



California Transparency in Supply Chains Act (SB 657)

Effective January 1, 2012

The California Transparency in Supply Chains Act applies to retail sellers and manufacturers doing business in the State of California with \$100,000,000 or more in annual worldwide sales. The Act requires these businesses to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale.

CSI is committed to complying with all applicable laws providing equal employment opportunities and protection from illegal discrimination. A cornerstone of the success of CSI has been to build a reputation for quality, integrity and trust between CSI and each of the individuals and companies with whom it does business. In order to protect and maintain this reputation, CSI demands that its managers, employees, and agents conduct themselves with integrity and professionalism and it expects its vendors, suppliers, contractors and tenants to adhere to the highest ethical and business standards in the course of their dealings with CSI. California Steel Industries (CSI) requires its employees to conform to ethical and legal standards to abide by the law, and training of its employees is performed. No specific training is held regarding risks within the supply chain on human trafficking and slavery.

As detailed in CSI's "Business Partner Guidelines and Code of Conduct" CSI requires these entities and their respective management, employees, sub-contractors, and agents to comply with all local, state, federal, national, international or foreign law or regulation that applies to its business activities. This includes forbidding and preventing forced or compulsory labor or child labor. Many activities are subject to complex and changing legislation governing domestic and international trade and commerce. Ignorance of the law will not be considered a valid defense for the failure of a Business Partner to satisfy this requirement.

CSI performs routine audits of its suppliers in accordance with its ISO standards and those detailed in the Business Partner Guidelines and Code of Conduct. This includes visits to the suppliers' manufacturing and distribution facilities. No specific evaluations or risk assessment of human trafficking and slavery risks are performed, no audits performed, nor is certification required. If the use of human trafficking or slavery is possible in CSI's supply chain, it should be reported immediately to CSI at its Ethics and Compliance Hotline at 866.294.9348 or at www.ethicspoint.com.