



it's what's **inside** that counts

Sustainability Accounting Standards Board Disclosure

For Iron & Steel Producers Sustainability Accounting Standard

Founded in 1915, Commercial Metals Company (CMC) is a global leader in sustainable recycling, manufacturing and fabrication of steel and metal products and related materials and services. Headquartered in Dallas, Texas, our global workforce of approximately 11,297 employees operates our 184 facilities across the U.S. and Poland. Our operations consist of collecting and processing scrap metal at our local recycling centers, melting recycled scrap steel into finished products at our steel mini and micro mills, and processing steel at our fabrication centers and heat-treating facilities. Our unique vertical integration business model has revolutionized how the steel industry operates today.

Originally founded as a steel recycling business, our values stem from sustainable business principles. One hundred percent of our steelmaking facilities utilize Electric Arc Furnace (EAF) technology and our scrap-based EAF micro and mini mill steelmaking processes consume fewer natural resources, use less energy and release fewer emissions than alternative blast furnace steelmaking technology. Driven by innovation and resource efficiencies, CMC continues to be a market leader with a sustainable business model.

The disclosures of emissions, energy consumption and wastes include our steel producing facilities which comprise more than 95% of our CO₂-e footprint as allowed by The Greenhouse Protocol. Safety disclosures represent all CMC operations globally.

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

1. Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting Metric	Category	Unit of measure	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	EM-IS-110a.1

Greenhouse Gas Emissions (annual totals)	2018	2019	2020
Gross global Scope 1 emissions (metric tons CO ₂ -e)	780,194	1,119,442	1,102,623
% of CO ₂ -e covered under emissions-limiting regulations	3.25%	3.71%	4.24%

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

CMC recognizes the risks that global climate change has on our business and the communities in which we operate. Since our founding, we have consistently implemented new operating technologies to significantly reduce our energy and resource consumption. Our drive to innovate and improve has kept us at the forefront of energy and resource efficiency, and we will continue investing in future opportunities beneficial to the environment and our business. Today, because of our innovation and based on our global benchmarking analysis, we believe CMC’s steelmaking operations have among the lowest greenhouse gas (GHG) emissions and energy consumption intensity rates in the world.

Our steel mills represent more than 95% of our GHG emissions and energy and water usage, so we aim to minimize our impact on the environment through reduction initiatives to protect the health of our community and maintain our reputation around the world. We believe our sustainable foundation is a key differentiator that sets us apart from our competitors.

CMC is a pioneer of sustainable steel solutions. In 2009, we were the first company in the world to develop and construct the state-of-the-art EAF micro mill, which connects the steel melting operations and rolling mill into one continuous process to eliminate the need for a reheat furnace while significantly reducing natural gas consumption. While the mini mill technology is already the leading process in making sustainable steel, the micro mill technology offers significant additional environmental benefits. The micro mill technology emits 40% less Scope 1 GHG emissions and consumes 86% less natural gas as compared to traditional EAF mini mills.

We currently operate two micro mills and expect to commission a third in Mesa, Arizona in 2023. The new mill will be the first in North America to connect directly to renewable energy sources like solar and wind. This cutting-edge technology will improve our energy efficiency delivered from the grid by an estimated 10%. We are committed to this innovative production process which provides low cost, focused steel production while helping us to meet our energy and GHG reduction goals.

CMC’s EAF mills use electricity and natural gas as energy sources, making us a large consumer of energy; however, our energy efficiency performance is world-class. Our exceptional energy consumption performance is a result of combining skilled operating teams and dedicated in-house technical experts with efficient equipment, including highly automated bucket-charge furnaces and scrap-preheating horizontal charged furnaces. Compared to the global industry average, we are not a significant emitter of Scope 1 GHG emissions or a Scope 2 energy consumer.

To continue executing on our strategy to improve and do our part to further lower emissions worldwide, we have established goals to further reduce our energy and water consumption and GHG emissions by 2030.

The scope of our emissions reduction target is based on a combined Scope 1 and 2 emission intensity rate for our steelmaking segment, which represents >95% of our GHG emissions. Our target is intensity-based, and the metric denominator is Metric Tons CO₂-e/Metric Ton of steel cast.

We have set a 20% CO₂-e reduction goal against the base year of 2019; our starting year is 2021 and our target year is 2030. Our Scopes 1 and 2 baseline value is .474 MT CO₂-e/MT of steel cast. These targets are in line with the Science Based Target Initiative's *Below 2 degrees C Scenario* for the Iron and Steel Sector.

Our largest opportunity for achieving our emissions target includes further energy reduction in our mill operations and the increased use of renewable energy sources in our U.S. and Poland mill operations. Reducing our electricity consumption and natural gas usage will decrease both our Scope 1 and 2 emissions. We also have set a target to increase our renewable energy mix by 12% over the target time horizon.

As this is our first year, we do not have performance against our target. In future reports, we will provide an analysis of performance against these metrics.

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

Regulated air pollutants (Metric tons)	2018	2019	2020
Nitrogen Oxides (NOx)	624	798	761
Sulfur Oxides (SOx)	378	530	497
Particulate Matter (PM10)	243	364	362
Carbon Monoxide (CO)	NA	NA	NA
Manganese Oxide (MnO)	NA	NA	NA
Lead (Pb)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Polycyclic Aromatic Hydrocarbons (PAH)	NA	NA	NA

Currently, CMC does not aggregate CO, MnO, Pb, VOCs or PAHs data for reporting, however we are evaluating including CO, VOC and Pb in future reporting cycles. CMC does not collect MnO or PAH data, and currently we do not have any information that suggests these are relevant in our process.

In 2019, our air emissions increased due to added assets from an acquisition. Due to CMC's exceptional environmental practices, the performance of the newly acquired locations immediately improved and their environmental impacts and results decreased in 2020.

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

Energy Management	2018	2019	2020
Total energy consumed (GJ)	15,857,409	21,327,796	20,798,271
% Grid electricity	60%	58%	58%
% Renewable energy	6%	8%	8%

Total energy consumption for 2018 was restated based on expanded data collection.

In 2019, our energy consumption increased due to added assets from an acquisition. As a result of CMC's exceptional energy management practices and the implementation of our operating processes, the performance of the newly acquired locations immediately improved and their operational efficiencies and results decreased in 2020.

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

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

Energy Management	2018	2019	2020
Total fuel consumed (GJ)	6,238,650	8,958,356	8,740,918
% Coal	0%	0%	0%
% Natural gas	90.8%	93.1%	93.5%
% Renewable	0%	0%	0%

In 2019, our fuel consumption increased due to added assets from an acquisition. Due to CMC's exceptional environmental practices, the performance of the newly acquired locations immediately improved and their environmental impacts and results decreased in 2020.

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

Topic	Accounting Metric	Category	Unit of measure	Code
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress, (4) water withdrawn in regions with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn, (5) water consumed in regions with High or Extremely High Baseline Water Stress as a percentage of the total water consumed	Quantitative	Thousand cubic meters (m ³), Percentage (%)	EM-IS-140a.1

Water Management	2018	2019	2020
Total freshwater withdrawn (m ³)	3,934,985	4,932,168	4,677,544
% Recycled	95%	94%	96%
% withdrawn in regions with High or Extremely High Baseline Water Stress (% of total withdrawn)	13%	22%	19%
% consumed in regions with High or Extremely High Baseline Water Stress (% of total consumption)	16%	27%	23%

The percentage of recycled water for 2018 was recalculated based on updated calculation methodology.

In 2019, our water usage increased due to added assets from an acquisition. Due to CMC's exceptional environmental practices, the performance of the newly acquired locations immediately improved and their environmental impacts and results decreased in 2020.

Data collected is for our steel mills only, as they represent >95% of our water usage.

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

Waste Management	2018	2019	2020
Amount of waste generated (metric tons)	895,406	1,053,491	1,137,060
% Hazardous	4.97%	6.15%	6.32%
% Recycled	85.1%	87.0%	85.9%

In 2019, our waste generation increased due to added assets from an acquisition. Data collected is for our steel mills only, as they represent >95% of our generation.

Topic	Accounting Metric	Category	Unit of measure	Code
Workforce Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-IS-320a.1

Workforce Health and Safety	2018	2019	2020
Total recordable incident rate (TRIR) – direct full-time employees	1.3	1.6	1.5
Total recordable incident rate (TRIR) – contract employees	0.2	0.1	0.1
Fatality rate – full time employees	0.0013	0.0	0.0
Fatality rate – contract employees	0.0	0.0	0.0
Near miss frequency rate (NMFR) – includes both full time and contract employees	45.6	26.9	31.1

CMC achieves excellent health and safety performance by supporting a positive culture in reporting all risks and concerns. Our data indicates a high rate of near misses due to the large volume of reporting by our employees, which we identify as a best practice for preventing actual incidents.

CMC encourages both full-time and contract employees to report all health and safety concerns to their managers, no matter how small. Nearly 3,000 users have access to our global incident management system for logging near misses and incidents.

In 2019, our TRIR increased due to added assets from an acquisition. Due to CMC’s strong safety program and culture and dedication to continuous training, the safety performance of the newly acquired locations improved and our incident rate decreased in 2020.

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

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

2. Activity Metrics

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

Raw Steel Production	FY18	FY19	FY20
Metric tons cast	4,049,542	5,301,216	5,543,677
% from basic oxygen furnace (BOF)	0%	0%	0%
% from electric arc furnace (EAF)	100%	100%	100%

Total iron ore production	0%	0%	0%
Total coking coal production	0%	0%	0%

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