

COMMERCIAL METALS COMPANY

**Sustainability  
Report**

2021

# Table of Contents

02	08	22	49
Table of Contents	Awards & Recognition	Sustainable Supply Chain	Community Engagement
03	09	24	53
2021 Performance Highlights	Stakeholder Engagement & Materiality	Environmental Stewardship	Data Tables
04	12	32	59
A Letter From Our Chairman, President & CEO	Sustainability at CMC	Product Stewardship	GRI Content Index
05	15	37	66
About This Report	Ethics & Compliance	Health & Safety	SASB Index
06	17	43	67
About Commercial Metals Company	Corporate Governance	Talent Management	TCFD Index

# 2021 Performance Highlights

**\$6.7 B**  
net sales

**8.6 M**  
tons of  
recycled metal

**103**  
facilities with a  
zero incident rate

**15%**  
return on  
invested capital

**44%**  
of our board  
members  
are women

**50%**  
of our corporate  
executives  
are women

**41%**  
ethnic diversity  
in our workplace  
(non-white)

**>37%**  
increase in our  
community  
charitable giving  
since 2019

**88%**  
global customer  
satisfaction  
score

**38%**  
increase in  
electricity from  
renewable sources  
since 2019

**89%**  
water recycling  
and reuse rate

**7.8%**  
decrease in energy  
consumption  
intensity since 2019

# A Letter From Our Chairman, President & CEO

As I reflect on the past year and the challenges we faced – the continuation of a global pandemic, extreme weather events and the supply chain disruptions brought on by both - I am reminded of the 106-year history of CMC and the many challenges that have been faced and met throughout our company's history.

At CMC, our Guiding Principles are our north star that directs our behavior and how we conduct business every day. At their core, they form the foundation that has created a naturally sustainable business at CMC which has withstood the test of time.

CMC's Guiding Principles are in harmony with sustainable business practices including our commitments to the health and safety of every employee, treating every individual with dignity and respect, serving our customers' needs, creating value for our investors, and giving back to our communities and society as a whole.

Sustainability is not something we think about once a year as we prepare this report, it is at the core of our business. It's been our nature for over 106 years to be a sustainable recycling company, and we pride ourselves in being at the forefront of technologies that conserve more natural resources and further reduce our impact. This report highlights various aspects of our business that the more than 11,000 CMC employees manage on a daily basis, and we are proud to report that we maintain world class operations with a significantly smaller environmental footprint than the industry and we remain truly committed to sustainable steelmaking.

## Sustainable Priorities

The **safety** of our employees is our top priority. Our ultimate goal is zero injuries, and we continue to make progress addressing the underlying root cause of injuries and I am exceptionally proud of the 103 locations who worked incident free this past year.

One driving force behind CMC's business model is **continuous improvement**, always striving to be better tomorrow than we are today. To that end in 2021, we advanced a number of strategic initiatives.

We successfully commissioned a third rolling mill in Poland which enables us to produce new and innovative products for the European market.

We began construction of our third micro mill, located in Mesa, Arizona, 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. We are the first manufacturer in North America to install the cutting-edge Q-One technology that has the capability to power the mill directly from renewable sources, increasing our renewable mix and reducing electricity line losses by up to 10%.

We know that the energy we consume is our largest source of GHG emissions. We are committed to reducing our carbon footprint through our **energy management** program thus improving operational efficiencies. We continue to increase our use of renewable electricity and this year are adding a new renewable energy commitment to power our mill facility in Texas.

And financially, we achieved record earnings and set new record shipment and production levels at several of our steel making operations.

Our excellent 2021 performance is a testament to the operational flexibility and earnings power of the new, strategically transformed CMC, and I could not be more proud of our team and their many accomplishments.

## 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.

Earlier this year, we released environmental sustainability goals that we intend to reach or surpass by 2030. We have a set of actions outlined that are going to move us toward achieving these goals and over the past few months, have begun the groundwork required to further our progress and we report details on that activity in this report. I am proud to share that through the hard work and diligence of our Operations teams, we have already surpassed our 2030 energy target of a 5% reduction in energy intensity.

We are both inspired and challenged by this year's results and driven to continue improving our performance and building towards our goals. From everyone at CMC, thank you for your interest in our company and our progress.



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

# About This Report

This sustainability report provides information on the most relevant environmental, social, and governance (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 annual report covers key activities and performance metrics from our fiscal year of 2021 from September 1, 2020 to August 31, 2021. Unless otherwise noted, all data and information represent our global recycling, mill and downstream facilities. 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.

To learn more about Sustainability at Commercial Metals Company, visit [www.cmc.com/sustainability](http://www.cmc.com/sustainability). For questions regarding Commercial Metals Company'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](mailto:ir@cmc.com).



# About Commercial Metals Company

## Who We Are

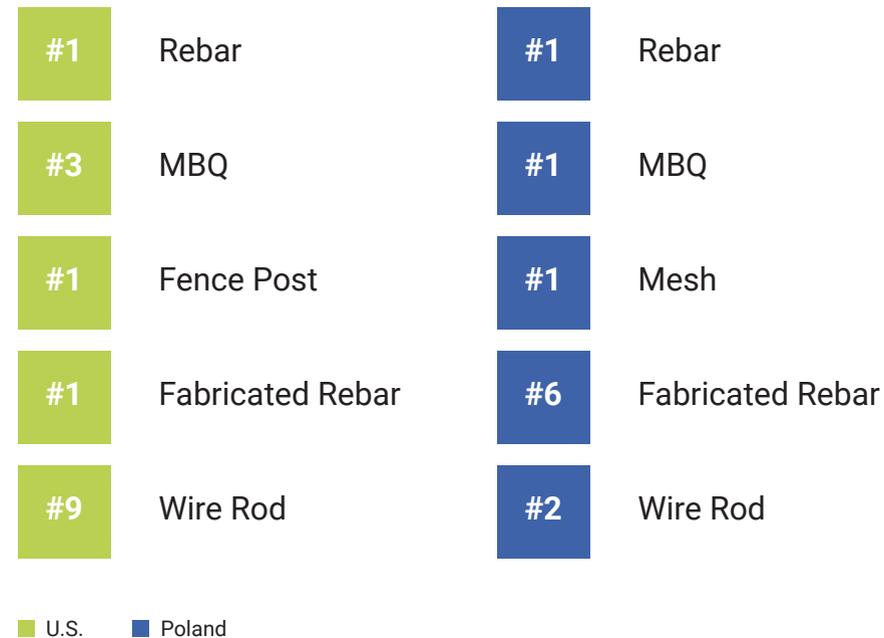
Founded in 1915, Commercial Metals Company (CMC) is a global leader in sustainable recycling, manufacturing and fabrication of steel and metal products and related materials and services. Headquartered in Dallas, Texas, our global workforce of approximately 11,089 employees operates our 187 facilities 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 steel producing 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 have been recognized as among the best in the industry.

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

### Strong Positions in All Major Products (2020)



### Production

Metric	Unit	2019	2020	2021
Total metal recycled from operations	MT	8,440,675	8,132,461	8,658,607
Mill total raw steel production	MT	5,301,216	5,543,677	5,661,959



» Our 2021 net sales totaled \$6.7 billion and we shipped 6.2 million short tons of steel externally.

## 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. Our goal is 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.

[Website](#)



## Revitalizing Grand Avenue: The Civic and Cultural Core of Los Angeles

Revitalizing downtown Los Angeles' Grand Avenue has been a decade-long endeavor. The Grand Avenue Project began with a revitalization of Grand Park, first opened in 1957, that was completed in 2012.

The Grand LA, a Frank Gehry-designed, mixed-use mega development, will include residential housing, retail space, destination restaurants and shopping spread among a series of landscaped open terraces along with a cinema complex and hotel. The residential tower will include a 20% affordability housing component for low-income tenants.

The Grand LA is registered with the U.S. Green Building Council and is expected to meet LEED® Silver certification or higher for its use of practical and measurable green building strategies. CMC steel rebar reinforces the foundation and structure of The Grand LA, and because CMC steel is produced using sustainable steelmaking processes and from 100% recycled metal, the rebar we provided for this project positively contributes to the LEED certification process.



# Awards & Recognition

				
<p>2020</p>	<p>2021</p>	<p>2021</p>	<p>2021</p>	<p>2021</p>
<p>Received the Environmental Award by First Coast Manufacturers Association</p>	<p>Ranked one of the Top 100 Places to Work by The Dallas Morning News</p>	<p>Received SMBE Silver Winner for outstanding leadership and management systems by the Florida Sterling Council and FloridaMakes</p>	<p>Received Workforce Development Award from the Seguin Economic Development Corporation</p>	<p>John Bell Award for major and significant contributions to EAF technology by the Association for Iron &amp; Steel Technology presented to Dr. Sam Matson, CMC's Director of Energy Technology</p>

			
<p>2021</p>	<p>2021</p>	<p>2021</p>	<p>2021</p>
<p>Received Green Large Business Award by Keep the Midlands Beautiful</p>	<p>Received CRSI Excellence in Safety Award for achieving zero recordable injuries at 36 locations</p>	<p>Received the CRSI Safety Achievement Award for having an incident rate at least 50% lower than the industry average at 9 locations</p>	<p>Received the SMA Zero Lost Time Award for CMC Steel Florida</p>



# 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

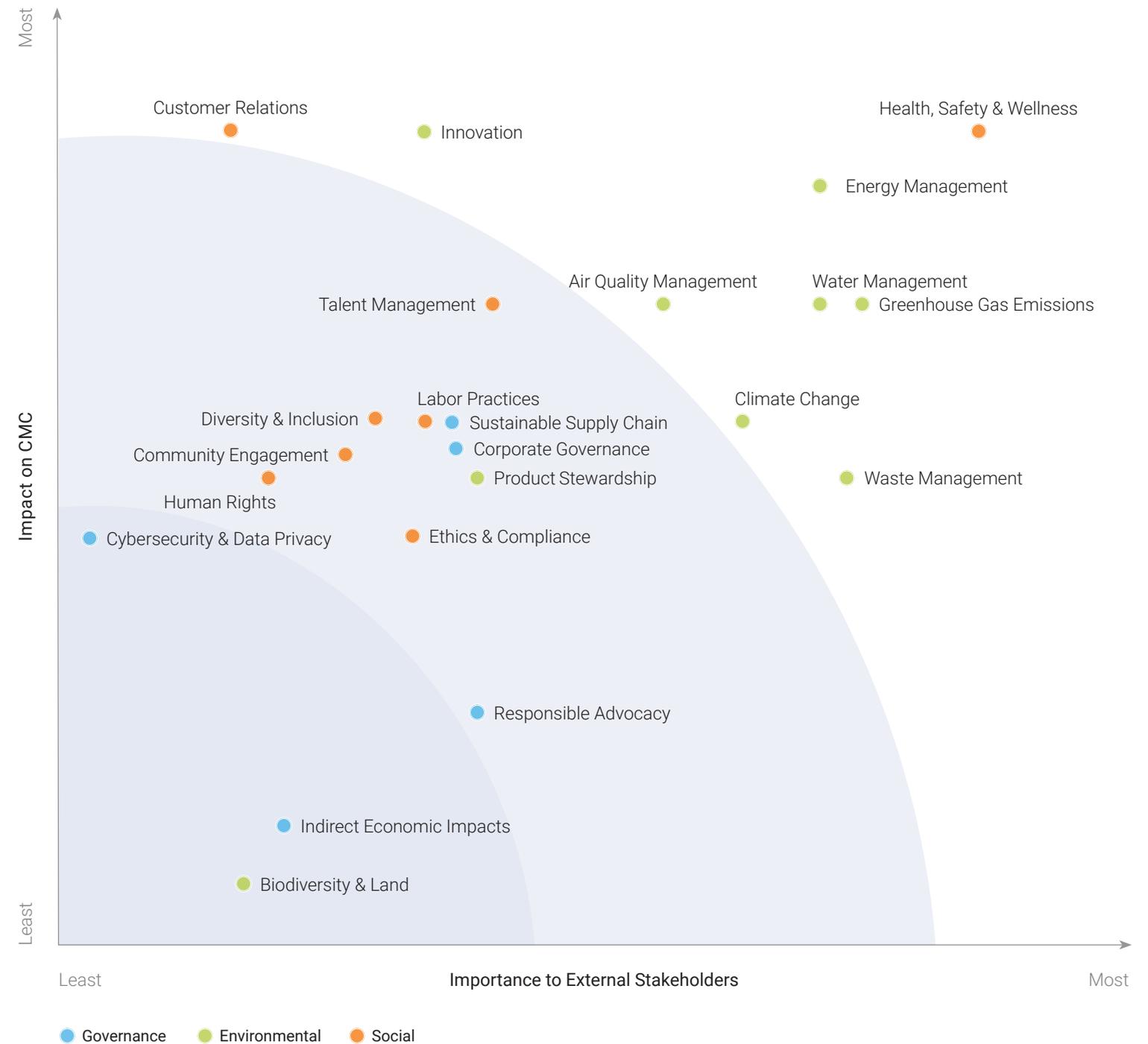
Stakeholder Group	Engagement Strategies & Frequency		Topics Raised	
<b>Employees</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Print and electronic communication, both at work and to the home</li> <li>Employee team meetings</li> <li>"Paycall" facility-wide meetings</li> </ul>	<ul style="list-style-type: none"> <li>Employee surveys</li> <li>Grievance hotline</li> <li>Volunteer activities</li> <li>Digital work environment (Yammer, Salesforce)</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Rewards and recognition</li> <li>Development opportunities</li> <li>Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Employee benefits</li> <li>Company updates</li> <li>Ethics and integrity</li> <li>Community engagement</li> </ul>
<b>Investors</b>	<b>Quarterly</b> <ul style="list-style-type: none"> <li>Earnings releases</li> <li>Securities and Exchange Commission filings</li> <li>Investor calls and meetings (virtual and in person)</li> </ul>	<b>Annually</b> <ul style="list-style-type: none"> <li>Annual Report</li> <li>Shareholder meeting</li> <li>Proxy Statement</li> </ul>	<ul style="list-style-type: none"> <li>Strategic risks and initiatives</li> <li>Financial performance</li> <li>Environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>Governance structure and policies</li> <li>Compensation programs</li> </ul>
<b>Customers</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Voice of the Customer program</li> <li>Direct engagement</li> <li>Steel school training</li> </ul>	<b>Annually</b> <ul style="list-style-type: none"> <li>Customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>Delivery expectation and demand</li> <li>Product quality</li> <li>Business continuity</li> <li>New products</li> </ul>	<ul style="list-style-type: none"> <li>Data analytics and company metrics</li> <li>Product and process innovation</li> <li>Strategic partnering opportunities</li> <li>Joint community efforts</li> </ul>
<b>Suppliers</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Strategic sourcing processes</li> <li>Business review meetings</li> </ul>	<ul style="list-style-type: none"> <li>Joint-quality improvement projects</li> <li>On-site safety protocols</li> <li>General dialogues and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Safety protocols and performance</li> <li>Material quality</li> <li>Demand forecasting and planning</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Performance metrics</li> <li>Innovation and strategic partnership opportunities</li> <li>Pricing and marketplace conditions</li> </ul>
<b>Local Communities</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Volunteering</li> <li>Participation in calls and meetings with local governments</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing collaborative partnerships with charitable organizations</li> <li>Meetings with local emergency services</li> <li>Social media platforms (Facebook, LinkedIn)</li> </ul>	<ul style="list-style-type: none"> <li>Community impacts and engagement</li> <li>Public safety and preparedness</li> </ul>	
<b>Industry Peers &amp; Trade Associations</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Holding committee and association leadership positions</li> </ul>	<b>Quarterly</b> <ul style="list-style-type: none"> <li>Industry association meetings</li> <li>Industry committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Community impacts</li> <li>Environmental impacts</li> <li>Best practices</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions</li> <li>Industry advocacy</li> <li>Research</li> </ul>

# Using Materiality Assessments to Build Action Plans

In 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 directly with investors and indirectly with peers, industry associations and ESG ratings, rankings and frameworks to prioritize topics. 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 10 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
<b>Air Quality</b>	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	<a href="#">Environmental Stewardship</a>
<b>Climate Change</b>	Identifying and managing CMC's risks related to climate change as they relate to future operations, including asset planning, capital allocation and development; mitigating CMC's exposure to potential costs linked to carbon pricing and regulatory caps.	Environment, governments	<a href="#">Environmental Stewardship</a>
<b>Energy</b>	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	<a href="#">Environmental Stewardship</a>
<b>Greenhouse Gas Emissions</b>	Tracking carbon dioxide and other GHG emissions from CMC's operations, setting company-wide GHG reduction targets and monitoring progress against the targets.	Environment	<a href="#">Environmental Stewardship</a>
<b>Health, Safety &amp; Wellness</b>	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	<a href="#">Health &amp; Safety</a>
<b>Product Stewardship</b>	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	<a href="#">Product Stewardship</a>
<b>Responsible Advocacy</b>	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	<a href="#">Corporate Governance</a>
<b>Talent Management</b>	Cultivating a strong workforce and talent pipeline through robust employee recruitment and engagement practices, reinforcing our core values of dignity and respect through ongoing training and support, providing competitive benefits and supporting employees with opportunities to develop and grow their careers.	CMC current and potential employees	<a href="#">Talent Management</a>
<b>Waste</b>	Reducing operational solid waste generated and sent to landfills through effective management systems, recycling and beneficial reuse where possible.	Environment	<a href="#">Environmental Stewardship</a>
<b>Water</b>	Identifying and mitigating CMC's impacts on ground and surface water quality and reducing water withdrawal and consumption through efficiency measures and increased use of recycled water.	Environment	<a href="#">Environmental Stewardship</a>

# 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 1962, we have manufactured steel using recycled scrap metal and electric arc furnace (EAF) technology, which is far more efficient and environmentally friendly than traditional blast furnace technology, using 82% less energy than the industry average and producing 63% less CO<sub>2</sub> 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 burning natural gas in a reheat furnace. Compared to mini mills, micro mill technology offers significant environmental benefits.

We currently operate two micro mills and will commission a third in Mesa, Arizona during 2023. The new mill will be the first in North America with the capability 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 that 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

\*Based on 2019 data

**40 %**  
Less Scope 1  
Greenhouse Gas  
(GHG) emissions

**11 %**  
Less Total  
Scope 1 and 2  
GHG emissions

**86 %**  
Less natural  
gas usage

**26 %**  
Less overall  
energy usage



All 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 19 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.

Our current sustainability strategy – refreshed in early 2021 to better reflect our strategically transformed company and materiality results – focuses on three areas of impact.

## 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 GHG, energy and water consumption are already among the best in our industry.

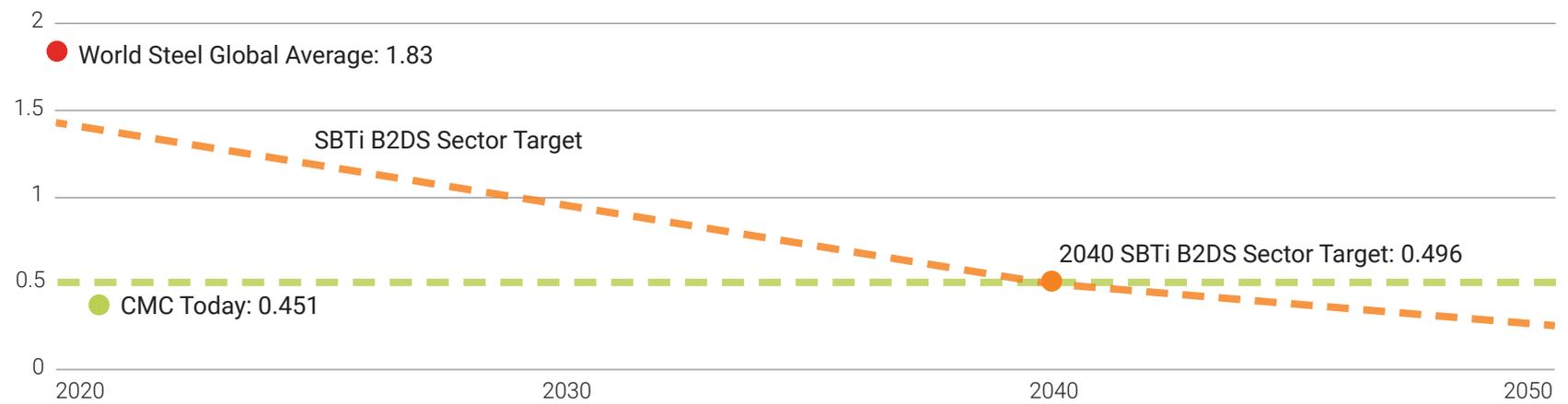
While most steel producers are changing their steelmaking processes to become "more green," we are doing what we were built to do — at CMC, we're naturally green and naturally sustainable. Industries around the globe are aligning with the Paris Climate Agreement and setting targets for Scope 1 and 2 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 (SBTi) tool for setting targets to align 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<sub>2</sub>e per metric ton of steel)



## Our Sustainability Goals

Targets for 2030, with a 2019 baseline.

<p>Reduce our Scope 1 and 2 GHG emissions intensity by</p> <p><b>20%</b></p>	<p>Increase our renewable energy usage by</p> <p><b>12 percentage points</b></p>	<p>Reduce our energy consumption intensity by</p> <p><b>5%</b></p>	<p>Reduce our water withdrawal intensity by</p> <p><b>8%</b></p>
--	--	--	--

# 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 2021, completed nine 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, liquidity, strategic business and capital plan risks.
- **Compensation Committee:** Oversees compensation design, attracting and retaining key employees and other human capital risks.
- **Nominating and Corporate Governance Committee:** Oversees corporate governance including director succession planning risks.

Since ESG issues are embedded into key topics that cross multiple committees and are integral to our overall company strategy, the entire Board is responsible for identifying emerging sustainability issues and proactively addressing ESG risks and opportunities. Read more about our Board and governing documents on our [website](#).

### 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, 2021, 44% of our Board members are women and women chair half of our Board committees. The Board also advocates for diversity among CMC's ELT, 50% of which are women.

## ESG Management

Sustainability has always been an integral component to CMC's business strategy and culture. Our Sustainability Leadership Council, formed in 2020, 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 have strong ESG subject matter expertise across our governance structure and are focused on expanding that knowledge throughout the organization to drive organic, integrated management. Each year, we review CMC's priority topics to capture changes in trends and stakeholder expectations.

» **“We are a company with strong values, including dignity, respect and opportunity for all the people who work for us.”**

– Barbara Smith, CEO

Board of Directors Composition<sup>1</sup>



Executive Leadership Team Composition<sup>1</sup>



<sup>1</sup> Data as of August 31, 2021



## Sustainable Inside & Out

Our business, unlike so many, is naturally sustainable. As a steel recycling and manufacturing company, it is our nature to find new ways to conserve natural resources and re-use materials. In addition to manufacturing steel that is infinitely recyclable, CMC is focused on strengthening ESG management across our entire enterprise.

Throughout 2021, our Sustainability Leadership Council has worked diligently to ensure CMC can achieve our sustainability commitments. The Council integrates accountability and applies a holistic approach to managing ESG initiatives alongside regular operations. In doing so, we align our sustainability goals with our production goals.

In 2021, we launched a cross-department project including members of the Council, our IT team and other data experts to implement a corporate sustainability software tool that enables us to efficiently collect, store and report ESG data and progress towards our goals.

We invest in improving our ESG performance because that is how we define good business. Our sustainability achievements and product quality speak for themselves. Some companies might accept those results, but not CMC. Continuous improvement will always be our business model.

# Risk Management

Our Risk Committee — composed 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.

Primary identified risks include emerging and evolving legislation regarding carbon emission pricing, GHG emissions and 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](#).

In addition, climate change impacts, including rising sea levels and extreme weather conditions, may increase our costs or cause damage to our facilities. Many of our facilities are near coastal areas or waterways where rising sea levels or flooding could disrupt our operations or adversely impact our facilities. Furthermore, periods of extended inclement weather or associated flooding may inhibit construction activity utilizing our products, delay or hinder shipments of our products to customers or reduce scrap metal inflows to our recycling facilities. Any such events could have a material adverse effect on our costs or results of operations.

## 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, Chief Financial Officer (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 has 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 2021, 99.3% 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
- By phone, email, letter or in-person to the following persons:
  - Their supervisor
  - Their local Human Resources representative
  - The Director of Internal Audit
  - The Chair of the Audit Committee
  - GC

CMC's Ethics Hotline, which an independent third party manages, 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.

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 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 other 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 policy-makers 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 Sustainability and Government Affairs 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 monthly.

### Political Expenditures

Metric	Unit	2019	2020	2021
Lobbying expenditures	\$	\$202,111	\$318,500	\$305,264
Trade association expenditures	\$	\$2,046,275	\$1,944,991	\$1,974,994

## 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 Sustainability and Government Affairs 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 2021 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 three years. We do not make political contributions in Europe as it is prohibited by law.





» 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, vendors 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, is 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 align 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. We regularly engage third party experts to assess our cyber security controls and vulnerabilities in light of emerging threats and upgrade our systems and controls as appropriate. 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.

Among 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, both domestic and international.



## 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.

Many of our employees within CMC's procurement team are certified by third parties such as Institute for Supply Management (ISM) and Association for Supply Chain Management (ASCM). We require all our employees in Purchasing and Procurement to complete courses in our Supply Chain Academy, which is an online training curriculum set up based on level of employee. We also have best practices modules that are available on demand and regularly reviewed and updated by the procurement team.

In addition, 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

CMC has a formal [Supplier Code of Conduct](#) (SCC) that is guided by the core principles of the UN Guiding Principles on Business and Human Rights and reinforces our commitment to honoring all internationally recognized human rights consistent with the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Building on our existing contracting terms and conditions, our 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 2021, we distributed the SCC to our existing main suppliers who make up the majority of our spending. In 2022, we will be requesting they provide confirmation of agreement as part of their ongoing partnership with CMC. CMC also includes the SCC as a part of the contract terms and conditions for with new suppliers and requires acknowledgment of compliance.

We continue to tour critical supplier facilities prior to contracting to identify any issues or risks for resolution. In 2021, we were unable to conduct in-person site visits due to COVID-19; instead, we used 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 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 2021, 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 and customers' expectations. For suppliers regularly working at CMC facilities, 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 CMC and our stakeholders. CMC recognizes the threats that global climate change has on our business and the communities in which we operate. As a global steel manufacturer, we recognize our responsibility to minimize our operational impacts on the environment, including climate, air quality, water, waste and land. Originally established as a steel recycling business in 1915, we built our company on the foundation of sustainability – before “sustainability” was even a concept. 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.

When evaluating CMC’s operational footprint, our EAF 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 for the good of our community and to 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 avoidance in CMC produced steel vs. the industry average equates to powering 1.8M homes for a full year using renewable electricity.

# 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 dedicated employees demonstrate our expectations and commitments to environmental stewardship and are guided by our [Environmental Policy](#), which was updated in 2021 to better reflect our commitment. CMC environmental professionals and support staff are responsible for overseeing compliance, tracking progress and reporting performance. We track and confirm environmental compliance tasks through an Environmental Management System. We also have Operational Excellence teams that meet regularly to identify opportunities, research challenges and share achievements. At the same time, 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 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 VP of Engineering, who reports directly to our ELT. We also report our environmental and sustainability performance metrics to our ELT quarterly and to the Board annually.



**CMC naturally operates with emissions below the Paris Climate Agreement below 2°C Scenario; however, we strive for continuous improvement and have set goals to further reduce our impacts on the environment.**



### 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 Rate Programs with our energy providers. Interruptible Rate 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 usually only during times of need or hardship, such as the winter storm in February 2021. 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 Rate 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 real time and are able to reduce operations during times when prices are extremely high, further optimizing our production and ensuring our operations remain low-cost.

### Energy Efficiency & Greenhouse Gas Emissions

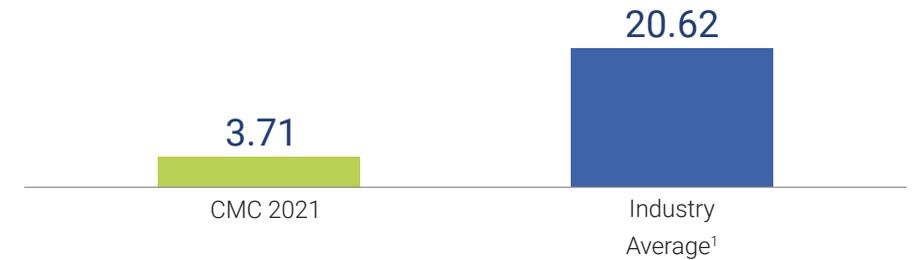
CMC's EAF mills use electricity and natural gas as primary energy sources, making us a large consumer of energy; however, our energy efficiency performance is world class. Our exceptional performance is a result of combining skilled operating teams and dedicated in-house technical experts with efficient equipment, including highly automated bucket-charge furnaces and scrap-preheating horizontal charged furnaces. We work tirelessly to improve and do our part to reduce global emissions to make progress toward our 2030 goals. We are focused on increasing our renewable energy usage by 12 percentage points, reducing our consumption intensity by 5% and our Scope 1 and 2 emissions intensity by 20% with a 2019 baseline. We set the Scope 1 and 2 GHG emissions intensity goals to align with the SBTi's below 2°C scenario for 2030.

» Since 2019, we have reduced our energy consumption intensity by nearly 8%

### Energy Consumption Intensity

**82%**  
less than the industry average

#### Energy Intensity (GJ/MT)



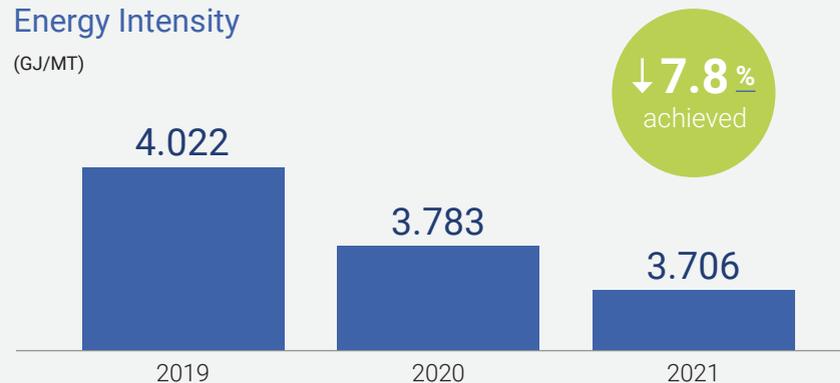
<sup>1</sup> Industry averages taken from the latest [World Steel Association](#) published indicators 2020 data.

#### GOALS PROGRESS

### Reduce our energy consumption intensity by 5%

#### Energy Intensity

(GJ/MT)



We have decreased our energy consumption intensity by 7.8% since 2019, surpassing our goal. We are proud of our progress to date and plan to continue reducing our energy consumption to progress toward a more sustainable future.

To assist in reaching our goals, we are increasing our use of renewable energy sources while simultaneously decreasing our overall energy consumption. We continuously look for ways to improve energy consumption in the short-term but keep a strategic eye on longer-term solutions. Through strong partnerships with our utility providers and a shared commitment to renewable energy, CMC continued to increase our renewable electricity consumption in 2021. A new supply agreement at CMC Steel Texas will increase our renewable electricity to 17%, beginning on January 1, 2022, and we are currently in discussions with our utility provider at CMC Steel Tennessee to increase their renewable electricity mix.

As of January 2021, 30% of the electricity consumed at our facilities in Poland has been from renewable sources. As part of the contract, CMC receives Certificates of Origin from our energy supplier to certify the renewable sources.

In December 2020, CMC Steel Arizona in Mesa began receiving renewable solar energy from the Saint Solar plant. This EAF micro mill already operates at world-class efficiency levels with respect to CO<sub>2</sub>e emissions and energy consumption intensity. Leveraging renewable energy will only continue to drive down our impact.

A second micro mill in Mesa is currently under construction. The new mill will be the first in the world to produce 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 will also be installing Danieli's "Q-One" technology that has the capability to directly connect the EAF and Ladle Furnace to renewable electricity 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. The Q-One technology also reduces electricity transmission losses from the grid, and lowers our energy consumption by up to 10%. This new advanced technology, coupled with the continuous steelmaking process, will make this plant one of the most energy efficient and environmentally friendly steel mills in the world.

### Energy Consumption

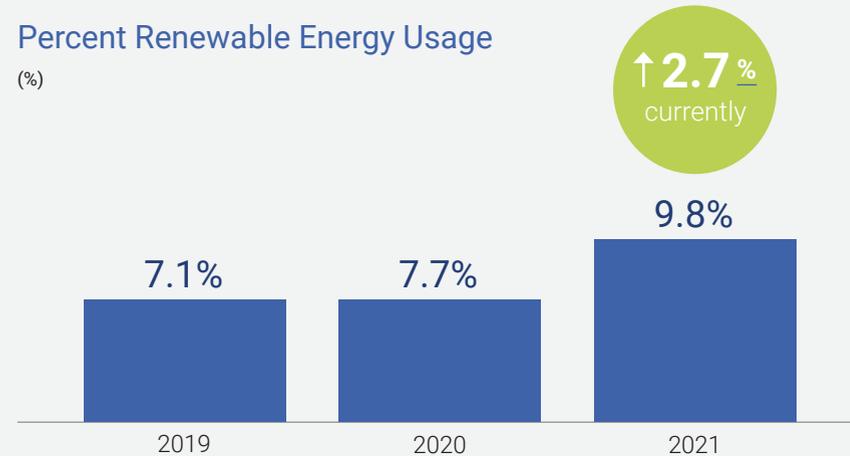
Metric	Unit	2019	2020	2021
Total Energy Consumption	GJ	21,319,811	20,969,188	20,984,140
Total Energy Intensity	GJ/MT	4.022	3.783	3.706
Natural Gas Consumption	GJ	8,159,176	8,220,949	8,039,248
Diesel Consumption	GJ	642,537	634,689	616,360
Electricity Consumption	GJ	12,518,098	12,113,550	12,328,532
% Renewable Electricity Consumption	%	12.1%	13.3%	16.7%
% Renewable Energy Consumption	%	7.1%	7.7%	9.8%



#### GOALS PROGRESS

## Increase our renewable energy usage by 12 percentage points

Percent Renewable Energy Usage (%)



Since 2019, we increased the percentage of our total energy usage that comes from renewables by almost three percentage points from 7.1% to 9.8%; this is a 38% increase in renewable energy usage. We attribute our progress to our renewable energy usage at CMC Steel Arizona in Mesa and our expansion of renewable energy usage in Poland. We expect the percentage of our energy from renewable sources to increase as our new supply agreement in Texas goes into effect and we move forward with the construction of our third micro mill.

As we work toward improved energy efficiency, we remain focused on the most energy-intensive parts of our process first, and then look at managing smaller energy usage by sub-metering those loads. Through our participation in the U.S. Department of Energy's Better Plants Program, we have been more diligent when it comes to tracking energy consumption and we have increased our data collection and analysis capabilities. We plan to utilize this data to pinpoint the largest opportunities to reduce consumption.

We also look for opportunities to optimize our processes, like scrap preheating using existing furnace energy, which reduces our need for energy consumption. CMC is a leader in scrap preheating furnace technology, with four currently in operation. 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. In Poland, CMC also captures approximately 280,000 GJ of waste heat annually from exhausting gases through steam vaporizers and uses it internally to heat the water and buildings at our Poland facilities.

CMC continues to seek opportunities that streamline our operations while minimizing the impacts on the environment and communities where we live and work. In 2021, we focused on reducing our cost and carbon emissions from logistics. By increasing our freight transportation by rail versus trucks, we are reducing shipping costs, driving down emissions and easing traffic congestion.

At CMC, we continuously benchmark our product quality and operational performance against other U.S. and global producers, and we are among the best due to our history of valuing product stewardship and integrating sustainable practices throughout our value chain.

Each year, CMC allocates up to \$400,000 in capital funds for low-carbon, energy efficiency projects, such as variable speed air compressors, LED lighting upgrades and energy studies to identify inefficient pumps, fans and motors.

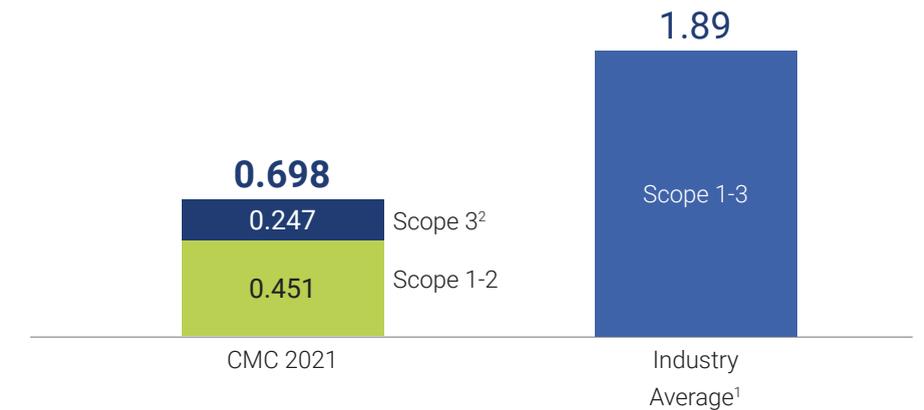
**GHG Emissions Intensity**  
Scope 1-3

**63%**  
less than the industry average

**Scope 1 & 2 GHG Emissions**

Metric	Unit	2019	2020	2021
<b>Total Scope 1 &amp; 2 CO<sub>2</sub>e Emissions</b>	MT CO <sub>2</sub> e	2,548,437	2,572,986	2,554,518
<b>Scope 1</b>	MT CO <sub>2</sub> e	1,048,006	1,106,156	1,117,753
<b>Scope 2</b>	MT CO <sub>2</sub> e	1,500,431	1,466,830	1,436,765
<b>Total Scope 1 &amp; 2 CO<sub>2</sub>e Emissions Intensity</b>	MT CO <sub>2</sub> e/MT	0.481	0.464	0.451

**Greenhouse Gas Emissions (MT CO<sub>2</sub>e/MT)**



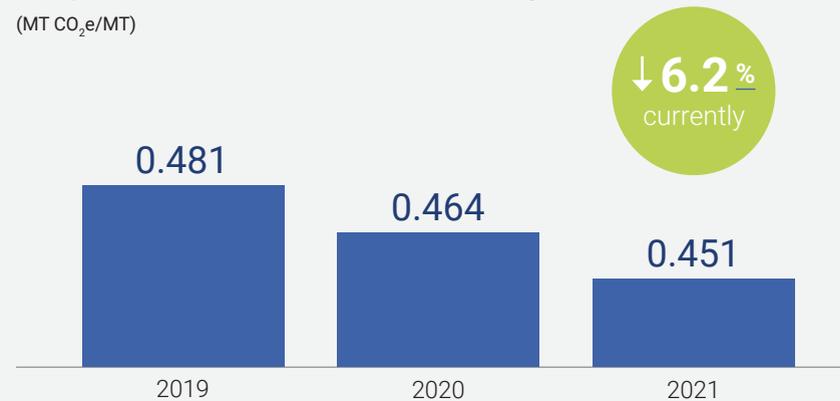
<sup>1</sup> Industry averages taken from the [World Steel Association](#) indicators 2020 data  
<sup>2</sup> Scope 3 estimated emissions from audited product lifecycle analysis of GWP100 conducted according to ISO 21930 and ISO 14025

**GOALS PROGRESS**

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

**Scope 1 & 2 GHG Emissions Intensity**

(MT CO<sub>2</sub>e/MT)



We steadily decreased our Scope 1 and 2 GHG emissions intensity by 6.2% since 2019. Our mills are continuing to investigate new ways to further improve efficiency in order to reduce emissions intensity.

## Air Quality

We recognize the potential impacts our operations have on the environment, including air quality. Our strategic positioning in scrap-based EAF steelmaking technology means our operations produce fewer air emissions than the industry sector. CMC strictly follows all air regulations and annually tracks emissions from nitrogen oxides, sulfur oxides, carbon dioxide, methane, nitrous oxide, carbon monoxide, lead, volatile organic compounds and particulate matter (as shared [at the end of this report](#)). While our EAF mills are closely regulated under federal Clean Air Act permitting requirements, we are motivated to continue reducing our air emissions to minimize our impact. We are confident that the best opportunity to do this lies in our relentless pursuit of energy and raw material efficiency and we continually look for new and innovative technologies to reduce our emissions. 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 decrease as well.

## Waste

As an EAF steelmaker using 100% recycled steel content in our process, CMC is naturally a significant contributor to the circular economy. Even with a production process focused on recycling scrap steel into new products, we still produce some waste streams, such as EAF dust, but this has not stopped us from identifying new ways to repurpose these materials. Our waste management programs not only focus on compliance but also focus on reducing, reusing and recycling where possible. The recycling of 99% of our EAF dust is a significant example of this principal in action.

The EAF baghouse dust and slag recycling is a major part of our mill operations, as well as recycling millscale — which is sold to the cement industry — and refractory material, which is used to line the furnace. We send approximately 99% of our EAF baghouse dust for recycling where the recycler extracts zinc and other metals 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. In addition, we recycle spent oil and lubrication and pallets at our fabrication facilities.

Steel slag is the largest volume co-product produced from our steelmaking operations and is recycled and reused 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 construction and manufacturing industries' sustainable resources and raw materials. We collect 100% of our slag and send it for processing and eventual resale for use as a sustainable supply product.

For more information on our materials sourcing, please see [Sustainable Supply Chain](#)



## Water

Steel manufacturing is a water-intensive industry, and CMC operates in several high-stress water regions within the U.S. We recognize that water is a valuable resource, and CMC focuses on using water judiciously to minimize our usage and impacts on the environment and our communities. In addition to complying with all applicable water laws and regulations, we design our facilities to use water efficiently and minimize our withdrawal and discharge.

According to the [World Resources Institute Aqueduct](#) database, in 2021, we operated facilities 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 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 close to achieving zero water discharge. We continue searching for innovative ways to expand water recycling and reclaimed water use in all of our facilities. We plan to continue minimizing our impact on freshwater resources and aim to 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 Use

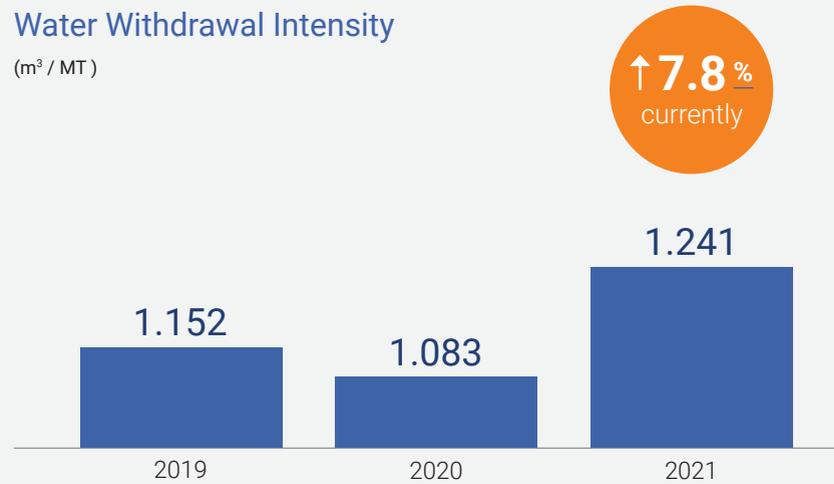


### GOALS PROGRESS

## Reduce our water withdrawal intensity by 8%

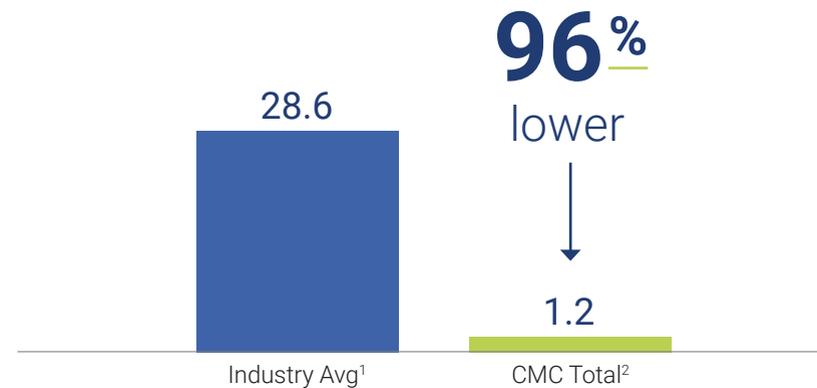
### Water Withdrawal Intensity

(m<sup>3</sup> / MT)



In 2021, we experienced a 7.8% increase in water withdrawal intensity as compared to 2019. The primary cause for the increase in 2021 was the commissioning of a new rolling mill in Poland which required the initial filling of water systems and reservoirs without offsetting production, resulting in an increase in the withdrawal intensity at that facility. We expect this to normalize as we ramp up production this year. We work frequently with our water treatment experts to identify areas to reduce our water withdrawal intensity to reach our goals. At CMC Steel Tennessee, we recently completed a project at the slag cooling area resulting in an approximate 5% reduction in annual water intake at the site. We plan to install new technology for water metering to facilitate our monitoring and water reduction strategy.

### Water Withdrawal Intensity (m<sup>3</sup>/MT)



<sup>1</sup> Industry averages taken from the World Steel Association 2020 [Water Management policy](#) paper

<sup>2</sup> CMC data is 2021 water withdrawal intensity.

### Water Consumption

Metric	Unit	2019	2020	2021
Water Consumption	m <sup>3</sup>	4,674,876	4,629,969	5,102,767
% Recycled	%	95.6%	95.2%	89.6%
Total Water Withdrawn	m <sup>3</sup>	6,104,745	6,003,220	7,028,693
Total Water Withdrawn Intensity	m <sup>3</sup> /MT	1.152	1.083	1.241



## Land Use

We are naturally sustainable because, from the start, we have prioritized smart business decisions that benefit the company, the environment, and the communities in which we live and work. Our EAF mini and micro mills have a smaller footprint than traditional integrated mills and minimize local land impacts. By using recycled steel instead of raw iron ore or coking coal in our manufacturing process, we are not contributing to the mining of these materials.

We seek opportunities to restore on-site conditions and protect natural habitats. At CMC Steel Oklahoma, the facility created 4,835 linear feet of stream bed with a large, 100-foot-wide riparian zone planted with thousands of native trees and grasses, and perpetually protects this area from future development. The stream with riparian space has created a wonderful area for all types of native wildlife to flourish. Annual surveys indicate the stream channel is well established and provides for crayfish and small fishes in pooled portions of the stream. The grass and brushy areas provide spots for mammals and birds to nest. The large riparian corridor space is ideal for mammals and annual surveys have found evidence of bobcats, raccoons, coyotes, opossums and skunks. This created stream and riparian space provides a natural habitat and border to the facility.

## 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 decreasing our impact.

At CMC, we understand the importance of environmental stewardship and engaging employees at all levels of the organization. During our annual Leadership Summit this year, the top managers and leaders of the company were updated on our current ESG efforts, goal setting and the importance of continuing to encourage and engage employees in all areas to do their part in the company's environmental efforts.

## 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, GHG emissions and water withdrawal, 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 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.

To view a complete table of our ESG metrics, see our [Data Tables](#).



# Green to Greener

## Product Stewardship

### WHY IT MATTERS

CMC has valued product stewardship and sustainability since the foundation of the company. From the start, we have cared about the impact our operations have on the environment and have proven to be successful in finding opportunities to strengthen our business by investing in environmentally beneficial initiatives. We take pride in being a forward thinker and an innovator in the steel industry and are proud of the products we make and the role they perform in society. Through innovation, we are discovering new ways to improve the quality of our products and are leading the development of sustainable steel products.

» Our robust recycling strategy keep metals in the circular economy instead of going to landfills.

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

## Our Approach

CMC naturally developed sustainable values throughout our 106-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.

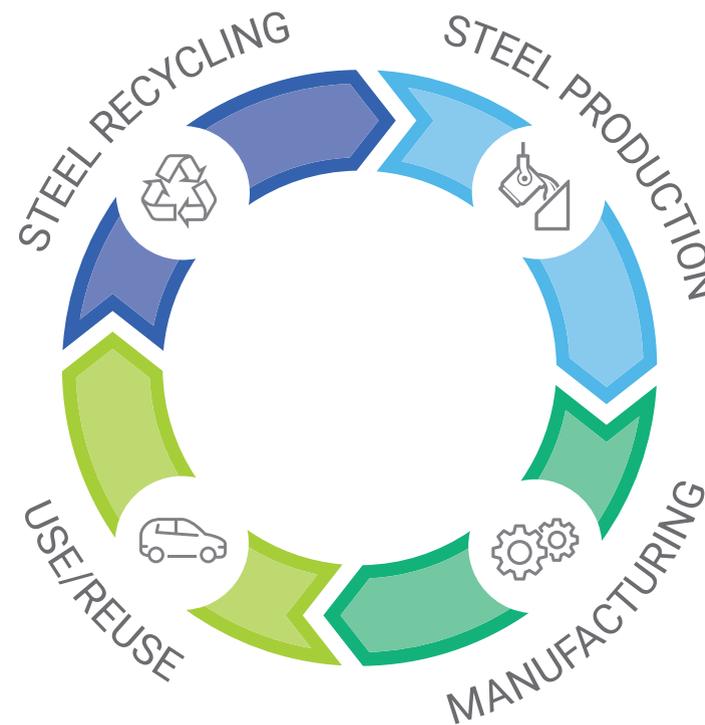
### Governance

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 among 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.

### Data-Driven Decisions

We are one of the leading companies in our industry to leverage big data analytics to improve the quality of our products and the efficiency of our operations. We utilize data modeling, machine learning and artificial intelligence to make evidence-based decisions. For example, safety data trends related to types of accidents and “near misses” led us to adapt our worker body-position training to reduce the number of potential accidents, improving employee work experiences and keeping our workers safer. In 2021, we continued to expand our big data technology capabilities by implementing a new corporate sustainability software across our enterprise. We use the data collected to identify trends and opportunities from engineering to production schedules to human resources.



### 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.

Our robust recycling network keeps 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.

### Responsible Sourcing

CMC is committed to ethically and responsibly sourcing materials. Although we include stipulations related to conflict minerals in our SCC and contracts, we do not use any conflict minerals in the production of any of our products. For our scrap metal sourcing, we work in partnership with state and local government officials at each of our facilities, including local law enforcement, to ensure that CMC is adhering to all relevant scrap metal theft prevention laws. We have strict policies to ensure our recycled metal purchases are ethical and we report all regulated purchases to the local authorities.

Some of the validation activities we conduct for scrap purchases require a form of ID for anyone bringing metal to sell, and in some cases requesting documentation that validates a seller’s ownership of the material they are attempting to sell, such as a business license or a bill of receipt showing a new item was purchased, to prove that the seller has sufficient cause to be in possession of the scrap unit to sell. We are also members of the Institute of Scrap Recycling Industries (ISRI) Scrap Theft Alert System that sends us an alert if there is potentially stolen material in our area, for example if a utility company reports the theft of large quantities of a raw material like copper wiring.

## 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. Last year, we launched a National Sales, Inventory & Operations Planning (SIOP) process and began work optimizing our network of mills to reduce transportation miles driven and better serve our customers. We also regularly update our operating plan to meet evolving customer needs with innovations introduced and implemented across the business in a timely manner. In 2021, we continued to implement our SIOP program, and we are starting to see the benefits of optimizing our mill networks. When our newest micro mill comes online in 2023, we expect a material reduction in miles per ton shipped.

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. We learn about opportunities from our people at every level of our organization. At CMC, we have an open-door culture and encourage our stakeholders to elevate innovative ideas. We believe all research is valuable and we archive any innovative initiatives for a future application that may influence new projects and industry demands. However, not all innovative ideas are successful. Despite our rigorous planning and data modeling, some projects just don't provide the return we require. We evaluate new projects monthly or quarterly, depending on their scale, and we accept that part of innovation is knowing that not all good ideas are right for us and our customers.

CMC has a positive track record 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 in Mesa, Arizona, that exceeds minimum performance requirements for strength and ductility at extremely low temperatures (-274°F/-170°C).

We also 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 by extending the service life of the infrastructure which it supports.

### 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 fabricated after galvanizing without peeling or flaking.

In 2021, we launched new products in Poland, including industrial quality wire rod with bainitic microstructure steel, cold-climate quality construction bars and free-cutting steel. We trialed these innovations with science institutes and customers through our R&D process and determined that they reduce weight while increasing the strength of construction, reduce the energy required for processing, improve ductility and support automated digital machining production processes.



## Becoming a Green Steel Supplier

At CMC, our philosophy is to continuously improve our products through grassroots, ear-to-the-ground innovation driven by our employees, customers and technical associations. We are responding to the growing demand from our stakeholders to offer green steel, which can provide carbon-neutral steel for any project. In addition, we plan to increase our on-site renewable energy and battery energy storage supply to decarbonize our operations further and maintain our leadership position in supplying sustainable steel.



## Process Automation

CMC leverages cutting-edge technology to improve our steel manufacturing operations. We were the first steel manufacturing company to introduce a fully automated fabrication shop in the U.S. Also in Durant, Oklahoma we have a fully automated t-post production site. We consider most of the operations “hands-off,” which means workers do not touch the material from start to finish, improving safety and reducing the potential for injuries.

In our mills and fabrication shops, we have also implemented the use of multi-axis robots to automate certain functions to increase safety of our employees, 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. In 2021, we continued to add automated functionality across our facilities to continuously improve our operational and 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 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 updated EPDs, which are available on our [website](#). Our environmental achievements have supported CMC in winning noteworthy contracts for LEED® construction projects.



» **In 2021, CMC's products contributed to positive LEED® ratings for over 400 LEED® eligible 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 Bureau 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.



## 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 over 30 of our major steel mill peers in the U.S. and Canada on eight topics: overall satisfaction, quality, service, price, on-time delivery, inside sales, outside sales and e-commerce. CMC’s mills consistently rank within the top 10 positions across all Jacobson Customer Satisfaction categories. In 2021, we held 24 Top 10 positions in the survey and maintained the number one overall average company position three of the four quarters. We also conduct an annual survey of customers in Poland, and use those results along with the Jacobson Overall Satisfaction results to determine our global customer satisfaction score.

CMC has been at the forefront of e-commerce in our industry for over a decade, and we continue to look for improvement opportunities in our digital business capabilities. Our E-commerce and Information Technology teams continuously obtain direct customer feedback to guide updates to myCMC, our easy-to-use online customer interface. Used to purchase products, manage payments and track the status of orders, we make regular updates to optimize functionality and offer new features. Since the launch of myCMC nearly 10 years ago, we have been leading our industry and the Jacobson Customer Satisfaction Survey results consistently rank CMC’s U.S. mill locations in the top 10 satisfaction scores for e-commerce.

» **88% Global customer satisfaction score**

## Our Performance

We have a proven track record of continuously improving operational efficiencies and providing additional value to our customers. 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 63% 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. As a result of our operational efficiencies, we have received multiple recognitions from the Steel Manufacturers Association over the years.

» **“Yes, CMC is a big company, but they don’t act like one. They are accessible and can provide quick answers when you need them. CMC’s biggest strength is the character of their people.”**

# 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 to keep CMC a safe place to work.

» At CMC, safety is our top concern. Our total recordable incident rates are among the lowest in the steel industry.



## Our Approach

CMC strives to provide a safe working environment and have all 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. CMC is committed to employing state-of-the-art technology and data collection throughout our operations, such as our global incident management system, to capture and analyze data trends, including “near miss” reporting. We use the data to identify risk trends in production operations and correct our procedures to keep our people safe.

### 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. Working together, our Health and Safety teams developed standard operating procedures for every operational job role within our company, to ensure that new employees are trained in a consistent manner and will learn the safe way to complete the required processes for their role.

CMC’s [Global Health and Safety Policy](#) sets the standard for our facilities based on regulatory requirements and was updated in 2021 to more fully represent our commitment to employee health and safety. 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 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 relies on comprehensive training and employee engagement to achieve zero workplace injuries. We continuously work to strengthen our total safety culture through our supplementary health and safety programs. We provide regulatory-based health and safety training, and we require employees to participate in job-specific health and safety programs not mandated by law but 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 to learn to keep themselves and their colleagues safe. In addition to the standard and routine global health and safety training, we assign new employees a mentor to monitor them until they are capable of safely conducting their duties without one-on-one supervision. Doing so fosters a culture of collaboration, where everyone works together to keep each other safe. We also 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. The marker lets coworkers know the employee is newer to the operation and may require additional guidance on safety procedures.

Our Proactive Safety Program provides a means for any employee to report an incident, identify potential safety issues and follow the resolution of the issue to its conclusion. This program encourages employees to report 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 re-energize a team’s focus on safety is conducting a site-wide meeting to renew our safety pledges and review incidents from the past year.



» **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.**



## Taking Care Inside & Out

At CMC, we believe worker safety applies to all workers at CMC facilities, whether they are our employees or service contractors working on site. With the help of ISNetworld, CMC can ensure a safe working environment for contractors at our larger facilities. ISNetworld is a third-party service with a rigorous qualification process to verify that contractors have a suitable health and safety system in place. The qualification process includes verifying documents and policies such as proof of insurance, health and safety programs and employee training. In smaller facilities or those with fewer contractors, we use a questionnaire to screen potential contractors to ensure they have an adequate safety program in place. These comprehensive processes protect the health and safety of employees and contractors alike.



» **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

CMC is passionate about the health and well-being of our employees even when they are not on the job. 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. The Annual Physical Program encourages employees to proactively monitor their health and address any concerns early. 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](#).

## Incident Investigation & Safety Inspections

CMC encourages employees to report all health and safety concerns to their managers, no matter how small. Thousands of employees have access to our global incident management system to log 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. We use the results of the surveys to identify any discrepancies between management and employee perspectives on our safe working conditions. The feedback provides insight into opportunities to 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 Safety Coordinator or Manager, 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, severe 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. In the past year, we enhanced our Severe Injury & Fatality (SIF) program to help mitigate disasters before they happen. This program now has a greater focus on near misses and first aid experiences that do not factor into the incident rate. With employees reporting these instances, we can track the data and determine steps to take to remedy a situation. The enhancements to SIF also include increased communication. Employees receive an alert when there is a safety incident or a near miss explaining what happened and the next steps. Notifying employees of potential hazards can prevent future safety incidents and encourage frontline employees to develop solutions to improve our processes.

Increased 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 potential incidents, large or small.**

## Emergency Response & Preparedness

Each CMC location has an emergency response plan that is tailored to their unique site-specific needs. This plan provides for roles and responsibilities of responders along with emergency contact phone numbers and email addresses. An emergency coordinator is assigned at each location to facilitate adequate response in the event of an emergency. We also have a company-wide emergency preparedness manual that provides guidelines for anyone who finds themselves in an emergency situation and includes procedures to follow in response to a significant incident.





**In 2021:**

» 36 CMC U.S. rebar and placing locations received the CRSI Excellence in Safety Award for achieving zero recordable injuries

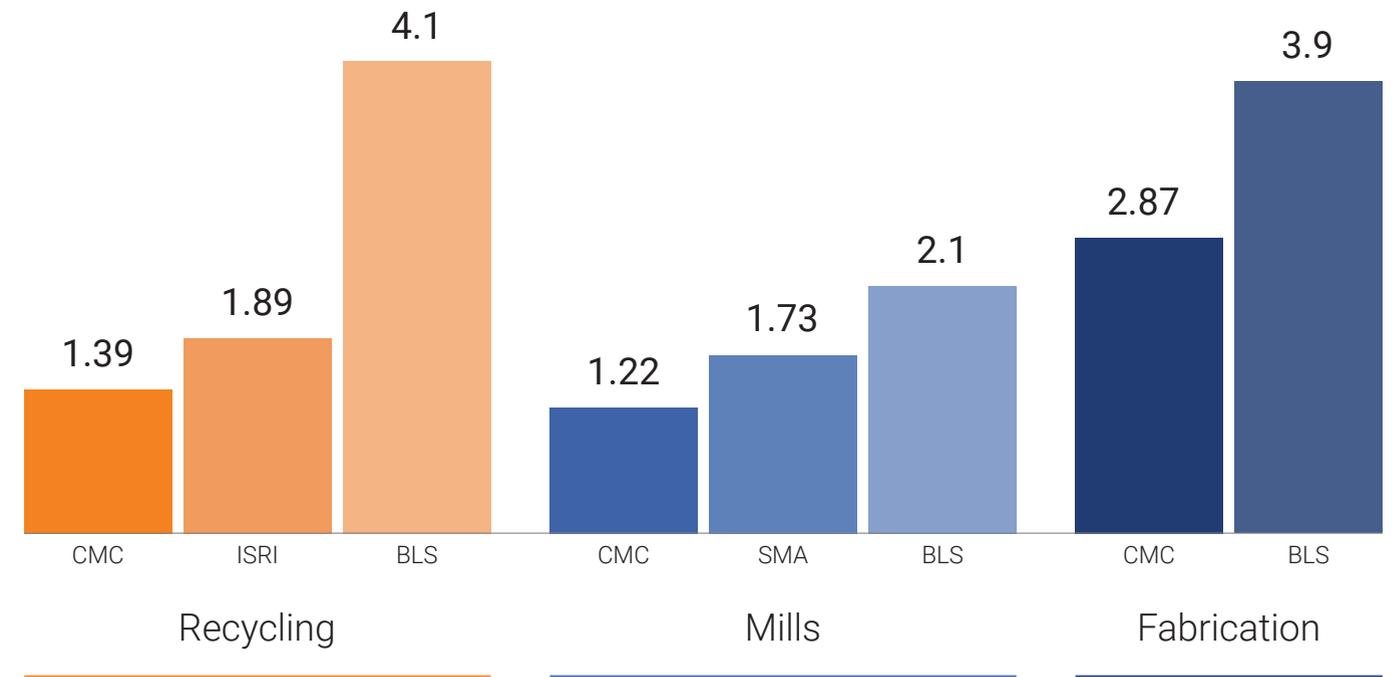
» 9 locations received the CRSI Safety Achievement Award for having an incident rate at least 50% lower than the industry average

» CMC Steel Florida received the SMA Zero Lost Time Award

## 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 2021 Total Recordable Incident Rate (TRIR) by Category<sup>1</sup>



<sup>1</sup> Industry averages are 2020 data from Institute of Scrap Recycling Industries (ISRI), U.S. Bureau of Labor Statistics (BLS) and Steel Manufacturers Association (SMA).

## Locations Leading the Way in Safety

CMC Poland Chrzanow (15)

CMC Construction Services Alexandria (10)

CMC Rebar Fontana (10)

CMC Construction Services Rosenberg (9)

CMC Recycling Independence (9)

CMC Poland Bydgoszcz (9)

CMC Operations Admin (9)

CMC Southern Post South Carolina (8)

CMC Construction Services Austin (8)

CMC Construction Services Tulsa (7)

CMC Recycling Victoria (7)

CMC Poland Zyrardow (7)

CMC Construction Services Sulphur (7)

CMC Poland Rzeszow (7)

CMC Construction Services San Antonio (6)

CMC Construction Services Corpus Christi (6)

CMC Construction Services Dallas Rental (6)

CMC Recycling Seguin (6)

CMC Construction Services Houston NW (6)

CMC Recycling Gainesville (6)

CMC Rebar Arizona (5)

CMC Construction Services Texas City (5)

CMC Rebar Laredo (5)

CMC Recycling Joplin (5)

CMC Rebar Brighton (5)

CMC Construction Services San Antonio West (5)

CMC Rebar Cable Lawrenceville (4)

CMC Construction Services Harlingen (4)

CMC Recycling Florence (4)

CMC Rebar Melissa (4)

CMC Recycling Charlotte (4)

CMC Recycling Spartanburg Asheville Hwy (4)

CMC Recycling Wellford (4)

CMC Poland Swidnica (4)

CMC Poland Lublin (4)

CMC Rebar Coating Waxahachie (4)

CMC Rebar Dallas (4)

CMC Recycling Waco (4)

CMC Construction Services New Orleans (4)

CMC Rebar Denver (4)

CMC Poland Olsztyn (4)

CMC Poland Zebiec (4)

CMC Poland Gdansk (4)

CMC Construction Services Lubbock (3)

CMC Recycling Alexander City (3)

CMC Recycling Austin (3)

CMC Rebar Cable (3)

CMC Recycling Corpus Christi (3)

CMC Construction Services Houston S Rental (3)

CMC Recycling Burlington (3)

**In 2021, 103 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.**

CMC Rebar Waxahachie (3)

CMC Placing Las Vegas (3)

CMC Recycling Clute (3)

CMC Poland Koszalin (3)

CMC Recycling Chattanooga (2)

CMC Recycling Midland (2)

CMC Rebar Birmingham (2)

CMC Rebar Charlotte (2)

CMC Rebar Draper Sales Office (2)

CMC Rebar Farmersville (2)

CMC Rebar Lawrenceville Lakes Pkwy (2)

CMC Rebar Muncie (2)

CMC Rebar Muskogee (2)

CMC Rebar Savannah (2)

CMC Rebar St Louis (2)

CMC Recycling Shreveport (2)

CMC Rebar Belvidere (2)

CMC Rebar Santa Fe Springs (2)

CMC Recycling Houston (2)

CMC Rebar Ft Myers (2)

CMC Recycling Athens (2)

CMC Rebar Auburn (2)

CMC Recycling Beaumont (2)

CMC Rebar York (2)

CMC Recycling Lexington (2)

CMC Placing San Diego (2)

Corporate Office (2)

CMC Rebar Kansas City (1)

CMC Recycling Odessa (1)

CMC Rebar Oklahoma City (1)

CMC Construction Services Dallas (1)

CMC Recycling Orlando (1)

CMC Rebar Fort Lauderdale (1)

CMC Rebar Gastonia (1)

CMC Recycling Tampa (1)

CMC Rebar Hawaii (1)

CMC Rebar Slidell (1)

CMC Recycling Jacksonville (1)

CMC Recycling Augusta (1)

CMC Recycling North Austin (1)

CMC Construction Services Bossier City (1)

CMC Recycling American (1)

CMC Construction Services Baton Rouge (1)

CMC Recycling San Antonio (1)

CMC Rebar Sayreville (1)

CMC Construction Services Houston S (1)

CMC Rebar Orlando (1)

CMC Construction Services Ft Worth (1)

CMC Construction Services Conroe (1)

CMC Rebar Napa (1)

CMC Southern Post Oklahoma (1)

CMC Recycling Anderson (1)

CMC Recycling Tulsa (1)

# 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 them to lead, grow and transform CMC. In addition, maintaining a diverse workforce of multiple perspectives fosters innovation and supports our long-term goals. We invest in training and resources to empower and develop our employees while staying committed to providing a safe, welcoming and stimulating work environment to attract and retain talent.

# Our Approach

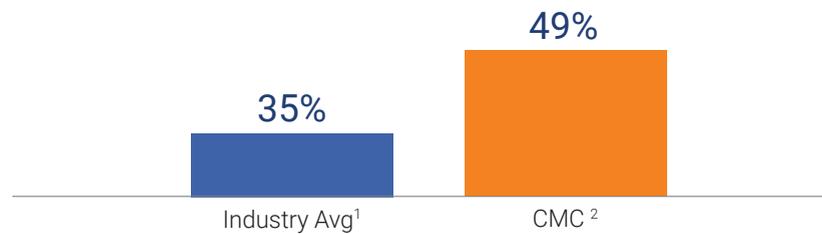
Through our robust talent management initiatives and human resources management, CMC has successfully fostered a strong culture where people enjoy working and stay for the long-term. As stated in our guiding principles, we value our employees and are committed to their personal and professional growth.

## 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 Global Leadership Team (GLT) alongside the VP of Human Resources. During weekly 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 at CMC



<sup>1</sup> Industry average is from the U.S. Bureau of Labor Statistics (BLS) 2020 Annual Labor Force Statistics for Primary Metals and Fabricated Metal Products Manufacturing.

<sup>2</sup> CMC data is 2021 data for all female and non-white employees.

In 2021, our Human Resources team kicked off a formal strategic planning initiative to refine its vision for the future and create a roadmap to guide future talent acquisition, diversity & inclusion, employee engagement and retention initiatives for the company.

The review and planning had seven areas of focus:

- streamlining our recruiting process
- learning and development
- our employer value proposition
- diversity, equity and inclusion
- employee engagement and communication
- succession planning
- compensation and benefits

We have already made enhancements in several of these areas including adding texting options and QR codes to our recruiting outreach to make applying more accessible for all applicants, expanding our communication methods through a new employee outreach newsletter, and connecting with our local communities through our expanded social media presence.

We are continuing to develop other strategic initiatives and anticipate additional programs and enhancements in 2022.

## Diversity & Inclusion

CMC is committed to providing equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, age, physical or mental disability, national origin, citizenship, military or veteran status, sexual orientation, gender identity and/or expression, genetic information or other status protected by federal, state or local law.

We believe having a diverse workforce strengthens our business; because of this, we aim to build a welcoming and inclusive work environment. Through our Essentials of Management training, we require all employees who manage people or lead teams 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. Part of our 2021 strategy evaluation, led by our VP of Human Resources, focused on evaluating and improving our talent acquisition strategies to access a wider, more diverse range of candidates and ensuring our diverse population feels included, and we anticipate additional growth in this area in 2022. 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.

### 2021 Employee Diversity

Gender	
Male	88%
Female	12%
Ethnicity	
Caucasian	59%
African American	10%
Hispanic	25%
Other	6%
Age	
Under 30 years old	15%
30–50 years old	52%
Over 50 years old	33%

## Recruiting Talent & Succession Planning

CMC invests in processes and technology to evolve and grow our recruitment capabilities. We upgraded our recruiting system to a new, mobile-friendly Applicant Tracking System (ATS) to provide more transparency around generational shifts in the workforce. This system allows us to be better equipped to 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. We share our metrics scorecard with our human resources staff in the field to improve future recruiting and retention 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.

» **Achieving our strategic goals as a business depends on CMC's ability to attract, retain and motivate a strong and successful workforce.**

## Enter the Game

In 2021, we conducted our third annual social campaign in Poland promoting dual education. Each year, we encourage students to choose education at technical high schools to learn technical skills.

This year we launched a computer game, "We play at the Mill." We promoted this game on our website [zawodnapropsie.pl](http://zawodnapropsie.pl), produced a multimedia leaflet and put CMC branding on local public transport buses with the slogan "Enter the game, technical school offers more." Players participating in "We play at the Mill" competed for cash prizes, and the game continues to be popular with primary and technical high school students.

This year's campaign led to 97 students starting their education in our CMC patronage classes at three schools with the following professions: Mechanical Technician, Metallurgical Industry Technician, Mechatronic Technician, Railway Transport Technician, and Port and Terminal Technician. Another 168 students continue in their second, third and fourth grades in patronage classes and in practical classes at the mill.

CMC Poland cooperates with the following local technical high schools:

- J. Bema School Complex in Zawiercie – Mechanical Technician
- S. Staszica School Complex in Zawiercie – Mechatronic Technician; Metallurgical Industry Technician
- R. Gostkowskiego School Complex in Łazy – Railway Transport Technician; Railway Transport Electrical Engineer; Port and Terminal Technician

In 2019, we employed the first graduates of our patronage classes at the mill and hired nine individuals. Ten graduates from the 2020 mechanical technician class were hired and are current employees, and in 2021, we hired ten of this year's graduates with the possibility of hiring more.



## Early Career Support

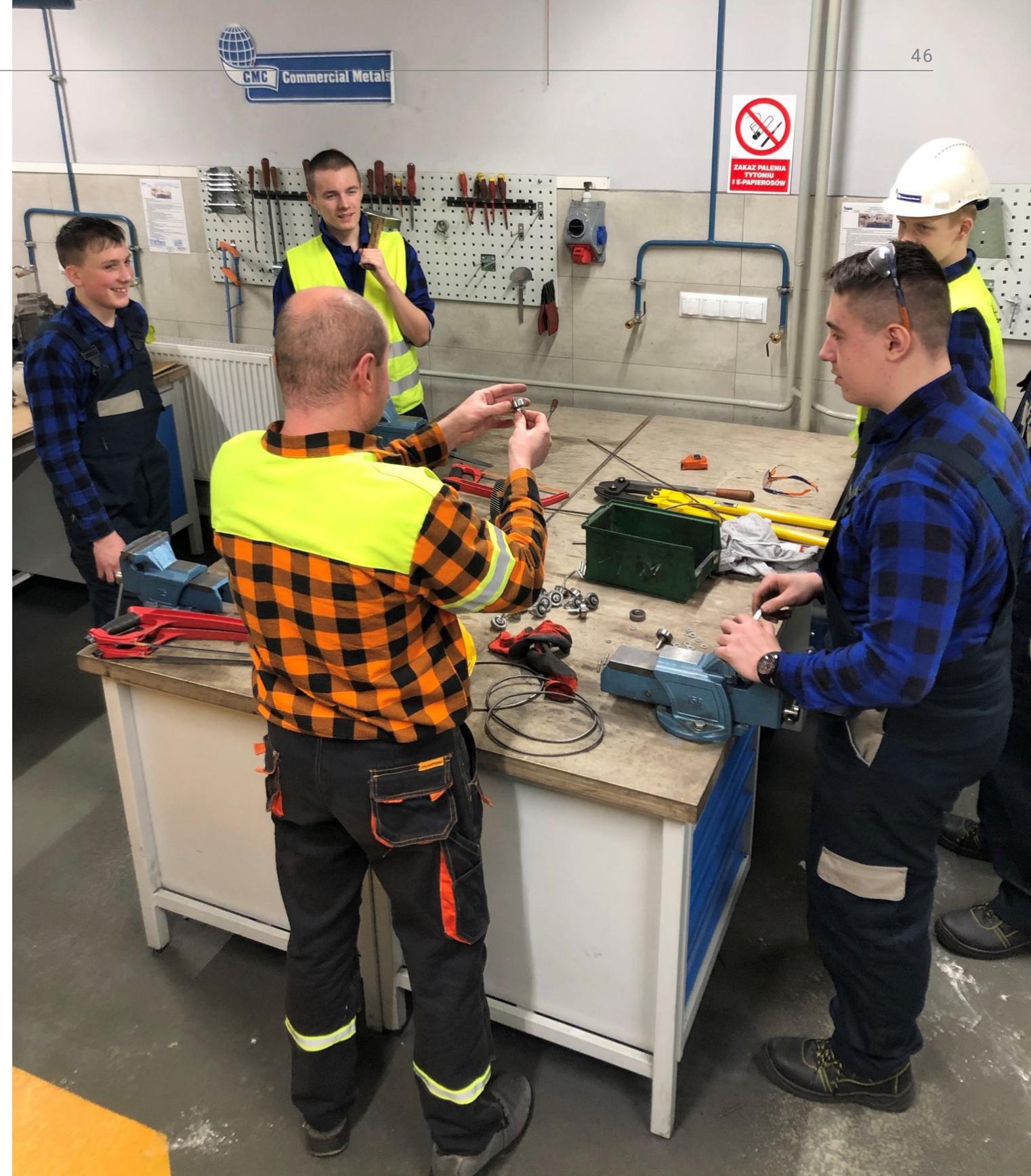
CMC is enthusiastic about growing our talent pipeline by partnering with local colleges and technical schools, offering apprenticeships and supporting talent entering the workforce or seeking to grow their skills. Many of our locations collaborate with universities to support the development of potential 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 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 to 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.

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 to better prepare and position themselves on a path of succession within the company.

» **Our rotational training program focuses on developing individuals who are excited about making an impact on the future of how steel is made.**



## 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 delivers training that is 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. We also offer an on-demand learning course called Crucial Conversations, for managers to further develop their leadership skills.

In addition to job training that is regularly provided to further an employee's skill set, we also offer competence training on topics such as leadership and team building, and job-specific safety training including first aid, safety working at heights and detecting explosive and other dangerous material in scrap metal.

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

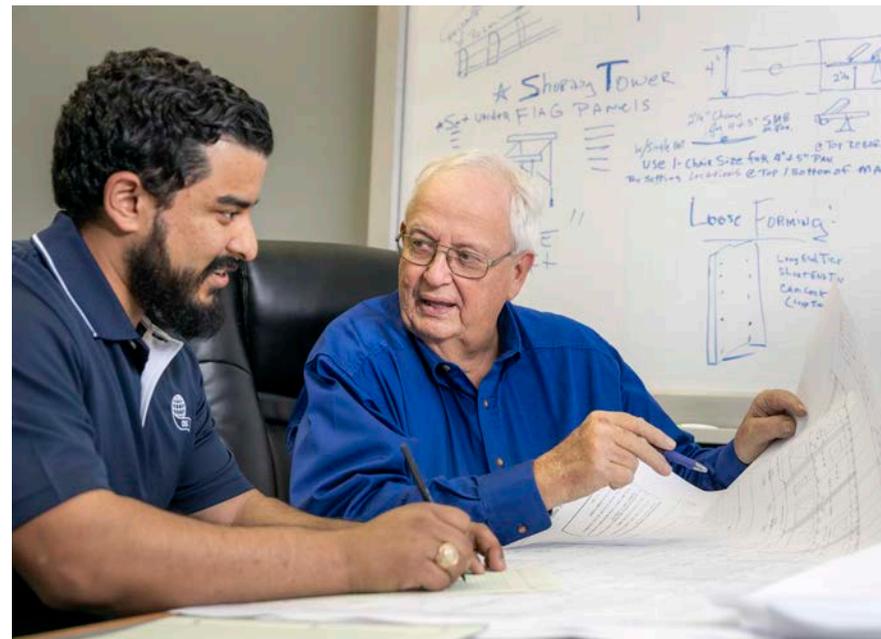
In 2021, we continued our Management Development Program (MDP) for high potential employees to expand their skills and to support our pipeline development strategy. This program gives employees at the management level the opportunity to experience different lines of business within CMC. They work side by side with various managers, where they can learn about different leadership styles. 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. Due to travel restrictions in 2020, we extended the existing class of 40 participants into 2021 to complete the program.

» **In 2021, 100% of CMC employees received a performance review.**

## 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 role.

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. This year, our North Texas-based employees completed a third-party survey, which provided numerous insights to inform our strategy. The result of that survey was CMC being named as one of the Top 100 Places to Work in 2021. 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.



## Creating Modern Steelmakers

This year, we launched our Modern Steelmaker Training program in Mesa, Arizona. The program offers employees a paid opportunity to learn the steelmaking process at one of the most efficient steel mills in the world – our first micro mill, CMC Steel Arizona. Selected employees went through an interview process and are now participating in a 12-month rotational program where they receive leadership and development training, along with enrollment in community college courses to develop technical and soft skills vital to our industry. The program begins in the classroom, where employees acquire the necessary skillset. After completing four months of classroom instruction, program participants begin hands-on training in the steel mill. While in the mill, employees spend just over two months in each part of the operation to apply the skills they learned in the classroom. The program will prepare employees for elevated roles within CMC. It has been exceedingly successful so far, and we plan to continue this program moving forward.

## Award-Winning Workplace Culture

In 2021, the Dallas Morning News recognized CMC as one of the [Top 100 Places to Work](#). The Dallas Morning News determines their rankings using extensive employee surveys, which include 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 for a second year and are inspired to keep improving our company culture.



### Employee Benefits

CMC offers our employees a competitive salary and benefits package and is committed to paying a living wage. In 2021, 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.

We focus 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 2020, we also opened an on-site Medcover 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 Medcover Company Clinic in Poland.

In addition to our benefits, we provide many optional health and wellness programs to all full-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. We also 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. It also includes on-site employee support for critical instances that can occur such as an employee death or serious illness.

- **Medicare Transition Service** enables employees to consult with an expert to determine which Medicare service best suits their needs. The Medicare Transition Service is available for employees who are nearing retirement themselves (65 years and older) and for family members, including spouses, parents or grandparents, who are living in their household. The service is flexible to employee schedules, offering consultations over the phone so that employees can easily access the service.

We also have 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 response to the COVID-19 pandemic, CMC began offering flexible working schedules to keep our people safe and help them balance the new challenges they face. Due to the success we experienced with employees working at home, flexible working hours have become a permanent option for employees moving forward.

Metric	Unit	2019	2020	2021
Employee participation in 401(k) plan	%	95%	94%	94%
Tuition reimbursement	\$	\$63,655	\$96,050	\$81,200

# Giving Back

## 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 2021, we supported over 80 organizations and donated nearly \$1 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. For example, 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 include 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, here are a few examples of activities our local facilities engaged in throughout 2021:

- Ijams River Rescue: In March, CMC Steel Tennessee participated in the 32nd annual Ijams River Rescue. Ijams Nature Center is a nonprofit in South Knoxville inspiring people to care for the planet through educational programs and outdoor experiences. Sixteen CMC volunteers participated in the 2021 River Rescue, where they focused on a tributary about five miles from CMC Steel Tennessee. Despite challenging weather, volunteers cleared nearly 40 large bags of waste and several old tires.
- American Cancer Society Walk: In May, CMC employees participated in the American Cancer Society's Fit2Be Cancer Free walking challenge. During the three-week challenge, employees used an app to measure their daily mileage, track cumulative mileage and monitor donations. Over 1,000 CMC employees participated, and they cumulatively walked a total of 156,411,789 steps. Four of CMC's employees ranked in the top 25 nationally. Shevanese McIntyre placed 17th, Lupe Rodrigues placed 18th, Nickette McClendon placed 20th, and Richard Atkinson placed 21st. Out of all participating companies, CMC proudly came in fifth place for total steps.

While competing individually on a national level, employees also competed internally as regions. For total steps, the Central region won at 54,157,275 steps. The Northeast region won in average step count per participant at 8,182. Finally, Corporate won in participation with a 35% participation rate. CMC awarded the top 20 walkers in each region a donation to be made to the American Cancer Society in the name of an honoree of the individual's choice.



## Scrap Can Be Beautiful

In 2021, CMC celebrated our 43rd 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.

In Poland, students from CMC’s sponsored patronage class also produced works of art using metal and welding techniques learned during their classes. These unique works were displayed over the summer at the Young People Summer exhibition in the Stara Łaźnia Gallery in Zawiercie at the “Summer on Props” exhibit.

## Gary Sinise Foundation & R.I.S.E

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 in November. We are proud to honor and support our many military veteran employees.

This year CMC employees volunteered at several R.I.S.E. projects:

- A CMC team participated in the R.I.S.E. smart-home build by the Gary Sinise Foundation for U.S. Army CPT (Ret.) JJ Guerrero in Boerne, Texas. A team of volunteers from CMC locations in the San Antonio area worked at the home to prepare the yard and soil, and laid many pallets of sod. CMC also contributed financial support for the project through funds that we raised during the 2019 myCMC sales promotion held each November in honor of Veterans Day. Due to the COVID-19 pandemic, the Foundation held a private home dedication ceremony where the Guerrero family received the keys and iPad to control their new custom smart home.
- CMC had a team of volunteers assist with landscaping work at a R.I.S.E. home built in Vista, California for U.S. Navy Petty Officer 2nd Class (Ret.) Doc Jacobs. Doc Jacobs was determined to continue his service and made history by becoming the Navy’s first amputee Corpsman to return to a deployable infantry unit despite the injuries sustained during service. The all-volunteer team worked hard to spread 180 bags of mulch and install a gravel pathway and border at the home site.
- A team of CMC volunteers visited a home the Foundation built for U.S. Army SSG (Ret.) Jay Fondren to help with landscaping, clearing brush and laying sod, among other tasks. The team spent a full day at the home site in Willis, Texas, and the before and after photos show what they accomplished after a day of challenging work at the home site. CMC also financially supported the new home build for this very deserving veteran.





### 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 the last two years, 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 event has been a CMC Poland tradition since 2006, and many families, especially their children, look forward to it 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. In 2021, we supported over 80 foundations and organizations. To expand our outreach, we continuously collaborate with our Human Resources team and trade associations to seek new and alternative ways to engage employees and charitable organizations.

Metric	Unit	2019	2020	2021
Community charitable contributions	\$	\$661,262	\$1,219,267	\$908,594



### (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. In 2021, 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.

# Data Tables

Metric	Unit	2019	2020	2021
<b>About CMC</b>				
Global employees	#	11,524	11,297	11,089
U.S.	#	9,410	8,946	8,549
Europe	#	2,114	2,351	2,540
Raw steel production	MT	5,301,216	5,543,677	5,661,959
Metal recycled from operations	MT	8,440,675	8,132,461	8,658,607
Recycled content in manufactured finished steel	%	98%	98%	98%
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%
<b>Accountability for Our Actions</b>				
<b>Corporate Governance</b>				
Political contributions (through our employee-sponsored PAC)	\$	\$32,700	\$78,231	\$48,749
Lobbying expenditures	\$	\$202,111	\$318,500	\$305,264
Trade association expenditures	\$	\$2,046,275	\$1,944,991	\$1,974,994
<b>Ethics</b>				
Employees completing code of business conduct training	%	99.1%	99.5%	99.3%
<b>Customer Satisfaction</b>				
Global customer satisfaction score	%	88%	89%	88%

Metric	Unit	2019	2020	2021
<b>Respect for Our Environment<sup>1,2</sup></b>				
<b>Environmental Footprint</b>				
Capital expenditures spent on environmental projects	\$	\$7,681,381	\$44,723,364	\$8,117,233
<b>Environmental Footprint</b>				
Scope 1 GHG emissions	MT CO <sub>2</sub> e	1,048,006	1,106,156	1,117,753
Scope 1 GHG emissions intensity	MT CO <sub>2</sub> e /MT	0.198	0.200	0.197
% of CO <sub>2</sub> e covered under emissions-limiting regulations	%	3.71%	4.24%	4.31%
Scope 2 GHG emissions	MT CO <sub>2</sub> e	1,500,431	1,466,830	1,436,765
Scope 2 GHG emissions intensity	MT CO <sub>2</sub> e /MT	0.283	0.265	0.254
Total GHG emissions (Scopes 1 & 2)	MT CO <sub>2</sub> e	2,548,437	2,572,986	2,554,518
Total GHG emissions intensity (Scopes 1 & 2)	MT CO <sub>2</sub> e /MT	0.481	0.464	0.451
<b>Environmental Footprint (Air Quality)</b>				
Nitrogen oxides (NO <sub>x</sub> )	MT	800	808	789
Sulfur oxides (SO <sub>x</sub> )	MT	581	586	602
Carbon dioxide (CO <sub>2</sub> )	MT	993,931	1,052,342	1,065,377
Methane (CH <sub>4</sub> )	MT	123	138	138
Nitrous oxide (N <sub>2</sub> O)	MT	0.86	0.85	0.87
Carbon monoxide (CO)	MT	–	–	4,084
Lead (Pb)	MT	–	–	2.04
Volatile organic compounds (VOCs)	MT	–	–	228
Particulate matter (PM)	MT	368	395	447

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

<sup>2</sup> CMC environmental data has been restated for calendar years 2019 and 2020 to CMC fiscal years 2019 and 2020. Going forward, environmental data will be disclosed in alignment with our fiscal year.

Metric	Unit	2019	2020	2021
<b>Environmental Footprint (Energy)</b>				
Fuel consumption	GJ	8,801,713	8,855,638	8,655,608
Natural gas	GJ	8,159,176	8,220,949	8,039,248
% Natural gas (of total fuel consumption)	%	92.7%	92.8%	92.9%
Coal	GJ	0	0	0
Other fuel (diesel)	GJ	642,537	634,689	616,360
% Renewable (fuel)	%	0%	0%	0%
Electricity consumption	GJ	12,518,098	12,113,550	12,328,532
% Renewable	%	12.1%	13.3%	16.7%
Total energy consumption	GJ	21,319,811	20,969,188	20,984,140
% Grid electricity	%	59%	58%	59%
% Renewable	%	7.1%	7.7%	9.8%
Energy intensity	GJ/MT	4.022	3.783	3.706
<b>Environmental Footprint (Water)</b>				
Total water withdrawn	m <sup>3</sup>	6,104,745	6,003,220	7,028,693
Water withdrawn from public inlet	m <sup>3</sup>	1,911,190	1,960,406	2,074,992
Water withdrawn from ground water (private well)	m <sup>3</sup>	2,798,282	2,669,751	3,474,309
Water withdrawn from surface water (stream)	m <sup>3</sup>	1,395,272	1,373,063	1,479,392
Total water discharge	m <sup>3</sup>	1,429,868	1,373,250	1,925,927
Total water consumption	m <sup>3</sup>	4,674,876	4,629,969	5,102,767
Total water withdrawn intensity	m <sup>3</sup> /MT	1.152	1.083	1.241
% Water that is recycled or reused multiple times	%	95.6%	95.2%	89.6%
Total water withdrawn in high or extremely high baseline stress area	m <sup>3</sup>	1,262,043	1,101,440	999,324
% Water withdrawn in high or extremely high baseline stress area	%	21%	18%	14%
Total water consumed in high or extremely high baseline stress area	m <sup>3</sup>	1,215,420	1,081,311	982,568
% Water consumed in high or extremely high baseline stress area	%	26%	23%	19%

Metric	Unit	2019	2020	2021
<b>Environmental Footprint (Waste &amp; Co-Products)</b>				
Total waste & co-products	MT	640,017	718,359	1,137,902
Total hazardous waste	MT	60,234	64,223	62,124
% Total waste	%	9%	9%	5%
% Total waste recycled	%	90%	88%	83%
<b>Product Stewardship</b>				
% Recycled input materials used in products	%	98%	98%	98%
R&D expenditures	\$	\$29,222,479	\$24,649,939	\$24,520,000
<b>Acting with Integrity</b>				
<b>Health &amp; Safety</b>				
Total Recordable Incident Rate (TRIR)	#	1.56	1.53	1.47
Contract labor TRIR	#	0.14	0.11	0.11
Total Lost Time Incident Rate (LTIR)	#	0.49	0.72	0.74
Total Near Miss Frequency Rate (NMFR) (includes both full time and contract labor)	#	26.85	31.08	42.12
Number of fatalities	#	0	0	1
Fatality rate	#	0	0	0.1
Contract labor fatalities	#	0	0	0
# Locations with zero incident rate	#	118	117	103
% U.S. employees participating in annual physicals	%	90%	86%	86%
<b>Talent Management</b>				
% Employees receiving performance reviews	%	100%	100%	100%
% Participation in 401(k) plan	%	95%	94%	94%
Graduation gift (for children of employees)	\$	\$13,800	\$18,500	\$9,700
Military gift (for children of employees)	\$	\$1,750	\$1,500	\$500
College scholarship (for children of employees)	\$	\$189,500	\$209,750	\$156,650
Employee tuition reimbursement	\$	\$63,655	\$96,050	\$81,200

Metric	Unit	2019	2020	2021
<b>Community Engagement</b>				
Community charitable contributions	\$	\$661,262	\$1,219,267	\$908,594
<b>Diversity</b>				
Women in global workforce	–	1,343	1,357	1,347
Men in global workforce	#	10,181	9,940	9,742
<b>Board of Directors</b>				
% Male	%	67%	64%	56%
% Female	%	33%	36%	44%
% Caucasian	%	89%	91%	100%
% African American	%	11%	9%	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	%	0%	0%	0%
% Age: over 50	%	100%	100%	100%
% Age not disclosed	%	0%	0%	0%
<b>Executive Leadership</b>				
% Male	%	60%	40%	50%
% Female	%	40%	60%	50%
% 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%

<b>Metric</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
% Age: 30–50	%	40%	60%	50%
% Age: over 50	%	60%	40%	50%
% Age not disclosed	%	0%	0%	0%
<i>Salaried Employees</i>				
% Male	%	74%	73%	73%
% Female	%	26%	27%	27%
% Caucasian	%	76%	77%	78%
% African American	%	5%	5%	5%
% Hispanic	%	12%	12%	11%
% Other	%	5%	4%	6%
% Race/ethnicity not disclosed	%	2%	2%	0%
% Age: under 30	%	6%	7%	8%
% Age: 30–50	%	53%	53%	53%
% Age: over 50	%	41%	40%	39%
% Age not disclosed	%	0%	0%	0%
<i>Hourly Employees</i>				
% Male	%	93%	93%	93%
% Female	%	7%	7%	7%
% Caucasian	%	48%	50%	49%
% African American	%	12%	12%	12%
% Hispanic	%	34%	32%	30%
% Other	%	3%	0%	6%
% Race/ethnicity not disclosed	%	3%	6%	3%
% Age: under 30	%	14%	15%	18%
% Age: 30–50	%	53%	52%	51%
% Age: over 50	%	33%	32%	31%
% Age not disclosed	%	0%	1%	0%

# GRI Content Index

## Disclosures From the Global Reporting Initiative (GRI)

GRI Standard	Disclosure	Description	Location or Direct Answer
<b>General Disclosures</b>			
	<b>Organizational Profile</b>		
	102-1	Name of the organization	Commercial Metals Company
	102-2	Activities, brands, products, and services	<a href="#">About Commercial Metals Company</a>
	102-3	Location of headquarters	<a href="#">About Commercial Metals Company</a>
	102-4	Location of operations	<a href="#">About Commercial Metals Company</a>
	102-5	Ownership and legal form	<a href="#">About Commercial Metals Company</a>
<b>GRI 102: General Disclosures 2016</b>	102-6	Markets served	<a href="#">About Commercial Metals Company</a>
	102-7	Scale of the organization	<a href="#">About Commercial Metals Company</a>
	102-8	Information on employees and other workers	<a href="#">Data Tables</a>
	102-9	Supply chain	<a href="#">Sustainable Supply Chain</a>
	102-10	Significant changes to the organization and its supply chain	<a href="#">About Commercial Metals Company</a>
	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 <a href="#">2021 Form 10-K</a> and <a href="#">Corporate Governance</a> .
	102-12	External initiatives	<a href="#">About This Report</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
<p><b>GRI 102: General Disclosures 2016</b></p>	102-13	Membership of associations	<p>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.</p> <ul style="list-style-type: none"> <li>• Academic and Economic Association of Metallurgy</li> <li>• American Chamber of Commerce</li> <li>• Associated Builders and Contractors (ABC)</li> <li>• Associated General Contractors (AGC)</li> <li>• Association for Iron and Steel Technology (AIST)</li> <li>• The Association of Employers of the Steel Industry</li> <li>• Bureau of International Recycling (BIR)</li> <li>• Concrete Reinforcing Steel Institute (CRSI)</li> <li>• Deep Foundations Institute</li> <li>• European Steel Association (EUROFER)</li> <li>• European Federation of Association of Steel, Tube and Metal Distribution (EUROMETAL)</li> <li>• German Steel Federation</li> <li>• Institute of Scrap Recycling Industries (ISRI)</li> <li>• The International Association of Foundation Drilling (ADCS)</li> <li>• The International Steel Trade Association (ISTA)</li> <li>• Metal Building Manufacturers Association (MBMA)</li> <li>• Metals Service Center Institute (MSCI)</li> <li>• Polish Chamber of Construction and Building</li> <li>• Polish Chamber of Industry and Commerce of Scrap</li> <li>• Polish Steel Association</li> <li>• Polish Union of Steel Distributors</li> <li>• Steel Joist Institute (SJI)</li> <li>• Steel Manufacturers Association (SMA)</li> <li>• Steel Quality Promotion Center</li> <li>• U.S. Green Building Council (USGBC)</li> </ul>
	<b>Strategy</b>		
	102-14	Statement from senior decision-maker	<a href="#">Letter from our Chairman, President and CEO</a>
<b>Ethics and Integrity</b>			
	102-16	Values, principles, standards, and norms of behavior	<a href="#">Ethics &amp; Compliance</a>
	102-17	Mechanisms for advice and concerns about ethics	<a href="#">Ethics &amp; Compliance</a>
<b>Governance</b>			
	102-18	Governance structure	<a href="#">Corporate Governance</a>
	102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Corporate Governance</a>

GRI Standard	Disclosure	Description	Location or Direct Answer	
<b>GRI 102: General Disclosures 2016</b>	102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance</a>	
	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	<a href="#">Corporate Governance</a>	
	102-31	Review of economic, environmental, and social topics	<a href="#">Corporate Governance</a>	
	102-32	Highest governance body's role in sustainability reporting	<a href="#">Corporate Governance</a>	
	<b>Stakeholder Engagement</b>			
	102-40	List of stakeholder groups	<a href="#">Stakeholder Engagement &amp; Materiality</a>	
	102-41	Collective bargaining agreements	Approximately 16% and 30% of the employees in our North America and Europe segments, respectively, belong to unions. We believe that we have good relations with the union representatives that represent our employees and are focused on providing safe and productive workplace environments for our employees.	
	102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder Engagement &amp; Materiality</a>	
	102-43	Approach to stakeholder engagement	<a href="#">Stakeholder Engagement &amp; Materiality</a>	
	102-44	Key topics and concerns raised	<a href="#">Stakeholder Engagement &amp; Materiality</a>	
	<b>Reporting Practices</b>			
	102-45	Entities included in the consolidated financial statements	Commercial Metals Company ("CMC") and its subsidiaries (as defined in our <a href="#">2021 Form 10-K</a> ) are all represented in this report, unless otherwise noted.	
	102-46	Defining report content and topic Boundaries	<a href="#">Stakeholder Engagement &amp; Materiality</a>	
	102-47	List of material topics	<a href="#">Stakeholder Engagement &amp; Materiality</a>	

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-48	Restatements of information	<p>The following data metrics were restated:</p> <ul style="list-style-type: none"> <li>Total, Scope 1 and Scope 2 GHG emissions and emissions intensities, due to transition to fiscal year calculations</li> <li>NO<sub>x</sub>, SO<sub>x</sub>, CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, CO, Pb, VOCs, PM, due to transition to fiscal year calculations</li> <li>Fuel consumption including natural gas and diesel, due to transition to fiscal year calculations</li> <li>Electricity consumption and % renewable, due to transition to fiscal year calculations</li> <li>Energy consumption and % renewable, due to transition to fiscal year calculations</li> <li>Energy intensity due to transition to fiscal year calculations</li> <li>Total water consumption, withdrawal and discharge, due to transition to fiscal year calculations</li> <li>% of water recycled, due to transition to fiscal year calculations</li> <li>Total waste and co-products, due to transition to fiscal year calculations</li> </ul> <p>See our <a href="#">data tables</a> for more information.</p>
	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. For more information, see <a href="#">Stakeholder Engagement &amp; Materiality</a> and <a href="#">About Commercial Metals Company</a> .
	102-50	Reporting period	<a href="#">About This Report</a>
	102-51	Date of most recent report	June 23, 2021
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	<a href="#">About This Report</a> ; Manager of Public and Investor Relations: <a href="mailto:IR@cmc.com">IR@cmc.com</a>
	102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">About This Report</a>
	102-55	GRI content index	This index
	102-56	External assurance	This report has not been externally assured.
<b>Topic-Specific Disclosures</b>			
<b>GRI 300 Environmental Standards Series</b>			
<b>Materials</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Product Stewardship</a>
	103-2	The management approach and its components	<a href="#">Product Stewardship</a>
	103-3	Evaluation of the management approach	<a href="#">Product Stewardship</a>
GRI 301: Materials 2016	301-2	Recycled input materials used	<a href="#">Product Stewardship</a> ; <a href="#">Data Tables</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Stewardship</a>
	103-2	The management approach and its components	<a href="#">Environmental Stewardship</a>
	103-3	Evaluation of the management approach	<a href="#">Environmental Stewardship</a>
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization	<a href="#">Data Tables</a>
	302-3	Energy intensity	<a href="#">Environmental Stewardship, Data Tables</a>
	302-4	Reduction of energy consumption	<a href="#">Environmental Stewardship, Data Tables</a>
<b>Water</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Stewardship</a>
	103-2	The management approach and its components	<a href="#">Environmental Stewardship</a>
	103-3	Evaluation of the management approach	<a href="#">Environmental Stewardship</a>
<b>GRI 303: Water and Effluents 2018</b>	303-1	Interactions with water as a shared resource	<a href="#">Environmental Stewardship</a>
	303-2	Management of water discharge-related impacts	<a href="#">Environmental Stewardship</a>
	303-4	Water discharge	<a href="#">Data Tables</a>
	303-5	Water consumption	<a href="#">Environmental Stewardship, Data Tables</a>
<b>Emissions</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Stewardship</a>
	103-2	The management approach and its components	<a href="#">Environmental Stewardship</a>
	103-3	Evaluation of the management approach	<a href="#">Environmental Stewardship</a>
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental Stewardship, Data Tables</a>
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental Stewardship, Data Tables</a>
	305-4	GHG emissions intensity	<a href="#">Environmental Stewardship, Data Tables</a>
	305-5	Reduction of GHG emissions	<a href="#">Environmental Stewardship, Data Tables</a>
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<a href="#">Data Tables</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
<b>Waste</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Stewardship</a>
	103-2	The management approach and its components	<a href="#">Environmental Stewardship</a>
	103-3	Evaluation of the management approach	<a href="#">Environmental Stewardship</a>
GRI 306: Waste 2020	306-1	Waste generation and significant waste related impacts	<a href="#">Environmental Stewardship</a>
	306-2	Management of significant waste-related impacts	<a href="#">Environmental Stewardship</a>
	306-4	Waste Diverted from Disposal	<a href="#">Data Tables</a>
	306-5	Waste Directed to Disposal	<a href="#">Data Tables</a>
<b>GRI 400 Social Standards Series</b>			
<b>Employment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Talent Management</a>
	103-2	The management approach and its components	<a href="#">Talent Management</a>
	103-3	Evaluation of the management approach	<a href="#">Talent Management</a>
GRI 401: Employment 2016	401-2	Benefits provided to full Time employees that are not provided to temporary or part time employees	<a href="#">Talent Management</a>
<b>Occupational Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Health and Safety</a>
	103-2	The management approach and its components	<a href="#">Health and Safety</a>
	103-3	Evaluation of the management approach	<a href="#">Health and Safety</a>
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<a href="#">Health and Safety</a>
	403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Health and Safety</a>
	403-3	Occupational health services	<a href="#">Health and Safety</a>
	403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Health and Safety</a>
	403-5	Worker training on occupational health and safety	<a href="#">Health and Safety</a>
	403-6	Promotion of worker health	<a href="#">Talent Management</a>
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Health and Safety</a>
	403-8	Workers covered by an occupational health and safety management system	All employees; <a href="#">Health and Safety</a>
	403-9	Work-related injuries	<a href="#">Data Tables</a>

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

# SASB Index

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

### Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Response/Location
<b>Greenhouse Gas Emissions</b>	EM-IS-110a.1: Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	<a href="#">Data Tables</a>
	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	<a href="#">Environmental Stewardship</a>
<b>Air Emissions</b>	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 (PAH)	<a href="#">Data Tables</a> ; CMC does not collect MnO or PAH data, and at this time we do not have any information that suggests these are relevant in our process.
<b>Energy Management</b>	EM-IS-130a.1: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	<a href="#">Environmental Stewardship</a> ; <a href="#">Data Tables</a>
	EM-IS-130a.2: (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	<a href="#">Environmental Stewardship</a> ; <a href="#">Data Tables</a>
<b>Water Management</b>	EM-IS-140a.1: (1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	<a href="#">Environmental Stewardship</a> ; <a href="#">Data Tables</a>
<b>Waste Management</b>	EM-IS-150a.1: Amount of waste generated, percentage hazardous, percentage recycled	<a href="#">Environmental Stewardship</a> ; <a href="#">Data Tables</a>
<b>Workforce Health &amp; Safety</b>	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	<a href="#">Health &amp; Safety</a> ; <a href="#">Data Tables</a>
<b>Supply Chain Management</b>	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 <a href="#">Sustainable Supply Chain</a> .
<b>Activity Metrics</b>		
Metric		Response/Location
EM-IS-000.A: Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes		<a href="#">About CMC</a> , <a href="#">Data Tables</a>
EM-IS-000.B: Total iron ore production		CMC does not use iron ore to produce our products. For more information, see <a href="#">Sustainable Supply Chain</a> .
EM-IS-000.C: Total coking coal production		CMC does not use coking coal to produce our products. For more information, see <a href="#">Sustainable Supply Chain</a> .

# 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.                    | <a href="#">Corporate Governance</a> ; <a href="#">Environmental Stewardship</a> |
| b) Describe management's role in assessing and managing climate-related risks and opportunities. | <a href="#">Corporate Governance</a> ; <a href="#">Environmental Stewardship</a> |

### 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.                         | <a href="#">2021 Annual Report</a> (Item 1A. Risk Factors, p. 8); <a href="#">Corporate Governance</a>   |
| b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.                  | <a href="#">Environmental Stewardship</a>  |
| 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 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 Agreement below 2 °C 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 <a href="#">Environmental Stewardship</a> . |

### 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.   | <a href="#">Corporate Governance</a>      |
| b) Describe the organization's processes for managing climate-related risks.  | <a href="#">Environmental Stewardship</a> |
| c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management. | <a href="#">Corporate Governance</a>      |

### 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. | <a href="#">Environmental Stewardship</a>                               |
| b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | <a href="#">Environmental Stewardship</a>                               |
| c) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions and the related risks.   | <a href="#">Environmental Stewardship</a> ; <a href="#">Data Tables</a> |