

River Metals Recycling, LLC
Combustion Incident Reduction Plan
Rev 03 – May 15, 2023

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**¹ Appendices are not controlled documents.
See individual files for controlled appendices.**

LV Shredder Combustion Incident Reduction Plan
Last Revised: 05/15/2023

Section 1.0 Background and Scope

This plan is written to address shredder combustion events at River Metals Recycling LLC's Louisville, KY metal shredder. These combustion events, while loud, are safely contained within the several inch thick steel walls of the shredder mill. They have not caused injuries to RMR's employees or damaged RMR's equipment. However, they have resulted in shredder downtime to replace flaps and other control devices and have also resulted in complaints from neighbors due to the sound.

Based on RMR's investigations and experience, the immediate cause of these combustion incidents is the presence of either not-completely-emptied propane bottles in cars (generally hidden in the car trunks) or residual gasoline in vehicle fuel tanks. The contributing causes are (i) the practical impossibility of being able to consistently inspect the contents of car trunks or the condition of gas tanks when cars are delivered to RMR in crushed form; and (ii) the lack of outlets for proper disposal of used propane canisters, either at landfills or recycling centers.

While it is unrealistic to think that all combustion events can be eliminated, RMR believes that a significant reduction of these events is achievable through communication, increased inspection, more concrete corrective action with non-conforming suppliers and loads of scrap metal, and establishment of an outlet for safe and proper management of scrap that would cause combustion events if not identified and removed through regular inspection practices.

Sections 2.0 through 8.0 of this plan describe the specific actions that RMR has either already taken or will soon take to reduce the incidence of combustion events, including (1) better outreach and education of our scrap suppliers; (2) creation of an improved disposal/recycling option for used propane canisters; (3) creation of an automobile fluid removal process for customers that bring whole cars to RMR's facility; (4) enhanced employee training; (5) enhanced inspection procedures; (6) enhanced documentation; and (7) improved corrective action measures against non-conforming suppliers.

Section 2.0 Outreach / Education of Suppliers

Suppliers will be informed of our scrap specifications in four ways. For existing customer accounts where an active address is on file for the customer, a letter will be sent annually describing our unacceptable scrap criteria. A sample letter is found in Appendix A — Annual Supplier Letter. A list will be retained for each mailing describing the name, address, date, and a sample of the letter for the given mailing.

The second method of outreach involves signs and posting of unacceptable materials at the entrance way / scales as customers are approaching the scale. The signs identify both gasoline and propane bottles as unacceptable materials.

The third method will be verbal communication to our suppliers by the RMR inspectors who recognize unacceptable materials attempting to be delivered as scrap. These events shall also be documented in accordance with Section 6.0 Documentation Protocols.

The fourth method for outreach is the application of source control stickers on all scrap metal containers 5 cubic yards or greater. These containers are commonly used at commercial and industrial accounts for the accumulation of scrap metal byproducts from manufacturing processes. The application of stickers

that clearly identify unacceptable materials will better inform the individuals responsible for placing metal in these containers. Stickers shall be placed on each long side of the container. An example source control sticker is found in Appendix I.

Section 3.0 Propane / Gasoline Customer Recovery Service

Scrap propane bottles are a significant source of combustion incidents because landfills will not accept them and there are currently no readily available outlets for proper disposal. As a result, people attempt to bring them to metal recycling facilities, which have historically rejected this scrap due to safety concerns. With no other outlet, some unscrupulous customers hide these propane bottles in the scrap, which could result in a combustion incident. RMR proposes to provide an outlet for safe and proper management of scrap propane bottles from peddlers.

RMR will assist bulk scrap suppliers by educating them on various options for proper management and disposal of propane bottles. Exact steps taken with each supplier will depend on the scope of the specific supplier's propane disposal needs and that supplier's ability and resources to address the issue. Steps to be taken for our comprehensive approach may include:

1. Accept 20 lb propane bottles directly from peddlers for proper management and disposal to prevent the bottles from integrating with the scrap metal stream being processed through the shredder.
2. Provide information to larger suppliers on setting up a recycling program with Blue Rhino or other propane tank distributors.
3. Provide information to larger suppliers and assist with contracting a tank disposal vendor.
4. Subsidize tank disposal services at larger customer's sites.

RMR is working with the propane company, Blue Rhino, on an agreement whereby Blue Rhino will recover the propane and either reuse the discarded propane tanks or prepare them in a manner that the tanks can be safely recycled through our shredder. Other accumulated tanks will be processed to a safe condition for shredding by a company specializing in this type of work.

RMR also will continue to assist customers that bring whole cars to the RMR site that still contain fluids. This targets the control of explosions cause by gasoline that is not properly removed from cars before shredding. This is done by identifying and marking all automobiles at the scale that the car still contains fuel. After proper processing of the automobile and recovery of the fuel, the car is marked again to clearly identify to the operators that the vehicle is OK for shredding.

Section 4.0 Employee Training

Any employee (including temporary employees) working as a scrap inspector or truck driver will be trained on incoming scrap inspection before performing these duties.

New operations employees shall be trained on incoming scrap inspection within 30 days of being employed with the company. Initial incoming scrap inspection training for shredder employees will include all of the components of this plan, viewing the company's incoming scrap inspection video,

and completing the "Scrap Inspection Training Document" found in Appendix C. This training will be documented with individual training records.

All operations employees shall be trained at least annually on incoming scrap inspection. Annual refresher training will be documented with sign-in sheets.

Section 5.0 Inspection Protocols

Section 5.1 On-Site Inspections

a) Scale Inspection

Scrap inspectors will be stationed at two locations in the facility. The first location is at the inbound scale where a visual inspection is performed on the scrap by the scale operator. If the scale operator identifies any unacceptable item, he will immediately address this with the customer by rejecting the load, or 1) isolating the item; 2) returning it to the customer; and 3) giving the customer a copy of Appendix B with the prohibited item highlighted. Additional documentation is described in section 6.0. The inspector at the unloading area will be notified of the unacceptable item by radio so he is aware of its presence in the load.

b) Unloading Inspection

A second inspection is performed at the scrap pile while the scrap is being unloaded. If the inspector identifies an unacceptable item at this location, he will place it back on the customer's vehicle and radio the scale to make sure the item remains on the vehicle when the customer weighs out. The inspector will provide the Appendix B list and record additional documentation as identified in Section 6.0.

c) Crane Inspection

Crane operators also have the ability to inspect for combustible items while unloading scrap and transferring scrap to the shredder in-feed conveyor. If a crane operator identifies a combustible item, he will immediately isolate it for proper management. If the supplier of the combustible item is known, he will immediately address this by contacting the inspector who will 1) isolate the item; and 2) give the customer a copy of Appendix B with the item highlighted. Additional documentation is described in Section 6.0. RMR will arrange for proper management and disposal of the combustible item.

Section 5.2 Inspection of Crushed Cars

Approximately 90% of all cars processed through the shredder are delivered crushed. Inspecting a crushed car generally requires the deployment of heavy equipment and much more time than inspecting a whole car, and it is not practical for RMR or any other shredder operator to thoroughly inspect every crushed car ever delivered to its facility. RMR will use a program combining on-site sampling of crushed cars and source control at the suppliers' facilities to limit non-conforming material.

Detailed inspection of crushed cars will be performed at random for each supplier at least annually. The detailed inspection involves using a crane and groundman to physically open hoods, trunks, and view inside the car in search of non-conforming materials. The inspection results will be documented

on the "Crushed Car Supplier Inspection Form" found in Appendix H. The frequency of the detailed inspections shall be in accordance with the following table.

Annual Truckload Deliveries of Crushed Cars	Frequency of Detailed Inspection
Less than 50	1 Truckload per Year
51-500	1 Truckload per Quarter
>500	1 Truckload Per Month

Section 5.2 Inspection at Commercial Accounts

Truck drivers picking up containers at industrial accounts shall visually inspect the load before tarping and transporting to the scrap metal processing facility. If picking up flattened or crushed cars, the driver will check whether or not strong gasoline odors or liquids are present while loading onto the truck. If non-conforming materials are identified, the incident will be recorded on the log and it will be the responsibility of the RMR buyer that is in charge of the account to communicate with the supplier.

Additional inspection shall be provided at RMR when the scrap is unloaded.

The RMR Buyers shall also inspect scrap bins for unacceptable items during visits to commercial accounts. Non-conforming materials will be immediately addressed with the supplier and the incident shall be recorded on the Problem Log.

Section 6.0 Documentation Protocols

Appendix D - Problem Log — This log, found on the ISO server under "Forms", shall be used to record the date, time, supplier, inspector/truck driver, and the non-conforming material for every shipment that has non-conforming material. It will also be used to record the date, time, and if known, the potential cause of the combustion incident. Log entries will be transferred by yard personnel to an electronic log for distribution to and review by buyers, yard management, and the Quality Manager.

Appendix H -- Crushed Car Supplier Inspection Form — This document will be used to document detailed inspections of random loads delivered from designated suppliers of crushed cars.

Corrective actions taken against non-conforming suppliers will be tracked by the buyers.

Appendix F — Supplier Identification Number System -- shows how crushed cars are identified once they are delivered to the facility so that RMR can maintain accountability for bundles of cars. If there is a problem with the crushed cars, this will allow us to identify the supplier who delivered these materials.

Blank copies of each of the logs and other documents described in this section will be maintained on the ISO server as controlled documents under RMR's ISO 9001/14001 program. Completed forms will be scanned and kept on a shared computer drive for access by the RMR management team.

Section 7.0 Corrective Action Measures Against Non-Conforming Suppliers

The Problem Log shall be reviewed monthly by the Buyers and yard management. When prohibited items are found in a load of scrap, the shredder supervisor will notify the buyer for that account, or his backup immediately. The following actions will take place:

1 st Occurrence	Buyer phone call to supplier, documented by email.
2 nd Occurrence	Buyer hand delivers supplier corrective action request to supplier. Corrective actions are due by close of business on the next working day. Supplier Corrective Action is form FOP 05-1.
3 rd Occurrence	Buyer and operations representative visit supplier and discuss further corrective actions.
4 th Occurrence	A review meeting will be held including GM, Buyer, PM, Safety Manager, and Ops VP or President. Meeting will be the same day as the occurrence and group will determine corrective action up to suspension of purchases from the offending supplier.

Section 8.0 Hours of Operation - Shredder

RMR typical hours of operation for the Shredder Mill are between:

Monday: 6:00 a.m. – 6:00 p.m.
Tuesday: 6:00 a.m. – 6:00 p.m.
Wednesday: 6:00 a.m. – 6:00 p.m.
Thursday: 6:00 a.m. – 6:00 p.m.
Friday: 6:00 a.m. – 6:00 p.m.
Saturday 6:00 a.m. – 6:00 p.m.

RMR strives to not operate the Shredder Mill on Sundays unless there is a strong need due to pile integrity. RMR agrees to not operate the Shredder Mill more than 5 Sundays in a calendar year and will provide BOZA Staff with notice at least 12 hours in advance prior to any Sunday operation. RMR will limit the hours of operation on a Sunday from 10 a.m. to 3 p.m.