COMMERCIAL METALS COMPANY

Sustainability Report

2019
2020

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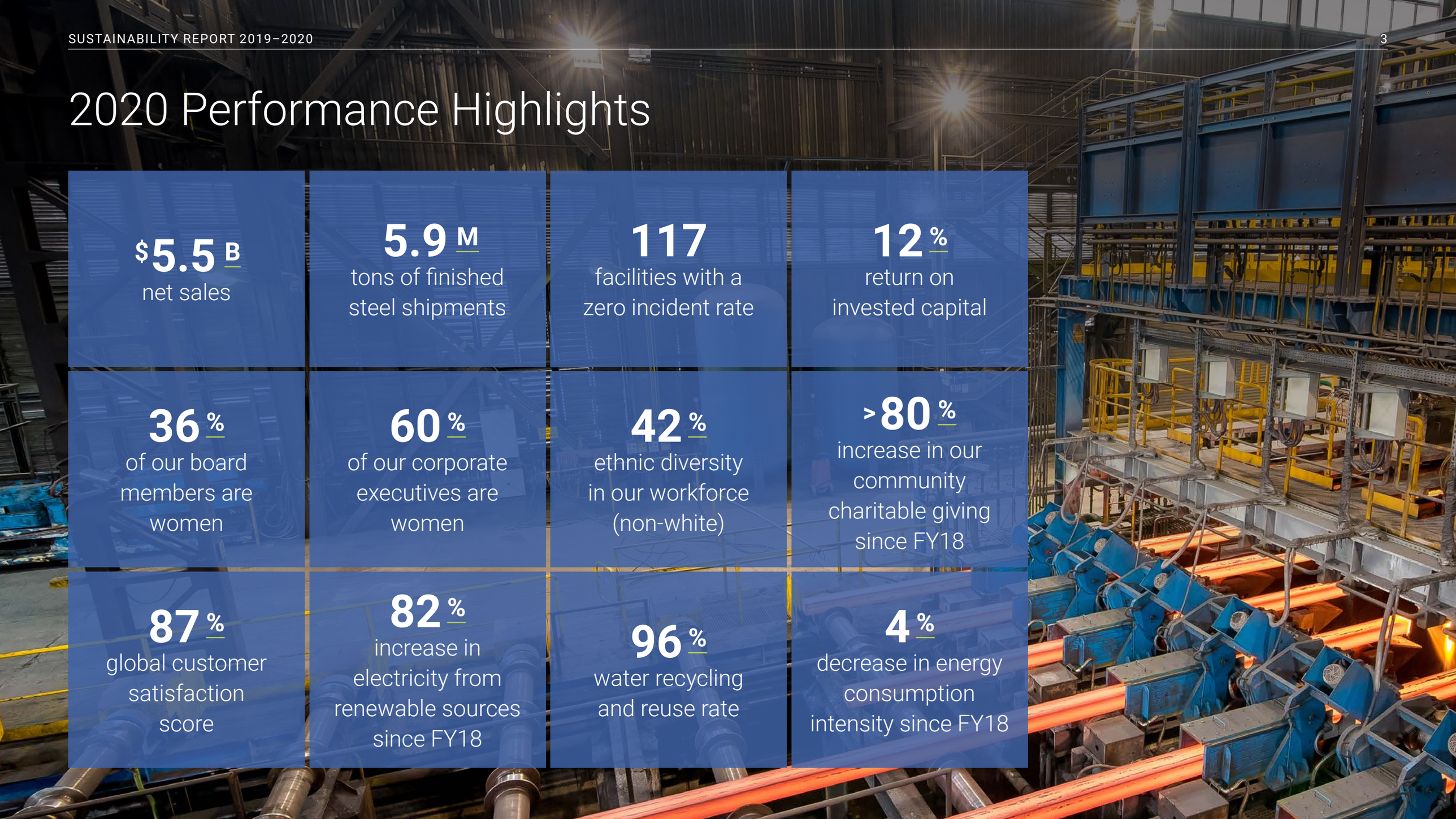
2020 Performance Highlights



$5.5 B
net sales

5.9 M
tons of finished steel shipments

117
facilities with a zero incident rate

12 %
return on invested capital

36 %
of our board members are women

60 %
of our corporate executives are women

42 %
ethnic diversity in our workforce (non-white)

>80 %
increase in our community charitable giving since FY18

87 %
global customer satisfaction score

82 %
increase in electricity from renewable sources since FY18

96 %
water recycling and reuse rate

4 %
decrease in energy consumption intensity since FY18

A Letter From Our Chairman, President and CEO

To all the stakeholders of Commercial Metals Company — welcome to CMC's fourth corporate sustainability report.

A lot has changed since our first report was published in 2015. We have made tremendous progress during the last seven years and have repositioned the company into a more strategically focused, vertically integrated organization. I am proud of the accomplishments of our team and am excited for the opportunities that lie ahead of us, both from a growth perspective and continuing our position as one of the most sustainable manufacturers in the world.

This past year, we faced the COVID-19 global pandemic along with the rest of the world, necessitating that we adapt our operations to protect our employees from, and contain the spread of, the virus. As a critical infrastructure manufacturer, we remained operational and despite many challenges, our employees were resilient and proactive in protecting each other, our suppliers and our customers. Even during the peak of the pandemic, our employees maintained the exceptional service levels that our customers are accustomed to, all while delivering an outstanding financial performance. As you will see in this report, our success is the result of our 11,000 extraordinary employees. I could not be prouder of how they responded to the crisis.

Sustainability Is Integral to Our Strategy

At CMC, we have been Naturally Sustainable since the inception of our recycling business over a century ago. Our business model was strategically built on the sustainable principles of recycling metals, manufacturing products from 100% recycled material using energy-efficient electric-arc furnace technology, fabricating those products, then collecting the material at its end-of-life for recycling again. For decades, we have maintained world class operations with a significantly smaller environmental footprint than the industry and are truly committed to sustainable steelmaking.

Sustainable Priorities

The **safety** of our employees is our top priority. Our strong safety culture has allowed us to achieve safety results well below the industry, but we are not stopping there. Our ultimate goal is zero injuries, and we continue building on our success to further drive improvements in our performance.

Innovation continues to be our differentiator and provides the competitive advantage that is necessary to compete globally. We have implemented many new processes and technologies that set us apart from our competition and help improve our world class cost structure while reducing our carbon footprint. A few of those include: announcing the construction of our third micromill which will be the first to produce both concrete reinforcing steel and merchant bar products in a continuous process and at world class low GHG emission levels, commissioning a fully automated rebar fabrication facility to improve cost and safety, installing advanced scrap recovery systems to reduce waste and finally, implementing a SIOP program that will, amongst other benefits, optimize our network of mills to reduce transportation miles driven and better serve our customers.

The energy we consume is our largest source of GHG emissions. We are committed to reducing our carbon footprint through our **energy management** program and operational efficiencies. We have increased our renewable energy mix through agreements with our electricity providers. Our Poland operations signed an agreement that will supply 30% of their energy requirements from renewable sources and our Arizona micromill signed a 15-year commitment to purchase a significant portion of their electricity from a solar farm. Our recently announced micromill, currently under construction in Mesa, Arizona, will employ a new Q-One technology that allows the mill to be powered directly from renewable sources, increasing our renewable mix and reducing electricity line losses by up to 10%.

Finally, our team is focused on building a culture of success through our **talent management** program. We believe that having a strong, diverse workforce strengthens our business and will provide for the development of the leaders for our future. Our dedicated employees are truly the driving force of value creation in our business.

Commitment to Improving

We recognize that climate change risks are a real concern for our stakeholders — CMC is already well positioned to meet the Paris Climate Agreement Below 2°C Scenario Benchmarks for 2030 and 2040, but we are always striving to improve. In this report, we have set sustainability goals for reducing our combined Scope 1 and Scope 2 GHG emissions intensity and our water intake and have developed a plan to ensure we can achieve these goals.

Achieving these benchmarks will require unprecedented levels of coordination as there are no borders to the environment. Every company and country will need to make their relative contribution for this monumental effort. We are committed to doing our part, as you will see with the goals we have established for 2030. Our stakeholders can be confident in our ability to achieve these goals as demonstrated by our Naturally Sustainable business model as well as our proven track record of innovation.

From everyone at CMC, thank you for taking the time to read our report to learn about our sustainability achievements and the company's focus for the coming years.

Barbara R. Smith
Chairman of the Board, President and Chief Executive Officer

Hope During Hardship

CMC's Response to COVID-19

In 2020, when the COVID-19 pandemic hit, the world experienced unprecedented times and endured many hardships. However, during these challenging times, the strength and goodwill of CMC remained strong. Giving back to our communities is one of our guiding principles at CMC. Our commitment to supporting the communities where we live and work is part of who we are at CMC, and it is especially apparent in moments of adversity. In 2020, during a time when the need was great across all our communities, we observed a steadfast dedication to community support and contributions.

For more information and highlights on our community engagement efforts, please review Community Involvement, or visit our Facebook page.

Providing Food on the Table

"Andy Sarat and his AZ team are incredible. The nonprofit I worked for opened a community food box drive-thru amidst the COVID pandemic. The food boxes were heavy and the summer heat in AZ was intense. Despite those issues, every (Thursday) morning the CMC volunteers showed up ready to help. They were such a positive, hardworking team. We served over 13,000 people. We couldn't have done it without our CMC Steel volunteers. Thank you, Andy, for your incredible community heart. Thank you, CMC Steel volunteers, for your tremendous effort making sure all in need of food in our community had access to it. You are our heroes."

Nancy Marion, Executive Director, House of Refuge (Retired)

Saving Lives Through Blood Drives

CMC employees across the U.S. answered the call for blood donations.

Equipping Hospitals to Combat COVID

CMC Poland provided critical support to the local hospital in Zawiercie by purchasing and donating Coronavirus testing equipment, including a state-of-the-art, automatic extractor and laminar chamber.

Accelerating COVID Testing

CMC Steel Texas employees answered a call for help and built their local hospital a COVID-19 testing booth to improve healthcare worker safety when testing residents.

Protecting Our First Responders

CMC Steel Arizona donated special anti-fog safety glasses for new Mesa Police recruits to use with their masks.

About This Report

This Sustainability Report provides information on the most relevant ESG topics for our business, our sustainability strategy, how we identify and assess emerging sustainability issues and the progress we are making on our priority sustainability topics.

Report Scope

This biennial report covers key activities and performance metrics from our fiscal years of 2019 (FY19) and 2020 (FY20), from September 2018–August 2020; except, however, for our environmental performance data, which we collect and manage on a calendar year basis. Unless otherwise noted, all data and information represent our global recycling, mill and downstream facilities, including our acquisitions. CMC environmental data is representative of our steel mills only, as they represent >95% of our footprint. Our report covers the sustainability topics most important to our stakeholders, as described in Stakeholder Engagement & Materiality; has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option; and references the Sustainability Accounting Standards Board (SASB) Iron & Steel Producers Standard and recommendations from the Taskforce on Climate-Related Financial Disclosures (TCFD). We provide GRI, SASB and TCFD Content Indices at the back of this report to help stakeholders find information relevant to their needs.

For questions regarding CMC's sustainability initiatives, or any of the content that we include in this report, please contact our Manager of Public and Investor Relations at ir@cmc.com.

About Commercial Metals Company

Who We Are

Founded in 1915, Commercial Metals Company (CMC) is a global leader in sustainable recycling, manufacturing and fabrication of steel and metal products and related materials and services. Headquartered in Dallas, Texas, our global workforce of approximately 11,297 employees operates our 184 facilities across the U.S. and Poland. Our operations consist of collecting and processing scrap metal at our local recycling centers, melting recycled scrap steel into finished products at our steel mini and micro mills, and processing steel at our fabrication centers and heat-treating facilities. Our unique vertical integration business model has revolutionized how the steel industry operates today.

Originally founded as a steel recycling business, our values stem from sustainable business practices. One hundred percent of our facilities utilize Electric Arc Furnace (EAF) technology and our scrap-based EAF micro and mini mill steelmaking processes consume fewer natural resources, use less energy and release fewer emissions than alternative blast furnace steelmaking technology. Driven by innovation and resource efficiencies, CMC continues to be a market leader with a sustainable business model.

As a publicly traded company (NYSE: CMC) on the Forbes Fortune 500 list, our longstanding professionalism and commitment to customer service has been recognized among the best in the industry.

We maintain a strong market leadership position in most all products and geographic markets in which we operate.

Strong Positions in All Major Products (2020)

U.S.		Poland	
#1	Rebar	#1	Rebar
#3	MBQ	#1	MBQ
#1	Fence Post	#2	Wire Rod
#1	Fabricated Rebar	#1	Mesh

Our FY20 net sales totaled $5,476,486,000 and we shipped 5,923,000 short tons of steel externally.

Production

Metric	2018	2019	2020
Total metal recycled from operations (tons)	6,784,015	9,304,156	8,964,411
Mill Total raw steel production (tons)	4,463,810	5,843,530	6,110,795

Our Global Footprint

CMC plays an integral role in infrastructure development. We are one of the largest producers of merchant products and are a global leader in concrete reinforcement steel production and fabrication. Our products go mostly unseen but support nearly every element of modern life — from highways, bridges and airports to skyscrapers, sports stadiums and hospitals. The primary markets we serve include infrastructure, commercial and residential construction, energy, and equipment manufacturing.

CMC facilities are predominantly located in the U.S. and Poland. Our operations consist of a network of seven EAF mini mills, two EAF micro mills, a rerolling mill, steel fabrication and processing plants, construction-related product warehouses and metal recycling facilities. In November 2018, CMC completed the acquisition of 33 rebar fabrication facilities and four steel mills in the U.S. The successful completion of the acquisition represents an important step in CMC's strategy to be the leading concrete reinforcing specialist and a significant provider of merchant and wire rod products.

To learn more about who we are and what we do, please refer to our website.

Awards & Recognition

2019

Received the S&P Global Platts Global Metals Awards Deal of the Year Award

2019

Received the Steel Manufacturers Association's Achievement in Innovation Award

2019

Received Office of Technical Inspection (UDT) Technical Safety Leader recognition in "Technical Equipment Operator" category for high technical safety standards

2019

Good Employer Award, XIII National Program of Corporate Social Responsibility Leaders

2019

Awarded Flatbed Trailer Supplier of the Year for Great Dane

2019

Awarded Indirect Services Supplier of the Year for Spectrum Brands Hardware and Home Improvement Division

2019

Received the Association for Iron & Steel Technology Steelmaker of the Year Award

2020

Received the S&P Global Platts CEO of the Year Award

2020

Recognized by Women on Boards for having at least 20% women on our board of directors

2020

Ranked one of the Top 100 Places to Work by The Dallas Morning News

Stakeholder Engagement & Materiality

Engaging Our Stakeholders

Our organization is committed to good corporate citizenship, which includes being considerate of all stakeholder concerns in every aspect of our operations. Our stakeholders range from our own employees to investors, customers, suppliers and local communities. We are committed to communicating regularly with these groups to better understand their expectations and concerns in relation to our business. We leverage multiple engagement channels with our stakeholders.

Stakeholder Engagement Strategies

Stakeholder Group	Engagement Strategies & Frequency		Topics Raised	
Employees	**Ongoing** • Print and electronic communication, both at work and to the home • Employee team meetings • "Paycall" facility-wide meetings	• Employee surveys • Grievance hotline • Volunteer activities • Digital work environment (Yammer, Salesforce)	• Health and safety • Rewards and recognition • Development opportunities • Diversity and inclusion	• Employee benefits • Company updates • Ethics and integrity • Community engagement
Investors	**Quarterly** • Earnings releases • Securities and Exchange Commission filings • Investor calls and meetings (virtual and in person)	**Annually** • Annual Report • Annual meeting of stockholders • Proxy Statement	• Strategic risks and initiatives • Financial performance and goals	• Governance structure and policies • Compensation program
Customers	**Ongoing** • Voice of the Customer program • Direct engagement • Steel school training	**Annually** • Customer surveys	• Delivery expectation and demand • Product quality • Business continuity • New products	• Data analytics and company metrics • Product and process innovation • Strategic partnering opportunities
Suppliers	**Ongoing** • Supplier relationship management processes • Strategic sourcing processes • Business review meetings	• Joint-quality improvement projects • On-site safety protocols • General dialogues and discussions	• Safety protocols and performance • Material quality • Demand forecasting and planning	• Performance metrics • Innovation and strategic partnership opportunities • Pricing and marketplace conditions
Local Communities	**Ongoing** • Volunteering • Participation in calls and meetings with local governments	• Ongoing collaborative partnerships with charitable organizations • Meetings with local emergency services • Social media platforms (Facebook, LinkedIn)	• Community impacts and engagement • Public safety and preparedness	
Industry Peers & Trade Associations	**Quarterly** • Industry association meetings • Industry committee meetings		• Health and safety • Community impacts • Environmental impacts	• GHG emissions • Industry advocacy • Research

Using Materiality Assessments to Build Action Plans

In early calendar year 2021, we completed a materiality assessment update to refocus and reconfirm our sustainability reporting topics in line with external stakeholder expectations and industry best practice. Working with a third-party corporate sustainability consultancy, we followed the GRI's materiality process of identification, prioritization and validation. Using a customized ranking system to assign value to ESG topics based on evidence, we engaged with investors and indirectly with peers, industry associations and ESG ratings, rankings and frameworks to prioritize topics. Working together and with oversight by the Board, our Executive Leadership Team (ELT) and the Sustainability Leadership Council verified the final list of prioritized topics to ensure alignment with CMC's sustainable business strategy. The topics included in this sustainability report reflect the industry's most critical concerns and our company's greatest opportunities for impact.

The results of our analysis identified ten priority issues for CMC to develop and 12 additional topics to closely monitor and proactively manage.

This report details our efforts to manage our material ESG topics. Additionally, we discuss other, lower priority topics we believe are significant, including Diversity & Inclusion, Human Rights, Sustainable Supply Chain, Innovation, Community Engagement, Customer Satisfaction, Corporate Governance and Ethics. Although CMC is concerned about and knowledgeable of other ESG issues, we believe that we can make the most significant contribution toward a sustainable world while growing our business by focusing on the top priorities identified through our assessment.

Material Topics

Topic Name	Description	Boundary	Report Location
Air Quality	Minimizing hazardous air emissions, including volatile organic compounds, nitrogen oxides, sulfur oxides and particulate matter across CMC's operations and value chain.	Local communities, environment	Environmental Stewardship
Climate Change	Identifying and managing CMC's risks related to climate change as they relate to future operations, including asset planning and development; mitigating CMC's exposure to potential costs linked to carbon pricing and regulatory caps.	Environment, governments	Environmental Stewardship
Energy	Reducing energy consumption through management and efficiency initiatives, including both process improvements and capital investments and adopting and investing in renewable energy sources, such as solar and wind.	Environment	Environmental Stewardship
Greenhouse Gas Emissions	Tracking carbon dioxide and other greenhouse gas (GHG) emissions from CMC's operations, setting company-wide GHG reduction targets and monitoring progress against the targets.	Environment	Environmental Stewardship
Health, Safety & Wellness	Providing safe working conditions through implementation of a robust occupational health and safety management system, processes for hazard identification and incident investigation and provision of safety training, needed PPE and wellness programs/support.	CMC employees, suppliers, local communities	Health & Safety
Product Stewardship	Assessing and improving the sustainability of our products throughout their lifecycle in support of a circular economy by sourcing raw materials sustainably, increasing the use of recycled content and sustainable materials and decreasing the use of hazardous chemicals.	Environment, customers	Product Stewardship
Responsible Advocacy	Engaging with governments and organizations to promote informed public policy, ensuring memberships in industry/trade associations align with CMC's public commitments and transparently disclosing CMC's contributions to political campaigns, organizations and/or parties.	CMC, industry, governments	Corporate Governance
Talent Management	Cultivating a strong workforce and talent pipeline through robust employee recruitment and engagement practices, providing competitive benefits and supporting employees with opportunities to develop and grow their careers.	CMC current and potential employees	Talent Management
Waste	Reducing operational solid waste generated and sent to landfills through effective management systems, recycling and beneficial reuse where possible.	Environment	Environmental Stewardship
Water	Identifying and mitigating CMC's impacts on ground and surface water quality and reducing water withdrawal and consumption through efficiency measures and increasing the use of recycled water.	Environment	Environmental Stewardship

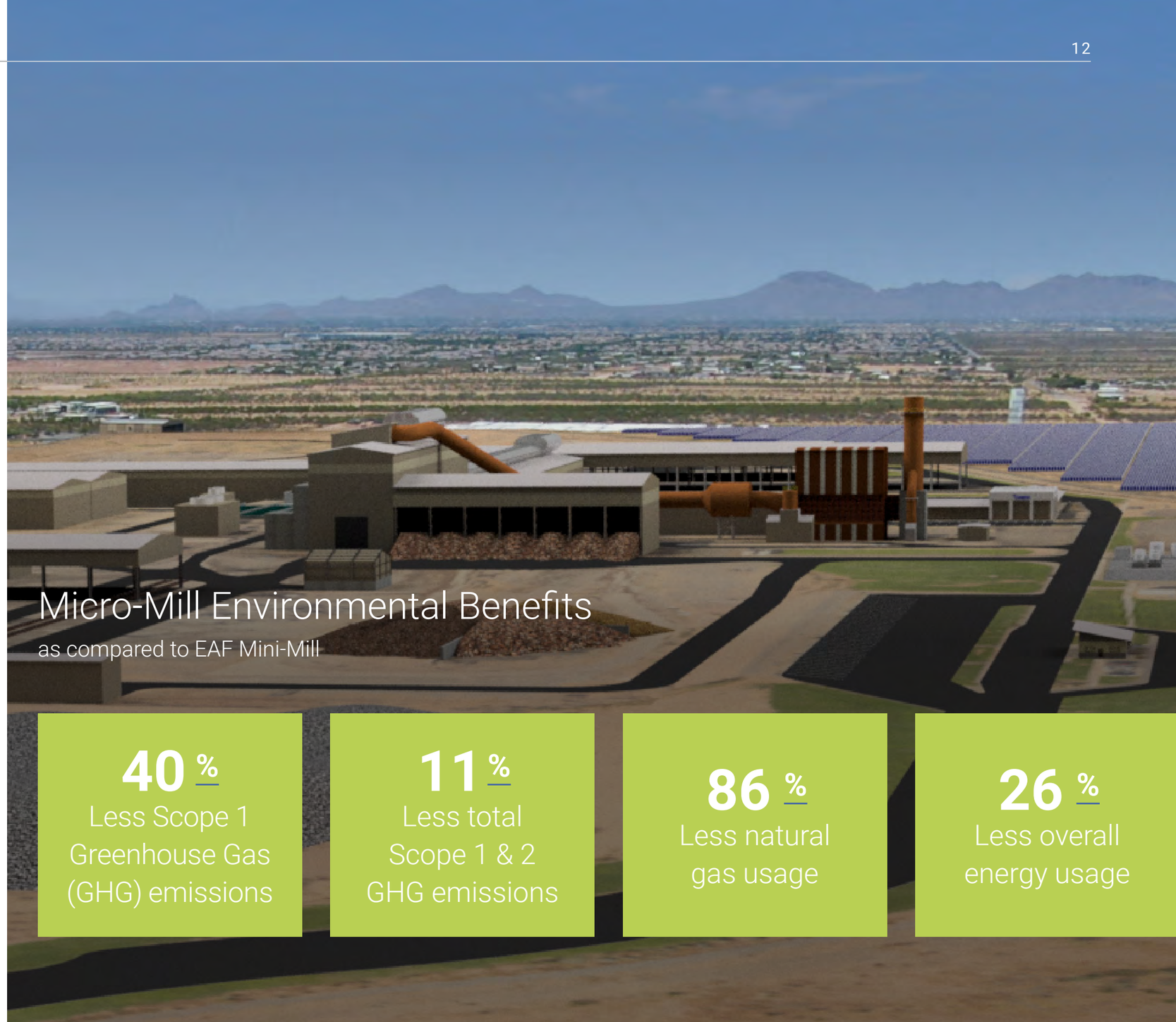
Sustainability at CMC

Sustainable From the Start, Naturally

Steel is the most recycled product in the world, and inherently a sustainable material because it can be recycled indefinitely without losing any of its properties or quality. In 1915, we began as a steel recycling business with a single metal recycling facility in Dallas, Texas. As the company developed, we naturally incorporated sustainable business practices into our growth strategy. Since our first heat of steel in the 1960s, we have manufactured steel using recycled scrap metal and Electric Arc Furnace (EAF) technology, which is far more efficient than traditional blast furnace technology, using 80% less energy than the industry average and producing 60% less CO_2 per ton of steel we melt.

CMC is a pioneer of sustainable steel solutions. In 2009, we were the first company in the world to construct the state-of-the-art micro mill, which connects the melt shop and rolling mill into one continuous process to eliminate the need for a reheat furnace. While mini mill technology is already industry leading, micro mill technology offers further significant environmental benefits.

We currently operate two micro mills and expect to commission a third in Mesa, Arizona in 2023. The new mill will be the first in North America to connect directly to renewable energy sources like solar and wind. This cutting-edge technology will improve our energy efficiency delivered from the grid by an estimated 10%. We are committed to this innovative production process which provides low cost, focused steel production while helping us to meet our energy and GHG reduction goals.



Micro-Mill Environmental Benefits

as compared to EAF Mini-Mill

40 %
Less Scope 1 Greenhouse Gas (GHG) emissions

11 %
Less total Scope 1 & 2 GHG emissions

86 %
Less natural gas usage

26 %
Less overall energy usage

All of our facilities are resource conservative and inherently sustainable. To this day, CMC only uses 100% recycled scrap steel as the primary material in our steel production process, preventing over 18 billion pounds of scrap metal from being sent to landfill annually. Our mills currently average 98% total recycled content in our steel input, the remaining 2% being alloys that are added to achieve specific grades of steel to meet customer applications. We are also waste conscientious and continually seek opportunities to repurpose our byproducts. CMC is proud of our sustainable history and environmental achievements and we continue to investigate resource efficiencies to drive value and reduce impact.

In FY20, our business model and strategy persevered despite the challenges of the COVID-19 pandemic. Our culture and organizational structure allowed CMC to adapt quickly, keep people safe and keep facilities open. At the onset of the pandemic, our employees and leadership immediately responded to the crisis to protect each other and their loved ones. Due to our collective effort, CMC successfully continued our operations safely and responsibly, protected jobs so our employees could continue to support their families, and extended support to our communities. Our sustainable values lessen our susceptibility to external influences that affect other organizations. During the pandemic, our employees demonstrated resiliency and strength — the qualities that ultimately make CMC a leader in our industry.

Our current sustainability strategy — refreshed in early 2021 to better reflect our strategically transformed company, 2020 rebranding efforts and materiality results — focuses on three areas of impact. We encourage you to explore what we are doing in these areas, as described throughout this report.

Our Sustainability Strategy

RESPECT FOR OUR ENVIRONMENT

At CMC, good business always aligns with good environmental practices.

- Environmental Stewardship
- Product Stewardship
- Reducing and managing our environmental footprint

ACTING WITH INTEGRITY

We recognize the value of relationships and put people at the center of our business.

- Health & Safety
- Talent Management
- Community Engagement

ACCOUNTABILITY FOR OUR ACTIONS

Honesty and transparency are the best approaches to long-term sustainability.

- Corporate Governance
- Ethics & Compliance
- Sustainable Supply Chain

Continuous Improvement on Our Journey

One of our guiding principles is the constant pursuit of excellence and our sustainability strategy reflects that through the setting of goals. The development of our materiality matrix, setting a baseline and frequently updating our key performance indicator metrics sets the framework to identify areas that have the largest impact on our business and are most important to our stakeholders while tracking the progress to our goals. As an EAF, scrap-based mini and micro mill steel producer, our greenhouse gas emissions, energy and water consumption are already among the best in our industry.

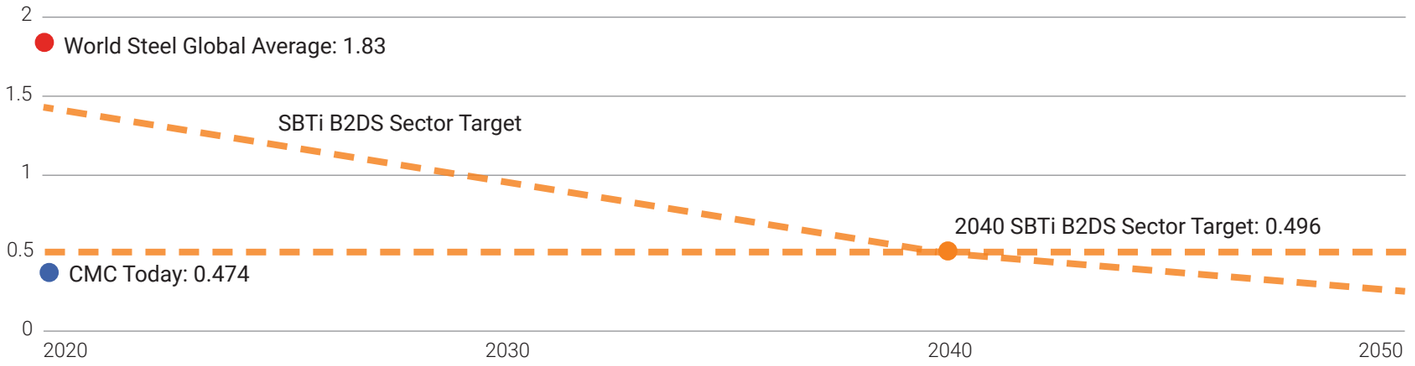
While most steel producers are changing their steelmaking processes to become "more green", we are doing what we were built to do — at CMC, we're naturally green and naturally sustainable. Industries around the globe are aligning with the Paris Climate Agreement and setting targets for Scope 1 and 2 emissions by 2050. Because of our strategy and innovative steelmaking technology, CMC is already well below the benchmarks that have been set for the steel industry for 2040. However, we recognize the importance of monitoring, measuring and reducing these emissions as part of the effort to combat global climate change. In 2021, we leveraged the Science-Based Targets Initiative's tool for setting targets in alignment with the Paris Climate Agreement below 2°C scenario for the iron and steel sector. As shown in the graphic on the right, our current Scope 1 and 2 GHG emissions intensities are currently well below the sector targets aligned to this scenario.

Our Goals

We are committed to continuing our trajectory of improvement and doing our relative part to further lower GHG emissions. We have evaluated our current position, developed a plan and established goals to further reduce our energy consumption, GHG emissions and water withdrawal by 2030. With an already low carbon footprint, and emissions that are currently well below the iron and steel sector targets set by the Paris Climate agreement below 2°C scenario, our targeted reductions will keep us on track to remain one of the most energy efficient and green steel manufacturers in the world.

Paris Climate Agreement Below 2°C Scenario (B2DS)

Scope 1 and 2 Greenhouse Gas Intensities (metric tons of CO_2e per metric ton of steel)



Our Sustainability Goals

Targets for 2030, with a 2019 baseline.

Reduce our Scope 1 and 2 GHG emissions intensity by **20 %**

Increase our percent renewable energy usage by **12 %**

Reduce our energy consumption by **5 %**

Reduce our water withdrawal intensity by **8 %**

Doing What's Right

Acting with integrity is a core value at CMC. Everyone is accountable for upholding our responsible business practices.

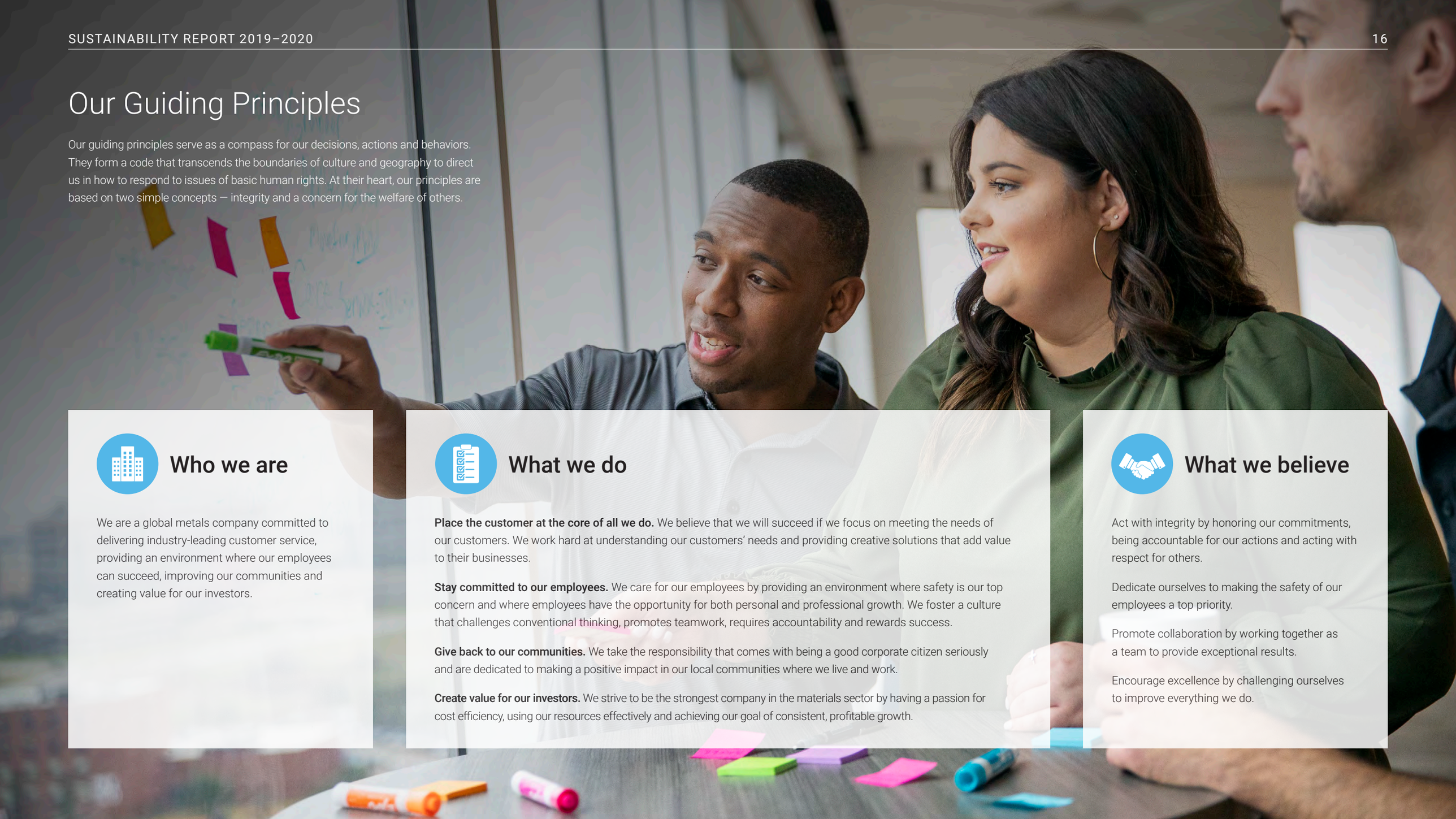
Ethics & Compliance

THE IMPORTANCE OF INTEGRITY

Ethical conduct and integrity are at the core of CMC's guiding principles and drive our culture every day. CMC promotes open communication, transparency and accountability while striving to always do the right thing for our stakeholders. It is fundamental to our success that both our leaders and employees observe the highest ethical standards of business conduct in their interactions with our customers, employees, communities and investors.

Our Guiding Principles

Our guiding principles serve as a compass for our decisions, actions and behaviors. They form a code that transcends the boundaries of culture and geography to direct us in how to respond to issues of basic human rights. At their heart, our principles are based on two simple concepts — integrity and a concern for the welfare of others.



Who we are

We are a global metals company committed to delivering industry-leading customer service, providing an environment where our employees can succeed, improving our communities and creating value for our investors.

What we do

Place the customer at the core of all we do. We believe that we will succeed if we focus on meeting the needs of our customers. We work hard at understanding our customers' needs and providing creative solutions that add value to their businesses.

Stay committed to our employees. We care for our employees by providing an environment where safety is our top concern and where employees have the opportunity for both personal and professional growth. We foster a culture that challenges conventional thinking, promotes teamwork, requires accountability and rewards success.

Give back to our communities. We take the responsibility that comes with being a good corporate citizen seriously and are dedicated to making a positive impact in our local communities where we live and work.

Create value for our investors. We strive to be the strongest company in the materials sector by having a passion for cost efficiency, using our resources effectively and achieving our goal of consistent, profitable growth.

What we believe

Act with integrity by honoring our commitments, being accountable for our actions and acting with respect for others.

Dedicate ourselves to making the safety of our employees a top priority.

Promote collaboration by working together as a team to provide exceptional results.

Encourage excellence by challenging ourselves to improve everything we do.

Corporate Governance

Our Governance Structure

CMC's foundation of strong governance is essential to demonstrating our values, building stakeholder trust and driving future success. Our Board of Directors is the highest governance body at CMC and is responsible for appointing senior management and acting as an advisory body to assure that we serve the long-term interests of our stockholders, as outlined in our Corporate Governance Guidelines. The Board and its Committees are responsible for monitoring and assessing significant risks to our business — including those related to ESG issues. The Board meets regularly and in FY20, completed six scheduled meetings. The Board's four standing Committees include the following:

- **Audit Committee:** Oversees financial reporting integrity, business interruption and cybersecurity and compliance risks.
- **Finance Committee:** Oversees capital allocation and liquidity risks.
- **Compensation Committee:** Oversees compensation and employee attraction and retention risks.
- **Nominating and Corporate Governance Committee:** Oversees corporate governance risks.

Since ESG issues are embedded into key topics that cross multiple committees, the entire Board is responsible for overseeing ESG risks. Read more about our Board and governing documents on our website.

The Association for Iron & Steel Technology named Barbara Smith, our Chair of the Board and Chief Executive Officer, 2019's Steelmaker of the Year.

CMC received recognition as a 2020 Women on Boards "W" Winning Company, with a Board comprised of over 20% women.

Diversity

CMC recognizes that a diverse and inclusive culture supports our continued success. The Nominating and Corporate Governance Committee considers a number of factors to promote and advance diversity among Board members. As of August 31, 2020, 36% of our Board is comprised of women and women chair half of our Board Committees. The Board also advocates for diversity among CMC's ELT, 60% of which is comprised of women.

Board of Directors Composition[1]

Female
36 %

Male
64 %

[1] Data as of August 31, 2020

ESG Management

Sustainability has always been an integral component to CMC's business strategy and culture. Our Sustainability Leadership Council, newly formed in FY20, is responsible for implementing our sustainability strategy, tracking our progress and educating managers and employees on sustainability initiatives and best practices. This Council is also responsible for investigating ESG opportunities, strategies, market research and emerging technologies to improve our performance while maintaining our competitive edge. During our business planning and capital allocation process, ESG topics are included as part of the discussion and impact analysis to ensure they are considered in the final decision-making process. ESG matters are a high priority across our chain of operations and the management team provides strategy updates, including on ESG related topics, at each Board meeting.

CMC aims to create value for our stakeholders by identifying and proactively addressing ESG issues most important to them. Our material sustainability topics serve as the foundation for our sustainability strategy. We also keep a pulse on developing issues and opportunities through our participation in industry associations and memberships. We are working to strengthen ESG subject matter expertise across our governance structure to drive organic, integrated management. Each year, we review CMC's priority topics to capture changes in trends and stakeholder expectations.

Risk Management

Our Risk Committee — comprised of the members of our ELT — is responsible for defining, identifying and assessing the various risks facing CMC, formulating enterprise risk management policies and procedures and managing our risk exposures on a day-to-day basis. This includes monitoring, assessing and prioritizing potential ESG risks. Depending on the nature of the risk, a Board Committee or the full Board then oversees the risk. The Risk Committee meets regularly throughout the year and presents both an annual risk assessment and periodic updates as appropriate to the Board or the applicable Board Committee. The Board assesses the risks and reviews risk mitigation options, which includes determining a response strategy and monitoring progress.

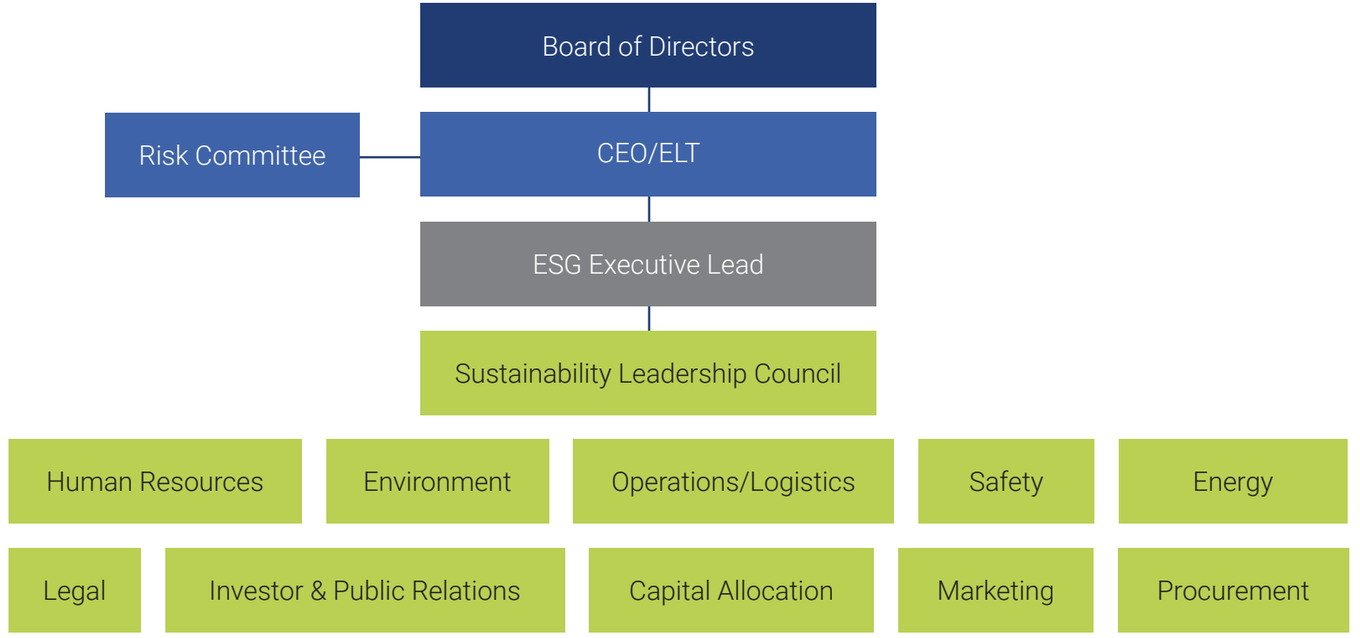
Assessing Climate-Related Risks

While the Board and executive leadership are ultimately responsible for risk management oversight, our Sustainability Leadership Council specifically identifies risks and opportunities related to climate change. The Council and members of our Legal Department — including our VP, General Counsel (GC) and Corporate Secretary — meet to discuss the potential, emerging and current risks to our business posed by climate change.

At CMC, ESG matters are a high priority across our operations and are a focal point for our leadership.

Primary identified risks include emerging and evolving legislation regarding carbon emission pricing, GHG emissions, renewable energy targets and water shortages. Energy is a significant input and the largest contributor to GHG emissions in our operations and there is growing recognition that consumption of energy derived from fossil fuels is a major contributor to climate change. Several governments and regulatory bodies have introduced, or are contemplating introducing, legislative and regulatory change in response to the potential impacts of climate change in the countries in which we operate. These regulatory mechanisms may be legislated and may impact our operations directly or indirectly through customers or our supply chain. Read more about our strategy and actions to combat climate change through our process and product improvements in Environmental Stewardship and Product Stewardship.

Sustainability Governance Structure



Governance

CMC's global Code of Conduct and Business Ethics (the "Code") supports and codifies our culture of integrity and ethical business practices. Our Board and Chief Executive Officer (CEO) endorse our Code, which guides the decisions, actions and behaviors of our directors, officers and employees. Our Legal Department is responsible for the Code's administration while the Audit and the Nominating and Corporate Governance Committees of the Board oversee compliance with the Code. The Code covers a broad set of topics, including: financial integrity; communications; company assets and information; conflicts of interest; gifts and entertainment; antitrust; insider trading; health, safety and environment; employee practices; substance abuse; and international business. We also maintain a Financial Code of Ethics for our CEO, CFO, and other senior financial officers that outlines their obligations and advocates for professional and ethical conduct in their fulfillment of their responsibilities to CMC.

Through a secure digital platform, CMC employees are required to complete the Code of Conduct and Business Ethics training to reinforce their continued awareness of the Code and acknowledge their understanding of the information covered, including any conflict of interest compliance issues. Our training implementation is a joint effort between the Legal and Human Resources Departments, who solicit input from the ELT to determine the topics of focus. We track and communicate employee participation to the ELT. For our facilities in Poland a set of Polish Labor Code regulations complement our Code. As legislation related to whistleblower protections in Europe have developed, we plan to roll out a revised ethics program in Poland by the end of 2021. With respect to the Financial Code of Ethics, our CEO, CFO, and senior financial officers must certify their acknowledgment and understanding on an annual basis.

In 2020, 99.5% of our required employees completed our Code of Conduct and Business Ethics training.

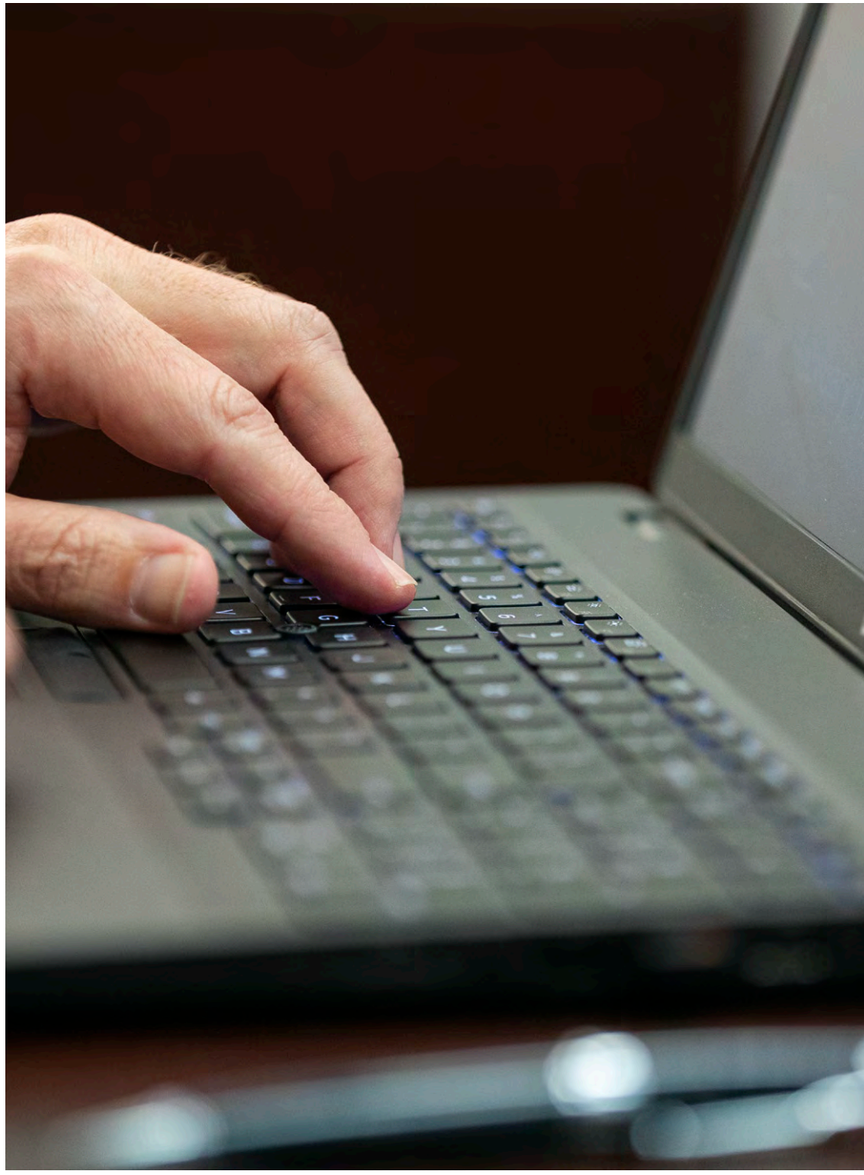
Communicating Concerns

To foster and maintain our culture of ethical conduct and integrity, we expect all employees to report known and suspected violations of applicable laws, the Code or any of CMC's policies or internal controls. We train employees and encourage them to communicate concerns through the following channels:

- Via the confidential Ethics Hotline.
- Via the following persons and appropriate methods:
  - their supervisor (phone, email, letter or in-person)
  - their local Human Resources representative (phone, email, letter or in-person)
  - the Director of Internal Audit (phone, letter)
  - the Chair of the Audit Committee (letter)
  - the General Counsel (phone, letter)

CMC's Ethics Hotline, which is managed by an independent third party, is available 24/7/365 for all employees to report concerns. Employees using the Ethics Hotline have the option to report complaints anonymously to ease concerns about potential retribution. In any case, CMC strictly prohibits retaliation against any employee who makes a report in good faith or participates in the investigation of a complaint.

The General Counsel (GC), VP of Human Resources and Director of Internal Audit are notified of all complaints made through the Ethics Hotline, via phone, written document or email. Once we receive the complaint, the GC works with the VP of Human Resources and Director of Internal Audit to assign the complaint to an appropriate party or department for investigation. If the complaint involves material accounting irregularities or material circumvention of controls, the GC will notify the Audit Committee at the outset, investigate the complaint and report the findings back to the Committee. If the complaint implicates the GC, the GC will recuse themselves and notify the Audit Committee at the outset. The Chairman of the Audit Committee will then appoint another attorney or third party to investigate the complaint. The GC and other members of the Legal Department are responsible for informing the Board and ELT about compliance activities and incidents relating to the Code.



Political Advocacy

As a sustainability leader in steelmaking, it is critical to our industry's success that we advocate for and shape policy that holds our industry to fair, consistent and sustainable standards. For example, we currently focus on policies related to fair commerce and trade, circular economy and protecting resources. We primarily advocate for relevant issues directly and indirectly alongside our peers through participation in trade associations such as the Concrete Reinforcing Steel Institute, Institute of Scrap Recycling Industries, Steel Manufacturers Association and the European Steel Association. Through these collaborations, we provide critical insights to governments and policymakers based on best practices from the recycling, steelmaking and fabrication perspectives. Engagements also provide us with the opportunity to contribute to industry standards and collaborate with competitors on relevant ESG issues.

Each year, our Government Affairs team identifies and confirms CMC's public policy priorities on matters that have the potential to affect our business. Acting as a liaison for the Government Affairs team, our VP of Marketing and Enterprise Support works with our policy consultant to develop policy alternatives and educate various U.S. legislative branches on our position. We meet biweekly to debrief on recent policy activity and to ensure alignment to our policy priorities, and we report updates to the ELT at least once a month.

Our forward-thinking Sustainability Leadership Council is dedicated to mitigating the potential impacts of climate change for the betterment of our company and communities.

Engagement & Employee Contributions

We maintain a global policy prohibiting direct corporate payments to governments or political officials and campaigns. In the U.S., our Employee Political Action Committee (PAC) enables employees to make political contributions that support efforts that align with their views. The PAC's charter and associated guidance direct political advocacy initiatives. In addition, our VP of Marketing and Enterprise Support chairs the Committee and we maintain a governance structure for approving all contributions in line with our annual priorities.

Our strategy is to shape sustainability and trade issue policy by lobbying to keep sustainable steel more competitive and ensure that U.S. steel producers are on a level playing field with international producers exporting steel to the U.S., which do not have policies consistent with U.S. and international standards on trade and the environment. We provided support in 2019–2020 through our participation in trade associations and worked with legislative branches in an effort to educate lawmakers that shape policy affecting our industry on the efficiencies of clean EAF steel production.

The Federal Election Commission publicly provides CMC's PAC spending. The table below details our lobbying contributions and trade association expenditures in the past two years. We do not make political contributions in Europe as it is prohibited by law.

Political Expenditures

	2019	2020
Lobbying contributions	$202,111	$310,500
Trade association expenditures	$2,046,275	$1,944,991

As a global organization, CMC prioritizes data security and privacy. We annually benchmark our BitSight Security Rating and maintain a top score of 810.

Data Security & Privacy

As a global organization, it is critical for CMC to carefully and ethically manage proprietary data and sensitive information related to our business, employees and customers. In addition, we must comply with various local regulations and international standards related to data use, such as the EU General Data Protection Regulation, California Consumer Privacy Act and Sarbanes–Oxley Act. Our cross-functional team of representatives from Information Technology, Information Security, Internal Audit, Legal, Human Resources and other business departments, as appropriate, are responsible for data-related policy development, monitoring and auditing.

We maintain several policies to ensure critical business data remains safe and secure, including document retention, password complexity/multi-factor authentication and security vulnerability management, among others. In addition, our security risk profile and security roadmap aligns with the Center for Internet Security Top 20 Critical Security Controls and the National Institute of Standards and Technology framework. We implement initiatives to inform management of the security risk profile, with the use of system health checks, penetration testing and internal audits. Our cross-functional Cyber Incident Response Team is responsible for deploying our Cyber Incident Response Plan, which is tested and updated annually. On a monthly basis, we track security metrics and report findings internally to the Chief Information Officer and others as appropriate.

Amongst other insights, we use the BitSight security ratings solution to benchmark our Security Rating within our industry and for the last year we remained a leader among our peers with an Advanced score of 810. The BitSight platform measures many externally available parameters to generate a Security Rating Score similar in concept to a Financial Credit Score. We also use the platform to monitor third-party partners with whom CMC engages.

Our goal is to maintain a culture of security awareness and appreciation where every person plays an integral role in ensuring data is secure and private. As such, we incorporate Security Awareness training into employee onboarding as well as Code of Conduct and Business Ethics training. As result of our robust data and systems security practices, we did not have a material security breach during the reporting period.

Sourced Responsibly

Sustainable Supply Chain

WHY IT MATTERS

CMC is dedicated to conducting business with partners who share our commitment to sustainability. Maintaining a responsible and reliable supply base is at the heart of sustainable business growth and meeting stakeholder expectations. We continuously evaluate our supplier practices, collaborating with critical suppliers to set goals and benchmark performance to promote efficiency and strengthen our supply chain.

» CMC is committed to monitoring and evolving our supply chain management strategy to ensure it accurately reflects our company values and best practices.

Our Approach

CMC maintains strong policies and processes to support a dependable and socially and environmentally responsible supply chain. We believe that maintaining transparent, respectful business partnerships is fundamental to good business practice and we aim to acquire supplies and materials from reliable and responsible sources.

CMC does not use iron ore or coking coal to produce our products; instead, every ton of steel produced at CMC facilities uses the EAF process, which utilizes 100% recycled scrap metal. Our EAF electrodes suppliers use petroleum coke from oil refining in their production process. We purchase our raw materials and supplies from a diverse range of suppliers, being both domestic and international distributors.

Governance & Risk Monitoring

Our VP and Chief Supply Chain Officer is responsible for overseeing CMC's procurement practices and our Supplier Relationship Management Program. CMC's Operations and Procurement teams in the U.S. and Poland meet regularly to discuss our supplier base and manage our supply chain strategy from a risk reduction and continuity perspective. CMC is proactive in monitoring global events to minimize unexpected impacts to our supply chain. We regularly review the economic and political risks in our supplier locations and update our contingency planning, annual goals and program strategy as needed.

We generate monthly performance reports with details on our supply base, contract status and terms, issues of concern and overall confidence levels, reporting details on critical suppliers to our ELT each quarter. The ELT discusses potential risks and supplier disruptions and elevates supply chain updates that significantly affect cost and key supply availability to the Board.

Supplier Code of Conduct Compliance

In FY20, CMC developed a formal Supplier Code of Conduct (SCC) to meet internationally recognized standards and strengthen our focus on ESG areas. Building on our existing contracting terms and conditions, our new, formal SCC extends our values of sustainable products and ethical and responsible business conduct to our suppliers. The SCC aligns with our ISO 9001 quality management system and outlines our company policies regarding regulations, safety practices, anti-harassment, human rights and sustainability. In FY21, CMC will distribute the SCC to our existing main suppliers who make up the majority of our spending and in the next phase of rollout, will request they provide confirmation of agreement. Going forward, CMC will include the Supplier Code of Conduct as a part of the contract terms and conditions for new suppliers.

We continue to tour critical supplier facilities prior to contracting to identify any issues or risks for resolution. In FY20, we were unable to conduct in-person site visits due to COVID-19; instead, we utilized virtual communication and increased requests for documentation to assess and approve new suppliers.

Human Rights

CMC strongly supports and defends the fundamental human rights of our employees and suppliers. Our SCC has strict policies related to human rights in order to safeguard workers and prevent violations. We also offer a whistleblower system to suppliers for reporting any concerns comfortably and confidentially, so we can address and resolve any issues immediately. During our supplier evaluations in FY20, we did not identify any issues or violations related to human rights or labor conditions.

Ongoing Monitoring & Evaluation

CMC closely monitors our suppliers to ensure compliance with CMC's and customers' expectations. For suppliers working at CMC facilities on a regular basis, we implement in person reviews at least quarterly. During these business reviews with the supplier, business leads and procurement personnel, we discuss safety, environmental aspects, performance, the employee base and other topics that could affect CMC operations and any specific in-process projects. For major building projects, we lead monthly reviews against the initial work plan. If we identify a risk to or violation of our SCC or the plan, we will work with our suppliers to define and resolve the problem.

CMC is committed to constantly developing our supply chain management strategy to ensure it accurately reflects our company values and best practices. In addition to our supplier reviews, we conduct external benchmarking through our partnerships with The Hackett Group and CAPS Research to compare our supplier metrics against market trends and inform our annual goals. Our Procurement team also works with our Credit team to evaluate our main suppliers from a financial standpoint to identify possible challenges. Through multiple touchpoints, internal collaboration and continuous risk review and assessment, we aim to build a resilient supply chain that minimizes disruptions while upholding our values.

Sustainable by Nature

Environmental Stewardship

WHY IT MATTERS

Climate change and environmental impacts are a growing concern for our stakeholders. CMC recognizes the threats that global climate change has on our business and the communities in which we operate. Originally established as a steel recycling business in 1915, we built our company on the foundation of sustainability — before "sustainability" was even thought about. To remain a viable business and stay competitive in the market, we continuously evaluate our operations to ensure our environmental performance remains among the industry's best.

Our steel mills represent more than 95% of our GHG emissions and energy and water usage, so we aim to minimize our impact on the environment through reduction initiatives to protect the health of our community and maintain our reputation around the world. We believe our sustainable foundation is a key differentiator that sets us apart from our competitors.

» The GHG emissions savings in CMC produced steel vs. the industry average equates to powering 1.8M homes for a full year using renewable electricity.

Our Environmental Performance

>95 %
process water recycled

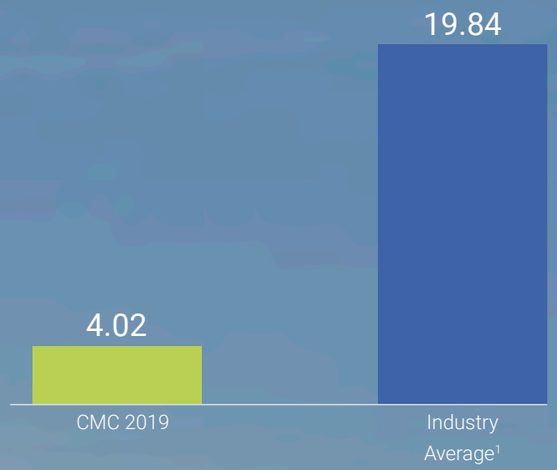
99 %
EAF dust recycled

100 %
slag recycled

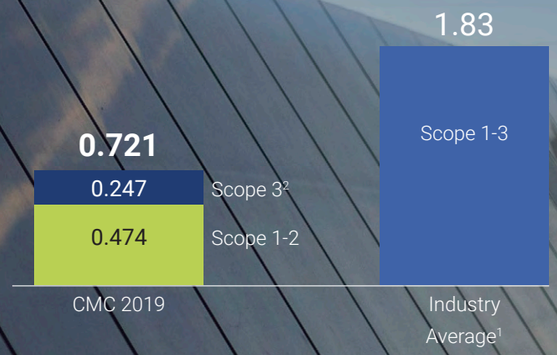
8,964,411
tons of scrap metal recycled

98 %
recycled content in finished product

Energy Intensity (GJ/MT)



Greenhouse Gas Emissions (MT CO_2e/MT)



[1] Industry averages taken from the World Steel Association indicators 2019 data
[2] Scope 3 estimated emissions from audited product lifecycle analysis of GWP100 (2019) conducted according to ISO 21930 and ISO 14025

Our Approach

Since our founding, we have consistently implemented new operating technologies to significantly reduce our energy, resource consumption and waste generation. Our drive to innovate and improve has kept us on the forefront of energy and resource efficiency, and we will continue investing in future opportunities beneficial to the environment and our business.

Governance & Environmental Management

Our expectations and commitments to environmental stewardship are demonstrated by our dedicated employees every day and guided by our Environmental Policy. CMC environmental professionals and support staff are responsible for overseeing compliance, tracking progress and reporting performance. Environmental compliance tasks are tracked and confirmed through an environmental management system. We also have Operational Excellence teams who meet regularly to identify opportunities, research challenges and share achievements, while our expert melt shop and rolling mill veterans work full-time to standardize the practices across our facilities and elevate our standards. In addition, all of our Polish facilities have an ISO 14001-certified Environmental Management System.

We provide monthly reports to the Global Leadership Team (GLT) that include consolidated performance data and highlight upcoming initiatives. This team also reports externally to federal, state and local authorities. Capital project submissions and issues related to permitting, compliance and liability are elevated to the Vice President of Operations Support, who reports directly to our Executive Leadership Team (ELT). We also report our environmental and sustainability performance metrics to our ELT on a quarterly basis and to the Board on an annual basis.

Is It Hot in Here?

CMC is a leader in scrap preheating furnace technology, with four in operation in 2020. After the commissioning of our second Arizona micro mill, CMC will have the most scrap preheating furnaces of any steelmaker. Each of these special EAFs brings the scrap into contact with the hot off-gas of the EAF by using a horizontal conveyor as an off-gas duct. This arrangement heats the scrap to over 1,000°F before it even enters the EAF. Scrap preheating reduces electrical energy requirements and cooling water requirements. In Poland CMC re-uses captured waste heat from the EAF and reheat furnaces.

Approximately

280,000 GJ

of waste heat is recovered annually from exhausting gases through steam vaporizers and used internally to heat the water and buildings at our Poland facilities.

Giving Back (Energy) to Our Communities

Giving back to our communities is a core value at CMC. One way we do this is by participating in Interruptible Rates programs with our energy providers. Interruptible Rates Programs are a service not only to the utility company when the grid is at risk of failing, but also to the community where we operate, and are used during times of need or hardship, like the recent winter storm and blackouts across the state of Texas. When an extreme situation occurs, CMC does our part for our community by redirecting the energy we would normally use for operations to life-saving applications like heating homes.

Currently, all our mills participate in an interruptible program, which allows utility companies to temporarily stop our operations in the event of an emergency to redirect our power supply to hospitals, schools and other essential businesses. While this is rare, we are willing to support our communities during a time of need. We also monitor energy rates closely and are able to cease operations during times when prices are extremely high, further optimizing our production and ensuring our operations remain low-cost.

Here Comes the Sun

CMC is committed to running our operations efficiently and sustainably, and we have taken strides to increase our energy consumption from renewable resources. Through strong partnerships with our utility providers and a shared commitment to renewable energy, CMC increased our renewable energy consumption in FY19 and FY20.

- In FY20, our Poland facilities collaborated with our primary energy supplier to increase our renewable energy supply. Starting in January 2021, 30% of the energy consumed at our facilities in Poland is sourced from renewable energy sources. As part of the contract, CMC will receive Certificates of Origin from our energy supplier to certify the renewable sources.

- Beginning in December 2020, our Mesa, Arizona micro mill began receiving renewable energy from the Saint Solar plant. Historically, this EAF micro mill already operates at world class efficiency levels with respect to CO_2e emissions and energy consumption intensity. Leveraging renewable energy will only continue to drive down our impact.

- In FY23 CMC expects to commission a second micro mill in Mesa, Arizona that will also be partially powered by renewable energy sources. The mill will be the first in the world to produce merchant bar quality (MBQ) products through a continuous production process. It will employ the latest technology in EAF power supply systems provided by Danieli, our equipment provider. We selected Danieli's "Q-One" technology because it allows us to directly connect the EAF and Ladle Furnace to renewable energy sources such as solar and wind, and we intend to construct a solar array on our plant site to provide a meaningful portion of the facility's power. This technology reduces electricity transmission losses and our associated operating costs by 10%. This new advanced renewable technology, coupled with the continuous steelmaking process, will make this plant one of the most energy efficient and environmentally friendly steel plants in the world.

Air Quality

As a global corporation, we recognize the potential impacts our operations have on the environment and surrounding communities, including air quality. Our strategic positioning in scrap-based EAF steelmaking technology means our operations produce less air emissions compared to the industry sector. CMC strictly follows all air regulations and annually tracks emissions from nitrogen oxides, sulfur oxides, carbon dioxide, methane, nitrous oxide and particulate matter (as shared at the end of this report). Despite having minimal impact on local air quality, we are motivated to continue reducing our air emissions and are confident that the best opportunity to do this lies in our relentless pursuit of energy and raw material efficiency. We believe that low emissions and efficient operations go hand in hand and have found that as we improve our operational and energy efficiency, emissions usually decrease as well.

Waste

As an EAF steelmaker using 100% recycled steel content in our process, CMC is naturally a top contributor to the circular economy. Even with a production process focused on recycling scrap steel into new products, we still produce some minimal waste streams, such as EAF dust, but this has not stopped us from identifying new ways to repurpose these materials. We send approximately 99% of our EAF dust for recycling where zinc and other metals are extracted for use as a substitute for virgin mined materials in the production of other important products for social needs, such as paints, tire rubber, fertilizers, animal feed and more.

Not considered a waste, steel slag is a recycled co-product used as aggregate in construction, cement production and other similar applications such as base material for embankments, highway shoulders, engineered fill and asphalt pavement. The superior physical properties of slag make it an integral part of numerous construction and manufacturing industry's sustainable resources and raw materials. We collect 100% of our slag and send it for processing and eventual resale for use as a sustainable product.

For more information on our materials sourcing, please see Sustainable Supply Chain.

Water

Steel manufacturing is a water intensive industry. Because fresh water is a valuable resource, CMC focuses on using water judiciously to minimize our usage, operational costs and impacts on the environment and our communities. In addition to following all applicable water laws and regulations, we design our facilities to use water efficiently and to reduce our withdrawal and discharge.

According to the World Resources Institute Aqueduct database, in FY20, we operated in the high stress water regions of Arkansas, Arizona, California and Florida. CMC facilities utilize water in a cascading recycling system to minimize water withdrawal. To conserve water, we recycle and reuse water for multiple cycles in our operations for process cooling, slag quenching, dust control and irrigation. Our California, Florida, New Jersey, Tennessee and Texas mills have zero water discharge — they reuse and recycle all of the water withdrawn from the region. Additionally, our Arizona mill is water efficient and is close to achieving zero water discharge.

However, we plan to continue minimizing our impact on freshwater resources and aim to further reduce our water withdrawn per ton of steel produced by 8% by 2030.

We are partnering with our water treatment experts at each facility to identify water saving opportunities. As part of the water reduction program, we will be increasing employee awareness on the importance of water conservation and identifying areas where additional metering would help to quantify when and how much water is consumed in specific portions of our processes.

Water Consumption

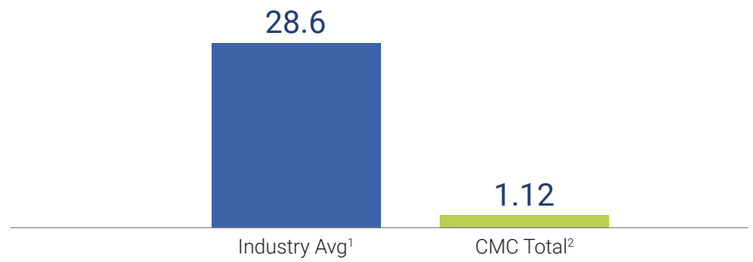
Metric	Unit	2018	2019	2020
Water Consumption	m^3	3,934,985	4,932,168	4,677,544
Water Withdrawal Intensity	m^3/MT	1.16	1.13	1.07

CMC's water withdrawal per ton of steel is only

4 %

of the steel industry average[1]

Water Withdrawal Intensity (m^3/MT)



[1] Industry averages taken from the World Steel Association 2020 Water Management policy paper
[2] CMC data is an average of 2018-2020 water withdrawal

Engaging Employees

In addition to regular employee training on environmental compliance topics, CMC Environmental Managers at our facilities use varying approaches to engage our employees on lowering our footprint. For example, our Alabama mill leads monthly meetings to discuss environmental reporting metrics with staff while our mill in Seguin, Texas posts monthly reports on environmental metrics on public monitors around the facility to encourage all employees to contribute to lessening our impact.

Evaluating Our Performance

CMC is a leader in environmental performance within the steel sector. Our facilities use data analytics to collect, track and monitor our energy usage, among other metrics. We benchmark our facilities against one another every month during our Melt Shop and Rolling Mill Operations Excellence meetings. Our Melt Shop and Rolling Mill Operations Support experts are in regular contact with each of our mills and visit periodically to help on specific projects or to observe and participate in optimizing operations.

CMC also benchmarks performance externally with other steelmakers to identify opportunities to improve and learn about new technologies. Our membership and participation in trade associations like the Association for Iron and Steel Technology (AIST) make it possible to benchmark our operations externally, keep up to date in the latest steelmaking technologies and stay in contact with our suppliers and contractors. We actively participate in several AIST Technical Committees including Electric Steelmaking, Long Products, Environmental, Digitalization Applications and Safety and Health. CMC employees and executive leadership have also served as committee officers and members of the AIST Board of Directors over the past several decades. Based on external benchmarking data, we believe our EAFs are among the most efficient in the world.

In FY19, our energy consumption, water consumption and waste generation increased due to added assets from an acquisition. Due to CMC's exceptional environmental practices, the performance of the newly acquired locations immediately improved and their environmental impacts decreased in FY20.

To view a complete table of our ESG metrics, see our Data Tables.

Green to Greener

The California Science Academy in San Francisco, California is one of the largest double platinum LEED buildings in the world, utilizing ChromX® 9100 rebar.

Product Stewardship

WHY IT MATTERS

CMC has a proven track record and takes pride in being a forward thinker and an innovator in the steel industry, providing additional value to our customers and continuously improving operational efficiencies. In FY19 and FY20, we observed an increasing interest in sustainable steel products from our stakeholders. Through innovation, we are discovering new ways to improve the quality of our products while reducing their impact on the environment.

» Our EAF micro and mini mills' CO_2 emissions are 60% lower than industry average.

Our Approach

CMC naturally developed sustainable values throughout our 105-year history of promoting a circular economy. CMC was also the first steel manufacturer to adopt the vertical integration model in the U.S. Our vertical integration business model — from recycling and processing scrap metals to melting processed scrap into new steel and fabricating finished steel products — revolutionized the way the steel industry operates today. We remain committed to minimizing our environmental impact and producing a more sustainable steel compared to our competitors. Through our vertically integrated model, we remain a low-cost, high quality producer and continue to provide value to our customers and investors.

Governance

At CMC, we promote a culture of continuous improvement through open communication and innovation. Our Operational Excellence teams for recycling, mills and fabrication meet monthly to openly share and discuss challenges and opportunities for improving safety, process, product quality, efficiency, cost and customer service. Our Technical Operations Leadership Team leads meetings to share technology advancements and opportunities and coordinates the replication of best practices between and amongst all our U.S. and Polish facilities.

We believe innovation is essential to being a leader in the sustainable steel industry. CMC encourages all employees to participate in trade associations to learn about breakthrough technology and invites anyone to submit innovative ideas to improve or expand our product portfolio. We have a streamlined research and development (R&D) process to collect, review and approve new ideas. Proposed innovations are elevated to the Board.

Supporting a Circular Economy

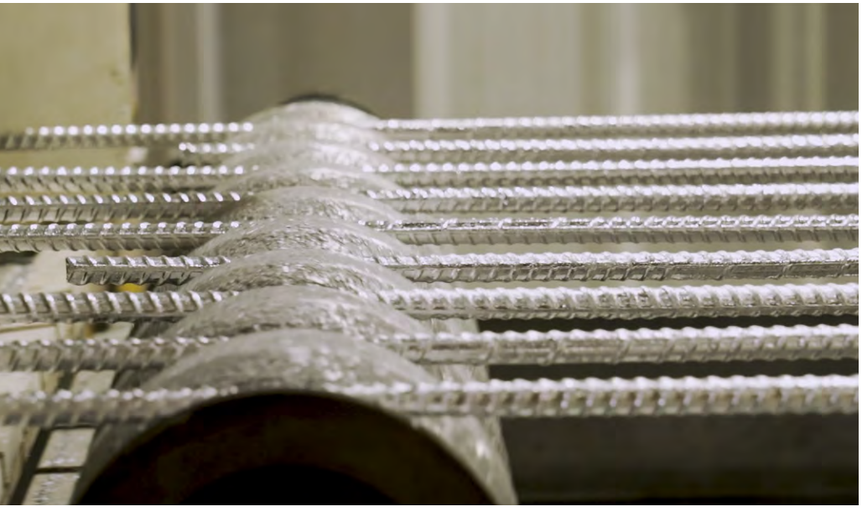
Running a sustainable recycling business is at the heart of what we do and is one of the ways CMC contributes to a circular economy. CMC purchases both recycled steel and non-ferrous metals from an extensive and diverse network of local scrap yards and individuals from the community. We have strict policies to ensure our recycled steel purchases are ethical and we report all regulated purchases to the local authorities.

Our robust recycling systems keep non-ferrous and ferrous (steel) metals in the circular economy for reuse/recycling instead of going to landfills. Our Non-ferrous Reclamation Program recovers non-ferrous materials like copper, brass and aluminum from materials generated by our own shredders. We sell that metal to companies that recycle it into new copper tubes and other building materials for new houses, and into aluminum products used in the manufacturing of automobiles, airplanes and more.

Innovation

Our robust R&D process identifies projects, goals, benchmarks, schedules and commercial strategies. This includes tracking new manufacturing techniques and technologies in the market, enabling us to stay ahead of the competition and better serve our customers. Our sales, operations and technical teams are always searching for sustainable innovations that help address society's greatest challenges and make our customers' job easier. We collaborate between our U.S. and Poland teams to research upcoming innovative technologies to upgrade our operations more efficiently and sustainably. We also depend on data analytics and our massive databases of operational data around the world to measure and track our performance to identify areas for improvement. In FY20, we launched a National Sales, Inventory & Operations Planning process where we update our operating plan on a regular basis in order to meet evolving customer needs with innovations introduced and implemented across the business in a timely manner.

Implementing successful new processes and innovations involves technological breakthrough and commercialization. Our R&D process involves understanding customer needs, forward market trends and potential new product demand.



CMC has a history of developing and acquiring new and innovative products that offer viable solutions to our customers. We are the only U.S. producer of cryogenic rebar, used primarily in the construction of Liquefied Natural Gas storage tanks.

CRYOSTEEL®

CryoSteel® — a cryogenic reinforcing steel produced exclusively at our micro mill, CMC Steel Arizona, that exceeds minimum performance requirements for strength and ductility at extremely low temperatures (-274°F/-170°C).

We offer a complete range of rebar options with increasing corrosion-resistance levels to reinforce concrete structures with a variety of life expectancy requirements. Our full spectrum of products offers service lives between 20 and 100+ years and includes two products manufactured only by CMC that contribute to the construction of a stronger, more sustainable world:

CHROMX

ChromX® — a concrete reinforcing steel product designed for high-strength capabilities, corrosion resistance and a service life of more than 100 years.

GALVABAR®

GalvaBar® — an environmentally friendly zinc alloy coated rebar that prevents corrosion and has exceptional formability. GalvaBar® can be bent and fabricated after galvanizing without peeling or flaking.

In FY19 and FY20, CMC participated in 243 new R&D projects focused on process improvement, product development, prototype development and environmental stewardship. Our notable innovations included the production of industrial quality wire rod with cold head quality, bainitic microstructure steel and free cutting steel. We trialed these innovations with customers and determined that they improved drawability and ductility and supported automated digital machining production processes.

Spooling Rebar, Continuously Innovating

CMC was the first producer of hot-rolled, spooled rebar in the U.S. and the first in the world to produce it in a continuous melting, casting, rolling and finishing micro mill production process. Spooled rebar is a high quality and more consistent rebar than traditional coiled rebar and increases customer production efficiency. After an Operational Excellence team trip to visit our European fabrication facilities in 2017, we realized the inherent benefits of spooled rebar at those facilities and seized the opportunity to introduce this new product to the U.S. market via our micro mills in Oklahoma and Arizona. The social and environmental benefits of spooled rebar include:

- Reduced material change out times between production runs to increase material yield with less waste;
- Reduced twisting that improves the dimensional quality of the fabricated rebar, reducing quality-related rejects and waste; and
- Production in an ultra-compact, high-tonnage spool, which minimizes inventory storage space, optimizes shipping costs and improves safe handling.

This innovative breakthrough in the rebar industry sets us apart from the competition and we are proud to be the first to produce spooled rebar at a continuous micro mill.

Fully Automated Fabrication

CMC leverages cutting-edge technology to improve our steel manufacturing operations. In FY20, we were the first company to introduce a fully automated fabrication shop in the U.S. We consider most of the operation as "hands-off", which means workers do not touch the material from start to finish, improving safety and reducing the potential for injuries. The equipment also introduces new safety features like interlocking gates and access points. Since the facility began operating, they have maintained their production tonnages and have operated for 17 months with zero recordable injuries.

We have also implemented the use of three multi-axis robots to automate certain functions at other fabrication facilities in the U.S. to increase safety, improve quality and drive efficiency. This is part of our long-term goal of being touch-free in our manufacturing process to further improve our safety performance.

Supporting Greener Buildings

We benchmark competitors and investigate changes in our performance to ensure we are improving our manufacturing standards and our product performance for green construction. As an active member and supporter of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) initiative, CMC was the first steel company in the U.S. to publish cradle-to-gate, product lifecycle analysis and produce an Environmental Product Declaration (EPD) for all of our products.

We publish EPDs to disclose the environmental performance or potential impacts of our products on the environment. Every five years we renew our EPDs, which are drafted in accordance to ISO 21930 and ISO 14025 standards and verified by a third party. Our product life cycle assessments consider our products' climate, resource and waste intensities and impacts. Currently, the GWP 100 of our products (global warming potential effects over a 100-year period) is 23% lower than the U.S. steel manufacturing average, according to the Concrete Reinforcing Steel Institute.

In 2021, we released our latest EPDs using data collected from FY19, which are available on our website. Our environmental achievements have supported CMC in winning noteworthy contracts for LEED® construction projects.

CMC Poland has been recognized annually since 2017 with the Sustainability for Steel Construction (Suststeel) Products Mark, a European Steel Association (EUROFER) certification that is independently verified by Bureaus Veritas in the European Union. This mark is awarded to all products coming from a mill whose sustainability management and KPI system comply with the defined requirements for the economic, environmental and social aspects of sustainability. This recognition helps us communicate the sustainability attributes of our products to our European customers.

In FY19 and FY20, CMC's products contributed to positive LEED® ratings for over 250 LEED® eligible projects.

Customer Satisfaction

Placing the customer at the core of all we do is our first guiding principle. Our customers inspire us to develop products that meet evolving demands and expectations. We are committed to providing customers with information that demonstrates our commitment to sustainability and highlights how our products can contribute to leading green building rating systems.

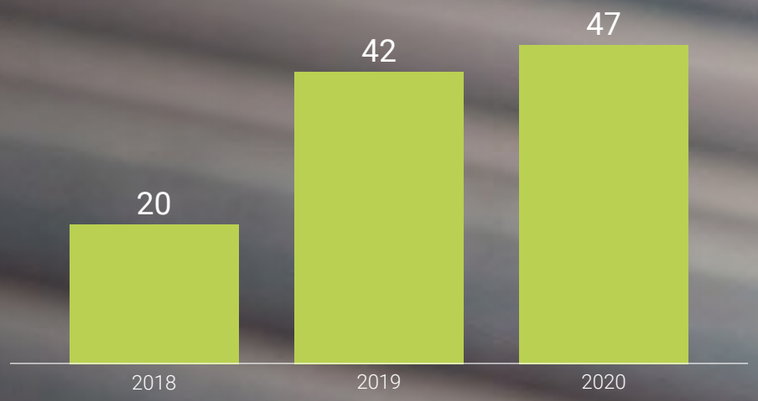
We operate a formal Commercial Excellence Program — involving multiple customer feedback mechanisms, a continuous improvement management system and extensive employee training — to meet customer expectations. Our steel mills regularly host "steel school" events for our customers to help them better understand our manufacturing processes, get their feedback on our products and services and strengthen our business relationship. This provides us the opportunity to collaborate with customers directly to find better ways to serve their evolving needs.

We proactively gather feedback from our customers in several ways, including the Jacobson and Associates Customer Satisfaction Survey, the steel industry's quarterly benchmark for measuring customer satisfaction. The survey results compare CMC to our major steel mill peers in the U.S. and Canada on topics including overall satisfaction, quality, service, price, on-time delivery, inside and outside sales and e-commerce. CMC's mills consistently rank within the top 10 positions across all of the Jacobson Customer Satisfaction categories and the number of top positions awarded to CMC mills increased in FY19 and FY20. We have held the number one overall average company position for the past four quarters.

In addition, in FY20, we launched upgrades to myCMC, our easy-to-use online customer interface to purchase products, manage payments and track the status of orders. The new features include improved functionality in conjunction with a marketing campaign to keep customers informed. Prior to the launch, the E-commerce and IT teams held a Customer Summit to obtain direct customer feedback to guide site updates. Since the launch of myCMC nearly ten years ago, we have been leading our industry and in FY20, the Jacobson Customer Satisfaction Survey results showed that all nine of CMC's mill locations ranked in the top 10 satisfaction scores for e-commerce.

Jacobson & Associates Customer Satisfaction Survey

Number of times CMC mills are in Top 10 Rankings



"I am continually impressed with the care that is both given and applied to all customers in every event, and your desire to improve customer service." – CMC Customer

Our Performance

Our EAF micro and mini mills produce 60% less carbon dioxide emissions than the industry average. For every ton of steel produced, CMC conserves 2,500 pounds of iron ore, 1,400 pounds of coal and 120 pounds of limestone by recycling scrap steel and melting it in an EAF. Our EAF micro and mini mills produce 60% less carbon dioxide emissions than the industry average. Additionally, our products do not contain any hazardous substances or release any dangerous substances to the environment. In FY19, the Steel Manufacturers Association recognized CMCs dedication by honoring us with the Achievement in Innovation Award for our spooled rebar. In addition, we received the 2019 Deal of the Year award through the Platts Global Metals Awards.

Protecting our People

Health & Safety

WHY IT MATTERS

Safety is a core value at CMC. We believe the most important aspect of our business is our people and that we have a moral responsibility to ensure our employees are safe while at work. Our ability to operate efficiently and produce quality products is dependent on our health and safety performance and we work diligently to minimize and mitigate occupational hazards and exposures.

At CMC, safety is our top concern. Our total recordable incident rates are consistently below the industry averages across all of our operations.

Our Approach

CMC strives to provide a safe working environment where facilities achieve zero work related injuries or illnesses. We foster a strong safety culture that encourages our employees to recognize potentially unsafe situations and empowers them to work together to remove potential hazards from the work environment.

Safety Management & Governance

CMC takes health and safety extremely seriously. Our Safety Management System includes our policies, incident management process, data dashboards and safety action plans based on observed behaviors related to health and safety. Through employee training, engagement, open communication and safety inspections, we have created an effective health and safety culture that continuously results in outstanding safety performance.

CMC's Global Health and Safety Policy sets the standard for our facilities based on regulatory requirements. While we have company-wide safety requirements that all employees must follow, each facility has the autonomy to develop personalized safety initiatives. Our regional and local health and safety policies often far exceed regulatory requirements based on specific issues and risks to their team and facility.

We embrace a total safety culture where everyone has the resources and responsibility to create a safe working environment. Our production employees know our established set of cardinal safety rules by heart and we begin every meeting with a safety topic. Most of our locations conduct daily crew meetings to discuss safety prior to the workday and we provide recurring training and health and safety drills to ensure this is a priority for everyone working at our facilities.

Each CMC location has an appointed Area Safety Coordinator or Manager responsible for upholding company standards for a geographic area or specific facility. Regional Safety Managers implement site-specific health and safety initiatives and elevate any health and safety risks or incidents to their Regional VPs, who work with our Directors of Safety in the U.S. and Poland. We provide health and safety updates with key metrics weekly and monthly to the ELT, and quarterly to the Board.

Safety Training & Engagement

CMC depends on employee engagement to achieve zero workplace injuries and we continuously work to strengthen our total safety culture through our supplementary health and safety programs. In addition to providing regulatory-based health and safety training, we require employees to participate in health and safety programs not mandated by law that are based on safety topics that have been identified as important to their job functions.

All new employees are required to complete job-specific training in addition to the standard and routine global health and safety training. We assign new employees a mentor to monitor the employee until they are capable of safely conducting their duties without one-on-one supervision. In addition, we require new employees to wear an identifying marker, such as a green reflective strip or sticker, on their hard hats for their first year to distinguish them when they are on the job.

Our Proactive Safety Program provides a means for any employee to report an incident, identify potential safety issues and to follow the resolution of the issue to its conclusion. This program encourages employees to report incidents and safety concerns before someone is injured. On a monthly basis, we review participation in the program and reinforce the importance of reporting near misses during our safety meetings to prevent future incidents. We strive to achieve at least 90% employee participation in our Proactive Safety Program. No concern is too small when it comes to health and safety.

We consider safety a continuous journey that is never finished. One way we reenergize a team's focus on safety is conducting a Safety Reality Check meeting to renew our safety pledges and review incidents from the past year. In FY19, we conducted a Safety Reality Check at our Arizona facility, which included listening to a heartwarming story from a steel industry employee who suffered a very serious injury a few years ago. This video hit home for several of our employees who realized that, in the blink of an eye, a very serious injury could happen to them as well and would change their lives forever. Each department broke off in groups to renew their department safety pledges for the current year and we had all employees write their own personal pledge to safety on laminated cards to carry in their hard hats to reinforce our safety culture.

Through employee training, engagement, open communication and safety inspections, we have created an effective health and safety culture that continuously results in outstanding safety performance.

Health & Safety – It Takes a Village

During normal business operations, CMC's safety team and first aid vendors work together to address injuries to CMC employees. We work quickly and effectively with heavy communication to ensure proper treatment of employees and promote the best care possible. If a health and safety incident occurs, collaboration and teamwork are key to managing an injury and getting an employee the best treatment possible, as quickly as possible. In FY19, CMC's California Safety Team and 1st Aid Response (our mobile first aid vendor for southern California) participated in a team-building event to complete a Tough Mudder race. The Tough Mudder is not your typical 5K race — it includes 13 challenging obstacles, making it one of the tougher athletic courses in Southern California. This event required a large amount of mental and physical work to get the entire team across the finish line safely and encouraged collaboration and trust within the team. Through participating in events like the Tough Mudder race, CMC strives to strengthen and promote teamwork and personal health.

COVID-19 Resilience

In FY20, health and safety risks significantly increased due to the COVID-19 pandemic. CMC immediately responded to this global threat by assembling a COVID-19 emergency response taskforce and abiding by CDC guidelines. We promptly limited facility access to employees whose responsibilities could only be performed on-site and mandated facemasks and health screenings. We invested in facemasks and personal hand sanitizer for every employee, including state-of-the-art facemasks that reduce fogging safety glasses for employees in operations. We also reconfigured workspaces and installed Plexiglass dividers to accommodate social distancing requirements.

Our total health and safety culture is demonstrated by our dedicated employees every day. Despite COVID-19 risks, CMC observed outstanding health and safety performance.

Voluntary Health Programs

To protect the health of our employees beyond occupational risks, CMC offers numerous voluntary health and wellness programs for all employees. Our Annual Physical Program campaign reminds employees of the importance of scheduling an annual physical, covered under CMC's health benefits. To incentivize our employees, we host monthly raffle drawings to award those who participated in the program. Employees can also participate in an optional follow-up meeting with Human Resources to discuss their physical exams and receive additional resources. Read more about our employee benefits in Talent Management.

Metric	2018	2019	2020
Employees participating in annual physicals for U.S.-based employees	88%	90%	86%

Incident Investigation & Safety Inspections

CMC encourages employees to report all health and safety concerns to their managers, no matter how small. Nearly 3,000 users have access to our global incident management system for logging near misses and incidents. This system automatically notifies safety managers of new reports, prompting them to initiate an investigation. For serious events, Safety Managers are required to record, assign and track all corrective actions in the incident management system, which distributes tasks to the individuals identified.

We also periodically issue employee Safety Perception Surveys at various locations and across business groups. These surveys aim to identify any discrepancies between management and employee perspectives on our safe working conditions. These surveys result in invaluable discussions that ultimately help further develop our health and safety management systems.

In response to employee feedback and near miss reporting, we require every facility to have a monthly safety inspection, at minimum, led by an Area or Regional Safety Manager.

During these internal audits, we identify and record any safety hazards or behaviors that require correction using a Safety Action Form, which automatically notifies individuals of the corrective action plan and allows for tracking and follow up via our Safety Management System. Managers must review Safety Action Forms prior to closing them.

Incidents that result in, or have the potential for, serious injury or fatality are escalated to our Directors of Safety in the U.S. and Poland who are responsible for reviewing and communicating these events across the organization monthly. This communication prompts Safety Managers to remedy potential exposures to identified near misses and risks.

We maintain a hierarchy of controls designed to eliminate future exposure to various levels of safety risk:

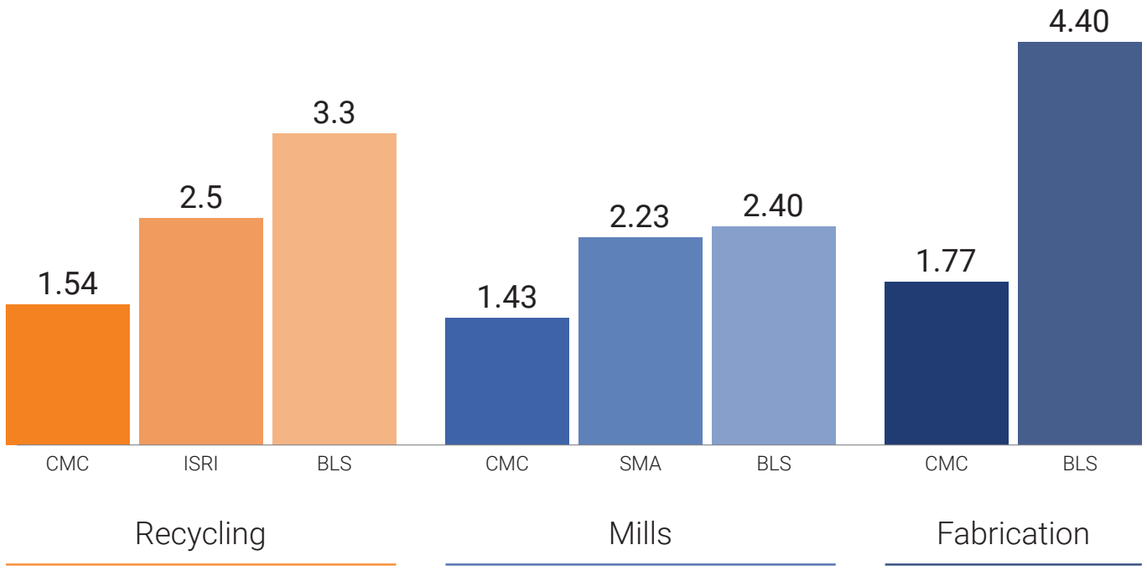
- **Remove the hazard.** When an employee identifies a risk, they have a responsibility to remove the risk if authorized to do so. Otherwise, we train employees to elevate the risk to their safety coordinator or manager to further investigate and resolve. Examples of hazards that employees are authorized to remove include tripping hazards and unsafe behavior.
- **Change or update the process.** When necessary, we update our operating processes to avoid identified health and safety risks. We formalize process improvements in our corporate health and safety management requirements and train all employees on new processes applicable to their role.

CMC encourages all employees to report near misses and incidents to prevent future accidents.

Our Performance

CMC achieves excellent health and safety performance by supporting a positive culture in reporting all risks and concerns. Our data indicates a high rate of near misses due to the large volume of reporting by our employees, which we identify as a best practice for preventing actual incidents. As a result of our employees' engagement in our culture of safety, we have excellent incident reporting and a growing trend toward zero incidents. Every month, we celebrate outstanding performance with safety lunches at locations that have achieved milestones. CMC's total recordable incident rates (TRIR) are consistently below the industry averages for recycling, mill and fabrication sites.

CMC 2019 Total Recordable Incident Rate (TRIR) by Category[1]



[1] Institute of Scrap Recycling Industries (ISRI), U.S. Bureau of Labor Statistics (BLS), Steel Manufacturers Association (SMA)

In FY19:

- 38 CMC U.S. rebar and placing locations received the CRSI Excellence in Safety Award for zero recordable injuries
- 5 locations received the CRSI Safety Achievement Award for an incident rate at least 50% lower than the industry average
- CMC Steel Arizona and CMC Steel Arkansas received the SMA Zero Lost Time Award

In FY20:

- 36 CMC U.S. rebar and placing locations received the CRSI Excellence in Safety Award for achieving zero recordable injuries
- 9 locations received the CRSI Safety Achievement Award for having an incident rate at least 50% lower than the industry average
- CMC Steel Florida received the SMA Zero Lost Time Award

Locations Leading the Way in Safety

CMC Cable Alpharetta (4)
CMC Cable Fontana (2)
CMC Construction Services Alexandria (9)
CMC Construction Services Austin (7)
CMC Construction Services College Station (2)
CMC Construction Services Corpus Christi (5)
CMC Construction Services Dallas Rental (5)
CMC Construction Services Houston Business Services
CMC Construction Services Houston Northwest (5)
CMC Construction Services Houston Rental (2)
CMC Construction Services Laredo
CMC Construction Services Lubbock (3)
CMC Construction Services New Orleans (3)
CMC Construction Services Pharr
CMC Construction Services Rosenberg (8)
CMC Construction Services Round Rock (4)
CMC Construction Services San Antonio East (5)
CMC Construction Services San Antonio West (4)
CMC Construction Services Sulphur (6)
CMC Construction Services Texas City (4)
CMC Construction Services Tulsa (6)
CMC Impact Metals Pell City
CMC Operations Admin (8)
CMC Paving Solutions Palos Heights
CMC Placing Las Vegas (2)
CMC Placing San Diego
CMC Poland Sp. z o.o. Bydgoszcz (8)
CMC Poland Sp. z o.o. Chrzanow (14)
CMC Poland Sp. z o.o. Gdansk (3)
CMC Poland Sp. z o.o. Herby
CMC Poland Sp. z o.o. Koszalin (2)
CMC Poland Sp. z o.o. Lublin (3)
CMC Poland Sp. z o.o. Olsztyn (3)
CMC Poland Sp. z o.o. Raczki (5)
CMC Poland Sp. z o.o. Rzeszow (6)
CMC Poland Sp. z o.o. Shared Service
CMC Poland Sp. z o.o. Swidnica (3)
CMC Poland Sp. z o.o. Zebiec (3)
CMC Poland Sp. z o.o. Zyrardow (6)
CMC Rebar Albuquerque (3)
CMC Rebar Arizona (4)
CMC Rebar Atlanta
CMC Rebar Auburn
CMC Rebar Birmingham
CMC Rebar Brighton (4)
CMC Rebar Carolina Sales (4)
CMC Rebar Charlotte (2)
CMC Rebar Cincinnati (2)
CMC Rebar Coating Waxahachie (4)
CMC Rebar Dallas (4)
CMC Rebar Denver (3)
CMC Rebar Draper Sales Office (2)
CMC Rebar Farmersville (2)
CMC Rebar Farmville Detailing
CMC Rebar Fontana (10)
CMC Rebar Fresno
CMC Rebar Ft Myers
CMC Rebar Glendale
CMC Rebar Harlingen
CMC Rebar Houston East
CMC Rebar Laredo (4)
CMC Rebar Lawrenceville Detailing
CMC Rebar Lindon
CMC Rebar Louisville Detailing
CMC Rebar Lumberton
CMC Rebar Melissa (3)
CMC Rebar Memphis
CMC Rebar Muncie
CMC Rebar Muskogee
CMC Rebar Nashville (3)
CMC Rebar San Antonio East
CMC Rebar San Diego
CMC Rebar San Diego Sales Office
CMC Rebar Santa Fe Springs
CMC Rebar Savannah
CMC Rebar Spartanburg Detailing
CMC Rebar St Louis
CMC Rebar Tampa Detailing
CMC Rebar Tampa Sales Office
CMC Rebar Waukesha Detailing
CMC Rebar Waxahachie (2)
CMC Rebar York
CMC Rebar York Detailing
CMC Recycling Admin
CMC Recycling Alexander City (2)
CMC Recycling Athens
CMC Recycling Austin (2)
CMC Recycling Beaumont
CMC Recycling Birmingham
CMC Recycling Burlington (2)
CMC Recycling Charlotte (3)
CMC Recycling Chattanooga (2)
CMC Recycling Clute (2)
CMC Recycling Columbia
CMC Recycling Corpus Christi (2)
CMC Recycling Florence (3)
CMC Recycling Gainesville (5)
CMC Recycling Galveston
CMC Recycling Houston
CMC Recycling Independence (8)
CMC Recycling Joplin (4)
CMC Recycling Lexington
CMC Recycling Lufkin
CMC Recycling Midland
CMC Recycling Ocala
CMC Recycling Seguin (5)
CMC Recycling Shreveport
CMC Recycling Spartanburg Asheville (3)
CMC Recycling Spartanburg Hwy 29
CMC Recycling Springfield
CMC Recycling Victoria (6)
CMC Recycling Waco (3)
CMC Recycling Wellford (3)
CMC Southern Post South Carolina (7)
CMC Southern Post Texas (2)
CMC Southern Post Utah
Commercial Metals Company Corporate Office

In FY20, 117 of our facilities achieved zero incidents for one or multiple consecutive years.
Locations with zero incidents over multiple years have the number of years in parenthesis.

Building a Culture of Success

» We are committed to building the new generation of steel manufacturers and supporting employee growth and leadership development through ongoing training and regular performance reviews.

Talent Management

WHY IT MATTERS

We believe our employees are the strength of our business and we depend on our technical experts and specialists to lead, grow and transform CMC. In addition, maintaining a diverse workforce of multiple perspectives can better support our long term goals. We invest in training and resources to empower and develop our employees and are committed to providing a safe, welcoming and stimulating work environment to attract and retain talent.

Our Approach

Through our robust talent management initiatives and human resources management, CMC has successfully fostered a strong culture where people enjoy working and stay for the long-term. As stated in our guiding principles, we value our employees and are committed to their personal and professional growth.

Governance

Our VP of Human Resources is responsible for overseeing our overall talent management strategy. We make local staffing decisions and requests at the plant and area level, reporting to Regional VPs who sit on our GLT alongside the VP of Human Resources. During biweekly meetings, the GLT discusses various issues related to talent management, including human capital for succession planning. In addition, our skilled Human Resources department continually implements our talent strategy in support of attracting and retaining the best talent in the market.

Our robust employee handbook and Code of Conduct and Business Ethics outline our policies on harassment, discrimination, workplace violence and other workplace topics. We provide our employees with these resources during onboarding. In early 2021, we updated our Workplace and Human Rights Policy to reflect updated international standards.

Diversity & Inclusion

We believe having a diverse workforce strengthens our business and we aim to build a welcoming and inclusive work environment. Through our Essentials of Management training, all employees who manage people or lead teams are required to learn about diversity issues, such as unconscious bias, inclusivity and micro-aggressions. We also reflect our values of diversity and inclusion in our employee handbook and Code of Conduct.

Our company monitors the diversity of our talent pipeline and is enthusiastic about hiring employees with diverse backgrounds and experiences. We continue to partner with organizations such as the Association of Women in Metals Industry Group and the Jefferson State Community College's Hard Hats and High Heels program in Birmingham, Alabama to increase our visibility as an employer for women. We also engage with several military and veteran outreach programs, including Military Connection, Oklahoma Employment Security Commission's Priority of Service and Veterans Employment Services, Employment Service Delivery System (state jobs bank), LinkedIn for Veterans Program, military.com, veteran staffing agencies, transition assistance programs and military base partnerships across the country. In addition, we post job ads in multiple languages in local markets to better attract diverse talent.

2020 Employee Diversity

Diversity Metric	
Gender	
Male	88%
Female	12%
Ethnicity	
Caucasian	57%
African American	10%
Hispanic	27%
Other	5%
Not Disclosed	1%
Age	
Under 30 years old	13%
30-50 years old	53%
Over 50 years old	34%

Award-Winning Workplace Culture

In FY20, the Dallas Morning News recognized CMC as one of the Top 100 Places to Work. The Dallas Morning News reviewed 3,100 nominated companies and interviewed 18,000 individuals to make their decision. Their extensive employee surveys included questions regarding company leadership, compensation, training, workplace flexibility, diversity and more. This award is a testament to our valuing employees and our excellent talent and human resources management. We are humbled to receive this recognition and are inspired to keep improving our company culture.

Recruiting Talent & Succession Planning

CMC invests in processes and technology to evolve and grow our recruitment capabilities. In FY20, we focused on upgrading our recruiting system and launched a cross-departmental project to introduce a new Applicant Tracking System (ATS). This new mobile-friendly tool is equipped to better leverage data to improve our recruiting and hiring process. Our ATS maintains a record of our talent pool and enables us to identify qualified candidates for open positions. It tracks recruitment metrics, such as time to fill, candidate sourcing information and diverse hires, which we share on a scorecard with our human resources staff in the field to improve future strategies. We also use the ATS to track and analyze the quality of the hire after one year of employment to shape our planning further. In Poland we use a similar recruiting system, e-Recruiter, which helps us efficiently manage our talent and recruitment processes.

We offer a biannual Management Development Program for high potential employees to develop their skills and to support our pipeline development strategy. The program includes 360-degree feedback and individual coaching sessions for all participants. In addition, the participants engage in a business-focused financial management session, a leadership course and small group projects where they present findings to CMC leadership. In FY20, 42 employees participated in the program.

In 2020, we also launched a new company website and online application website, jobs.cmc.com, to better attract talent.

Early Career Support

CMC is enthusiastic about growing our talent pipeline by partnering with local colleges and technical schools, offering apprenticeships and supporting talent entering the workforce or seeking to grow their skills. Many of our locations collaborate with universities to support the development of potential talent in the roles with need. This includes sponsorships for 2- or 4-year apprenticeships where students spend part of their time in the classroom learning about the steel industry and part of their time completing on-the-job training.

CMC Poland is dedicated to supporting technical education in order to engage students and interest them in becoming future workers in the steel industry. We collaborate with local technical high schools in the Silesian Region and provide cooperative education opportunities where qualified students can participate in supervised learning experiences at our facilities. We support classes that focus on professions including mechanical technician, mechatronic technician, metallurgy process technician and railway professionals.

In addition, we provide apprenticeships for students at local technical universities so they can gain valuable experience that will help them transition into future careers. We participate in a dual study program with Silesian University of Technology, where chosen students participating in this program undergo an industrial internship at our mill. CMC also offers scholarship programs for students and in FY19 to FY20, we hired 20 students in Poland after their successful completion of one of these programs.

For entry-level new hires in commercial and operational positions, CMC offers a rotational training program to expose these employees to our different lines of business — recycling, fabrication and mills. During the program, new employees gain technical experience across the business, learn business processes and discover their aptitude for each area. When the rotational program concludes, new employees will have acquired mid-level skills. By providing training, development and exposure to all parts of CMC, we are better positioned to place recent graduates on a path of succession within the company.

Employee Development Programs

CMC provides extensive training and educational programs, resources and support to develop our employees and build leaders internally. Our Learning & Development department develops and rolls out trainings that are most impactful for our employees. CMC mandates an Essentials of Management training for people managers that consists of 10 modules on topics ranging from collaboration to interviewing skills. In FY20, we introduced an additional, on-demand learning course called Crucial Conversations for managers.

We also offer both technical, safety and competence trainings on a regular basis on topics such as leadership, team building, safety working at heights, first aid and explosive and other dangerous material detected in scrap metal.

We also support the cost of furthering education relevant to our business, as these investments lead to improved retention, performance and development of critical skillsets and base of knowledge to progress within the company.

In FY21, we are launching our Modern Steelmaker Training program in Mesa, Arizona. This program is a paid opportunity for any CMC employee to learn the steelmaking process at one of the most efficient steel mills in the world — our first micro-mill, CMC Steel Arizona. Interested employees go through an interview process and those selected will participate in a 12-month rotational program where they will receive both technical and leadership training and will enroll in community college courses to develop technical and soft skills vital to our industry.

Employee Engagement

In addition to our employee development programs, CMC regularly engages with employees to ensure they are satisfied within their positions. We set professional objectives and goals for all employees, which managers track and review during annual one-on-one performance evaluations. Through our Project 365 program, managers meet with new employees regularly throughout their first year to ensure they feel supported and satisfied in their position.

We also conduct periodic “What Makes Us Different” surveys with U.S. employees, which provide invaluable information about how employees perceive our onboarding, employee training, development and culture. As part of our nomination for the Top 100 Places to Work in 2020, our North Texas based employees completed a survey, which provided numerous insights to inform our strategy. Our Human Resources team depends on employee feedback to continuously develop and support our valued employees and improve recruiting. We intend to develop additional pulse surveys going forward to better evaluate our performance routinely based on a larger pool of employees.

In FY19 and FY20, 100% of CMC employees received a performance review.

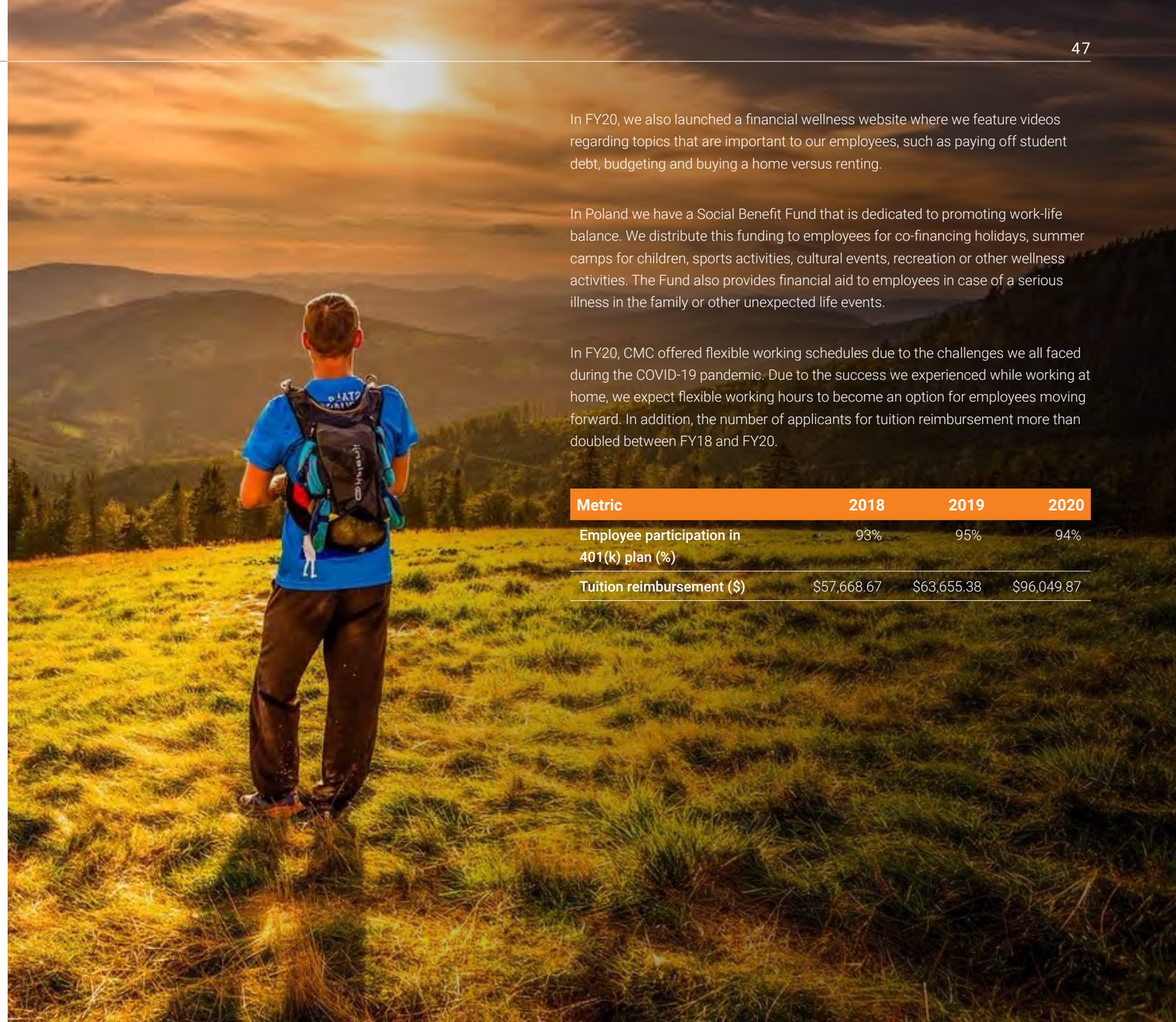
Employee Benefits

CMC offers our employees a competitive salary and benefits package and is committed to paying a living wage. In FY21, we worked with a third-party corporate sustainability consultant to conduct a living wage analysis of the locations where we operate. We are using this information to ensure our pay practices align with regional living wage standards.

Over the past two years, we focused our benefits programs on health, wealth and well being. Some of the benefits that make employment at CMC attractive include a 401(k) plan, employee stock purchase program, family and medical leave, annual vacation and paid-time-off, tuition benefits and affordable health insurance options. In Poland we offer private medical care plans for our employees and their families that exceed public healthcare requirements. In FY20, we also opened an on-site Medical Company Clinic at the mill location in Zawiercie for use by our employees and their families. It offers 10 doctors' offices, a treatment room, X-ray and ultrasound devices. The clinic is the largest on-site Medicover Company Clinic in Poland.

In addition to our benefits, we provide many optional health and wellness programs to all full- and part-time employees, including the following:

- **Telehealth** provides 24/7/365 health care services for common illnesses. Employees have access to a doctor by phone or video chat on the MDLive mobile application and can have prescriptions sent to their preferred pharmacy. In FY20, we enhanced MDLive services to include mental health and therapy services at no extra cost.
- **Employee Assistance Program** enables employees to seek assistance for various needs, such as childcare resources, debt management, retirement planning, grief and loss counseling, and mental health resources.
- **Medicare Transition Service** enables aging employees (65 years and older) to consult with an expert to determine which Medicare service best suits their needs. The Medicare Transition Service is flexible to employee schedules, offering consultations over the phone so that employees can easily access the service.



In FY20, we also launched a financial wellness website where we feature videos regarding topics that are important to our employees, such as paying off student debt, budgeting and buying a home versus renting.

In Poland we have a Social Benefit Fund that is dedicated to promoting work-life balance. We distribute this funding to employees for co-financing holidays, summer camps for children, sports activities, cultural events, recreation or other wellness activities. The Fund also provides financial aid to employees in case of a serious illness in the family or other unexpected life events.

In FY20, CMC offered flexible working schedules due to the challenges we all faced during the COVID-19 pandemic. Due to the success we experienced while working at home, we expect flexible working hours to become an option for employees moving forward. In addition, the number of applicants for tuition reimbursement more than doubled between FY18 and FY20.

Metric	2018	2019	2020
Employee participation in 401(k) plan (%)	93%	95%	94%
Tuition reimbursement ($)	$57,668.67	$63,655.38	$96,049.87

Giving Back

As a proud supporter of the Gary Sinise Foundation, CMC contributed to a home for Sergeant Jones and his family in Sevierville, TN that was completed in the spring of 2020.

Community Engagement

WHY IT MATTERS

Several of our facilities have grown and expanded with the towns that surround them. In many cases, multiple generations of the same families have been part of the CMC family. This is why being a good corporate citizen is one of our guiding principles — engaging with our communities strengthens our reputation, builds good relationships and inspires employee engagement. Employees want to work for companies that support their communities and CMC employees repeatedly show us their commitment to engaging and strengthening the places where they live. We believe it is both a responsibility and an opportunity to engage with our communities and to attract and retain talent.

» In FY19 and FY20, we supported over 350 organizations and donated nearly $2 million in monetary and material goods.

Our Approach

In addition to corporate initiatives and partnerships, CMC proudly supports local organizations in the towns where we operate. Our approach to giving back to our communities encompasses financial support through monetary donations, in-kind gifts of steel and other construction products and grassroots employee volunteerism.

Governance

Our facilities have long-standing partnerships with organizations in the surrounding communities and we value the unique relationships that exist across our footprint. In FY20, we established a Community Engagement Committee at our Irving headquarters to elevate employee engagement by identifying opportunities for company and employee volunteerism in support of the local and extended community. CMC aligns our social outreach with the causes that resonate most with our employees, which frequently includes health, veterans and community development. At the local level, we empower our employees and local managers to engage with and donate to organizations that make the biggest difference in each of their local communities.

At the corporate level, CMC continues to partner with the American Heart Association, American Cancer Society and the Gary Sinise Foundation. CMC also organizes annual philanthropic events. Read more about our strategy, partnerships and stories on our website.

Showing Love Locally

CMC is very proud of our active community involvement. In addition to our corporate contributions, our local facilities engaged in numerous activities across the U.S. and Poland — below are a few highlighted examples from 2020.

- Florida Dreams Come True Program: Dreams Come True exists to help children and their families find a momentary reprieve from the stress and struggles associated with battling a serious illness. Since 2016, CMC Steel Florida has supported the Dreams Come True program and has sponsored six families, which includes a weeklong vacation to a resort for the entire family. In 2019, CMC raised more than $12,000 through our annual golf tournament, where 100% of the proceeds benefit Dreams Come True — that's enough to pay for three dreamer trips to Walt Disney World.
- American Cancer Society Walk: CMC participated in a virtual American Cancer Society walk where employees used a phone app over three weeks to record their daily walking distance. The employees were able to engage with one another through the app and see cumulative miles walked and donations raised. CMC donated $1,000 to the American Cancer Society on behalf of the top 12 walkers, who dedicated the money in the name of someone affected by cancer. This successful event fostered employee engagement and a healthy lifestyle when the COVID-19 pandemic made it more difficult for traditional engagement opportunities.
- Salvation Army — Angel Tree Program: During the 2020 holiday season, CMC Steel Arizona was proud to celebrate 7 years of partnership with the Salvation Army and their Angel Tree program. This program gives our employees the opportunity to provide some holiday cheer for local families in need by donating clothing, toys and other gifts to children. CMC Steel Arizona once again adopted and provided gifts to 100 angels, including iPads, bikes, power wheels, dollhouses, video games and so much more!
- New Jersey Polar Bear Plunge for Special Olympics: Since 2009, Team CMC Steel New Jersey has participated in this event and in 2020, raised $3,260 benefiting the Special Olympics.

Scrap Can Be Beautiful

In FY20, CMC celebrated our 42nd year hosting the annual "Scrap Can Be Beautiful" contest and exhibit. Every year, we collaborate with the Booker T. Washington School for the Performing and Visual Arts in Dallas, Texas to feature metal art sculptures created by students in their sculpture class. CMC donates the scrap metal from our local recycling yard for the students to use. The students enter their art pieces into the annual design competition, judged by a panel of art industry professionals and artists. They also have an option to enter their pieces into a CMC silent auction where our employees can bid on the artwork. This longstanding partnership provides many students with the opportunity to express their creativity through artistic means and gives recognition for their outstanding talents.

Supporting students at the Booker T. Washington High School for the Performing and Visual Arts since 1978.

R.I.S.E-ing to the Occasion

CMC is proud to be a supporter of the Gary Sinise Foundation and their R.I.S.E. (Restoring Independence Supporting Empowerment) program since 2012. Through R.I.S.E., CMC contributes funds to help construct specially adapted smart homes for severely wounded veterans who live in the same communities where our employees live and work. Built from the ground up with each veteran's individual needs in mind, these homes alleviate the financial burden and stress on their entire family and provide a safe-haven for heroes to reclaim their independence. In honor of Veterans Day, CMC also contributes a percentage of our total sales to the foundation during the month of November. We are proud to honor and support our many military veteran employees.

(Virtually) Going Red for Women

For several years, CMC has been a sponsor of the American Heart Association's Go Red for Women campaign that promotes women's heart health awareness. Each year, we encourage employees to participate in National Wear Red Day — however, in 2020 we were unable to gather for our traditional pictures due to social distancing restrictions. Not to be deterred, we encouraged employees to send pictures of themselves and their loved ones wearing red and created a collage that was revealed on National Wear Red Day.

Disaster Relief

CMC has a nonprofit Employee Relief Foundation where employees can donate money to support their colleagues during hurricanes, fires, floods and other emergency events. Employees impacted by natural disasters can apply for funds collected through the Foundation, which our application committee reviews to determine funds distribution. CMC is committed to supporting our employees, especially during critical situations.

Community Involvement in Poland

Our steel mill in Zawiercie, Poland is the largest employer in the community. As many of our employees live and work in Zawiercie and the surrounding area, CMC is very involved in community events and supports community development and technical education. We sponsor a local volleyball team (the team plays in the highest professional league of volleyball in Poland — PlusLiga) and handball team; donate to the local fire brigades and hospital; and participate in community organized holiday and sporting events. We donate to organizations that support women with breast cancer and in FY20, donated PPE to hospitals and provided funding for COVID-19 testing. During the Christmas holiday season, a group of our employees, dressed as Santa Claus, distribute CMC "mascots" — stuffed animals — and treats to children. This is a tradition that many families, and especially their children, look forward to each year.

Our Performance

CMC is committed to supporting our communities on issues that matter most to strengthen our employee engagement and community relations. The COVID-19 pandemic hindered our ability to participate in community engagement events, but we found creative ways to continue supporting our communities by virtual and monetary means.

Despite the challenges caused by the pandemic, the support we provided our communities did not waiver. In FY19 and FY20, we supported over 350 foundations and organizations and donated nearly $2 million in monetary and material goods, and in FY20, our community event contributions nearly doubled compared to the last two years. In order to expand our outreach, we continuously collaborate with our Human Resources team and trade associations to seek creative and alternative ways to engage employees and charitable organizations.

Metric	2018	2019	2020
Community Charitable Contributions	$677,212	$661,262	$1,219,267

Data Tables

Metric	Unit	2018	2019	2020
About CMC				
Global employees	#	8,900	11,524	11,297
U.S.	#	6,886	9,410	8,946
Europe	#	2,014	2,114	2,351
Raw steel production (fiscal year)	metric tons	4,049,542	5,301,216	5,543,677
Raw steel production (calendar year)	metric tons	4,408,836	5,579,559	5,541,286
Metal recycled from operations	short tons	6,784,015	9,304,156	8,964,411
Recycled content in manufactured finished steel	%	97.6%	98.0%	98.0%
Raw steel produced from electric arc furnace (EAF)	%	100%	100%	100%
Raw steel produced from basic oxygen furnace (BOF)	%	0%	0%	0%
Total iron ore production	%	0%	0%	0%
Total coking coal production	%	0%	0%	0%
Accountability for Our Actions				
Corporate Governance				
Political contributions (through our employee-sponsored PAC)	$	$56,000.00	$32,700.00	$78,231.04
Lobbying expenditures	$	–	$202,111.00	$310,500.00
Trade association expenditures	$	$1,576,804.89	$2,046,274.59	$1,944,990.73
Ethics				
Employees completing code of business conduct training	%	99.96%	99.08%	99.47%

Metric	Unit	2018	2019	2020
Respect for Our Environment[1]				
Environmental Footprint				
Capital expenditures with an environmental impact	$	$42,828,221.00	$7,681,381.00	$44,723,364.00
Environmental Footprint (GHG Emissions)				
Scope 1 GHG emissions	MT CO_2e	780,194	1,119,442	1,102,623
Scope 1 GHG emissions intensity	MT CO_2e /MT	0.177	0.200	0.199
% of CO_2e covered under emissions-limiting regulations	%	3.25%	3.71%	4.24%
Scope 2 GHG emissions	MT CO_2e	1,352,573	1,526,894	1,523,925
Scope 2 GHG emissions intensity	MT CO_2e /MT	0.307	0.274	0.275
Total GHG emissions (Scopes 1 & 2)	MT CO_2e	2,132,767	2,646,337	2,626,548
Total GHG emissions intensity (Scopes 1 & 2)	MT CO_2e /MT	0.484	0.474	0.474
Environmental Footprint (Air Quality)				
Nitrogen oxides (NOx)	metric tons	624	798	761
Sulfur oxides (SOx)	metric tons	378	530	497
Carbon dioxide (CO_2)	metric tons	732,419	1,067,055	1,054,272
Methane (CH_4)	metric tons	89.32	139.02	139.50
Nitrous oxide (N_2O)	metric tons	0.68	0.85	0.80
Particulate matter (PM)	metric tons	243	364	362

[1] CMC environmental data is representative of our steel mills only, as they represent >95% of our footprint.

Metric	Unit	2018	2019	2020
Environmental Footprint (Energy)				
Fuel consumption	GJ	6,238,650	8,958,356	8,740,918
Natural gas	GJ	5,664,515	8,342,208	8,175,855
% Natural gas (of total fuel consumption)	%	90.8%	93.1%	93.5%
Coal	GJ	0	0	0
Other fuel (diesel)	GJ	574,136	616,148	565,063
% Renewable (fuel)	%	0%	0%	0%
Electricity consumption	GJ	9,618,759	12,369,440	12,057,353
% Renewable	%	9%	13%	13%
Total energy consumption	GJ	15,857,409	21,327,796	20,798,271
% Grid electricity	%	60%	58%	58%
% Renewable	%	6%	8%	8%
Energy intensity	GJ/MT	3.91	4.02	3.75
Environmental Footprint (Water)				
Total water consumption	m^3	3,934,985.48	4,932,167.67	4,677,544.25
Water withdrawn from public inlet	m^3	1,176,104.45	1,964,920.17	1,891,608.62
Water withdrawn from ground water (private well)	m^3	2,310,162.28	2,934,060.36	2,606,250.17
Water withdrawn from surface water (stream)	m^3	1,643,707.00	1,391,533.00	1,412,232.00
Total water discharge	m^3	1,194,988.24	1,358,345.88	1,232,546.22
% of Water that is recycled or reused multiple times	%	95%	94%	96%
% of Water withdrawn in high or extremely high baseline stress area	%	13%	22%	19%
% of Water consumed in high or extremely high baseline stress area	%	16%	27%	23%
Environmental Footprint (Waste)				
Total Waste & Co-Products	metric tons	895,406	1,053,491	1,137,060
% of Waste recycled	%	85.1%	87.0%	85.9%
% Hazardous waste	%	4.97%	6.15%	6.32%

Metric	Unit	2018	2019	2020
Product Stewardship				
% Recycled input materials used in products	%	97.6%	98.0%	98.0%
R&D expenditures	$	$32,796,208.37	$29,222,479.53	$24,649,939.36
Global customer satisfaction score	%	89%	88%	87%
Acting with Integrity				
Health & Safety				
Total Recordable Incident Rate (TRIR)	#	1.3	1.6	1.5
Contract labor TRIR	#	0.2	0.1	0.1
Total Near Miss Frequency Rate (NMFR) (includes both full time and contract labor)	#	45.6	26.9	31.1
Number of Fatalities	#	1	0	0
Fatality Rate	#	0.0013	0	0
Contract labor Fatalities	#	0	0	0
# of Locations with zero incident rate	#	90	118	117
% of U.S. employees participating in annual physicals	%	88%	90%	86%
Talent Management				
% Employees receiving performance reviews	%	99%	100%	100%
% Participation in 401(k) plan	%	89.1%	95.0%	94.3%
Graduation gift (for children of employees)	$	$13,700	$13,800	$18,500
Military gift (for children of employees)	$	$1,500	$1,750	$1,500
College scholarship (for children of employees)	$	$186,451	$189,500	$209,750
Employee tuition reimbursement	$	$57,669	$63,655	$96,050
Community Engagement				
Community charitable contributions	$	$677,212.07	$661,261.78	$1,219,266.71

Metric	Unit	2018	2019	2020
Diversity				
Women in global workforce	#	1,157	1,343	1,357
Men in global workforce	#	7,743	10,181	9,940
Board of Directors				
% Male	%	67%	67%	64%
% Female	%	33%	33%	36%
% Caucasian	%	89%	89%	91%
% African American	%	11%	11%	9%
% Hispanic	%	0%	0%	0%
% Other	%	0%	0%	0%
% Race/ethnicity not disclosed	%	0%	0%	0%
% Age: under 30	%	0%	0%	0%
% Age: 30-50	%	0%	0%	0%
% Age: over 50	%	100%	100%	100%
% Age not disclosed	%	0%	0%	0%
Executive Leadership				
% Male	%	60%	60%	40%
% Female	%	40%	40%	60%
% Caucasian	%	100%	100%	100%
% African American	%	0%	0%	0%
% Hispanic	%	0%	0%	0%
% Other	%	0%	0%	0%
% Race/ethnicity not disclosed	%	0%	0%	0%
% Age: under 30	%	0%	0%	0%
% Age: 30-50	%	40%	40%	60%
% Age: over 50	%	60%	60%	40%
% Age not disclosed	%	0%	0%	0%

Metric	Unit	2018	2019	2020
Diversity				
Salaried Employees				
% Male	%	72%	74%	73%
% Female	%	28%	26%	27%
% Caucasian	%	77%	76%	77%
% African American	%	5%	5%	5%
% Hispanic	%	12%	12%	12%
% Other	%	4%	5%	4%
% Race/ethnicity not disclosed	%	2%	2%	2%
% Age: under 30	%	5%	6%	7%
% Age: 30-50	%	52%	53%	53%
% Age: over 50	%	43%	41%	40%
% Age not disclosed	%	0%	0%	0%
Hourly Employees				
% Male	%	92%	93%	93%
% Female	%	8%	7%	7%
% Caucasian	%	48%	48%	50%
% African American	%	11%	12%	12%
% Hispanic	%	32%	35%	32%
% Other	%	3%	3%	0%
% Race/ethnicity not disclosed	%	6%	3%	6%
% Age: under 30	%	13%	14%	15%
% Age: 30-50	%	53%	53%	52%
% Age: over 50	%	35%	33%	32%
% Age not disclosed	%	0%	0%	1%

GRI Content Index

Disclosures from the Global Reporting Initiative (GRI)

GRI Standard	Disclosure	Description	Location or Direct Answer
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational Profile**		
	102-1	Name of the organization	Commercial Metals Company
	102-2	Activities, brands, products, and services	About Commercial Metals Company
	102-3	Location of headquarters	About Commercial Metals Company
	102-4	Location of operations	About Commercial Metals Company
	102-5	Ownership and legal form	About Commercial Metals Company
	102-6	Markets served	About Commercial Metals Company
	102-7	Scale of the organization	About Commercial Metals Company
	102-8	Information on employees and other workers	Data Tables
	102-9	Supply chain	Sustainable Supply Chain
	102-10	Significant changes to the organization and its supply chain	About Commercial Metals Company
	102-11	Precautionary Principle or approach	CMC does not follow the precautionary approach, but has a comprehensive risk management plan in place. For more information, see our 2020 Form 10-K and Corporate Governance.
	102-12	External initiatives	About This Report

GRI Standard	Disclosure	Description	Location or Direct Answer
	Organizational Profile		
GRI 102: General Disclosures 2016	102-13	Membership of associations	CMC is an active member of more than 30 associations. Our participation within these organizations allows us to benchmark our performance and proactively adapt to changes in the market. • Academic and Economic Association of Metallurgy • American Chamber of Commerce • Associated Builders and Contractors (ABC) • Associated General Contractors (AGC) • Association for Iron and Steel Technology (AIST) • The Association of Employers of the Steel Industry (Związek Pracodawców Przemysłu Hutniczego) • Bureau of International Recycling (BIR) • Concrete Reinforcing Steel Institute (CRSI) • Deep Foundations Institute • European Steel Association (EUROFER) • European Federation of Association of Steel, Tube and Metal Distribution (EUROMETAL) • German Steel Federation • Institute of Scrap Recycling Industries (ISRI) • The International Association of Foundation Drilling (ADCS) • The International Steel Trade Association (ISTA) • Metal Building Manufacturers Association (MBMA) • Metals Service Center Institute (MSCI) • Polish Chamber of Construction and Building • Polish Chamber of Industry and Commerce of Scrap • Polish Steel Association (Hutnicza Izba Przemyslowo Handlowa) • Polish Union of Steel Distributors • Steel Joist Institute (SJI) • Steel Manufacturers Association (SMA) • Steel Quality Promotion Center • U.S. Green Building Council (USGBC)

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	**Strategy**		
	102-14	Statement from senior decision-maker	Letter from Our Chairman, President and CEO
	Ethics & Integrity		
	102-16	Values, principles, standards, and norms of behavior	Ethics & Compliance
	102-17	Mechanisms for advice and concerns about ethics	Ethics & Compliance
	Governance		
	102-18	Governance structure	Corporate Governance
	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance
	102-22	Composition of the highest governance body and its committees	Corporate Governance
	102-23	Chair of the highest governance body	Barbara Smith is our Chairman of the Board, President and Chief Executive Officer
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance
	102-31	Review of economic, environmental, and social topics	Corporate Governance
	102-32	Highest governance body's role in sustainability reporting	Corporate Governance
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Stakeholder Engagement & Materiality
	102-41	Collective bargaining agreements	2020 Form 10-K
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality
	102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality
	102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality
	Reporting Practices		
	102-45	Entities included in the consolidated financial statements	Commercial Metals Company ("CMC") and its subsidiaries (as defined in our 2020 Form 10-K) are all represented in this report, unless otherwise noted.
	102-46	Defining report content and topic Boundaries	Stakeholder Engagement & Materiality
	102-47	List of material topics	Stakeholder Engagement & Materiality

GRI Standard	Disclosure	Description	Location or Direct Answer
	Reporting Practices		
GRI 102: General Disclosures 2016	102-48	Restatements of information	The following 2018 data were restated: • % of recycled content in manufactured finished steel, based on updated calculation methodology • Total energy consumption intensity, based on expanded data collection • Scope 1 GHG emissions intensity, based on expanded data collection • % of recycled water, based on updated calculation methodology • Charitable spending based on updated data for 2018 • Customer satisfaction ranking based on updated calculation methodology to include CMC Poland in our metric See our data tables for more information.
	102-49	Changes in reporting	This report reflects our updated list of material sustainability topics based on our 2021 materiality assessment, with some overlap with our 2017-2018 Sustainability Report topics. In addition, this report covers our larger footprint since the 2018 Gerdau Acquisition. For more information, see Stakeholder Engagement & Materiality and About Commercial Metals Company.
	102-50	Reporting period	About This Report
	102-51	Date of most recent report	November 1, 2019
	102-52	Reporting cycle	Biennial
	102-53	Contact point for questions regarding the report	About This Report; Manager of Public and Investor Relations: IR@cmc.com
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report
	102-55	GRI content index	This index
	102-56	External assurance	This report has not been externally assured.
Topic-Specific Disclosures			
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Stewardship
	103-2	The management approach and its components	Product Stewardship
	103-3	Evaluation of the management approach	Product Stewardship
GRI 301: Materials 2016	301-2	Recycled input materials used	Product Stewardship; Data Tables

GRI Standard	Disclosure	Description	Location or Direct Answer
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environmental Stewardship
	103-2	The management approach and its components	Environmental Stewardship
	103-3	Evaluation of the management approach	Environmental Stewardship
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Data Tables
	302-3	Energy intensity	Environmental Stewardship, Data Tables
	302-4	Reduction of energy consumption	Environmental Stewardship, Data Tables
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environmental Stewardship
	103-2	The management approach and its components	Environmental Stewardship
	103-3	Evaluation of the management approach	Environmental Stewardship
GRI 303: Water & Effluents 2018	303-1	Interactions with water as a shared resource	Environmental Stewardship
	303-2	Management of water discharge-related impacts	Environmental Stewardship
	303-4	Water discharge	Data Tables
	303-5	Water consumption	Environmental Stewardship, Data Tables
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environmental Stewardship
	103-2	The management approach and its components	Environmental Stewardship
	103-3	Evaluation of the management approach	Environmental Stewardship
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Stewardship, Data Tables
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Stewardship, Data Tables
	305-4	GHG emissions intensity	Environmental Stewardship, Data Tables
	305-5	Reduction of GHG emissions	Environmental Stewardship, Data Tables
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Data Tables

GRI Standard	Disclosure	Description	Location or Direct Answer
Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environmental Stewardship
	103-2	The management approach and its components	Environmental Stewardship
	103-3	Evaluation of the management approach	Environmental Stewardship
	306-1	Waste generation and significant waste related impacts	Environmental Stewardship
	306-2	Management of significant waste-related impacts	Environmental Stewardship
	306-4	Waste Diverted from Disposal	Data Tables
	306-5	Waste Directed to Disposal	Data Tables
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Management
	103-2	The management approach and its components	Talent Management
	103-3	Evaluation of the management approach	Talent Management
GRI 401: Employment 2016	401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	Talent Management
Occupational Health & Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Health & Safety
	103-2	The management approach and its components	Health & Safety
	103-3	Evaluation of the management approach	Health & Safety
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	Health & Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Health & Safety
	403-3	Occupational health services	Health & Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety
	403-5	Worker training on occupational health and safety	Health & Safety
	403-6	Promotion of worker health	Talent Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety
	403-8	Workers covered by an occupational health and safety management system	All employees; Health & Safety
	403-9	Work-related injuries	Data Tables

GRI Standard	Disclosure	Description	Location or Direct Answer
Talent Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Management
	103-2	The management approach and its components	Talent Management
	103-3	Evaluation of the management approach	Talent Management
GRI 404: Training & Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management
	404-3	percentage of employees receiving regular performance and career development reviews	Talent Management; Data Tables
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Management
	103-2	The management approach and its components	Talent Management
	103-3	Evaluation of the management approach	Talent Management
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance; Talent Management; Data Tables
Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Engagement
	103-2	The management approach and its components	Community Engagement
	103-3	Evaluation of the management approach	Community Engagement
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement
Public Policy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Corporate Governance
	103-2	The management approach and its components	Corporate Governance
	103-3	Evaluation of the management approach	Corporate Governance
GRI 415: Public Policy 2016	415-1	Political contributions	Corporate Governance; Data Tables

SASB Index

Iron & Steel Producers Standard from the Sustainability Accounting Standards Board (SASB)

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Response/Location
Greenhouse Gas Emissions	EM-IS-110a.1: Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Data Tables
	EM-IS-110a.2: 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	Environmental Stewardship
Air Emissions	EM-IS-120a.1: Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	Data Tables; Currently, CMC does not aggregate CO, MnO, Pb, VOCs or PAHs data for reporting, however we are evaluating including CO, VOC and Pb in future reporting cycles. CMC does not collect MnO or PAHs data, and at this time we do not have any information that suggests these are relevant in our process.
Energy Management	EM-IS-130a.1: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental Stewardship; Data Tables
	EM-IS-130a.2: (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	Environmental Stewardship; Data Tables
Water Management	EM-IS-140a.1: (1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress, (4) water withdrawn in regions with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn, (5) water consumed in regions with High or Extremely High Baseline Water Stress as a percentage of the total water consumed	Environmental Stewardship; Data Tables
Waste Management	EM-IS-150a.1: Amount of waste generated, percentage hazardous, percentage recycled	Environmental Stewardship; Data Tables
Workforce Health & Safety	EM-IS-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Health & Safety; Data Tables
Topic	**Accounting Metric**	**Response/Location**
Supply Chain Management	EM-IS-430a.1: Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	CMC does not use iron ore or coking coal to produce our products. For more information, see Sustainable Supply Chain.
Activity Metrics		**Response/Location**
EM-IS-000.A: Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes		About CMC, Data Tables
EM-IS-000.B: Total iron ore production		CMC does not use iron ore to produce our products. For more information, see Sustainable Supply Chain.
EM-IS-000.C: Total coking coal production		CMC does not use coking coal to produce our products. For more information, see Sustainable Supply Chain.

TCFD Index

Recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD)

Governance Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	Corporate Governance; Environmental Stewardship
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance; Environmental Stewardship
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2020 Annual Report (Item 1A. Risk Factors, p. 9-10); Corporate Governance
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Environmental Stewardship
c) Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy and financial planning.	Although CMC has not formally conducted scenario analysis, we leveraged the Science-Based Targets Initiative (SBTi) Target Setting tool to identify the decarbonization approach for the iron and steel sector in alignment with a below 2°C future. In doing so, we identified our alignment to this pathway, and determined that our Scope 1 and Scope 2 GHG emissions intensities are already well below both today's Paris Climate Agreements' Below 2 Degrees Scenario industry target and the 2040 industry target. In an effort of continuous improvement, we have recognized that our Scope 2 emissions are a greater opportunity for impact than our Scope 1 emissions and will consider this opportunity as we conduct business and financial planning. Read more in Environmental Stewardship.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Corporate Governance
b) Describe the organization's processes for managing climate- related risks.	Environmental Stewardship
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Corporate Governance
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Stewardship
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Stewardship
c) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Environmental Stewardship; Data Tables