it's what's inside that counts

2022

Sustainability Accounting Standards Board Disclosure

For Iron & Steel Producers Sustainability Accounting Standard

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 12,483 employees operates our 212 facilities across the U.S., Europe and Asia.

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 principles. One hundred percent of our steelmaking 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.

We play an integral role in infrastructure development which has been further reinforced with our 2022 acquisition of Tensar. The products we create provide the backbone of buildings, highways, bridges and other structures all over the world. The markets we serve include infrastructure, commercial and residential construction, the energy industry, manufacturing and agriculture.

The disclosures of emissions, energy consumption, water use, and wastes include our steel producing facilities which comprise more than 95% of our CO_2-e footprint as allowed by The Greenhouse Protocol. Safety disclosures represent all CMC operations globally.

For more information about CMC and our ESG priorities, goals and achievements, please read our latest Sustainability Report available at cmc.com/sustainability.

1. Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting Metric	Category	Unit of measure	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2-e, Percentage (%)	EM-IS-110a.1

Greenhouse Gas Emissions (annual totals)	**2020**	**2021**	**2022**
Gross global Scope 1 emissions (metric tons CO_2-e)	1,032,359	1,063,751	1,082,528
% of CO_2-e covered under emissions-limiting regulations	4.24%	4.31%	3.88%

Topic	Accounting Metric	Category	Unit of measure	Code
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-IS-110a.2

CMC recognizes the threats that global climate change has on our business and the communities in which we operate. 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 at the forefront of energy and resource efficiency, and we will continue investing in future opportunities beneficial to the environment and our business. Today, because of our innovation and based on our global benchmarking analysis, we believe CMC's steelmaking operations have among the lowest greenhouse gas (GHG) emissions and energy consumption intensity rates in the world.

Our steel mills represent more than 95% of our GHG emissions and energy and water usage, so we aim to minimize our impact on the environment through reduction initiatives 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.

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 EAF micro mill, which connects the steel melting operations and rolling mill into one continuous process to eliminate the need for a reheat furnace while significantly reducing natural gas consumption. While the mini mill technology is already the leading process in making sustainable steel, the micro mill technology offers significant additional environmental benefits. The micro mill technology emits 30% less Scope 1 GHG emissions and consumes 82% less natural gas as compared to traditional EAF mini mills.

We currently operate two micro mills, will commission a third in Mesa, Arizona in spring of 2023 and recently announced a fourth micro mill in Berkeley County, West Virginia. The new mill in Mesa will be the first in North America with the ability to connect directly to renewable energy sources like solar and wind. We are committed to this innovative production process which provides low cost, focused steel production while helping us to meet our energy and GHG reduction goals.

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 energy consumption 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. Compared to the global industry average, we are not a significant emitter of Scope 1 GHG emissions or a Scope 2 energy consumer.

To continue executing on our strategy to improve and do our part to further lower emissions worldwide, we have established goals to further reduce our energy and water consumption and GHG emissions by 2030. The scope of our emissions reduction target is based on a combined Scope 1 and 2 emission intensity rate for our steelmaking segment, which represents more than 95% of our GHG emissions. Our target is intensity-based, and the metric is Metric Tons CO_2-e/Metric Ton of steel cast.

We have set a 20% CO_2-e reduction goal against the base year of 2019; our starting year is 2020 and our target year is 2030. Our Scopes 1 and 2 baseline value is 0.479 MT CO_2-e/MT of steel cast. These targets are in line with the Science Based Target Initiative's *Below 1.5 degrees C Scenario* for the Iron and Steel Sector.

We steadily decreased our Scope 1 and 2 GHG emissions intensity by 13.8% from our 2019 base year. Our mills are continuing to investigate new ways to further improve efficiency in order to reduce emissions intensity.

Our largest opportunity for achieving our emissions target includes further energy reduction in our mill operations and the increased use of renewable energy sources in our U.S. and Poland mill operations. Reducing our electricity consumption and natural gas usage will decrease both our Scope 1 and 2 emissions, and we have set a target to reduce our consumption intensity by 5%. We have decreased our energy consumption intensity by 4.1% since 2019. We are proud of our progress to date and plan to continue making progress toward a more sustainable future.

We also have set a target to increase our renewable energy mix by 12 percentage points over the target time horizon.

Since 2019, we increased the percentage of our total energy usage that comes from renewables by more than six percentage points from 7.1% to 13.4%; this is an 89% increase in renewable energy usage. We attribute our progress to our renewable energy usage at the 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 agreements in Tennessee and Texas go into effect and we move forward with the construction of our second micro mill in Arizona.

Topic	Accounting Metric	Category	Unit of measure	Code
Air Emissions	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N_2O), (3) SOx, (4) particulate matter (PM_{10}), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	Quantitative	Metric tons (t)	EM-IS-120a.1

Regulated air pollutants (Metric tons)	**2020**	**2021**	**2022**
Nitrogen Oxides (NOx)	808	789	865
Sulfur Oxides (SOx)	586	602	593
Particulate Matter (PM10)	395	447	412
Carbon Monoxide (CO)	-	4,084	4,298
Manganese Oxide (MnO)	n/a	n/a	n/a
Lead (Pb)	-	2.045	1.237
Volatile Organic Compounds (VOC)	-	228	217
Polycyclic Aromatic Hydrocarbons (PAH)	n/a	n/a	n/a

CMC does not collect MnO or PAH data, and currently we do not have any information that suggests these are relevant in our process.

Topic	Accounting Metric	Category	Unit of measure	Code
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.1

Energy Management	**2020**	**2021**	**2022**
Total energy consumed (GJ)	20,969,188	20,984,140	22,056,632
% Grid electricity	58%	59%	58%
% Renewable energy	7.7%	10.6%	13.4%

Data collected is for our steel mills only, as they represent more than 95% of our energy consumption.

Topic	Accounting Metric	Category	Unit of measure	Code
Energy Management	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.2

Energy Management	**2020**	**2021**	**2022**
Total fuel consumed (GJ)	8,855,638	8,655,608	9,316,358
% Coal	0%	0%	0%
% Natural gas	92.8%	92.9%	91.0%
% Renewable	0%	0%	0%

Data collected is for our steel mills only, as they represent more than 95% of fuel consumption.

Topic	Accounting Metric	Category	Unit of measure	Code
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	EM-IS-140a.1

Water Management	**2020**	**2021**	**2022**
Total fresh water withdrawn, thousand cubic meters (m^3)	6,003,220	7,028,693	6,502,681
% Recycled	95.2%	89.6%	88.4%
Water withdrawn in regions with High or Extremely High Baseline Water Stress, thousand cubic meters (m^3)	1,101,440	999,324	2,675,505
% Withdrawn in locations with High or Extremely High Baseline Water Stress (as % of the total withdrawn)	18%	14%	41%
Water consumed in regions with High or Extremely High Baseline Water Stress, thousand cubic meters (m^3)	1,081,311	982,568	2,189,788
% Consumed in locations with High or Extremely High Baseline Water Stress (as % of the total consumption)	23%	19%	46%

According to the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct, in 2021, we withdrew and consumed water in the high-stress water regions of Arkansas, Arizona, California, Florida, and Poland. Data collected is for our steel mills only, as they represent more than 95% of our water usage.

Topic	Accounting Metric	Category	Unit of measure	Code
Waste Management	Amount of waste generated, percentage hazardous, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-IS-150a.1

Waste Management	**2020**	**2021**	**2022**
Amount of waste generated (metric tons)	1,087,782	1,137,902	1,136,908
% Hazardous	5.9%	5.5%	5.6%
% Recycled	86.5%	83.3%	89.5%

Data collected is for our steel mills only, as they represent more than 95% of our generation.

Topic	Accounting Metric	Category	Unit of measure	Code
Workforce Health and Safety	(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	Quantitative	Rate	EM-IS-320a.1

Workforce Health and Safety	**2020**	**2021**	**2022**
Total recordable incident rate (TRIR) – direct full-time employees	1.52	1.48	1.48
Total recordable incident rate (TRIR) – contract employees	2.72	3.57	3.54
Fatality rate – full time employees	0.000	0.009	0.008
Fatality rate – contract employees	0	0	0
Near miss frequency rate (NMFR) – includes both full time and contract employees	31.54	42.79	35.53

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.

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 for logging near misses and 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.

Topic	Accounting Metric	Category	Unit of measure	Code
Supply Chain Management	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	Discussion and Analysis	n/a	EM-IS-430a.1

CMC does not use iron ore or coking coal to produce our products. For more information, see Sustainable Supply Chain in our Sustainability Report.

2. Activity Metrics

Activity Metric	Category	Unit of measure	Code
Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Quantitative	Metric tons (t), Percentage (%)	EM-IS-000.A
Total iron ore production	Quantitative	Percentage (%)	EM-IS-000.B
Total coking coal production	Quantitative	Percentage (%)	EM-IS-000.C

Raw Steel Production	2019	2020	2021
Metric tons cast	5,496,317	5,661,952	5,756,503
% from basic oxygen furnace (BOF)	0%	0%	0%
% from electric arc furnace (EAF)	100%	100%	100%
Total iron ore production	0%	0%	0%
Total coking coal production	0%	0%	0%

CMC does not own or operate any BOF facilities or produce or consume iron ore or coking coal in our steelmaking processes.