

Environmental Management

Our Environmental Policy is supported by an environmental management system, which defines and communicates lines of responsibility for environmental matters within our organization, provides assistance and support to our operating units in addressing their individual environmental needs, and reports the environmental performance of our operations to senior management. On a quarterly basis, management reports to the Environmental Management & Health and Safety Committee of our Board of Directors on our activities related to environmental matters, and on applicable changes to environmental laws and regulations.

Risk Assessment

We have evaluated potential environmental risks associated with our operations as part of our Enterprise Risk Management program and framework modelled on the International Organization for Standardization (ISO) 31000 - *Risk Management Principles and Guidelines*. We have implemented programs and practices, commensurate with those risks, that enable us to conduct our operations in a manner that minimizes environmental impact. We review these programs on a regular basis to identify, prioritize and manage such risks on a timely basis and in an appropriate manner. Standard operating procedures have been developed to encourage uniformity and consistency in the handling of environmental matters, where such matters are common to multiple operating locations.

Regulatory Compliance

There are no environmental standards that are specific to our industry. We are subject to Federal, Provincial and State environmental legislation, in both Canada and the United States with respect to waste management and air emissions. We have evaluated existing legislation and continually monitor new developments in environmental legislation, to ensure the ongoing compliance of our operations with both existing legislation and any that may arise out of such developments.

Waste and Recycling

Steel and other metal products that we distribute are among the most widely recycled materials on earth. Most of our product lines sold, present minimal end-of-product-life environmental impact as they are recycled. Furthermore, as a distributor, our packaging materials are minimal. Our operations therefore generate relatively little landfill waste. Our branches are encouraged to participate in separation and recycling activities consistent with the programs available in their local communities.

Hazardous Materials

Our operations do not involve significant use of hazardous materials and are not significant generators of hazardous waste. Most of our locations do not generate any hazardous or regulated waste at all, and those that do generate some small quantities are appropriately registered in their jurisdictions.

Air Emissions

Processing of steel using plasma, oxy-fuel, or laser technologies has the potential to generate some air emissions. These potential emissions are controlled using dust collectors at branches where such emissions would otherwise be material. Most jurisdictions in which we operate do not require any permit

or approval for such control systems; however, where approvals are required, our facilities have the necessary permits and approvals in place.

Water and Wastewater

We recognize water as a valuable and sensitive resource. Our operations are not water intensive. Very few of our locations use any significant quantity of water in their activities, and our company-wide discharges of industrial wastewater are negligible.

Energy Consumption

As a steel distributor, our activities and operations are not energy intensive. Nevertheless, we have implemented programs to monitor our energy consumption and greenhouse gas emissions and to ensure continuing compliance in an evolving regulatory landscape. Please see the Greenhouse Gas Emissions and Energy Consumption tab on our website for further information on our greenhouse gas emissions and energy consumption.