



ISSUE 4 JANUARY 2016

## A Message From Gregg Mollins



Here we go again, the beginning of a new year. I always get excited as we plan and strategize what we hope to accomplish during the year and what opportunities and challenges lie ahead. Good stuff that brings the team together, which is what it's all about! Let's reflect briefly on what we accomplished in 2015.

To say 2015 was a challenging year is an understatement. Record imports and falling prices in all our products for 15 consecutive months is almost unprecedented. The massive drop in commodity prices, led by oil, and global overcapacity in all metal products created some headwinds that made it difficult to operate in. But as the saying goes, "When the going gets tough, the tough get going." This couldn't

better describe our company's performance in 2015!

We focused on reducing our inventories in a declining price environment. On the sales side, we concentrated on gross profit margins and keeping our prices up as long as we possibly could and, when necessary, we reduced our expenses.

The strategy paid off in spades. Through the first 9 months of the year, inventory was reduced by \$240 million, gross profit margins went up each of the 3 quarters and expenses were kept in check. What an amazing achievement and we would like to thank our entire organization for all the effort put forth to keep our Company at the top of the heap.

So what lies ahead in 2016? Every year has its challenges and opportunities and this year is no exception. However, we do believe we will not see the severe decline in metal prices that occurred last year as we are at or near bottom on all our metal products. We will continue to push the envelope on inventory reduction and improved turns. On the sales side, we have spent close to \$170 million dollars on property, plant and equipment this year and we need to get paid for it so gross profit margins will get a lot of attention in 2016.

To summarize, we have a large Company made up of many small, midsize and several large companies. Our strength is in our people and with each year we are gaining more confidence fueled by yet another year of experience under our belts. No matter what lies ahead, we will be prepared and at the end of the day, we will be successful.

Happy New Year!

## In This Issue

Password Protection2
Wellness - Food vs Nutrition
Safety - Near Miss-ion 20164
Highlight - A Farewell to Sheldon Tenenbaum5
Employee Discount Programs5
Community Round Up6
Holiday Community Round Up7
Employee Service Awards8



## **Password Protection**

Passwords are the first line of defense against cyber-criminals. It's crucial to pick strong passwords that are different for each of your important accounts and it is good practice to update your passwords regularly.

When creating passwords keep these three simple rules in mind; these rules make it exponentially harder for hackers to crack your password.

- 1. The longer the password, the harder it is to crack. Consider a 12-character password or longer.
- 2. Avoid names, places, and single words that can be found in any dictionary. Avoid repeating words.
- 3. Mix it up. Use variations on capitalization, spelling, numbers, and punctuation.

Still not sure what to do? Here are examples of both weak and strong passwords:

#### Password1 – Weak

Most common password format (first character upper case letter, last character numeric) and at the top of criminal lists to test. Avoid this password format at all costs.

#### 06/04/89 - Weak

Never use a birthday or anniversary date. This information can easily be found by a cyber-criminal.

#### Advan!age0us! - Weak

This password may look secure but it isn't. Don't use a single word that can be found in the dictionary. Criminals can easily break common replacements such as an exclamation point for "t" or zero for "o."

#### \$wanR!ceRedD00r - Strong

This password (SwanRiceRedDoor) doesn't make sense grammatically, but the words have meaning to the person that created this password. Because it has meaning, it's easy to remember. Best yet it's long, and uses upper and lower case letters, numbers and symbols.

#### MsAw3yO!D – Strong

This password uses the first letters from this sentence "My son Aiden was 3 years old in December." This sentence is easy for the person to remember, but difficult for others to guess. Mixing in capital and lowercase letters, symbols and numbers adds complexity.

#### Consider using a password manager

Password managers store all of your passwords for you and can fill out your log-in forms so that you don't have to do any memorizing. If you want super secure passwords for your online accounts (recommended) but you don't want to memorize them or keep them on a sticky note (not recommended) this is the way to go. There are many options available, but a few crowd favorites are LastPass, Dashlane and 1Password. These services are no cost to low cost but the value you receive is priceless!

A word of caution...most browsers will ask you if you want to save your password. It's not a good idea since most browsers will also let you (or anyone else) view those passwords or more importantly anyone using your computer will be able to easily login to your websites.

### So go create strong passwords

and

Remember to be cyber safe out there!



## Introducing the Q1 Wellness Theme: Food Versus Nutrition



January 2016 – Learn What's in Your Food and How to Set Yourself Up for Delicious Success February 2016 – Take the Eat Well, Live Well Seminar and Love Your Heart with Healthy Foods for Valentine's Day March 2016 – Take the Reliance *Eat Well @ Work Challenge* 

Nutrition used to be so simple: eat three meals, have an apple a day, avoid too much bacon, etc. But now it seems like every other day we're hearing about the new gluten-free, low-sodium, high-protein, organic, superfood, miracle diet that is going to help us become thinner, look younger, and feel more energetic. With so much nutrition "wisdom" to

wade through, it's no wonder so many of us simply throw our hands up and decide we might as well just eat what ever's in front of us. That's why Reliance is starting from scratch this January! We're going to give you the information, resources, and inspiration you need to help you understand the basics of nutrition and to teach you how to eat the foods you like and stay healthy at the same time!

### What's Coming?

In January and February you'll learn about the basics of nutrition and how it affects your health. This will prepare you for the Reliance *Eat Well @ Work Challenge* in March, where you will put your new skills to the test by building nutritionally balanced lunches and earn Wellness Credits!

### What Can You Do?

Be on the lookout and check RELIANCEroots for more information. Want a second helping? Go to **www.wellnessatreliance.com** and browse articles, seminars, and resources.



### Coming in March...The Reliance Eat Well @ Work Challenge!

We all spend a large portion of our day at work and are likely to eat one, if not two or more meals and snacks, at work. In March, **wellness@reliance** is hosting the Reliance Eat Well @ Work Challenge and encouraging you to make those meals and snacks healthy ones.

### In this challenge, you will receive points for making healthy choices, for example:

- Bringing a healthy meal from home OR ordering a healthy meal at a restaurant (3 points)
- Eating a healthy snack, either homemade or purchased (1 point)

Your challenge is to earn 30 points in 30 days. When you do that, you will earn 5 Wellness Credits toward your 2017 incentive.

### **Chances to Earn Wellness Credits!**

- 1. Tobacco Cessation Program Wellness Credits Available: 30
- 2. Weight Management Program Wellness Credits Available: 30

Enroll online at <u>www.wellnessatreliance.com</u> or call (800)354-1721 and select option 1 and speak to an Enrollment Specialist.

The deadline to enroll in these programs and earn Wellness Credits is March 1, 2016



## Near Miss-ion 2016

Today's Near Miss could prevent tomorrow's accident.



Learning From Today's Near Miss Could Prevent Tomorrow's Accident

2016 is a brand new year full of new opportunity and this year Reliance Safety is working to support each location to understand the importance of identifying, investigating, documenting, training and resolving Near Misses.

### So, what is a Near Miss?

A Near Miss is an event that did not result in injury or property damage, but had the potential to do so. If the circumstances around the event were different, the results could have been much worse. Determining the Root Cause and developing Corrective Actions for all Near Misses are vital steps to keep the "close calls" from turning into serious accidents. We cannot write these Near Misses off as "no harm, no foul" situations, we have to look at what could have happened to prevent similar, or more serious, accidents from happening.

Think about it in terms of your home life. A child's ball rolls down the driveway and into the street and the child goes running after it. The car coming down the street is able to slam on the breaks and avoids hitting the child. A frantic mother runs to the street and retrieves the child and ball; no one is injured. But what if... the driver was distracted, driving too fast to stop, or just didn't see the child?

Now translate that scenario to work. A chain slips off the edge of material being moved by a crane and the material crashes

## Did You Know?

In 1931 the first edition of HW Heinrich's Loss Control Triangle was published. Heinrich was a Professional Engineer that researched and developed the basis for Behavior Based Safety Programs across the world. This pyramid displays that for every 330 unsafe actions taken 300 are Near Misses, 29 result in minor injuries and 1 results in a major injury or fatality. Even in 1931 Near Misses were important!



to the ground. Thankfully, no one was in the fall out zone. But what if... someone was standing too close or wasn't paying attention? The results could have been much different. These are Near Misses and we have been learning from them our entire lives.

What Near Misses have you seen today? This week? This Month? Have you reported them? Help us prevent injuries by always being aware and reporting Near Misses to your supervisor or manager.



Be on the lookout for more information about Safety's "Near Miss-ion 2016."





### 62<sup>nd</sup> Annual Reliance President's Cup Golf Tournament

April 15-17, 2016

Go to RELIANCEroots for links to reserve a hotel room and download a registration form



## Highlight: A Farewell to Sheldon Tenenbaum

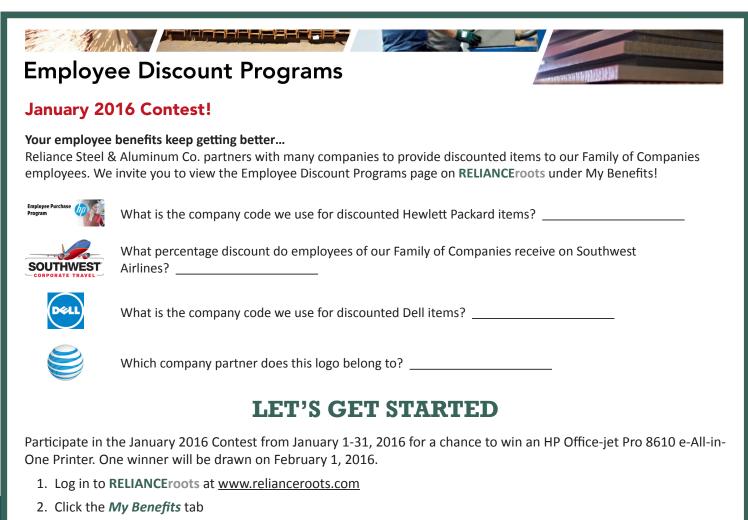
Sheldon Tenenbaum, Senior Vice President of Supplier Development, will retire from Reliance effective March 31, 2016 leaving behind a legacy in the metals industry.

Sheldon grew up in the industry. Chatham Steel Corporation was founded in 1915 by his grandfather, Samuel, who immigrated to the United States from Europe in the early 20th century. The company was passed down to Sheldon's father and uncles, who grew it to six locations throughout the southern United States. Sheldon, his brother Bert, and their cousins followed in their fathers' footsteps, joining and continuing to expand the family business into a major steel service center. Sheldon began in inside sales and was also responsible for installing Chatham's first computer programming system. He later became Manager of Chatham Steel's headquarters in Savannah, Georgia and Purchasing Manager for the company. Chatham joined the Reliance Family of Companies in 1998, when Sheldon was its Vice President, and a year after, was asked



to join the Corporate office as Director of Supplier Development. Sheldon's most recent role as Senior Vice President of Supplier Development was formalized in 2009, where he worked out of Savannah, GA. He has contributed his more than four decades of knowledge and expertise of the metals industry to fostering relationships and partnerships with Reliance suppliers.

We thank Sheldon for contributing significantly to Reliance's growth and success and we wish him all the best!



- 3. Click on Employee Discount Programs
- 4. Click on the **January 2016 Contest** link on the right side of the page. Follow the contest instructions, including how to find the select programs to answer the questions. Good luck and Have Fun!

\*One entry per person. Entries must be answered correctly to be entered into the drawing.

## **Community Round Up**

## **Bike Around America**

Brian D'Apice of Bicycle Around America Makes a Stop in Los Angeles Brian D'Apice, an extended member of the Reliance family through his uncle, Ron Demski, from Infra-Metals, is riding a bicycle, not just across, but around the continental United States – that's 11,000 miles! Bicycle Around America is the name of his one-year challenge, which began in May 2015 in New York and will end in May 2016 in New York. His Goal? To raise money and awareness for several charities. About halfway trough his journey, he made a stop in Los Angeles in mid-November to share his story with Reliance and give an update. Check out his website for details on how to donate, where he is now and future stops.

Website: http://www.bicyclearoundamerica.com



# Reliance Volunteers at the 2015 Special Olympics Southern California Fall Games

Reliance was the presenting sponsor of the 2015 Special Olympics Southern California Fall Games, which took place on November 14-15, 2015. Volunteers from our family of companies facilitated arts & crafts at the Festival, acted as scorekeepers of the games, presented awards to



team winners, and of course, cheered on the athletes! Great job to everyone who volunteered!

## Continental Alloys Represents at the 7<sup>th</sup> Annual "Walk by Faith" Race

Continental Alloys in Spring, TX employee Faye Galloway and two daughters, Tessa and Jill, participated in the Addison Faith Bender's 7th Annual "Walk by Faith" Race/ Fun Run supporting childhood cancer on November 5, 2015. The Galloway girls joined the Hope for Hailey team supporting a 3-year-old fighting to beat leukemia. The Walk by Faith event in Houston raised over \$160,000 for research.



## Infra-Metals OH Hosts 5k for Cancer

Infra-Metals Co. in New Boston, OH held its 1st Annual 5K for Cancer on October 3rd 2015, raising \$6,800 for the American Cancer Society in memory and honor of Bob Walton, Sr., a long-time resident of New Boston. His efforts to revitalize the Village of New Boston are seen by the presence of businesses now located in the Bob Walton, Sr. Industrial Park – including the Infra-Metals facility. Oak Williams, General Manager of Infra-Metals OH,

Oak Williams, General Manager of Infra-Metals OH, organized the 5K event. A total of 70 runners registered, with a wide range of participants. The event gained much support from the entire community – even the Mayor of New Boston, Junior Williams, attended. Infra-Metals New Boston looks forward to next year's 5K and has set a goal to double the participants and make it bigger and better. Congratulations and a job well done to Oak and all at Infra-Metals New Boston!



### Reliance Receives American Red Cross Award

On November 5, 2015, representatives from Reliance attended the Sixth Annual Los Angeles American Red Cross Heroes Luncheon at the Millennium Biltmore Hotel. The annual luncheon celebrates the humanitarian actions of real people, as well as the generosity and commitment of organizations in our community. Dave Hannah, Executive Chairman of the Board, accepted the Corporate Hero Award on Reliance's behalf. Reliance was recognized as a key sponsor of the Red Cross' Service to Armed Forces program which is dedicated to supporting the U.S. military and their families.

Reliance continues to be a proud supporter of the American Red Cross whose mission is to "prevent and alleviate human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors." We are honored to have been the recipient of the Los Angeles Corporate Hero Award this year!



## Holiday Community Round Up



## AMI Metals Employees Jingled All The Way!

AMI Metals, Inc. employees joined efforts with the Arthritis Foundation to help raise critical funds for the research, prevention and development of a cure for arthritis, while also raising awareness for the #1 cause of disability in the U.S. The Jingle Bell Run/Walk is one of the most spirited fun runs in the nation! Employees from both the Tennessee and Missouri facilities got in the spirit on race day by wearing holiday themed costumes and tying jingle bells to their running shoes. This was a fabulous event for AMI employees to bond with one another outside of the office environment while getting some exercise at the same time!



### Acero Prime: 5K Race and "Posadas" for Charity

Last November, Acero Prime in Mexico worked toward bringing some much needed resources and holiday cheer to the underserved children and families in the local regions (San Luis Potosi, Saltillo y Toluca) by organizing a 5K race. They also hosted a number of posadas (Christmas events) at local orphanages that will provide valuable resources such as food, clothing and gifts to those in need. The Acero Prime employees' work and donations made a difference in the lives of many by improving their social, emotional and physical well-being.

With the donations of goods and money gathered during the events, they collected 55 food baskets, 67 blankets, 85 toys and 60 jackets.



## GH Metal Solutions: Operation Christmas Child

GH Metal Solutions in Fort Payne, AL collected 340+ boxes for Operation Christmas Child, the world's largest Christmas project of its kind.

Since 1993, the Samaritan's Purse project, Operation Christmas Child, has collected and delivered more than 124 million gift-filled shoeboxes to children in more than 150 countries and territories.

Individuals, families, churches and groups fill empty shoeboxes with a "wow" item—like a doll or soccer ball and other fun toys, school supplies, hygiene items, and notes of encouragement.

In 2015, Operation Christmas Child hopes to collect enough shoebox gifts to reach another 11 million children.



## Continental Alloys: Food Drive for Children's Resource Foundation

Continental Alloys in Spring, TX hosted a Food Drive for 20 days for 20 families and partnered with a local charity, Children's Resource Foundation, to provide meal boxes to area families during holidays. Many donations were collected and Continental is helping to make a difference in a child's life.



## Feralloy Corporation: The Christmas Box

The Portage Indiana Wellness Team collected food donations for The Christmas Box, a local program run by One Portage.

The Christmas Box is filled with 12 days of nutritious meals and snacks and is distributed to families in need during the holiday break. During the CHRISTMAS BOX CHRISTMAS

holiday break there are many children in the Portage community who will likely go without meals while school is closed. The Christmas Box aims to fill that gap.

## **Employee Service Awards**

Kudos to the 83 employees who celebrated milestone anniversaries in the fourth quarter of 2015! Reliance would not be where we are today if it wasn't for you. It never gets old to say that we're the best in the business because we have the best people working for us. Thank you all very much for your decades of dedication - and congratulations!

### **20 YEARS OF SERVICE**

Jose Alejandro	RSC Los Angeles
Jose Ayon	RSC Los Angeles
Alan Briscoe	RSC Los Angeles
Matt Bruns	Precision Strip
Heidi Cook	Bralco Metals
Steven Dircksen	Precision Strip
Patrick Ferguson	Clayton Metals
Jose Flores	RSC Los Angeles
Claudia Gonzalez	RSC Los Angeles
Ignacio Gonzalez	Earle M. Jorgensen
David Hallowell	Liebovich
Craig HecoxF	PDM Steel Service Centers
Jeff HendrixF	PDM Steel Service Centers
Gary Hintz	Yarde Metals
Garren Howard	Fox Metals and Alloys
Martin Ibarra	RSC Los Angeles
Richard Jacobson	Allegheny
Shaler JensenF	PDM Steel Service Centers
Ken Lapointe	RMCL Canada
Gisela Magani	RSC Los Angeles
Russell Marsala	Metals USA
Dale Masse	Yarde Metals
George Mattice	Yarde Metals
Timothy Mays	Metals USA
Christopher NobleA	Ilegheny Steel Distributors
Robert Padilla	Delta Steel
Jackson Parton	Metals USA
Katherine Richard	Liebovich
David Rosales	Earle M. Jorgensen
John Savalick	Liebovich
Timothy Scharton	Bralco Metals
Maria Suarez	RSC Los Angeles
Felipe Venegas	RSC Los Angeles
Lonnie Walker II	Metals USA
Shaun Wells	Bralco Metals

### 25 YEARS OF SERVICE

Scott BillingsE	arle M. Jorgensen
Jaime Castro	Bralco Metals
Victor Castro	Bralco Metals
Marilyn Childress	Siskin Steel & Supply
Guillermo CortesPre	ecision Flamecutting
Nathaniel Dixon	Metals USA
Cynthia Froehlke	Liebovich
Nancy Gerstenbacher	Metals USA
Sergio GonzalezPre	ecision Flamecutting
Margarita Gutierrez	RMC Arlington
Joanne Handorff	American Steel
Michael KlettPre	ecision Flamecutting
James Lefeld	Precision Strip
Ignacio MartinezPDM S	Steel Service Centers
Norberto Martinez	Bralco Metals
Gabriel Sandoval	Bralco Metals
Constance Schott	Delta Steel
Carol Ziegler	Viking Materials

### **30 YEARS OF SERVICE**

William Borton	Earle M. Jorgensen
Dondia Cuttray	Chatham Steel
Raymond Davis	Delta Steel
Vickie Federick	Metals USA
Ruth Feldkamp	Earle M. Jorgensen
Tracy Fogt	Precision Strip
Michael Fussell	Earle M. Jorgensen
David Giese	RMC National City
Lee Gill Sr	Metals USA
Randy Grossman	Earle M. Jorgensen
Aubrey Jones	Metals USA
Steven Mickels	American Steel
Dave Reiter	Liebovich
Stephen Whitfield	Metals USA
Daniel Willkom	Metals USA

### **35 YEARS OF SERVICE**

Dan Carter	Metals USA
F. Dowsett	RMCL Canada
Donnie FlemingPDM Steel Service Centers	
Luis Fuentes	Precision Flamecutting
Steve Nuelle	Liebovich
Mark Schnurbusch	Earle M. Jorgensen

#### 40 YEARS OF SERVICE

Carlos Gomez	Metals USA
Sandra RobersonEar	le M. Jorgensen
Donald Pete	Liebovich

#### **45 YEARS OF SERVICE**

Richard Eish	Metals USA
--------------	------------

**RELIANCE** STEEL & ALUMINUM CO.

350 South Grand Avenue Suite 5100 Los Angeles, CA 90071 www.rsac.com