



BlueScope

Supplier Code of Conduct

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Supplier Code of Conduct

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Supplier Code of Conduct

INTRODUCTION

At BlueScope we are guided by “Our Bond”, a written expression of our values and principles that also reflects the importance of our Customers, Suppliers, our People, our Shareholders and the Communities in which we operate. “Our Bond” was developed by the employees of BlueScope in 2001 and since then has been guiding our actions and decisions and supporting us in choosing to do what is right.

BlueScope is committed to sustainable sourcing practices that create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing BlueScope’s products and services to market.

In early 2018 BlueScope introduced a formal standard on Responsible Sourcing – the Responsible Sourcing Supplier Standard. This document sets out our commitment to sustainable sourcing practices, our approach to engaging our supply chain partners and the principles that we embrace and expect our suppliers to commit to. Our aim is to ensure that sustainability principles are embedded within our sourcing processes, including supplier selection, performance monitoring and ongoing cooperation.

The Responsible Sourcing Supplier Standard is a key resource for suppliers to understand BlueScope’s position and expectations and a key context document for this Code of Conduct.

SUPPLIER CODE OF CONDUCT

This Code of Conduct sets out BlueScope’s minimum standards for suppliers. We expect our suppliers to meet the expectations in this Code themselves and to share these expectations with their own suppliers so that they are communicated through the supply chain. We encourage our suppliers to partner and work together with us and other supply chain partners to identify challenges and develop improvements.

Code Applicability

This Code is relevant and applicable for all BlueScope’s suppliers and contractors, including their use of subcontractors. This Code applies to all workers, including but not limited to vulnerable populations such as part-time or temporary workers, workers of all genders and ages, and both local and foreign migrant workers.

Suppliers are always required to comply with the applicable legal regulations. If there are instances where legal requirements are less stringent than this Code, suppliers are to uphold the expectations in this Code as part of BlueScope’s business commitment and requirement for responsible sourcing.

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Supplier Support

We partner with businesses large and small who share our values. We will communicate our principles and expectations to suppliers and review supplier alignment with our approach to responsible sourcing from time to time. We will require certain existing and potential new suppliers to demonstrate that the way in which they operate aligns with BlueScope's expectations, and to commit to the principles expressed in the Responsible Sourcing Supplier Standard, and the detailed guidance in this Supplier Code of Conduct.

We require our suppliers to monitor their compliance with this Code of Conduct and to communicate to BlueScope any issues or challenges in their operations and supply chain. Suppliers will also be required to comply with BlueScope processes that seek to assess compliance with this Code of Conduct. This includes responding to requests for information and may include site visits, third party assessments and corrective action plans.

It is not the intention of this code to impose unnecessary requirements or obligations on our suppliers. Any assessment against the requirements of this code will be risk-based, which means considering the size, scope and activities of an organisation when assessing the effectiveness of their approach to managing the risks addressed by this code. Our expectation is that suppliers have adequate process in place to manage the risks that are relevant to their business and supply chain.

Although we have a 'zero tolerance' approach to critical breaches of our Code, it is important to note that we do not walk away from suppliers facing genuine difficulties in achieving compliance. Our first aim is to ensure that any such difficulties are addressed and remedied, and practices put in place to avoid recurrence. If we then believe that there is both commitment and capability of the supplier to avoid recurrence, we will usually continue to work with them until and unless there is any repetition. Ongoing non-compliance with our principles and expectations as communicated by us to a supplier may lead BlueScope to terminate the business relationship.

Should there be any questions regarding the Code of Conduct, suppliers are encouraged to contact their BlueScope Procurement representative.

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Code of Conduct Development

Our Code of Conduct has been developed with robust research and benchmarking against international governing frameworks, industry best practices, global assessment programs, and our peers and supply chain partners.

The Code is based on the following 4 pillars:

- A. Business Integrity and Ethics
- B. Social and Labour Conditions
- C. Health and Safety
- D. Environment

The following programs have been considered and incorporated into the development of this Code:

- Ethical Trading Initiative's (ETI) Base Code
- United Nations Global Compact's (UNGC) 10 guiding principles
- United Nations Universal Declaration of Human Rights' (UDHR) principles
- Responsible Business Alliance (RBA)'s Code of Conduct
- Responsible Steel Draft Standards

The following BlueScope documents guide and support this Code of Conduct:

- Our Bond
- BlueScope Guide to Business Conduct
- BlueScope Responsible Sourcing Supplier Standard

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Code of Conduct Detailed Guidance

A. Business Integrity and Ethics

Suppliers maintain the highest standards of integrity and transparency in all business interactions and comply with applicable laws wherever they operate. BlueScope has a zero tolerance approach to bribery, corruption and illegal practices and encourages reporting of any observed or suspected misconduct.

A.1 Transparency

Suppliers maintain accurate, transparent records of business operations, permits and licenses. In relation to business integrity and ethics, social and labour conditions, health and safety in their operations, and environmental impacts, suppliers must operate in a transparent manner and be open to appropriate third-party assessments.

A.2 Ethics and Anti-Corruption

Suppliers must set clear expectations on standards of business conduct, ethics and anti-corruption and provide training to all workers and staff to ensure awareness and promote compliance. Suppliers should have a mechanism for parties to report and processes to investigate any complaints relating to ethics or corruption.

A.3 Management Systems

Suppliers must have a management system or processes to support and maintain compliance requirements and drive improvements.

This should include:

- Management team or senior manager accountability
- A statement on responsible sourcing practices
- A statement relating to workplace code of conduct and business practices
- Training, monitoring and evaluation of management processes.

A.4 Responsible Sourcing of Minerals

Suppliers of materials must have processes to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses (for example, in the Democratic Republic of the Congo or an adjoining country). Suppliers must exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon request.

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B. Social and Labour Conditions

Suppliers must support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuses. BlueScope has a zero tolerance stance on forced and compulsory labour and child labour.

B.1 Hiring, Disciplinary, and Termination Practices

Suppliers must have processes to ensure that hiring practices, employment contracts and termination practices are ethical and comply with applicable laws and regulations at a minimum. Disciplinary actions regarding employment terms are clearly defined and communicated to workers. Suppliers who work with third-party labour hiring agents are expected to conduct their own due diligence to ensure that hiring and recruitment practices are ethical.

B.2 Young Worker and Child Labour

No use of child labour under the applicable legal minimum age or under the age of 15 is allowed, whichever is higher. Where young workers (older than 15 but under the age of 18) are present, suppliers must comply with applicable regulations relating to adequate protection of young workers and their pursuit of educational development.

B.3 Forced Labour

No forced, compulsory or involuntary, bonded or indentured labour, prison, slavery or trafficked workers are to be used. This also includes the transportation, recruitment, and transferring of persons by means of threat, force, coercion, or fraud for labour services.

Some common indicators of forced labour are:

- Penalties
- Unfree labour
- Work and life under duress
- Withholding of identification papers or passport
- Impossibility of leaving employment

B.4 Harassment and Abuse

Suppliers must ensure that no harsh or inhumane punishment or abuse, such as sexual, physical, verbal abuse, corporal punishment, or mental coercion occurs in the workplace. Suppliers conduct training to all workers, including supervisors and managers, relating to maintaining a workplace free from harassment and abuse.

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B.5 Discrimination

Suppliers must commit to a workplace free of unlawful discrimination based on factors such as age, gender, sexual orientation, ethnicity, religion, disability, pregnancy, political affiliation or union membership. Workers must be provided with equal opportunity for employment.

B.6 Freedom of Association

Suppliers must respect the right of workers to choose for themselves whether or not to be represented by an employee association.

B.7 Grievance Mechanisms

Suppliers must provide and maintain grievance mechanism channels for workers to raise issues without fear of retaliation. Grievance mechanisms should allow for anonymous submissions. Workers must be trained on how to use the grievance channels.

See “Remedy and Grievance Mechanisms” section for more guidance.

B.8 Wages and Benefits

Suppliers must pay legal minimum wage (including overtime premiums and mandated benefits) for all workers or the wages and benefits agreed within an applicable agreement or employment contract (whichever higher).

B.9 Working Hours

Suppliers must have processes to ensure that workers work no more than the maximum working hours, including overtime, according to applicable laws and industry standards.

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C. Health and Safety

Suppliers must uphold the wellness, health and safety of workers (including contractors) in the work environment and take appropriate measures to ensure that workers are provided with adequate protection against occupational injury and illnesses.

Suppliers should work collaboratively with supply chain partners to understand each other's needs regarding health, safety and wellness and to implement sustainable, effective and efficient risk management. This includes understanding how each supply chain partner's process, operations and products may have an impact on the wellness, health and safety of each other (including customers) and members of the public.

C.1 Occupational Health and Safety (OH&S) Management

Suppliers must have adequate processes in place to manage occupational health and safety standards in the workplace and management is held accountable for these standards. This should include:

- Consultation arrangements, including workers having the opportunity to raise health and safety opportunities or concerns and have them addressed through a consultative process.
- Processes to manage health and safety risk, as far as reasonably practicable, utilising the hierarchy of control. This should include management of the risks associated with interactions between supply chain parties and members of the public (for example: all parties in the supply chain adequately packing product to allow for safe transportation).
- Protocols for responding to and recording of all injuries.
- Return to work processes (helping injured workers with their recovery and getting back to work) including workers being compensated for occupational related injuries.

C.2 Industrial Hygiene

Suppliers must take appropriate measures to ensure that the work environment is clean, safe and hygienic. Industrial Hygiene risk is to be managed as far as reasonably practicable, utilising the hierarchy of control. The supplier will provide well-maintained, fit for purpose personal protective equipment (PPE) where possible.

C.3 Health and Safety Training

Suppliers must provide training to all workers (including contractors) on health and safety considerations relating to the work they are undertaking, including hazards which may affect other parties in the supply chain or members of the public. This includes understanding the hazards and how the risks are being controlled. Examples include (but are not limited to) working at heights, working with machinery, securing material on vehicles, working around mobile equipment, working with hazardous chemicals, fatigue management, the correct usage of PPE.

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C.4 Fire Safety Controls and Emergency Preparedness

Suppliers must maintain fire safety protocols according to legal requirements and conduct evacuation training and drills to implement fire safety responses and emergency egress.

C.5 Sanitation, Food and Accommodations

Workers (including contractors) have access to clean drinking water and clean toilet facilities, including access to sanitary food preparation, storage, and eating facilities. Where accommodations are provided for workers, the accommodation is clean, safe and hygienic.

C.6 Health and Safety Communication

Suppliers should provide relevant health and safety information to workers in a local language that can be understood by all workers. Safety signs and cautions are placed appropriately throughout the site where required.

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D. Environment

Suppliers should implement controls and initiatives to minimise environmental impacts from their operations, promote greater environmental responsibility, and actively seek technologies and remedies that positively impact environmental performance.

D.1 Environment management processes

Suppliers must have adequate processes to support and maintain compliance, including all valid permits and licenses related to environmental impacts.

D.2 Waste management

Suppliers must monitor waste produced onsite and take measures to minimise waste. Where hazardous substances are produced, suppliers dispose of hazardous waste safely, responsibly and according to legal requirements.

D.3 Air emissions

Where applicable, suppliers must ensure that they emit effluent air and gasses according to legal requirements and have relevant permits for these emissions.

D.4 Energy

If operating an energy intensive process, suppliers must take measures to track energy consumption and actively seek cost-effective measures to reduce energy consumption and greenhouse gas emissions.

D.5 Water

If operating a water intensive process, suppliers must evaluate and report on the impacts and potential risks of their water use on the local environment and communities, including:

- monitoring water sources and taking measures to reduce the usage of freshwater.
- monitoring the quality of water that is discharged and ensuring that this is done according to legal requirements.

D.6 Chemical management

Suppliers must monitor the inventory and use of chemicals (hazardous and/or flammable substances). Where such chemicals are used, suppliers must exercise chemical safety measures and conduct training to all workers and supervisory staff on safe handling, storage and usage of chemicals, chemical spill protocols, and appropriate disposal of chemicals.

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REMEDY AND GRIEVANCE MECHANISMS

BlueScope recognises the importance of grievance mechanisms to responsible business practices. The United Nations Guiding Principles (UNGPs) define grievance mechanisms as any routine process through which grievances concerning business-related human rights abuse can be raised and remedied.

A grievance mechanism can only serve its purpose if the people it is intended to serve know about it, trust it and are able to use it. As such, we expect our Suppliers to provide grievance mechanisms that conform to the following principles.

Effective grievance mechanisms are primarily managed and implemented internally across various stakeholder groups but are also supported by external parties, including but not limited to independent providers, industry programs, community partners, civil society organisations, and non-governmental organisations (NGOs). The UNGP has established effectiveness criteria for operational-level grievance mechanisms below:

- **Legitimate** - Enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- **Accessible** - Being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face barriers to access;
- **Predictable** - Providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring;
- **Equitable** - Seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- **Transparent** - Keeping aggrieved parties informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness;
- **Rights-compatible** - Ensuring that outcomes and remedies accord with internationally recognised human rights. Integrating human rights norms and standards into processes and basing on principles of non-discrimination, equity, accountability, empowerment and participation;
- **Source of continuous learning** - Drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.

Examples of internal grievance mechanisms:	Examples of external grievance mechanisms:
<ul style="list-style-type: none">• Suggestion boxes• Open door policy / open dialogue• Meetings between workers and management• Worker surveys• Phone / app / web-based helplines	<ul style="list-style-type: none">• Ethics Line• Facilitated dialogues• Audits with worker interviews• Worker surveys• Phone / app / web-based helplines

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CONDUCT HOTLINE

BlueScope provides a hotline service managed by a third party for employees and suppliers as a mechanism to raise misconduct concerns anonymously.

To find out how to report suspected misconduct, please visit BlueScope's [website](https://www.bluescope.com/sustainability/reporting-suspected-business-misconduct/) for more details.
<https://www.bluescope.com/sustainability/reporting-suspected-business-misconduct/>

REFERENCES

- Ethical Trading Initiative's (ETI) Base Code
<https://www.ethicaltrade.org/eti-base-code>
- United Nations Global Compact's (UNGC) 10 guiding principles
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- United Nations Universal Declaration of Human Rights' (UDHR) principles
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<https://www.responsiblesteel.org/>
- Responsible Business Alliance Code of Conduct
<http://www.responsiblebusiness.org/code-of-conduct/>