



DOING BETTER TOGETHER

Environmental, Social and
Governance Interim Report

2022

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A Message from Colin Osborne

President & CEO

I am pleased to present Samuel, Son & Co., Limited's (Samuel), Environmental, Social and Governance (ESG) Interim Report, which outlines our progress toward our ESG commitments in 2022.

Our commitment to all aspects of ESG is embedded in our culture and business practices. It is also reflected in the many programs and initiatives implemented across the business, many of which you will read about in this report. Guided by a strong set of business practices and core values, we continued to make great strides in the pursuit of our ESG commitments.

As the world continues to evolve, the need for a genuine commitment to ESG has never been greater. Public disclosure of ESG-related efforts is not widespread for private companies like Samuel. With this report, we are showing our commitment to positive change and holding ourselves accountable to the commitments we make to our team, our communities and the environment. We report our ESG progress by publishing a comprehensive report biannually and an interim report, such as this, in between. Per our two-year cycle, I am proud to present this update on our progress toward achieving the objectives outlined in our 2021 report.

While 2022 was a year of incremental improvement, I am excited for what lies ahead. In early 2023, we released our strategic business plan, which outlines our areas of focus for the next three years and includes ESG as a foundational element of our future success. The progress and initiatives outlined in this report laid the groundwork for those to come in 2023, which include an accelerated and strategic focus on environmental stewardship and waste management, enhanced DEI reporting and continued due diligence to ensure compliance and business resiliency.

I am incredibly proud of the work of my teammates, who are the driving force behind the initiatives highlighted throughout this report. Our commitment to ESG is an ongoing pursuit, one which will require us to continuously adapt to ensure we remain a trusted partner, employer of choice and environmental steward. Together, with our owners, board of directors and team members, we are committed to advancing our ESG efforts.

Sincerely,

Colin Osborne
President & CEO

OUR PROGRESS AT A GLANCE

Samuel is committed to continually improving and enhancing our ESG efforts by frequently reviewing our existing initiatives and setting new targets that allow us to track our progress throughout the year. In this report, we're proud to provide an update on progress made in 2022.

Environment



Cumulatively reduced our energy consumption intensity by 6% since 2021.



Cumulatively reduced our GHG emission intensity by nearly 1% since 2021.



Continued to contribute to the circular economy by recycling approximately 73,000 tonnes of metal.

Social



Achieved a 0 DART rate in over two-thirds of our sites.



Increased the representation of female team members throughout our business.



Improved the results of our Employee Engagement Survey – increasing the percentage of 'engaged' team members.

Governance



Named one of Canada's Best Managed Companies for the second year in a row.



Updated our Procurement Terms and Conditions and Supplier Code of Conduct to include specific expectations regarding ESG-related matters.



Continued to ensure adherence to our Code of Conduct by requiring annual acknowledgement and training.

Data and information provided in this report, issued in July 2023, covers the period from January 1, 2022, through December 31, 2022, with insights on accomplishments and progress from early 2023.

Environment performance compared to 2020 (per Samuel's sustainability linked-loan) and is an annual cumulative reduction from 2021-2022.

Increase in female representation compared to 2021 data.

An aerial photograph of a dense, green forest with a winding asphalt road that curves through the trees. The road starts in the top left, curves right, then down, then left, and finally right again towards the bottom right. The trees are a mix of dark green and lighter green, suggesting a healthy, mature forest.

ENVIRONMENTAL PROGRESS

Protecting and preserving the environment is essential for the wellbeing of our planet and future generations. As an industrial leader, we recognize our impact on the environment and our influence in the industry.



ENERGY & GREENHOUSE GASES

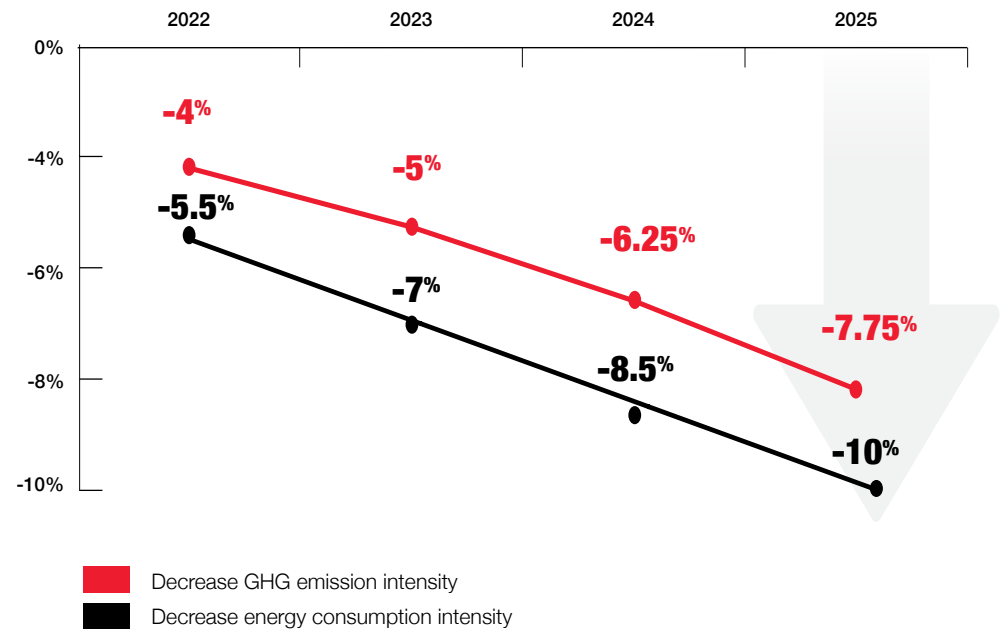
At Samuel, we're committed to minimizing our environmental impact, seeking new ways to embed and drive sustainability throughout our operations. As part of this, in 2021, we established a sustainability-linked loan with our banking partners – a new type of lending agreement and one of its kind in our industry – that connects our environmental sustainability initiatives to our financing terms. Through this arrangement, Samuel's successful efforts to reduce energy consumption intensity and greenhouse gas emissions will be rewarded with more favorable financing. We have two key sustainability goals tied to this agreement:

10% cumulative reduction in energy consumption intensity by 2025

7.75% cumulative reduction in GHG emission intensity by 2025

As part of this, we've set annual cumulative reduction targets to strive toward achieving our ultimate reduction goals.

Annual Cumulative Reduction Goals Compared to 2020



Goals stated are annual cumulative goals tracking toward the energy consumption intensity (kWh) and GHG emissions intensity (lbs. CO₂e) targets, respectively, per our sustainability-linked loan agreement.



Progress Against Our 2022

CUMULATIVE GOALS



Reduced our energy
consumption intensity by
6% since 2021



Reduced our GHG emission
intensity across the enterprise
by nearly 1% since 2021

While we exceeded our 2022 cumulative energy consumption intensity goal, surpassing our stated goal by 0.5%, we missed our GHG emission intensity goal due to a few factors including weather-related natural gas increases, building expansions and increases in annual production to meet business demand.

Course of Action

Going forward, we've developed several measures to help ensure we continue to progress toward our reduction goals, this includes:

- Developing a detailed greenhouse gas emission reduction roadmap.
- Monthly and quarterly reporting and review process to keep abreast of our progress and course-correct as necessary.
- Expanding our adoption of renewable energy, such as photovoltaic systems, and assessing alternative renewable energy sources for our facilities, particularly those using traditional energy generation such as coal and gas-fired power.



Expanding Our Focus **TO MAKE A BIGGER IMPACT**

Although reducing energy consumption has been our predominant area of focus over the last few years, in 2022, we began tracking and analyzing our overall potable water consumption, wastewater output and other forms of waste (i.e., materials) across our operating network. The next phase of our efforts includes developing a framework for water stewardship and waste minimization and assessing options for improvement based on the data collected.

So far, in 2023, we've taken several steps to expand our efforts, going beyond our focus on energy, including:

- Signing an agreement with The Water Council to implement the WAVE water stewardship program, targeting locations with higher water usage, to identify areas for improving water consumption and practices.
- Mandating Environmental Layered Audits across all facilities to identify areas of improvement to help reduce their environmental impact.
- Implementing an end-to-end environmental compliance platform to streamline our Tier II reporting.
- Continuing to implement waste minimization and landfill diversion initiatives and look to introduce other equally impactful initiatives.

We look forward to sharing our findings and goals as they relate to water and waste and the initiatives we are working to implement in future reports.

A smiling man with a beard, wearing a red hard hat with the name 'SAMUEL' on it, safety glasses, and a black polo shirt with the Samuel logo. He is standing in a locker room, with lockers visible in the background. The text 'SOCIAL PROGRESS' is overlaid on the left side of the image.

SOCIAL PROGRESS

At Samuel, we strive to foster a safe and healthy workplace where everyone has access to the opportunities and resources they need to thrive both personally and professionally. From learning and development opportunities to recognition and engagement initiatives, we're constantly exploring ways to support and grow our team members.



HEALTH & SAFETY

Samuel is committed to continually lowering our DART rate with the ultimate goal of no lost time accidents

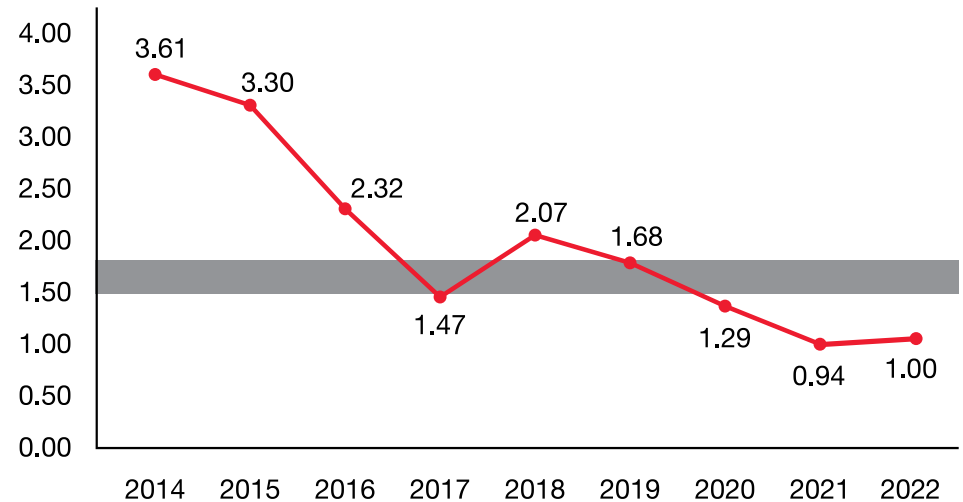
Health and safety best practices are integrated into all aspects of our business from operating procedures to training to communications initiatives. We consistently report and communicate our health and safety performance across all levels of the organization. Despite our efforts, recent isolated events demonstrate that there is more work to do.

Over two-thirds of our sites achieved a 0 DART rate.

While we improved our progress at the site level, we saw an increase in our corporate DART rate. In 2022, Samuel's DART rate was 1.00 – a 6% increase compared to 2021. As a result, we reviewed our full health and safety program to ensure the safety of our team members, maintain a positive safety culture and prevent future incidents.

Our utmost priority is the safety of every team member. This involves providing ongoing resources and training, empowering them to adopt a safety-first mindset, and proactively identifying and minimizing risks across all our operations.

We are focused on improving our safety performance. To do this, we have developed action plans to ensure we maintain a safe and healthy workplace and have refreshed our health and safety goals.



■ Samuel DART rate
 Private industry DART average ranges from 1.50 to 1.70 according to the US Bureau of Labor Statistics.



Social Progress

Encouraging a **HEALTH & SAFETY MINDSET**

Education and training play a vital role in maintaining a safe work environment. From proper equipment and tools handling to safety protocols and hazard recognition, we help our team members develop the knowledge and skills necessary to maintain a safe work environment.

In 2022, we increased our available course offerings related to health, safety and safe operating procedures, adding over 40 courses to our catalogue.

More than

800

Health & Safety
Related Courses
Offered

Over

44,000

Health & Safety Training
Courses Completed

Nearly

25,000

Hours Dedicated to
Health & Safety Training





DIVERSITY, EQUITY & INCLUSION

We are committed to enhancing diversity, equity and inclusion (DEI) in the workplace – leveraging our many different experiences, skills and ideas. The goal of our DEI program is to implement initiatives that not only make Samuel an inclusive and equitable employer but ultimately evolve our workforce demographics to reflect the communities where we operate. To get there, our DEI strategy is focused on three pillars: **awareness, career progression and outreach.**

Our Workforce at a Glance*

14%

female production team members

31%

female salary team members**

30%

female Management Committee

33%

team members of ethnic/ racial minority in the U.S.***



*All data except the total team member count excludes some Mexico demographic information.

**Salary team member count includes corporate, administration and clerical functions.

***Based primarily on self-identification at the time of joining Samuel.



Social Progress



Samuel Awarded AWWMI Cornerstone Award

In November 2022, Samuel was recognized by the Association of Women in Metals Industry (AWMI) with the Cornerstone Award for being an active member of the association, often speaking at and attending events, and for championing its strategic goals: mentor, grow, educate and network. Samuel is proud to be a member of AWWMI whose focus is to promote and develop the growth of women in the metals industry.

Throughout 2022, we continued to deliver on our DEI commitments by implementing various initiatives to create a truly diverse, equitable and inclusive workplace. This included:

- Implementing internal programs and initiatives to support the needs of our team members such as the creation of our employee resource group, Elevating Women Circle.
- Deploying a Canadian workforce demographic survey to provide insight into our workforce composition to help identify gaps in the organization regarding hiring, attrition, retention and promotions.
- Continuing our outreach efforts, encouraging our sites to build relationships within their communities and engage with organizations such as local high schools, colleges and not-for-profit organizations to support underrepresented groups.
- Providing DEI training to all team members to establish foundational knowledge of DEI concepts to ensure a common understanding of DEI in the workplace.
- Amplifying the voices of Indigenous people in Canada by hosting speakers from the Indigenous community to share their thoughts on the journey to Truth and Reconciliation and teach about history from an Indigenous perspective.
- Investing in the development and opportunities for women in production roles. To do this, Samuel provides learning opportunities and career progression initiatives such as the Empowering Women in Production development program.

In 2023, we look forward to reporting quantitative metrics to demonstrate our goal of having a workforce that reflects the communities where we operate.



LEARNING & DEVELOPMENT

2022 was a banner year for learning and development at Samuel with over 700 internal people moves and the rollout and refinement of multiple initiatives to help our team members succeed. This included:

- **Launching our new on-demand eLearning program, *Agile Learning Club***, designed to support team members at any level and in any role to develop a new skill or enhance a current skill set. With over 180 on-demand courses available, team members can enroll in courses spanning a variety of topics including financial literacy, communication fundamentals and leadership skills.
- **Formalizing our Mentorship Program**, in alignment with our strategic DEI priorities, we expanded the program's scope to support and showcase Samuel's diverse talent and help remove barriers to the career progression of underrepresented groups.
- **Restructuring our Leadership Development Program**, utilizing a blended learning model that integrates in-class, face-to-face learning with online learning in a purposeful and complementary way to enhance learner engagement.
- **Providing opportunities for aspiring young professionals** to take their learning outside of the classroom and inside the workplace through internship and co-op opportunities. In 2022, Samuel provided over 70 students with the opportunity to gain on-the-job experience.

Providing team members with the opportunities they need to achieve their full potential is integral and will continue to be a priority at Samuel. We'll continue to invest in our team members, ensuring they have the tools and resources they need to develop their careers.



Fostering a Culture of Recognition

Our team members are one of the key drivers of our success, and they deserve to be recognized for their work. In 2022, we launched our new service awards program to effectively recognize and reward our team members. There are two aspects of the program:

- **Service awards:** a monetary gift is awarded based on a team member's number of years of active service with the business, alongside a digital 'yearbook' of recognition messages from their Samuel colleagues.
- **Recognition:** known internally as *I Noticed*, this peer-to-peer recognition program is designed to provide timely and meaningful recognition. Team members can send and receive recognitions across different departments or within their teams, and comment and react to posts.



Promoting Engagement & **OPEN COMMUNICATION**

Encouraging open, two-way communication is vital to the success of our business – to ensure team members feel connected, engaged and involved. In 2022, we continued to prioritize communications to ensure all team members have access to information and feel connected. This included:

- Leveraging new and existing platforms to tailor our communications strategy to best communicate with our team members.
- Revamping our intranet to enhance user experience – providing quick links to information, a section to share good news stories and a place to spotlight key messages from our President & CEO.
- Providing an open line of communication to our leadership team through our *Ask Me Anything* form and *Coffee with Colin* sessions.
- Hosting virtual update meetings, live streaming to all locations to connect with team members on key topics, share business updates and ask questions in real-time.
- Sharing team member spotlights, highlighting a team member from any business area within Samuel and acknowledging them for their work and contributions.
- Developing a digital onboarding experience to support new hires – no matter where they are based – to create a consistent onboarding experience and help them get up to speed as quickly as possible and feel confident in their new role.
- Offering avenues for our team members to provide their feedback through surveys and pulse checks throughout the year on several topics including the frequency of virtual update meetings, content shared on our intranet and more.



Award-winning Employee Communications

Samuel is proud to be recognized by Ragan Communications, placing in two categories in their 2022 Employee Communications Awards program. We were recognized for our Employee Recognition and Virtual Onboarding programs that engage and connect our team members from the day they join our team and throughout the course of their tenure. This is the second time Samuel has been recognized by Ragan Communications for our programs.

Our Team Members Weigh In

In 2022, we conducted our second Employee Engagement Survey. The biannual survey provided our team members with the opportunity to confidentially share their feedback on several areas including culture, department and organizational relationships and where we're headed.

We were pleased to have a completion rate of over 70% and the percentage of 'engaged' respondents not only increased by 5% over our previous results but also places us above the benchmark (61%) for organizations of in our peer group.

Feedback from the survey highlighted our strengths and opportunity areas. It will be used to create action plans at the enterprise, business unit and team levels.

Caring for **OUR COMMUNITIES**

In 2022, we continued to support charitable causes and organizations in the communities where we operate, as well as our longstanding legacy of supporting humanitarian relief efforts.

This year also marked the first full-year of our team member-led Samuel Communities program which invites team members to nominate a charity of their choice to receive support from the company.

Through the Samuel Communities program, we've supported a number of causes including animal welfare, veterans' wellbeing, homelessness and much more. The program is unique as it not only allows direct team member input, but it brings attention to causes they are passionate about and to share their stories with the Samuel community.



260+
causes supported across
Canada, the U.S. & Mexico

Over
\$500K
donated

A woman with blonde hair, wearing a red hard hat with the name 'SAMUEL' on it, glasses, and a high-visibility orange and yellow safety vest over a dark blue long-sleeved shirt, is holding a clipboard and looking towards the camera. She is standing in a warehouse or industrial setting with metal shelving and equipment in the background.

GOVERNANCE PROGRESS

Sound governance policies and practices are essential to driving performance, creating trust with our team members and customers, and ensuring business resilience. By embedding governance principles throughout our operations, we ensure that we are operating in accordance with our values, while upholding the highest standards of integrity.



GOVERNANCE & ETHICS

In 2022, we continued to evolve and enforce our governance policies and practices to ensure we are guided by a robust set of values-based principles and strong business ethics. Highlights from 2022 include:

- Updating our Code of Conduct to reflect the evolution of our business and the markets in which we operate.
- Requiring annual acknowledgment by both internal team members and third parties.
- Providing training and information about our Code of Conduct and applicable policies to ensure understanding and adherence.
- Embedding the expectations outlined in our Code of Conduct in all business and workplace transactions.
- Continuing to offer the Ethics Alert Hotline, a confidential and anonymous way for team members to disclose any ethical concerns at any time to a reputable third party (NAVEX Global).*

Embedding ESG from the Start

Just as we require all team members to align with our values and our commitment to ESG, it is also expected of our vendors, suppliers, contractors and partners. To ensure we continue to partner with those who value and share our commitment to ESG, we updated our Procurement Terms and Conditions and Supplier Code of Conduct to include expectations regarding forced labor practices, regulatory requirements and environmental commitments. In 2023, we'll continue to strengthen our relationships with business partners through the implementation of additional processes and tools to identify critical risks in these necessary relationships.



*Callers can remain anonymous except where anonymous reporting is prohibited by law.



COMPLIANCE AT SAMUEL

We continue to provide annual training on our Code of Conduct and all other applicable governance policies to ensure our team members are equipped with the knowledge and understanding to make the best decisions possible.

898

Compliance Training
Courses Offered

62,767

Compliance Training
Courses Completed

Nearly

33,383

Hours Dedicated to
Compliance Training



DATA PROTECTION, PRIVACY & CYBERSECURITY

We invest heavily in our data protection and cybersecurity practices, implementing proactive methodologies and safeguards to protect our confidential information – for our customers, our business and our team members. We employ a comprehensive defense-in-depth approach using enterprise-grade, best-in-class tools and technology to ensure the security of our data including implementing AI-based solutions that use machine learning algorithms to detect and respond to threats in real-time.

In addition, we have policies in place detailing our expectations and providing guidance on data protection, privacy and cybersecurity. To ensure compliance with our policies, we provide mandatory training modules and regular information sessions to equip team members with the knowledge to make smart digital decisions and conduct phishing scenarios to put their knowledge to the test.

In 2022 alone, Samuel team members completed over 12,000 cybersecurity training sessions.





MANAGEMENT & OVERSIGHT

Samuel is led by a management committee (MC) and guided by a board of directors comprised of individuals who bring a wealth of knowledge and a diverse collection of experiences. Together, they strive to secure the success of our business and make Samuel a trusted partner, employer of choice and corporate steward.



Proud to be Recognized as a Best Managed Company

In May 2023, Samuel was named one of Canada's Best Managed Companies for the second year in a row. This accolade recognizes the best private Canadian-owned companies. We are once again honored to have received this recognition, one that acknowledges our leadership team, owners and board's dedication to driving business success and resiliency with integrity, and recognizes our team's collective efforts.

20% female board of directors

30% ethnic/racial minority representation on the MC

Management Committee

- COLIN OSBORNE**, President & Chief Executive Officer
- JOHN AMODEO**, Chief Financial Officer
- BRIAN BEDONT**, President, U.S. Service Centers
- ANTHONY CHIESA**, President, Canadian Service Centers
- CECILE CHUNG**, General Counsel and Corporate Secretary
- BRIAN COOKE**, President, Manufacturing
- KAREN FENTON**, Chief People Officer
- KATHY MCLEOD**, Chief Information Officer
- SID SOUSA**, Chief Procurement Officer
- BRIAN UCHIKATA**, VP, Corporate Strategy & Business Development

Board of Directors

- JOHN CALDWELL**, Chairman/Director
- CHRIS AYERS**, Director
- RICK BALAZ**, Owner/Director
- BRIAN GIBSON**, Director
- PAUL JEWER**, Director
- JON LINDEKUGEL**, Director
- MARLENE McGRATH**, Director
- PATRICE MERRIN**, Director*
- COLIN OSBORNE**, Director/President & CEO
- MARK SAMUEL**, Owner/Director

*Representative on behalf of Owner, Kim Samuel.

LOOKING AHEAD

Our unwavering commitment to building a better future continues to grow. We are grateful for the dedication of our team members and the continued support of our owners and board who provide the encouragement and direction needed to bring these programs to life. We're proud of our progress across all areas of ESG and are motivated by the possibilities that lie ahead.

In 2023, we look forward to further advancing our ESG efforts and communicating our progress, which includes:

- Establishing comprehensive plans to enhance our water and waste tracking and reduction/diversion programs.
- Reporting quantitative metrics to demonstrate our goal of reflecting the communities where we operate.
- Continuing to invest in our workforce and the communities we serve.
- Upholding and enforcing our Code of Conduct – every day in all we do – to ensure we continue to operate ethically and with integrity to achieve the best outcomes for our people and our customers.

Our commitment to investing in our people, programs and policies remains, as does our promise to provide updates on our efforts as we work towards the commitments outlined in this report. With our values – integrity, respect, agility, courage and ownership – at the forefront, we'll continue to challenge the status quo to create meaningful results and enhance our ESG efforts.



ABOUT SAMUEL

Established in 1855, Samuel is a family-owned integrated network of metal manufacturing, processing and distribution divisions. Our team members provide metals, industrial products and related value-added services from locations across North America. We leverage our industry expertise, breadth of experience and the passion of our people to help drive success for North American businesses – one customer at a time.

We serve various industrial product markets through our dedicated business groups and manufacturing divisions. With access to a full range of metal products and processing capabilities, we strive to be a strategic supplier – delivering products, services and solutions optimized for the diverse markets we serve.

Visit [Samuel.com](https://www.samuel.com) to learn more.

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