



# 2023 SUSTAINABILITY REPORT



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# ABOUT THIS REPORT

- We are pleased to present our second annual Sustainability Report (the “Report”). This Report includes environmental, social and governance (“ESG”) metrics and matters, which we believe are most relevant to our business and stakeholders.
- The terms “Russel Metals,” “Russel,” “our,” “we,” “organization,” and “the Company” refer to Russel Metals Inc. and its subsidiaries.
- This report references and is informed by the proposed National Instrument 51-107 Disclosure of Climate-related Matters, the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) frameworks.
- The information contained in this report has been prepared by senior management and approved by the President and CEO.
- For questions regarding this Report and our ESG strategy, please contact [info@russelmetals.com](mailto:info@russelmetals.com).

## Forward Looking Information

Certain statements contained in this Report constitute forward-looking statements or information within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “expect”, “may”, “will”, “could”, “might”, “should”, “believe” and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this Report and, except as required by law, we do not assume any obligation to update our forward-looking statements.

# MESSAGE FROM OUR PRESIDENT AND CEO



Thank you for taking the time to read Russel Metals' second annual Sustainability Report which highlights our continued efforts and progress on environmental, social and governance initiatives at Russel.

Our commitment to sustainability is rooted in our values and reflects our dedication to making a positive impact in the communities in which we operate. We recognize our responsibility towards the environment, society, and economy, and we are committed to integrating sustainable practices into our business.

As we highlighted in our inaugural sustainability report, one of our key priorities is reducing greenhouse gas emissions across our operations. We continue to modernize our fleet of vehicles, lifts and loaders and invest in energy-efficient technologies in our operations. By embracing innovation and sustainability-driven practices, we aim to not only reduce our environmental impact but also drive long-term cost savings and operational efficiency.

We are committed to upholding high standards of social responsibility and ethical business practices. We believe in fostering a diverse, inclusive, and safe workplace where all employees are treated with dignity and respect. These principles extend to the communities in which we operate through philanthropic initiatives, volunteerism, and community engagement.

Our "Mission Zero" safety program has been a company priority over many years, and our 2023 results reflected the significant accomplishments across our organization. Not only did we achieve record low lost time incidents, but we were also recognized by our industry peers with the awarding of the Metal Service Center Institute's Safety Culture Improvement Award.

I want to express my gratitude to our employees, customers, partners, and shareholders for their unwavering support and commitment to our business and sustainability efforts. Together, we have made significant progress, but there is still much work to be done. We look forward to this challenge, and I believe this report demonstrates we're on the right path.

John G. Reid  
President and Chief Executive Officer

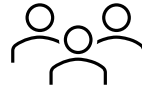
# 2023 ESG HIGHLIGHTS

## Environment



- Strong performance relative to industry peers.
- Relatively small environmental footprint.
- Aggregate GHG emissions of 54,260 tonnes CO2(e) in 2023.
- Scope 1 emissions 40,302; Scope 2 emissions 13,958.
- Aggregate GHG emissions decreased by 546 tonnes CO2(e) or 1.0%.
- Over a 5-year period, revenues increased by 18% while aggregate GHG emissions decreased by 3.9%.
- Continued progress on GHG reduction initiatives.

## Social



- Awarded the MSCI Safety Culture Improvement Award.
- Continued reduction in lost time incidents over the last 10 years.
- Implementation of Supplier Code of Conduct.
- Diversity and Inclusion program.
- Employee development initiatives.
- Charitable giving and community involvement and investments.

## Governance



- Publicly traded company governance model.
- Extensive governance practices and policies.
- Code of Business Conduct and Ethics; training program and anonymous whistleblower program.



# ABOUT RUSSEL METALS

## OUR VISION

To be a proactive, agile, top performing metals distribution business, seeking to create value through a diligent emphasis on bottom line performance and effective asset management.

## OUR CORE VALUES

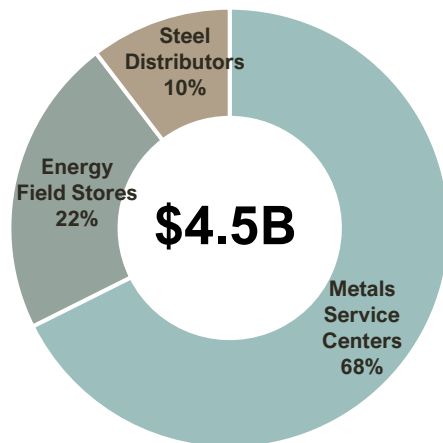
- Provide a safe and healthy workplace.
- Provide our employees with opportunities for personal growth and development.
- Maintain superior returns through the economic cycles governed by corporate policies to ensure financial integrity and mitigate risk.
- Continue to develop and retain strong relationships with customers, suppliers, employees, the community and our shareholders.
- Support a decentralized operating environment to allow our business unit leaders to be incentivized and be accountable for their operations.

# BUSINESS PROFILE

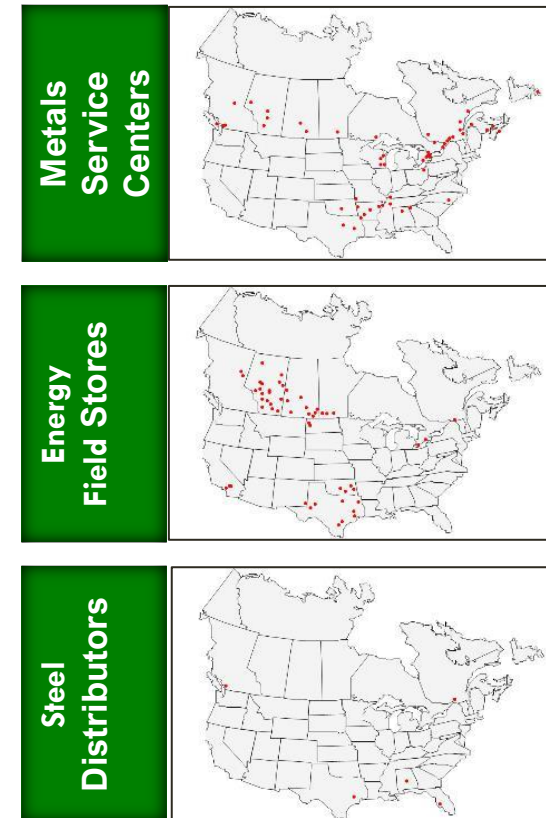
## Overview

- Distribution of various industrial products across North America
- Three segments: Metal Service Centers, Energy Field Stores and Steel Distributors
- Founded in 1916
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO - 60.4 mm shares outstanding at 12/31/23

## Revenue by Segment – 2023



## Key Segments



- Coast-to-coast in Canada
- Strong US presence in mid-west and south
- Extensive product line with value-added focus
- Distribute highly engineered energy products (eg. valves, fittings, etc.)
- Monetized OCTG/Line Pipe businesses in 2020-2023
- Sell steel in larger volumes to other steel service centers & large equipment manufacturers

# ENVIRONMENT

At Russel Metals, we recognize that our activities and operations have the potential to impact the environment and the communities in which we operate; accordingly, we have made environmental stewardship an organizational priority.

We have adopted an Environmental Policy which serves to guide and direct our actions, ensure our operations comply with applicable environmental regulations and minimize our environmental impact.

## IN THIS SECTION

- ENVIRONMENTAL MANAGEMENT
- CLIMATE RELATED DISCLOSURE
- GREENHOUSE GAS EMISSIONS
- GHG REDUCTION INITIATIVES



# ENVIRONMENTAL MANAGEMENT

**Our Environmental Management System, which supports our Environmental Policy, 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.**

## **Waste Management 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 and products therefore generate relatively little landfill waste. Our branches 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 Controls**

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.

## **Spill Prevention**

Some of our locations have the potential for releases, including of diesel fuel from Company or third-party transportation vehicles, and of hydraulic oil from equipment used on our properties. These are generally minor in nature however prevention is still important. To do this, we have developed operating procedures that specifically address handling of oils, fuels and other chemicals used at some of our locations. Our sites are also equipped with spill kits and other tools in the event of a release to prevent impacts to our surrounding environment.

## **Water Management**

We recognize water as a valuable and sensitive resource. Our operations are not water intensive and very few of our locations use any significant quantity of water in their activities. Nonetheless, several of our locations have installed water saving technologies such as low-flow toilets and automatic sensors on faucets.

## **Compliance with Environmental Regulations**

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 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.

# CLIMATE RELATED DISCLOSURE ALIGNMENT

This section provides detail on Russel Metals’ practices relative to the proposed National Instrument 51-107-Disclosure of Climate-related Matters which is premised upon the Task Force on Climate-related Financial Disclosures (TCFD) standard.

Pillar	Recommended Disclosure	Russel Metals Practices and Disclosure
Governance	<b>Board Oversight</b>	<p>The Company’s Board of Directors has established an Environmental Management &amp; Health and Safety Committee (“EMHS Committee”) which is tasked with overseeing the Company’s environmental stewardship, including climate related risks and opportunities.</p> <p>In this capacity the EMHS Committee reviews the Company’s greenhouse gas emissions, air emissions, energy use and compliance with environmental laws. The EMHS Committee also reviews the Company’s public disclosure with respect to climate matters.</p>
	<b>Management Responsibility</b>	<p>Management is responsible for assessing climate risk and opportunities and does so as part of its Enterprise Risk Management Program, modelled on the International Organization for Standardization (ISO) 31000 principles and guidelines. The Enterprise Risk Management assessment is prepared by the Company’s Executive Vice President &amp; Chief Financial Officer and the Company’s Vice President, Risk Management &amp; Legal in conjunction with the executive team, each of whom provide their input and feedback throughout the process.</p> <p>The Company’s Environmental Manager is responsible for the annual collection and aggregation of data for the purpose of quantifying Scope 1 and Scope 2 greenhouse gas emissions.</p> <p>Management has presented to the EMHS Committee an analysis of the Company’s sources of greenhouse gas emissions, opportunities to reduce its carbon footprint and benchmarking against industry peers and other comparable Canadian publicly traded companies.</p>
Strategy	<b>Strategic Planning, Risks and Opportunities</b>	<p>The Company’s strategic planning and due diligence process for major business and financial decisions such as capital investments (ex: value added processing equipment and facility modernizations) and acquisitions identifies and evaluates material risks, including climate risks where material and applicable, as part of the planning and decision-making process.</p> <p>Please see the Company’s Annual Information Form - Risks Affecting Our Business for a discussion of the risks impacting Russel Metals. In respect of climate related matters, please see the risks under the headings “Climate Change”, “Environmental Liabilities” and “Carbon Emissions”.</p> <p>Steel plays a vital role in producing the materials needed for the production of clean energy. Wind turbines, solar farms, hydroelectric dams, and more, are all steel-intensive infrastructure that underpin renewable energy production. Some studies such as Boston Consulting Group’s “Steel’s Contribution to a Low-Carbon Europe 2050”, have identified steel as a mitigation enabler, in light of the need for steel in renewable energy and to obtain critical minerals such as copper, lithium, nickel and cobalt, noting that steel’s strength and durability enables energy savings in other industries.</p> <p>As a steel distributor, such an increase in steel usage represents an opportunity to the Company to supply companies engaged in the exploration, production, manufacture and generation of clean energy and renewable technology.</p>



# CLIMATE RELATED DISCLOSURE ALIGNMENT

Pillar	Recommended Disclosure	Russel Metals Practices and Disclosure
Risk Management	<b>Process for Risk Identification, Management and Integration with Enterprise Risk</b>	The Company identifies, assesses and manages climate related risks in conjunction with its Enterprise Risk Management Program described above. The Enterprise Risk Assessment, among other things, describes: (i) the area of risk; (ii) the risk trend (whether it is increasing, stable or decreasing); (iii) likelihood and severity of the risk having a material impact on the Company; (iv) a detailed description and assessment of the risk; and (v) strategies and mitigations in place or which are planned.
Metrics and Targets	<b>Climate Metrics and GHG Measurements</b>	<p>The Company tracks and monitors our greenhouse gas (GHG) emissions at both an individual facility level and an aggregate Company-wide level. We consume energy in our operations and it is this energy consumption that generates GHG emissions, both directly through the combustion of hydrocarbon products such as diesel fuel, natural gas, gasoline and propane, as well as indirectly through the purchase of electrical power produced by others.</p> <p>In 2023, our Scope 1 emissions were 40,302 tonnes CO<sub>2(e)</sub> and our Scope 2 emissions were 13,958 tonnes CO<sub>2(e)</sub>. Further details on our GHG emissions can be found on pages 12-14 of this Report.</p> <p>We have not, at this time, set formal targets with respect to GHG emissions. Given the cyclical nature of the metals distribution industry, our aggregate emissions generally increase as economic activity increases. Furthermore, as growth through disciplined acquisitions is part of our business strategy, the Company's emissions can increase by virtue of both organic and inorganic growth.</p> <p>Despite not setting formal targets, the Company regularly reviews its GHG emissions, opportunities to reduce its carbon footprint and benchmarks itself against industry peers and other comparable Canadian publicly traded companies. Details on our current GHG emission reduction initiatives can be found on page 15 of this Report.</p>

# GREENHOUSE GAS EMISSIONS

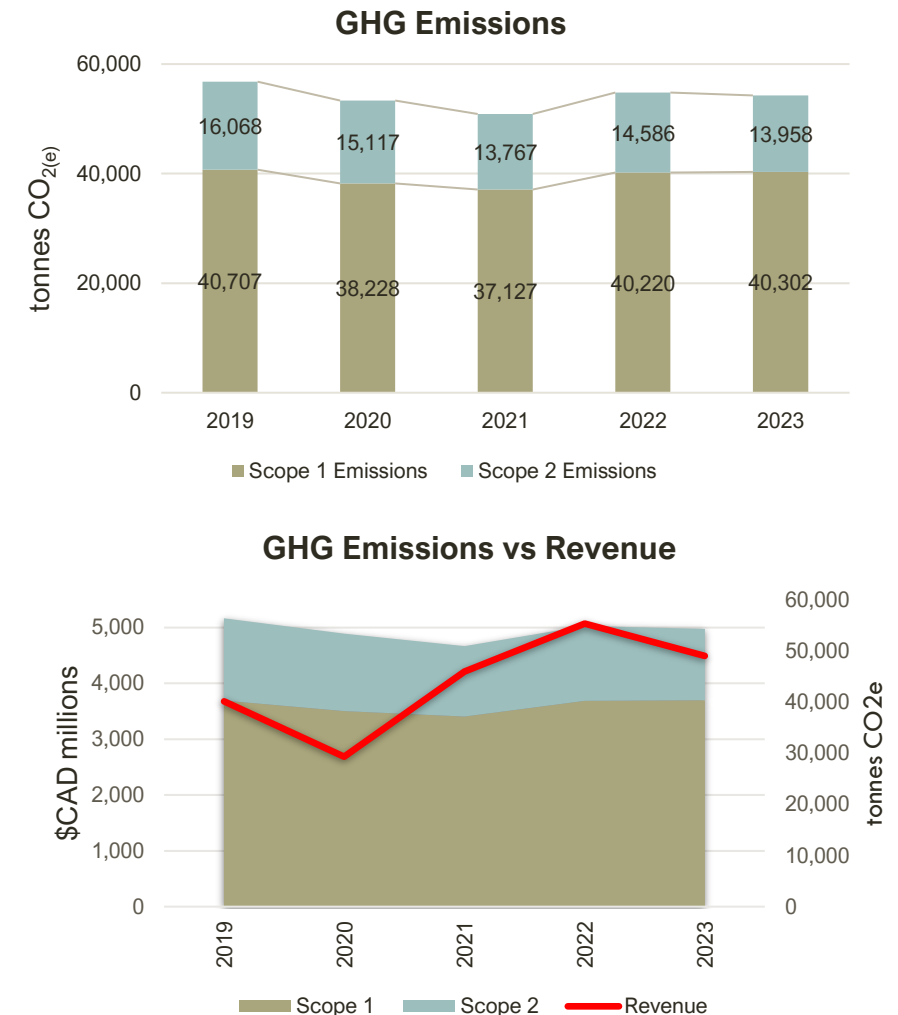
We track and monitor our greenhouse gas (GHG) emissions at both an individual facility level and an aggregate company-wide level. In 2023, our aggregate GHG emissions were 54,260 tonnes CO<sub>2</sub>(e), of which 40,302 tonnes CO<sub>2</sub>(e) were Scope 1 emissions and 13,958 tonnes CO<sub>2</sub>(e) Scope 2 emissions. Both Scope 1 and Scope 2 emissions are measured in accordance with the Greenhouse Gas Protocol (GHG Protocol), a global standardized framework.

## Business Growth and GHG Emissions

In 2023, we saw our aggregate GHG emissions decrease by 546 tonnes CO<sub>2</sub>(e) or 1.0% from 2022. While overall GHG emission decreased, GHG intensity, which is measured in CO<sub>2</sub>(e)/Mil. of revenue, increased slightly by 1.2%.

Over a 5-year period, revenues have increased by 18% while aggregate GHG emissions have decreased by 3.9%.

As we grow our business and execute on acquisitions, our overall company-wide emissions may increase as a result of increased revenue, tons sold and additional facilities. We will however seek to optimize our energy usage and seek efficiencies and improvements where practicable so as to mitigate our GHG emission intensity.



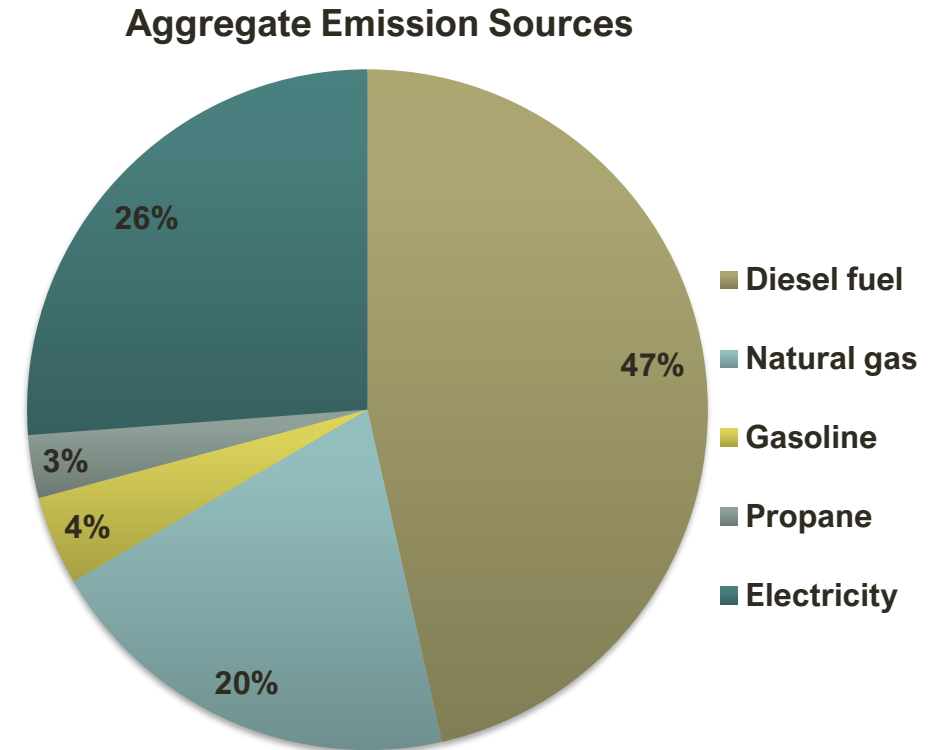


# GREENHOUSE GAS EMISSIONS

We consume energy in our operations, and it is this energy consumption that generates GHG emissions, both directly through the combustion of hydrocarbon products such as diesel fuel, natural gas, gasoline, and propane, as well as indirectly through the purchase of electrical power produced by others.

As illustrated in the adjacent graph, the bulk of our direct (Scope 1) emissions arise through consumption of diesel fuel (47%) for the delivery of product to customers and consumption of natural gas (20%) for the provision of comfort heat at our facilities. Gasoline (4%) is used primarily for road transportation, for either work trucks or company cars, with a small quantity used for yard vehicles. Propane (3%) has a mix of uses. It is the primary source of comfort heating in locations that are beyond the reach of natural gas distribution networks. It is also used to run forklifts and side loaders at many locations.

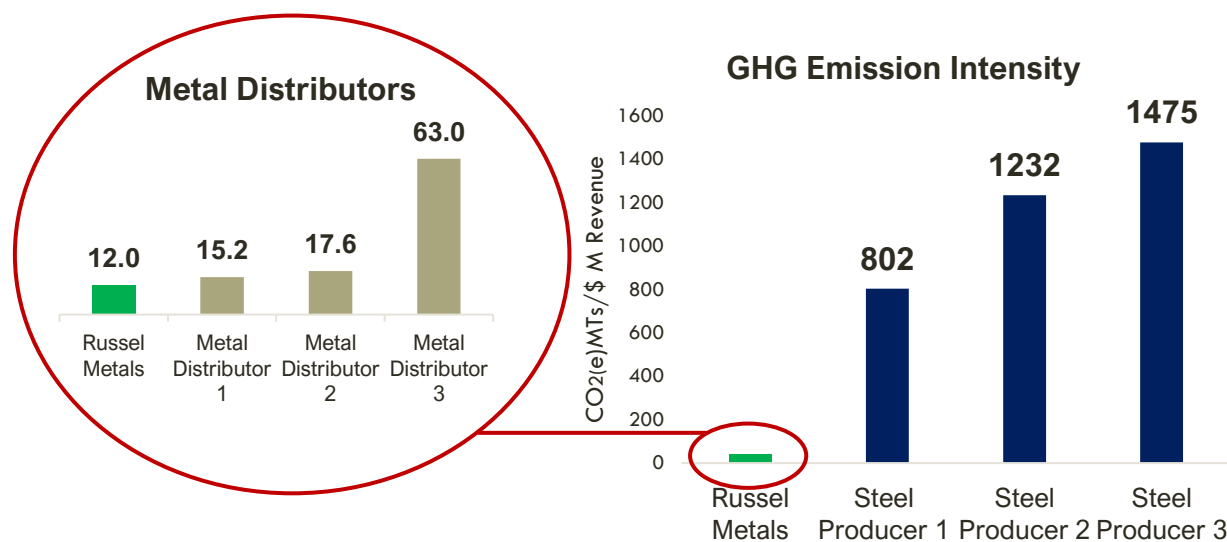
Our indirect (Scope 2) emissions arise from the purchase of electricity. During our most recent measurement period, we purchased approximately 50,720 MWh of electricity from a variety of suppliers. These purchases account for approximately 26% of our aggregate emissions.



# GREENHOUSE GAS EMISSIONS

## Metals Value Chain GHG Emission

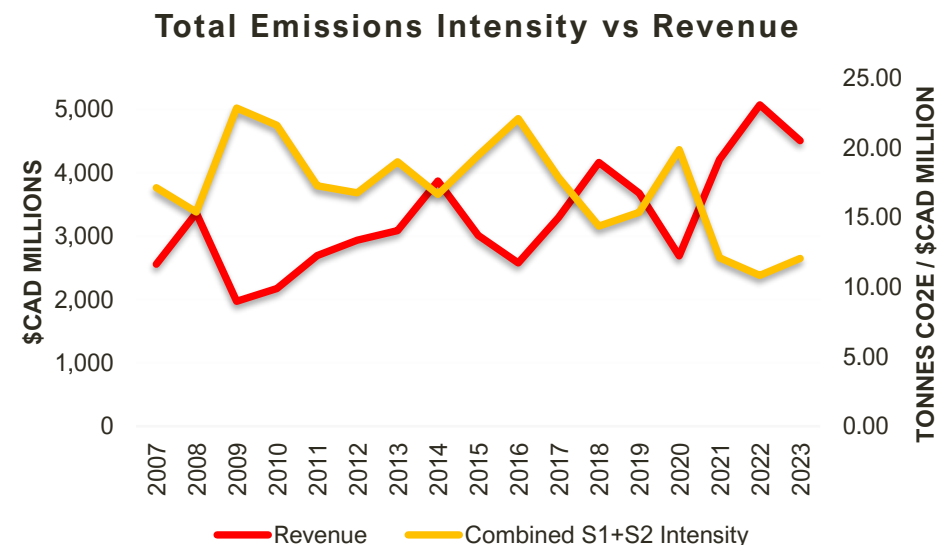
Despite being a relatively small emitter of Greenhouse Gas (GHG) emissions among the metals value chain, as illustrated below, we recognize the risk and challenge climate change poses to our society. It is therefore important for us to do our part to help reduce GHG emissions where practicable.



Russel Metals is 2023 data and revenue is in CAD; peers and steel producers are 2022 data and revenue is in USD.

## Impact of Business Cyclicity on GHG Emissions

Generally, GHG emissions intensity in our operations can be expected to vary inversely to fluctuations in revenue. That is, emissions intensity will tend to fall in periods of rising economic activity, and to rise in periods of falling economic activity. This tendency is illustrated in the chart below. We track emission intensity by revenue and by tons sold for internal analysis and peer benchmarking.





# GHG REDUCTION INITIATIVES

**In 2023, we looked to build on our existing GHG initiatives as we move towards lowering our carbon footprint.**

## **Fleet Efficiency**

As the Company's largest source of GHG emissions is diesel fuel consumed in delivery of products to customers, one of our greatest opportunities for reductions lies in modernizing our fleet of tractors and pick-up trucks to more fuel-efficient models, including hybrid or EV models where practicable. In 2023, we continued to move forward with our goal of modernizing our fleet and work to retire vehicles that are more than 10 years old and replace them with newer more efficient models.

## **Transition to Electric Lifts and Loader**

Some of our operations are dependent on the use of forklifts and side-loaders, and we currently have a mix of diesel, propane, and electric powered devices in use. As with our fleet transition, in the last year we have continued to transition from propane lifts and loaders to electric, where practicable.

## **Operational Efficiency**

Our facilities continue to look for ways to optimize both utilities and resources through various efficiency upgrades. These improvements range from LED lighting retrofits, replacement of older gas heating and A/C units with more efficient models and moving to new metal cutting technologies.

## **Energy Assessments**

We have performed energy assessments at some facilities, and have taken some measures to reduce energy usage. Going forward, we will focus energy efficiency assessments at locations with the highest GHG emissions to examine additional energy efficiency opportunities.

## **Solar Photovoltaic Systems**

We continue to look at solar photovoltaic systems as an option for electrical generation at our facilities. We have a rooftop solar photovoltaic system that is generating electricity at our Joplin, Missouri location, and we have evaluated the possibility of installing similar systems at other branches. While we do not currently have plans to retrofit existing facilities, the feasibility of installation of solar photovoltaic systems will be assessed at newly constructed facilities.

## **LEED Certification**

Our corporate headquarters in Mississauga, Ontario is LEED®-NC Silver certified, which is an internationally recognized green building certification. The environmentally friendly aspects of the building include rainwater harvesting for irrigation, advanced lighting controls, low-flow water fixtures, a white roof to reduce urban heat, and multiple recycling bins to increase waste diversion.

# SOLAR ENERGY

Our Boyd Metals operation in Joplin, MO, installed solar photovoltaic arrays on the roofs of its office and warehouse in 2019, and since then have been self-generating a portion of the electrical energy they consume in operating the facility. Excess electricity generated by the solar array, such as on weekends and holidays, is delivered back into the grid in a net metering arrangement.

In 2023, the Joplin facility consumed roughly 557,000 kWh of electrical energy, of which ~165,000 kWh, or 30%, was self-generated. Another ~45,000 kWh of excess solar energy was delivered back into the grid, for use by others. The use of self-generated power for a portion of the facility's operational needs has reduced the quantity of power the facility purchases from the grid, and represents a 2023 reduction in Scope 2 emissions of approximately 60 tonnes CO<sub>2</sub>(e).

**SINCE INSTALLATION**

**Over 900,000 kWh**

Self-generated electricity

**~250 Tonnes CO<sub>2</sub>(e)**

Scope 2 GHGs avoided



# EV CHARGING

Russel Metals is supportive of our employees who have made the transition to electric vehicles. To this end, electric vehicle (EV) charging stations have been installed at various Russel facilities.





# STEEL AND THE GREEN ECONOMY

**Russel Metals' main product is steel. Steel is the world's most recycled material and is a primary material used in renewable energy infrastructure.**

**Wind:** Steel is the main material used in onshore and off-shore wind turbines. Almost every component of a wind turbine is made of steel, from the foundation, to the tower, gears and casings. Steel provides the strength for taller, more efficient wind turbines.

**Solar:** Steel is used as a base for solar thermal-panels and in pumps, tanks and heat exchangers.

**Wave and tidal:** Steel is the main component of a tidal turbine in tidal energy systems. Steel is also used to fabricate wave energy devices.

**Hydroelectric:** Steel is needed to reinforce concrete dams.

**Biomass:** Steel is used extensively in agriculture.

Source: [World Steel Association](#)



## Did you know?

- The energy used to produce a tonne of steel has been reduced by approximately 60% in the last 50 years.
- Steel is the most recycled material in the world, with approximately 680 million tonnes recycled in 2021.
- The recovery and use of steel industry co-products has reached a worldwide material efficiency rate of 97.34%.

Source: [World Steel Association](#)

# SOCIAL RESPONSIBILITY

As a decentralized organization, we encourage the sponsorship of community-based initiatives and endeavor to have the greatest social impact in local markets where our operations, employees, customers and other stakeholders are located. We donate and sponsor local initiatives in health, community programs, local sports, arts and education.

Our corporate initiatives are driven by our belief that our people are our greatest asset. Employees are encouraged to continue their career development by enrolling in higher education courses and seminars. Our Educational Assistance Program provides reimbursement of tuition and textbooks for successful completion.

## IN THIS SECTION

- HEALTH & SAFETY
- DIVERSITY & INCLUSION
- HUMAN RIGHTS
- EMPLOYEE EXPERIENCE
- COMMUNITY INVESTMENT

# HEALTH AND SAFETY

At Russel Metals our most important goal is for each of our employees, contractors, customers, vendors and visitors to go home safe to their families each and every day.

Our commitment begins at the Board level where our health and safety performance is reviewed quarterly by members of the Environmental Management and Health & Safety Committee. Our Directors also visit operating locations to provide the opportunity to familiarize themselves with the potential hazards of our workplace environment. In addition, Management continuously monitors our health and safety performance with a focus on monitoring and reducing the number of lost time incidents and their severity.

## Foundation

We believe the foundation of a good health and safety program is to provide our employees and contractors with the proper tools, training and procedures, to maintain a safe and healthy workplace. This includes:

- A comprehensive health and safety policy setting out standard operating procedures geared toward hazards present in our specific operations;
- Extensive in person pre-employment training and continued ongoing training, both in person and through our health and safety portal;
- Prompt reporting of lost time incidents and other leading indicators to the management team;
- Corporate, regional and local health and safety professionals who have advanced health and safety training;
- Benchmarking of our performance versus industry and competitor data;
- Engagement of independent third-party experts to advise on health and safety matters where appropriate; and
- Engagement with governmental agencies to review our program.

## Training

Since the inception in 2018 of our current learning management system, 2,957 courses have been assigned by role to employees, totaling 121,353 hours in training.

## Communication

Awareness and understanding is critical to improving the culture and our results. The health and safety practices at Russel Metals include a variety of front-line focused programs designed to help employees make the right decision and operate in the safest way possible. These programs include:

Programs	Completed in 2022	Completed in 2023
Toolbox Talks	9156	10612
Workplace Inspections	6533	6477
Safety Meetings	3281	3491
Job Observations	6681	6809



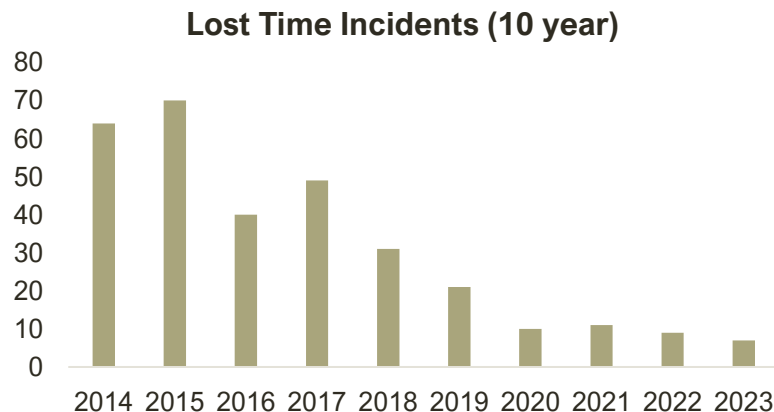
# HEALTH AND SAFETY PERFORMANCE

In 2023, we continued with our efforts on training, incident and injury prevention, safe and early return to work, and provide the support and guidance required with the maintenance of our program. Our efforts have been acknowledged by the Metals Service Center Institute as Russel Metals was the recipient of the MSCI Safety Culture Improvement Award.



## Key Outcomes in 2023

- LTIs decreased compared to 2022.
- Service Center locations LTIs 4 vs 7 in 2022, all-time low.
- Only 2 locations (2%) recorded more than one LTI in 2023.
- 126 of 132 locations (95%) recorded ZERO LTIs.
- Critical Incident reporting gained momentum with 321 reported vs 175 in 2022.
- Initial Dashcam Technology installations complete across all Regions.
- New Worksite Observation Form for Presidents/VPs/Regional Managers has been implemented.
- Peer to Peer Job Observations with Managers or Supervisor as Mentors has been implemented.
- Hand injury tracking, prevention and training introduced.
- 3<sup>rd</sup> party Manager/Supervisor Training completed.



Metric	2023	2022	2021
Number of Employees	3,501	3,350	3,300
Number of Lost Time Incidents	7	8	10
Number of Lost Time Days	201	289	613
Frequency <sup>1</sup>	0.20	0.24	0.33
Severity <sup>2</sup>	5.80	8.65	19.93
Medical Aids <sup>3</sup>	116	101	111
First Aids <sup>4</sup>	170	136	110

<sup>1</sup> Frequency is calculated using the American National Standards Institute (ANSI) Z16.4 Code, *Method of Recording and Measuring Work Injury Experience*. The calculation is an industrial standard and is obtained by multiplying the number of lost time injury cases by 200,000, and then dividing that number by the number of hours worked by employees of the company in such year.

<sup>2</sup> Severity is calculated using the ANSI standard as is obtained by multiplying the number of lost time days by 200,000 and then dividing that number by the number of hours worked by employees in such year.

<sup>3</sup> Medical Aid is defined as treatment by a medical professional for illness or injury.

<sup>4</sup> First Aid is defined as any assistance given to any person for illness or injury, where professional assistance is not required.

# TRAILER FALL PREVENTION



In 2023, we launched our Trailer Fall Prevention Program with the objective of eliminating falls by minimizing the need for employees and carrier drivers to be on trailers when loading and offloading at our facilities. To do this, our Health and Safety team has been able to find some creative and effective ways of loading and unloading trailers, including the usage of “no touch” tools. We have also been able to put additional safety measures in place for the instances where employees do need to get on trailers. Some of these fall prevention measures are illustrated below.



**“No touch” tools**



**Guard rails**



**Ladders**



**Platforms**



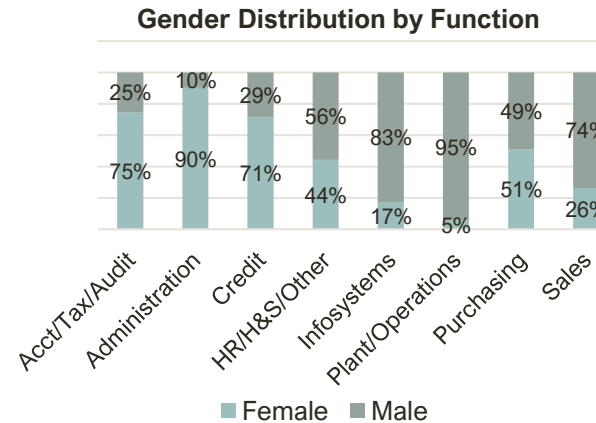
# DIVERSITY AND INCLUSION

The Russel Metals family of companies is committed to fostering a diverse and inclusive workplace reflective of the communities we serve and where everyone is treated with dignity and respect. We strive for an inclusive and supportive environment that enables us to meet the needs of our customers, employees, financial partners and other stakeholders.

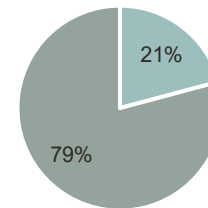
A number of initiatives have been put in place to help the organization deliver on our mission including raising awareness and understanding of the importance of creating a diverse workforce.

## Diversity and Inclusion Initiatives

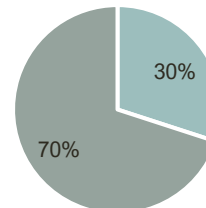
- Development of current state metrics.
- Active involvement in the Association for Women in the Metal Industry (AWMI) with 17 members participating at chapter and industry events and networking opportunities.
- Membership on the Metals Service Center Institute (MSCI) Diversity Committee.
- Board membership on AWMI.
- 3-year training plan for all employees on Diversity, Discrimination, Unconscious Bias, and Harassment.
- Development of a committee to lead diversity and inclusion initiatives across the organization. Identification of partnership opportunities to enhance diversity and inclusion initiatives.



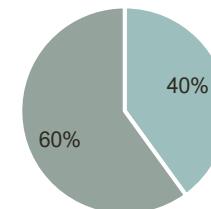
## Workplace Make-up



## Board of Directors Make-up



## 2024 AGM Board of Directors Nominees





# HUMAN RIGHTS

**Russel Metals is committed to conducting business in an ethical and legal manner and expects its suppliers to share our commitment.**

## Forced or Child Labour

Russel Metals has assessed both its operations and its supply chain and has implemented the policies, procedures and due diligence processes to manage and mitigate the risk of force labour or child labour in its supply chain.

The Company's procurement personnel manage the due diligence and onboarding process with suppliers including providing copies of the Company's terms and conditions of purchase and Supplier Code, each of which the Company requests the supplier to accept. The Company's procurement personnel, as a matter of practice, also regularly visit the mills of key suppliers for site visits and tours. With respect to overseas mills, our personnel customarily visit the mill prior to purchasing from it and those businesses which regularly purchase from overseas, regularly travel to visit with their counterparts and review the mill and its processes.

Procurement personnel take an active, risk based approach considering the country of origin of a supplier with respect to the Global Slavery Index when assessing and onboarding new suppliers.

## Supplier Code of Conduct

Russel Metals' prides itself in maintaining long term, trusting relationships with suppliers who have strong reputations, ethics and reliable business practices. Many of the Company's top suppliers are publicly traded North-American steel mills with comparable governance practices to those of Russel Metals.

The Company's has introduced a Supplier Code of Conduct which sets out the Company's expectations of its suppliers.

The Supplier Code of Conduct is available on our website and it sets out Russel Metals' expectations of its suppliers with respect to: Human Rights; Health & Safety; Ethical Sourcing of Materials; Conflict Minerals; Environmental Impact; Business Ethics; and Compliance with Law.



# EMPLOYEE EXPERIENCE

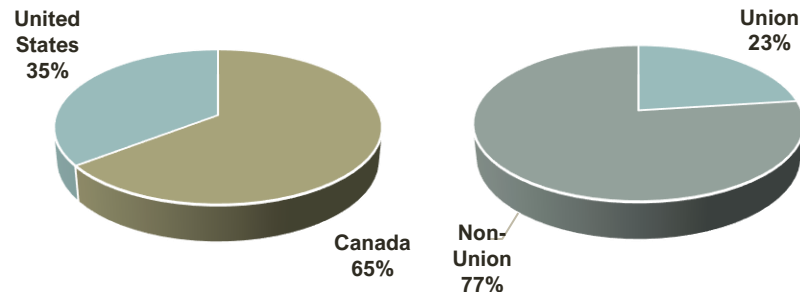


At Russel Metals, employees are the foundation of the organization ensuring that we remain customer focused. To help our employees drive results there are several initiatives and programs in place to attract, retain and develop our employees for future success.

## BUILDING OUR TALENT

- Education reimbursement offered to employees for courses geared towards their future career goals.
- Multi-year program for upper-level leaders to develop for future senior leadership positions. Focused on culture, leadership, financial and business acumen.
- Quarterly CEO/CFO presentation on results and strategy available for all employees to participate and submit questions.

## EMPLOYEE BASE



## BENEFITS

Russel is proud to provide our employees and their families access to a comprehensive set of benefits. While benefits vary by business, location, and unionized environment, the benefits generally offered include:

- Medical, dental and vision benefits.
- Retirement programs such as pension, group RSP and 401k plans with a company contribution and match.
- Employee and Family Assistance program.
- Optional share purchase plan with a company match.
- Life insurance and additional optional plans such as dependent life insurance, accidental death, critical illness insurance.
- Scholarship program for children of employees with over 700 scholarships winners and over \$2.33 million dollars paid by the organization.
- The Metal Service Center Institute has awarded an additional 118 scholarships totaling approximately \$250,000 to children of Russel employees.



# COMMUNITY INVESTMENT

## Charitable Giving

Russel Metals is actively involved in charitable giving both through monetary donations and by our employees giving their time and resources to support local initiatives in the communities where they live and work.

We have a corporate giving program, to support vulnerable people in the communities where we operate. The corporate giving program has two parts, an employee match program and direct corporate charitable donations program.

Our employee match program is a dollar-for-dollar match of donations made by our employees to qualified charities with a commitment of \$1 million. Throughout the year we champion various local charities, hosting employee led fundraising campaigns.

Our corporate giving program donated \$500,000 in each of 2021, 2022 and 2023 to a variety of causes, including:



Further Information on these and other worthy causes can be found on our web site at: <https://www.russelmetals.com/en/corporate-giving/>.

## Indigenous Student Bursary

At the end of 2023, we renewed our commitment to the Russel Metals Indigenous Bursary for another three years. In addition, we are proud to be a participating sponsor of the 2024 Indspire Awards, celebrating Indigenous achievement.

Over the last 30 years the Indspire Awards have honoured over 400 First Nations, Inuit, and Métis individuals who demonstrate outstanding achievement across Turtle Island and beyond.

## Community Involvement

We encourage Russel employees to be involved in their communities and our employees donated their time as volunteers to numerous community organizations. Some of these include Habitat for Humanity, Sports Sponsorship, Arts, Food and Clothing drives, and return to school programs.

Excerpts of our involvement can be found on our web site at <https://www.russelmetals.com/en/about/corporate-and-social-responsibility> or on our Instagram page.



# GOVERNANCE

As one of North America's largest metals distribution companies, Russel Metals is committed to industry leading corporate governance.

Russel Metals believes that strong corporate governance practices begin at the top, with the Board of Directors and senior executive officers. Our practices and policies are designed to ensure that Russel Metals is being operated in the best interests of our stakeholders. We are dedicated to maintaining high ethical standards at all levels of the organization and we strive to continuously evaluate and improve our governance policies, business practices and relationships.

## IN THIS SECTION

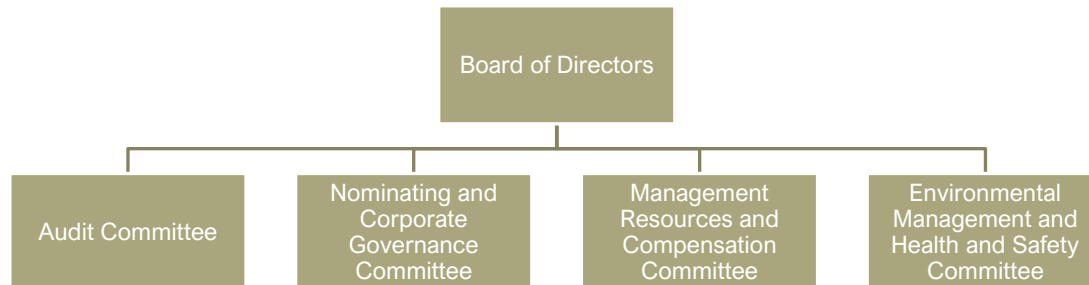
- BOARD OF DIRECTORS AND INDEPENDENCE
- CODE OF CONDUCT
- CORPORATE GOVERNANCE POLICIES

# OVERVIEW OF BOARD OF DIRECTORS AND INDEPENDENCE

## Governance Model

Russel Metals' Board of Directors is responsible for the stewardship of the Company on behalf of our shareholders and other stakeholders. The Board ensures effective leadership and provides oversight for strategy, succession planning, leadership, diversity, risk management, sustainability, and corporate governance.

Four Standing Committees help the Board fulfil its responsibilities.



## Written Mandate and Position Descriptions

Each committee has a written mandate that sets out its responsibilities and areas of focus. Additionally, there are written position descriptions of the Chair of the Board, Chairs of each Committee and for the Chief Executive Officer. The mandates and position descriptions are reviewed regularly to capture best practices and applicable regulatory requirements.

## Independence

All directors are independent under Securities Law except for President and Chief Executive Officer John Reid. Russel Metals has an independent Board Chair and the roles of the Chair and CEO are separate.

All four board committees are independent, and the chair of the Board attends each committee meeting for continuity and consistency. The Board and committees meet without management present at every meeting.

## Attendance

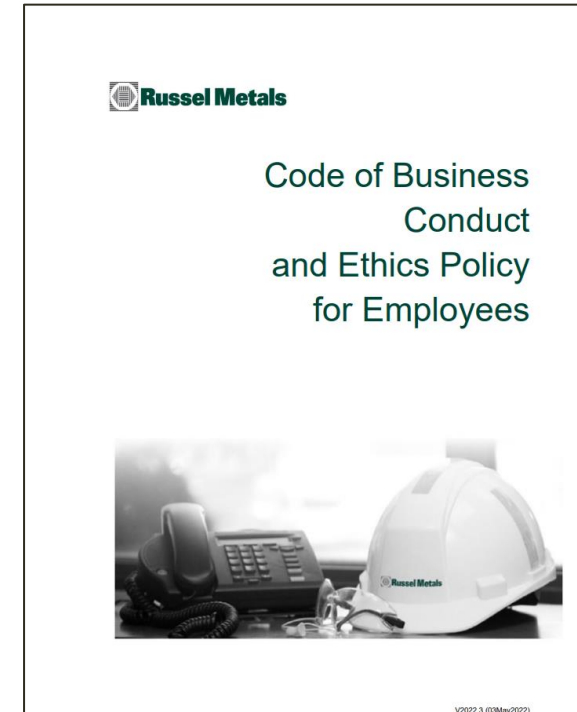
We believe that an engaged board governs most effectively. In 2023, the Company held 8 Boards meetings and 15 Committee meetings. Directors had a 99% attendance record at Board and Committee meetings in 2023.

# CODE OF CONDUCT

We are committed to conducting business in a legal and ethical manner globally. The Company has implemented a Code of Business Conduct and Ethics Policy (the “Code”) to ensure ethical business practice and compliance with applicable law. The Company monitors compliance with the Code and provides annual training to management. Every employee is required to sign the Code.

## Anonymous Whistleblower Program

The Company maintains a confidential and anonymous reporting system that allows employees to raise concerns free of discrimination, retaliation or harassment. The Company encourages the reporting of any complaints, concerns including those relating to: accounting matters; internal controls; financial irregularities; compliance with the Company's policies; human rights issues (harassment, discrimination, violence, abuse); and any unethical business conduct, including but not limited to, safety, environmental, conflicts of interest, bribery, theft or fraud.





# CORPORATE GOVERNANCE POLICIES

## Board Renewal Policy and Director Evaluation Program

The Company has adopted a Board renewal policy whereby Directors will not generally stand for re-election after reaching the age of 75 years. In addition, the Company's policy is to target total average tenure of non-executive Directors (i.e. total years of service of non-executive Directors on the Board divided by the number of non-executive Directors) to be approximately 10 years or less.

The Company also manages Director tenure through a rigorous Director evaluation and assessment process, and through a demonstrated and ongoing commitment to the process of Board renewal. The evaluation and assessment process, which includes Board and Committee evaluations and a peer evaluation process, is designed to identify any circumstance in which a Director is not making a sufficient contribution. It is the responsibility of the Company's Board to remove Directors who are not performing, rather than simply relying on Director term limits or a Director being required to resign due to age.

## Majority Voting and Canada Business Corporations Act

The Company has adopted a majority voting policy for its Board of Directors nominees in compliance with TSX rules. However, this policy has been rendered inoperative as of August 31, 2022 when new provisions of the Canada Business Corporations Act ("CBCA") introducing a statutory voting requirement for uncontested director elections came into effect. Under the CBCA amendments, shareholders are allowed to vote "for" or "against" (as opposed to "for" and "withhold") nominees for the Board of Directors. If a nominee does not receive a majority of the votes cast for their election, the nominee will not be elected.

## Equity Ownership Requirements and Clawback Policy

Each Director is required to own equity (comprised of shares or deferred shares units) equal to three times (3x) the annual retainer which represents \$570,000 for Directors and \$990,000 for the Chair of the Board. The Chief Executive Officer is required to own equity (comprised of shares or restricted share units) equal to five times (5x) his base salary which represents equity ownership of \$6,833,195 and the Chief Financial Officer is required to own equity equal to two times (2x) his base salary which represents ownership of \$1,108,604. The equity ownership requirements are to align Directors and C-Suite officers with the interests of shareholders.

The CEO and CFO's incentive compensation is subject to clawback provisions if the Company's results are later restated due to an error in reporting.

## Other Policies

In addition to the items highlighted, the Company maintains numerous other policies which underpin its corporate governance model including:

- An Advisory Vote on Executive Compensation Practices
- Corporate Governance Guidelines
- Anti-Workplace Harassment, Violence and Bullying Policy
- Insider Trading Policy
- Disclosure Policy
- Appropriate Use of Information Technology Assets Policy
- IT Security Standards Reporting Policy
- Privacy Policy

## SASB PERFORMANCE TABLE-IRON & STEEL PRODUCERS

Topic	Reference	Accounting Metric	Russel Metals' Disclosure									
GHG Emissions	EM-IS-110a.1.	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations.	Russel Metals' Scope 1 emissions were 40,302 tonnes CO <sub>2(e)</sub> in 2023. None (0%) of our Scope 1 GHG emissions are covered by any emissions-limiting regulation or program, including cap-and-trade programs.									
	EM-IS-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	We track and monitor both Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Our GHG emissions and our reduction initiatives are detailed on pages 10-16 of this Report.									
Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx, (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (Mn), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons. (PAHs)	As our operations only generate very minimal air emissions, we have not specifically quantified each of these pollutants and do not disclose this as it is not material.									
Energy Management	EM-IS-130a.1	Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	In 2023, our total measured energy consumption was 817,937 GJ, a decrease of 1.0% versus 2022. Of this total, 22.32% was grid-purchased electricity, and 0.07% was renewable.									
	EM-IS-130a.2	Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	<p>In 2023, our total measured fuel consumption was 637,874 GJ. This breaks down as follows:</p> <table><tr><td>diesel fuel</td><td>351,514 GJ</td></tr><tr><td>natural gas</td><td>223,403 GJ</td></tr><tr><td>gasoline</td><td>33,986 GJ</td></tr><tr><td>propane</td><td>25,792 GJ</td></tr><tr><td>other</td><td>56 GJ</td></tr></table> <p>None (0%) of our fuel consumed was coal. 35.2% of our fuel consumed was natural gas. A minimal portion of our fuel consumed is renewable, for instance, the ethanol component of gasoline is produced from biomass and is used to reduce the quantity of fossil fuel present in a transportation fuel; however, we have not quantified this amount.</p>	diesel fuel	351,514 GJ	natural gas	223,403 GJ	gasoline	33,986 GJ	propane	25,792 GJ	other
diesel fuel	351,514 GJ											
natural gas	223,403 GJ											
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other	56 GJ											

## SASB PERFORMANCE TABLE-IRON & STEEL PRODUCERS

Topic	Reference	Accounting Metric	Russel Metals' Disclosure
Water Management	EM-IS-140a.1	Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Water consumption is not material in our operations therefore we do not quantify or disclose this matter.
Waste Management	EM-IS-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	As a small volume generator of waste, we do not disclose this as it is not material. Any waste that is generated in our operations is managed through appropriate handling and disposal procedures, which are based on jurisdictional requirements.
Workforce Health & Safety	EM-IS-320a.1	EM-IS-320a.1. (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	1. Full Time TRIR – 4.49, Contract TRIR – 4.23 2. Full Time Fatality Rate – 0, Contract Fatality Rate – 0 3. Full Time NMFR – 22.39, Contract NMFR – 10.56
Supply Chain Management	EM-IS-430a.1	EM-IS-430a.1. Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues.	This metric is not applicable to Russel Metals as a distributor, given we do not produce metal or mine the materials necessary to produce metal.