

Responsible Steel™ Certified Site



RS748734

Presented to

BlueScope Australian Steel Products Manufacturing

SITE NAME AND ADDRESS

BlueScope's Illawarra sites:

- Port Kembla Steelworks, Five Islands Road, Port Kembla
- Springhill Works, Springhill Road, Port Kembla
- Welded Products, Five Islands Road, Unanderra
- Cold Rolling Mill, Old Port Road, Port Kembla

New South Wales, Australia

CLIENT NAME AND ADDRESS

BlueScope
Australian Steel Products Manufacturing, a division of
BlueScope Steel Limited
BlueScope Steel (AIS) Pty Ltd
Five Islands Road
Port Kembla NSW 2504
Australia

Version of the ResponsibleSteel Standard and Assurance Manual that the site was audited against

ResponsibleSteel Standard Version 1.1
ResponsibleSteel Assurance Manual Version 1.0

ISSUE DATE

1 February 2022

EXPIRY DATE

31 January 2025

NEXT SCHEDULED AUDIT

August 2023

CERTIFIED SINCE

1 February 2022

CERTIFICATION SCOPE

The design and manufacture of plain carbon steel and low alloy steel products for the use in the construction, manufacturing, packaging and resource industries and the supply of manufactured large structural steel products principally for use in the construction industry. Steel products supplied include: continuously cast slabs, hot rolled plate, hot rolled, cold rolled, metal coated and organic coated flat steel strip in coil form.

The manufacture of steel products include coke making, ore preparation, iron making, steel making, rolling, bulk materials handling and the associated site activities and services including supply of utilities and fuels and environmental services including management of waste, legacy PCBs, threatened species and land care

Any facilities and associated activities that are directly related to steel making or processing, that are on-site or near the site and that have not been included in the certification scope or audit scope

Not applicable

CERTIFICATION BODY

BSI Group ANZ Pty Limited
Suite 1, Level 1, 54 Waterloo Road
Macquarie Park NSW 2113
Australia



AUTHORISED CERTIFICATION BODY SIGNATURE

A handwritten signature in black ink, appearing to be 'Marc Barnes'.

Marc Barnes, Managing Director, BSI Group ANZ Pty Ltd

ResponsibleSteel™, 755 Hunter Street,
Newcastle West NSW 2303, Australia

Validity of this certificate is subject to continued conformity with the applicable ResponsibleSteel Standard and can be verified at www.responsiblesteel.org

This certificate does not constitute evidence that a particular product supplied by the certificate holder is ResponsibleSteel certified. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required ResponsibleSteel claim is clearly stated on sales and delivery documents.



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Annex

BlueScope Australian Steel Products Manufacturing

SITES AND FACILITIES COVERED BY THE CERTIFICATE

Port Kembla Steelworks:

Coke Ovens batteries; Gas Processing; Sinter Plant; Blast Furnace; Hot Metal Handling, Basic Oxygen Steelmaking (BOS) Furnace; Steel Treatment; Continuous Casting Operations; Refractory Services, Reheat Furnaces; Hot Strip Mill; Plate Mill.

Springhill:

Cold rolling mill; metal coating lines; organic coating and finishing processes

Welded Products:

Processing facilities (plate to welded steel products).

Cold Rolling Mill:

Unloading; warehousing; storage and despatch of steel products.

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

BlueScope Head Office, L11 120 Collins Street, VIC, Australia

BlueScope Australian Steel Products:

Environment Department, People, Procurement and Health & Safety

BlueScope Australian Steel Products Manufacturing Departments including:

Energy Services

Human Resources

Product Innovation & Technology

Services and Manufacturing Excellence

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PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the audit report for the BlueScope sites in the Illawarra. The full version of the audit report is in the possession of the member company and the audited sites.

Audit overview

Member Name	BlueScope Steel Limited
Audited entity name	BlueScope Australian Steel Products Manufacturing
Number of sites Names & location	BlueScope sites in the Illawarra: <ol style="list-style-type: none">1. Port Kembla Steelworks, Five Islands Road, Port Kembla2. Springhill Works, Springhill Road, Port Kembla3. CRM, Old Port Road, Port Kembla4. Welded Products, 203 (Lot 2) Five Islands Road, Unanderra All sites are located in New South Wales, Australia
Certification scope	<p>The following activities of BlueScope Illawarra are included in the certification scope:</p> <p>The design and manufacture of plain carbon steel and low alloy steel products for use in the construction, manufacturing, packaging and resource industries and the supply of manufactured large structural steel products principally for use in the construction industry. Steel products supplied include: continuously cast slabs, hot rolled plate, hot rolled, cold rolled, metal coated and organic coated flat steel strip in coil form.</p> <p>The manufacture of steel products includes coke making, ore preparation, iron making, steel making, rolling, bulk materials handling and the associated site activities and services including supply of utilities and fuels and environmental services including management of waste, legacy PCBs, threatened species and land care.</p>
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification audit Initial certification
Certification body	British Standards International (BSI) Group ANZ Pty Ltd

Audit Dates	<p>Stage 1: 15 April (remote), 20-23 April (on-site), 9 June 2021 (remote)</p> <p>Stage 2: 16-24 August (remote), 30-31 August (report writing), 7-9 December (on-site), 15 December 2021 (report writing)</p> <p>Note: Audit activities were disrupted by Government travel restrictions and work-from-home mandates during the COVID-19 pandemic</p>
Number of auditors and audit days	<p>1 auditor</p> <p>19 days (stage 1, stage 2 and reporting)</p>
Lead auditor declaration	<p>The findings in this report are based on an objective evaluation of evidence, derived from documents, first-hand observations at the sites and interviews with site staff, workers and stakeholders, as conducted during stage 1 and stage 2 audit activities. The audit team members were deemed to have no conflicts of interest with the sites. The audit team members were professional, ethical, objective and truthful in their conduct of audit activities. The information in this report is accurate according to the best knowledge of the auditors who contributed to the report.</p> <p>It should be noted that audits are snapshots that rely on sampling, that is, sampling of interview partners, of documentation and records, of observed operations and activities. The auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.</p>
Next audit type and date	<p>Surveillance audit, August 2023</p>

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Introduction

About ResponsibleSteel

Our mission is to enhance the responsible sourcing, production, use and recycling of steel.

We are a not-for-profit multi-stakeholder organisation founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel. We have built a consensus on what sustainability looks like for steel - including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers' rights, communities and biodiversity. We are the first global scheme for responsibly sourced and produced steel.

Our Members include steel makers, mining companies, automotive and construction companies as well as civil society organisations focused on labour rights, biodiversity, climate change and many other important issues.

Overview of the certification process

Certification against the ResponsibleSteel Standard is voluntary and follows the process below:



Sites can apply to be assessed against the ResponsibleSteel Standard on a voluntary basis. Conformity with the Standard is verified by independent certification bodies and auditors. They study documentation provided by the site, review relevant media and scientific publications on the site, visit the site to see operations first-hand, and interview site management, process owners, shopfloor workers and external stakeholders such as authorities, community and civil society representatives. The assessment is summarised in an audit report that is reviewed by an independent Assurance Panel. Only if that Panel is satisfied with the quality of the audit and the resulting report, can a site with a positive certification recommendation be certified. A ResponsibleSteel certificate is valid for three years and certified sites have to pass a surveillance audit after 18 months and subsequent re-certification audits to remain certified. The rules and processes for ensuring compliance with the Standard are laid out in the [Assurance Manual](#) and have been developed in line with the Assurance Code of Good Practice set by the ISEAL Alliance.

ResponsibleSteel provides an Issues Resolution System that any stakeholder may use to log a complaint about any aspect of the ResponsibleSteel programme. The [Issues Resolution System](#) can be accessed via the ResponsibleSteel website.

More information on ResponsibleSteel can be found on <https://www.responsiblesteel.org/>.

Site information

Country and town	Australia, New South Wales, Port Kembla
Activities and products	<p>Activities: Design and manufacture of plain carbon steel and low alloy steel products for use in the construction, manufacturing, packaging and resource industries and the supply of manufactured large structural steel products principally for use in the construction industry.</p> <p>Products: Continuously cast slabs, hot rolled plate, hot rolled, cold rolled, metal coated and organic coated flat steel strip in coil form.</p>
Year site opened	<p>1928: The Port Kembla Steelworks site was opened by Australian Iron and Steel Limited (AIS), acquired by BHP in 1935</p> <p>1936: The Springhill Works site was opened by John Lysaght (Australia) Pty Ltd (Lysaght), acquired by BHP in 1979</p> <p>1939: The Commonwealth Rolling Mills site (now known as CRM) was opened</p> <p>1990: The Welded Products site was opened</p>
Major extensions and / or refurbishments and year(s) when these occurred	<p>Blast furnaces timeline:</p> <p>1928 - 1978: Number 1</p> <p>1938 - 1996: Number 2</p> <p>1952 - 1981: Number 3</p> <p>1952 - 1996: Number 4</p> <p>1975 - current: Number 5 (reline in 2009)</p> <p>1996 - 2011: Number 6</p>
Annual production	3.2M tonnes of steel annually
Number of employees and contractors	<p>2349 full time equivalents are employed across BlueScope Illawarra.</p> <p>On a typical day there may be an additional 200 contractors on site</p>
Supported long-term emissions reduction pathway for the steel industry as a whole	<p>The global steel sector does not yet have an agreed Paris-aligned 1.5°C pathway. The Science Based Targets Initiative (SBTi) aims to set targets that align with the goals of the Paris Agreement, being to limit global warming to well-below 2°C above pre-industrial levels and to pursue efforts to limit warming to 1.5°C. The SBTi's steel sector pathway is currently in development and is expected to be completed by the end of 2022. BlueScope will take part in the Expert Advisory Group of the SBTi for the steel sector. BlueScope has committed to</p>

	<p>review its internal climate scenarios as appropriate additional information becomes available, and at minimum within three years of its previously published climate scenarios. See also https://www.bluescope.com/bluescope-news/2021/09/bluescope-climate-action-report/</p>
Carbon reduction target	<p>12% reduction in steelmaking GHG emissions intensity by 2030. 30% reduction in midstream facilities GHG emissions intensity by 2030.</p> <p>2050 net zero GHG goal across all operations. BlueScope acknowledges that achieving the 2050 net zero goal is highly dependent on several enablers, including the commerciality of emerging and breakthrough technologies, the availability of affordable and reliable renewable energy and hydrogen, the availability of quality raw materials, and appropriate policy settings.</p>
Further environmental and social information	<p>https://www.bluescope.com/sustainable-steel/reports/</p>
Website	<p>https://www.bluescopeillawarra.com.au/</p>

Stakeholder engagement

Stakeholder engagement is an integral part of a ResponsibleSteel audit and ensures a rich and balanced collection of information and evidence. The auditors followed the methodology indicated in the [Guidance on Stakeholder Engagement](#) developed by ResponsibleSteel as well as the [Introduction to ResponsibleSteel for stakeholders](#).

Relevant external stakeholders were identified by BSI and BlueScope during and after the Stage 1 audit. They were intended to cover the applicable Principles of the ResponsibleSteel Standard. 24 external stakeholders were identified and included representatives of local government, the health authority, a politician, health and safety and environment protection regulators, trade union organisers, community organisations, individual members of the community, a member of an Aboriginal community and organisation, a local school teacher, water and coal suppliers, etc.

A personalised letter inviting stakeholders to participate in the audit was emailed to the 24 stakeholders 4 weeks prior to the stage 2 audit. The email advised that the interviews were likely to be conducted remotely due to the Covid-19-related lockdown in Greater Sydney including the Illawarra municipality where the sites are located. The letter and email were in English because all contacted stakeholders are fluent in English.

Another contact was made with external stakeholders 2 weeks prior to the stage 2 audit to advise stakeholders that they could still provide written input or ask questions, to provide them with dates and time slots for interviews, and to confirm that the interviews would need to be conducted remotely due to the continuing Covid-19-related lockdown. The external stakeholder interviews were planned to be conducted over two days on 23 and 24 August 2021. Time slots of 15 to 30 minutes were planned for each stakeholder, depending on their areas of interest. The stakeholders were asked to confirm their participation and most of them sent email confirmations.

23 of the 24 stakeholder interviews were conducted as planned, just one of the trade union organisers did not participate and did not send an explanation either. However, the auditor was able to interview another organiser representing another union.

The following is a summary of the insights the auditor gained from the stakeholder interviews: Overall, the provided inputs were very positive while areas for improvement were also suggested by some stakeholders. One of the interviewed stakeholders expressed an expectation that the sites should agree to more stringent limits in the Environmental Protection Licences in the future. Another stakeholder voiced concerns about dioxin emissions, but also praised the site for improvements in relation to environmental compliance and performance and their openness towards the public, including the local community and regulators. This openness was mentioned by the stakeholders who attend BlueScope community consultation committee meetings and receive detailed updates from the sites. A couple of stakeholders voiced concerns about the planned re-line of Blast Furnace No. 6 that relies on the traditional iron-making technology rather than opting for a more modern and less GHG emissions intensive solution.

Some interviewed stakeholders, who are also local residents, have been cadets, shift-work operators and other BlueScope staff members working on the sites in the past, sometimes for many years. They also confirmed the evolution of the site's management attitude towards the community from "ordinary" in the past to much improved in recent years.

Many stakeholders mentioned positive contributions of the sites to local community organisations, including indigenous cooperatives, schools, the university, charities, sporting events, disability services, etc. There was no feedback from interviewed external stakeholders that would contradict information provided by the site and in the discussion and documentation made available to BSI during Stage 1 and 2 audits.

Workers are an important internal stakeholder group since they are directly affected by the activities and in most instances live within the communities surrounding the sites.

Based on the overall number of 2349 workers and 200 contractors typically employed on the sites, 40+ interviews with workers and contractors had to be conducted as per ResponsibleSteel's Assurance Manual. Individual and group interviews were conducted on 3 consecutive days by the BSI auditor in on-site rooms ensuring privacy, confidentiality, non-intimidation and comfort to the interviewed workers and contractors. The discussed issues focused on Principle 1 (Corporate Leadership) and Principles 3 to 6 (Occupational Health and Safety, Labour Rights, Human Rights, Local Communities). Workers and contractors were also encouraged to provide their own comments and ask questions about the ResponsibleSteel process.

The selection of interviewed workers and contractors was made based on the following methodology:

- Providing balanced participation of different genders
- Random selection by the BSI auditor from the list of workers present on-site on the days of the auditor's visit
- Combination of non-managerial and managerial workers
- Combination of salaried staff and workers employed under enterprise bargaining agreement
- Inclusion of workers from all levels including the site's general manager, a number of middle level managers (L2's), engineers, graduate engineer, asset managers, coordinators, team leaders, senior operators, operators, maintenance trades, trade assistants, cadets and a recent apprentice now electrician, engineering and security/emergency response contractors.

The discussions typically covered areas such as:

- the sites' policies and understanding thereof by workers and comments on policy implementation (Principle 1)
- health and safety requirements and training, safety culture, communication of health and safety concerns and timeliness and effectiveness of risk mitigation actions taken by the sites on such (Principle 3)
- Labour rights (Principle 4) including employment agreements, working time, work-life balance (e.g. overtime, shift work), remuneration, freedom of association, non-discrimination, diversity and inclusion, etc.
- Human rights and security arrangements (Principle 5), including interviews with 2 security contractors
- Workers as stakeholders (Principle 6)

As a result, comprehensive information was obtained by the BSI auditor in relation to the sites meeting the above-mentioned Principles and about experiences gained by workers and contractors

during their time at the sites. Notable is the long period of employment with the sites, in many cases 35 to over 40 years, that the interviewed individuals reported. This is testament to continued satisfaction with the sites as an employer. Only a few of the interviewed workers had experienced an injury or serious illness and required return-to-work processes to be deployed. Very positive comments and gratitude were expressed with colleagues and managers of supervisors. Nearly all shift workers praised the system of 2-day and 2-night 12-hour shifts followed by 4 days off as a great improvement on the previous 7-day, 7-night shift system. Many workers stressed that their work environment is very inclusive and supportive. Opportunities for development of skills, further education supported by the sites and an excellent cadetship program were also often mentioned.

The worker interviews also provided insights into events that occurred in recent years, for example:

- Experience of the first responder who took part in emergency actions after the casualty of a jet cleaning contractor and a worker with a company contracted to do diving work around the berths
- Feedback from workers involved in a confidential human resources investigation after a serious harassment incident. The workers praised the site, direct manager and colleagues for their fairness and support during this stressful process
- Experiences of two workers who suffered a work injury and a non-work-related serious illness and returned to work on lighter duties as per the "return to work plan". These workers commented positively on the return-to-work process and the help and care provided by co-workers, direct management and the human resources department.

In addition, suggestions were made on how to further improve the site's policies, processes and procedures. For example:

- Some workers expressed a preference for face-to-face training. The face-to-face training previously provided included regular on-site training days, an off-site safety day session, etc. which has largely been replaced by on-line modules
- Increased transparency on bonus sharing and more equal distribution thereof was mentioned as well.

Overall, there was no feedback from the interviewed workers and contractors that would contradict the information provided by the sites during the audit.

Summary of Audit Findings

Conform	Conformity, the requirement is fulfilled.
Opportunity for Improvement (OFI)	The respective requirement or criterion has been implemented, but effectiveness or robustness might be increased, or it is a situation that could lead to a future non-conformity if not addressed.
Minor non-conformity (NC)	Isolated, unusual or non-systemic lapse. Or a lapse with limited temporal and organisational impacts. A non-conformity that does not result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. Sites can become certified with minor non-conformities, but they must have addressed them by the time of their next audit.
Major non-conformity (NC)	A non-conformity that, either alone or in combination with further non-conformities, results in or is likely to result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. For example, non-conformities that continue over a long period of time, are systemic, affect a wide range of the site's production or of the site's facilities. Sites with major non-conformities cannot be certified.
Exclusion	The requirement is either not applicable : excluded from the audit since it is not applicable to the sites; or not rated : the requirement is very closely linked to another requirement where a non-conformity (NC) or opportunity for improvement (OFI) has already been raised. Sometimes, when requirements are linked to one and the same subject-matter, it is appropriate to count NCs or OFIs only once to avoid repetition.

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Principle 1. Corporate Leadership					
Criterion 1.1: Corporate Values and Commitments (6)	6	1	0	0	0
Criterion 1.2: Leadership and Accountability (5)	5	0	0	0	0
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (6)	6	1	0	0	0
Criterion 2.2: Responsible Sourcing (6)	5	0	1	0	0
Criterion 2.3: Legal compliance	6	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFl	Minor NC	Major NC	Exclusion
and signatory obligations (6)					
Criterion 2.4: Anti-Corruption and Transparency (8)	8	2	0	0	0
Criterion 2.5: Competence and awareness (5)	5	0	0	0	0
Principle 3. Occupational Health and Safety					
Criterion 3.1: OH&S policy (6)	6	0	0	0	0
Criterion 3.2: Health and Safety (OH&S) management system (10)	10	1	0	0	0
Criterion 3.3: Leadership and worker engagement on OH&S (10)	10	0	0	0	0
Criterion 3.4: Support and compensation for work-related injuries or illness (8)	8	0	0	0	0
Criterion 3.5: Safe and healthy workplaces (5)	5	0	0	0	1
Criterion 3.6: OH&S performance (2)	2	0	0	0	0
Criterion 3.7: Emergency preparedness and response (6)	6	0	0	0	0
Principle 4. Labour Rights					
Criterion 4.1: Child and juvenile labour (9)	6	0	0	0	3
Criterion 4.2: Forced or compulsory labour (7)	4	0	0	0	3
Criterion 4.3: Non-discrimination (9)	9	0	0	0	0
Criterion 4.4: Association & collective bargaining (12)	12	0	0	0	0
Criterion 4.5: Disciplinary practices (5)	5	0	0	0	0
Criterion 4.6: Hearing and addressing worker concerns (5)	5	0	0	0	0
Criterion 4.7: Communication of terms of employment (5)	5	0	0	0	0
Criterion 4.8: Remuneration (11)	10	0	1	0	0
Criterion 4.9: Working time (7)	7	1	0	0	0
Criterion 4.10: Worker well-being (2)	2	0	0	0	0
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	5	1	0	0	0
Criterion 5.2: Security practice (9)	5	0	1	0	3
Criterion 5.3: Conflict-affected and high-risk areas (5)	5	0	0	0	5
Principle 6. Stakeholder Engagement and Communication					
Criterion 6.1: Stakeholder engagement (10)	10	0	0	0	0
Criterion 6.2: Grievances and remediation of adverse impacts (12)	12	0	0	0	0
Criterion 6.3: Communicating to the public (7)	7	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFl	Minor NC	Major NC	Exclusion
Principle 7. Local Communities					
Criterion 7.1: Commitment to local communities (8)	8	0	0	0	0
Criterion 7.2: Free, Prior & Informed Consent (3)	0	0	0	0	3
Criterion 7.3: Cultural heritage (7)	0	0	0	0	7
Criterion 7.4: Displacement and Resettlement (9)	0	0	0	0	9
Principle 8. Climate Change and Greenhouse Gas Emissions					
Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement (8)	8	0	0	0	0
Criterion 8.2: Corporate Climate-Related Financial Disclosure (2)	2	0	0	0	0
Criterion 8.3: Site-level GHG emissions measurement and intensity calculation (3)	3	0	0	0	0
Criterion 8.4: Site-level GHG reduction targets and planning (11)	11	1	0	0	0
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	8	0	0	0	3
Principle 9. Noise, Emissions, Effluents and Waste					
Criterion 9.1: Noise and vibration (7)	7	1	0	0	0
Criterion 9.2: Emissions to air (8)	8	1	0	0	0
Criterion 9.3: Spills and leakage (9)	9	0	0	0	0
Criterion 9.4: Waste, by-product and production residue management (11)	11	2	0	0	0
Principle 10. Water Stewardship					
Criterion 10.1 Water-related context (7)	7	0	0	0	0
Criterion 10.2 Water balance and emissions (8)	8	0	0	0	0
Criterion 10.3 Water-related adverse impact (6)	6	0	0	0	0
Criterion 10.4 Managing water issues (8)	8	1	0	0	0
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	8	0	0	0	17
Principle 12. Decommissioning and closure					
Criterion 12.1: Decommissioning and closure (13)	0	0	0	0	13
	Conform	OFl	Minor NC	Major NC	Exclusion
Total (370)*	[303*]	13	3	0	67

* Note that the Total in the table does not correspond to the sum of Conform, OFI, Minor NC, Major NC and Exclusion due to the way that requirements and conformity classifications are counted.

BlueScope was one of the founders of the ResponsibleSteel certification scheme; and its largest and most complex sites in the Illawara, Port Kembla, became one of the early adopters of the Standard. Before selecting ResponsibleSteel as the set of criteria to meet, BlueScope and the Illawarra sites were already meeting many of the requirements of the Standard. Often, BlueScope has been setting benchmarks for the manufacturing industry in Australia and the steel industry worldwide. When the ResponsibleSteel Principles provided a list of criteria to meet, some of the existing policies, processes, procedures, plans or publicly available information needed to be expanded, revisited or established in 2020 and 2021.

The audit conducted by BSI shows that the above process was successful. BlueScope Illawarra was found to conform with most of the applicable criteria except three where minor non-conformities were raised. The effectiveness of corrective actions on these findings will be reviewed during the surveillance audit that is recommended to occur 18 months from the date of certificate issue. A number of opportunities for improvement were also raised across different Principles, as food-for-thought for potential management system enhancements.

Overall, the BlueScope team should be highly praised for their efforts during ResponsibleSteel implementation and the successful result. The twelve Principles of the ResponsibleSteel Standard cover a wide range of policies and processes from corporate leadership, legal compliance obligation to OHS and greenhouse gas emission reduction, all four involving everyone and every process in the business. Other Principles address worker rights, human rights in general, community and stakeholder engagement, and a suite of three principles relevant to environmental management. The last principle containing requirements for decommissioning and closure was at this stage considered not applicable, but might be invoked in the future in relation to parts of the sites that are being closed or repurposed.

The below paragraphs summarize the sites' strengths and weaknesses. They were written to provide a brief "bird's eye" view of how well the BlueScope Illawarra sites meet the applicable 11 Principles of the ResponsibleSteel Standard.

Strengths and areas for improvement

Principle 1 - Corporate leadership was found to be addressed at the benchmark setting level.

BlueScope develops and maintains excellent leaders. These leaders and teams they lead define, document and implement values, commitments and policies across all the principles of the ResponsibleSteel Standard. The above comments are made from the perspective of BSI as BlueScope's certification body for quality and environmental management systems since April 2013. The path for BlueScope leaders often starts from cadetship and continues for the next 40+ years. As BSI auditors, we met BlueScope leaders at different stages of their careers, while during the recent

workers' interviews we met a cadet who joined only a few days before the ResponsibleSteel audit and a cadet with one year experience at BlueScope assigned as a coach, perhaps the first leadership task with many more to come. The worker and staff interviews provided excellent feedback about the leaders' support, fairness and no demarcation lines between levels of organisational hierarchy. Opportunities for improvement might exist in communicating key points of BlueScope policies, e.g. in annexes using simpler language, and in the permanent placement of information about ResponsibleSteel on the Sustainable Steel part of the BlueScope website.

Principle 2 - Social, Environmental and Governance Management was found to be well addressed with one minor non-conformity.

BlueScope has mature management systems and robust processes to monitor legal obligations and evaluate on-going compliance across sites. An example of a recent initiative is the appointment of a third party provider of sustainability assessments for BlueScope Illawarra's own operations and for higher risk suppliers. The one minor non-conformity was raised in relation to records indicating which of the assessed suppliers do not yet meet the responsible sourcing criteria defined by BlueScope and the third party provider. Opportunities for improvement were identified to conduct more detailed reporting of financial support provided to political parties and politically exposed persons as well as business associations, charities, etc.

Principle 3 - Occupational Health & Safety (OHS) is addressed at the benchmark setting level.

Safety focus, leadership and culture, investment in improved OHS controls, disciplined and detailed induction and training are the first noticeable aspects as well as the sites' continuous effort to minimise hazards and risks. The above are supported by a comprehensive system of risk assessments, safe work procedures, isolation and permit to conduct work process for employees and contractors, etc. All the interviewed employees and contractors confirmed a caring workplace where their safety is a clear priority. Opportunities for improvement might exist in further application of the ISO45001 Standard including its expectations for non-managerial worker participation and, if possible, the provision of some OHS training modules for operational and maintenance teams as face-to-face training rather than online training. Several interviewed workers preferred the previous face-to-face training mode as being more engaging and more effectively embedding safety behaviours than the current online OHS training. On a very positive note, most interviewed workers highly praise the current shift system of 2-day shifts, 2-night shifts followed by 4 days off. It was not only considered a vast improvement to the previous 7-day 7-night shift concept, but is also found to be very family-oriented and work-life balance friendly.

Principles 4 & 5 - Labour Rights and Human Rights were found to be well addressed with one minor non-conformity in each principle.

BlueScope Illawarra operates within Australian industrial relations and the industrial laws context and therefore several acts and regulations exist and are being complied with. Australian legal requirements are very strong and by complying with them, the site meets many of the Criteria included in these two Principles. The two minor non-conformities were raised in cases where the sites do not have explicit public policies for remuneration and security arrangements. Opportunities for improvement were raised to consider documenting a policy on how the Fair Work Act working time requirements are met, and confidential reporting of potential cases of sexual harassment or assault and proactive prevention thereof.

Principles 6 & 7 - Stakeholder Engagement and Communication and Local Communities were found to be addressed at the benchmark setting level.

Excellent communication is maintained with external stakeholders and local communities. The role of and experience with the Community Consultation Committee meetings was praised by many interviewed stakeholders and so was BlueScope's support for the community, the First Nation peoples, schools, the university, media, local government, politicians, unions, charities, etc. No opportunities for improvement were raised.

Principle 8 - Climate Change and GHG emissions - was found to be very well addressed with no non-conformities.

The evolution of processes and documents relevant to this Principle illustrate how requirements that were initially not met by BlueScope at the site and corporate levels have been addressed between the Stage 1 and the Stage 2 audit, in particular through the Climate Action Report 2021 which was launched to outline the company's strategy for GHG emissions reduction. The report sets targets and goals for BlueScope, including the Illawarra sites, to be achieved by 2030 and by 2050. It also reports the allocation of up to AUD 150 million in the next 5 years to optimise current operating assets and prepare for new technologies. The report was prepared based on in-depth research into the current and future technologies that could allow for reduction of carbon emissions intensity. As stated in the report, many of these technological options are not yet commercially available, so their actual GHG reduction potential is currently not certain or possible to quantify. Nonetheless, such quantification is encouraged, especially from an annual perspective, to be able to plan the non-linear progress towards achieving the 12% 2030 reduction target. It is also evident that the carbon emissions abatement projects will require a multi-disciplinary approach and a mix of scientific knowledge and technical expertise, and communication with global think tanks and centres of excellence.

Principles 9 to 11 - Environment (Noise, Emissions, Effluents and Waste, Water Stewardship and Biodiversity) was found to be very well addressed with no non-conformities.

Environmental performance of the sites as diverse as PKSW and Springhill depends on many aspects including the human factor, technology options and state of repair, weather conditions, as well as the combination of some or all of the above. Eventually, a number of environmental events can be expected to occur and the requirements of the Environmental Protection Licence cannot always be met. But, in the longer run, the interviews conducted by BSI demonstrate that BlueScope Illawarra is considered to be an environmentally responsible corporate citizen by the local community and the relevant state and local regulators. There is, however, the expectation of tightening the limits in the future in the name of continual improvement as per one of the opportunities of improvement in our full audit report. Other opportunities of improvement include developing further Land, Waste, Water, Noise and Energy (LAWWNE) based management plans like the recently issued water-stewardship plan. Similar encouragement can be given to proactively develop Pollution Reduction Plans (PRP)-like plans that are usually requested by the Environmental Protection Authority. As shown during worker interviews and the site visit by BSI, these PRP's are widely beneficial and help engage and energise departmental teams to develop environmental monitoring solutions in addition to routine licence point testing.

Overall, as per the above paragraphs, out of 11 applicable Principles the ResponsibleSteel Standard, four met at the benchmark setting level, i.e. at a level of excellence, another four were very well met and three were well-addressed.

The BSI audit leader and the wider BSI team involved in ResponsibleSteel activities would like to thank all BlueScope participants and those interviewed during the 19-day certification assessment, especially the 40+ participants of the closing meeting with the highest thanks to ASP GM Manufacturing as the corporate sponsor and the three champions comprising the lead team. It was a great effort and perhaps none of us at BSI or on the BlueScope team could predict the complexity and workload to complete the audit and the challenges posed by COVID-19 border closures. Again, we would like to express special thanks to the lead team who tirelessly compiled all the documents and records first for the BlueScope self-assessment and then for the BSI third-party assessment, and enabled worker, contractor and stakeholder interviews.

Audit exclusions

The following Criteria or Principles were not covered during the audit due to the reasons provided below:

- Criterion 4.1.3 is considered not applicable as there is no identified risk of child labour and due to legislation in Australia
- Criterion 4.2.3 is considered not applicable as there is no identified risk of forced or compulsory labour at the site
- Criterion 4.5.3 is considered not applicable as there is no identified risk of undignified disciplinary practices
- Criterion 5.2.2 does not apply as the site does not need to use extensive measures to ensure security of people, property or assets
- Criterion 5.3 does not apply as the site does not operate in conflict affected or high-risk areas
- Criterion 7.2 does not apply as the site does not operate in close proximity to indigenous peoples
- Criterion 7.3 does not apply as there is no cultural heritage or critical cultural heritage
- Criterion 7.4 does not apply as there are no plans for displacement or resettlement. Furthermore, there has been no displacement or resettlement in the 10 years leading up to ResponsibleSteel certification
- Principle 12 does not apply since no site closure or decommissioning has been announced

Assurance Panel Declaration

In line with the ResponsibleSteel Assurance Manual, three members of the Assurance Panel reviewed the full audit report for the BlueScope Illawara sites, Australia, including the auditors' findings for each individual requirement of the ResponsibleSteel Standard. Subsequently, the Assurance Panel members met online to discuss individual findings and to align their views on the audit report. We sought clarification and asked for reconsideration of conformity classifications where the auditors' conclusions were not sufficiently substantiated. Following review of the changes that were made by the auditors, we support the certification recommendation for the BlueScope Illawara sites in Australia.

The Assurance Panel's conclusions on the final audit report are as follows:

- The audit report contains sufficient detail to support an informed certification decision
- The supporting evidence and rationales given in the audit report support the auditors' conformity classifications
- The certification recommendation based on the audit report is conclusive.

This statement has been approved by the three members of the Assurance Panel who reviewed the audit report on 01 February 2022.

More information on the audit process and the role of the Assurance Panel can be found in the [ResponsibleSteel Assurance Manual](#).