



RESPONSIBLE SOURCING



The Opportunity

Responsible sourcing is integrating social, ethical, and environmental performance factors into the process of selecting suppliers.

As stakeholders demand greater accountability, responsible sourcing emerges as a fundamental catalyst for transforming the steel industry into a force for positive change and a beacon of sustainable progress.



Responsible Sourcing in the Steel Industry

The steel sector relies heavily on extracted minerals, scrap, and in some cases, wood to produce, process, and finish steel products. Mining, forestry, and related processing activities can be important contributors to a country's economy and to regional development. However, they can also be associated with complex environmental and social impacts.

Here at Big River Steel, we are committed to tackling these challenges head-on. Our dedication is evident through the following commitments to approaching the industry's environmental, social, and corporate governance (ESG) risks:

- **Prevention of corruption**, bribery, extortion, and money laundering
- Adherence to **human rights** and labor rights
- Protection of worker and local **community health and safety**
- **Environmental stewardship** and promoting responsible practices that minimize our ecological footprint

These commitments drive us forward, guiding our actions to create a steel industry that not only powers progress but also nurtures a sustainable and inclusive future.

Our Responsible Sourcing Strategy

At the heart of our supplier assessment approach lies our responsible sourcing process, consisting of six stages that drive our commitment to sustainability. Our focus is twofold: First, we verify that all suppliers adhere to our sustainability standards. Second, we actively engage in purposeful collaborations with our suppliers and strategic partners to elevate sustainability across our supply chain. This involves sharing knowledge, fostering continuous education, and promoting process optimization, resource efficiency, and environmental and social standards.

We conduct this process both at the onset of our supplier relationships and as regular check-ins with our existing partners, ensuring a collective journey toward a greener, more responsible future



Strategy Components



1. Pre-Check and Risk Assessment

At Big River Steel, we employ an advanced early warning system to proactively address sustainability risks in global purchasing markets. Our approach begins by evaluating potential risks in specific regions or countries, focusing on those flagged by international institutions as having heightened sustainability concerns. Our assessment encompasses critical criteria such as human rights, corruption, and legal environment (the activities of the respective government towards the trade and commerce of that country). Recognizing the complexities in determining whether sourced raw materials promote human rights abuses or other crimes, we require our direct raw material and scrap suppliers to furnish annually verifiable documentation as evidence that they do not source materials from such critical regions.



2. Onboarding

The outcomes of the pre-check and risk assessment are integrated into our supplier onboarding process. We place emphasis on suppliers acknowledging our Supplier Code of Conduct and Responsible Sourcing Policy. Our onboarding process is streamlined through a globally standardized registration system, offering a concise and consistent overview of our sustainability expectations.



3. Internal Audits/Assessments

When forging new business partnerships, we request that suppliers share their existing sustainability performance results or undertake a sustainability self-assessment, fostering transparency regarding their sustainable practices. To achieve this, we use questionnaires expertly crafted by an independent sustainability audit specialist. These questionnaires encompass a range of crucial areas, including quality systems, Supplier Sourcing Policy/Code of Conduct, company - and site - level ESG performance, the chain-of-custody process, and public reporting. Our rigorous assessment process ensures a comprehensive understanding of our suppliers' sustainability practices, enabling us to build collaborative relationships that align with our values and drive positive change throughout our supply chain.



4. Risk Analysis

We entrust external sustainability experts and internal officers to analyze the self-assessment audit and questionnaire results, effectively pinpointing sustainability gaps and areas for improvement. Simultaneously, suppliers are categorized into various ESG levels. Following the self-assessment audit, we follow a standardized process to ensure that corrective actions are implemented by our suppliers as specified. We maintain a stringent approach, and in the event of a recurring significant noncompliance, supplier relationships may be terminated.



5. Accountability/Corrective Actions

Irrespective of the self-assessment audit outcomes, we partner closely with our suppliers to develop a robust corrective action plan and address areas for improvement. Throughout the assessment period and until the reassessment, we maintain a collaborative approach with our suppliers, closely monitoring the progress made in implementing the corrective action plan. By fostering open communication and joint efforts, we ensure a continuous drive toward enhancing sustainability practices and cultivating a responsible supply chain that stands the test of time.



6. Re-assessment/Re-audit

At regular intervals, we conduct re-assessments to actively monitor our suppliers' performance progress, ushering in a continuous cycle of improvement. This iterative process entails meticulous evaluation, thorough analysis, and swift corrective measures to foster growth and sustainability. By maintaining a vigilant approach, we ensure that responsible practices are consistently upheld, driving a relentless pursuit of excellence throughout our supply chain.

Learn More

[Additional ResponsibleSteel™ Information](#)

[Company policies](#)

[Supplier Code of Conduct](#)

[Code of Ethical Business Conduct](#)

[Conflict Minerals Policy](#)

For more information on Big River Steel's responsible sourcing efforts or questions, contact us at green@bigriversteel.com