



SteelSummit Holdings, Inc.

Low Carbon Transition Plan – Executive Summary

Introduction

It is exceedingly important to SteelSummit Holdings, Inc. (SteelSummit) and its stakeholders to align corporate actions with ethical behavior in the environmental and social domains of the communities in which it operates. Establishing proper governance and oversight of these initiatives ensures that SteelSummit achieves its sustainability goals. SteelSummit’s Low Carbon Transition Plan (LCTP) outlines the framework of these initiatives and how SteelSummit will achieve long-lasting and impactful sustainability strategies.

SteelSummit hopes to make meaningful environmental change by setting targets to reduce emissions and overall carbon footprint to align with the 1.5 °C ambition of the [Paris Agreement](#). SteelSummit’s primary focus in this next decade will be on emissions reductions, ultimately resulting in “[net zero](#)” emissions for SteelSummit by 2050. Emission reductions will occur in three scopes. Scope 1 emissions are direct greenhouse gas (GHG) emissions that a company produces from sources that it owns or controls. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. By reducing emissions in these three scopes, SteelSummit will be able to make a meaningful reduction in its carbon footprint and overall environmental influence.

Governance

Establishing distinguished positions of oversight for a project of this magnitude will help ensure it remains on schedule and on target. Board-level oversight has been put in place through a “steering committee” (equivalent to the board). This steering committee includes but is not limited to the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO) who all attend scheduled sustainability meetings where SteelSummit’s progress is reviewed with other members of the team. Other members of this sustainability team include the Corporate EHS Manager, Corporate Human Resource Director, Corporate ESG and Sustainability Specialist, VP of Corporate Planning and Internal Control, and a sustainability consultant. SteelSummit’s parent company, Sumitomo Corporation, is also initiating its own large-scale sustainability plan which SteelSummit is a part of, adding an additional layer of governance and oversight.

Financial Planning and Policy Engagement

Financial planning and policy engagement are both significant topics for the proper implementation of this LCTP. The CFO oversees all economic sustainability decisions and ensures we have proper finances set aside for the tasks and projects SteelSummit has planned for the future. Policy engagement involves SteelSummit aligning itself with internal and/or external policies to keep sustainability initiatives transparent and robust. At this time, SteelSummit aligns its sustainability initiatives with two external platforms, the CDP and Science-Based Targets Initiative (SBTi). These are two globally recognized sustainability platforms that outline the best approach towards GHG emissions reduction and sustainability practices. SteelSummit has filled out the CDP questionnaire annually, since 2020, and committed through SBTi to set and verify emissions reduction targets by the end of 2025. In addition, SteelSummit adopted [Sumitomo's environmental policy](#) as a means to emphasize and integrate its key features into our sustainability approach.

Key Performance Indicators

SteelSummit tracks certain Key Performance Indicators (KPIs) that provide a good outline for how SteelSummit is progressing toward its sustainability goals. These KPIs are as follows:

- Waste to landfill (tons)
- Recycled Materials (tons)
- Water usage (tons)
- Natural gas/propane usage (ccf/gallons)
- Energy usage (kWh)
- Purchased steel (mini-mill and integrated mills) (tons)

Each of these aligns with one aspect of SteelSummit's sustainability goals or another. Natural gas/propane use and energy usage in particular both equate to Scope 1 and Scope 2 emissions, respectively. Purchased steel tons are a main contributor to Scope 3 emissions as well.

Scope 1, 2, and 3 Emissions

SteelSummit completes a company-wide annual GHG emissions inventory for Scope 1, 2, and 3. This process began in FY2019 with Scope 1 and 2 emissions tracking, while Scope 3 emissions tracking began in FY2022 with the [operational control](#) organizational boundary approach. Tracking emissions annually allows SteelSummit to monitor how well programs that have been implemented are reducing emissions over time. The base year for target setting for Scope 1 and 2 is FY2020 while the base year for Scope 3 target setting is FY2022. SteelSummit accounts for each of the [15 categories in Scope 3](#) that are within its operational control and apply to its business activities. Below is a summary table that outlines SteelSummit's base year emissions, target year emissions, and necessary percent reduction as required by SBTi.

SCOPE	BASE YEAR EMISSIONS FY2020 (tCO2e)	TARGET YEAR EMISSIONS FY2030 (tCO2e)	% REDUCTION
Scope 1	749	434	42.0%
Scope 2	1,626	943	42.0%
Scope 1 & 2	2,375	1,378	42.0%
Scope 3	BASE YEAR EMISSIONS FY2022 (tCO2e)	TARGET YEAR EMISSIONS FY2032 (tCO2e)	% REDUCTION
Scope 3	1,913,878	1,029,666	46.2%

SteelSummit has already begun implementing emissions reduction initiatives for Scope 1 and 2. Scope 1 reductions include switching from propane-powered forklifts to electric and Scope 2 reductions include switching to all LED lightbulbs and purchasing [Renewable Energy Certificates](#) (RECs) to cover all of our purchased electricity for the next three years.

Conclusion

SteelSummit’s Low Carbon Transition Plan acts as a roadmap for SteelSummit to become a leader in the metal processing industry for sustainability actions. The details outlined in this plan function as a guide for SteelSummit to take note of its starting place set realistic and impactful goals and draw out a roadmap of how to reach those goals most efficiently. Part of how SteelSummit plans to disclose its progress towards sustainability goals is by releasing an annual report at the end of each fiscal year with updates on advancements. This report will identify goals worked towards in the previous year, the actions taken to reach those goals, and any significant changes or updates that occurred throughout the year. These yearly reports will help ensure SteelSummit remains fully transparent with its sustainability while also helping to track progress and keep the initiative organized, dynamic, and robust.