

2024 Sustainability Report

Covering the nine months
ended December 31, 2024





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Messages from Leadership



“Our transition to EAF steelmaking is expected to reduce carbon emissions by approximately 70%, aligning with Canada’s climate goals and positioning us to be a producer of green steel.”

Michael Garcia
President and Chief
Executive Officer

I am pleased to present Algoma Steel’s 2024 Sustainability Report, covering a nine-month transition period from April 1 to December 31, 2024. This transition reflects our shift to a calendar year end and aligns our fiscal year with our industry peers.

As we near completion of our transition to Electric Arc Furnace (“EAF”) steelmaking, our focus on building a low-carbon future remains strong. At Algoma, sustainability is not a trend, it’s a strategic priority. We continue to operate a fully integrated steel mill while executing the largest industrial decarbonization project in Canada. Despite the scale and complexity of this transformation, we remain dedicated to producing high-quality steel safely and reliably.

In 2024, we enhanced our operational reliability with improved ship-on-time performance, strengthened integrated business planning, and advanced our enterprise risk management framework to enable agile, forward-looking decision-making across the organization. We also reinforced governance and sustainability oversight, embedding environmental and social priorities into our core strategy. Safety remains our highest priority, and we continue to foster an inclusive workplace while deepening our engagement with the communities where we live and work.

Our transition to EAF steelmaking is expected to reduce carbon emissions by approximately 70%, aligning with Canada’s climate goals and positioning us to be a producer of green steel. This transformation supports a stronger, more resilient business that creates long-term value for our stakeholders.

Algoma is proud to be Canada’s only independent, publicly traded primary steel producer and the sole domestic supplier of high-quality steel plate for critical applications in construction, manufacturing, infrastructure, and transportation. As we complete our EAF transition, we are helping build a cleaner, modern steel industry, essential for Canada’s economy, security, and future.

Thank you for your continued trust and support as we continue to build better lives and a greener future for generations to come.



On behalf of the Board of Directors, we are pleased to share Algoma’s 2024 Sustainability Report, highlighting our achievements and ongoing efforts to create long-term value for our stakeholders. Our transition to EAF steelmaking is well underway, with each milestone achieved bringing us closer to a new era of cleaner, more sustainable steel production. With every step forward, we’re building momentum towards bringing both furnaces online in 2025—positioning Algoma as a producer of green steel.

At Algoma Steel, we view sustainability as a core driver of long-term value creation. Our commitment to responsible, low-emission steel production is rooted in our belief that prioritizing the environment, investing in our people, and strengthening our communities will build a more resilient and profitable business. By focusing on ethical supply chains, reducing our environmental footprint, and engaging with local stakeholders, we are not only contributing to a more sustainable world but also securing the future of Canadian steelmaking.

We remain steadfast in our climate leadership and dedicated to advancing a more sustainable and environmentally responsible industry—creating lasting value for our stakeholders and all those who depend on us.”

Andy Harshaw
Chair of the Board

About This Report

Algora's 2024 Sustainability Report summarizes our performance during the nine-month transition period from April 1, 2024 to December 31, 2024, aligning with our 2024 financial reporting period, which now corresponds to a calendar year to reflect a consistent approach to our industry peer reporting. Moving forward, we will provide annual Sustainability Reports on a calendar-year basis and will strive to continue enhancing our disclosures. This report outlines the sustainability factors that impact our operations, employees, contractors, suppliers, communities, investors, and long-term value.

The terms "Algora," "Algora Steel," "the Company," and similar terms refer to Algora Steel Group Inc. and its subsidiaries.

Key metrics, achievements, and initiatives are reported for the nine-month transition period from April 1 to December 31, 2024, with the exception of Greenhouse Gas ("GHG") emissions and air quality data, which are reported for the full 2024 calendar year to meet regulatory requirements. To support trend analysis and comparability, we also provide four years of historical data for fiscal years 2021 to 2024 ending March 31st, along with calendar year 2024 data ending December 31st. This dual reporting approach aligns with our financial reporting practices during this transition year. Going forward, we will report on a full calendar-year basis.

The scope of data and information in this report applies to all our operations unless otherwise noted. Any data limitations are explicitly stated where relevant. Where data is not reported, we provide explanations for its exclusion and indicate whether we intend to disclose it in the future.

¹ The third party verification excludes coal storage emissions as these emissions are not subject to provincial carbon tax obligations.

Please note, certain data points for previous years have been restated as Algora works to enhance its data collection approach and alignment with leading ESG reporting frameworks and established methodologies. Certain scope, boundaries, definitions, and calculation methods may have been updated and refined.

PROJECTED CARBON EMISSIONS REDUCTIONS

The projected carbon emissions reductions presented in this report are based on calculations derived from legacy data. These projections utilize international standards and benchmarks for electric arc steelmaking and related processes. While every effort has been made to ensure accuracy, these calculations may not fully reflect the latest technological advancements, operational changes, or real-time emissions data. Actual reductions in carbon emissions may vary based on site-specific factors, new innovations, and evolving industry practices. This information should not be interpreted as a definitive guarantee of future environmental performance or sustainability outcomes.

THIRD-PARTY ASSURANCE AND FINANCIAL DATA

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

All financial data is stated in Canadian dollars ("CAD").

SUSTAINABILITY STANDARDS AND FRAMEWORKS

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



Moving forward,
we will provide annual
Sustainability Reports on
a calendar-year basis.

- 
- Sustainability Accounting Standards Board ("SASB") – Iron and 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.

The sustainability disclosure landscape continues to evolve, particularly with the establishment of the International Sustainability Standards Board ("ISSB") and its issuance of the IFRS Sustainability Standards. Additionally, in 2024, the Canadian Sustainability Standards Board ("CSSB") released its Canadian Sustainability Disclosure Standards ("CSDS"). Algora is committed to monitoring these developments, assessing the implications for our reporting, and adapting as needed to meet investor and stakeholder expectations and regulatory requirements.

ADDITIONAL DISCLOSURE

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

Building a Greener Future

Algoma Steel Inc. 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 located on the St. Mary's River in Sault Ste. Marie, Ontario, Canada. With a raw steel production capacity of approximately 2.8 million liquid net tons 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 is the world's most sustainable and recyclable material, playing a crucial role in modern infrastructure and innovation. At Algoma, we recognize our responsibility to drive progress in environmental and social sustainability, with a particular focus on climate action.

Guided by our purpose to *build better lives and a greener future*, we are transforming the way we produce steel. Our shift to EAF steelmaking builds on the principles of recycling and environmental stewardship, significantly reducing our carbon footprint while maintaining the strength and reliability our customers depend on.

We are investing in one of North America's most significant industrial transformations with our EAF transition.¹ Once fully operational, this project is expected to reduce our annual carbon emissions by approximately 70%, supporting the transition to a low-carbon economy and contributing to Canada's commitments under the Paris Agreement.

¹This project was undertaken with the support of the Government of Canada and the Government of Ontario.

Construction of our EAF began in April 2022, with commissioning activities beginning at the end of 2024, the first arc and steel production beginning 2025. This transition will mark a pivotal moment in our operations, positioning the company to significantly reduce our carbon footprint while allowing us to continue to deliver high-quality steel to our customers. As we move forward, we remain focused on safety, sustainability, and innovation, ensuring that the benefits of our steel endure for generations to come.

EXPECTED BENEFITS OF EAF

- Reduced conversion cost and expanded margins expected to increase adjusted EBITDA by up to approximately \$150 million per annum.
- Expected to reduce earnings volatility as input costs more closely track selling prices.
- More flexible operations capable of responding dynamically to market conditions.
- Reduced sustaining CapEx.
- Adds ~700,000 net tons of finished steel capacity aligning steelmaking capacity to rolling capacity.
- ~70% fewer total CO₂ emissions (annual reduction of 3 million tonnes of CO₂).
- Improves employee productivity (as measured in tonnes per employee).

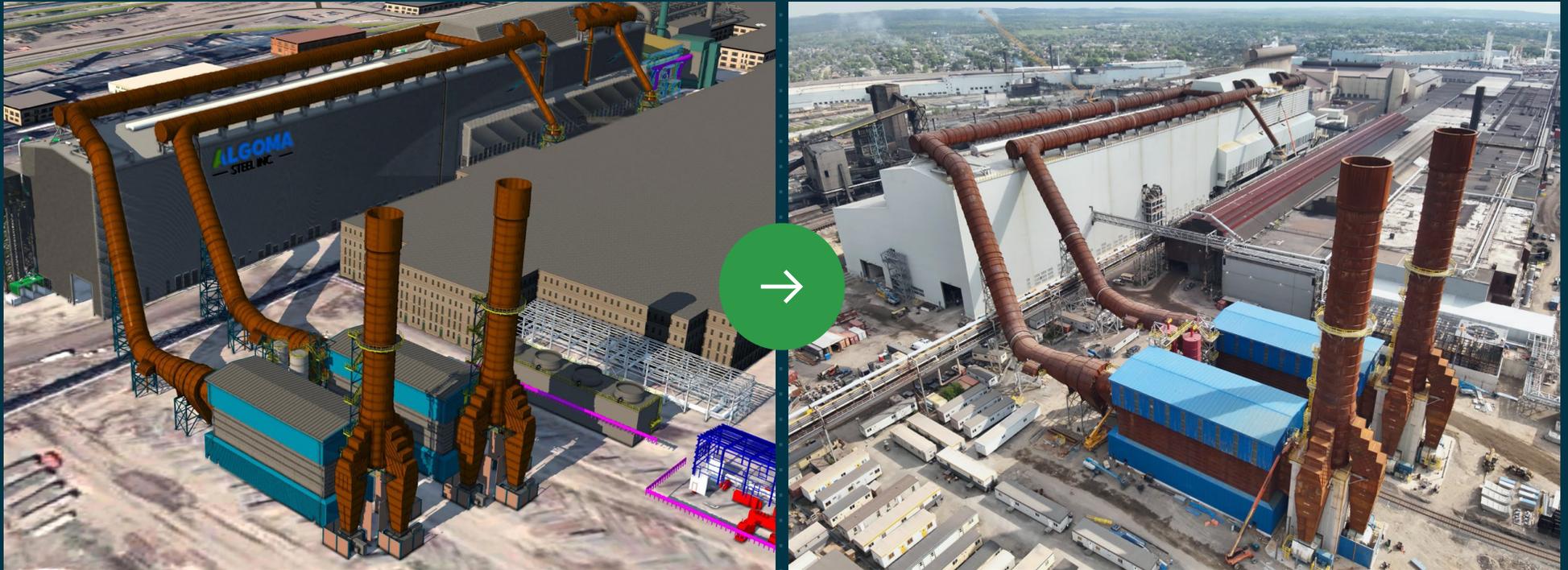


Transforms Algoma into a producer of green steel in North America.



FIGURE 1:

Rendering to Reality



9 Months in Review

APRIL 1, 2024 TO DECEMBER 31, 2024

DEDICATED TO A GREENER FUTURE

- Progressed towards being a climate change leader in the Canadian steel industry with the continued construction of our EAF steelmaking facilities. Once both are fully operational, the shift from Blast Furnace to EAF steelmaking is expected to reduce CO₂ emissions by 3 million tonnes annually—an approximate 70% reduction from current levels.
- Advanced our transition to low-carbon EAF steelmaking, with upgrades to the Lake Superior Power (“LSP”) Plant boosting electricity generation. Approved for connection to the 115kV grid, we are on track to operate both EAF furnaces in hybrid mode, with additional grid power expected to support full EAF operations by 2027.
- Recycled or reused 72% of industrial waste materials, advancing circularity in steel production.
- Invested \$3.8 million in site remediation and environmental improvements, with a total of \$18.7 million invested to date.
- Continued innovations and strategic partnerships in support of Canadian Steel Producers Association’s (“CSPA”) goal of carbon neutrality by 2050.

CONNECTING WITH OUR COMMUNITY

- Demonstrated our continued strong community ties to Sault Ste. Marie by maintaining 99% of our workforce from the local region.
- Donated \$360,000 to community causes including Healthy and Safe Communities, Education and Skills Development, and Community and Employee Engagement causes.
- As of December 31, 2024, over \$189.9 million has been invested in the community on local contractor work to support the EAF project.

DRIVING BUSINESS WITH INTEGRITY

- Continued Board of Directors (“Board”) sustainability education and training.
- Cross-functional sustainability working group continued to support the integration of sustainability across the organization.
- As part of ongoing educational efforts to support effective board oversight and governance, directors participated in sustainability-related training covering topics such as maximizing shareholder and stakeholder engagement around disclosures, climate change and understanding the responsible use of data, artificial intelligence (“AI”), cybersecurity, and digitalization.
- Continued an Integrated Business Planning (“IBP”) process to enhance operational efficiency and improve ship-on-time performance, strengthening customer satisfaction and delivery reliability.

POWERED BY OUR PEOPLE

- From FY2022 to the nine months ended December 31, 2024, our total recordable incident rate (“TRIR”) dropped from 2.35 to 1.45. This improvement reflects ongoing safety training, employee engagement, and a shared focus on safe work practices.
- The EAF project has maintained a strong safety record with zero lost time injuries (“LTI”), a low TRIR of 0.59 over 679,218 hours of work and more than 500 site inspections during the nine-month period ended December 31, 2024.
- Launched the Six (6) “Life Saving Rules” aimed at recognizing the top hazards at Algoma that could lead to critical injury.

9 Months Ended December 31, 2024 by the Numbers

These results reflect the impacts of macroeconomic uncertainty and steel prices driven below production costs for much of the industry. Despite these headwinds, we remained focused on safely operating our facilities and advancing our transformative EAF project.

\$220.9M

Loss from Operations

\$167M

Net Loss

\$-19.1M

Adjusted EBITDA²

0.33

Lost Time Incident Rate

95%

of Workforce Represented by Unions

2,780

Full-Time Employees

² Adjusted EBITDA is a Non-IFRS measure. Please see our management's discussion and analysis for the 9 months ended December 31, 2024, available under our System for Electronic Document Analysis and Retrieval profile at [sedarplus.ca](https://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 [sec.gov](https://www.sec.gov), for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable IFRS financial measures.

The Algoma Advantage

As one of North America's leading flat steel producers, Algoma Steel continues to invest significantly in its asset base, including through the strategic transition to EAF steelmaking and our Plate Mill Modernization. This transformation not only supports our commitment to sustainability but also positions us to improve operational margins and generate significant long-term value for shareholders through incremental adjusted EBITDA.

Strategic Location and Transportation Advantage

Algoma Steel's location on the Great Lakes offers significant logistical advantages. Positioned in close proximity to key steel-consuming regions in Canada (Southern Ontario) and the United States (Midwest and Northeast), approximately 70% of our customers are located within a 500-mile radius. This strategic positioning enables us to leverage low-cost transportation options, including our on-site deep-water port, rail links, and access to Lake Superior for cost-effective logistics.

Additionally, our geographic proximity to major scrap trade flows within the Great Lakes Industrial Region provides us with competitive access to prime scrap, which is crucial for our EAF operations.





We're building a greener future—starting with our own steel. Over 10,000 metric tons of Algoma's steel plate went into the construction of our EAF facility

Supplying Steel that Builds Canada

While our location has historically positioned us as a strong cross-border supplier, evolving trade conditions—such as tariffs on imported steel—underscore the importance of a reliable, domestic supply chain. At the same time, Canadian industries are accelerating their demand for made-in-Canada, low-carbon materials that support both national resilience and climate goals.

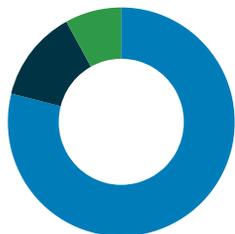
Algoma is proud to supply high-quality plate and sheet steel for Canadian-made products and critical infrastructure—from automotive manufacturing and heavy equipment to bridges, buildings, energy projects, and defense. These aren't just sectors we serve—they're the foundation of Canada's future.

As the country shifts toward greater domestic sourcing and decarbonization, Algoma is uniquely positioned to meet this growing need. Our transition to electric arc steelmaking not only significantly reduces emissions, but reinforces our role as a trusted Canadian supplier—delivering dependable, lower-carbon steel solutions for the industries that build, move, and power our country.

For more information on how trade policy is impacting the steel industry, visit the [Fair Trade for Canadian Steelmakers](#) section of this report.

High Strength Steel for Demanding Applications

PRODUCT SHIPMENT MIX 9 MONTH PERIOD ENDING DECEMBER 31, 2024



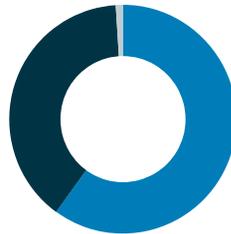
- 78% Hot Rolled Sheet
- 14% Plate
- 8% Cold Rolled Sheet

END MARKET VOLUME 9 MONTH PERIOD ENDING DECEMBER 31, 2024

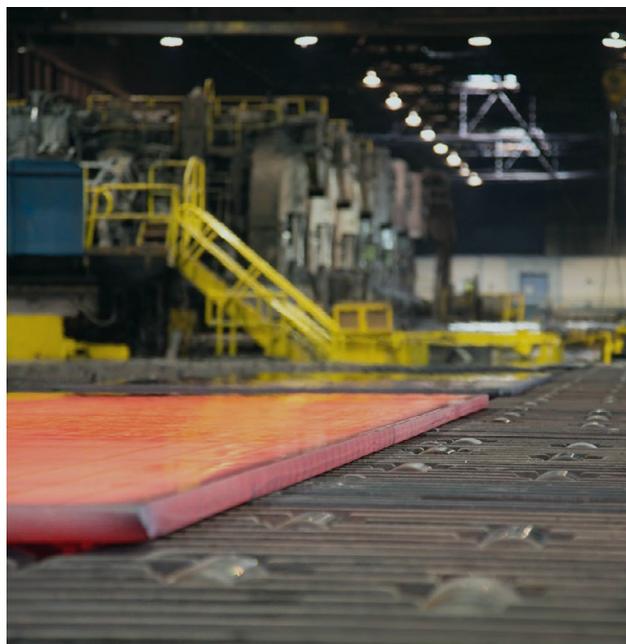


- 41% Transportation
- 28% Manufacturing & Construction
- 18% Distribution
- 13% Tubular

GEOGRAPHIC SHIPMENTS 9 MONTH PERIOD ENDING DECEMBER 31, 2024



- 60% United States
- 39% Canada
- 1% Mexico



CANADA'S ONLY REVERSING PLATE MILL

Algoma Steel operates Canada's only reversing plate mill, a critical asset for producing high-strength steel for heavy-duty applications. The Plate Mill Modernization Project ("PMM Project"), completed with a total investment of \$142.7 million, has significantly enhanced the mill's capacity, product quality, and overall productivity. This strategic initiative has allowed Algoma to meet higher customer quality requirements, including improved surface quality and flatness, and expand the range of high-strength grades offered.

The modernization also introduced key upgrades, including new automation systems, an improved slab de-scaler, and advanced inspection technologies, which have streamlined operations, improved reliability, and increased plate shipment capacity. As a result, Algoma is better positioned to meet the growing demands of industries such as energy, infrastructure, and shipbuilding, reinforcing our competitive advantage in the North American steel market.



AlgoGrip™: High-Performance Steel for Demanding Applications

Developed by Algoma Steel, AlgoGrip is characterized by a raised angular pattern rolled onto the surface of the steel to provide skid resistance. Engineered for industries that demand high resistance to wear and corrosion, such as mining and heavy equipment manufacturing, AlgoGrip provides superior strength and reliability. This advanced steel solution enhances the performance of critical components, resulting in longer life cycles and reduced maintenance costs in harsh environments.

ONE OF NORTH AMERICA'S LEADING MANUFACTURERS OF HOT AND COLD ROLLED SHEETS

Algoma Steel is proud to be one of North America's leading manufacturers of hot and cold rolled sheets. Our Cold Mill and Direct Strip Production Complex ("DSPC") allow us to produce high-quality, precision-engineered sheets that meet the stringent demands of industries such as automotive, construction, and manufacturing. By combining state-of-the-art technology with years of expertise, our products deliver exceptional performance, durability, and consistency for our customers across various sectors.

For more information on the markets we serve, our products, and certifications, visit the [product section](#) on our website.



Algoma Supports Low-Carbon Transition and Our Customers

Steel is the world's most sustainable and recyclable material, playing a critical role in modern infrastructure and the transition to a low-carbon economy. Without steel, achieving a net-zero future would not be possible.

Algoma supplies steel that shapes the world around us, from bridges like the Gordie Howe International Bridge to vehicles such as the Ford F-150, Super Duty, Bronco, and Tesla Model 3. Our steel supports public transit and rail systems, renewable energy projects like Henvey Inlet wind towers, and heavy equipment for John Deere and Caterpillar. It is also found in GFL garbage trucks, commercial trailers, and iconic structures like the Rogers Centre and Toronto Pearson International Airport. As our customers set ambitious sustainability goals,

we are committed to supporting them by reducing our carbon footprint and developing Environmental Product Declarations ("EPDs") to provide transparent data on the environmental performance of our steel.

Our transition to EAF steelmaking strengthens our competitive position, enhances profitability, and delivers long-term value for customers, employees, shareholders, and the communities where we operate.

Introducing Volta™: Algoma's New Green Steel Brand

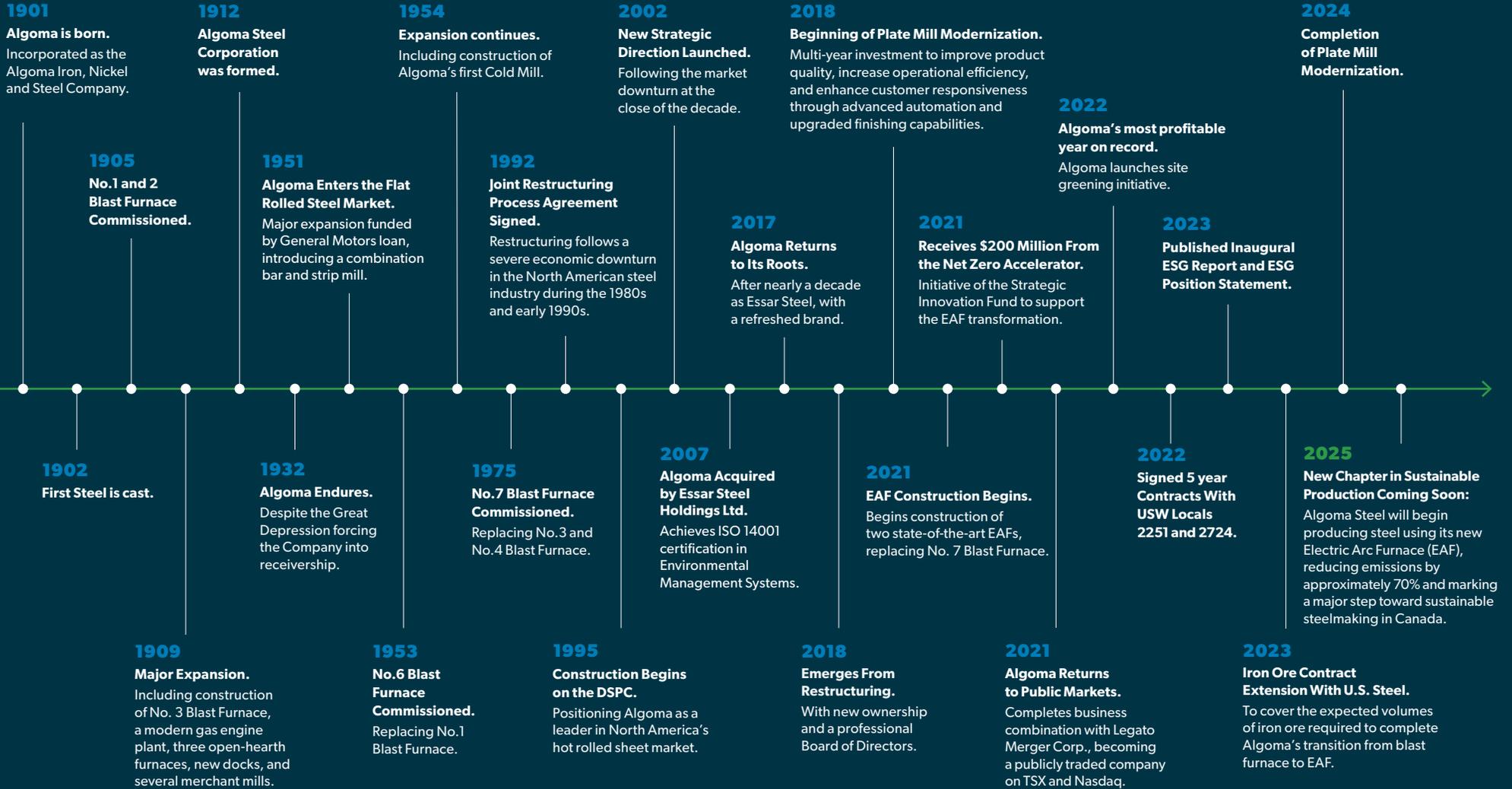
Volta is Algoma Steel's new green steel brand, marking a significant step in our transition to a low-carbon future.

All steel produced from our EAFs will be branded as Volta, powered by clean Ontario electricity. Due to the significant expected reduction in carbon emissions (approximately 70% below current levels), Volta is expected to be a key player in the development of the low-carbon economy and to position Algoma to support our customers' sustainability goals and meet the growing demand for environmentally friendly materials.

The name Volta pays tribute to Alessandro Volta, the Italian physicist who, in 1800, created the first device capable of producing a continuous electric current. If Volta could see our state-of-the-art EAFs today, he would be proud to know that Volta steel is powered by 2,000 volts of electricity, leading the way in green steel production.

Build a better future. Build with Volta.

Our Sustainability Journey





Our Commitment and Core Values

Algoma’s purpose, mission, and values are interconnected with and reinforce our commitment and approach to sustainability. 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 an 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.

We're Evolving — And So Is Our Brand

Algoma Steel is entering an exciting new era, and our brand is evolving to reflect this transformation. As we embrace innovation and sustainability, we have updated the primary colour of our logo from sky blue to a bold, dark blue. While our iconic lettering remains unchanged, this subtle yet meaningful update symbolizes our renewed confidence and stability as we move forward with the transition to EAF steelmaking and our commitment to building better lives and a greener future.

Awards, Certifications, and Memberships

AWARDS

- Governance Professional of Canada (“GPC”) 2024 Excellence in Governance Awards (“EGA”) Prix–Strategy and Risk Management
- Canadian Institute of Steel Construction (“CISC”) Ontario Awards of Excellence–Institutional/ Industrial Project Award of Excellence for Algoma Steel’s EAF Melt Shop Building
- Caterpillar Supplier of Excellence Award
- Worthington Steel FY 2024 Supplier Certification Award
- 2025 SEAL Business Sustainability Awards–Environmental Initiatives Award

CERTIFICATIONS

Algoma upholds high environmental, health, and safety standards while producing high-quality steel. Our facilities are ISO 14001 certified, with quality certifications including:

- ISO 9001 and IATF 16949:2016–Quality Management
- American Bureau of Shipping and Lloyd’s Certification–Steel Plates and Structural Steels
- ISO 17025–Accredited Laboratory for Mechanical and Chemical Testing
- Canadian Welding Bureau and Technical Standards and Safety Authority–Safety Compliance
- CSA N299.3 Nuclear Safety Certification

For a full list of certifications, visit the [Resource Library page](#) on our website.

MEMBERSHIPS

Algoma actively participates in industry and safety organizations, including:

- Canadian Steel Producers Association (“CSPA”) – Member of both Climate and Trade Committees
- Association for Iron and Steel Technology (“AIST”), Metal Service Centre Institute (“MSCI”), and North American Steel Alliance (“NASA”)
- Association of Women in Metals Industries and Decarbonization Leaders Network
- Workplace Safety and Insurance Board (“WSIB”) Health and Safety Excellence Program

We collaborate with industry peers to advance sustainability, best practices, and workplace safety, reinforcing our commitment to a safer, greener steel industry.



Fair Trade For Canadian Steelmakers

Algoma Steel advocates for fair competition in the Canadian steel industry. Unfair trade practices—such as the import of foreign-sourced steel priced below fair market value—threaten the viability of local manufacturers. Unlike traditional trade remedies, which can be slow to respond, these unfair practices can quickly undercut domestic producers, sometimes involving steel that does not meet Canada’s rigorous environmental or safety standards.

Through our work with the CSPA and other Canadian manufacturers, we actively advocate for policies that promote fair trade and a level playing field for Canadian steelmakers. While not implemented during the reporting period, we acknowledge that on March 12, 2025, the United States imposed a 25% tariff on Canadian steel and aluminum imports. These measures underscore the ongoing importance of strong and prompt trade enforcement to protect domestic producers.

We are proud to produce high-quality Canadian steel that supports critical infrastructure projects across the country, including bridges, transportation networks, and buildings.

Our commitment to sustainability and safety is at the core of our operations. Through the transition to EAF steelmaking, we are reducing carbon emissions by approximately 70%, setting a standard for green steel production in Canada, while ensuring compliance with Canada’s stringent environmental and safety regulations.

ESG Materiality Assessment

In 2022, we conducted a formal ESG Materiality Assessment to identify and prioritize our material sustainability 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 sustainability 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 sustainability standards and frameworks, such as the SASB Standards and TCFD recommendations.
- Sustainability priorities of our current and prospective investors.
- Sustainability priorities of our industry peers.

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

The ESG Materiality Assessment results were reviewed and validated by our internal sustainability working group, the Executive team, and the Board of Directors. Our material sustainability factors are identified in our Materiality Matrix. Sustainability 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

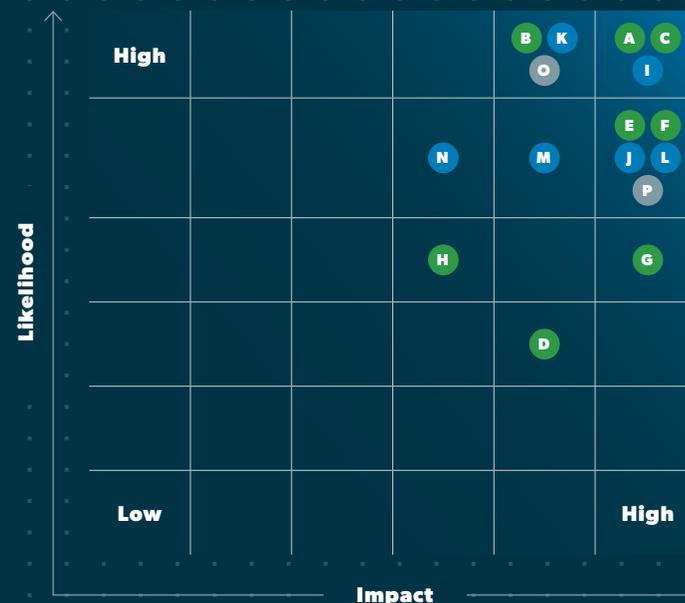
IMPACT AND LIKELIHOOD ASSESSMENT

- 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

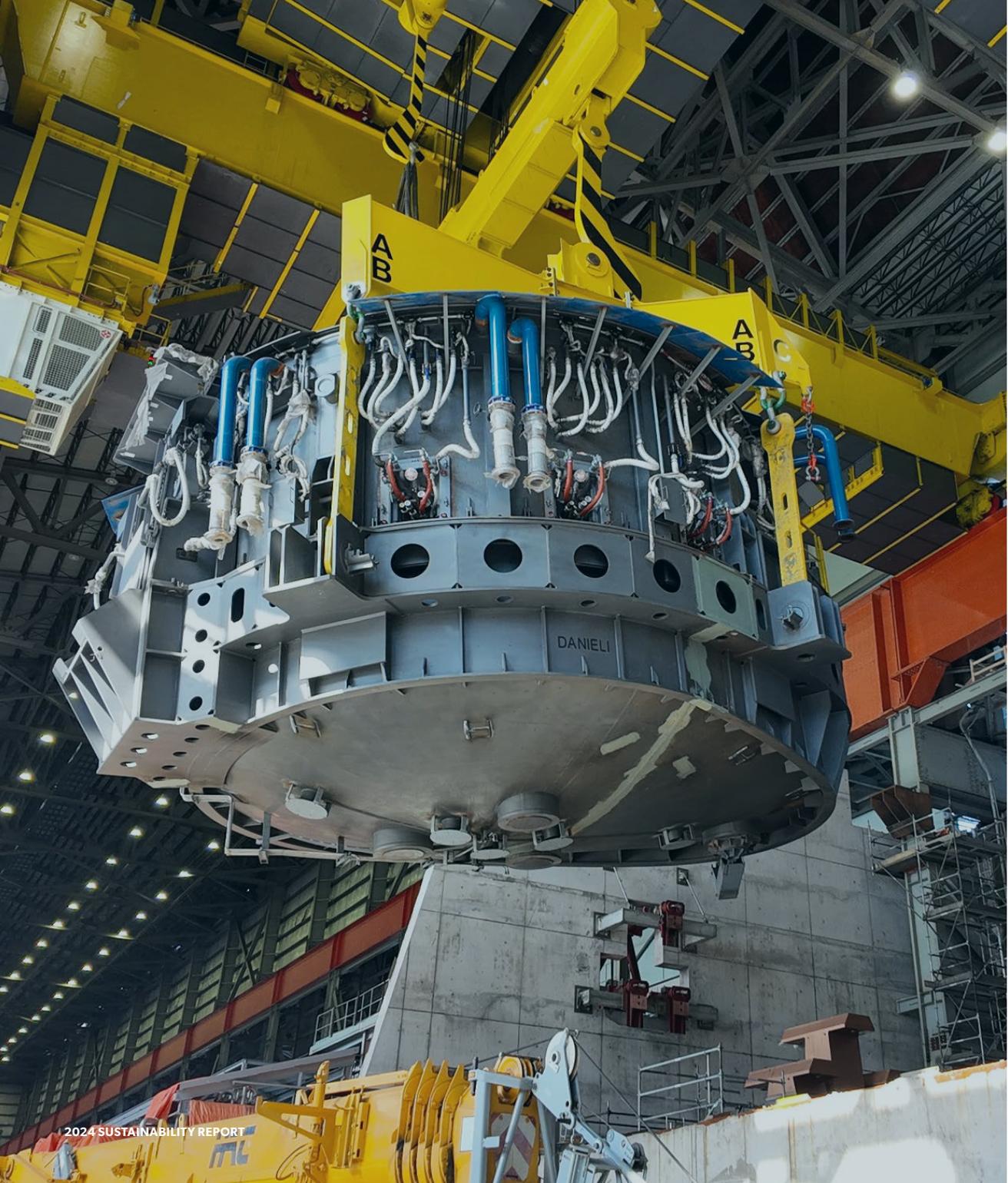
- A GHG Emissions
- B Air Emissions
- C Climate Change - Transition
- D Climate Change - Physical
- E Energy Management
- F Waste & Hazardous Materials Management
- G Water Management
- H Biodiversity Impacts

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 Sustainability

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. To this end, Sustainability Focus is one of our four key strategic directions. We developed a sustainability framework outlined in our [ESG Position Statement](#), which describes the foundational role that Algoma's sustainability strategy plays in the Company's transformation journey and overall corporate strategy, and how sustainability practices are embedded into Algoma's business model.

FIGURE 2: Algoma's Strategic Direction

LEGEND	— ONGOING
	— RECENTLY ANNOUNCED
	— UPCOMING

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

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>PMM PHASE 2</p> <p>Final installation of key elements substantially complete. <i>2024</i></p>	<p>EAF 2</p> <p>Commissioning activities underway, first steel production expected during Q2 2025. <i>2021-2025E</i></p>	<p>EAF 1</p> <p>Construction progressing, first steel production expected by the end of 2025. <i>2025E</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 Meltshop 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>PROJECT VIGILANCE</p> <p>Partnering with Ontario Shipyards to support the next chapter of Canada's Shipbuilding Strategy. <i>Ongoing</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>Implemented a robust Enterprise Risk Management program. <i>Nov 2019</i></p>	<p>ESG POSITION STATEMENT</p> <p>Published Algoma's approach to ESG. <i>Apr 2023</i></p>	<p>SUSTAINABILITY REPORT</p> <p>Algoma plans to publish its third annual Sustainability Report. <i>2025</i></p>	<p>EMISSION REDUCTION</p> <p>EAF project expects to reduce emissions 70% and improve GHG performance.</p>



Integrated Business Planning

In 2024, Algoma Steel continued an Integrated Business Planning process in collaboration with Oliver Wight to better align our strategic, operational, and financial goals with our long-term business objectives. This new approach has enabled us to streamline our operations, improve resource management, and make more data-driven decisions across all levels of the organization.

By integrating finance, production, and supply chain functions, we have enhanced our ability to forecast demand,

better coordinate scheduling, and facilitating on-time deliveries to our customers. This improvement is essential for strengthening customer relationships and reinforcing our commitment to reliability and service excellence.

As we continue to refine our IBP process, it will evolve to address new challenges, market shifts, and opportunities. Through this initiative, we are not only improving operational efficiency but also creating a foundation for long-term success, sustainability, and customer satisfaction.

Our Sustainability 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 processes, we are committed to further minimizing our impact on the environment.

MATERIAL TOPICS:

- GHG Emissions
- Air Emissions
- Climate Change
- Energy Management
- Waste and 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 and inclusive 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 and Safety
- Labour Relations
- Human Capital Management
- Rights of Indigenous Peoples
- Community Relations
- Supply Chain Management and Human Rights

Governance

Strengthen governance frameworks to ensure robust and effective oversight and management of our material sustainability factors.

We are committed to upholding strong governance practices and strong corporate leadership that drive our sustainability commitments in alignment with investor and stakeholder expectations. Through continuous improvement of our governance structures and processes, we maintain comprehensive oversight of our sustainability strategy and practices, reinforcing accountability and long-term sustainability.

MATERIAL TOPICS:

- ESG Governance
- Business Ethics and Transparency

Enterprise Risk Management

Algoma Steel integrates sustainability and climate-related risks into its company-wide Enterprise Risk Management (“ERM”) framework to promote proactive identification, monitoring, and mitigation. The Executive Risk Committee, composed of senior management, oversees key risks and ensures appropriate resource allocation and reporting to the Board of Directors. The Audit and Risk Management Committee provides governance oversight, with a view to our risk management processes remaining effective in managing uncertainty and supporting long-term business success.

Our ERM framework provides a structured approach towards identifying and mitigating strategic risks. The framework centralizes risk reporting, assigns ownership to senior leaders, and leverages Key Risk Indicators (“KRIs”) to monitor risk exposure and validate severity. By embedding sustainability risks into the risk register and integrating them into decision-making, Algoma improves its financial resilience, operational sustainability, and long-term competitiveness.

In 2024 we made significant strides in advancing sustainability risk integration. Sustainability risks are now formally embedded within the ERM risk register and fully integrated into the ERM framework. During our annual enterprise risk workshop held in December 2024, safety and environmental risks were elevated to top-tier status, ensuring they receive the same level of scrutiny and oversight as other strategic risks. Risk owners have developed specific KRIs and responsive actions, which are now tracked monthly to monitor trends and inform mitigation strategies in real time.

We are also developing a dedicated environmental risk register to systematically capture process and equipment-related environmental hazards. This register will evolve iteratively as more operational areas are onboarded, contributing to a more comprehensive understanding of potential environmental impacts across the organization.

Looking ahead to 2025, we will continue to deepen sustainability and climate risk integration by enhancing departmental-level risk visibility. This will further strengthen our ability to manage emerging risks, support strategic planning, and guide our transition to EAF steelmaking.

Metrics and Targets

We measure our sustainability performance through Key Performance Indicators (“KPIs”) aligned with SASB Standards and TCFD recommendations, ensuring year-over-year consistency in reporting. Sustainability data is detailed in the [Sustainability Performance Metrics](#) section, with the [SASB Index](#) summarizing key industry metrics and the [TCFD Index](#) outlining our climate-related disclosures.

Recognizing that sustainability leadership requires continuous improvement, Algoma remains committed to transparency, accountability, and progress. In support of CSPA’s goal of carbon neutrality by 2050, we are evaluating additional sustainability targets to further strengthen our commitment to sustainability and responsible growth.



Algoma Steel Receives GPC 2024 Excellence in Governance Award

Algoma Steel was proud to receive the GPC 2024 Excellence in Governance Award (“EGA”) for Strategy and Risk Management, recognizing our commitment to strong governance, accountability, and sustainable business practices.

The EGA celebrates excellence in corporate governance, highlighting organizations that demonstrate best practices in strategy and risk oversight. This recognition reflects the rigorous governance framework that supports Algoma’s ongoing transformation to EAF steelmaking. Rajat Marwah, Chief Financial Officer, states:

“Our governance framework is designed to ensure that we remain a responsible and resilient company. This award is a testament to our team’s dedication to upholding the highest standards of governance as we drive innovation and sustainability.”

As we continue to build a greener future, we remain focused on enhancing governance, strengthening risk management, and delivering long-term value for our stakeholders.

Governance

Driving Business with Integrity

Our approach to sustainability is reinforced by governance structures that enable us to effectively oversee and manage sustainability risks and opportunities. We integrate sustainability into our governance framework, ensuring robust oversight and effective management of sustainability risks and opportunities.





Leadership in Sustainability

We expect all employees to uphold and recognize their role in advancing our sustainability framework. Leaders are expected to provide visible, active leadership on sustainability matters.

BOARD OVERSIGHT

Our Board holds ultimate accountability for sustainability, including climate-related factors. Our Board consists of 10 members, including our current President and Chief Executive Officer.

The Nominating and Governance Committee leads sustainability oversight, coordinates with other Board committees, and reports to the full Board. It reviews emerging sustainability issues, monitors key sustainability metrics, and ensures progress toward established targets.

The Audit and Risk Management Committee oversees Algoma's ERM program, advising the Board on the

effectiveness of risk management, including sustainability and climate-related risks.

To align with best practices, we conducted a review of our sustainability governance structure and identified opportunities for enhancement. As a result, we have updated Board Committee charters, including explicitly adding climate change oversight to the Nominating and Governance Committee.

Detailed explanations of the Board, Committees, and their respective responsibilities can be found in the [Governance](#) section of our Investor Relations site.

MANAGEMENT OVERSIGHT

Our Chief Executive Officer holds the highest level of management responsibility for sustainability, including climate-related matters, and reports to the Nominating and Governance Committee at least quarterly.

A cross-functional sustainability working group supports management in advancing our sustainability strategy (see Figure 3).

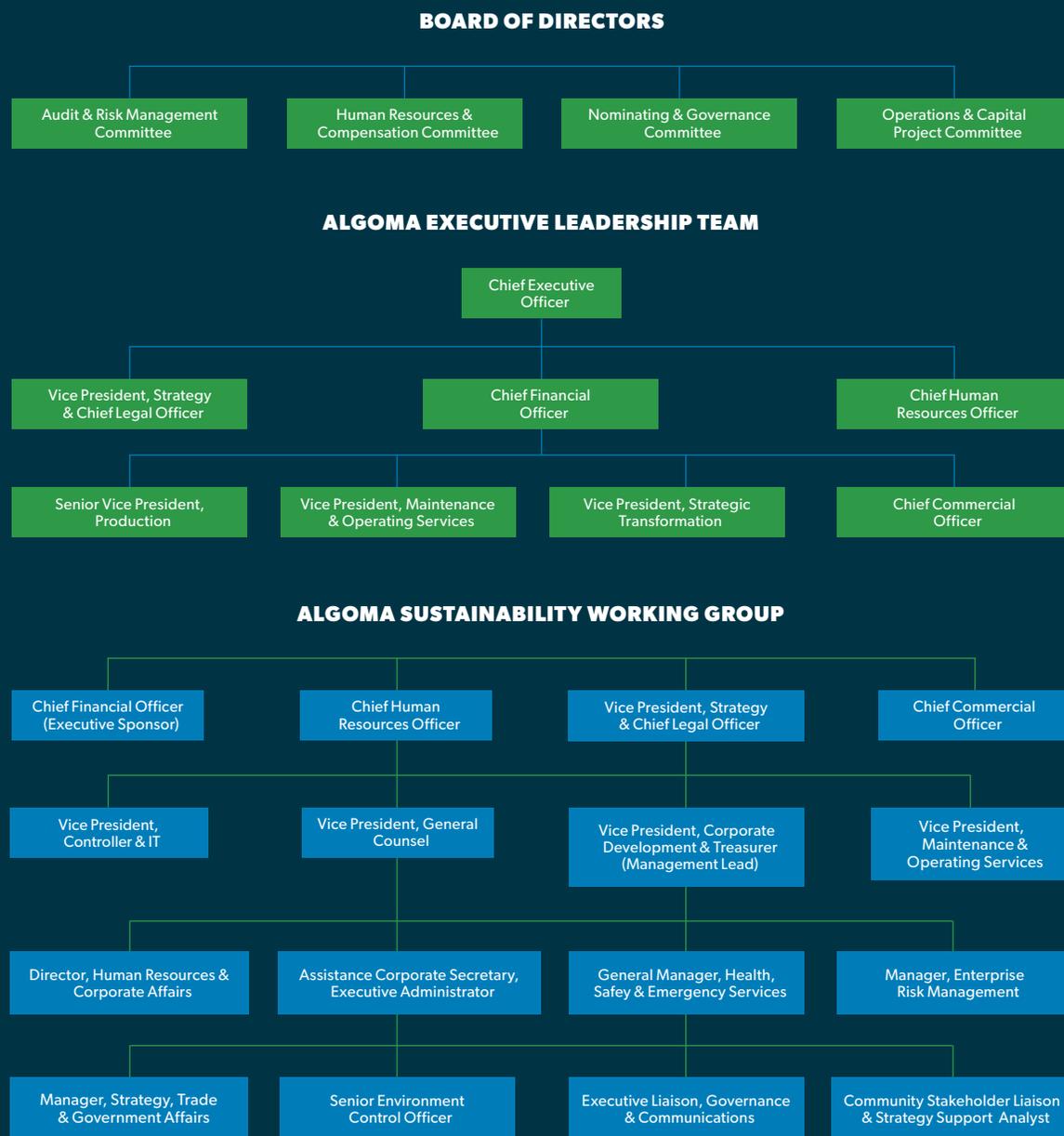
EXPERTISE THAT DRIVES SUSTAINABILITY SUCCESS

To ensure strong sustainability oversight, our Board Skills Matrix includes expertise in areas such as environment, governance, health and safety, cybersecurity, labour relations, public relations, government relations, risk management, and strategic planning. This matrix is detailed in our Management Information Circular, available on [SEDAR+](#) and [SEC.gov](#).

Directors are encouraged to pursue sustainability education. In 2024, Board members participated in sustainability-related training covering topics such as maximizing shareholder and stakeholder engagement around disclosures, climate change and understanding the responsible use of data, AI, cybersecurity, and digitalization.

Algoma's approach to sustainability is supported by a range of sustainability-related policies that can be found on our [Sustainability Documentation](#) page on our corporate website.

FIGURE 3: Sustainability Working Group



Executive Compensation

Our Human Resources and Compensation Committee oversees executive compensation to attract, retain, and motivate top talent while aligning executive incentives with Algoma’s long-term business objectives.

Our executive compensation program includes:

- Base salary
- Short-term incentives, with 10% linked to safety performance—specifically lost time injury rate—and 35% linked to EAF goals
- All non-unionized employees are eligible for the short-term incentive plan, which includes a safety performance component.

Our [Clawback Policy](#) allows for the recovery of incentive compensation in the event that it is later determined that performance metrics were misstated or not met. This is designed to ensure that compensation is aligned with the company’s true performance and ethical standards. Further details on executive compensation are outlined in Algoma’s [Management Information Circular](#).



Board Diversity

Algoma is committed to a diverse and inclusive Board. Our [Board Diversity Policy](#), approved in 2024, supports broader perspectives in governance.

We are actively:

- Expanding candidate searches beyond existing networks
- Directing search firms to include diverse candidates
- Performing board assessment, skills analysis gap assessment and succession planning

Our commitment to diversity is reflected in the increase in female representation on the Board from 9% to 30% over the past four years. As of December 31, 2024, women hold 30% of Board positions, and 20% of Board members identify racially and/or ethnically diverse. While the Board does not set specific quotas, it aims to maintain a minimum of 30% gender representation moving forward.

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.



A quarterly report summarizing compliance trends and key actions is reviewed by the Board of Directors.

Business Ethics and Transparency

Integrity is a core value at Algoma Steel. We are committed to fostering a culture of trust, honesty, and respect, recognizing that ethical business practices are fundamental to our long-term success.

Operating in Canada—scoring 75/100 and ranked 15th globally on Transparency International’s Corruption Perceptions Index⁴—minimizes our risk of exposure to corruption, but upholding the highest standards of ethics and transparency remains a top priority.

Ethical conduct is embedded in our corporate culture. Our approach is guided by key policies that promote fairness, professionalism, and accountability.

OVERSIGHT AND COMPLIANCE AUDITS

Business ethics is overseen at the highest levels, with the Audit and Risk Management Committee providing governance oversight and the Ethics Committee—comprising senior executives, including the Vice President of Strategy and Chief Legal Officer, Chief Human Resources Officer, Vice President of Legal Counsel, and Manager of Internal Audit—monitoring ethical risks and compliance.

Algoma conducts periodic internal audits to assess compliance with ethical standards, bribery prevention, regulatory requirements, and our [Disclosure and Confidentiality Policy](#). This policy is designed to ensure

that we provide transparent and timely disclosures while protecting sensitive and confidential information. Findings are reported to the Ethics Committee, and remediation plans are implemented as needed.

COMMITMENT TO ETHICAL CONDUCT

Our [Code of Business Conduct and Ethics](#) (“the Code”) sets the standard for ethical decision-making and applies to all employees, supervisors, senior managers, officers, and board members. It covers:

- Compliance with laws, regulations, and contractual obligations
- Fair competition, conflicts of interest, and confidentiality
- Relationships with suppliers, customers, and public officials
- Anti-bribery, corruption, and human rights standards
- Health, safety, and environmental protection
- Reporting accuracy and responsible use of company assets

³ 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 support our ethical framework, Algoma also enforces policies such as our [Insider Trading Policy](#), which prohibits employees, officers, and other insiders from trading on material non-public information, with a view to fairness and transparency in the financial markets.

All employees receive mandatory training on the Code upon joining Algoma. Training covers bribery prevention, conflict of interest policies, whistleblower protections, and ethical decision-making. Compliance is monitored, with periodic refresher courses required.

WHISTLEBLOWER PROTECTIONS AND REPORTING

We recognize that even the most robust controls cannot fully eliminate the risk of ethical breaches. To support a culture of transparency and accountability, Algoma

Steel has a [Whistleblower Policy](#) that allows employees, contractors, and stakeholders to report concerns related to misconduct, fraud, legal violations, or unethical behavior—confidentially and, if preferred, anonymously—through a secure, third-party platform.

All reports are reviewed by Algoma’s Ethics Committee, composed of the Vice President of Strategy and Chief Legal Officer, Chief Human Resources Officer, Vice President General Counsel, and Internal Audit Manager, with the Chief Executive Office and Chief Financial Officer included for more serious cases. The process includes thorough investigation by the Internal Audit team, followed by Ethics Committee recommendations, implementation of any necessary remediation or mitigation actions, and ongoing monitoring and reporting.

We maintain a strict non-retaliation policy, protecting those who report in good faith, and expect full cooperation in all internal investigations.

In 2024, Algoma reported:

- Zero monetary settlements due to legal proceedings related to bribery, corruption, or ethics violations
- 91% of employees are up to date with their Code of Business Conduct and Ethics training.



Supply Chain Management and Human Rights

Algoma Steel is committed to ethical and responsible supply chain practices that respect human rights and environmental standards. Our policies align with international best practices and our Code of Business Conduct and Ethics, ensuring accountability across our operations and supplier network.

We maintain a zero-tolerance policy for forced labour, child labour, human trafficking, and other human rights violations within our operations and supply chain. Our [Vendor Code of Conduct](#) reinforces our commitment to ethical business practices, including:

- Prohibiting corruption, bribery, and unethical conduct
- Enforcing transparency and conflict of interest policies
- Protecting whistleblowers who report misconduct
- Requiring compliance with all labour and human rights laws

99% of Tier 1 suppliers are based in Canada and the United States, which reduces our exposure to environmental and social risks related to sourcing of critical value chain inputs. As we transition to EAF steelmaking, we are reducing reliance on coal and mined ore by increasing the use of recycled scrap metal, supporting a circular economy and lowering emissions.

In 2024, we conducted a Forced Labour and Child Labour Risk Assessment in partnership with BeeAware Consulting. While our direct operations pose low risk, we identified higher-risk categories in alloys scrap, refractories, back-up rolls, and steel slabs. To mitigate these risks, we are implementing:

- Supplier self-assessments to evaluate labour practices
- Enhanced scrap sourcing oversight through our Triple M Metals partnership
- Expanded training for employees on identifying forced and child labour risks

Violations of our Vendor Code of Conduct can be reported anonymously through our Whistleblower Policy or via dedicated reporting channels monitored by Algoma's compliance team.

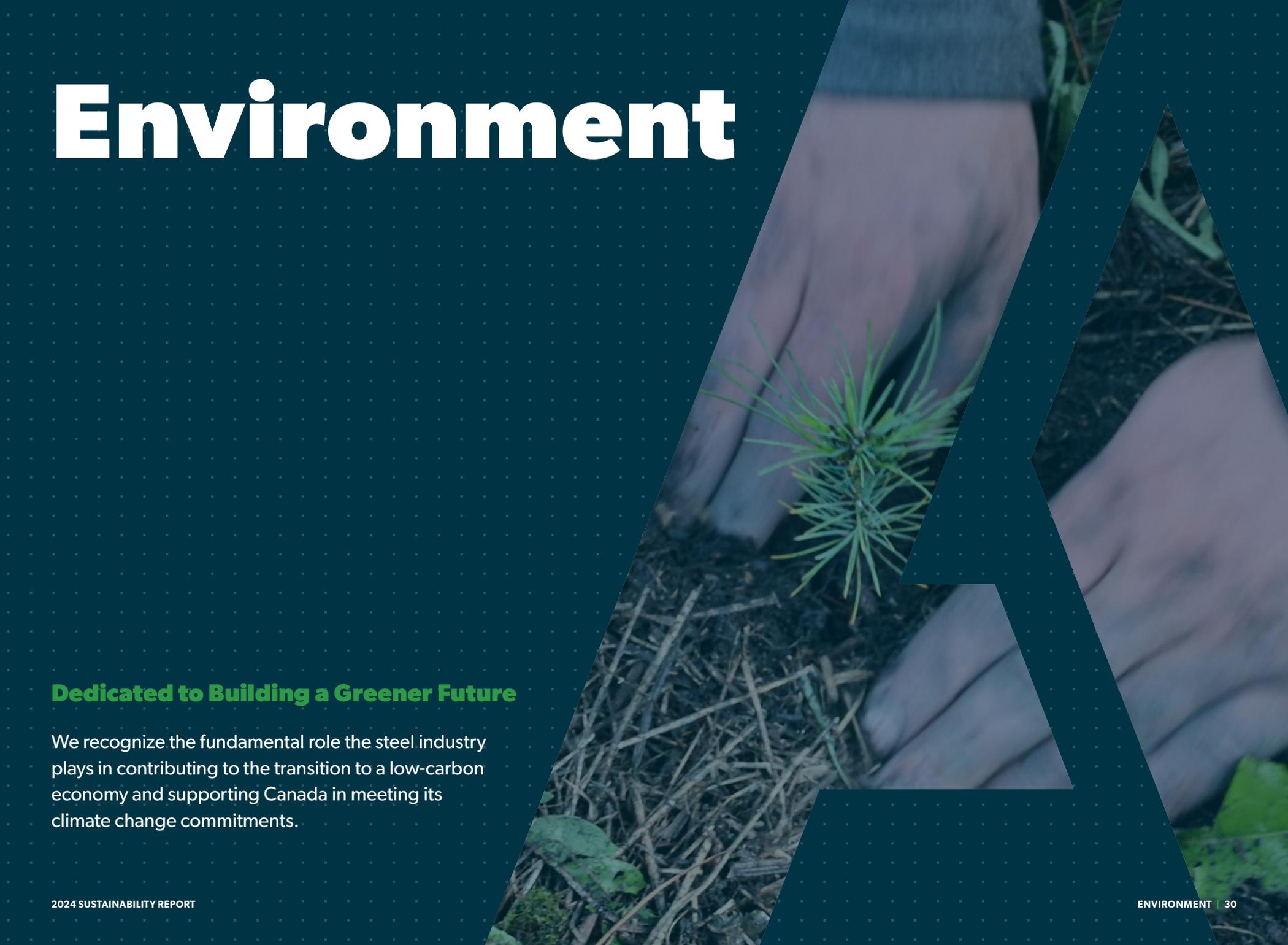
In 2025, we will expand supplier self-assessments and formalize risk mitigation plans.

For details, see our [Forced Labour and Child Labour in Supply Chains Report](#) on our website.

ANALYST CORNER

SASB EM-IS-430a.1

Environment



Dedicated to Building a Greener Future

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.

Greenhouse Gas Emissions and Climate Change

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 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 a 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 sustainability 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 sustainability factors, including climate change factors. The Nominating and Governance Committee has primary responsibility for supporting the Board in oversight of sustainability, including climate change, and is responsible for overseeing Algoma’s sustainability 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 Chief Executive Officer has the highest level of management responsibility for sustainability 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.



Transitioning to Low-Carbon Steel

Algoma is working to become a climate change leader 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 shut down our coke batteries and blast furnace which will minimize 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 an approximate 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.

Construction of our EAF began in April 2022, with commissioning activities beginning at the end of 2024, the first arc and steel production beginning 2025. Follow #AlgomaEAF or our LinkedIn profile for ongoing updates on our EAF project.

Our transition to electric arc steelmaking and decarbonizing 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.

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 SIF 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 from these policies 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 EAF 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 committed over \$13 billion through 2027 to programs aimed at decarbonizing heavy industry and federal spending is expected to grow significantly in the coming years.⁴ Partnership between industry, government, and academic institutions will be critical to addressing climate change.

⁴ Clean Energy Canada – [Decarbonizing Industry in Canada and the G7](#)

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, the 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 [Transitioning to Low-Carbon Steel](#). 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 plan 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.

CLIMATE-RELATED RISK MANAGEMENT

We are committed to integrating climate-related risks into our company-wide risk management policies and processes. Algoma's sustainability 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 sustainability 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 1).

We track our Scope 1 and 2 GHG emissions and GHG emissions intensity. It is important to note our emissions data for the calendar year 2024 reflects our blast furnace operations as our EAF was 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 an approximate 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 1 provides a summary of our climate-related metrics. 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.

Scope 1 GHG emissions data received reasonable assurance through a third-party verification conducted by PWC.⁵

⁵ The third party verification excludes coal storage emissions as these emissions are not subject to provincial carbon tax obligations.

⁶ 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.

⁷ 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.

TABLE 1

METRIC		UNIT	REFERENCE	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023	CALENDAR YEAR 2024
ENVIRONMENT								
Greenhouse Gas Emissions and Climate Change	Gross global Scope 1 emissions ⁶	Metric tons (t) CO ₂ e	SASB EM-IS-110a.1 TCFD Metrics and Targets b)	3,880,106	4,111,476	3,936,243	4,292,167	4,226,732
	Gross global Scope 2 GHG emissions	Metric tons (t) CO ₂ e	TCFD Metrics and Targets b)	NRP	NRP	14,115	24,877	24,765
	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	100
	Scope 1 GHG emissions intensity	Metric tons (t) CO ₂ e/ Metric ton of steel	TCFD Metrics and Targets b)	1.81	1.71	1.86	1.86	2.04
	Scope 1 and 2 GHG emissions intensity	Metric tons (t) CO ₂ e/ Metric ton of steel	TCFD Metrics and Targets b)	NRP	NRP	1.91	1.84	2.05
	Percentage of steelmaking production using coke and iron	Percentage (%)	TCFD Metrics and Targets a)	100	100	100	100	100
	Percentage of steelmaking production using EAF	Percentage (%)	TCFD Metrics and Targets a)	0	0	0	0	0
	Internal carbon price ⁷	Amount (\$)	TCFD Metrics and Targets a)	30.00	40.00	50.00	65.00	80.00



DECARBONIZING OUR SUPPLY CHAIN

Addressing Scope 3 emissions is essential for a holistic climate strategy. Algoma is optimizing its supply chain to reduce transportation-related emissions by:

- Developing dual-use trailers to transport both finished steel and scrap, minimizing empty return trips
- Enhancing logistics planning to improve material flow and reduce emissions intensity
- Expanding marine shipping solutions to lower carbon impact across our supply chain

One of our most innovative solutions is our partnership with McKeil Marine Limited to introduce the M/V Blair McKeil, an advanced shipping vessel equipped with a custom TMS crane solution. Beginning in 2025, this vessel will:

- Deliver finished steel efficiently to customers
- Backhaul steel scrap on return trips, directly supporting EAF operations and reinforcing circularity goals

By reducing empty return trips and optimizing transportation, the M/V Blair McKeil will play a critical role in lowering Scope 3 emissions while advancing Algoma’s low-carbon supply chain strategy.



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

Steel production can generate significant air emissions, and Algoma is committed to minimizing environmental impacts while meeting provincial and federal air quality standards. Effective emissions management is essential to protecting the health of the communities surrounding our operations.

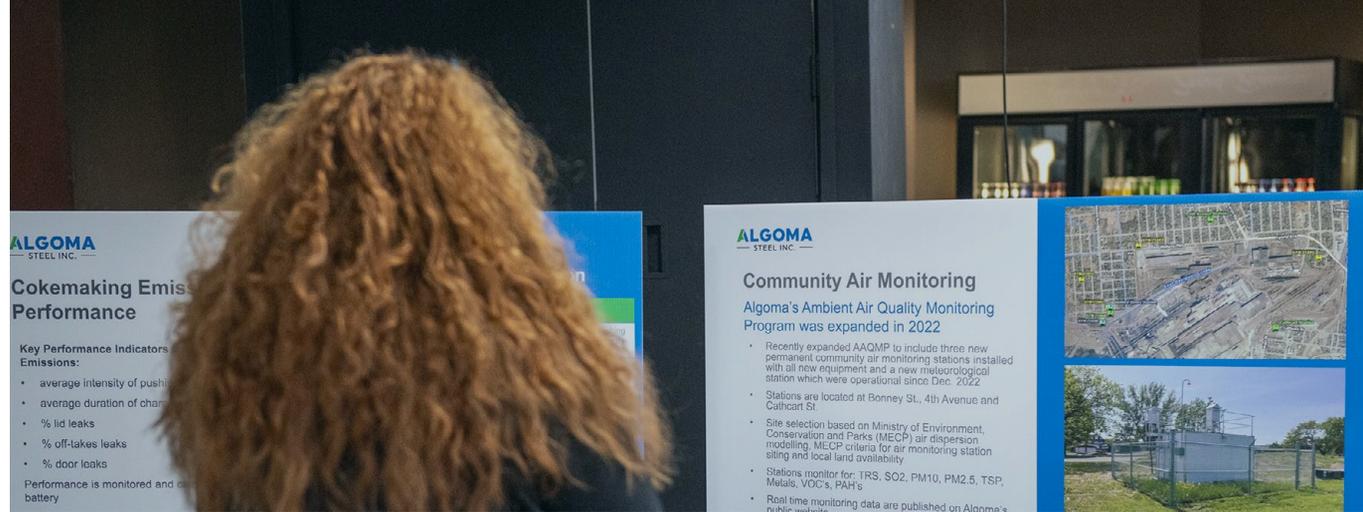
Our Environment Department evaluates compliance with air quality regulations, while our Health, Safety and Environment Policy and Code of Business Conduct and Ethics reinforce our commitment to responsible environmental stewardship.

REGULATORY COMPLIANCE AND AIR QUALITY STANDARDS

Algoma is governed by Ontario's Environmental Protection Act, including the applicable regulations that fall under it. The transition to EAF steelmaking will allow us to meet general Ontario air quality standards and eventually eliminate the need for alternate standards.

Once our EAF transformation is complete, we expect to meet general air quality standards without the need for site-specific or technical standards. We remain committed to:

- Ongoing emissions monitoring
- Equipment maintenance and upgrades
- Continuous improvement initiatives



AIR QUALITY BENEFITS OF EAF STEELMAKING

The transition to EAF steelmaking will significantly reduce air emissions, eliminating cokemaking and coal-based steel production. While site-specific or technical standards may be required during the transition, once fully operational, Algoma expects to meet Ontario's air quality standards without exemptions.

To support this transformation, we are:

- Constructing two fume treatment plants to meet the latest air quality standards
- Installing engineered furnace enclosures to contain emissions, sound, and dust
- Maintaining and upgrading existing equipment to minimize air quality impacts

Under the Canadian Environmental Protection Act ("CEPA"), our pollution prevention plan—designed to reduce air emissions, particularly sulfur dioxide, from cokemaking and related processes—incorporates our transition to EAF steelmaking. This approach was deemed acceptable under CEPA, as Algoma's eventual performance will exceed regulatory requirements.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Algoma tracks annual emissions data for the calendar year from January 1 to December 31 in accordance with our regulatory obligations. Refinements to emissions modeling in 2021 have enhanced our calculations, ensuring more accurate reporting. As part of the EAF permitting process, the Ministry of Environment, Conservation and Parks ("MECP") has reviewed and updated our emissions estimates, incorporating them into our performance tracking. Our air emissions performance data is provided in the [Sustainability Performance Metrics](#) section of this report.

With the full launch of EAF operations, we anticipate significant improvements in air, water, waste, and noise emissions. For more details, visit our [Sustainability section](#) on our website.

ANALYST CORNER

SASB EM-IS-120a.1 – see Sustainability Performance Metrics section

Energy Management

Steel production is energy-intensive, with electricity and fossil fuels making up a significant portion of production costs. Reducing reliance on fossil fuels not only enhances cost stability and operational resilience but also plays a key role in reducing emissions. As Algoma transitions to EAF steelmaking, optimizing energy efficiency and securing reliable, low-carbon electricity is critical to sustaining competitiveness and minimizing environmental impact.

ENERGY SOURCES AND EFFICIENCY MEASURES

Algoma sources electricity from Ontario's low-carbon grid and operates three internal power generation facilities:

- Two Co-generation facilities (Boiler House and Essar Power Canada)—Utilizing 90% by-product fuels from operations to generate electricity and steam, reducing grid dependence by 50%.
- Lake Superior Power—A natural gas-fired facility used for emergencies and peak demand periods.

To manage grid electricity costs, Algoma participates in the Northern Energy Advantage Program and benefits from Ontario's Northern Industrial Electricity Rate. We also invest in energy efficiency programs, including facility upgrades and LED lighting retrofits, with further assessments underway to quantify additional energy savings.

ENERGY TRANSITION AND EAF INTEGRATION

Electricity will become a primary energy source for EAF steelmaking. To meet increased demand, Algoma has refurbished its internal natural gas power plant, installing two new gas turbines capable of producing 110 MW of electricity. In 2023, Algoma also upgraded its LSP Plant, adding two LM6000PC aeroderivative gas turbines, multiple control systems, and fully rewinding the No. 2 generator. These upgrades, combined with available grid power, enable Algoma to operate both EAF furnaces in alternating mode while maintaining current steel production capacity.

During the transition, Algoma will initially operate in hybrid mode, running EAFs alongside a reduced-capacity No. 7 Blast Furnace until additional grid power becomes available. The Ontario government has committed to regional power upgrades by 2029, but Algoma is also exploring local infrastructure solutions to accelerate access to additional power. As of March 31, 2024, Algoma received approval from the Independent Electricity System Operator ("IESO") to connect the EAFs to the 115kV electricity grid, with the LSP Plant supporting the transition. Once full grid supply is secured, Algoma will no longer require Co-Gen for normal operations.

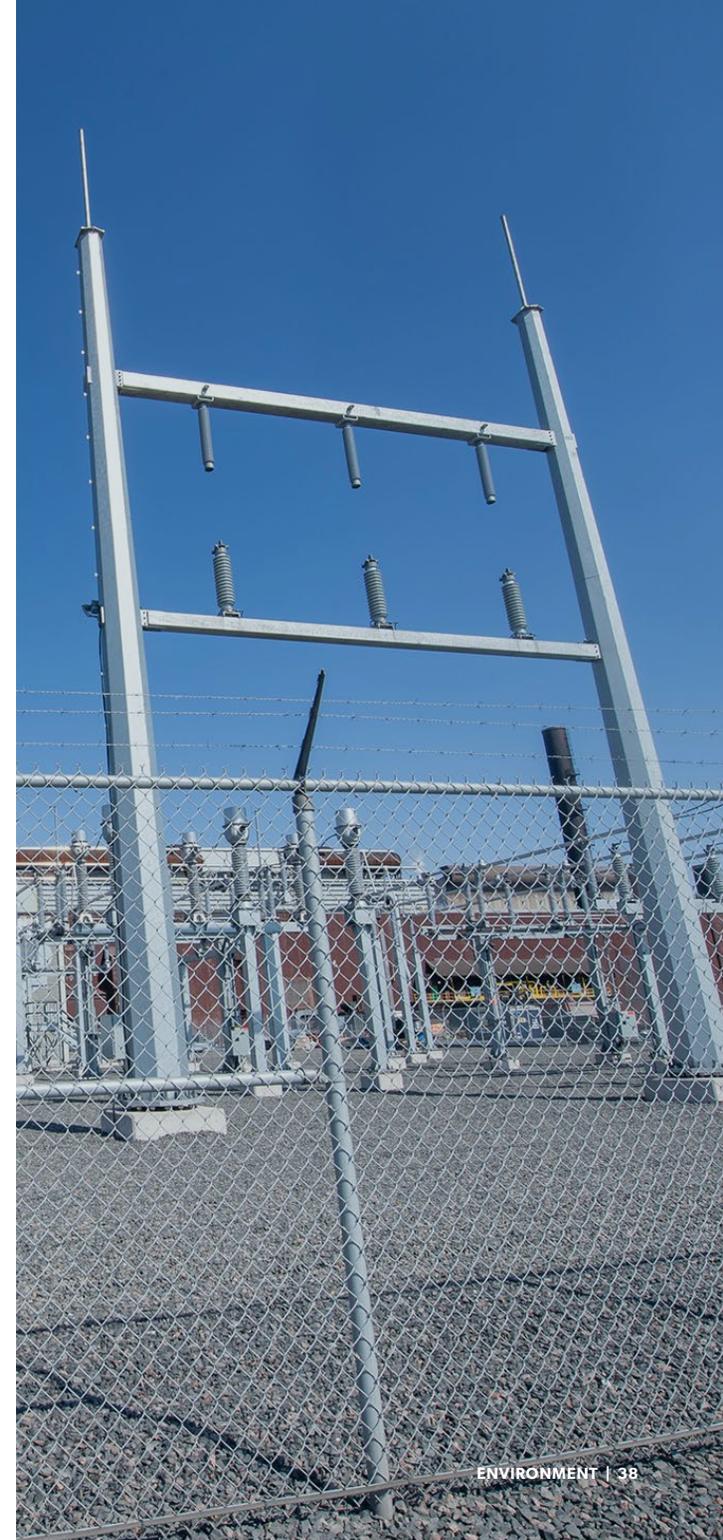
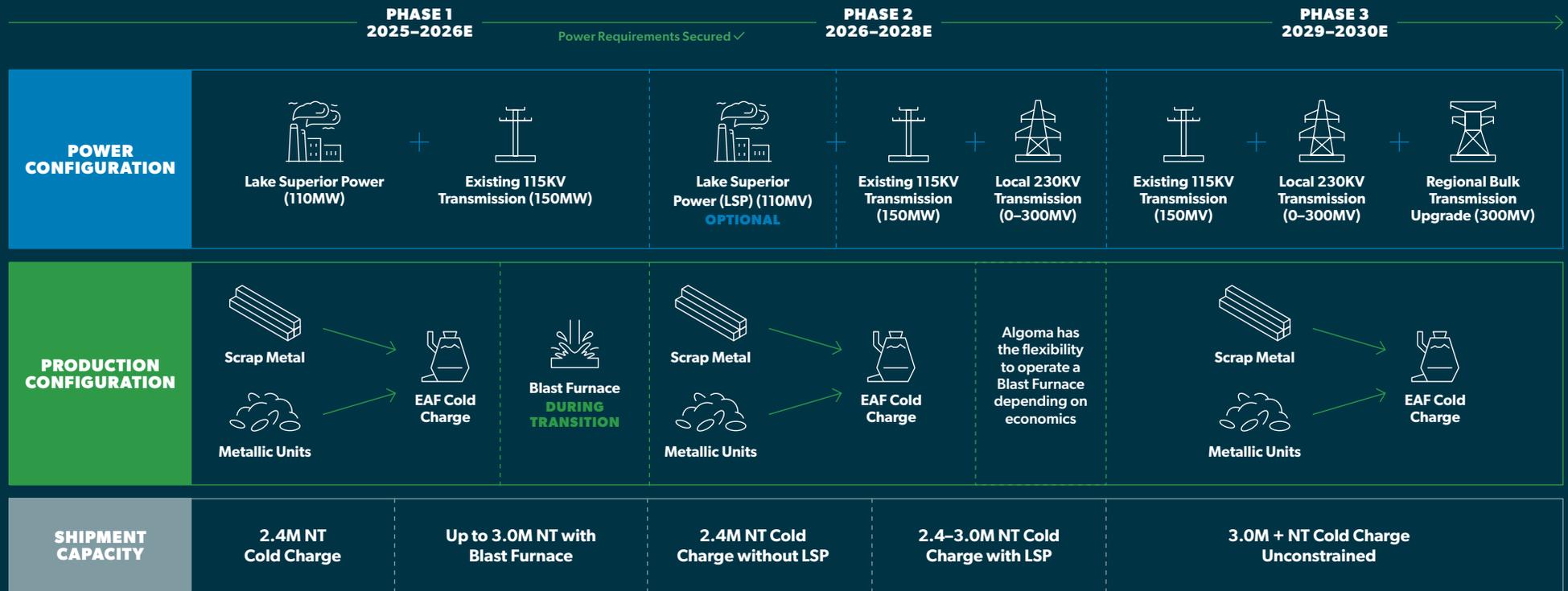


FIGURE 4: Energy Use Change Over Time



IMPROVING ENERGY EFFICIENCY IN STEELMAKING

Algoma’s DSPC is North America’s only thin slab caster with direct hot rolling capability, reducing energy consumption by 40% compared to conventional methods. As we transition to EAF steelmaking, we continue to explore new electrification and process efficiency innovations to further optimize energy use and reduce emissions.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Over the past few decades, Algoma has achieved a significant reduction in energy intensity per metric ton of steel. As we continue the transition to EAF steelmaking, we expect coal and natural gas use to decline, replacing these energy sources with electricity from the Ontario grid, which is one of the lowest carbon emitting power supplies across North America. Our energy performance data is provided in the [Sustainability Performance Metrics](#) section of this report.

ANALYST CORNER

SASB EM-IS-130a.1 – see Sustainability Performance Metrics section
 SASB EM-IS-130a.2 – see Sustainability Performance Metrics section

Waste and Hazardous Materials Management

Steel production generates by-products such as slag, dust, and sludges, which, if not effectively managed, can impact the environment and human health. Responsible waste management not only supports regulatory compliance but also protects employee well-being and our neighbours, reduces costs, minimizes liabilities, and reinforces Algoma's commitment to sustainability.

Algoma works to meet environmental regulations while continuously working to improve recycling and reuse initiatives. Our Environment Department supports these efforts, guided by our [Health, Safety and Environment Policy](#) and [Code of Business Conduct and Ethics](#), which addresses toxic substance reduction and sustainability.

MAXIMIZING RECYCLING AND REUSE

Steel is 100% recyclable, and 72% of industrial waste materials from our operations are reused or recycled. As part of our EAF transition, Algoma is significantly increasing its use of scrap steel, reducing reliance on raw materials, and advancing circularity in steel production.

Each steelmaking cycle incorporates recycled steel scrap, minimizing raw material waste while reducing emissions.

ANALYST CORNER

SASB EM-IS-150a.1 - see Sustainability Performance Metrics section



Additionally, Algoma actively seeks alternative uses for by-products, including:

- Slag, sludges, and scale
- Iron pellet fines and coke breeze
- Dust and other industrial by-products

To further advance circularity, Algoma is collaborating with Algoma University on phytoremediation research for slag reuse. The study explores slag composition, assesses potential value in zinc, cadmium, lithium, and rare earth elements, and tests plant-based remediation methods in both controlled and real-world environments. The project also involves Batchewana First Nations and Garden River First Nations and provides training opportunities for students through NSERC-funded research.

KEY WASTE REDUCTION INITIATIVES

Algoma is committed to reducing landfill waste and hazardous materials through a range of practices, programs, and systems, including:

- ISO 14001-2015 certified environmental management system, designed to ensure compliance with global best practices

- Our Environment Department regularly reviews and audits our operating practices to monitor compliance with our environmental policies and legal requirements
- Grassroots recycling program, diverting excess materials such as belting, wood, bricks, and bins from landfills
- Partnerships with government and industry to reduce toxic substances in industrial processes

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Algoma continuously monitors and evaluates its waste management efforts to improve environmental performance. Recent progress includes:

- 72% of industrial waste materials recycled or reused
- Ongoing monitoring and evaluation of oil loss prevention initiatives following a spill in 2023
- Continued investment in waste reduction strategies and process improvements

Our waste performance data is provided in the [Sustainability Performance Metrics](#) section of this report.

By enhancing waste recycling, reducing hazardous material use, and supporting research initiatives, Algoma is driving progress toward a more sustainable steel industry.



Water Management

Water is essential to steel production, and Algoma's operations are located along the St. Mary's River, providing reliable water access. While we do not operate in a water-stressed region, protecting water quality remains a top priority—both for the well-being of the people and ecosystems that rely on it. Responsible water management helps minimize environmental impact, maintain strong community relationships, and ensure we meet or exceed regulatory expectations. In doing so, we also reduce our exposure to fines, penalties, and permitting challenges, reinforcing the value of being a responsible environmental steward.

We continuously work to improve water efficiency and environmental compliance. Our Environmental Department supports these efforts, ensuring alignment with ISO 14001-2015 certified environmental management standards and water regulations.

WATER QUALITY MANAGEMENT AND TREATMENT

To maintain high water quality standards, Algoma:

- Monitors 11 chemical parameters to ensure discharged water meets or exceeds regulatory criteria.
- Uses automated samplers, collecting water samples every 15 minutes, 24/7 for accurate assessment.
- Conducts third-party testing for acute lethality and chronic toxicity, to determine if there could be any short- or long-term effect on key indicator organisms.
- Operates an onsite water treatment facility that processes water to meet or exceed Ontario Ministry of Environment standards.

With the construction of our EAF facility, Algoma is investing in a state-of-the-art, non-contact, recirculating water treatment plant to support future operations. This system will improve water conservation and reuse, further strengthening our commitment to sustainability.

WATER RECIRCULATION AND EFFICIENCY INITIATIVES

Algoma has implemented water recirculation systems in key production areas, reducing overall water demand and enhancing efficiency. These systems are in place at:

- DSPC
- No. 7 blast furnace
- Cogeneration power facility

Currently, over 45% of water used in operations is recycled. The new EAF facility includes a dedicated recirculating water system, further enhancing water efficiency and reducing withdrawal needs.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Our water performance data is provided in the [Sustainability Performance Metrics](#) section of this report.

By prioritizing water conservation, regulatory compliance, and advanced treatment technologies, Algoma is committed to responsible water stewardship and sustainable steel production.

ANALYST CORNER

SASB EM-IS-140a.1 - see Sustainability Performance Metrics section

Biodiversity Impacts

Steel production can impact local biodiversity and ecosystems, particularly in areas adjacent to waterways and ecologically sensitive sites. Algoma's operations are located along the St. Mary's River and near Whitefish Island, both recognized for their ecological significance. Ensuring compliance with federal, provincial, and local environmental regulations is critical to avoiding fines, maintaining community trust, and securing permits for ongoing operations.

Algoma is committed to minimizing ecological impact through proactive management, remediation efforts, and sustainable land use practices. Our environmental policies and practices are guided by:

- ISO 14001-2015 certified environmental management system
- [Health, Safety and Environment Policy](#), ensuring employees, contractors, and visitors share responsibility for reducing environmental impact
- [Code of Business Conduct and Ethics](#), which addresses responsible and sustainable operating practices

LEGACY ENVIRONMENTAL ACTION PLAN ("LEAP")

Recognizing historical environmental challenges, Algoma developed LEAP in collaboration with the Ontario Ministry of Environment, Conservation and Parks ("MECP"). LEAP is a risk-based environmental management plan focused on:

- Identifying, assessing, and mitigating legacy environmental contamination
- Funding and implementing ongoing remediation efforts under MECP oversight
- Driving long-term environmental improvements across the site

As part of LEAP, Algoma has launched a Site Greening Initiative to support biodiversity and restore naturalized areas, which includes:

- Surface and shoreline stabilization to prevent erosion
- Ground and surface water management to minimize environmental impact
- Revegetation with native plants and trees, creating natural buffer zones

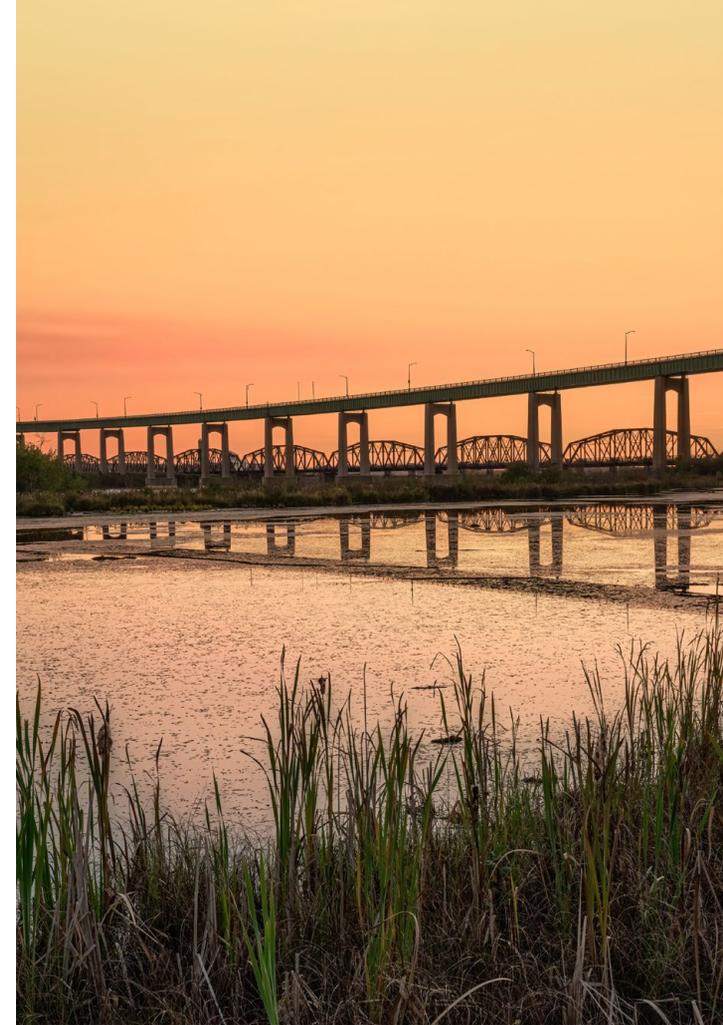
SHORELINE STABILIZATION AND HABITAT PROTECTION

To further protect local ecosystems, Algoma is undertaking a multi-year shoreline stabilization project spanning 4.1 km along the St. Mary's River. This initiative includes:

- Placement of clean rip-rap and armour stone to reinforce the shoreline
- Erosion control measures help to ensure the long-term sustainability of naturalized areas

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Algoma continuously invests in biodiversity protection and site remediation efforts to improve ecological health. Our recent progress includes:



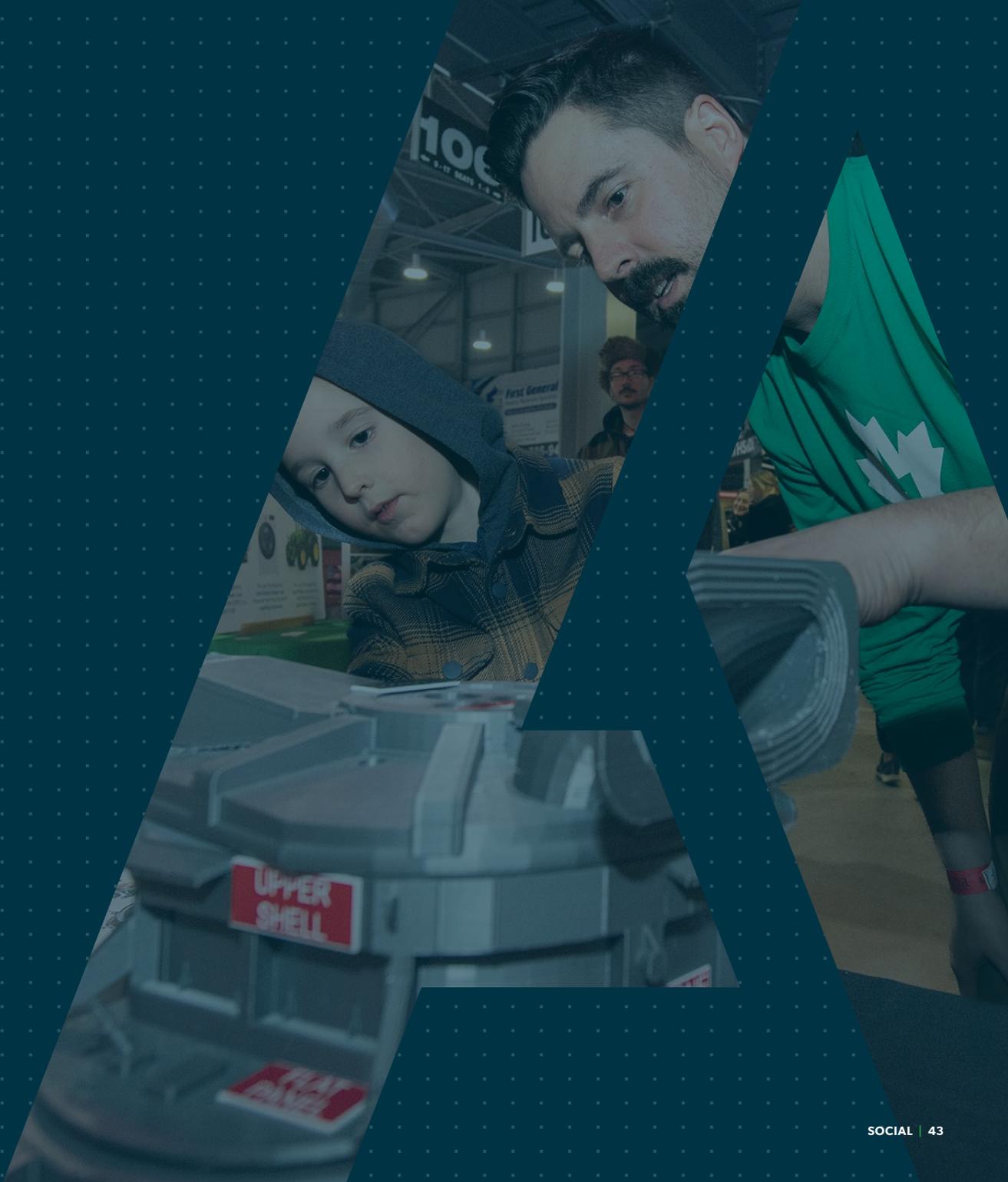
- Invested \$3.8 million in remediation activities, bringing our total investment to \$18.7 million to date.
- Ongoing commitment to biodiversity protection through shoreline stabilization and greening efforts

By integrating proactive environmental management, habitat restoration, and sustainable land use practices, Algoma is working to enhance biodiversity, reduce ecological impact, and support long-term environmental health.

Social

Powered by our People

We're committed to creating a safe, respectful workplace and contributing meaningfully to our community.



Health and Safety

Steel production presents inherent risks, including potential exposure to high temperatures, toxic chemicals, and heavy machinery—but these risks are preventable with the right controls and practices. Ensuring a safe workplace is fundamental to our operations—not just a core value, but an essential commitment embedded in everything we do.

Algoma Steel complies with all applicable provincial and federal health and safety regulations, including Ontario’s Occupational Health and Safety Act. Maintaining a strong safety track record is critical to protecting our workforce, sustaining community trust, and attracting and retaining skilled employees.

We foster a safety-first culture where all employees, contractors, and visitors share responsibility for maintaining a safe work environment. Our [Health, Safety and Environment Policy](#) emphasizes injury prevention and continuous improvement, while our [Code of Business Conduct and Ethics](#) reinforces a workplace built on trust, respect, and accountability. Additionally, our [Workplace Violence, Harassment, and Sexual Harassment Policy](#) extends beyond the workplace to cover incidents on social media and outside of working hours.

EMBEDDING HEALTH AND SAFETY THROUGHOUT THE COMPANY

Algoma Steel is committed to the health and safety of its employees, contractors, and visitors. We maintain a Joint Health and Safety System in collaboration with United Steelworkers (“USW”) Locals 2251 and 2724, supporting safe work planning, inspections, incident investigations, and workplace monitoring.

The Corporate Occupational Health and Safety Committee oversees our safety programs, including representation

from union members, department managers, and health and safety specialists. Each department has its own safety committee, and monthly operational health and safety meetings are held to review performance, address concerns, and discuss safety bulletins. Safety summaries are reported to executives, the Chief Executive Officer, and the Board.

To strengthen oversight, Algoma’s Health and Safety function falls under the Vice President, Maintenance & Operating Services. The team includes a Health and Safety Manager, 12 worker representatives, 4 Health and Safety Specialists, 2 Hygiene Specialists, and a dedicated health and safety management role for the EAF project. Several standing subcommittees help develop policies and procedures, covering areas such as industrial hygiene, training, walkway safety, electrical maintenance, lockouts, and gas safety.

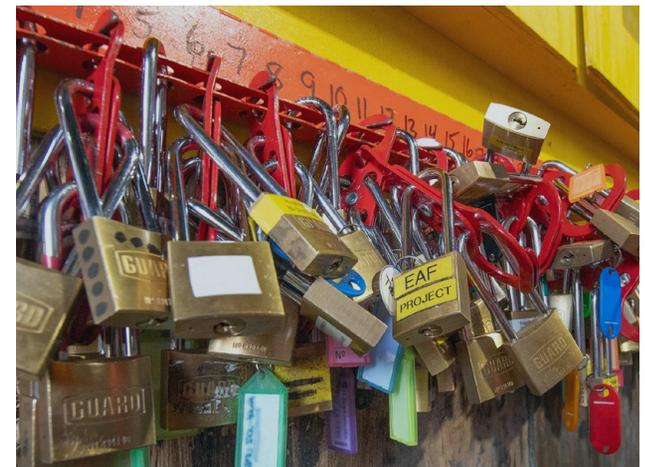
PROTECTING THE HEALTH AND SAFETY OF OUR WORKFORCE

Our approach to safety includes:

- Aligning with ISO 45001 through an Occupational Health and Safety Management System (“OHSMS”) to drive continuous safety improvements.
- Training front-line supervisors through enhanced Joint Health and Safety training developed in collaboration with the 2724 union, along with emergency response drills and first aid training.
- Strengthening workforce training by establishing a dedicated Training Department focused on coordinating and delivering safety and essential workforce training.

- Conducting monthly health and safety audits, with findings recorded in our incident management system for action tracking and resolution.
- Maintaining a strong Internal Responsibility System, where employees can flag unsafe conditions through a Code 14 request, triggering an immediate response from their supervisor who would generate a corrective action and present the employee with a Code 15.
- Upgrading safety infrastructure, including machinery and crane guarding improvements.
- Enhancing mental health awareness, recognizing the importance of psychological safety alongside physical safety.
- Recognizing safety excellence through the Pat Batter Award, which honours employees who go above and beyond in fostering a healthy and safe workplace.

Looking ahead, we are advancing risk registry, incident reporting, and audit systems, with full implementation planned for 2025 to further align with ISO 45001 standards.



LIFE SAVING RULES

The Life Saving Rules were developed to address the top hazards at Algoma that could lead to critical injuries. These six rules have been given distinct branding and logos, forming a vital part of Algoma's safety culture under the guiding principle: "Safety without Compromise."

In 2024, the Life Saving Rules were rolled out to all employees, with clear expectations communicated across the organization. These expectations are also shared with contractors through the induction process, reinforcing that compliance with the Life Saving Rules is mandatory for everyone working on Algoma property.

The Life Saving Rules has been well-received, with growing engagement from employees at all levels. We are continuing to build on this momentum by developing and implementing targeted programs to further support the Rules, reinforce safe behaviours, and provide ongoing training across the organization.

CONTRACTOR MANAGEMENT PROGRAM

Ensuring the health and safety of contractors is an important aspect of Algoma's workforce health and safety approach. Algoma uses ISN, a third-party compliance platform, to support contractor qualification and monitor safety performance, insurance, training, and cybersecurity. Contractors must meet and maintain industry, regulatory and company specific standards while working with Algoma. While ISN provides visibility into contractor compliance, day-to-day contractor safety is actively managed by Algoma supervisors through pre-commencement meetings, job inspections, and toolbox talks. In 2024, we launched a contractor safety dashboard to help address safety deficiencies by tracking grades, identifying risk areas, and monitoring performance trends.

Training and resource guides are available for contractors and Algoma employees involved in contractor oversight, reinforcing safety and compliance across operations.

Health and Safety on the EAF Project

At Algoma Steel, ensuring the health and safety of everyone involved in the EAF project is a top priority. We are committed to maintaining a safe work environment and continuously improving safety practices across the project.

DURING THE 9 MONTH PERIOD ENDING DECEMBER 31, 2024

0

Lost Time Injuries.

2,079

Individuals have been inducted to the project with a view to ensuring that all personnel are well-prepared and informed about the safety measures in place before working on-site.

515

Site inspections have been performed to ensure that safety protocols are followed and potential hazards are identified and addressed.

These efforts demonstrate our commitment to maintaining a safe working environment and ensuring the well-being of everyone on the EAF project.

6 Lifesaving Rules



FIT FOR DUTY

Ensure you are trained, authorized, and physically and mentally fit to work.



CONFINED SPACE ENTRY

Never enter a confined space unless authorized and have all required training.



ENERGY ISOLATION

Verify that hazardous energy has been released and the equipment is locked out before starting work.



FALL PROTECTION

Always use an appropriate method of fall protection when working from heights.



MACHINE GUARDING

Never alter, disable, or remove safety guarding or devices on operating machinery.



SAFE DRIVING

While driving, adhere to traffic rules and be alert to your surroundings.



Strengthening Mental Health Support Across Our Workforce

At Algoma Steel, we believe that mental health is just as vital as physical safety in ensuring the well-being of our employees. Creating a supportive environment where employees feel heard and valued remains a top priority.

To encourage meaningful conversation about mental health, we were proud to host Michael Landsberg, former TSN broadcaster and mental health advocate, who shared his personal journey with mental illness. As the founder of #SickNotWeak, Landsberg's candid discussion about breaking the stigma and seeking help resonated deeply with our employees. His message reminded everyone that they are not alone in their struggles and that speaking up about mental health is a sign of strength.

We continue to support mental health awareness through resources available to our employees, including counseling and mental health support services. As part of the Employee and Family Assistance Program, employees have access to confidential support, including counseling and crisis intervention services. The Employee Referral Agent program further ensures that employees know where to turn for help when needed. Employees trained as Referral Agents act as a first point of contact, guiding their peers to appropriate resources and support, ensuring that mental health needs are addressed swiftly and confidentially.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

We continue to monitor key indicators across health and safety, employee well-being, and labour relations to evaluate progress and identify areas for improvement.

We continue to make progress in health and safety, as shown by a steady decline in our TRIR. From FY2022 to the nine months ended December 31, 2024, our TRIR dropped from 2.35 to 1.45. This improvement reflects ongoing safety training, employee engagement, and a shared focus on safe work practices. We remain committed to transparency and accountability. In June 2023, a contractor employee sustained fatal injuries. In May 2024, the Company was served with three charges under the Occupational Health and Safety Act.

We are responding to this matter with the seriousness it warrants. Review our [2024 ESG Report](#) for more information.

Mental health continues to be a priority. By normalizing mental health conversations in the workplace, we reinforce our commitment to creating a supportive environment for all employees. We will continue to drive awareness through campaigns, resources, and open dialogue.

Our health and safety performance data is provided in the [Sustainability Performance Metrics](#) section of this report.

ANALYST CORNER

SASB EM-IS-320a.1 - see Sustainability Performance Metrics section





Labour Relations

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 an impact on 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. These two locals of the USW have 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.

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.

The agreement with Local 2724, representing technical, professional, and front-line supervisory employees, was

ratified on July 26, 2022. The agreement with Local 2251, representing hourly employees, was ratified on August 30, 2022, following the expiry of the previous agreement on July 31, 2022. Both agreements include an enhanced economic package as well as a framework to support the workforce through Algoma's transition to EAF steelmaking.

Algoma's skilled workforce is critical to achieving our vision of becoming a climate change leader in the Canadian steel industry. As we transform our operations, we are committed to bringing our people with us on this journey. For more detail, see [Transition to Low-Carbon Steel](#).

TRACKING PERFORMANCE AND FUTURE OUTLOOK

Our positive and stable labour relations are reflected in more than 30 years without any work disruption. In 2024, we continued that record with no strikes or lockouts.

Our labour relations performance data is provided in the [Sustainability Performance Metrics](#) section of this report.



Human Capital Management

A skilled workforce is essential to our ability to manufacture high-quality steel. In a competitive labour market, Algoma Steel must attract and retain top talent while fostering a diverse, inclusive, and engaged workplace. Our focus on employee development, engagement, and inclusiveness supports long-term productivity, operational efficiency, and profitability.

Human capital management is overseen by the Chief Human Resources Officer and includes targeted initiatives to develop skills, support career growth, and enhance workplace culture.

EMPLOYEE TRAINING AND DEVELOPMENT

We offer a variety of learning opportunities, from on-the-job training to formal instruction and leadership programs. Key initiatives include:

→ **Apprenticeship Program** – In partnership with Skilled Trades Ontario, we provide a pathway for

employees to become certified tradespeople through a blend of hands-on and in-class training.

- **Leadership Foundations Training** – As of December 31, 2024, 98% of our supervisors, managers, and executives completed the foundational Leadership Foundations training, focusing on core leadership skills and principles.
- **Situational Leadership Training** – Building on Leadership Foundations Training, as of December 31, 2024, 97% of our leadership team also completed Situational Leadership training. This dynamic approach allows leaders to adjust their style based on team needs and situations, enhancing effectiveness and fostering a culture of adaptability and collaboration.
- **CSTEC Partnership** – Algoma works with the Canadian Skills Training and Employment Coalition to support upskilling and workforce development initiatives.



Celebrating Young Professionals

Algoma Steel proudly celebrates young professionals making an impact in the workplace and beyond. At the 8th Annual Algoma Visionary Awards, Steph Luciani, Manager of Human Resources, received the Business Administration Industry Award for her leadership, innovation, and dedication to employee development.

Steph's work at Algoma Steel has helped strengthen our workplace culture, and her community involvement supports professional growth across the region.

We are proud to see Steph recognized for her contributions and leadership.



**Steve 'Wochy' Wojciechowski,
Celebrating 102 Years**

It was an honour to have Steve 'Wochy' Wojciechowski (age 102), one of our oldest living retirees and former National Hockey League ("NHL") player, join us at Family Day. Steve's legacy both on and off the ice continues to inspire our team. We are proud to celebrate him and all our employees who make Algoma Steel a great place to work and grow.

ATTRACTING AND RETAINING TOP TALENT

In a competitive labour market, attracting and retaining skilled employees is critical to our success. We are focused on creating an engaging workplace, providing strong career opportunities, and offering competitive compensation and benefits.

All employees receive comprehensive benefits coverage from day one, ensuring access to medical, drug coverage, dental, vision, life insurance, disability, and pension plans. These initiatives reflect our commitment to providing a stable, rewarding, and secure work environment.

To share in the company's success, unionized employees participate in a profit-sharing plan, with amounts defined in collective bargaining agreements. We also provide pension plans for all employees, including three Defined Benefit Pension Plans and one Defined Contribution Pension Plan. While Defined Benefit Plans have been closed to new entrants since 2004 (non-union) and 2011 (union), Algoma continues to pay pension benefits to twice as many retirees as current employees, underscoring our long-term commitment to workforce security.

We maintain strong relationships with our retirees, regularly engaging with retiree groups and inviting them to annual events like Family Day to honour their lasting contributions to Algoma Steel and the Sault Ste. Marie community.

ACADEMIC COLLABORATIONS

To help recruit the next generation of steelworkers and advance steelmaking innovation, Algoma Steel collaborates with the academic institutions below, providing students with hands-on experience and career pathways in the industry.

These partnerships play a vital role in attracting new talent, driving research and development, and supporting the long-term sustainability of the steel sector.

For more information on how we work with our partners to engage and develop future talent, visit our [Education and Skills Development](#) section under Community Relations.



FAIR EMPLOYMENT

Algoma Steel upholds merit-based hiring, fair wages, and equal opportunities for growth, creating a workplace built on integrity, respect, and accountability. Our fair employment practices are designed to ensure stable, well-paying jobs in a safe and supportive environment that prioritizes well-being and professional development.

FOSTERING INCLUSION AND DIVERSITY

Teamwork and caring are essential to fostering a diverse and inclusive workplace where all employees can thrive. Algoma Steel is committed to advancing gender equality and increasing access for underrepresented groups, including women, racialized persons, LGBTQ2+ individuals, people with disabilities, and Indigenous peoples.

Our [Diversity, Equity, and Inclusion \(“DEI”\) Policy](#) is designed to ensure equal opportunity in all aspects of employment. Hiring, promotion, and development decisions are based on qualifications, performance, and integrity.

Our [Workplace Violence and Harassment Policy](#) establishes a zero-tolerance stance on workplace violence, harassment, and discrimination, ensuring a safe and respectful environment for all employees.

To ensure accessibility, our [Multi-Year Accessibility Plan](#) outlines key commitments, including:

- Providing accessible formats and communication supports.
- Ensuring accommodations throughout the hiring and employment process.
- Informing employees of available supports.
- Establishing a structured return-to-work process.

DEI COMMITTEE INITIATIVES

The DEI Committee plays a key role in fostering inclusivity at Algoma Steel by leading awareness initiatives and engagement opportunities. In 2024, we expanded the committee to include employees from multiple departments, strengthening representation and perspectives.

Key initiatives this year included:

- **Family Day Booth** – Hosted interactive activities to highlight the diversity of our workforce.
- **Truth and Reconciliation Day** – Organized a screening of *Bimibatoo Win: Where I Ran* to foster dialogue on reconciliation.
- **Educational Campaigns** – Recognized cultural celebrations, including Kwanzaa, Hanukkah, Christmas, Yule/Winter Solstice, Diwali, and Indigenous Peoples Day.
- **Cultural Competency Training** – Launched one-part of a two-part training program to enhance workplace inclusivity.

In 2025, we will build on these efforts by expanding awareness initiatives, amplifying diverse voices, and increasing representation in company-wide engagement activities.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

The number of women in management positions increased to 16% as of December 31, 2024, reflecting progress in strengthening diversity in leadership. Overall female representation across our workforce remained steady. While we have made strides, we recognize the need for continued improvement and remain committed to expanding representation at all levels.

We are improving our ability to collect and analyze diversity data and will work toward greater transparency in employee diversity disclosures as more data becomes available.

As we move forward, we will continue to refine our approach to diversity and workforce development, ensuring employees have opportunities to learn from one another’s experiences and perspectives while contributing to an inclusive workplace.

Our human capital performance data is provided in the [Sustainability Performance Metrics](#) section of this report.



Inspiring Women in Steel

In September 2024, Algoma Steel’s Kate Kuuskman represented the company as a panelist at the AIST Women in Steel Conference, sharing her journey in the industry. As the first female General Manager in operations at Algoma Steel, Kate’s leadership continues to inspire and pave the way for women in steel.

Rights of Indigenous Peoples

Algoma Steel acknowledges that we operate on the traditional and ancestral lands of the Anishinaabe People, specifically within the Robinson-Huron Treaty territory. We recognize the enduring presence and contributions of the Batchewana and Garden River First Nations, as well as the Métis People. We are committed to recognizing and respecting these communities, their histories, and their ongoing connection to this land.



The Director of 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 actively engaged in developing meaningful, long-term partnerships with local Indigenous communities as part of our EAF project and beyond. We support the governments of Ontario and Canada in fulfilling their duties to consult affected Indigenous communities.

Our engagement extends beyond regulatory compliance. We are working directly with local Indigenous communities to identify and advance shared priorities, including employment and training, procurement and economic development, energy and infrastructure needs, and cultural engagement. Collaborative working groups have been established to guide these efforts, fostering an environment of mutual respect and shared success.

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.
- Second annual \$5,000 donation to the Gathering at the Rapids Pow Wow 2025 and Algoma's Community Stakeholder Liaison and Strategy Support Analyst was a member of the planning committee.
- Sponsored Moose Hide Campaign and Algoma's Community Stakeholder Liaison and Strategy Support Analyst was a member of the planning committee.

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 team 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.

In 2024, we proudly launched our two-part Cultural Competency Training Program, with 115 employees successfully completing session one. This initiative is designed to deepen our understanding of Indigenous histories, values, and social dynamics through an Indigenous cultural framework, offering a comprehensive overview of First Peoples' history while promoting respectful, effective engagement with Indigenous communities. Participants gained foundational knowledge of Indigenous value systems, developed practical skills for respectful engagement, and participated in structured discussions to challenge and dismantle common misconceptions, all while exploring culture-based strategic planning methods for enhanced relationship-building and decision-making. We are excited to build on these insights and skills in Session Two, which is planned for 2025, further strengthening our commitment to diversity, inclusion, and sustainable community engagement.

Connecting with Our Community

Steel production can have significant environmental and socio-economic impacts, making strong community relationships essential for responsible operations. As the largest employer in Sault Ste. Marie, we play a pivotal role in the local economy—99% of our workforce is from the local region and we estimate Algoma Steel contributes approximately 40% of the city’s GDP.



We are committed to ensuring our operations create lasting benefits for our employees and the broader community. By engaging proactively with stakeholders and fostering strong relationships, we aim to sustain the positive impact of steel production for generations to come.

The Corporate Citizenship and Philanthropy Committee, composed of representatives from across the company, meets monthly to evaluate community engagement opportunities. The Committee consults employees to ensure our initiatives align with their values and the community’s most pressing needs.

Recommendations by the Corporate Citizenship and Philanthropy Committee are tabled with the Executive Committee for final approval and then executed under the direction of the Director of Human Resources and Corporate Affairs.

BUILDING BETTER LIVES

Algoma has a long history of charitable giving and corporate sponsorships aimed at strengthening our community. We recognize that our employees understand local needs

best, which is why we leverage their knowledge and expertise to maximize the impact of our contributions.

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.⁸ 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.

These efforts reflect the values of our employees, who are not only skilled steelmakers but also dedicated community members. Their commitment to giving back and fostering local development drives our donor program and strengthens our connection with the community we proudly call home.

“At Algoma Steel, we are more than just a business—we are part of our community. As the largest employer in Sault Ste. Marie, we recognize the importance of being actively involved in the well-being of the people around us. Whether it’s supporting health initiatives, investing in education, or working with local organizations, we are committed to creating positive change that benefits our community now and for generations to come.”

Laura Devoni

Director of Human Resources and Corporate Affairs

⁸The LBG Model is a recognized global standard framework for managing, measuring, and reporting community investment.



COMMUNITY AND EMPLOYEE ENGAGEMENT

Our employees play a vital role in shaping our community—not just as skilled professionals but as engaged citizens. Many of our team members volunteer on boards of local organizations, including Algoma University, Sault College, the Algoma District School Board, and the Rotary Club of Sault Ste. Marie, contributing their expertise to drive community progress.

One standout initiative is the Bring a Doctor Home Tournament, where employee passion for hockey meets a commitment to addressing Northern Ontario's doctor shortage. Since its inception, this week-long event has raised nearly \$500,000 in scholarships for local youth pursuing medical school in the North. Complemented by Algoma Steel's Northern Ontario School of Medicine bursary, our efforts are actively helping bring more doctors to our region.

We also have a long-standing partnership with the United Way Sault Ste. Marie and Algoma District, spanning more than 60 years. Each year, we host the United Way Algoma Steel Employee Campaign, where employees donate directly to support local programs that improve lives in our community. Last year, Algoma Steel employees contributed approximately \$150,000 to the United Way. In 2023, Algoma Steel further pledged \$120,000 over three years to support Harvest Algoma, a community hub that rescues and distributes food to over 70 partner agencies, ensuring greater food security for families in need.

Beyond financial contributions, our employees engage in meaningful volunteerism, from mentoring local youth to participating in fundraising drives like Christmas Cheer. Their dedication fuels our community engagement efforts, reinforcing our shared commitment to building better lives together.

A Longstanding Tradition: Algoma Steel at Rotaryfest

Algoma Steel is proud to be a longtime sponsor and participant in Rotaryfest, Sault Ste. Marie's largest summer festival. As a \$20,000 sponsor, we support this beloved community event that brings people together to celebrate local culture, music, and connection.

Our participation in the Rotaryfest Parade has been a highlight year after year, and this year, we were honoured with the Best Corporate Entry award for our float. This recognition reflects the enthusiasm and community spirit of our employees, who take great pride in representing Algoma Steel.

We are committed to continuing this tradition, celebrating the strength of our community, and supporting events that bring us all together.

HEALTHY AND SAFE COMMUNITIES

At Algoma Steel, safety is more than a priority—it is a core value. By keeping our employees safe, providing good-paying jobs, and fostering an inclusive workforce, our operations will continue to contribute to the social and economic fabric of our community.

We are committed to supporting organizations that promote health, well-being, and active living, ensuring that our contributions make a lasting impact.

- **Supporting Community Wellness**—Algoma Steel is investing \$250,000 over five years in the Sault Ste. Marie YMCA to help ensure its doors remain open and continue providing essential programs that promote physical, mental, and social well-being. In addition, we offer a \$10 discount off payroll deduction for employees who purchase a YMCA membership.
- **Enhancing Palliative Care**—Since 2023, Algoma Steel has committed \$60,000 over three years to ARCH’s Bucket List Challenge, which helps individuals in palliative care fulfill meaningful final wishes. This initiative aligns with our belief in compassionate care and community support.

- **Increasing Access to Youth Sports**—To help make organized sports more accessible, we have committed \$40,000 annually to the Soo PeeWee Hockey League and \$10,000 annually to the Sault Female Hockey Association for three years. These contributions reduce enrollment costs, ensuring more families can participate.
- **Expanding Adaptive Sports Opportunities**—We have provided funding for specialized equipment for the No Limits Adaptive Skiing Association, making skiing more accessible to individuals with disabilities and ensuring inclusive access to outdoor recreation.
- **Encouraging Community Engagement Through Recreation**—Our continued sponsorship of free Community Holiday Skates provides residents of all backgrounds with the opportunity to enjoy winter activities together.

Through these initiatives, Algoma Steel continues to invest in health, recreation, and inclusive community programs, reinforcing our commitment to building better lives for generations to come.



Honouring Healing Through Art

In August 2024, Algoma Steel celebrated the unveiling of a sculpture by Northern Ontario artist Kathryn Corbiere (One KWE), commemorating our \$1 million donation to the Northway Wellness Centre. Made primarily from Algoma Steel, the hawk in flight symbolizes strength, resilience, and transformation, much like the healing journey.

“Created by people in the north for people in the north,” the sculpture stands as a lasting tribute to the center’s impact on the community.





EDUCATION AND SKILLS DEVELOPMENT

At Algoma Steel, we believe that education and workforce development are essential to building a strong, sustainable future for our community. Through scholarships, training programs, hands-on experiences, and partnerships with local institutions, we are helping students and apprentices develop the skills needed for careers in engineering, skilled trades, and technology.

- **Supporting Access to Education** – Algoma Steel has established multiple scholarships and bursaries to support students pursuing careers in STEM, skilled trades, and business. These include the Northern Ontario School of Medicine—Algoma Bursary, the Sault College Women in Trades Award, and the Algoma University Student Assistance Award, among others.
- **Investing in Skilled Trades Training** – A \$100,000 contribution to Sault College’s Mechatronics Program is helping students gain hands-on experience in automation, robotics, and advanced manufacturing.
- **Showcasing Careers in Steel** – Through the Careers in Steel program, we visit local high schools to introduce students to career opportunities in skilled trades, metallurgy, environmental controls, health and safety, human resources, and more. By engaging directly with students, we help them explore pathways into the manufacturing sector and high-skilled trades.
- **Providing Hands-On Learning** – We host tours and interactive exhibits for students, teachers, and advisors to showcase careers in maintenance, welding, and metallurgy, giving students a real-world look at opportunities in steel manufacturing.

By investing in education and workforce development, Algoma Steel is helping to equip the next generation with the knowledge and skills needed to drive innovation and economic growth.

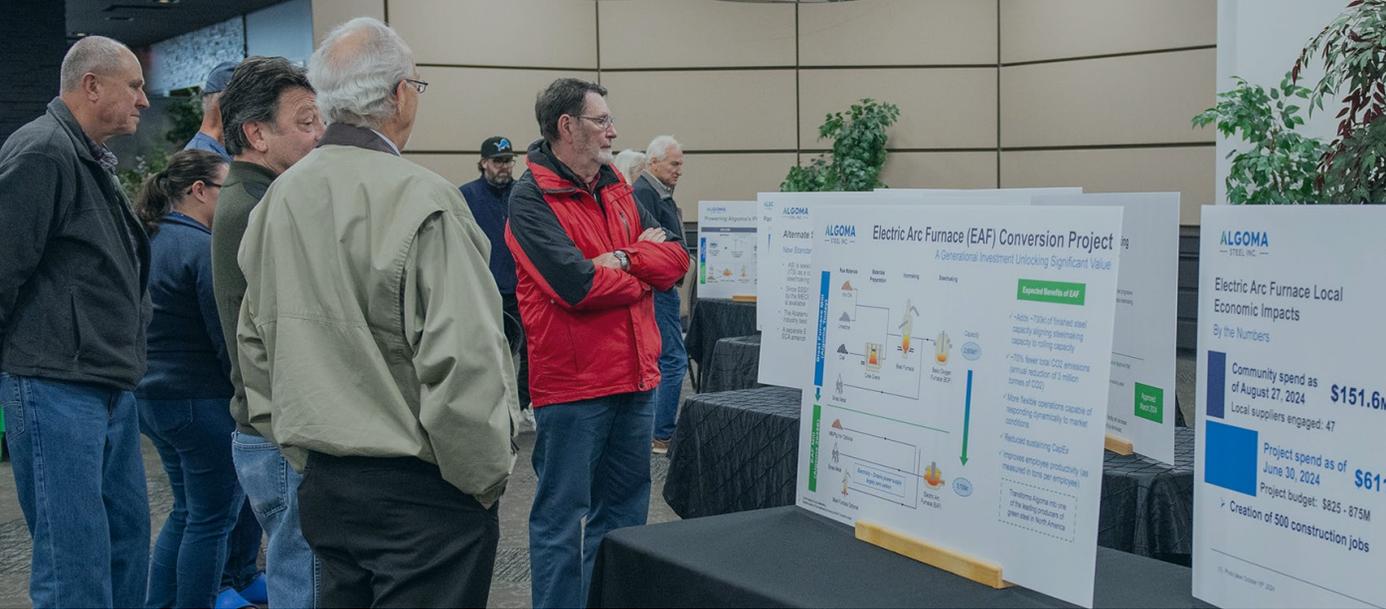


COMMUNITY ENGAGEMENT PROGRAM

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 Transition to Low-Carbon Steel section.

Along with the installation of our EAFs, we are constructing state-of-the-art fume and water treatment plants. The fume treatment plants will capture air and dust emissions, while the water treatment plant will conserve water usage by recycling non-contact water from the EAF Steelmaking process. Additionally, the use of engineered furnace enclosures will aid in noise abatement. These enclosures feature large doors that 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 will continue to, contribute significantly to the local economy. As of December 31, 2024,

over \$189.9 million has been invested in the community on local contractor work to support the EAF project.

This project allows Algoma to deliver on its purpose to build better lives and a greener future. It will also enhance product quality, increase production, and reduce carbon emissions by up to 70%, creating value for all stakeholders and ensuring the benefits of our steel endure for generations to come.

We have kept and will continue to keep the community engaged throughout the project by hosting 3 community open houses each year, providing local residents with the opportunity to ask questions and learn directly from our EAF project team, environmental team, and senior management.

TRACKING PERFORMANCE AND FUTURE OUTLOOK

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

Contributions Toward Community Causes

In the nine-month reporting period ending December 31, 2024, Algoma committed to 58 causes and contributed both monetary and human capital toward creating positive outcomes in the community. We donated \$360,000 across 58 total causes.

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

Our community relations performance data is provide in the [Sustainability Performance Metrics](#) section of this report.

65%

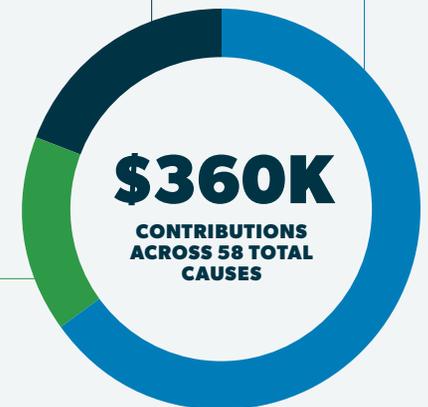
Healthy and Safe Communities (30 Causes)

19%

Education and Skills Development (12 Causes)

16%

Community and Employee Engagement (16 Causes)



Index & Performance Metrics

The Sustainability Accounting Standards Board (SASB) publishes industry-specific sustainability accounting Standards, intended to help companies disclose financially material, decision-useful sustainability 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 and 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 tons (t), Percentage (%)	Building a Greener Future (p.5) Greenhouse Gas Emissions & Climate Change (p.35)
	EM-IS-000.B	Total iron ore production	Metric tons (t)	
	EM-IS-000.C	Total coking coal production	Metric tons (t)	
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ -e, Percentage (%)	Greenhouse Gas Emissions & Climate Change (p.32–34, 35)
	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 tons (t)	Sustainability Performance Metrics (p.63)
Energy Management	EM-IS-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Gigajoules (GJ), Percentage (%)	Sustainability Performance Metrics (p.63)
	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 (%)	Sustainability Performance Metrics (p.64)
Waste Management	EM-IS-150a.1	(1) Amount of waste generated (2) Percentage hazardous (3) Percentage recycled	Metric tons (t), Percentage (%)	Sustainability Performance Metrics (p.64) 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	Sustainability Performance Metrics (p.64) 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.29)



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 have aligned our Sustainability 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.31)
		(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.33–34)
		(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.34)
		(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.35)
		(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.	

Sustainability Performance Metrics

The following table provides Algoma's key sustainability performance data.

2024 data is reported for the nine-month transition period from April 1 to December 31, 2024, with the exception of GHG emissions and air quality data, which are reported for the full 2024 calendar year to meet regulatory requirements. To support trend analysis and comparability, we also provide four years of historical data for fiscal years 2021 to 2024 ending March 31st, along with calendar year ("CY") 2024 data ending December 31st.⁹ This dual reporting approach aligns with our financial reporting practices during this transition year where we have changed our fiscal year to align with the calendar and the approach taken by industry peers. Going forward, we will report on a full calendar-year basis. All facts and figures are as of December 31, 2024, unless otherwise noted.

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

Please note, certain data points for previous years have been restated as Algoma works to enhance its data collection approach and alignment with leading ESG reporting frameworks and established methodologies. Certain scope, boundaries, definitions, and calculation methods may have been updated and refined.

Financial data is presented in Canadian dollars (CAD).

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 2024
Governance								
Business Ethics & Transparency	Amount of monetary settlements as a result of legal proceedings associated with bribery, corruption, and other related issues	Amount (\$)	0	0	0	0	0	0
	Percentage of employees up to date their training on the Code of Business Conduct and Ethics	Percentage (%)	NRP	NRP	100%	57% ¹⁰	91%	91%
Board Diversity	Percentage of Board members that identify as female	Percentage (%)	NRP	NRP	27%	30%	30%	30%
	Percentage of Board members that identify as racially and/or ethnically diverse ¹¹	Percentage (%)	NRP	NRP	18%	20%	20%	20%

⁹ There is 3 months of overlap between fiscal year 2024 (April 1, 2023 to March 31, 2024) and calendar year 2024 (January 1 to December 31, 2024) which may result in some double counting of data. For those looking to do year over year comparisons, review the fiscal year in comparison to the 9 months ended.

¹⁰ 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.

¹¹ Racially and/or ethnically diverse refers to individuals who self-identify as members of visible minority groups, as defined under the *Employment Equity Act*.

METRIC	UNIT	REFERENCE	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023	CALENDAR YEAR 2024	
Environment								
Greenhouse Gas Emissions & Climate Change¹²	Gross global Scope 1 emissions ¹³	Metric tons (t) CO ₂ e	SASB EM-IS-110a.1 TCFD Metrics and Targets b)	3,880,106	4,111,476	3,936,243	4,292,167	4,226,732
	Gross global Scope 2 GHG emissions	Metric tons (t) CO ₂ e	TCFD Metrics and Targets b)	NRP	NRP	14,115	24,877	24,765
	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	100
	Scope 1 GHG emissions intensity	Metric tons (t) CO ₂ e/ Metric tonne of steel	TCFD Metrics and Targets b)	1.81	1.71	1.86	1.86	2.04
	Scope 1 and 2 GHG emissions intensity	Metric tons (t) CO ₂ e/ Metric ton of steel	TCFD Metrics and Targets b)	NRP	NRP	1.91	1.84	2.05
	Percentage of steelmaking production using coke and iron	Percentage (%)	TCFD Metrics and Targets a)	100	100	100	100	100
	Percentage of steelmaking production using EAF	Percentage (%)	TCFD Metrics and Targets a)	0	0	0	0	0
	Internal carbon price ¹⁴	Amount (\$)	TCFD Metrics and Targets a)	30.00	40.00	50.00	65.00	80.00

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 2024	
Environment									
Greenhouse Gas Emissions & Climate Change	Amount of investment deployed towards climate-related risks and opportunities	Amount in millions (\$)	TCFD Metrics and Targets a)	N/A	57.3	230.4	252.7	173.8	222.3

¹² 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, 2024) as our regulatory obligations require that we track and report GHG emissions data as per the calendar year.

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 value includes methane emissions from the coal purchased for the cokemaking process.

¹⁴ 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.

METRIC	UNIT	REFERENCE	CALENDAR YEAR 2020	CALENDAR YEAR 2021	CALENDAR YEAR 2022	CALENDAR YEAR 2023	CALENDAR YEAR 2024	
Environment								
Air Emissions¹⁵	Carbon monoxide	Metric tons (t)	SASB EM-IS-120a.1	711	586	855	766	765
	Oxides of nitrogen	Metric tons (t)	SASB EM-IS-120a.1	2,221	2,194	2,032	2,329	2,177
	Oxides of sulphur	Metric tons (t)	SASB EM-IS-120a.1	4,748	4,312	3,490	3,493	2,626
	Particulate matter <10um	Metric tons (t)	SASB EM-IS-120a.1	NRP	NRP	NRP	674	665
	Manganese	Metric tons (t)	SASB EM-IS-120a.1	2.90	1.19	4.64	5.18	6.32
	Lead	Metric tons (t)	SASB EM-IS-120a.1	0.708	0.287	0.291	0.317	0.391
	Volatile organic compounds	Metric tons (t)	SASB EM-IS-120a.1	76	120	150	117	115
	Polycyclic aromatic hydrocarbons	Metric tons (t)	SASB EM-IS-120a.1	0.35	0.33	0.68	0.56	0.56

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 2024	
Environment									
Energy Management	Total energy consumed ¹⁶	Gigajoules (GJ)	SASB EM-IS-130a.1	33,471,398	34,379,244	31,959,769	37,393,890	28,605,644	35,751,492
	Percentage of total energy consumed that is grid electricity	Percentage (%)	SASB EM-IS-130a.1	5	5	6	5	5	5
	Percentage of total energy consumed that is renewable energy	Percentage (%)	SASB EM-IS-130a.1	0	0	0	0	0	0
	Total fuel consumed ¹⁷	Gigajoules (GJ)	SASB EM-IS-130a.2	29,870,071	30,533,130	28,265,153	31,838,709	23,772,816	31,032,671
	Percentage of total fuel consumed that is coal ¹⁸	Percentage (%)	SASB EM-IS-130a.2	25	21	18	15	12	11
	Percentage of total fuel consumed that is natural gas	Percentage (%)	SASB EM-IS-130a.2	36	34	39	42	46	49
	Percentage of total fuel consumed that is renewable	Percentage (%)	SASB EM-IS-130a.2	0	0	0	0	0	0

¹⁵ Air emissions data are provided for the calendar year from January 1 to December 31 (2020, 2021, 2022, 2023, 2024) 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.

¹⁶ 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.

¹⁷ 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.

¹⁸ 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	9 MONTHS ENDED 2024	CALENDAR YEAR 2024	
Environment									
Waste & Hazardous Materials Management	Amount of industrial waste generated	Metric tons (t)	SASB EM-IS-150a.1	1,419,179	1,627,904	1,472,636	1,519,538	1,119,367	1,439,992
	Percentage of industrial waste recycled	Percentage (%)	SASB EM-IS-150a.1	73	71	80	71	72	62
	Number of hydrocarbon spills	Number (#)		0	0	1	0	0	0
	Aggregate volume of hydrocarbon spills	Litres (L)		0	0	1,250 ¹⁹	0	0	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	200,310,199	263,790,916
	Percentage of freshwater withdrawn in regions with High or Extremely High Baseline Water Stress	Percentage (%)	SASB EM-IS-140a.1	0	0	0	0	0	0

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 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	1.45	1.23
	Total Recordable Incident Rate (TRIR) – contract employees	Rate (#)	SASB EM-IS-320a.1	NRP	NRP	NRP	4.29	1.52	1.79
	Fatality Rate – full-time employees	Rate (#)	SASB EM-IS-320a.1	0	0	0	0	0	0
	Fatality Rate – contract employees	Rate (#)	SASB EM-IS-320a.1	0	0	0	0.27 ²⁰	0	0
	Near Miss Frequency Rate (NMFR) – full-time employees	Rate (#)	SASB EM-IS-320a.1	4.19	4.40	3.29	2.69	3.65	3.30
	Total Lost Time Incident Rate (LTIR) – full-time employees	Rate (#)		0.19	0.08	0.26	0.03	0.33	0.25
	Lost Time Severity Rate – full-time employees	Rate (#)		NRP	NRP	28.5	25.0	0.22	0.16
	Average hours of health, safety, and emergency response training – full-time employees	Hours (hrs)		21	21	21	21	44.33	37.93
	Average hours of health, safety, and emergency response training – contract employees	Hours (hrs)		N/A	N/A	N/A	1.5	15.75	21
First Aid Frequency – full-time employees ²¹	Rate (#)		6.11	6.18	5.53	6.41	7.2	6.99	

¹⁹ See Waste and Hazardous Materials Management section for more detail.

²⁰ See Workforce Health and Safety and/or our 2024 ESG Report for further detail.

²¹ 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	9 MONTHS ENDED 2024	CALENDAR YEAR 2024
Social								
Workforce Health & Safety	Total hours worked by full-time employees	Hours (hrs)	5,252,327	5,274,424	5,353,673	5,802,395	4,219,659	5,691,914
	Total hours worked by contract employees	Hours (hrs)	430,278	708,573	897,614	746,546	921,554	1,228,739
Labour Relations	Percentage of employees covered by collective bargaining agreements	Percentage (%)	95	95	95	95	95	95
	Number of strikes and lockouts	Number (#)	0	0	0	0	0	0
	Duration of strikes and lockouts	Days	0	0	0	0	0	0
Human Capital Management	Full-time employees	Number (#)	2,687	2,703	2,846	2,840	2,780	2,780
	Part-time employees	Number (#)	0	0	0	0	0	0
	Total number of contractors employed	Number (#)	8	32	50	39	38	38
	Number of co-op and summer student positions	Number (#)	0	62	91	84	56	56
	Total workforce ²²	Number (#)	2,695	2,797	2,987	2,879	2,818	2,818
	Percentage of executive management positions held by women	Percentage (%)	14	0	14	13 ²³	16	16
	Percentage of racially and/or ethnically diverse representation in executive management positions	Percentage (%)	NRP	NRP	25	25 ²⁴	25	25
	Percentage of female representation for all employees	Percentage (%)	7	6	6	7	7	7
	Percentage of employees under 30 years old	Percentage (%)	13	12	11	12	11	11
	Percentage of employees aged 30–50	Percentage (%)	52	50	49	53	54	54
	Percentage of employees over 50 years old	Percentage (%)	35	38	40	36	35	35
	Percentage of non-unionized employees receiving performance reviews	Percentage (%)	100	100	100	100	100	100

²² As at December 31, 2024. Number of co-op term positions excluded from total as they are not active workforce participants as at December 31, 2024.

²³ As at December 31, 2024.

²⁴ As at December 31, 2024.

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 2024	
Social									
Human Capital Management	Voluntary turnover rate for all employees	Percentage (%)		8	6	11	9	7	7
	Involuntary turnover rate for all employees	Percentage (%)		1.0	0.9	0.9	6	2	2
	Ratio of basic salary and remuneration of women to men	Percentage (%)		-1.1	-0.3	-0.1	-0.8	1.02	1.02
	Percentage of succession plans that exist for key personnel	Percentage (%)		93	92	88	88	88	88
	Employee productivity – shipment tons	Tons (t) Shipped / At Work Employee		774	867	736	769	619	619
	Employee productivity – production tons	Tons (t) Produced / At Work Employee		761	875	758	756	719	719

METRIC	UNIT	REFERENCE	FY 2021	FY 2022	FY 2023	FY 2024	9 MONTHS ENDED 2024	CALENDAR YEAR 2024	
Social									
Community Relations	Percentage of workforce from the local region of operations	Percentage (%)		99	99	99	99	99	99
	Annual amount invested in local communities	Amount (\$)		NRP	388,473	1,310,493 ²⁵	297,000	360,000	415,000

²⁵ 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 Sustainability 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 Sustainability 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.



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