



Community Liaison Committee

Meeting #47

Tuesday, Dec 5, 2023





Building better lives and a greener future.

Safety • Teamwork • Integrity • Caring

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



Agenda

1. Review of Sept 12th, 2023 meeting notes
2. Membership Items
3. Cokemaking Emissions Performance
4. Public Complaints
5. Electric Arc Steelmaking and Environmental Permit Applications
6. Legacy Environmental Action Plan
7. Next Meetings

Membership

Current Members and Alternates

Representation

Algoma Steel

Ministry of Environment, Conservation & Parks

Public

Public

SSM Tribe of Chippewa Indians

Algoma Public Health

Chippewa County Health Dept.

Batchewana First Nation

Garden River First Nation

City of Sault Ste. Marie

United Steel Workers Local 2251

St. Mary's River RAP Coordinator

Primary Member

Fred Post

Lori Jalak

David Trowbridge

Jillian Marquis

Kathie Brosemer

Melissa Francella

Steve Carey

Dan Sayers Jr.

Stephanie Seymour

Catherine Taddo

Wayne Hubbard

Lisa Derickx

Alternate

Chris Galizia

Rick Lalonde

Anton Schoahs

Dan Gabor

Chris Spooney

Suzanne Lieurance

Maggie McAuley

Dennis Gagne

John Rankin

Our Sustainability Journey

2018
NOVEMBER

\$80M commitment to Legacy Environmental Action Plan including Site Greening Initiative.

2021
NOVEMBER

Final investment decision for electric arc steelmaking.

2022
JANUARY

\$25M investment in two GE turbines which allows Algoma's Power Plant to reach its 115MW capacity.

2022
OCTOBER

First tree planted onsite as part of Algoma's site greening initiative.

2023
FEBRUARY

First structural column for EAF is installed.

2023
APRIL

Algoma Steel release ESG Position Statement, our purpose, to build better lives and a greener future.

2023
JUNE

Installation of the first GE turbine at Algoma's Power Plant.

2023
SEPTEMBER

Nearly 40% of EAF equipment arrives from Danieli.

2023
SEPTEMBER

Algoma release inaugural fiscal 2023 ESG report.

2023
SEPTEMBER

Danieli cranes are prepared for installation, a vital component to the EAF process.

2023
OCTOBER

Year two of onsite tree planting in collaboration with Sault College.

2023
OCTOBER

Province of Ontario announces expansion of transmission lines which are critical to supply electricity to our EAF.

2023
OCTOBER

Installation of the last crane girder which allow us to complete the EAF building structure.



Algoma Steel issued its first annual **environmental, social and governance (ESG)** report

We believe becoming a North American leader in green steel, **means becoming a leader in ESG.**

In our first ESG report, we're proud to share our progress and the steps we're taking to align our operations with the principles of environmental stewardship, social responsibility, and sound governance to ensure the benefits of steel can endure for generations to come.

You can access our full ESG Report on www.algoma.com









Site Greening Update



Cokemaking Emissions Performance

100% Compliant with the Site Specific Standard leak limits

Key Performance Indicators related to Cokemaking Emissions:

- average intensity of pushing emissions
- average duration of charging emissions
- % lid leaks
- % off-takes leaks
- % door leaks

Performance is monitored and calculated daily for each battery

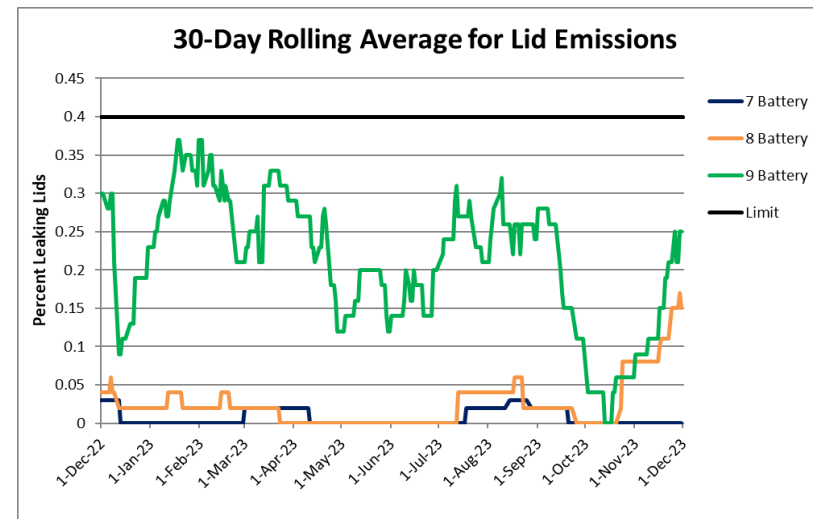
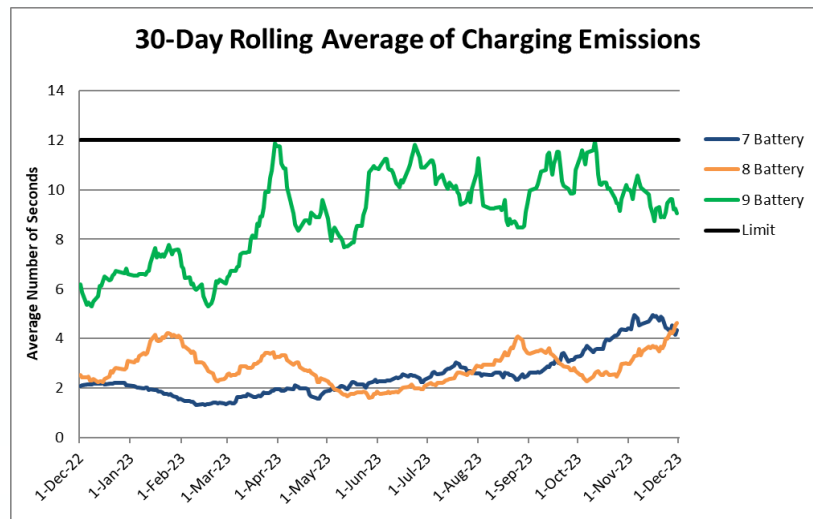
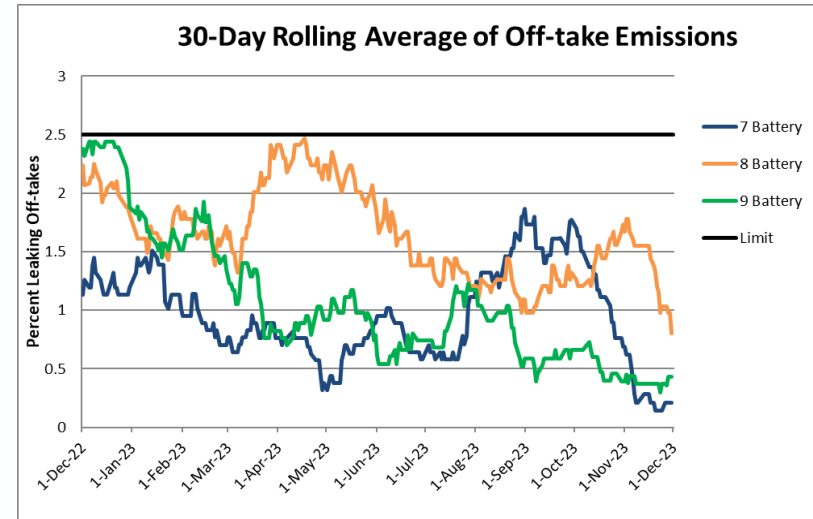
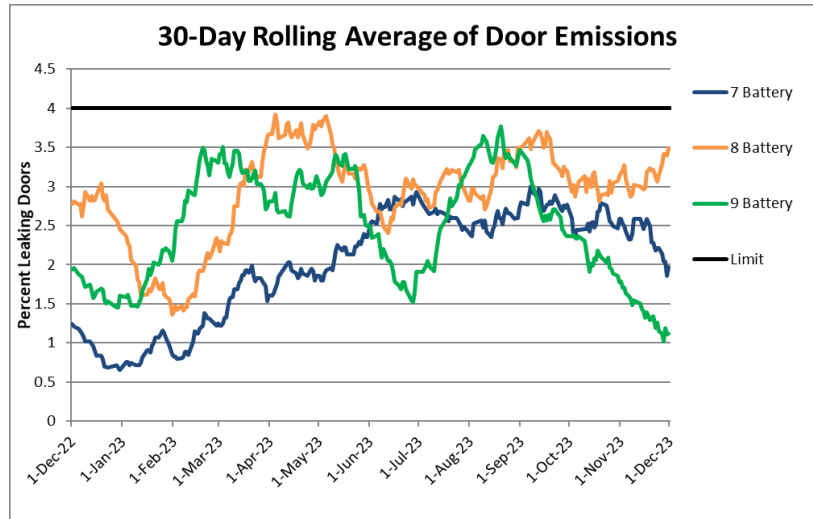
Progressive Annual Reduction

30 Day Rolling Average %

Implementation Date	Doors	Lids	Off-takes	Charging Emissions	Pushing Opacity (%)
July 2, 2015	38	0.8	25	12 sec	50
Jan. 1, 2016	22.5	0.8	15	12 sec	50
Jan. 1, 2017	7	0.8	4.2	12 sec	50
Jan. 1, 2019	7	0.8	4.2	12 sec	40
Jan. 1, 2020 onward	4	0.4	2.5	12 sec	30

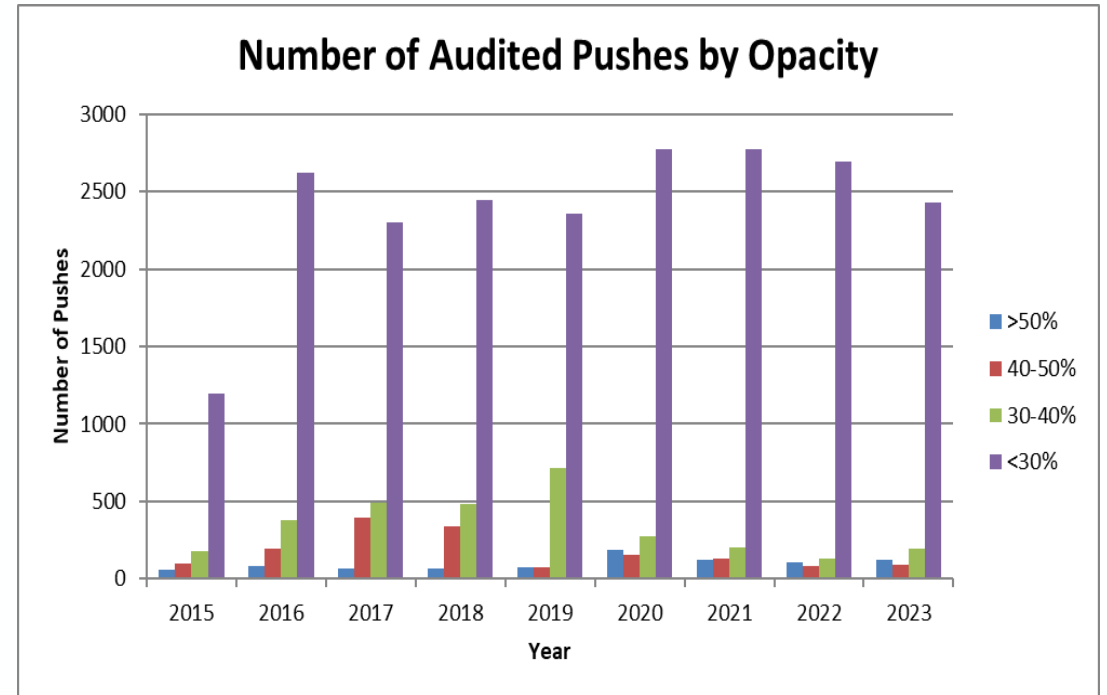
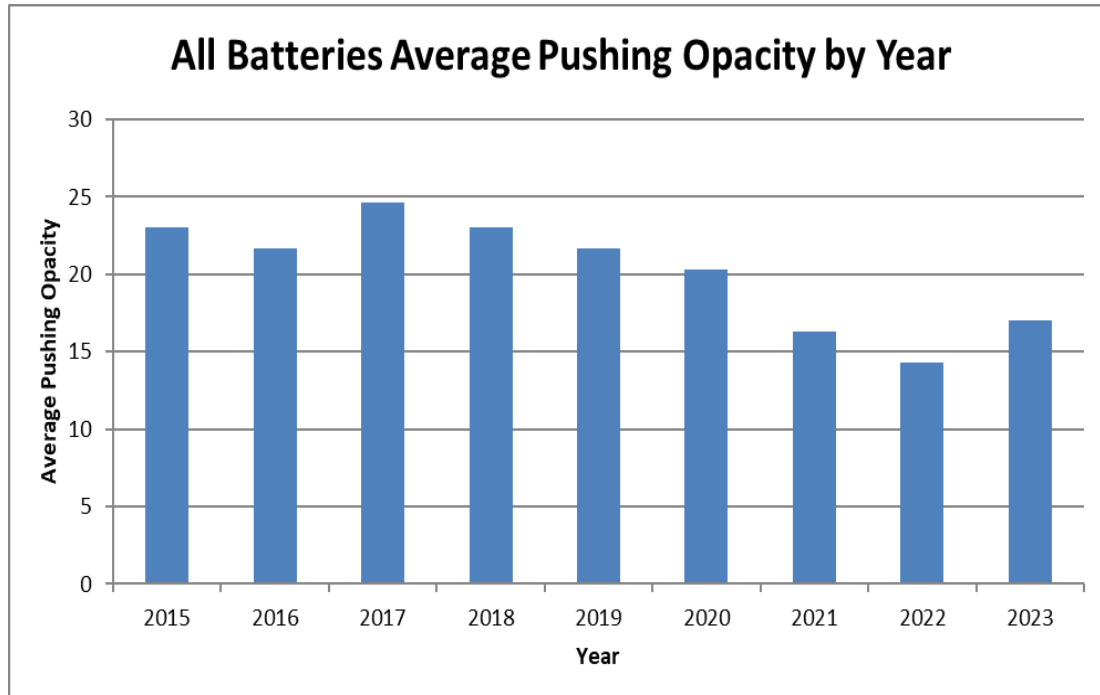
Algoma Steel is meeting the current leak limits on all three batteries.

Cokemaking Emissions Performance



All batteries performing below leak limits

Cokemaking Emissions Performance

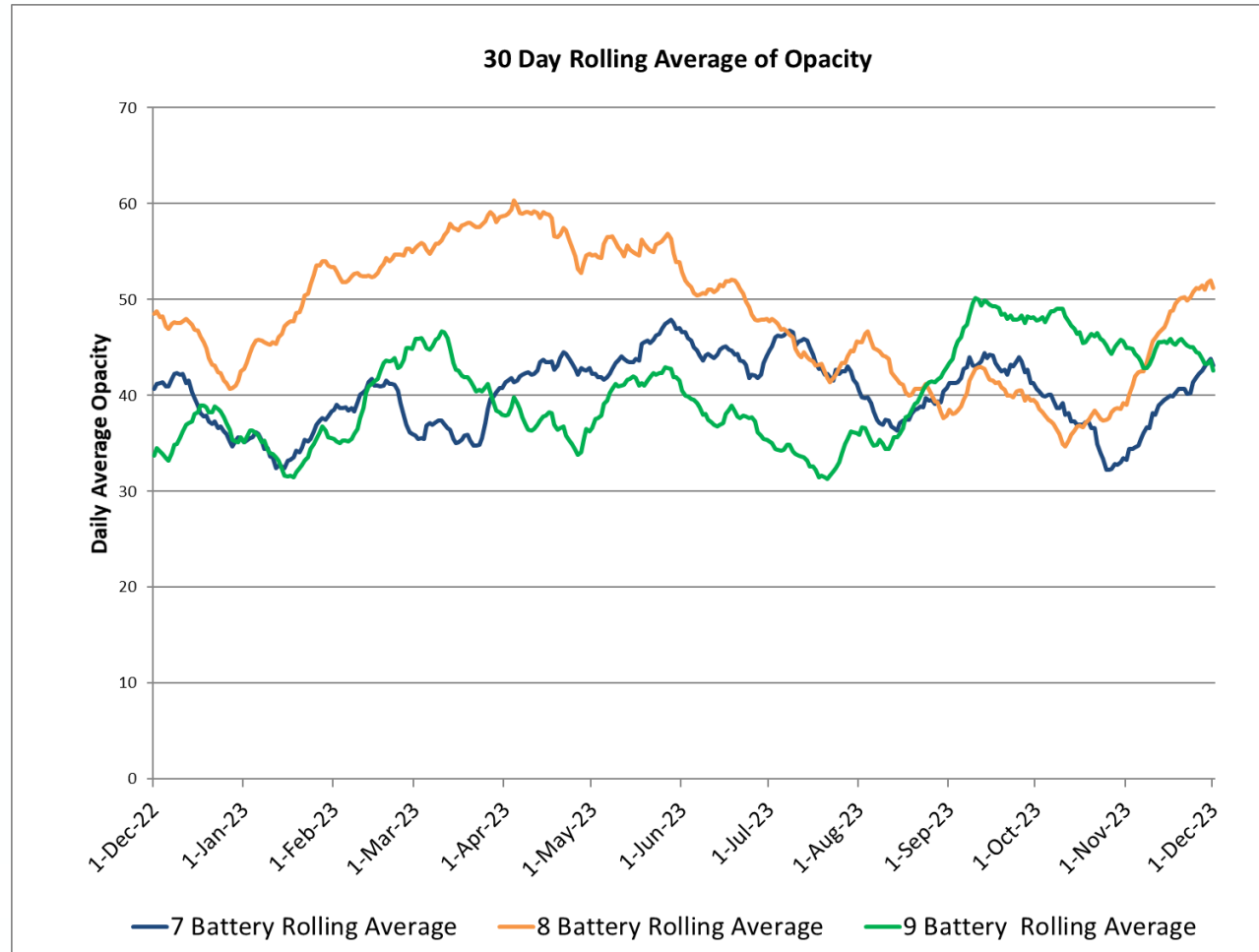


Notes:

- 2015 data begins on July 2nd when the standard came into force
- 2023 data includes Jan 1, 2023 to Nov 30, 2023
- Number of audits per year vary based on changing operating conditions

All corrective actions taken to improve pushing opacity have been successful

Cokemaking Stack Opacity

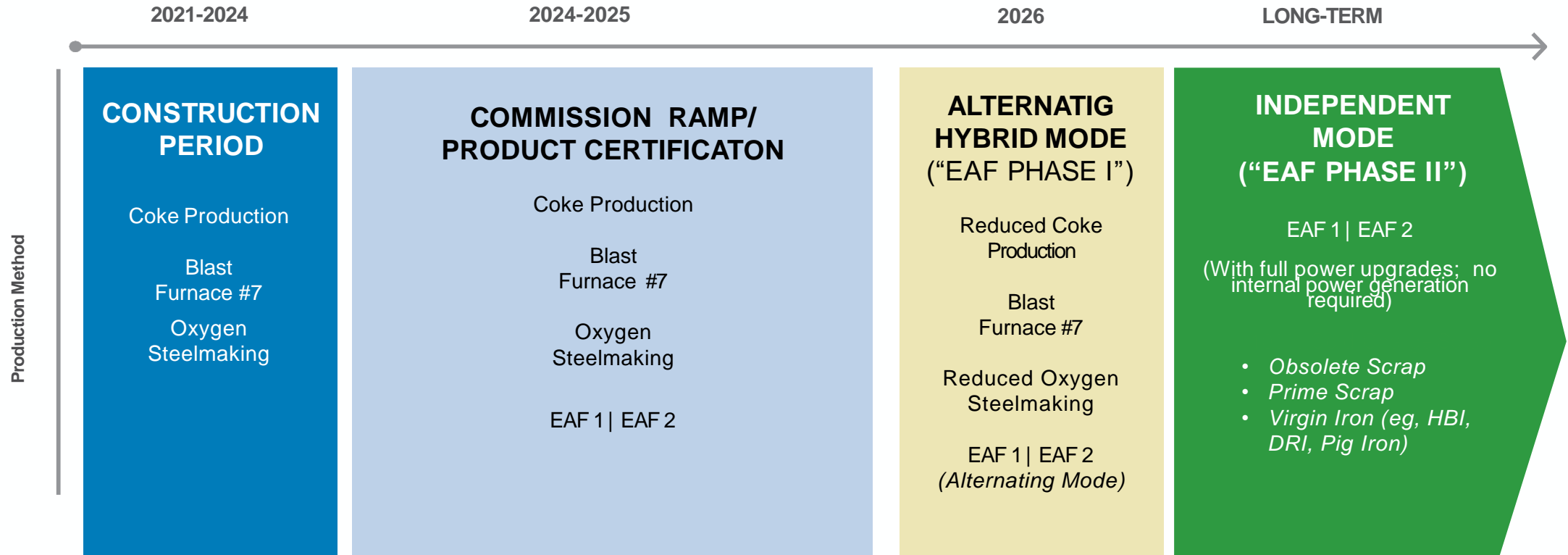


Public Complaints

Public complaints received by Algoma since the last CLC include:

- Noise
- Odour
- Particulate





A phased approach reduces implementation risk:



Phase I

Operations would alternate arcing on one furnace at a time with the potential of using hot metal charge from No. 7 Blast Furnace (which is operating at reduced output). Powered by the on-site power generation and grid power.

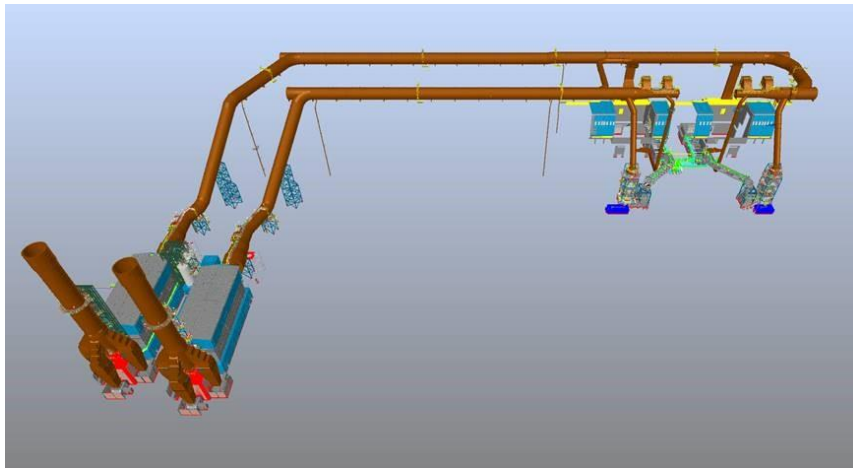
Phase II

Operate both electric arc furnaces simultaneously with 100% cold charge, including obsolete and prime scrap with option for addition of virgin iron units, such as HBI, DRI or pig iron as required. Fully powered by the Ontario grid.

Electric Arc Furnace Environmental Controls

Fume Treatment Plants

The fume treatment plants capture air and dust emissions from the process.



Fume Treatment Plants

Water Treatment Plant

The water treatment plant conserves water usage by recycling non-contact water from the process.

Engineered Furnace Enclosures

These enclosures feature large doors which seal shut before the arcing process begins, containing any sound, sparks or dust particles.



Furnace Enclosure



Algoma's Shrinking Environmental Footprint

Transition to Electric Arc Steelmaking

- Algoma Steel has committed to transition its manufacturing process from the integrated basic oxygen steelmaking route to electric arc steelmaking. This process change will shrink Algoma's environmental footprint dramatically, **reducing greenhouse gas emissions by up to 70%⁽¹⁾** and positioning Algoma as one of the leading producers of green steel in North America.

Other benefits include:



Quieter

Fewer noise sources.



Less Waste

Fewer by-product streams.



Cleaner Water

Fewer effluent discharges.



Cleaner Air

Lower emissions from fewer sources.

		Preliminary Estimated Reduction ⁽¹⁾	% Reduction
GHG Emissions	CO ₂	3.0 MM tonnes	70%
	CO ₂ /NT production	1.33 tonnes	75%
SO _x Emissions		4,060 tonnes	82%
NO _x Emissions		1,604 tonnes	52%
Cokemaking Emissions		Complete elimination of Cokemaking Stack and Fugitive Emissions	100%

Note (1): Source: Company information. Expected environmental benefits from the EAF are based on projected estimates for Algoma, using published data sources for similar technologies. Estimated benefits based on current production versus forecasted production of 3.0MM tons of steel shipments produced under full, exclusive EAF configuration.

Information updated November 23, 2022

The information contained herein may contain "forward-looking information" under applicable Canadian securities legislation and "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward forward-lookingnths"), including statements regarding Algoma's strategic objectives, position as a leading producer of green steel. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions. Many factors could cause actual future events to differ materially from the forward-looking statements in this document. Readers are cautioned not to put undue reliance on forward-looking statements, and Algoma assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. The list of factors is not exhaustive and readers should also consider the other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Algoma's Annual Report on Form 20-F filed by Algoma with the SEC (available at www.sec.gov) and the Ontario Securities Commission ("OSC") (available under Algoma's SEDAR profile at www.sedar.com), and in Algoma's other public filings with the SEC and the OSC. Forward-looking statements speak only as of the date they are made.



Electric Arc Furnace (EAF)

Construction Progress

- **11,000 NT of steel erected**
- Utility room No.2 building: **99% complete**
- Scrapyard building: **75% steel erected**
- Fume Treatment Plant stacks foundations: **83% complete**
- FTP 2 structural steel 10% erected



Electric Arc Furnace (EAF)

Equipment Logistics

- More than **3300 packages containing 10,900 tons Danieli equipment received**
- **500,000 sqft of storage area utilized** out of total 1M sqft available
- **5 chartered vessels have been unloaded**
- **Containers trucks continue to arrive (140+ received so far)**
- First Charging crane bridges delivered and erected
- 230+ parts already ordered for construction from storage



Transition to Electric Arc Furnace Steelmaking

Applications for Environmental Compliance Approvals

Algoma Steel has submitted applications for the following approvals:

1

Site wide **Environmental Compliance Approval** for **air and noise** based on the planned progressive shutdown of equipment and facilities associated with the transition to electric arc furnace steelmaking. Application to include:

- ▶ Two new EAF exhaust treatment plants including baghouses
 - ▶ A new cooling tower
-

2

Amendment to the existing **industrial sewage works Environmental Compliance Approval** that incorporates:

- ▶ New recirculating non-contact cooling water system (with a small blowdown to the existing water treatment facility)
- ▶ No new contaminant loading to the existing treatment facility

Over the course of the transition, contaminant loading to the water facility will decrease. Up to four existing effluent discharges and up to seven existing noise sources will be eliminated.

Site Specific Standard Requests

New Site-Specific Standards will govern the operating transition to electric arc steelmaking

- In March 2022, Algoma submitted a request for amended site-specific standards for benzene, benzo(a)pyrene, and particulate matter. The new standards will reflect changes to the air emission dispersion model that have resulted in an increase in modeled emissions.
- Algoma's request included a continuous improvement plan that provides for the substantial reduction or elimination of emissions as a result of the progressive shutdown of equipment and facilities in the transition to electric arc steelmaking.
- Algoma also submitted a new Site Specific Standard application for sulfur dioxide (SO₂) in order to provide a compliance approach to the new provincial standards that came into force in July 2023. This application includes an action plan to reduce SO₂ which reflects the progressive facility shutdown.
- The applications are currently under review by the Ministry of Environment, Conservation and Parks
- Details of the site specific standard requests can be found on Algoma's website: <https://algoma.com/environment/site-specific-standards-applications/>

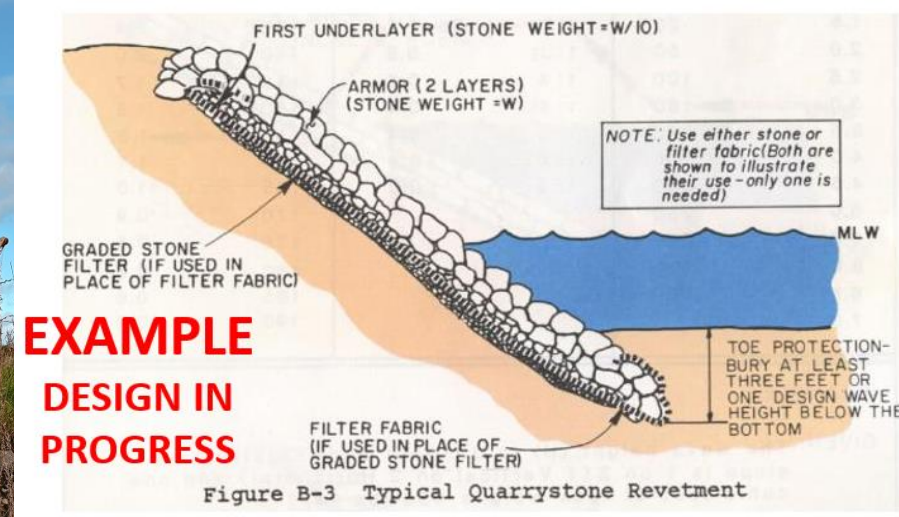
Site Greening

Algoma's site greening project consists of a four year plan to install **4.1 km of shoreline protection** along the St. Mary's River to prevent future erosion.

The project has commenced with slope preparation and the placement of the clean rip-rap and armour stone.

Once the stone is installed, clean soils will be introduced, creating seasonal surface water ponding areas, and vegetating with select native plants and tree species. This will be done in **collaboration with Sault College**.

The site greening initiative involves the creation of **naturalized green buffer strips** along the perimeter of the site which will be protected from possible erosion.



Decarbonization Beyond the EAF

Algoma's commitment to a greener future

- \$25M investment in two GE turbines for Algoma's Power Plant this will increase our power capacity from 36MW to 115MW.
- Employee take home recycling program (Over 150,000 lbs diverted from landfill)
- Utilizing local biomass for fuel substitution
- Process electrification
- Carbon capture, utilization and storage
- Hydrogen based fuel substitution



Algoma Steel is committed to being a good neighbor

Since we saw you last in September we have...

- Brought #CareersinSteel Exhibits to St. Mary's College
- Delivered our third annual donation of \$10,000 to St. Vincent's Place Lunches for Learning Program
- Participated in this year's Illuminate the Season for ARCH fundraiser
- Algoma Steel Employees donated 350+ gifts to Christmas Cheer



Follow Algoma's Journey to Green Steel!

2024

- Commence commissioning EAF #2
- Complete Construction of Water Treatment Plant

2025

- Commence commissioning EAF #1
- Complete Construction of the Fume Treatment Plant

2026

- Phase One of alternate arcing
- PUC LP Transmission Grid expansion complete

2029

- Completion of Hydro One Transmission Line





Thank you

Next Meeting Date: March 12th, 2024

ALGOMA
— STEEL INC. —

YOUR PARTNER IN STEEL. SINCE 1901

ABDX	
ABDX1	
BPL-93	
BLT-2-15	