



Fighting Against Forced Labour and Child Labour In Supply Chains Act Report (2023)

ABOUT THIS REPORT

Cleveland-Cliffs Steel Corporation, Cleveland-Cliffs Steel LLC, Cleveland-Cliffs Tooling and Stamping Canada Holdings Inc., EMAC Holdings ULC, The Electromac Group Inc., Fleetwood Metal Industries Inc., Zalev Brothers Co. and Cleveland-Cliffs Ontario G.P. have prepared this report (this "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended December 31, 2023.

This is a joint Report made on behalf of the entities listed above (collectively, the "**Cleveland-Cliffs Reporting Entities**"). This Report has not been externally assured.

This Report describes the steps taken by the Cleveland-Cliffs Reporting Entities to enhance transparency in our supply chains by outlining the steps taken during the 2023 financial year to prevent and reduce the risk that forced labour or child labour (collectively, "**Modern Slavery**") is used at any step of our production of goods in Canada or elsewhere, or in our importing of goods into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

The Cleveland-Cliffs Reporting Entities do not currently report under similar legislation in any other jurisdiction.

INTRODUCTION

The Cleveland-Cliffs Reporting Entities believe that we have the duty to foster positive social and employment relationships in every area of operation. The Cleveland-Cliffs Reporting Entities are committed to upholding the values associated with the *United Nations' Universal Declaration of Human Rights* and the *United Nations' Guiding Principles on Business and Human Rights*, to ensure safety and human rights are protected wherever we operate, particularly for historically vulnerable groups such as: women; racial, national or ethnic minorities; persons with disabilities; children; religious or linguistic minorities; and indigenous peoples.

The Cleveland-Cliffs Reporting Entities are committed to the prevention and reduction of Modern Slavery. To this end, the Cleveland-Cliffs Reporting Entities have a zero-tolerance policy for Modern Slavery, and we will not knowingly do business with any subcontractors, business partners, suppliers and other third parties who violate this policy.

The Cleveland-Cliffs Reporting Entities respect all local laws and customs where we transact business and educate ourselves about the applicable laws and regulations that apply to our operations. The Cleveland-Cliffs Reporting Entities do not make assumptions about which laws and regulations apply to our work. Rather, the Cleveland-Cliffs Reporting Entities investigate and ensure that we are operating in a respectful and legal manner. Further, if there are any local rules or laws that seem to conflict with any of the policies of the Cleveland-Cliffs Reporting Entities, we expect that the more restrictive of the two standards will be followed.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Company Structure

The Cleveland-Cliffs Reporting Entities are all indirectly wholly owned subsidiaries of Cleveland-Cliffs Inc., which was established in 1847 and is headquartered in Cleveland, Ohio. As used in this Report, the term “Cleveland-Cliffs” applies to Cleveland-Cliffs Inc. and as relevant, certain of its subsidiaries, including the Cleveland-Cliffs Reporting Entities. More information relating specifically to the Cleveland-Cliffs Reporting Entities is set out in the table below:

Cleveland-Cliffs Reporting Entities	Entity Specific Information
Cleveland-Cliffs Steel Corporation	Organized pursuant to the laws of Delaware.
Cleveland-Cliffs Steel LLC	Organized pursuant to the laws of Delaware.
Cleveland-Cliffs Tooling and Stamping Canada Holdings Inc.	Incorporated pursuant to the <i>Business Corporations Act</i> (Ontario), headquartered in Windsor, Ontario.
EMAC Holdings ULC	Incorporated pursuant to the <i>Business Corporations Act</i> (British Columbia), headquartered in Windsor, Ontario.
The Electromac Group Inc.	Incorporated pursuant to the <i>Business Corporations Act</i> (Ontario), headquartered in Windsor, Ontario.
Fleetwood Metal Industries Inc.	Incorporated pursuant to the <i>Business Corporations Act</i> (Ontario), headquartered in Windsor, Ontario.
Zalev Brothers Co.	Incorporated pursuant to the <i>Companies Act</i> (Nova Scotia), principally headquartered in Windsor, Ontario.
Cleveland-Cliffs Ontario G.P.	Registered pursuant to the <i>Partnership Act</i> (Ontario) and is a partnership between Cleveland-Cliffs Steel Canada Inc. and Cleveland-Cliffs Canada Distribution Inc. headquartered in Toronto, Ontario.

Cleveland-Cliffs has 56 operating facilities throughout the United States and Canada. Cleveland-Cliffs is vertically integrated from mined raw materials, direct reduced iron, and ferrous scrap to primary steelmaking and downstream finishing, stamping, tooling and tubing.

In 2023, Cleveland-Cliffs employed approximately 28,000 people across operations in the United States and Canada, with approximately 27,000 in the United States and approximately 1,000 in Canada. More than 70% of Cleveland-Cliffs' workforce, approximately 20,000 employees, is represented by three prominent unions — United Steelworkers, United Auto Workers, and International Association of Machinists and Aerospace Workers.

Cleveland-Cliffs prioritizes consistent, two-way communication with employees and union partners. The primary goal is to foster the economic security of employees through strong compensation and solid benefits that allow Cleveland-Cliffs' employees to have successful careers and provide for their families. This goal is achieved through employee empowerment and engagement, strong partnerships with unions and positive workplace culture.

Activities and Operations

Cleveland-Cliffs is the largest flat-rolled steel producer and manufacturer of iron ore pellets in North America. Cleveland-Cliffs is the largest supplier of steel to the automotive industry in North

America and serves a diverse range of other markets due to its comprehensive offering of flat-rolled steel products.

Cleveland-Cliffs has a vertically integrated portfolio, which begins at the mining stage and goes all the way through the manufacturing of steel products, including stamping, tooling and tubing. Cleveland-Cliffs has the unique advantage as a steel producer of being fully or partially self-sufficient with the production of raw materials for steel manufacturing, which includes iron ore pellets, hot briquetted iron, scrap and coking coal. Cleveland-Cliffs is primarily organized into three operating segments based on the differentiated products – Steelmaking, Tubular, and Tooling and Stamping. However, business is primarily conducted through the Steelmaking segment.

Raw materials for the production of steel are largely internally sourced, including from Cleveland-Cliffs' iron ore mines and scrap facilities, one of which is located in Ontario. Raw steel is generally cast into slabs and finished based on customer specifications. Finishing is completed on site at integrated operations or at one of the standalone finishing facilities.

The Tooling and Stamping segment of the business provides advanced-engineered solutions, tool design and build, hot- and cold-stamped steel components, and complex assemblies for the automotive market across North America. There are Tooling and Stamping plants in Windsor, Tillsonburg and Otterville, Ontario.

The largest end user for Cleveland-Cliffs' steel products is the automotive industry in North America. Other markets where the products are sold include the infrastructure and manufacturing market; the steel distributors and converters market, generally consisting of downstream steel service centres; and the steel producers' market, consisting of third-party sales to other steel producers.

Supply Chains

As a vertically integrated iron and steel producer, Cleveland-Cliffs manages a unique value chain both upstream and downstream. While Cleveland-Cliffs owns and produces many of its raw materials, it relies on its suppliers to provide other critical materials necessary for the steelmaking process, as well as transportation of these materials and finished products.

Cleveland-Cliffs continues to enhance its supply chain management program year over year. In 2023, there was greater emphasis on working with local suppliers wherever possible. For critical raw materials and other inputs that Cleveland-Cliffs does not produce in-house, there was a concerted effort to reduce or eliminate sourcing from entities outside North America, unless absolutely necessary. For logistics providers, many of the drivers are local to either the origin point of, or final destination on, a route.

All suppliers are expected to meet certain requirements to do business, including adhering to Cleveland-Cliffs' General Terms and Conditions, Code of Conduct for Cliffs' Suppliers, Code of Business Conduct and Ethics, and Conflict Minerals Policy, all of which are available on its corporate website. There is also an expectation that Cleveland-Cliffs' suppliers share its environmental, social and governance ("**ESG**") values relative to respecting human rights, mitigating environmental impacts and keeping people safe at work every day. Cleveland-Cliffs strives to build trusting and meaningful relationships with its suppliers over time to serve as reliable, long-term procurement sources.

As a responsible supplier itself, Cleveland-Cliffs manages expectations with its customers by conducting required due diligence, maintaining business strategic certifications and responding to voluntary ESG questionnaires. Additionally, at the parent level, Cleveland-Cliffs Inc. annually files the Form SD with the United States Securities and Exchange Commission for required Conflict Minerals disclosure.

In 2023, the Cleveland-Cliffs Reporting Entities engaged with several suppliers that provided us with a variety of goods, primarily consisting of operating supplies and manufacturing components, including raw materials, alloys, scrap metal, capital equipment, electrodes, mill rolls, refractories, tooling and dies. At a high level, the goods purchased and imported by the Cleveland-Cliffs Reporting Entities relate to or support the specific nature of the individual entity's operations, as discussed earlier in this Report.

As set out above, in 2023, Cleveland-Cliffs made a concerted effort to source any materials it cannot produce itself in the United States or Canada. Consistent with this effort, the majority of the Cleveland-Cliffs Reporting Entities' procurement occurred within the United States. In 2023, for example, with respect to Cleveland-Cliffs Steel LLC and Cleveland-Cliffs Steel Corporation, approximately 97% of its procurement was based in the United States, approximately 2% was with suppliers based in Canada, and only the remaining approximately 1% was with suppliers based overseas.

POLICIES AND DUE DILIGENCE

Core Values

The Cleveland-Cliffs Core Values consist of safe production; customer focus; creating economic value; bias for action; trust, respect and open communication; group and individual accountability; ethical behaviour; teamwork; recognize and reward achievement; and environmental stewardship. These Core Values support the framework in which sustainable business is conducted safely, honestly, transparently and as a team, while still creating value for stakeholders and Cleveland-Cliffs. These Core Values also guide Cleveland-Cliffs through complex decision-making and business challenges.

The OneCliffs Way of Doing Business

The OneCliffs Way of Doing Business (the "**OneCliffs Way**") is Cleveland-Cliffs' code of business conduct and ethics, which is publicly accessible [here](#). It provides specific guidance and expectations for upholding the Cleveland-Cliffs Core Values.

Included in the OneCliffs Way is the commitment to supporting human rights and acting with respect and integrity globally. Cleveland-Cliffs has a zero-tolerance policy for the use of Modern Slavery and will not knowingly do business with any subcontractors, business partners, suppliers and other third parties that violate this policy. If employees have reason to believe any subcontractor, business partner, supplier or other third party is engaging in Modern Slavery practices, they must report the misconduct immediately to their supervisor or any of the other resources identified in the OneCliffs Way, including the Ethics Helpline (the "**Helpline**"), which allows for anonymous reporting.

The OneCliffs Way also confirms the commitment to making sure that Cleveland-Cliffs' impact on the communities where it operates is a positive one. Cleveland-Cliffs does its best to accommodate different cultures, traditions and perceptions that we encounter during our project

and operation planning. This commitment to establishing mutually beneficial relationships in local communities includes a commitment to consult with those communities before opening new operations, while running existing operations, and when closing down operations at the end of their productive lives. This commitment is shown through collaborative engagement, mutual agreements, and open and respectful communications.

The OneCliffs Way applies to all Cleveland-Cliffs' directors, officers and employees, and it extends to anyone acting on Cleveland-Cliffs' behalf, including consultants, agents and third-party representatives. Additionally, it is expected that suppliers, vendors and service providers will follow the principles provided in the OneCliffs Way.

Human Rights Policy

The Human Rights Policy of Cleveland-Cliffs, which is publicly available [here](#), operates in conjunction with and in support of the Core Values and the OneCliffs Way to establish Cleveland-Cliffs' policy on human rights and its relationship with employees and the communities in which it operates. It is expected that all consultants, contractors, suppliers and business partners adhere to the principles contained in the Human Rights Policy.

The Human Rights Policy sets out a commitment to the elimination of forced labour and the abolishment of child labour, including all forms of slavery and human trafficking. To support this commitment, Cleveland-Cliffs prohibits the employment of forced or child labour within the business and among third parties with which it does business; obeys all local laws and regulations of the countries in which it operates; complies with all applicable wage, benefits and working hours laws and regulations; recognizes and respects the right of employees to associate freely and bargain collectively; and prohibits discrimination or harassment in the workplace based on any characteristic protected by law.

Employees of Cleveland-Cliffs are educated about human rights and are required to conduct internal and external business fairly and ethically. Cleveland-Cliffs takes appropriate action against any employee who violates the human rights of others. Any credible accusation of human rights violations will also be reported to the appropriate government authorities and agencies.

Conflict Minerals Policy

Under its Conflict Minerals Policy, which is publicly available [here](#), Cleveland-Cliffs endeavours to refrain from purchasing products or materials for use in products that contain conflict minerals that directly or indirectly finance or benefit armed groups and conflict in the Democratic Republic of the Congo or any adjoining country.

It is expected that suppliers whose materials remain in finished products will: (a) ensure that the products they sell to Cleveland-Cliffs do not contain any conflict minerals that finance conflict in the covered countries; and (b) establish appropriate due diligence programs to ensure compliance with this requirement throughout their own supply chain. Upon request, its suppliers are expected to provide reasonable and appropriate information regarding the source and chain of custody of any conflict minerals they sell to Cleveland-Cliffs. Cleveland-Cliffs is committed to continuing to monitor and work with its suppliers proactively to verify the origin of any conflict minerals in its supply chains.

Ethics Helpline

Cleveland-Cliffs' Helpline can be reached by telephone or online 24 hours a day, 365 days a year. It is hosted by an independent third-party provider allowing those reporting to remain anonymous, if they so choose. All reports are made to the independent third-party provider, which then makes the reports available only to specific employees within Cleveland-Cliffs. These employees then evaluate the report based on the type of alleged violation and location of the incident. When reports are filed, the reporter receives a unique username and password, allowing the individual to access their original report to add more detail or answer questions and add further information to help resolve issues. This allows for "anonymous dialogue" between the individual reporting and Cleveland-Cliffs where situations are not only identified but can also be resolved.

Investigations of Helpline reports are conducted in a consistent, comprehensive and confidential manner that complies with applicable laws. All employees are expected to cooperate fully with any such investigation and to provide complete, accurate and truthful information as provided for under applicable law. When the investigation is complete, appropriate corrective or disciplinary action will be taken, where warranted, in accordance with local laws and internal procedures.

Cleveland-Cliffs prohibits retaliation against employees for reporting good faith concerns. Additionally, employees will never face any form of retaliation from Cleveland-Cliffs for making a report that turns out not to be true, as long as the employee came forward honestly and in good faith. Anyone who takes action against another employee for reporting a concern or participating in an investigation in good faith will be subject to disciplinary action, up to and including termination.

United States Customs and Border Protection's Customs-Trade Partnership Against Terrorism ("C-TPAT")

Cleveland-Cliffs Steel LLC maintains a membership in the C-TPAT, a voluntary program established by the United States Customs and Border Protection ("**CBP**") to enhance cargo security and strengthen international supply chains. C-TPAT partners, including importers, carriers and manufacturers, work with CBP to implement security measures and best practices as well as review all aspects of supply chain security, which includes inquiries regarding forced labour and other social compliance issues up and down the supply chain.

Compliance with the Uyghur Forced Labor Prevention Act ("UFLPA")

The UFLPA came into effect on December 23, 2021, as an act to ensure, among other things, that goods made with forced labour in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the United States market. At least annually, and at any time the United States Department of Homeland Security updates the UFLPA List, Cleveland-Cliffs assesses its supply chains to confirm that it did not conduct business with any of the vendors on the UFLPA List.

Supplier Onboarding Questionnaire

Cleveland-Cliffs expects certain suppliers to complete its supplier onboarding questionnaire (the "**Questionnaire**"). The Questionnaire asks a variety of questions designed to provide a reasonable assessment of the risks of engaging with any potential supplier. As part of that

assessment, the Questionnaire includes questions that relate to C-TPAT certification and indicators of potential risks of Modern Slavery.

POTENTIAL RISKS IN OPERATIONS AND SUPPLY CHAINS

In 2023, Cleveland-Cliffs took the following steps to prevent or reduce the risk of Modern Slavery in its supply chains and operations:

- Reviewed the Act and considered its applicability to Cleveland-Cliffs, and identified the Cleveland-Cliffs Reporting Entities;
- Produced and distributed the “Bill S-211 Questionnaire: Cleveland-Cliffs Tooling and Stamping”;
- Recertified compliance with the UFLPA, including the necessary supply chain mapping exercise;
- Sent out the Questionnaire to certain suppliers as part of the supplier onboarding process; and
- Maintained C-TPAT membership for Cleveland-Cliffs Steel LLC and undertook all steps necessary to maintain such C-TPAT certification.

Potential Risks in Operations

The Cleveland-Cliffs Reporting Entities consider the risk of Modern Slavery occurring within our operations to be low. Not only does the Cleveland-Cliffs Reporting Entities’ workforce exist only within Canada and the United States, both of which have comprehensive and strict labour, employment and human rights laws, but a majority of the workforce is also represented by strong and prominent labour unions.

Potential Risks in Supply Chains

The Cleveland-Cliffs Reporting Entities recognize that there is a risk of Modern Slavery occurring within our supply chains. We understand that geographic considerations, the nature of certain raw materials, and the nature of the particular industries can impact the level of risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery. However, most of the raw materials used in the operations of the Cleveland-Cliffs Reporting Entities are owned or produced internally. Accordingly, as a whole, the Cleveland-Cliffs Reporting Entities view the risks of Modern Slavery in our supply chains as low.

While the Cleveland-Cliffs Reporting Entities primarily engage North American suppliers, we are cognizant that there is a high possibility that some of these products are manufactured overseas or the supply chains for these products include components manufactured overseas, thereby increasing the risk of Modern Slavery in our supply chains. Notwithstanding these risks, the Cleveland-Cliffs Reporting Entities are not aware of any specific instances of Modern Slavery in our procurement related to overseas manufacturing and fabrication.

Through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, the Cleveland-Cliffs Reporting Entities did not identify any instances of Modern Slavery. Accordingly, no measures were required to remediate Modern Slavery or the loss of income associated with remediation efforts.

Management and Mitigation of Potential Risks

The Cleveland-Cliffs Reporting Entities have a long history of operating as part of Cleveland-Cliffs, an organization that takes pride in being a responsible corporate citizen. Cleveland-Cliffs strives for continuous progress and improvement in order to maintain the trust and respect of the communities in which it operates. Cleveland-Cliffs understands that the support of its communities has been critical to its success throughout its long history, and it does not take for granted the privilege of operating in these areas. That is why Cleveland-Cliffs seeks to give back with the investment of time and resources in the programs and people that make these great places to live, work and play. Cleveland-Cliffs' goal is to be a responsible corporate citizen that acts as a partner in solving community challenges and helping communities thrive. Cleveland-Cliffs' community outreach focuses on investing in education, improving the environment, and supporting healthy and vibrant communities. Through these focus areas, partnerships have been formed with schools, community organizations, neighborhood groups and other charities.

The programs that Cleveland-Cliffs invests in to serve the communities where it operates generally meet at least one of its three key focus areas:

- **Education:** Cleveland-Cliffs partners with organizations that are building skills, including STEM skills, across all age groups; preparing a ready workforce; and increasing employment opportunities for community members.
- **Environment:** Cleveland-Cliffs supports organizations that are protecting and restoring the environment through land and water restoration, creating green spaces, and promoting sustainable communities and natural areas.
- **Healthy and Vibrant Communities:** Cleveland-Cliffs works to build healthy, safe and vibrant communities by providing services and creating opportunities for underserved populations; funding programs that promote healthy lifestyles and combat disease; and investing in community-improvement initiatives led by arts, cultural and civic institutions.

Additionally, Cleveland-Cliffs hosts an annual Souper Bowl Food Drive across all operations in the United States and Canada. In 2023, Cleveland-Cliffs collected 240,000 pounds of non-perishable food items. In conjunction with the food donations, Cleveland-Cliffs has also made cash contributions totaling over \$500,000 to more than 48 food distribution organizations in the local communities where it operates throughout the United States and Canada. In the past four years, The Cleveland-Cliffs Foundation has invested more than \$3 million in cash contributions to alleviate food insecurity in communities throughout the United States and Canada.

TRAINING

Annually, all Cleveland-Cliffs' directors, officers and employees must certify their understanding and compliance with the OneCliffs Way, complete any on-line or other compliance and ethics related training that is required, and provide any other required certifications or disclosures. Additionally, in 2023, Cleveland-Cliffs' corporate Human Resources team focused on increasing and enhancing the learnings and offerings in its online learning management system. The corporate Talent Development team provides a full suite of educational opportunities that are available to salaried employees to help them refine their skills and further strengthen a high-performance workforce. These courses span a variety of interests, such as health and wellness and other professional development topics.

As the Cleveland-Cliffs Reporting Entities continue the development of our actions to prevent and reduce the risk of Modern Slavery in 2024, we will consider implementing, as appropriate, a more focused training module on Modern Slavery.

ASSESSING EFFECTIVENESS

The Cleveland-Cliffs Reporting Entities intend to continue to re-evaluate the need to implement measures to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

APPROVAL AND ATTESTATION

This Report was approved pursuant to section 11(4)(b)(i) by the Boards of Directors or other authorized governing body of each of the Cleveland-Cliffs Reporting Entities on May 28, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

James D. Graham, Executive Vice President, Chief Legal and Administrative Officer & Secretary

I have the authority to bind Cleveland-Cliffs Steel Corporation, Cleveland-Cliffs Steel LLC, Cleveland-Cliffs Tooling and Stamping Canada Holdings Inc., EMAC Holdings ULC, The Electromac Group Inc., Fleetwood Metal Industries Inc., Zalev Brothers Co. and Cleveland-Cliffs Ontario G.P.

May 29, 2024

