

SteelSummit Advances Toward Net-Zero with SBTi-Validated Targets

SteelSummit Holdings, Inc. (SSH) continues to strengthen its commitment to sustainability, reinforcing its role as a responsible and forward-thinking leader in the flat-rolled metals industry. As a subsidiary of Sumitomo Corporation of Americas, SSH is guided by long-standing principles centered on sound business practices, long-term value creation, and trusted relationships with customers, suppliers, and partners. Over the past several years, SSH has seen increasing expectations across its value chain for stronger environmental stewardship. In response, SSH joined our suppliers and customers by pledging to decrease emissions, continually improve environmental practices, and release annual sustainability reports.

The metals industry is resource intensive and relies heavily on coal to provide the necessary carbon content for steelmaking. Scientists found that human activities, primarily those that rely on the burning of fossil fuels like coal, oil, and gas, are the main driver of climate change. Climate change effects such as extreme temperatures, heavy precipitation, and storms present significant environmental risks to direct operations and value chains. These risks can decrease production numbers, increase capital costs, and decrease revenue.

Furthermore, in a series of reports and agreements from the United Nations, most notably the Paris Agreement, thousands of scientists and government reviewers agreed that limiting global temperature rise to no more than 1.5°C would help avoid the worst climate change impacts and maintain a livable climate. This Agreement's overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels." To decrease environmental impacts, SSH released its Low Carbon Transition Plan (LCTP) in July 2024 to establish governance, targets, and actions to guide emissions reductions in line with the Paris Agreement's 1.5°C ambition. A summary of that report can be read [here](#).

Building on this foundation, SSH is proud to announce that its greenhouse gas (GHG) reduction targets are validated by the Science Based Targets initiative (SBTi), joining more than 10,000 companies worldwide taking science-based climate action. SBTi offers a trusted, independent, and rigorous framework, ensuring our stakeholders that our emission reduction targets are aligned to limit warming to 1.5°C. SSH is committed to near-term, long-term, and net-zero targets, including achieving net-zero emissions across its value chain by FY2050, all of which are 1.5°C aligned. Near-term, SteelSummit Holdings, Inc. commits to reduce absolute scope 1 and 2 GHG emissions 81.78% by FY2030 from a FY2020 base year. SteelSummit Holdings, Inc. also commits to reduce absolute scope 3 GHG emissions by 30.0% by FY2032 from a FY2022 base year. Long-term, SteelSummit Holdings, Inc. commits to reduce absolute scope 1 and 2 GHG emissions by 90.0% by FY2050 from a FY2020 base year. SteelSummit Holdings, Inc. also commits to reduce absolute scope 3 GHG emissions 90.0% by FY2050 from a FY2022 base year. Ultimately, these targets lead to our net-zero target, wherein SteelSummit

Holdings, Inc. commits to achieve net-zero greenhouse gas emissions across the value chain by FY2050. Direct emissions reductions will be prioritized, and all residual emissions will be neutralized (if applicable) in line with SBTi criteria before reaching net-zero emissions by 2050. As of FY2025, SSH reduced our Scope 1 and 2 GHG emissions by 70.57% from a FY2020 base year and reduced our Scope 3 GHG emissions by 10.45% from a FY2022 base year.

To achieve these Scope 1 and 2 reductions, SSH is investing in operational improvements and cleaner technologies. Planned initiatives include air-to-air heat pumps at our La Vergne facility, transitioning forklift fleets to electric equipment at all facilities, increasing renewable energy procurement, and conducting energy audits in partnership with the U.S. Department of Energy. SSH is addressing Scope 3 emissions by working closely with suppliers, increasing sourcing from electric arc furnace steel producers, and mapping its supply chain to drive further reductions.

SBTi validation caps an already eventful year for SSH. At the end of the 2025 calendar year, SSH received ISO 14001:2015 certification at all four manufacturing plants and corporate headquarters. Meeting this standard for our environmental management system provides a structured framework for all our operations to improve our environmental performance, reduce waste, and ensure regulatory compliance. This recognition for good management and action on environmental issues was reflected in our 2025 CDP scores. SSH improved our 2025 CDP Disclosure score for climate change and water security from a C to a B and from a C to a B-, respectively. With these frameworks, *this makes SSH one of three steel service centers* that is ISO 14001 certified, has SBTi verified emissions targets, and a CDP climate change score above a B. Further detail on all of SSH's sustainability reporting, metrics, and programs can be found in our first annual sustainability report [here](#).

Beyond emissions, SSH is advancing circularity and waste reduction across operations. All facilities recycle scrap metal by selling it to businesses who reuse it to build new materials, reducing the number of materials extracted from the Earth – a win for SSH, local businesses, and the planet. To reduce reliance on wood products, SSH instituted a pallet return program beginning in 1989 for customers in Grand Rapids. What began as a convenience to our customers, became an incentive for drivers to collect all delivery pallets for monetary bonuses. Facilities reuse and fix wooden skids, thus maximizing the life of each wooden pallet and reducing demand for lumber. Once skids are no longer safe to use, they are recycled into mulch by local companies. At our Grand Rapids facility, no pallets have been landfilled for over a decade now. In FY2025, over 30,000 skids were returned to SSH facilities in Decatur and Grand Rapids. Of these skids, 80% were reused in delivering subsequent orders to customers. This resulted in a net savings of over \$380,000 USD by avoiding the purchasing of new skids. In the coming years, a top initiative for SSH is to implement this program in our La Vergne and Cincinnati plants to continue coupling sustainability with cost savings.

Additionally, in FY2026, SSH began replacing one use, disposable absorbent pads used for cleaning up oils and spills with reusable absorbent pads that are cleaned and returned to all our facilities for reuse. This results in less materials filling up trash bins headed to landfills and less frequent cleaning needed by plant workers on a daily basis. So far this year, SSH prevented 148.3 gallons of liquids and 2,063 pounds of solids from ending up in landfills. In

addition, extracted oils from these products are repurposed to create asphalt for paving roads around the country.

SSH also remains committed to the social side of sustainability. The company promotes ethical supply chains, inclusive workplaces, and community engagement, offering volunteer opportunities and supporting local food drives throughout the year. This past year, SSH offered over 92 volunteer hour opportunities for a variety of causes and donated 380 pounds of non-perishable food items to non-profit food drives. As SSH looks ahead, it remains focused on deepening supplier collaboration, expanding circularity efforts, and continuing transparent sustainability reporting.

With these actions, SSH is reinforcing its reputation as a credible, responsible partner in the metals value chain - committed not only to meeting today's expectations, but to building a more sustainable future for customers, communities, and industries as a whole. Though SSH had an exciting year, our work is just beginning to meet our SBTi milestones. We will continue to develop our supplier collaborations to decrease Scope 3 emissions, expand circularity efforts to reduce waste, and explore renewable energy options to further reduce Scope 1 and 2 emissions. SSH will continue publicly reporting on various platforms to continue our reputation as a credible, responsible partner in the metals value chain.