

ALGOMA
— STEEL INC. —

2024
ESG
REPORT





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Messages from Leadership



"I am pleased to present Algoma's second ESG report, which provides an overview of our ESG performance during fiscal year 2024."

A handwritten signature in black ink that reads "Michael D. Garcia".

Michael D. Garcia,
Chief Executive Officer

I am pleased to present Algoma's second ESG report, which provides an overview of our ESG performance during fiscal year 2024. As we progress on our transformative journey to electric arc furnace ("EAF") Steelmaking, we continue to focus on ESG as a key strategic objective across the business. Our commitment is to deliver value for our investors, the local community, our employees, our supply chain and our customers. This report outlines our work throughout the year on ESG strategy, risk, opportunities and performance and details what the future for Algoma and ESG will look like.

This year, we made significant progress on our EAF journey. As of March 31, 2024, we have invested an estimated \$563 million in its development, which represents approximately 65% of the anticipated total project cost. We remain committed to contributing to the transition to a low carbon economy, supporting Canada in achieving our commitments under the Paris Agreement, and in decarbonizing our operations to support our customers with their own sustainability and climate change objectives. We are returning to our roots as a customer-focused Company, with the courage to meet the industry's ESG challenges head on in order to deliver sustainable returns for our investors.

We have continued to advance the development and implementation of our ESG strategy, including by conducting reviews of our

governance structures and enterprise risk management processes to ensure that ESG and climate change factors are embedded into processes in alignment with best practice.

We have also continued to play an active role in our local community, including through our Corporate Citizenship and Philanthropy program and other initiatives to educate community members about Algoma. Health and safety remains a critical priority for Algoma and we will continue to work hard to ensure the safety of our employees and contractors. There is always more work to be done.

We look forward to an important and exciting year in the story of Algoma. We will continue to advance our strategic priorities and invest in our people and processes to ensure we remain your partner in steel.

We as the Board are pleased to invite you to read Algoma's second ESG report, which provides an overview of our ESG performance during fiscal year 2024. Algoma's transformation to electric arc furnace steelmaking plays an important role in driving improved ESG performance and this year we have achieved many key milestones related to the EAF. We are looking forward to continued progress.

Algoma remains committed to be a climate change leader and contributor toward a sustainable and environmentally responsible future for Canadian steel production.



—Andy Hashaw, Chair of the Board



Highlights of the Past Fiscal Year

EAF PROGRESS

Progressed towards being a climate change leader in the Canadian steel production industry through continued construction of our EAF Steelmaking facilities. Once completed, the transformation is expected to result in a reduction of approximately 3.0 million tonnes of CO₂ emissions per year, representing a 70% reduction to current emissions levels.



Continued Board of directors (“Board”) ESG education and training.



Cross-functional ESG working group continued to support the integration of ESG across the organization.



Since 2015, we have reduced our lost time injury frequency rate from an occurrence of 0.72 to approximately 0.03 for the fiscal year ended March 31, 2024.¹

25% OF EXECUTIVE MANAGEMENT POSITIONS WERE HELD BY MEMBERS OF UNDERREPRESENTED GROUPS.²



Engaged in a comprehensive Forced Labour and Child Labour risk identification and assessment across our operations and all procurement categories within our supply chain.

CONTINUED OUR COMMITMENT TOWARDS BOARD DIVERSITY

with 30% female Board Directors as of the end of fiscal 2024 and published a [Board Diversity Policy](#).

OFFERED POSITIONS TO 84 STUDENTS

to help train the next generation of Algoma steelworkers.



Developed the Six (6) “Life Saving Rules” aimed at recognizing the top hazards at Algoma that could lead to critical injury.



Demonstrated our continued strong community ties to Sault Ste. Marie by maintaining 99% of our workforce from the local region.

DONATED \$297,000 TO COMMUNITY CAUSES

including Healthy and Safe Communities, Education and Skills Development, and Community and Employee Engagement causes.

¹ Rate is per 200,000 hours.

² Since Algoma is a Nasdaq listed Company, we report on diversity in alignment with the Nasdaq’s Board Diversity Rule as it applies to foreign issuers. 25% of our executive management team self-identify as underrepresented individuals based on national, racial, ethnic, indigenous, cultural, religious or linguistic identity in Canada.

About this Report

SCOPE OF REPORT

Our second annual ESG Report (“the report”) highlights our ESG performance for the 2024 fiscal year and outlines the ESG factors that have the potential to impact our operations, employees, contractors, suppliers, local communities, investors, and the long-term value of our Company. Moving forward, we are committed to providing annual reporting on ESG and will seek to enhance our reporting year over year.

Within this report, the terms “Algoma”, “Algoma Steel”, “Company”, “our”, “we”, “us”, and other similar terms denote Algoma Steel Group Inc., together with its direct and indirect subsidiaries and predecessors or other entities controlled by it or them on a combined basis.

Key metrics, achievements, programs, and initiatives are provided for our fiscal year 2024 from April 1, 2023 to March 31, 2024 (“fiscal 2024” or “FY 2024”) with the exception of Greenhouse Gas (GHG) emissions and air quality data which are provided for the calendar year 2023 from January 1, 2023 to December 31, 2023. Our regulatory obligations require that we track and report GHG emissions and air quality data as per the calendar year.

All facts and figures are as of March 31, 2024, unless otherwise noted. Where available, four consecutive years of quantitative data (FY 2021 to FY 2024) are provided to provide trend analysis.

The scope of data and information in this report applies to all our operations, unless otherwise noted. Any data limitations are explicitly noted where relevant and where information is available. Where data is not reported, we have explained why it is not relevant to Algoma or noted if we intend to report it in the future.

Scope 1 GHG emissions data received reasonable assurance through a third-party verification conducted by Pricewaterhouse Coopers (PWC).³

Financial data is stated in Canadian dollars (CAD).

ESG STANDARDS & FRAMEWORKS

We seek to follow best practice by aligning this report to the following investor-preferred ESG disclosure standards as much as possible:

- Sustainability Accounting Standards Board (SASB) – Iron & Steel Producers Standard (see [SASB Index](#)).
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see [TCFD Index](#)).

We will use a phased approach to further enhance our alignment to these frameworks in future reports.

Algoma notes that the ESG disclosure landscape has been evolving significantly over the past few years, notably through the establishment of the International Sustainability Standards Board (ISSB) and the ISSB’s issuance of the IFRS Sustainability Disclosure Standards, as well as the ongoing work of the Canadian Sustainability Standards Board (CSSB). Algoma is committed to monitoring the evolving disclosure landscape, including regulatory requirements.

ADDITIONAL DISCLOSURE

Additional information on ESG can be found in our regulatory filings disclosed under [Investor Relations](#) on [Our Website](#).

³ The third party verification excludes coal storage emissions as these emissions are not subject to provincial carbon tax obligations.

We are positioning Algoma for a new era in steel and are well-equipped to become a climate change leader in the Canadian steel production industry.



About Algoma

Corporate Profile

Algoma Steel Inc. (“Algoma”) has been a mainstay of the North American steel industry for over 120 years. As a fully integrated steel producer of hot and cold rolled steel products including sheet and carbon and alloy plate, we produce some of the highest quality, most consistent light gauge steel in North America.

Our headquarters and active operations are on the St. Mary’s River in Sault Ste. Marie, Ontario, Canada. With a raw steel production capacity of approximately 2.8 million liquid tonnes per year, our size and diverse capabilities enable us to deliver responsive, customer driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors.

Steel has infinite recyclability, and two thirds of all manufactured goods contain steel. As one of the world’s most sustainable materials, steel has played an integral role in contributing to the modernization of the world. We recognize the critical role the steel industry will continue to play in contributing to both environmental and social factors, with particular focus on climate change.

At Algoma, we are driven by a strong sense of purpose to build better lives and a greener future. We believe in the power of steel to add value to all aspects of our life. We work in partnership with our customers— the great innovators, developers, and builders of today—to improve the way we live, work, move, and grow together. We make strong steel that lasts, offering North America the comfort of a secure steel supply.

We want the benefits of our steel to endure for generations. With the future of our children and grandchildren in mind we are transforming the way we produce steel. We are adopting electric arc technology that builds on the strong principles of recycling and environmental stewardship, to significantly lower GHG emissions. We are working safely, as a team, to become one of North America’s leading producers of green steel, drawing on the best of our rich steelmaking tradition to deliver greater value to our people, customers, investors, communities, and the world around us.

Today, we are on a course of action. We are making a transformational investment in Electric Arc Furnace (EAF) Steelmaking and we are committed to further innovating and incorporating environmental considerations into our production processes. The transformation to EAF Steelmaking is expected to decrease our annual carbon emissions by 70% compared to Blast Furnace steel production. Construction on our EAF Project began in April 2022 and the commencement of start-up activities are expected to begin prior to the end of the calendar year 2024. Through our transition to EAF Steelmaking we will contribute to the transition to a low carbon economy and support Canada in achieving its commitments under the Paris Agreement.

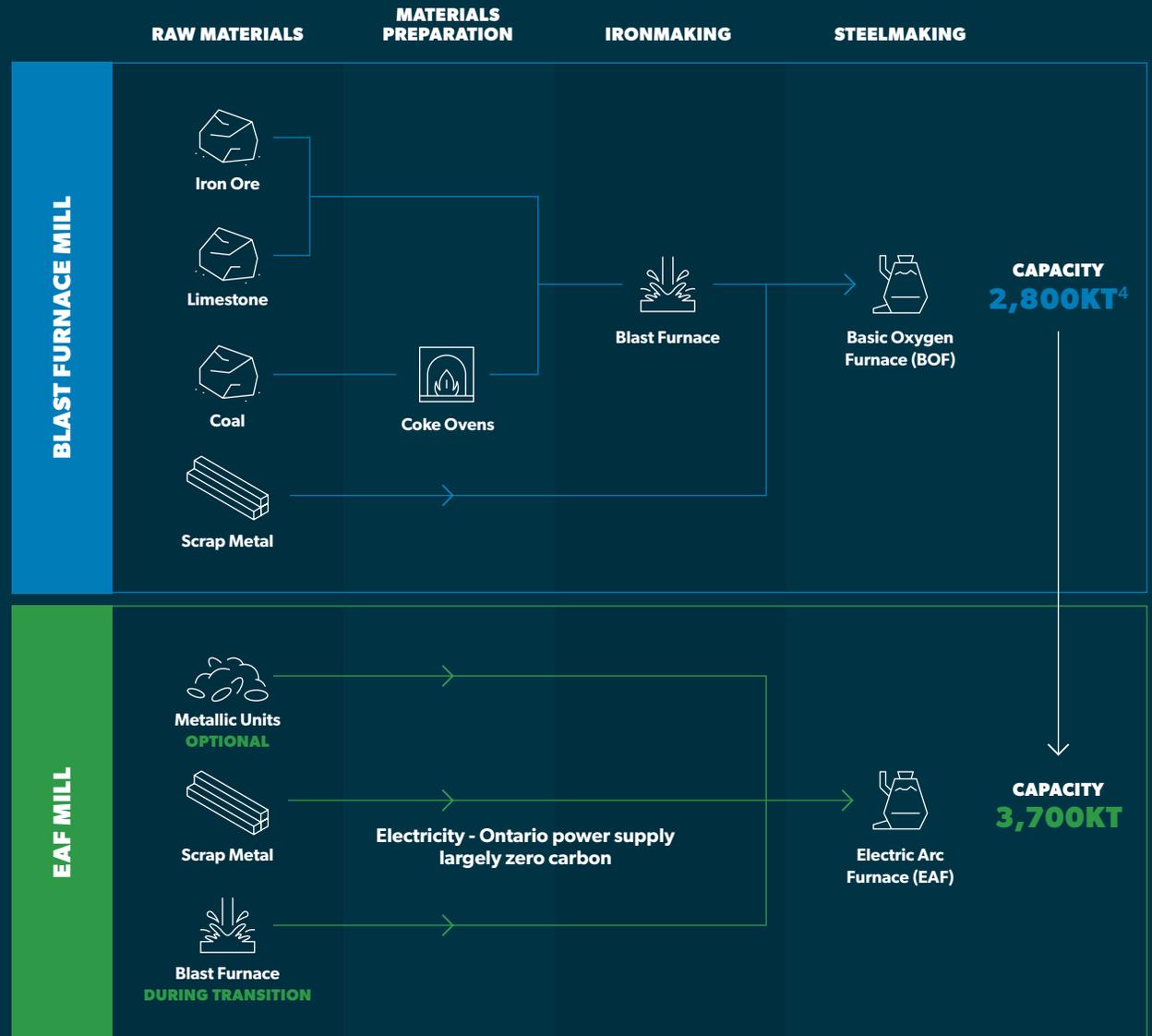
Expected Benefits of EAF

- ✓ Reduced conversion cost and expanded margins expected to increase adjusted EBITDA by up to approx. \$150M per annum.
- ✓ Adds ~700kt of finished steel capacity aligning steelmaking capacity to rolling capacity.
- ✓ Expected to reduce earnings volatility as input costs more closely track selling prices.
- ✓ ~70% fewer total CO₂ emissions (annual reduction of 3 million tonnes of CO₂).
- ✓ More flexible operations capable of responding dynamically to market conditions.
- ✓ Improves employee productivity (as measured in tonnes per employee).
- ✓ Reduced sustaining CapEx.

Transforms Algoma into one of the leading producers of green steel in North America.


 EAF Steelmaking will contribute to a more sustainable era in Canadian steel production.

FIGURE 1: EAF Steelmaking Compared to Blast Furnace Steelmaking



⁴ Excludes BF#6 which is currently idled.



Investment Highlights



Premier Canadian Steel Producer.



One of the leading flat steel producers in North America.



Generated \$2.8B of adjusted EBITDA⁵ and over \$2B of free cash flow over the past 5 years.



Invested significantly in asset base including transitioning to EAF.



Significantly de-risked critical EAF enablers, including construction, electricity and metallics.



Expected to improve margins, generating significant incremental adjusted EBITDA.⁵



Generating long-term value for shareholders.

⁵ Adjusted EBITDA is a Non-IFRS measure. Please see our management's discussion and analysis for the fiscal year ended March 31, 2024, available under our System for Electronic Document Analysis and Retrieval profile at www.sedarplus.ca and filed by Algoma with the U.S. Securities and Exchange Commission (the "SEC") as part of its annual report on Form 40-F, available on the SEC's EDGAR website at www.sec.gov, for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable IFRS financial measures.

Attractive Access to Key Suppliers and Customers Across the Great Lakes



LOCATED CLOSE TO KEY STEEL CONSUMING REGIONS

U.S. (Midwest and Northeast) and Canada (Southern Ontario).



~70% OF CUSTOMERS LOCATED WITHIN A 500 MILE RADIUS OF ALGOMA

Includes an established local service center customer base.



ON-SITE DEEP-WATER PORT

Facilitates access to low-cost transportation across Lake Superior.



ACCESS TO WELL-ESTABLISHED RAIL LINKS

Multiple forms of transportation available which allows negotiation of competitive rates.



LOCATED ON LAKE SUPERIOR

Access to barge, rail and road transportation, including an on-site deep-water port, Algoma has several options that allow for cost-effective transportation logistics.

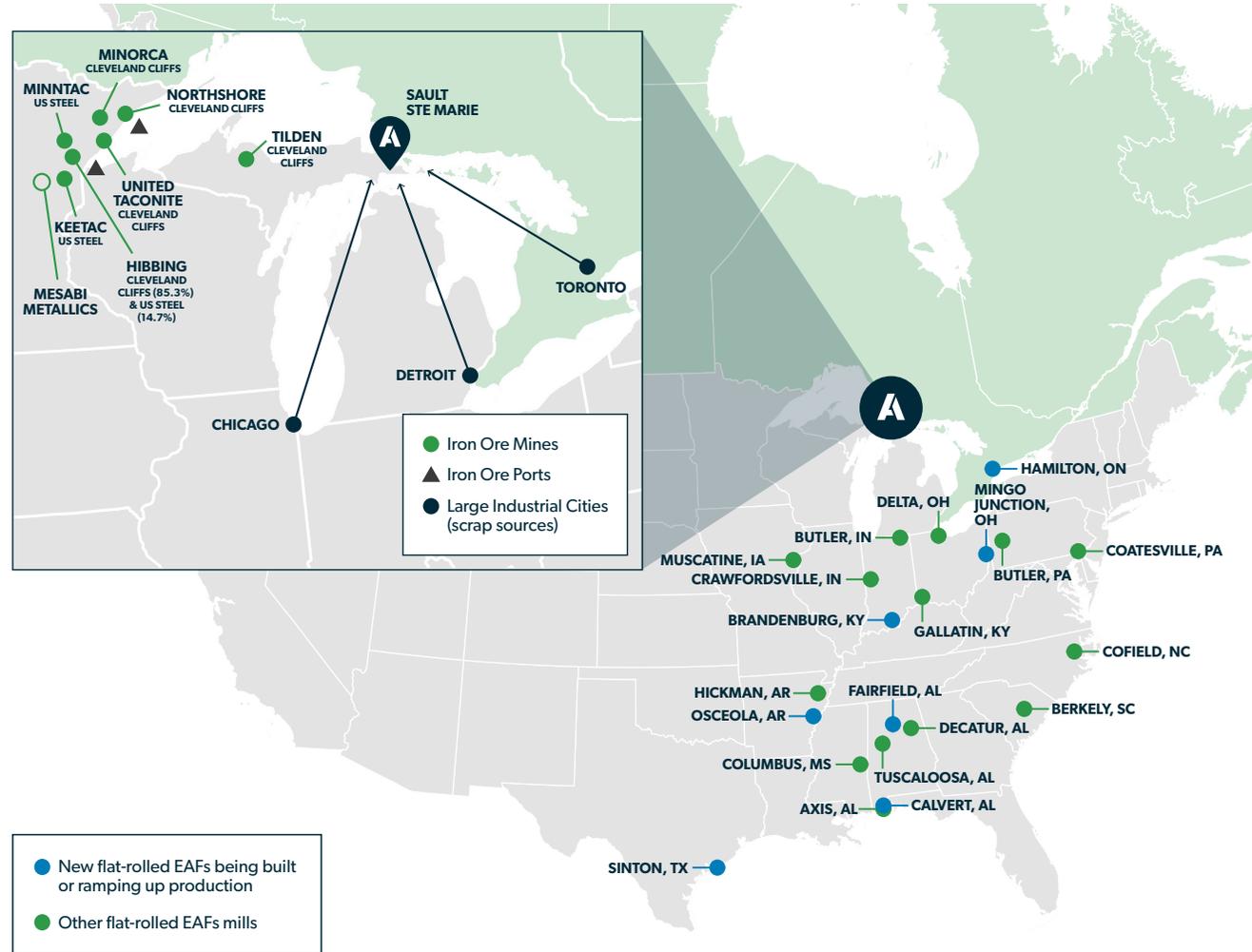


GEOGRAPHIC PROXIMITY TO SIGNIFICANT SCRAP TRADE FLOWS AND PRIME SCRAP

Providing competitive access to scrap from the Great Lakes Industrial Region.

FIGURE 2:

Algoma is Strategically Located on the Great Lakes in Close Proximity to Customers and Suppliers



Our Purpose, Mission, & Values

Algoma's Purpose, Mission, and Values are interconnected with and reinforce our commitment and approach to ESG. They demonstrate our commitment to conduct our operations in an environmentally responsible and innovative manner, protect the health and safety of our employees and contractors, foster a diverse, inclusive and equitable workforce, and generate long-term sustainable value for our investors and stakeholders, including our contributions to the communities in which we operate.

Our Purpose:

To build better lives and a greener future.

Our Mission:

To create steel that improves the lives of our people, our communities, and the world around us.

Our Values:

With every decision, every action, every day, we will work safely with teamwork, integrity and deep care for our people, their families, and the environment.



SAFETY

We put safety first and work diligently to ensure safe practices guide all that we do at Algoma.



INTEGRITY

We work with integrity. We do the right thing, say what we mean, do what we say, and are accountable for our actions and commitments.



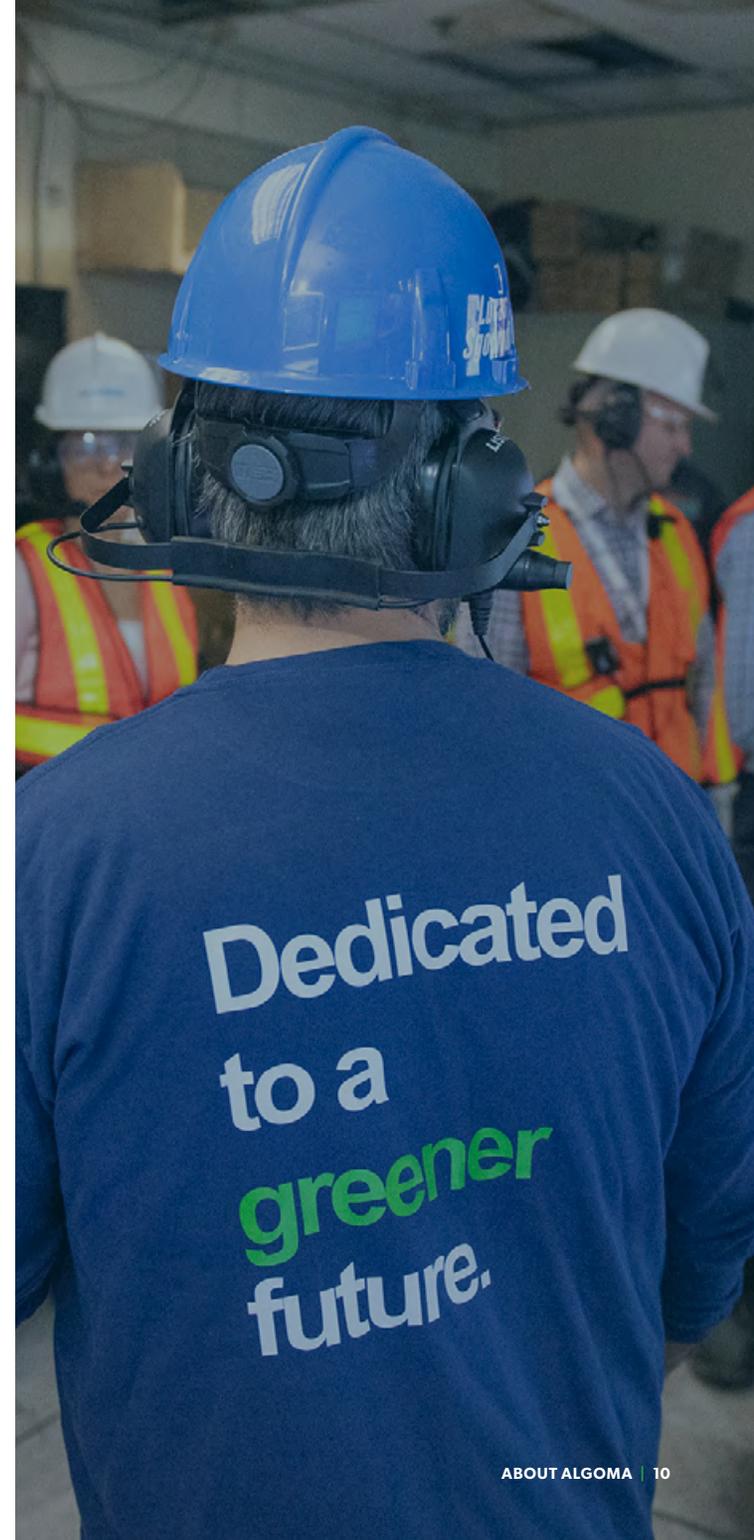
TEAMWORK

We work as a team, recognizing the best solutions are collaborative solutions and that everyone at Algoma has an important role in delivering on our purpose and mission.



CARING

We care for each other, our communities and the world through our words and our actions. We respect and recognize the value of all perspectives and contributions to our purpose.





Fiscal Year 2024 Company Figures

\$167.3M

Income from Operations

\$105.2M

Net Income

\$312.7M

Adjusted EBITDA⁶

640,820

Net Tonnes of Recycled Steel Utilized

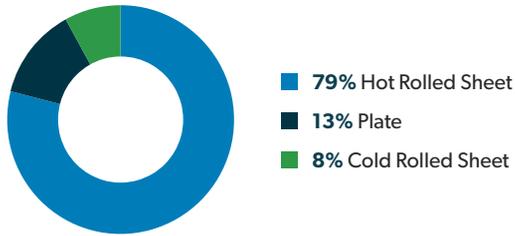
2,840

Full-Time Employees

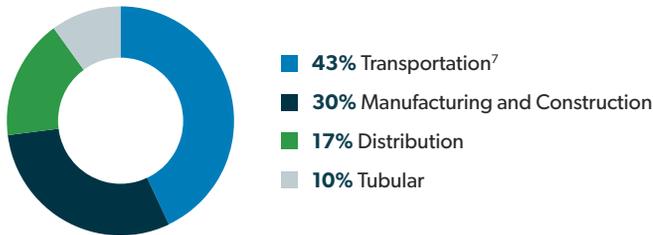
⁶ Adjusted EBITDA is a Non-IFRS measure. Please see our management's discussion and analysis for the fiscal year ended March 31, 2024, available under our System for Electronic Document Analysis and Retrieval profile at www.sedarplus.ca and filed by Algoma with the SEC as part of its annual report on Form 40-F, available on the SEC's EDGAR website at www.sec.gov, for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable IFRS financial measures.

FIGURE 3:
High-quality Products and Diversified Blue Chip Customer Base
in Attractive End Markets

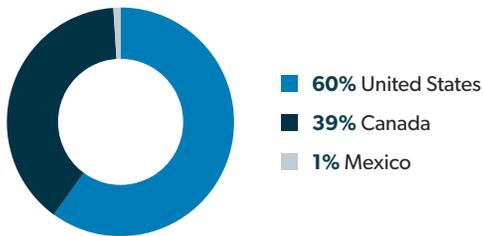
FY 2024 PRODUCT SHIPMENT MIX (BY VOLUME)



FY 2024 END MARKET VOLUME



FY 2024 GEOGRAPHIC SHIPMENTS (BY VOLUME)



⁷ Includes 25-30% automotive.



Algoma Supports Low Carbon Transition and Our Customers

Steel has infinite recyclability, and two thirds of all manufactured goods contain steel. As one of the world’s most sustainable materials, steel has played an integral role in contributing to the modernization of the world.

In particular, steel will be required as a critical part of the technologies needed to transition to a lower carbon economy. Without steel, a net-zero future will not be possible.

We provide our products to customers across the **construction, infrastructure, transportation and manufacturing industries, among others.** Algoma’s steel can be found in garbage trucks, renewable energy projects like Henvey Inlet windtowers and vehicles including the Ford F-150, Super Duty, Bronco and the Tesla Model 3.

Our customers are increasingly focused on improving their own sustainability and are setting ambitious sustainability targets, including to reduce their GHG emissions and the environmental impacts of their products. Algoma has a critical role to play as a supplier to these companies and our focus on sustainability will importantly enable

our customers to progress towards their own sustainability objectives.

Algoma is on a journey to becoming a climate change leader in the Canadian steel production industry and make contributions towards a lower carbon intensity future. To ensure we are responding to customer expectations for lower carbon intensity products and transparently communicating the environmental performance of our products, we have been working to develop environmental product declarations, which includes conducting a lifecycle assessment for all of our key products to enable us to clearly demonstrate the environmental performance and impact of our products over their lifetime.

We believe our strategy to transition to electric arc steelmaking will strengthen Algoma’s competitive position, enhance our profitability, and deliver long-lasting value for our customers, our employees, our shareholders, and the surrounding communities in which we operate.

Our ESG Journey

1901 Algoma is born.

Algoma Iron, Nickel and Steel Company.

1902 First Steel is cast.

1905

- No. 1 Blast Furnace is commissioned.
- Largest charcoal Blast Furnace ever built and operated.
- No. 2 Blast Furnace is commissioned.

1909

Major expansion including construction of No. 3 Blast Furnace, a modern gas engine plant, three additional open-hearth furnaces, new docks, and several merchant mills.

1912 Algoma Steel Corporation was formed.

1932

Algoma endures despite the Great Depression forcing the Company into receivership.

1995

Construction commenced on Algoma's Direct Strip Production Complex, positioning Algoma as one of the leaders in the North American hot rolled sheet market.

1992

Restructuring of Algoma as a result of the severe economic storm that affected the North American steel industry in the 80's and 90's.

1992

The signing of a Joint Restructuring Process Agreement gave rise to the new Algoma.

1975

No. 7 Blast Furnace is commissioned to replace No. 3 and No. 4.

1954 Expansion continues.

Including construction of Algoma's first Cold Mill.

1953

No. 6 Blast Furnace is commissioned to replace No. 1.

1951

- Major expansion funded by loan from General Motors.
- Expansion included new combination bar and strip mill which moved Algoma into the flat rolled steel market.

2002

Algoma embarks on a new course of action as a result of the market drop at the close of the decade and into 2002.

2007

- Algoma was acquired by Essar Steel Holdings Ltd., a division of the multinational conglomerate, Essar Global.
- Gained certification in ISO 14001 in Environmental Management Systems.

2017

Algoma returns to its roots after nearly a decade as Essar Steel Algoma with a fresh take on the Algoma brand.

2018

Algoma Steel Inc. emerges from the restructuring with the sale of substantially all of the Company's assets resulting in new ownership for the Company under the direction of a professional Board of Directors.

2018

Commitment of a CDN \$300 million investment in the modernization of the facilities in Sault Ste. Marie.

2021

Algoma began construction on two state-of-the-art EAFs to replace No. 7 Blast Furnace steelmaking operations.

2024

Modernized Plate Mill Ribbon Cutting.

2023

- Contract extensions signed with United States Steel Corporation.
- Continued to make progress on our EAF building.

2023

Published [ESG Report](#) and [ESG Position Statement](#).

2022

Signed 5 year contracts with USW locals 2251 and 2724.

2022 Algoma's most profitable year on record.

Algoma launches site greening initiative.

2021

Algoma consummated a business combination with Legato Merger Corp., a special purpose acquisition Company, and became a publicly traded Company with its common shares and warrants trading on both the Toronto Stock Exchange and the Nasdaq Stock Market LLC ("Nasdaq").

2021

Received CDN \$200 million in funding from the Net-zero Accelerator initiative of the Federal Strategic Innovation Fund to support our transformation to [EAF Steelmaking](#).

Future

Awards, Certifications & Memberships

AWARDS

- Sault Ste. Marie Chamber of Commerce Economic Impact Award
- Caterpillar Supplier of Excellence Award

Additionally, Algoma was honoured to be nominated for this year's Investor Relations (IR) Magazine best small cap Company ESG Report.

CERTIFICATIONS

Algoma recognizes the importance of maintaining strong environmental, health, and safety standards while continuing to produce high quality steel. All of our facilities are registered to the worldwide [ISO 14001](#) Environmental Management System Standard.

Our quality certifications include:

- ISO 9001 and IATF 16949:2016 for Quality Management Systems
- American Bureau of Shipping Certificate of Quality Assurance System Approval
- Lloyd's Certification for Approved Manufacturer of Steel Plates, Strip, Sections & Bars
- Construction Product Regulation Certificate of conformity of the factory production control of hot rolled products of structural steels
- Pressure Equipment Directive Quality Assurance System as a material manufacturer for the scope of hot rolled carbon steel flat and coil products
- ISO 17025 for an Accredited Laboratory in the field of Mechanical and Chemical Testing

- ISO 14001 Environmental Management System
- DNV Rules for Classification – Ships Approval of Manufacturer Certificate
- Canadian Welding Bureau Certification
- Technical Standards and Safety Authority Certification

In addition, in 2022, Algoma became an approved supplier to meet Nuclear Safety – CSA N299.3 requirements. For more information see the [Certifications](#) page of our website.

MEMBERSHIPS

As a member of the Canadian Steel Producers Association, we support the objectives of the Association, including our shared aspirational goal to achieve net-zero CO₂ emissions by 2050.

We are also a member of Canadian Manufacturers & Exporters (CME), the Association for Iron & Steel Technology (AIST), the Metal Service Centre Institute (MSCI), North American Steel Alliance (NASA), Association of Women in Metals Industries and the Decarbonization Leaders Network.

Lastly, we are proud members of the Sault Ste. Marie Safe Communities Partnership, an organization dedicated to making Sault Ste. Marie the safest place to live, learn, work and play. We also participate in the Workplace Safety and Insurance Board (“WSIB”) Health & Safety Excellence Program, collaborating with businesses throughout Ontario to share and exchange best practices, training and development.

We are dedicated to making Sault Ste. Marie the safest place to live, learn, work and play.



ESG Materiality Assessment

In 2022, we conducted a formal ESG Materiality Assessment to identify and prioritize our material ESG factors which have the greatest potential to impact the value of our Company and are of most importance to our stakeholders over the short (0–12 months), medium (13–24 months), and long-term (24+ months). This ESG Materiality Assessment forms the basis of Algoma’s ESG strategy and the content of this report.

The process we undertook to conduct the ESG Materiality Assessment included consideration of the following key inputs:

- Market-leading, investor-preferred ESG standards and frameworks, such as the SASB Standards and TCFD recommendations.
- ESG priorities of our current and prospective investors.
- ESG priorities of our industry peers.

- ESG requests from our customers.
- Methodologies of ESG research and ratings providers.
- Relevant industry ESG initiatives.
- ESG and climate-related disclosure regulations.

The ESG Materiality Assessment results were reviewed and validated by our internal ESG working group, the Executive team and the Board of Directors. Our material ESG factors are identified in our 2024 Materiality Matrix. ESG factors with higher impact and likelihood scores have been identified as the highest priority issues given their potential to impact our Company and our customers, positively or negatively depending on how they are managed.

We review the results of the ESG Materiality Assessment on an annual basis and update as needed.

OUR MATERIALITY ASSESSMENT PROCESS

IDENTIFYING POTENTIAL ESG FACTORS

- Market-leading, investor-preferred ESG standards and frameworks, such as the SASB Standards and TCFD recommendations
- ESG priorities of our current and prospective investors
- ESG priorities of our industry peers
- ESG requests from our customers
- Methodologies of ESG research and ratings providers
- Relevant industry ESG initiatives
- ESG and climate-related disclosure regulations

IMPACT AND LIKELIHOOD ASSESSMENT

- Assessment of potential materiality over the short, medium and long-term, based on likelihood of occurrence and potential magnitude of impact

VALIDATION

- Validation by Algoma executive leadership team and Board

2024 Materiality Matrix



Environment

- A** GHG Emissions
- B** Air Emissions
- C** Climate Change - Transition
- D** Climate Change - Physical
- E** Energy Management
- F** Waste & Hazardous Materials Management
- G** Water Management
- H** Biodiversity Impacts

Social

- I** Workforce Health & Safety
- J** Labour Relations
- K** Human Capital Management
- L** Rights of Indigenous Peoples
- M** Community Relations
- N** Supply Chain Management & Human Rights

Governance

- O** ESG Governance
- P** Business Ethics & Transparency

Algoma's Approach to ESG

Strategy

ALGOMA'S STRATEGIC DIRECTION

We are positioning Algoma for a new era in steel, well-capitalized to make critical investments that enhance long-term performance and create value for our shareholders, customers and other stakeholders. We are committed to improving our quality, cost competitiveness, and customer service while also developing a diverse organization to support our long-term success through maintaining safety excellence and environmental stewardship as key performance objectives.

To this end, ESG Focus is one of our four key strategic directions. We developed an ESG framework outlined in our [ESG Position Statement](#) to support our commitment towards implementing ESG initiatives geared at driving performance, reducing risk, and developing a culture of organizational excellence that improves our ESG performance. Our customers are increasingly focused on improving their own sustainability and are setting ambitious sustainability targets. Algoma has a critical role to play as a supplier to these companies and our focus on sustainability will importantly enable our customers to progress towards their own sustainability objectives.



FIGURE 4: One of Algoma’s Four Pillars of its Strategic Direction is ESG Focus

We are positioning Algoma for a new era in steel, well-capitalized to make critical investments that enhance long-term performance and create value for our shareholders.

LEGEND

- **ONGOING**
- **RECENTLY ANNOUNCED**
- **UPCOMING**

STRATEGIC DIRECTION ➔

<p>OPERATIONAL & CAPITAL IMPROVEMENTS</p> <p>Algoma has developed and executed numerous operational and capital projects that add long term value to the business.</p>	<p>LADLE MET FURNACE #2</p> <p>Debottlenecks operations and increases capacity. <i>Feb 2021</i></p>	<p>EAF APPROVAL</p> <p>Received Board approval to begin construction of Electric Arc Furnace. <i>Nov 2021</i></p>	<p>PMM PHASE 1</p> <p>Enhancing quality and expanding grade range on Canada’s only discrete plate mill. <i>2022</i></p>	<p>LSP POWER PLANT</p> <p>Installation of new turbines to support power generation for EAF project. <i>Jun 2023</i></p>	<p>EAF PROJECT</p> <p>Construction progresses on transformative electric arc furnace. <i>2021–2024E</i></p>	<p>PMM PHASE 2</p> <p>Commissioning Heavy Gauge Inline Shear. <i>Oct 2023</i></p>	<p>PMM PHASE 2</p> <p>Final installation of key elements substantially complete. <i>2024</i></p>
<p>FINANCIAL DISCIPLINE</p> <p>Algoma has focused on streamlining its balance sheet, finding effective sources of capital to fund its strategic initiatives and providing long-term value to stakeholders.</p>	<p>RETURN TO PUBLIC MARKETS</p> <p>Including Equity injection of \$306M USD. <i>Oct 2021</i></p>	<p>REGULAR DIVIDEND</p> <p>Algoma commenced quarterly dividend of \$.05 per share. <i>Mar 2022</i></p>	<p>SUBSTANTIAL ISSUER BID</p> <p>Algoma buys back approximately 1/3 of outstanding shares. <i>Aug 2022</i></p>	<p>NORMAL COURSE ISSUER BID</p> <p>Algoma renewed its NCIB for share repurchases. <i>2023/24</i></p>	<p>ABL RENEWAL</p> <p>Amend and extend Algoma’s now upsized US\$300M asset-based loan. <i>May 2023</i></p>	<p>DEBT OFFERING</p> <p>Opportunistically raised \$350M USD to strengthen balance sheet and mitigate risk. <i>Apr 2024</i></p>	<p>LOW NET LEVERAGE PROFILE</p> <p>Algoma maintains a robust balance sheet with liquidity to support market fluctuations and its capital initiatives. <i>Ongoing</i></p>
<p>STRATEGIC PARTNERSHIPS</p> <p>Algoma continues to develop partnerships focused on de-risking the organization and creating long-term value for stakeholders.</p>	<p>WALTERS</p> <p>Selected to fabricate and construct EAF Melts shop Building and other EAF equipment. <i>2023–2025E</i></p>	<p>ELLISDON</p> <p>Construction management support contract for EAF construction. <i>2023–2025E</i></p>	<p>DSV</p> <p>Global logistics support for delivery of EAF equipment. <i>2023–2025E</i></p>	<p>UNITED STATES STEEL</p> <p>2-year extension ore contract de-risking transformation to EAF. <i>Sep 2023</i></p>	<p>IESO</p> <p>Provides Conditional Approval of Phase 1 & 2 System Impact Assessment. <i>2023</i></p>	<p>ONTARIO GOVERNMENT</p> <p>Issued Order in Council to expedite transmission lines construction. <i>2029E</i></p>	<p>EAF CONTRACTORS</p> <p>Remaining contract awards partnering with select contractors for equipment and infrastructure installation. <i>2024E</i></p>
<p>ESG FOCUS</p> <p>Algoma is committed to initiatives geared at driving performance, reducing risk and developing a culture of organizational excellence that improve our ESG performance.</p>	<p>FOCUS ON SAFETY</p> <p>Including zero lost time incidents for the past 2 Fiscal Quarters. <i>Apr–Sep 2021</i></p>	<p>NEWLY CONSTITUTED BOARD</p> <p>Diversity of experience, thought and perspective. <i>Oct 2021</i></p>	<p>PERFORMANCE MANAGEMENT</p> <p>Implemented a robust performance management system. <i>May 2019</i></p>	<p>ENTERPRISE RISK MANAGEMENT</p> <p>Develop a culture of risk management. <i>Nov 2019</i></p>	<p>ESG POSITION STATEMENT</p> <p>Published Algoma’s approach to ESG. <i>Apr 2023</i></p>	<p>ESG REPORT</p> <p>Algoma publishes its inaugural ESG report. <i>2023</i></p>	<p>EMISSION REDUCTION</p> <p>EAF project expects to reduce emissions 70% and improve GHG performance.</p>

Algoma's ESG Position Statement

Algoma released its [ESG Position Statement](#) in the first half of 2023. The ESG Position Statement describes the foundational role that Algoma's ESG strategy plays in the Company's transformation journey and overall corporate strategy, and how ESG practices are embedded into Algoma's business model. The Statement outlines the Company's ESG commitments and ESG framework, which include its guiding ESG principles.



[VIEW ESG POSITION STATEMENT](#)



Our Commitment to ESG

At Algoma, we recognize that ESG factors present a spectrum of risks and opportunities to both our business and stakeholders, such as our investors, customers, suppliers, employees, governments, and the communities in which we operate. We are committed to managing these factors and conducting our business in a manner that ensures reasonable and responsible consideration is given to ESG factors.

Given the significance ESG plays in the global steel industry, we also recognize that our management of ESG factors links to the success of our business, and can directly impact our operations, employees, contractors, suppliers, local communities, investors, and the long-term value of our Company.

We aim to be a climate change leader and contribute towards a sustainable and environmentally responsible future for Canadian steel production. To this end, we support the objectives of the Paris Agreement and as a member of the Canadian Steel Producers Association (CSPA), we support the objectives of the Association, including our shared aspirational goal to achieve carbon neutrality by 2050.

We are making a transformational investment in electric arc steelmaking and we are committed to further innovating and incorporating environmental considerations across our production processes through the modernization of our existing facilities and the adoption of other technologies such as less carbon-intensive iron making like EAF Steelmaking. These commitments, in addition to our commitment to working with our stakeholders, demonstrate our willingness and ability to contribute to the transition to a low-carbon economy and support Canada in achieving its commitments under the Paris Agreement. We partner with associations such as the Canadian Carbon Research Association to

contribute towards research on decarbonization in the industry. We are also committed to ensuring the health and safety of our employees, fostering a diverse, inclusive, and equitable workforce and continuing our contribution to the prosperity of the communities in which we operate.

OUR ESG APPROACH

We are on a transformation journey of building a new era in steel by investing in our people and processes and optimizing to embrace a more sustainable future. Our ESG strategy plays a foundational role in our transformation journey and our overall corporate strategy to be your partner in steel.

We're investing in our people and processes to build on our proven reputation for quality, innovation, and creative solutions. We're committed to continuing our rich steelmaking tradition in a responsible manner and ensuring continuous improvement in all that we do.

We are embedding ESG practices into our business model, including striving to: (i) comply with all applicable environmental laws and regulations; (ii) assess sustainability-related risks and capturing value-added opportunities; (iii) actively support diversity, equity and inclusion; (iv) provide a safe and healthy environment for all employees; and (v) promote a culture where all of Algoma's employees share the foregoing commitments.

ESG is integrated in our Purpose, Mission and Values, our long-term strategic planning, and is one of the key drivers in achieving our corporate objectives of strengthening our competitive position, enhancing our profitability, and delivering long-lasting value for our customers, employees, and shareholders.

Transparency and accountability to our investors, customers and other stakeholders are critical to ensuring our ESG approach drives meaningful results.

Our ESG Framework

Environment

Lead the Canadian steel industry's transition to a low carbon economy and minimize our environmental impact.

We strive to be an industry leader in environmental stewardship and climate change in Canada. Through our industry partnerships and our commitments to net-zero carbon emissions, we aim to enhance our leadership position in the industry's transition to a low carbon economy. Through our EAF transformation and continuous innovation in our products and steelmaking processes, we are committed to further minimizing our impact on the environment.

MATERIAL TOPICS:

- GHG Emissions
- Air Emissions
- Climate Change
- Energy Management
- Waste & Hazardous Materials Management
- Water Management
- Biodiversity Impacts

Social

Generate shared and sustainable value for our employees, stakeholders, and Indigenous communities.

We are committed to achieving excellence in health and safety practices and institutionalizing a culture of safety both for our employees and communities. We aim to educate, train, develop, and engage our people, and foster a diverse, inclusive and equitable workforce. We also strive to generate shared value through our operations by continuously seeking opportunities to hire local employees and contractors, source materials responsibly and to engage, support, and partner with the communities in which we operate.

MATERIAL TOPICS:

- Workforce Health & Safety
- Labour Relations
- Human Capital Management
- Rights of Indigenous Peoples
- Community Relations
- Supply Chain Management & Human Rights

Governance

Enhance governance structures for robust and effective oversight and management of our material ESG factors.

We are committed to ensuring sound governance practices and strong corporate leadership drives our ESG commitments and efforts in alignment with our investor and stakeholder interests and expectations. We strive for robust and effective oversight of our ESG strategy and practices and ensure continuous improvement in our governance structure and processes.

MATERIAL TOPICS:

- ESG Governance
- Business Ethics & Transparency

Risk Management

We are committed to integrating ESG risks into our firm-wide risk management policies and processes to ensure we adequately identify, manage, and monitor ESG risks, including climate-related risks.

The Board relies on the Executive Risk Committee (the “Executive Risk Committee”), comprised of members of management (as detailed below), for management oversight of risk, including ESG- and climate-related risks. The Executive Risk Committee is ultimately responsible for managing the principal risks, including ESG- and climate-related risks, of Algoma’s business, and ensuring these risks are being appropriately assessed and monitored. The Executive Risk Committee is comprised of risk sponsors and owners from senior management and is tasked with identifying top strategic risks and developing, integrating, and managing the Company-wide risk framework for risk identification, assessment, and monitoring. Additionally, the Executive Risk Committee is responsible for allocating appropriate resources for risk management and communicating risk management across the Company including reporting to the Board on a monthly basis. Managing ESG risks effectively is crucial to meet our corporate objectives of strengthening our competitive position, enhancing our profitability, and delivering long-lasting value for our customers, employees, and shareholders.

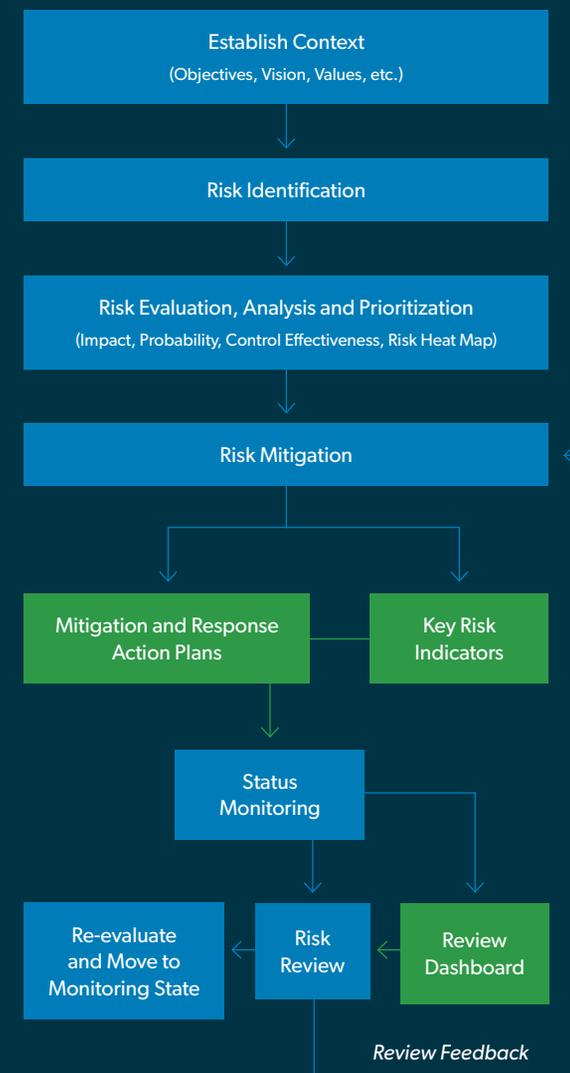
We employ an enterprise risk management (“ERM”) process to coordinate risk management among departments to manage the organization’s full range of risks as a whole, including ESG- and climate-related risks. The Audit and Risk Management Committee (the “Audit and Risk Committee”)⁸,

of the Board is responsible for overseeing the ERM program to assist the Board in providing oversight of the ERM activities of the Company and its subsidiaries, and to advise the Board with respect to the effectiveness of the ERM framework of the Company. Our ERM Policy outlines the risk oversight responsibility of the Executive Risk Committee and the Company’s overarching ERM process and strategy. Our ERM program offers a framework for effectively managing uncertainty, responding to risk, and harnessing opportunities as they arise. Our comprehensive ERM framework consolidates and improves risk reporting to identify key risks that may affect the Company, quantifies and manages the risks better, and implements the proper controls to eliminate or reduce threats. Top risks identified within our ERM framework are allocated to risk sponsors and owners on the Executive Risk Committee.

Our ERM program is designed to proactively identify and manage strategic risks to the organization. Through assessing risks using impact, likelihood, and control effectiveness, our ERM framework follows a very distinct and ongoing process, where it actively identifies and reassesses the various strategic and major risks to ensure financial security for our business (see visual on the right). The framework leverages systemization of the risk registers through the use of Key Risk Indicators (“KRIs”) that serve as an early signal of increasing risk exposure in various areas of the organization and validates the severity of the risk. The ERM program extends its reach to evaluate strategic decisions and plans for the organization, as well as developing a risk culture to ensure the longevity and sustainability of Algoma’s competitiveness.

⁸ Risk generally is dealt with by the Audit and Risk Management Committee and the Nominating and Governance Committee has primary responsibility for supporting the Board with ESG oversight as described in the ESG Oversight section.

Overview of the Risk Management Process



Algoma has been focused on ensuring alignment of the Company's ERM program with best practice, including as it relates to integration of ESG and climate change risks, and has made significant progress on this objective over the past few years.

Key ERM-related initiatives from FY 2024 include:

- **Executive and Board ERM Education:** Our Executive team received a series of education sessions on Algoma's ERM process, what risk management means at Algoma and risk management best practice, and we conducted a full day Board education session.
- **Integration of ESG Risks into ERM:** As part of the continued development and implementation of our ESG strategy, we conducted a review of the ERM process to ensure the robust integration of ESG-related risks into this process and alignment with best practices, including confirming that the material ESG risks identified through our ESG Materiality Assessment are integrated into our risk register and assigned relevant KRIs. We identified a few opportunities for enhanced integration of ESG risks and are in the process of implementing several initiatives including formalizing ESG education for individuals involved in the ERM process and enhancing our ability to identify and understand interconnections between ESG risks.

- **Responding to Evolving Risks:** Algoma contracted an expert third-party to conduct a review of cybersecurity risks and has incorporated risks related to the supply chain and human rights into the risk register in response to new regulation related to modern slavery.⁹

Looking ahead, in FY 2025 we plan to focus on:

- Continuing to action opportunities to enhance the integration of ESG and climate-related risks into the ERM process, including developing departmental environmental risk registers to capture environmental risks in a more granular fashion.
- The transition to EAF Steelmaking and ensuring that we have robust processes in place to identify, assess, mitigate and manage risks associated with this strategic initiative.
- Continuing to ensure that strategic decision-making and capex planning are conducted using a risk lens and consider the Company's risk assessments.
- Introducing interactive dashboards for our top risks to provide the Algoma team with real-time insights and support risk mitigation.

⁹ New legislation in Canada (Bill S-211) requires entities to publish an annual report demonstrating how they have prevented or reduced the risk of child and forced labour in supply chains.

Metrics & Targets

We are committed to measuring our progress and performance on ESG through the collection, monitoring, and reporting of ESG metrics related to factors most material to Algoma. In this report, we provide a consistent year over year set of Key Performance Indicators ("KPIs") for each of our material ESG factors. These metrics are informed by the SASB Standards and the TCFD recommendations. ESG data is consolidated in the [ESG Performance Metrics](#) section. The [SASB Index](#) summarizes our performance on select ESG metrics from the SASB Iron & Steel Producers Standard. The [TCFD Index](#) summarizes our climate-related disclosure informed by the TCFD recommendations.

We recognize that developing a leading approach to ESG is an ongoing journey and we are committed to demonstrating continuous improvement on ESG. In addition to our shared aspirational goal to achieve carbon neutrality by 2050, work is underway to evaluate the feasibility and relevance of setting additional ESG targets to ensure accountability and transparency.

Our approach to ESG is underpinned by governance structures that enable us to effectively oversee and manage ESG risks and opportunities.

Governance

ESG Oversight

In pursuit of our ESG commitments, we expect all employees of Algoma to uphold and recognize their accountabilities in driving our ESG framework. We expect our leaders to provide visible and active leadership regarding ESG factors.

BOARD OVERSIGHT OF ESG

Our Board has ultimate accountability for ESG factors, including climate change factors.

The Nominating and Governance Committee has primary responsibility for supporting the Board with ESG oversight. The Committee oversees Algoma's ESG initiatives, coordinates ESG oversight with other Board Committees, and reports on ESG to the entire Board.

The Nominating and Governance Committee oversees and reviews with management and the Board the emerging ESG issues affecting the Company, reviews and discusses with management the Company's overall ESG strategy, and reviews and monitors key enterprise-wide ESG metrics, targets, key performance indicators and related goals and the progress towards achieving targets and benchmarks.

The Audit and Risk Committee is responsible for overseeing Algoma's Enterprise Risk Management ("ERM") program and assists the Board with overseeing the Company's ERM activities and advises the Board on the effectiveness of the ERM framework. The Audit and Risk Committee also reviews and evaluates management's assessment,

management, monitoring, and control of the principal strategic, financial, and operational risks that could have a material impact on Algoma, including ESG- and climate-related risks.

As part of the continued development and implementation of our ESG strategy, we conducted a review of Algoma's ESG governance practices as compared to best practices to ensure that our ESG governance structure provided for effective oversight of ESG factors. We identified a select number of opportunities for enhanced alignment with best practice and are in the process of implementing several initiatives including reviewing and updating Board Committee charters as needed. Notably, the [Nominating and Governance Committee charter](#) was updated to explicitly include oversight of climate change factors.

MANAGEMENT OVERSIGHT FOR ESG

Our CEO holds the highest level of management responsibility for ESG factors, including climate change factors. Our CEO reports to the Nominating and Governance Committee of the Board on ESG-related matters,

including matters related to climate change, quarterly at a minimum.

To support the development of the ESG Strategy, a cross-functional ESG working group was established with responsibility for supporting the management team on ESG. The members of the ESG working group include:

- Chief Financial Officer (Executive Sponsor)
- Chief Human Resources Officer
- Vice President, Corporate Development & Treasurer (Management Lead)
- Vice President, Controller and IT
- Vice President, Procurement
- Vice President, Strategy and Chief Legal Officer
- Vice President, General Counsel
- Chief Commercial Officer
- Vice President, Health and Safety
- Vice President, Maintenance and Operating Services
- Director, Human Resources and Corporate Affairs
- Assistant Corporate Secretary, Executive Administrator
- Manager, Enterprise Risk Management
- Manager, Environmental Control

We expect our leaders to provide visible and active leadership regarding ESG factors.

ESG Governance Structure

BOARD ESG-RELATED SKILLS, EXPERTISE, AND EXPERIENCE

To ensure our Board is equipped to oversee and manage ESG risks and opportunities, our Board Skills Matrix includes skills related to ESG including Compensation, Environment, Governance, Health & Safety, Information Technology & Cybersecurity, Labour Relations, Public Relations, Government Relations, Risk Management, Strategic Planning, Supply Chain, and Training and Development. A Board Skills Matrix is included in our Management Information Circular, filed by Algoma with applicable Canadian securities regulatory authorities (available under our SEDAR+ profile at www.sedarplus.ca) and with the United States Securities and Exchange Commission (available at www.sec.gov).

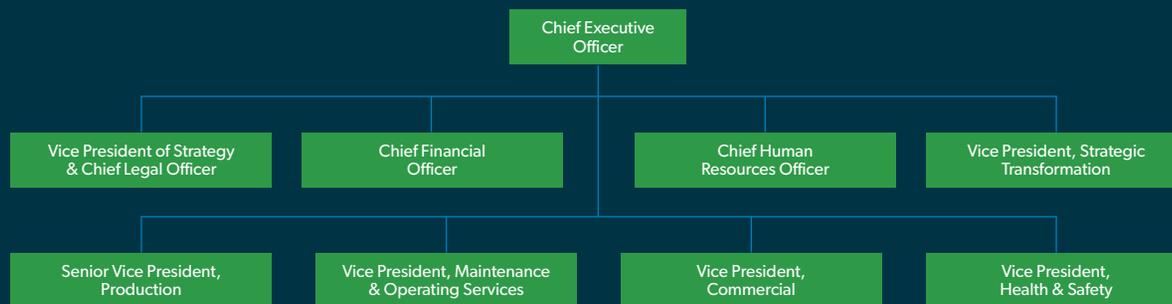
Directors are encouraged to pursue education on ESG and climate change-related matters to continue further developing Board ESG expertise. In FY 2024, members of the Board undertook ESG-related training including taking courses and attending conferences on topics including Data, AI and Cybersecurity, Sustainability Reporting and the ISSB Standards, Climate Change, Indigenous Partnerships and Reconciliation, Human Capital, Enterprise Risk Management, Equity, Diversity, Inclusion, Biodiversity and Executive Compensation.

For more information on Board education on climate change, see the [Climate Change](#) section. For more information on Board education on Indigenous rights and reconciliation, see the [Rights of Indigenous Peoples](#) section.

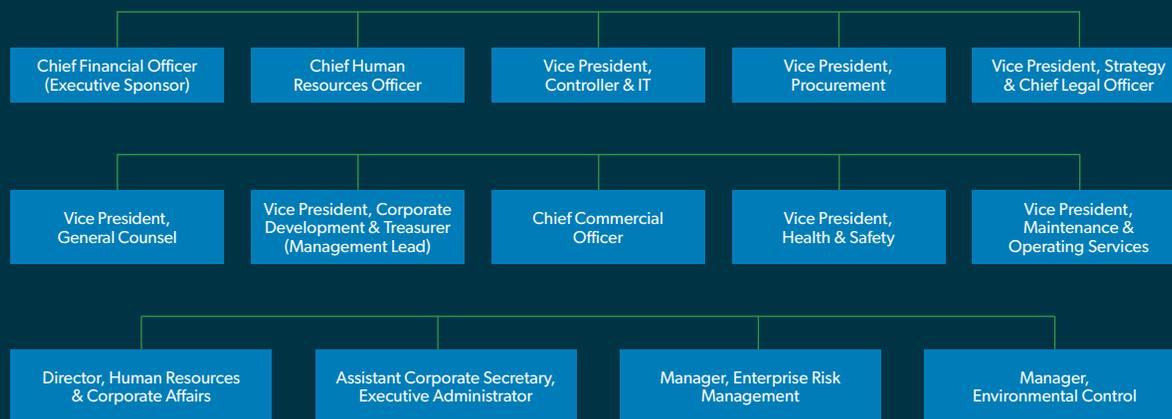
BOARD OF DIRECTORS



ALGOMA EXECUTIVE LEADERSHIP TEAM



ALGOMA ESG WORKING GROUP



In pursuit of our ESG commitments, we expect all employees of Algoma to uphold and recognize their accountabilities in driving our ESG framework.

Governance Board Committee Charters

COMMITTEE CHARTER	DESCRIPTION
<u>Audit & Risk Management Committee</u>	<ul style="list-style-type: none"> → Outlines Committee’s purpose of overseeing the Company’s accounting, financial controls and financial reporting processes and the audits of the financial statements of the Company and monitoring whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management. → Outlines Committee’s purpose of overseeing Algoma’s ERM program to assist Board with oversight of ERM activities of the Company and advise the Board on effectiveness of the Company’s ERM framework.
<u>Human Resources & Compensation Committee</u>	<ul style="list-style-type: none"> → Outlines Committee’s purpose of administering Algoma’s long-term incentive plans and reviewing, overseeing and evaluating the compensation responsibilities of the Board. → States duties of the Committee include reviewing and approving CEO compensation and, in consultation with the CEO, senior management compensation. → Establishes the Committee’s responsibility for monitoring, evaluating, and reviewing labour relations matters, including collective bargaining agreements. → Assessing performance of management. → Overseeing management succession.
<u>Nominating & Governance Committee</u>	<ul style="list-style-type: none"> → Outlines the Committee’s purpose of assessing the effectiveness of the Board, overseeing the recruitment and selection of director candidates to be nominated by Algoma, organizing orientation and education for new directors, considering and approving proposals by the Board for external advisors, reviewing and recommending size, composition and structure of the Board and Board Committees, and making recommendations to the Board concerning corporate governance issues. → Stipulates that Committee has primary responsibility for supporting the Board on its oversight of ESG factors, including for climate change factors.
<u>Operations & Capital Projects Committee</u>	<ul style="list-style-type: none"> → Outlines the Committee’s purpose is to assist the Board in oversight of operations, significant investments in operations, and the planning and execution of major projects.

ESG-related Policies

POLICY	DESCRIPTION	DATE OF APPROVAL/ LAST UPDATE
<u>ESG Position Statement</u>	<ul style="list-style-type: none"> → Outlines Algoma’s approach to ESG, its ESG commitments and ESG framework, and Algoma’s guiding ESG principles. → Describes the foundational role Algoma’s ESG strategy plays in the Company’s transformation journey towards being a climate change leader in steel production and how ESG practices are embedded into Algoma’s business model. 	April 6, 2023
<u>Health, Safety & Environment Policy</u>	<ul style="list-style-type: none"> → Supports our commitment to excellence in Health, Safety, and Environmental practices, our responsibility for the Health and Safety of everyone at our workplace, and the shared responsibility for safety by our management, employees, contractors, and visitors. 	June 27, 2022
<u>Diversity, Equity & Inclusion Policy</u>	<ul style="list-style-type: none"> → Illustrates Algoma’s support for diversity, equity and inclusion and commitment to fostering an inclusive workplace environment. 	May 16, 2022
<u>Code of Business Conduct</u>	<ul style="list-style-type: none"> → Sets the standards of ethical business conduct and serves as guidance for all employees for business principles, practices, and procedures. 	June 18, 2024
<u>Vendor Code of Conduct</u>	<ul style="list-style-type: none"> → States expectations for whom Algoma collaborates with to ensure alignment between Algoma’s values and conduct with those of Vendors. → All Vendors and their employees must adhere to the Code when conducting business with Algoma. 	January 1, 2022
<u>Whistleblower Policy</u>	<ul style="list-style-type: none"> → Provides supplement to Algoma’s <u>Code of Business Conduct & Ethics</u> on “Whistleblower Events”, whereby an employee or director reports misconduct to people or entities authorized to investigate or take corrective action. 	June 18, 2024
<u>Disclosure & Confidential Information Policy</u>	<ul style="list-style-type: none"> → Complements the Insider Trading Policy and lays out consistent disclosure practices, policies, and procedures for timely disclosure of material information about Algoma to the market. 	June 18, 2024

POLICY	DESCRIPTION	DATE OF APPROVAL/ LAST UPDATE
<u>Insider Trading Policy</u>	<ul style="list-style-type: none"> → Implements guidelines to ensure compliance with Canadian and US securities laws restricting anyone with any knowledge of material non-public information from trading in securities of Algoma, informing others of the material non-public information, or advising others to trade in Algoma securities. 	June 18, 2024
<u>Accessible Customer Service Policy</u>	<ul style="list-style-type: none"> → Supports Algoma’s commitment to excellence in serving all customers including people with disabilities by outlining how Algoma provides goods and services to members of the public or third-party organizations in accordance with the <i>Accessibility for Ontarians with Disabilities Act, 2005 (AODA)</i> and the <i>Accessibility Standard for Customer Service</i>. 	November 30, 2018
<u>Multi-year Accessibility Policy and Plan</u>	<ul style="list-style-type: none"> → Commits Algoma to improving access and opportunity for people with disabilities and outlines goals and plans to do so. → Outlines Algoma’s commitment to treating all people with dignity, respect and in a way that maintains individual independence. 	November 30, 2018
<u>Clawback Policy</u>	<ul style="list-style-type: none"> → Outlines Algoma’s approach to compensation clawback including the conditions of the policy and the executive officers and compensation that are subject to the policy. 	June 18, 2024
<u>Board Diversity Policy</u>	<ul style="list-style-type: none"> → Outlines Algoma’s commitments to Board Diversity. → Commits Algoma’s Board to promoting an inclusive work environment that embraces, values and respects individuals of all characteristics. → Includes a commitment to maintain a Board comprised of directors with a diverse mix of experience, skills and backgrounds, collectively reflecting the strategic needs of the business and the nature of the environment in which the Company operates. 	February 5, 2024

Executive Compensation

Our Human Resources and Compensation Committee oversees the executive compensation responsibilities of the Board.

To succeed in the North American steel industry and to achieve its business and financial objectives, Algoma needs to attract, retain, and motivate a highly talented team of executive officers. Algoma's compensation philosophy is designed to align the compensation provided to its executives with the achievement of business objectives, while also enabling Algoma to attract, motivate, and retain individuals who contribute to Algoma's long-term success. We have designed our executive officer compensation program to achieve the following objectives:

- Provide compensation opportunities in order to attract and retain talented, high-performing, and experienced executive officers whose knowledge, skills, and performance are critical to our success;
- Motivate our executive officers to achieve our business and financial objectives;
- Align the interests of our executive officers with those of our shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business; and
- Provide incentives that encourage appropriate levels of risk-taking by our executive officers and provide a strong pay-for-performance relationship.

Our executive compensation program currently includes three principal elements:

- (i) base salary;
- (ii) short-term incentives, 10% of which are linked to safety performance (lost time injury rate);
- (iii) long-term incentives, which may consist of restricted share units ("RSUs") and performance share units ("PSUs") granted under the omnibus incentive plan. Vesting of RSUs and PSUs is conditioned upon the fulfillment of certain operational performance metrics, including, in the case of PSUs, a link to ESG goals (Coke Oven stack opacity, annual average percentage of Coke Oven door emissions, controllable absenteeism).

All non-unionized employees are eligible for the short-term incentive plan, which includes a link to safety performance.

Further details on executive compensation are outlined in Algoma's [Management Information Circular](#).

Board Diversity

Algoma is committed to fostering an open and inclusive workplace culture. The Company underscores a commitment to diversity and recognizes it as an important advantage.

Algoma is firmly committed to providing equal opportunity in all aspects of employment. Algoma has established a [Board Diversity Policy](#) that was approved in February 2024.

Algoma believes in the importance of diversity and values the benefits that a diverse Board of Directors can bring to the Company, including promoting an inclusive work environment that embraces, values and respects individuals of all characteristics. The Board believes diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and improves oversight, decision-making and governance. Diversity on the Board demonstrates the Company's commitment to diversity at all levels within the Company. The Company is committed to fostering an inclusive culture based on merit and free of conscious or unconscious bias.

At all times, the Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of experience, skills and backgrounds, collectively reflecting the strategic needs of the business and the nature of the environment in which the Company operates. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Board will consider candidates using objective criteria having due regard to the benefits of diversity and

Diversity includes diversity in business and other professional expertise, geography, age, gender, race, ethnicity, Indigenous peoples, persons with disabilities, and sexual orientation and other personal characteristics.

to their qualifications, including skills, knowledge, experience, competencies and attributes the Board identifies as necessary to effectively fulfill its mandate and address existing and emerging business and governance issues, and legal and regulatory requirements.

With a view to enhancing Board diversity, the Board has adopted the following practices:

- When recruiting new director candidates, search protocols extend beyond the networks of existing Board members and include the identification of a reasonable proportion of candidates who are women and candidates of other designated groups.
- Any search firm engaged to help identify candidates for appointment to the Board will be specifically directed to include women candidates and candidates who are members of other designated groups.
- In the event the Board maintains an ongoing list of potential director candidates, the Board will ensure that such a list includes members of the designated groups and, in particular, includes women candidates.

The Board believes that all aspects of diversity are important. The Board also believes that promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for director in light of the needs of the Board without focusing on a single diversity characteristic and, accordingly, has not adopted specific Board diversity goals but will **seek to maintain a Board in which each gender represents at least 30% of the Board.**

Since Algoma is a Nasdaq listed Company, we report on diversity in alignment with Nasdaq's Board Diversity Rule as applied to foreign issuers.

3	of Algoma's 10 Board members are female (30%)	2	Board Members identify as underrepresented individuals in Canada (20%)
1	Board member identifies as Asian (10%)	1	Board member identifies as Hispanic or Latinx (10%)
8	Board members identify as white (80%)	0	Board members identify as LGBTQ+

Clear and objective evidence of enhanced gender representation at the Board can be seen in the increase of female board members from 9% to 30% in four years. The Board will seek to maintain representation of at least 30% of each gender.

100%
of our employees
completed training on
our Code of Business
Conduct & Ethics.

Business Ethics & Transparency

WHY THIS MATTERS

Integrity is a core value at Algoma, and we are continually working towards cultivating an environment of mutual trust, honesty, and respect. We recognize that practicing ethical business is fundamental to the long-term survival of our business and is important to our investors and stakeholders. We operate in Canada, a country which is generally recognized as having low levels of corruption. On Transparency International's Corruption Perceptions Index, Canada scores 76/100, ranking 12th overall in the index.¹⁰ Despite a lower level of risk due to the location of our operations, exercising excellent business ethics and transparency remains a top priority for Algoma.

OUR APPROACH

Algoma has a culture rooted in ethical business conduct and integrity is one of our core values. We strive to always operate with fairness and professionalism. Our approach to business ethics and transparency is guided by the following policies.

CODE OF BUSINESS CONDUCT & ETHICS

Our [Code of Business Conduct & Ethics](#) ("the Code") serves as our Company standard for ethical business conduct and provides guidance in making sound business decisions to all officers, senior managers, supervisors, and employees. Any questions pertaining to this Code are addressed to Algoma's Vice President, Strategy and Chief Legal Officer. The standards set out in this Code are expected to be demonstrated in and out of the workplace and reflect

Algoma's employees' commitment to integrity, ethical conduct, and the pursuit of excellence. Unethical practices will not be tolerated even if it is "customary" in the industry or outside of the Company, or if it appears to serve other worthy goals. When taking the high road seems difficult or painful, our employees can take pride in Algoma Steel and know that its success depends on its good reputation and compliance with applicable laws—and that good reputation and compliance depends on each employee and the individual decisions that they make.

The Code covers a wide range of business practices and procedures including compliance with laws, rules, and regulations, contractual obligations, relationships with suppliers, conflicts of interest, confidentiality, corporate opportunities, protection, and proper use of Company entity assets, information, competition and fair dealing, gifts and entertainment, non-work related transactions or services from a supplier or customer, interactions with public officials and lobbying, payments to government personnel, bribery and corruption, human rights and employee relationships, health and safety, environmental protection, accuracy of reports and reporting, use of email and internet services, and social media.

All employees receive training on the Code of Business Conduct & Ethics as part of their induction as new employees.

WHISTLEBLOWER POLICY

We recognize that even the best systems of controls and procedures cannot always safeguard against violations of applicable laws and regulations.

¹⁰ The Corruption Perceptions Index (CPI) is a widely used global corruption ranking. It measures how corrupt each country's public sector is perceived to be, according to experts and businesspeople. A country's score is the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean. A country's rank represents its position relative to the other countries in the CPI.

To complement the Code, our [Whistleblower Policy](#) outlines our policy for Whistleblower events whereby good faith concerns related to questionable, incorrect, misleading, fraudulent, or unethical behaviours can be reported or submitted anonymously. Algoma has a strong commitment to the conduct of its business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers, or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt about the best course of action in a particular situation, to report such behaviour in accordance with the Company's [Whistleblower Policy](#). It is Algoma's policy not to allow retaliation for reports of misconduct by others made in good faith. All employees are expected to cooperate in internal investigations of misconduct.

Our process for responding to breach of Employee or Vendor Code of Conduct:

- 1 Notification:** A potential breach of Employee or [Vendor Code of Conduct](#) is raised through our Whistleblowing Portal, managed by a third party to enable anonymous reporting if desired.
- 2 Internal Information:** Once a potential breach has been identified, Algoma Ethics Committee will be informed. The Committee is constituted of the VP Strategy, the VP Legal, the Chief Human Resources Officer and the Internal Audit Manager. Depending on the severity, the CFO and the CEO can be added to the Committee.
- 3 Investigation:** The Internal Audit team begins conducting an investigation immediately with the relevant internal and external stakeholders. The goal is to understand the nature and location of the case, the circumstances which led to the case, the number of impacted people, whether the case can be substantiated, and the potential impact of the case. The Internal Audit team then shares its finding with the Ethics Committee.

- 4 Recommendations:** The Ethics Committee decides on the next steps and make recommendations to the relevant stakeholders about remediation or mitigation actions to be taken.
- 5 Remediation or Mitigation:** In cooperation with the involved persons, employees, suppliers and/ or communities, the remediation or mitigation plan is implemented.
- 6 Monitoring and Reporting:** The Internal Audit team monitors the progress of the individual remediation or mitigation plans. Every quarter, a report is shared with the Board about the number and types of complaints, the actions being taken, the recommendations and the status of each case.

PERFORMANCE

In FY 2024, we had no monetary losses as a result of legal proceedings associated with bribery, corruption, and other related issues.

TABLE 1: Total Amount of Monetary Losses as a Result of Legal Proceedings Associated With Bribery, Corruption, and Other Related Issues

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Amount of monetary losses as a result of legal proceedings associated with bribery, corruption, and other related issues	Amount (\$)	0	0	0	0

Breach of Employee or Vendor Code of Conduct Process



Supply Chain Management & Human Rights

WHY THIS MATTERS

The extraction of critical raw materials, such as ore and coal, required for steel production can have environmental and social impacts for local communities, workers, and ecosystems. As an extension of our direct operations, we recognize the importance of monitoring and managing our supply chains to ensure environmental and social impacts are minimized. An effective approach to supply chain management creates an opportunity for increased social or environmental impacts, while simultaneously ensuring an adequate supply of raw materials needed for steelmaking, also minimizing risks related to adverse reputational impacts, and legal or regulatory costs and penalties.

OUR APPROACH

Our Vice President – Procurement holds management responsibility for supply chain management at Algoma. We expect our Vendors and their employees to act with integrity and to be ethical in their business dealings.

CODE OF BUSINESS CONDUCT AND ETHICS

Our [Code of Business Conduct & Ethics](#) covers a wide range of business practices and procedures including compliance with laws, rules and regulations, contractual obligations, relationships with suppliers, human rights and employee relationships, accuracy of reports and reporting. The Code highlights Algoma's commitment to fair employment practices that comply with all applicable laws concerning employment practices and conditions in the workplace. Employees are expected to foster a respectful work environment that adheres to the requirements of applicable human rights law and related workplace legislation.





We expect our Vendors and their employees to act with integrity and to be ethical in their business dealings.

VENDOR CODE OF CONDUCT

Algoma’s [Vendor Code of Conduct](#) outlines our values of honesty, fairness, and excellence and states expectations for Vendors Algoma collaborates with to ensure alignment between Algoma’s values and conduct with those of Vendors, including related to environment and health and safety. All Vendors and their employees must adhere to the Code when conducting business with Algoma. The Code informs Vendors of the following:

- They may not engage in corrupt or dishonourable practices;
- Information must be disclosed on any situation that may appear to present a conflict of interest;
- Algoma has a zero-tolerance policy with regards to the acceptance of gifts or hospitality from Vendors; and
- There are restrictions on the employment by Vendors of former Algoma employees.

The Vendor Code is in addition to obligations set out in any purchase orders or contracts between Algoma and Vendors. The Vendor Code also extends to all subcontractors of Vendors. Vendors may not engage in any transaction that would directly or indirectly avoid or circumvent this Code. Algoma reserves the right to apply consequences of a breach to the Code both retroactively and prospectively.

During the onboarding process onto our Vendor platform, Vendors are required to be aware of the code and comply with its requirements, which is subsequently included in every purchase order and new contract, irrespective of the anticipated spend with the Vendor. An exemption may only be granted if the Vendor can demonstrate the existence of an equivalent Code of Conduct.

Furthermore, it is a requirement under the Vendor Code of Conduct that all vendors create and maintain their own mechanism by which employees can anonymously report issues within the Vendor’s organization that may constitute a breach of the Vendor Code of Conduct. Vendors must protect whistleblowers and may not engage in any form of reprisal against these individuals. Algoma expects that any vendor who becomes aware of conduct that constitutes a breach of this Vendor Code of Conduct will promptly take remedial action.

In March 2024, we updated the Vendor Code of Conduct to include reference to our commitment to respecting human rights. Additionally, Algoma reported on human rights and the supply chain through Bill S-211 reporting obligations—the full report is available on our [website](#). See the [Human Rights](#) section for more detail.

We also monitor the health and safety performance of our suppliers and Vendors.

CRITICAL VALUE CHAIN INPUTS AND RESPONSIBLE SOURCING PRACTICES

Steel production requires the use of large volumes of bulk raw materials and energy, in particular iron ore and coal, as well as alloys, scrap, oxygen, natural gas, electricity and other inputs. 99% of our tier 1 suppliers are located in Canada or the United States.

Our largest input cost in the steelmaking process is iron ore, which we purchase from suppliers located in the United States. The coal used in our steelmaking process is sourced from mines in Central Appalachia in the United States. Sourcing these inputs from suppliers located in the United States, a relatively stable jurisdiction with environmental and social protections, reduces our short-term exposure to environmental and social risks associated with the extraction of these raw materials.

Algoma is actively working towards minimizing our need for coal and mined ore as critical value chain inputs in our steelmaking process by transitioning to EAF Steelmaking. EAF Steelmaking uses electricity for energy as opposed to coal and will use scrap metal as an input rather than mined ore. The scrap metal will be derived from industrial and consumer scrap generated from steel products and supplemented with scrap from internal operations within our steel mill.

See the [Environmental Governance](#) section of our website for more detail on our responsible sourcing practices for raw materials including:

- Our conformance with the Restriction of Hazardous Substances Directive (RoHS Directive 2002/95/EC) and the European Chemicals Agency's (ECHA) list of Substances of Very High Concern (SVHC).

- Our support for the Canadian Green Building Council's Leadership in Energy and Environmental Design (LEED®) principle in our manufacturing process.
- Our adherence to the Conflict Minerals Trade Act.

HUMAN RIGHTS AND THE SUPPLY CHAIN

In March 2024, we updated the [Vendor Code of Conduct](#) to include explicit reference to our commitment to respecting human rights. The Code underscores our dedication to upholding the fundamental rights and dignity of all individuals involved in our supply chain. It explicitly prohibits any form of discrimination, exploitation, or abuse, and emphasizes the importance of fair wages, and safe working conditions. Furthermore, it mandates compliance with international human rights standards and legislation, including but not limited to the Universal Declaration of Human Rights and the International Labour Organization's conventions.

In FY 2024, we engaged in a comprehensive Forced Labour and Child Labour risk identification and assessment across our operations and all procurement categories within our supply chain, with the assistance of BeeAware Consulting, a specialized third-party.

The actual risk of forced and child labour in our own operations has been determined to be low. Most Algoma workers are employed directly by Algoma and their employment contracts are governed by Canadian local laws. Algoma employs human resources and legal specialists to ensure that contractual employment arrangements for Algoma are lawful and compliant with the relevant regulatory requirements.





Algoma acknowledges the potential risk of forced and child labour occurrences within the broader steel supply chain. As per the risk assessment conducted, alloys, scrap, refractories and mortars, back-up rolls and steel slabs were identified as high risk spend categories in the steel supply chain. In order to mitigate risk we have identified the following priority actions:

- Conduct self-assessment questionnaires with suppliers of alloys, refractories, back-up rolls, and steel slabs. This will gather information on their policies regarding forced and child labour, previous social audits, recruitment, employment and training practices, workforce demographics, and supplier monitoring.
- In the case of scrap, Algoma's partnership with one of Canada's largest recyclers, Triple M Metals, provides a unique opportunity for collaboration to enhance our understanding of their current practices. Furthermore, our teams, already visiting recycling yards regularly, will receive training to identify signs of forced and child labour and report them effectively.

We are also focused on awareness and capacity building. Between December 2023 and March 2024, 13 senior managers from various departments, including Procurement, Legal, Risk, Human Resources, and Internal Audit received training on forced and child labour conducted by an external party.

Violations of the [Vendor Code of Conduct](#) or observed illegal or unethical behaviour are to be reported in accordance with Algoma's [Whistleblower Policy](#) as described in the section above.

Additionally, two email addresses can be used for reporting human rights breaches: employee@algoma.com for employees and vendor@algoma.com for Vendors. Both email addresses are monitored by Algoma's General Counsel.

Algoma is making sound progress in preventing and reducing risks related to forced and/or child labour. However, there is always more that can be done to tackle this important topic. We will continue to update our policies and procedures applicable to both our operations and supply chain as Algoma evolves. In FY 2025 and beyond, Algoma plans to conduct self-assessment questionnaires with suppliers of alloys, refractories, back-up rolls, and steel slabs, to formalize our risk mitigation plan and to develop formal training on forced and child labour for all Algoma buyers.

Algoma's Forced Labour and Child Labour in Supply Chains report provides additional detail and is available on our [website](#).

ANALYST CORNER

SASB EM-IS-430a.1

We recognize the fundamental role the steel industry plays in contributing to the transition to a low-carbon economy and supporting Canada in meeting its climate change commitments.



Environment

Greenhouse Gas Emissions & Climate Change

WHY THIS MATTERS

Climate change is a systemic and global risk that could have significant impacts on our steel production operations. Steel production is an Emissions-Intensive and Trade-Exposed (“EITE”) industry, and the steel industry is facing market headwinds driving emissions reductions. We recognize the fundamental role the steel industry plays in contributing to the transition to a low-carbon economy and supporting Canada in meeting its climate change commitments. Our customers are increasingly interested in reducing their GHG emissions and Algoma can contribute to their emissions reductions through offering lower carbon steel. Regulatory carbon pricing covers 100% of our Scope 1 emissions and to remain cost competitive we must integrate consideration of GHG emissions and climate-change risks into our decision making.

The projected increase in demand for low-carbon steel offers the opportunity for Algoma to become a climate change leader and contribute towards a sustainable and environmentally responsible future for Canadian steel production. To this end, we support the objectives of the Paris Agreement and as a member of the Canadian Steel Producers Association (“CSPA”), we are aligned with the objectives of the CSPA, including our shared aspirational goal to achieve carbon neutrality by 2050.

We continue working towards being the climate leader in Canadian steel production and meeting our emission reduction aspirations. This section includes Algoma’s



climate-related disclosure informed by the TCFD recommendations. We are committed to further enhancing our future climate-related disclosures in alignment with the TCFD recommendations as our ESG approach evolves over time.

CLIMATE CHANGE GOVERNANCE

Algoma’s ESG governance approach, including related to climate change, is described in detail in the [Governance](#) section. Our Board has ultimate accountability for ESG factors, including climate change factors. The Nominating and Governance Committee has primary responsibility for supporting the Board in oversight of ESG, including climate change, and is responsible for overseeing Algoma’s ESG framework, coordinating with other Board Committees, and reporting on climate change to the entire Board.

ESG Global Advisors has provided ongoing education to the Board. Directors are encouraged to pursue education on climate change-related matters to continue further developing Board climate change expertise. Members of the Board have undertaken climate change-related training including the Institute of Corporate Directors (“ICD”) Board Oversight of Climate Change course and Competent Boards Climate, Sustainability and ESG course. Other climate-related education topics and/or designations include Climate Governance, Climate and Biodiversity, and Climate Regulation.

Our CEO has the highest level of management responsibility for ESG factors, including climate change factors, and reports to the Nominating and Governance Committee of the Board on climate-related risks and opportunities quarterly at a minimum.



Climate change and GHG emissions reduction is a key strategic priority for Algoma.

CLIMATE CHANGE STRATEGY

Climate change and decarbonization is a key strategic priority for Algoma. We recognize the critical role the steel industry plays in addressing climate change and with the aim of being a climate change leader, we are making a transformational investment in EAF Steelmaking to decarbonize our operations.

The ESG Materiality Assessment conducted in 2022 (the “2022 ESG Materiality Assessment”) (for more details see the previous section on our [ESG Materiality Assessment](#)) included consideration of climate change risks and opportunities. We assessed the potential impact and likelihood of climate change factors over the short- (0–12 months), medium- (13–24 months), and long-term (24+ months).

CLIMATE CHANGE TRANSITION RISKS AND OPPORTUNITIES

The 2022 ESG Materiality Assessment identified the climate change transition and GHG emissions as risks and opportunities in the short-term. Steel production is an EITE industry, with more than 40% of all industrial GHG emissions in Ontario stemming from the steel industry. Algoma is one of the largest industrial GHG emitters in Ontario. The transition to a low-carbon economy poses several risks to our ability to remain a resilient steel producer in a net-zero economy. These risks include policy and legal, reputational, market, and technology risks and are described below.

Over the short- and medium-term, carbon pricing/ emissions-limiting regulations will continue to drive up operational costs, especially if we do not continue to reduce GHG emissions across our operations. In 2022, there was a regulatory transition and Algoma went from being subject to the Canadian federal Output Based Pricing System for GHG emissions under the Greenhouse Gas Pollution Pricing Act to the Ontario Emissions Performance Standards regulation. Higher carbon prices and increasingly stringent

GHG emissions regulations are expected in future years as Canada continues to try to meet its commitments under the Paris Agreement.

As per the Strategic Innovation Fund Agreement Algoma reached with the Government of Canada to help finance its investment in EAF Steelmaking, we are subject to limited covenants related to reducing annual GHG emissions, reporting on progress towards GHG emissions reductions, and developing a plan to contribute to Canada’s net-zero by 2050 target.

Decarbonizing operations will require innovative technologies that may be costly, such as our investment in EAF Steelmaking, and our path to net-zero relies on the efficacy of these, often expensive, new green steel production technologies. Increased energy, capital equipment, environmental monitoring and reporting, and other costs may arise as a result of these policy and legal, reputational, market, and technology risks related to GHG emissions and climate change.

The transition to a low-carbon economy also presents significant opportunities for Algoma. Increasingly, countries with aspirations to reach net-zero by 2050 are looking to decarbonize heavy industries like steel. Companies transitioning to lower carbon steelmaking processes, such as using scrap metal in an electric arc furnace as opposed to coal-based Blast Furnace steelmaking, will be better positioned to meet future demands for low-carbon steel while also saving costs as the price of carbon rises in the future. Ontario-based companies are particularly well positioned for producing low-carbon steel because the Ontarian electricity grid is cleaner and less reliant on fossil fuels than many other jurisdictions. Additionally, governments are helping with the cost burden of transitioning to lower carbon alternatives and there are opportunities to fund decarbonization projects; Canada has made investments valued at over \$13 billion over the next five

years in programs to decarbonize heavy industry and federal spending is expected to grow significantly over the next few years.¹¹ Partnership between industry, government, and academic institutions will be critical to addressing climate change.

CLIMATE CHANGE PHYSICAL RISKS

Algoma's operations and supply chain could face risks related to the physical impacts of climate change over the longer-term, particularly if global efforts to meet the Paris Agreement and reduce global warming are ineffective. At present, risk is low as our steel production operations are not located in regions that are at this time understood to be particularly vulnerable to extreme weather events or changing weather patterns. We could face operational challenges if our supply chain is disrupted as a result of extreme weather and a changing climate, however, this is expected to be a longer-term risk.

We are committed to continuing to monitor our exposure to climate-related risks and opportunities.

IMPACTS OF CLIMATE CHANGE ON ALGOMA'S BUSINESS, STRATEGY, AND FINANCIAL PLANNING

In response to Algoma's exposure to climate-related risks and opportunities, the Company has a strong focus on decarbonizing operations and GHG emissions reductions. We have made a transformative investment in EAF Steelmaking technology to lower our GHG emissions, reduce our exposure to carbon pricing, and capture opportunities related to lower carbon steelmaking. For more information on our decarbonization approach, see [Algoma's Investment in EAF Steelmaking](#). Additionally, we continue to modernize our existing facilities to maintain our competitiveness in a low-carbon economy by piloting new and innovative

technologies and enhancing the efficiency of our operations. We are actively exploring additional reduction measures related to electrification, energy efficiency, biomass and carbon capture and storage.

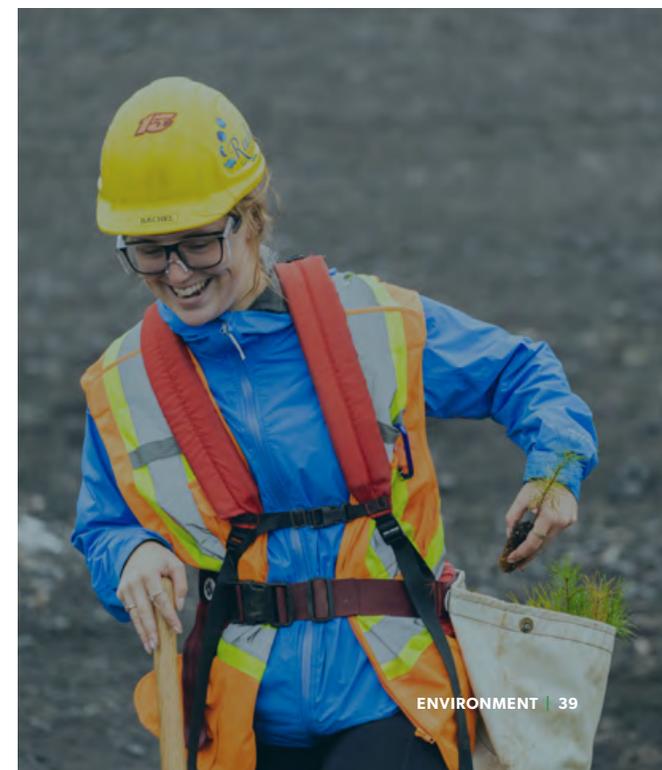
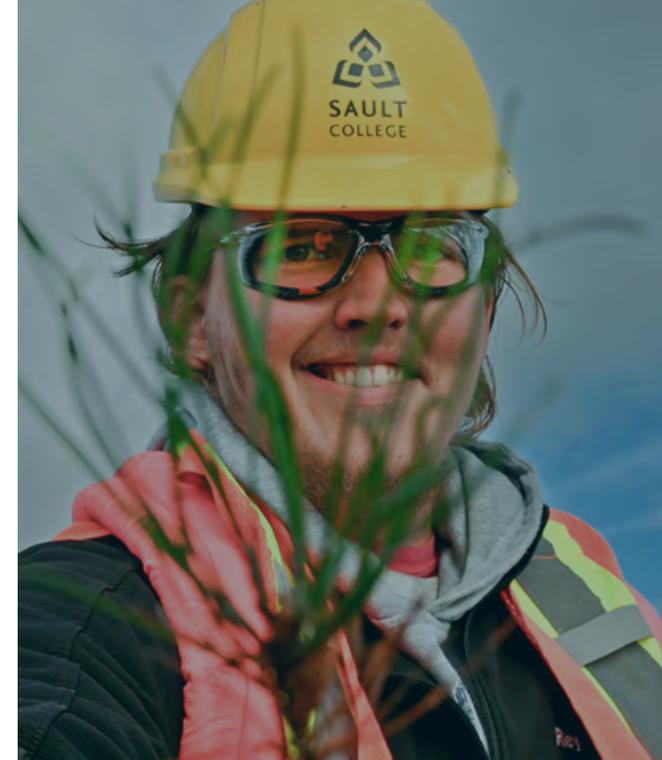
To ensure we are responding to customer expectations for lower carbon intensity products and transparently communicating the environmental performance of our products, we have been working to develop environmental product declarations, which includes conducting a lifecycle assessment for all of our key products to enable us to clearly demonstrate the environmental performance and impact of our products over their lifetime.

We apply an internal carbon price which considers the regulatory carbon price that we are subject to and covers 100% of Algoma's Scope 1 emissions when making decisions and planning for the future. Our long-term goal is to eliminate coal use in our steelmaking operations over time to reduce the potential impact of the Canadian carbon tax regime on our business.

We also seek to explore funding opportunities from various levels of government and have submitted applications for funding of decarbonization projects.

We have not yet conducted climate change scenario analysis given capacity constraints but will evaluate our capacity to do so in the future. We are planning to take a phased approach to alignment with the TCFD recommendations within a reasonable timeframe. We are committed to continuing to enhance our understanding of climate-related risks and opportunities and the ways in which they could impact our business, strategy, and financial planning.

¹¹ Clean Energy Canada - [Decarbonizing Industry in Canada and the G7](#).





Algoma's Investment in Electric Arc Furnace ("EAF") Steelmaking

Algoma is working to establish our reputation as climate change leaders in the Canadian steel production industry. Algoma is on a transformative journey towards a lower carbon intensity future.

In 2022, Algoma began construction on two state-of-the-art EAFs to replace its existing No.7 Blast Furnace, cokemaking, and basic oxygen steelmaking operations. Traditional high-carbon emitting Blast Furnaces require iron ore and metallurgical coal as raw materials. Conversely, EAF Steelmaking uses electricity to recycle scrap metal, resulting in significantly fewer emissions and lower environmental impact. With the transition to EAF Steelmaking we will be able to ultimately shut down our coke batteries and Blast Furnace which will eliminate coal use in our steelmaking operations. Electricity for our EAF operations will come from the Ontario power grid, which is predominantly powered by non-emitting energy sources.

The transformation is expected to result in a reduction of approximately 3.0 million tonnes of CO₂ emissions per year, representing a 70% reduction to current emissions levels. Furthermore, our switch to EAF will significantly shrink our environmental footprint with improvements to air, water, waste, and noise. See [Air Emissions](#) for more on our approach to decreasing our environmental impact on the surrounding air quality.

To help finance this significant investment in EAF Steelmaking, Algoma has access to government funding through the Net-zero Accelerator initiative of the federal Strategic Innovation Fund ("SIF Funding"). Algoma's EAF Steelmaking project was the first net-zero project announced under this federal initiative demonstrating our commitment to being a climate change leader and the importance of partnership between industry and government.

With construction well underway, Algoma anticipates commencement of start-up activities to begin prior to calendar year-end 2024.

We achieved a number of key EAF construction milestones in FY 2024:

- In December 2023, the first of two 570-tonne cranes, which are essential to the EAF process, was successfully installed ([see video](#)).
- In February 2024, 9 Danieli Q-One transformers were successfully installed in the utility building for #2 EAF. These transformers, paired with Q-One modules, play a crucial role in converting electricity to power electrodes that will melt scrap in the furnaces ([see video](#)).
- We have been training our future EAF crane operators to operate our 570-tonne cranes. For more information on the innovative virtual reality training approach that Algoma is taking, see the [Human Capital Management](#) section.
- Successful installation of the first of two duct systems, which are a crucial component of our EAF emissions control system ([see video](#)).

We continue to provide ongoing updates on the EAF project on our [website](#) and our [LinkedIn page](#).

We believe our strategy to transition to electric arc steelmaking and decarbonize operations will strengthen Algoma's competitive position, enhance our profitability, and deliver long-lasting value for our customers, our employees, our shareholders, and the surrounding communities in which we operate.

"We also made significant progress in our transformative electric arc furnace, or EAF project, including achieving two important milestones in securing the necessary power supply for our EAFs. First, Ontario's Independent Electricity System Operator provided further positive indication on connecting our EAFs to the grid. This means we will have access to the power required to operate the EAFs at our current run rate annual business plan range of 2.2–2.4 million shippable tonnes without relying on molten iron from the Blast Furnace. Additionally, the Ontario Government issued an Order in Counsel to accelerate regional power infrastructure upgrades, which provides further comfort that the necessary infrastructure will be in place to meet the long-term power requirements of our EAF project, allowing for increased future EAF production capacity."

—Michael D. Garcia, CEO

CLIMATE-RELATED RISK MANAGEMENT

We are committed to integrating climate-related risks into our firm-wide risk management policies and processes. Algoma's ESG risk management, including climate-related risks, approach is described in detail in the [Risk Management](#) section. Material climate-related risks are identified, assessed, and managed alongside all other Company risks through Algoma's existing risk management process.

CLIMATE CHANGE METRICS AND TARGETS

We have identified a set of metrics to monitor our performance on the ESG factors that have the greatest potential to impact the value of our Company, including climate change factors. Our climate-related metrics are aligned with the TCFD's cross-industry, climate-related metrics categories (see [Table 2](#)).

We track our Scope 1 and 2 GHG emissions and GHG emissions intensity. It is important to note our emissions data for calendar year 2023 reflects our Blast Furnace operations as our EAF is not yet in operation. The transition to EAF Steelmaking is expected to result in a reduction of approximately 3.0 million tonnes of CO₂ emissions per year, representing a 70% reduction to current emissions levels. Our Scope 1 GHG emissions will decrease significantly and electricity for our EAF operations will come from the Ontario power grid, which is predominantly powered by

non-emitting energy sources. We expect this transition will position Algoma as one of the leading producers of green steel in North America.

Table 2 on the following page provides a summary of our climate-related metrics. All but one of these metrics are provided for the calendar year from January 1 to December 31 as our regulatory obligations require that we track and report GHG emissions data as per the calendar year. The amount of investment deployed towards climate-related risks and opportunities is provided for the fiscal year.

Scope 1 GHG emissions data received reasonable assurance through a third-party verification conducted by Pricewaterhouse Coopers (PWC).¹²

2050

Through our participation in the Canadian Steel Producers Association, we have committed to pursue the aspirational goal of carbon neutrality by 2050. Partnership between industry, government, and academic institutions will be critical to the success of these initiatives.

Scope 3 GHG Emissions

Currently, we do not track or disclose our Scope 3 GHG emissions due to data limitations and resource constraints, but we continue to explore opportunities to improve our data collection, monitoring, and disclosure. We are aware of the importance of Scope 3 GHG emissions, and we are focused on working towards enhancing transportation efficiency to reduce emissions associated with the transportation of our steel to customers.

For example, we are working with partners to develop custom transportation solutions that will enable us to transport both steel and scrap in the same vehicles and vessels to reduce the number of trips needed for delivering our products and sourcing required materials. We have created a custom designed trailer that accommodates finished steel product deliveries to customers and returned deliveries to Algoma with steel scrap. This maximizes efficiency and minimizes emissions of existing logistics networks as we transition to EAF Steelmaking. [See video](#) for more.



¹² The third party verification excludes coal storage emissions as these emissions are not subject to provincial carbon tax obligations.



TABLE 2: Summary of Climate Change Metrics

METRIC	CLIMATE-RELATED METRIC	UNIT	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023
GHG Emissions	Gross global Scope 1 GHG emissions ¹³	Metric tonnes (t) CO ₂ e	3,880,106	4,111,476	3,995,014	4,281,546
	Gross global Scope 2 GHG emissions	Metric tonnes (t) CO ₂ e	NRP ¹⁴	NRP	14,115	24,877
	Percentage of gross global Scope 1 GHG emissions that are covered under emissions-limiting regulations	Percentage (%)	100	100	100	100
	Scope 1 GHG emissions intensity	Metric tonnes (t) CO ₂ e/ Metric tonne of steel	1.80	1.72	1.90	1.83
	Scope 1 and 2 GHG emissions intensity	Metric tonnes (t) CO ₂ e/ Metric tonne of steel	NRP	NRP	1.91	1.84
Transition Risks	Percentage of steelmaking production using coke and iron	Percentage (%)	100	100	100	100
Climate-related Opportunities	Percentage of steelmaking production using EAF	Percentage (%)	0	0	0	0
Internal Carbon Prices	Internal carbon price ¹⁵	Amount (\$)	30.00	40.00	50.00	65.00

METRIC	CLIMATE-RELATED METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Capital Deployment	Amount of investment deployed towards climate-related risks and opportunities	Amount in millions (\$)	N/A	57.3	230.4	252.7

¹³ Provincially reported Scope 1 GHG emissions. Provincial Reporting Values are based on regulatory requirements outlined by the Ministry of Environment, Conservation and Parks during the year. This includes methane emissions from the coal purchased for the cokemaking process.

¹⁴ Not Reported.

¹⁵ The regulatory carbon price covering 100% of Scope 1 GHG emissions is the same carbon price Algoma applies internally for decision-making and planning. Algoma's decision to move towards EAF Steelmaking is indicative of the Company considering carbon pricing as part of decision-making.

ANALYST CORNER

SASB EM-IS-110a.1
 SASB EM-IS-110a.2
 TCFD: Governance (a)
 TCFD: Governance (b)
 TCFD: Strategy (a)
 TCFD: Strategy (b)

TCFD: Risk Management (a)
 TCFD: Risk Management (b)
 TCFD: Risk Management (c)
 TCFD: Metrics and Targets (a)
 TCFD: Metrics and Targets (b)
 TCFD: Metrics and Targets (c)

Air Emissions

WHY THIS MATTERS

The steel production process can generate significant air emissions. Algoma is subject to provincial and federal air emission standards. We recognize the importance of effective air emissions management to protect the health of communities surrounding our operations.

OUR APPROACH

Our Environment Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements including requirements related to air quality impacts from our operations.

Our [Health, Safety & Environment Policy](#) commits all employees, contractors, and visitors to a shared responsibility for excellence in Health, Safety, and Environmental practices including reducing Algoma's impact on the environment and the community.

Our [Code of Business Conduct & Ethics](#) includes a section on environmental protection that describes how Algoma works closely with the government and other groups to aim to reduce emissions in its operations.

Algoma Steel has announced its decision to transition to EAF Steelmaking. Construction of two state-of-the-art electric arc furnaces is now underway to replace its existing basic oxygen steelmaking operations and will result in the elimination of cokemaking. Once the facility comes online, Algoma will operate in a hybrid mode, transitioning away from basic oxygen steelmaking as more electric



power becomes available. For more information see [EAF Steelmaking](#).

While the transformation is expected to reduce Algoma's carbon emissions by up to 70% and significantly shrink Algoma's environmental footprint including improvements to air, water, waste, and noise, site-specific or technical standards will be required to manage compliance over the transition period. Once the facility has fully transitioned to EAF Steelmaking, Algoma expects it will meet Ontario Regulation 419/05: Air Pollution – Local Air Quality under Environmental Protection Act (Ontario) ("Reg. 419/05") air standards and will no longer require site-specific or technical standards for any compound.

Under the *Canadian Environmental Protection Act ("CEPA")*, our pollution prevention plan, which was created to meet the requirements to reduce air emissions (particularly sulfur dioxide) from cokemaking and affiliated processes, incorporates our transition to EAF Steelmaking and was deemed an acceptable approach under CEPA given that Algoma's eventual performance will exceed what is required by regulation.

Our action plan to minimize air emissions from the site during the EAF transition is grounded on operating and maintaining our existing facilities, while striving to continuously improve our performance, focusing on contaminants requiring site-specific or technical standards. We continue to perform ongoing maintenance to ensure our existing technology can meet the site-specific or technical standards which are currently under the Ministry of Environment, Conservation and Parks ("MECP"). Algoma also has standard operating procedures to ensure tasks are performed in the safest manner while also controlling for any potential air quality impact.

As part of the construction of the EAF Steelmaking facility, we are constructing two new state-of-the-art fume treatment plants which will effectively control air emissions from the new facility and meet the newest and most stringent air quality standards. The design also includes engineered furnace enclosures that feature large doors which seal shut before the arcing process begins, containing any sound, sparks, or dust particles which will further improve our air emissions performance.

Air Emissions Regulation

Algoma has been hard at work improving our air quality performance. At present, we are working with our existing technology to meet an increasingly stringent regulatory framework for air emissions related to benzene, benzo(a)pyrene, particulate matter, and sulfur dioxide.

The reality is no coal-based steelmaking facility in Ontario today is capable of meeting the Reg. 419/05 Standards. That is why the government provides site-specific and technical standards to allow industries like ours whose assets pre-date modern standards to embark on an action plan to reduce air emissions and monitor progressive improvements towards the ultimate goal of green steel production.

In 2021, Algoma made the commitment to fundamentally transform how we make steel. We plan to invest approximately \$825–\$875 million in the transition to electric arc steelmaking, a modern best-in-class technology that will dramatically improve our air emissions performance. For more detail see [Algoma's investment in EAF Steelmaking](#). We are expecting commencement of start-up activities to begin prior to calendar year-end 2024 and expect to transition away from its current Blast Furnace steelmaking thereafter as increased electric power from the provincial grid supplying the Company becomes available. This transition will significantly shrink our environmental footprint with improvements to air, water, waste, and noise.

Site-specific or technical standards are practical solutions, developed by the government as compliance mechanisms under Reg. 419/05, that allow Algoma to continue to produce steel, generate funds to invest in new technology, and protect livelihoods related to this industry, while urgently transforming our business for a greener tomorrow. As a result of the progressive shutdown of cokemaking facilities in the transition to EAF Steelmaking, a substantial reduction or elimination of benzene, benzo(a)pyrene, particulate matter, and sulfur dioxide emissions is expected. When we complete our EAF transformation, we expect to meet the general Ontario air quality standards and no longer require site-specific or technical standards for any of the four compounds, but it cannot happen overnight. The site-specific or technical standards allow for a period of transition as we work with our existing technology under an abatement plan. We continue to maintain our assets and pursue continuous improvements to minimize our air quality impacts.

We plan to invest approximately \$825–\$875 million in the transition to electric arc steelmaking, a modern best-in-class technology that will dramatically improve our air emissions performance.



PERFORMANCE

We look forward to beginning our EAF operations as we anticipate reducing our emissions of numerous air contaminants. For more information on our EAF transformation see [Algoma's Investment in EAF Steelmaking](#).

The table below provides a summary of our air emissions. These metrics are provided for the calendar year from January 1 to December 31 as our regulatory obligations require that we track and report air emissions data as per the calendar year.

In 2021, the model used to predict potential maximum emissions changed. The changes to the model resulted in adjustments to our air emissions data. As part of the EAF permitting process, the MECP has been conducting a thorough review of the model and updates have been made to refine the emission estimates which have resulted in an increase in the calculated total releases. Moving forward, Algoma will be using this new model to calculate emissions and has re-stated historical data where available in the table below.

TABLE 3: Summary of Air Emissions Metrics

METRIC	UNIT	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023
Carbon monoxide ("CO")	Metric tonnes (t)	711	586	855	766
Oxides of nitrogen ("NO _x ")	Metric tonnes (t)	2,221	2,194	2,032	2,329
Oxides of sulphur ("SO _x ")	Metric tonnes (t)	4,748	4,312	3,490	3,493
Particulate matter <10um	Metric tonnes (t)	NRP	NRP	NRP	674
Manganese ("MnO")	Metric tonnes (t)	2.90	1.19	4.64	5.18
Lead ("Pb")	Metric tonnes (t)	0.708	0.287	0.291	0.317
Volatile organic compounds ("VOCs")	Metric tonnes (t)	76	120	150	117
Polycyclic aromatic hydrocarbons ("PAHs")	Metric tonnes (t)	0.35	0.33	0.68	0.56

ANALYST CORNER

SASB EM-IS-120a.1

Energy Management

WHY THIS MATTERS

Steel production requires significant amounts of energy, primarily sourced from the combustion of fossil fuels and purchased from the electrical grid. Purchased fuels and electricity for operations can account for a significant proportion of total production costs. Improved energy efficiency practices can reduce Algoma's reliance on fossil fuels and reduce operating costs by limiting Algoma's exposure to electrical grid disruptions and energy price fluctuations. Energy efficiency will continue to be important as we switch to electricity as our primary source of energy for steelmaking.

OUR APPROACH

Algoma is a unique facility when it comes to energy management. We consume from Ontario's grid but also have three sources of power generation onsite. The internally sourced electricity is from two cogeneration ("Co-Gen") facilities, the Boiler House facility and the Essar Power Canada Ltd ("EPC") facility. The EPC facility is contracted by the Independent Electricity System Operator ("IESO").¹⁶ The two facilities use over 90% by-product fuels from Algoma Steel and a set volume of natural gas to generate power and steam. By-product fuels originate primarily from cokemaking and ironmaking. The gases pulled off the coal during the cokemaking process get scrubbed to become Coke Oven Gas. Coke Oven Gas is distributed throughout the facility for consumption in our boilers to generate steam and electricity, and in burners for production purposes in lieu of natural gas. During the ironmaking process, a combustible fuel



called Blast Furnace Gas is produced when iron pellets are reduced to liquid iron in the Blast Furnace. Blast Furnace Gas is consumed by boilers to generate steam and electricity. The Co-Gen facilities reduce our reliance on the Ontario electricity grid by providing approximately half (50%) of our power needs internally at favourable prices.

A third internal power source is the Lake Superior Power ("LSP") facility, a natural gas-fired power plant that we use occasionally for emergencies or during high-demand grid loads.

The rest of our electricity is sourced from Ontario's electricity grid which is one of the lowest carbon-emitting power supplies across North America. To ensure we have access to competitive, stable, and predictable electricity price rates for electricity sourced externally from Ontario's electricity grid, we are part of the Northern Energy Advantage Program and receive the Northern Industrial Electricity Rate.¹⁷ We also obtain electricity from the IESO in Ontario.

We participate in the IESO's energy efficiency rebate program and are in the process of upgrading our facilities to reduce energy consumption. For example, we are changing lightbulbs throughout our operations to energy-efficient LED bulbs. As we are just beginning the rebate program, we do not yet know the scope of our energy reduction but will do an assessment in the future to quantify our energy savings.

Electricity is a significant input required in EAF Steelmaking. For more information on our transition to EAF Steelmaking, see [EAF Steelmaking](#). To meet the future electricity demands of EAF Steelmaking and secure a reliable source of energy, we have completed a refurbishment of our internal natural gas power plant (including the installation of two new gas turbine packages) to supply sufficient power in addition to available grid power. At full capacity, the refurbished Co-Gen facility is designed to have the ability to generate 110 MW of electricity.

¹⁶ Independent Electricity System Operator (IESO) coordinates and integrates Ontario's electricity system by monitoring the province's energy needs to balance the supply and demand and direct the flow of electricity across Ontario's transmission lines.

¹⁷ [Northern Energy Advantage Program, ieso.ca](https://www.ieso.ca/en/Northern-Energy-Advantage-Program).

We anticipate needing our internal natural gas power plant until regional power systems are upgraded. Algoma has received significant support and commitment from the Ontario government on installing regional bulk power upgrades by 2029. Currently, we are pursuing a local electricity transmission infrastructure upgrade and technical contingency solution to allow us to access more power sooner from the grid in Sault Ste. Marie.

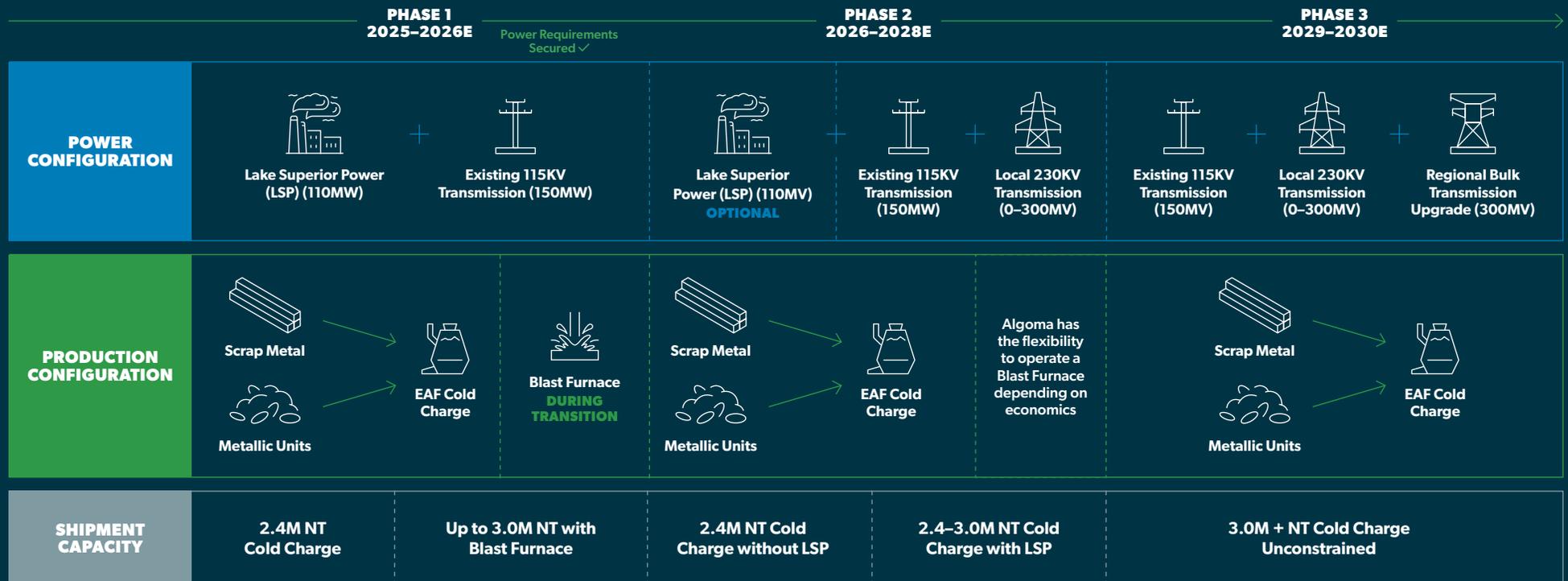
Once our EAFs are in operation, we will begin by operating in hybrid mode to limit our power requirements until more electric power from the provincial grid becomes

available. Hybrid mode will include the operation of our No. 7 Blast Furnace at a reduced level. Once full grid power is available, we will no longer require the Co-Gen facility for normal operations. The transformation is expected to result in a reduction of approximately 3.0 million tonnes of CO₂ emissions per year, representing a 70% reduction to current emissions levels. Furthermore, our switch to EAF will significantly shrink our environmental footprint with improvements to air, water, waste, and noise.

The figure below illustrates how our energy use is expected to change over time as we transition to EAF Steelmaking.

Our advanced Direct Strip Production Complex is North America's only thin slab caster with direct hot rolling capability and is coupled with a basic oxygen furnace melt shop. Direct strip technology uses nearly 40% less carbon intensive energy than conventional processes which require re-heating of steel slabs from ambient temperatures to rolling temperatures.

FIGURE 2: Energy Use Change Over Time





PERFORMANCE

Algoma has achieved a significant reduction in energy intensity per tonne of steel over the past few decades. As we transition to EAF Steelmaking and replace coal with scrap metal and continue to electrify, we expect our coal and natural gas use to decrease as we replace these energy sources with electricity from the grid.

TABLE 4: Summary of Energy Metrics

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Total energy consumed ¹⁸	Gigajoules (GJ)	33,471,398	34,379,244	31,959,769	37,393,890
Percentage of total energy consumed that is grid electricity	Percentage (%)	5	5	6	5
Percentage of total energy consumed that is renewable energy	Percentage (%)	0	0	0	0
Total fuel consumed ¹⁹	Gigajoules (GJ)	29,870,071	30,533,130	28,265,153	31,838,709
Percentage of total fuel consumed that is coal ²⁰	Percentage (%)	25	21	18	15
Percentage of total fuel consumed that is natural gas	Percentage (%)	36	34	39	42
Percentage of total fuel consumed that is renewable	Percentage (%)	0	0	0	0

¹⁸ Total energy consumed includes grid power, generated power including the station service power required by our generators to transmit the power generated by Algoma into the Algoma steel facility and includes by-product fuels used for energy, specifically Coke Oven gas produced during the cokemaking process where coal is used as a metallurgical additive and Blast Furnace gas, produced during the ironmaking process from iron ore pellets. Coal used in the steelmaking process as a metallurgical additive is excluded.

¹⁹ Total fuel consumed includes natural gas consumed and by-product fuels consumed, specifically Coke Oven gas produced during the cokemaking process when coal is used as a metallurgical additive and Blast Furnace gas, produced during the ironmaking process from iron ore pellets. Coal used in the steelmaking process as a metallurgical additive is excluded.

²⁰ Percentage of coal consumed includes by-product fuels consumed, specifically Coke Oven gas produced during the cokemaking process when coal is used as a metallurgical additive. Coal used in the steelmaking process as a metallurgical additive is excluded.

ANALYST CORNER

SASB EM-IS-130a.1
SASB EM-IS-130a.2

Waste & Hazardous Materials Management

Algoma recognizes that to continue operating responsibly, managing waste and hazardous materials from our steel production process must remain a priority.

WHY THIS MATTERS

The steel industry has the potential to generate substantial quantities of waste including large volumes of by-products such as slag, dust, and sludges. If not properly managed, waste from steel production can have environmental and human health impacts. Responsible waste and hazardous materials management can reduce operational and compliance costs, avoid liabilities, and facilitate obtaining permits while also safeguarding Algoma's reputation as a responsible steelmaker within the community. Algoma recognizes that to continue operating responsibly, managing waste and hazardous materials from our steel production process must remain a priority.

OUR APPROACH

Our Environment Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements including requirements related to the management of waste from steel production.

Our [Health, Safety & Environment Policy](#) and our [Code of Business Conduct & Ethics](#) guide our approach to managing issues related to waste and hazardous materials. Our Health, Safety & Environment Policy states that all employees, contractors, and visitors have a shared responsibility for

excellence in Health, Safety, and Environmental practices including reducing Algoma's impact on the environment and the community. In our Code of Business Conduct & Ethics, we state that Algoma aims to reduce the use of toxic substances in industrial processes.

Steel is the most recycled material in the world. Easily recovered with magnets, steel is 100% recyclable and can be recycled time and time again without loss of quality. We recycle or reuse around 80% of all waste materials from generated operations. Every steelmaking heat at Algoma contains scrap steel which we recycle through our manufacturing process for new end-use applications.

We are dedicated to reusing and recycling materials, when possible, to divert material from landfills and continuously seek alternative uses for by-products generated on-site. Some of the by-products that we are investigating alternative uses for including various slags, sludges, scale, iron pellet fines, scrap metal, light oil, coal tar, coke breeze, kish iron and dusts from our process.

Algoma works closely with government and other groups on programs aimed at reducing the use of toxic substances in industrial processes. Our Environment Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements. Our environmental management system is [ISO 14001-2015 certified](#).

As part of our internal grassroots recycling program, we provide excess materials including belting, wood packaging, bricks and industrial bins to employees for personal reuse. Currently this is happening at a small scale, but we hope to continue to grow the initiative in the future. To date it is estimated that approximately 100,000 kg of materials have been diverted from landfills as a result of this program.

We have implemented numerous programs for recycling including a Tire Recycling Program for tires used on-site through which we remove a tire whenever a new one is purchased. We have also ensured that legacy tires have been removed and processed through Ontario recycling facilities.



Spotlight on our Collaboration with Algoma University: Phytoremediation Strategies for Slag Use Innovations

The collaborative research aims to explore innovative methods for the phytoremediation of slag, a by-product of steelmaking, and seeks to identify potential products derived from this phytoremediation process. The slag, constituting up to 30% calcium, elevated phosphorus and economically valuable elements like zinc, cadmium, lithium, and rare earth elements, has been accumulated by Algoma for over a century and now spans an area of roughly 1,000 acres along the St. Mary's River.

The project will involve expertise from three researchers focused specifically on speciation chemistry, utilizing genomic tools for plant enhancement and harnessing

soil microbial communities. The project has received NSERC funding to support with slag chemical analyses, greenhouse experiments with microbial inoculants, and stipends to support the training of graduate and undergraduate students.

This project takes a distinct approach from other phytoremediation research by focusing on lands within the traditional territories of Indigenous peoples—the Batchewana First Nation and Garden River First Nation. It emphasizes local community engagement in partnership with Algoma, effective scientific communication, and the training of underrepresented students in the sciences.



Key Project Phases

1

A comprehensive chemical characterization of the slag and its leachates;

2

The establishment of remediation objectives, which distinguishes phytoremediation success from improvements attributed to natural weathering/leaching;

3

The selection of plant species suited to achieve these objectives; and

4

Empirical testing in controlled and real-world environments.

In partnership with:

Algoma
UNIVERSITY



PERFORMANCE

Measuring the effectiveness to date, we recycle or reuse around 80% of all waste materials from generated operations.

In response to the spill that occurred in FY 2023, we have implemented numerous oil loss prevention initiatives across the facility. As we strive to continuously improve our performance and manage risks from our operations, we are monitoring and evaluating the effectiveness of measures taken to date to determine how to further mitigate risk.

TABLE 5: SUMMARY OF WASTE METRICS

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Amount of waste generated	Metric tonnes (t)	1,419,179	1,627,904	1,472,636	1,519,538
Percentage of waste recycled	Percentage (%)	73	71	80	71
Number of hydrocarbon spills	Number (#)	0	0	1	0
Aggregate volume of hydrocarbon spills	Litres (L)	0	0	1,250 ²¹	0

²¹ We experienced an incident on June 9, 2022, where oil-based lubricant was released from our hot mill. The oil entered our water treatment facility, and some quantity of the oil was discharged into the St. Mary's River. Working with technical experts, we have been able to ascertain that the estimated amount of oil released was between 1,000 liters (263 gallons) to 1,250 liters (330 gallons), with the amount not likely exceeding 1,250 liters. We actively worked with our response partners deploying equipment and resources necessary to contain and mitigate the effects of the oil release on the waterway and neighbouring communities to clean up the released oil while working with local, provincial, and federal regulatory authorities.

ANALYST CORNER

SASB EM-IS-150a.1

Water Management

WHY THIS MATTERS

Algoma is situated on the St. Mary’s River, and we rely on access to water for steel production. Algoma’s operations are subject to Canadian federal, provincial, and local environmental, health, and safety laws and permit approval processes related to water. While we do not operate in a water-stressed region, we understand responsible water stewardship can decrease exposure to regulatory fines and penalties, facilitate access to permits, and can help enhance our reputation in the community as responsible steel producers.

OUR APPROACH

We strive for efficient water use in our operations. Our Environmental Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements, including those related to water management. Our environmental management system is ISO 14001-2015 certified.

More than eleven chemical parameters are monitored daily to ensure the quality of water discharged from our operations meets all applicable regulatory criteria. Automated water

samplers ensure representative composite samples are collected every 15 minutes, 24 hours a day, 7 days a week. All of Algoma’s water effluent discharges are consistently significantly below legislative requirements during normal operating conditions, with five elements consistently registering less than the detection limit. Samples are also sent to a third-party where acute lethality and chronic toxicity tests are conducted to determine if there could be any short- or long-term effects on key indicator organisms.

Our treated process water at our onsite water treatment facility meets or exceeds requirements set out by the Ontario Ministry of Environment. Also, with the construction of our new EAF facility, we will be building a brand-new state-of-the-art, non-contact, recirculating water treatment plant to facilitate our EAF operations.

We have installed water recirculation systems in our Direct Strip Production Complex, No. 7 Blast Furnace, and our cogeneration power facility which significantly reduces the demand for water and allows us to recycle over 45% of our water. The new EAF facility will also have its own dedicated water recirculation system.

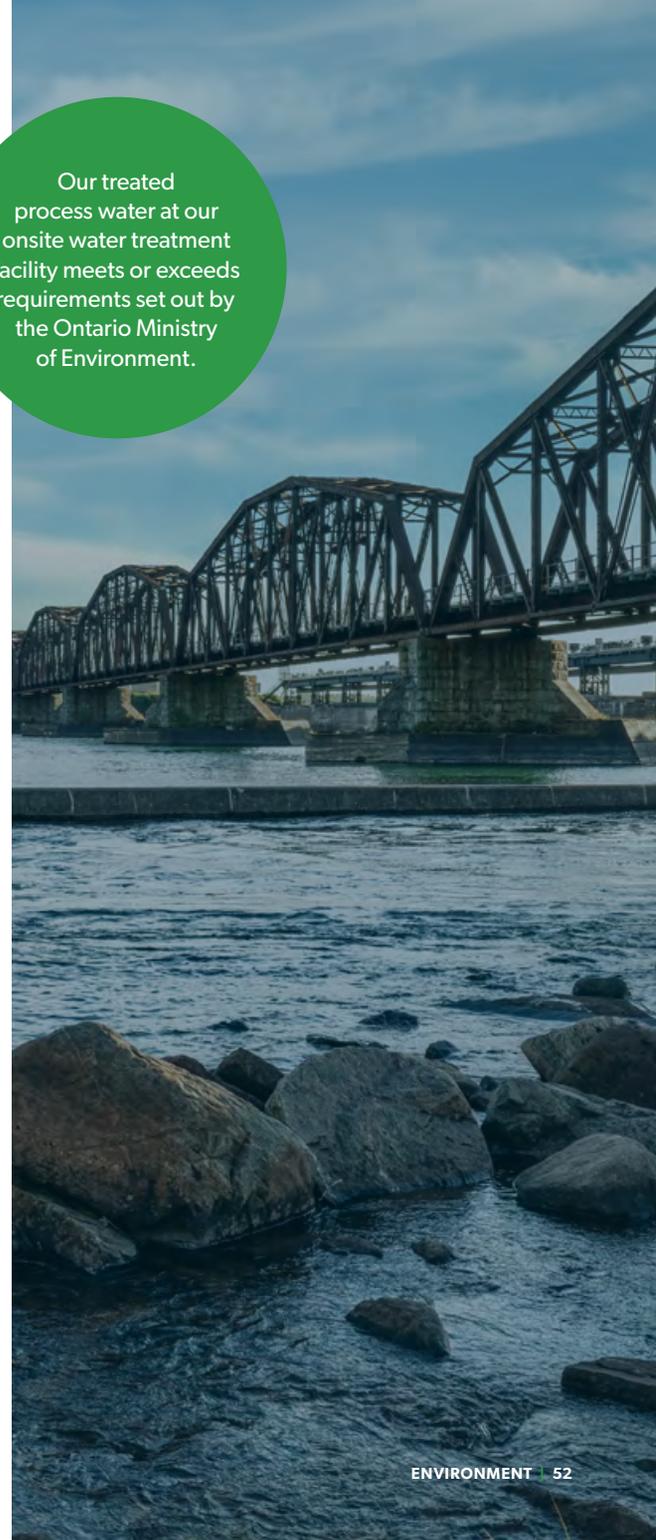
ANALYST CORNER

SASB EM-IS-140a.1

TABLE 6: SUMMARY OF WATER METRICS

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Total freshwater withdrawn	Cubic meters (m ³)	313,528,295	301,428,571	259,893,138	250,021,232
Percentage of fresh water withdrawn in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0	0	0	0

Our treated process water at our onsite water treatment facility meets or exceeds requirements set out by the Ontario Ministry of Environment.



Biodiversity Impacts

WHY THIS MATTERS

Steel production can have a range of impacts on the surrounding biodiversity and ecosystems. Algoma strives to comply with federal, provincial, and local environmental laws and regulations including those relating to environmental protection and remediation. Failure to manage biodiversity and ecosystem impacts could lead to regulatory fines and liabilities and adverse reputational impacts.

Our operations in Sault Ste. Marie lie adjacent to the St. Mary's River and in close proximity to Whitefish Island. Both ecosystems are recognized for important biodiversity features by a number of governmental and non-governmental organizations. We recognize that continuing to receive government approval and permits for steel production, maintaining a strong relationship with the community, and remaining a viable business requires minimizing our impacts on the surrounding biodiversity and river ecosystems.

OUR APPROACH

We have a demonstrated commitment to environmental stewardship and are committed to continuing to minimize our impact on the environment surrounding our operations.

Our environmental management system is [ISO 14001-2015 certified](#).

Our [Health, Safety & Environment Policy](#) commits all employees, contractors, and visitors to a shared responsibility for excellence in Health, Safety, and Environmental practices including reducing Algoma's impact on the environment.

Maintaining a strong relationship with the community, and remaining a viable business requires minimizing our impacts on the surrounding biodiversity and river ecosystems.



Our [Code of Business Conduct & Ethics](#) outlines the Company's commitment to environmental protection and enhancing the environment in the communities where it operates through responsible and environmentally-oriented operating practices.

Algoma has a rich history in Sault Ste. Marie and has been operating in the area since 1901, before the adoption of modern environmental best practices. In response to historical environmental issues, we developed a Legacy Environmental Action Plan ("LEAP") with MECP in accordance with the Framework Agreement Concerning Environmental Issues. LEAP is a risk-based environmental management plan, maintained and funded by Algoma, with the objectives of identifying, assessing, managing and mitigating off-site adverse environmental effects caused by legacy environmental contamination at the Site. Algoma is responsible for planning, budgeting/funding, implementing, documenting, and reporting the activities undertaken as part of the LEAP, while the MECP has oversight, review and approval responsibilities for LEAP budget, plans and activities of eligible LEAP expenses.

Under the auspices of the LEAP, Algoma has launched a Site Greening Initiative that includes surface and shoreline stabilization, ground and surface water management, and revegetation. The plan includes the creation of naturalized green buffer strips along the perimeter of the site by introducing clean soils, creating seasonal surface water ponding areas, and vegetating with select native plants and tree species. For more information, [see video](#).

Algoma has begun an initiative to install shoreline stabilization over 4.1 km adjacent to its operations on the St. Mary's River. The shoreline stabilization project consists of a multi-year plan to design and implement shoreline protection along the St. Mary's River via the placement of clean rip-rap and armour stone. Algoma's shoreline stabilization project is required to support the Site Greening Initiative to ensure that the naturalized green buffer strips along the perimeter of the site remain intact and are protected from possible erosion.

PERFORMANCE

To date, Algoma has invested \$14.9 million in site remediation efforts, with an additional \$3.8 million in investment planned in calendar year 2024.

Our mission is to create steel that improves the lives of not only our people, but also the community.

Social



Workforce Health & Safety

WHY THIS MATTERS

Steel production can pose significant risks to the health and safety of our workforce and other visitors to our operations. Onsite conditions typically involve potential exposure to toxic chemicals, high temperatures, and heavy machinery use.

Algoma is subject to provincial and federal employee health and safety regulations including *Ontario's Occupational Health and Safety Act*. We recognize maintaining a strong health and safety track record is crucial to safeguarding employee health and safety and continuing to build a strong reputation in the community and retaining and attracting skilled employees.

OUR APPROACH

Our [Health, Safety & Environment Policy](#) commits all employees, contractors, and visitors to a shared responsibility for excellence in health and safety practices including through preventing workplace injuries and occupational diseases. The Policy outlines Algoma's commitment to continuously striving for a positive safety culture.

Our [Code of Business Conduct & Ethics](#) includes a section on health and safety that outlines Algoma's intention to provide all employees with a safe and healthy work environment. The Code sets the expectation for cultivating an environment of mutual trust, honesty, and respect, and describes that all employees share a responsibility for maintaining a safe and healthy workplace.



We also have a Workplace Violence, Harassment, and Sexual Harassment Policy that outlines Algoma's commitment to maintaining a fair and equitable environment free of harassment and violence and commits the Company to taking all reasonable actions to prevent the occurrence of workplace violence, harassment, and sexual harassment through the implementation of a prevention program. The program includes incidents that occur beyond the normal workplace, on social media, or outside of working hours.

EMBEDDING HEALTH AND SAFETY THROUGHOUT THE COMPANY

Without compromise, Algoma is committed to the health and safety of its employees, contractors, and visitors. To this end, we have a cooperative Joint Health and Safety System, working with our two locals of the United Steelworkers ("USW") (Local 2251 and Local 2724), that supports Algoma with

providing a healthy and safe workplace. The Joint Health and Safety System uses joint committees to assist with safe work planning, inspections, investigating incidents, and monitoring health and safety throughout the organization.

The Corporate Occupational Health and Safety Committee focuses on aspects of our health and safety program. This committee includes the Manager of Health and Safety with oversight of Algoma's health and safety program and two union representatives, one from each USW local (Local 2251 and Local 2724) to complement the Corporate Committee. Each department has its own respective health and safety committee with the department manager holding responsibility for that department's health and safety. Managers hold monthly operational health and safety meetings to review performance, review safety bulletins provided by the health and safety department and discuss then address any concerns that workers may have.

Summaries of health and safety across departments are reported to executives of the Company, including the CEO, and to the Board. Supporting these committees, there are 10 worker representatives, three area Health and Safety Specialists, two Hygiene Specialists, plus multiple workers and management personnel. In addition, we have added a Health and Safety Management role specifically assigned to support the EAF Project.

There are a number of Standing Sub Committees that report to the Corporate Occupational Health and Safety Committee with recommendations for setting policy, procedures, and guidelines including:

- Joint Industrial Hygiene / Environment Committee
- Joint Education & Training Committee
- Joint Welfare & Walkway Committee
- Joint Electrical Maintenance Policy and Lockout Committee
- Joint Gas Committee
- Joint Electrical Maintenance Policies and Lockout Committee

PROTECTING THE HEALTH AND SAFETY OF OUR WORKFORCE

A number of strategies are in place to protect the health and safety of all employees at Algoma including:

- Implementation of an Occupational Health and Safety Management System (“OHSMS”) in alignment with ISO 45001 to further Algoma’s efforts towards continuously improving our health and safety performance, making Algoma a safer place to work.
- Active participation in Ontario’s WSIB Health & Safety Excellence Program to assist with mapping our journey towards implementing an OHSMS with action plans along with proof of actions all being verified by approved program providers.

- Providing our front-line supervisors with extensive health and safety training, by offering Chief Prevention Officer approved Joint Health and Safety Certification Training Level 1 and Level 2. As well as providing them with additional tools and resources for emergency response through first aid training sessions.
- Exercising emergency response drills with assistance from the Emergency Services Department and rescue plans.
- Monthly health and safety audits in each department with the worker representative and the front line supervisors. For additional support with these audits the area health and safety specialist and other workers from the area may participate. Findings are entered into our incident management system. Supervisors assign action items to respective parties, and action items are monitored by management.
- Our internal record keeping system is used to support the Internal Responsibility System. Employees can request a code 14 to enable immediate action to take place in the event of unsafe conditions. These requests are monitored electronically and reported in daily meetings. In response to a code 14, a code 15 is issued when corrective action is taken to address the condition. Request completions are monitored during monthly department meetings.
- Development work continues towards the implementation of new risk registry, incident reporting and audit systems. Training and implementation of these systems is planned for FY 2025 and is expected to enhance alignment with ISO 45001 requirements.
- Ongoing projects to improve safety, including machinery and crane guarding upgrades.

Appointment of VP, Health & Safety

We are proud to announce the appointment of Erin Oliver to Vice President, Health and Safety. Originally from Sault Ste. Marie, Erin is a seasoned health and safety professional with over 25 years of experience and a proven track record in enhancing safety culture across sectors including construction, health care, forestry and manufacturing. During her tenure at a Canada-wide mechanical and electrical contracting firm, she helped drive significant improvements in health and safety standards, earning her multiple awards for leadership in safety excellence.

Her dedication to safety excellence perfectly aligns with the core values of Algoma. Erin will report directly to the CEO and sit on the Company’s senior leadership team.



Erin Oliver,
Vice President,
Health and
Safety

Life Saving Rules

Six (6) “Life Saving Rules” were developed and aimed at recognizing the top hazards at Algoma that could lead to critical injury. A campaign to roll these out across the Company is currently underway. The individual rules have received their own branding and logos and form an integral part of Algoma’s cultural enhancement regarding safety and support our leading statement “Safety without Compromise”.

ALGOMA STEEL INC. **6 Lifesaving Rules**

- 1 FIT FOR DUTY**
Ensure you are trained, authorized and physically & mentally fit to work.
- 2 CONFINED SPACE ENTRY**
Never enter a confined space unless authorized and have all required training.
- 3 ENERGY ISOLATION**
Verify that hazardous energy has been released and the equipment is locked out before starting work.
- 4 FALL PROTECTION**
Always use an appropriate method of fall protection when working from heights.
- 5 MACHINE GUARDING**
Never alter, disable or remove safety guarding or devices on operating machinery.
- 6 SAFE DRIVING**
While driving, adhere to traffic rules and be alert to your surroundings.

Safety Without Compromise

- Mental health awareness sessions were made available for all staff to participate in, understanding that psychological health and safety is just as important as physical health and safety.
- We have a Pat Batter Award Committee to acknowledge individuals who go above and beyond their regular call of duty to help foster a healthy and safe workplace environment.

CONTRACTOR MANAGEMENT PROGRAM

Ensuring the health and safety of contractors is an important aspect of Algoma’s workforce health and safety approach. We are focused on continuously improving our Contractor Management Program by utilizing ISN, a third-party platform and supplier information management compliance system that validates and monitors qualifications for contractors against industry, regulatory and company-specific standards, including related to health, safety, quality, insurance, training, and cybersecurity. These requirements must be met and maintained while working with Algoma. Training sessions and platform resource guides are offered for contractors as well as Algoma employees that hire, monitor, or provide support to contractors.

In FY 2024, we rolled out a new contractor safety dashboard that helps contractors to address safety deficiencies. We also made targeted enhancements to the contracting process during the contract, pre-commencement and pre-job review stages before work with contractors begins. The dashboard provides an overview of contractor grades, what is driving lower grades and data on how contractor grades are changing over time.

INDUSTRIAL HYGIENE

Algoma Steel employs two Hygiene Specialists who are responsible for recognizing, investigating, evaluating, monitoring, and providing direction with regards to concerns relating to industrial hygiene. They keep Management informed of hygiene issues that can have an impact on the health and safety of employees, and the Company’s legislative compliance. They co-chair the Joint Industrial Hygiene and Environment Committee (“Industrial Hygiene”) and participate in the Joint Steelworks meetings as required.

Industrial Hygiene is responsible for the development and maintenance of Algoma’s corporate programs, policies, and procedures related to Industrial Hygiene. These programs include Algoma’s Radiation Protection Program, Asbestos Management Program, Respiratory Protection Program, Hearing Protection Program, Thermal Stress Management Program, Mercury Control Program, Benzene Control Program, and Coke Oven Emission Control Program. Training required as a part of these programs is primarily delivered to Algoma employees by the Industrial Hygiene staff. They also continually evaluate the legislative requirements for the addition of new programs.

Industrial Hygiene is also accountable for completing effective and accurate monitoring and reporting of workplace exposures to Management, and government agencies if applicable. Assessments are completed as per the legislated requirements and compared to all relevant occupational exposure limits. Recommendations for appropriate control measures are made to Management to meet the requirements imposed by legislation or government agencies.

Prioritizing Health and Safety Through the EAF Project

Building the future of Algoma, starts with safety. The EAF Construction Project has dedicated health and safety resources that assist with safe work planning, pre-job safety meetings with the project supervisor(s) and applicable contractor(s), site indoctrinations, site inspections, and investigations.

Just as Algoma has internal committees to collaboratively work towards a safer work environment, the EAF project has its own Joint Health and Safety Committee representing workplace parties involved in the project. The committee is led by three Algoma co-chairs and supported by multiple project management group members and contractors. Contractor worker representatives are voted in by the group(s) they represent. The committee meets monthly to discuss health and safety performance, hazards/concerns, review incidents and to plan/discuss initiatives for the project.

The EAF project group strives for a positive safety culture, by ensuring communication is ongoing with all parties. Each day starts with safety bulletins and morning safety meetings to discuss safety matters for the day as well as job coordination with all supervisors. The Joint Health and Safety Committee offers a platform for workers to bring issues/concerns and ideas forward to anyone on the committee. All committee members act with honesty, integrity and truly do care about minimizing risk levels for all.

To learn more about the innovative approach that Algoma is taking to train future EAF crane operators and other employees on the EAF, see the [Human Capital Management](#) section.



The training of future EAF crane operators is part of Algoma's innovative approach to EAF health and safety.



PERFORMANCE

TABLE 7: Summary of Health and Safety Metrics²²

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Total Recordable Incident Rate (TRIR) – full-time employees	Rate (#)	2.35	2.35	2.05	0.76
Total Recordable Incident Rate (TRIR) – contract employees	Rate (#)	NRP	NRP	NRP	4.29
Fatality Rate – full-time employees	Rate (#)	0	0	0	0
Fatality Rate – contract employees	Rate (#)	0	0	0	0.27
Near Miss Frequency Rate (NMFR) – full-time employees ²³	Rate (#)	4.19	4.40	3.29	2.69
Total Lost Time Incident Rate (LTIR) – full-time employees ²⁴	Rate (#)	0.19	0.08	0.26	0.03
Lost Time Severity Rate – full-time employees	Rate (#)	NRP	NRP	28.5	25.0
Average hours of health, safety, and emergency response training – full-time employees	Hours (hrs)	21	21	21	21
Average hours of health, safety, and emergency response training – contract employees	Hours (hrs)	NRP	NRP	NRP	1.5
First Aid Frequency – full-time employees ²⁵	Rate (#)	6.11	6.18	5.53	6.41
Total hours worked by full-time employees	Hours (hrs)	5,252,327	5,274,424	5,353,673	5,802,395
Total hours worked by contract employees	Hours (hrs)	430,278	708,573	897,614	746,546

Blast Furnace Incident

On February 7, 2024, an incident occurred in the north casthouse of the #7 Blast Furnace complex where liquid iron made contact with moisture within the hot iron trough. Twelve workers were impacted by the incident and five were treated at a Sault Area hospital and released.

²² All rates are per 200,000 hours.

²³ Algoma has recently begun to capture the number and type of contractor injuries in our safety management system. At the present time, we are only able to report near misses for full-time employees.

²⁴ Algoma has recently begun to capture the number and type of contractor injuries in our safety management system. Moving forward, we may be able to report total lost time incidents for contractors but at present time, we can only report for full-time employees.

²⁵ First aid treatment x 200,000 divided by number of total hours worked for full-time employees.



Fatal Incident

With extreme sorrow we regret to report a fatal incident in FY 2024 involving an employee of a contractor who was retained to perform specialized maintenance work. On the afternoon of June 15th, 2023, the worker lost consciousness while cleaning an out-of-service gas line and succumbed to their injuries. Algoma extends its sincere condolences to the family, friends, and colleagues affected by this devastating loss. The safety and well-being of everyone in our workplace is the top priority and a core value at Algoma Steel.

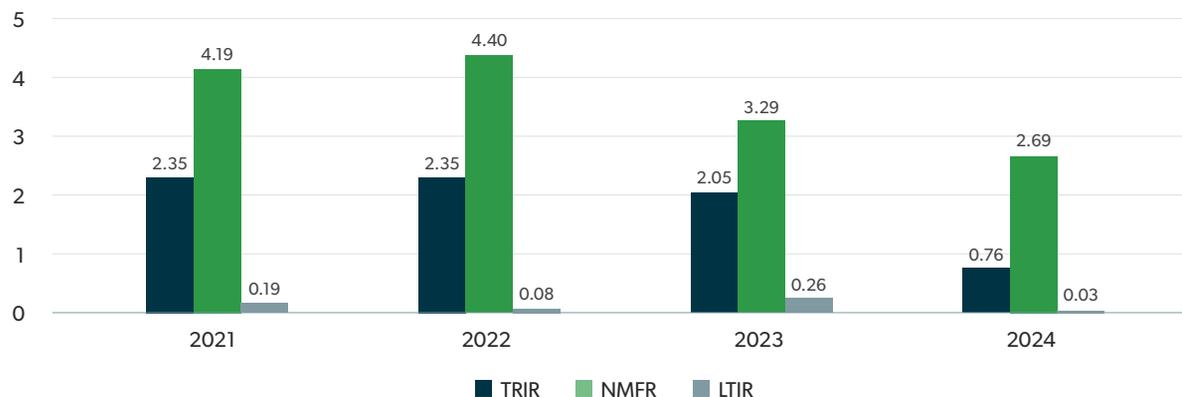
Algoma investigated the fatal accident internally and worked with provincial authorities as they investigated. On May 2, 2024, the Company was served with three charges under the provincial Occupational Health & Safety Act in connection with the fatality. The company is responding accordingly.

We have conducted a review of our health and safety program, including a targeted review of confined spaces across departments and an assessment of the spaces, hazards and proposed rescue plans. In addition, Algoma developed confined space training module that was uploaded into ISN and is now a requirement for all contractor employees to complete prior to performing work at Algoma. The [Contractor Management](#) section above provides more detail on our approach to managing the health and safety of our contractors and the improvements to the Contractor Management Program during FY 2024.



Between FY 2021 and FY 2024, key health and safety metrics have been steadily improving. Our total recordable injury rate for employees significantly decreased in FY 2024 showcasing our commitment to improving health and safety monitoring and performance.

HEALTH & SAFETY METRICS FOR FULL-TIME EMPLOYEES



ANALYST CORNER

SASB EM-IS-320a.1

Incident at Cokemaking Plant

On January 20, 2024, an incident occurred involving the structural collapse of a key support structure that carries various utilities crucial for our operations including the Company’s cokemaking plant. The unforeseen structural collapse, coupled with attendant fires and explosions, did not result in any injuries but had an impact on our operations. Following the incident, Algoma focused on performing a comprehensive assessment of the damage and on managing the occurrence in the safest possible manner. Algoma was able to continue reduced operations at the cokemaking plant while performing the necessary repairs to the support structure.

Safety and minimizing the environmental impact of this collapse was a priority for Algoma.

A quantity of effluent was discharged when the pipe structure collapsed, however Algoma advised that the water-related environmental release was fully contained by the evening of January 20, with most of the effluent being contained on-site. As a result, Algoma determined that there was a low risk of impact to the adjacent waterway and worked with regulatory authorities, union leadership, and local stakeholders including Indigenous communities.

Labour Relations

WHY THIS MATTERS

Labour unions representing workers’ interests and managing collective bargaining agreements for wages and working conditions are prevalent in the steel industry. Failure to effectively manage labour relations could lead to work stoppages and impact our ability to operate efficiently. At Algoma, 95% of our workforce is unionized and represented by two locals of the USW under two collective bargaining agreements. The USW has a long history in Sault Ste. Marie and has been active for over 50 years. We recognize the importance of maintaining a constructive relationship with the USW to create a positive labour relations environment.

OUR APPROACH

We work closely with union representatives to maintain a positive working relationship. Our Chief Human Resources Officer has executive management responsibility for labour relations and serves as the conduit between Algoma and the USW. The full Board is involved in mandates for bargaining union agreements.

TABLE 8: Summary of Labour Relations Metrics

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Percentage of employees covered by collective bargaining agreements	Percentage (%)	95	95	95	95
Number of strikes and lockouts	Number (#)	0	0	0	0
Duration of strikes and lockouts	Days	0	0	0	0

Algoma ratified a 5-year agreement with Local 2724 for technical, professional, and front-line supervisory employees on July 26, 2022. The agreement with Local 2724 included providing an enhanced economic package for members and set out a process to transition the workforce to EAF Steelmaking. Algoma needs its skilled workforce to accomplish its aspirations of being a climate change leader in the Canadian steel industry. As we transition to EAF Steelmaking from basic oxygen we need our workforce alongside us on the transformative journey (for more detail see [Algoma’s Investment in EAF Steelmaking](#)).

On July 31, 2022, the agreement with Local 2251 for hourly workers expired and Algoma successfully ratified the terms of a new 5-year collective agreement on August 30, 2022.

PERFORMANCE

Our positive working relationship with the USW is reflected by 30 years without a work disruption. In FY 2024 we continued with no strikes or lockouts. We maintain a high level of union workers with 95% of our employees covered by collective bargaining agreements.

We recognize the importance of maintaining a constructive relationship with the USW to create a positive labour relations environment.





Human Capital Management

WHY THIS MATTERS

Our operations require a skilled workforce with the technical expertise to manufacture high-quality light gauge steel products. The steel industry in Canada is a competitive labour market and Algoma must compete for skilled workers. An effective approach to human capital management, including fostering a diverse and inclusive culture, facilitates attraction and retention of individuals with the skills required to conduct our operations. We are dedicated to improving our employee engagement, diversity, equity and inclusion, and talent development to enhance performance and productivity, protect the Company's reputation, and reduce operating costs in the longer term, resulting in enhanced profitability.

OUR APPROACH

Executive management responsibility of human capital management lies with the Chief Human Resources Officer.

EMPLOYEE TRAINING AND DEVELOPMENT

We offer a variety of learning opportunities to help our employees build the skills required to do their job today while acquiring new skills in preparation for new challenges tomorrow. Professional development opportunities range from on-the-job training and experiential learning to coaching and mentoring and formal instructor-led training (either in-house or through an outside educational institution). Relevant ongoing training initiatives include:

- **Apprenticeship Program:** Offered in conjunction with the Ontario Ministry of Training, Colleges, and Universities, and offers employees the opportunity to become a certified tradesperson. Apprentices

work under the supervision of a person skilled in the trade of their choosing and apprenticeship programs entail 80% on-the-job training combined with 20% in-school training.

- **Algoma hires approximately 50 summer students each year.** These summer students primarily perform full operation jobs before returning to school in the fall. Summer student opportunities are promoted internally through notices to employees and externally with job postings on our website and social channels. Algoma also offers co-op opportunities.
- **My Learning:** Algoma is implementing a new learning management system called My Learning. The new system leverages technology to support the identification and facilitation of training opportunities across the organization. It will provide a hub to manage and complete employee education while boosting learner engagement, a one-stop for employee and supervisor training needs and support employees to easily find course history, view upcoming training schedule and self-register for courses.
- **Leadership Foundations Training Program:** Algoma has in place a leadership development program to provide leadership foundations and growth opportunities for staff. Key skills are shown in the [graphic on the following page](#). To date, over 300 people leaders have been trained through the program – from front-line supervisors to the CEO. We have also trained a total of 40 internal facilitators to ensure that Algoma is able to sustain the program with 100% internal resources.

We continue to have a supportive relationship with the Canadian Skills Training and Employment Coalition (“CSTEC”) which supports training and upskilling initiatives. CSTEC’s mission is to work with employers, jobseekers, educators, and unions to help them find innovative and successful solutions to training and labour market challenges. Algoma has partnered with CSTEC to fund several upskilling initiatives to help train and upskill our workforce.



LEADERSHIP FOUNDATIONS TRAINING PROGRAM WORKSHOPS

COACHING

- 1 **Being a Leader Today**

- 2 **Communicating Effectively**

- 3 **Setting Direction**

- 4 **Giving and Receiving Feedback**

- 5 **Coaching for Improvement**

- 6 **Stimulating Motivation and Mobilizing the Team**

- 7 **Managing with Emotional Intelligence**

- 8 **Managing Difficult Situations with Courage**

- 9 **Managing Change in the Organization**

- 10 **Putting It All Together**

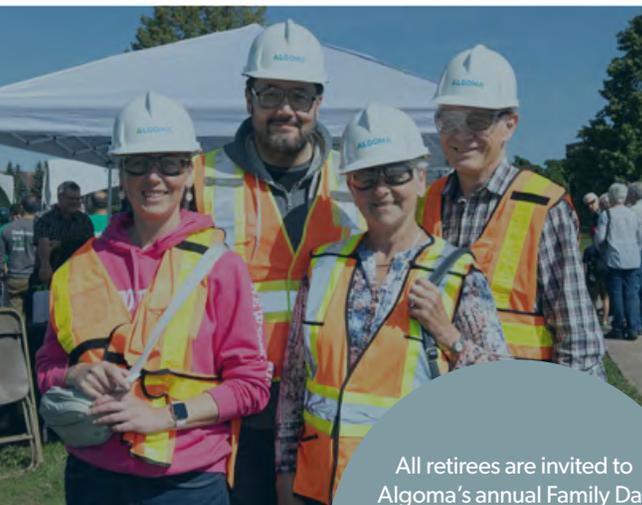
Innovative Approach to Training

We are taking an innovative approach to training, including for new skills that will be required as we transition to EAF Steelmaking.

- Our future EAF crane operators are currently training to operate our 570-tonne charging cranes. We’ve partnered up with Steel Sim VR to introduce virtual reality training while the EAF construction is underway. This innovative approach allows our operators to simulate in-crane operating scenarios, providing a hands-on experience. By integrating virtual training with practical experience, our operators will be fully qualified by the time the EAF is operational. [See video](#) for more.
- We are leveraging Insight Works, a virtual reality enabled platform used to create interactive, 3D renderings of our facilities, to assist in onboarding and ongoing job training. The tool provides interactive viewing, videos and step by step procedures to support employees with learning about Algoma’s facilities and processes in a virtual environment. We have also created a rendering of the EAF, which is not yet fully built, to give employees exposure to this new facility while construction is underway and to help train them on changing job responsibilities.

This innovative approach to training has an important link to health and safety, by helping employees learn about their roles and responsibilities in a virtual, controlled environment and ensuring they are prepared to work safely and effectively.





All retirees are invited to Algoma's annual Family Day celebrations because we recognize the integral role retired employees play at Algoma and within the community of Sault Ste. Marie.



BENEFITS FOR EMPLOYEES

Algoma has a profit-sharing plan for unionized employees. The amount of profit sharing is defined in the collective bargaining agreements.

To assist with employee attraction and retention, pension plans are available for all employees. Algoma sponsors three Defined Benefit Pension Plans and one Defined Contribution Pension Plan. The Defined Benefit Pension Plans have been closed to non-unionized new entrants since 2004 and to unionized employees since 2011. Employees hired subsequent to the closure of these plans become members of the Defined Contribution Pension Plan. Through these Defined Benefit Pension Plans, Algoma pays pension benefits to approximately twice as many retirees as current employees. We not only value our current employees but also hold strong relationships with retirees. Members of the Algoma team meet with retiree groups regularly to maintain a strong relationship. All retirees are invited to our annual Family Day celebrations because we recognize the integral role retired employees play at Algoma and within the community of Sault Ste. Marie.

Algoma provides comprehensive benefits coverage to all employees beginning on day one of employment. Benefits for unionized employees include medical, drug coverage,

dental, vision, life insurance, disability, vacation, and a Defined Contribution Pension Plan.

EMPLOYEE ENGAGEMENT

We conducted an employee engagement survey in May 2023 through a third-party vendor. The survey response rate was relatively low and reflects the unique nature of our workforce where many employees are not working traditional desk jobs with regular access to computers. We plan to continue to administer this survey regularly to support our monitoring of employee engagement and are developing a plan to improve response rates and overall engagement results.

ACADEMIC COLLABORATIONS

To help recruit the next generation of steelworkers and contribute to steelmaking innovation, Algoma works closely with the academic institutions below.

Algoma has also collaborated with the local school boards to bring Algoma-related career information to students and host teachers and school advisors on-site for tours and discussions. See our [Careers in Steel spotlight](#) in the Community Relations section for more information.



Diversity, Equity, and Inclusion

At Algoma, we are committed to enhancing our diversity, equity, and inclusion (DEI) across our organization because we recognize that fostering a diverse and inclusive culture strengthens our business, enhances our culture, and enriches the relationships we have with our employees, customers, suppliers, and community.

Our [Diversity, Equity & Inclusion Policy](#) outlines Algoma's commitment to DEI. Our [Code of Business Conduct & Ethics](#) outlines our intent to provide equal opportunity in all aspects of employment and recognizes diversity as an important asset to Algoma. We do not tolerate acts of discrimination based on age, ancestry, colour, race, citizenship, ethnic or national origin, creed, religion, disability, family status, marital status, gender, sex, sexual orientation, or any other ground of discrimination prohibited by law.

Our [Multi-year Accessibility Policy and Plan](#) outlines Algoma's commitment to improving access and opportunity for people with disabilities. The Policy commits Algoma to treating all people with dignity, respect, and in a way that maintains individual



independence. Included in the Policy are goals and a multi-year accessibility plan.

The goals for accounting for accessibility needs of employees with disabilities completed to date include:

- Establishment of accessibility policies;
- Creation of accessibility plans;
- Accessible formats and communication supports;
- Notification of accommodation for applicants with disabilities during employee recruitment, assessment, and selection process;

- Notification of policies for accommodating employees with disabilities when providing notice to successful employee applicants;
- Informing employees of available supports; and
- Return to work process.

The ideals of diversity and inclusion underpin our successful team of individuals from varied backgrounds, cultures, genders, experiences, and perspectives coming together to promote and realize key advantages.

The ideals of diversity and inclusion underpin our successful team of individuals from varied backgrounds, cultures, gender, experiences, and perspectives coming together to promote and realize key advantages.

As part of our Strategic Innovation Fund Agreement with the Federal Government for our EAF Steelmaking, Algoma is committed to demonstrating our ability to advance gender equality and corporate diversity by improving access for underrepresented groups including, women, racialized persons, people who identify as LGBTQ2+, people living with disabilities, and First Nations, Inuit, and Métis. The People & Culture team at Algoma has created an all-encompassing DEI Program to support the launch of our DEI Policy. Initiatives undertaken via the program include:

- Anonymous DEI Pulse Survey was released to employees to collect valuable employee input for informing Algoma's DEI strategy.
- DEI focus group sessions were held to better understand open-ended questions and findings from the DEI Pulse Survey.
- Recruitment of employees outside of Human Resources department to serve as DEI Committee Members.
- 5-day workshop with the DEI Committee Members was facilitated by our third-party DEI partner without representatives from Algoma's Human Resources team to develop a 5-year strategic roadmap and governance strategy for DEI. A summary of the results from the workshop was presented to the Board for approval.
- DEI Committee Members were invited to participate in the Gabegendaadwin Training from Algoma University. Gabegendaadwin translates to mutual respect, thoughtfulness, care, consideration, and awareness for others. The training is an interactive learning program that bridges understanding between Indigenous and non-Indigenous communities.²⁶

Algoma has made progress over the past few years on DEI but recognizes we are just beginning our journey in making the steel industry a diverse and inclusive space. We remain committed to better understanding the demographics of our workforce and improving DEI programs in the future to strengthen DEI across the organization. We are set to launch several new DEI initiatives in FY 2025 to celebrate and showcase the diversity of our workforce.

²⁶ [Grow with Gabegendaadwin - Algoma University.](#)

Spotlight on Women in Steel at Algoma

We are proud to celebrate our female leaders across the organization.

The steel industry has traditionally been a male-dominated sector and Algoma is committed to creating a culture where all employees can succeed and thrive. Below we highlight just two of the women who are breaking barriers and creating a brighter, more inclusive future at Algoma.

Laura Devoni, Director, Human Resources and Corporate Affairs

Laura Devoni plays an integral role in the success of Algoma and has been with the Company for 20 years in various capacities. Laura's leadership extends across the steel industry through her work as the Chair of the Canadian Steel Producers Association Climate Committee, her participation on the Canadian Manufacturers and Exporters Government Relations Committee, the Ontario Advisory Board and the Decarbonization Leaders

Network Advisory Board. Laura's leadership has been recognized externally; she received the Globe and Mail Report on Business magazine's 2024 Best Executive Award in the Sustainability and DEI category.

Kate Kuuskman, General Manager, DSPC & Cold Mill

Kate runs the flagship Direct Strip Production Complex (DSPC) and she is the first female General Manager in operations at Algoma. Kate is dedicated to the advancement of women in steel and mentors many of the women in operations at Algoma. Kate also sits on the Sault College Mechatronics Program Advisory Board. Kate was profiled in the Association for Iron & Steel Technology's Women in Steel: Progress & Perspectives piece; [see more on her story here.](#)



Laura Devoni,
Director, Human
Resources and
Corporate Affairs



Kate Kuuskman,
General Manager,
DSPC & Cold Mill



13%

The percentage of women in management positions.

PERFORMANCE

TABLE 9: Summary of Workforce Metrics

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Full-time employees	Number (#)	2,687	2,703	2,846	2,840
Part-time employees	Number (#)	0	0	0	0
Total number of contractors employed	Number (#)	8	32	50	39
Number of co-op and summer student positions	Number (#)	0	62	91	84
Total Workforce²⁷	Number (#)	2,695	2,797	2,987	2,879

²⁷ As at March 31, 2024. Number of co-op and summer student term positions excluded from total as they are not active workforce participants as at March 31, 2024.

The number of women in management positions remains steady at 13% in FY 2024 and the percentage of female representation across our workforce remained similar to previous years. We remain committed to increasing female representation at the management level and for all employees in future years. We are enhancing our ability to collect data on diversity and in future years will work towards disclosing more employee diversity information once we have the data available.

TABLE 10: Summary of Workforce Diversity Metrics

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Percentage of executive management positions held by women	Percentage (%)	14	0	14	13 ²⁸
Percentage of underrepresented group representation in executive management positions ²⁹	Percentage (%)	NRP	NRP	25	25 ³⁰
Percentage of executive management positions held by individuals who identify as LGBTQ+	Percentage (%)	NRP	NRP	0	0
Percentage of female representation for all employees	Percentage (%)	7	6	6	7
Percentage of employees under 30 years old	Percentage (%)	13	12	11	12
Percentage of employees aged 30–50 years old	Percentage (%)	52	50	49	53
Percentage of employees over 50 years old	Percentage (%)	35	38	40	36

²⁸ As at March 31, 2024.

²⁹ Since Algoma is a Nasdaq listed Company, we report on diversity in alignment with the Nasdaq’s Board Diversity Rule as it applies to foreign issuers. 25% of our executive management team self-identify as underrepresented individuals based on national, racial, ethnic, indigenous, cultural, religious, or linguistic identity in Canada.

³⁰ As at March 31, 2024.





To ensure continuity and future labour stability, a high proportion of our key personnel have succession plans with over 88% of key personnel with succession plans in place in FY 2024.

All non-unionized employees received performance reviews.

Involuntary turnover increased in FY 2024 as we experienced a significant operational event January 20, 2024 (see [Cokemaking Incident](#) for more details) which required us to temporarily reduce staffing, through the implementation of layoffs and the termination of some employment contracts.

TABLE 11: Summary of Employee Engagement and Performance Metrics

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Percentage of non-unionized employees receiving performance reviews	Percentage (%)	100	100	100	100
Voluntary turnover rate for all employees	Percentage (%)	8	6	11	9
Involuntary turnover rate for all employees	Percentage (%)	1.0	0.9	0.9	6
Ratio of basic salary and remuneration of women to men	Percentage (%)	-1.1	-0.3	-0.1	-0.8
Percentage of succession plans that exist for key personnel	Percentage (%)	93	92	88	88
Employee productivity – shipment tonnes	Tonnes (t) Shipped / At Work Employee	774	867	736	769
Employee productivity – production tonnes	Tonnes (t) Produced / At Work Employee	761	875	758	756

Rights of Indigenous Peoples

WHY THIS MATTERS

Algoma acknowledges that we operate in the Robinson-Huron Treaty territory, the traditional territory of the Anishinaabe People, including the Batchewana and Garden River First Nations, as well as the Métis People. We recognize our responsibility in contributing to reconciliation in Canada and our obligation to consult with Indigenous Rights and Titleholders to obtain their free, prior, and informed consent on projects.

OUR APPROACH

The Director, Human Resources and Corporate Affairs has senior management responsibility for Rights of Indigenous Peoples and reports on Indigenous relations to the Board Nominating and Governance Committee. Executive accountability for Rights of Indigenous Peoples lies with the Vice President of Strategy and Chief Legal Officer.

Algoma is committed to continued engagement and consultation with local Indigenous communities. As part of our Strategic Innovation Fund Agreement with the federal government for our EAF Steelmaking project, Algoma must consult with, or accommodate, any Indigenous groups that may be affected by the terms of the agreement. Algoma has initiated outreach to a number of Indigenous communities with respect to our transition to EAF Steelmaking.



Several Non-disclosure Agreements (“NDAs”) have been reached with local First Nation communities. Algoma has embarked on an NDA with Batchewana First Nation and working groups have been established to discuss electricity and energy requirements, employment, and cultural opportunities, collaborative advocacy on local electricity transmission needs, and other procurement opportunities. We have also signed an NDA with Missanabie Cree First Nation to focus on opportunities related to procurement and alternative energy and biomass. Informal discussions with Garden River First Nation continue with a commitment to enter into formal discussions on similar economic development opportunities including procurement, biomass, transportation, and material processing.

Many of our charitable donations and activities are focused on Indigenous organizations and services. Over the

past few years, Algoma has provided support for the following initiatives:

- \$20,000 donation to Children of Shingwauk Alumni Association.
- \$5,000 donation to Roots and Reconciliation Workshop.
- \$5,000 donation to the Gathering at the Rapids Pow Wow 2024 and Algoma’s Community Stakeholder Liaison & Strategy Support Analyst was a member of the planning committee.
- Sponsored Moose Hide Campaign and Algoma’s Community Stakeholder Liaison & Strategy Support Analyst was a member of the planning committee.
- \$1 million to support the development of the NorthWay Wellness Centre, Sault Area Hospital’s new residential withdrawal treatment facility.

TRUTH AND RECONCILIATION TRAINING

We place value on continuing to develop our understanding of Indigenous culture in Canada. In collaboration with the USW and Algoma University, a select group of our leaders and employees receive Indigenous Cultural Training.

Additionally, many members of our DEI Committee participated in the Gabegendaadowin Training from Algoma University. Gabegendaadowin translates to mutual respect, thoughtfulness, care, consideration, and awareness for others. The training is an interactive learning program that bridges understanding between Indigenous and non-Indigenous communities.

The local district office of the USW provides courses to educate participants on Truth and Reconciliation (Unionism on Turtle Island and Roots and Reconciliation) and Algoma encourages unionized employees to attend these courses.

Our Board of Directors is also committed to a Truth and Reconciliation education. Last year, Algoma's Board of Directors had the opportunity to tour Shingwauk Hall in Sault Ste. Marie. Shingwauk Hall serves as an exhibition for educating visitors on the history in the area within the context of colonization, including the history of residential schools in Canada. For more details, see the Board Tour of Shingwauk Hall section of the [FY 2023 ESG Report](#).

As we continue to explore available Truth and Reconciliation training opportunities, we have also been working with the Batchewana First Nation to develop our own Truth and Reconciliation training for Algoma employees. The aim is for this training to be Indigenous-led with involvement from Elders, to include on-reserve education to maximize impact and local connection, and to be focused on the local Sault Ste. Marie history and specific to our employees.

We have collaborated with our local unions to commemorate Orange Shirt Day and raise awareness about the importance of Truth and Reconciliation.



Community Relations

WHY THIS MATTERS

Steel production can have significant environmental and socio-economic impacts on communities and require community support to obtain permits and operate without disruption. To this end, our mission is to create steel that improves the lives of not only our people but also the community.

We are the largest employer in Sault Ste. Marie. Approximately 99% of our workforce is from the local region and a significant proportion of the population is directly or indirectly economically dependent on Algoma, representing around 40% of the city's GDP. We are dedicated to continuing our contribution to the prosperity of the communities in which we operate. Building and strengthening our relationship with the community through continued engagement can ensure the benefits of Algoma's steel production endure for generations.

OUR APPROACH

The Corporate Citizenship and Philanthropy Committee meets monthly to review requests for community involvement and identify suitable opportunities. The Committee is composed of representatives from across the organization and conducts regular polling and outreach with employees to ensure strategic alignment on community initiatives. Recommendations by the Committee are tabled with the Executive Committee for final approval and then executed under the direction of the Director, Human Resources and Corporate Affairs.



BUILDING BETTER LIVES

Algoma has a long history of charitable giving and corporate sponsorships that enhance the well-being of our community. We know our employees know the needs of their community best, which is why we leverage their knowledge and expertise to ensure our efforts target the causes with the highest impact per dollar. We also seek opportunities that promote awareness of our community-focused efforts to a larger audience than those directly impacted.

To enhance our 'Building Better Lives' initiative, Algoma launched a more structured charitable giving process to ensure our efforts are aligned with Algoma's corporate strategy, core values, and the social license we continue to build in our community. Algoma's Corporate Citizenship and Philanthropy program seeks to follow a reporting structure in line with the London Benchmarking Group ("LBG")

Model.³¹ Impacts are assessed in areas of education, health, economic development, environment, arts and culture, social welfare, and emergency relief. The LBG Model helps Algoma select and assess community-related inputs, outputs, and outcomes across our three core areas of Community and Employee Engagement, Healthy and Safe Communities, and Education and Skills Development.

The many causes supported through our Corporate Citizenship and Philanthropy program reflect the values embodied in our employees and are intrinsic to Algoma's culture. Our employees care about the community that they call home. They are talented steelmaking professionals, but it is their care and concern for local development and the next generation that fuels Algoma's donor program and drives our engagement with our neighbours.

³¹ The LBG Model is a recognized global standard framework for managing, measuring, and reporting community investment.



Support for SooToday's 12 Days of Christmas Random Acts of Kindness

We were fortunate to participate in SooToday's annual 12 Days of Christmas Random Acts of Kindness, providing two Sault Ste. Marie community members with a life-changing gift that will help them continue their meaningful work supporting children in need of care in the community. This family has been fostering children for many years and truly embodies the spirit of 'Building Better Lives'.

A video of the surprise is available [to watch](#).

Community and Employee Engagement

We proudly participate in local events and give back through targeted financial, in-kind, and volunteer contributions. By aligning our support with important causes that are near and dear to our employees we can have a more meaningful impact on quality of life in our community.

Many Algoma team members sit on, in a volunteer capacity, the Boards of various community organizations, including Algoma University and Sault College.

The *Algoma Steel Bring A Doctor Home Tournament* is a perfect example of the difference you can make when you combine employee passion for hockey and their desire to address the doctor shortage in Northern Ontario with strong corporate backing. The result is an annual, week-long tournament featuring 25 teams across 5 divisions, raising more than \$450,000 in scholarships since its inception for local youth attending medical school in the North. When paired with Algoma Steel's Northern Ontario School of Medicine bursary, funded in perpetuity, this focused approach to giving is bringing doctors to our community.

The passion of our employees and our corporate support of their commitment is further exemplified in the Company's partnership with the United Way, which dates back more than 60 years. Our commitment as a founding and leading corporate supporter has remained steadfast as we have supported the *United Way Sault Ste. Marie & Algoma District* in mobilizing collective action to improve lives and build community.

In September 2023, we made a \$120,000 donation spread over three years to the United Way's Harvest Algoma project. The United Way's Harvest Algoma project is a community hub for food rescue, preparation and production and gathers food donations and



distributes them across the community of Sault Ste. Marie to over 70 partner agencies to increase food security within the city.

Michael Garcia, the Company's Chief Executive Officer, commented, "We are proud to join with others in our community to enable Harvest Algoma to continue its vital work fostering food security. We believe in building better lives together and are inspired by the work of Harvest Algoma to facilitate a cross community effort to help feed local families."

Healthy and Safe Communities

People are at the core of our business. By keeping our employees safe, providing good-paying jobs, and fostering inclusivity and diversity in our workforce, our operations will continue to contribute to the social and economic fabric of our community.

Our inclusive approach to stakeholder engagement and impact management enables us to zone in on areas of greatest need in our community and to be a part of the solution. It was through this inclusive process that we knew assisting in our community's response to addictions was where we wanted to apply our resources.

At Algoma, our employees make up a significant portion of the community. We know the very serious impact substance abuse has on individuals, their families, and their co-workers. We are committed to advancing the quality of life in the community where we live and work, and our gift of \$1 million in 2023 towards the *Sault Area Hospital Foundation's new Residential Withdrawal Management Facility 'The NorthWay Wellness Centre,'* will help transform a first-class treatment centre into a home for healing.

We also seek to highlight the critical importance of physical activity to health and wellbeing by helping make local recreational opportunities accessible to all residents regardless of ability

or socio-economic background. Our continued investment in healthy active living for all demonstrates how we live our core value of caring. Key examples include:

- Pledged support for recreational hockey leagues – \$40,000 to the *Soo PeeWee* and \$10,000 to the *Sault Female Hockey Association* on an annual basis over the next three years. This donation will help reduce the cost of enrollment for families to help kids access organized sports.
- Made a donation towards the purchase of specialized equipment for the *No Limits Adaptive Skiing Association*.
- Sponsored the *Rosedale Park Revitalization Program* and free *Community Holiday Skates*.



\$1 million was donated to support the development of the NorthWay Wellness Centre, Sault Area Hospital's new residential withdrawal treatment facility.



Education and Skills Development

Algoma believes that education and skills development is a pathway for the residents of our community to achieve economic prosperity. We are committed to forming a strong relationship with local education institutions with particular focus on our connection to Algoma University and Sault College.

As part of Algoma’s efforts to educate and inspire tomorrow’s engineers, skilled tradespeople, and technology professionals, our approach to STEM outreach includes support for programs, partnerships with regional post-secondary institutions, and campaigns that foster student achievement, development, and gender and ethnic diversity.

We have created endowments at regional post-secondary institutions to set up scholarships to help ensure that our community has skilled workers needed for the jobs of tomorrow by assisting students with financial support. We sponsor several scholarships primarily intended for children of local residents, particularly those of Algoma’s past and present employees including:

- **Northern Ontario School of Medicine - Algoma Bursary:** Endowed for the benefit of a full-time student from the geographical region of Sault Ste. Marie. The recipient must be a resident of a northern, rural,

or remote community for a minimum of 10 years and demonstrate financial need.

- **Sault College - Algoma Award of Excellence:** Awarded to 2nd or 3rd year full-time students of Sault College enrolled in technical trades, engineering technology, or computer studies. Recipients are selected by the Sault College Scholarship, Bursary, and Awards Committee.
- **Sault College - Algoma Steel Women in Trades Award:** Awarded to 2nd or 3rd year full-time students of Sault College who self-identify as women and are enrolled in a technical trade or engineering technology. Recipients are selected by the Sault College Scholarship, Bursary, and Awards Committee.
- **Sault College – Algoma Steel Athletic Scholarship:** Algoma will be the title sponsor for Sault College Athletics. In Year 1, our initial commitment is \$25,000 to support with equipment and other costs associated with starting a football team. In Years 2 to 5, we will provide \$10,000 annually to fund four annual scholarships of \$2,500 for local student athletes who are enrolled in a trades program and a varsity sports team.
- **Algoma University - Algoma Student Assistance Award:** Given annually to an Algoma University student enrolled in full-time studies in business, computer science, or chemistry, who is in good academic standing

with demonstrated financial need. Recipients of this award will have demonstrated an open and respectful attitude, maturity, entrepreneurial ability, accountability, and a willingness to participate in community life.

To further support education and skills development in the community, Algoma also contributed by:

- Investing \$100,000 in the Sault College Mechatronics Program to go toward the purchase of new instruction equipment to give students the ability to gain hands-on experience which is critical to the advancement of this field.
- Continuing to collaborate with regional academia and other partners to engage with youth and raise awareness about career opportunities in STEM and the trades. From the promotion of careers in STEM through active participation in events like *Boundaries, Barriers and Balance* in partnership with the Canadian Bushplane Heritage Centre and Science North, to the sponsorship of a local VEX Robotics team to a *Mind over Metals Summer Camp* in partnership with Canadian Welding Bureau Foundation, we continually strive to provide high calibre hands-on learning experiences to area youth.
- A monthly networking social has been established where the Algoma University team and students can connect with leaders and employees from Algoma Steel.



Careers in Steel

Algoma has a history of collaborating with local school boards to bring Algoma-related career information to students and host teachers and school advisors on-site for tours and discussions. This year, Algoma launched the Careers in Steel program where we visited four local schools: White Pines, St. Mary's College, Superior Heights and Korah Collegiate. We also hosted a chemistry of steelmaking presentation and site tour with Notre-Dame-Du-Sault. The objective of the program was to encourage students to start thinking early about potential future careers in the manufacturing sector and high skilled trades.

There are many misconceptions about the type of work available in manufacturing and the trades and the nature of the work at a Company like Algoma. Steelmaking is increasingly leveraging automation and new technology that requires highly skilled trade workers. There are also many interesting opportunities in metallurgy, environmental controls, health and safety, and human resources. By promoting and educating local youth on Careers in Steel available, we hope to showcase how rewarding a career in the manufacturing industry can be.

We included interactive exhibits highlighting opportunities across departments including Electrical Maintenance Technician, Mechanical Maintenance Technician, Welding, Health and Safety, Human Resources, Finance, IT, Sales, Metallurgy, Environment, among others.



COMMUNITY ENGAGEMENT PROGRAM

We are dedicated to continuing community engagement and building our trust with the community. To support an open dialogue on environmental issues with the community, we have established a community outreach program and are committed to frequently reporting on our environmental performance. The Community Liaison Committee (“CLC”) serves as the forum for exchanging relevant environmental information with the public and solicits representation from community organizations, agencies, and public bodies. The CLC holds quarterly meetings and publicly publishes meeting presentations and minutes on our website. Our objectives for the CLC include remaining informed of any community concerns about the operations of our facility, and keeping the community informed about our facilities in relation to the requirements of the environmental approvals in effect. To ensure the objectives of the CLC are met, the Company provides information to the members as necessary on an ongoing basis.

To help with our EAF transformation, Algoma made the intentional decision to employ the Ontario-based Company, Walters, to assist with project execution. Algoma chose Walters in part because of the Company’s history of working with local contractors. We are committed to supporting local and, in addition to using local contractors, we are using our own Algoma steel for the EAF building fabrication.

We serve as an active and responsible stakeholder in the Sault Ste. Marie community and are actively involved in advancing and preserving the quality of life in the community. We are a longstanding member of the Sault Ste. Marie Chamber of Commerce. While the Chamber’s programs tend to focus on small businesses, we support their work for the community’s economic development. We sponsor the Chamber, attend functions, and provide input for advocacy and policy statements from the Chamber to the Ontario Chamber of Commerce.



EAF Steelmaking Benefits to the Local Community

Building a new era in Algoma’s history through the transition to EAF Steelmaking will bring many benefits to the community of Sault Ste. Marie. For more information on the transformation see our [EAF Steelmaking](#) section.

Along with electric arc furnaces, we plan to construct state-of-the-art fume and water treatment plants. The fume treatment plants will capture air and dust emissions while the water treatment plant conserves water usage by recycling non-contact water from the EAF Steelmaking process. Also, EAF Steelmaking

involves using an engineered furnace enclosure for noise abatement. These enclosures feature large doors which seal shut before the arcing process begins, containing any sound, sparks, or dust particles. The building design for the EAF includes heavy gauge steel and acoustic insulation to further buffer sound from the operation.

The EAF construction has, and is expected to continue to, contribute significantly to the local economy. As of March 31, 2024, we have spent over \$94.5 million in the community on constructing the EAF. Our total project spend as of March 31, 2024, was an estimated \$563 million, which represents approximately 65% of the anticipated total project cost.



PERFORMANCE

Virtually all of our workforce continues to be employed from the local region demonstrating our strong commitment and tie to the local Sault Ste. Marie community.

TABLE 12: Algoma’s Contributions to the Community

METRIC	UNIT	FY 2021	FY 2022	FY 2023	FY 2024
Percentage of workforce from the local region of operations	Percentage (%)	99%	99%	99%	99%
Annual amount invested in local communities	Amount (\$)	NRP23	388,473	1,310,493 ³²	297,000

³²FY 2023 includes Algoma’s significant one time \$1-million donation to the NorthWay Wellness Centre.

FY 2024 Contributions Toward Community Causes

In FY 2024, Algoma committed to 51 causes and contributed both monetary and human capital toward creating positive outcomes in the community. We donated \$297,000 across 51 total causes.

Donations were separated amongst 19 Healthy and Safe Communities, 15 Education and Skills Development, and 17 Community and Employee Engagement causes.

38%

Healthy and Safe Communities (19 Causes)

29%

Education and Skills Development (15 Causes)

33%

Community and Employee Engagement (17 Causes)



Index & Performance Metrics

SASB Index

[VIEW IRON & STEEL PRODUCERS STANDARD >](#)

The Sustainability Accounting Standards Board (SASB) publishes industry-specific sustainability accounting Standards, intended to help companies disclose financially material, decision-useful ESG information to investors in a cost-effective and comparable way. We have reported applicable metrics from the SASB Standard applicable to our business: the Iron & Steel Producers Standard. Any omissions or deviations from the Standard are explained.

ESG TOPIC	SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
Activity Metrics	EM-IS-000.A	Raw steel production, percentage from: (1) Basic oxygen furnace processes (2) Electric arc furnace processes	Metric tonnes (t), Percentage (%)	About Algoma (p.11–12) Greenhouse Gas Emissions & Climate Change (p.42)
	EM-IS-000.B	Total iron ore production	Metric tonnes (t)	
	EM-IS-000.C	Total coking coal production	Metric tonnes (t)	
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tonnes (t) CO ₂ -e, Percentage (%)	Greenhouse Gas Emissions & Climate Change (p.37)
	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	N/A	
Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: (1) CO (2) NO _x (excluding N ₂ O) (3) SO _x (4) Particulate matter (PM10) (5) Manganese (MnO) (6) Lead (Pb) (7) Volatile organic compounds (VOCs) (8) Polycyclic aromatic hydrocarbons (PAHs)	Metric tonnes (t)	Air Emissions (p.45)
Energy Management	EM-IS-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Gigajoules (GJ), Percentage (%)	Energy Management (p.48)
	EM-IS-130a.2	(1) Total fuel consumed (2) Percentage coal (3) Percentage natural gas (4) Percentage renewable	Gigajoules (GJ), Percentage (%)	

ESG TOPIC	SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
Water Management	EM-IS-140a.1	(1) Total water withdrawn (2) Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress.	Thousand cubic meters (m ³), Percentage (%)	Water Management (p.52)
Waste Management	EM-IS-150a.1	(1) Amount of waste generated (2) Percentage hazardous (3) Percentage recycled	Metric tonnes (t), Percentage (%)	Waste & Hazardous Materials Management (p.51) Algoma is not able to accurately quantify the percentage of waste generated that is hazardous at present time but will assess capacity to do so in the future.
Workforce Health & Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate (NMFR) For (a) direct employees and (b) contract employees.	Rate	Workforce Health & Safety (p.59) Algoma has recently begun to capture the number and type of contractor injuries in our safety management system. At the present time, we are only able to report near misses for full-time employees.
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues.	N/A	Supply Chain Management & Human Rights (p.32)

TCFD Index

The Taskforce on Climate-related Financial Disclosures (TCFD) developed a framework to help companies and investors disclose decision-useful, forward-looking information on climate-related risks and opportunities. We are beginning to align our ESG Report with the TCFD recommendations from the start as this framework has emerged as the leading investor-preferred framework for climate-related disclosure, and plan to enhance our disclosure in future reports.

CATEGORY	RECOMMENDATION	RECOMMENDED DISCLOSURES	REFERENCE
Governance	Disclose the organization's governance around climate-related risks and opportunities.	(a) Describe the Board's oversight of climate-related risks and opportunities.	Climate Change Governance (p.37)
		(b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change Strategy (p.38)
		(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
		(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have not yet conducted climate change scenario analysis given capacity constraints. We are planning to take a phased approach to alignment with the TCFD recommendations within a reasonable timeframe. We are committed to continuing to enhance our understanding of climate-related risks and opportunities and the ways in which they could impact our business, strategy, and financial planning.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	(a) Describe the organization's processes for identifying and assessing climate-related risks.	Climate-related Risk Management (p.41)
		(b) Describe the organization's processes for managing climate-related risks.	
		(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Change Metrics and Targets (p.41)
		(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
		(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

ESG Performance Metrics

The following table summarizes all ESG data provided in this report. Data is provided on a fiscal year basis with the exception of GHG emissions and air quality data which are provided for the calendar year. Our regulatory obligations require that we track and report GHG emissions and air quality data as per the calendar year. All facts and figures are as of March 31, 2024, unless otherwise noted.

The scope of data and information in this report applies to all our operations, unless otherwise noted. Any data limitations are explicitly noted where relevant and where information is available. Where data is not reported, we have explained why it is not relevant to Algoma or noted if we intend to report it in the future. Scope 1 GHG emissions data received reasonable assurance through a third-party verification conducted by Pricewaterhouse Coopers (PWC).³³

Financial data is stated in Canadian dollars (CAD).

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Governance							
Business Ethics & Transparency	Amount of monetary losses as a result of legal proceedings associated with bribery, corruption, and other related issues	Amount (\$)		0	0	0	0
	Percentage of employees who completed training on the Code of Business Conduct & Ethics	Percentage (%)		NRP	NRP	100%	57% ³⁴
Board Diversity	Percentage of Board members that identify as male	Percentage (%)		NRP	NRP	73%	70%
	Percentage of Board members that identify as female	Percentage (%)		NRP	NRP	27%	30%
	Percentage of Board members that identify as members of a underrepresented group ³⁵	Percentage (%)		NRP	NRP	18%	20%
	Percentage of Board members that identify as LGBTQ+	Percentage (%)		NRP	NRP	0%	0%

³³ The third party verification excludes coal storage emissions as these emissions are not subject to provincial carbon tax obligations.

³⁴ Due to layoffs that occurred in FY 2024, we were not able to provide training in FY 2024 to 100% of employees on the Code.

³⁵ Since Algoma is a Nasdaq listed company, we report on diversity in alignment with the Nasdaq's Board Diversity Rule as it applies to foreign issuers. 25% of our executive management team self-identify as underrepresented individuals based on national, racial, ethnic, indigenous, cultural, religious or linguistic identity in Canada.

METRIC	UNIT	REFERENCE	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023	
Environment							
Greenhouse Gas Emissions & Climate Change ³⁶	Gross global Scope 1 emissions ³⁷	Metric tonnes (t) CO ₂ e	SASB EM-IS-110a.1 TCFD Metrics and Targets b)	3,880,106	4,111,476	3,995,014	4,281,546
	Gross global Scope 2 GHG emissions	Metric tonnes (t) CO ₂ e	TCFD Metrics and Targets b)	NRP	NRP	14,115	24,877
	Percentage of gross global Scope 1 GHG emissions that are covered under emissions-limiting regulations	Percentage (%)	SASB EM-IS-110a.1 TCFD Metrics and Targets a)	100	100	100	100
	Scope 1 GHG emissions intensity	Metric tonnes (t) CO ₂ e/ Metric tonne of steel	TCFD Metrics and Targets b)	1.80	1.72	1.90	1.83
	Scope 1 and 2 GHG emissions intensity	Metric tonnes (t) CO ₂ e/ Metric tonne of steel	TCFD Metrics and Targets b)	NRP	NRP	1.91	1.84
	Percentage of steelmaking production using coke and iron	Percentage (%)	TCFD Metrics and Targets a)	100	100	100	100
	Percentage of steelmaking production using EAF	Percentage (%)	TCFD Metrics and Targets a)	0	0	0	0
	Internal carbon price ³⁸	Amount (\$)	TCFD Metrics and Targets a)	30.00	40.00	50.00	65.00

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	
Environment							
Greenhouse Gas Emissions & Climate Change	Amount of investment deployed towards climate-related risks and opportunities ³⁹	Amount in millions (\$)	TCFD Metrics and Targets a)	N/A	57.3	230.4	252.7

³⁶ GHG emissions and other climate change metrics (except for amount of investment deployed towards climate-related risks and opportunities) are provided for the calendar year from January 1 to December 31 (2020, 2021, 2022, 2023) as our regulatory obligations require that we track and report GHG emissions data as per the calendar year.

³⁷ Provincially reported Scope 1 GHG emissions. Provincial Reporting Values are based on regulatory requirements outlined by the Ministry of Environment, Conservation and Parks during the year. This value includes methane emissions from the coal purchased for the cokemaking process.

³⁸ The regulatory carbon price covering 100% of Scope 1 GHG emissions is the same carbon price Algoma applies internally for decision-making and planning. Algoma's decision to move towards EAF Steelmaking is indicative of the company considering carbon pricing as part of decision-marking.

³⁹ Data provided for the fiscal year.

METRIC		UNIT	REFERENCE	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023
Environment							
Air Emissions⁴⁰	Carbon monoxide	Metric tonnes (t)	SASB EM-IS-120a.1	711	586	855	766
	Oxides of nitrogen	Metric tonnes (t)	SASB EM-IS-120a.1	2,221	2,194	2,032	2,329
	Oxides of sulphur	Metric tonnes (t)	SASB EM-IS-120a.1	4,748	4,312	3,490	3,493
	Particulate matter <10um	Metric tonnes (t)	SASB EM-IS-120a.1	NRP	NRP	NRP	674
	Manganese	Metric tonnes (t)	SASB EM-IS-120a.1	2.90	1.19	4.64	5.18
	Lead	Metric tonnes (t)	SASB EM-IS-120a.1	0.708	0.287	0.291	0.317
	Volatile organic compounds	Metric tonnes (t)	SASB EM-IS-120a.1	76	120	150	117
	Polycyclic aromatic hydrocarbons	Metric tonnes (t)	SASB EM-IS-120a.1	0.35	0.33	0.68	0.56

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Environment							
Energy Management	Total energy consumed ⁴¹	Gigajoules (Gj)	SASB EM-IS-130a.1	33,471,398	34,379,244	31,959,769	37,393,890
	Percentage of total energy consumed that is grid electricity	Percentage (%)	SASB EM-IS-130a.1	5	5	6	5
	Percentage of total energy consumed that is renewable energy	Percentage (%)	SASB EM-IS-130a.1	0	0	0	0
	Total fuel consumed ⁴²	Gigajoules (Gj)	SASB EM-IS-130a.2	29,870,071	30,533,130	28,265,153	31,838,709
	Percentage of total fuel consumed that is coal ⁴³	Percentage (%)	SASB EM-IS-130a.2	25	21	18	15
	Percentage of total fuel consumed that is natural gas	Percentage (%)	SASB EM-IS-130a.2	36	34	39	42
	Percentage of total fuel consumed that is renewable	Percentage (%)	SASB EM-IS-130a.2	0	0	0	0

⁴⁰ Air emissions data are provided for the calendar year from January 1 to December 31 (2020, 2021, 2022, 2023) as our regulatory obligations require that we track and report air emissions data as per the calendar year. In 2021, the model used to predict potential maximum emissions changed. The changes to the model resulted in adjustments to our air emissions data. As part of the EAF permitting process, the MECP has been conducting a thorough review of the model and updates have been made to refine the emission estimates which have resulted in an increase in the calculated total releases. Moving forward, Algoma will be using this new model to calculate emissions and has re-stated historical data where available.

⁴¹ Total energy consumed includes grid power, generated power including the station service power required by our generators to transmit the power generated by Algoma into the Algoma steel facility and includes by-product fuels used for energy, specifically

coke oven gas produced during the cokemaking process where coal is used as a metallurgical additive and Blast Furnace gas, produced during the ironmaking process from iron ore pellets. Coal used in the steelmaking process as a metallurgical additive is excluded.

⁴² Total fuel consumed includes natural gas consumed and by-product fuels consumed, specifically coke oven gas produced during the cokemaking process when coal is used as a metallurgical additive and Blast Furnace gas, produced during the ironmaking process from iron ore pellets. Coal used in the steelmaking process as a metallurgical additive is excluded.

⁴³ Percentage of coal consumed includes by-product fuels consumed, specifically coke oven gas produced during the cokemaking process when coal is used as a metallurgical additive. Coal used in the steelmaking process as a metallurgical additive is excluded.

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Environment							
Waste & Hazardous Materials Management	Amount of waste generated	Metric tonnes (t)	SASB EM-IS-150a.1	1,419,179	1,627,904	1,472,636	1,519,538
	Percentage of waste recycled	Percentage (%)	SASB EM-IS-150a.1	73	71	80	71
	Number of hydrocarbon spills	Number (#)		0	0	1	0
	Aggregate volume of hydrocarbon spills	Litres (L)		0	0	1,250 ⁴⁴	0
Water Management	Total freshwater withdrawn	Cubic meters (m ³)	SASB EM-IS-140a.1	313,528,295	301,428,571	259,893,138	250,021,232
	Percentage of freshwater withdrawn in regions with High or Extremely High Baseline Water Stress	Percentage (%)	SASB EM-IS-140a.1	0	0	0	0

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Social							
Workforce Health & Safety	Total Recordable Incident Rate (TRIR) – full-time employees	Rate (#)	SASB EM-IS-320a.1	2.35	2.35	2.05	0.76
	Total Recordable Incident Rate (TRIR) – contract employees	Rate (#)	SASB EM-IS-320a.1	NRP	NRP	NRP	4.29
	Fatality Rate – full-time employees	Rate (#)	SASB EM-IS-320a.1	0	0	0	0
	Fatality Rate – contract employees ⁴⁵	Rate (#)	SASB EM-IS-320a.1	0	0	0	0.27
	Near Miss Frequency Rate (NMFR) – full-time employees	Rate (#)	SASB EM-IS-320a.1	4.19	4.40	3.29	2.69
	Total Lost Time Incident Rate (LTIR) – full-time employees	Rate (#)		0.19	0.08	0.26	0.03
	Lost Time Severity Rate – full-time employees	Rate (#)		NRP	NRP	28.5	25.0
	Average hours of health, safety, and emergency response training – full-time employees	Hours (hrs)		21	21	21	21
	Average hours of health, safety, and emergency response training – contract employees	Hours (hrs)		N/A	N/A	N/A	1.5
	First Aid Frequency – full-time employees ⁴⁶	Rate (#)		6.11	6.18	5.53	6.41
	Total hours worked by full-time employees	Hours (hrs)		5,252,327	5,274,424	5,353,673	5,802,395
	Total hours worked by contract employees	Hours (hrs)		430,278	708,573	897,614	746,546

⁴⁴ See Waste & Hazardous Materials Management section for more detail.

⁴⁵ See Workforce Health and Safety for further detail.

⁴⁶ First aid treatment x 200,000 divided by number of total hours worked for full-time employees.

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Social							
Labour Relations	Percentage of employees covered by collective bargaining agreements	Percentage (%)		95	95	95	95
	Number of strikes and lockouts	Number (#)		0	0	0	0
	Duration of strikes and lockouts	Days		0	0	0	0
Human Capital Management	Full-time employees	Number (#)		2,687	2,703	2,846	2,840
	Part-time employees	Number (#)		0	0	0	0
	Total number of contractors employed	Number (#)		8	32	50	39
	Number of co-op and summer student positions	Number (#)		0	62	91	84
	Total workforce ⁴⁷	Number (#)		2,695	2,797	2,987	2,879
	Percentage of executive management positions held by women	Percentage (%)		14	0	14	13 ⁴⁸
	Percentage of underrepresented group representation in executive management positions ⁴⁹	Percentage (%)		NRP	NRP	25	25 ⁵⁰
	Percentage of executive management positions held by individuals who identify as LGBTQ+	Percentage (%)		NRP	NRP	0	NRP
	Percentage of female representation for all employees	Percentage (%)		7	6	6	7
	Percentage of employees under 30 years old	Percentage (%)		13	12	11	12
	Percentage of employees aged 30–50	Percentage (%)		52	50	49	53
	Percentage of employees over 50 years old	Percentage (%)		35	38	40	36
	Percentage of non-unionized employees receiving performance reviews	Percentage (%)		100	100	100	100
	Voluntary turnover rate for all employees	Percentage (%)		8	6	11	9
	Involuntary turnover rate for all employees	Percentage (%)		1.0	0.9	0.9	6
Ratio of basic salary and remuneration of women to men	Percentage (%)		-1.1	-0.3	-0.1	-0.8	
Percentage of succession plans that exist for key personnel	Percentage (%)		93	92	88	88	

⁴⁷ As at March 31, 2024. Number of co-op term and summer student positions excluded from total as they are not active workforce participants as at March 31, 2024.

⁴⁸ As at March 31, 2024.

⁴⁹ Since Algoma is a Nasdaq listed company, we report on diversity in alignment with the Nasdaq's Board Diversity Rule as it applies to foreign issuers. 25% of our executive management team self-identify as underrepresented individuals based on national, racial, ethnic, indigenous, cultural, religious or linguistic identity in Canada.

⁵⁰ As at March 31, 2024.

METRIC		UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024
Social							
Human Capital Management	Employee productivity – shipment tonnes	Tonnes (t) Shipped / At Work Employee		774	867	736	769
	Employee productivity – production tonnes	Tonnes (t) Produced / At Work Employee		761	875	758	756
Community Relations	Percentage of workforce from the local region of operations	Percentage (%)		99	99	99	99
	Annual amount invested in local communities	Amount (\$)		NRP	388,473	1,310,493 ⁵¹	297,000

⁵¹ FY2023 includes Algoma's significant one time \$1-million donation to the Northway Wellness Centre.

Cautionary Note Regarding Forward-Looking Information

This report contains “forward-looking statements” within the meaning of the U.S. *Private Securities Litigation Reform Act of 1995* and “forward-looking information” under applicable Canadian securities legislation (collectively, “forward-looking statements”), that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and strategic objectives, the expected timing of the EAF transformation and the resulting benefits, including the increase in raw steel production capacity and reduction in carbon emissions, projected cost savings associated with the transformation to EAF Steelmaking, short-term and long-term ESG goals, strategic priorities and our goals, targets, commitments and plans and our expectations regarding those goals, our engagement and relationship with Indigenous groups, local communities and other stakeholders, statements regarding our greenhouse gas emissions reduction goals, risk management, including climate-related risks and opportunities, statements relating to environmental, greenhouse gas, carbon, accounting and other laws or regulations and changes in general economic conditions. In some cases, you can identify forward-looking statements by the words “believe,” “project,” “expect,” “anticipate,” “target,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “pipeline,” “aim,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result” or the negative of these terms or other similar expressions. In addition,

any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates, or expectations contemplated by us will be achieved. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements, including those factors described under “Cautionary Note Regarding Forward-Looking Information” and “Risk Factors” in the Company’s Annual Information Form, filed by Algoma with applicable Canadian securities regulatory authorities (available under the company’s SEDAR+ profile at www.sedarplus.ca) and with the United States Securities and Exchange Commission (the “SEC”), as part of Algoma’s Annual Report on Form 40-F (available at www.sec.gov), as well as in Algoma’s

current reports with the Canadian securities regulatory authorities and the SEC.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying assumptions will prove to be correct. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date hereof, to conform these statements to actual results or to changes in our expectations.

For the purposes of this report, we have determined materiality and material topics based on the relevant ESG framework definitions, which is different than the definition used in Canadian and United States securities laws for filing with applicable Canadian securities regulatory authorities or the SEC, respectively. Issues deemed material and use of the words “materiality” and “material,” for purposes of this report may not be considered material for Canadian or United States reporting purposes.

CAP. 31.5 TONS
NET WT. 9,600 LBS.

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