

# BLUESCOPE RISK MANAGEMENT POLICY

BlueScope aims to actively manage risk. It is the responsibility of employees, management and directors to consider the risk and impact to BlueScope of the decisions that they make.

## OUR COMMITMENT

BlueScope is committed to the identification and comprehensive management of risk. We aim to achieve a culture that seeks to actively manage risk.

BlueScope applies an integrated approach to risk which helps direct all of our risk management efforts towards delivering sustainable value.

Our approach is based on the principles embodied in *ISO31000:2009 Risk Management – Principles and Guidelines* and the *ASX Corporate Governance Council Principle 7: Recognise and manage risk*.

The policy is applicable to all BlueScope controlled entities.

## RESPONSIBILITIES

Role	Responsibilities
BlueScope Businesses & Operations	<ul style="list-style-type: none"> <li>Consider risk in the decisions that are made within delegated limits</li> <li>Implement risk procedures</li> <li>Own risks and resource their management with support from functional groups</li> <li>Verify and report on risks and their management with support from functional groups</li> </ul>
ELT Members	<ul style="list-style-type: none"> <li>Decision making and resourcing authority within delegated limits</li> <li>Establish risk management systems</li> <li>Promote a risk management culture</li> <li>Drive effective implementation of risk mitigation and controls</li> </ul>
Board and Committees	<ul style="list-style-type: none"> <li>Oversee the management of risk</li> <li>Approve the risk policy and insurances</li> <li>Reviewing risks that are material to the achievement of the Company's objectives, assessing the effectiveness of the Company's risk management system and reviewing the Company's risk appetite</li> </ul>

## POLICY STATEMENTS

Risk is the effect of uncertainty on our objectives and is inherent in our business.

Risk management at BlueScope is a core and integral component of doing business, not a separate function.

Risk management enables us to prevent losses or capitalise on opportunities.

Five broad categories set the framework by which business risks are to be identified and managed;

- Compliance & Conduct,
- Social & Environment,
- Markets & Products,
- Business Operations, and
- Financial.

Risk Appetite statements set the fundamental principles that govern the way we will execute our strategy and the acceptable level of risk.

Understanding risk, and our appetite for particular types of risk, is a key consideration in our decision making.

Decisions are made as close as possible to the source of risk. Leaders are empowered to own and manage risks directly within the approved limits of authority delegated to them.

## APPLICABLE STANDARDS

Supporting this policy BlueScope has a risk management [Standard](#) that provides detailed guidance on the risk management framework including tools for evaluating the likelihood and consequence of risks.

## BLUESCOPE BOARD APPROVED

March 2018