



# OLYMPIC STEEL

22901 Millcreek Boulevard, Suite 650, Highland Hills, OH 44122 • 216.292.3800

## Climate-Related Financial Risk Disclosure

*(Prepared in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) and California SB 261 Draft Checklist)*

**Date:** November 2025

**Reporting Period:** FY 2024–2025

**Frameworks Referenced:** TCFD (2017) / CARB SB 261 Draft Checklist (2025)

### Governance

#### Board Oversight

Olympic Steel's Board of Directors oversees environmental, social, and climate-related matters through its Nominating and Governance Committee, one of three independent Board committees alongside the Audit & Compliance Committee and the Compensation Committee. The governance structure reflects Olympic's commitment to independent oversight, including a separate Chair and Chief Executive Officer and the presence of a Lead Independent Director.

#### Sustainability Steering Committee

Day-to-day oversight of sustainability—including climate-related topics—is carried out by a Sustainability Steering Committee composed of senior leaders from key functional areas. Its purpose is to integrate sustainability into Olympic Steel's strategy and operations and to assist the Nominating and Governance Committee in fulfilling its oversight responsibilities. Members and the Committee Chair are appointed by the Chief Executive Officer, consistent with the Company's published charter.

#### Meetings and Reporting

The Sustainability Steering Committee meets regularly to evaluate sustainability priorities and performance. The CEO and Committee Chair provide regular updates to the Board of Directors, including the status of ESG initiatives, actions taken by the Committee, and relevant external ESG scoring assessments.

#### Integration with Risk Management

Climate-related topics reviewed by the Sustainability Steering Committee inform Olympic Steel's broader enterprise risk management (ERM) processes. Climate-related considerations are evaluated alongside operational, financial, and regulatory risks to support integrated decision-making.

## Strategy – Climate-Related Financial Risks and Opportunities

Olympic Steel's climate-related risks and opportunities arise primarily from customer decarbonization requirements, supply-chain expectations, and public procurement standards, including the Buy Clean California Act. The Company does not expect near-term carbon pricing to materially affect operations. Instead, its climate strategy focuses on ensuring competitiveness and compliance within a rapidly decarbonizing metals value chain.

### Customer-Driven Decarbonization (Short–Medium Term, 0–5 Years)

Customers in manufacturing, automotive, and construction increasingly require product-level carbon data and low-carbon or recycled-content materials. Olympic Steel continues to expand internal carbon-tracking systems, deepen relationships with EAF-based and recycled-content suppliers, and leverage its ~55,000 tons of recycled metal processed in 2024 to support circular-supply-chain expectations.

### Buy Clean & Public Procurement Compliance (Short–Medium Term)

California's Buy Clean program and emerging federal procurement standards require embodied-carbon disclosures for steel and other materials. Olympic Steel acts as a compliance partner by obtaining Environmental Product Declarations (EPDs) and Carbon Border Adjustment Mechanism (CBAM) documentation from primary producers, verifying completeness and suitability, and supplying this documentation to customers for their project bidding and regulatory reporting needs.

### Operational Decarbonization & Renewable Energy Integration (Short–Long Term)

Olympic Steel's 2024 verified Scope 1 and 2 emissions totaled 22,163 mtCO<sub>2</sub>e, with natural gas for facility heating representing more than 80% of Scope 1 emissions and purchased electricity driving the majority of Scope 2 emissions. These sources represent both an operational cost exposure and an opportunity for long-term reduction through efficiency improvements and onsite renewable energy deployment.

Olympic Steel is building hands-on experience with on-site renewable energy:

- A solar array is being installed at the Winder, GA facility, representing the Company's first direct on-site solar project and establishing a model for future deployments.
- Olympic Steel also operates a small wind turbine at another location, further expanding its practical knowledge of distributed renewable energy systems.

These projects improve resilience to energy-market volatility and demonstrate operational decarbonization to customers and stakeholders.

### Technological & Supply-Chain Transition (Medium–Long Term, 5–10 Years)

Upstream steelmakers are investing in low-carbon processes such as EAF steelmaking and Direct Reduced Iron (DRI) metallurgy. These developments may shift supply availability, pricing, and sourcing patterns. Olympic Steel maintains a diversified supplier base and evaluates supplier sustainability performance as part of sourcing decisions.

## **Physical & Operational Risk (Medium–Long Term)**

Changing climate conditions, including severe weather, energy disruptions, and heat events, could affect logistics and site operations. Olympic Steel conducts location-level risk screening in conjunction with insurance providers and maintains flexible inventory capabilities to reduce exposure to climate-related disruptions.

## **Disclosure & Compliance Risk (Short Term and Ongoing)**

Growing state and federal reporting requirements (SB 253, SB 261) create compliance and reputational risk. Olympic is strengthening internal data-governance controls and aligning its public disclosures with TCFD/CARB expectations.

Customer decarbonization requirements increasingly reference supplier S1+S2 footprints. Establishing a verified baseline allows Olympic Steel to respond to these requests with defensible, facility-level carbon-intensity information.

## **Opportunities**

- Increased customer demand for low-carbon and recycled-content materials
- Ability to support customer compliance through EPD/CBAM documentation
- Operational savings and resilience from on-site renewables (solar + wind)
- Competitive positioning in public procurement markets

## **Risk Management**

### **Identification & Assessment**

The Sustainability Steering Committee conducts an annual review of climate-related risks with input from Operations, Supply Chain, Finance, and Environmental Compliance. Risks are evaluated qualitatively according to likelihood and potential financial impact.

### **Integration with ERM**

Climate-related risks are incorporated into Olympic Steel's ERM framework, overseen by the Audit & Compliance Committee. This ensures alignment with enterprise-level risk prioritization and mitigation efforts.

### **Mitigation Actions**

- Supplier diversification and evaluation of sustainability reporting capabilities
- Facility-level climate-risk assessments
- Energy-efficiency initiatives (e.g., 96% LED conversion)

- Expansion of renewable-energy integration (solar at Winder, wind turbine)
- Strengthened environmental data-governance processes

## Monitoring & Reporting

Climate and sustainability metrics are reviewed regularly by management and reported annually to the Board as part of ESG oversight.

## Metrics

Metric	2024 Reported Value	Notes
Electricity Intensity	8.80 kWh/sq ft	Published in CSR Report
Renewable Electricity Share	19.8%	Includes purchased renewable power; on-site solar & wind projects in progress
Natural Gas Consumption	~1.02 million MMBtu	Down ~20% year-over-year
Recycling Volume	~55,000 tons	High recycling throughput supports circularity
LED Lighting Completion	~96%	Operational efficiency indicator
Facilities with Climate-Risk Screening	In progress	To be fully defined under ERM

## Targets

Olympic Steel is developing formal climate-related performance targets for future reporting cycles. No time-bound emissions or energy targets are currently published.

## Public Disclosure Plan

Olympic Steel will publish its first Climate-Related Financial Risk Report under SB 261, with a public posting and submission to the CARB docket or as directed by upcoming regulatory procedures to be determined. The Company will explicitly reference the TCFD framework, note any elements planned for future enhancement (e.g., scenario analysis), and update disclosures biennially.