



# 2023 ESG REPORT

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# ABOUT THIS ESG REPORT

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This is AZZ Inc.'s ("AZZ" or the "Company") 2023 Environmental, Social and Governance Report ("ESG Report"), which provides its stakeholders with an overview of its corporate sustainability initiatives and progress. This report provides sustainability data on AZZ's fiscal year 2023 ("FY2023"), which includes the period from March 1, 2022 to February 28, 2023 as compared to the previous two years, unless otherwise indicated. Going forward, AZZ will continue to refine its data collection and expand on its sustainability disclosures to provide additional details on its methodology, performance goals, targets and strategy for achievement.

On May 13, 2022, AZZ completed the acquisition of the Precoat Metals business from Sequa Corporation, a portfolio company owned by Carlyle, a global private equity firm. On September 30, 2022, AZZ divested its controlling interest in the Infrastructure Solutions segment pursuant to a joint venture agreement between AZZ and Fernweh Group LLC ("Fernweh") (the "AIS Divestiture"). Pursuant to the AIS Divestiture agreement with Fernweh, AZZ contributed 60% of its ownership interest in the Infrastructure Solutions business segment to AIS Investment Holdings LLC, a subsidiary of Fernweh, and the Company retained the remaining 40% interest. These transactions represent AZZ's strategic transition from a diverse holding company to a focused metal coatings solutions company.

As a result of the AIS Divestiture and the acquisition of Precoat Metals, FY2023 data was included in this ESG Report for the Precoat Metals segment, but excluded for the Infrastructure Solutions segment, as it is not a part of AZZ's continuing operations.

The data contained in this ESG Report includes AZZ's U.S. and Canadian locations. In preparing this ESG Report we referenced the Global Reporting Initiative ("GRI") Sustainability Reporting Standards and the Sustainability Accounting Standards Board ("SASB") Standards for the Industrial Machinery and Goods Industry, as relevant to AZZ's operations for the period covered by this ESG Report. An index for AZZ's GRI and SASB disclosures can be found beginning on page 60.

The content in this ESG Report was reviewed and approved by AZZ's Chief Executive Officer, executive leadership team, Sustainability Council, as well as by the Company's Nominating and Corporate Governance Committee of the Board of Directors (the "Board"). The Company's ESG progress is reviewed and discussed each quarter at each of the Nominating and Corporate Governance Committee meetings of the Board.

For questions or comments about this ESG Report, please contact Tara D. Mackey, Chief Legal Officer and Corporate Secretary or Kevin Lyons, Director, Analytics and ESG/Sustainability at:

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Tom Ferguson  
AZZ CEO & President

# MESSAGE FROM THE PRESIDENT & CEO

## Dear Valued Stakeholders:

*Across AZZ, we are dedicated to progressing our Environmental, Social and Governance initiatives for the benefit of our stakeholders. As industry leaders, we recognize our vital role in contributing to a more sustainable world.*

AZZ is pleased to share with you our Environmental, Social and Governance Report (“ESG Report”) for fiscal year 2023 (“FY2023”) which was an outstanding year for AZZ, both strategically and financially. We successfully completed the acquisition of Precoat Metals from Sequa Corporation on May 13, 2022, followed by the divestiture of the majority interest in our Infrastructure Solutions segment into a joint venture with Fernweh Group LLC on September 30, 2022. These two transactions finalized AZZ’s strategic transition from a diverse holding company into a focused metal coatings solutions company. Collectively, our Metal Coatings and Precoat Metals business segments provide sustainable, unmatched metal coating solutions that enhance the longevity and appearance of buildings, products and infrastructure that are essential to everyday life. We also increased our FY2023 annual sales by 20.5% to \$1.3 billion, as compared to the prior year, and returned cash to shareholders through cash dividend payments totaling \$22.7 million.

Because we are committed to advancing ESG as a strategic priority across our entire organization, we immediately began

integrating Precoat Metals into our sustainability initiatives and engaged a third-party consultant to assist AZZ with conducting a materiality assessment across our Company’s operations to further develop and refine AZZ’s near-term ESG strategies for performance improvements and provide assistance to AZZ in setting its initial ESG targets. As a result of this strategic engagement, we began (i) executing on our updated key performance indicators, (ii) establishing initial internal and external ESG targets, (iii) assessing various Scope 3 emissions data and analytics, and (iv) evaluating our existing and future clean technology investment and sales opportunities consistent with our corporate strategy.

We believe we are making meaningful progress on our sustainability journey in better understanding and managing our impact on the environment and continually learning and adapting along the way. As we proceed into fiscal year 2024, we have begun implementing quarterly internal tracking and reporting of critical sustainability metrics to better measure our progress against our ESG targets and monitor trends. This will provide us the ability to proactively address any issues that may surface.

We remain dedicated to building a brighter future for our business and continuing to invest in our people and the communities in which we live and work, by incorporating sustainability into our supply chain, charitable giving, volunteering and inclusive hiring practices.

**Tom Ferguson**  
President and Chief Executive Officer

# OUR HISTORY

**1956**

**Aztec Manufacturing establishes its headquarters in Fort Worth, Texas**

Aztec Manufacturing designs and distributes steel, iron, metal and plastic products for the oil field industry.

**Galvanizing expands Aztec's portfolio**

Aztec builds its first hot-dip galvanizing plant in Crowley, Texas.

**1966**

**Galvanizing provides a strong base for growth**

Additional state-of-the-art galvanizing facilities are built in:

- Jackson, Mississippi (1970)
- Houston, Texas (1975)
- Waskom, Texas (1982)
- Moss Point, Mississippi (1985)



**1970-85**

**A new direction leads to new acquisition**

Seeking to expand into adjacent industries, Aztec acquires Rig-A-Lite Inc., a leading manufacturer of industrial lighting for oil, gas and other hazardous environments.

**The Calvert Company becomes part of Aztec's growth plan**

Acquisition of The Calvert Company takes Aztec into the field of electrical bus duct systems design and installation.

**1990**



**1993**

**The Electrical Product Platform is born**

By combining Atkinson, Calvert and Rig-A-Lite Inc., The Electrical Products Platform is formed and Aztec moves into fabricated enclosure systems.

**Expansion and consolidation spur growth**

With a total of eight hot-dip galvanizing operations, Aztec establishes itself as the largest galvanizing company in the U.S.

**1994-96**

**1997**

**Aztec is listed on the NYSE and changes its name to AZZ Incorporated**



**Compressed Gas Insulated Transmission (CGIT) business takes AZZ into new territory**

AZZ acquires a CGIT business and becomes involved in long-distance power transmission.

**1999**

**2001**

**Central Electric Manufacturing is added to AZZ's portfolio**

With the acquisition of Central Electric Manufacturing, AZZ adds metal-clad switchgear to its growing electrical product portfolio.

**Galvanizing operations continue to grow**

AZZ acquires North American Galvanizing Company which operates 11 facilities in eight states.

**2010**

**2012-13**

**AZZ hot-dip galvanizing locations increase to 36 and becomes the largest galvanizer in North America**

Galvcast Manufacturing and G3 Galvanizing along with Galvan Metal of Quebec is added to the AZZ portfolio.

## Nuclear solutions are added to AZZ's service offering

Nuclear Logistics Inc., the leading supplier of parts and services to the nuclear power industry, is acquired by AZZ.



## 2013

### AZZ Enclosure Systems LLC is formed

AZZ acquires Maryland-based Power Electronics Inc, strengthening its position in the fabrication of custom electrical enclosures and forms AZZ Enclosure Systems LLC.



## 2017



### AZZ Enclosure Systems – Chattanooga LLC is formed

AZZ acquires certain assets of Tennessee-based Lectrus Corporation, strengthening its position in the fabrication of custom electrical enclosures and forms AZZ Enclosure Systems – Chattanooga LLC.

## 2018-19

### AZZ Divests Nuclear Logistics LLC

AZZ, seeking to focus on its core business units, sells Nuclear Logistics LLC to Paragon Energy Solutions.

## 2021

### AZZ Galvanizing further extends its operations in the Southeast Region of the US

AZZ acquires Steel Creek Galvanizing and renamed as AZZ Galvanizing - South Carolina

### Strategic Acquisition Expands AZZ's Metal Coatings Capabilities into Western Canada

AZZ adds DAAM Galvanizing in Western Canada.

### AZZ Expands its Metal Coatings Offering

The acquisition of Precoat Metals broadens AZZ's breadth of metal coatings solutions to the North American steel and aluminum markets.

### AZZ becomes a Metal Coatings Company

AZZ divests majority stake in the Infrastructure Solutions segment to further transform into a pure-play metal coatings company.

## 2012

### Welding strengthens AZZ's portfolio

AZZ acquires Aquilex SRO; adds Welding Services Inc (WSI) and Southeastern Mechanical Service (SMS), two leading providers of machine weld overlay, to its growing portfolio.

## 2016

### AZZ expands Metal Coatings Solutions

AZZ opens first powder coating operation in Crowley, Texas and strategically expands its metal coatings product portfolio beyond galvanizing.

### Switchgear offering bolstered with the acquisition of Powergrid Solutions Inc.

Strategic acquisition expands AZZ's switchgear portfolio, manufacturing capacity and market reach.

### Enhanced Powder Coating Ltd. is acquired

AZZ acquired Enhanced Powder Coating Ltd (EPC), a NADCAP certified provider of powder coating, plating and anodizing services based in Gainesville, Texas.

## 2018

### Galvanizing operations are acquired in Northern Illinois and Chattanooga

### AZZ Surface Technologies adds locations

AZZ Surface Technologies acquires K2 Partners, Inc., NucZinc, LLC, and Preferred Industries, Ltd. expanding the number of locations in Dallas-Fort Worth to six and one in Tampa, FL.

## 2020

### Acme Galvanizing acquisition adds Milwaukee, WI location to its footprint

## 2022

**Precoat Metals** |  **AZZ**

PROVIDING COMPREHENSIVE  
METAL COATING AND  
FINISHING CAPABILITIES TO  
PROTECT INFRASTRUCTURE

AZZ Inc. is the leading independent provider of hot-dip galvanizing and coil coating solutions to a broad range of end-markets. Collectively, our business segments provide sustainable, unmatched metal coating solutions that enhance the longevity and appearance of buildings, products and infrastructure that are essential to everyday life



**Founded:**

**1956**

**Headquarters:**

**Fort Worth, Texas**

**NYSE:**

**“AZZ” (since 1997)**

**Sales:**

**\$1.3 billion**

**Adjusted EBITDA<sup>(1)</sup>:**

**\$267.4 million**

**Adjusted Earnings Per Share<sup>(1)</sup>:**

**\$3.48**

(1) Non-GAAP Measure. Information about Non-GAAP measures, including a reconciliation to the most comparable GAAP measure, is available on page 31 of AZZ's Annual Report on Form 10-K filed with the SEC on April 25, 2023.

# OPERATIONS



## PRECOAT METALS

### North America's Leading Provider in Metal Coil Coating Solutions

The Precoat Metals segment engages in the advanced application of protective and decorative coatings and related value-added services for steel and aluminum coil primarily serving the construction; appliance; heating, ventilation and air conditioning (HVAC); container; transportation; and other end markets. Precoat Metals has approximately 1,100 employees and operates a network of 13 strategically located manufacturing facilities with 15 coating lines and 17 value-added processing lines.

The Precoat Metals segment generated 52% of AZZ's annual sales in FY2023 based on partial FY2023 results.

On November 11, 2022, AZZ announced its plan to construct a new aluminum coil coating facility, complete with value-added down and up stream processing, near St. Louis, Missouri. The 25-acre facility will be located in the new Oldenburg Industrial Park in Washington, Missouri and is expected to generate over 80 skilled jobs when it becomes operational in 2025. The addition of the Washington coil coating facility with state-of-the-art equipment and technology will strengthen AZZ's position to effectively serve the growing aluminum market.

In constructing the greenfield Washington facility, AZZ is incorporating a number of features designed to enhance energy efficiency and minimize waste streams, including:

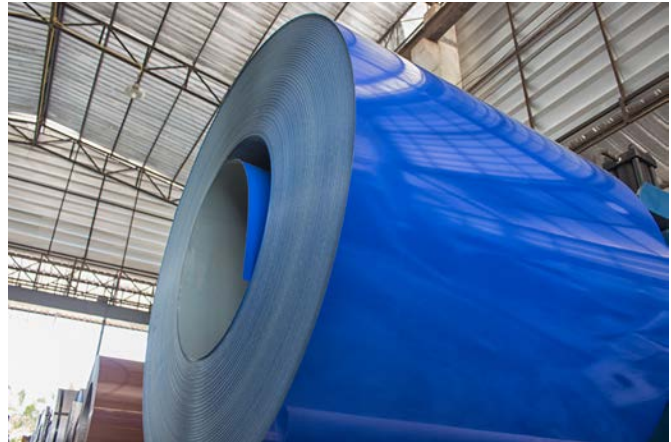
- highest efficiency drying oven among Precoat facilities as well as use of high efficiency electrical drives and controls in all areas of the facility;
- the installation of 100% LED lighting complemented by a translucent panel that runs the perimeter of the building allowing natural light during the day time;
- the installation of a 100% capture volatile organic compounds (VOC) oxidizer system;
- the use of high efficiency equipment to minimize water usage will eliminate the need for a waste treatment plant and the associated hazardous waste disposal;
- the implementation of an innovative process to substitute paper core for metal coils with recyclable steel and aluminum cores; and
- the installation of equipment throughout the new Washington facility to maximize the recycling of metal and the recycling or re-use of waste, byproducts and pallets to divert these waste streams from landfill. All aluminum scrap will be recycled back to customers.



## Coil Coating Industry

Using prepainted metal in the manufacture of products provides environmental benefits on many levels.

First, tests have shown that prepainted metal products can have a longer service life and often are up to 100 percent recyclable at the end of their service life. That means recycled prepainted metal is transformed into a new product instead of contributing to the volume of waste being delivered to overburdened landfills. The steel or aluminum used in prepainted metal is often made of fully or partially recycled metal in the first place, creating a sustainable life cycle.



Another green benefit inherent in prepainting metal is the manufacturing process itself. By centralizing paint operations from many locations to high-tech coil coating lines, a host of green benefits are realized. The coil coating industry has pioneered controlled processes that focus on reducing VOC emissions, lowering energy use with efficient curing processes and maximizing resource usage. Prepainting also results in the use of less paint while achieving better performance compared with other painting methods.

The coil coating process is the method of choice for today's most advanced metal coatings, producing even additional green benefits. For example, "cool metal roofing" systems feature coatings specifically designed to reflect heat, helping to reduce energy needs and mitigate environmental problems like urban heat islands (UHI) and smog. The latest state-of-the-art architectural coatings are applied using the coil coating process as well. These include new self-cleaning, smog-eating coatings for buildings; solar panel coatings; and color-changing coatings that help store and reflect heat.

In addition, products manufactured from prepainted metal do not "leach" or emit harmful substances into the air; an important benefit for indoor consumer goods.

The coil coating process itself is an environmentally responsible method to apply paint to steel and aluminum substrate:

- **VOC Capture:** Coil coating is a highly efficient "closed loop" process, meaning that the coating curing ovens burn the harmful VOCs, using them as fuel, saving energy and eliminating pollutants. Coil coating achieves a high rate of VOC capture and destruction, eliminating toxic air pollutants that would otherwise be released into the air.
- **Centralized Operations:** By centralizing paint operations, moving them from manufacturers' inefficient in-house paint shops to coil coaters' high-tech coating lines, environmental issues are concentrated, better controlled and in some cases even eliminated.
- **Recyclable & Recycled:** The end products are green, too. Prepainted metal is often fully recyclable, and coil coated products are often made of recycled content.

### Reference Materials

- [National Coil Coating Association \(NCCA\)](#)
- [Environmental Product Declaration \(EPD\) - Roll Formed Metal Wall and Roof Panels](#)
- [Video on Energy & Environmental Benefits of Prepaint \(NCCA\)](#)
- [Metal Building Life Cycle Assessment \(MBMA\)](#)
- [Steel Sustainability in Recycling Fact Sheet](#)
- [Steel Sustainability in Construction Fact Sheet](#)

## ★ FEATURED STORY

### Precoat Metals: New Precoat Facility in Washington, Missouri



On November 11, 2022, AZZ announced its plan to construct a new aluminum coil coating facility, complete with value-added downstream processing, near St. Louis, Missouri. The 25-acre facility will be located in the new Oldenburg Industrial Park in Washington, Missouri and is expected to generate over 80 skilled jobs when it becomes operational in 2025. The addition of the Washington coil coating facility with state-of-the-art equipment and technology will strengthen AZZ's position to effectively serve the growing aluminum market.

## ★ FEATURED STORY

### Precoat Metals: Championing Sustainable Construction with Metal Building Supply

In the evolving landscape of residential construction, sustainability and energy efficiency have become paramount. Our Precoat Metals segment collaborates closely with Metal Building Supply to meet this demand, leveraging cool pigmentation technologies in partnership with leading paint companies.

Jose Mendoza, the President of Metal Building Supply, shares, "Increasingly, homeowners and roofing contractors are seeking information about reflectivity and want to understand how their coating and substrate choices impact the insulation requirements and utility demands to heat and cool their homes. Our partnership with Precoat Metals and paint companies enables us to offer products that not only align with the aesthetic preferences of homeowners but also advocate for a sustainable future through energy-efficient solutions."

Thanks to Precoat Metal's coil coating process, Metal Building Supply and the paint companies working to offer cool pigmentation, roofing contractors can now offer enhanced solar reflectivity and emissivity of metal building products to homeowners. This critical factor not only reduces energy costs and the carbon footprint of residential buildings, but also educates customers on the environmental benefits of sustainable choices, fostering a community conscious of its impact on the environment.





## METAL COATINGS

### North America's Leading Galvanizer

For over four decades, AZZ has been protecting critical infrastructure from the destruction of metallic corrosion as North America's leading provider of galvanizing for fabricated steel. In addition to hot-dip galvanizing, AZZ offers a wide range of high-quality metal finishing and coating services. AZZ's comprehensive metal coating capabilities create enduring infrastructure for constructing a stronger, safer and sustainable world.

The Metal Coatings segment provides hot-dip galvanizing, powder coating, anodizing and plating and other surface coating applications to steel fabrication and other industries through facilities located across the U.S. and Canada. Hot-dip galvanizing is a metallurgical process in which molten zinc is applied to steel. The zinc alloying renders corrosion protection to fabricated steel for extended periods of up to 75 years.

As part of the Metal Coatings segment, the AZZ Surface Technologies group (AST) performs several services for metal customers including powder coating, painting, blasting, e-coat and plating. AST incorporates certifications across several industries including AAMA, NADCAP, PACCAR and ISO certifications. There are currently 6 AST facilities in North America.

As of February 28, 2023, AZZ operated 47 Metal Coatings facilities, including 41 galvanizing facilities and 6 surface technologies facilities in various locations throughout the U.S. and Canada.

The Metal Coatings segment generated 48% of AZZ's annual sales in FY2023.

### ★ FEATURED STORY

#### AZZ Galvanizing – Hurst: Furnace Digitalization

AZZ is constantly seeking continuous improvement innovations of equipment and processes to impact resource use, safety and product quality. AZZ Galvanizing – Hurst has done an outstanding job at displaying these efforts with the modernization of a new furnace system, which has vastly improved the efficiencies at the kettle.



The kettle's new four-burner high velocity furnace features an innovation from AZZ's furnace partner CIC Pittsburgh – the Burner Insight System™. This industry-first system continuously monitors the air and gas flow to each of the burners and the combustion chamber temperature. Anticipated performance impacts include improved energy efficiency, emissions, employee safety, productivity and kettle lifespan.

Safety improvements have also been added to the furnace, equipping the system with a flue temperature controller to prevent over firing the kettle. A safety thermocouple is also utilized, and all controls are equipped for remote viewing, which minimizes manual interfacing and increases safety during operations.

These modernizations and safety enhancements to the kettle furnace not only align with AZZ's priorities to maximize efficiency and safety at our facilities but will improve overall operations and reduce maintenance. AZZ aims to replace and improve the furnaces at our other facilities at the end of their lifecycles to follow in the footsteps of Hurst's demonstrated success.

## Hot-Dip Galvanizing Industry

Hot-dip galvanizing is a sustainable method of protecting metal from corrosion. The process involves cleaning the metal, immersing it in a bath of molten zinc, and then allowing it to cool. This creates a protective layer of zinc on the surface of the metal, which acts as a barrier against corrosion.

One of the key benefits of hot-dip galvanizing is its longevity. The zinc coating can last for decades, and depending upon the environment, up to 75 years, with minimal maintenance required. This means that metal structures that have been hot-dip galvanized will require less frequent replacement, reducing the overall environmental impact of these structures.

Another benefit of hot-dip galvanizing is its recyclability. The zinc used in the process can be recycled and reused for further galvanizing, making it an environmentally friendly choice.

Overall, hot-dip galvanizing is a sustainable method of protecting metal structures from corrosion, with a long lifespan and recyclability. It is a great choice for any organization looking to maintain their environmental responsibility and reduce their carbon footprint.

AZZ is committed to providing products and services in an efficient and environmentally friendly manner. A cornerstone of AZZ's commitment is to provide products and services that support sustainable infrastructure development while continuously striving to reduce the amount of raw materials, energy and waste used during its manufacturing process.

### Hot-Dip Galvanized Steel Environmental Product Declaration

The American Galvanizer's Association (AGA) has developed an industry-wide, third-party verified Environmental Product Declaration (EPD) for hot-dip galvanized steel after fabrication, based on a life-cycle assessment (LCA) to meet ISO 14025, 14040, 14044 standards. The EPD is available from AZZ or by contacting the AGA. AZZ is a founding member of the AGA's Environmental Subcommittee as well as the AGA's Carbon/Climate Task Group.

## ★ FEATURED STORY

### Wind Turbines Project for Gulf Coast

Wind has been an energy source in the U.S. since the late 1800's. In the last couple of decades, wind farms have emerged across the U.S. as one of the fastest growing renewable energy sources. For the wind energy sector, corrosion has been one problem that has been consistent. One of AZZ Galvanizing – Houston's customers manufactured the internal tower platforms for a wind turbine project off of the Gulf Coast, which served several functions from providing a safe platform to bolt sections of the tower together while erecting the wind turbines to performing routine maintenance inside the towers. The galvanized platforms work well inside these wind turbine towers as they are not in a climate-controlled environment, preventing corrosion in some of the harshest conditions for these offshore turbines.

As a result of AZZ's Houston facility galvanizing the steel tower platforms, the wind turbine platforms will provide renewable energy for decades in a harsh tropical marine environment off the Gulf Coast.



## ★ FEATURED STORY

### CEO Cup Awarded to AZZ Galvanizing – Winsted

Each year, AZZ presents a CEO Cup Award to the top performing facilities whose team demonstrates the winning criteria centered around financial performance, safety and living and working to AZZ's TRAITS. AZZ Galvanizing – Winsted has maintained incredible performance throughout the years, but managed to exceed standards and expectations, earning them a CEO Cup for FY2023.

The Winsted team not only had great financial performance, but achieved 768 days without a lost time accident. Winsted has made great strides over the years to become a facility with a safety-driven culture and streamlined operations at their core. They have chaplains in place for employee mental and spiritual wellness as well as an exceptionally dedicated AZZ Care Team. The AZZ Care Team is an organized group of employees who are interested in supporting their fellow co-workers and impacting the culture and community in which they live and work. AZZ Galvanizing – Winsted and its AZZ Care Team earned Winsted's Chamber of Commerce, Business of the Year award because of its spirit of fellowship, passion and involvement within the local community. This award is given to businesses that are actively involved in the community and truly make a difference and positively impacts the lives of others in the community.



## ★ FEATURED STORY

### Solar Energy for California School District

One of AZZ Galvanizing – Arizona's customers was asked to install solar carports and shade canopies throughout a California school district to offset the electrical costs of the schools. There were 231 sets of columns and beams that AZZ's Arizona facility galvanized to provide corrosion resistance as well as a surface finish for the tube steel carports. The



project was comprised of more than 1 million pounds of structural steel with nearly 100,000 lbs. of zinc used to galvanize these structures, which supported more than 11,000 solar modules.

In addition to the cost savings to the school district, the solar carports and shade canopies provide play areas, eating areas, and in many cases, much-needed shaded parking. The solar carports also serve as a teaching tool for future generations regarding responsible energy generation and use. The galvanized finish for this project provides a longevity to the steel and a long lasting power supply with minimal required maintenance.

The use of hot-dip galvanizing adds to the ecological sustainability of the steel as the added zinc coating does not restrict the steel's recyclability and can be recycled with other steel in the steel production process.

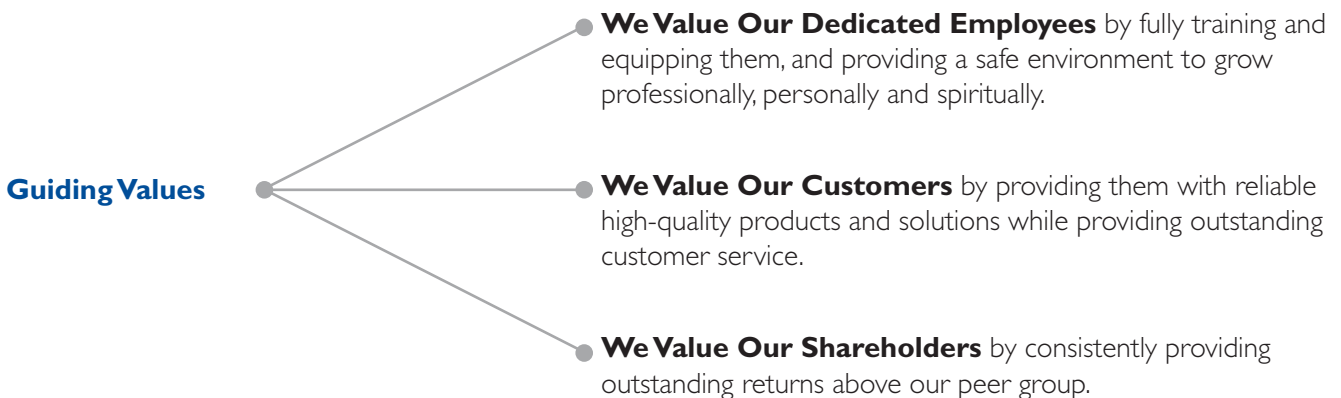
# OUR CULTURE

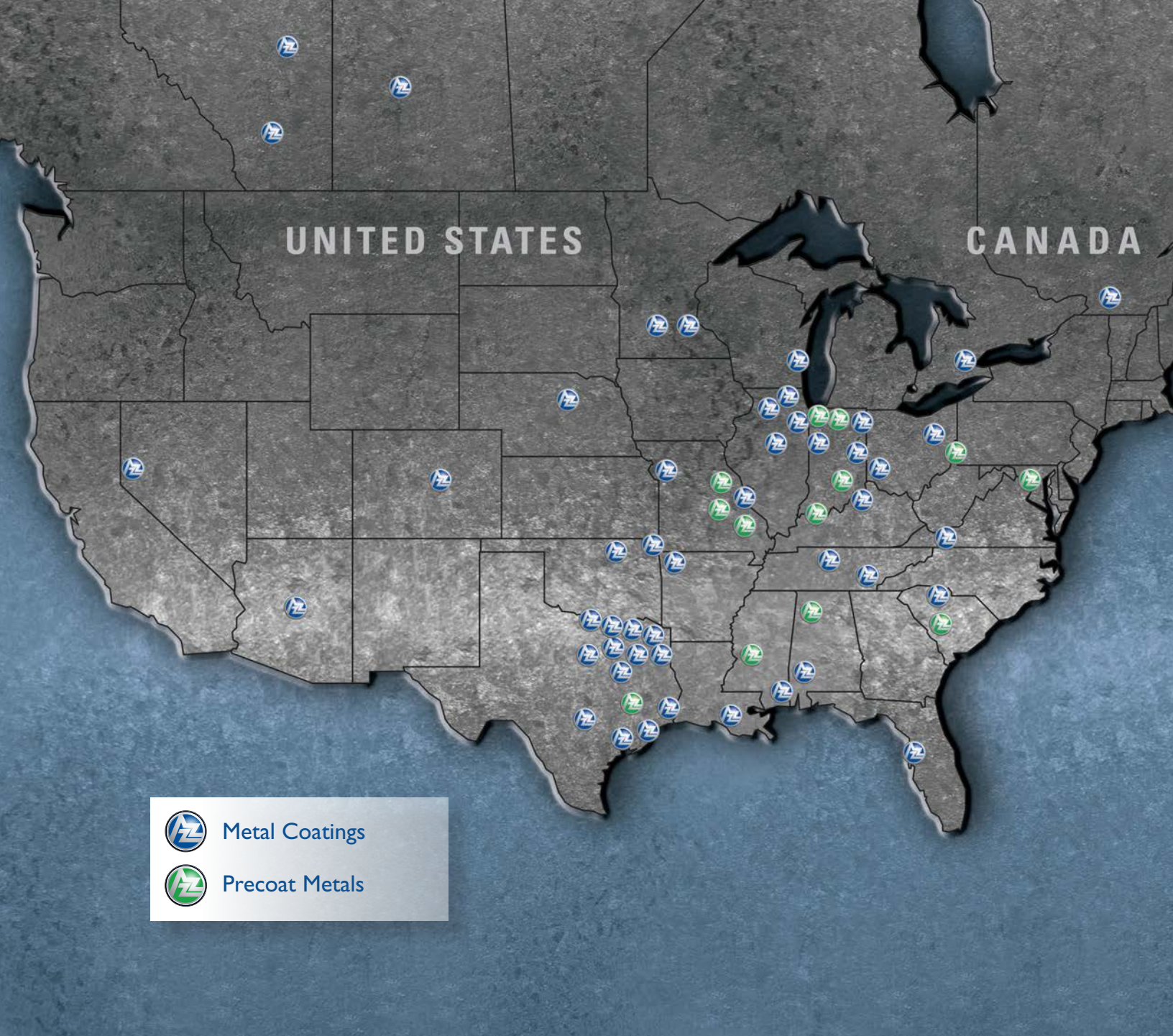
At AZZ, our culture is defined by our corporate values of Trust, Respect, Accountability, Integrity, Teamwork and Sustainability (T.R.A.I.T.S.). We value our employees by continuously investing in their training and development, including a healthy work-life balance, offering competitive compensation and benefit packages and rigorously encouraging a team-oriented and collaborative environment.

We strive to build, maintain and create a work environment that attracts and retains employees who are high contributors, have outstanding interpersonal and business skills, are engaged in our culture and communities, and who embody our company mission: to create superior value in a culture where people can grow both professionally and personally and where T.R.A.I.T.S. matter.



<b>Trust</b>	We conduct ourselves with honesty, openness and in a manner that is predictable and builds trust.
<b>Respect</b>	We treat each other as we want to be treated (golden rule).When appropriate, we disagree without being disagreeable.
<b>Accountability</b>	We take responsibility for our actions and ownership of results.We do what we commit to, both personally and as a team.
<b>Integrity</b>	We are honest, trustworthy and respectful to each other and ethical in all our activities.
<b>Teamwork</b>	We value collaboration at all levels.We believe that working as a team is more impactful and efficient than working alone.
<b>Sustainability</b>	AZZ employees must work safely at all times and fully abide by safety, health and environmental policies of the Company while looking out for our co-workers.





## AZZ OPERATIONS MAP

With 60 facilities strategically located across North America, AZZ's business segments deliver essential products and services reliably and efficiently.

# MEMBERSHIP ASSOCIATIONS

Please see AZZ's website for more details on additional memberships and/or groups we support and participate in at [www.azz.com/accreditations](http://www.azz.com/accreditations).

## PRECOAT METALS MEMBERSHIP ASSOCIATIONS



## METAL COATINGS MEMBERSHIP ASSOCIATIONS





# ESG OVERSIGHT STRUCTURE

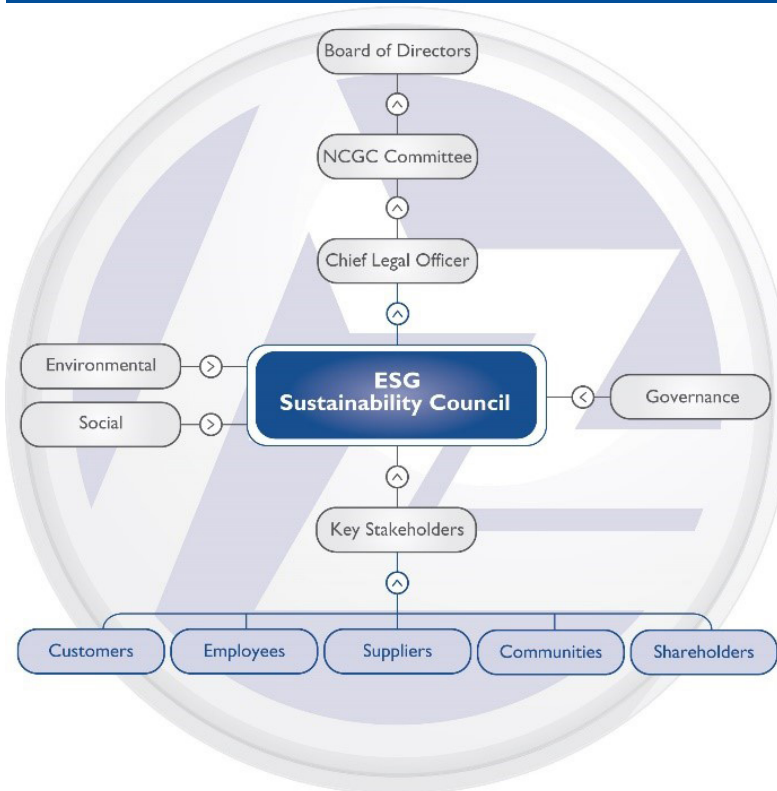
AZZ is committed to growing its business in a sustainable and socially responsible manner and has integrated its ESG initiatives into the Company's overall business strategy.

## APPROACH TO SUSTAINABILITY

AZZ's sustainability framework is integrated into its overall business strategy through its focus areas of environmental stewardship, social responsibility and corporate governance.

AZZ strives to improve the efficiency of its operations, including increasing energy and resource efficiency, lowering greenhouse gas emissions, reducing water consumption, conserving natural resources and offering products and solutions with superior sustainability attributes that meet or exceed our customer's needs.

## ESG OVERSIGHT STRUCTURE



## FISCAL YEAR 2023 ESG HIGHLIGHTS

During fiscal year 2023, AZZ made significant progress on a number of ESG initiatives.

- ✓ Published AZZ's second corporate sustainability report, covering fiscal years 2020, 2021 and 2022.
- ✓ Engaged a third-party consultant to assist AZZ in further develop its ESG strategy, set initial ESG targets and to establish near-term ESG priorities.
- ✓ Established ESG targets for our Metal Coatings and Precoat Metals segments.
- ✓ Engaged a third-party consultant to assist AZZ to begin collection of Scope 3 emissions data and analytics.
- ✓ Developed methodologies for AZZ's business segments to identify and track sales into the low carbon economy markets.
- ✓ AZZ was named as One of America's Most Responsible Companies in 2023 by Newsweek.

## SUSTAINABILITY FRAMEWORK FOCUS AREAS



### ENVIRONMENTAL STEWARDSHIP

AZZ strives to provide high quality products and solutions to customers while maintaining compliance with environmental requirements and using raw materials in an environmentally conscious and sustainable manner.



### SOCIAL RESPONSIBILITY

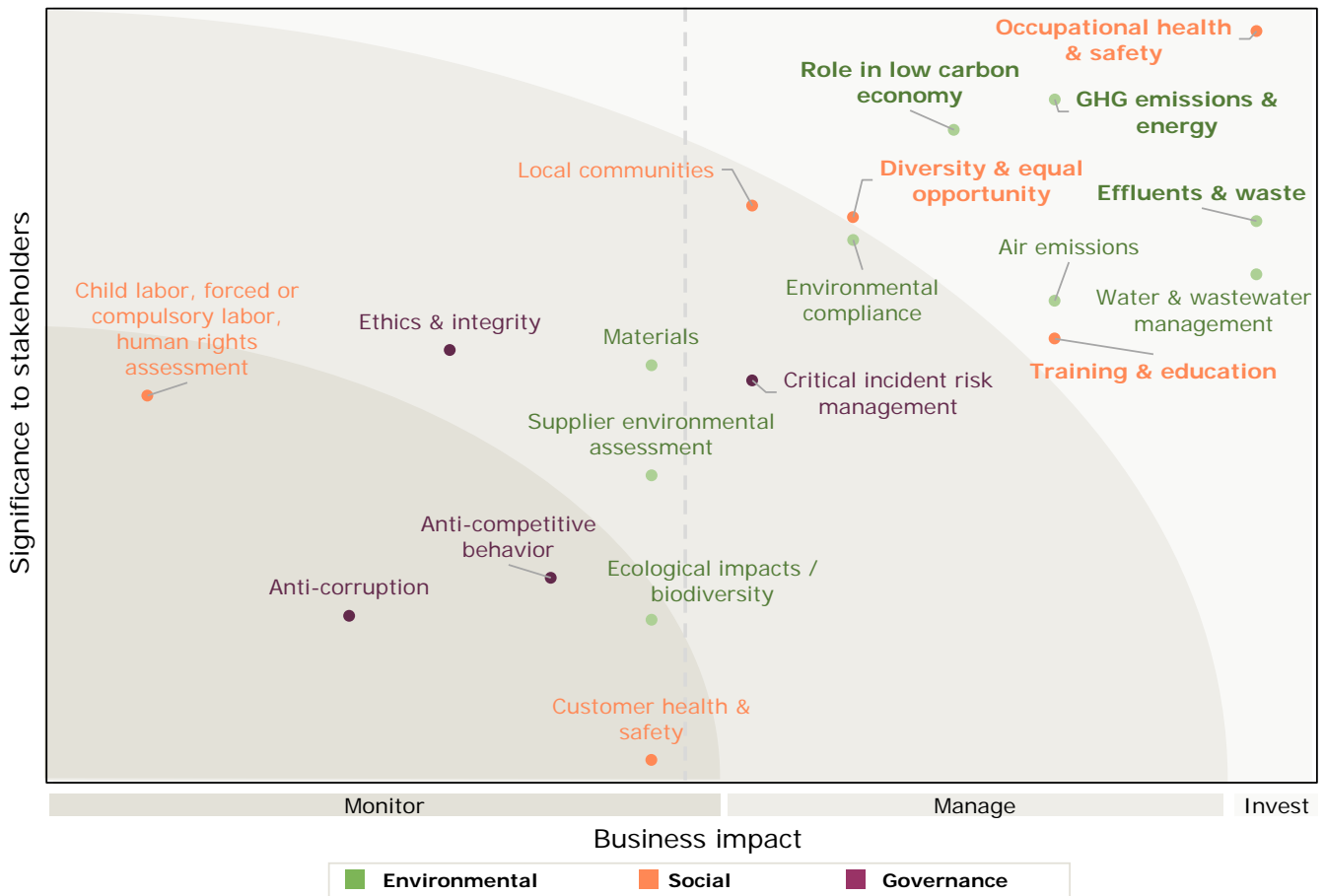
AZZ believes that investing in its people, communities, and business sustainably will drive long-term value for AZZ and its shareholders.



### CORPORATE GOVERNANCE

The Nominating and Corporate Governance Committee provides Board-level oversight to the Sustainability Council, AZZ's ESG policies and practices, and programs on AZZ's ESG initiatives and targets.

# ESG STRATEGY & NEAR-TERM ESG PRIORITIES



*Bolded items indicate top priorities.*

During FY2023, AZZ engaged a third-party sustainability consultant to further enhance its ESG strategy and to incorporate the Precoat Metals segment into its existing ESG and sustainability commitments. AZZ conducted a materiality assessment on the Precoat Metals segment and revisited the Metal Coatings segment to identify and prioritize the near-term ESG priorities that would guide AZZ's strategic sustainability efforts and business decisions over the next few years. This assessment was conducted through stakeholder interviews, peer benchmarking and industry research. Stakeholders included AZZ's leadership team, its Sustainability Council, key customers, critical suppliers and investors. Each near-term ESG priority identified will serve as an area that the Company's Sustainability Council and the leadership team will focus on to enhance its existing sustainability program and increase future value for AZZ's stakeholders.

The near-term ESG priorities in the above chart depict the aggregate findings of AZZ's new materiality assessment. The matrix illustrates the relative priority of each topic based upon data gathered from its internal and external stakeholders. While all of the topics shown on the matrix are important to the Company, the topics positioned in the top right quadrant were determined to be the most critical to AZZ's stakeholders and therefore topics for AZZ to invest a higher degree of attention and resources in the near-term.

For each near-term ESG priority, the opportunity for AZZ was defined, risk mitigation for each was identified and key performance indicators ("KPIs") were defined to assist the Company with monitoring progress with each material topic.

As illustrated below, AZZ has identified six near-term ESG priorities:

## SIX NEAR-TERM ESG PRIORITIES FOR AZZ

- 1** Occupational Health & Safety is a top priority for all stakeholders given the nature of work in AZZ's facilities. New developments in best practices must be continually tracked and embedded within the Company's processes and corporate culture.
- 2** GHG Emissions & Energy is a driver for energy efficiencies, lower costs and Company positioning as a low-carbon solution in the market for green energy transition customers and investors.
- 3** AZZ's growing role in the transition to a low carbon economy will help the Company define how its solutions and product offerings are the green alternative to other metal coating options and supports its sustainability value proposition to its customers and investors.
- 4** Effluents & Waste is an area where AZZ considers itself to be an industry leader. New regulations, technological developments and practices will need to be monitored and embedded so that the Company can continue to manage risks, drive corporate value, and increase reporting and data disclosure.
- 5** Training & Education will continue to ensure the Company's workforce has the skills and engagement needed to address future labor needs and can serve as a reinforcement of the Company's corporate culture.
- 6** Diversity & Equal Opportunity initiatives will expand inclusion viewpoints within AZZ and will be supplemented by Training & Education to potentially impact AZZ's future leadership.

The identification of these six near-term ESG priorities serve as the foundation for the next steps in further developing AZZ's ESG strategy. AZZ's Sustainability Council and leadership team worked in concert with the ESG consultant to develop a path forward:

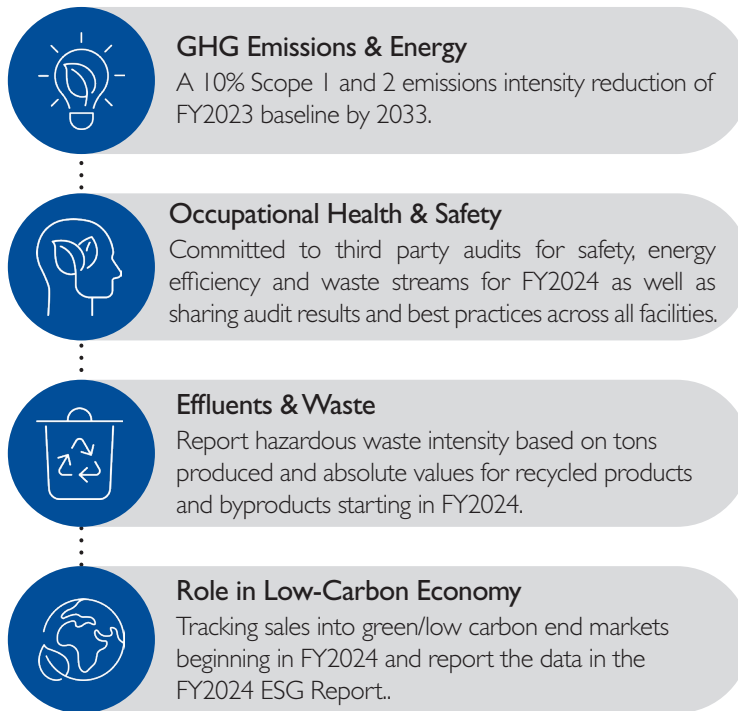
<b>Market Analysis</b>	Defined key use cases, trends and growth opportunities for the Company within the green transition.
<b>Current State Assessment</b>	Established AZZ's near-term ESG priorities based on FY2020 and FY2021 data from AZZ's first ESG Report.
<b>ESG Target Setting</b>	Set initial ESG targets for the six near-term ESG priorities to assist AZZ in demonstrating its commitment to ongoing improvement in line with stakeholder expectations.
<b>Gap Analysis</b>	Identified organizational gaps and established initiatives needed to meet new ESG targets.
<b>ESG Roadmap</b>	Developed an ESG strategy that includes a recommended portfolio of activities to further advance its sustainability commitments and ESG targets.

As AZZ further develops and advances its sustainability program, AZZ will continue to update and adapt its ESG disclosures in response to stakeholder input and to accurately report AZZ's ESG progress in its North American metal coatings operations.

## ESG TARGETS

A roadmap of initiatives enables AZZ to achieve its desired targets related to the near-term ESG priorities that would guide AZZ's strategic sustainability efforts and business decisions over the next few years. During FY2023, AZZ set initial targets to begin in fiscal year 2024 for each of its near-term ESG priorities discussed on pages 18-19 to assist the Company in its pursuit to demonstrate ongoing improvement in line with stakeholder expectations. AZZ's targets include public disclosure targets as well as aspirational internal targets for potential future disclosure. These initial targets will be refined as AZZ implements initiatives to achieve the targets and assesses a full fiscal year of results for the Company following the acquisition of the Precoat Metals segment and the divestiture of the Infrastructure Solutions segment as discussed on page 3 of this ESG Report, which could lead to setting more aggressive target metrics and timelines.

AZZ's initial ESG targets are set forth below. AZZ selected FY2023 as its baseline year for these goals to align with AZZ's future enterprise structure and its current disclosure practices.



AZZ currently sells into several low carbon end markets for both the Precoat Metals and Metal Coatings segments.

Low Carbon End Markets	
Precoat Metals	Metal Coatings
Cool Roofing and Siding	Solar
Insulated Metal Panels	Wind
Insulated Garage Doors	Battery Energy Storage
Electric Vehicles & EV Charging Infrastructure	Biomass
LED Lighting	Transmission & Distribution for Renewable Energy
Green/LEED Buildings	Green/LEED Buildings

Aspirational internal targets for potential future disclosure address the following ESG topics: Occupational Health & Safety, Training and Education and Diversity & Inclusion. AZZ is tracking internal targets on these topics on a quarterly basis and has established detailed initiatives to progress on each of the internal targets.

# ENVIRONMENTAL STEWARDSHIP

AZZ is committed to managing its business in an environmentally responsible manner and actively prioritizes the health and safety of its employees and the environment. AZZ Board of Directors oversees the management team's environmental, health and safety ("EHS") practices and programs as the Company executes on its goals and initiatives.

## ENVIRONMENTAL, HEALTH AND SAFETY GOALS

- ✓ Meet or exceed all applicable EHS regulations and company standards and continuously monitor and document AZZ's progress.
- ✓ Train and equip our employees to identify and mitigate hazards associated with their job.
- ✓ Closely monitor AZZ's chemical consumption and waste generation in order to efficiently utilize raw materials and minimize and recycle non-product outputs.
- ✓ Contribute to the development and administration of technically and economically sound environmental standards and compliance procedures through seeking input from professional trade groups, regulatory agencies, citizens' organizations, subject matter experts and our stakeholders.
- ✓ Continuously improve on AZZ's environmental performance by monitoring its progress against stated EHS and sustainability targets to promote energy efficiency and to protect and sustain the environment.
- ✓ Reduce AZZ's environmental impact by minimizing emissions, energy and water usage and recycling materials where possible.
- ✓ Focus on sourcing environmental solutions that will decrease AZZ's footprint.
- ✓ Communicate AZZ's EHS performance and sustainability progress against its internal targets to its stakeholders.



# COMMITMENT TO HUMAN CAPITAL MANAGEMENT

AZZ believes its employees are its greatest asset and AZZ's success is dependent on the expertise and engagement of all of its people.



## OUR CULTURE

- AZZ understands the importance of employees who feel valued and united through shared beliefs and guiding principles.
- AZZ's values shape its corporate culture, attract highly skilled employees, and help them live and perform at their best.
- At AZZ, its employees' well-being is a priority. We offer Market Place Chaplains, Employee Assistance Programs, health insurance and 401(K) benefits to all employees.
- We take pride in offering incentives that recognize employee efforts and programs to help improve our employee's quality of life.
- We previously established the AZZ Cares Foundation to provide financial assistance to our employees and their families when a personal emergency, disaster or personal hardship occurs.
- AZZ Alertline is available 24/7 in three languages to address concerns and increase accountability.



## OUR COMMITMENT TO HEALTH AND SAFETY

- AZZ strives to incorporate continuous improvement in the health and safety of its facilities by establishing and monitoring progress against its EHS and sustainability targets.
- AZZ trains and equips its employees to identify and mitigate safety hazards associated with their job.
- AZZ's management teams oversee the implementation of training programs for operational safety and hazard reduction and regularly communicate EHS results to its employees.



## OUR COMMITMENT TO DIVERSITY AND INCLUSION

- More than 51% of AZZ's employees are diverse, as reported to the Equal Employment Opportunity Commission on an annual basis.
- AZZ embraces the diversity of its employees, customers, vendors, suppliers, stakeholders and consumers, including their unique backgrounds, experiences, creative solutions, skills and talents.
- AZZ seeks to continuously improve its hiring, development, advancement and retention of a diverse talent pool and increase its overall diversity representation across AZZ.



Named in Newsweek's  
List of America's  
Most Responsible  
Companies in 2023

# GOVERNANCE

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AZZ is committed to sound governance principles. AZZ's Board of Directors (the "Board") believes that strong corporate governance is a prerequisite to the continued success of the Company. The Board has adopted formal written Corporate Governance Guidelines designed to strengthen AZZ's corporate governance practices and to promote the effective functioning of its Board, its committees and the Company. The Board believes that strong corporate governance is critical to achieving long-term growth and to maintaining the trust and confidence of AZZ's stakeholders.

For a more detailed discussion of the Company's corporate governance practices and the Corporate Governance Guidelines, please see page 18 of AZZ's 2023 Proxy Statement posted on the Company's website at [www.azz.com/investor-relations](http://www.azz.com/investor-relations) or [www.sec.gov](http://www.sec.gov).

## **Board Committees**

The Board has established three standing Board committees: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. Each Board committee is governed by a charter that is reviewed annually and revised as deemed necessary. A copy of each charter is available on the Company's website at [www.azz.com/investor-relations](http://www.azz.com/investor-relations).

The Audit Committee oversees (i) the integrity of the Company's financial statements; (ii) the independent auditor's qualifications and independence; (iii) the performance of the Company's independent auditors internal audit function; (iv) the Company's compliance with legal and regulatory requirements; and (v) cybersecurity and other enterprise management risks.

The Compensation Committee oversees the risks relating to the Company's compensation philosophy and programs and regularly evaluates any potential effect the Company's compensation structure may have on management risk taking. The Compensation Committee reviews the recommendations of its compensation consultant and the management team regarding adjustments to the Company's executive compensation programs. The Compensation Committee also monitors risks relating to the overall management team and the organizational structure, including succession planning at the executive officer and key leadership levels.

The Nominating and Corporate Governance Committee (i) identifies potential individuals qualified to become members of the Board consistent with criteria approved by the Board; (ii) recommends director nominees to the Board for each Board committee and the Chair of the Board; (iii) establishes and oversees AZZ's Corporate Governance Guidelines, Code of Conduct, and Vendor Code of Conduct and the director nomination process; and (iv) provides oversight of the Company's ESG policies and sustainability practices, including climate-related risks and opportunities.

## **Board Membership, Composition and Diversity**

The Board regularly assesses the Company's long-term strategic objectives and selects nominees in accordance with the procedures and qualification criteria set forth in AZZ's Corporate Governance Guidelines. The Board seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board and challenge the Company's management team. Candidates for director are expected to be free of conflicts of interest and relationships that may interfere with the performance of their duties. While the Board does not have a formal policy on diversity, it has always been an element of the Board's recruiting process. The Board considers business experience, education, functional skills, gender, race, ethnicity and cultural backgrounds as critical components of diversity.



Pictured from left to right. First row: Daniel E. Berce, Paul Eisman, Daniel R. Feehan, Thomas E. Ferguson, and Clive A. Grannum. Second row: Carol R. Jackson, David M. Kaden, Venita McCellon-Allen, Ed McGough, and Steven R. Purvis.

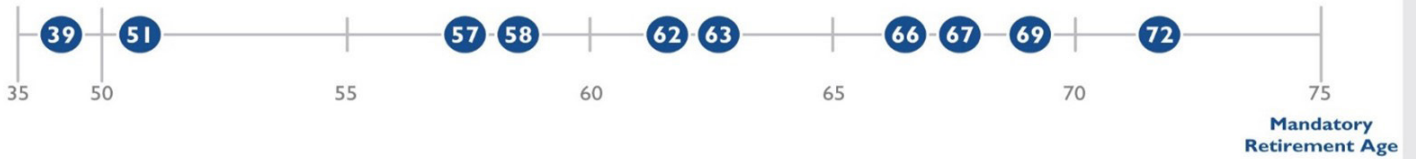
Board of Directors	Age	Director Since	Independent	Nominating & Corporate Governance Committee	Audit Committee	Compensation Committee	Other Public Company Boards
<b>Daniel E. Berce</b> President and CEO, General Motors Financial Company	69	2000	✓				2
<b>Paul Eisman</b> Former President and CEO, Alon USA Energy, Inc.	67	2016	✓				—
<b>Daniel R. Feehan</b> Chairman of the Board, AZZ Inc. and First Cash, Inc.	72	2000	✓				2
<b>Thomas E. Ferguson</b> President and CEO, AZZ Inc.	66	2013					—
<b>Clive A. Grannum</b> President, Performance Materials, Materion Corporation	57	2021	✓				—
<b>Carol R. Jackson</b> Former President, CEO and Chairman of the Board, HarbisonWalker International	51	2021	✓				1
<b>David M. Kaden</b> Managing Director, Blackstone Tactical Opportunities Group	39	2022	✓				—
<b>Venita McCellon-Allen</b> Former President and CEO, Southwestern Electric Power Company	63	2016	✓				—
<b>Ed McGough</b> Senior Vice President, Head of Global Manufacturing and Technical Operations, Alcon, Inc.	62	2017	✓				—
<b>Steven R. Purvis</b> Former Principal, Luther King Capital Management	58	2015	✓				—

Chair    Member



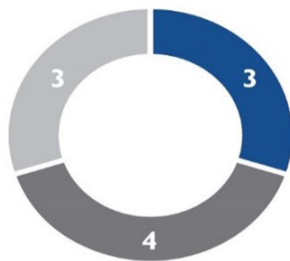
KEY STATISTICS REGARDING AZZ'S DIRECTORS AS OF FY2023

AGE DIVERSITY



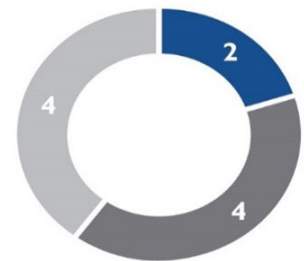
TENURE

- 1-5 Years
- 6-9 Years
- 10+ Years

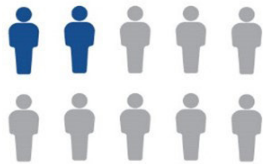


AGE

- 35-55
- 56-65
- 66-75



GENDER



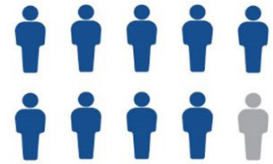
- Female
- Male

RACE/ETHNICITY



- African American
- White/Caucasian

INDEPENDENCE



- Independent
- Non-Independent



## Board Oversight of Risk Management

AZZ's Board has overall responsibility for effectively reviewing and providing oversight of the Company's enterprise risk management, including macro and micro economic trends, changes in market factors and industry dynamics, cyber threats, financial reporting and executing AZZ's corporate strategy. This oversight function focuses on the most significant risks facing AZZ and is deemed an important priority by the Board. The Board does not attempt to view in isolation risks applicable to the Company's business but tries to manage various enterprise risks holistically and as a proper component of the Company's short- and long-term strategy. The Board does not believe it is possible, nor even desirable, to eliminate all business risk. Rather, reasonable and calculated risk-taking by management is deemed appropriate and necessary for AZZ to remain competitive and successfully grow its end markets.

While the Board generally oversees enterprise risk management, the responsibility for daily management of the Company's risk resides with the Company's Chief Executive Officer and other members of the executive team who are responsible for the ongoing assessment and management of Company risk, including risks relating to: operations; governance; sustainability; cybersecurity; litigation; implementing strategic growth initiatives; smoothly integrating acquisitions into the Company's existing operations; AZZ's public company compliance programs; financial reporting and public disclosures. The Company has established robust internal processes and controls for identifying and managing risk, including comprehensive internal and external audit processes. These processes have been designed to allow management to effectively identify and manage risks and to timely communicate the results of such activities to the Board.

Management routinely communicates with the Board, its committees and individual directors, as appropriate, regarding various risks as discussed above. All directors have direct and open access to the Company's executive officers and other members of the management team. As a result, throughout the year, the Board and its committees communicate with each other and with management. The Company's strategic and operational risks are presented and regularly discussed with the Board during the Chief Executive Officer's quarterly operational report and the financial and operating results are specifically addressed during the presentations at each Audit Committee meeting.

## Communicating with the Board

The Board has established a process by which shareholders can send communications to the Board. All interested parties are able to communicate directly with the Chair of the Board or with non-employee directors as a group by sending written communications to one or more members of the Board at the address noted below:

Daniel R. Feehan  
Chair of the Board  
c/o AZZ Inc.  
One Museum Place, Suite 500  
3100 West 7th Street  
Fort Worth, Texas 76107  
[info@azz.com](mailto:info@azz.com)

## Executive Compensation

AZZ's goal for its executive compensation program is to attract, motivate and retain key high performance executives who provide impactful leadership results and collaborative team efforts to contribute to the Company's continued success in the highly competitive markets in which it operates.

The Compensation Committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, short- and long-term and strategic goals of the Company, and aligns executives' interests with AZZ's shareholders by rewarding performance specifically tied to the achievement of goals set by the Company, with the ultimate overall objective of increasing shareholder value.

The Compensation Committee monitors market and peer group pay practices and engages with Meridian Compensation Partners, LLC and other stakeholders to ensure that AZZ's executive compensation program continues to support the Company's strategy and remains competitively positioned and appropriately structured to align pay and performance. AZZ's executive compensation program has three key elements: base salary; annual cash incentive compensation; and long-term incentive compensation consisting of time-based and performance-based equity awards. Additional details regarding AZZ's executive compensation programs can be found in AZZ's 2023 Proxy Statement beginning on page 44, which is located on the Company's website at [www.azz.com/investor-relations](http://www.azz.com/investor-relations).

## Global Ethics Alertline

The AZZ Alertline allows employees, customers, vendors, contractors, or any other third parties to ask questions, raise concerns and report unsafe, illegal, or unethical behavior related to the operations of AZZ's business, and may do so anonymously. AZZ's global hotline is available twenty-four hours a day, seven days a week, and in the languages in the countries in which it operates. AZZ treats all reports confidentially, which are investigated promptly and thoroughly, consistent with applicable law. AZZ's Chief Legal Officer provides a summary report to the Audit Committee of the Board each quarter regarding the number and nature of all claims reported.

Calls and electronic submissions to the AZZ Alertline can be made pursuant to the following:

AZZ Alertline: (855) 268-6428

AZZ Alertline Website: <https://azz.alertline.com>

Email: AZZ Chief Legal Officer at [TaraMackey@azz.com](mailto:TaraMackey@azz.com)

## Corporate Policies

AZZ has strong beliefs on ethics, business conduct and compliance with the law. Adherence to AZZ's corporate policies is the key in maintaining its corporate integrity. AZZ has adopted the following policies related to its corporate culture of ethics, integrity and compliance:

- Code of Conduct
- Vendor Code of Business Conduct
- Environmental, Health and Safety Policy
- Human Rights Policy
- Gifts and Entertainment Policy
- Anti – Corruption Policy
- Export Management and Compliance Policy
- Insider Trading Policy
- Conflict Minerals Policy
- Related Party Transaction Policy

AZZ's corporate policies may be found at [www.azz.com/investor-relations](http://www.azz.com/investor-relations).

## Code of Conduct

AZZ is committed to the highest standards of honest and ethical behavior and integrity in carrying out its business activities. AZZ's Code of Conduct reflects its commitment to compliance and corporate citizenship at every level of the Company. The Board's Nominating and Corporate Governance Committee annually reviews the Code of Conduct relating to any recent developments in the law, so that the appropriate revisions can be made.

All of AZZ's employees, executive officers, and the Board must follow the Code of Conduct and comply with all applicable laws and regulations in connection with AZZ's business activities and operations. Additionally, all employees are required to review and acknowledge their understanding of the Code of Conduct and to abide by its principles upon hiring and once every three years.

See the full policy at [www.azz.com/investor-relations](http://www.azz.com/investor-relations).

## Anti – Corruption Policy

AZZ is committed to being a responsible corporate citizen and conducting all of its business transactions with integrity, ethics and transparency. It is essential for AZZ, its employees and any third parties who are engaged to act on AZZ's behalf to comply with all applicable laws and regulations in the jurisdictions in which it conducts business. All AZZ employees (including management and executive officers) who have international, financial, bookkeeping or sales responsibilities receive bi-annual training on anti-bribery, anti-corruption and trade compliance. Prior to the engagement of third parties to conduct business on AZZ's behalf internationally, it conducts pre-screening due diligence and requires contractual compliance with U.S. and international anti-corruption and anti-bribery laws. AZZ's Legal Department and Internal Audit Department also conduct periodic testing and audits of its processes for compliance with domestic and foreign transactions in an effort to mitigate any potential enterprise-wide risks.

The Anti – Corruption Policy is posted on the Company's website at [www.azz.com/esg](http://www.azz.com/esg).

## Political Contributions

It is against AZZ's policy to use corporate funds for political purposes. In FY2023, AZZ did not contribute funds to any political candidates and did not engage in any lobbying activities.

## Human Rights

Respecting human rights in the workplace is a fundamental principle in AZZ's operations. AZZ is committed to conducting its business in a manner that includes respecting the dignity and worth of all individuals, encouraging all individuals to reach their full potential and providing equal opportunity for both personal and professional development to all employees.

Specifically, AZZ recognizes its responsibility with regard to:

- Forced labor and human trafficking
- Providing a good standard of living, reasonable working hours, fair and competitive wages, and offering above market benefits
- Freedom of association and collective bargaining
- Diversity, inclusion and equal opportunity
- Non-discrimination and anti-harrassment
- A safe and healthy workplace

AZZ respects human rights principles, and its commitment to human rights is guided by the United Nations Guiding Principles to Business and Human Rights, Ten Principles of the United Nations Global Compact and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

The Human Rights Policy is posted on the Company's website at [www.azz.com/esg](http://www.azz.com/esg).

## Cybersecurity and Information Technology

As cyber threats grow more frequent and complex both domestically and globally, AZZ acknowledges that it must continuously improve its firewalls to protect its data and information technology systems. AZZ's Audit Committee is responsible for overseeing the Company's risk exposure, including cybersecurity. AZZ's Chief Information Officer ("CIO") is responsible for managing and protecting AZZ's policies and procedures related to cybersecurity and information technology. Annually, the CIO provides the Audit Committee with a report on cybersecurity risks and threats, any breaches, if applicable, and the Company's action plan to mitigate any of these risks.

AZZ's IT department monitors, detects and responds to potential threats and proactively takes steps to maintain a secure environment. A third-party cybersecurity assessment using the National Institute of Standards and Technology Framework (NIST) is performed annually to supplement AZZ's internal controls and procedures. AZZ's formal cyber-response plan follows the NIST incident response program and includes cyber risk insurance and offsite backup for all computer systems. Acceptable use of AZZ's software, applications and technology for employees is outlined in the Company's information security policies, including policies relating to Cybersecurity, Data Protection, Acceptable Use, Access Control and Data Retention. AZZ's cybersecurity policies are posted on AZZ's intranet and are updated as new advances in technology and solutions evolve. During FY2023, more than 98% of AZZ's legacy employees completed cybersecurity training, which includes annual online security awareness training such as email security, physical security and mobile security. Randomized phishing tests of all AZZ employees and contractors have been performed since 2019. Additionally, AZZ has strengthened its password complexity standards and now requires a multifactor authentication. AZZ also encourages employees to notify the IT department of any suspected threats or for any other additional security reporting.

AZZ's Biometric Information Security Policy is posted on the Company's website at [www.azz.org/esg](http://www.azz.org/esg).



More than **98%** of AZZ's legacy employees completed cybersecurity training in FY2023.



# RISK MANAGEMENT

AZZ's Board has oversight responsibility of the Company's enterprise risk management, including climate-related risks and opportunities, macro and micro economic trends, changes in market and industry trends, cyber threats, financial reporting, capital deployment, debt reduction, sourcing more favorable financial terms, securing new M&A opportunities, and executing the Company's corporate strategy. This oversight function focuses on the most significant risks facing the Company and is deemed an important priority by the Board. AZZ's Board does not attempt to view in isolation risks applicable to the Company's business, but rather, considers various enterprise risks holistically and as a proper component of execution on the Company's short- and long-term strategy. Neither the Company's leadership team, nor the Company's Board believes it is possible, nor even desirable, to eliminate all business risk. Rather, well reasoned and calculated risk-taking by management is deemed appropriate and necessary for the Company to remain competitive and successfully grow its end markets and market share.

While AZZ's Board generally oversees risk management, the overall responsibility for daily management of the Company's risk resides with the Company's Chief Executive Officer and other members of the Company's leadership team who are responsible for the ongoing assessment and management of Company risk, including risks relating to: operations; financing; working capital management; governance; sustainability, cybersecurity, developing and implementing strategic growth initiatives; the smooth integration of acquisitions into the Company's existing operations; the Company's public company compliance programs; financial reporting; and public disclosures.

The Company has established robust internal processes and controls for identifying and managing risk, including comprehensive internal and external audit processes. These processes have been designed to allow management to effectively identify and manage risks and to timely communicate the results of such activities to AZZ's Board. The Company's leadership team routinely communicates with the Board, its committees and individual directors, as appropriate, regarding various risks and as discussed above, all directors have direct and open access to the Company's leadership team and other employees. As a result, throughout the year, the Board and its committees communicate with each other and with the Company's leadership team. The Company's strategic and operational risks are presented and regularly discussed with the Board during the Chief Executive Officer's quarterly operational report. The Board also weighs additional risks when considering specific actions proposed by management.



## AZZ's Enterprise Risk Management Structure and Process

Each year, the Company's Director of Internal Audit conducts an enterprise risk management assessment for each business segment, and the Company as a whole, and presents its findings to the Audit Committee, which includes identifying the top risks to the Company that could have a considerable adverse effect on the Company's operating performance and reputation. Throughout the year, management reviews these risks and discusses any new events or emerging trends (engaging with outside advisors, where appropriate) that may impact the top risks or impact the likelihood and magnitude of such risks. The Company's annual enterprise risk assessment is structured as described below:

### RESPONSIBILITY & KNOWLEDGE

The Company's leadership team and the Board are required to participate in the Company's annual enterprise risk assessment because they have requisite knowledge of the Company's strategy, market conditions, industry trends and other factors that could materially impact the Company's operations and future profitability.

### CRITERIA FOR SIGNIFICANT RISK

Any risk event that could have a substantial negative reputational and/or monetary impact on the business is deemed a significant risk. This criterion helps in focusing on the risks that could result in a considerable adverse effect on the Company's future performance and business reputation.

### ACTION PLANS & PROGRESS MEASUREMENT

The results of the annual risk assessment are discussed with the Company's Audit Committee and leadership team. Based on the survey findings, action plans are developed and implemented where needed to address identified risks. Progress is measured periodically to track improvements and compare results to previous years.

### VELOCITY & MITIGATION

Different shapes assigned to each core risk indicate the speed at which a risk can manifest itself. Color coding is used to represent the Company's ability to mitigate the impact of potential risks based on management's responses to the survey. This likely helps in identifying areas where risk mitigation measures need strengthening.

Overall, this comprehensive risk evaluation process assists the Company's leadership team and the Audit Committee of the Board to identify, assess and prioritize risks effectively, leading to better risk management practices and safeguarding the Company's interests.

### RISK IDENTIFICATION & MEASUREMENT

Risks are identified by the Company's leadership team and reviewed by the Board. The risk assessment follows a bottom-up and top-down approach, which likely involves analyzing risks at both individual business segment levels and considering overall enterprise risks.

### ANNUAL RISK ASSESSMENT SURVEY

The Company's leadership team and Board are surveyed annually to assess the Company's ability to effectively manage significant areas of risk for each business segment and the Company as a whole. This survey provides valuable feedback on risk management practices and areas of potential areas of focus and improvement on an annual basis.

- The Company's Internal Audit team is responsible for the annual Risk Assessment Likelihood and Impact survey with the results reported to both the Company's Audit Committee and the Disclosure Committee. The risk universe is comprised of external and internal risks and is assessed by the Company's leadership team. Risks are scored and ranked according to the following criteria: impact, likelihood, management effectiveness, residual risk and risk direction.
- Risk categories are plotted on a risk heat map. This visual representation helps in prioritizing risks based on their potential impact and likelihood. The "Impact" represents the quantitative negative effect on earnings and/or the Company's reputation, while "Likelihood" represents the chance of an unwanted risk occurring within a 12-month period.

## Climate Related Risk Management

AZZ leadership team in coordination with the Sustainability Council and the Legal Department, regularly evaluates potential, emerging and current climate-related risks that could result in an adverse impact on AZZ's operations. These risks include, among others things:

- **Increased Regulation:** Several governments and regulatory bodies have introduced or are considering regulatory changes in response to climate change, including regulations aimed at reducing greenhouse gas ("GHG") emissions through emission standards, renewable energy targets, carbon emission taxing and similar punitive initiatives while requiring heightened environmental monitoring and disclosures. These initiatives aimed at reducing GHG emissions could negatively impact AZZ's operations directly or indirectly through its customers or suppliers and may require increased capital investments, including more emissions controls, the purchase of more energy efficient equipment, and increased costs to comply with collecting additional ESG data for any required disclosures.
- **Physical Risks:** Climate change impacts, such as extreme weather and natural resource shortages, could disrupt AZZ's operations or adversely impact its supply chains, end markets and product shipments.

The financial impact of the heightened focus on sustainability practices for all companies to increase efficiencies in consumption of resources and future regulations regarding GHG emissions will depend on a number of factors including, but not limited to:

- the sectors covered;
- future permitted levels for GHG emissions;
- the extent to which AZZ would be entitled to receive emission allowance allocations or would need to invest in additional energy efficient equipment or compliance increased emissions instruments, either on the open market or through auctions;
- the price and availability of emission allowances and credits; and
- the impact of legislation or other regulation on AZZ's ability to recover the costs incurred through the pricing of its products and services.





# ENVIRONMENTAL

AZZ has pledged its commitment to move towards a low carbon economy, to manage its business in an environmentally responsible manner; and to create ways to minimize the environmental impact of its operations. All AZZ employees are expected to provide high quality products and services while maintaining compliance with environmental regulations, and to use raw materials in an environmentally conscientious and sustainable manner.

Both AZZ business segments have a large number of procedures and initiatives in place to minimize the environmental impact of its operations. Some of these are recommendations from third party energy and environmental audits conducted in accordance with AZZ's ESG targets:

- audits of Standard Operation Procedures (SOP) for facility operations with particular emphasis on environmental audits and safety audits. Internal and third party environmental audits include among other critical topics, air permits, solid waste, water permits and stormwater permits and include extensive checklists to be used for each audit;
- required training on identification and handling of waste for new employees and refresher training for existing employees;
- LED lighting upgrades;
- improvements in compressed air systems to reduce electricity usage; and
- upgrades to wastewater treatment and quench systems to positively impact water usage and wastewater.

## **Featured Precoat Metals segment-specific initiatives:**

- Six Sigma Green Belt teams to focus on operational excellence projects including several topics under environmental and energy areas;
- oven automation and efficiency program to optimize the use of natural gas;
- VOC thermal oxidizer upgrades to improve capture and reuse of waste heat; and
- implementation of a coating temperature control system that reduces the need for solvent.

## **Featured Metal Coatings segment-specific initiatives:**

As North America's largest hot-dip galvanizing company, over several decades, AZZ has developed a wide array of inspection checklists and audit procedures for its environmental and energy equipment, including:

- furnace inspections;
- boiler preventive maintenance checklist;
- air compressor preventive maintenance checklist;
- kettle covers deployed during downtime to minimize heat loss and reduce energy use;
- regular furnace tune-ups to optimize natural gas utilization; and
- waste heat recovery systems employed at several facilities to heat process water tanks.

## Environmental and Energy Data

To monitor and measure AZZ's environmental impact on GHG emissions, energy use and water consumption, AZZ utilizes a third party platform to collect and manage its environmental usage data. The platform partner provides AZZ with the ability to analyze progress towards its goals, and to assist with prioritizing areas for greater operating efficiencies in the future. As AZZ acquires or divests businesses, the number of active locations has fluctuated, which creates challenges in accurately making year-to-year comparisons and have been noted in this ESG Report where applicable.

The results below include Scope 1 and Scope 2 consumption for FY2023 as compared to those values from FY2021 and FY2022. As previously discussed, data for FY2023 excludes the Infrastructure Solutions segment while adding partial year data from May 2022 to February 2023 for the 13 manufacturing facilities associated with the acquisition of Precoat Metals. Data for FY2021 included AZZ's U.S. locations only. In FY2022 AZZ expanded the geographic scope of its environmental data collection efforts to include its international locations.

### Definitions:

**Scope 1** - Direct emissions: occur from sources that are controlled or owned by AZZ (e.g., emissions associated with fuel combustion). Absolute emissions and emissions intensity are reported.

**Scope 2** - Indirect emissions: occur from the purchase of electricity, steam, heat or cooling. Absolute emissions and emissions intensity are reported.

**Intensity** - A measurement of the total usage of each resource per sales revenue. AZZ employs a market-based method for intensity calculations.



## Energy Usage and Intensity

Coating metal, whether by hot-dip galvanizing or paint, is an energy-intensive industrial manufacturing process. In particular, natural gas is the critical energy source for both business segments, as it is used in the drying ovens at Precoat Metals and in heating the zinc kettles for Metal Coatings. AZZ has an ongoing focus on driving efficiency and reducing energy consumption through the entire enterprise, from the facility level to its corporate office.

Natural Gas Usage (Scope 1) (MMBtu)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	2,208,813
Metal Coatings Segment <sup>(2)</sup>	1,608,987	1,578,079	1,722,265
Infrastructure Solutions Segment (AIS) <sup>(3)</sup>	67,851	34,927	-
<b>Enterprise Total</b>	<b>1,676,837</b>	<b>1,613,007</b>	<b>3,931,078</b>

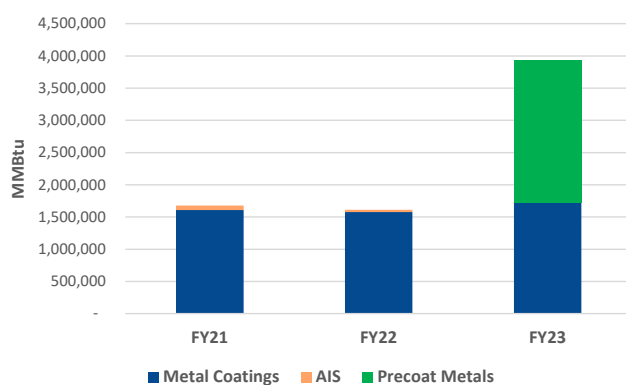
Natural Gas Intensity (Scope 1) (MMBtu/\$000)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	3.217
Metal Coatings Segment <sup>(2)</sup>	3.515	3.002	2.704
Infrastructure Solutions Segment (AIS) <sup>(3)</sup>	0.178	0.091	-

(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of natural gas usage.

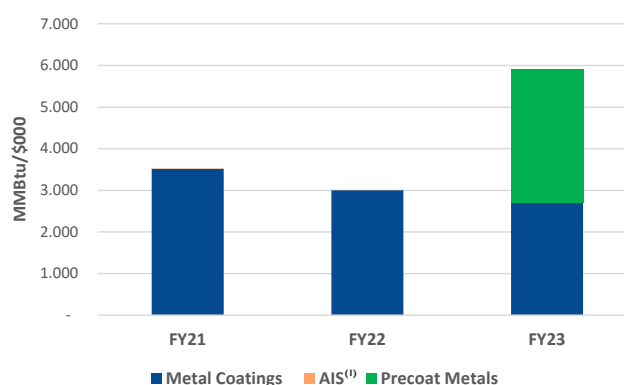
(2) In AZZ's Metal Coatings segment the hot-dip galvanizing process utilizes 56 kettles, which are powered by natural gas furnaces.

(3) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.

Scope 1 Natural Gas Usage by Segment



Scope 1 Natural Gas Intensity by Segment



(1) For FY2021 and FY2022, Scope 1 natural gas intensity for AIS was 0.009 and 0.005, respectively.

Electricity Usage (Scope 2) (MWh)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	100,844
Metal Coatings Segment	46,700	49,496	51,523
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	9,495	12,693	-
<b>Enterprise Total</b>	<b>56,195</b>	<b>62,189</b>	<b>152,367</b>

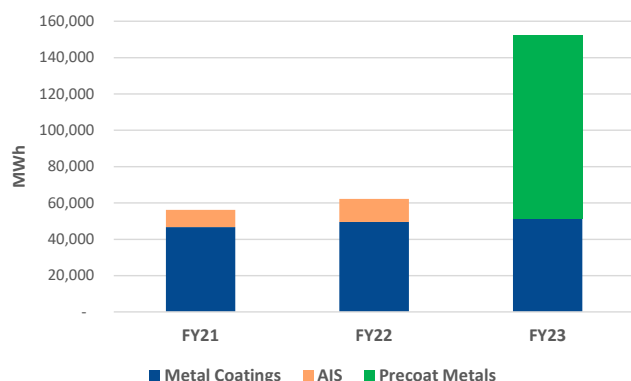
Electricity Intensity (Scope 2) (MWh/\$000)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	146.86
Metal Coatings Segment	102.01	94.17	80.89
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	24.91	33.08	-

(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of electricity usage.

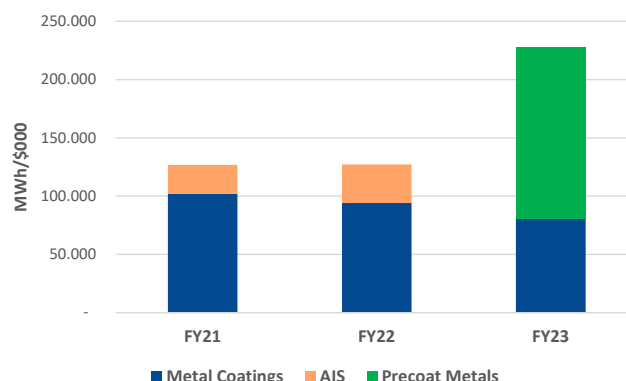
(2) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.

### Energy Usage and Intensity (continued)

Scope 2 Electricity Usage by Segment



Scope 2 Electricity Intensity (\$) by Segment



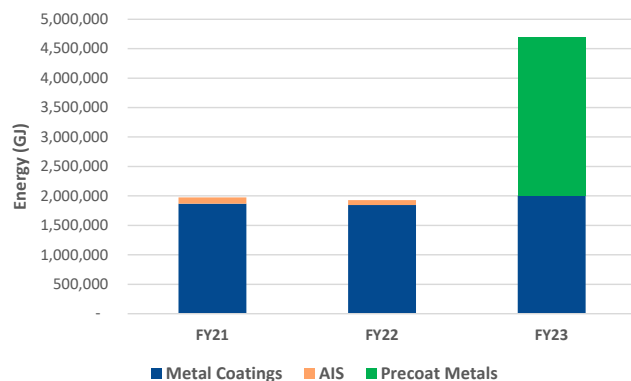
Energy Usage (Scope 1 & 2) (GJ)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	2,695,259
Metal Coatings Segment	1,867,000	1,844,432	2,003,969
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	105,824	82,573	-
<b>Enterprise Total</b>	<b>1,972,824</b>	<b>1,927,005</b>	<b>4,699,228</b>

Energy Intensity (Scope 1 & 2) (GJ/\$000)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	3.93
Metal Coatings Segment	4.08	3.51	3.15
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	0.28	0.22	-

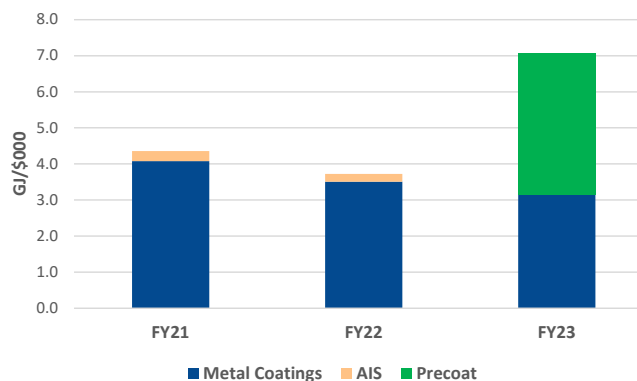
(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of energy usage.

(2) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.

Scope 1 & 2 Energy Usage by Segment



Scope 1 & 2 Energy Intensity (\$) by Segment



Over the last three years, the Metal Coatings segment has reduced its total energy intensity by **23%**.

## Emissions

Scope 1 Emissions (mtons CO <sub>2</sub> e)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	117,320
Metal Coatings Segment	85,461	83,819	91,477
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	3,604	1,855	-
<b>Enterprise Total</b>	<b>89,064</b>	<b>85,674</b>	<b>208,797</b>

Scope 1 Emissions Intensity (mtons CO <sub>2</sub> e/\$000 Revenue)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	0.171
Metal Coatings Segment	0.187	0.159	0.144
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	0.009	0.005	-

Scope 2 Emissions (mtons CO <sub>2</sub> e)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	43,080
Metal Coatings Segment	18,128	19,373	20,256
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	4,026	6,161	-
<b>Enterprise Total</b>	<b>22,154</b>	<b>25,534</b>	<b>63,336</b>

Scope 2 Emissions Intensity (mtons CO <sub>2</sub> e/\$000 Revenue)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	0.063
Metal Coatings Segment	0.040	0.037	0.032
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	0.015	0.016	-

Scope 1 & 2 Emissions (mtons CO <sub>2</sub> e)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	160,400
Metal Coatings Segment	103,588	103,192	111,734
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	7,630	8,016	-
<b>Enterprise Total</b>	<b>111,219</b>	<b>111,208</b>	<b>272,133</b>

Scope 1 & 2 Emissions Intensity (mtons CO <sub>2</sub> e/\$000 Revenue)	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	0.234
Metal Coatings Segment	0.226	0.196	0.175
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	0.429	0.290	-

(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of emissions.

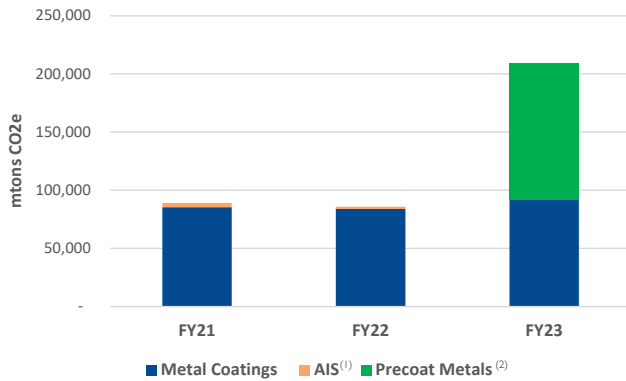
(2) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.



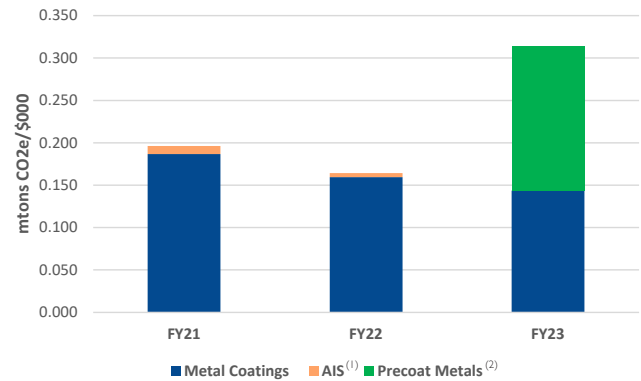
The Metal Coatings segment has reduced Scope 1 emissions intensity by **23%** over the last three years and reduced Scope 2 emissions intensity by **20%** over the same period.

Emissions (continued)

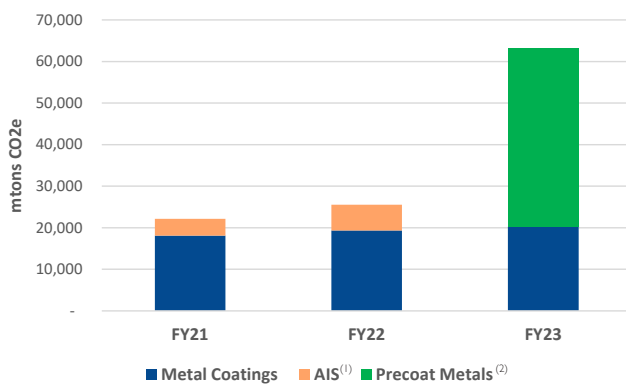
Scope 1 Emissions by Segment



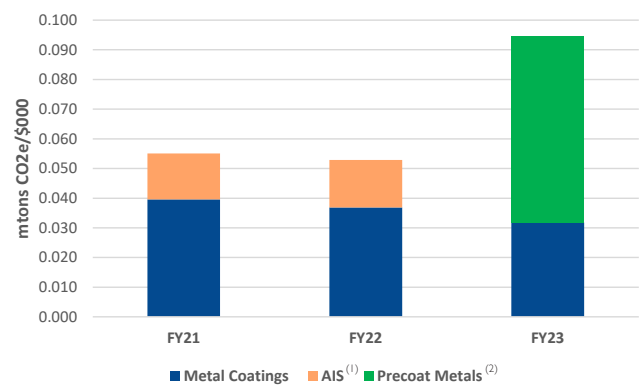
Scope 1 Emissions Intensity (\$) by Segment



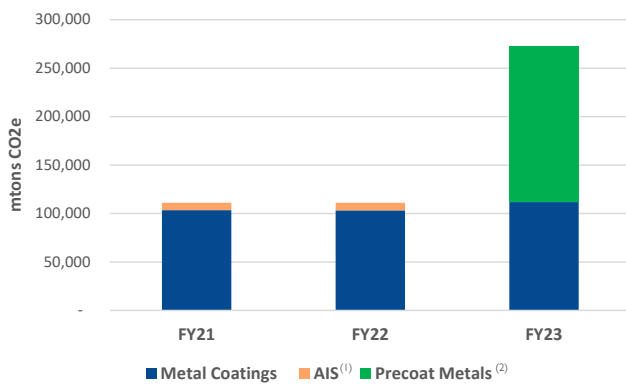
Scope 2 Emissions by Segment



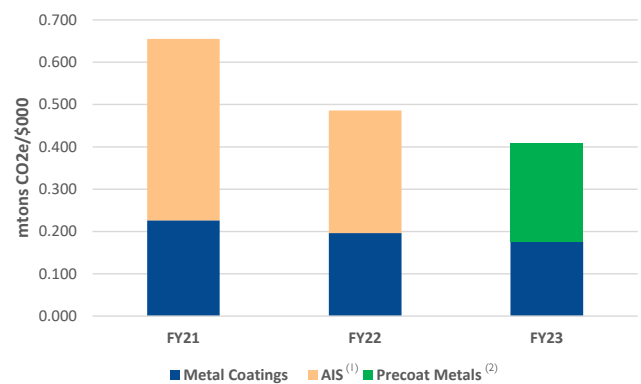
Scope 2 Emissions Intensity (\$) by Segment



Scope 1 & 2 Emissions by Segment



Scope 1 & 2 Emissions Intensity (\$) by Segment



(1) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.

(2) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of emissions.



AZZ has reduced combined Scope 1 and 2 emissions intensity in its Metal Coatings segment by **23%** over the last three years.

## Water Usage

Water used in the process of coating metal needs to be cleaned and treated so that AZZ can either reuse it in its own operations or discharge it to publicly owned treatment plants for additional processing. AZZ tracks all water usage in its coating and hot-dip galvanizing facilities and has achieved substantial annual decreases in water consumption in the past three years in AZZ's Metal Coatings segment.

The Precoat Metals segment uses water in its operations primarily for the cooling of coated metal strip as well as for the cleaning and pre-treatment of metal and for boilers. For the Metal Coatings segment, water consumption is minimized by utilizing rinse water as make-up water for steel pickling tanks.

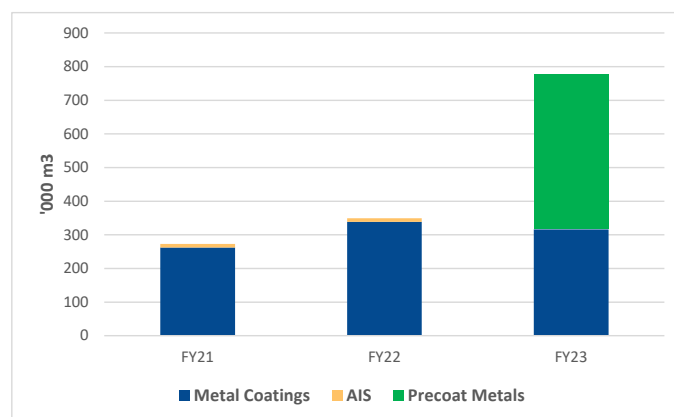
Water Usage ('000 m <sup>3</sup> )	FY2021	FY2022	FY2023
Precoat Metals Segment	-	-	460.7
Metal Coatings Segment	262.6	338.9 <sup>(1)</sup>	316.3 <sup>(2)</sup>
Infrastructure Solutions Segment (AIS)	10.4	10.1	-
<b>Enterprise Total</b>	<b>273.0</b>	<b>349.0</b>	<b>777.0</b>

(1) The majority of the increase in total water usage between FY2021 and 2022 was attributed to the acquisition of ACME Galvanizing in January 2021 (a galvanizing and plating operation) and a significant increase in production at AZZ's Surface Technologies facility in Garland, Texas. Both of these facilities utilize water intensive manufacturing processes in their plating operations.

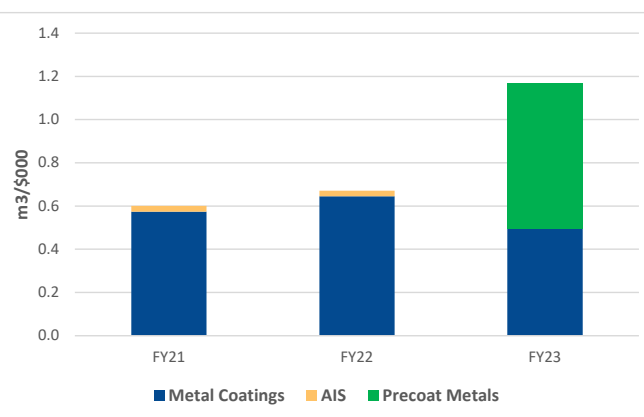
(2) The decrease in water usage in FY2023 may be attributable to the implementation of a closed loop recirculation system in AZZ's Garland, Texas facility as discussed on page 41 of this ESG Report.

Water Intensity (m <sup>3</sup> /\$000)	FY2021	FY2022	FY2023
Precoat Metals Segment	-	-	0.67
Metal Coatings Segment	0.57	0.64	0.50
Infrastructure Solutions Segment (AIS)	0.03	0.03	-

### Water Usage by Segment



### Water Intensity by Segment



## Wastewater

Both AZZ business segments employ systems that treat processed water through advanced effluent treatment technologies. Filter presses are extensively utilized to minimize wastewater treatment filter waste. Pursuant to Title 40 CFR Part 465 - Coil Coating Point Source Category, the Precoat Metals segment is required to be in compliance with discharge pollutants into waters in the U.S. or a publicly owned treatment works. Precoat Metals is in full compliance with the special monitoring and permit requirements subject to this regulation.

Wastewater ('000 m <sup>3</sup> )	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>	-	-	331.8
Metal Coatings Segment	223.6	306.3	282.4
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>	7.8	6.2	-
<b>Enterprise Total</b>	<b>231.4</b>	<b>312.5</b>	<b>614.3</b>

(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of wastewater data.

(2) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.



Despite increased production in FY2023, AZZ's Metal Coatings segment was able to reduce its overall water usage by **7%** from the previous year and wastewater by **8%**. The Metal Coatings segment's water intensity also declined by **23%**.

## Waste Streams

AZZ has a long history of responsible waste management and recycling processes dating back to the mid-1960's, when it deployed its first zinc recovery equipment at its Crowley, Texas hot-dip galvanizing facility. Before any materials are discarded at each facility, the waste streams are characterized and alternative uses are identified to avoid disposal. Where possible, the waste materials are reused, recycled or the volume is reduced.

The EHS managers at each AZZ facility maintain detailed inspection protocols for regulatory agency inspections to ensure full compliance and cooperation with all regulatory bodies whether EPA, OSHA or state/municipalities inspections. Facility-level environment management activities include:

- ✓ Checklists for hazardous and non-hazardous waste and environmental inspection log;
- ✓ Daily inspection logs of hazardous waste bulk storage tanks; and
- ✓ Documentation of industrial waste streams and corresponding classification as to whether the waste stream is hazardous or non-hazardous, whether the material is recycled or beneficially reused and documentation on the disposal or recycle facility.

Hazardous Waste (tons)	Absolute FY2023	Intensity FY2023 (tons/ton production)
Precoat Metals Segment	3,091	0.002
Metal Coatings Segment	12,639	0.015

Waste Diverted from Disposal (tons)	Absolute FY2023
Precoat Metals Segment	44,680
Metal Coatings Segment	20,652
<b>Enterprise Total</b>	<b>65,242</b>



## Waste Streams (continued)

### Metal Coatings Segment

The Metal Coatings segment has led the way over several decades in the hot-dip galvanizing industry by significantly reducing the volume of characteristically hazardous waste generated at a galvanizing facility. These industry best practices extend from the process chemistry for cleaning the steel to kettle procedures for galvanizing the steel.

The galvanizing kettle creates (i) zinc oxide skims which float to the surface of the kettle and (ii) iron-zinc compounds which fall to the bottom of the kettle as dross. The skims and dross are both removed from the kettle periodically throughout the galvanizing process. The dross is sent to a zinc supplier for recycling, while the skims are placed into a zinc recovery machine which separates any usable zinc from the zinc oxide. The usable zinc is returned to the kettle and the zinc skims are sent to third parties for reuse in industrial processes. The zinc recovery machine allows AZZ galvanizing facilities to recycle zinc on-site instead of sending it off-site.

The Metal Coatings segment utilizes a number of company and industry best practices to reduce emissions and minimize waste streams, including:

- Exclusive use of special high-grade zinc at all galvanizing locations. This grade of zinc has very low levels of lead and other contaminant metals;
- Reuse of rinse water in process tanks resulting in zero disposal of rinse water;
- Acid regeneration with recycling unit;
- Optimizing raw material usage with pickling curves to reduce acid usage and disposal;
- Wet scrubber to treat emissions from process tanks;
- Filter press for sludge from flux tanks to minimize waste volume and improve quality to reduce waste from reworks;
- Kettle enclosures to improve working conditions;
- Baghouses to reduce particulate emissions;
- Stormwater control measures to minimize pollutants in runoff; and
- Recycle rejected galvanized steel as well as used chain and wire components.

Beneficial Reuse of Spent Acid Diverted from Hazardous Waste Disposal:

**7.6M lbs**

Acid Disposal Ratio (Disposed vs. Production) Decreased from FY2022 by:

**12%**



AZZ has coordinated with certain suppliers to develop and deploy fume suppressant additives for the galvanizing process tanks which have demonstrated to reduce emissions by approximately **95%** thereby reducing acid usage, benefiting worker comfort and safety and enhancing product quality.

## ★ FEATURED STORY

### AZZ Surface Technologies – Garland, TX Finds Innovative Way to Recycle Water

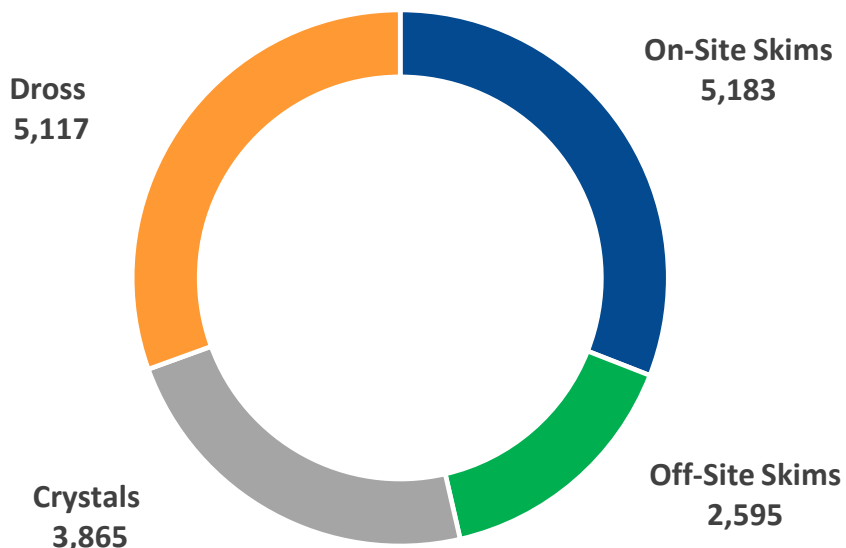
When the water supply for the Surface Technologies – Garland facility was accidentally shut off, the plant manager had to quickly find a solution to continue the electroplating production which relies heavily on a continuous supply of cool water. Electroplating is conducted through the use of rectifiers to generate an electrical current to coat metal with a thin layer of nickel or zinc for corrosion protection, increased strength or enhanced aesthetics. The rectifiers are cooled with water.

Confronted with the threat of no fresh water for several days, the plant manager evaluated the water flow utilization for the facility and identified a way to use the spent water in a new cost saving way by designing a closed loop recirculation system to allow the spent rectifier water to collect and cool in a holding tank, thus ensuring ongoing production and reducing water usage and corresponding wastewater by hundreds of gallons per day.

## Recycling Zinc Compounds

The hot-dip galvanizing process generates recyclable products such as ferrous sulfate crystals caused from sulfuric pickle solution, zinc oxide skims that are removed from the surface of the galvanizing bath and zinc iron alloy dross that has been removed from the bottom of the galvanizing bath.

Galvanizing Zinc Compound Recycling Summary (in Tons)



## ★ FEATURED STORY

### Precoat Metals – Birmingham Converts VOC Control System to a 100% VOC Capture System

The Precoat Metals – Birmingham facility recently completed an upgrade of its VOC capture and control system. Solvent VOC based coatings are applied during the coating process and a small percentage of the VOC's escape as fugitives or uncontrolled emissions. The remaining VOCs in the paint are then collected in the drying ovens and sent to on-site thermal oxidizers for destruction. Thermal oxidizers destroy harmful VOCs and volatile Hazardous Air Pollutants (HAPs) by burning and converting the VOCs and HAPs to carbon dioxide (CO<sub>2</sub>) and water and share similarities with catalytic oxidizers used in vehicles.

At every one of the Precoat Metals coil coatings facilities, you will find one or more thermal oxidizers in operation. These systems offer dual benefits for the environment and AZZ's utilization of natural gas. First, the thermal oxidizers effectively eliminate VOCs, achieving destruction rates of up to 99% and emitting only a fraction of the total VOCs used. Second, they enable the capture and reuse of waste heat from the oxidizer discharge, which is then utilized as a substitute for natural gas in boilers. Precoat's thermal oxidizers function as incinerators operating within the temperature range of 1200-1500 degrees fahrenheit. Previously, the Birmingham facility capture efficiency was 97.44% with 2.56% VOCs emitted as fugitives. The recent upgrade converted the VOC control system to a 100% capture system by rerouting these fugitive VOCs to the oxidizers for thermal destruction.

### Precoat Metals Segment

The Precoat Metals segment has led the growing use of coil coated metal for over 60 years. Coil coating is recognized for its cost-effectiveness, aesthetics, field performance and sustainability. The process is a closed loop system with greater than 98% VOC capture and conversion to fuel. Over the years, Precoat has led the industry in process improvements to improve product quality and minimize hazardous waste generation.

Process wastewaters generated from the cleaning and pretreatment of metals coils is collected and treated at on-site wastewater treatment plants that convert wastewater that would be considered hazardous waste to clean treated effluent that is discharged directly to a surface water body or to a local publicly owned treatment works. In the coating process, cleaning of the coater pans and coater rolls generates waste solvent that is managed as hazardous waste. The waste solvent wastes are either sent for solvent recovery by distillation process or sent to a kiln for fuel blending and energy recovery. VOCs generated from the coating process are collected and destroyed in onsite thermal oxidizers. These thermal oxidizers achieve greater than 98% destruction efficiencies. The off gas from the thermal oxidizers is utilized to generate steam for the production process, resulting in preservation of natural resources (natural gas) and reduction in the emissions of criteria pollutants to the environment. Scrap metals generated from the coil coating process is collected and recycled.

The Precoat Metals segment utilizes a number of company and industry best practices to reduce emissions and minimize waste streams, including:

- Use of an on-site thermal oxidizer to destroy up to 99% of VOCs used in the coating process and energy recovery from the thermal oxidizers to generate steam for the production process
- Reclamation of solvent from the waste solvent generated from the coating process
- Recovery of energy from the waste solvent by fuel blending
- Use of a chemical coater to minimize the generation of chromium waste
- Onsite wastewater treatment plants to treat and clean process wastewaters
- Baghouses to reduce particulate emissions
- Recycling of scrap steel and aluminum



The Precoat Metals segment recycled **44,000** tons of steel and aluminum in FY2023.

### Significant Spills

	FY2021	FY2022	FY2023
Precoat Metals Segment	-	-	0
Metal Coatings Segment	0	1 (on-site only)	0
Infrastructure Solutions Segment (AIS)	0	0	-

\* For the purposes of the metrics above, AZZ defines a "significant spill" as any spill required to be reported pursuant to the jurisdictions in which AZZ operates.



No bodies of water were negatively impacted by spills from AZZ's operations.

## Environmental Management System

Both the Precoat Metals and the Metal Coatings business segments employ centralized environmental management systems (“EMS”) to collect and monitor a myriad of environmental, health and safety (“EHS”) metrics. The information is submitted by individual facilities and then audited, tracked and reported by the EHS teams for each business segment. AZZ’s EMS allows Operations management and the Company’s leadership team to manage risks related to employee health and safety and to mitigate accidents, occupational illnesses and various environmental impacts to minimize AZZ’s carbon footprint.

Each of the Company’s business segment’s EMS is designed to encourage and enable executive oversight of EHS matters, ensure compliance with all applicable local, state and federal regulations and to facilitate EHS environmental targets.

To ensure compliance with environmental obligations, AZZ’s EMS are integrated into all business processes, including the assessment of environmental impacts for each project. AZZ collects environmental data at each facility, which is then reviewed by corporate EHS and reported to the Company’s leadership team. AZZ’s EMS foster open communication, cross pollenization of best practices across both business segments and engages all employees in environmental improvement initiatives.

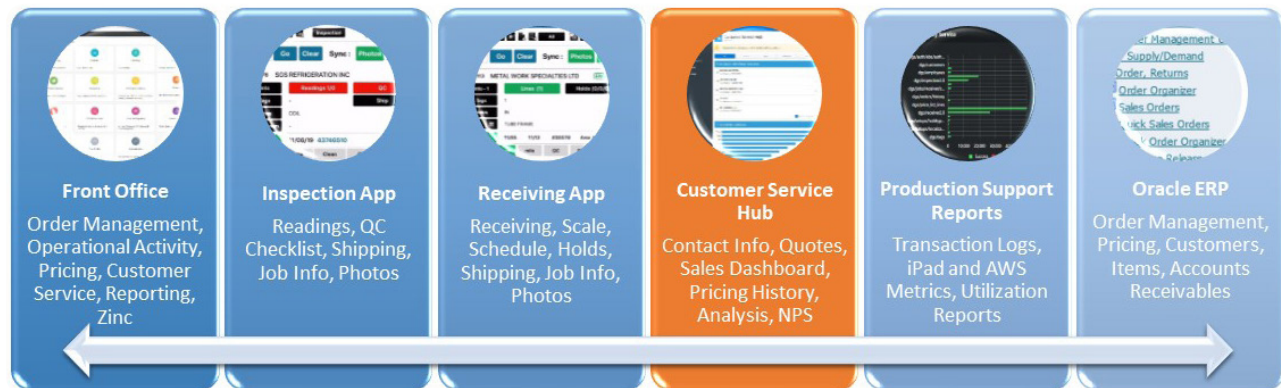
To guarantee the proper implementation and utilization of the EMS, periodic internal audits are conducted at each facility, aligning with its established procedures. AZZ acknowledges the significance of adhering to applicable environmental laws and regulations in the locations in which AZZ operates and to meet or surpass all relevant standards.

More than 50% of the facilities in the Precoat Metals segment are ISO 14001 certified. Regular ISO audits are conducted to ensure ongoing certification.



# RESEARCH & DEVELOPMENT

## Digital Galvanizing System



AZZ continues to enhance its proprietary Digital Galvanizing System (“DGS”) which is used by both galvanizing operations and sales. Implementation of DGS has enhanced and streamlined a broad number of AZZ’s internal and external processes by reducing administrative duties and hours for plant personnel, improving reporting and analytics, monitoring more efficient use of zinc, creating customer quotes, reducing paper consumption, and providing real-time project status updates to customers.

**Operations and Environmental Benefits** – DGS allows the operations teams to monitor the use of zinc for improved forecasting, which ultimately lowers levels of zinc inventories. The use of paper by plant personnel has been virtually eliminated with the use of DGS on hand-held tablet devices.

**Customer Benefits** – DGS enables AZZ facilities to provide real-time project status updates and generates ready-to-ship notifications to customers, as well as faster communications across several functions while production projects are in process at each facility.

**Sales Benefits** – DGS generates automated quotes and enhances customer communications resulting in faster quoting to customers and higher levels of customer service and satisfaction. The sales team is able to save fuel by efficiently planning sales routes in DGS. FY2023 enhancements to DGS enabled the sales team to replace the existing third party CRM system resulting in significant financial savings. Additional functionality development initiated in FY2023 included sales activity tracking, leads management and Net Promoter Score (NPS) customer surveys.

## Industry 4.0 - Digitalization

The Metal Coatings segment is helping the hot-dip galvanizing industry implement Industry 4.0 by working with a furnace partner, CIC Pittsburgh, to be the first galvanizer to install CIC Pittsburgh’s Burner Insight System™ as part of a furnace replacement at AZZ Galvanizing - Hurst’s facility. The furnace burner performance for a galvanizing kettle impacts energy efficiency, emissions, employee safety, productivity and kettle lifespan.

This industry-first system uses sensor-based automation to monitor the air and gas flows to each of the burners and the combustion chamber temperature. Signal data is transmitted back to a Programmable Logic Controller (PLC) in the control panel to monitor the firing rate and air/fuel ratio. The digitalized system replaces the existing manual burner monitoring process, which interrupts production and requires the employee to perform cumbersome and time-consuming manual checks of the burners while documenting the results on paper.

The deployment of advanced measurement and data analysis tools as part of CIC Pittsburgh’s Burner Insight System™ is being evaluated for implementation across AZZ’s manufacturing footprint.



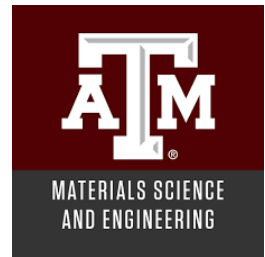
## Texas A&M Materials Science and Engineering Department Projects

Each year, hundreds of engineering students at the Texas A&M Materials Science and Engineering Department participate in senior capstone projects as part of their degree requirements. Senior capstone projects provide students with opportunities to collaborate on team projects sponsored by various industries and to apply their knowledge and skills in developing design solutions which meet sponsor requirements. AZZ has partnered with Texas A&M since 2019 to conduct R&D



for improvements in AZZ's hot-dip galvanizing process with the goal of designing more efficient production processes, including the reduction of resource usage and emissions mitigation. The results of the research have been tremendous, leading to the mitigation of corrosion and degradation of the metallic fixtures used in production that occur during the pickling process, and reductions in the usage of chemicals, kettle additives, natural gas and zinc.

The research conducted by the students at Texas A&M and the AZZ engineering group has led to improved standard operating procedures utilized by AZZ's Metal Coatings segment facilities impacting safety for its employees, increased product quality, increased production fixture lifespan, reduced usage and replacement costs and reduced disposal of valuable resources.



### Coil Zone

CoilZone was developed by Precoat Metals as a digital customer portal to manage customer business and processing needs by accommodating visibility to vital data at any time.



Customer records on CoilZone are available on a real-time basis and provides instant access to recent inventory updates, such as material receipts, production and shipments. Customers also have access to Open Orders and Material Status changes as they occur.

### Non-Chromate Pretreatments and Paint

Although Precoat Metals does not specify the paint that will be applied to its customers' steel coils, engineers are working extensively with paint and chemical suppliers, customers and the NCCA to work on solutions to transition to non-chromate pretreatments and paint, as well as other persistent chemicals.

# SUPPLY CHAIN

A well-managed supply chain is crucial to AZZ's long-term success. AZZ is committed to engaging with its suppliers as valued partners and expects its suppliers to comply with AZZ's commitment to corporate social responsibility. Suppliers working with AZZ are expected to comply with its vendor policies and the Company's Code of Conduct, and to ensure that those policies are reflected in their daily business activities. Suppliers are also expected to report any non-compliance that they may observe while conducting business with AZZ. AZZ reserves the right to audit its supplier records, including on-site inspections of their facilities to ensure that they are in compliance with AZZ's Vendor Code of Business Conduct.

In order to improve AZZ's supply chain sustainability engagement and to develop Scope 3 reporting capabilities in the future, in FY2023, AZZ engaged a third-party consultant to survey AZZ suppliers on their climate impact and to understand where they currently are with their emissions reporting. In turn, this engagement is expected to facilitate AZZ's ability to reliably quantify and report on its overall Scope 3 emissions to its key stakeholders in the future. As AZZ continues to build its sustainability program, our efforts will include the establishment of Scope 3 emissions baselines and goal setting.

## **Vendor Code of Business Conduct**

AZZ seeks to maintain high ethical standards and to comply with all applicable laws and regulations, which extends to all of its vendors, suppliers, representatives, agents, contractors and any other third-parties acting on AZZ's behalf. All AZZ vendors are expected to adhere to its Environmental Health and Safety Policy and Vendor Code of Business Conduct to help AZZ maintain its ethical and socially responsible culture.

AZZ Vendor Code of Business Conduct is available at [www.azz.com/ESG](http://www.azz.com/ESG).

## **Conflict Minerals Policy**

AZZ supports efforts to end human suffering and environmental harm associated with certain minerals that may have originated in the Democratic Republic of Congo (the "DRC") and adjoining countries, and it is committed to the ethical sourcing of all minerals used in its manufacturing processes and supply chain. AZZ is dedicated to complying with all legislative and regulatory requirements to help end civil conflict and human rights abuses in the DRC region.

The process of tracing the origin and chain of custody of minerals through a global supply chain is sometimes challenging because some component suppliers or sub-suppliers state they lack the resources to trace their purchased minerals all the way back to their original source. AZZ endeavors in good faith to continue to have its suppliers exercise reasonable due diligence to evaluate their respective supply chains to reduce the risk that minerals in AZZ's supply chain come from mines that finance or benefit armed groups in the DRC region. AZZ evaluates its suppliers annually and reports its findings to the Securities and Exchange Commission (the "SEC"). The Company designed its due diligence processes to conform, in all material respects, with the nationally recognized due diligence framework in The Organization for Economic Co-Operation and Development ("OECD"), Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the related Supplements for gold, tin, tantalum and tungsten (the "OECD Guidance"). The OECD Guidance is commonly used among its publicly-traded industry peers. AZZ remains committed to complying with the requirements of the SEC and upholding responsible sourcing practices. As such, the Company has put into place a due diligence program to address human rights issues and responsible practices across its supply chain.

AZZ Conflicts Mineral Policy and Form SD filings are available at [www.azz.com/ESG](http://www.azz.com/ESG).

# SOCIAL

## EMPLOYEES

AZZ believes all employees want their work to be personally fulfilling, to be treated with dignity and respect, and to work for a company they are proud of. AZZ understands the importance of employees who feel valued and united through shared beliefs and guiding principles. AZZ's values shape its corporate culture, attracts amazing people, amplifies their abilities, and helps them live and work at their best.

### Enhancing the Well-Being of Our Employees

At AZZ, our employees' well-being is a priority. We take pride in offering incentives that recognize their efforts and programs to help improve their quality of life through all-embracing stewardship and management that encompasses servant leadership practices.

As of February 28, 2023, AZZ's fiscal year end, AZZ had 3,837 employees worldwide with 3,594 of them employed in the U.S. and 243 employed in Canada.

Employees	FY2021	FY2022	FY2023
<b>Total<sup>(1)</sup></b>	<b>3,883</b>	<b>3,885</b>	<b>3,837</b>
Salary	21%	25%	15%
Hourly	79%	75%	85%
Full-Time	99.5%	98.8%	99.4%
Average Tenure	7.1	6.9	8.1
<b>Variable Workforce (not included in employee information above)</b>			
Total	868	795	0
<b>Employees, Union/Non-Union</b>			
<b>Total<sup>(1)</sup></b>	<b>3,883</b>	<b>3,885</b>	<b>3,837</b>
Union	343	278	725 <sup>(2)</sup>
Non-Union	3,540	3,607	3,112
<b>Employees By Region</b>			
<b>Total<sup>(1)</sup></b>	<b>3,883</b>	<b>3,885</b>	<b>3,837</b>
United States	3,341	3,314	3,594
Brazil <sup>(3)</sup>	100	133	0
Canada	204	174	243
China <sup>(3)</sup>	19	13	0
Netherlands <sup>(3)</sup>	23	30	0
Poland <sup>(3)</sup>	195	220	0
Saudi Arabia <sup>(3)</sup>	1	0	0
Full-Time	100%	100%	100%

<sup>(1)</sup> Employee totals exclude variable workforce employees related to AZZ's weld overlay business for FY2021 and FY2022. These variable workforce employees fluctuate by season and size of projects within AZZ's Industrial Platform of the Infrastructure Solutions segment which was divested on September 30, 2022.

<sup>(2)</sup> The increase in union employees from FY2022 to FY2023 is related to the acquisition of the Precoat Metals segment on May 13, 2022.

<sup>(3)</sup> AZZ divested its controlling interest in its Infrastructure Solutions segment on September 30, 2022. AZZ no longer has operations in these countries.



**8.1 Years** is the Average Tenure for AZZ Employees



## EMPLOYEE COMPENSATION & BENEFITS

AZZ is committed to paying its employees competitive and fair compensation that is commensurate with their position and performance and is competitive in the geographical markets in which they work. AZZ conducts regular surveys of the market rates for jobs to ensure that its compensation is competitive. AZZ offers annual merit-based increases, as well as annual short- and long-term incentive packages that are aligned with the Company's key business objectives and are intended to motivate and reward superior customer service and align employee goals with its shareholders.

AZZ believes its employees are critical to the success of its business and it structures its benefits package to attract and retain a highly talented and engaged workforce. AZZ is continuously evaluating its programs to adapt to its employees' and their family's needs, market trends, and to provide comprehensive health, wellness and life insurance coverage. AZZ's programs vary by location, but most include the following benefits:

### EMPLOYEE COMPENSATION AND BENEFITS



#### HEALTH

- Medical, Dental and Vision
- Medical Insurance Premium Reduction
- Health Screenings
- Prescription Drug Coverage
- 24/7/365 Virtual and Telehealth Services
- Annual Free Flu Immunizations and Bio Screenings
- Employee Assistance Program



#### FINANCIAL

- Competitive Base Salaries
- Hourly Overtime and Shift Differential Pay
- Annual Cash Incentive Program
- Employee Stock Purchase Plan
- 401(k) Match Programs
- Pre-tax Contributions to Eligible Savings Accounts
- Tuition reimbursement



#### WORK/LIFE

- Company/Voluntary Life Insurance
- Paid Time Off and Holiday Pay and Flexible Work Arrangements
- Accidental Death & Dismemberment
- Paid Short-Term and Long-Term Disability
- Paid Sick and Safe Leave
- Family Medical Leave
- Military Leave
- Marketplace Chaplains



## DIVERSITY, EQUITY & INCLUSION

AZZ embraces the diversity of its employees, customers, vendors, suppliers, stakeholders and consumers, including their unique backgrounds, experiences, creative solutions, skills and talents. Everyone is valued and appreciated for their distinct contributions to the continued growth and sustainability of AZZ's business.

Equal opportunity employment is a fundamental principle of AZZ where employment and applications for employment are evaluated based upon an applicant's capabilities and qualifications without discrimination based on actual or perceived race, color, religion, sex, age, national origin, disability, genetic information, marital status, veteran status, sexual orientation, or any other protected characteristic as established by applicable local, state, federal or international laws. Equal opportunity and inclusion are incorporated into all of AZZ's policies and procedures relating to recruitment, hiring, succession planning, retention, promotions, compensation, benefits, discipline, termination and any other AZZ terms and conditions of employment. AZZ seeks to continuously improve its hiring, development, career advancement and retention of a diverse talent pool and increase its overall diversity representation.

For FY2021 through FY2023, AZZ's U.S. employees had the following race and ethnicity demographics:

Race/Ethnicity	FY2021	FY2022	FY2023
White	54.0%	53.3%	44.7%
Hispanic	33.0%	31.6%	33.5%
African American	8.4%	10.6%	14.7%
Asian	1.4%	1.6%	1.2%
Multi-Racial	1.6%	1.9%	1.5%
American Indian or Alaska Native	0.7%	0.9%	0.7%
Native Hawaiian or Other Pacific Islander	0.9%	0.1%	0.1%
Not Stated <sup>(1)</sup>	-	-	3.8%

<sup>(1)</sup>This category was not documented during FY2021 and FY2022.

**As of FY2023, approximately 51% of AZZ's employees were diverse, as reported to the Equal Employment Opportunity Commission on an annual basis.**

For FY2021 through FY2023, globally, AZZ's employees had the following gender and age demographics:

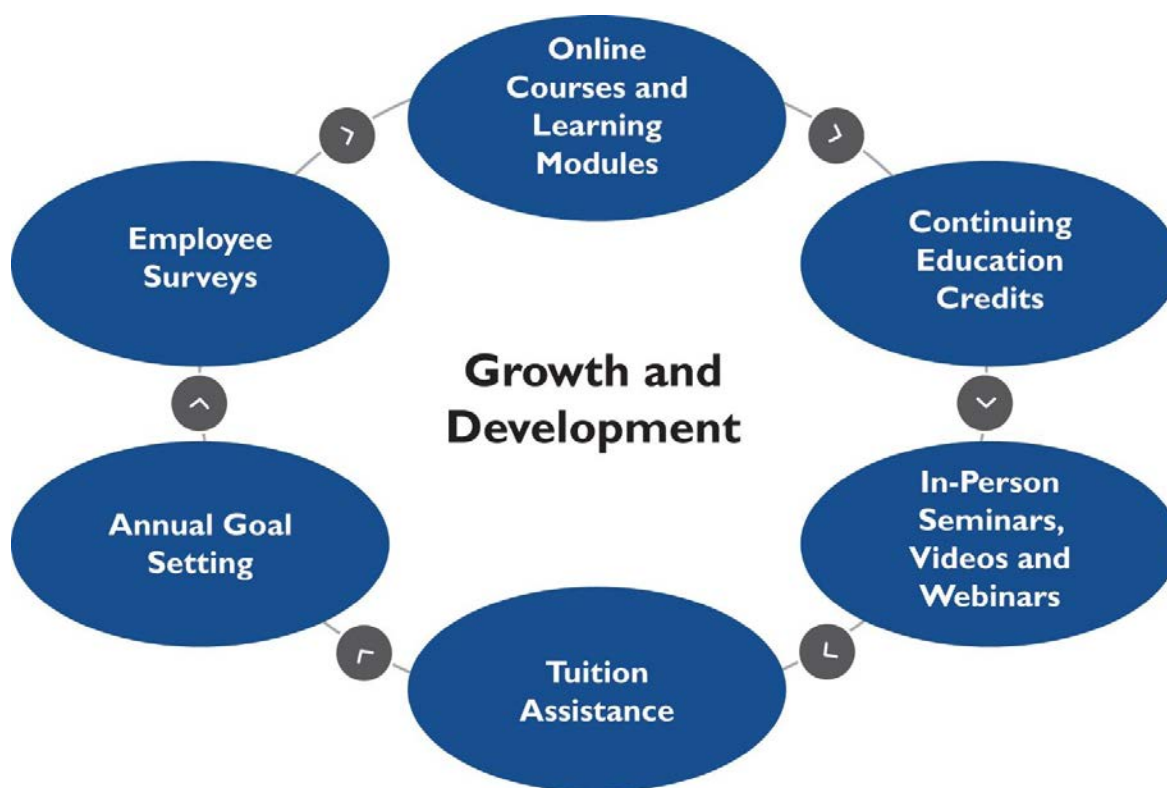
	Women			Men		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
US Employees	13.3%	16.0%	14.3%	86.7%	84.0%	85.7%
Global Employees	12.4%	15.1%	13.8%	87.6%	84.9%	86.2%

Age	Total Employees FY2021	Total Employees FY2022	Total Employees FY2023
Under 20	1.4%	0.7%	0.8%
20 - 30	18.3%	13.7%	20.2%
31 - 40	25.1%	28.7%	23.6%
41 - 50	24.9%	24.2%	23.0%
51 - 60	21.0%	20.6%	22.0%
61 >	9.3%	12.1%	10.3%

## GROWTH & DEVELOPMENT

AZZ invests in and provides ongoing development and continuous learning opportunities for all AZZ employees. AZZ supports enterprise-wide training and development by offering a variety of instructor-led and self-paced learning programs ranging in audience from individual contributors to supervisors and executive leadership. AZZ also provides a variety of resources to help its employees grow professionally and personally and build new skills, including (i) online development courses containing unlimited access to more than 4,500 learning modules, (ii) continuing education credits, and (iii) learning preferences such as in-person seminars, videos and webinars. AZZ also provides a tuition assistance program for employees enrolled in higher education programs directed at improving their performance or helping them prepare for future leadership roles within AZZ. AZZ also emphasizes individual development training as part of its annual performance goal setting process.

All employees have the opportunity and are encouraged to provide feedback through regular one-on-one meetings, skip-level meetings and group discussions. The feedback is used to drive actions to improve the overall experience for employees across the Company, as well as to support continuous improvement in leader effectiveness and to enhance its corporate culture.



**730** professional development courses were completed in FY2023 in several categories including leadership, communication and computer skills.



Average Health and Safety Training Hours Completed in FY2023: **35.6 hours**

## HEALTH & SAFETY

Core to AZZ's corporate values and T.R.A.I.T.S., AZZ emphasizes safeguarding its people and fostering a culture of safety awareness that promotes the wellbeing of its employees, contractors and business partners. AZZ maintains a safety culture grounded on the premise of eliminating workplace incidents, risks and hazards, while operating its business responsibly and sustainably. AZZ has created and implemented safety training, audit processes and incident learning communications to help mitigate potential safety events and to reduce the frequency and severity of accidents in the future. AZZ has safety teams and has a formal mentor training program that includes a diverse group of management and hourly employees that contribute to the overall safety culture of its facilities.

AZZ reviews and monitors safety performance closely. AZZ's ultimate goal is to achieve zero serious injuries through continued investments in, and focus on, core safety programs and injury reduction initiatives. AZZ utilizes a mixture of leading and lagging indicators to assess the health and safety performance of its operations. Lagging indicators include the Occupational Safety & Health Administration: (i) Total Recordable Incident Rate ("TRIR"); (ii) Lost Time (or Lost Workday) Incident Rate ("LTIR") based upon the number of incidents per 100 employees (or per 200,000 work hours); and (iii) Days Away, Restricted or Transferred Rate ("DART"). Leading indicators include internal tracking of all near miss events, as well as environmental, health and safety coaching and engagement.

In FY2023, AZZ had zero work related employee fatalities at both its Precoat Metals and Metal Coatings segments throughout 60 locations in the U.S. and Canada.

AZZ's occupational health and safety performance metrics cover all operations.

Incident Rates	FY2020	FY2021	FY2022	FY2023
Precoat Metals Segment <sup>(1)</sup>				
TRIR	-	-	-	2.2
DART	-	-	-	1.1
LTIR	-	-	-	0.5
Metal Coatings Segment				
TRIR	6.4	4.4	3.4	4.3
DART	4.5	3.1	2.2	3.0
LTIR	1.7	1.3	0.9	1.2
Infrastructure Solutions Segment (AIS) <sup>(2)</sup>				
TRIR	1.4	0.6	0.6	-
DART	0.6	0.3	0.3	-
LTIR	0.4	0.3	0.1	-

(1) Precoat Metals was acquired on May 13, 2022, therefore, FY2023 data only includes ten (10) months of electricity gas usage.

(2) The controlling interest in the Infrastructure Solutions segment was divested on September 30, 2022 and will no longer be included in AZZ's ESG annual reporting.

Lagging indicators include the Occupational Safety & Health Administration:

- (i) Total Recordable Incident Rate ("TRIR");
- (ii) Lost Time (or Lost Workday) Incident Rate ("LTIR") based upon the number of incidents per 100 employees (or per 200,000 work hours); and
- (iii) Days Away, Restricted or Transferred Rate ("DART").

### Metal Coatings Segment

33% reduction in TRIR, 28% reduction in LTIR and 34% reduction in DART from FY2020 to FY2023.

## HEALTH & SAFETY

### AZZ Safety Initiatives:

**Safety Teams** established at all facilities to solicit employee suggestions and feedback on their work environment.

**Mentor Program** for new hires to supplement formalized safety and operations training.

**Injury Rate Improvement Plan** to improve overall safety program quality, efficiency and efficacy at targeted facilities.

**Custom Safety Training** for specific job skills and hazard training utilizing actual incidents. A state-of-the-art Learning Management System assigns training and tracks results of required comprehension tests to ensure all locations are complying with training protocols.

**Regional Monthly EHS Calls** are conducted to discuss injury and incident trends, provide further program training, and to develop local facility EHS coordinators.

### Zero Fatalities

AZZ had **zero** work-related fatalities in its business operations during FY2020 through FY2023.

### Injury-Free Facilities

	FY2021	FY2022	FY2023
Precoat Metals Segment	-	-	2
Metal Coatings Segment	9	11	13
Infrastructure Solutions Segment (AIS)	4	7	-

### Precoat Metals All-Stars

Precoat Metals – Weirton went **683** days without a recordable incident as of fiscal year end 2023 with Precoat Metals – Birmingham following at **486** days.

### Metal Coatings All-Stars

AZZ Galvanizing - Arizona went **1,146** days without a recordable incident as of fiscal year end 2023 followed by AZZ Galvanizing - St. Louis at **1,105** days.



# AZZ CARES FOUNDATION

Caring is embedded in AZZ 's corporate culture. AZZ established the AZZ Cares Foundation (ACF) in 2018, a 501(c)(3) non-profit organization dedicated to providing charitable support and assistance to AZZ employees and their families when impacted by an emergency, disaster, or personal hardship. The ACF also provides charitable financial support to other non-profits located in the communities in which AZZ employees live and work.

Since its founding, the ACF has diligently received and processed over 140 applications for assistance, demonstrating a commitment to helping employees facing various challenges.

The ACF is dedicated to providing financial support to AZZ employees and their families. As a result, the ACF has granted over \$200,000 in assistance, addressing critical needs and making a positive difference in the lives of those it serves.

The ACF's operations is committed to transparency and efficiency. Administrative costs are fully covered by AZZ Inc., enabling 100% of the donations made by employees to be re-donated directly to AZZ employees and their families. This means that every dollar contributed by AZZ employees goes directly towards helping their colleagues and loved ones in times of need.

The ACF is committed to community and employee welfare. Providing substantial assistance, coupled with efficient use of resources, underscores the ACF's dedication to making a positive impact within the AZZ family.

More information on the AZZ Cares Foundation may be found at [www.azxcaresfoundation.org](http://www.azxcaresfoundation.org).



# COMMUNITY INVOLVEMENT

AZZ's commitment to supporting people extends beyond its employees. A large number of its employees are connected and involved in the communities where it operates. AZZ and its employees donate money, time, skills and resources to support many nonprofit organizations and charitable programs in communities in which its employees live and work, including youth development programs, university research endowments, internships, local food pantries and several charitable organizations.

## Make-A-Wish Foundation

Since 1980, Make-A-Wish has granted hundreds of thousands of one-of-a-kind wish experiences worldwide. Last year, Make-A-Wish of North Texas granted 304 wishes with the help of volunteers, donors and the community. AZZ has contributed to Make-A-Wish of North Texas's two major fundraisers—Wranglers and Wishes and Wish Upon a Par: For the past several years, in addition to being a wish grantor, AZZ's Senior Vice President of Marketing has served as a Council Member on the Southwest Regional Council of Make-A-Wish for over a decade.



## Ronald McDonald House Charities of Fort Worth

Ronald McDonald House of Fort Worth is a local charitable organization that provides a home away from home for families of critically ill children that are admitted into one of the local hospitals in Fort Worth. The Ronald McDonald House co-located with the Cook Children's Hospital in Fort Worth frequently hosts families of hospitalized children for meals and a gathering place when not at the hospital with their child. Additionally, the Ronald McDonald House has two major fundraisers every year—Roadhouse and Wild Game Dinner—for which AZZ participates and is a contributor.



**Ronald McDonald House®  
Fort Worth**

## Texas A&M Scholarship (Engineering Program)

AZZ recognizes the need to invest in the next generation of industry professionals. That commitment led AZZ to establish two fellowships in the Department of Materials Science and Engineering at Texas A&M University. The AZZ Faculty Fellowship in Materials Science and Engineering and the AZZ Graduate Fellowship in Materials Science and Engineering provide funds to support faculty and students in the department.





## AZZ Care Team

The **AZZ Care Team (ACT)** is a network of site-formed teams of servant leaders who discern the personal, professional and spiritual needs of their co-workers, their families and communities, and channel support to meet those needs when possible and appropriate. The purpose of ACT is to demonstrate unconditional care to every employee to foster a culture in which people have an opportunity to grow spiritually, personally and professionally. Some recent projects to note included:

### **AZZ Galvanizing – Chattanooga Care Team Donates Over 600 lbs. of Food and Toiletries**

AZZ Galvanizing – Chattanooga and its Care Team are committed members of the community, and their impact is best showcased through their connection with the local food bank. Earlier this year, they received a request for help from a representative of the Marion County Food Bank as their supplies were dwindling. The Chattanooga Care Team quickly agreed to help and plan the best way to engage their people and bring generosity to light. With their community in need, the Chattanooga Care Team creatively organized a fun inter-plant “contest”, which ultimately resulted in higher engagement and morale within the facility and an amazing outcome of collecting over 600 lbs. of non-perishable food and toiletries for the local food bank,



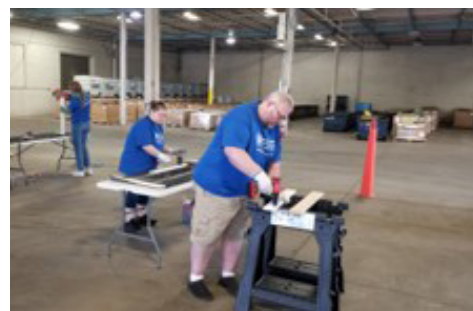
### **AZZ Galvanizing – Dixon Care Team Supplies Multiple Families-In-Need with Clothes, Toys and Household Cleaning Supplies**

The AZZ Galvanizing – Dixon Care Team has made an incredible impact on its community, particularly its families in need. This year, the Dixon Care Team joined together with the Lee County Housing Authority Group to help supply multiple families-in-need with vital supplies and necessities such as clothes, toys and household cleaning supplies. Their emphasis on service and care within and outside the facility is exemplary, especially while maintaining focus on productivity, efficiency and a safe workplace.

The Dixon Care Team is continuously striving to balance economic and environmental well-being.

### **AZZ Galvanizing – Rockford and Sleep in Heavenly Peace (SHP) Unite for Bed Build Event**

AZZ Galvanizing – Rockford’s Care Team partnered with Sleep in Heavenly Peace (SHP), a non-profit organization dedicated to ensuring that no child sleeps on the floor, to host a Bed Build event. This initiative brought volunteers together to construct beds for children in need, emphasizing unity and community support. By partnering with SHP, our Rockford facility exemplified the spirit of corporate social responsibility and community engagement.







## AZZ Care Team

### **AZZ Galvanizing – Winsted Care Team’s Generous School Supplies Donation Surprises Local Schools**

The AZZ Galvanizing – Winsted Care Team demonstrated their unwavering commitment to the community by donating an array of essential school supplies to Howard Lake-Waverly-Winsted Public Schools. The Winsted Care Team filled 50 backpacks with an impressive assortment of supplies, including folders, tablets, crayons, pencils, pens, colored pencils, binders, glue, scissors, rulers, water bottles, hand sanitizers and disinfectant wipes.

The school administrators were surprised by this act of kindness and couldn’t believe the extent of the donations collected during this drive. Kudos to the entire AZZ Galvanizing – Winsted Care Team for their outstanding dedication to making a positive difference in the lives of local students and educators.



### **AZZ Galvanizing – Tulsa’s Care Team Brightens Holidays for 26 Children**

AZZ Galvanizing – Tulsa’s Care Team brought holiday joy to nine families, 26 children total, through their Angel Tree initiative. Gifts were donated and wrapped, making Christmas magical for those in need. The AZZ Galvanizing – Tulsa Care Team exemplified the true spirit of the holidays through their compassion and generosity.

Throughout the year, AZZ Care Teams across the scope of AZZ project the Company’s values, care, and commitment to building a better community, environment and culture by organizing and operating a multitude of charitable initiatives such as:

School Supply Drives

Volunteering at Nursing Homes

Working Alongside and Donating to Community Food Banks

Contributing to Toys for Tots

Adopt-A-Highway Clean-Ups

Natural Disaster Relief

Winter Clothing Campaigns

Participating in Suicide Prevention Awareness

Cancer Fundraisers

Salvation Army Angel Tree Clothing and Toy Drive

Supporting the Welfare Initiative of Local Churches

Food and Clothing Drives

Adopt a Family Holiday

# STAKEHOLDER ENGAGEMENT

## BOARD-DRIVEN ENGAGEMENT

Our Nominating and Corporate Governance Committee oversees the shareholder engagement process and regularly reviews and assesses shareholders' input. Our Compensation Committee receives regular reports on shareholders' input on compensation. Both our Chair of the Board and our executive management team play a central role in our Board of Directors' shareholder engagement efforts. Our other directors may also participate in meetings with shareholders.

## COMMITMENT CODIFIED IN GOVERNING DOCUMENTS

Our Corporate Governance Guidelines and our Nominating and Corporate Governance Committee's charter codify our Board of Directors' oversight of shareholder engagement; they reflect our Board of Directors' understanding of the critical role shareholder engagement has as a routine part of our governance.

## PROCESS OVERVIEW

Our Chair of the Board and members of our executive management team regularly engage with shareholders on a variety of topics and carefully consider the feedback we receive to take action when appropriate.

We have increased our shareholder engagement communications, enhanced the Company's strategic content and built stronger relationships with the investor community through our Senior Vice President of Marketing, communications and investor relations.

The feedback we receive from our shareholders provides our board and executive management team with insights into the scope of topics important to our shareholders.

## KEY ENGAGEMENT TOPICS DISCUSSED WITH SHAREHOLDERS

- 1 Board Composition, Refreshment and Diversity
- 2 Board Oversight of Corporate Strategy and Risk Management
- 3 Human Capital Management
- 4 ESG Disclosure and Reporting
- 5 Environmental and Social Issues
- 6 Shareholder Engagement and Activism

## YEAR-ROUND ENGAGEMENT AND BOARD REPORTING

Our Investor Relations team conducts regular, year-round outreach to shareholders through in-person meetings, video conferences and by phone to obtain their feedback on our short- and long-term strategies and how our strategic initiatives lineup with macro and micro economic trends in the markets that we sell into and service. Our Investor Relations team provides periodic company updates throughout the year to our institutional shareholders, driving awareness of our significant corporate governance matters, environmental and social initiatives and any applicable changes in our Board or executive management.

## TRANSPARENT AND INFORMED GOVERNANCE ENHANCEMENTS

Our Nominating and Corporate Governance Committee routinely reviews and provides feedback on our governance practices and policies, including our shareholder engagement practices. Shareholders' feedback is regularly shared with our Board of Directors, its committees and management. In addition to shareholders' sentiments, our Board of Directors considers trends in governance practices and regularly reviews the voting results of our shareholders' meetings, the governance practices of our peers and current trends in governance.

**By the Numbers: Depth of Shareholder Engagement during Fiscal Year 2023**



**What AZZ Learned from its Meetings with Shareholders**

AZZ's engagement initiatives with its shareholders have covered a wide range of important governance topics, operations and strategic initiatives providing valuable insights and feedback regarding the following areas of investor focus:

ENGAGEMENT TOPICS	
<ul style="list-style-type: none"> <li>Continuous focus on board refreshment and diversity</li> </ul>	<ul style="list-style-type: none"> <li>Board oversight of ongoing strategic initiatives and enterprise risk management</li> </ul>
<ul style="list-style-type: none"> <li>Sustainability, corporate responsibility and AZZ's ESG commitments</li> </ul>	<ul style="list-style-type: none"> <li>Human capital management</li> </ul>
<ul style="list-style-type: none"> <li>Financial performance and deleveraging</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder engagement</li> </ul>

# GRI INDEX

<b>Statement of Use</b>	AZZ has prepared this ESG Report in accordance with the GRI Standards of the period March 1, 2022 to February 28, 2023.	
<b>GRI 1 Used</b>	GRI 1: Foundation 2021	
<b>GRI Indicator</b>	<b>Description</b>	<b>Page</b>
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organizational details	a. AZZ Inc. b. Public Company Listed on the NYSE c. 3100 W. 7th St., Fort Worth, TX, 76107 d. U.S. and Canada
2-2	Entities included in the organization's sustainability reporting	<a href="#">Form 10-K</a> , Exhibit 21.1 filed with the SEC on April 25, 2023.
2-3	Reporting period, frequency and contact point	a. FY2023 (March 1, 2022 - February 28, 2023) b. Annual c. October 31, 2023 d. <a href="#">Page 3</a>
2-4	Restatements of information	No restatement of information since last report.
2-5	External assurance	N/A
2-6	Activities, value chain and other business relationships	Pages <a href="#">7-11</a> , <a href="#">47</a>
2-7	Employees	Pages <a href="#">48-50</a>
2-8	Workers who are not employees	Page <a href="#">48</a>
2-9	Governance structure and composition	Pages <a href="#">23-25</a>
2-10	Nomination and selection of the highest governance body	Pages <a href="#">23-25</a>
2-11	Chair of the highest governance body	Page <a href="#">24</a> , <a href="#">26</a>
2-12	Role of the highest governance body in overseeing the management of impacts	Pages <a href="#">26</a> , <a href="#">30-31</a>
2-14	Role of the highest governance body in sustainability reporting	Page <a href="#">17</a>
2-15	Conflicts of interest	Page <a href="#">23</a>
2-16	Communication of critical concerns	Page <a href="#">26</a>
2-17	Collective knowledge of the highest governance body	Pages <a href="#">23-24</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">2023 Proxy Statement</a> filed with the SEC on May 30, 2023; Pages 23, 26, 30-32
2-19	Remuneration policies	<a href="#">2023 Proxy Statement</a> ; Pages 44-84
2-20	Process to determine remuneration	<a href="#">2023 Proxy Statement</a> ; Pages 44-84
2-22	Statement on sustainable development strategy	Page <a href="#">4</a> – CEO Letter
2-23	Policy commitments	Page <a href="#">27</a>
2-24	Embedding policy commitments	Page <a href="#">14</a>
2-25	Processes to remediate negative impacts	Page <a href="#">27</a>
2-26	Mechanisms for seeking advice and raising concerns	Page <a href="#">27</a>
2-27	Compliance with laws and regulations	AZZ operates with integrity and expects all employees and anyone acting on AZZ's behalf to uphold the same ethical standards.
2-28	Membership associations	Page <a href="#">16</a>
2-29	Approach to stakeholder engagement	Pages <a href="#">58-59</a>

GRI Indicator	Description	Page
2-30	Collective bargaining agreements	Approximately 19% of AZZ's employees located in the U.S. and Canada are represented by unions. No individual unionized facility produces more than 10% of AZZ's consolidated revenues.
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Pages <a href="#">18-19</a>
3-2	List of material topics	Pages <a href="#">18-19</a>
3-3	Management of material topics	Pages <a href="#">18-20</a>
<b>Economic Performance</b>		
201-2	Financial implications and other risks and opportunities due to climate change	Page <a href="#">32</a>
201-4	Financial assistance received from government	Federal R&D tax credit
<b>Anti-Corruption</b>		
205-2	Communication and training about anti-corruption policies and procedures	Page <a href="#">28</a>
<b>Anti-Competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	There were no legal actions for anti-competitive behavior; anti-trust or monopoly practices in FY2023.
<b>Environmental</b>		
<b>Materials</b>		
301-3	Reclaimed products and their packaging materials	Pages <a href="#">41-43</a> (Absolute amounts)
<b>Energy</b>		
302-1	Energy consumption within the organization	Pages <a href="#">35-36</a> Percentage grid electricity versus renewable is not currently known. AZZ is coordinating with its vendor for utility sourcing to screen utilities for renewable energy options.
302-3	Energy intensity	Pages <a href="#">35-36</a>
302-4	Reduction of energy consumption	Pages <a href="#">35-36</a>
<b>Water</b>		
303-4	Water discharge	Page <a href="#">40</a>
303-5	Water consumption	Page <a href="#">39</a>
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Pages <a href="#">37-38</a>
305-2	Energy indirect (Scope 2) GHG emissions	Pages <a href="#">37-38</a>
305-4	GHG emissions intensity	Pages <a href="#">37-38</a>
305-5	Reduction of GHG emissions	Pages <a href="#">37-38</a>
<b>Effluents and Waste</b>		
306-1	Waste generation and significant waste-related impacts	Pages <a href="#">40-43</a>
306-2	Management of significant waste-related impacts	Pages <a href="#">40-44</a>
306-3	Waste generated	Pages <a href="#">40-43</a>

GRI Indicator	Description	Page
306-4	Waste diverted from disposal	Pages <a href="#">40-43</a>
306-5	Waste directed to disposal	Pages <a href="#">40-43</a>
<b>Social</b>		
<b>Employment</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page <a href="#">49</a>
401-3	Parental leave	Page <a href="#">49</a>
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Pages <a href="#">44, 52-53</a>
403-2	Hazard identification, risk assessment, and incident investigation	Pages <a href="#">44, 52-53</a>
403-3	Occupational health services	Pages <a href="#">44, 52-53</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages <a href="#">44, 52-53</a>
403-5	Worker training on occupational health and safety	Pages <a href="#">44, 52-53</a>
403-6	Promotion of worker health	Pages <a href="#">44, 52-53</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages <a href="#">44, 52-53</a>
403-8	Workers covered by an occupational health and safety management system	Pages <a href="#">44, 52-53</a>
403-9	Work-related injuries	Pages <a href="#">52-53</a>
403-10	Work-related ill health	Pages <a href="#">52-53</a>
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	Page <a href="#">51</a>
404-2	Programs for upgrading employees skills and transition assistance programs	Page <a href="#">51</a>
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Pages <a href="#">25</a> and <a href="#">50</a>
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	None
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	None
<b>Human Rights Assessment</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments	None
<b>Local Communities</b>		

<b>GRI Indicator</b>	<b>Description</b>	<b>Page</b>
413-1	Operations with local community engagement, impact assessments, and development programs	Pages <a href="#">54-57</a>
413-2	Operations with significant actual and potential negative impacts on local communities	None
<b>Public Policy</b>		
415-1	Political contributions	Page <a href="#">28</a>
<b>Customer Health and Safety</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
<b>Marketing and Labeling</b>		
417-2	Incidents of non-compliance concerning product and service information and labeling	None
417-3	Incidents of non-compliance concerning marketing communications	None
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

# SASB INDEX

SASB - Industrial Machinery and Goods			
SASB Code	Topic	Accounting Metric	Page
RT-CH-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Pages <a href="#">37-38</a>
RT-CH-110a.2	Greenhouse Gas Emissions	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	Pages <a href="#">20, 33, 37-38</a>
RT-IG-130a.1	Energy Management	(1) total energy consumed; (2) percentage grid electricity; (3) percentage renewable	Pages <a href="#">33-36</a> ; Percentage grid electricity and percentage renewable not currently known. AZZ is working with its vendor for utility sourcing to screen utilities for renewable energy options.
RT-IG-320a.1	Employee Health and Safety	(1) Total recordable incident rate ("TRIR"), (2) fatality rate, and (3) near miss frequency rate ("NMFR")	Pages <a href="#">52-53</a> ; AZZ does not currently report NMFR.
RT-IG-440a.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	See Governance (p. <a href="#">23</a> ), Risk Management (p. <a href="#">30</a> ) & Supply Chain (p. <a href="#">47</a> ) sections for discussion of supply chain risk management. Also see Conflict Minerals Policy (p. <a href="#">47</a> ). AZZ does not purchase critical materials as defined by DOE, particularly steel or aluminum. AZZ customers purchase the steel or aluminum & AZZ applies a product (primarily zinc or paint) to their metal.
RT-IG-440b.1	Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	We do not presently report the individual or combined revenue from these specific products and services. Therefore, we have answered – Not Reported.
RT-IG-000.B	Number of Employees	Activity Metrics	Page <a href="#">48</a>



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