts and commodity forward contracts and power-purchase agreements (structured as CfDs). These valuations reference forward pricing using present value calculations. The forward price incorporates various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves of the underlying commodity. The fair value of forward commodity exchange contracts and forward foreign exchange contracts are considered level 2 valuations (note 32.4) and the commodity royalty option is considered level 3.

32.6 Recognition and measurement of derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The relationship between hedging instruments and hedged items, the risk management objective and the strategy for undertaking hedge transactions, is documented at the inception of the hedge transaction. The effectiveness of the derivatives in offsetting changes in the cash flows of hedged items is assessed and documented on an ongoing basis.

Cash flow hedges

Cumulative changes in the fair value of derivatives that are designated in a cash flow hedge are recognised in other comprehensive income, to the extent that the movements are an effective hedge, and accumulated in the hedging reserve in equity. Any cumulative changes in the fair value of a derivative that are deemed to be ineffective are recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in the hedging reserve are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when a hedged forecast transaction results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in the hedging reserve are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

Net investment in foreign operations

Net investments in foreign operations are accounted for similarly to cash flow hedges. Gains and losses accumulated in the foreign currency translation reserve are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

Discontinuation of hedge accounting

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the hedging reserve is immediately reclassified to profit or loss.

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33. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group, and its related practices:

	2024 $'000	2023 $'000
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	**2,960**	3,244
Fees for other assurance services under legislation	**-**	-
Fees for other assurance and agreed-upon-procedures services where there is discretion as to whether the service is provided by the auditor or another firm	**-**	-
Fees for other services		
- Tax compliance	**76**	35
- Advisory related	**677**	901
Total fees to Ernst & Young (Australia)	**3,713**	4,180
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	**3,548**	3,395
Fees for other assurance services under legislation	**-**	-
Fees for other assurance and agreed-upon-procedures services where there is discretion as to whether the service is provided by the auditor or another firm	**4**	-
Fees for other services		
- Tax compliance	**52**	110
Total fees to overseas member firms of Ernst & Young (Australia)	**3,604**	3,505
Total auditor's remuneration	**7,317**	7,685
Comprising:		
Total fees for audit services	**6,508**	6,639
Total fees for other services	**809**	1,046

34. New accounting standards

34.1 New and amended accounting pronouncements adopted

All new and amended Australian Accounting Standards and Interpretations mandatory from 1 July 2023, and relevant to the Group, have been adopted. These include the following:

- AASB 17 *Insurance Contracts*
- AASB 2021-5 *Deferred tax related to assets and liabilities arising from a single transaction*
- AASB 2021-2 *Disclosure of accounting policies and definition of accounting estimates*
- AASB 2023-2 *International Tax Reform - Pillar Two Model Rules*

The adoption of the new and amended standards has not resulted in any changes to the financial results or position of the Group.

Notes to the consolidated financial statements
For the year ended 30 June 2024

34. New accounting standards (Continued)

34.2 New accounting standards, amendments and interpretations not yet adopted

There are a number of new and amending accounting standards effective for reporting periods beginning from or after 1 July 2024 with early adoption permitted. While these remain subject to ongoing assessment, the Group has not early adopted any of the new and amending standards and they have not been applied in preparing the financial report.

The following amending standards relevant to the Group are not expected to have a significant impact upon the Group's consolidated financial statements:

Reference	Description
AASB 2020-1, 2020-6, 2022-6 *Classification of Liabilities as Current or Non-current (effective 1 July 2024)*	The requirements of AASB 101 Presentation of Financial Statements are amended to clarify that a liability, that is neither held for trading nor part of an entity's normal operating cycle, is classified as non-current if an entity has the right to defer settlement for at least 12 months after the reporting period. Furthermore, an entity is to disclose information about covenants relating to non-current liabilities for which the right to defer settlement for at least 12 months is subject to the entity adhering to certain conditions. The Group will adopt these amendments and include disclosures in the consolidated financial statements for the year ending 30 June 2025.
AASB 18 *Presentation and Disclosure in Financial Statements*	AASB 18 replaces AASB 101 *Presentation of Financial Statements* and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The key changes include: • Income and expenses must be classified in the statement of profit or loss into one of five categories – investing, financing, income taxes, discontinued operations and operating. • Two new mandatory subtotals in the income statement – operating profit or loss, and profit or loss before financing and income taxes. • Strict rules for labelling, aggregation and disaggregation of items in the financial statements. • New disclosures about management-defined performance measures. The Group will adopt the standard and make the required amendments to the presentation and disclosures in the consolidated financial statements on a retrospective basis from 1 July 2027.

Consolidated entity disclosure statement

The consolidated entity disclosure statement has been prepared in accordance with s.295(3A)(a) of the *Corporations Act 2001* and includes information for each subsidiary of the BlueScope Steel Limited consolidated Group as at 30 June 2024.

Entity name	Note	Entity type	Country of incorporation	Equity holding (in %)	Country of Tax residency
A.C.N. 676 749 456 Pty Ltd		Body Corporate	Australia	100	Australia
Amari Wolff Steel Pty Ltd		Body Corporate	Australia	100	Australia
Australian Iron & Steel Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope APT Holdings Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Building and Construction Limited		Body Corporate	Australia	100	Australia
BlueScope Distribution Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Pacific Steel (Fiji) Pty Limited		Body Corporate	Australia	100	Australia
BlueScope Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Steel (AIS) Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Steel (Finance) Limited	d.	Body Corporate	Australia	100	Australia
BlueScope Steel Americas Holdings Pty Ltd	d.	Body Corporate	Australia	100	Australia
BlueScope Steel Asia Holdings Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Steel Employee Share Plan Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Steel Limited	a.	Body Corporate	Australia	N/A	Australia
BlueScope Water Australia Pty Ltd		Body Corporate	Australia	100	Australia
BlueScopeX Pty Ltd		Body Corporate	Australia	100	Australia
Fielders Manufacturing Pty Ltd		Body Corporate	Australia	100	Australia
Glenbrook Holdings Pty Ltd		Body Corporate	Australia	100	Australia
John Lysaght (Australia) Pty Ltd		Body Corporate	Australia	100	Australia
Laser Dynamics Australia Pty Ltd		Body Corporate	Australia	100	Australia
Lysaght Building Solutions Pty Ltd		Body Corporate	Australia	100	Australia
Metalcorp Steel Pty Limited		Body Corporate	Australia	100	Australia
New Zealand Steel (Aust) Pty Limited		Body Corporate	Australia	100	Australia
Orrcon Distribution Pty Ltd		Body Corporate	Australia	100	Australia
Orrcon Manufacturing Pty Ltd		Body Corporate	Australia	100	Australia
Permalite Aluminium Building Solutions Pty Ltd		Body Corporate	Australia	100	Australia
The Roofing Centre (Tasmania) Pty Ltd		Body Corporate	Australia	100	Australia
BlueScope Bliss Buildings (Shanghai) Co Ltd		Body Corporate	China	100	China
BlueScope Building Systems (Xi'an) Co Ltd		Body Corporate	China	100	China
BlueScope Lysaght (Shanghai) Limited		Body Corporate	China	100	China
BlueScope Steel (Suzhou) Co. Ltd		Body Corporate	China	100	China
BlueScope Steel Investment Management (Shanghai) Co Ltd		Body Corporate	China	100	China
Butler (Shanghai) Inc		Body Corporate	China	100	China
Butler (Tianjin) Inc		Body Corporate	China	100	China
BlueScope Lysaght (Fiji) Pte Limited		Body Corporate	Fiji	68	Fiji
BlueScope Steel North Asia Ltd		Body Corporate	Hong Kong	100	Hong Kong
BlueScope Steel India (Private) Ltd		Body Corporate	India	100	India
PT BlueScope Buildings Indonesia		Body Corporate	Indonesia	100	Indonesia
PT BlueScope Distribution Indonesia		Body Corporate	Indonesia	100	Indonesia
PT NS BlueScope Indonesia	e.	Body Corporate	Indonesia	50	Indonesia
PT NS BlueScope Lysaght Indonesia	e.	Body Corporate	Indonesia	50	Indonesia
PT NS BlueScope Service Center Indonesia	e.	Body Corporate	Indonesia	50	Indonesia
BlueScope Buildings (Malaysia) Sdn Bhd		Body Corporate	Malaysia	100	Malaysia
NS BlueScope Malaysia Sdn Bhd	e.	Body Corporate	Malaysia	50	Malaysia
NS BlueScope Asia Sdn Bhd	e.	Body Corporate	Malaysia	50	Malaysia
NS BlueScope Lysaght Malaysia Sdn Bhd	e.	Body Corporate	Malaysia	30	Malaysia
NS BlueScope Lysaght Sabah Sdn Bhd	e.	Body Corporate	Malaysia	25	Malaysia
Global BMC (Mauritius) Holdings Limited		Body Corporate	Mauritius	100	Mauritius
Butler de Mexico S. de R.L. de C.V.		Body Corporate	Mexico	100	Mexico
NS BlueScope Lysaght Myanmar Limited	e.	Body Corporate	Myanmar	50	Myanmar
BlueScope Acier Nouvelle Caledonie SA		Body Corporate	New Caledonia	65	New Caledonia
BlueScope Steel Finance NZ Limited		Body Corporate	New Zealand	100	New Zealand
BlueScope Steel Trading NZ Limited		Body Corporate	New Zealand	100	New Zealand
New Zealand Steel Development Limited		Body Corporate	New Zealand	100	New Zealand

Consolidated entity disclosure statement

Entity name	Note	Entity type	Country of incorporation	Equity holding (in %)	Country of Tax residency
New Zealand Steel Holdings Ltd		Body Corporate	New Zealand	100	New Zealand
New Zealand Steel Limited		Body Corporate	New Zealand	100	New Zealand
Pacific Steel (NZ) Limited		Body Corporate	New Zealand	100	New Zealand
SteelServ Limited		Body Corporate	New Zealand	100	New Zealand
Steltech Structural Ltd		Body Corporate	New Zealand	100	New Zealand
Tasman Steel Holdings Ltd		Body Corporate	New Zealand	100	New Zealand
Toward Industries Ltd		Body Corporate	New Zealand	100	New Zealand
Waikato North Head Mining Limited		Body Corporate	New Zealand	100	New Zealand
BlueScope Steel International Holdings SA		Body Corporate	Panama	100	Hong Kong
BlueScope Steel Philippines Inc		Body Corporate	Philippines	100	Philippines
BlueScope Buildings (Singapore) Pte Ltd		Body Corporate	Singapore	100	Singapore
NS BlueScope Holdings Thailand Pte Ltd	e.	Body Corporate	Singapore	50	Singapore
NS BlueScope Lysaght Singapore Pte Ltd	e.	Body Corporate	Singapore	50	Singapore
NS BlueScope Pte Ltd	e.	Body Corporate	Singapore	50	Singapore
Steelcap Insurance Pte Ltd		Body Corporate	Singapore	100	Singapore
BlueScope Steel Southern Africa (Pty) Ltd		Body Corporate	South Africa	100	South Africa
BlueScope Lysaght Taiwan Limited		Body Corporate	Taiwan	80	Taiwan
BlueScope Buildings (Thailand) Ltd		Body Corporate	Thailand	80	Thailand
NS BlueScope (Thailand) Limited	e.	Body Corporate	Thailand	40	Thailand
NS BlueScope Lysaght (Thailand) Limited	e.	Body Corporate	Thailand	40	Thailand
Steel Holdings Company Limited	e.	Body Corporate	Thailand	40	Thailand
ASC Profiles LLC	e.	Body Corporate	USA	50	USA
BIEC International Inc		Body Corporate	USA	100	USA
BlueScope Blazer LLC		Body Corporate	USA	100	USA
BlueScope Buildings North America Inc		Body Corporate	USA	100	USA
BlueScope Buildings North America Engineering (Michigan) LLC		Body Corporate	USA	100	USA
BlueScope Coated Products LLC		Body Corporate	USA	100	USA
BlueScope Construction Inc		Body Corporate	USA	100	USA
BlueScope Finance (Americas) LLC		Body Corporate	USA	100	USA
BlueScope Properties Development LLC		Body Corporate	USA	100	USA
BlueScope Properties Group LLC		Body Corporate	USA	100	USA
BlueScope Properties Holdings LLC		Body Corporate	USA	100	USA
BlueScope Steel Americas LLC		Body Corporate	USA	100	USA
BlueScope Steel Holdings (USA) Partnership	b.	Partnership	N/A	N/A	USA
BlueScope Steel Investments 2 LLC		Body Corporate	USA	100	USA
BlueScope Steel Investments 3 LLC		Body Corporate	USA	100	USA
BlueScope Steel Investments Inc		Body Corporate	USA	100	USA
BlueScope Steel North America Corporation		Body Corporate	USA	100	USA
BPG Arizona 1 LLC		Body Corporate	USA	100	USA
BPG AB Olathe 1 LLC		Body Corporate	USA	100	USA
BPG Dove Valley 2 LLC		Body Corporate	USA	100	USA
BPG Mid Florida South 1 LLC		Body Corporate	USA	100	USA
BPG Olathe 1 LLC		Body Corporate	USA	100	USA
BPG Riverside 1 LLC		Body Corporate	USA	100	USA
BPG Tradeport East 1 LLC		Body Corporate	USA	100	USA
BlueScope Recycling and Materials LLC		Body Corporate	USA	100	USA
BlueScope Recycling and Materials Transport LLC		Body Corporate	USA	100	USA
Butler Holdings Inc		Body Corporate	USA	100	USA
Butler Pacific Inc		Body Corporate	USA	100	USA
Fulton County Properties LLC		Body Corporate	USA	100	USA
IPI Waterloo LLC		Body Corporate	USA	100	USA
North Star BlueScope Steel LLC	c.	Body Corporate	USA	100	N/A
NS BlueScope Holdings USA LLC	c. e.	Body Corporate	USA	50	N/A
Steelscape LLC	e.	Body Corporate	USA	50	USA
Steelscape Washington LLC	e.	Body Corporate	USA	50	USA
Tri-Star Investment Company LLC		Body Corporate	USA	100	USA
VSMA Inc		Body Corporate	USA	100	USA

Consolidated entity disclosure statement

Entity name	Note	Entity type	Country of incorporation	Equity holding (in %)	Country of Tax residency
BlueScope Lysaght (Vanuatu) Ltd		Body Corporate	Vanuatu	39	Vanuatu
BlueScope Buildings Vietnam Limited		Body Corporate	Vietnam	100	Vietnam
NS BlueScope Lysaght Vietnam Limited	e.	Body Corporate	Vietnam	50	Vietnam
NS BlueScope Vietnam Limited	e.	Body Corporate	Vietnam	50	Vietnam

All subsidiaries incorporated in Australia are members of the BlueScope Steel Limited tax consolidated group (refer to note 30.4). None of the entities listed above are trustees of a trust.

The references in the table above refer to the following:

a. This entity is the head company of both the BlueScope Steel Limited consolidated reporting group and the BlueScope Steel Limited tax consolidated group.

b. This entity is a subsidiary member of the BlueScope Steel Limited tax consolidated group on the basis that its partners are wholly-owned Australian subsidiaries of BlueScope Steel Limited.

c. These entities are treated as partnerships for US tax purposes. Their owners are resident in the US for tax purposes and are taxed on the income derived from the LLCs.

d. These entities are a partner in a partnership (BlueScope Steel Holdings (USA) Partnership).

e. These entities represent a participating entity of a joint venture that is consolidated in the Group's consolidated financial statements.

Directors' declaration

In the Directors' opinion:

a. the financial statements and notes set out on pages 73 - 148 are in accordance with the *Corporations Act 2001*, including:
   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date, and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 31 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross-guarantee described in note 31, and

d. the financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in the 'About this report' section of the notes to the consolidated financial statements.

e. The consolidated entity disclosure statement set out on pages 149-151 required by section 295(3A) of the *Corporations Act 2001* is true and correct.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This report has been made in accordance with a resolution of the Directors.

Jane McAloon, AM
Chair

Mark Vassella
Managing Director and Chief Executive Officer

19 August 2024

Ernst & Young
8 Exhibition Street
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Independent auditor's report to the members of BlueScope Steel Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of BlueScope Steel Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Carrying value of property, plant & equipment (PPE) and intangible assets (including goodwill)

Why significant	How our audit addressed the key audit matter
As required by Australian Accounting Standards the Group annually tests goodwill for impairment and tests other non-current assets where indicators of impairment or impairment reversals exist, using a discounted cash flow model to estimate recoverable value. At 30 June 2024, the Cash Generating Units (CGUs) with significant goodwill balances include North Star BlueScope Steel (goodwill balance of $1,199m), BlueScope Coated Products (goodwill balance of $354m) and Buildings North America (goodwill balance of $329m). The CGUs with a significant property, plant and equipment (PPE) balance are Australian Steel Products and North Star BlueScope Steel. The carrying value of PPE and intangible assets, (including goodwill) was a key audit matter due to the significance of these balances, the complex judgements in the impairment assessment process such as forecast foreign exchange rates, steel, iron ore and coal pricing, domestic sales volumes, climate change and other sustainability related risks that are affected by future market or economic conditions. The Group's disclosures are included in Note 14 of the financial report, which specifically explain the key assumptions used and sensitivity of changes in the key assumptions which could give rise to an impairment loss of the PPE and intangible assets (including goodwill) balance, or impairment reversal on previously impaired PPE balances, in the future.	Our audit procedures included assessing the appropriateness of the Group's determination of its CGUs where impairment testing was performed, taking into consideration the levels at which management monitors business performance and the interdependency of cash flows. In respect of the Group's cashflow forecasts, for relevant CGUs, where indicators of impairment or impairment reversal were present or in CGUs that contained significant goodwill balances as at 30 June 2024, we: ▶ Assessed key assumptions such as forecast steel, iron ore and coal pricing, foreign exchange rates and domestic sales volumes in comparison to external independent data where relevant ▶ Assessed the Group's results in comparison to historical forecasts to assess forecast accuracy ▶ Compared future cash flows to approved budgets ▶ Assessed the Group's assumptions for long term growth rates in comparison to economic and industry forecasts ▶ Assessed the adequacy of capital expenditure forecasts ▶ Assessed discount rates through comparing the cost of capital for the Group with comparable businesses ▶ Assessed the Group's assumptions related to climate change risks, including consideration of the Safeguard Mechanism in Australia, and capital expenditure and costs required to meet its committed decarbonisation plans ▶ Considered the indicative EBITDA multiples against comparable companies as a valuation cross check ▶ Tested the mathematical accuracy of the discounted cash flow model Where considered necessary, we performed a sensitivity analysis in respect of the assumptions noted above which were considered to have the most significant impact on carrying values, to ascertain the extent of changes in those assumptions which either individually or collectively would be required for the PPE and intangible assets (including goodwill) to be impaired, or for a previous impairment to be reversed where applicable. We assessed the likelihood of these changes in assumptions arising. We assessed the adequacy of the Group's disclosures of those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of PPE and intangible assets (including goodwill).

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 70 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of BlueScope Steel Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
Melbourne
19 August 2024

Section

05.

Additional Information

Extended Financial History

A$M unless marked; years ended 30 June		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Income Statement Key Items											
Total Revenue[1]		8,572	9,203	10,758	11,578	12,586	11,324	12,902	19,030	18,242	17,112
EBITDA[2]	- Reported	640	1,010	1,425	1,840	1,754	844	2,246	4,398	2,146	1,969
	- Underlying[3]	663	963	1,484	1,645	1,761	1,099	2,212	4,337	2,266	2,026
EBIT[2]	- Reported	297	622	1,045	1,463	1,341	310	1,759	3,849	1,487	1,276
	- Underlying[3]	326	582	1,105	1,269	1,348	564	1,724	3,787	1,608	1,339
NPAT	- Reported	136	354	716	1,569	1,016	97	1,193	2,810	1,009	806
	- Underlying[3]	161	307	652	826	966	353	1,166	2,701	1,099	861
Segment Underlying EBIT											
Australian Steel Products		150	361	459	587	535	305	674	1,298	537	377
North Star BlueScope Steel		107	147	407	431	655	190	677	1,900	443	494
Buildings and Coated Products North America		36	63	137	144	91	77	225	351	527	431
Coated Products Asia		103	133	130	115	97	115	195	166	142	160
New Zealand and Pacific Islands		(7)	(40)	61	112	81	(6)	130	229	129	44
Corporate & Group		(65)	(81)	(89)	(109)	(114)	(124)	(137)	(160)	(186)	(189)
Inter-segment		0	(1)	1	(11)	4	6	(41)	4	16	22
Continuing businesses underlying EBIT		**326**	**582**	**1,105**	**1,269**	**1,348**	**564**	**1,724**	**3,787**	**1,608**	**1,339**

1. Excludes the company's 50% share of North Star BlueScope Steel revenue until 30 October 2015. Includes revenue other than sales revenue. Includes revenue from discontinued businesses - that is, total revenue has not been restated for sale or closure of any businesses after that date.
2. Includes 50% share of net profit from North Star BlueScope Steel until 30 October 2015, and 100% consolidated profit thereafter.
3. Underlying results are re-stated for all periods for re-classifications of any businesses to discontinued. Businesses re-classified to discontinued - Lysaght Taiwan (2006), Packaging Products (2006), Vistawall (2007), Metl-Span (2012), Building Solutions Australia (2015), Taharoa Export Iron Sands (2017), Buildings Asean (2018).

A$M unless marked; years ended 30 June		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Performance Measures											
Return on invested capital[1]		6.4%	9.5%	18.5%	20.0%	19.5%	7.6%	24.8%	41.6%	14.6%	11.9%
Return on equity[2]		3.8%	6.7%	13.5%	15.3%	14.4%	5.1%	17.2%	30.7%	10.7%	8.0%
Capital, Earnings Per Share & Dividends											
Weighted average number of ordinary shares	(millions)	561	570	571	557	535	507	504	492	464	448
Earnings per share (reported)	¢/s	24.3	62.1	125.3	281.8	189.9	19.0	237.0	571.5	217.4	180.0
Earnings per share (underlying)	¢/s	28.7	53.8	114.2	148.3	180.7	69.6	231.6	549.3	236.7	192.3
Dividends per share	¢/s	6.0	6.0	9.0	14.0	14.0	14.0	50.0	50.0	50.0	55.0
Cash Flow Summary											
Net cash inflow (outflow) from operating activities		539	952	1,132	1,141	1,682	818	1,658	2,472	2,151	1,410
Net cash inflow (outflow) from investing activities		(411)	(1,290)	(408)	(380)	(388)	(570)	(757)	(1,760)	(979)	(967)
Net cash inflow (outflow) from financing activities		(115)	368	(509)	(582)	(606)	(484)	(296)	(1,052)	(1,361)	(849)
Net increase (decrease) in cash held		**13**	**30**	**215**	**179**	**688**	**(236)**	**605**	**(339)**	**(189)**	**(406)**
Financial Position											
Total assets		7,878	9,149	9,575	10,931	11,696	11,560	13,149	16,611	15,935	15,678
Total liabilities		3,138	4,163	4,037	4,043	4,355	4,521	4,989	6,162	4,904	4,393
Net assets		**4,739**	**4,985**	**5,539**	**6,888**	**7,342**	**7,040**	**8,160**	**10,448**	**11,031**	**11,286**
Net operating assets (pre-tax)		4,888	5,750	5,803	6,538	6,417	6,724	7,493	10,679	10,827	11,387
Net debt / (cash)		275	778	232	(64)	(693)	(79)	(798)	(367)	(703)	(364)
Gearing (net debt / net debt plus equity)		**5.5%**	**13.5%**	**4.0%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

1. Return on invested capital is defined as underlying earnings before interest and tax over average monthly capital employed.
2. Return on equity is defined as underlying net profit after tax attributable to shareholders over average monthly shareholders' equity.

Glossary

1H	Six months ended 31 December in the relevant financial year
1H FY2024	Six months ended 31 December 2023
1H FY2025	Six months ended 31 December 2024
2H	Six months ended 30 June in the relevant financial year
2H FY2023	Six months ending 30 June 2023
2H FY2024	Six months ending 30 June 2024
6BF	No.6 Blast Furnace (at PKSW)
ASP	Australian Steel Products segment
A$, $	Australian dollar
BCP	BlueScope Coated Products
BCPNA	Buildings and Coated Products North America segment
BlueScope or the Group	BlueScope Steel Limited and its subsidiaries (i.e. the consolidated group)
BNA	Buildings North America
BPG	BlueScope Properties Group
BRM	BlueScope Recycling and Materials
the Company	BlueScope Steel Limited (i.e. the parent entity)
CPA	Coated Products Asia segment
CY2023	Calendar year ended 31 December 2023
CY2024	Calendar year ended 31 December 2024
DPS	Dividend per share
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBS	Engineered building solutions, a key product offering of BNA and Building Products
EPS	Earnings per share
ESG	Environmental, social and governance matters
FY2023	12 months ending 30 June 2023
FY2024	12 months ending 30 June 2024
FY2025	12 months ending 30 June 2025
GHG	Greenhouse gas
HRC	Hot rolled coil steel
HSE	Health, safety and environment
IFRS	International Financial Reporting Standards
IRR	Internal rate of return
Leverage, or leverage ratio	Net debt over LTM underlying EBITDA
LTM	Last twelve months
mt	Million metric tonnes
Net debt, or ND	Gross debt less cash
NOA	Net operating assets pre-tax
North Star	North Star BlueScope Steel
NPAT	Net profit after tax
NSC	Nippon Steel Corporation
NZ$	New Zealand dollar
NZPI	New Zealand & Pacific Islands segment
NZ Steel	New Zealand Steel
PCI	Pulverised Coal Injection
PKSW	Port Kembla Steelworks
PPA	Power purchase agreement
ROIC	Return on invested capital (or ROIC), last 12 months' underlying EBIT over trailing 13 month average capital employed
ROU	Right-of-use
TBSL	Tata BlueScope Steel
TRIFR	Total recordable injury frequency rate (recordable injuries per million hours worked)
US	United States of America
US$	United States dollar

Shareholder Information

As at 26 July 2024

Distribution Schedule

Range	No of Holders	Securities	%
1 to 1,000	55,313	15,330,059	3.48%
1,001 to 5,000	9,860	20,235,153	4.60%
5,001 to 10,000	878	6,150,906	1.40%
10,001 to 100,000	430	9,796,582	2.22%
100,001 and Over	42	388,562,149	88.30%
Total	**66,523**	**440,074,849**	**100.00%**

Based on a closing share price of $21.53 on 26 July 2024, the number of shareholders holding less than a marketable parcel of 24 shares is 4,015 and together they hold 42,899 shares.

Twenty Largest Registered Shareholders

Rank	Name		Securities	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		173,096,919	39.33%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		98,525,444	22.39%
3	CITICORP NOMINEES PTY LIMITED		67,986,598	15.45%
4	BNP PARIBAS NOMINEES PTY LTD		10,888,933	2.47%
5	BNP PARIBAS NOMS PTY LTD		8,509,533	1.93%
6	NATIONAL NOMINEES LIMITED		7,415,755	1.69%
7	PACIFIC CUSTODIANS PTY LIMITED		4,382,475	1.00%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2		3,356,018	0.76%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		3,200,813	0.73%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		2,391,585	0.54%
11	UBS NOMINEES PTY LTD		2,205,991	0.50%
12	CITICORP NOMINEES PTY LIMITED		1,249,396	0.28%
13	PACIFIC CUSTODIANS PTY LIMITED		1,010,416	0.23%
14	ALLESSAV NOMINEES PTY LTD		844,963	0.19%
15	BNP PARIBAS NOMS (NZ) LTD		676,827	0.15%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		609,585	0.14%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		565,430	0.13%
18	BNP PARIBAS NOMINEES PTY LTD		465,195	0.11%
19	BRAZIL FARMING PTY LTD		410,000	0.09%
20	FIRST SAMUEL LTD ACN 086243567		397,375	0.09%
		TOTAL	**388,189,251**	**88.21%**
		Balance of Register	51,885,598	11.79%
		Grand TOTAL	**440,074,849**	**100.00%**

Substantial Shareholders

As at 26 July 2024, the Company has been notified of the following substantial shareholdings:

Name	Number of securities held*
BlackRock Group	29,571,407
State Street Corporation	22,678,505
The Vanguard Group Inc.	23,111,109
AustralianSuper Pty Ltd	22,051,070

**as at the date of the relevant substantial shareholder notice.*

On-Market Share Buy-Back

In February 2024, the Board approved an increase of the existing on-market share buy-back program, to allow up to $400 million to be bought over the following 12 months. Between this announcement and 30 June 2024, $130 million of shares were bought back, which combined with $193 million bought back in the prior six months results in a total of $323 million of shares bought back during FY2024.

On 19 August 2024, the Board approved an extension of the share buy-back program to allow the remaining amount of up to $270M to be bought over the following 12 months.

Voting Rights for Ordinary Shares

The Constitution provides for votes to be cast:

a. on a show of hands, one vote for each shareholder; and

b. on a poll, one vote for each fully paid share.

Securities purchased on-market

561,000 securities were purchased on-market under or for the purposes of an employee incentive scheme, with the average price paid per security being $22.23.

Unquoted equity securities

There are 3,174,188 employee share/alignment rights on issue which are held by 304 holders.

Stock exchanges on which our debt securities are listed

Nil.

Shareholder Communications

Shareholders are able to update their preferences for receiving the Annual Report, Notice of Annual General Meeting and other communications from BlueScope electronically or in hard copy by making an election. To update your preference, and for further information, visit BlueScope website at www.bluescope.com/investors/investor-resources/investor-services

Corporate Directory

Directors	• J McAloon AM *Chair* • E G W Crouch AM • J M Lambert • K Johnson • P Alexander	• M R Vassella *Managing Director and Chief Executive Officer* • R P Dee-Bradbury • K M Conlon • Z Zhang • A Field
Secretaries	• P S Grau	• D J Counsell
Management Team	• M R Vassella *Managing Director and Chief Executive Officer* • D Fallu *Chief Financial Officer* • K Keast *Chief Executive North America* • C Zhang *Chief Executive NS BlueScope and China* • G Stephens *Chief Executive Climate Change & Sustainability* • P Renkin *Chief People Officer*	• D J Counsell *Chief Legal Officer* • T J Archibald *Chief Executive Australian Steel Products* • R Davies *Chief Executive New Zealand & Pacific Islands* • J Nowlan *Chief Technical & Development Officer* • D Thadani *Chief Strategy & Transformation Officer* • S Charmand *Chief Digital & Information Officer*
Notice of Annual General Meeting	The Annual General Meeting of BlueScope Steel Limited will be held at The Grand Ballroom, Novotel Northbeach Hotel, 2-14 Cliff Road, North Wollongong, NSW, on Tuesday 19 November 2024 at 10.00am. Shareholders can attend in person or online at https://meetings.linkgroup.com/BSL24.	
Corporate Governance Statement	An overview of BlueScope Steel Limited's corporate governance structures is presented in the FY2024 Corporate Governance Statement which is available online at: www.bluescope.com/our-company.	
Workplace Gender Equality Reporting	In accordance with the *Workplace Gender Equality Act 2012*, BlueScope lodges an annual compliance report with the Workplace Gender Equality Agency (WGEA) regarding its Australian workforce. BlueScope's public WGEA reports are available at www.bluescope.com/resource-centre.	
Registered Office	Level 24, 181 William Street, Melbourne, Victoria 3000 Telephone: +61 3 9666 4000 Fax: +61 3 9666 4111 Email: bluescopesteel@linkmarketservices.com.au Postal Address: PO Box 18207, Collins Street East, Melbourne, Victoria 8003	
Share Registrar	Link Market Services Limited Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 Postal address: Locked Bag A14, Sydney South, NSW 1235 Telephone: 1300 855 998 (within Australia), +61 1300 855 998 (outside Australia) Fax: +61 2 9287 0309 Email: bluescopesteel@linkmarketservices.com.au **Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.**	
Auditor	Ernst & Young Level 23 8 Exhibition Street, Melbourne, Victoria 3000	
Securities Exchange	BlueScope Steel Limited shares are quoted on the Australian Securities Exchange (ASX).	
Website Address	www.bluescope.com	

BlueScope

Read our reports at
bluescope.com

Level 24, 181 William Street
Melbourne, Victoria 3000 Australia

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