



BlueScope Steel Limited
ABN 16 000 011 058
Level 11, 120 Collins Street
Melbourne VIC 3000
AUSTRALIA
P +61 3 9666 4000
www.bluescope.com

22 September 2020

Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

**Re: BlueScope Steel Limited (BSL)
Corporate Governance Statement and Appendix 4G**

Please see attached BlueScope Steel Limited's 2020 Corporate Governance Statement and Appendix 4G in accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Debra Counsell".

Authorised for release by:
Debra Counsell
Company Secretary

CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

INTRODUCTION

As a global organisation with businesses operating in many countries, BlueScope Steel Limited and its subsidiaries (BlueScope or Group) must comply with a range of legal, regulatory and governance requirements. The Board places great importance on the proper governance of the Group.

The Board operates in accordance with a set of corporate governance principles that take into account relevant best practice recommendations.

These include the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (3rd edition) (ASX Principles and Recommendations).

BlueScope Steel Limited (the Company) complies with each of the recommendations in the ASX Principles and Recommendations. This Corporate Governance Statement, current as at 4 September 2020, has been approved by the Board of BlueScope Steel Limited and includes specific disclosures required by each recommendation. Further information on the Company's corporate governance policies and practices can be found under the "About Us/ Governance" section of the [Company's website](#).

The Appendix 4G, which contains a summary of the location of corporate governance information relevant to the ASX Principles and Recommendations, can also be found under the "About Us/Governance" section of the [Company's website](#).

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (ASX CG Recommendations (4th edition)) was released in February 2019 and will apply to the Company in FY2021. The Company has undertaken a reconciliation of its governance practices against those outlined in the 4th edition and considers that it largely complies with the 4th edition. The Company continues to address the remaining issues, which are not substantive, to enable it to report against the 4th edition for FY2021.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

BOARD CHARTER

The Board has adopted a Charter which sets out, among other things, the respective roles and responsibilities of the Board and management, the matters delegated to the Managing Director and Chief Executive Officer and those specifically reserved to the Board. The Board Charter underwent a detailed review and rewrite to ensure clarity of accountability and to maintain Board effectiveness with the revised Charter being adopted by the Board in August 2019.

The Company's Board Charter is available under the "About Us/Governance" section of the [Company's website](#).

The Board has established a number of Committees and delegated certain powers to those Committees, as set out in the Board and Committee Charters, to assist it fulfil its responsibilities. The Committees, the Chair and the members of each Committee are set out in the table below.

Board Committee Membership Table

Nomination Committee	Health, Safety & Environment Committee	Risk & Sustainability Committee	Audit Committee	Remuneration & Organisation Committee
Chair: John Bevan	Chair: Mark Hutchinson	Chair: Ewen Crouch	Chair: Jennifer Lambert	Chair: Penny Bingham-Hall
All Non-Executive Directors	All Directors	Jennifer Lambert	Ewen Crouch	John Bevan
		Penny Bingham-Hall	Rebecca Dee- Bradbury	Rebecca Dee-Bradbury
		Mark Hutchinson	Kathleen Conlon	Mark Hutchinson
				Kathleen Conlon

DIRECTOR APPOINTMENT

The Nomination Committee determines the skill profile for new appointees (see "Board Skills and Experience" under Principle 2, below) and recommendations are made to the Board on candidates for appointment. The Board recognises the importance of conducting appropriate checks on potential Directors and providing sufficient information to shareholders to enable them to make informed decisions in relation to the election or re-election of Directors. The Nomination Committee's role includes conducting appropriate checks on potential candidates before they are considered by the Board. This process is also applied to candidates nominating for election outside the Board process. Search firms are engaged from time to time to assist in identifying appropriate candidates for consideration by the Committee.

The Company will provide all material information in its possession that is relevant to a decision on whether to elect or re-elect a Director.

The Company has a written agreement with each Director and senior executive setting out the terms of their appointment.

COMPANY SECRETARY

The Company can have more than one company secretary but at least one is to be appointed by the Board. The Board can suspend or remove a company secretary from office. The Company Secretary & Chief Legal Officer is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board.

DIVERSITY AT BLUESCOPE

At BlueScope, we are committed to creating a safe and inclusive workplace where everyone feels valued, has a sense of belonging, and can contribute meaningfully to our Company.

We know that a diverse workforce and inclusive culture are a competitive advantage that lead to sustained business success and make BlueScope a better place to work. Our approach to inclusion and diversity, including our policy, is outlined in the [Sustainable Steel/Diversity section](#) of the Company's website.

In FY2020, we retained our focus on gender balance and building a more inclusive workplace, and we increased our focus on enhancing overall diversity through inclusion. As we evolve our business purpose and strategy, we are also evolving our approach to inclusion and diversity. We seek to build on our progress to date, while recognising that there is more to be done.

This year we developed a 5-year Global Inclusion and Diversity Strategy to better deliver our inclusion and diversity commitments to:

- Attract and retain a diverse workforce representative of the communities in which we operate.
- Promote belonging and pride by leading inclusive and positive employee experiences.
- Create safe workplaces and strong partnerships where all people feel they belong, are valued, and can contribute meaningfully to our Company.

Our revised strategy expands our existing focus to bring coordinated and targeted consideration to multi-dimensional diversity across five key dimensions: Gender balance, Ethnicity and First Nations, Life ages, stages and experiences, LGBTQ+, and Accessibility and acceptance. Our strategy highlights the dimensions of diversity that we believe are important for us to focus on now, in order to optimally drive inclusion for all people over time. This does not mean that other diversity groups or dimensions are less important or valued by us. It means we have chosen dimensions that – for BlueScope – will best help progress our inclusion and diversity commitments.

The Remuneration and Organisation Committee of the Board reviews the progress towards, and effectiveness of, the measurable objectives set by it via an annual assessment of inclusion and diversity targets including pay equity. This is underpinned by quarterly reviews of business specific data.

Progress Against FY2020 Goals

We continued to make progress against the goals we set in FY2020 around three key focus areas of Representation, Inclusion, and Analysis of barriers to inclusion.

Representation

FY2020 Goals

- Target 45% female recruitment for all new leadership and overall appointments and 35% for all operator appointments across the Group
- Threshold 20% female representation on all Business Unit and Group Functional leadership teams; target 40%.
- Introduction of a non-gender diversity focus, to be determined by each business.

The following table illustrates our ongoing progress toward gender balance across our workforce, including in the leadership pipeline and our operations workforce. Due to the cyclical nature of targeted recruitment campaigns in the operator recruitment, recruitment figures moderated this year to a more sustainable level. We will continue to retain our focus on recruitment as a key vehicle for improving gender balance across our workforce.

Women represent 42% of our overall Business Unit and Group Functional leadership team members. All these teams except one met the threshold target of 20%, while three exceeded the stretch target of 40%.

This year each Business Unit introduced a non-gender diversity focus. Chosen focus areas have included life ages and stages, and cultural diversity. We will consider how to report on these at a Group level in FY2021.

% Women in Workforce	FY2016	FY2017	FY2018	FY2019	FY2020
Board	25.0%	25.0%	33.3%	37.5%	50.0%
Executive Leadership Team	11.0%	25.0%	38.0%	40.0%	40.0%

Executives	13.8%	14.5%	20.0%	27.0%	28.2%
Salaried	27.2%	27.0%	28.2%	29.8%	30.4%
Operations workforce	3.9%	6.1%	8.4%	10.7%	11.2%
Overall workforce	16.5%	17.4%	19.0%	20.7%	21.4%
Executive recruitment	n/a	n/a	n/a	66.6%	42.8%
Operator/Trade recruitment	7%	29%	33%	40%	29%
Overall recruitment	23%	37%	40%	43%	37%

Executive Leadership Team includes CEO and direct reports.

Executives include all employees that have an Executive contract (CEO -1, -2, -3).

All figures current at 30 June 2020.

Note: As a 'relevant employer' under the Workplace Gender Equality Act 2012, BlueScope has lodged its report for the period ended 31 March 2020. A copy is available on the Company's website and will also be available on the WGE Agency website.

Inclusion

FY2020 Goals

- 100% participation of our senior leaders in inclusion awareness campaigns.
- 100% of our leadership development programs to include content on contributing to an inclusive work environment.
- 100% of induction and onboarding programs to include training on organisation expectations around workplace inclusion.

We met our three FY2020 Inclusion goals. Inclusion and diversity form a part of our induction and onboarding programs and are an ongoing feature of our leadership development programs. In addition to existing practices and programs, a new global leadership development program was launched this year called Connected Leaders. The program focuses on supporting leaders to leverage digital communication platforms to engage widely with diverse employee groups, and to encourage inclusion and connection across our business.

This year our focus on inclusion extended to inclusive remote workforce practices, in the context of our business experiencing large-scale remote working for the first time due to COVID-19 related business disruptions. Our senior leaders focused on inclusive communication and direct engagement with disrupted workforces, campaigning through a variety of new digital means to encourage employees to help each other to feel included, safe and productive as our business embraced new ways of working.

Analysis of Barriers to Inclusion

FY2020 Goals

- Introduction of an inclusion index, to provide a clear picture of diversity progress at BlueScope across the Group through both representation and cultural indicators.
- Ongoing annual analysis of pay equity.

Our Australian Steel Products business participated in the Diversity Council of Australia's inaugural Inclusion@YourWork Index survey, as a pilot to inform development of a global inclusion index for our business. Through this venture, we achieved Inclusive Employer status in Australia and have gained insights that will help us to establish a Global Inclusion Index in FY2021.

We continue to review pay equity as part of the annual remuneration review process. This year, we once again confirmed a minimal gap in pay differentials between men and women in similar roles. We continue to conduct out of cycle salary review interventions to manage identified gaps.

FY2021 Inclusion & Diversity Objectives

This year we will launch and implement our newly developed five-year Global Inclusion & Diversity strategy. As part of the first-year plans within this strategy, the following inclusion and diversity key focus areas, objectives and targets have been established for FY2021. These represent the common themes currently present across all our BlueScope communities. In addition to these, countries will manage local objectives and targets around unique themes—for example, ethnicity is a focus area in North America.

FY2021 Focus Area	FY2021 Objectives	FY2021 Target
Gender Balance	Continue progress toward gender balance within our workforce.	Representation A gender balance of at least 30% women and at least 30% male on our Board and Executive Leadership Team.

		• A threshold target of at least 20% women and at least 20% male representation on all Business Unit and Functional leadership teams (being those people reporting directly to our Executive Leadership Team members). <u>Recruitment</u> • A gender balance of at least 40% women and at least 40% male appointments to overall executive and overall new roles. • Recruitment target of at least 30% women into new-hire appointments for operator/trade roles.
Life Ages & Stages	Adopt a globally coordinated approach to better supporting people of all life ages and stages.	<u>Flexibility</u> • Global standards and related local policies in place for the engagement and support of flexible and remote working practices, in all business units. <u>Knowledge capture</u> • Global leadership onboarding and offboarding programs in place that systemically capture entering and exiting knowledge and insights. • For areas of our business with retiring populations, targeted program in place to capture and share knowledge across generations in order to accelerate next generation learning and to support transitions to retirement. • Redesign and update of our global learning programs to ensure their content and delivery reflect next generation learning modalities, such as social-digital, to ensure ongoing attractiveness to all talent and in particular to digital natives.
Inclusion	Continue to embed inclusive behaviours and create inclusive workplaces, through our people systems, practices and development programs.	<u>Inclusive virtual workplaces</u> • 100% of leadership teams (-1 and -2 below ELT) are trained in managing remote teams and fostering inclusive virtual workplaces. • Systemic interruptions to unconscious bias are embedded into every stage of our leadership selection process. <u>Analysis</u> • Ongoing analysis of pay equity.

BOARD REVIEWS

The performance of the Board and its Committees is evaluated regularly. Each year it is proposed to either conduct an internal review or have a review facilitated by a third party. An internal review is conducted through a range of formal performance reviews, including confidential evaluation questionnaires completed by Directors and usual management attendees at Board and Committee meetings. Informal review mechanisms, such as meeting feedback, are also used.

The performance of individual Non-executive Directors is also usually reviewed annually either by way of an internal review or facilitated by a third party. The process generally involves the completion of a confidential evaluation questionnaire by other Board members or if an external review is conducted possibly by way of an interview. The results of the review are discussed by the Chairman with the Director concerned. Evaluation results for the Chairman are provided to the Remuneration and Organisation Committee Chair for discussion with the Chairman. Regular informal discussions take place between individual Non-executive Directors and the Chairman.

During FY2020, it was intended that a review of the Board, its Committees and its individual Non-executive Directors would be facilitated by a third party, noting the last externally facilitated review occurred in 2017. However, as it was considered that the review would benefit from direct

observations of the Board, its Committees and their members during meetings, and this was curtailed because of the restrictions imposed in response to COVID-19, it was decided to postpone the facilitated review until those restrictions have eased.

Instead, an internal performance evaluation of the Board and its Committees took place. This was by way of completion of an evaluation questionnaire which focused on the initiatives undertaken to address feedback from the previous performance evaluation, to ascertain if it was considered those matters have been adequately addressed and, if not, what else should be actioned. The results of those reviews have been provided to the Board and the Committees. The Board and Committee results have been discussed at a Board meeting and the Chairman has also discussed those results separately with each Board member. The evaluation questionnaire focused on the areas of: Board structure and role, Meeting process/Agenda balance, Board Performance and Strategy and Planning. It was generally agreed that good progress had been made with the adoption of the initiatives in these areas. In addition, further initiatives were suggested for consideration, which will occur in FY2021.

As a consequence of deferring the externally facilitated review, with the exception of the Chairman, a review of individual Non-executive Directors has not been undertaken since that which occurred in 2019. It is anticipated that the external review will be underway early in 2021 and an informed and detailed review of individual Non-executive Directors will occur as part of that review.

SENIOR EXECUTIVE REVIEWS

As part of the Board's oversight of senior management, all Group executives are subject to an annual performance review and goal setting. This involves evaluation of the executives by their immediate manager. Each executive is assessed against a range of criteria, including achievement of goals relating to financial performance, operational excellence, safety, and delivery of strategic projects and initiatives. All senior executives participated in a performance evaluation on this basis in relation to the year ended 30 June 2020.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

NOMINATION COMMITTEE

The names of the members of the Committee, each Director's independence, their attendance at meetings of the Committee and the number of times the Committee met are set out on pages 24 to 27 of the Directors' Report contained in the 2019/2020 Annual Report. The members of the Committee are also set out in the Board Committee Membership Table above.

The Committee Charter underwent a detailed review and rewrite to ensure clarity of accountability and to maintain Committee effectiveness, with the revised Charter being adopted by the Board in August 2019. A copy of the Committee Charter can be found under the "About Us/Governance" section of the [Company's website](#).

The composition and structure of the Committee complies with the requirements of the ASX Principles and Recommendations i.e. it has at least three members, a majority of whom are independent Directors and is chaired by an independent Director.

BOARD SKILLS AND EXPERIENCE

The Nomination Committee has identified the key skills and experience desirable for those on the Board as being those set out in the table below.

Skill/Experience	Description
Leadership	Senior leadership experience, including as a Director or CEO of a major listed business and leading through a period of significant disruption or change.
Strategy & Commercial Acumen	Experience in assessing and testing strategic objectives, business plans and financial performance including experience in assessing optimum outcomes from capital management and funding arrangements.
Legal, Risk & Governance	Experience in identifying and resolving of legal and regulatory issues. Experience and knowledge of governance requirements for listed entities and a commitment to delivering those requirements and to sustaining high standards of organisational reputation. The ability to manage, oversee or establish risk and compliance frameworks and systems processes required to identify, monitor and manage key organisational risks.
Financial Oversight	Experience in the oversight of financial statements, financial knowledge, accounting or related financial management experience or qualifications.
People & Culture	Experience in people matters including assessing and developing workplace culture, organisational transformation, talent development and retention, employee engagement, succession planning and remuneration.
Operations Management & Sustainability	An understanding of major operations management including workplace health and safety, environmental management, asset management, project management, engineering / technical operations, supply chain management and climate change reporting.
Technology/Digital	Experience in the development, selection and implementation of business transforming information systems, technology and innovation and responding to digital disruption.

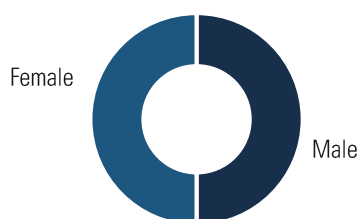
Market Experience	Experience in some or all of the following markets or industries which are directly relevant to the organisation: Manufacturing, Building & Construction, Building Products, Commodity trading or the Metals / Material industry.
Customer Engagement	Experience in delivering customer focused solutions through innovation, marketing or premium brands and channels.
Geographic Experience	Experience living in, or managing projects or businesses in, different regions including Australasia, Asia or the Americas, with an exposure to a range of cultural, political, legal and social environments.

During FY2020 the Board has considered the key skills and experience desirable for those on the Board and has determined that the current composition of the Board provides coverage of all these identified skills and experiences.

The Board also looks for gender diversity within these skill sets. Based on the assessment by the Nomination Committee of the diversity and skills to complement current Board members, recommendations are made to the Board on candidates it considers appropriate for appointment.

The following tables illustrate the diversity of the Board by reference to a number of factors as at 30 June 2020.

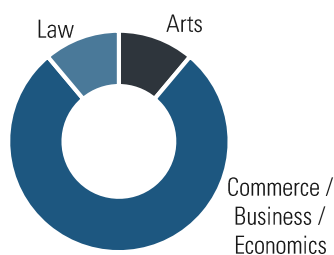
GENDER



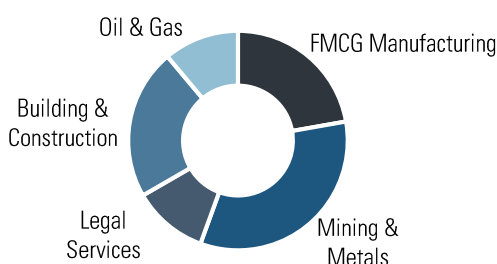
AGE



TERTIARY QUALIFICATIONS



INDUSTRY EXPERIENCE



Upon appointment, Directors are offered a comprehensive induction program covering details of the Group's policies, operations and the environment in which it operates. The program includes site visits, meetings with management and with the Company's auditors (if requested) and extensive background reading materials. In addition, there is an ongoing programme of regular site visits to improve Director knowledge of the Group's businesses and key management personnel.

Directors are also offered support in taking up opportunities to develop and maintain the professional skills and knowledge needed to perform their role as Directors effectively. Directors receive briefings on developments in the industry and the legislative, regulatory and industry framework.

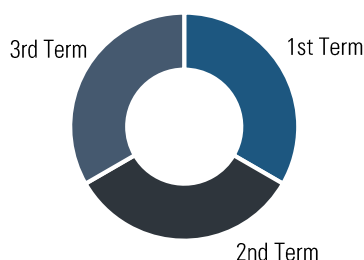
DIRECTOR INDEPENDENCE

All Directors other than the Managing Director and Chief Executive Officer are Non-executive Directors and the Board considers all of its Non-executive Directors (including the Chairman) to be independent i.e. a majority of the Board is comprised of independent Directors. Where a Non-executive Director is a Director of a company with which BlueScope has, or has had, a contractual or business relationship in the last three years, in making an assessment of the independence of that Non-executive Director, the Board considered whether, and formed the view that, each Director is free of any material business or other relationship that could, or could reasonably be perceived to interfere, in a material respect, with the exercise by the Director of an independent judgement in the best interests of the Company as a whole and its security holders generally.

Each year the Board assesses the independence of its Non-executive Directors against its Independence Policy. During FY2020, the Board amended the Director Independence Policy so that it aligns with the factors relevant to assessing the independence of a director contained in the ASX CG Recommendations (4th edition). The Director Independence Policy is contained under the "About Us/Governance" section of the [Company's website](#).

LENGTH OF SERVICE

The length of service of each Director is included on pages 24 to 26 of the Directors' Report. Non-executive Directors are required to submit for re-election by shareholders every three years. The table below illustrates the current NED tenure.



The Board has adopted a Non-executive Director Tenure Policy which provides that a Non-executive Director may serve a maximum of three terms of three years from the date of first election by shareholders, subject to extension at the discretion of the Board, if it forms the view that to do so would benefit the Company. If the Board requests a Director (and such Director consents) to continue serving beyond three terms, the Director must submit himself or herself for re-election at the next Annual General Meeting.

At the 2020 Annual General Meeting, Ms Bingham-Hall will have concluded her three terms of three years. The Board has exercised its discretion and has requested that Ms Bingham-Hall stand for re-election as it considers that it would benefit the Company for Ms Bingham-Hall to remain on the Board whilst it progresses Board renewal which has been delayed due to the restrictions put in place in response to COVID-19. Ms Bingham-Hall has consented to standing for re-election at the 2020 Annual General Meeting but intends to serve no longer than 12 months following the Annual General Meeting should she be re-elected.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

CODE OF CONDUCT

The Company has a set of values known as “Our Bond” and a “Guide to Business Conduct”, which provides an ethical and legal framework for all employees and the Directors. Our Bond sets out guiding principles for BlueScope’s relations with its customers, employees, shareholders and the community. The Guide to Business Conduct contains the principles of conduct expected of all of our employees and is supported by other Group Policies and regular training. A full copy of the Guide and “Our Bond” is available under the “About Us/Governance” section of the [Company’s website](#).

The Company continues to work on strengthening its culture to support ethical and responsible work practices across every part of our business with the support of the Company’s dedicated Ethics and Compliance function. In FY2020, we commenced a project to review and refresh the Company’s Guide to Business Conduct to ensure it remains relevant, engaging and accessible for all of the Company’s employees. We also continued to raise awareness of the channels for reporting misconduct concerns and ensure all concerns raised were assessed, investigated where appropriate, and feedback provided to the reporter. All material breaches of the Guide to Business Conduct are reported to the Risk and Sustainability Committee on a quarterly basis.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

AUDIT COMMITTEE

The Board has established an Audit Committee, which assists the Board in the effective discharge of its responsibilities for financial reporting, internal and external audit and internal controls. The Committee Charter underwent a detailed review and rewrite to ensure clarity of accountability and to maintain Committee effectiveness with the revised Charter being adopted by the Board in August 2019. The Committee’s Charter is set out in full under the “About Us/Governance” section of the [Company’s website](#).

Separate discussions are held by the Committee with the external and internal auditors without management present.

The composition and structure of the Committee complies with the requirements of the ASX Principles and Recommendations i.e. it has at least three members, a majority of whom are independent Directors and is chaired by an independent Director who is not the chair of the Board.

The names of the members of the Audit Committee, their attendance at meetings of the Committee and the number of times the Committee met are set out on pages 24 to 27 of the Directors’ Report. The qualifications of the members are set out on pages 24 to 26 of the Directors’ Report. The members of the Committee are also set out in the Board Committee Membership Table above.

CEO AND CFO CERTIFICATION OF FINANCIAL STATEMENTS

For the FY 2020 year annual and half-year financial reports, the Board received assurance from the Managing Director and Chief Executive Officer and the Chief Financial Officer that, in their opinion:

- the financial records of the Group have been properly maintained;

- the financial statements and notes required by accounting standards for external reporting:
 - give a true and fair view of the Group's financial position and performance; and
 - comply with the accounting standards and any further requirements in the Corporations Regulations and applicable ASIC Legislative Instruments/ Class Orders; and
- the above representations are based on a sound system of risk management and internal control and the system is operating effectively in all material respects in relation to financial reporting risks.

EXTERNAL AUDITOR AVAILABLE AT ANNUAL GENERAL MEETING

The Company's external audit engagement partner, or a suitably qualified member of the Company's external audit team, attends the Annual General Meeting (AGM) and is available to answer questions from shareholders in relation to the audit.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Company is subject to continuous disclosure obligations under the ASX Listing Rules and Australian corporations' legislation. Subject to limited exceptions, the Company must immediately notify the market, through ASX, of any information that a reasonable person would expect to have a material effect on the price or value of its securities. As part of its continuous disclosure responsibilities, the Company has established a Continuous Disclosure Policy and guidelines to promote compliance with these requirements and to clarify accountability at a senior executive level for that compliance. Following receipt of acknowledgement of release of a material market announcement to ASX, a copy is provided by email to the Directors.

A copy of the Company's Continuous Disclosure Policy and a Summary is included under the "About Us/Governance" section of the [Company's website](#).

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Respecting the rights of shareholders is of fundamental importance to the Company. The Company recognises that shareholders must receive high-quality relevant information in a timely manner in order to be able to properly and effectively exercise their rights as shareholders.

The Company provides information about itself and its governance to shareholders via the "About Us/Governance" section of the [Company's website](#).

A summary of the Company's Communications Strategy, including measures encouraging shareholder involvement in AGMs, is available under the "About Us/Governance" section of the [Company's website](#). To ensure all votes of shareholders count, all resolutions at the Company's AGM are decided by way of a poll.

The Company has implemented an investor relations program to facilitate effective two-way communication with our shareholders and prospective investors. Some of the specific initiatives we have put in place include:

- webcasting important events such as financial results briefings and our AGM, and providing archives of these on our website;
- responding to queries on all Company announcements in a timely manner;
- subscription email service for announcements, and a facility to ask questions via the Company's website; and
- making available enhanced business and financial information on the Company's website including a regularly updated Investor Information Pack and 10 year financial and despatch history.

The Company provides shareholders with the option to receive communications from, and send communications to, the Company and its Registry Services Provider electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

RISK MANAGEMENT

The Company has established a Risk and Sustainability Committee which assists the Board in the effective discharge of its responsibilities for risk management (which includes the effectiveness of the Group's risk management system, ethics and compliance, litigation and regulatory risks), the Company's approach to Sustainability Reporting, corporate governance and insurance (with the exception of Directors' and Officers' liability insurance).

The Committee Charter underwent a detailed review and rewrite to ensure clarity of accountability and to maintain Committee effectiveness with the revised Charter being adopted by the Board in August 2019. The Committee's Charter is set out in full under the "About Us/Governance" section of the [Company's website](#).

The composition and structure of the Committee complies with the requirements of the ASX Principles and Recommendations i.e. it has at least three members, a majority of whom are independent Directors and is chaired by an independent Director.

The names of the members of the Risk and Sustainability Committee, their attendance at meetings of the Committee and the number of times the Committee met are set out on pages 24 to 27 of the Directors' Report. The members of the Committee are also set out in the Board Committee Membership Table above. The Chair of the Audit Committee will always be a member of the Committee.

Each year, the Board assesses whether the Group has a sound Risk Management Framework and that the Company is operating with due regard to the risk appetite set by the Board. This was confirmed by the Board with respect to the 2020 financial year following a consideration by the Board and each Committee of the risks for which they are responsible as specified in their Charter. A summary of the Group's Risk Management Framework is available under the "About Us/Governance" section of the [Company's website](#).

SUSTAINABILITY RISKS

Pages 17 to 19 of the Operating and Financial Review in the Company's Directors' Report contain a summary of the Group's key risks including, where relevant, material economic, environmental and social sustainability risks. These risks are managed within the Group's Risk management Framework referred to above.

The Company reports on its sustainability performance through its Sustainability Report. Summaries of the disclosures relating to our most material sustainability topics are also included in the Company's Directors' Report. In addition, the Group's Guide to Business Conduct (referred to above under Principle 3) assists management of sustainability risks.

The Company issued its FY2020 Sustainability Report in September 2020, which follows the core option of the Global Reporting Initiative standards.

During the reporting period, the Company performed a comprehensive assessment to validate the appropriateness of our previous disclosed material sustainability topics. In undertaking this review, the Company has identified five sustainable outcomes for our businesses and our stakeholders, which now form the basis for our sustainability disclosures. These outcomes include promoting safe and inclusive workplaces, action on climate change, responsible products & supply chains, strong communities and a sustainable and enduring business.

Specifically, we have chosen to align our approach and progress in managing climate change risks and opportunities to the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have identified our reporting metrics that are consistent with the Sustainability Accounting Standards Board (SASB) Industry Standard for Iron and Steel Producers, and intend to further align our disclosures to the SASB Standard in future reporting periods.

These reports and guides can be found on the "Sustainable Steel" page of the [Company's website](#).

INTERNAL AUDIT

BlueScope's internal audit activities are undertaken by a separate Internal Audit function. The primary role of Internal Audit is to provide independent and objective assessment on the adequacy and effectiveness of risk management control and governance processes. An internal audit plan is approved and monitored by the Audit Committee. To maintain the independence necessary to carry out its role, Internal Audit reports functionally to the Chair of the Audit Committee and confirms to the Audit Committee on an annual basis the organisational and individual auditor independence. Briefings on internal audit activities are provided at each Audit Committee meeting, including through a discussion in the absence of management. The VP of Internal Audit has a BCompt (Bachelor's degree in Accounting Science) majoring in Auditing, a Postgraduate certificate in Risk Management and Strategic Decision Making, has 30 years of experience in Risk Management, Governance and Internal Audit and is a member of the Institute of Internal Auditors (IIA).

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a Remuneration and Organisation Committee, which assists the Board in ensuring that the people & remuneration strategy is aligned to the overall business strategy and consistent with good governance practices. The Committee Charter underwent a detailed review and rewrite to ensure clarity of accountability and to maintain Committee effectiveness with the revised Charter being adopted by the Board in August 2019. The Committee's Charter is set out in full under the "About Us/Governance" section of the [Company's website](#).

The composition and structure of the Committee complies with the requirements of the ASX Principles and Recommendations i.e. it has at least three members, a majority of whom are independent Directors and is chaired by an independent Director.

The names of the members of the Remuneration and Organisation Committee, their attendance at meetings of the Committee and the number of times the Committee met are set out on pages 24 to 27 of the Directors' Report. The members of the Committee are also set out in the Board Committee Membership Table above.

The Remuneration Report (on pages 28 to 50 of the Directors' Report) sets out details of the Company's policy and practices for remunerating Directors, key management personnel and senior executives. In July 2020 a Non-executive Director Fee Sacrifice plan was implemented. The plan is intended to provide an opportunity for Non-executive Directors to build their shareholding in the Company to allow them to share in the long-term growth of the Company, further aligning their interests with the interests of our shareholders and to assist the Non-executive Directors with the acquisition of shares in the Company in compliance with Australian insider trading laws and the Company's Securities Trading Policy. Other than superannuation, there are no schemes for retirement benefits for Non-executive Directors.

The Company's Securities Trading Policy prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes. A copy of the Policy is available under the "About Us/Governance" section of the [Company's website](#).

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

BlueScope Steel Limited

ABN / ARBN

16 000 011 058

Financial year ended:

30 June 2020

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.bluescope.com/about-us/governance>

The Corporate Governance Statement is accurate and up to date as at 4 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 22 September 2020

Name of ~~Director or~~ Secretary authorising
lodgement: Debra Counsell
Company Secretary



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement AND ☒ under the Board Charter which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ under the Delegation of Authority Policy Summary which is available at this URL on our website: https://www.bluescope.com/about-us/governance/
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: ☒ under the Diversity and Inclusion Policy which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ on pages 24 to 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports ... and a copy of the charter of the committee: ☒ under the Nomination Committee Charter which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and the information referred to in paragraphs (4) and (5): ☒ for paragraph (4) in our Corporate Governance Statement AND ☒ for paragraphs (4) and (5) on page 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports N/A
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ on pages 24 to 26 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement ... and the length of service of each director: ☒ on pages 24 to 26 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement AND ☒ on page 24 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ under the Guide to Business Conduct which is available at this URL on our website: https://www.bluescope.com/about-us/governance/

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement AND ☒ on pages 24 to 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at this URL on our website: https://www.bluescope.com/investors/annual-reports ... and a copy of the charter of the committee: ☒ under the Audit Committee Charter which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and the information referred to in paragraphs (4) and (5): ☒ on pages 24 to 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at this URL on our website: https://www.bluescope.com/investors/annual-reports N/A
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ under the Continuous Disclosure Policy Summary which is available at this URL on our website: https://www.bluescope.com/about-us/governance/
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ https://www.bluescope.com/about-us/governance/
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ under the Shareholder Communication Strategy which is available at this URL on our website: https://www.bluescope.com/about-us/governance/
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement AND ☒ on pages 24 to 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at this URL on our website: https://www.bluescope.com/investors/annual-reports ... and a copy of the charter of the committee: ☒ under the Risk & Sustainability Committee Charter which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and the information referred to in paragraphs (4) and (5): ☒ for paragraph (4) in our Corporate Governance Statement AND ☒ for paragraphs (4) and (5) on page 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports N/A
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	... how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement N/A

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement <u>AND</u> ☒ on pages 7, 17-19 and 51 of our 2020 Directors' Report included in the 2019/2020 Annual Report and in our Sustainability Report, which are available at the below URLs on our website: https://www.bluescope.com/investors/annual-reports <u>AND</u> at: https://www.bluescope.com/sustainable-steel/reports/

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement AND ☒ on pages 24 to 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at this URL on our website: https://www.bluescope.com/investors/annual-reports ... and a copy of the charter of the committee: ☒ under the Remuneration & Organisation Committee Charter which is available at this URL on our website: https://www.bluescope.com/about-us/governance/ ... and the information referred to in paragraphs (4) and (5): ☒ for paragraph (4) in our Corporate Governance Statement AND ☒ for paragraphs (4) and (5) on page 27 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at: https://www.bluescope.com/investors/annual-reports N/A
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ on pages 28 to 50 of our 2020 Directors' Report included in the 2019/2020 Annual Report which is available at this URL on our website: https://www.bluescope.com/investors/annual-reports
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement AND ☒ at: https://www.bluescope.com/about-us/governance/