

2025 SUSTAINABILITY REPORT



Published April 2026



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ABOUT THIS REPORT

- This is the fourth annual release of our 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 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.

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 JOHN G. REID

We are pleased to present Russel Metals' 2025 Sustainability Report, highlighting our continued commitment to responsible and sustainable business practices. This report outlines our progress across environmental, social, and governance priorities and reflects our focus on creating long-term value for our stakeholders.

In 2025, we continued to demonstrate low levels of CO₂e emissions, as measured on both an absolute basis and relative to our industry peers, and we remain focused on improving efficiency and reducing intensity through fleet modernization, electrification of equipment, facility upgrades, and ongoing energy initiatives.

We recognize the important role steel plays in the global energy transition and are proud to support industries advancing renewable energy and infrastructure. As a distributor of highly recyclable materials, we contribute to a sustainable economy.

Our people remain at the core of our success. Safety continues to be a top priority, supported by our "Mission Zero" program and a strong culture of accountability and continuous improvement. We are also committed to fostering an inclusive workplace where employees are supported, engaged, and able to grow.

Beyond our operations, we invest in the communities where we live and work through charitable giving, employee involvement, and targeted initiatives. This includes support for organizations focused on health, education, and community well-being such as Indspire, SickKids Foundation, St. Jude Children's Research Hospital and Water First. We also engage locally through partnerships with food banks, youth programs, and employee-led fundraising initiatives.

Strong governance underpins all of our efforts. With an independent Board and established policies and practices, we remain committed to transparency, accountability, and ethical business conduct.

As we look ahead, we will continue to pursue disciplined growth while considering sustainability in creating value for our stakeholders.

John G. Reid
President and Chief Executive Officer



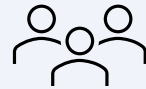
2025 ESG HIGHLIGHTS

Environment



- Continued strong performance relative to industry peers
- Relatively small environmental footprint
- Aggregate GHG emissions of 58,244 tonnes CO₂e in 2025
- Scope 1 emissions 43,655 tonnes CO₂e; Scope 2 emissions 14,589 tonnes CO₂e
- In 2025, GHG emissions increased by 6.6% from 2024, compared to our revenue increasing by 8.9%.
- Continued progress on GHG reduction initiatives

Social



- Substantial reduction in lost time incidents over the last 10 years
- Structured H&S Program “Mission Zero”
 - Dash cams
 - Hazard Zone Control Policy
 - Material handling/hand injury prevention
- Corporate charitable program
- Scholarship fund for children of employees
- Ethical, Privacy and Social Policies

Governance



- Female Representation: 33% Board; 25% Corporate Executive
- Visible Minority Representation: 11% Board; 13% Corporate Executive
- Independent Board of Directors and Committees
- Code of Business Conduct
- Independent 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

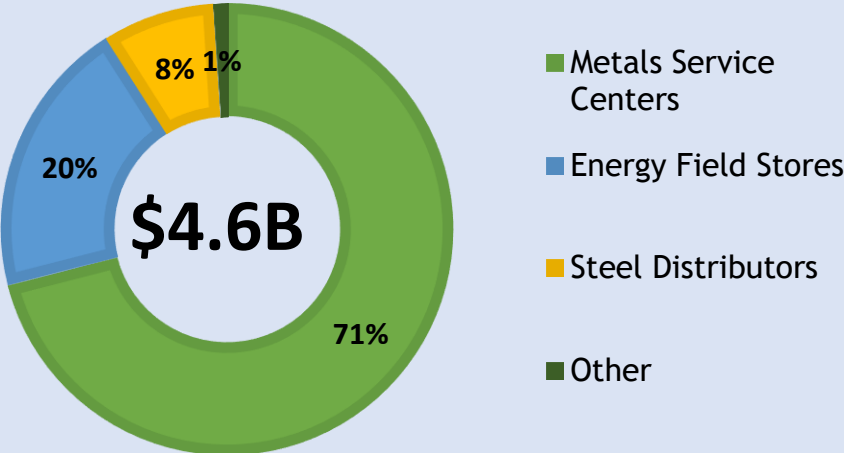
- Provide a safe and healthy workplace.
- Provide our employees with opportunities for personal growth and development.
- Maintain superior returns through the economic cycles governed by corporate policies to ensure financial integrity and mitigate risk.
- Continue to develop and retain strong relationships 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 early 1900s
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO – 55.1 mm shares outstanding at 12/31/25

Revenue by Segment – 2025



Key Segments



- Coast-to-coast in Canada
- Strong US presence in Midwest and South
- Extensive product line (carbon, stainless steel, aluminum etc.) and a growing focus on value-added processing
- Distribute highly engineered energy products (e.g. valves, fittings, etc.)
- Sell steel in larger volumes to other steel service centers and large equipment manufacturers

ENVIRONMENT

We are committed to responsible environmental stewardship, prioritizing sustainable practices that reduce our impact on the environment and local communities.



Environmental Management

We implement initiatives to manage resources responsibly and monitor our environmental performance.



Climate Disclosure

We provide transparent reporting on our climate-related risks, opportunities and performance in alignment with best practices frameworks.



Continuous Improvement

We regularly review and enhance our environmental programs to improve performance and align with regulatory expectations.

IN THIS SECTION

- ✓ Environmental Management
- ✓ GHG Reduction Initiatives
- ✓ Green Energy

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 metal products we distribute are among the most widely recycled materials on Earth.
- Most product lines have minimal end-of-life environmental impact due to recyclability.
- Packaging materials are minimal, resulting in low landfill waste.

Hazardous Materials

- Operations do not involve significant use of hazardous materials.
- Most locations do not generate hazardous or regulated waste.
- Locations generating small quantities are properly registered and managed.

Environmental Audit Program (NEW – 2025)

- Launched internal environmental audit program across operations in 2025.
- Designed to strengthen oversight, consistency, and accountability.
- Regular assessments of environmental practices and compliance.
- Identifies improvement opportunities and supports continuous improvement initiatives.

Spill Prevention

- Potential minor releases may include diesel fuel and hydraulic oil.
- Operating procedures in place for handling fuels and chemicals.
- Sites equipped with spill kits and response tools to mitigate impacts.

Water Management

- Operations are not water intensive.
- Limited water use across most facilities.
- Water-saving technologies implemented (e.g. low-flow fixtures, sensors).

Air Emissions Controls

- Steel processing (plasma, oxy-fuel, laser) may generate air emissions.
- Emissions are controlled using dust collection systems where required.

GREENHOUSE GAS EMISSIONS

Tracking emissions • Reducing intensity • Improving efficiency

2025 Total Emissions 58,244 tonnes CO ₂ e	Scope 1 43,655 tonnes CO ₂ e	Scope 2 14,589 tonnes CO ₂ e
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Emissions increased 6.6% from 2024 and 14.4% over five years, compared to revenue growth of 8.9% and 10.3%, respectively, driven primarily by business growth and acquisitions. As we expand, we remain focused on improving energy efficiency and reducing emissions intensity.

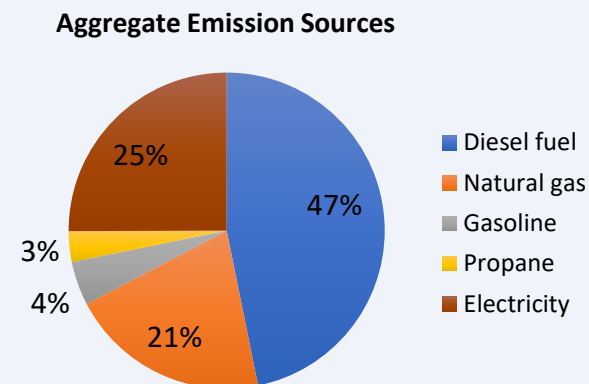
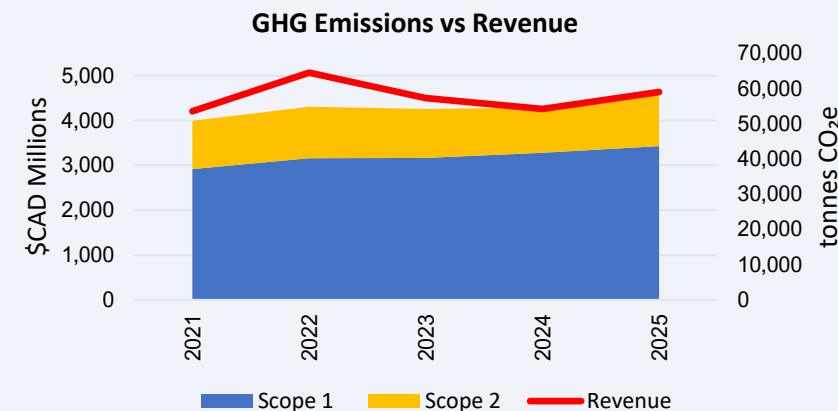
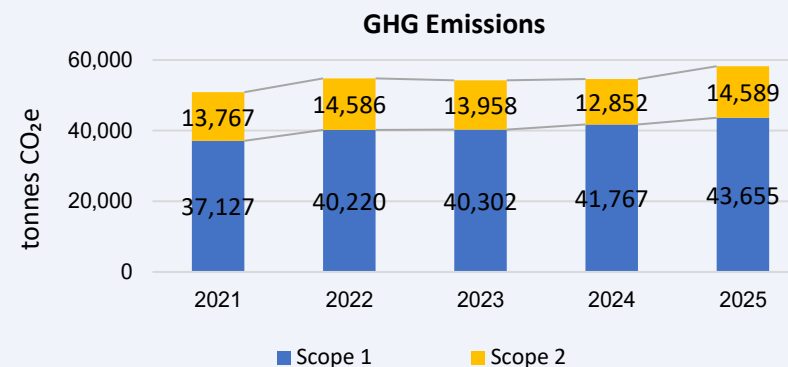
Our greenhouse gas (GHG) emissions arise from both direct energy use (Scope 1) and purchased electricity (Scope 2).

Scope 1 - Direct Emissions are mainly from fuel used for product delivery and facility operations:

- Diesel (47%) for delivery vehicles.
- Natural gas (21%) for heating.
- Gasoline (4%) and propane (3%) for vehicles and equipment.

Scope 2 - Indirect Emissions come from purchased electricity used to power our facilities.

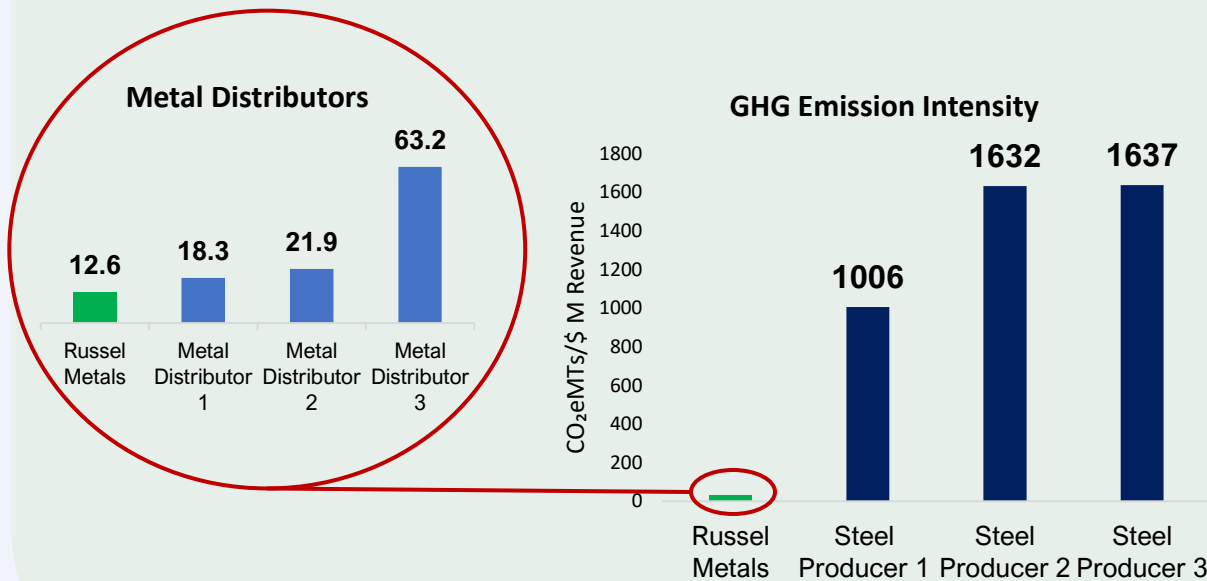
In 2025, the company used **58,620 MWh** of electricity, which represents **~25%** of its total emissions.



GREENHOUSE GAS EMISSIONS

Metals Value Chain GHG Emission

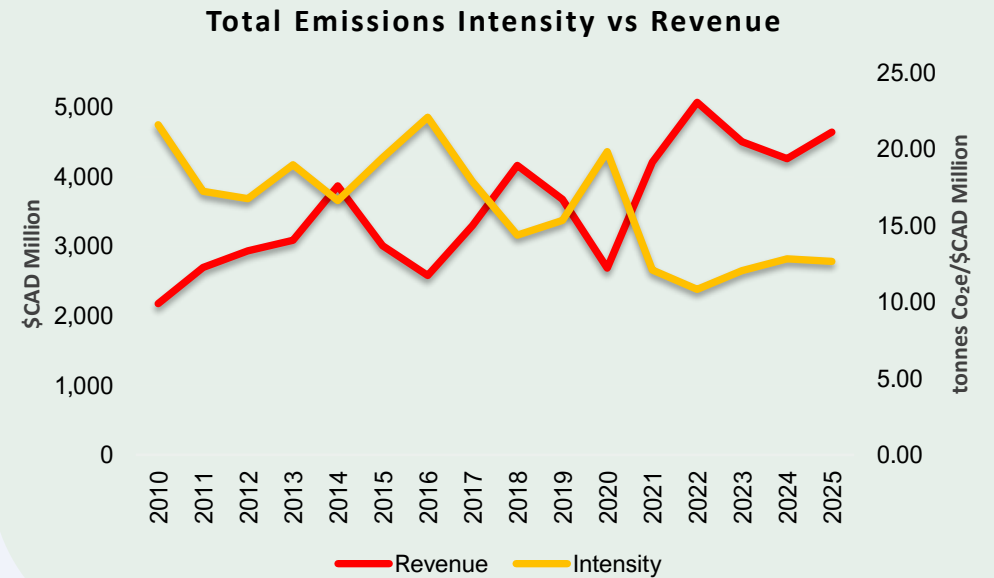
Russel Metals is a relatively small emitter of Greenhouse Gas (GHG) emissions among the metals value chain, as illustrated below. We recognize the risk and challenge climate change poses to our society. It is therefore important for us to do our part to help reduce GHG emissions where practicable.



Russel Metals data is for 2025 and revenue is presented in CAD; peer and steel producer data is for 2024 and revenue is presented in USD.

Impact of Business Cyclicity on GHG Emissions

Generally, GHG emissions intensity in our operations typically varies inversely with 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 2025, we continued to advance our GHG reduction strategy, focusing on operational efficiency, fleet modernization, and targeted energy investments to lower our carbon intensity.

Fleet Efficiency

- As our largest source of GHG emissions is diesel consumption across our delivery fleet, we are prioritizing modernization to improve fuel efficiency.
- In 2025, we continue to retire aging vehicles and replace them with more efficient models, including hybrid and electric options where operationally viable.

Transition to Electric Lifts and Loaders

- We are progressing the electrification of our material handling equipment.
- Our operations continue to transition from propane and diesel-powered forklifts and side-loaders to electric alternatives, where practical, reducing both emissions and on-site fuel usage.

Operational Efficiency

- We continue to enhance facility efficiency through targeted upgrades and process improvements.
- Key initiatives include LED lighting retrofits, modernization of heating and cooling systems, and adoption of advanced metal processing technologies to reduce energy intensity.

Energy Assessments

- We are expanding energy assessments across our network, prioritizing higher-emission locations to identify and implement efficiency opportunities.
- These assessments support a more data-driven approach to reducing energy consumption over time.

Solar Photovoltaic Systems

- We continue to evaluate on-site renewable energy opportunities.
- Our Joplin, Missouri facility remains operational with rooftop solar generation, and we are assessing the feasibility of solar installations at select locations, particularly in new developments.

LEED Certification

- Our Mississauga headquarters remains LEED®-NC Silver certified, reflecting our commitment to sustainable building practices.
- Features include water efficiency systems, energy-efficient lighting, and waste diversion programs that support ongoing environmental performance.

GREEN ENERGY

We are advancing lower-carbon operations through on-site renewable energy and electrification initiatives.

Solar Energy

- In 2025, ~ 27% of our Joplin, MO facility's electricity was self-generated.
- ~ 54,000 kWh of excess solar energy was delivered back to the grid, contributing to reduced Scope 2 emissions.

1.1 M+ kWh
Self-generated electricity
since installation



~380 Tonnes CO₂e
Scope 2 GHGs
avoided



Electric Vehicles and Forklifts

- Increasing the electrification of forklifts and company vehicles.
- Reducing emissions and fuel costs.



EV Charging

We are supporting the transition to electric vehicles by installing EV charging stations at a number of our facilities.



STEEL AND THE GREEN ECONOMY

Steel is foundational to the global energy transition. As the world's most recycled material, it plays a critical role in enabling renewable energy, infrastructure resilience, and circular economy solutions.

STEEL: A CORE MATERIAL OF THE ENERGY TRANSITION



Wind

Steel is essential to both onshore and offshore wind turbines, supporting towers, nacelles, and foundational structures.



Tidal

Steel is a key component in emerging marine energy systems, enabling the fabrication of tidal turbines and wave energy devices.



Hydroelectric

Steel reinforces critical infrastructure in dams and power generation systems, ensuring long-term durability and performance.



Solar

Steel provides structural support for solar installations and is used in thermal systems, pumps, and storage infrastructure.

KEY FACTS

41,000+ tonnes

Steel recycled by Russel Metals in 2025
~4% increase year-over-year, contributing to avoided CO₂ emissions across the value chain.

3.6 barrels of oil

Energy saved per tonne of recycled steel
*Also avoids ~1.5 tonnes of iron ore extraction.*¹

630 million tonnes

Steel recycled globally each year
*Making steel the most recycled material in the world.*²

~40% reduction

Decrease in energy intensity of steel production since 1960
*Driven by process innovation and increased recycling.*³

¹ <https://archive.epa.gov/epawaste/conservation/smm/wastewise/web/html>

² <https://www.wasterecyclingmag.com/news/metal-recycling/the-15th-edition-of-world-steel-recycling-in-figures-released-at-bir-convention-copenhagen>

³ <https://worldsteel.org/wider-sustainability/circular-economy/>

SOCIAL RESPONSIBILITY

We create positive social impact by supporting our people, strengthening communities, and fostering an inclusive and safe workplace.



Our People

We invest in employee development, wellbeing, and career growth through training, education and support programs.



Communities

We support local communities through sponsorships, donations and participation in initiatives across health, education and social programs.



Culture and Inclusion

We prioritize fostering a diverse, inclusive and respectful workplace where employees feel supported and empowered.

IN THIS SECTION

- ✓ Health and Safety
- ✓ Diversity and Inclusion
- ✓ Human Rights
- ✓ Employee Experience

HEALTH AND SAFETY



We continually strive to create a work environment that is free from incidents and injury. Our Health and Safety standards are enforced throughout the organization.

We provide education, training and awareness so that all employees know how to be accountable for their health and safety as well as the safety of their co-workers and visitors. We feel that all employees have a responsibility to follow safe working procedures, to be aware of all hazards and take appropriate action. Working safely is a condition of employment.

To ensure a safe working environment, we have a three-pronged approach to review, follow up and reinforce safe workplace behavior.

First, at each of our locations, members of our safety teams perform Annual Corporate Health and Safety audits outside of their own region. These audits result in a formal report on findings and timelines for the implementation of suggested improvements. Second, our Internal Audit Team has included a Health and Safety section in their location audits. Finally, our regional managers conduct worksite inspections for our new Layered Observational Audit program.

Our emphasis on a safe workplace has led to a significant improvement in our Lost Time Incidents.



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 2024	Completed in 2025
Toolbox Talks	11,309	12,518
Workplace Inspections	7,096	7,893
Safety Meetings	3,653	3,441
Job Observations	6,177	7,069

HEALTH AND SAFETY PERFORMANCE

In 2025, we continued with our efforts on training, incident and injury prevention, safe and early return to work, and provided the support and guidance required to maintain our program.

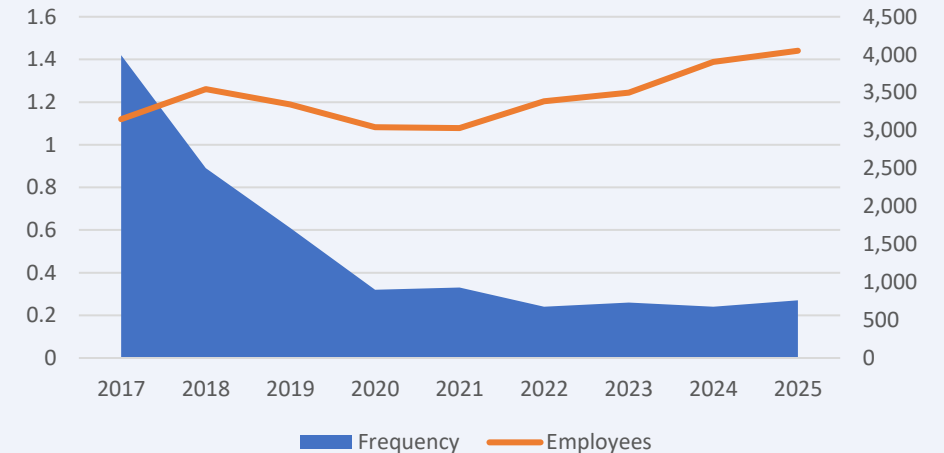
Key Outcomes in 2025

- 129 locations (93%) recorded ZERO LTIs.
- The use of No Touch Tools continues to advance across all regions.
- Hand injuries reduced 24% compared to 2024.
- Workers Compensation Premiums Cost Avoidance of over \$1.5M since 2021.
- A pilot of nurse triage phone line for incidents resulting in an injury in Ontario and Quebec was successful, with implementation across Canada planned for Q2 2026.

Looking Forward

- Ongoing implementation and monitoring of the new Hazard Zone Control Policy.
- Proper material racking to promote utilization of Hazard Zone Control.
- Continue to monitor and standardize Trailer Fall Prevention Systems.
- Working towards a single ISO 9001 certification across Canada.
- Establish implementation plan for new Enterprise System (eMaint/LMS/procedures and record keeping).
- Continue to focus on Hand Injury tracking, prevention and training.
- Continue to develop new Driver Training modules and policies.

LTI Frequency vs Headcount



Metric	2025	2024	2023
Number of Employees	4,052	3,970	3,501
Number of Lost Time Incidents	11	9	7
Number of Lost Time Days	782	324	201
Frequency ¹	0.27	0.24	0.20
Severity ²	18.98	8.80	5.80
Medical Aids ³	98	94	116
First Aids ⁴	178	185	170

¹ 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.

² 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.

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

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

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.

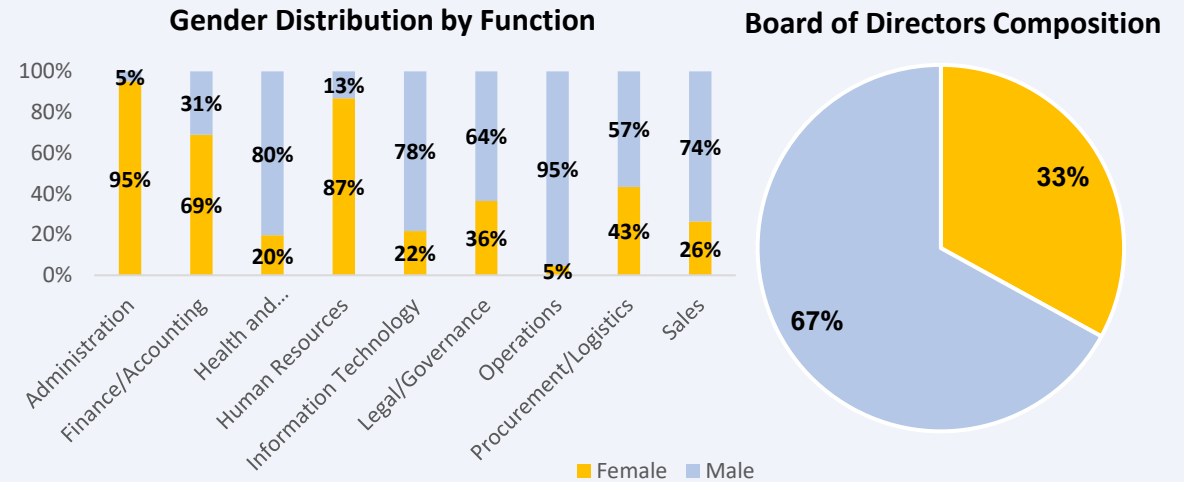
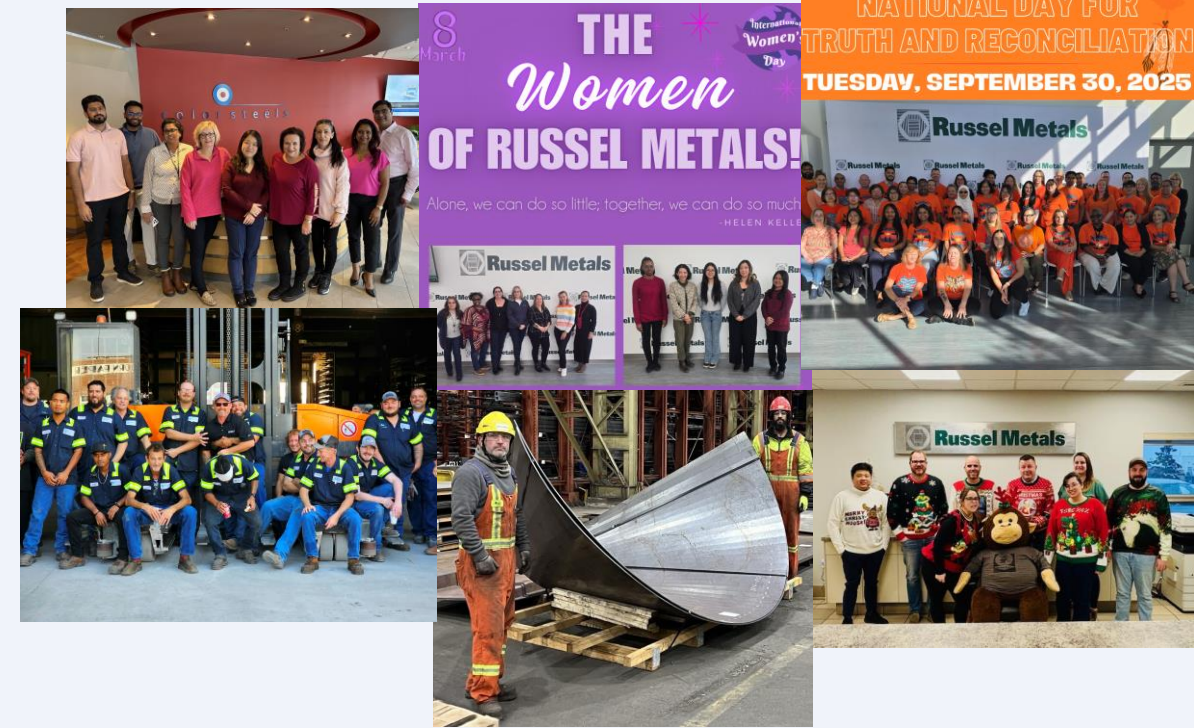
A number of initiatives have been put in place to help the organization deliver on our mission including raising awareness and understanding of the importance of creating a diverse workforce.

Current Diversity and Inclusion Initiatives

- Celebrate diversity and inclusion events, including Black History Month, National Day for Truth and Reconciliation, and International Women’s Day.
- Participate annually in the MSCI Diversity Committee and the bi-annual DEI Survey.
- Diversity education for employees and managers.
- Board member of AWMI and Corporate AWMI member.
- Promote the Association of Women in the Metal Industry (AWMI) and its industry mentorship program.
- Promote targeted DEI initiatives by region.

How We Advance Inclusion

- Employee and manager DEI education across the U.S. and Canada.
- Participation in external benchmarking and industry committees.
- Promotion of regional DEI initiatives and awareness campaigns.
- Engagement through events, mentorship, and celebration of diverse voices.



HUMAN RIGHTS

We integrate human rights considerations into our operations and supply chain through risk-based due diligence, supplier engagement, and ongoing monitoring aligned with global standards.

Human Rights Governance

- Oversight embedded within procurement and operational leadership.
- Policies aligned with applicable laws and international standards.
- Expectations communicated across operations and supply chain.

Risk-Based Due Diligence

- Supplier onboarding includes review of terms, Supplier Code of Conduct, and risk factors.
- Country-level risk assessed using tools such as the Global Slavery Index.
- Site visits and ongoing engagement with key suppliers.

Monitoring and Accountability

- Regular supplier interaction and performance review.
- Escalation processes in place for identified risks.
- Continuous evaluation of policies and practices.

Supplier Code of Conduct

- Our Supplier Code of Conduct sets:
 - Human Rights
 - Health and Safety
 - Ethical Sourcing of Materials
 - Conflict Minerals
 - Environmental Responsibility
 - Business Ethics and Legal Compliance

Key Practices

- Supplier agreements include human rights expectations.
- Site visits conducted for key suppliers, including overseas operations.
- Procurement teams trained on responsible sourcing practices.



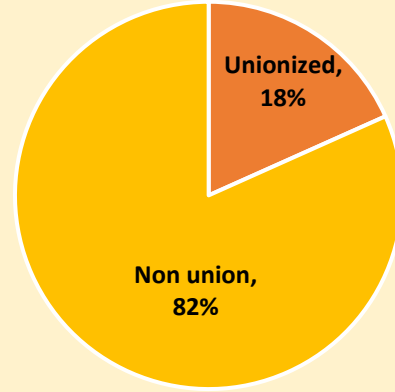
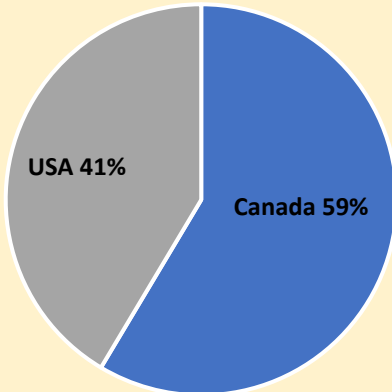
EMPLOYEE EXPERIENCE

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 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. Russel Metals has awarded over \$2.5 million in scholarship funds since 2003, benefiting more than 600 eligible students.
- 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.

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, 2023, 2024 and 2025 to a variety of causes, including:



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

Indigenous Student Bursary

Indspire invests in the education of First Nations, Inuit and Métis people for the long-term benefit of these individuals, their families and communities, and Canada. Their vision is to enrich Canada through Indigenous education and by inspiring achievement.

We focus on treating all people in a manner that allows them to maintain their dignity and independence. We have initiated the Russel Metals Indigenous Student Bursary to provide financial assistance for post-secondary education with a preference for students entering the trades.

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, environmental outreach, Arts, Food and Clothing drives, and return to school programs.

Excerpts of our involvement can be found in the [Social Responsibility](#) section of our website or on our Instagram page.

GOVERNANCE

Strong governance underpins our business, ensuring accountability, ethical conduct and long-term value creation for our stakeholders.



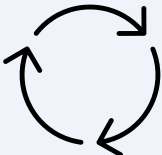
Board Leadership

Strong governance begins with an independent and experienced Board of Directors providing oversight and strategic direction.



Policies and Practices

We maintain comprehensive governance policies designed to uphold ethical standards, transparency and regulatory compliance.



Continuous Improvement

We regularly review and enhance our governance framework to reflect evolving best practices and stakeholder expectations.

IN THIS SECTION

- ✓ Board of Directors and Independence
- ✓ Corporate Governance Policies

OVERVIEW OF BOARD OF DIRECTORS AND INDEPENDENCE

Equity Ownership Requirements and Clawback Policy

- Each Director is required to own equity (comprised of shares or deferred share units) equal to three times (3x) the annual retainer which represents \$750,000 for Directors and \$990,000 for the Chair of the Board.
- The CEO 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 \$7,418,375, the Chief Financial Officer is required to own equity equal to two times (2x) his base salary which represents ownership of \$1,018,752. The equity ownership requirements are to align Directors and C-Suite officers with the interests of shareholders.
- The CEO, CFO and COO's incentive compensation is subject to clawback provisions if the Company's results are later restated due to an error in reporting.

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 but not limited 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.

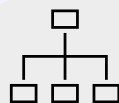
Board Renewal Policy and Director Evaluation Program

- The Company has adopted a Board renewal policy whereby non-executive Directors 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.

Other Policies

- 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

CORPORATE GOVERNANCE PROGRAMS AND POLICIES



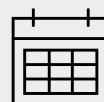
Governance Model

- 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.



Attendance

We believe that an engaged board governs most effectively. In 2025, the Company held 7 Board meetings and 16 Committee meetings. Directors had a 99% attendance record at Board and Committee meetings in 2025.



Independence

- All directors are independent under Canadian 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.

SASB PERFORMANCE TABLE-IRON AND 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 43,655 tonnes CO ₂ e in 2025. 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 10-13 of this Report.									
Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx, (excluding N ₂ O), (3) SOx, (4) particulate matter (PM ₁₀), (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 2025, our total measured energy consumption was 904,238 GJ, an increase of 7.0% versus 2024. Of this total, 23.32% 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	In 2025, our total measured fuel consumption was 693,876 GJ. This breaks down as follows: <table border="0" style="margin-left: 20px;"> <tr> <td>diesel fuel</td> <td style="text-align: right;">377,567 GJ</td> </tr> <tr> <td>natural gas</td> <td style="text-align: right;">248,145 GJ</td> </tr> <tr> <td>gasoline</td> <td style="text-align: right;">38,574 GJ</td> </tr> <tr> <td>propane</td> <td style="text-align: right;">28,872 GJ</td> </tr> <tr> <td>other</td> <td style="text-align: right;">46 GJ</td> </tr> </table> <p>None (0%) of our fuel consumed was coal. 35.80% 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	377,567 GJ	natural gas	248,145 GJ	gasoline	38,574 GJ	propane	28,872 GJ	other
diesel fuel	377,567 GJ											
natural gas	248,145 GJ											
gasoline	38,574 GJ											
propane	28,872 GJ											
other	46 GJ											
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 and 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 – 3.75, Contract TRIR – 7.33 2. Full Time Fatality Rate – 0, Contract Fatality Rate – 0 3. Full Time NMFR – 17.27, Contract NMFR – 16.29									
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.									

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

This section provides detail on Russel Metals’ practices relative to the Task Force on Climate-related Financial Disclosures (TCFD) standard.

Pillar	Recommended Disclosure	Russel Metals Practices and Disclosure
Governance	Board Oversight	<p>The Company’s Board of Directors has established an Environmental Management and 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>
	Management Responsibility	<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 and Chief Financial Officer and the Company’s Vice President, Risk Management and 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	Strategic Planning, Risks and Opportunities	<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>

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Pillar	Recommended Disclosure	Russel Metals Practices and Disclosure
Risk Management	Process for Risk Identification, Management and Integration with Enterprise Risk	<p>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.</p>
Metrics and Targets	Climate Metrics and GHG Measurements	<p>The Company tracks and monitors its 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 2025, our Scope 1 emissions were 43,655 tonnes CO₂e and our Scope 2 emissions were 14,589 tonnes CO₂e. Further details on our GHG emissions can be found on pages 10-11 of this Report.</p> <p>We have not, at this time, set formal targets with respect to GHG emissions. Given the cyclicity 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 12 of this Report.</p>