

TCFD Index

Task Force on Climate-Related Financial Disclosures

Recommended Disclosures

Response

Governance

Describe the board's oversight of climate-related risks and opportunities

Sustainability Strategy: Management of Sustainability, pg. 17

Conducting Ourselves with Integrity: Governance Structure, pg. 50

Describe the management's role in assessing and managing climate-related risks and opportunities

Sustainability Strategy: Management of Sustainability, pg. 17

Strategy

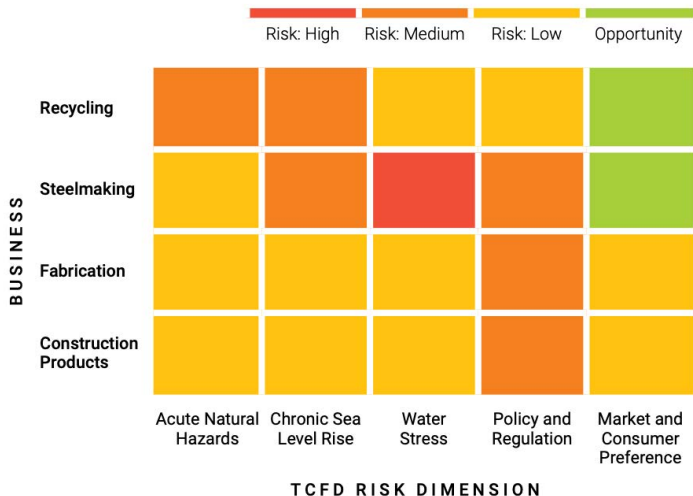
Describe the climate-related risks and opportunities the organizations has identified over the short-, medium- and long-term

The results of the assessment are displayed in the risk matrix below, which considers the likelihood and impact of CMC's climate-related risks and identifies opportunities for action.

Overall, the results of the CRA support the need for continuous monitoring of our activities and gathering of data to build best practices for mitigating risks and capitalizing on opportunities.

The next steps in this work may include the following:

- Investigating productivity loss at facility sites due to climate events
- Tracking carbon pricing for raw materials
- Engaging critical suppliers
- Tracking customer requests for sustainability criteria
- Preparing for upcoming sustainability reporting regulations



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Recommended Disclosures	Response
Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning	Sustainability Strategy: Management of Sustainability, pg. 17 Reducing Our Environmental Impact, pg. 36
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario	<p>Climate change poses a range of critical risks to our business and stakeholders, from legislation on carbon emission pricing and rising electricity prices to physical impacts, such as rising sea levels and extreme weather conditions.</p> <p>To help better understand the impact and management of these risks, CMC performed a Task Force on Climate-Related Financial Disclosures (TCFD)-aligned climate risk analysis in 2023. This analysis was focused on the physical and transitional risks associated with climate change, incorporated multiple temperature increase scenarios, including worse-case scenario RPC 8.5, and will be used to inform CMC’s climate strategy in the years ahead.</p> <p>In addition to risks, the analysis looked at the unique opportunities that climate change presents for CMC. For instance, we understand that climate impacts such as rising sea levels could create higher demand for our construction-related products as companies combat adverse weather effects with more robust and sustainable infrastructure. Additionally, customer behavior influenced by the quickly emerging low-carbon market could also increase demand for CMC’s products and services.</p>
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	<p>Our efforts to manage and report on climate risks include proactively addressing the emerging requirements in Europe and the U.S. To that end, CMC completed a climate risk assessment (CRA) in 2023. We are also working to establish an emission target specific to our steelmaking activities as part of our commitment to the <u>Global Steel Climate Council (GSCC)</u>.</p> <p>The CRA process, led by a third party, is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which is globally recognized as best practice. Both physical and transition risks over short-, medium- and long-term timeframes were assessed for our global operations. The potential impact of each risk was considered, as well as the probability of occurrence and the driver of uncertainty behind the evaluation of each risk.</p>

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Recommended Disclosures	Response
Describe the organization's processes for managing climate-related risks	Sustainability Strategy: Management of Sustainability, pg. 17 Reducing Our Environmental Impact, pg. 36
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Sustainability Strategy: Management of Sustainability, pg. 17 Conducting Ourselves with Integrity: Risk Management, pg. 51
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Reducing Our Environmental Impact, pg. 66-70 Performance Data Tables: Respect for Our Environment, pg. 66-70
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Reducing Our Environmental Impact, pg. Performance Data Tables: Respect for Our Environment, pg. 66-70
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Reducing Our Environmental Impact, pg. Performance Data Tables: Respect for Our Environment, pg. 66-70