



Russel Metals

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (2023) (the “**Act**”) requires certain businesses to publish a statement setting out the steps taken in the previous financial year to prevent and reduce the risk that forced labour or child labour are used in the production or importation of goods.

Russel Metals Inc. is publishing this statement on behalf of itself and its relevant subsidiaries to whom the Act applies (collectively, “**Russel Metals**” or the “**Company**”).

Structure, Activities and Supply Chains

Russel Metals is one of the largest metals distribution companies in North America. We conduct our business in three principal segments: metals service centers; energy field stores; and steel distributors. Our business is comprised of approximately 131 locations, 95 in Canada and 36 in the United States.

The Company’s supply chain is predominantly North American based with approximately 76% of our aggregate purchases of metal products coming from Canada and the United States. The Company’s primary metal products sold include carbon hot rolled and cold finished steel, pipe and tubular products, valves, flanges and fittings, stainless steel, aluminum, and other non-ferrous metals.

Our steel distributors segment comprises the majority of our import purchases as they act as master distributors selling steel in large volumes to other steel service centers and large equipment manufacturers mainly on an “as is” basis. The main products sourced by this segment are carbon steel plate, flat rolled products, beams, channel and pipe. Much of the material sourced by this segment is due to it not being produced in North America or not available in sufficient quantities.

Policies and Due Diligence

Policies and Compliance

The Company has policies and standards in place to ensure that we conduct business in a legal and ethical manner globally. These policies include our 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 every employee is required to sign and agree to follow the Code.

The Company also has a Supplier Code of Conduct (the “**Supplier Code**”). The Supplier Code articulates the Company’s expectations with respect to the goods it procures and asks each Supplier to follow and to certify its compliance with the Supplier Code. The Supplier Code expressly prohibits the use of forced labour or child labour in the production of the goods purchased by the Company. The Supplier Code also sets out the Company’s expectations with respect to compliance with applicable laws, business ethics, environmental impact, conflict minerals, health and safety and human rights.

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 or concerns, including those relating to: compliance with the Company’s policies (including the Code), human rights issues and any unethical business conduct.

Due Diligence - Own Operations

Russel Metals’ human resources team have strong processes in place for vetting new employees and ensuring they are legally entitled to work in Canada or the United States, as applicable. There are also robust processes in place for assessing compensation and verifying payments. All new employees are taken through a comprehensive onboarding process where they are made aware of the Company’s standards and policies, including the Code. The vast majority of the Company’s employees are permanent and full-time.

Due Diligence - Supply Chain

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 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.

Additionally, many of our sophisticated and experienced customers, particular in our energy filed stores segment, maintain approved-manufacturers lists ("AMLs") based upon their own due diligence and assessment of suppliers which adds an additional layer of safeguard.

Risk of Forced or Child Labour

Russel Metals has assessed both its operations and its supply chain and, taking into account our policies, procedures and diligence in place, we consider the risk of forced labour or child labour in our supply chain to be low.

Russel Metals acknowledges there is risk when contracting with third parties as part of a global supply chain and believes the activity that carries the most risk of forced labour or child labour is the purchase of materials from overseas mills. Russel Metals has implemented the policies, procedures and due diligence processes described above to manage and mitigate this risk.

Measures to Remediate Forced or Child Labour or the Loss of Income Resulting from Measures Taken to Eliminate Forced or Child Labour in the Supply Chain

Russel Metals has not and would not knowingly engage with any supplier who is in violation of fundamental human rights. The Company has not taken any remediation measures at this time.

Training

The Company provides annual training to management employees with respect to the Code. The Company's procurement personnel are provided with training on the Supplier Code.

Effectiveness Assessment

Russel Metals recognizes that tackling the risk of forced and child labour in supply chains requires an ongoing commitment of time, resources, and awareness amongst all stakeholders. The Company will continue to assess the risk of forced and child labour in conjunction with its enterprise risk management program, and procurement personnel will take an active risk-based approach considering the country of origin with respect to the Global Slavery Index when assessing and onboarding new suppliers.

Approval

This statement on behalf of Russel Metals was approved by its Board of Directors on February 8, 2024.

(signed) John G. Reid
President, Chief Executive Officer and Director