

Responsible Steel™ Certified Site



Presented to

BIG RIVER STEEL LLC

SRI-6051-01

SITE NAME AND ADDRESS

BIG RIVER STEEL LLC
2027 East State Highway 198
Osceola, Arkansas 72370
USA

CLIENT NAME AND ADDRESS

BIG RIVER STEEL LLC
2027 East State Highway 198
Osceola, Arkansas 72370
USA

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

ResponsibleSteel Version 1.1

ISSUE DATE

April 4, 2022

EXPIRY DATE

April 3, 2025

NEXT SCHEDULED AUDIT

October 4, 2023

CERTIFIED SINCE

April 4, 2022

CERTIFICATION SCOPE

All activities and facilities associated with the manufacture of flat rolled steel coils at 2027 East State Highway 198, Osceola, Arkansas, excluding raw material extraction and transportation to the site and the port activities considered offsite.

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

The port activities are considered offsite.

CERTIFICATION BODY

SRI QUALITY SYSTEM
REGISTRAR
300 Northpointe Circle
Seven Fields, Pennsylvania, 16046
USA



Quality • Sustainability • Security

AUTHORISED CERTIFICATION BODY SIGNATURE

A handwritten signature in black ink, appearing to read 'Christopher H. Lake'.

Christopher H. Lake, President & COO

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.



Responsible Steel™ Certified Site



Annex

BIG RIVER STEEL LLC

SRI-6051-01

SITES AND FACILITIES COVERED BY THE CERTIFICATE

BIG RIVER STEEL LLC
2027 East State Highway 198
Osceola, Arkansas 72370
USA

2 Electric Arc Furnaces, 2 LMF, 1 RH Degasser, 2 Casters
1 Hotmill/Rolling mill complex with 2 – Tunnel Furnaces
and Finishing Lines (PLTCM, SPM, BAF, CGL), and
supporting operations (scrap yard, slag yard, storage
buildings, water treatment plant, water treatment building,
and administrative building).

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

UNITED STATES STEEL
CORPORATION
Corporate Headquarters
600 Grant Street
Pittsburgh, Pennsylvania
15219 USA

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

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certificate when the required ResponsibleSteel claim is clearly stated on sales and
delivery documents.



PUBLIC SUMMARY AUDIT REPORT

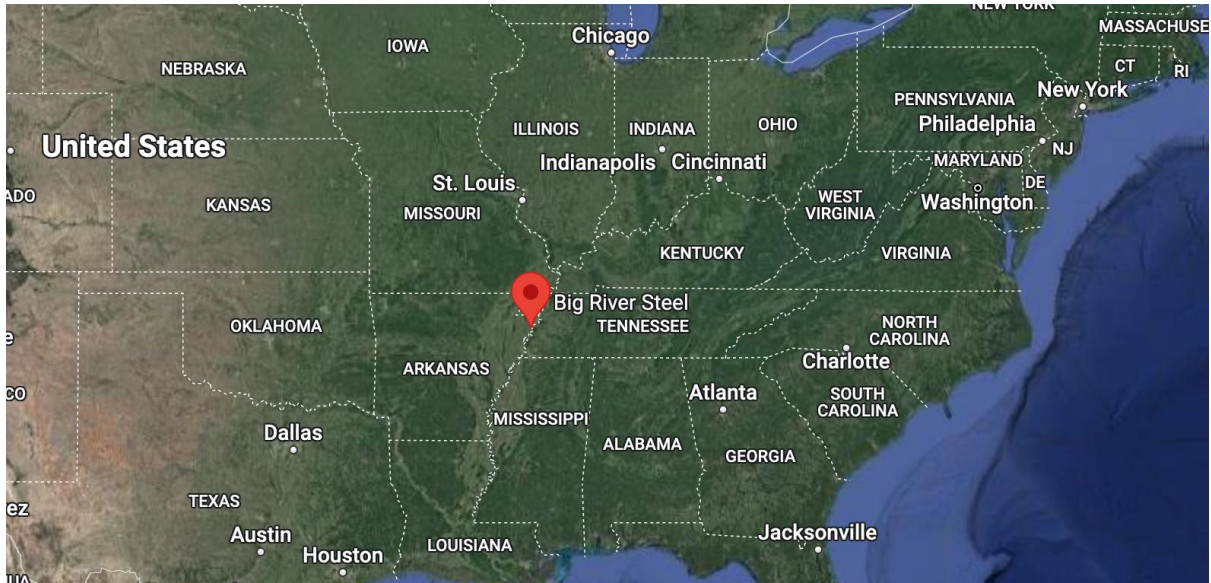
This is a concise public summary of the Big River Steel audit report. The full version of the audit report is in the possession of the member company and the audited sites.

Audit overview

Member Name	U. S. Steel
Audited entity name	Big River Steel
Number of sites Names & location	Big River Steel, 2027 East State Highway 198 Osceola, AR 72370
Certification scope	All activities and facilities associated with the manufacture of flat rolled steel coils at 2027 East State Highway 198, Osceola, Arkansas, excluding raw material extraction and transportation to the site and the port activities considered offsite.
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification audit Initial certification
Certification body	SRI Quality System Registrar
Audit Dates	Stage 1: 21-22 and 25-26 October 2021 Stage 2: 01-02 February 2022
Number of auditors and audit days	4 auditors 19 days (stage 1 and stage 2, excl. reporting)
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. Sampling of interview partners, of documentation and records, of observed operations and activities. The</p>

	auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.
Next audit type and date	Surveillance audit, October 2023

Site Images





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Introduction

About ResponsibleSteel

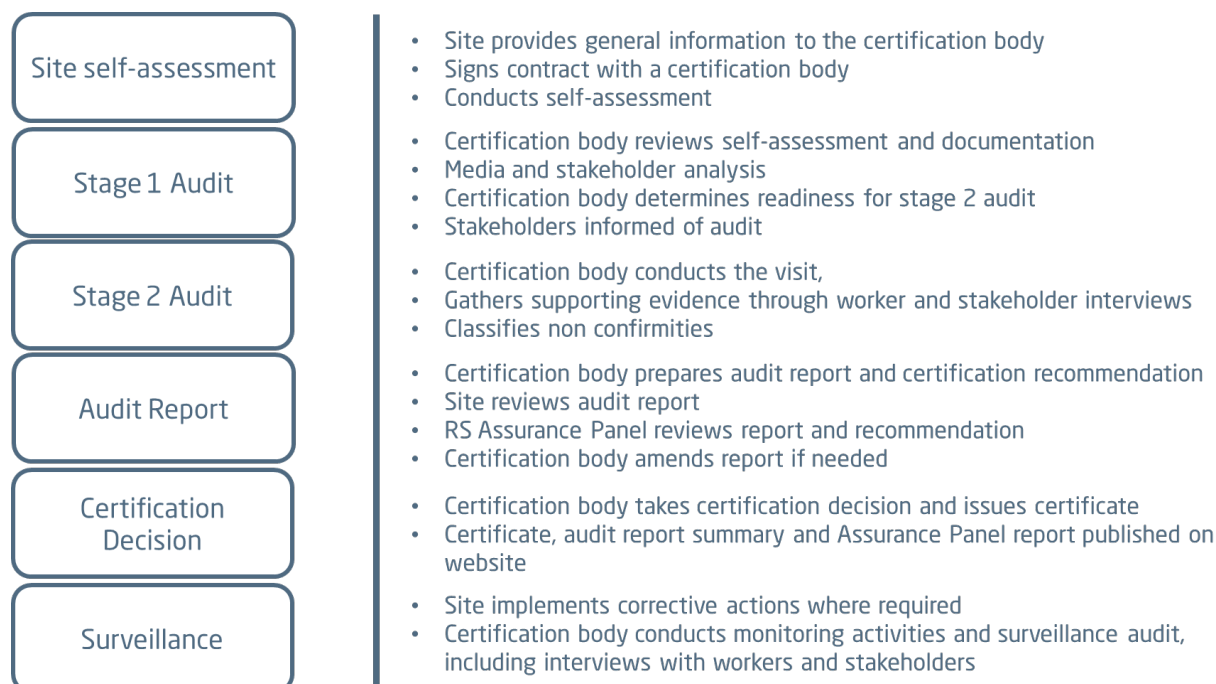
Our mission is to achieve net zero carbon emissions for the steel sector, and to enhance the responsible sourcing, production, use and recycling of steel.

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	United States of America, Osceola (Arkansas)
Activities and products	Big River Steel is a Flex Mill® that uses two electric arc furnaces for steelmaking. The site creates finished products including hot rolled steel, hot rolled pickled and oiled steel, cold rolled steel, cold rolled motor lamination steel, and galvanized steel. Big River Steel also offers advanced high strength steel and electrical steel. Big River Steel receives scrap and iron ore via rail, truck, or barge. A Big River Steel contractor manages and sorts all scrap prior to production. The contractor leases property from Big River Steel for its operation.
Year site opened	2016
Major extensions and / or refurbishments and year(s) when these occurred	Big River Steel has plans for a USD 450 million expansion within the current site boundaries to advance their non-grain oriented steel capabilities in the electrical steel market.
Annual production	2 531 377 metric tonnes in 2021
Number of employees and contractors	683 employees 250 contractors
Carbon reduction target	Reduce net GHG intensity by 5% by 2030 compared to 2020 baseline year. Reduce GHG intensity associated with imported electricity by 12% by 2030 compared to 2020 baseline year.
Further environmental and social information	Corporate Social Responsibility Report

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](#).

Big River Steel provided a comprehensive list of stakeholders, including suppliers and business partners, community members, academia, government representatives, and others. SRI reached out to the full list of stakeholders via email in English to request to schedule an interview on three occasions between January 6-31, 2022. Thirteen external stakeholders responded to the request and were

interviewed, and two additional provided a letter of support. The interviews included representatives from: community government and service organizations, local school district, higher education, government representatives, suppliers, utility provider, and a representative for the Quapaw Tribe (indigenous community). A phone number and email were also established and communicated to the community, and Big River Steel announced the opportunity to provide stakeholder input on their website.

Stakeholder interviews were conducted virtually via Teams. An interview protocol was created with questions suggested in the ResponsibleSteel Guidance on Stakeholder Engagement and notes were taken to capture the discussion.

The stakeholders were consistently positive about Big River Steel, their role in the community, and as valued corporate citizens. They spoke of individuals from Big River Steel who get engaged in community activities, the support from Big River to the community financially and through volunteer programs, the collaboration in economic development, and the commitment Big River displays in caring for the environment. Specific highlights include Big River Steel's role in Osceola's 'Work Here, Live Here' initiative to build new homes for the growing population in the area, the role Big River plays in partnering with the local colleges and universities on workforce development of technical skills needed in the industry, and numerous community-based fundraising efforts, such as backpacks for school children in Osceola who need supplies. From a stakeholder perspective, Big River Steel takes its role as a leader in the community very seriously, for which it is much appreciated.

Workers are an important internal stakeholder group since they are directly affected by the activities of the sites. Big River Steel has 683 employees and 250 contractors. The 683 full time employees are split between two shifts. Manufacturing employees work four 12-hour shifts rotating weekly 7:00 am - 7:00 pm, 7:00 pm - 7:00 am. Office-based employees work 8:00 am - 5:00 pm Monday-Friday.

Big River Steel selected employees and contractors for interviews, with guidance from SRI to identify a blend of functions, departments, contractors, etc. SRI conducted 16 private interviews and spoke with 15 additional employees during the plant tour, for a total of 31 workers in Stage 2. The breakdown of worker interviews is as follows:

- 23 employees (non-supervisor, in plant - various departments)
- 4 employees/supervisors
- 3 contractors
- 1 temporary employee

Employee interviews focused on topics such as training, pay and paid time off, and understanding of the ResponsibleSteel Standard and its impact on their jobs. Contractors described a collaborative environment working with Big River Steel employees, sometimes for extended periods of time (e.g.

construction, systems, scrap contractors). The temporary worker explained that she had previously worked with a competitor and was enjoying the opportunity to work in several departments to find the best fit for her to apply for a full-time position with Big River Steel. Employees were asked about training overall, knowledge of the ResponsibleSteel Standard, and satisfaction with pay and paid time off. Employees expressed that they feel well prepared with their training and are satisfied with their pay and time off, especially since they have flexibility in how they take time off around their four day shifts and their ability to switch shifts with others to group their time off.

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	OFl	Minor NC	Major NC	Exclusion
Principle 1. Corporate Leadership					
Criterion 1.1: Corporate Values and Commitments (6)	6				
Criterion 1.2: Leadership and Accountability (5)	5				
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (6)	6				
Criterion 2.2: Responsible Sourcing (6)	6				
Criterion 2.3: Legal compliance and signatory obligations (6)	6				
Criterion 2.4: Anti-Corruption and Transparency (8)	8				
Criterion 2.5: Competence and awareness (5)	5				
Principle 3. Occupational Health and Safety					
Criterion 3.1: OH&S policy (6)	6				
Criterion 3.2: Health and Safety (OH&S) management system (10)	10				
Criterion 3.3: Leadership and worker engagement on OH&S (10)	10				
Criterion 3.4: Support and compensation for work-related injuries or illness (8)	8				
Criterion 3.5: Safe and healthy workplaces (5)	5				
Criterion 3.6: OH&S performance (2)	2				
Criterion 3.7: Emergency preparedness and response (6)	6				
Principle 4. Labour Rights					
Criterion 4.1: Child and juvenile labour (9)	6				3
Criterion 4.2: Forced or compulsory labour (7)	7				
Criterion 4.3: Non-discrimination (9)	8		1		
Criterion 4.4: Association & collective bargaining (12)	12				
Criterion 4.5: Disciplinary practices (5)	5				

Principles and criteria (# of requirements)	Conform	OFl	Minor NC	Major NC	Exclusion
Criterion 4.6: Hearing and addressing worker concerns (5)	5				
Criterion 4.7: Communication of terms of employment (5)	5				
Criterion 4.8: Remuneration (11)	9				2
Criterion 4.9: Working time (7)	5		2		
Criterion 4.10: Worker well-being (2)	2				
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	5				
Criterion 5.2: Security practice (9)	4	5			
Criterion 5.3: Conflict-affected and high-risk areas (5)					5
6. Stakeholder Engagement and Communication					
Criterion 6.1: Stakeholder engagement (10)	10				
Criterion 6.2: Grievances and remediation of adverse impacts (12)	12				
Criterion 6.3: Communicating to the public (7)	7				
Principle 7. Local Communities					
Criterion 7.1: Commitment to local communities (8)	8				
Criterion 7.2: Free, Prior & Informed Consent (3)	3				
Criterion 7.3: Cultural heritage (7)	7				
Criterion 7.4: Displacement and Resettlement (9)	9				
Principle 8. Climate Change and Greenhouse Gas Emissions					
Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement (8)	8				
Criterion 8.2: Corporate Climate-Related Financial Disclosure (2)	2				
Criterion 8.3: Site-level GHG emissions measurement and intensity calculation (3)	3				

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 8.4: Site-level GHG reduction targets and planning (11)	11				
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	8				
Principle 9. Noise, Emissions, Effluents and Waste					
Criterion 9.1: Noise and vibration (7)	7				
Criterion 9.2: Emissions to air (8)	8				
Criterion 9.3: Spills and leakage (9)	9				
Criterion 9.4: Waste, by-product and production residue management (11)	11				
Principle 10. Water Stewardship					
Criterion 10.1 Water-related context (7)	7				
Criterion 10.2 Water balance and emissions (8)	8				
Criterion 10.3 Water-related adverse impact (6)	6				
Criterion 10.4 Managing water issues (8)	7				1
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	18				7
Principle 12. Decommissioning and closure					
Criterion 12.1: Decommissioning and closure (13)					13
	Conform	OFI	Minor NC	Major NC	Exclusion
Total (370)*	331	5	3	0	31

* 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.

Strengths

Big River Steel has done an excellent job in utilizing existing management systems and programs established for environment, health and safety, water conservation, and biodiversity, and adding measures and strategic plans to support the mission and intent of ResponsibleSteel. These proven programs establish structure and engagement at all levels of operations for taking action to achieve established objectives.

The site has also benefitted from substantial support from its corporate-level sustainability groups which have been instrumental in defining and establishing appropriate sustainability goals, providing guidance and the technical resources necessary to ensure programs are appropriately implemented, and working with the site to achieve the intended results.

Big River Steel has very structured and robust recycling initiatives and employee engagement is high for these initiatives. In addition, the organization has sustainability programs and targets at the highest level, and commitment to the mission of ResponsibleSteel is explicitly expressed through multiple means and communicated to all levels of the organization. Interviews confirmed these intentions to drive stated goals.

The organization is data-driven and all performance metrics at the plant level are assimilated and contribute to the corporate entity's Sustainability Report, published on its website.

Big River Steel has established and enhanced its interactions and relationship with the local community. Outreach and contributions to organizations and improvements in the community have been well received and stakeholder feedback was positive on Big River Steel presence and participation in community development. The site is viewed as an asset to the community.

Areas for improvement

During the audit, a few areas were identified that require the attention of the site and 3 minor non-conformities against requirements of the ResponsibleSteel Standard were raised. The site is required to effectively address the non-conformities before the surveillance audit. The non-conformity findings are related to:

- Requirement 4.3.6: A formal pay analysis study will be conducted in 2022 to underline equal pay for work of equal value.
- Requirement 4.9.1d: The site does not meet the letter of the ResponsibleSteel requirement to provide all workers with three weeks of paid annual leave. Big River Steel has request a formal interpretation from ResponsibleSteel on alternative ways to meet the intent of the requirement.
- Requirement 4.9.3: The site does not meet the letter of the ResponsibleSteel requirement to grant paid maternity leave of at least 12 weeks. Big River Steel has request a formal interpretation from ResponsibleSteel on alternative ways to meet the intent of the requirement

It is deemed that the non-conformities do not result in a fundamental failure to achieve the objective of the relevant ResponsibleSteel requirements and related criteria.

Apart from the minor non-conformities, the site meets all the requirements of the ResponsibleSteel Standard. However, the auditors have identified a few requirements where the site has potential for improvement. These are recommendations to the site rather than non-conformities:

- Additional data collection and analysis for Principle 4 (labour rights) and Principle 5 (human rights) of the ResponsibleSteel Standard is recommended to confirm initial risk assessment findings and establish monitoring of risks in those areas.
- Related to Principle 5, improve accessibility of documentation related to security (e.g. the handbook, standard operating procedures, investigation protocols)

Exclusions

The following exclusions have been made to the audit:

Exclusions	Rationale
Requirement 4.1.3	Child labour is not deemed a risk at the site.
Requirement 4.8.7	A living wage has not been requested by workers' representatives.
Criterion 5.3	The site is not located in a conflict-affected or high risk area.
Criterion 10.4	The site's location is adjacent to a large navigable water source and large aquifer. Water sources are not scarce.
Some requirements under Principle 11	There are no World Heritage Sites, Ramsar Sites or other formally protected areas, no critical habitat or Key Biodiversity Areas and no threatened species.
Principle 12	Big River Steel is a new facility which was built on a green site beginning in 2014. The site is in expansion of the facility and no plans are anticipated to initiate any closure of the site.

Assurance Panel Declaration

In line with the ResponsibleSteel Assurance Manual, three members of the Assurance Panel reviewed the full audit report for Big River Steel, 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 Big River Steel.

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 03 April 2022.

More information on the [Assurance Panel](#) can be found on the ResponsibleSteel website. The audit process is described in the [ResponsibleSteel Assurance Manual](#).