

REAL ALLOY
RESPONSIBLE
ALUMINUM



REAL ALLOY

**FIGHTING AGAINST
FORCED LABOR AND
CHILD LABOR IN SUPPLY
CHAINS REPORT
2023**

REAL ALLOY

About this report

This report has been prepared jointly by REAL ALLOY Holding, LLC and its subsidiaries, including those listed in the Approval and Attestation section below (collectively, "REAL ALLOY") in response to the reporting requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for our financial year ending December 31, 2023.

ORGANIZATIONAL STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

ORGANIZATION

REAL ALLOY is a leading privately held company in the aluminum recycling and alloy production industry. We specialize in converting aluminum scrap and by-products into reusable aluminum for various applications. Our customers can choose a wide range of products delivered in different forms such as molten metal, ingot, RSI, or cone. Our liquid metal delivery option offers significant advantages in terms of its efficiency and cost advantages, and REAL ALLOY employs sophisticated solutions and logistics to ensure a significant portion of our alloys can be delivered this way.

REAL ALLOY's employees are spread across 16 production sites and headquartered in North America, with employees who are all united by the mission of responsibly capturing the economic value of aluminum recycling. One production facility is located in Mississauga, Canada. REAL ALLOY values excellence, integrity, and accountability, fostering an environment of trust and empowerment where innovative ideas are encouraged. We share a passion for excellence and view setbacks as learning opportunities and prioritize responsibility towards colleagues, customers, suppliers, business partners, and communities.

REAL ALLOY is well-positioned to meet the needs of a recycling-conscious world, thanks to advanced technologies that enable us to process various types of scrap and dross while minimizing residual waste. Our efficient recycling plants are operated by 1100 employees in North America, with the corporate headquarters located in Cleveland, Ohio.

ACTIVITIES

REAL ALLOY is a leading company in the aluminum recycling and alloy production industry. We specialize in converting aluminum scrap and by-products (dross) into reusable metal for various applications. Our customers can choose a wide range of products delivered in different forms such as molten metal, ingot, RSI, or cone.

REAL ALLOY makes an important contribution towards a circular economy by recycling aluminum into new input materials for industrial production.

SUPPLY CHAIN

Real Alloy procures a range of non-metal related goods and services such as energy, fuel, mobile equipment, machinery, lubricants, transportation and a variety of other products and services to support our aluminum recycling business. Many of our direct suppliers are closely aligned with the location of our operations in the United States, Canada and Mexico.

The Real Alloy supply chain consists of primarily North American based suppliers (over 99%). We understand that our suppliers play a role in our ability to live up to our sustainability commitments and attain our environmental, social and governance (ESG) goals. We convey the following expectations to our suppliers:

- Compliance with all applicable laws and regulations
- Respect for human rights including prevention of forced labor, child labor and human trafficking
- Provision of a safe and healthy work environment

As to metal supply sources, over 97% of inputs for processing are in the form of scrap or other secondary material. Scrap flows from both post-industrial and post-consumer sources. These sources are largely regional, delivered by trucking networks, and have a lower associated risk of human rights violations.

There are smaller amounts of primary aluminum and alloying metals sourced from outside the country of use. Real Alloy also purchases materials to aid the production process, like flux salts.

GOVERNANCE

RESPONSIBILITY

REAL ALLOY has a clear commitment to legal compliance and strictly opposes any form of discrimination and harassment, child labor or forced labor or any other unethical behavior. We also expect our business partners and our suppliers to fully observe human rights.

REAL ALLOY has senior-level positions who are responsible for fulfilling the company's human rights commitments consisting of the following:

- Chief Executive Officer
- Chief Operating Officer
- Executive Vice-President & General Counsel
- Vice President – Human Resources

- Vice President – Operations
- Plant Managers and Human Resources Professionals at all Real Alloy Plants

FORCED LABOR AND CHILD LABOR POLICIES

REAL ALLOY has implemented several policies to support Human Rights and set forth expectations of how our associates conduct business as well as how we expect our suppliers to support those efforts. These policies include:

- [Code of Conduct](#) - available on our website, highlights commitments to ethical behavior.
- [Supplier Sustainability Policy](#) - outlines REAL ALLOY's expectations for suppliers and their ethical behavior regarding labor and human rights as well as environmental, health and safety, and data protection.
- Workplace Discrimination, Harassment and Violence Policy – Canadian-specific policy addressing Human Rights issues.

REAL ALLOY's annual [Sustainability Report](#) further demonstrates this commitment and lays out the company's overall approach to Sustainability, including all relevant environmental, social, and governance issues.

DUE DILIGENCE PROCESSES

For labor due diligence, the company performs an annual review of suppliers against its Supplier Sustainability Policy, with a red flag assessment. This includes a review of country of origin, applying a Conflict-Affected and High-Risk Area (CAHRA) review, which is especially relevant for the sourcing of primary aluminum and alloying metals. Any red flags found are followed up on to ensure that supply chain practices are in line with our expectations.

RISK AND REMEDIATION

REAL ALLOY's operations are located in relatively low-risk areas. For 2023 there were no material risks identified.

As there have been no identified instances of past or present use of child labor or forced labor, no actions have been taken to remediate it. The company does not employ any full or part-time employees below the age of 18 and this is corroborated on employment applications.

EMPLOYEE TRAINING

REAL ALLOY performs annual training on the Code of Conduct for employees, in addition to training on all policies during onboarding of new employees. This is supplemented by other ethics training on rotating topics.

Every year, REAL ALLOY uses the services of the external legal compliance training companies who author and roll out extensive employee training programs where attendance and course

completion is both mandatory and tracked in company compliance records. These programs specifically include training modules on a broad and diverse set of subject areas as part of the Company's Code of Conduct training and these topics specifically include Human Rights training covering forced labor and child labor topics as well as other topics in the legal compliance realm.

Presently in 2024, REAL ALLOY is using the service of LRN, which was founded in 1994, and is an American company which provides advice and education on ethics, regulatory compliance, and corporate culture to organizations. When founded, the company focused on the legal industry and was named Legal Research Network, before expanding into other fields. REAL ALLOY is presently rolling out its first compliance training course in 2024 on Code of Conduct training and the current course has content on both forced labor and child labor content.

ASSESSING EFFECTIVENESS

REAL ALLOY obtains assurance on its management systems through external certification to the Aluminum Stewardship Initiative Performance Standard, which includes an audit of labor practices, working conditions, and the assessment and management of human rights risks.

REAL ALLOY uses the results of these assurance processes to inform future actions for continual improvement.

APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Real Alloy Holding, LLC and Real Alloy Canada, Ltd. Based on my knowledge and reasonable due diligence, I attest that the information in this report is accurate and materially complete for the reporting period.



Terrance J. Hogan
President & CEO
May 29, 2024

