

An aerial photograph of a winding river on the left and a road on the right, both surrounded by dense green forest. The river is a deep blue color, and the road is a dark asphalt. A few cars are visible on the road. The overall scene is peaceful and natural.

2022

SUSTAINABILITY
REPORT



2022

A Letter from Our Chairman, President & CEO

As we prepared this year's sustainability report, one word kept coming to mind: *Impact*. What impact does CMC have on the world around us? What impact should we have—and how are we helping to shape the future?

I am proud that CMC's impact on the world is a positive one, and it begins with our products. CMC's steel and construction solutions are vital components in countless structures and applications in cities and towns across the globe where strength and durability are paramount. They mostly go unseen, but form the backbone of the world's infrastructure and economy.

With world-class ingenuity and the drive to build lasting relationships, we're focused on maximizing our impact for our customers by solving their toughest challenges in new ways.

At the same time, we're also focused on our impact on the planet—a growing point of attention for our customers, employees, and stakeholders. For over a century, we've built our business model on utilizing and repurposing scrap material that others may have considered waste. We take great pride in our status as a pioneer of green technologies and processes and our minimal impact on the environment. Through continuous innovation and ongoing investments, our greenhouse gas (GHG) emissions are now among the lowest of anyone in our industry. And we're already below the Paris Climate Agreement 1.5°C Scenario Benchmarks for our industry for 2040.

CMC took big strides this past year in meeting our 2030 climate goals. We are the first North American steel manufacturer to install 'Q-One' technology, which allows us to power our new Arizona 2 micro mill directly from renewable energy sources, such as solar and wind. Our mills represent our biggest consumers of energy, and this new technology has the ability to reduce our electricity line losses by up to 10%.

We also announced the construction of our fourth micro mill, which will be in Berkeley County, West Virginia. Our micro mills produce products in a continuous process, yielding the industry's lowest GHG emission levels of any steelmaking facility.



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

A Letter from Our Chairman, President & CEO

continued

Impact starts at home

Our successes are made possible thanks to the talents of the 12,000+ employees comprising CMC's family around the globe. Our numbers now include 650 new, dedicated employees that we are excited to welcome following our 2022 acquisition of Tensar Corporation.

Our two companies share a rich history of innovation characterized by maximizing resource efficiency, lowering carbon emissions both from our operations and embodied in our product, and having a steadfast commitment to supporting the needs of our employees. As we move forward together as a single company, ensuring the safety, wellbeing, and satisfaction of our people remains our greatest priority and responsibility. To that end, we continued our focus on a proactive safety culture versus a reactive one – a culture that identifies and mitigates safety risks before they cause an injury. In 2022, 98 of our facilities had no OSHA recordable injuries, and we will continue pursuing solutions that move us towards our goal of zero incidents at every facility.

Across all of our facilities, we're striving to build an inclusive culture where employees feel valued and enjoy opportunities for growth. To improve work-life balance, we're applying lessons from the pandemic and offering more schedule flexibility and support services. We continue to evaluate our compensation and benefits packages to stay competitive in our industry. And we're empowering employees to make their own impact locally by helping them support the causes and organizations they care about.

Looking ahead

We've set a high bar for ourselves, but that's nothing new. Continuous improvement has been part of our DNA since our founding in 1915. Moving forward, we will build on the results and initiatives detailed in this report to meet our own ambitious goals as well as the ever-growing expectations for sustainable solutions globally.

Together, as one CMC, we will amplify the positive impacts our products, processes and people have on our world for generations to come.

Thank you for taking the time to review this report.



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

2022 HIGHLIGHTS

Economic



\$8.9 billion in net sales

25.5% return on invested capital

94% global customer satisfaction score

Governance



44% of our Board members are women

Implemented global ESG management system with controls to increase transparency and improve data collection

63% of our continuing directors and director nominees are ethnically or gender diverse

Environment



More than 19 billion pounds of recycled metal kept from landfills

127% increase in electricity from renewable sources since 2019

88.4% water recycling and reuse rate

13.8% decrease in Scope 1 and 2 emissions intensity over 2019 baseline

7.4% increase in waste recycled since 2021

Social



46% of our facilities had a zero incident rate

60% of our executive leadership team are women

136% increase in our community charitable giving since 2019

100% of employees received performance reviews

48% of our workforce is diverse (female & non-white male)

2022 AWARDS & RECOGNITION



Dallas Morning News voted CMC one of “Top 100 Places to Work” for second year in a row and awarded the Best Direction



CMC Recycling Springfield awarded Missouri Recycling Association’s “Legacy Recognition” Achievement Award



Barbara Smith named National Entrepreneur of The Year 2022



CMC Poland wins the Silver Laurel in category QUALITY - Contest organized by TUV NORD Poland Quality Supermen



CMC Poland named one of Forbes Poland’s Best Employers 2022



38 facilities received CRSI’s Excellence in Safety Award



8 facilities received CRSI’s Safety Achievement Award



Tensar Winner of the Disability, Inclusion & Inclusive Recruitment Award



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ABOUT THIS REPORT

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

Report Scope

This Sustainability Report covers key activities and performance metrics from our 2022 fiscal year from September 1, 2021, to August 31, 2022. Unless otherwise noted, all data and information represents our global recycling, mill and downstream facilities. When evaluating CMC's operational footprint, our EAF steel mills represent more than 95% of our GHG emissions and energy and water usage, therefore we use our mill data as the boundary for our environmental metrics. Our report covers the sustainability topics most important to our stakeholders, as described in ESG at CMC. This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021 Standards 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 CMC, visit cmc.com/sustainability. For questions regarding CMC's sustainability initiatives, or any of the content that we include in this report, please contact our manager of public and investor relations at ir@cmc.com.





Overview

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Sustainability is
at the core of our
business—it's been
our nature for over
107 years.



WHO WE ARE

Since 1915, Commercial Metals Company (CMC) has built a legacy as a global leader in sustainable recycling, manufacturing and fabrication of steel and construction products. With headquarters in Irving, Texas, the workforce of CMC includes 12,483 employees working in over 212 facilities located across the United States (U.S.), the United Kingdom (U.K.), Asia and Central Europe.

CMC is a publicly traded company (NYSE: CMC) and is widely recognized for our commitment to professionalism, innovation and customer service. Our goal is to be the first-choice supplier in all our markets.

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.

A Mission Continued

Sustainable practices are embedded in our business model and remain central to our company mission. We started as a recycling business—using resources efficiently is in our DNA. CMC’s reputation for innovation stretches back through our past and forms the foundation of our future.

Over the last 100 years, we’ve prioritized investing in new technologies and processes that improve quality while enhancing resource efficiency and utilization. Our vertically integrated business model revolutionized steel industry operations. We collect scrap metal from our local recycling centers to transport to our steel mini and micro mills, where it’s melted, cast and rolled into steel shapes and later fabricated into finished products for the building, manufacturing and infrastructure markets we serve.

Our demonstrated commitment to resource efficiency is second to none. All of our steel-producing facilities use energy-saving electric arc furnace (EAF) technology, a technology whose use we pioneered and that significantly reduces the energy required to produce steel when compared to the traditional integrated steelmaking technology utilized by the majority of global steel makers today. EAF technology supports the electrification of steelmaking, thereby opening opportunities for greater use of renewable energies in our processes. Our differentiated business model and focus on technological efficiencies enable us to reduce our costs and risks, which in turn allows us to develop and produce the sustainable products that our society needs to build and thrive.

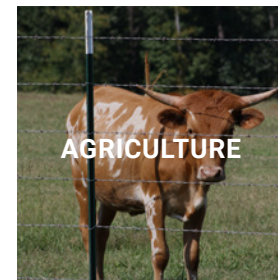
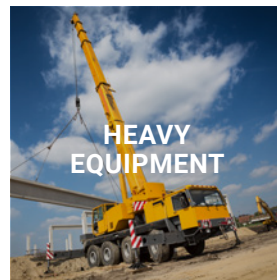


On June 27, 2022 CMC had the distinguished honor of ringing the closing bell at the New York Stock Exchange to commemorate our 40th anniversary of being listed as a publicly traded company.



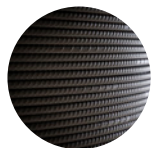
WHAT WE DO

Markets We Serve



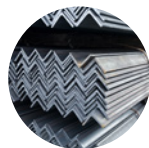
To learn more about how we work across industries, visit our [Industries Served](#) page.

Our Products



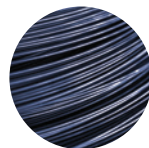
REBAR

used to reinforce concrete foundations, road, bridges and buildings



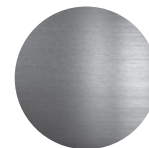
MERCHANT BAR

angles, channels, flats, rounds, squares and other special shapes used in manufacturing multiple end products



WIRE ROD

typically drawn into metal wire products



SPECIALTY STEEL

steel products built for a range of conditions such as extreme cold, corrosion resistance and low embodied carbon



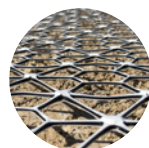
HEAT-TREATED STEEL

high-strength, abrasion-resistant and ballistic steel



FENCE POST

large producer of steel T-post in the U.S.



GEOGRIDS

engineered solutions for soil stabilization and reinforcement from our Tensar Division



GEOPIERS

engineered solutions for ground improvement from our Tensar Division

To learn more about the products we make, visit our [What We Do](#) page.

Production

Total recycled metal (metric tons)

2020	8,132,461
2021	8,662,342
2022	8,676,630

Total raw steel mill production (metric tons)

2020	5,496,317
2021	5,661,952
2022	5,756,503

We Are One CMC

To create superior products, you need phenomenal employees who enjoy their work, feel safe and respected and take pride in their contributions to the goals of the company. That's why we take such care of our employees throughout their tenures at our company, from recruitment to onboarding and career development.

The same spirit of investment and continuous improvement that fuels our operations also motivates our workforce. Our employees embody the very best in innovation, drive and ability. As an organization, we work to create an environment that fosters creativity and empowers employees to make a difference. We maintain open lines of communication—via surveys, interviews and direct engagement—to improve employee experience and create the most supportive and productive environment possible.

Above all, CMC is a company that values lasting relationships, both externally and internally. Caring for others—customers and staff alike—is our responsibility. Genuine engagement leads to higher quality, productivity, profitability and safety performance.

Speaking of safety, we work tirelessly to monitor and improve procedures throughout our operations. We don't just meet safety standards to maintain compliance. We view safety as a core value because it protects our most important asset—our employees—while simultaneously increasing quality and productivity.



Above all, CMC values lasting relationships.





In 2022, CMC acquired Tensar Corporation, a leading global provider of innovative subgrade soil stabilization and earth reinforcement solutions for road, infrastructure and commercial construction.

Since its inception in 1978, Tensar has built a strong culture of customer focus, innovation and social responsibility, including a steadfast commitment to safety and employee development. Our newest division's strengths, visions and missions align closely with those of CMC and bolster our commitment to and capacity for improving outcomes for our customers, workforce, communities and the planet.

The Tensar Division expands CMC's workforce by approximately 650 employees located in 19 countries across North America, Europe, the Middle East and Asia. The synergies moving forward will continue to build a better future by empowering customers to use natural resources sustainably and addressing climate change with urgency.

Tensar is best known for its two major product lines: Tensar geogrids and Geopier foundation systems.

Our new Tensar Division's geogrids help decarbonize infrastructure construction projects by reducing the time, energy and materials needed during construction and over the lifecycle of stabilized landforms.

We also quantify the benefits of our geogrids and Geopier elements with our Carbon Footprint Calculator, which we developed to demonstrate the environmental effectiveness of our products and systems. This proprietary tool, which can be accessed in the award winning, cloud based [Tensar+ software program](#) and whose effectiveness has been third-party verified, estimates the potential carbon and water savings from using our products and systems compared to traditional methods of construction.

Tensar recently published its first ESG Report, and a few of its 2021 ESG Highlights include:

- Developed Tensar and Geopier Carbon Footprint Calculator
- Received ISO 14025-certified Environmental Product Declarations for U.K. geogrid line
- Implemented ISO 14001-certified Environmental Management Systems at U.K. and China manufacturing facilities
- Secured 100% renewable electricity for U.K. plant
- Winner of the Disability, Inclusion & Inclusive Recruitment Award at the Northwest U.K. Employee Engagement Awards
- Hosted an Equity, Diversity, and Inclusion Conference for Eastern hemisphere operations
- Implemented ISO 45001:2018-certified Health & Safety Management Systems for China operations
- Completion of Environmental Product Declarations (EPD) for various geogrids products manufactured at the Morrow, Georgia facility.

Benefits from less aggregate material in roadway, rail, retaining wall and slope construction include:

<p>Up to 40% less aggregate consumed</p>	<p>Up to 30% reduction in associated carbon emissions on projects</p>	<p>Up to 65% reduction in overall excavated material requirements</p>	<p>Up to 30% reduction in water usage associated with aggregate compaction</p>	<p>REDUCTION in vehicle movements reducing potential health and safety risks</p>
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Learn more about our newest division on the [Tensar website](#).

Our Guiding Principles

Our guiding principles serve as a compass for our decisions, actions and behaviors. They form a set of values that goes beyond the boundaries of culture and geography to direct us in how we act and engage with one another and our stakeholders every day.

Living our values requires us to meet the highest standards of ethical and professional behavior in all aspects of business across the globe. At their core, our principles are based on two simple concepts: integrity and concern for the welfare of others.

We will always:

PLACE THE CUSTOMER AT THE CORE OF ALL WE DO.

We believe that if we focus on meeting the needs of our customers, we will succeed. 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, employees have the opportunity for both personal and professional growth, everyone is treated fairly and opinions are respected. We foster an inclusive 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.

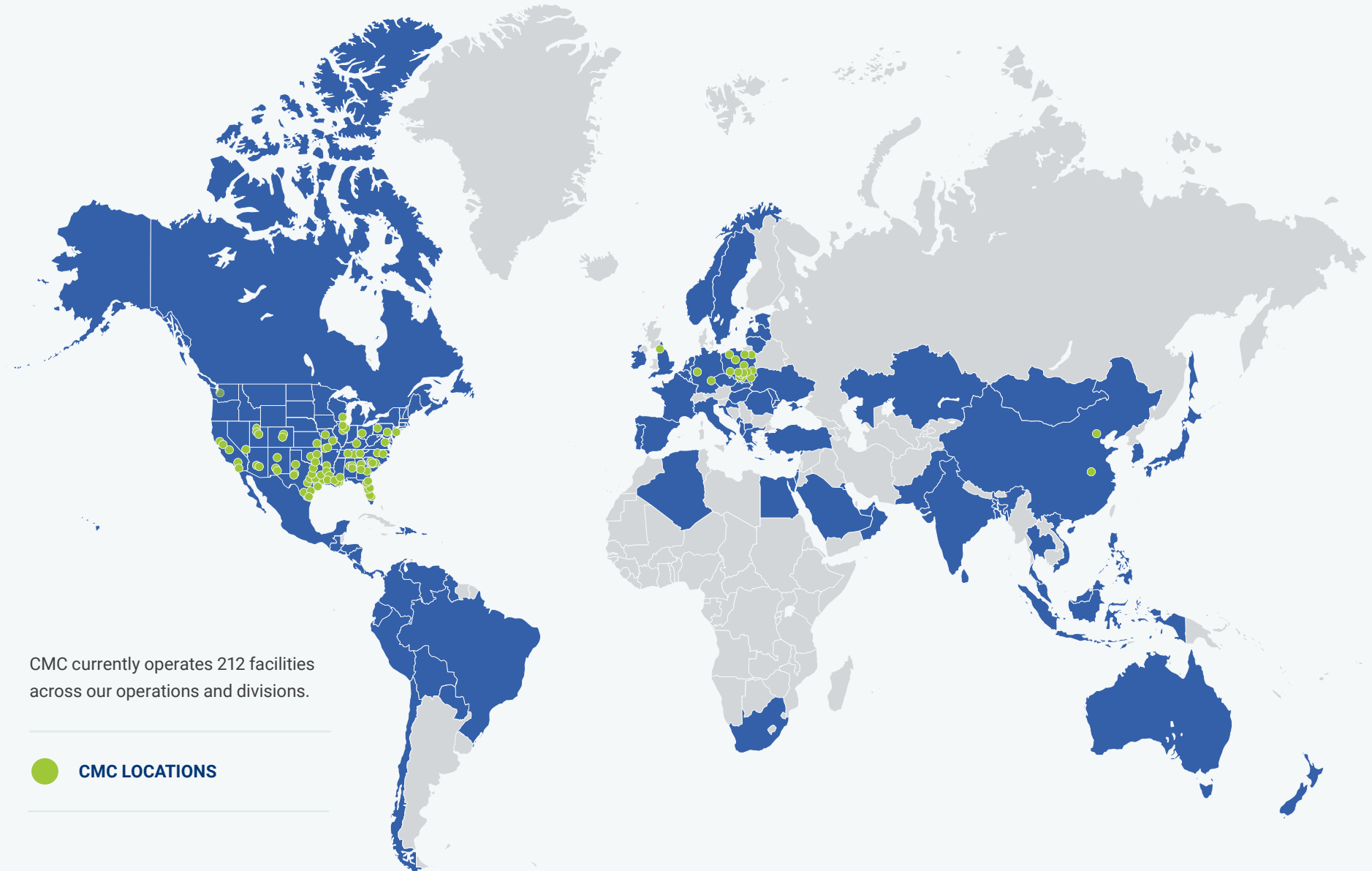


We believe in:

1. Acting with integrity by honoring our commitments, being accountable for our actions and acting with respect for others
2. Dedicating ourselves to making the safety and wellbeing of our employees a top priority
3. Promoting collaboration by working together as a team to provide exceptional results
4. Encouraging excellence by challenging ourselves to improve everything we do

Our Global Footprint

Our products are found in structures located all over the world. In order to serve this global market, CMC maintains facilities across the U.S., Europe and Asia. The blue shaded countries represent locations where we have a presence.



CMC currently operates 212 facilities across our operations and divisions.

 CMC LOCATIONS

WHAT WE DO

Bringing Steel to Life

Few people ever see the fruits of our labor—the steel products that comprise the bulk of our business. But nearly everyone experiences how these products enable and enrich all facets of modern life. CMC products strengthen everything from the roads and bridges we travel on to the buildings where we live, work, play, learn and heal.

In short, CMC produces the steel that makes our economy strong and supports a sustainable way of living. Everyone on our team takes this responsibility to heart.

Never satisfied with the status quo, CMC is committed to constant improvement through innovation and investment. We continually invest in new and better processes for creating exceptional products, supporting our people, protecting our planet and elevating our communities. We pursue continuous process improvements with clear goals of optimizing our resource efficiency, environmental performance and cost savings.

A Pioneering Strategy

Recycle, produce, fabricate, repeat—our operations encompass the entire lifecycle of steel. In 1952, CMC raised the bar for our industry by becoming the first steel manufacturer in the U.S. to adopt the vertical integration model. We then adapted this approach to Europe.

Our vertically integrated model allows CMC to remain a producer of high-quality steel, respond swiftly to changing customer needs and provide value to our investors.

VERTICAL INTEGRATION

In 2022, our vertically integrated manufacturing process kept more than 19 billion pounds of scrap metal out of landfills.

This process combines the recycling and processing of scrap metals with the melting of processed scrap into new steel and the fabrication of finished steel products.



Our process includes five primary steps:

1. Locally source, purchase and process scrap metal as feedstock, which allows us to lower emissions and put more waste to beneficial use.
2. Melt the recycled scrap metal into new steel in our mills using our state-of-the-art EAFs, which allow for the use of 100% recycled content and consume less energy than traditional integrated steelmaking. This substantially reduces greenhouse gas (GHG) emissions.
3. Roll the new steel into finished long steel products, including rebar, merchant bar, light structural shapes and other special sections, as well as semi-finished billets for rerolling.
4. Fabricate the finished products into custom shapes and lengths for end use by our customers.
5. Reclaim end-of-life steel material as feedstock for new steel products, thereby starting our cycle of steel production once again.

A Cycle of Efficiency

By virtue of operating as a vertically integrated recycling company, CMC is built on the principles of a circular economy.

These principles allow us to realize a host of advantages, including:

- Reducing or eliminating waste and pollution
- Leveraging the natural resilience of steel, which can be recycled infinitely without losing its inherent properties
- Minimizing impacts on natural resources

CMC also incorporates the concepts of a circular economy in other areas of our operations, such as water recycling; beneficial reuse of process co-products, by-products and waste streams; promoting energy efficiency across our facilities; and expanding our use of renewable energy.

The circular economy applies to four key principles:

- 1. REDUCE:** Decreasing the amount of material, energy and other resources used to create steel and reducing the weight of steel used in products.
- 2. REUSE:** Reuse is using an object or material again, either for its original purpose or for a similar purpose, without significantly altering the physical form of the object or material.
- 3. REMANUFACTURE:** The process of restoring durable used steel products to as-new condition.
- 4. RECYCLE:** Melting steel products at the end of their useful life to create new steels. Recycling alters the physical form of the steel object so that a new application can be created from the recycled material.

Source: Worldsteel

WHAT IS THE CIRCULAR ECONOMY?

For most of our industrial development, economic activity has used a linear “take, make, waste” mode of production, whereby raw materials required as inputs are taken from the earth, used to make products, and eventually discarded, along with the pollution generated during the production and use of the product.

As populations grow and resource consumption patterns push against planetary boundaries, the circular economy model seeks to decouple the linear relationship between economic production and consumption of increasingly limited resources, such as energy and metals. Underpinning the circular economy’s approach to material utilization is a transition to renewable energy and materials.



Forging Outstanding Value for our Stakeholders

Our business strategy, combined with our commitment to proactively address ESG risks and opportunities, allows us to protect and create value for stockholders, employees, customers and society.

For our customers, we provide benefits through industry-leading customer service and by placing the customer at the core of all we do.

We create value from products with quantifiably lower embodied carbon and a reduced GHG footprint. Our focus on efficiency and innovation means we can provide new product offerings to meet their needs, including lower embodied carbon.

Our products help customers lower their Scope 3 GHG emissions and supply chain risk while supporting goals for green design, such as LEED certification.

The communities within which we work and live benefit through more resilient infrastructure, employment opportunities for the local work-force and service providers and the relationships we build within the community.

Our investors benefit from a sustainably profitable company that pushes the boundaries of innovation while reducing risks.

Our shared planet benefits from greater resource efficiencies, lower GHG emissions and the increased use of recycled metals, which contributes to a lower-carbon economy.

Building value for our company and our employees is also important.

Our company's processes and tireless pursuit of innovation lead to topline growth and greater market penetration. Our bottom line reaps the rewards from cost reductions, especially those created by lower energy use, lower input costs and asset optimization.

Our diligent emphasis on risk management empowers CMC to grow at a healthy pace with fewer work interruptions and with reduced regulatory and legal interventions.

Last but certainly not least, we strive to deliver value to our global team by nurturing an engaged workforce, offering meaningful work with a shared purpose in an impactful industry and providing a path for long-term growth marked by early career support and advancement opportunities.



Introducing
Carbon-Neutral
RebarZero™

65%
GHG INTENSITY
*less than the
industry average*



In August 2022, CMC launched RebarZero™, a line of products that provides customers with a carbon-neutral option. The carbon-neutral profile provided by RebarZero™ extends from production to final delivery at the job site, covering Scope 1, 2 and 3 emissions.

Here's how it works: CMC already produces steel with a GHG intensity that is 65% lower than the industry average. Once renewable energy credits and carbon offset credits are factored in, RebarZero™ is effectively carbon neutral.

CMC's new offering is also available in merchant bar, wire rod and T-post offerings and supports our commitment to helping customers in construction and industrial markets reach their own sustainability goals by offering a line of steel products with one of the lowest GHG emissions in the marketplace.

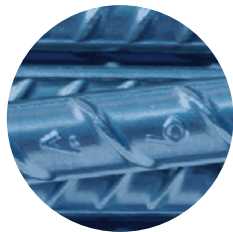
In addition to our recently launched **RebarZero™** line, CMC has an impressive track record of developing and acquiring new and innovative products that offer viable solutions to our customers. We are the only U.S. producer of cryogenic rebar, used primarily in the construction of liquefied natural gas storage tanks.

CryoSteel®, a cryogenic reinforcing steel produced exclusively at our micro mill in Mesa, Arizona, 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 they support.

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

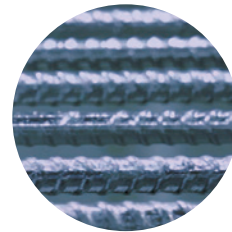
GalvaBar® is a zinc-alloy-coated rebar that prevents corrosion and has exceptional formability. GalvaBar® is created through a process that is free of volatile organic compounds (VOCs) and hazardous air pollutants and can be fabricated after galvanizing without peeling or flaking, thereby reducing environmental impact.



CHROMX®



CRYOSTEEL®



GALVABAR®

ESG AT CMC

Successful companies increasingly understand that sound corporate governance of both financial and non-financial factors—such as environmental and social issues—benefit their balance sheets and bottom lines. In other words, ESG issues are business issues, and vice versa. CMC is no exception.

We integrate our ESG and business strategies together as part of our aim to be the first choice for stakeholders, suppliers and contractors. Since our first day in operation, we have valued product stewardship and sustainability. We pay close attention to our impact on the world around us, and we look for new ways to strengthen our business while investing in innovations that yield greater efficiencies and environmental benefits.

Some of the important links between our business drivers and our ESG priorities include:

INNOVATION

resulting in more efficient energy use, automation and new product offerings

INVESTMENT

focusing on energy technologies, process improvements and training for our people

RESOURCE EFFICIENCY

reducing our costs by implementing circular economy principles, maximizing recycling and focusing on energy efficiency

MANAGING RISKS

across our enterprise, including many that directly relate to ESG, such as employee safety, compliance, supply chain governance, energy costs and climate risks

Our robust recycling strategy, for instance, extends the useful lifecycle of metals by continuously circulating materials throughout the market and keeping them out of landfills. Our GHG emissions currently fall well below the iron and steel sector targets set by the Paris Climate Agreement. We have also established a plan to further reduce our energy consumption, GHG emissions and water withdrawal intensities by 2030, while increasing our use of renewable energy. These targeted reductions will keep us on track to remain one of the world’s most energy efficient and green steel manufacturers, while also reducing our costs and mitigating our business risks.

Micro Mills for Macro Benefits

Few innovations embody CMC’s commitment to improving our business and reducing our environmental impact like our micro mills.

Our EAF technology uses 81% less energy and results in 65% fewer GHG emissions per unit produced as compared to traditional integrated steelmaking. In 2009, we took a significant step further by becoming the first company in the world to build a micro mill, which connects the melt shop and rolling mill into one continuous process and eliminates the need for consuming natural gas in a reheat furnace.

Today, we operate two micro mills. We are currently building a third micro mill, CMC Steel Arizona 2, which is anticipated to open in Spring 2023. This new micro mill in Mesa, Arizona, will use Q-One technology, making it the first micro mill in North America capable of sourcing electricity directly from on-site renewable energy resources, such as solar and wind.

Micro Mills vs Mini Mills

30% FEWER
Scope 1 GHG emissions

82% LESS
Natural gas usage

8% FEWER
Total Scope 1 and 2
GHG emissions

32% LESS
Overall energy usage

Based on 2022 CMC mini and micro mill data

Areas of Impact

In early 2021, we updated our ESG strategy to reflect our priorities. The strategy focuses on three areas of impact.

ACCOUNTABILITY FOR OUR ACTIONS

Honesty and transparency with respect to corporate governance, ethics, compliance and a sustainable supply chain are the best approaches to long-term sustainability. We are committed to listening to our customers, training our people and providing quality products and materials manufactured in a socially and environmentally responsible manner.

RESPECT FOR OUR ENVIRONMENT

We live where we work, so caring for our environment is caring for our communities. At CMC, good business always aligns with good environmental stewardship and practices, which include using resources efficiently, promoting the recycling and reuse of ferrous and nonferrous metals and continually striving to reduce and manage our environmental footprint.

ACTING WITH INTEGRITY

Our people are our most important resource. We recognize the value of relationships and put people at the center of our business by making health and safety a top priority; fostering a diverse, equitable and inclusive work environment that provides opportunities for training, development and advancement; and making investments that strengthen local economies and support the causes in which our people believe.

These areas align with our approach to the [United Nations Sustainable Development Goals \(SDGs\)](#), an issue-based agenda that seeks to promote global peace and prosperity. For more information on how CMC incorporates the SDGs into our ESG strategy and goals, please visit page 66.



ACCOUNTABILITY FOR OUR ACTIONS



RESPECT FOR OUR ENVIRONMENT






ACTING WITH INTEGRITY

Serving Our Stakeholders

CMC's most important stakeholders include our investors, customers who rely on our products, suppliers, employees and the communities upon which we rely for workforce and services.

We engage each of these groups and maintain open, transparent communication to best understand their concerns and exceed their expectations.

Based on various engagements, the following ESG issues were identified as important to our stakeholders.

STAKEHOLDER GROUP	TOPICS IDENTIFIED	ENGAGEMENT STRATEGIES AND FREQUENCIES	
EMPLOYEES 	<ul style="list-style-type: none"> ◦ Health and safety ◦ Rewards and recognition ◦ Development opportunities ◦ Diversity and inclusion ◦ Employee benefits ◦ Ethics and integrity ◦ Community engagement ◦ Management development programs 	<p><u>ONGOING</u></p> <ul style="list-style-type: none"> • Print and electronic communication • Employee team meetings • “Paycall” facility-wide meetings 	<ul style="list-style-type: none"> • Employee surveys • Grievance hotline • Volunteer activities • Digital work environments (Yammer, Salesforce)
INVESTORS 	<ul style="list-style-type: none"> ◦ Strategic risks and initiatives ◦ Financial performance ◦ Environmental impacts ◦ Governance structure and policies ◦ Sustainability reporting and transparency 	<p><u>QUARTERLY</u></p> <ul style="list-style-type: none"> • Earnings releases • Securities and Exchange Commission filings • Investor calls and meetings 	<p><u>ANNUALLY</u></p> <ul style="list-style-type: none"> • Annual Report • Shareholder meeting • Proxy Statement
CUSTOMERS 	<ul style="list-style-type: none"> ◦ Delivery expectation and demand ◦ Product quality ◦ Business continuity ◦ New products ◦ Product and process innovation ◦ Strategic partnering opportunities 	<p><u>ONGOING</u></p> <ul style="list-style-type: none"> • Voice of the Customer program • Direct engagement • Steel school training 	<p><u>ANNUALLY</u></p> <ul style="list-style-type: none"> • Customer surveys

Serving Our Stakeholders (continued)

STAKEHOLDER GROUP	TOPICS IDENTIFIED	ENGAGEMENT STRATEGIES AND FREQUENCIES	
<p>SUPPLIERS →</p>	<ul style="list-style-type: none"> ◦ Safety protocols and performance ◦ Material quality ◦ Demand forecasting and planning ◦ Performance metrics ◦ Innovation and strategic partnership opportunities ◦ Pricing and marketplace conditions 	<p><u>ONGOING</u></p> <ul style="list-style-type: none"> • Supplier Code of Conduct • Strategic sourcing processes • Business review meetings 	<ul style="list-style-type: none"> • Joint-quality improvement projects • On-site safety protocols • General dialogues and discussions
<p>LOCAL COMMUNITIES →</p>	<ul style="list-style-type: none"> ◦ Community impacts and engagement ◦ Public safety and preparedness ◦ Environmental impact ◦ Workplace opportunities ◦ Community family events 	<p><u>ONGOING</u></p> <ul style="list-style-type: none"> • Volunteering • Participation in calls and meetings with local governments 	<ul style="list-style-type: none"> • Partnerships with charitable organizations • Meetings with local emergency services • Social media
<p>INDUSTRY PEERS & TRADE ASSOCIATIONS →</p>	<ul style="list-style-type: none"> ◦ Health and safety ◦ Community impacts ◦ Environmental impact ◦ Best practices ◦ GHG emissions ◦ Industry advocacy ◦ Research 	<p><u>ONGOING</u></p> <ul style="list-style-type: none"> • Holding committee and association leadership positions 	<p><u>QUARTERLY</u></p> <ul style="list-style-type: none"> • Industry association meetings • Industry committee meetings

Using Materiality Assessments to Build Action Plans

In 2021, we updated our materiality assessment. This process helped us reconfirm and refocus our priority ESG issues and ensure they remain aligned with our recognized risks, evolving external stakeholder expectations and industry best practices.

To prioritize topics, we engaged directly with our leadership and across our internal functions, as well as with customers and investors. We also surveyed and researched the views of peers, industry associations and ESG ratings, rankings and frameworks to determine key ESG issues relating to our company and industrial sector. CMC’s Executive Leadership Team and the Sustainability Leadership Council verified the final list of nine primary ESG issues as our priority.

This report details our efforts to manage these topics. We also discuss other matters that we believe are significant and for which we have practices and programs in place. These include diversity and inclusion, human rights, sustainable supply chain, innovation, community engagement, customer satisfaction, corporate governance and ethics.

An important component of our approach to embedding ESG practices into our overall business is to align our strategy for priority ESG issues with enterprise risks. The items marked with an * in the table above are specifically identified in Part I, Item 1A, Risk Factors—Risk Related to Our Business in our [2022 Annual Report \(Form 10-K\)](#). Items marked with a ‘+’ are addressed in Part I, Item 1: Business, Environmental Matters, which addresses the specific risks relating to environmental compliance.

ESG ISSUE	DESCRIPTION	REPORT LOCATION
GOVERNANCE		
ESG Oversight	Ensuring that ESG matters are effectively managed within the overall structure and governance of the company.	ESG at CMC
Responsible Advocacy	Engaging with governments and organizations to promote informed public policy, ensuring memberships in industry and trade associations align with CMC’s public commitments and transparently disclosing CMC’s contributions to political campaigns, organizations and/or parties.	Corporate Governance
ENVIRONMENTAL		
Environmental Compliance*	Ensuring compliance with environmental laws and regulations across the jurisdictions within which we operate. This includes matters relating to air quality, waste management and water protection, as well as responding to clean-up and remedial action requirements under applicable laws.	Environmental
Climate Change*	Identifying and managing CMC’s risks related to climate change as they relate to current and future operations, including asset planning, capital allocation and development; mitigating CMC’s exposure to potential costs linked to carbon pricing and regulatory caps.	Environmental
Greenhouse Gas Emissions*	Tracking CO2 and other GHG emissions from CMC’s operations, setting companywide GHG reduction targets, and monitoring progress against the targets.	Environmental
Energy*	Reducing energy consumption through management and efficiency initiatives, including both process improvements and capital investments, and adopting and investing in renewable energy sources, such as solar and wind.	Environmental
Product Stewardship	Assessing and improving the sustainability of our products throughout their lifecycles in support of a circular economy by sourcing raw material sustainably, increasing the use of recycled content and sustainable materials and decreasing the use of hazardous chemicals.	Overview
SOCIAL		
Health and Safety*	Providing safe working conditions through the 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.	Social
Talent Management*	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.	Social

+Air quality, waste and water issues have been combined into Environmental Compliance.

OUR ESG GOALS

We are committed to continuing our targeted reductions to keep us on track to remain one of the most efficient steel manufacturers. In 2020, we established goals to increase our use of renewable energy and reduce our energy consumption, Greenhouse Gas (“GHG”) emissions and water withdrawal by 2030. As of August 31, 2022, we are ahead of schedule on three of our four goals.

TARGETS FOR 2030, WITH A 2019 BASELINE



Reduce our Scope 1 and 2 GHG emissions intensity by

20%

CURRENTLY: 69% OF GOAL



Increase our renewable energy usage by

12 percentage points

CURRENTLY: 53% OF GOAL



Reduce our energy consumption intensity by

5%

CURRENTLY: 82% OF GOAL



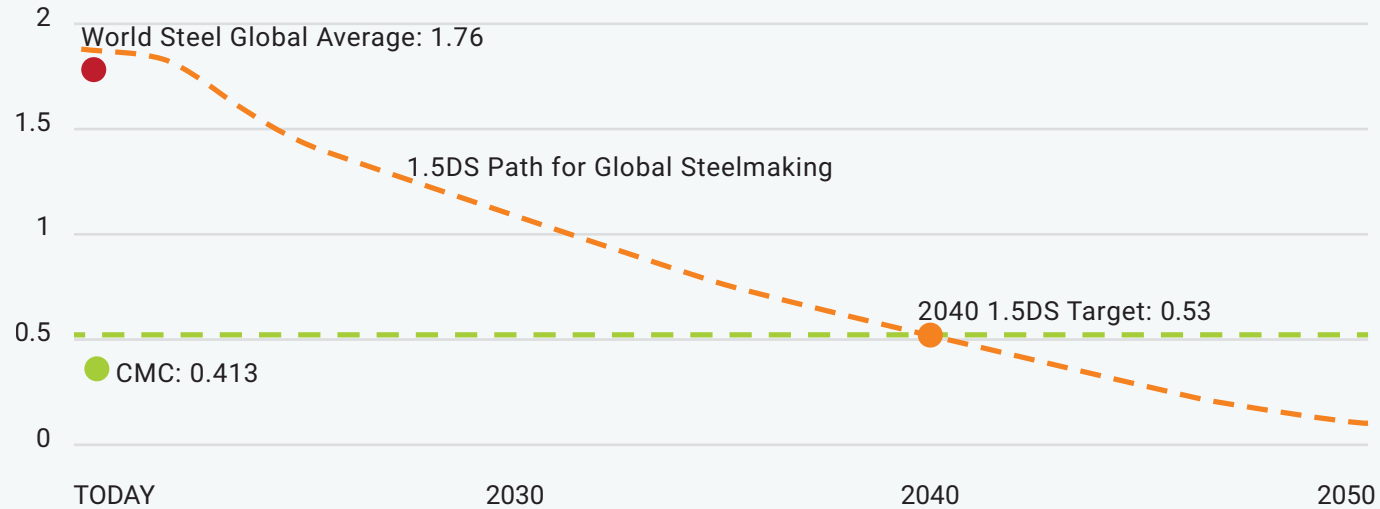
Reduce our water withdrawal intensity by

8%

CURRENTLY: 22% OF GOAL

PARIS CLIMATE AGREEMENT BELOW 1.5°C SCENARIO (B1.5DS)

Scope 1 and 2 Greenhouse Gas Intensities (metric tons of CO₂e per metric tons of steel)



Ahead of Schedule

In December 2015, 196 participating countries adopted the Paris Climate Agreement, which went into effect on November 4, 2016. This landmark and legally binding agreement endeavors to limit global warming to well below 2 degrees Celsius, and preferably 1.5 degrees Celsius, when compared to pre-industrial levels.

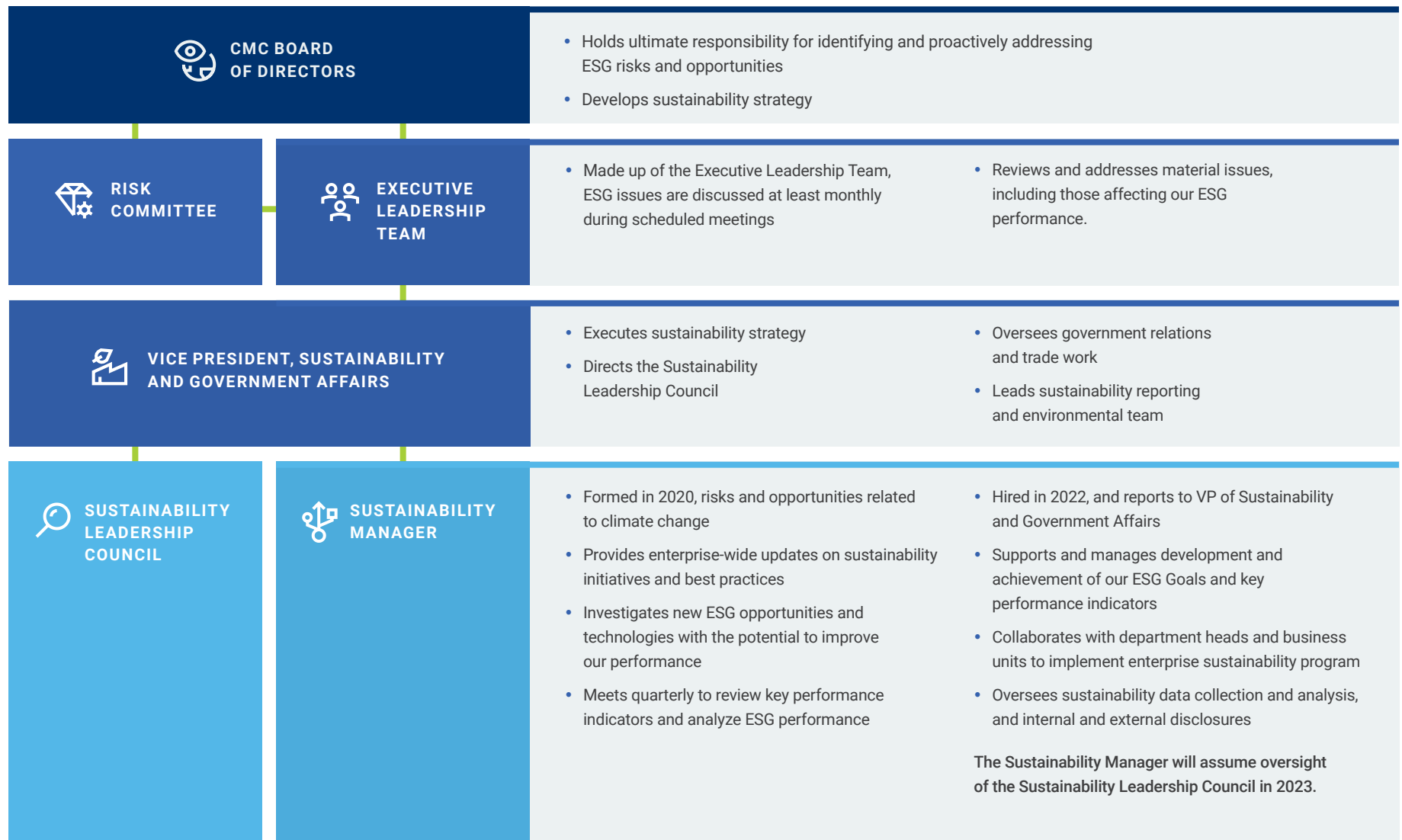
By utilizing its innovative steel making process, CMC achieved industry-leading Scope 1 and 2 GHG emissions

rate of 0.413 tons of CO₂ per ton of steel produced. This measurement is already lower than the 2040 global sector target established by the agreement for the below-1.5-degrees-Celsius scenario, as calculated using the [Transition Pathways Initiative](#) calculator.

To learn more about the Paris Climate Agreement, visit the [UNFCCC webpage](#).

Managing ESG at CMC

ESG is integral to our business strategy and culture. We continue to embed ESG management requirements into our management and governance structure. Our ESG accountabilities start at our Board and cascade down through the organization.





Why It Matters

Our high expectations for integrity, accountability and ethical behavior in our everyday conduct set the foundations for our ongoing success. Our corporate governance is positioned to enable a culture of constant innovation, investment and dedication toward improving our customer offerings. As a company whose business model is rooted in sustainability principles, our business strategy is aligned with effectively managing our most relevant ESG issues. Our belief that good business strategy and good ESG practices are the same extends to our partners across our value chain.

Governance



OUR GOVERNANCE STRUCTURE

We have secured our position as a leader in using recycled metals as a basis for steel production by aligning good business strategy with good practices. We strive to promote a culture of open communication, transparency and accountability in our everyday interactions with each other and our stakeholders.

We demand our employees at every level act ethically and with integrity. Our leadership sets the tone and example of what we expect of ourselves. As the highest governing body at CMC, our Board of Directors is responsible for appointing senior management and acting as an advisory body to ensure we serve our stockholders' long-term interests.

The Board and its committees also monitor, assess and address risks and opportunities for our business, including those related to ESG issues. In 2022, the Board completed eight meetings, with ESG-specific risks and issues discussed as part of the meetings' standing agendas. In addition, the Vice President of Sustainability and Government Affairs reports and receives guidance on ESG metrics from the Board as part of year-end reporting.

The Board's four standing committees include:



AUDIT COMMITTEE

Oversees financial reporting integrity, business interruption and cybersecurity and compliance risks



COMPENSATION COMMITTEE

Oversees compensation design, attracting and retaining key employees and other human capital risks



FINANCE COMMITTEE

Oversees capital allocation, liquidity, strategic business and capital plan risks



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Oversees corporate governance, including director succession planning risks, and regularly reviews and monitors ESG matters

CMC's governance documents outline the responsibilities and requirements of the company and its employees. Read more about our Board and governing documents on our [Investor Relations webpage](#).

This section of our report highlights our efforts to achieve the following UN Sustainable Development Goals (SDGs):



Advancing Inclusion

We recognize that our continued success requires a diverse and inclusive culture across the organization. The Board actively seeks to feature a diversity of experiences, backgrounds and viewpoints across our management team.

When evaluating candidates for the Board, the Nominating and Corporate Governance Committee considers several factors, including their personal and professional backgrounds and other factors that promote diversity of thought, views and experience, such as:

- Race
- Ethnicity
- Gender
- Sexual Orientation
- Age
- Education
- Cultural Background

As of August 31, 2022, women comprise 60% of CMC's executive leadership team and chair half of our Board committees.

The Women's Forum of New York named CMC a 2021 Corporate Champion for having women occupy more than 40% of our Board seats.



63% **BOARD DIRECTORS**
 continuing directors and director nominees
 are ethnically or gender diverse

The following practices and features illustrate CMC's commitment to good corporate governance:

BOARD INDEPENDENCE eight out of nine directors are independent

ANNUAL ADVISORY VOTE on executive compensation

BOARD DIVERSITY 63% of our continuing directors and director nominees are ethnically or gender diverse.

PROACTIVE BOARD REFRESHMENT with four new directors in the past three years

ANNUAL SELF-EVALUATIONS of Board and committees

PREVENTING OVER-BOARDING Directors are limited to three other public company directorships

REGULAR EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS at Board and committee meetings

ETHICS AND COMPLIANCE HOTLINE Employees have access to a confidential, 24-hour service managed by an independent third party

INDEPENDENT lead director

SUCCESSION PLANNING for senior leadership

INDEPENDENT audit, compensation, finance and nominating and corporate governance committees

MANAGING RISK

There's a direct link between a company's performance and its ability to anticipate and mitigate material risks.

In recognition of the importance we place on effective risk management, CMC's Risk Committee comprises members of the executive leadership team (ELT) directly responsible for identifying and managing risk issues. The ELT coordinates subject matter experts from within CMC to present at Risk Committee meetings periodically and report on relevant and timely topics, including legal, tax, accounting and information security, as well as ESG-related items.

As risks to our business change and evolve, so does our response.



Targeting Climate Change

Climate change represents a critical and increasingly important risk factor, both for our business and our stakeholders. Periods of extended inclement weather or flooding may inhibit construction activity that uses our products, delay or hinder our product shipments or reduce scrap metal inflows to our recycling facilities. Any of these events could have a material and adverse effect on our operations.

Emerging and current business, transition and physical risks posed by climate change, include:

IDENTIFYING AND EVALUATING transition risks, such as legislation regarding carbon emission pricing, which may impact our operations directly or through our customers and supply chain

ASSESSING PHYSICAL RISKS posed by climate change, including water impacts, rising sea levels and extreme weather conditions that may increase our costs or damage our facilities

CMC's governance around ESG matters, including climate change, is outlined in the ESG at CMC section of this report.

ETHICS AND COMPLIANCE

Conducting business ethically, honestly and with integrity is, and will continue to be, fundamental to our success.

Our [Guiding Principles](#) direct our behavior and actions as we undertake our daily business.

The [Code of Conduct and Business Ethics](#) was developed to support and enhance the culture of integrity and accountability we've built and come to expect of ourselves for over a century.

Key company functions and roles are directly accountable for these efforts, including:

- **The Board of Directors and CEO** endorse the Code and use it to guide business decisions.
- **The Legal Department** is responsible for the administration of the Code.
- **The Nominating and Corporate Governance Committee** reviews and assesses the adequacy of the Code.
- **The Audit Committee** oversees compliance with the Code.

We also have a [Financial Code of Ethics](#) that outlines obligations for the Chief Financial Officer (CFO) and senior financial officers. The CEO, CFO and senior financial officers must certify their acknowledgment and understanding of the Financial Code of Ethics annually.

A Companywide Focus

All CMC employees must complete the Code of Conduct and Business Ethics training—a joint effort between the Legal and Human Resources Departments, with input from our executive leadership team. We track employee participation, and in 2022, 100% of our required employees completed our Code of Conduct and Business Ethics Training. We also ensure our Code reflects the various jurisdictions within which we operate.

Our Code of Conduct and Business Ethics

Conducting business ethically, legally, honestly and with integrity is expected of every employee of CMC.

The [Code of Conduct and Business Ethics](#) provides guidelines and expectations for the following:

Financial integrity

Honest and consistent communication

Use of company assets

Conflicts of interests

Antitrust

Insider trading

Commitment to health, safety and the environment

Employment practices

Substance abuse

Working internationally, including anti-boycott, anti-bribery, corruption, exports and trade sanctions and embargoes

Communicating Concerns

CMC expects and encourages employees to report any known or suspected violations of laws, the Code or CMC policies through a confidential ethics hotline that we make available on a 24/7 basis. Employees can also communicate issues in writing or verbally to:

- **Their Supervisors**
- **HR Representatives**
- **Director of Internal Audit**
- **Chair of the Audit Committee**
- **Chief Legal Officer**

Protecting Human Rights

CMC supports and defends the fundamental human rights of our employees and suppliers. We follow strict policies to safeguard workers and prevent violations. We also offer a confidential whistleblower system to suppliers. Our [Workplace and Human Rights Policy](#) outlines our commitment to honoring internationally recognized human rights.

In 2022, we updated our Workplace and Human Rights Policy to further expand upon our commitments to our workforce and the communities in which we operate.

Zero Tolerance for Corruption

CMC prohibits the bribery of public officials in the U.S. and abroad. CMC employees and officers must comply with the [U.S. Foreign Corrupt Practices Act \(FCPA\)](#), and documentation is maintained in compliance with the FCPA. The prohibition of bribes, kickbacks and gifts also extends to any third party where there is knowledge that may be used to influence a public official.



STRENGTHENING OUR SUPPLY CHAIN

Supply Chain Governance

CMC works only with reliable partners who share our commitment to sustainability and ethical business practices, as well as quality and reliability. We continually evaluate our supplier practices to set goals and benchmark performance.

CMC's Chief Supply Chain Officer oversees the procurement practices for vendors as well as our Supplier Relationship Management Program. Our Operations and Procurement teams meet regularly to discuss our supplier strategy from a risk reduction and continuity perspective.

In addition, CMC does not purchase, use or process any conflict minerals. In 2022, we developed a standalone conflict minerals policy outlining our position toward conflict minerals and making clear our expectations for our suppliers and our purchasing teams to that end.

In order to maintain our high internal standards, we require employees in our Purchasing and Procurement Department to enroll in our Supply Chain Academy courses within six months of joining CMC. Specific courses are tailored to employees depending on their roles and levels of responsibility within the company. Once employees successfully complete the assigned curriculum, they are certified either as a certified advanced procurement professional or a certified procurement professional. The course work is administered by our training partner, Skill Dynamics, a platform accredited by the International Federation of Purchasing and Supply Management.

Additional information on this procurement and supply-chain-related coursework is available at the [Skill Dynamics' Procurement Strategy Training & Certification](#) webpage.

We continually evaluate our supplier practices to set goals and benchmark performance.



Engaging Our Supply Chain

Ultimately, our responsibility is to source quality products and services that are required for our business from reputable and reliable suppliers. As a minimum requirement, each CMC supplier must agree to adhere to our [Supplier Code of Conduct](#).

Our supply chain and vendor base are large and widespread, comprising over 6,000 companies and service providers, not including our scrap metal providers, which are managed separately. Eighty percent of our net spend on suppliers in the U.S. is with approximately 350 large vendors. This smaller number of large vendors generally supplies large and specialized equipment that is difficult to source elsewhere. We maintain close relationships with these key suppliers and tour their facilities prior to contracting to identify any issues or risks needing resolution.

The balance of vendors, some 5,650 companies, provide services, maintenance and operational support required for our company to function on a daily basis.

CMC's large and global supplier base does present some inherent risks. Economic downturns in the U.S. and Central Europe, or decisions made by individual governments, can adversely impact our supply chain and demand for our products. Starting several years ago to reduce risk from supply chain disruptions, CMC adopted an approach to procurement that seeks to move the supply chain closer to our operations, to the extent possible. This effort was expedited due to the COVID-19 pandemic and frequently has led to our utilizing smaller companies with bases of operations within the communities where we work and draw our workforce.

By utilizing local suppliers, we improve the resilience of our supply chain, reduce risk exposure due to longer and multi-jurisdictional supply chains and minimize our environmental impact from such factors as transport-related GHG emissions. This approach also supports local economies and provides a more diversified supplier base. CMC works closely with these smaller suppliers with fewer administrative resources to ensure that they are able to satisfy our requirements to be a supplier.

As we continue our efforts to maintain the resilience and quality of our supplier base, ESG is an increasingly important aspect of our supplier engagement. ESG provides a basis for establishing common values and expectations, including human rights, worker conditions, ethical behavior and environmental compliance and performance.



80%

OF OUR NET SPEND
is with our 350 largest vendors

6000+

**COMPANIES &
SERVICE PROVIDERS**
*make up our supply chain
and vendor base*

In 2023, we will develop a supply chain program that extends our ESG commitments and sustainable practices to our suppliers.

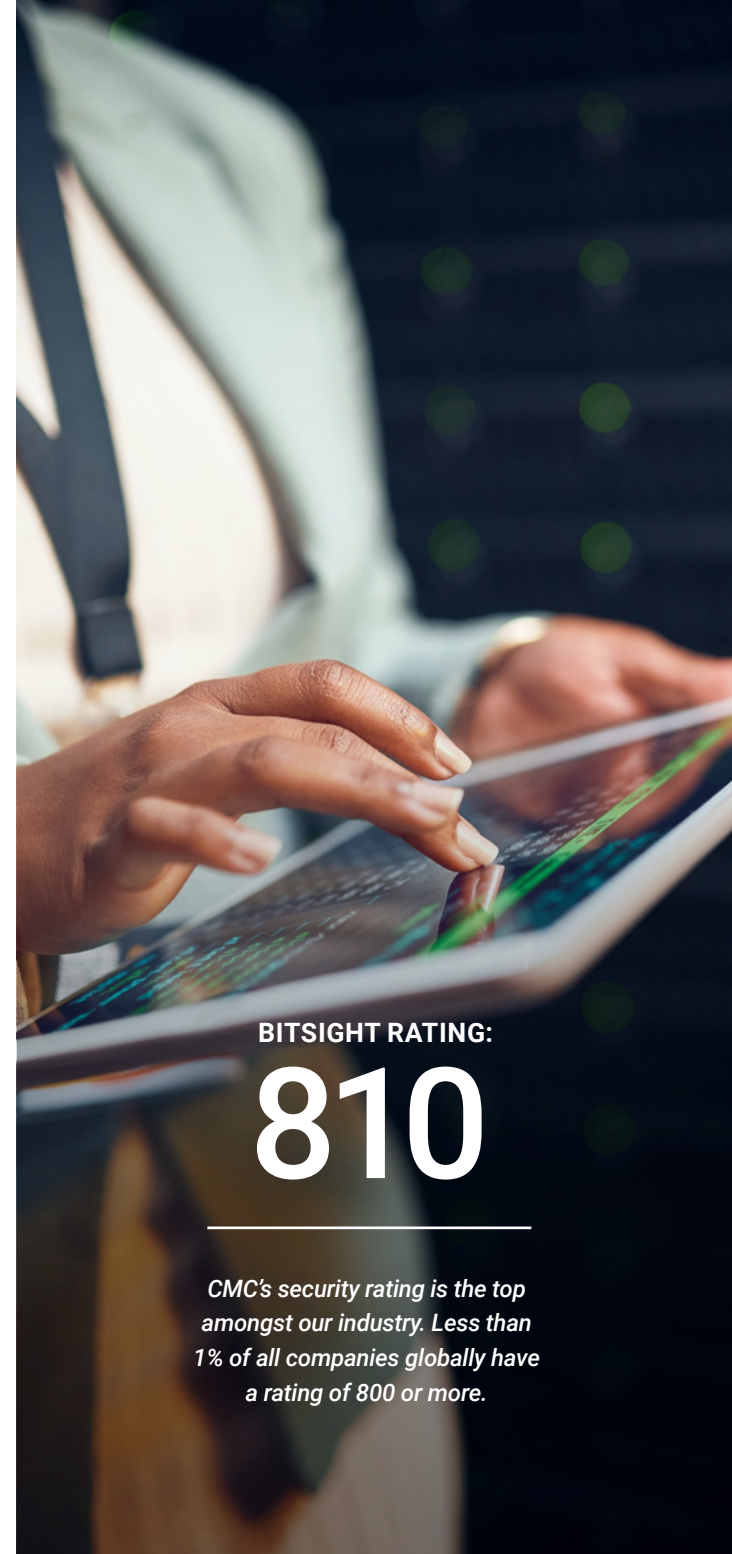
DATA PRIVACY AND SECURITY

We remain diligent in our efforts to protect proprietary data and sensitive information relating to our business, employees, vendors and customers. We comply with important and rigorous local and international standards related to data use, including the [EU General Data Protection Regulation](#), the [California Consumer Privacy Act](#) and the Sarbanes-Oxley Act.

A cross-functional team of representatives from Information Technology, Information Security, Internal Audit, Legal, Human Resources and other business departments is responsible for data-related policy development, monitoring and auditing. Our data protection tactics include document retention, multi-factor authentication and security vulnerability management. These are outlined in our Cyber Security Policy which is reviewed and updated regularly to stay ahead of the ever changing digital security environment. Our security risk profile and security roadmap align with the [Center for Internet Security's Top 18 Critical Security Controls](#) and the [NIST framework](#).

We regularly engage third-party experts to assess our cybersecurity controls and vulnerabilities and upgrade our systems and controls as appropriate. We test and update our Cyber Incident Response Plan annually. Each month, we track security metrics and report findings to the Chief Information Officer and others as appropriate. We continue to train our employees throughout the year about malware, viruses, hacking, phishing and other information security risks, including how to avoid and mitigate them and how to protect our sensitive data from failures, breaches or cyber incidents.

We remain diligent in our efforts to protect privacy and data.



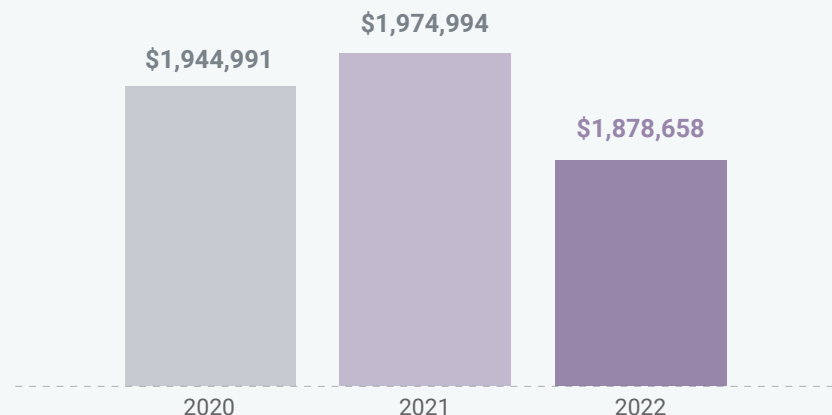
BITSIGHT RATING:

810

CMC's security rating is the top amongst our industry. Less than 1% of all companies globally have a rating of 800 or more.

PARTNERSHIPS AND POLITICAL ENGAGEMENT

Engaging with Our Industry CMC belongs to and actively participates in more than 40 industry associations and committees focused on topics that include safety, health and environmental stewardship. Engaging with these organizations allows us to expand our network of partners, benchmark our performance against the industry, improve our operational knowledge and proactively adapt to ESG changes and trends in the market.



Partnerships and Associations

U.S. BASED

Industry and Trade Associations

- American Association of State Highway and Transportation Officials
- American Chamber of Commerce
- American Railway Engineering and Maintenance-of-Way Association (AREMA)
- American Road and Transportation Builders Association (ARTBA)
- Associated Builders and Contractors (ABC)
- Associated General Contractors (AGC)
- Association for Iron and Steel Technology (AIST)
- The Association of Employers of the Steel Industry
- Bureau of International Recycling (BIR)
- Concrete Reinforcing Steel Institute (CRSI)
- Deep Foundations Institute
- Geosynthetics Materials Association

- Institute of Scrap Recycling Industries (ISRI)
- The International Association of Foundation Drilling (ADCS)
- The International Steel Trade Association (ISTA)
- Metal Building Manufacturers Association (MBMA)
- Metals Service Center Institute (MSCI)

- National Slag Association
- Steel Joist Institute (SJI)

- Steel Manufacturers Association (SMA)

Certifying Organizations

- U.S. Green Building Council (USGBC)
- ABS Quality Assurance Program
- AASHTO National Transportation Product Evaluation Program
- Steel Related Industries Quality System Registrar
- ANSI National Accreditation Board

EUROPEAN BASED

Industry and Trade Associations

- The Association of Geotechnical and Geoenvironmental Specialists (AGS)
- British Geotechnical Association (BGA)
- British Standards Institution (BSI)
- European Steel Association (EUROFER)
- European Federation of Association of Steel, Tube and Metal Distribution (EUROMETAL)
- French Geosynthetics Association (CFC)
- French Soil Mechanics Association (AFMS)
- French Wind Farm Energy Association (FEE)
- German Asphalt Association
- German Steel Federation
- GfG Quality Association for Gabions eV
- Institute of Highway Engineers (IHE)
- International Geosynthetics Society (IGS)
- International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE)

- Industrial Association for Geobuilding Materials (IVG)
- The Local Council Roads Innovation Group (LCRIG)
- Permanent Ways Institute (PWI)
- Polish Association of Asphalt Pavement Specialists (PSWNA)
- Polish Association of Transport Engineers and Technicians (SITK)
- Polish Chamber of Construction and Building
- Polish Chamber of Industry and Commerce of Scrap
- Polish Road Congress (PKD)
- Polish Steel Association
- Polish Union of Steel Distributors
- The Railway Industry Supplier Qualification Scheme (RISQS)
- RAL Gütezeichen (Quality Mark)
- Steel Quality Promotion Center
- Swedish Wind Energy Association
- Swiss Geosynthetics Association (SVG)
- Temporary Works Forum (TWF)

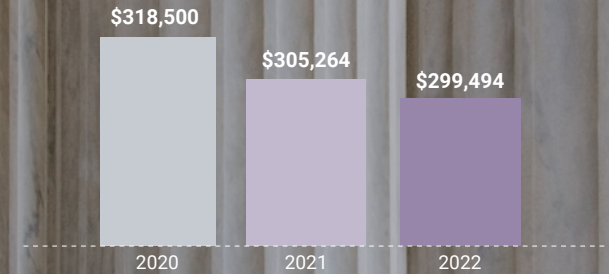
Political Advocacy

As a leader in steel recycling and steelmaking, we advocate for and help shape policies that hold our industry to fair, consistent and sustainable standards. We advocate for relevant issues through our participation in trade associations such as the Concrete Reinforcing Steel Institute, Institute of Scrap Recycling Industries, Metal Service Center Institute, the Steel Manufacturers Association, and EUROFER.

Within these collaborations, we provide critical insights to governments and policymakers based on best practices from the recycling, steelmaking and fabrication perspectives. We also contribute to industry standards and collaborate with competitors on mutual ESG issues. Our advocacy is conducted within the guidelines and parameters of our [Political Contributions Policy](#).

Meanwhile, our Employee Political Action Committee enables employees to make political contributions that support efforts aligned with their views. 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 stay on a level playing field with international producers exporting steel to the U.S.

Our Lobbying Expenditures



LOOKING AHEAD

ESG issues relating to our business evolve quickly. Moving forward, we will continue to refine and expand our governance initiatives to address changes and opportunities and to meet the needs of our stakeholders. An important consideration for CMC remains an appropriate response to both the physical and transitional risks from climate change. Going forward, our Risk Committee and Sustainability Leadership Council will play central roles in addressing this effort.

As our markets evolve and our physical footprint changes due to our expanding business, we are also considering new measures for engaging with our supply chain, including expanded and more regular reviews of supplier practices to address risks such as climate change and human rights.



Why It Matters

Originally established as a steel recycling business in 1915, our company was built on the foundation of sustainability before “sustainability” was even a concept. To remain a vital business and stay competitive in the market, we continuously evaluate and improve our operations to ensure our environmental performance remains among the industry’s best. The effects of climate change—such as land degradation and extreme weather events—may directly impact CMC’s ability to operate. Active and innovative management of GHG emissions, energy, air pollutants, water use, material sourcing and waste production are essential for CMC to lower costs, ensure regulatory compliance, enhance operational efficiency, minimize our impacts on the environment and alleviate risks to long-term business success.

Environmental



INNOVATING IN A CHANGING ENVIRONMENT

For the benefit of our company, customers, investors and communities, and as a global-scale steel and geotextile products manufacturer, we are committed to maintaining our leadership in reducing our impact on the climate, air quality, water resources and land. This commitment demands that we look beyond industry environmental and regulatory compliance and move toward genuine innovation.

Rapid changes in expectations from our stakeholders relating to reducing the environmental impact from our operations require a heightened and sustained focus on our sustainable business practices. CMC continues to invest in innovative processes and technologies that minimize our environmental footprint and reduce our use of natural resources, while maximizing operational performance. This focus helps reduce our business risks and build trust with our customers.

Our Approach

Our commitment to innovate and improve keeps us at the forefront of energy and resource efficiency.

We implement new operating technologies and approaches to improve resource utilization and reduce waste generation. We actively address our climate footprint by reducing our energy intensity and diversifying our power supplies. We ensure compliance with environmental laws and regulations across jurisdictions.



Circular Economy



Energy Efficiency



Renewable Energy



Environmental Compliance

This section of our report highlights our efforts to achieve the following UN Sustainable Development Goals (SDGs):



Our Steelmaking Process: A Model of Efficiency

WE UTILIZE

99.8%

RECYCLED SCRAP STEEL
to make new products.

Our vertically integrated manufacturing process saves more than:

19 BILLION

POUNDS OF SCRAP METAL
from being landfilled annually.

Every ton of CMC steel avoids the mining and usage of:

2,500

POUNDS OF
IRON ORE

1,400

POUNDS OF
COAL AND

120

POUNDS OF
LIMESTONE

Using Our Co-Products from Steelmaking

100%

OF SLAG
RE-USED

99%

OF BAGHOUSE
DUST RECYCLED

RECYCLING PROPELS THE CIRCULAR ECONOMY

From humble beginnings in 1915 as a single scrap metal recycling yard in Dallas, Texas, CMC has grown to a Fortune 500 company recognized as an industry leader in steel recycling and steel manufacturing. Leveraging the sustainable qualities of steel and its ability to be recycled infinitely without loss of its inherent properties is the cornerstone of CMC's circular business model. Incorporating circular economy principles into our company is not an aspiration or far-off goal; it's in our DNA.

Recycling large quantities of end-of-life and pre-consumer scrap steel into new steel products all but eliminates the need for sourcing virgin raw materials. In addition, our shredding and scrap recycling processes efficiently separate non-ferrous metals like copper, brass and aluminum that can be remade into new products used in buildings, automobiles, airplanes and more. Additional products from the steelmaking process, such as steel slag, are sold for use as a base material in highways, asphalt and other products. Other materials that come from the steel process are recycled for further beneficial use. For example, we send approximately 99% of our EAF baghouse dust, collected from filtered air off our furnaces, to recyclers who extract zinc and other valuable metals for use in the production of paints, tire rubber, fertilizers, animal feed and more.

ENERGY AND CLIMATE

At CMC, we continue to build on our legacy of energy efficiency.

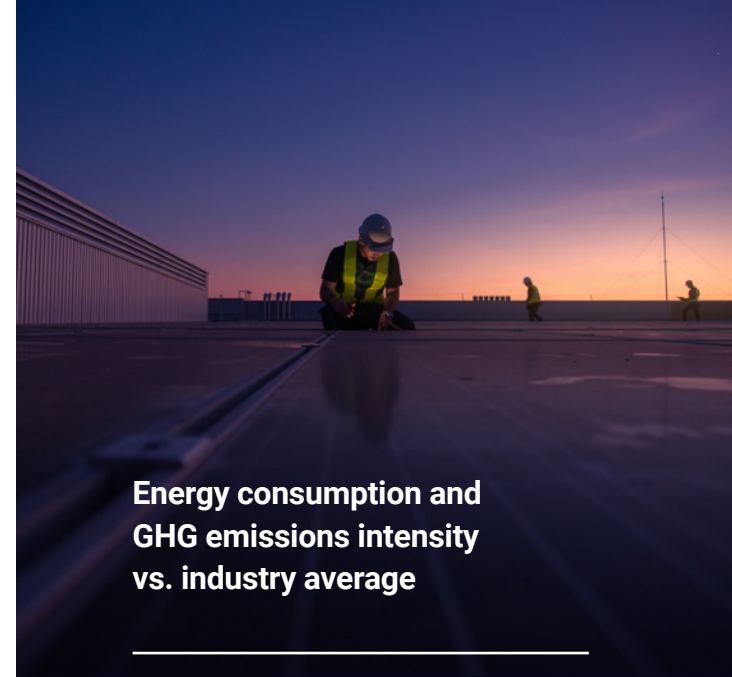
Since we began melting and producing steel in 1962, we have only utilized EAF technology, which is a much more energy-efficient process for making steel when compared to traditional steelmaking processes. In 2009, CMC became the first company in the world to successfully operate a state-of-the-art micro mill, which connects the melt shop and rolling mill into one continuous process. This innovation eliminates the need for burning natural gas in a reheat furnace.

While EAF mills require considerable amounts of electricity and natural gas, our focus on continued investment and innovation has resulted in our mills having a significantly smaller energy footprint when compared to traditional integrated steelmaking.

A longtime leader in energy efficiency and low GHG emissions, CMC approaches reducing our energy requirements, and the associated climate impacts, through a two-pronged strategy that addresses both our demand and supply of energy:

1. **Focusing on operational efficiencies to reduce energy needs**
2. **Further diversifying our purchases of energy from renewable sources**

Addressing our energy use in this way means we are able to maximize opportunities for implementing cost-effective and appropriate strategies at each of our facilities. We explore practical technology options and practices to lower our costs, reduce emissions and increase satisfaction among customers looking to lower their own emissions in their supply chains. Staying proactive also helps address potential risks posed to our business by changing regulations.



Energy consumption and GHG emissions intensity vs. industry average

Our EAF micro and mini mills produce

65%

Fewer Scope 1-3 greenhouse gas emissions than the industry average
(0.665 tCO₂e per ton of steel vs. 1.89 tCO₂e per ton of steel).

Our EAF steel mills use

81%

Less energy than the global average per ton of steel produced

CMC'S SCOPE 1 AND 2 EMISSIONS COMPARED TO INDUSTRY

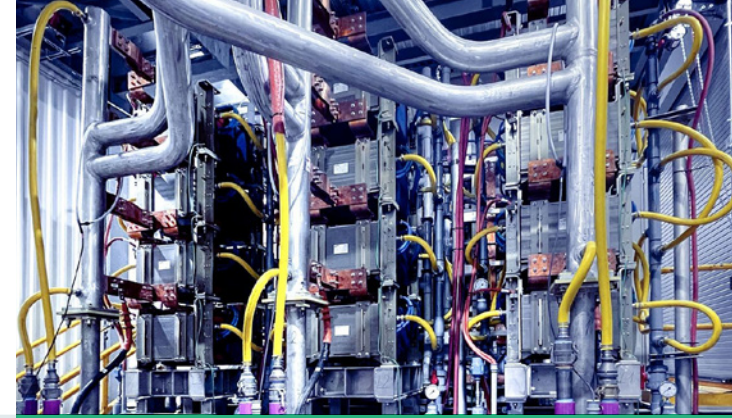
While some are changing their processes to become “more green”, we are doing what we were built to do - at CMC, we’re naturally green and naturally sustainable. EAF steelmaking technology produces the least GHG emissions of any steelmaking process, and CMC is at the forefront with one of the lowest GHG emissions intensities in the world.



¹CMC data represents actual 2022 Scope 1 & 2 numbers. Integrated, Global and U.S. averages are estimates based on data calculated and/or extrapolated from [Global Efficiency Intelligence](#), the [World Steel Association](#) and [World Steel Figures 2022](#).

Reducing our Energy Needs

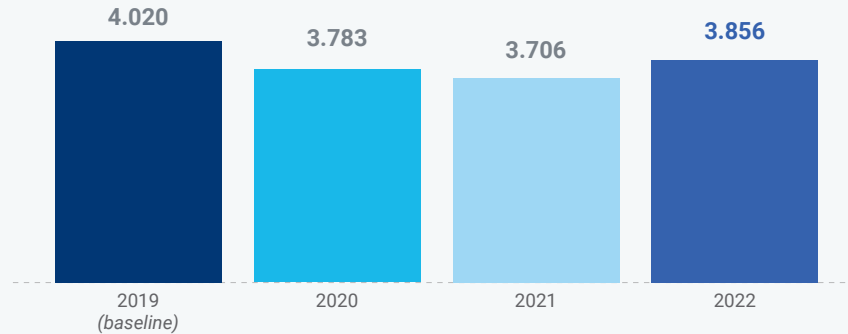
Throughout 2022, CMC has implemented a consistent program of best practices and energy improvements across our facilities to reduce or better manage energy usage, resulting in both energy and GHG emissions reduction.



GOALS PROGRESS: ENERGY INTENSITY

2030 GOAL: REDUCE ENERGY INTENSITY BY 5% OVER 2019 BASELINE

Energy Intensity (GJ/MT)

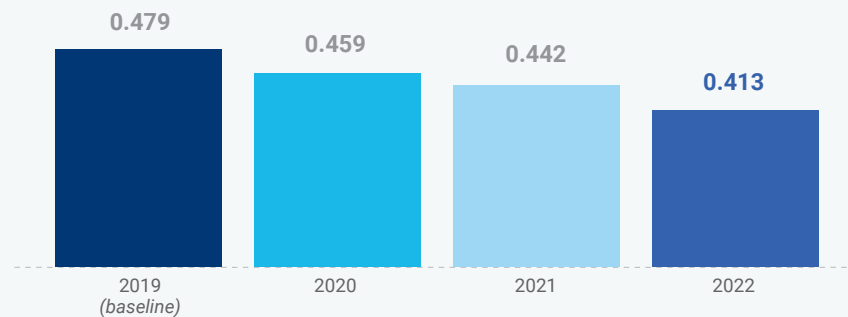


Achieved a 4.1% reduction in energy intensity in 2022 over our 2019 baseline.

GOALS PROGRESS: GHG EMISSIONS

2030 GOAL: REDUCE SCOPE 1 & 2 EMISSIONS BY 20% OVER 2019 BASELINE

Scope 1&2 Intensity (MT CO₂e / MT)



Achieved a 13.8% reduction in GHG emissions in 2022 over our 2019 baseline.

PROOF OF CONCEPT: Q-One Power at Our Micro Mills

Expanding on energy efficiencies already achieved at our micro mills, CMC Steel Arizona commenced operations of the Q-One power system for its ladle furnace. The innovative Q-One design is configured so that it can accept renewable energy directly from the source, meaning that on-site solar power could be connected to the steel mill power system. Cutting-edge Q-One technology can reduce electricity transmission losses up to 10% which means better overall efficient use of generated electricity.

The ladle furnace Q-One system is a smaller power system and acts as a proof-of-concept for the upcoming Arizona 2 project, which will include Q-One power systems for both the EAF and ladle furnaces. We are exploring the possibility of building a solar array on the plant site to provide a portion of the facility's power.

A Year of Energy Improvements

As part of our ongoing efforts to reduce the energy usage of our EAFs, we engaged an industry expert to review the chemical energy systems at five of our sites. Following their review, they will provide recommendations on how to potentially improve chemical energy efficiency. Similar reviews will follow at our other melt shops.

Other notable operations improvements completed in 2022 include the following:

CMC STEEL NEW JERSEY reduced the energy consumption of its electric furnace by more than 8% through specialized operator training and program improvements.

CMC STEEL TENNESSEE enhanced the automation for the EAF chemical energy system during a planned outage earlier in 2022. The facility now has better control over carbon injection, and its energy consumption has decreased.

CMC STEEL FLORIDA is improving its chemical and electrical energy practices at the EAF to reduce overall energy consumption.

CMC STEEL SOUTH CAROLINA took delivery of multiple replacement ladle preheaters that offer greater energy efficiency and associated reductions in the facility's natural gas requirements.

CMC STEEL OKLAHOMA uses electrical metering throughout the facility to help quantify and reduce energy consumption for each operating area.

Efficiency's Human Factor

Identifying opportunities to improve energy efficiency is only a first step. We train our teams to understand the why and how of processes so that best practices at our facilities quickly become standard operating procedures across the enterprise. We benchmark our facilities against each other and share lessons learned from high-performing locations. We also educate our teams to help them better understand the opportunities in energy efficiencies and how innovations can lead to better pricing and products.



BRIGHT IDEA: Efficient Retrofits for Tensar

Following the acquisition of Tensar, CMC teams immediately put their energy efficiency expertise to work. We removed older light fixtures from the manufacturing plant in Morrow, Georgia, and replaced them with new, energy-efficient fixtures, benefitting both the company's bottom line and efficiency goals, as well as improving the working environment.

Tensar®

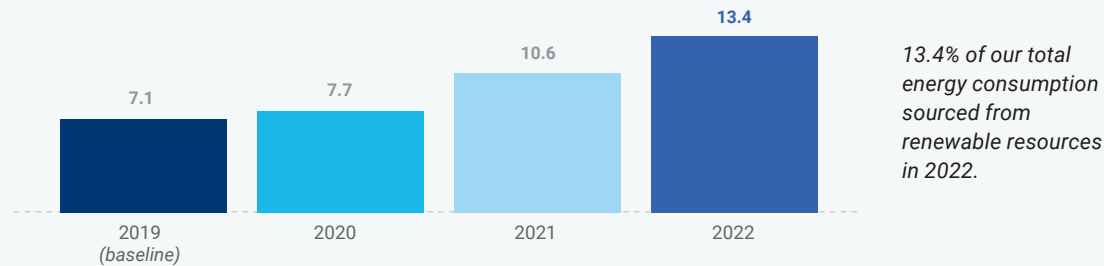
Transitioning Our Energy Mix

Not all GHG emissions can be mitigated by efficiencies and technology. The sourcing and mix of our energy supply plays a critical role in determining our carbon performance. To that end, CMC continually investigates and implements new energy sourcing options that better serve our business and our customers, including the use of renewable energy sources.

GOALS PROGRESS: RENEWABLE ENERGY

2030 GOAL: INCREASE RENEWABLE ENERGY USE BY 12 PERCENTAGE POINTS OVER 2019 BASELINE

Renewable energy sourcing as % of total energy consumption



Important considerations for our procurement teams as we seek energy supply for our operations include:

- **ENSURING** we have an adequate supply of power
- **DIVERSIFYING** our sources of power
- **SECURING** the economic purchase of renewable power

In addition, CMC continues to transition toward more renewable power in our operations. CMC’s strategy of expanding energy supply options helps mitigate supply certainty, price risk and environmental impacts.

This year, our Arizona and Texas mills offset more of our Scope 2 GHG emissions by entering into new power supply agreements that will increase their renewable electricity usage. Even as the electricity grid continues to increase renewable generation, power purchase agreements, like those highlighted below, have a direct effect on achieving our goal of 25% renewable electricity by 2030:

- In Arizona, CMC is a partial consumer of the 100MW Salt River Solar Project through a 15-year power purchase agreement (PPA) that provides CMC Steel Arizona with the environmental benefits of carbon free electricity.
- In Texas, CMC is a partial consumer of the Flying Jays Solar Project in ERCOT through a 5-year PPA. CMC Steel Texas receives power along with the benefits of carbon-free electricity.



Poland’s Changing Perspective on Energy

Traditionally, preferring green energy options equated to increased spending, forcing companies to choose between lower costs or environmentally conscious business choices. Our CMC Poland operations are changing the “or” into “and.” Due to recent EU legislation, the greener we are, especially from an emissions standpoint, the more cost savings we see.

The energy purchased by CMC Poland is at least 30% renewable. We reached this result by utilizing PPAs with utilities and tapping into renewable generation.

CMC Poland and our power utility partner, PGE Obrót, were recognized for the successful implementation of a PPA agreement that incorporated ecological and economic benefits (i.e., reduced GHG emissions and lower cost) while providing for the needs of energy-intensive companies.

ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

Given the many regions and jurisdictions where CMC operates, a significant factor in our business planning is ensuring compliance with the various environmental laws and regulations to which we are subject.

Key environmental aspects CMC must manage—and the agencies involved—include:

AIR: Our EAF steelmaking technology produces fewer emissions than the industry average. CMC strictly follows all air regulations and quarterly tracks emissions of nitrogen oxides, sulfur oxides, carbon dioxide, methane, nitrous oxide, carbon monoxide, lead, VOCs and particulate matter. Our EAF mills are closely regulated under federal Clean Air Act permitting requirements, and we continue reducing air emissions to reduce our impact.

WASTE: Our company is subject to provisions under federal, state and local laws governing waste. As an EAF steelmaker using recycled steel as the primary raw material in our process, CMC incorporates circular economy principles into our business model.

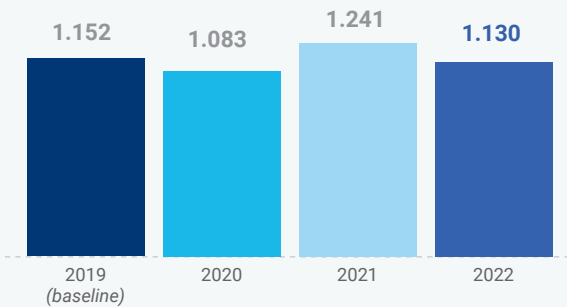
WATER: Our water use is an important metric for CMC, and we have established goals to reduce our overall water intensity. In addition to complying with applicable water laws and regulations, CMC facilities utilize water in a cascading recycling system to reduce water withdrawal. CMC is subject to provisions of the Clean Water Act, which imposes restrictions and controls regarding discharges.

LAND USE: As a major recycler of scrap steel, CMC does not own or operate any mining operations, which are subject to high risk of negatively affecting biodiversity. By using recycled steel in our manufacturing process, we do not contribute to the mining of virgin iron ore materials, which results in land use change and possible impacts on biodiversity and disturbance of wildlife. While CMC does not own or operate any forestry operations, we seek opportunities to restore and protect natural habitats. For instance, CMC Steel Oklahoma created 4,835 linear feet of stream bed with a large, 100-foot-wide riparian zone planted with thousands of native trees and grasses. The stream has created an area for native wildlife to flourish, and the area as a whole is protected from future development.

We recently updated our [Environmental Policy](#) to better reflect our commitment to environmental stewardship and compliance.

2030 GOAL: REDUCING WATER WITHDRAWAL INTENSITY BY 8% FROM 2019 LEVELS

Water withdrawal intensity (m³ / MT)



In 2022, we achieved a 1.9% reduction in water intensity over our 2019 baseline

Water Reuse

Water reuse is an important part of CMC's sustainability strategy. We re-purpose water for use in dust suppression, cooling and irrigation. Some of our facilities have achieved zero discharge. Regulatory agencies encourage water reuse, and we withdraw far less water than others in our industry.

This is one pivotal piece of the puzzle that enables us to act with environmental accountability in every aspect of our operations.

Environmental Management Systems Improve the Process

Adhering to compliance and tracking environmental impacts takes considerable organization. At CMC, we record and report on our processes so we can continually evaluate, innovate and improve upon our performance. Our CMC Poland and CMC Steel New Jersey operations, as well as our U.K. and China Tensor geogrid manufacturing operations, have satisfied the requirements for environmental management systems according to ISO 14001:2015 and are certified to that standard.

CMC environmental managers and support staff oversee compliance and train employees on key topics and practices. We also have Operational Excellence Teams that meet regularly to identify opportunities and research challenges and share achievements.

Capital project submissions and issues related to permitting, compliance and liability are elevated to the vice president of sustainability and government affairs, who reports directly to our ELT. We also report our environmental and sustainability performance metrics to our ELT quarterly and to the Board annually.

HELPING OUR CUSTOMERS REACH THEIR CARBON GOALS

CMC's sustained commitment to reducing our carbon emissions allows us to supply products to our customers that meet and exceed their evolving needs regarding embodied carbon.

CMC's newly launched RebarZero™ provides more environmentally sound, high-quality construction solutions that reduce a project's carbon footprint.

Manufacturing, transporting, installing, maintaining and disposing of building materials contribute to embodied carbon and energy—and a significant percentage of global GHG emissions. This is why continuous improvements and a focus on energy efficiency is important. The more efficient our steelmaking process is, the more options exist to reduce carbon emissions from our products and processes. There is a need to better understand and quantify embodied carbon across the lifecycle of products to meet both short and long-term goals, including those outlined in the Paris Climate Agreement. Because we are able to quantify the GHG savings, our products can contribute to a lower carbon infrastructure.

Helping to LEED® the Way in Sustainable Steelmaking

CMC is active in the Leadership in Energy and Environmental Design (LEED) initiative, an internationally recognized green building certification system of the U.S. Green Building Council. LEED provides a rigorous third-party verification that a building has been constructed using environmentally conscious strategies and designs.

The high percentage of recycled materials in our products and the lower embodied energy and carbon footprint allows us to meaningfully contribute to green construction.

We have developed environmental products declarations (EPDs) for many of our products, including steel reinforcing bar, wire rod and merchant bar, as well as geogrids, that help our customers reach their LEED requirements.

For more information, visit our [Environmental webpage](#)

To provide greater visibility for the benefits of our products, we publish EPDs that disclose the environmental performance or potential impacts on the environment of our products. These are helpful to our customers as they seek to better understand climate change's impact of their purchasing choices.

On a 5-year cycle, CMC's steel EPDs are drafted in accordance with ISO 21930 and ISO 14025 standards and verified by a third party.

Currently, the embodied GHG emissions of our steel products are lower than the U.S. steel manufacturing average, according to the Concrete Reinforcing Steel Institute. These and other factors have helped CMC win noteworthy contracts for LEED construction projects and contribute to LEED ratings for nearly 200 LEED projects.

Our Tensar Division also has conducted cradle-to-gate EPD assessments in the U.K. for our TriAx® geogrids. This third-party report, certified under ISO 14025, helps quantify the environmental impact of this product line during the products' manufacturing phase. We have started the process of conducting cradle-to-grave EPD assessments for products manufactured in the U.S. and the U.K. These assessments will include product impact and performance during the customer-use phase of the product's life cycle. This is especially relevant and useful in the EU and the U.K., where EPDs frequently are required for public and private projects.



LOOKING AHEAD

We've made considerable progress towards our goals of reducing emissions and resource use. As proud as we are of these accomplishments, our heritage compels us toward continuous improvement and innovation. We are committed to investing in new technologies, improving our products and educating our employees, contractors and customers about the benefits of our products.

CMC has engaged our suppliers to learn about their latest technologies related to electrical, natural gas and carbon efficiency. We strive to ensure that our stakeholders understand the benefits of pursuing sustainable solutions. For example, at CMC Steel Florida, we're working with our supplier to replace 30-year-old natural gas preheaters that use outdated automation and instrumentation with more efficient burners and state-of-the-art automation and instrumentation.

Big data and analysis of critical information will play an increasing role in CMC's energy efficiency improvements. By employing more artificial intelligence and machine learning capabilities, we will gain even more insights and identify areas to optimize.


We are also exploring the use of digital twins, or virtual representations and simulations, of our physical processes. This helps us work toward our goal of producing steel using fewer inputs and alloys.

The Facility of Tomorrow

THE WORLD'S FIRST MICRO MILL TO RAISE THE BAR FOR GHG EMISSIONS

185+
WILL BE EMPLOYED

500K_{TON}
ANNUAL CAPACITY



CMC STEEL ARIZONA 2 is currently under construction with an anticipated opening in Spring 2023. The Q-One technology first installed in Arizona 1 confirmed that there is value in applying this technology, and, true to our spirit of innovation, we are implementing this technology at our Arizona 2 facility.

Arizona 2 will be the world's first micro mill to produce merchant bar in a continuous production process (this mill eliminates the reheat furnace, which reduces natural gas consumption dramatically). This will result in lower GHG emissions for merchant bar products manufactured at this mill vs. others in the market.

The new micro mill is expected to begin commissioning in spring of 2023, employ roughly 185 people and achieve an estimated nominal annual capacity of 500,000 tons, including 150,000 tons of merchant product.

Located in Mesa, Arizona, Arizona 2 will further optimize CMC's national mill network and extend our merchant bar offerings to the West Coast.

CMC has longstanding relationships with the railroads that service our mill, recycling and fabrication facilities. In Arizona, we partnered with the Union Pacific railroad and other public and private entities to construct a 6-mile industrial rail branch in southeast Mesa that will serve the transportation and logistics needs of existing and future businesses in the Pecos Advanced Manufacturing Zone, including CMC Steel Arizona 1 and Arizona 2.

This addition will reduce greenhouse gas emissions, traffic congestion and local air pollution by taking over 29,000 truckloads off U.S. highways and local roadways each year, reducing greenhouse gas emissions by 1.2M-2.6M tons over the next 10 years.



Social

Why It Matters

At CMC, our success depends on our ability to employ outstanding talent and build relationships with our workforce and the communities within which we work and live. Central to this effort is a steadfast commitment to the physical and mental health, safety and wellbeing of our employees. Employee safety is the critical path to productivity. We continually invest in our employees and our relationships to ensure their safety and wellbeing, improve productivity, continue our legacy of innovation and build upon our company reputation.



WE ARE ONE CMC

In all that we do, we are driven by our guiding principles of integrity, safety, collaboration and excellence. These principles provide the basis for the strong and enduring relationships upon which we rely for our company's success.

Our beliefs help shape our decisions and address the risks to our teams and our bottom line. They embody our focus on being competitive and trusted, both as an employer and a solutions provider to our customers. They keep us vigilant in our efforts to ensure employees from all backgrounds feel valued and safe and have opportunities to grow, and they drive us to invest for the long term in the communities where we live and work.

HEALTH AND SAFETY

Nowhere are our guiding principles more important than in our focus on the health, safety and wellbeing of our people. We strive every day to manufacture our products in the safest manner possible.

Culture of Safety

Our goal is to provide a safe working environment with zero work-related injuries or illnesses at all our facilities. In 2021, we updated our [Occupational Health and Safety Policy](#) to more fully represent our commitment to our workforce and set our priorities and expectations for health and safety at CMC.

The safety of our employees is our top priority.

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This section of our report highlights our efforts to achieve the following UN Sustainable Development Goals (SDGs):

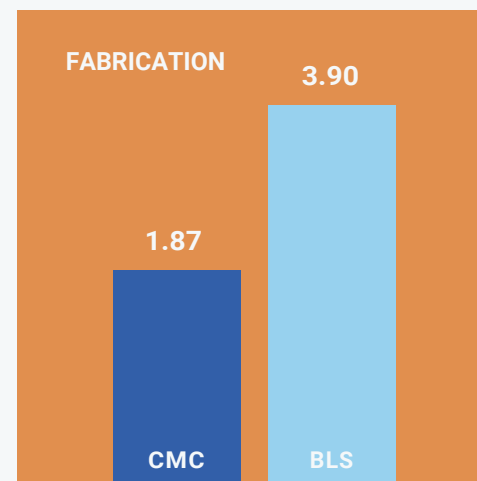
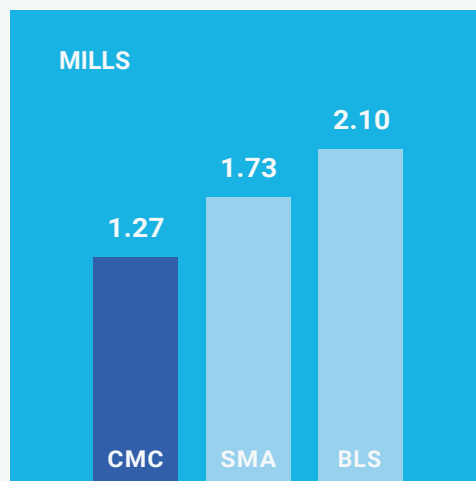


The pursuit of our zero incidents goal requires a constant focus on our health and safety programs and performance. CMC’s Proactive Safety Program trains employees to report all incidents, call out potential safety issues and follow the reporting of an unsafe condition or issue through to resolution. We teach employees to recognize potentially unsafe conditions and empower them to work together to remove hazards from their work environments. We review input into the program monthly and strive for an employee participation rate of 90%. We also conduct recurring health and safety drills and site-wide meetings to keep safety front and center in everyone’s minds.

We augment our safety policies and practices with a data-driven approach using our global incident management system. This system also captures near-miss reporting to identify risk trends and correct procedures. By focusing on near misses as if a more serious event had occurred, we learn where the risks exist so we can share findings and avoid potentially catastrophic issues before they happen.

OUR SAFETY PERFORMANCE: TOTAL RECORDABLE INJURY RATE BY OPERATIONS

Ninety-eight CMC facilities had no recordable injuries for the 2022 reporting year. Our total recordable injury rate in 2022 across our key operations—recycling, milling and fabrication—was lower than the industry averages.



CMC safety performance is compared to data from the Institute of Scrap Recycling Industries (ISRI), the U.S. Bureau of Labor Statistics (BLS), and the Steel Manufacturers Association (SMA).

Safety Management System

CMC's Safety Management System includes our policies, incident management process, data dashboards and safety action plans. With input from stakeholders across the company, we have developed standard operating procedures for every operational role at CMC and apply these procedures to our employees from the moment they arrive. Our approach provides the basis for ensuring that new employees are trained in a manner that is consistent with job-specific best practices and in the safest way to execute their responsibilities. In addition, we assign new employees to mentors who monitor them until they are fully trained. All new employees also wear reflective stickers on their hard hats to indicate to coworkers that they may need additional safety guidance.

We periodically issue employee safety perception surveys to identify discrepancies between the perspectives of management and those of our workers. CMC also engages with industry associations to advance our knowledge and share expertise. In 2022, we launched a new initiative to identify potential serious injury and fatality events across all divisions. The identified events are shared across the company to allow all locations to learn from an event that has the potential to have a more serious outcome and make corrections before an actual event occurs. These data help CMC preemptively determine areas within our businesses that pose the greatest potential for the most severe injuries. We can then identify and review the controlling policy associated with that event to make improvements.

In addition to our company-wide requirements, each facility develops site-specific safety initiatives. Each of our facilities has an area safety coordinator or manager whose team conducts daily safety meetings for the crew. The safety manager is responsible for upholding company and divisional standards, implementing health and safety initiatives and elevating any serious risks to the divisional vice presidents who work with the safety team to address these issues.

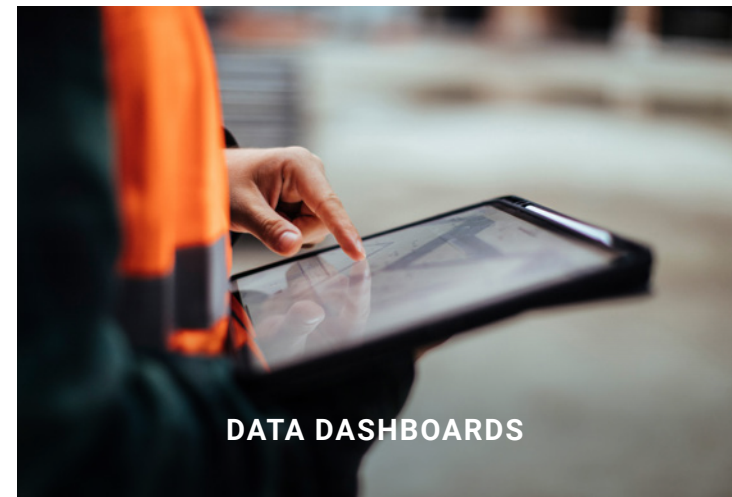
To foster continuous improvement and greater transparency on safety performance across our organization, each division uses a balanced scorecard for safety categories and selects two areas where they need to show improvement. We provide health and safety updates with key metrics to the ELT weekly and monthly, and to the Board quarterly.

In addition to the daily work of our on-site health and safety teams, we require every facility to have a monthly safety inspection led by an area safety coordinator or manager, or divisional safety manager, using our Safety Action Form. These important safety reviews by senior health and safety personnel help to identify both physical condition hazards and behaviors that require correction, mitigation or training.

The Safety Action Form provides a means of documenting any corrective plan and allows for follow-up. Managers must review Safety Action Forms prior to closing them. In this way, we ensure that everyone is accountable for health and safety at CMC, while also facilitating learning and best practices across our facilities.



INCIDENT MANAGEMENT



DATA DASHBOARDS



SAFETY ACTION PLANS

OUR AWARD-WINNING FACILITIES CMC is proud of our culture of safety first—and that culture has not gone unnoticed. Thirty-two of our rebar facilities, four CRP facilities and two placing facilities received the Excellence in Safety award from the Concrete Reinforcing Steel Institute (CRSI), recognizing them for working recordable injury-free in the 2021 calendar year. In addition, eight of our rebar shops received the CRSI Safety Achievement award.

Locations Leading the Way in Safety CMC locations that had no recordable safety incidents in 2022 (multiple years are noted in parantheses)

CMC Construction Services Alexandria	(11)	CMC Recycling Wellford	(5)	CMC Recycling Lexington	(3)	CMC Rebar King George	(1)
CMC Rebar Fontana	(11)	CMC Poland Swidnica	(5)	CMC Placing San Diego	(3)	CMC Steel California	(1)
CMC Construction Services Rosenberg	(10)	CMC Poland Lublin	(5)	CMC Rebar Oklahoma City	(2)	CMC Recycling Spartanburg Hwy 29	(1)
CMC Recycling Independence	(10)	CMC Recycling Waco	(5)	CMC Construction Services Dallas	(2)	CMC Recycling Birmingham	(1)
CMC Poland Bydgoszcz	(10)	CMC Construction Services New Orleans	(5)	CMC Rebar Gastonia	(2)	CMC Recycling Fort Worth	(1)
CMC Operations Admin	(10)	CMC Rebar Denver	(5)	CMC Rebar Hawaii	(2)	CMC Construction Services El Paso	(1)
CMC Southern Post South Carolina	(9)	CMC Construction Services Lubbock	(4)	CMC Recycling Augusta	(2)	CMC Rebar Nashville	(1)
CMC Construction Services Austin	(9)	CMC Poland Koszalin	(4)	CMC Recycling North Austin	(2)	CMC Rebar Cincinnati	(1)
CMC Construction Services Tulsa	(8)	CMC Rebar Cable	(4)	CMC Recycling American	(2)	CMC Rebar Las Vegas	(1)
CMC Poland Zyrardow	(8)	CMC Recycling Alexander City	(4)	CMC Construction Services Baton Rouge	(2)	CMC Rebar Nashville South	(1)
CMC Construction Services Sulphur	(8)	CMC Recycling Burlington	(4)	CMC Recycling San Antonio	(2)	CMC Rebar San Diego	(1)
CMC Poland Rzeszow	(8)	CMC Rebar Waxahachie	(4)	CMC Rebar Sayreville	(2)	CMC GalvaBar	(1)
CMC Construction Services San Antonio	(7)	CMC Recycling Clute	(4)	CMC Construction Services Houston South	(2)	CMC Rebar Houston West	(1)
CMC Construction Services Dallas Rental	(7)	CMC Recycling Midland	(3)	CMC Rebar Orlando	(2)	CMC Placing Northern California	(1)
CMC Recycling Seguin	(7)	CMC Rebar Charlotte	(3)	CMC Construction Services Conroe	(2)	College Station	(1)
CMC Construction Services Houston NW	(7)	CMC Rebar Lawrenceville Lakes Pkwy	(3)	CMC Rebar Napa	(2)	CMC Rebar Lawrenceville	(1)
CMC Recycling Gainesville	(7)	CMC Rebar Muncie	(3)	CMC Recycling Anderson	(2)	CMC Rebar Etiwanda	(1)
CMC Construction Services Texas City	(6)	CMC Rebar Savannah	(3)	CMC Rebar San Antonio West	(1)	CMC Construction Services Round Rock	(1)
CMC Rebar Laredo	(6)	CMC Rebar St Louis	(3)	CMC Construction Services Pharr	(1)	CMC Recycling Baldwin	(1)
CMC Construction Services Harlingen	(5)	CMC Rebar Draper Sales Office	(3)	CMC Poland Konin	(1)	CMC Recycling Springfield	(1)
CMC Poland Olsztyn	(5)	CMC Recycling Shreveport	(3)	CMC Rebar Houston East	(1)	CMC Rebar Glendale	(1)
CMC Rebar Melissa	(5)	CMC Rebar Belvidere	(3)	CMC Rebar Atlanta	(1)	CMC Rebar Ontario Sales Office	(1)
CMC Poland Zebiec	(5)	CMC Recycling Athens	(3)	CMC Poland Katowice	(1)	CMC Steel Arizona 2	(1)
CMC Poland Gdansk	(5)	CMC Rebar Auburn	(3)	CMC Rebar San Diego Sales Office	(1)		
CMC Recycling Charlotte	(5)	CMC Rebar York	(3)	CMC Southern Post Utah	(1)		

Safety Innovation

CMC's investment in innovation extends to our safety training programs, where we've implemented virtual training at many of our mill facilities for operating overhead cranes. We use cranes at our facilities to move heavy material and load trucks for shipping.



Virtual crane training allows new employees to train on the equipment in a safe environment and enables a seasoned crane operator the ability to experience and react to more difficult situations before they occur. This training program includes steel mill scenarios and equips trainees with virtual reality headsets in conjunction with physical controls that mimic the actual controls of our overhead cab-operated cranes.

Virtual reality training is a next-generation technology that engages trainees in the learning experience in a whole new way. It also removes a potentially unsafe activity by allowing someone to learn and make mistakes in a virtual environment. We aim to apply this technology to other areas of training in the future.

Another key focus going forward is automation. We're pursuing automation in the most physical areas, such as our fabrication shops, so that our highly skilled employees can work on less physically taxing tasks. Automation also improves our productivity and helps to expand our hiring efforts. We have robots installed in many of our mill and fabrication facilities to improve safety and productivity, and have plans to install more automation solutions in 2023.

CMC continues to invest in safety, just as we do in the rest of our business. In the coming year, we will focus on new initiatives to complement the strides we've already made.

Continuous Improvement at our Polish Facilities

Experience has taught us the importance of ensuring we consistently engage our new hires on safety issues and expectations at our facilities.

Starting in 2022, CMC Poland implemented a program of additional safety training for new production hires. This training is customized for employees who have completed the three-month trial period at CMC. The training focuses on CMC's expectations, our safety rules and learnings from recent incidents and near misses.

TALENT MANAGEMENT

Just as our products strengthen vital infrastructure worldwide, our employees form the foundation of our business. We depend on and empower them to lead, grow and prepare our company for the future.

Our talent management strategy includes investing in:

- **A culture of support, engagement and opportunity**
- **Resources employees can leverage to reach their full potential**
- **An inclusive and stimulating work environment**
- **A diverse workforce capable of fostering innovation**

Led by our Chief Human Resources Officer and in collaboration with Divisional Vice Presidents and our Global Leadership Team, our HR department implements the strategy of attracting and retaining the best talent in the market.

A Culture of Support and Engagement

At CMC, our culture is our competitive advantage. Our employees enjoy a supportive environment in which they are valued, treated with dignity and respect and encouraged to pursue personal and professional growth.

We continually review the market to make sure we understand and deliver what employees want—from training and advancement opportunities to compensation and benefits packages that promote health and wealth.

Moreover, through surveys and performance evaluations—which 100% of employees receive—we actively seek out employee feedback to gauge their satisfaction within their positions, ensure we’re meeting their evolving needs for work-life balance and engage them in our company’s progress. Through our Project 365, for example, managers and leadership meet with new employees regularly during their first year to monitor their progress and morale.

We also conduct periodic surveys with our U.S. employees to help us understand, from their perspective, what makes CMC stand out from other employers. These surveys generate invaluable and actionable information about how employees perceive our onboarding, training, development and culture. We plan to develop additional surveys to better evaluate our performance based on the information gathered from previous surveys.

Focused on Flexibility

As was the case with many industries and companies, COVID-19 forced CMC to rethink work-life balance and explore new levels of flexibility to accommodate employees’ schedules and preferences

Now, CMC office employees may opt to work up to half of their time at home and the other half at the office (with a relaxed dress code). We’ve also established shift differentials for operations employees to incentivize non-day shifts.

Awards/Recognition Received In 2022 As A Top Employer

**CMC Poland was named as one of Forbes’
300 Best Employers in Poland for 2022**

**Dallas Morning News voted CMC as one
of the Top 100 Places to Work for the
second year in a row**

Filling the Talent Pipeline

Talent management starts with recruitment. CMC invests in processes and technology to evolve and grow our recruitment capabilities. Our applicant tracking system (ATS), for instance, maintains a record of our talent pool so we can identify qualified candidates for open positions. The ATS also tracks recruitment metrics, such as time to fill, candidate sourcing information and diverse hires. We share metrics scorecards with our field HR staff to improve future recruiting and retention strategies and use the ATS to track and analyze the quality of hires after one year of employment.

CMC also partners with local colleges and technical schools, offering scholarships and apprenticeships to identify and support talent entering the workforce. Many of our locations collaborate with universities to support talent development in roles of need. This includes sponsorships for two- or four-year apprenticeships where students divide their time between classroom learning and on-the-job training.

CMC Poland continued our successful collaboration with local technical high schools and universities in the Silesian Region and invited qualified students to participate in supervised learning experiences at our facilities. We supported the dual education study program that combines academic knowledge with practical training. The dual educational system for high school students focuses on roles such as mechanical technician, mechatronic technician, metallurgy process technician and railway professionals and lasts 5 years. For the Silesian University of Technology, the program focuses on the faculty of mechanical engineering and the last seven semesters. Both high school and university students are eligible for CMC-sponsored scholarships. In 2022, we supported thirteen students and hired fourteen graduating students.

Here are just a few examples of CMC partnering with schools and colleges in 2022:

CMC STEEL SOUTH CAROLINA attended the Empowered to Win College and Career Summit put on by the South Carolina Youth Challenge Program.

CMC STEEL FLORIDA has continued a successful maintenance/electrician apprentice program for the last six years.

CMC participated in an event held by the New Orleans Saints for recent HBCU graduates and currently enrolled students.

CMC attended job fairs sponsored by local high schools across the country, including in Oklahoma, Kentucky and Arizona.

ACADEMIC PARTNERSHIPS

U.S.

Georgia Tech
 University of Texas
 University of Saskatchewan
 University of Illinois
 University of Kansas
 Oklahoma State University
 University of Georgia
 Kennesaw State
 Penn State
 University of Michigan
 Kennesaw State University

University of Tennessee
 Texas State University
 Lawson State Community College
 Jefferson State Community College
 Florida State College of Jacksonville
 Midlands Technical College

INTERNATIONAL

University of Edinburgh UK
 University of Southampton, UK
 University of Sharjah UAE
 University of Newcastle
 (NSW - Australia)

Technical University of Prague,
 Czech Republic
 Zhejiang University China
 Chongqing University, China
 University of Osijek, Croatia
 University of Isparta, Turkey
 University of Stuttgart, Germany
 TU Bergakademie Freiberg, Germany
 Technical University of Gdansk, Poland
 Department of Geotechnics and
 Roads at Silesian
 University of Technology in
 Gliwice, Poland

Technical University of Rzeszow,
 Poland
 University Beria Interior, Portugal
 TU Delft, Netherlands
 Universidade de Aveiro, Portugal
 Tallin University, Estonia
 Częstochowa University of
 Technology, Poland
 Silesian University of Technology, Poland
 University of Science &
 Technology, Poland
 University of Technology in
 Częstochowa, Poland

Building Competencies

Once we have recruited top talent, CMC provides additional training, resources and support to develop our employees and build leaders internally. It starts with Core, our rotational training program, which exposes entry-level new hires in commercial and operational positions to our different lines of business: recycling, fabrication and mills. Participating employees gain technical experience along with a better sense of their aptitude for each area—both of which help them map successful career paths.

In addition to training for job-related skills, we offer competence training on leadership and team building, as well as job-specific safety training, including first aid, working at heights and detecting explosive and other dangerous materials in scrap metal.

Beyond internal training, we support the cost of furthering an employee's education relevant to our business. These investments help to improve retention and performance while giving employees the knowledge base to progress within the company.

Developing Tomorrow's Leaders

With the goal of promoting leaders from within, CMC's ongoing Management Development Program allows high-potential management-level employees to expand their skills and experience different lines of business within CMC. Participants work alongside senior managers to learn different leadership styles and receive 360-degree feedback and individual coaching sessions. Participants also take part in a business-focused financial management session, a leadership course and small group projects where they present findings to CMC leadership.

Similarly, CMC offers a 12-month Senior Leadership Development Program for our senior leaders identified as having a high potential for executive level roles in the company. The program is designed to develop strong and capable leaders for long-term succession planning by equipping them with a broader understanding of our company. The curriculum includes training and instruction on leadership development, corporate finance, investor relations, corporate governance, government relations and trade. An additional half-day of instruction is dedicated to a diversity and inclusion workshop with our leadership team. Participants also receive one-on-one executive coaching, network optimization, special project work and professional development plan training.



Learning the Ropes: Modern Steelmaker Program

In March 2022, CMC graduated the first class of employees in our Modern Steelmaker Program at Mesa Community College in Mesa, Arizona. The 12-month rotational program provides employees with paid opportunities to learn the steelmaking process at one of the world's most efficient steel mills in preparation for a role at CMC Steel Arizona.

The program includes leadership and development training, along with enrollment in community college courses to develop technical and soft skills vital to our industry. After four months of classroom instruction, participants begin an eight-month, hands-on apprenticeship at CMC Steel Arizona. They spend just over two months in each part of the mill's operation to apply the skills they learned in the classroom.

This program has helped with employee retention and has also drawn considerable interest from people outside CMC looking to work in our new Arizona mill. CMC is now aiming to launch similar training programs in other parts of the business.

Competitive Benefits and Compensation

Attracting and keeping exceptional talent—and thereby sustaining our winning culture—requires a competitive salary and benefits package. At CMC, we’re committed to paying a living wage and supporting our employees’ health, wealth and overall wellbeing.

Some of the benefits that make working at CMC attractive include:

- **401(k) plan with company match**
- **Employee stock purchase program**
- **Family and medical leave**
- **Annual vacation and paid time off**
- **Tuition benefits**
- **Affordable health insurance options**
- **Flexible work schedules**
- **Paid parental leave**
- **Lifestyle benefit**

To complement our core benefits, we provide full-time employees with a variety of optional health and wellness programs, including:

- **24/7/365 telehealth care services for common illnesses, as well as mental health and therapy services, available at no cost**
- **A Medicare transition service to help employees understand the best Medicare services as they or family members near retirement age**
- **An employee assistance program to help with issues from childcare and debt management to grief counseling**
- **A financial wellness website with videos on topics such as paying off student debt, budgeting and buying vs. renting a home**

CMC appreciates that mental wellbeing is a priority. Our Human Resources (HR) Department has offered seminars and resources that can help employees with mental wellbeing just as we have done for physical wellness. Safety personnel can partner with HR and support their initiatives by serving as the “eyes and ears” among our employees and identifying those that may need some assistance or intervention with their mental health.

CMC Poland offers private medical care plans for employees and their families and maintains a social benefit fund dedicated to promoting work-life balance. The social benefit fund is used for co-financing holidays, summer camps and sports activities, as well as cultural and other wellness activities. It also provides financial aid to employees experiencing serious illness in their families or other unexpected life events. In addition, CMC Poland also provides social security, retirement savings and life insurance plans.

Expanding Perks and Programs

CMC delivers benefits that support employees’ individual needs at all phases of their lives. We recently enhanced our benefits to include lifestyle benefit funds, which can be used on a wide range of products and services throughout the year to help employees maintain and improve their health, wealth and wellbeing. These include, but are not limited to:

Fertility treatments and adoptions

Student debt and loan reimbursement

Financial advisors and education

Legal assistance

Athletic equipment and memberships

Nutritional supplements

Personal trainers and fitness trackers

Annual Park passes

Counseling

Personal development

Advancing Diversity and Inclusion

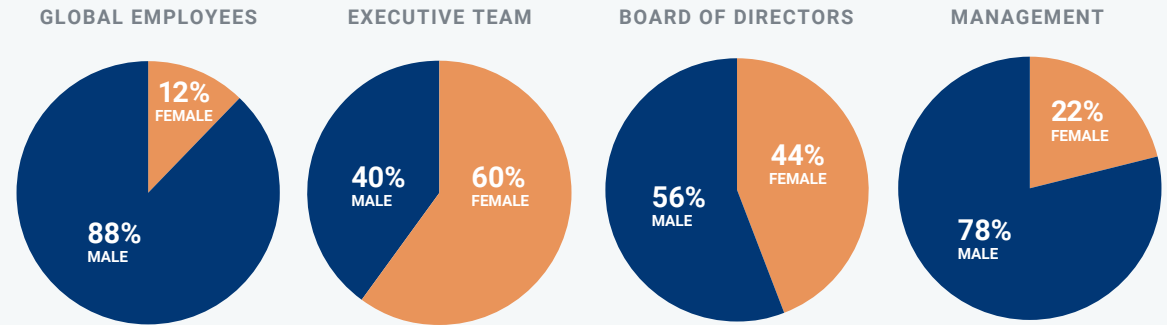
At CMC, we believe that diversity is a strength, and we strive to foster an inclusive culture based on merit. With employees from a wide range of backgrounds and experiences brought together in an environment that encourages everyone to make contributions, we are a smarter, stronger and more capable company.

Building a workforce with diverse perspectives, talents and experiences starts with inclusion. At CMC, we endeavor to make all employees feel like they belong—that they are part of the conversation and that their voices matter.

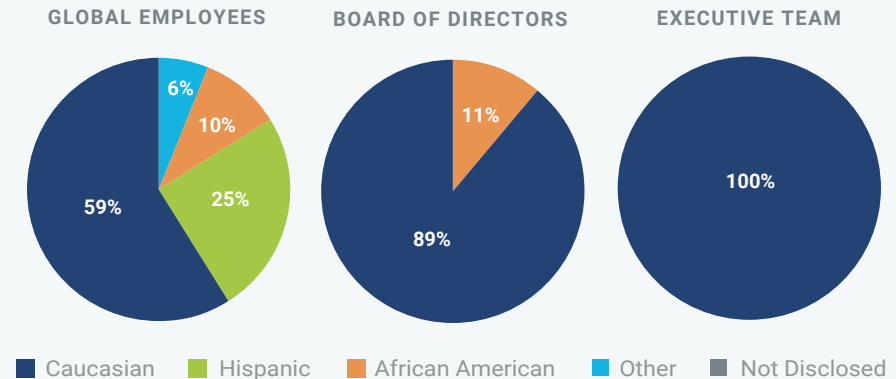
Our employee handbook and Code of Conduct further underscore our commitment to diversity and inclusion. The senior leadership team also participates in diversity, equity and inclusion training to increase awareness of important issues. Our supervisors and team managers at CMC must complete Essentials of Management training, which covers diversity issues such as unconscious bias, inclusivity and micro-aggressions.

CMC continues to explore strategies to access a wider, more diverse range of candidates for talent recruitment. We post job ads in multiple languages in local markets to better attract diverse talent. To increase our visibility as an employer for women, we 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. We also engage with several military and veteran outreach and transition assistance programs across the country, including Military Connection, the LinkedIn for Veterans Program and military.com.

GENDER MAKEUP OF OUR WORKFORCE



ETHNICITY BREAKDOWN AT CMC*



62% of new hires in 2022 were ethnically or gender diverse.

52% of all promotions in 2022 were ethnically or gender diverse.

*As a % of total workforce as of August 31, 2022

BUILDING COMMUNITY

At CMC, we believe in building a strong foundation—and there’s none more important than the communities in which we live and work. Several of our facilities have grown with the towns that surround them, and, in some cases, multiple generations of the same families have worked for CMC. This is why being a good corporate citizen remains one of our guiding principles. By engaging with our communities—and helping our teams give back—we strengthen our reputation, build good relationships and foster employee trust.

Local and National Impact

We give back to our communities through financial support, in-kind gifts of steel and other construction products and employee volunteerism efforts. Many CMC facilities have longstanding partnerships with nonprofit organizations in their surrounding communities. At our Irving, Texas headquarters, we established a Community Engagement Committee to identify local opportunities for company and employee volunteerism.

We align our social outreach with the causes that resonate most with our employees, which frequently include health, education, veterans and community development. We empower our employees and local managers to engage with and donate to organizations making a difference in their communities.

COMMUNITIES AND CMC: HOW WE ENGAGED IN 2022

Volunteerism and community engagement are essential to our locations’ success, and CMC is committed to improving lives in the places we call home. In big ways and small, our goal is to help make our communities stronger, healthier, more inclusive and more vibrant.

Here are just a few examples:

- The Central Division’s 21 recycling locations worked together to collect school supplies for local students to start the new school year, as well as holiday donations for Toys for Tots.
- Locations throughout the U.S. participated in blood drives to help those in need.
- Food drives across the U.S. raised countless meals for our local communities: CMC Recycling distributed food at a mobile pantry in Texas, CMC Rebar locations in the Midwest donated over 2,800 pounds of supplies in local food drives, and CMC Rebar in New Jersey donated 720 pounds of food to a local pantry.



Our Corporate Giving

In addition to our extensive local engagement, CMC continues to partner with the following initiatives at the national level:

American Heart Association’s Go Red for Women initiative, including an employee donation fundraiser with the campaign slogan “A Heart as Strong as Steel”

Gary Sinise Foundation R.I.S.E. (Restoring Independence Supporting Empowerment) program, which helps build specially adapted smart homes for severely wounded veterans who live in CMC communities. In honor of Veterans Day, CMC contributes a percentage of our total sales in November to the Foundation.

Good Neighbors

In 2022, CMC Poland supported the war refugees in Ukraine through monetary donations and the support of several Ukrainian families who fled to Poland. CMC employees also gave their personal time and resources to support these humanitarian efforts.

CMC Poland also continued its ongoing support of the local community through donations to charities focused on the health and wellbeing of families, women and children in the area, and they continued the longstanding tradition of holding the CMC Santa Clauses event for the children of Zawiercie.

Read more about our philanthropic strategy, partnerships and stories on our [website](#).



Employee Relief Foundation

At CMC, philanthropy begins at home. Through our nonprofit Employee Relief Foundation, employees can donate money to help colleagues during hurricanes, fires, floods and other emergency events. Employees impacted by natural disasters can apply for Foundation funds, which are distributed by our Selection Committee.

PUTTING EMPLOYEE RELIEF FOUNDATION FUNDS TO WORK

At CMC, we don't just talk the talk about supporting employees in need, we walk the walk.

In October 2021, Danny Beach, an employee at CMC Steel Texas, experienced heavy rains and flooding, resulting in four inches of water inundating his cars and home. The water destroyed his family's vehicles and caused damage to his house. Danny was able to use funds from the Employee Relief Foundation to replace the flooring in his home that was destroyed by the flooding.

Another of our employees, Kane Patterson from CMC Steel Arkansas, also benefited from the Employee Relief Foundation. When Kane's family lost their home and belongings in a fire, he used funds from the Foundation to buy clothes and food so he could allocate money toward finding a new home.



“The Employee Relief Foundation turned a dire situation into something manageable. My entire family gave a sigh of relief.”

**-KANE PATTERSON,
CMC STEEL ARKANSAS**

Celebrating the Art of Scrap

In 2022, CMC hosted its 44th annual Scrap Can Be Beautiful contest and exhibit. Since 1978, CMC has hosted this event in collaboration with the Booker T. Washington School for the Performing and Visual Arts in Dallas, Texas. Sculpture students use CMC-donated scrap metal to create metal art sculptures, which they enter into a design competition judged by art industry professionals and artists. They can also enter their creations into a silent auction, in which CMC employees can bid on the artwork.

In Poland, students from CMC's sponsored patronage class also produced and displayed unique works of art using the metal and welding techniques they learned.

Learn more about our ongoing support of the annual Scrap Can Be Beautiful exhibit [here](#).



LOOKING AHEAD

In our ongoing efforts to be both the employer of choice and a force for positive change, CMC will continue refining our vision for the future to create a roadmap aimed at addressing the needs of our employees.

Specifically, we have identified three key focus areas for 2023. The first is continued efforts on diversity, equality and inclusion. We are committed to making sure people feel welcome, accepted and appreciated at CMC. We are also consciously striving to maintain an inclusive culture based on merit, and where a richness of experiences and perspectives drive innovation.

The second is our employees' overall wellbeing. We recognize that physical health and safety are critical, but a person's mental health is also key and focusing on the balance of all these elements will support our employees' overall wellbeing, both at work and at home.

The third area is continuing to build and strengthen our talent pipeline. Leaders are working on succession plan strategies for one to 10 years out with an emphasis on developing talent internally for long term success.





Data Transparency



U.N. SUSTAINABLE DEVELOPMENT GOALS

General

The United Nations Sustainable Development Goals, adopted in 2015 by all UN member states, provide a 17-point blueprint to achieve peace and prosperity for people and the planet. The 17 Sustainable Development Goals (SDGs) represent an urgent call by this global partnership to end poverty, improve health and education, reduce inequality, spark economic growth and address climate change. In this section we have outlined how CMC activities and issues identified in our 2021 materiality assessment as being most material to our ESG strategy align with the SDGs.



Environment

At our core, CMC is a steel recycler. Our innovative approach to steel production—including our vertical integration model, EAF technology and micro mill facilities—is unparalleled in creating durable, high-quality and low-carbon products. These materials pave the way for resilient infrastructure and sustainable industrialization to combat climate change and its impacts on the planet and our communities.



Social

At CMC, our employees are our most important and valuable piece of equipment. Just as we invest in all other assets, we invest in our employees, ensuring their health and safety and promoting physical and mental wellbeing across our organization. Through our safety protocols, employee training and talent management programs we aim to cultivate an inclusive, full and productive work environment for all.



Governance

CMC's business structure was built on the tenets of resiliency, sustainability and innovation. Our vertical integration model and complete melding of business and ESG strategy ensure the responsible consumption of resources and production of materials. For over 100 years we have positioned our values as the bedrock for everything we do so that we can provide value to our customers, shareholders, employees and communities.



PERFORMANCE TABLES

Metric	Unit	2020	2021	2022
ABOUT CMC				
Global Employees	#	11,297	11,089	12,483
U.S.	#	8,946	8,549	9,326
Europe and Rest of World	#	2,351	2,540	3,157
Raw Steel Production	MT	5,496,317	5,661,952	5,756,503
Metal Recycled from Operations	MT	8,132,461	8,662,342	8,676,630
Recycled Content in Manufactured Finished Steel	%	98%	98%	98%
Raw Steel Produced by EAF	%	100%	100%	100%
Raw Steel Produced by BOF	%	0%	0%	0%
Total Iron Ore Production	%	0%	0%	0%
Total Coking Coal Production	%	0%	0%	0%
ACCOUNTABILITY FOR OUR ACTIONS				
Corporate Governance				
Political Contributions (through Employee-Sponsored PAC)	\$	78,231	48,749	103,500
Lobbying Expenditures	\$	318,500	305,264	299,494
Trade Association Expenditures	\$	1,944,991	1,974,994	1,878,658
Ethics				
Employees Completed Code of Conduct Training	%	99.5%	99.3%	100.0%
Customer Satisfaction				
Global Customer Satisfaction Score	%	89%	88%	94%

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

²In addition to direct emissions, Scope 1 emissions also includes upstream and downstream GHG emissions from company-owned fleet diesel consumption.

³Scope 3 includes upstream GHG emissions of materials used in production at the mills, such as alloys, carbon bearing materials and other consumables.

Metric	Unit	2020	2021	2022
RESPECT FOR OUR ENVIRONMENT¹				
Capital Expenditures Spent on Environment Projects	\$	44,723,364	8,117,233	16,127,000
Environmental Footprint				
Scope 1 GHG Emissions ²	MT CO ₂ e	1,032,359	1,063,751	1,082,528
Scope 1 GHG Emissions Intensity	MT/MT	0.188	0.188	0.188
% of CO ₂ e Covered Under Emissions-limiting Regulations	%	4.24%	4.31%	3.88%
Scope 2 GHG Emissions	MT CO ₂ e	1,491,490	1,441,611	1,297,667
Scope 2 GHG Emissions Intensity	MT/MT	0.271	0.255	0.225
Scope 1 & 2 GHG Emissions	MT CO ₂ e	2,523,849	2,505,362	2,380,195
Scope 1 & 2 GHG Emissions Intensity	MT/MT	0.459	0.442	0.413
Scope 3 GHG Emissions ³	MT CO ₂ e	1,357,590	1,398,502	1,450,639
Scope 3 GHG Emissions Intensity	MT/MT	0.247	0.247	0.252
Total GHG Emissions (Scope 1, 2 & 3)	MT CO ₂ e	3,881,439	3,903,864	3,830,834
Total GHG Emissions Intensity (Scope 1, 2 & 3)	MT/MT	0.706	0.689	0.665
Environmental Footprint (Air Quality)				
NO _x	MT	808	789	865
SO _x	MT	586	602	593
CO ₂	MT	1,052,342	1,065,377	1,078,876
Methane	MT	138	138	138
Nitrous Oxide	MT	0.854	0.872	0.798
CO	MT	-	4,084	4,298
Lead	MT	-	2.045	1.237
VOCs	MT	-	228	217
PM	MT	395	447	412

Metric	Unit	2020	2021	2022
Environmental Footprint (Energy)				
Fuel Consumption	GJ	8,855,638	8,655,608	9,316,358
Natural Gas	GJ	8,220,949	8,039,248	8,482,268
% of Natural Gas (of Total Fuel Consumption)	%	92.8%	92.9%	91.0%
Coal	GJ	0	0	0
Other Fuel (Diesel)	GJ	634,689	616,360	834,090
Facility Diesel Consumption	GJ	183,203	177,203	392,078
OTR Diesel	GJ	451,486	439,157	442,012
% Renewable Fuel	%	0	0	0
Electricity Consumption	GJ	12,113,550	12,328,532	12,740,274
% Renewable	%	12.9%	18.0%	23.2%
Total Energy Consumption	GJ	20,969,188	20,984,140	22,056,632
% Grid Electricity	%	58%	59%	58%
% Renewable	%	7.7%	10.6%	13.4%
Energy Intensity	GJ/MT	3.783	3.706	3.856
Environmental Footprint (Water)				
Total Water Withdrawn	m ³	6,003,220	7,028,693	6,502,681
Total Withdrawn from Public Inlet	m ³	1,960,406	2,074,992	2,238,748
Water Withdrawn from Ground Water (Private Well)	m ³	2,669,751	3,474,309	2,872,075
Water Withdrawn from Surface Water (Stream/River)	m ³	1,373,063	1,479,392	1,391,858
Total Water Discharge	m ³	1,373,250	1,925,927	1,696,404
Total Water Consumption	m ³	4,629,969	5,102,767	4,806,277
Total Water Withdrawn Intensity	m ³ /MT	1.083	1.241	1.130

Metric	Unit	2020	2021	2022
% Water that is Recycled or Reused Multiple Times	%	95.2%	89.6%	88.4%
Total Water Withdrawn in High or Extremely High Stress Area	m ³	1,101,440	999,324	2,675,505
% Water Withdrawn in High or Extremely High Stress Area	%	18%	14%	41%
Total Water Consumed in High or Extremely High Stress Area	m ³	1,081,311	982,568	2,189,788
% Water Consumed in High or Extremely High Stress Area	%	23%	19%	46%

Environmental Footprint (Waste & Co-Products)

Total Waste and Co-products	MT	1,087,782	1,137,902	1,136,908
Total Hazardous Waste	MT	64,223	62,124	63,635
% of Total Waste	%	5.9%	5.5%	5.6%
% Waste Recycled	%	86.5%	83.3%	89.5%
Significant Spills Reported	#	0	0	0

Product Stewardship

% Recycled Input Materials Used in Products	%	98%	98%	98%
R&D Expenditures	\$	24,649,939	24,520,000	208,000,000

ACTING WITH INTEGRITY

Health & Safety

Total Recordable Incident Rate (TRIR)	#	1.52	1.48	1.48
Contract Labor TRIR	#	2.72	3.57	3.54
Total Lost Time Incident Rate (LTIR)	#	0.72	0.75	0.71
Total Near Miss Frequency Rate (NMFR) (Includes Both FT and Contract Labor)	#	31.54	42.79	35.53

Metric	Unit	2020	2021	2022
Number of Fatalities	#	0	1	1
Fatality Rate	#	0.000	0.009	0.008
Contract Labor Fatalities	#	0	0	0
Locations with Zero Incident Rate	#	117	103	98
U.S. Employees Participating in Annual Physicals	%	86%	86%	86%
Talent Management				
Employees Receiving Performance Reviews	%	100%	100%	100%
Participation in 401(k) Plan	%	94%	94%	94%
Graduation Gift (for Children of Employees)	\$	18,500	9,700	10,400
Military Gift (for Children of Employees)	\$	1,500	500	1,250
College Scholarship (for Children of Employees)	\$	209,750	156,650	127,000
Employee Tuition Reimbursement	\$	96,050	81,200	69,942
Community Engagement				
Community Charitable Contributions	\$	1,219,267	908,594	1,559,467
Gender Diversity				
<i>Global Workforce</i>				
Male	#	9,940	9,742	10,948
Female	#	1,357	1,347	1,535
<i>Board of Directors</i>				
Male	%	64%	56%	56%
Female	%	36%	44%	44%
<i>Executive Leadership</i>				
Male	%	40%	50%	40%
Female	%	60%	50%	60%

Metric	Unit	2020	2021	2022
Management Employees				
Male	%	73%	73%	78%
Female	%	27%	27%	22%
Salaried Employees				
Male	%	73%	73%	72%
Female	%	27%	27%	28%
Hourly Employees				
Male	%	93%	93%	93%
Female	%	7%	7%	7%
Ethnic Diversity				
Board of Directors				
Caucasian	%	91%	100%	89%
African American	%	9%	0%	11%
Hispanic	%	0%	0%	0%
Other	%	0%	0%	0%
Race/Ethnicity Not Disclosed	%	0%	0%	0%
Executive Leadership				
Caucasian	%	100%	100%	100%
African American	%	0%	0%	0%
Hispanic	%	0%	0%	0%
Other	%	0%	0%	0%
Race/Ethnicity Not Disclosed	%	0%	0%	0%

Metric	Unit	2020	2021	2022
Salaried Employees				
Caucasian	%	77%	78%	77%
African American	%	5%	5%	5%
Hispanic	%	12%	11%	12%
Other	%	4%	6%	5%
Race/Ethnicity Not Disclosed	%	2%	0%	1%
Hourly Employees				
Caucasian	%	50%	49%	51%
African American	%	12%	12%	13%
Hispanic	%	32%	30%	29%
Other	%	0%	6%	5%
Race/Ethnicity Not Disclosed	%	6%	3%	2%
Age Diversity				
Board of Directors				
Under 30	%	0%	0%	0%
30-50	%	0%	0%	0%
Over 50	%	100%	100%	100%
Not Disclosed	%	0%	0%	0%
Executive Leadership				
Under 30	%	0%	0%	0%
30-50	%	60%	50%	40%
Over 50	%	40%	50%	60%
Not Disclosed	%	0%	0%	0%

Metric	Unit	2020	2021	2022
<i>Salaried Employees</i>				
Under 30	%	7%	8%	10%
30-50	%	53%	53%	54%
Over 50	%	40%	39%	36%
Not Disclosed	%	0%	0%	0%
<i>Hourly Employees</i>				
Under 30	%	15%	18%	20%
30-50	%	52%	51%	49%
Over 50	%	32%	31%	27%
Not Disclosed	%	1%	0%	0%

GRI INDEX

Global Reporting Initiative	2022
GRI Standard / Other Source	References, Omissions, and Explanations

GENERAL DISCLOSURES

GRI 2: General Disclosures 2021	2-1	Organizational details	Overview: Who We Are, p. 9 Annual Report, 2022 Form 10-K, pp. 4-20
	2-2	Entities included in the organization’s sustainability reporting	Overview: We Are One CMC, p. 11 Annual Report, 2022 Form 10-K, p. 4
	2-3	Reporting period, frequency and contact point	About This Report, p. 7
	2-4	Restatements of information	Baseline year 2019 and 2020 Scope 1 and Scope 2 GHG and Raw Steel Production data are restated to account for the divestiture of the CMC Steel – California facility in the first quarter of calendar year 2021. While the results are minimally impacted, we feel the change will better reflect comparable results in the reported and future years. The data and progress toward our 2030 goals are fully outlined on p. 43. Any additional changes are considered minor and are a result of better data collection, adjustments and error correction in prior years.
	2-5	External assurance	This report has not been externally assured.
	2-6	Activities, value chain and other business relationships	Overview: What We Do, p. 10 Governance: Strengthening Our Supply Chain, pp. 33–34 Annual Report, 2022 Form 10-K, pp. 4–11
	2-7	Employees	Performance Tables, pp. 67, 71–74
	2-8	Workers who are not employees	Data relating to the number of contractors and part-time employees were not available for inclusion in this report.

Global Reporting Initiative		2022
GRI Standard / Other Source		References, Omissions, and Explanations
2-9	Governance structure and composition	Governance: Our Governance Structure, pp. 28–29
		Governance and Board of Directors
		2022 Proxy Statement, pp. 22–23
2-10	Nomination and selection of the highest governance body	Corporate Governance Guidelines
2-11	Chair of the highest governance body	Corporate Governance Guidelines
		Governance and Board of Directors
		2022 Proxy Statement, p. 4
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Guidelines
		Overview: Managing, p. 26 Governance: Our Governance Structure, p. 28
2-13	Delegation of responsibility for managing impacts	Overview: ESG at CMC, Managing ESG at CMC, p. 26 Governance: Our Governance Structure, p. 28
		Annual Report, 2022 Form 10-K, p. 20
2-14	Role of the highest governance body in sustainability reporting	Overview: Managing ESG at CMC, p. 26
2-15	Conflicts of interest	Governance: Ethics and Compliance, p. 31
2-16	Communication of critical concerns	Corporate Governance Guidelines

Global Reporting Initiative		2022
GRI Standard / Other Source		References, Omissions, and Explanations
2-17	Collective knowledge of the highest governance body	2022 Proxy Statement, pp. 19–22 Social: Advancing Diversity and Inclusion, p. 60
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Guidelines
2-19	Remuneration policies	Corporate Governance Guidelines
2-20	Process to determine remuneration	2022 Proxy Statement, pp. 30–34
2-21	Annual total compensation ratio	2022 Proxy Statement, pp. 36–39
2-22	Statement on sustainable development strategy	Letter from Our Chairman, President and CEO, pp. 2–3
2-23	Policy commitments	Governance: Ethics and Compliance, Strengthening our Supply Chain, Data Privacy and Security, Political Advocacy, pp. 31–37 Environmental: Environmental Management and Compliance, pp. 46–47 Social: Safety Management System, pp. 53–54
2-24	Embedding policy commitments	Governance: Ethics and Compliance, Strengthening our Supply Chain, Data Privacy and Security, Political Advocacy, pp. 31–37 Environmental: Environmental Management and Compliance, pp. 46–47 Social: Safety Management System, pp. 53–54
2-25	Processes to remediate negative impacts	Governance: Ethics and Compliance, Strengthening our Supply Chain, Data Privacy and Security, Political Advocacy, pp. 31–37 Environmental: Environmental Management and Compliance, pp. 46–47 Social: Safety Management System, pp. 53–54
2-26	Mechanisms for seeking advice and raising concerns	Governance: Communicating Concerns, p. 32
2-27	Compliance with laws and regulations	2022 Proxy Statement, pp. 63–64

Global Reporting Initiative			2022
GRI Standard / Other Source		References, Omissions, and Explanations	
	2-29	Approach to stakeholder engagement	Overview: Serving Our Stakeholders, pp. 21–22
	2-30	Collective bargaining agreements	Workplace and Human Rights Policy Supplier Code of Conduct
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Overview: Using Materiality Assessments to Build Action Plans, p. 23
	3-2	List of material topics	Overview: Using Materiality Assessments to Build Action Plans, p. 23
PUBLIC POLICY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Governance: Partnerships and Political Engagement, pp. 36–37
GRI 415: Public Policy 2016	415-1	Political contributions	Performance Tables, p. 67
GHG EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental: Energy and Climate, pp. 41–45
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Performance Tables, p. 68
	305-2	Energy indirect (Scope 2) GHG emissions	Performance Tables, p. 68
	305-3	Other indirect (Scope 3) GHG emissions	Performance Tables, p. 68
	305-4	GHG emissions intensity	Performance Tables, p. 68
	305-5	Reduction of GHG emissions	Performance Tables, p. 68

Global Reporting Initiative			2022
GRI Standard / Other Source			References, Omissions, and Explanations
ENERGY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental: Energy and Climate, pp. 41–45
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Performance Tables, p. 69
	302-3	Energy intensity	Performance Tables, p. 69
	302-4	Reduction of energy consumption	Performance Tables, p. 69
PRODUCT STEWARDSHIP			
GRI 3: Material Topics 2021	3-3	Management of material topics	Overview: A Cycle of Efficiency, p. 16 Overview: Forging Outstanding Value for our Stakeholders, p. 17 Environmental: Recycling Propels the Circular Economy, p. 40
GRI 301: Materials 2016	301-2	Recycled input materials used	Performance Tables, p. 70
HEALTH & SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Social: Health and Safety, pp. 51–55
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Social: Health and Safety, pp. 51–53
	403-2	Hazard identification, risk assessment, and incident investigation	Social: Health and Safety, pp. 51–53
	403-3	Occupation health services	Social: Competitive Benefits and Compensation, p. 59

Global Reporting Initiative		2022
GRI Standard / Other Source		References, Omissions, and Explanations
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Policy Social: Health and Safety, pp. 51–53
	403-6 Promotion of worker health	Social: Health and Safety, pp. 51–53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Policy
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Policy
	403-9 Work-related injuries	Performance Tables, pp. 70–71

TALENT MANAGEMENT

GRI 3: Material Topics 2021	3-3 Management of material topics	Social: Talent Management, pp. 56–60
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Social: Filling the Talent Pipeline, p. 57 Social: Building Competencies, p. 58 Social: Developing Tomorrow's Leaders, p. 58
	404-3 Percentage of employees receiving regular performance and career development reviews	Social: Culture of Support and Engagement, p. 56 Performance Tables, p. 71
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Tables, pp. 71–74

TCFD INDEX

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Recommended Disclosures

References

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

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

Overview: Managing ESG at CMC, p. 26
 Governance: Our Governance Structure, p. 28

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

Overview: Managing ESG at CMC, p. 26

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

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

Overview: Forging Outstanding Value for our Stakeholders, p. 17
 Environmental: Energy and Climate, pp. 41–45
 Environmental: Helping our Customers Reach Their Carbon Goals, pp. 47–48

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Overview: Forging Outstanding Value for our Stakeholders, p. 17
 Governance: Targeting Climate Change, p. 30
 Environmental: Why It Matters, p. 38
 Environmental: Energy and Climate, pp. 41–45

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Overview: Our ESG Goals, pp. 24–25

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References

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks

Describe the organization's processes for identifying and assessing climate-related risks.

Overview: Serving our Stakeholders, pp. 21–22
 Overview: Using Materiality Assessments to Build Action Plans, p. 23
 Governance: Targeting Climate Change, p. 30

Describe the organization's processes for managing climate-related risks.

Overview: Managing ESG at CMC, p. 26
 Environmental: Energy and Climate, pp. 41–45

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Overview: Our ESG Goals, p. 24

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Overview: Our ESG Goals, p. 24
 Environmental: Energy and Climate, pp. 41–45
 Performance Tables, pp. 68–70

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Environmental: Energy and Climate, p. 43
 Performance Tables, p. 68

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Overview: Our ESG Goals, p. 24
 Environmental: Energy and Climate, pp. 41–45

SASB INDEX

Iron and Steel Producers		2022	
Topic	Accounting or Activity Metric	References and Omissions	SASB CODE
GREENHOUSE GAS EMISSIONS			
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations		Performance Tables, p. 68	EM-IS-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		Environmental: Energy and Climate, pp. 41–45	EM-IS-110a.2
AIR EMISSIONS			
Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs) and (8) polycyclic aromatic hydrocarbons (PAHs)		Performance Tables, p. 68 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.	EM-IS-120a.1
ENERGY MANAGEMENT			
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable		Performance Tables, p. 69	EM-IS-130a.1
(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable		Performance Tables, p. 69	EM-IS-130a.2
WATER MANAGEMENT			
(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress		Performance Tables, pp. 69–70	EM-IS-140a.1
WASTE MANAGEMENT			
Amount of waste generated, percentage hazardous, percentage recycled		Performance Tables, p. 70	EM-IS-150a.1

Iron and Steel Producers

2022

Topic	Accounting or Activity Metric	References and Omissions	SASB CODE
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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		Performance Tables, pp. 70–71	EM-IS-320a.1
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SUPPLY CHAIN MANAGEMENT

Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues		Governance: Strengthening Our Supply Chain, pp. 33–34 Performance Tables, p. 67 CMC does not use iron ore or coking coal to produce our products.	EM-IS-430a.1
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ACTIVITY METRICS

Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes		Overview: Who We Are, p. 10 Performance Tables, p. 67	EM-IS-000.A
Total iron ore production		CMC does not use iron ore to produce our products.	EM-IS-000.B
Total coking coal production		CMC does not use coking coal to produce our products.	EM-IS-000.C



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