

# Forced Labour Report for Schnitzer Steel Canada Ltd.

This report is being filed by Schnitzer Steel Canada Ltd. (“Schnitzer Canada”) as required by *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act*. It covers the fiscal year ending August 31, 2023.

Schnitzer Steel Canada Ltd. is a wholly owned subsidiary of Radius Recycling, Inc. (“Radius”), a Delaware Corporation headquartered in Portland, Oregon, United States of America. Radius is a publicly traded company, listed on the NASDAQ under the symbol RDUS.

Please note that Radius was previously known as Schnitzer Steel Industries, Inc. (and the stock was traded under the symbol SCHN), including during the relevant period covered by this report. Currently, Schnitzer Canada is doing business as Radius Recycling. However, in order to avoid confusion, references to Schnitzer Canada are specific to the Canadian entity, while references to Radius refer to the entire company, including the Canadian entity.

## About Radius: Vision, Purpose, and Core Values

### *Vision and Purpose:*

Radius is committed to a future with less waste. We turn the old into new, enable the obsolete to become reusable, supply essential materials to critical industries and, in the process, foster more resilient communities. Together, we are recycling today for a sustainable tomorrow.

### *Core Values:*

Our Core Values of Safety, Sustainability, and Integrity guide our actions at Radius. These values offer a lens through which we make decisions, define our workplace culture, and illustrate what matters most to our stakeholders.



#### **Safety**

We prioritize the safety and well-being of our people above all else. Through a dedication to a sustainable Safety culture, we strive for an injury-free workplace.



#### **Sustainability**

We work every day to ensure a sustainable future for generations to come.



#### **Integrity**

We hold ourselves to the highest standards of ethical behavior.

Our metals recycling, auto recycling (including Pick-n-Pull retail stores that sell serviceable used auto parts from salvaged vehicles we then recycle), steel manufacturing (producing at Cascade Steel Rolling Mills, McMinnville, Oregon, U.S.A., high-quality finished steel products using scrap metal sourced from our auto and metals recycling operations), and Recycling Services (providing services such as reverse logistics to organizations seeking to enhance their recycling activities) make up our integrated operating model.

Radius operates eight facilities in Canada: four metals recycling facilities in Surrey, Cassidy, Victoria, and Campbell River, British Columbia; and four Pick-n-Pull retail stores in Calgary (two locations), Edmonton, Alberta, and Kelowna, British Columbia.

## Radius' Supply Chain and Risk of Forced or Child Labour

Radius' supply chain can be divided into trade and non-trade. Our trade supply chain consists mainly of providers of scrap metal, end-of-life vehicles, and, for our U.S. steelmaking operations, alloys and other types of raw materials. Providers of scrap metal can be individuals or commercial operations, and we procure end-of-life vehicles also from individuals, auctions, and insurance companies, among others. Our non-trade supply chain is mostly for parts, equipment, and professional services. In Canada specifically, we have hundreds of trade and non-trade suppliers. We purchase almost all our trade supplies from within Canada, with some sourcing from the United States. On the non-trade side, very few of our suppliers are located outside of the U.S.A. or Canada.

Due to the nature of our supply chain (both trade and non-trade), the risk of forced and child labour is quite low. Further, even for those instances where our non-trade suppliers source the products they supply us from third countries, our ability to trace the origin is constrained due to our role as a downstream purchaser. To mitigate any residual forced or child labour risk, we have incorporated provisions into contracts and supplier expectations, enacted corporate policies, and foster employee awareness regarding forced and child labour.

## Our Forced and Child Labour Risk Mitigation Process

**Radius is committed to responsible sourcing from suppliers that share our core values, including a commitment to human rights, ethics, and integrity.**

---

### *Risk Assessment*

---

As noted above, given the nature of our business and our supply chain, we have assessed our risk of forced or child labour as quite low. Our main risk relates to second and third tier suppliers potentially providing products in categories or from locations known or suspected to have issues with forced or child labour.

---

### *Third Party On-boarding and Due Diligence*

---

As most of our trade suppliers engage with us directly at our facilities, our front-line employees are trained to escalate any concerns they may have if a supplier presents themselves in a way that raises red flags, including in the unlikely event of a suspicion of forced or child labour.

For non-trade suppliers, our due diligence is calibrated based on risk. Procurement personnel are involved in all non-trade purchases of goods and services. There are important controls in our procurement process, including an established procurement policy, the requirement of a Purchase Order, standard contract terms and templates, and tiered contract review based on subject matter and complexity.

We assess non-trade supplier risk by reference to geography, annual financial value of the contract, criticality of products or services provided, and other case-specific factors. Due diligence of potential suppliers is wide-ranging and differs with the risk presented. For all suppliers, we first evaluate whether the supplier has complied with our due diligence requests by providing necessary documentation and information and then assess, in addition to the supplier's ability to provide the good or service, the ability to abide by our contract terms, insurance requirements, etc. We also evaluate ownership structure, whether the supplier will use subcontractors for any work to be performed, overall reputation for integrity, and financial condition, among other things.

Our Anticorruption Program includes *additional* detailed due diligence requirements for most suppliers based outside of the United States or Canada. While some of these suppliers are exempt from these requirements (e.g., law firm based abroad), for the rest we require that the proposed supplier complete a detailed questionnaire that is submitted to Radius' Compliance Department for due diligence, which includes submitting the information to a third party investigation service that provides a report. Part of that report includes a check for allegations, convictions, or connections to forced and child labour. Only once Compliance has completed due diligence and approved the supplier may business commence.

We also conduct "batch" screening of all entities in our Accounts Payable and Receivable databases (the former of which includes our suppliers) against various Designated Parties lists, including those in Canada. This screening provides a "reverse" due diligence feature, meaning that even if after initial clearance the entity is placed on a sanction list, we will be notified and take appropriate steps depending on the circumstances.

---

### *Third Party Expectations*

---

Radius has a [Supplier Code of Conduct](#) to which all non-trade suppliers must comply, as provided in our Standard Terms and Conditions. Our Supplier Code makes the following statement regarding Forced and Child Labour:

***Labor Laws and Human Rights.*** *We are deeply committed to ensuring human rights are protected during the performance of our business activities, in conformance with the principles set forth in the United Nations' Universal Declaration of Human Rights ("Universal Declaration") and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work ("Fundamental Principles"). We expect our suppliers to perform their business activities for Radius in conformance with the Universal Declaration and Fundamental Principles, including, but not limited to, avoiding participation in or in any way supporting the use of child labor or human trafficking of any kind.*

Additionally, our Standard Terms and Conditions has a separate clause regarding forced and child labour, with an even broader clause included in our Master Service Agreement, which is required for larger non-trade suppliers. These are in addition to more general “Compliance with Law” provisions.

---

### *Employee Expectations*

---

Radius has an employee [Code of Conduct](#) with which all employees must comply. As part of our commitment to human rights, our Code reads:

#### ***We Respect Human Rights***

*We are committed to respecting and advancing the human rights of all people everywhere. We likewise partner with third parties who aspire to the same high standards.*

#### ***This means:***

- *We honor the right to a safe, clean, healthy, and sustainable environment and promote the long-term health, safety, and wellness of all employees.*
- *We advocate for a workplace that is free from violence, harassment, and intimidation.*
- *We comply with all applicable laws concerning pay, benefits, and working conditions; we do not work “off the clock.”*
- *We prohibit all forms of slavery, including involuntary, forced or prison labor, child labor, and human trafficking.*
- *We respect the rights of employees to organize and collectively bargain.*
- *We work to protect the rights of all people, including women, members of minority groups, and Indigenous peoples.*
- *We educate our leaders and employees to identify potential human rights abuses that may occur in the course of our business activities and empower them to raise potential incidents through the myriad channels we offer as detailed in the [Speak Up](#) section on page 5.*
- *We oppose corruption in all forms.*

We train all employees regarding our Core Values and the Code of Conduct upon hire and annually thereafter. Each year, all employees certify that they have read and understand our Code of Conduct. We also train employees to be alert for red flags and other suspicious circumstances.

We take pride in our **Speak Up** culture and provide many ways for employees to report misconduct, including the ability to remain anonymous by using our multi-lingual and confidential Misconduct Reporting Hotline. We investigate all reports and have a strict policy against retaliation.

Radius also has a [Human Rights Policy](#), which is the very first policy in Radius’ policy suite. The purpose of this policy is to affirm the Company’s commitment to upholding internationally recognized Human Rights as set forth in the United Nations’ Universal Declaration of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. This includes forced and child labour.

We believe so strongly in our commitment to human rights that we include a statement on our website [radiusrecycling.com](https://radiusrecycling.com). It reads:

*Integrity, including respect for human rights, is a core value of the Company and fundamental to Schnitzer's commitment to operating responsibly and sustainably. Our values reflect our belief that every individual has inherent worth. We have adopted a policy affirming these values and our commitment to upholding the internationally recognized human rights as set forth in the United Nations' Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.*

*We oppose the use of child or forced labor and human trafficking. We advocate for safe and healthy working conditions and a workplace free from violence, harassment, intimidation, and retaliation. We educate our managers and employees to identify, prevent, and report potential human rights abuses that may occur in the course of our business activities. We honor the right to a safe, clean, healthy and sustainable environment through our business practices and promote the long-term health, safety, and wellness of all Employees. We oppose corruption in all forms, specifically extortion and bribery, by proactively developing and maintaining programs and policies to address corruption in every business practice.*

*To further explore our commitment to support human rights, we encourage you to read our Human Rights Policy.*

## Reported Risks or Use of Forced or Child Labour

As of the date of this report, including for the fiscal year ending August 31, 2023, Radius (including Schnitzer Canada) has not received any reports or discovered any use of forced or child labour, and therefore has not had to remedy or rectify such situations.

## Assessing Effectiveness of Risk Mitigation Efforts

Radius has very robust Ethics and Compliance Programs. We continually update these programs based on best practices, regulatory or business changes, or other similar factors. We assess their effectiveness annually, using a three-year rotation of self-assessment, internal audit, and external assessment. Our last external assessment was conducted by the Ethisphere Institute in fiscal 2023 (with the report issued in fiscal 2024). Following an extensive review, they concluded that our programs are of high quality and provided us with the Compliance Leader Verification and the Anti-bribery Program Verification designations.




We have received these designations since we first began external assessments in 2013. Given the external recognition of our Ethics and Anticorruption Programs, we believe our efforts in assessing forced and child labour risks are effective. However, we can always do more. We will continue to work internally and externally to further mitigate forced and child labour risks from our supply chain.

## 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 the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signature:



---

James Matthew Vaughn  
Secretary, Schnitzer Steel Canada Ltd.  
May 29, 2024

I have the authority to bind Schnitzer Steel Canada Ltd.