YOU US R
our people are our strength
In 2016 BlueScope people have continued to turn around the Company’s fortunes while also focusing on our journey to zero harm.

We have been able to deliver strong profits against the background of a very volatile global steel industry.

Thanks to you, we are delivering on our strategy. Today:

• BlueScope is the largest manufacturer in the world of coated and painted steel products for building and construction markets.
• We have world-leading capability in custom engineered metal buildings through our BlueScope Buildings business.
• In ASEAN, we are winning new markets for our roofing and walling products, and developing innovative new products in the domestic appliances and the white goods sector.
• We own and operate the most profitable steel mini-mill in the United States, at Delta, Ohio.
• And thanks to great collaboration between employees, unions, communities, and governments, our Australian business is in a profitable position even when steel margins were at the bottom of the cycle levels, not seen in decades.

There are still challenges for us to address, but significant progress is being made to secure our competitiveness, to develop our people, and to change the way we work.

We are making real inroads to improve diversity in our workforce. Staying competitive also means developing an innovative culture. We have always ranked well in creating innovative products and entering new markets. This year we have celebrated the 50th anniversary of COLORBOND® steel, and we will continue to leverage the power of this iconic product.

BlueScope is positioned much more favourably today than at any time in the past 10 years.

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BlueScope leaders are expected to be advocates of BlueScope’s safety standards, and are responsible for setting the benchmark and the boundaries.

Leaders who act according to leadership standards demonstrate Felt leadership — that is no discrepancy between words and actions.

Richard Beker – Victorian Processing Leader, BANZ Processing & Logistics, Sunshine
Winner of Felt Leadership Award
2015 Managing Director & CEO Zero Harm awards

In the last three years Richard has led safety improvements and engagement at Sunshine, coaching employees to challenge and improve safety standards and to make site improvements. He uses creative ideas to keep safety fresh, and has led sessions on forklift damage prevention, load restraint training, and driver safety zones. Site safety statistics have improved over this time.

What does Felt Leadership mean to you?
Felt Leadership to me is about listening and learning from one another at all levels on how we can keep each other safe. It’s about engaging people to get an idea of how people see and understand the required safety standard. The challenge then is to develop methods whether direct, or indirect in addressing any gaps to the required standard.

How has Felt Leadership become part of the way you work?
Being connected to the whole team is important to me whether it is through sub-committees, HSE meetings, Toolbox meetings or just a general “walk the talk” exercise. Through these regular contact activities I feel I have the greatest influence over people’s behaviours in ensuring that safety is at an individual’s or team’s front of mind.

How has Felt Leadership changed the way your team approaches safety?
Listening and learning from people’s experiences and concerns while taking a genuine interest has resulted in positive safety improvements which have assisted people in their work areas. These results help develop trust and integrity over time, and although the phrase “safety journey” gets thrown about a fair bit it is the best way I feel Felt Leadership can be described, as we are always developing our individual Felt Leadership style to avoid stagnating or becoming complacent.
In Malaysia, the ‘Stand up for safety’ program is helping embed a sustainable, independent safety culture.

The challenge is to move from a dependent safety mindset characterised by a ‘wait and see’ attitude, to one where employees take responsibility and are proactive in taking action on safety issues.

Through workshops, brainstorming sessions, coaching and small group activities, employees learn the importance of safety independence and of their commitment to ensuring a safe workplace.

After focusing initially on employees working in high risk areas, the HSE team hopes the ‘Stand up’ program will become part of the way of working at BlueScope.

Individual progress in moving to an independent safety mindset is tracked on a scoreboard with safety goals and targets prominently displayed for all to see.
Our safety performance continues to improve, and 2016 delivered our best performance ever when you consider the results include our recently acquired businesses (Pacific Steel, Fielders and Orrcon).

Nevertheless from a workforce of 15000-people our results mean 24 suffered Lost Time Injuries (down from 35 in FY2015) and 214 recorded Medical Treatments (down from 253 in FY2015). That’s why our goal must be Zero Harm.

Our approach to safety hasn’t changed, we focus on identifying risks and either eliminating them or implementing controls to manage the situation. Last year we spoke about the importance of promoting proactive reporting of Serious Safety Occurrences (SSOs) because every time we recognise a risk and intervene before an incident occurs we potentially save ourselves, or a colleague, from serious injury. That’s how we as individuals contribute to our Zero Harm goal.
The safety data show that “Falls” is our most critical risk category and this is a significant concern everywhere, but especially in our construction businesses. Our Construction Global Requirements describe BlueScope’s minimum standards required to manage high risk activities associated with the construction of engineered buildings. These requirements cover a full range of tasks that take place on a construction site, such as unloading and storing steel, cranes and hoisting equipment, scaffold, roofing and decking, ladders, elevated lifts and separating people and equipment.

In a first for BlueScope, a new audit tool, available on smartphones, allows for real time safety audits of compliance against those construction global requirements. Importantly, the tool automatically alerts designated senior people within BlueScope when a non-compliance is found.

Known as ‘GREAT’ – Global Requirements Escalating Audit Tool – the tool promotes proactivity by ensuring that non-compliances are addressed immediately. It is available in seven languages for use right across our company and has been in operation in Asia since February 2016.

Where safety is concerned, how we behave determines how successful we are, so be proactive, don’t leave it to someone else. See something, Say something, Do something and ensure everyone goes home safe.

Each month Paul O’Malley and his lead team review the data and this information helps us identify and develop intervention strategies to address common causes across our business. The charts show the YTD data for October 2016 – as you can see, we are becoming more and more proactive, which clearly indicates that we understand our critical risks and pay attention when they are present.

We believe this proactive approach will drive down the number of reactive events. This information is published each month in the BlueScope Safety Summary, and the complete monthly report can be found on the BlueScope intranet.
In 2016 we introduced changes to BlueScope’s Diversity Policy to refocus BlueScope people and our partners on our commitments to diversity.

A diverse and inclusive workplace is important for our business. It will ensure that we have a better business, a better place to work, and a better future for all of us, our customers and our communities.

The changes to the Diversity Policy encompass a more inclusive definition of diversity; a stronger focus on our recruitment, selection and flexible work practices; and updated measures to better reflect our diversity objectives.

When I look around the business, I can see good examples of diversity, such as people of different cultures and ages working together.

However, we still have an opportunity to improve gender diversity. Women make up only 16 per cent of BlueScope’s overall workforce, which clearly does not reflect the communities where we live and work. We are also looking at other aspects of diversity, such as increasing our representation of indigenous people, of people with disabilities, and of people with different beliefs.

We know that teams with greater diversity report stronger results, including increased productivity, a better work environment, and access to talented new recruits. This demonstrates that diversity is good for our business.

I thank those sites and offices with diversity initiatives in place, and where performance has improved as a result. Some have adopted a new approach to recruitment to attract a broader range of candidates, not focusing just on skills and training, but importantly on behaviour and attitude, with plans to teach skills as part of the on-boarding training program. Sites are also making sure the amenities, crib rooms and other facilities cater for women, and that appropriate PPE and other uniforms are available.

We must ensure programs such as these are replicated across our business. All BlueScope employees have a critical role in contributing to improve our Company through diversity initiatives. Please always consider diversity when forming teams and recruiting new employees or initiating projects; and actively seek ideas that are different from your own.

I am committed to making a difference to improve and promote a more inclusive workplace at BlueScope, and I ask that everyone is involved to help us meet our objectives.

The only barriers to making changes are the ones we unconsciously create.

Paul O’Malley
Managing Director & CEO
Having traditionally had an all male workforce, the Port Kembla Steelworks Plate Mill presented the ideal opportunity to test a new recruitment model designed to attract women.

The new model puts more emphasis on personal attributes and behaviours than technical skills, which are now taught as part of induction to the new role and in training on site.

The employment offer includes shorter shifts and flexible hours, which allow women to better manage work and family responsibilities. The model also uses contractors to help match periods of variable demand.

Plate Mill employees attended briefing sessions to help them prepare to welcome the new recruits, and the workplace facilities were improved to make sure the work environment is as attractive as possible. To date three intakes of operators have been employed under the new arrangements, and 16 women are now working as casual operators.

All Plate Mill employees are regularly asked for their feedback on the new arrangements. The response has been overwhelmingly positive, and the diversity has brought a positive change to the workplace.
The Western Sydney Service Centre team is continuing to grow as a diverse group of employees that boasts many rich cultures, representing three generations and over 15 cultural backgrounds. The team also makes a concerted effort to improve gender diversity, and women now make up 12 per cent of the workforce.

An important contributing factor has been the ‘open the doors’ policy, which encourages women to see the workplace before they apply for a position. Many have taken the opportunity to walk through the site and ask questions about working there, and this has helped remove the stigma that manufacturing is male oriented and not conducive to women. Small things also make a difference in demonstrating an inclusive workplace, such as installing more lockers for women, and making a point of recognising employees’ contribution to the team.

The Western Sydney model reflects a new approach being adopted elsewhere in BlueScope, where selection criteria for new roles focuses on values, attitudes and behaviour, and the necessary skills are developed through training.

For example, two women with no previous experience are being trained to be competent crane drivers, moving coils to load the line or load trucks.

The Western Sydney team has embraced gender and cultural diversity, recognising the contribution a range of thinking, talents and perspectives makes to team dynamics.
COMMMUNITY ENGAGEMENT BRINGS DIVERSITY

Within BANZ Building Components, the Fielders business at Mile End has partnered with the Port Adelaide football club’s Powerful Futures Program to employ Arthur Kyrzaliotis as a first year indigenous apprentice.

The program helps indigenous high school graduates manage the transition into work or university.

Arthur attended school at Coober Pedy in South Australia’s remote outback, 850 km north west of Adelaide. Captain of his local football team, Arthur was also part of the Port Adelaide Football club Aboriginal Power Cup Program, which engages young people in education, promotes a healthy lifestyle and helps develop teamwork, leadership and life skills.

OFFERING NEW OPPORTUNITIES

Corey Davies is the second recipient of the BlueScope Indigenous Scholarship, which supports an Aboriginal or Torres Strait Islander undergraduate student of Business at the University of Sydney. The scholarship criteria include strong academic skills and demonstrated leadership capability.

“The BlueScope Steel Indigenous Scholarship in Business has been life changing,” says Corey. “It has given me confidence and reassurance to help me to settle into city and university life, and taken the strain off my family by enabling me to support myself through my studies.

“I believe that working closely with the BlueScope team and the University of Sydney will broaden my employment prospects when I graduate.”

Corey was awarded the scholarship as acknowledgement of his considerable academic ability and the leadership potential he has displayed through building awareness of indigenous values at school and his involvement in sporting activities.

In making its recommendation for the scholarship, the University of Sydney stated: “Corey demonstrated both strong academic performance and key contributions as a leader. We see him on a trajectory to make a significant contribution in business.”

Under the three year scholarship, Corey will work as an intern in the BlueScope ANZ Sales, Marketing, Innovation and Trade department during the university vacation.
“This is my first career, in welding. I’m fresh out of Richmond Community College in Hamlet, NC, where I learned several welding concepts and the art of welding. I say art, because that’s exactly what it is.

Out of 17 students I was the only girl in my class. I completed the last 4 months of my pregnancy in my final semester of school. There were many trials and adversities, but my main goal was to become a great welder. Who says moms can’t weld?

The highlight of my career so far is achieving what I set out to do – to officially become a welder. After completing school, finding a job as a 5’1” blonde was definitely not a plus in the career I chose. So getting hired at BlueScope was the missing piece to the puzzle for me.

Every day I read blueprints, make my measurements and weld my heart out. Giving it all I’ve got day in and day out.

The biggest challenge of my job is making sure I accurately read my blueprints. All while calculating my welds just right. I take pride in my work, always putting forth each and every day.

When you work in production it’s all or nothing. I’m a team player and will help my co-workers in any way I can. I’m upbeat and positive and always have a smile on my face. It’s hard work, but I’m no regular girl, I’m a welder, I’m a mom, I’m all kinds of things. The word woman is a small example of all that I am.

I just want to thank my supervisor, Buddy Currie, and everyone else in management for believing in me and helping me to become the welder/fabricator that I am.”
In China a number of actions are being taken to help attract more women to join the Company.

In Xi’an, BlueScope has established partnerships with two technical universities, and actively participates in campus recruitment for civil engineering students each year. Women now represent 50 per cent of graduate detailing engineers employed at the Xi’an facility, and the Company uses this forum to reinforce BlueScope’s inclusive culture.

Under the recruitment model, students participate in a one year tailored apprentice program which gives them the opportunity to experience the engineering working environment and culture before they graduate and are formally appointed. The benefits to BlueScope are being seen through a new vitality in the workplace.

Elsewhere, to help BlueScope China meet its goal of recruiting more female operators, changes are being introduced to ensure the working environment and facilities make women feel comfortable and respected. This includes renovating the women’s bathroom and shower facilities, and adjusting equipment to be better suited to women.
iSpark, launched in each country across NS BlueScope, aims to create an innovative workplace culture that fuels valuable ideas. Over 1200 employees in 25 sites participated in the iSpark launch to understand the importance of innovation and how they can contribute.

iSpark introduces a systematic approach to encourage and manage innovation across all countries, functions and levels of the business. An iSpark team of 60 employees, led by five iSpark Champions in Indonesia, Thailand, Vietnam, Malaysia and Head Office, has been established to encourage submissions, review ideas and support successful contributors in turning their ideas into innovations.

NS BlueScope is now able to tap into the combined innovative power of employees by offering them new ways to contribute ideas that promote market growth, improve customer engagement, or build productivity. Through a formal Stage-Gate process, the iSpark Committee will evaluate the ideas submitted – whether country-specific or ASEAN-wide – to determine their potential for implementation and support through concept and business case, testing, review and launch.

The iSpark Stage-Gate database captures all the ideas generated and guides project owners through the stages and gates to project completion.

A quarterly draw further encourages employees to submit ideas, and there are incentives and rewards for ideas that pass screening by the Country Management Team.

The next phase of iSpark will focus on monitoring and supporting the development of iSpark ideas, engaging leaders to embed iSpark across functions and the region, and other activities to promote and encourage participation.
In its iSpark program, BlueScope Vietnam has designed an Innovation Room to offer an environment where employees can conduct brainstorming sessions to generate new business ideas.

Innovation is now part of day-to-day conversations across all functions and businesses, and more and more employees feel comfortable contributing improvement ideas. Innovation is now clearly part of the capability platform that will help BlueScope Vietnam achieve its business targets.

Since the iSpark project was launched, employees have submitted 289 ideas, and five were approved by the Vietnam management team for implementation, with one idea also approved by the regional iSpark team.

In Thailand, an innovative solution to moving roofing sheet into position has created a safer working environment— and improved productivity.

When BlueScope Lysaght was awarded a large roofing project with a very tight timeframe, a team set to work on a prototype of a roller that, using existing Lysaght materials, could carry a load of at least five sheets of any nine metre long profile, be operated by just one employee, and was light enough to be raised up to the roof by a general service crane. The roller also needed to comply with Lysaght’s fall prevention standard.

After the prototype was successfully tested, ten sets of rollers were made and launched at the project site, and have also been used on a second roofing project.

The rollers have been a sound success—at least 30 per cent less man power is required to move roofing sheets, there is reduced exposure to risks of working at height, projects are completed more quickly and customers are very satisfied.

A project has now been presented to the iSpark innovation committee with agreement in principle to develop a motorised, remote controlled roller system that creates a safer work environment, further reduces project costs, and makes the BlueScope brand more recognised as a leader in roofing technology.
INNOVATION IMPROVES CUSTOMER SERVICE

ASC Profiles embraced innovation as a fundamental pillar of its growth strategy three years ago. Since then, the business has launched new products, expanded into new markets, and successfully implemented several cost saving initiatives to increase competitiveness.

Creativity and innovation have become a new way of thinking, a mindset that helps employees identify new opportunities, resolve problems, and create new solutions that deliver superior value to customers.

My ASC Profiles Portal™ is one example – an e-commerce platform that allows ASC Building Products customers to place sales orders directly into the SAP ERP system from their PC, laptop, tablet or smartphone.

Customers can check prices, see products and review complementary accessories such as trims, closures and fasteners before finalising the order, and then review and track its status from entry to invoice. Easy to use links guide them to libraries of technical information.

NEW APPROACH BRINGS REWARDS

A new critical thinking approach to root cause analysis at BlueScope Steel Malaysia has led to improvements in Metal Coating Line (MCL) prime yield performance, reduced losses from non-prime yield, and over $1 million in annualized cost savings.

The project team adopted a Kepner-Tregoe ('KT') program of training, coaching, facilitation and process integration to improve data collection, speed and accuracy of root cause analysis and the ability to sustain change.

Line leaders, technicians and engineers worked together to develop project goals and plans, and discussed any concerns in regular team meetings. This collaboration allowed a more cooperative approach to gathering information, troubleshooting and allocating accountability.

They held briefing sessions to engage peers and users in generating ideas and to collect feedback. This stakeholder involvement was a key factor in making improvements achievable and sustainable.

The team has built on the initial success, maximising the integration of the KT critical thinking process into MCL and Coil Plating Line operations. Employees at all levels have been engaged in the new approach, sharing the responsibility for collecting information, troubleshooting, fixes and prevention. MCL is now running at optimum speed with no major equipment issues, and has achieved its ‘stretch’ target in all Key Performance Indicators.

BlueScope Malaysia’s success in using the new methodology was recognised in the KT International Rational Process Achievement Awards.
INNOVATION DRIVES EFFICIENCY

An innovative project in BlueScope Buildings has revolutionised the way hand welders use design drawings to manufacture parts, with some unexpected benefits and cost savings.

“Following the 2008 acquisition and integration of Varco Pruden, the North American manufacturing business adopted the proprietary drawing type for fabrication generated by the Vision Engineering System,” says Ben Soumis, Logistics & Buyout Manager. “These documents were a combination of very simple ‘stock’ part images and text based instructions.

“However, the old format required a long training period and was available only in English. We recognised that as most of our newer skilled labour already understood standard drawings, creating our own drawings would solve the training issue.”

“We started a project to automate the creation of standard part drawings, known as Manufacturing Shop Drawings,” continues Bob Anderson, IS Application Manager. “Analysing the options, we saw another opportunity. The best way to generate standard drawings was to create a 3D model of each part and use construction industry software to automatically create the documents. We would then have all the standard drawings we needed, as well as a 3D model of each finished part.

“As development and testing proceeded, Ben and I ran a pilot of the new drawings in our St Joseph facility. We immediately noticed the vast amount of paper printed for every hand welder to use on each job–equivalent to roughly USD300,000 a year for all BBNA facilities just in printing drawings.”

“We researched ‘ruggedized’ tablets that could both survive and be warranted within our shop environments,” adds Ben. “And Bob programmed a fully custom application so that every hand welder can view the new standard drawings, together with a full 3D model of each part they are fabricating.

“Coincidentally, I was working on another project to change how we assess hand weld efficiency from the weight of material welded per hour to a measure based on time taken to weld the part. The Vision Engineering System had a very good algorithm to estimate how long it takes to hand weld each piece and we incorporated this unit of measure into the application. Using the scanner feature on each tablet, we were able to automatically measure and log time welding each custom frame part and so drive efficiency.”

BlueScope Buildings North America has made record gains in efficiency each month the tablets have been in use. And the hand weld team leaders say the new method of working is easier for training and improves quality.

The team is confident the move to standard drawings and 3D model for each member created is a stepping stone to more technological improvements in the Buildings business.
Operating in China’s highly competitive building and construction market, BlueScope must offer innovative products and services to differentiate its brand and products and so enjoy future success.

To create and promote an atmosphere which encourages innovation, the Engineering and Marketing teams launched the "Golden Idea" campaign to collect ideas from employees.

Out of 100 ideas assessed and reviewed, four practical and technically feasible ideas in supply chain, design and manufacturing have been selected for further development, including an initiative to improve the asymmetry of aluminium-zinc alloy coated steel sheet submitted by a group of Suzhou employees.

The campaign was supported by a two day creative thinking workshop held across four regions and six functions. Participants studied innovative tools and brainstormed how to focus on defining customer needs and improving product features.

BlueScope China has learned some valuable lessons from these initiatives:

• Innovation requires broad participation across the company, and a long-term view;
• Innovation doesn’t only mean new products, but is also the creative implementation of ideas, or more efficient ways of doing things, or other initiatives that can add value; and
• It’s important that everyone at all levels in the company has the opportunity to be creative, with access to the tools and new ways of thinking.
The innovative Web Restrained Brace (WRB), a reliable and resilient all-steel Buckling-Restrained Brace product developed by BlueScope Buildings for use in earthquake prone regions, has received US and Canadian patents. Invented by Igor Marinovic, Senior Research Engineer, and Skip Hyder, Manager Product Excellence, the WRB is a specially built primary structural member used as a long diagonal brace between adjacent columns. It is intended for projects that exceed code-prescribed limits of “ordinary” systems, and for buildings where design is governed by seismic forces.

Unlike brace rods or angles that easily buckle under slightest compression forces, the WRB brace will not buckle because the principal resisting element, the steel core, is protected within the restraining system to preclude buckling. The WRB consists of a flat bar – the core – sandwiched between two webs and two flanges – the outer shell – with a layer of Teflon placed along each side of the core plate. Tests have confirmed it can survive many cycles of stretching and shortening, up to several inches of elongation each way, without breaking.

Developing the product involved complex inter-department coordination across BlueScope Buildings NA. Igor and Skip carried out the product design and programming, and the Product Excellence group was responsible for most of the R&D work, supported by the Manufacturing Excellence group. Also instrumental to its success was the Rainsville team who built several batches of full scale test specimens, and the team in Visalia, CA who tested the process and improved the WRB production line.

BlueScope is the first company in North America to produce all-steel buckling restrained braces, and the team believes they may be the first in the world with a market-ready, all-steel brace of this kind. The WRB brace takes advantage of the key strengths of BlueScope Buildings’ metal buildings production lines to achieve cost-competitive production.
The Change the Game program was established in November 2015 as a partnership between BlueScope and the Australian Institute of Sport to deliver new ways of thinking and experiences. The successful completion of the 12 month pilot program has given rise to some great benefits of shared skills and synergies, including:

- Opportunity to collaborate, share skills and extend professional networks
- Opening up recruitment opportunities
- Access to role models who can inspire and support employees
- Contribution to and participation in BlueScope diversity programs
- Exchange of diverse experiences, perspectives and capabilities
- Leverage shared passion for performance to engage, develop and foster talented employees to stretch performance

Under the partnership, ten BlueScope ANZ employees have been matched with ten Olympic, Paralympic and elite athletes from sports including cycling, triathlon, netball, shooting, basketball, boxing and javelin.

The program comprised three formal workshops, and then each pair was encouraged to connect at least four times during the year and organise their own program of activities. These included plant visits, speaking at BlueScope events, attending training sessions, networking across social media and cross immersion into each other worlds.

The benefits of the program and experiences of high performance models have extended to the colleagues of BlueScope participants. For example, a team from the Western Sydney Service Centre attended a training session of the Australian women's basketball team, BlueScope ANZ employees in Adelaide had the opportunity to meet champion cyclist Chloe Hosking, and Rio gold medallist Catherine Skinner toured Port Kembla Steelworks and was briefed on technical aspects of steelmaking.

The program has highlighted common attributes across business and sport, and the appreciation that high performance is all about attitude, belief and environment, and the essential element is people who perform. This innovative program is aligned to BlueScope’s innovation agenda, and supports BlueScope’s diversity strategy to foster a talented workforce comprised of diverse opinion, gender, background, education, culture, experience, and beliefs.

Louis Whant, HCPD & UCP Manager, BlueScope ANZ Manufacturing, participated in the Change the Game program, and was partnered with Catherine Skinner, an elite shooter and qualified Chemical Engineer. Louis and Catherine met several times during the year, and one of their activities was to spend a ‘day in the life’ of each other’s respective career. Catherine visited Port Kembla Steelworks where – given her engineering experience – she was particularly interested in the Gas Processing Plant. Plans are in place for her to visit Western Port Works in 2017. Louis then had the opportunity to try his hand at trap shooting.

Catherine went on to win a gold medal in the women’s trap shooting at the Rio 2016 Olympic Games, and at the final Change the Game program workshop hosted by BlueScope and the Australian Institute of Sport, Catherine presented Louis with her Olympic Participant Medal.

Louis says Change the Game was an unforgettable and enriching experience. “In our meetings during the year, Catherine and I have come to really understand the challenges we each face and the make-up of the environment we both operate in. We’ve discussed our experiences and investigated strategies on how we can improve in our respective professional and sporting careers. And what a privilege and honour for me to now be considered an honorary Olympian. It was such an incredible and humbling gesture from Catherine.”
In Vietnam, BlueScope has led the conversion of traditional roll-formers into BlueScope Zacs® stores through initiatives to create demand and focus on recruiting and engaging next level customers in the value chain. The Company provides stores with support tools ranging from infrastructure investment to training, sales resources, quality management system implementation and safety improvements.

In addition, Zacs® outlets are responsible for extending the BlueScope brand to end-consumers in remote areas that the stores can’t reach. Local builders and specifiers, with support from BlueScope in product knowledge, installation and technical training and sales toolkits, also have an important role in converting sales into BlueScope Zacs® product.

The success of the retail initiative is evident at the end of FY2016, with 50 BlueScope Zacs® stores having been established, and partnerships created with 500 Zacs® outlets and 12,000 listed local builders. By FY2020, the goal is 100 BlueScope Zacs® stores, 2,500 Zacs® outlets, 20,000 listed local builders and 350 specifiers.

Getting closer to next-level customers is key to BlueScope successfully achieving its strategic goals for the retail sector of the market.

Since 2012, BlueScope has been developing an important relationship with China Zhongwang Holdings Limited, the largest industrial aluminium extrusion product developer and manufacturer in Asia and the second largest in the world.

To date, BlueScope Buildings has completed projects totalling 1.04 million square metres, with a value of $60 million.

BlueScope Buildings and the China Coated business have worked closely together to develop the relationship into a strategic key account. A key element of this has been visits by senior Zhongwang leaders to BlueScope facilities to better understand the unique value and service available to them. This teamwork across BlueScope has been key to the success of the customer relationship.
BlueScope Construction’s 21 year business relationship with FedEx Ground is considered the ‘gold standard’ for customer relationships in BlueScope Buildings North America. Based on aligned goals and objectives, it has resulted in more than 150 projects representing 20 million square feet. The relationship:

- incorporates continuous feedback through performance metrics;
- is designed for communication at all levels, including quarterly meetings and joint workshop every other year; and
- is focused on continuous improvement in safety, innovation, flexibility, schedule, project integration, quality and cost.

BlueScope Construction has developed a deep understanding of FedEx Ground’s business requirements and, using 3D technology, has integrated its structure with FedEx Ground’s complex conveyor layout to reduce cost and free up critical floor space for other uses.

Together, BlueScope Construction and FedEx Ground have developed various building designs required to accommodate FedEx Ground’s continually evolving conveyor and package handling designs and technology.

BUILDING TRUSTED PARTNERSHIPS

In China, BlueScope Lysaght aims to be the trusted partner for building systems, and is working to build closer relationships with customers.

Through a series of targeted seminars and site visits to major projects, customers see first-hand BlueScope Lysaght’s innovative design capability and range of products and systems.

In Shanghai Disneyland, LYSAGHT® building systems were used in about 40 buildings in the new Disney Town – including BONDEK® II decking in the castle – as well as in six theme districts. Customers are also impressed by the sophisticated roofing system products and technologies supplied by BlueScope Lysaght China in the 2014 APEC conference precinct.
A PROFILE

KAMINI WIJEKULASURIYA,
Manufacturing Manager Western Sydney Service Centre, BlueScope ANZ

This year I've celebrated 25 years at BlueScope. I started my career working at the Blast Furnace, including three years on shift. I then moved to the Sinter Plant as Process Engineer, and was subsequently appointed Ore Preparation Process Manager. My first role as Operations Manager was at the Bulk Berth, where ships bring raw materials for steelmaking. I managed 60 employees, including 40 stevedoring operators.

More recently I've moved into the painting and finishing end of manufacturing. I now manage a team of 80 operation and maintenance employees at the Western Sydney Service Centre (WSSC), a strategically positioned in-market paintline that works hard to deliver the best customer service, as well as support new product development. My accountabilities include receiving and dispatching trucks, scheduling, operations, reliability, maintenance and general up keep of the site. I’m actively involved in coaching, mentoring and supporting my team to develop their career goals, with a focus on valuing and building on the benefits brought by the gender and cultural diversity of our workplace.

My career highlights?
• On shift work, learning the process, becoming familiar with the shift culture and developing my own people skills while working with a diverse group of people at the Blast Furnace.
• Striving for focussed productivity improvements at Ore Preparation post the Sinter plant upgrade.
• At the Bulk Berth – negotiating an enterprise agreement, working collaboratively with stevedoring employees and the Port Authority to deliver business results safely and efficiently, and implementing processes for loading coal and iron sand.

• As WSSC Manufacturing Manager – being exposed to the market and customer, and delivering the best service. Embarking on a steep learning curve into painting technology and process, while driving the team’s focus on working safely to deliver the best outcomes for the business.

My greatest challenges are:
• Motivating and encouraging a very agile work force to consistently strive for results;
• Managing customer orders while balancing product development trials and a focus on end use;
• Meeting the business needs, managing exposure to sales and marketing teams and customer service contacts through the eyes of a manufacturing team; and
• Balancing and aligning my team’s priorities with others – that is sales and marketing, customer service and project teams.

I take an authentic approach to delivering results, working with diverse teams to get the best day every day. I believe my greatest contribution is aligning the team to the needs of the business. I also focus on respect for and recognising my team. I have a strong view that acknowledging and promoting diversity of thought, culture and gender motivates a team to strive to deliver their personal best and achieve results.

I was privileged to be named a finalist in the Women in Industry awards for manufacturing excellence. Another highlight has been the opportunities and valuable lessons I’ve gained from participating in BlueScope’s ‘Change the Game’ partnership with the Australian Institute of Sport.

OUR BOND

PEOPLE
The Essentials development programs help develop BlueScope people at all levels into leaders who create and sustain high performance, and deliver against strategy and business plans.

Essentials is offered at five levels across the Company, and uses a common approach to develop key competencies that employees at various levels require for success.

**Essentials for New Starters** introduces new employees to BlueScope, our values and our people.

**Essentials for New Professionals** is the foundation development program, designed to provide fundamental leadership competencies through targeted development sessions, mentoring and networking activities. The program is intended to complement on the job, role specific technical training.

**Leader Essentials** aims to deliver a common set of tools, skills and language to leaders and managers. The target audience is ‘first time’ leaders—those moving from an individual contributor role to a people supervisory or influencing role.

**Manager Essentials** equips participants with the set of skills required to enable them to deliver the strategy and business plans for their part of the business, as identified in the WITTS (‘What It Takes To Succeed’) framework. The challenges of a Manager role, such as commercial decision making, business planning, direction setting and tracking performance, are discussed and then practised in workshops.

**Essentials for Emerging Leaders** focuses on decision making, developing skills to drive business unit strategy, and the behaviours required for a high performance culture.

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**COLLABORATION BRINGS RECORD RESULTS**

To meet strong customer orders driven by the sales team, production output at BlueScope Coated China increased by 25 per cent in 2016, thanks to a renewed focus on collaboration.

Increasingly customers are demanding small, urgent orders for customised high quality products, and these now make up 30 per cent of total output. This new business mix has presented a number of challenges, including matching employee levels to demanding production needs, managing the complexity and variety of orders, and maintaining equipment to run 50 days consecutively.

Manufacturing department employees have taken a range of actions in this new environment:

- A focus on developing skills has enabled a job rotation system to be introduced. Now, 67.7% of employees can master more than one job skill and are able to work on different tasks. Employees have also participated in team building activities to support the new arrangements, and incentives are offered to teams who complete production tasks timely and efficiently. In addition, new flexible shift schedules support employees’ work/life balance needs.

- Working groups have been set up to resolve a range of manufacturing issues, such as product switching and CPL hazardous waste reduction. Optimized product switching technology has increased manufacturing efficiency, and there have been real productivity gains, with OEE (Overall Equipment Effectiveness) increasing from 89.5% to 91.6%, and PFT (Prime First Time) from 98.52% to 98.75%.

- In developing maintenance staff into both general and specialist engineers, adopting the “Predictive Maintenance” method has redefined the role of maintenance and contributed to more reliable equipment, with unscheduled downtime decreasing from 3.88% to 2.86%.

These new ways of working have seen monthly product line utilisation increase from 60% to 75% and exceed 80% in some months, lines have operated 52 days straight, on time delivery rates are more than 99.8%, and MCL and CPL continue to create new production records.

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**ESSENTIAL LEARNING FOR BUSINESS RESULTS**

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BlueScope is the first manufacturing company in Australia – and one of a select group of companies around the world – to adopt ‘Workplace by Facebook’ to help employees better connect, communicate and collaborate together.

Limited access to the BlueScope network and slow internet speeds in some areas means that many employees don’t have access to Company news and information. In short, the channels BlueScope uses to communicate with our people are not keeping pace with how we communicate and connect of outside work.

The opportunity for BlueScope is that most of our 15,300 employees around the world have the tools to connect and communicate through their mobile phone or tablet. The challenge was to find a solution to connect all BlueScope employees no matter where they are – by means of a PC, laptop or mobile device – and let them see, comment on and respond to Company news and information – whether they are connected to the BlueScope network or not.

‘Workplace’ enables BlueScope to adopt a revolutionary new approach. It allows two-way communication with team members, colleagues and other employees who we otherwise would not have the opportunity to connect with.

Employees can receive and respond to news and announcements from all BlueScope people, including Paul O’Malley and other business leaders. They can observe and contribute to initiatives underway in other parts of the business, celebrate business successes and learn from others’ experience. Chance meetings online and seeing different ideas come together can lead to opportunities for innovation and productivity improvements.

‘Workplace’ has begun as a pilot in BlueScope Australia & New Zealand, with limited participation from employees in other parts of our business. Our aim is that all employees will be able to connect on ‘Workplace’ by the end of the 2017 financial year.

CONNECTING OUR WORKPLACE

EMERGING LEADERS – A CASE STUDY.

Usually when we work together in groups it is to collaborate, solve problems and make plans to improve the business. However, in exploring the role of leaders in creating value, Module 1 of the Emerging Leaders program uses a computer based simulation that sees teams of four from across the business compete against each other. Following the themes of the WITTS model, this is real time practice for setting strategy, making customer and market decisions and ensuring the team delivers results.

Over four days – each representing one year in the business – the teams make decisions to best meet customer and market needs according to the simulation scenario, and also consider operational matters, such as capacity utilisation, inventory levels and improvement projects. Teams work to a set time frame which replicates the pressures of real life business.

A league table produced each day shows the teams’ comparative performance.

The simulation allows teams to learn as they go, and shows the real time impact of changes to decisions, reflecting the principles of a real business environment.

The simulation closes with the teams presenting to a ‘Board’ of senior BlueScope leaders who select the winning team based on the clarity of the strategy, the sustainability of the business and clear plans for the future, as well as the level of teamwork displayed.
In line with Our Bond and BlueScope’s Health, Safety, Environment and Community (HSEC) policy, Port Kembla Steelworks’ sustainability objectives go beyond mandatory requirements.

This approach has driven sustained environmental improvement and was formally recognised when BlueScope was announced the winner of the 10 Year Sustainability Achievement Award in the NSW Government’s 2016 Green Globe Awards, which celebrate excellence, leadership and innovation in sustainability.

This achievement reflects the success of the BlueScope ANZ manufacturing strategy – making good environmental practice good business – and is all the more notable given the difficult economic environment in which the business has operated over a large part of the past decade.

Environmental management systems and operational practices are in place to:

• identify, assess and manage environmental risks;
• set performance targets, regularly monitor and publicly report on our progress;
• drive compliance with relevant industry standards and legal requirements;
• engage with stakeholders to drive continuous improvement and build relationships based on honesty, openness and mutual trust;
• drive product improvements; and
• provide market leadership through engagement with customers and industry bodies.

Regular assessment of environmental risks, supported by a culture of engagement and continuous improvement, has resulted in significant improvements, including:

• 50 pollution reduction projects completed since 2006, working constructively with the EPA. Over 270 active improvement projects with direct environmental benefits completed in 2016.
• Significant reductions in fresh water consumption, with over 96 per cent of water used at the Port Kembla Steelworks now either recycled or salt water.

• Steady reduction in emissions to water, with a goal to eliminate emissions to water from process disturbance.
• Considerable reduction in greenhouse gas energy consumption since 2006 and, since 2011, improvements in greenhouse gas intensity. In FY2016, 81 energy/ greenhouse gas specific improvement projects were completed, and the aim is for greenhouse gas intensity to be within the lowest quartile of comparable facilities.
• Material efficiency has been maintained at greater than 99.7% through reducing waste generated, recycling by-products, selling by-products to external parties as feed materials, and increased use of scrap. Reuse and recycling offsets the need to use raw materials such as iron ore and coal, which in turn reduces emissions, energy and water use by eliminating upstream processing requirements. In addition, increased recycled content leads to better use of the steel scrap supply generated in Australia, which in turn results in less steel scrap being transported overseas for further processing.
• In FY2015 air emissions from manufacturing operations were close to half the level reported in FY2006.
AT NEW ZEALAND STEEL…

As part of Men’s Health Month, New Zealand Steel employees enjoyed Free Soup Day and listened to experts speak about the importance of maintaining a healthy heart and a healthy diet. They also learnt some frightening statistics about the amount of sugar in popular snack foods.

New Zealand Steel, in partnership with the Accident Compensation Corporation, has established a motorcycle rider’s safety program offering employees the opportunity to learn and practise riding skills under controlled conditions. In 2015, five New Zealand Steel employees were involved in motorcycle accidents, and this safety program aims to help reduce that statistic and make the riders more aware of the dangers of road riding and how to control their motorcycles.

New Zealand Steel employees have donated over 350 pairs of brand new pyjamas to the Kidz First Children’s Hospital appeal. The pyjamas are distributed through the emergency department and throughout the wards where they are handed out to needy patients and, in certain situations, to their siblings. The pyjamas go a long way to help make the children’s stay in hospital a little more comfortable.

Eighteen of New Zealand Steel’s industrial firefighters completed the 2016 Firefighter Sky Tower Stair Challenge to raise nearly $25,000 for Leukemia and Blood Cancer NZ. The challenge is to run up 51 flights of stairs and 1103 individual steps to the top of the 328 metre Sky Tower, carrying 25 kg of kit. The New Zealand Steel team finished fourth in the challenge team category and sixth in fundraising.
OUR COMMUNITIES ARE OUR HOMES

The team at Impact Steel in Dandenong, Australia, believes in living Our Bond. When employees wanted to do more to support the local community, they formed the Impact Steel Our Bond Committee to give back to the community through outreach programs, schools, community groups and sporting clubs, and charities, fundraising and social causes.

One of the committee’s recent initiatives has been to stop giving gifts to customers at Christmas, and instead purchase a “Swag” sleeping bag on their behalf to donate to the local Cornerstone outreach centre, which in turn provides the sleeping bags to homeless people. This initiative won the Home and Community Initiative category in the 2016 BlueScope ANZ Living Safety awards.

The Impact Steel team is very proud to have contributed around $25,000 to the community since 2010, and employees have also given their time.

GROWING A PARTNERSHIP

The Australian Federal Government has recognised BlueScope’s 15 year support of the Wollongong Permaculture Partners program.

Permaculture Partners is a co-operative of local schools and businesses, and aims to actively encourage students to get involved in planting, growing, nurturing, harvesting and using produce from gardens in their school grounds. The students also learn a range of life skills through this hands-on activity. Over the years, BlueScope has helped the program develop a business plan, and has also encouraged many local businesses to support the program.
BlueScope Vietnam strives to be a valued member of its communities by creating shared values through community activities.

Employees volunteered for “Blue Connect Day” at the Thien Than orphanage, Ba Ria Vung Tau province. Thien Than orphanage feeds more than 70 orphans and disabled children but relies on donations and other support to provide adequate living conditions. Employees distributed toys and gifts and decorated the orphanage for Tet, the Vietnamese new year celebrations.

Also on the occasion of Tet, nearly 400 employees visited local schools and child welfare centres that together look after more than 5,000 pupils. They participated in a range of activities including educating the children on school safety and cleanliness, painting classrooms, renovating school facilities and planting trees. Employees gave books for school libraries and distributed awards to students, and many also donated money to the schools.

To mark World Environment Day, BlueScope Vietnam organised activities to educate the community about the importance of caring for and preserving the environment.

A number of BlueScope Lysaght employees planted trees on site to help improve the working environment, and others did maintenance work and planted trees at a local school. At the Phu My manufacturing plant employees held a competition to make a video about saving energy and protecting the environment. Meanwhile, employees at the Ho Chi Minh office held a discussion panel to raise awareness of environmental issues such as saving energy and water, tree planting and classifying waste.
BlueScope Indonesia’s SmartRoads program trains BlueScope employees to be ambassadors who educate students and other members of the community on road safety. Six new SmartRoads ambassadors appointed in 2016 have led road safety sessions for over 200 students. The sessions covered the importance of being more aware of personal safety and preventing dangerous behaviour on the roads – an important task in Jakarta where the number of road accidents increased 7 per cent in 2015 to more than 6,200.

KEEPING ROAD SAFETY TOP OF MIND

SUPPORTING YOUNG WOMEN IN STEM

In North America, the BlueScope Foundation actively supports the annual exhibition ‘Science pioneers expanding your horizons’ which promotes STEM (Science, Technology, Engineering and Mathematics), and helps young women see the possibilities that a career in engineering can offer.

Three BlueScope Buildings North America engineers led a “Tower in the Sky” seminar at the 2016 event. They discussed what makes skyscrapers different from regular buildings, then gave the students 30 minutes to work in groups and construct their own ‘skyscraper’ from 50 straws, 50 pipe cleaners and 25 paperclips. The aim was to build the tallest structure that could support the weight of a golf ball near the top of the ‘building’.
BlueScope’s Environment Awards are assessed against the commitment to Our Bond – ‘Our communities are our homes’ – and HSEC Policy – ‘We care for the environment’ through:

- the efficient use of resources;
- pollution prevention strategies and mitigation of process disturbances;
- reducing the environmental impact of our operations and products; and
- community engagement and consultation.

Twenty environment engagement and improvement projects from across BlueScope were submitted for the 12 months to May 2016. Some notable achievements include:

- mitigation of community water and land contamination;
- reduction in pollutants discharged via process stacks;
- over 317,000 kilolitres pa reduction in fresh water consumption;
- segregation of waste to increase recycling and reduce over 1600 tonnes of annual waste stockpile;
- reclaiming over 1600 tonnes of iron skulls for reprocessing; and
- reducing energy consumption by over 112,000 gigajoules pa.

In addition, there have been other benefits for BlueScope, such as operational improvements and efficiencies and significant cost savings, demonstrating that good environment management is good business.

BlueScope’s environmental objectives go beyond compliance. Our responsibilities to health, safety, environment and the community are integral to the way we do business.

Environment Improvement Award 2016
No 5 Blast Furnace–reclamation from waste refractory and trough waste
Ironmaking, BANZ Manufacturing

Situation – Waste generated during stave replacement program led to dust emissions at the Recycling Area. In addition, Cast House Floor waste generated during refractory trough outages increased waste stockpiles.

Task – Reduce and reclaim or recycle stockpiled refractory waste.

Activity – A process was developed to manage Cast House Floor refractory waste, with sand, slag and iron skulls diverted to other locations, iron skulls and fines were reclaimed from the existing stockpile.

Result – Refractory waste sent to the recycling area has more than halved, resulting in a reduction of 1660 tonnes per annum being stockpiled. Reclamation of the existing stockpile resulted in 1,596 tonnes of iron skulls being retrieved and recycled back through the process, and 4000 tonnes of fines being screened and stockpiled for future use; with total cost savings of approximately A$1.1 million.

Environment Engagement Award 2016
Community Waste Oil Collection program
Vishwa Reddy, Functional Manager, Pacific Steel, Fiji

Situation – Poor storage and handling of waste oil collected for reuse at the Fiji Rolling Mill led to land and water contamination

Task – Remove threat to the environment and community resulting from inadequate storage and handling of waste oil

Activity – Pacific Steel Fiji engineering team designed a tank for local businesses to store waste oil, free of charge; and the team distributed plans to help businesses construct wash bays. Site Functional Manager also educated local business and community groups on the regulations for storage, management and disposal of waste oil, and the impact of pollution on the environment.

Result – Reduction in environmental risk from waste oil disposal, and greater community awareness of the risks, and the effect on the environment.
BlueScope: Over 15,000 people in more than 100 manufacturing plants