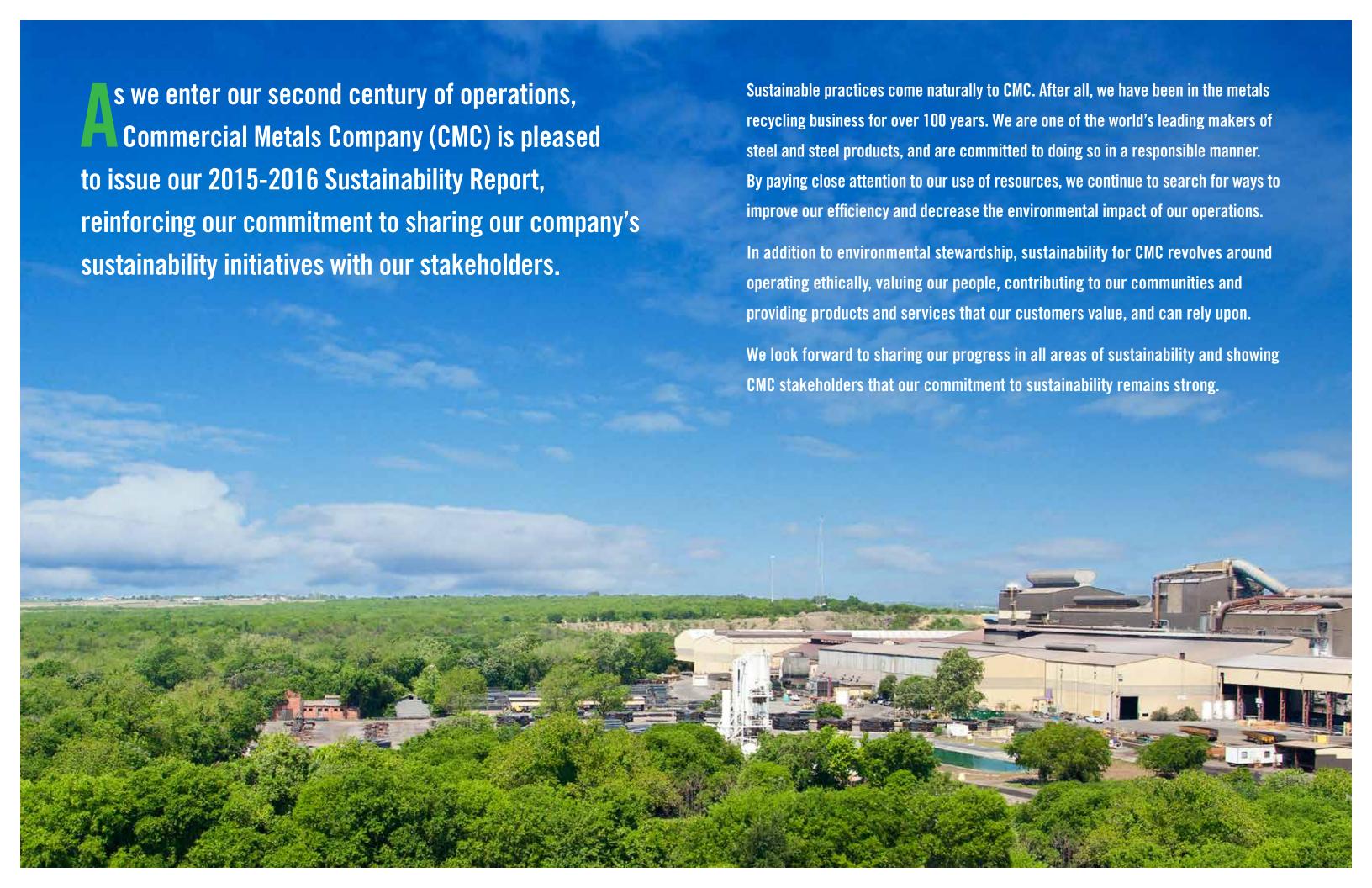
# REINFORCING OUR COMMITMENT COMMERCIAL METALS COMPANY 2015-2016 SUSTAINABILITY REPORT



#### TABLE OF CONTENTS

- 3 An Introduction
- 5 About Us
- 10 Managing Our Sustainability Impact
- 16 Environmental Stewardship
- 24 Valuing Our People
- 34 Contributing To Communities
- 42 Customer Service and Product Responsibility
- 48 GRI Content Index

#### About this Report

#### **REPORT SCOPE & BOUNDARY**

This report covers key activities from CMC's 2015 and 2016 fiscal years, which began in September 2014 and ended in August 2016. The highlights and key performance metrics presented are from 2015 and 2016 fiscal years, except for our environmental performance data, which is collected and managed on a calendar year basis. Unless otherwise shown, we are reporting data and information from our global enterprise which includes our Recycling, Mills, Fabrication and Marketing and Distribution business segments. All financial information is presented in U.S. dollars unless otherwise noted.

#### **DEFINING REPORT CONTENT**

Information provided in this report is targeted at our key stakeholders, whom we identify as our customers, employees, communities and shareholders. This report covers the sustainability topics that are most important to those stakeholders and have the most impact on our company. Although we are including Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines, we have not endeavored to report in accordance with GRI. A GRI Content Index is provided at the back of this report to help stakeholders find information relevant to their needs. At CMC, sustainability is a continuous effort, and we plan to report on a bi-annual basis to show our progress.

#### RESTATEMENT:

Below are restatements of our 2014 baseline data that were found to be subject to change during the data collection process for this report. Data has been corrected or adjusted in the body of the 2015-16 Sustainability Report.

- Energy consumption data now includes both electricity and natural gas while CMC believes our natural gas usage to be minor relative to our electricity use, we have natural gas data available and have decided to include a more comprehensive picture of total energy consumption moving forward.
- We have restated our energy intensity based on crude steel instead of finished steel to be more aligned with the reporting of our industry peers.
- Our baseline greenhouse gas emissions have been restated, as the 2014 data for our European operations was recorded on a fiscal year basis.
- Recycled content in manufacturing finished steel now includes our European operations.

The data collected for this report has been gathered using the robust systems and tools currently in place for the reporting year. Continuous improvement of our data collection and analysis processes is an ongoing focus for CMC.

# **An Introduction**

To the stakeholders of Commercial Metals Company – our customers, employees, communities and investors – thank you for your ongoing support.

CMC established a commitment to keeping you up to date on our sustainability efforts in our initial Sustainability Report in 2014, and now it's time to reinforce that commitment with our second report. We are eager to share with you all of our progress and our latest initiatives in this crucially important area for the fiscal years 2015 and 2016.

With a foundation of strong ethics and values, CMC continues to organize sustainability endeavors and reporting around the key concepts of environmental stewardship, valuing our people, contributing to our communities and providing the highest levels of customer service and product responsibility.

#### Some highlights:

Safety is always our top priority, so we are pleased to report that our

total recordable incident rate (TRIR) has dropped from 2.0 in 2014 to 1.5 in 2016. We believe this reduction is due, at least in part, to a number of safety initiatives we have put in place, including:

- Job Instruction Training (JIT)
   that emphasizes a culture where
   employees are encouraged to do
   their jobs correctly, conscientiously
   and above all safely, every time.
- Our Proactive Safety Measures initiative, with improved metrics that monitor and encourage proactive safety.
- Increased automation of higher risk processes, including a handsfree automatic rebar bender at CMC Rebar in Gastonia, North Carolina.
- Our Global Safety Management System, an online tool for tracking incidents and sharing information

internally, that we've made easier to use.

In addition to improved safety initiatives, we've also:

- Invested in apprenticeship programs in the U.S. and Poland to attract new talent.
- Continued to support worthy community causes, with \$1.3 million donated to charitable organizations in 2015-2016.
- Leveraged data analytics to help us optimize our energy efficiency.

CMC continues to make the steel that reinforces the strength of roadways, bridges and buildings. While doing so, we also reinforce our commitment to operating our company in a sustainable, responsible, ethical way.

Our greatest source of strength is our people, and every member of the CMC team deserves credit for helping the company achieve sustainability goals. All of us at CMC look forward to continuing to share our progress with you for years to come.

We believe operating CMC in a responsible, sustainable way is simply the right thing to do. We also believe it contributes to the success of our business.

#### Our Performance

Please note that several 2014 metrics have been restated. For details, see the Overview of Restatements made on page 2.

riease note that several 2014 metrics have been restated. For details, see the Overview of Restatements made	e on page ∠.		
CMC SUSTAINABILITY: KEY PERFORMANCE INDICATORS	2014	2015	2016
GOVERNANCE & ETHICS			
Employees completing code of business conduct training (%)	39.0	99.9	99.3
Locations with a confidential whistleblowing system (%)	100	100	100
ENVIRONMENTAL STEWARDSHIP			
Tons of metal recycled (short tons)	6,562,351	5,959,152	5,741,881
Recycled content in manufactured finished steel (%)	95.6	95.6	95.6
Production of raw steel (tons)	3,862,857	3,837,374	3,805,618
Raw steel produced from EAF (%)	100	100	100
Raw steel produced from BOF (%)	0	0	0
Slag recycled (%)	100	100	100
Baghouse dust/zinc recycled (%)	98.0	98.3	98.4
Mills energy consumption intensity (GJ/ton)	3.30	3.30	3.29
Mill process water recycled (%) *	97	96	98
Scope 1 emissions (MT ${\rm CO_2eq}$ emissions/ton) **  ** Our Scope 1 emissions address CMC mills only and calculations include ${\rm CO_2}$ , ${\rm CH_4}$ and ${\rm N_2O}$	0.148	0.154	0.156
VALUING OUR PEOPLE			
Total recordable incident rate (incidents per 100 employees)	2.0	2.0	1.5
CONTRIBUTING TO COMMUNITIES			
Charitable spending (U.S. Dollars)	460,000	683,500	621,232
CUSTOMER SERVICE AND PRODUCT RESPONSIBILITY			
Average CMC mill overall customer satisfaction ranking within the Jacobson & Associates Steel Customer Satisfaction Survey ***	4.5	4.5	2.5
*** Average ranking is derived by taking the average score from the Jacobson Survey of our four mills that or	articinate (i.e. in 2016 our LLS i	mills ranked 1 2 3 and A which	ch averages to a ranking of 2

<sup>\*\*\*</sup> Average ranking is derived by taking the average score from the Jacobson Survey of our four mills that participate (i.e., in 2016, our U.S. mills ranked 1, 2, 3, and 4 which averages to a ranking of 2.5)

# **About Us**

# CMC AT A GLANCE IN 2016









#### OVERVIEW

Commercial Metals Company is a global, low-cost metals recycling, manufacturing, fabricating and trading enterprise. With corporate headquarters in Irving, Texas, CMC (NYSE: CMC) and its subsidiaries recycle, manufacture and market steel and metal products, related materials and services through a network including steel Electric Arc Furnace (EAF) mini mills, steel fabrication and processing plants, construction related product warehouses, metal

recycling facilities, and marketing and distribution offices in the United States and in strategic international markets.

NET \$4,610,526,000

You'll find our steel in sports stadiums and public buildings, highways, bridges and rail systems, and structures around the world. Our vertical integration model, from the recycling of raw material metals to fabricating finished steel products, revolutionized the way the steel industry operates today. Originating in 1915 with a single recycling location, we have continuously moved into

higher-value downstream segments of the metals lifecycle. CMC was a pioneer of the vertically integrated steel manufacturing model and was the first secondary metals company listed on a major public stock exchange.

To learn more about who we are and what we do, please refer to www.cmc.com. Our website also hosts quarterly and annual reports as well as U.S. Securities and Exchange Commission (SEC) filings with additional facts, figures and analytics.

<sup>\*</sup> As of August 31, 2016



#### RECYCLING

In over a century, CMC has become a significant metals recycler, with facilities in North America, Europe and Asia.

We're committed to the environmentally conscious process of recycling metals.

#### MILLS

To meet the global demand, CMC's six steel mills, located in North America and Europe, have a combined capacity of 4.7 million tons.

#### **FABRICATION**

CMC has fabrication locations in North America and Europe — including rebar and structural fabrication plants, fence post manufacturing, heat treating plants, highway products, wire mesh, post-tensioning cable and construction service stores.

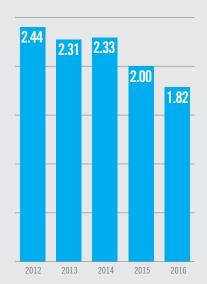
#### MARKETING & DISTRIBUTION

CMC operates a global supply channel for metal producers and consumers with strategic locations worldwide. We deal in physical products, connecting global producers with local consumers of metals and raw materials.

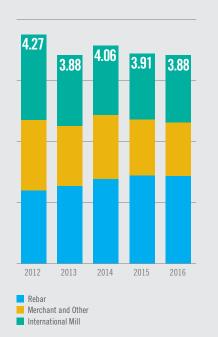


#### **CMC** Shipments

## Americas Recycling (short tons shipped in millions)

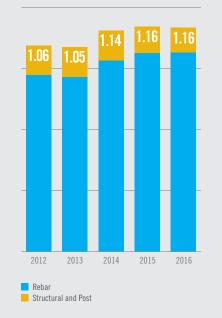


# **Total Mills**(short tons shipped in millions)

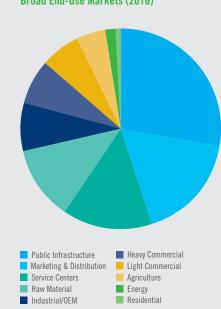


#### **Americas Fabrication**

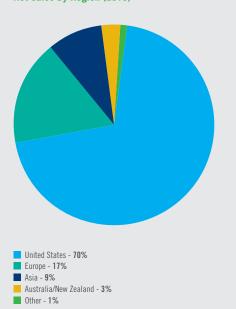




#### Broad End-Use Markets (2016)



#### Net Sales By Region (2016)



# OUR GUIDING PRINCIPLES

Our Guiding Principles are our core beliefs. They form the strong foundation on which we build present and future success. They are the bond that links us together as ONE TEAM, and they are critically important to sustain our company through the years ahead.

#### WHO WE ARE

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

#### WHAT WE DO

- Place the customer at the core of all we do. We believe that 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 and where employees have the opportunity for both personal and professional growth. We foster a culture that challenges conventional thinking, promotes teamwork, requires accountability and rewards success.
- **Give back to our communities.** We take seriously the responsibility that comes with being a good corporate citizen 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 metals industry by having a passion for cost efficiency, using our resources effectively and achieving our goal of consistent, profitable growth.

#### WHAT WE BELIEVE

- Act with integrity by honoring our commitments, being accountable for our actions and acting with respect for others.
- Dedicate ourselves to making the safety of our employees a top priority.
- Promote **collaboration** by working together as a team to provide exceptional results.
- Encourage **excellence** by challenging ourselves to improve everything we do.



**CMC** pursues sustainability through four focus areas that were identified in the materiality assessment conducted in 2014. We believe these areas are still the most important to our stakeholders and highly relevant to the long-term success of our business.

# OUR FOUR SUSTAINABILITY FOCUS AREAS

- 1. Environmental Stewardship
  WE ARE COMMITTED to the efficient
  use of resources and continually
  striving to reduce the environmental
  impacts of our operations.
- 2. Valuing our People

  WE ARE COMMITTED to providing a safe work environment and the opportunity for each of our teammates to reach his or her highest potential.
- 3. Contributing to Communities
  WE ARE COMMITTED to making
  our communities a better place to
  live and work.
- 4. Customer Service &
  Product Responsibility
  WE ARE COMMITTED to providing the highest level of service in the industry.

#### MANAGING SUSTAINABILITY

At the highest level, CMC's CEO and Executive Leadership Team, reporting to the Board of Directors, are responsible for the day-to-day conduct of the company's business, including economic, social, environmental and governance aspects. Our Executive Team has reviewed, contributed and approved the contents of this report.



We report on continual improvement in each of the four focus areas in our bi-annual Sustainability Report as a means of demonstrating transparency, accountability and progress, and will report on that progress against the baseline metrics shared in our 2014 report. We have restated some baseline

numbers in this report for the following reasons: improvements in our data collection process, improvements in data quality and accuracy, changes in industry best practices calculation methods and an overall better understanding of our sustainability impacts.



By identifying and proactively addressing risks and opportunities, CMC protects and creates value for all stakeholders, including shareholders, employees, customers, regulators and society overall.

#### CORPORATE GOVERNANCE

CMC's business is conducted by its
employees, managers and officers,
under the direction of the Chief
Executive Officer and the oversight of
the Board, to enhance the long-term
value of the Company. Approximately
one-third of the total number of
directors are elected each year to
serve a term of three years. The board
selects the CEO and oversees the
executive management team, who are
responsible for the day-to-day conduct
of the company's business.

and
inclue
thic
total
and
solver
this
trans
of sk
and
inclue
thic
total
and
this
trans
of sk
and
inclue
thic
total
and
trans
of sk
and
The

Our board has four regular committees:

- Audit Committee
- Compensation Committee
- Finance Committee
- Nominating and Corporate Governance Committee

Committee charters and corporate governance guidelines are posted on our website at ir.cmc.com.

# IDENTIFYING EMERGING SUSTAINABILITY ISSUES

CMC's Risk Management Committee, which is made up of the executive leadership team and other senior management, systematically identifies and assesses emerging sustainability issues. Every quarter, this committee

of executives meets to discuss and categorize all potential risks, including those from an operational, ethical, legislative, market, employee workforce or reputational perspective. Sustainability issues addressed within this framework include risks related to transparency and reporting, availability of skilled labor, succession planning and emerging environmental and social regulations. At each meeting, the top ten current risks are assessed in terms of likelihood and magnitude of impact.

The top risks identified through our risk assessment framework are reported to the Board of Directors and managed at the Board level, including determining a response strategy and monitoring progress on those strategies. CMC's Director of Internal Audit and Compliance manages our enterprise risk management process.

CMC also identifies emerging sustainability issues through its membership and active participation in several industry association committees focused on topics of safety, health and environmental stewardship. These partnerships include:

 American Association of State Highway and Transportation Officials (AASHTO)

- American Concrete Institute (ACI)
- American Institute of Steel Construction (AISC)
- Buy America Steel Products Association
- Association for Iron and Steel Technology (AIST)
- Concrete Reinforcing Steel Institute (CRSI)
- Institute of Scrap Recycling Industries
- International Steel Trade Association
- Metal Building Manufacturers Association (MBMA)
- Metals Service Center Institute (MSCI)
- Polish Steel Association (Hutnicza Izba Przemysłowo Handlowa)
- Scrap Association (Izba Przemysłowo Handlowa Gospodarki Złomem)
- Singapore Business Federation
- Singapore Metal & Machinery Association
- South East Asia Iron and Steel Institute
- Steel Joist Institute (SJI)
- Steel Manufacturers Association (SMA)
- Transportation Research Board (TRB)
- U.S. Green Building Council (USGBC)



#### How Sustainability Has A Positive Impact On Our Business

- Understanding the impact our operations have on the planet and doing what we can to manage that footprint makes our business more efficient, helps reduce our costs and improves our product profile.
- Our engaged, passionate employees are what drive our company's strong performance.
- Our local communities rely on us to be financially sustainable over the long term and to be good corporate citizens. We rely on our communities for our people and for support for our operations.
- Ensuring we keep customers at the core of all we
  do and continuing to exceed their expectations in
  providing products and materials that have been
  manufactured in a socially and environmentally
  responsible manner is critical to our ongoing business
  success.
- Good governance and ethics ensure we honor our commitments, act with integrity and stay accountable for our actions to one another.

COMMERCIAL METALS COMPANY 13

Our participation in these associations allows us to stay informed of emerging industry issues that may impact our direct customers and their markets, and therefore impact our business as well. By identifying and proactively addressing risks and opportunities, CMC protects and creates value for all stakeholders, including shareholders, employees, customers, regulators and society overall.

#### **ACTING ETHICALLY**

Conducting business ethically, legally, honestly and with integrity has been and will continue to be fundamental to the success of CMC. Complementing our Guiding Principles, CMC's Code of Conduct and Business Ethics outlines the expected behaviors of all employees, both in terms of how we relate to one another and in our relationship to everyone with whom we do business. CMC's Code of Conduct and Business Ethics was originally adopted by the Board of Directors in 1978, and to this day continues to serve as a guideline to help all employees make appropriate daily decisions in areas such as conflicts of interest, insider trading, anti-bribery, employment practices and more. The Code of Conduct is available to employees in English, Polish and Spanish.

Beginning in 2015, CMC employees were expected to participate in the compliance training program and complete an annual business ethics questionnaire. This ethics training changes each year and focuses on a situational vignette that encourages employees to think about how they should respond to specific situations. Participation is tracked and reported to the highest level of the organization.

100%
of CMC employees in 2015 and
00%
in 2016 completed the ethics questionnaire.

Tying completion of the ethics questionnaire to the company's operational objectives – and making it accessible for all employees –

Conducting business ethically, legally, honestly and with integrity has been and will continue to be fundamental to the success of CMC.

demonstrates how seriously CMC's Executive Leadership Team considers issues of ethics and integrity. We are pleased to report that we achieved our goal of having 100 percent participation completing the ethics questionnaire in 2015, and had more than 99 percent complete it in 2016.

In keeping with CMC's commitment to continual improvement, we are looking at providing ethics training tailored to our specific business units. Due to our diverse population, varied businesses and roles within each business, our employees face different situations in their work days and we are conscious of being flexible to their needs.

All CMC employees have access to a confidential, 24-hour Ethics and Compliance hotline, managed by a third-party service provider. Employees are encouraged to use this hotline if they need advice on ethical and lawful behavior or if they suspect unethical behavior. General Counsel and our Internal Audit Group are alerted immediately to any potential non-compliances and respond to these reports accordingly. All reported incidents of non-compliance with the company's Code of Conduct, Business Ethics and associated outcomes are communicated to the Board of Directors and Executive Leadership Team.



#### **ENGAGING OUR STAKEHOLDERS**

We consider our **customers**, **employees**, **communities** and **shareholders** to be key stakeholders in our sustainability initiatives. Engaging with our stakeholders is an integral part of our approach to sustainability. We seek to establish relationships that build trust and mutual understanding, and support our efforts to create shared value. Here are some examples of how we engaged with stakeholders in 2015 and 2016.



Stakeholder	How We Engaged
CUSTOMERS	CMC continued to listen to our customers' feedback and suggestions, and in 2016 we <b>expanded our customer survey program</b> to include project-specific surveys for our fabrication customers.
EMPLOYEES	In 2015, CMC leveraged a digital platform to enhance our annual performance appraisal and career planning process. Feedback from our employees on the new platform was extremely positive.
COMMUNITIES	In the last few years <b>CMC</b> has become more involved in local technical schools (e.g., Texas State University). These partnerships are win-win. The schools benefit from our donation of equipment, plant tours at local CMC facilities and having CMC employees as guest speakers in the classroom. CMC is able to build our profile and reputation with students, which helps us secure a pipeline of future talent.
COMMUNITIES & INVESTORS	CMC continued to partner with the U.S. Department of Energy on the <i>Better Buildings, Better Plants Program</i> through 2015 and 2016. We have achieved significant change for each calendar year since our baseline in 2012 – <b>2.1% energy reduction in 2013</b> , <b>4.2% reduction in 2014</b> , <b>2.2% reduction in 2015</b> and <b>4.6% reduction in 2016</b> .



**CMC**'s commitment to environmental stewardship is reinforced by a steelmaking process that uses over 95 percent recycled materials and numerous initiatives that help reduce our environmental impact.



#### APPROACH

CMC's environmental stewardship is closely managed by national and regional teams and managers under the support of our Vice President of Operations Support. We have implemented industry best practices and continuous improvement programs across all facilities.

CMC uses a state-of-the-art information management solution to monitor environmental data, proactively track emerging regulations and ensure compliance in all regions. Weekly, monthly, and quarterly progress reports are issued to CMC's Leadership Team so the team can provide oversight, guidance and accountability on our environmental performances.

Environmental management tasks completed are based on internal and regulatory requirements across all environmental media such as air, water and waste.

At CMC Poland, a leading integrated management system is maintained that has been certified to ISO 14001 since 2008. In September 2016, CMC Poland participated in an external audit with Intertek and received an "Achievement Award" for meeting the performance criteria in five areas:

- Labor
- 2. Wages and Hours
- 3. Health and Safety
- 4. Management Systems
- 5. Environment

Engaging Employees on Environmental Stewardship

Our employees are critical to our environmental stewardship efforts. Without their creativity and dedication to continuous improvement, we could not have identified or successfully implemented the successes highlighted in this report.

CMC's internal quarterly newsletter includes articles on our environmental stewardship initiatives to keep energy efficiency, waste reduction and water conservation top of mind for our employees. CMC has also established a dedicated email address where employees can submit energy savings ideas.

CMC launched a home energy awareness campaign in 2016 and encouraged employees to bring a Kill-A-Watt Power Monitor home to measure and understand the impact that home appliances have on their electricity consumption. Employees were encouraged to share what they had discovered with their colleagues along with any energy saving suggestions.

Led by our team of operations support specialists, we completed over

3,900

environmental management tasks per year in 2015 and 2016.



#### Our Commitment in Action

#### CMC STEEL ARIZONA

CMC's commitment to more environmentally friendly steelmaking is embodied in our facility in Mesa, Arizona. CMC Steel Arizona, which was commissioned in 2009, is the first operational Electric Arc Furnace (EAF) mini mill of its kind in the world, utilizing a unique continuous rolling process technology that greatly enhances energy efficiency.

Why is CMC Steel Arizona more efficient than conventional rolling mills?

- The EAF at our Mesa facility utilizes scrap preheating and continuous scrap feeding, reducing electricity consumption by 10 percent when compared to conventional EAFs.
- The caster feeds directly into the rolling mill without a natural gas fired billet reheating furnace as in conventional rolling mills; eliminating the reheat furnace saves about 1,200 standard cubic feet of **natural gas per ton** of bar product.
- The footprint is more compact than the conventional mini mill; this reduces the distance and energy required for operations such as pumping water, vehicle travel and other plant functions.
- The rolling mill receives a continuous and uncut billet which improves yield; in a conventional rolling mill the

crops are collected and sent to the EAF for melting so they are not wasted, but the continuous process mini mill **eliminates this "recycle" stream** altogether.

- CMC Steel Arizona mini mill uses up to 39 percent less total energy per ton of bar product compared to CMC's traditional mini mills.
- contributes to **safer working conditions** for operators; with **increased utilization**, the system is always running which means operators are rarely in maintenance mode.

CMC Steel Arizona reduces electrical energy consumption by 30-35 kWh (10%) and saves 1,200 standard cubic feet of natural gas per ton per year vs. a conventional mini mill.

CMC's second continuous process mini mill, CMC Steel Oklahoma, is set to begin production in late 2017.

• The advanced automation in this mini mill also

CMC Steel Arizona saves 2.500 pounds of iron ore, 1,400 pounds of coal, and 120 pounds of limestone per ton compared to traditional blast furnace steelmaking.

One of the largest metal recyclers in North America, CMC recycled

5,959,152

tons of metal in 2015 and

5,741,881

tons in 2016.

#### MATERIAL RECOVERY MANAGEMENT

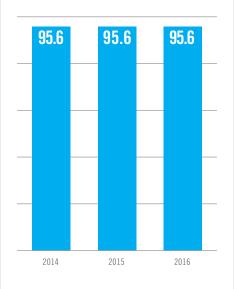
Recycling and re-using our materials is good for the environment, but it is also good for our bottom line. We are constantly looking for new ways to make our processes more resource efficient and to optimize the use of products generated from the steelmaking process. Focusing our efforts on resource recovery and reuse allows us to reduce our operating costs and minimize our impact on the environment.

For the past three years, 100 percent of our slag -- a sustainable product that is produced during the scrap melting process -- was captured for processing and re-use. Slag is used in various manufacturing and construction applications, such as a raw material in the manufacture of cement, aggregate in the production of concrete, and as an aggregate for road construction. We've also consistently captured a high percentage of baghouse dust, which is

rich in zinc, for recycling – 98 percent in 2014. 2015 and 2016.

For the past three years, the amount of recycled materials used in our manufactured finished steel has been over 95 percent.

Percentage of Recycled Input Materials in **Manufactured Finished Steel** 



#### CONTRIBUTING TO THE DEVELOPMENT OF A CIRCULAR ECONOMY

CMC's business is inherently sustainable. We are vertically integrated and use recycled scrap metal in manufacturing and fabrication.

Steel is durable, long-lasting, and can be re-used and remanufactured indefinitely. The re-use and remanufacturing of steel reduces the consumption of primary raw materials and therefore reduces many other environmental impacts associated with the sourcing of those raw materials. CMC recognizes our ability to contribute to resource conservation, and we are committed to continuously making our processes more efficient.

#### Recycling in Seguin, Texas

We strive to close the loop at CMC Steel Texas in Seguin. Our recycling operations use shredders to transform whole cars and other steel items e.g. appliances into fist-sized pieces of steel. Magnets are then used to separate ferrous metals from nonferrous metals, plastics, dirt, glass, etc. Laser, Eddy Current, and optical separation systems are also used to efficiently separate materials like copper, aluminum and stainless steel that can be re-used in manufacturing or recycled into other products. We see all of these materials as valuable inputs to other products and continue to identify and apply new technologies and processes that help us recover as many materials as possible.

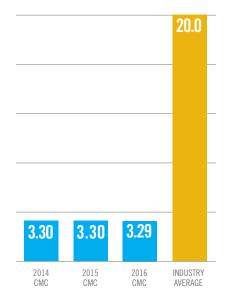
# At CMC, we continue to lead the industry by exclusively using state-of-the-art electric arc furnaces (EAFs)

# ENERGY EFFICIENCY AND CLIMATE CHANGE MITIGATION

CMC understands that being more energy efficient results in fewer greenhouse gas (carbon) emissions and leads to less of an impact on climate change. At CMC, we continue to lead the industry by exclusively using state-of-the-art electric arc furnaces (EAFs). 100 percent of our raw steel is produced in EAFs; we do not produce any steel using blast furnace technology. EAFs consume less energy than traditional blast furnaces, which results in much lower energy consumption than the global industry average.

Energy Intensity (GJ/Ton) Required to Produce CMC Products (2014, 2015, 2016) vs. Global Industry Average Products (2016)

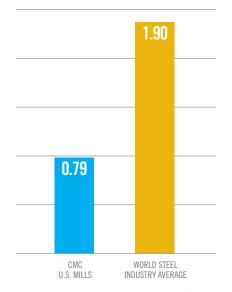
(as reported by Worldsteel Association)



Efficiency in our operation also reduces our carbon (CO<sub>2</sub>e) emissions. Because we use scrap steel as a primary raw material, we conserve resources and reduce carbon emissions compared to operations that use natural resources from mined iron ore.

The chart below shows CMC's carbon intensity per ton of Raw Steel Production.

#### 2014 Lifecycle CO<sub>2</sub> (CO<sub>2</sub> tonnes/tonne steel) Greenhouse Gas Emissions



Lifecycle analysis is valid for 5 years and our 2014 number is still applicable

When reporting our carbon emissions, we report Direct (Scope 1) emissions to reflect the emission sources that we can more directly control. Our Scope 1 emissions include carbon dioxide ( ${\rm CO_2}$ ), methane ( ${\rm CH_4}$ ) and nitrous oxide ( ${\rm N_2O}$ ).

At CMC, we are committed to reducing emissions across our organization. Through our corporate energy efficiency program, we allocated \$500,000 in 2016 to energy efficiency projects. These included replacing inefficient lights with LEDs or fluorescents, additional energy metering to quantify consumption in each area of our facilities, and studies to identify opportunities to improve the efficiency of our compressed air systems. Our projects not only reduce our impact on the environment, but also reduce our operating costs and are good for the long-term sustainability of our business.

#### Best Available Techniques in Poland

Our operations in Poland have achieved BAT (Best Available Techniques) compliance since 2015. Being compliant to this European Commission environmental emissions standard was made possible by applying various leading initiatives in many areas of our operations. BAT compliance is not yet required by law but will become mandatory in 2018. CMC is currently the only steel manufacturer compliant with BAT in Poland.



#### Better Buildings, Better Plants

Since 2012, CMC has participated in the U.S. Department of Energy's <u>Better Buildings, Better Plants</u>
<u>Program</u>. This national effort focuses on driving significant improvements in energy efficiency across industrial manufacturers in the United States. Through this program, we meet with a Technical Account Manager to discuss projects and address efficiency programs that CMC is working on. Since joining, CMC has made great strides in reducing the energy intensity of our operations, and we are making progress towards our goal of a 25 percent reduction by 2023 based on a 2012 baseline.

# Efficiency-Enhancing Project Highlights

Specific projects implemented in 2015-2016 that had the greatest impact on efficiency were:

 Reduced carbon consumption through optimization of the electric arc furnace chemical energy programs at CMC Steel Texas and CMC Steel South Carolina. This enabled us to use less charge carbon in the production of steel and maximize metallic yield.



 Installation of the static var compensation (SVC) system in our Texas melt shop in 2015 which helped smooth out disturbances and make our electrical power input more consistent, and thus more efficient. This project has been so successful it is now under consideration for other facilities. • Installation of electrical submetering at CMC Steel in Texas and South Carolina which enables the team to continuously monitor energy consumption through the process of melting scrap, casting it into billets and rolling it into finished products and to identify opportunities for improvement. Live data from the meters is used by operations to monitor equipment status and health in order to keep our processes running consistently.

#### Partnership with Salt River Project

CMC Steel Arizona continues to partner with its electric energy provider, Salt River Project (SRP), to improve energy efficiency by installing more efficient equipment and controls. Our electrical rate includes a contribution to SRP's energy efficiency program, and we are able to recover this contribution by implementing energy saving projects. Through the program, we have improved compressed air system efficiency by installing a trim compressor, and we have replaced all lighting in the mill with LED lighting and installed more efficient drives and motors.

#### Benchmarking Against Industry Peers

Through the benchmarking services of the Association of Iron & Steel Technology (AIST) CMC measures its energy efficiency against other domestic and international EAF mills. When AIST shared the electrical energy consumption of 36 electric arc furnaces in FY2016, CMC compared well: Three CMC Steel mills were better than the average, and two mills were at average.

As of December 2016, CMC has reduced energy consumption by 4.6 percent compared to 2012.

This equates to more than

# 750 million kWh

enough energy to power nearly

70 thousand households

for an entire year.



#### First Anniversary of EAF in Poland

In May 2015, CMC Poland celebrated the first anniversary of their new electric arc furnace and caster. The efficient new furnace and caster have allowed us to transition from using two furnaces. In the first year of operation, the EAF met all strategic KPIs and continues to set new records in productivity and energy efficiency.

#### CMC Steel South Carolina Know Your Numbers

CMC Steel South Carolina installed new electrical meters to monitor consumption continuously through the process of melting scrap, casting it into billets, and rolling it into finished product. This system, patterned after the existing metering at CMC Steel Texas, provides a new level of information to help mill operators understand its energy consumption and electrical costs. This monitoring has allowed CMC Steel South Carolina to develop an expected baseline of performance so that we can quickly recognize when we are using too much energy.

#### Advanced Analytics Help Uncover Greater Efficiencies

In 2015 and 2016, CMC gave additional emphasis to optimizing our energy inputs per output of steel product by increasing focus on energy use data, made possible through the use of advanced analytics. Process data historians used in conjunction with analysis software have helped

operators capture more data and better understand variables and options available, ultimately enabling CMC to make more informed decisions. This new instrumentation is continuously feeding information back to employees, which also helps identify and predict equipment failure earlier, before breakdowns occur.

#### WATER STEWARDSHIP

CMC recognizes the need for water stewardship throughout our operations. Water conservation is a growing concern globally, and we understand the impact that water scarcity could have on our business, especially in the southern U.S. where five of our mills are located. We are looking for innovative ways to improve our conservation, re-use and treatment of water. CMC Steel Arizona and CMC Steel Texas are both zero water discharge facilities.

CMC's total water use recycled and/or re-used was 97% in 2014 96% in 2015 98% in 2016

Our operations use water for process cooling, slag quenching, dust control and irrigation. A focus for CMC water conservation is to use recycled water in these processes. The total water use recycled and/or re-used was 97 percent in 2014, 96 percent in 2015 and 98 percent in 2016.

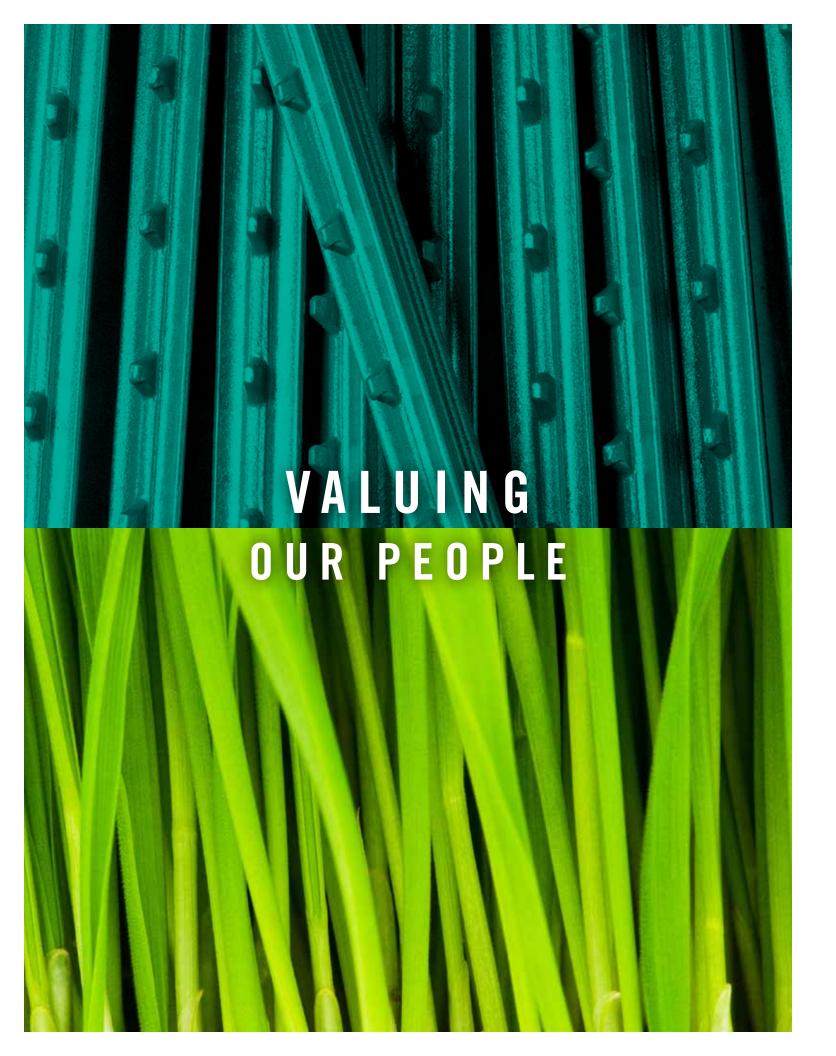
The team at CMC Steel South Carolina put a significant amount of effort and instrumentation into understanding water use with a view to minimizing water consumption. Rigorous monitoring over the past 24 months enabled the team to map out monthly water use for each specific step within their process, track trends and identify improvements.

CMC Recycling's water treatment system in Lexington, which became operational at the start of FY2015, allows water to be treated on-site and re-used. Treated water that can't be used on-site, due to weather patterns, is used as process water at the nearby mill, CMC Steel South Carolina.

Throughout CMC, we are working to increasingly automate our systems so that water systems shut down when other processes cease to run. This is more difficult than it may sound – it's easier to let systems run continuously to ensure that processes aren't starved when water is needed. But CMC recognizes the potential efficiency and conservation opportunity, and we are committed to investigating our options.







**CMC** reinforces our commitment to our people by making safety our top priority and by offering programs to help our people realize their fullest potential.



#### APPROACH TO SAFETY

Without exception, safety is our top priority. Responsibility for safety performance rests with the highest-ranking person on-site at every one of our facilities. These individuals report through a Regional VP and ultimately to our CEO, who reports on our safety and health performance quarterly to the Board of Directors.

In 2016, CMC had 113 locations with TERO INCIDENTS.

CMC has seen incremental improvements year over year in our total recordable incident rate (TRIR), which we believe is due, in part, to the effectiveness of our employee training and communication programs, such as our Proactive Safety Measures Initiative (PSM), safety video series and ongoing training.

CMC regularly benchmarks our safety and health performance against the incident rate of the North American Industry Classification System (NAICS) and other peer groups such as the Steel Manufacturing Association (SMA) and the Institute of Scrap Recycling Industries (ISRI) to ensure we are comparing ourselves to industry bests. We also share data and best practices twice a year with peer groups via SMA, ISRI and the Concrete Reinforcing Steel Institute (CSRI).

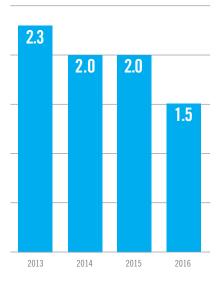
#### Safety-Enhancement Highlights

- Our global TRIR was 1.5 in 2016, down from 2.0 in 2014.
- 98 CMC locations achieved a zeroincident rate in 2015 and 113 CMC locations achieved a zeroincident rate in 2016.
- Rolled out Job Instruction Training (JIT) to over 30 CMC locations in 2015 and 2016 to accelerate employees learning how to do their jobs correctly, safely and conscientiously, every time.
- Continued to improve formal metrics for our Proactive Safety Measures (PSM) initiative introduced in 2014, and monitored progress. We've seen improvements in the level of proactive safety through this system, and an increased level of employee engagement at all levels.

- Strengthened our Global Safety
  Management System (GSMS), an
  online tool for tracking incidents,
  over 2015 and 2016 by streamlining
  the interface for data entry for
  employees. We monitor data from
  the GSMS closely which helps us
  identify trends and develop more
  targeted safety awareness training.
- Implemented a new web-based
   Safety Data Sheet Management
   System across our U.S. facilities that enables employees and customers to access Safety Data Sheets on any chemical or material they are using directly from their smartphones.

   The data sheets are maintained by a third-party provider which ensures

CMC Global TRIR (Total Recordable Incident Rate)



the most recent version is available, and also allows supervisors to spend more time interfacing on the floor with employees. Employees are also able to access this information at home, reinforcing the mindset of thinking and acting safely at work and at home.

Implemented a hands-free
 automatic rebar bender system
 at CMC Rebar in Gastonia, North
 Carolina which removes operators
 from a point of exposure where there
 had been previous injuries.

#### Safety Training in Poland

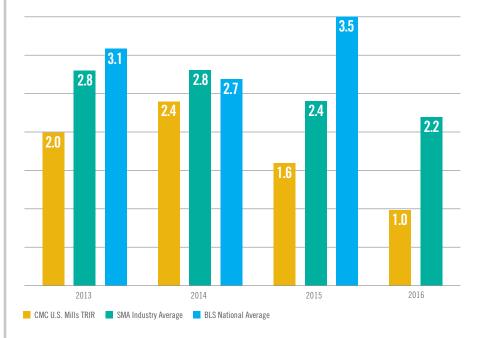
At CMC Poland, we conducted the following specialized training in 2015 and 2016:

- Explosive and other dangerous/ military materials detection in scrap – focusing on employees who are involved in the scrap handling process, we trained almost 300 employees from the mill and recycling yards in Poland.
- Protection against ion radiation (radioactive materials) in scrap

   also focused on employees
   involved in the scrap handling
   process, we trained 200
   employees from the mill and
   recycling yards.
- Safety Protocol when working at heights – training for employees who work at heights above 3 meters on a regular basis. In 2016, we trained 45 employees at the Poland mill.

#### CMC's U.S. Mills' Incident Rate is Consistently Below the National Industry Average

(as determined by the Bureau of Labor and Statistics)



Note: 2016 BLS National Average not available at time of publishing this report





#### Our Commitment in Action

#### JOB INSTRUCTION TRAINING

CMC successfully implemented our Job Instruction
Training (JIT) program in 2015. JIT teaches supervisors,
trainers and lead shift managers how to effectively
train employees for a specific job role using a structured
4-Step Delivery Method. The method focuses on
consistently and accurately documenting all the skills
and knowledge required to perform a specific job. This
documentation enables trainers to be more intentional
when teaching new employees how to perform a task
and ensures that each new trainee receives complete
exposure to the necessary job requirements for their role.

The JIT program enables us to focus on job training and minimizing distractions, which allows our supervisors to focus on reinforcing other key areas of responsibility for the role.

Job Instruction is a methodical way to train a person to quickly remember to do a job correctly, safely and conscientiously. When we train everyone to do their work in accordance with the definition of Job Instruction, our employees are better equipped to perform their work correctly, complete their share of the production, help control costs through efficiency, and are able to go home safely to their families.

# The key benefit of JIT is reduced injuries to our employees.

Our journey continues, as CMC employees who have learned the process are now practicing to master the fundamentals. JIT has had a positive impact in all areas of operation in the U.S. and Poland.

#### In FY2016, nearly

# 100 new employees

were trained using the CMC JIT program,

# 31 CMC locations

participated in JIT and

# 140 employees

completed training to become JIT trainers.

As a result of every person's hard work and attention to JIT, injuries are down and production efficiency is up!

26 COMMERCIAL METALS COMPANY 277



#### SAFETY RECOGNITION

Several CMC facilities received awards from the Concrete Reinforcing Steel Institute (CRSI) for Zero Injuries and for injury rates less than half of the industry's average industry rate as measured by the U.S. Department of Labor.

#### **2015 ZERO INCIDENTS**

CMC Cable

CMC Construction Services (Alexandria)

CMC Construction Services (Austin)

CMC Construction Services (Bossier City)

CMC Construction Services (College Station)

CMC Construction Services (Corpus Christi)

CMC Construction Services (Dallas Rental)

CMC Construction Services (El Paso)

CMC Construction Services (Fort Worth)

CMC Construction Services (Houston South)

CMC Construction Services (Lubbock)

CMC Construction Services (New Orleans)

CMC Construction Services (Rosenberg)

CMC Construction Services (Round Rock)

CMC Construction Services (San Antonio East)

CMC Construction Services (San Antonio West)

CMC Construction Services (Sulphur)

CMC Construction Services (Tulsa)

CMC Rebar (Denver) CMC Rebar (Farmville) CMC Rebar (Fontana)

CMC Rebar (Fort Myers)

CMC Rebar (Houston)

CMC Rebar (Lawrenceville)

CMC Rebar (Melissa)

CMC Rebar (Pharr)

CMC Rebar (San Antonio)

CMC Rebar (Slidell)

#### **2015** INCIDENTS < 50% INDUSTRY AVERAGE

CMC Construction Services (Baton Rouge)

CMC Construction Services (Dallas)

CMC Rebar - Placing (Las Vegas)

CMC Rebar - Placing (San Diego)

CMC Rebar - Placing (Tracy)

CMC Rebar (Buda)

CMC Rebar (Etiwanda)

CMC Rebar (Gastonia)

CMC Rebar (Tracy)

CMC Rebar (Waxahachie)

#### **2016 ZERO INCIDENTS**

CMC Cable

CMC Construction Services (College Station)

CMC Construction Services (El Paso)

CMC Rebar - Placing (Fresno)

CMC Rebar - Placing (Tracy)

CMC Rebar - Placing (Waipahu)

CMC Rebar (Arizona)

CMC Rebar (Corpus Christi)

CMC Rebar (Fontana)

CMC Rebar (Fort Myers)

CMC Rebar (Gastonia)

CMC Rebar (Houston - East)

CMC Rebar (Kankakee)

CMC Rebar (Laredo)

CMC Rebar (Las Vegas)

CMC Rebar (Lawrenceville)

CMC Rebar (Melissa)

CMC Rebar (Pharr)

CMC Rebar (San Antonio - West)

CMC Rebar (Tracy)

CMC Rebar (Waxahachie - Coating)

#### **2016 INCIDENTS < 50% INDUSTRY AVERAGE**

CMC Construction Services (Houston South)

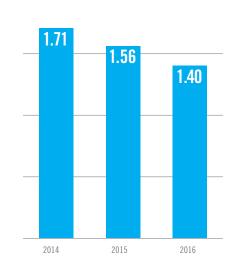
CMC Rebar - Placing (Las Vegas)

CMC Rebar (Dallas) CMC Rebar (Houston - West) CMC Rebar (San Antonio - Fast)

#### Contractor Safety

It is a priority for CMC to work with contractors who share our values when it comes to safety. Independent reporting shows that our contractors' safety records are in fact much better than industry average. This chart shows that CMC's contractors' Total Recordable Incident Rates (TRIR, which represents the incident rate per 100 employees) have decreased nearly 20% over the most recent three year period.

**CMC Contractor TRIR Trend** (Total Recordable Incident Rate)



We follow the same safety practices when working with our contractors that we insist on with our own work force. The success of those practices is demonstrated by the results. On average, CMC contractors have a 35% lower TRIR than their industry peers. That's success not only for our people, but for the employees of the contractors we work with as well.

CMC contractors have a lower TRIR than their industry peers.

#### APPROACH TO TEAM DEVELOPMENT

At CMC, we firmly believe that our people are the key to our success. Our energetic and entrepreneurial spirit has enabled us to remain a leader in the metals industry for over 100 years, and we believe our success is a direct result of the contributions and work ethic of one of the most talented work forces in the industry.

Our sector faces a resourcing challenge: attracting the skilled labor needed to sustain our business. Because of this, we have taken a proactive approach to developing our pipeline for talent. We also recognize that as the needs of our employees change, we must be intentional about getting their feedback so we can meet those needs and enjoy a high degree of retention. We take pride in hiring and developing the best talent for every facet of our business.

We continue to invest in safety, training and opportunities for growth for all employees. Our Learning Management System offers a variety of training courses and helps us track and assess

whether employees are up-to-date on the training they need. The Learning Management System drives greater transparency and accountability at all levels within CMC.

In 2015 and 2016, CMC continued to focus on the five key areas seen as critical to our future success:

**Talent Acquisition, Performance** Management, Learning and Development, Total Rewards and Career Planning.

#### Team Development Highlights

Significant developments in 2015 and 2016 for strengthening the CMC team, both now and for years to come, include:

#### Talent Acquisition

- Partnered with the Joseph Bem Complex of Schools, a technical high school in Zawiercie, Poland, on a dual educational system patronage class. We established a four year Mechanic Scholarship Program for students at the high school with the goal of addressing skilled labor shortages in the forthcoming years. We had five students in 2015 and seven in 2016; 13 students are scheduled to start in 2017.
- Continued to strengthen our relationships with local schools in our communities to engage and educate young adults and help develop our talent pipeline. We offer tours of our operations for interested groups and our employees volunteer their time to guest lecture at local schools and provide students insights into jobs that are available for recent graduates.



- Graduated our first class in
  the Mechanical Maintenance
   Apprentice Program in 2016. Five
   students graduated as certified
   Maintenance Mechanics and one
   graduated as a certified Machinist.
   The second Maintenance Apprentice
   Class is on target to graduate in
   2017. This program has helped fill
   some critical openings in the plant
   maintenance and machining areas
   at our South Carolina mill. We are
   currently planning to leverage the
   success of this program in locations
   outside of South Carolina.
- Expanded our internship programs

   many CMC locations conduct
   internships for students in their local
   area, both in the United States and
   in Poland. In 2016, an internship

- program was formalized in the corporate office and the interns we brought in all chose to accept employment offers with CMC at the end of the program.
- Helped recent graduates gain three months of professional experience in any area of interest within the company through our apprentice program in Poland. Seven participants took advantage of the program in 2015 and 3 in 2016; two of these participants became full-time employees after completing the program.

#### Performance Management

 Continued to develop and track annual, company-wide objectives

- and individual performance goals, including safety, customer service, finance and ethics training.
- Ensured every employee at CMC participated in a performance review meeting with a manager, and together set individual goals and objectives for the following year. These goals and objectives are reviewed throughout the year to ensure that both employees and their managers are on track to achieve success. Performance against these goals is tied to the base compensation component of employee salaries.
- Made our performance management process more efficient through the adoption of new technology. Our new digital platform enables us to quickly and easily review progress against the goals that are set each year, as well as track completion of performance reviews within a team, function and across the organization.

#### Learning and Development

• Continued to roll out our **Essentials** of Management training program, a requirement for all CMC supervisors and managers. In 2015 and 2016. we developed two new modules each year that address core competencies for manager success. Topics that have been added over the past two years include time management and organization skills, and reinforcement of the three types of coaching positive, constructive and corrective. These subjects were added to the core topics of effectively managing people and performance, selecting and hiring great talent, effective

- communications and collaborating in a changing world.
- Kicked off a 3-part Leadership
   Development program in Poland in 2015 that builds understanding and capabilities of new managers in the areas of change management, effective communication strategies and performance management.
- Improved tracking for training courses, including safety and code of conduct training, through our Learning Management System
  (LMS). Our LMS offers a variety of training courses, including online courses that are available to employees across the organization, and helps us track and assess whether employees are up-to-date on the training they need. LMS drives greater transparency and accountability at all levels within CMC.

#### Total Rewards

- Continued providing a comprehensive benefits program.
   We strive to be competitive in our industry with compensation, including providing a comprehensive benefits program.
- Saw employee participation in our
   401K program remain constant at
   93 percent (from 2014 to 2016) but



the average deferral rate increased from six to seven percent, a portion of which CMC matches.

- Contributed \$227,536 towards the reimbursement of tuition over 2015 and 2016, and awarded 130 scholarships to children of CMC employees.
- Continued to provide employees in all locations with round-the-clock access
- to our **Employee Assistance Program** (EAP), a free, confidential source for information, referrals and counseling for our employees and their families.
- Maintained our Know Your Numbers campaign designed to support employees who want to proactively improve their health and wellness in areas such as weight loss, smoking cessation, preventative screening and more.
- Implemented company-funded private health care in Poland in 2016 in addition to the public services that are available to all citizens. The goal of the program is to ensure faster access for medical examinations and appointments with medical specialists when needed.

\$227,536
given in tuition reimbursements to CMC employees over 2015 and 2016

 Provided CMC Poland employees and their families access to a **Multisport Program** which includes physical fitness activities such as swimming, gym activities, aqua aerobics, yoga, squash, skating and Nordic walking. In 2016, over 500 employees participated in the Multisport Program along with 300 family members (who paid a subsidized cost).

#### Career Planning

• Developed career and development plans for our top 400 leaders. The Career Planning process kicked off in December 2015 and concluded with an Executive Leadership review and a Board of Directors review in March 2016.

#### Management Development Program

In 2015, we completed our regional Management Development Program (MDP) targeted at emerging leaders within the company. This program

helps future CMC leaders develop their management abilities, learn valuable finance skills and gain exposure to all CMC Business Units and a broader understanding of our vertically integrated business.

With guidance from regional leadership, teams of four-to-five employees representing a range of business functions worked together on a year-long project where they had an opportunity to identify and analyze a business challenge and propose solutions for overcoming those challenges. Employees who participated in the program said they valued the exposure to management team members, and appreciated sharing ideas with colleagues in different parts of the business.

Individual Development Plans for Senior Leaders

In 2016, we rolled out the core leadership competencies for our global Senior Leaders that were developed

in 2014. Senior Leaders are assessed against these competencies, and, in partnership with their managers, create and work on Individual Development Plans.

Throughout the year, Senior Leaders and their managers review their Individual Development Plans to adjust or update it as appropriate. As an outcome of the Career Planning process, CMC promoted and increased responsibilities for Senior Leaders. Part of our growth agenda is ensuring that our talent, in particular at the Senior Leader level, is capable and ready for leading larger and / or different businesses or functions.

The Executive Leadership Team regularly discusses and assesses opportunities for Senior Leader development, and determines whether to move an individual to a new role, expand their responsibilities or allow the individual to continue to develop in place.



#### LOCATIONS WITH ZERO INCIDENTS IN 2016

Locations with zero incidents over multiple years have the number of years in parentheses. We began tracking number of years with zero incidents for International locations in 2012.

zero incidents for international locations	S III 2012.
CMC Australia International Steel -	CMC Farea
Bibra Lake (4)	CMC Impac
CMC Australia International Steel - Carrington (3)	CMC Impac
CMC Australia International Steel -	CMC Intern
Hawthorn (4)	CMC Intern
CMC Australia International Steel -	CMC Polan
Hurstville (4)	CMC Polan
CMC Cable - Sales Office (3)	CMC Polan
CMC Cable (2)	CMC Polan
CMC Cary Engineering	CMC Polan
CMC Cometals - Texas	CMC Polan
CMC Cometals Europe (4)	CMC Polan
CMC Cometals Russia (4)	CMC Polan
CMC Cometals Steel - Houston	CMC Polan
CMC Construction Services -	CMC Polan
Administrative Office	CMC Polan
CMC Construction Services - Alexandria (5)	CMC Polan
CMC Construction Services - Austin (3)	CMC Polan
CMC Construction Services - Baton Rouge	CMC Polan
CMC Construction Services - Bossier City	CMC Polan
CMC Construction Services - College Station (3)	CMC Putex
CMC Construction Services - Conroe	CMC Rebai
CMC Construction Services - Corpus Christi	CMC Rebai
CMC Construction Services - Dallas	CMC Rebai
CMC Construction Services - Dallas Rental	CMC Rebai
CMC Construction Services - El Paso	CMC Rebai
CMC Construction Services - Fort Worth (4)	CMC Rebai
CMC Construction Services - Houston NW	CMC Rebai
CMC Construction Services - Houston South	CMC Rebai
CMC Construction Services - Lubbock	CMC Rebai
CMC Construction Services -	CMC Rebai
New Steel Good Latimer	CMC Rebai
CMC Construction Services -	CMC Rebai
New Steel Norwich	CMC Rebai
CMC Construction Services - Pharr (5)	CMC Rebai
CMC Construction Services - Rosenberg (4)	CMC Rebai
CMC Construction Services - San Antonio East	CMC Rebai
Sall Alliuliu Easi	51115 110501

CMC Australia International Steel -	CMC Fareast Limited - Hong Kong	CMC Recycling - Alexander City
Bibra Lake (4)	CMC Impact Metals - Pell City	CMC Recycling - Austin North
CMC Australia International Steel -	CMC Impact Metals - Youngstown	CMC Recycling - Austin South
Carrington (3)	CMC International Trade - Guangzhou	, ,
CMC Australia International Steel -	CMC International Trade - Shanghai	CMC Recycling - Burlington
Hawthorn (4)		CMC Recycling - Cayce
CMC Australia International Steel -	CMC Poland - Bydgoszcz (3)	CMC Recycling - Charlotte
Hurstville (4)	CMC Poland - Chrzanow (3)	CMC Recycling - Clute (5)
CMC Cable - Sales Office (3)	CMC Poland - Dabrowa Gornicza	CMC Recycling - Columbia
CMC Cable (2)	CMC Poland - Gdansk (3)	CMC Recycling - Corpus Christi
CMC Cary Engineering	CMC Poland - Herby	CMC Recycling - Corpus Christi Shredder
CMC Cometals - Texas	CMC Poland - Konin (3)	CMC Recycling - El Paso
CMC Cometals Europe (4)	CMC Poland - Koszalin (3)	CMC Recycling - Florence
CMC Cometals Russia (4)	CMC Poland - Lublin	CMC Recycling - Fort Worth (3)
CMC Cometals Steel - Houston	CMC Poland - Olsztyn (3)	CMC Recycling - Gainesville
CMC Construction Services -	CMC Poland - Raczki (3)	CMC Recycling - Galveston (7)
Administrative Office	CMC Poland - Rzeszow (3)	CMC Recycling - Independence (4)
CMC Construction Services - Alexandria (5)	CMC Poland - Slupsk (3)	CMC Recycling - Laredo
CMC Construction Services - Austin (3)	CMC Poland - Warszawa (3)	CMC Recycling - Lexington
CMC Construction Services - Baton Rouge	CMC Poland - Zaklad Zebiec (3)	CMC Recycling - Lexington Landfill (21)
CMC Construction Services - Bossier City	CMC Poland - Zyrardow (3)	CMC Recycling - Lufkin (4)
CMC Construction Services -	CMC Putex (3)	CMC Recycling - Odessa
College Station (3)	CMC Rebar - Carolina Sales	CMC Recycling - Orlando
CMC Construction Services - Conroe	CMC Rebar - Corpus Christi	CMC Recycling - Seguin
CMC Construction Services - Corpus Christi	CMC Rebar - Farmville (2)	CMC Recycling - Springfield
CMC Construction Services - Dallas	CMC Rebar - Fontana (5)	CMC Recycling - Victoria (2)
CMC Construction Services - Dallas Rental	CMC Rebar - Fresno	CMC Recycling - Waco
CMC Construction Services - El Paso	CMC Rebar - Fort Myers	CMC Recycling Singapore (4)
CMC Construction Services - Fort Worth (4)	CMC Rebar - Gastonia	CMC S.E. Asia Pte Ltd Malaysia (4)
CMC Construction Services - Houston NW	CMC Rebar - Hawaii	CMC S.E. Asia Pte Ltd Singapore (4)
CMC Construction Services - Houston South	CMC Rebar - Houston East	CMC Southern Post - Arkansas
CMC Construction Services - Lubbock	CMC Rebar - Jacksonville	CMC Southern Post - South Carolina (3)
CMC Construction Services -	CMC Rebar - Las Vegas	CMC Southern Post - Texas
New Steel Good Latimer	CMC Rebar - Lawrenceville	CMC Southern Post - Utah
CMC Construction Services -	CMC Rebar - Lumberton	CMC Steel Oklahoma
New Steel Norwich	CMC Rebar - Melissa	CMC Structural - Waco
CMC Construction Services - Pharr (5)	CMC Rebar - San Antonio East	CMC UK Ltd. (2)
CMC Construction Services - Rosenberg (4)	CMC Rebar - San Antonio Bast (2)	Commercial Metals (Thailand) Ltd. (4)
CMC Construction Services -	CMC Rebar - Tracy	Commercial Metals Company -
San Antonio East	CMC Rebar - York	Corporate Office
CMC Construction Services - Sulphur (2)		Commercial Metals Deutschland GmbH (4)
CMC Construction Services - Tulsa (2)	CMC Rebar Coating - Waxahachie	30000110111 (1)



**CMC** reinforces our commitment to the communities in which we live and work by making investments that strengthen local economies and support the causes our people believe in.



#### APPROACH

CMC is committed to being a good corporate citizen and making a positive impact in the communities where we live and work. We operate in many small towns and are proud that the sense of family we have internally extends to these communities as well. We know that our communities expect us to be sustainable financially over the long term, and CMC strives to make a positive difference. It's one of our responsibilities as a company. But it's also much more than that our investments help strengthen local economies, engage our workforce and build a more resilient society. Our reputation as a good neighbor and employer is very important to our legacy and our commitments

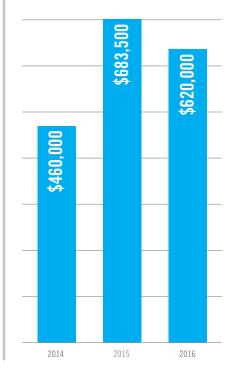
Our approach to giving back to our communities encompasses company financial support through dollars given, in-kind gifts of steel and other construction products, as well as employee volunteerism in causes that align with our company values. Beyond the products we offer, a company like CMC has talented people that can help to improve lives and strengthen communities.

to community are reflected in our company's Guiding Principles.

Each CMC location has the ability to determine which local organizations they would like to support at the local level, so they feel empowered to be able to make a difference within their own communities. This approach also enables us to directly align our company volunteerism efforts with our employees' talents and passions. Some of the organizations we have chosen to align with in 2015 and 2016 include Habitat for Humanity, the Gary Sinise Foundation, the American Heart Association and several local technical colleges.

CMC has also continued to support organizations such as United Way, American Cancer Society and local community sports teams and cultural events.







#### CONTRIBUTING TO COMMUNITIES BY THE NUMBERS

Here are a few of the communities and causes we touched in 2015-2016:



# **United Way**

Blood Services Drive and donated 1,300 lbs. of non-perishable food in both 2015 and 2016.

United Way increased in 2015 and 2016.



## Susan G. Komen Race for the Cure

Over **40 CMC families** participated in CMC Steel Alabama's Susan G. Komen



## **American Cancer Society**

100 CMC employees in Mesa, Arizona participated in the American Cancer Society's 5K walk to raise money for breast cancer research in 2015.



"We get done in one day what we expect to take a month when CMC is involved. They have a

huge impact."

# Habitat for Humanity

Volunteers from CMC Steel Texas gather one Saturday each month to work

CMC provided more than 40% of the volunteer hours needed to build these homes.







Multiple CMC locations held annual fundraising drives, and total donations to





"By utilizing the vehicles provided by CMC, we can incorporate real life situations. We cut doors and roofs, displace dashboards, cut through floorboards, tunnel through trunks spaces, etc. There is no way the fire training standard could be met without the use of these vehicles."

- Richie Lietz, Fire College Captain

# City of Corpus Christi Fire Department & Florida State Fire College

CMC recycling locations in Corpus Christi, Texas and Gainesville, Florida donated scrap car bodies over 2015-16 that Corpus Christi Fire Department and Florida State Fire College used to practice their jaws-of-life rescue skills.





# The City of Zawiercie

CMC Poland purchased an ambulance for the local Zawiercie hospital in 2016 to help meet the needs of a growing community and ensure best-in-class healthcare service.

CMC contributed to and volunteered with the local brass band; 60% of the members are CMC employees.





COMMERCIAL METALS COMPANY 37



## American Heart Association

**440 CMC employees and family members** participated in the American Heart Association's 3 mile Dallas Heart Walk in 2015 to raise awareness about heart disease and stroke.

In 2015, CMC employees at the corporate office raised money during a "Wear Jeans to Work Week", where employees who donated could wear jeans to the office. In 2016, the corporate office raised money through a "Here's to Your Heart" raffle.







# Salt Water Fisheries Enhancement Association

In 2015, CMC Recycling in Corpus Christi participated in the annual Salt Water Fisheries Enhancement Association's (SEA) annual fundraising banquet helping raise money to fund local conservation projects along the Texas Coast.

# CMC Women Make Their Mark at Relay for Life

2016 marked the 17th year that the CMC Steel Texas team came together to participate in the Guadalupe County Relay for Life Event. Relay for Life events bring communities from across the globe together to honor cancer survivors, remember lost loved ones and raise money to support cancer treatment and prevention.

In 2016, eight incredible women formed CMC Steel Texas "Steel Friends" Team and raised over \$17,000 for the American Cancer Society. Their efforts resulted in being ranked the Highest Fundraising Team at the Guadalupe County Relay for Life Event of 21 teams. The total raised by the event was approximately \$82,000, with CMC employees contributing approximately 21 percent of that total.



# Continuing the Tradition of the Santa Clause Action

2016 marked the 11th year that CMC Poland's employees dressed as Santa Clauses and appeared on the streets of Zawiercie on the last Saturday before Christmas to hand out toys and treats to children.



In 2015, the CMC Santa Clauses gave almost 1,000 CMC Mascots with our commemorative "100-year Anniversary" bandanas to the children of the community. Each year, the community looks forward to the annual Santa Clause Action and the children are always excited to see the CMC

Santa Clauses.

#### Project Longnecks at Riverbank Zoo

At the entrance to the Riverbank Zoo in Columbia, South Carolina stands a family of long necked giraffes – all made out of recycled and re-used steel and donated to the zoo by CMC. These beautiful creatures were created by the CMC Steel South Carolina's Maintenance Apprentices, who used the project to enhance their knowledge of fabrication, project management and welding skills and to develop something that everyone who visits the zoo can enjoy.

The project took a year to complete and involved extensive coordination between five different divisions of CMC and Riverbank Zoo personnel. The sculptures include recycled metal materials of all shapes and sizes as well as steel rebar, merchant bar and T-posts, all manufactured locally in Columbia.



#### Paying It Forward – Leading by Example

We are proud of the time CMC Steel Texas donates to the Guadalupe Valley Habitat for Humanity nonprofit organization and were honored in 2016 to have been the inspiration for another local businessman, Hub Greenlees, owner of Hubco, a trucking company and CMC vendor based in New Braunfels, TX. Greenlees made a donation to Habitat for Humanity and attached a letter expressing his gratitude towards CMC. "You and your company have given us a great opportunity, and we have grown," the letter said. "As we grow, we want to be like CMC, we want to follow your lead professionally and in kindness."

#### Scrap Can Be Beautiful Contest

Since 1978, CMC has sponsored the annual "Scrap Can Be Beautiful" contest and exhibit that features art sculptures created by students from Booker T. Washington High School for the Performing and Visual Arts in Dallas, Texas. All scrap metal used in the sculptures is donated to the school by CMC from one of our local recycling yards.

The contest and exhibit are held each year in conjunction with CMC's Annual Meeting of Stockholders, where artists of the winning sculptures are awarded ribbons and monetary prizes. The artwork is judged by a panel of professionals comprised of artists and individuals who have worked in the

arts field, some of whom have judged the contest for more than 20 years.

Sculptures compete in "Tabletop" and "Floor" categories and the winning entries are displayed in CMC's corporate lobby in Irving, Texas for one year. Students are also given the option to enter pieces into a silent auction where employees are able to bid and purchase them.

2016 represented the 38th year this contest has been held. The ongoing community partnership between CMC and Booker T. Washington High School for the Performing and Visual Arts continues to give aspiring young artists a fun way to express their creativity and offers them the opportunity to showcase their art and earn recognition.







#### Our Commitment in Action

#### HELPING BUILD A SMART HOME

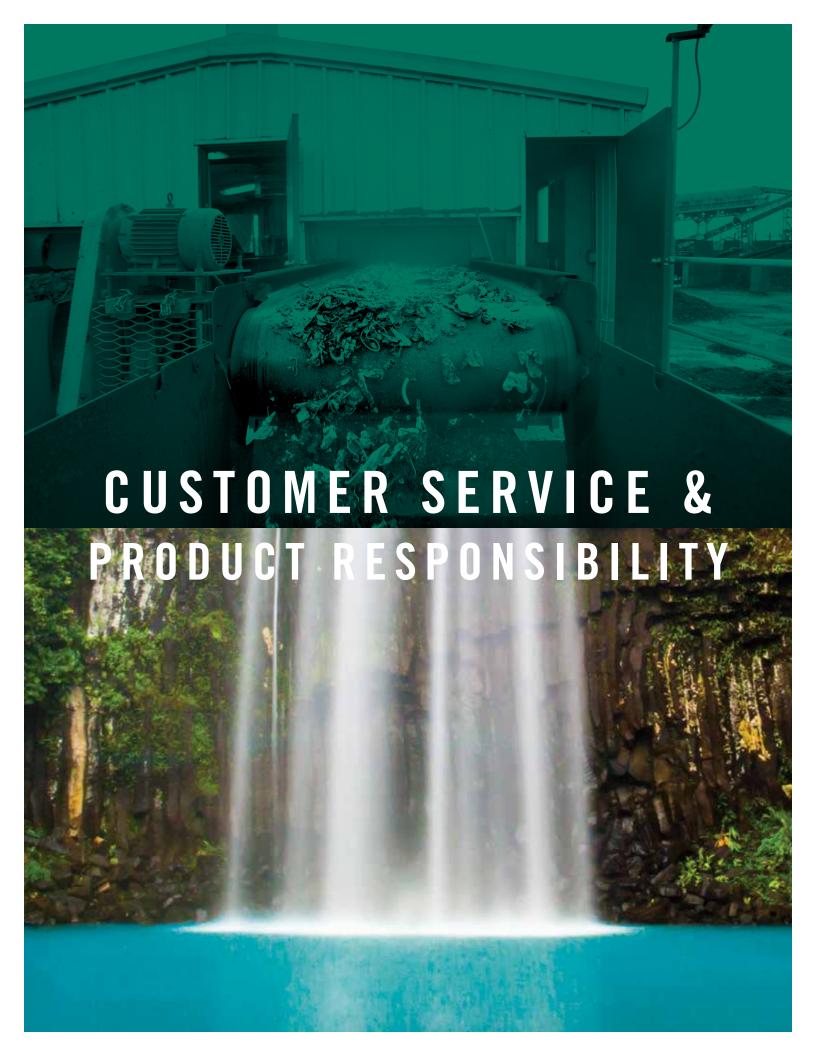
CMC has been a corporate sponsor of the <u>Gary Sinise</u> <u>Foundation</u> since 2012. The Foundation aids our nation's defenders, veterans, first responders and their families through multiple programs, including R.I.S.E. (Restoring Independence. Supporting Empowerment.) — a program that builds specially adapted Smart Homes for severely wounded veterans to help increase their mobility and reclaim their self-reliance.

In addition to financial support, in 2015, 16 employees from CMC Steel Texas, all veterans themselves, participated in an exterior clean- up day in Canyon Lake, Texas for a Smart Home being constructed for United States Marine Corps Veteran Gunnery Sgt. Travis Green. In September 2011, while on deployment in Afghanistan, Travis came under fire during a combat operation and was severely wounded by an improvised explosive device, losing both of his legs just above the knee.

CMC crews helped with site clean-up and landscaping projects, including building flower beds and hauling rocks, distributing mulch and clearing the entire acreage around the Smart Home.

U.S.M.C. Veteran Sgt. Travis Green was "astounded" that so many people from CMC made time to come and help get his new home ready for move-in.

CMC employees take pride in knowing CMC supports organizations like the Gary Sinise Foundation financially, but they especially appreciate the opportunity to have a hands-on impact through personal volunteerism. Many employees feel connected to the Smart Home builds because they have served in active or reserve duty or have family members who serve in the armed forces or as first responders.



**CMC** reinforces the commitment to customer service and product responsibility by listening to our customers, training our people and providing the products our customers need.



#### APPROACH

As highlighted in our Guiding
Principles, CMC places customers
at the core of all we do. We believe
that if we focus on meeting the needs
of our customers, we will succeed.
To that end, we are in continuous
communication with our customers
to better understand their needs and
provide creative solutions that add
value to their businesses. Critical to
doing this well is ensuring that all CMC
employees are properly equipped to
manage and respond to our customers'
changing needs and expectations.

CMC's **Commercial Excellence Initiative** focuses on multiple customer feedback mechanisms, a continuous improvement management system, and extensive employee training.

#### Key Performance Indicators

CMC has established **Key Performance**Indicators (KPIs) to help us objectively
assess how well we are serving our
customers within each line of business
in the areas that they tell us matter most
to them and to encourage us to remain
dedicated to improving in those areas.
Our online management dashboard
helps us track performance in areas
such as on-time shipping, invoice
accuracy, contract processing time,
fabrication errors and more. This allows

us to quickly and effectively address any issues and respond to specific customer concerns. Performance on these KPIs is tracked in real-time for each line of business and is regularly shared with team members and their managers, as well as our Board of Directors.

#### Helping Customers Reduce Their Environmental Footprints

As a company committed to minimizing our own environmental footprint, CMC also wants our steel products to contribute to our customers' sustainability initiatives. We are an active member and supporter of the efforts of the U.S. Green Building Council in the Leadership in Energy and Environmental Design (LEED®) initiative, and CMC leads the industry in providing information about the environmental attributes and performance of our key products. Having recently completed a manufacturer-specific **Environmental** Product Declaration (EPD) for all mill products and CMC fabricated rebar and structural steel, we supply our customers with steel that can contribute a full positive LEED® credit under the new LEED® v4.

For more information on how our products can help achieve LEED® points, please see the <u>CMC LEED® Statement</u> on CMC.com.



#### Making Our Customer's Jobs Easier with CMC's eStore

Our CMC Construction Services'

eStore went live in 2016 at <a href="Mailto:CMCConstructionServices.com">CMCConstructionServices.com</a>, delivering a complete package of construction products and services to construction workers, contractors and engineers. Customers can create an account and then easily review all available CMC Construction Services products and submit orders from anywhere, at any time, via their computer or mobile device.

Customers can also pull up account details like ship-to locations and can easily place orders for delivery direct to job-sites or for in-store pick up at a convenient location. Additionally, the CMC eStore enables customers to access Product and Safety Data Sheets for the products we carry online.

#### Recognition for CMC Poland

Our CMC Poland mill was recently recognized with the <u>SustSteel</u> products mark – a certification from Bureau Veritas in the EU that affirms that a 2016 audit of our sustainability management and KPIs system showed that CMC meets the SustSteel Regulations and its requirements. There are several requirements for obtaining the mark: Fulfill Legal Requirements; Sustainability Management System; KPI System; Achieve Reference Values for KPIs; KPI Self-Assessment; Third Party Verification.

# GATHERING & ACTING ON CUSTOMER FEEDBACK

CMC proactively gathers feedback from our customers in a variety of ways, including different survey tools that track and evaluate our customer satisfaction performance against our peers, as well other forms of direct engagement.

2014 Out of 27 mills surveyed, CMC mills ranked:

2015 Out of 29 mills surveyed, CMC mills ranked:

2016 Out of 28 mills surveyed, CMC mills ranked:

• The Jacobson & Associates Steel Customer Satisfaction Survey is the steel industry benchmark for measuring customer satisfaction. The survey, which compares CMC to our major steel mill peers in the United States and Canada, evaluates customer satisfaction on: Overall Satisfaction, Quality, Service, Price, On-Time Delivery, Inside and Outside Sales and eCommerce.

In 2016, CMC mills were ranked #1, 2, 3 & 4 out of 28 mills.

CMC is proud to consistently rank highly in the Jacobson survey and is committed to continual improvement to ensure we maintain our high rankings. Because the results of this survey are so important to us, we

OUR JACOBSON & ASSOCIATES STEEL CUSTOMER SURVEY RANKINGS KEEP GETTING BETTER

**1** 2 3 **4** 5 **6 7** 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

**1 2 3 4** 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

**1** 2 3 **4 5** 6 7 **8** 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27

also internally track our average mill performance year over year. In 2014 and 2015, our average mill ranking from the Jacobson Survey was 4.5 out of all 29 mills participating, and in 2016 our average ranking improved to 2.5. This is calculated by finding the average ranking of our four mills that participate.

- In 2015, CMC enhanced regular email communications and began sending bi-weekly communications to our customers.
- CMC continues to reach out to customers with our own *project-specific surveys*, and issue short, monthly surveys to a percentage of our customers after they have completed a project using fabricated rebar from CMC. The response rates have been solid, and the feedback is extremely valuable for us. We get immediate feedback, share that feedback with those who were directly involved in the customer experience, and are better equipped to address any issues uncovered in a timely manner.

# Our Commitment in Action CMC'S 5 ESSENTIAL RULES OF EXCEPTIONAL CUSTOMER SERVICE

At CMC, we believe everyone has responsibility for delivering an exceptional customer service experience throughout the life cycle of the sale, and we know that it's a team effort to keep our customers satisfied and loyal. We pride ourselves on our excellent customer feedback results and work hard to train our employees so that they can provide a first-class customer service experience.

In 2015 and 2016 we **implemented multiple Exceptional Customer Service training sessions** for employees, each with a slightly different emphasis.

Feedback from employees who participated in the 2015 Exceptional Customer Service training sessions encouraged us to define exactly what customer service means to CMC. So together we developed the **5**Essential Rules of Exceptional Customer Service. The Rules are now posted in all CMC locations, and friendly reminders related to them are regularly shared with employees to help us all keep them top of mind.



# 5 ESSENTIAL RULES OF EXCEPTIONAL CUSTOMER SERVICE



#### SHOW CUSTOMERS YOU CARE

Make customers feel appreciated and follow **THE GOLDEN RULE** by treating customers the way you would like to be treated.



#### LISTEN AND UNDERSTAND CUSTOMERS' NEEDS

Listen to customers and understand their needs – confirm your ability to meet expectations and communicate to your team; GIVE THEM MORE THAN EXPECTED.



#### KEEP PROMISES

Make each customer interaction a COMMITMENT YOU CAN COUNT ON.

Keep the customer updated in a timely manner on unexpected changes from your promise.



#### TAKE PERSONAL RESPONSIBILITY

Take personal responsibility for customer complaints or problems and know how to apologize — don't assign blame, TAKE RESPONSIBILITY.



#### YOU ARE RESPONSIBLE FOR CUSTOMER SERVICE

Everyone is responsible for customer service — IT'S A TEAM EFFORT.



COMMITMENT





#### CMC STEEL SCHOOL

Our "CMC Steel School" events continued successfully in 2015 and 2016. Nationwide, 115 customers attended a CMC Steel School in 2015. and 83 customers attended in 2016. During these events, customers are invited to tour our mills and learn how our steel is made. We are proud of our innovations and sustainable processes and appreciate the opportunity to share those practices with our customers. These events also provide an opportunity to build and strengthen relationships with our customers. We use this opportunity to talk to customers one-on-one and gather feedback on what is important to them and how we can improve our processes to help improve their business. We have held Steel Schools at CMC Steel South Carolina. Alabama and Arizona. CMC Steel Texas is holding its first Steel School event in 2017. Due to the success of CMC Steel School, in 2016 we held our first "CMC Fab School," which focuses on the rebar fabrication process from start to finish. Our first class was held in March of 2016, and 24 customers attended the event. Twenty CMC employees from different lines of business also attended to better understand a different line of business and how their roles potentially interact.

# CONTINUOUS IMPROVEMENT MANAGEMENT SYSTEM

Feedback we receive from customers through surveys and other communications is channeled into our Continuous Improvement Management System. In 2015, we improved this



system by integrating our customer feedback platform into our Enterprise Resource Planning (ERP) system.

Now, data collected through customer service requests generates interactive dashboards that make it easier to track real-time progress and report against our customer service targets.

# EMPLOYEE CUSTOMER SERVICE TRAINING

All CMC employees, even if they don't directly interact with customers, receive Customer Service Training. Everyone has a role to play in ensuring that our customers are satisfied and, as a company, we want to provide the tools and training necessary so our employees are empowered to solve

customer service challenges with a positive attitude.

Phase 1 of our employee customer service training took place over eight months between 2014 and 2015. We worked with an external service provider to help deliver four-hour customer service classes and trained 5,800 CMC employees. Bringing employees together from various business functions (e.g. Fabrication, Construction Services, IT, Recycling) helped employees better understand how their actions impact others, fostered an enhanced sense of team and encouraged greater ongoing communication between the groups. Positive employee feedback from this training led us to develop Phase 2.

We launched Phase 2 of our Customer Service Training in September 2016 and will continue with delivery into 2017. Our goal is to have all 5,800 U.S based CMC employees participate in the Phase 2 training sessions, where content is targeted for each of our business units. We also place emphasis in Phase 2 on communication styles and "internal customer service" – being able to work collaboratively across departments within the company improves our ability to provide best-in-industry customer service for our external customers.

In addition to our in-person employee training program, our eLearning library has four training modules on Customer Service. These modules enable new employees to experience the training, and they provide managers with an opportunity to require corrective training for current employees when it is deemed appropriate. Starting in 2017, the eLearning customer service training will be part of the required onboarding process for new employees.



# A Customer Thanks CMC for Excellent Service

CMC Rebar in Lawrenceville, Georgia, has been recognized by Precision Concrete for excellent customer service. The Precision team, including



the Vice President, traveled to the Lawrenceville site to meet and thank the CMC team for its efforts. Precision Concrete provided an appreciation lunch for CMC employees and then received a tour of the CMC shop.

# Meeting Customer Needs with a New Product

In 2015, CMC announced the construction of CMC Steel Oklahoma and broke ground on the site in 2016. This location will begin commercial shipments of straight-length rebar in late fall of 2017and in spring of 2018 will begin shipping our innovative new product, spooled rebar, that boasts several environmental and safety benefits.

#### **Benefits of Spooled Rebar:**

#### *Twist-free spools:*

- Result in safer, tangle-free de-coiling
- Reduce waste due to improved bar straightness resulting in fewer rejects
- Increase productivity by multi-stranding twist-free bar

#### Larger spool sizes:

- Minimize yield loss from increased linear feet per spool
- Increase productivity rates by reducing change-out downtime

# High-tonnage and ultra-compact spools:

- Minimize inventory storage space needs
- Minimize handling and transportation costs
- Improve safety in shipping,
   handling and machine loading

# **GRI Content Index**

The Global Reporting Initiative (GRI) is an independent institution whose mission is to develop globally applicable sustainability reporting guidelines. GRI is now the most widely used sustainability reporting framework in the world. Where feasible and applicable, CMC reports on GRI G4 standard disclosures. The chart below indicates where in our report you will find GRI standard disclosures.

GENERAL STANDARD DISCLOSURES				
General Standard Disclosures	Disclosure Title	Page Number (or Link)		
ORGANIZAT	IONAL PROFILE			
G4-3	Name of organization	Commercial Metals Company		
G4-4	Primary products, services	About Us, CMC 2016 10-K		
G4-5	Location of the organization's headquarters	6565 North MacArthur Blvd. Suite 800 Irving, Texas 75039		
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	About Us		
G4-7	Nature of ownership and legal form	About Us		
G4-8	Markets served	CMC 2016 10-K		
G4-9	Scale of the organization	About Us, CMC 2016 10-K		
G4-10	Employee demographics	About Us (Partially reported)		
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	No significant changes.		
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:  • Holds a position on the governance body  • Participates in projects or committees  • Provides substantive funding beyond routine membership dues  • Views membership as strategic	Managing our Sustainability Impact – Identifying Emerging Sustainability Issues		
STAKEHOLD	STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization	Managing Our Sustainability Impact - Engaging our Stakeholders		
REPORT PR	OFILE			
G4-28	Reporting period	About This Report		
G4-29	Date of most recent previous report	2014		
G4-30	Reporting cycle	Biennial		
G4-31	Contact point for questions regarding the report or its contents	www.cmc.com (Contact Us)		
GOVERNANC	E			
G4-34	Governance structure, including any committees responsible for decision-making on economic, environmental and social impacts	Managing Our Sustainability Impact - Identifying Emerging Sustainability Issues		
ETHICS AND	INTEGRITY			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	About Us - Our Guiding Principles, Managing Our Sustainability Impact - Acting Ethically		

SPECIFIC S	TANDARD DISCLOSURES	
DMA and Indicators	Disclosure Title	Page Number (or Link)
CATEGORY:	ECONOMIC	
G4-DMA	Generic disclosures on management approach	About Us, CMC 2016 10-K
G4-EC1	Direct economic value generated and distributed	About Us, Contributing to Communities, CMC 2016 10-K (Partially reported)
CATEGORY:	ENVIRONMENTAL	
G4-DMA	Generic disclosures on management approach	Environmental Stewardship
G4-EN2	Percentage of materials used that are recycled input materials	Environmental Stewardship - Contributing to the Development of a Circular Economy
Material As	pect: Energy	
G4-DMA	Generic disclosures on management approach	Environmental Stewardship
G4-EN5	Energy intensity	Environmental Stewardship - Energy Efficiency and Climate Change Mitigation
G4-EN6	Reduction of energy consumption	<u>Environmental Stewardship - Energy Efficiency and</u> <u>Climate Change Mitigation</u>
Material As	pect: Water	
G4-DMA	Generic disclosures on management approach	Environmental Stewardship
G4-EN10	Percentage and total volume of water recycled and reused	<u>Environmental Stewardship - Water Stewardship</u> (Partially reported)
Material As	pect: Emissions	
G4-DMA	Generic disclosures on management approach	Environmental Stewardship
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environmental Stewardship - Energy Efficiency and Climate Change Mitigation
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environmental Stewardship - Energy Efficiency and Climate Change Mitigation, Energy Efficiency Highlights
Material As	pect: Effluents and Waste	
G4-DMA	Generic disclosures on management approach	Environmental Stewardship
CATEGORY:	SOCIAL	
SUB-CATEG	ORY: LABOR PRACTICES AND DECENT WORK	
Material As	pect: Occupational Health and Safety	
G4-DMA	Generic disclosures on management approach	Valuing Our People
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	<u>Valuing Our People - Safety is Our Top Priority</u> (Partially reported)
Material As	pect: Training and Education	
G4-DMA	Generic disclosures on management approach	Valuing Our People
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Valuing Our People - Learning and Development, Career Planning (Partially reported)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Valuing Our People - Performance Management
SUB-CATEG	ORY: PRODUCT RESPONSIBILITY	
Material As	pect: Product and Servicing Labeling	
G4-DMA	Generic disclosures on management approach	Customer Service and Product Responsibility
G4-PR5	Results of surveys measuring customer satisfaction	Customer Service and Product Responsibility

48

