

Steel Dynamics Inc.

# 2024 CDP Corporate Questionnaire 2024

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

# Contents

## C1. Introduction

### (1.1) In which language are you submitting your response?

Select from:

☒ English

### (1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.2) Organization type

Select from:

☒ Publicly traded organization

#### (1.3.3) Description of organization

*Steel Dynamics, Inc. (SDI) is one of the largest domestic steel producers and metal recyclers, with facilities located throughout the United States and in Mexico and has one of the most diversified value-added products and end-market portfolios in the domestic steel industry. The company operates using a circular manufacturing model, producing lower-carbon-emission, high-quality steel using electric arc furnace (EAF) technology with recycled ferrous scrap as the primary raw material input. The company's circular manufacturing life cycle is driven by its performance-based incentive system, entrepreneurial culture, and the passion and dedication of its innovative teams at each of its primary operating platforms – steel, steel fabrication, and metals recycling. The company's steel operations produce steel products, including hot roll, cold roll, and coated sheet steel, structural steel beams and shapes, rail, engineered special-bar-quality steel, cold finished steel, merchant bar products and specialty steel sections. The company's metals recycling operations collect and process ferrous and nonferrous scrap from manufacturing and end-of-life items, such as automobiles, appliances, and machinery. This processed scrap is then sold to end-users for reuse, including for the company's own EAF steel mills, which produce new steel from the recycled material. The company also sells a meaningful amount of steel to its own steel divisions and steel fabrication operations that in turn produce and sell value-added products, including structural steel joist and deck building systems to consumers. In 2023, we began construction of a biocarbon production facility located in Columbus, Mississippi. The facility will use high-temperature pyrolysis to convert sustainably sourced biomass to high-purity biocarbon. We will use this biocarbon as a lower-carbon footprint replacement for anthracite in our steelmaking operations, which could result in as much as a 35% reduction in our steel mills' Scope 1 GHG absolute emissions. The facility is projected to begin commissioning before year end 2024. This investment represents*

*a significant step toward the decarbonization of our steel mills. Additionally in 2023, we signed the largest renewable product purchase agreement for the steel industry in North America, equivalent to approximately 15 percent of our steel mills' electricity usage in 2023. This wind energy center came online in the first quarter of 2024, and represents the single most significant step in increasing our exposure to renewable electrical energy, surpassing our 2025 goal and propelling us much of the way to our 2030 goal of 30 percent renewable electricity. This investment is also expected to meaningfully contribute to our long-term reduction of Scope 2 GHG emissions intensity and represents a meaningful step forward on our path to carbon neutrality.*

[Fixed row]

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

**(1.4.1) End date of reporting year**

12/31/2023

**(1.4.2) Alignment of this reporting period with your financial reporting period**

Select from:

☒ Yes

**(1.4.3) Indicate if you are providing emissions data for past reporting years**

Select from:

☒ Yes

**(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for**

Select from:

☒ 5 years

**(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for**

Select from:

☒ 5 years

#### (1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ 2 years

[Fixed row]

#### (1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

##### ISIN code - bond

#### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

##### ISIN code - equity

#### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

US8581191009

**CUSIP number**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

858119100

**Ticker symbol**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

STLD

**SEDOL code**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

**LEI number**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

549300HGGKEL4FYTTQ83

### D-U-N-S number

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

808202725

### Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

### (1.7) Select the countries/areas in which you operate.

Select all that apply

☒ Mexico

☒ United States of America

### (1.17) In which part of the metals and mining value chain does your organization operate?

#### Processing

- ☒ Lead
- ☒ Copper
- ☒ Nickel
- ☒ Silver
- ☒ Aluminum
- ☒ Other metals, please specify :**Iron**

### (1.20) Which parts of the steel value chain does your organization operate in?

*Select all that apply*

- ☒ Hot rolling
- ☒ Other steelmaking operations (please specify) :**Galvanizing and painting, joist & deck fabrication, secondary aluminum smelter, secondary copper smelter**
- ☒ Scrap steel recycling
- ☒ Cold rolling and finishing
- ☒ Direct reduced iron operations
- ☒ Electric arc furnace operations

### (1.24) Has your organization mapped its value chain?

#### (1.24.1) Value chain mapped

*Select from:*

- ☒ Yes, we have mapped or are currently in the process of mapping our value chain

#### (1.24.2) Value chain stages covered in mapping

*Select all that apply*

- ☒ Upstream value chain
- ☒ Downstream value chain



### (1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

### (1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

### (1.24.7) Description of mapping process and coverage

*For our steel mills we have mapped or are in the process of mapping suppliers of fuels, electricity and key purchased goods including scrap, iron units, alloys, lime, electrodes, metallic coatings and paint. The mapping is being used to facilitate conversations between these groups and our decarbonization team. We have also mapped our downstream customers and end markets for our steel segment and disclose this annually in our Form 10-K filing with US SEC.*  
[Fixed row]

**(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?**

#### (1.24.1.1) Plastics mapping

Select from:

☒ No, and we do not plan to within the next two years

#### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Judged to be unimportant or not relevant

#### (1.24.1.6) Explain why your organization has not mapped plastics in your value chain

*We do not manufacture, commercialize or intentionally use plastics other than in some product packaging. Our metals recycling segment receives plastics intermixed with postconsumer ferrous and nonferrous scrap metal. Our metals recycling segment processes the scrap in order to remove plastics leaving the metallic portion for*

*sale to customers. The plastics removed are currently sent off-site for landfill disposal, although potential recycling opportunities are being considered. The amount of plastics recovered is a small percentage of the postconsumer metal being received and processed.*

*[Fixed row]*

## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

### Short-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

*We believe this period aligns and supports our strategic and financial plan.*

### Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

*We believe this period aligns and supports our strategic and financial plan.*

## Long-term

### (2.1.1) From (years)

10

### (2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

### (2.1.3) To (years)

30

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*We believe this period aligns and supports our strategic and financial plan.*

*[Fixed row]*

## (2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

### (2.2.1) Process in place

Select from:

☒ Yes

### (2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☒ Impacts only

### (2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☒ Other, please specify :We currently only identify, assess and manage impacts. We plan to evaluate whether we have any environmental dependencies and, if so, how to manage any such dependencies.

### (2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

We currently only identify, assess and manage impacts. We plan to evaluate whether we have any environmental dependencies and, if so, how to manage any such dependencies.

[Fixed row]

### (2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

#### Row 1

#### (2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

#### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

- ☒ Risks
- ☒ Opportunities

#### (2.2.2.3) Value chain stages covered

*Select all that apply*

- ☒ Direct operations
- ☒ Upstream value chain

#### (2.2.2.4) Coverage

*Select from:*

- ☒ Full

#### (2.2.2.5) Supplier tiers covered

*Select all that apply*

- ☒ Tier 1 suppliers

#### (2.2.2.7) Type of assessment

*Select from:*

- ☒ Qualitative and quantitative

#### (2.2.2.8) Frequency of assessment

*Select from:*

- ☒ Annually

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- ☒ A specific environmental risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- ☒ Site-specific
- ☒ Not location specific

#### (2.2.2.12) Tools and methods used

##### **Enterprise Risk Management**

- ☒ Internal company methods

##### **International methodologies and standards**

- ☒ Life Cycle Assessment

##### **Other**

- ☒ External consultants
- ☒ Internal company methods
- ☒ Materiality assessment
- ☒ Partner and stakeholder consultation/analysis
- ☒ Scenario analysis

#### (2.2.2.13) Risk types and criteria considered

### **Acute physical**

- ☑ Drought
- ☑ Tornado
- ☑ Wildfires
- ☑ Heat waves
- ☑ Cold wave/frost

### **Chronic physical**

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Water stress
- ☑ Sea level rise
- ☑ Soil degradation
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)

### **Policy**

- ☑ Carbon pricing mechanisms
- ☑ Changes to national legislation
- ☑ Poor coordination between regulatory bodies
- ☑ Increased difficulty in obtaining operations permits
- ☑ Changes to international law and bilateral agreements

### **Market**

- ☑ Availability and/or increased cost of certified sustainable material
- ☑ Availability and/or increased cost of raw materials
- ☑ Changing customer behavior
- ☑ Uncertainty in the market signals

### **Reputation**

- ☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

- ☑ Cyclones, hurricanes, typhoons
- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Storm (including blizzards, dust, and sandstorms)

- ☑ Changing wind patterns
- ☑ Temperature variability
- ☑ Precipitation or hydrological variability
- ☑ Increased severity of extreme weather events
- ☑ Changing temperature (air, freshwater, marine water)

- ☑ Lack of mature certification and sustainability standards



- ☒ Stigmatization of sector

### Technology

- ☒ Transition to lower emissions technology and products
- ☒ Unsuccessful investment in new technologies

### Liability

- ☒ Exposure to litigation

## (2.2.2.14) Partners and stakeholders considered

Select all that apply

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> NGOs      | <input checked="" type="checkbox"/> Regulators        |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees |   |
| <input checked="" type="checkbox"/> Investors |   |
| <input checked="" type="checkbox"/> Suppliers |   |

## (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ Yes

## (2.2.2.16) Further details of process

*The Core Environmental Group (CEG) and Decarbonization Working Group directly support our assessment and management of environmental opportunities and risks. The CEG is responsible for identifying, reviewing, and recommending projects and capital expenditures to drive improvement toward our goals. The Decarbonization Working Group drives quality sustainability disclosures and reporting as well as new policies, education, and commercial support. The process the Decarbonization Working Group conducts to identify climate-related risks includes hosting a series of workshops and subsequent discussions with this cross-functional team and with the CEG. Through these workshops and discussions, we refine a process for identifying and analyzing risks and opportunities which has been informed by TCFD and ISSB guidance. The CEG and Decarbonization Working Group work together to assess risks and opportunities, which is then reviewed by the senior leadership team. Once the risks are assessed and communicated to the Board of Directors, we incorporate management procedures to mitigate and/or avoid the risks where feasible moving forward. Once the opportunities are sufficiently vetted, and if approved by the Board, we execute on the identified opportunities. Environmental and other regulations are reviewed by internal personnel and external advisors. As developments and proposals arise, updates are provided, and any*

*potential risks are considered. Internal and external finance, legal, and environmental professionals provide ongoing support and guidance for the management of current and emerging regulations. Current and breakthrough technologies are considered when determining our environmental opportunities and risks. Since we exclusively utilize the EAF steelmaking method at our steel mills, our GHG emissions are currently among the lowest in the industry. We continue to explore new technologies and processes, and intend to remain at the forefront of providing lower-carbon footprint products. Our approach to risk management also includes a performance-based incentive compensation program, that drives innovative thinking and actions throughout all our operations. The incentive compensation structure promotes risk management through the production bonus, return on assets bonus, and conversion bonus which are linked to productivity, cost control, and efficient use of assets. Additionally, the incentive compensation aligns team members with long-term value creation through stock awards. The companywide performance-based incentive programs encourage our teams to create innovative solutions to increase efficiencies, reduce raw material usage, reuse secondary materials, and promote material conservation and recycling where feasible. In 2023 we added climate scenario analysis to our physical risk assessment.*

*[Add row]*

## **(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?**

### **(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed**

Select from:

☒ No

### **(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities**

Select from:

☒ Other, please specify :We currently only identify, assess and manage impacts, risks and opportunities. We plan to evaluate whether we have any environmental dependencies and, if so, how to manage any such dependencies.

### **(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities**

*We currently only identify, assess and manage impacts, risks and opportunities. We plan to evaluate whether we have any environmental dependencies and, if so, how to manage any such dependencies.*

*[Fixed row]*

## **(2.3) Have you identified priority locations across your value chain?**

### (2.3.1) Identification of priority locations

Select from:

☒ No, and we do not plan to within the next two years

### (2.3.7) Primary reason for not identifying priority locations

Select from:

☒ Other, please specify :Our facilities are generally located in developed urban areas, or in suburban and rural settings where the prior property owners had already disturbed the land for agricultural, ranching, commercial, or similar uses.

### (2.3.8) Explain why you do not identify priority locations

*By their very nature EAF steelmaking operations help to preserve natural resources relative to traditional integrated steelmaking by recycling steel scrap and other materials for reuse. EAF steelmaking also lessens the need for raw materials to be sourced from land-disturbing mines. By consuming fewer virgin raw materials more undisturbed natural habitat is available for fostering biodiversity. Because steelmaking within the United States is governed by numerous environmental laws protecting the environment our operations present a significantly lower threat to biodiversity than operations would in many other parts of the world with fewer protections in place. While new or expansion projects normally involve some land-disturbing activities those are primarily during construction and are of relatively short duration in ecological terms. Our facilities are generally located in developed urban areas or in suburban and rural settings where the prior property owners had already disturbed the land for agricultural ranching commercial or similar uses. Thus the potential impacts to biodiversity from constructing new facilities are believed to be low. Completely natural sites without developed utilities roadways and other infrastructure are generally not suitable for our operations. Once built an operating industrial facility is not typically expected to provide habitat for sensitive species of plants or animals thus lessening the possibility of biodiversity impacts and our facilities operate within these developed properties without requiring significant onsite land disturbances for daily operations. The lack of ongoing disturbances helps to preserve any biodiversity that is associated with the properties.*

[Fixed row]

## (2.4) How does your organization define substantive effects on your organization?

### Risks

#### (2.4.1) Type of definition

Select all that apply

☒ Qualitative

## (2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

## (2.4.7) Application of definition

*We have identified two transitional risks, both are within policy and legal emerging regulation. These risks are mandates on regulation of existing products and services, and carbon pricing mechanisms. The time period for both is medium term, which we define as 3 to 10 years. We have determined the likelihood to be more likely than not and the financial implications for both are increased direct operating costs.*

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- ☒ Qualitative

## (2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

## (2.4.7) Application of definition

*We have identified two transitional opportunities, both are within products. These opportunities are development and/or expansion of lower-carbon emission products, and carbon pricing mechanisms. The time period for lower-carbon emission products is short term, which we define 1 to 3 years and the time period for carbon pricing mechanisms is medium term which we define as 3 to 10 years. We have determined the likelihood for both is very likely and the financial implications for both are increased revenues resulting from increased demand for products.*

[Add row]

## C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

### Climate change

#### (3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

### Plastics

#### (3.1.1) Environmental risks identified

Select from:

☒ No

#### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Other, please specify :We do not manufacture, commercialize or intentionally use plastics other than for packaging of certain products.

#### (3.1.3) Please explain

*We do not manufacture, commercialize or intentionally use plastics other than in some product packaging. Our metals recycling segment receives plastics intermixed with postconsumer ferrous and nonferrous scrap metal. Our metals recycling segment processes the scrap in order to remove plastics leaving the metallic portion for sale to customers. The plastics removed are currently sent off-site for landfill disposal, although potential recycling opportunities are being considered. The amount of plastics recovered is a small percentage of the postconsumer metal being received and processed.*

[Fixed row]

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## **Climate change**

### **(3.1.1.1) Risk identifier**

*Select from:*

☒ Risk1

### **(3.1.1.3) Risk types and primary environmental risk driver**

#### **Policy**

☒ Changes to regulation of existing products and services

### **(3.1.1.4) Value chain stage where the risk occurs**

*Select from:*

☒ Upstream value chain

### **(3.1.1.6) Country/area where the risk occurs**

*Select all that apply*

☒ United States of America

### **(3.1.1.9) Organization-specific description of risk**

*Increased costs of raw materials, reduced availability of raw materials, and/or temporary or permanent interruptions in our supply-chain.*

### **(3.1.1.11) Primary financial effect of the risk**

*Select from:*

☒ Increased direct costs

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ More likely than not

### (3.1.1.14) Magnitude

Select from:

☒ Low

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The impact has not been quantified financially.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

### (3.1.1.26) Primary response to risk

#### Compliance, monitoring and targets

☒ Establish organization-wide targets

### (3.1.1.29) Description of response

*To manage our exposure to risks associated with a transition to a lower-carbon economy we are undertaking efforts to improve on our already strong position in this area. In 2021 we set a goal for our EAF steel mill operations to be carbon neutral by 2050. We also set interim emissions reduction and renewable electrical energy*

milestones to be achieved by 2025 and 2030. On the path to carbon neutrality we targeted a 20% Scopes 1 and 2 combined GHG emissions intensity reduction across our EAF steel mills by 2025 and a 50% reduction by 2030 compared to a 2018 baseline. Additionally we set targets to increase the use of renewable electrical energy for our EAF steel mills to 10% by 2025 and 30% by 2030. We have already reduced our steel mills' Scopes 1 and 2 GHG emissions intensity by 20% and increased our steel mills' use of renewable electrical energy to 10%, already achieving our 2025 goals. While we believe we operate some of the most efficient steel operations in the world we recognize the need for continuous improvement. In 2023 we began construction of a biocarbon production facility. The facility will use high-temperature pyrolysis to convert sustainably sourced biomass to high-purity biocarbon. We will use this biocarbon as a replacement for anthracite in our steelmaking operations which could result in as much as a 35% reduction in our steel mills' Scope 1 GHG absolute emissions. Additionally in 2023 we signed the largest renewable product purchase agreement for the steel industry in North America equivalent to approximately 15% of our steel mills electricity usage in 2023. This wind energy center began commercial operation in the first quarter of 2024 and represents the single most significant step in increasing our exposure to renewable electrical energy surpassing our 2025 goal and propelling us much of the way to our 2030 goal of 30% renewable electricity, and meaningfully contributing to our long-term reduction of Scope 2 GHG emissions intensity.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

#### Policy

☒ Carbon pricing mechanisms

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

### (3.1.1.9) Organization-specific description of risk



Carbon pricing mechanisms such as (1) Emission Trading System (ETS) (cap-and trade system) to cap level of GHG allowed, or (2) tax on carbon emissions or carbon emissions in fossil fuels.

#### (3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ More likely than not

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The impact has not been quantified financially.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

#### (3.1.1.26) Primary response to risk

**Compliance, monitoring and targets**

☒ Establish organization-wide targets

#### (3.1.1.29) Description of response

To manage our exposure to risks associated with a transition to a lower-carbon economy we are undertaking efforts to improve on our already strong position in this area. In 2021 we set a goal for our EAF steel mill operations to be carbon neutral by 2050. We also set interim emissions reduction and renewable electrical energy milestones to be achieved by 2025 and 2030. On the path to carbon neutrality we targeted a 20% Scopes 1 and 2 combined GHG emissions intensity reduction across our EAF steel mills by 2025 and a 50% reduction by 2030 compared to a 2018 baseline. Additionally we set targets to increase the use of renewable electrical energy for our EAF steel mills to 10% by 2025 and 30% by 2030. We have already reduced our steel mills' Scopes 1 and 2 GHG emissions intensity by 20% and increased our steel mills' use of renewable electrical energy to 10%, already achieving our 2025 goals. While we believe we operate some of the most efficient steel operations in the world we recognize the need for continuous improvement. In 2023 we began construction of a biocarbon production facility. The facility will use high-temperature pyrolysis to convert sustainably sourced biomass to high-purity biocarbon. We will use this biocarbon as a replacement for anthracite in our steelmaking operations which could result in as much as a 35% reduction in our steel mills' Scope 1 GHG absolute emissions. Additionally in 2023 we signed the largest renewable product purchase agreement for the steel industry in North America equivalent to approximately 15% of our steel mills electricity usage in 2023. This wind energy center began commercial operation in the first quarter of 2024 and represents the single most significant step in increasing our exposure to renewable electrical energy surpassing our 2025 goal and propelling us much of the way to our 2030 goal of 30% renewable electricity, and meaningfully contributing to our long-term reduction of Scope 2 GHG emissions intensity.

[Add row]

**(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Select from:

☒ No, and we do not anticipate being regulated in the next three years

**(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## **Climate change**

### **(3.6.1.1) Opportunity identifier**

Select from:

☒ Opp1

### **(3.6.1.3) Opportunity type and primary environmental opportunity driver**

#### **Products and services**

☒ Other products and services opportunity, please specify :Carbon Pricing Mechanisms

### **(3.6.1.4) Value chain stage where the opportunity occurs**

Select from:

☒ Direct operations

### **(3.6.1.5) Country/area where the opportunity occurs**

Select all that apply

☒ United States of America

### **(3.6.1.8) Organization specific description**

*Carbon pricing mechanisms, potentially making EAFs even more competitive against BOF/BF and imported steel. Improved competitive position reflecting shifting consumer preferences for lower-emissions products.*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

#### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

*Select all that apply*

- ☒ Medium-term

#### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

*Select from:*

- ☒ Very likely (90–100%)

#### **(3.6.1.12) Magnitude**

*Select from:*

- ☒ Medium

#### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The impact has not been quantified financially.*

#### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

*Select from:*

- ☒ No

#### **(3.6.1.26) Strategy to realize opportunity**

*Since we exclusively use EAF steelmaking technology in our steel mills, our GHG emissions are currently among the lowest in the industry. For at least the short and medium-term, this primarily gives us market advantages and opportunities, and reduces the financial risks relative to many of our peers that utilize traditional steelmaking technologies. Our vertically connected businesses provide numerous advantages, including a secure baseload of quality ferrous raw materials, which is our largest raw material input in the production of steel. We examine ways to improve our operational efficiency and use of clean energy, thus reducing our emissions per ton of steel produced and preparing for increasing implementation of the cost of carbon through consumer preference and potential regulation. We continually evaluate various projects that align with our decarbonization goals.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

☒ Development of new products or services through R&D and innovation

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

### (3.6.1.8) Organization specific description

*Development and/or expansion of lower-carbon footprint emission products. Further improve the company's competitive position to reflect shifting consumer preferences and demand for lower-carbon products that enable carbon reductions in the supply-chain.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Very likely (90–100%)

#### (3.6.1.12) Magnitude

Select from:

☒ Medium

#### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The impact has not been quantified financially.*

#### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

#### (3.6.1.26) Strategy to realize opportunity

*We intend to invest in the development of lower-carbon footprint products, which are growing in demand. When determining the products we would like to produce, we have capitalized on the opportunity of consumer preference by producing lower-carbon steel through exclusive use of EAF steelmaking technology. Our vertically connected businesses provide numerous advantages, including a secure baseload of quality ferrous raw materials, which is our largest raw material input in the production of steel. We examine ways to improve our operational efficiency and use of clean energy, thus reducing our emissions per ton of steel produced and preparing for increasing implementation of the cost of carbon through consumer preference and potential regulation. We continually evaluate various projects that align with our decarbonization goals.*

[Add row]

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

#### (4.1.5) Briefly describe what the policy covers

*We recognize the value of having a business that reflects diversity of backgrounds and experiences. Our culture safeguards all people and requires each person to be treated fairly and with dignity. The policy also covers our equal employment opportunity and commitment to no harassment of any kind, as well as respect for human rights, inclusion, and diversity.*

#### (4.1.6) Attach the policy (optional)

**(4.1.1) Is there board-level oversight of environmental issues within your organization?**

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**

**Climate change**

**(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**

Select all that apply

☒ Board-level committee

**(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**

Select from:

☒ Yes

**(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**



Select all that apply

- ☒ Other policy applicable to the board, please specify :Corporate Governance and Nominating Committee Charter

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Reviewing and guiding annual budgets   | <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement         |
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis   | <input checked="" type="checkbox"/> Reviewing and guiding innovation/R&D priorities         |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets  | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures       |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets  | <input checked="" type="checkbox"/> Monitoring the implementation of the business strategy  |
| <input checked="" type="checkbox"/> Approving corporate policies and/or commitments  | <input checked="" type="checkbox"/> Overseeing reporting, audit, and verification processes |
| <input checked="" type="checkbox"/> Monitoring the implementation of a climate transition plan                                       |   |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy                                    |   |
| <input checked="" type="checkbox"/> Overseeing and guiding acquisitions, mergers, and divestitures                                   |   |
| <input checked="" type="checkbox"/> Monitoring compliance with corporate policies and/or commitments                                 |   |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a climate transition plan                              |   |
| <input checked="" type="checkbox"/> Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities |   |

#### (4.1.2.7) Please explain

*The Board of Directors' Corporate Governance and Nominating Committee provides specific primary oversight of climate-related issues, including the related legal and regulatory risks. The committee is also responsible for the oversight of our sustainability performance, including decarbonization, renewable energy consumption, and inclusion and diversity, among other related matters. The company frequently reports to the committee on related initiatives, status, and performance.*

### Biodiversity

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Board-level committee

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Other policy applicable to the board, please specify :Corporate Governance and Nominating Committee Charter

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Sporadic – agenda item as important matters arise

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☒ Other, please specify :Addressing important issues when they arise.

#### (4.1.2.7) Please explain

*The Board of Directors' Corporate Governance and Nominating Committee is responsible for the oversight of sustainability performance. The company reports to the committee on biodiversity if important issues arise.*

*[Fixed row]*

### (4.2) Does your organization's board have competency on environmental issues?

#### Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Having at least one board member with expertise on this environmental issue

#### (4.2.3) Environmental expertise of the board member

##### Experience

- ☒ Executive-level experience in a role focused on environmental issues

[Fixed row]

#### (4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### **(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).**

#### **Climate change**

##### **(4.3.1.1) Position of individual or committee with responsibility**

###### **Executive level**

- ☒ Chief Financial Officer (CFO)

##### **(4.3.1.2) Environmental responsibilities of this position**

###### **Dependencies, impacts, risks and opportunities**

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

###### **Engagement**

- ☒ Managing public policy engagement related to environmental issues

###### **Policies, commitments, and targets**

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

###### **Strategy and financial planning**

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues

- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

#### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Annually

#### (4.3.1.6) Please explain

*The senior leadership team is responsible for managing and assessing environmental risks and opportunities. The EVP/CFO oversees various companywide initiatives, including those related to climate-related issues. The EVP/CFO ensures that various business units work collaboratively to achieve the company goals. The Vice President of Environmental Sustainability reports directly to the EVP/CFO. The EVP/CFO also is informed of climate related issues by consultants, advisors and industry groups.*

### Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

Other

- ☒ Other, please specify :Biodiversity is managed at the site level by environmental professionals with oversight by senior management, and by the board if necessary.

#### (4.3.1.2) Environmental responsibilities of this position

##### Other

☒ Other, please specify :Manage all aspects of site environmental compliance.

#### (4.3.1.4) Reporting line

Select from:

☒ Other, please specify :Report to senior management at the site, who in turn reports to VP for Division.

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ As important matters arise

#### (4.3.1.6) Please explain

*Responsibility for biodiversity is at the site level with oversight as needed by senior management.*

[Add row]

### (4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

#### Climate change

#### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, but we plan to introduce them in the next two years

#### (4.5.3) Please explain

The Board of Directors' Compensation Committee reviews the company's executive compensation programs to ensure these programs are using performance-based metrics that are aligned with Board and stakeholder objectives, and that these programs do not encourage unnecessary or excessive risk-taking. The Compensation Committee is measuring and assessing a number of environmental, social, and safety metrics for evaluation and potential inclusion as performance measures in the company's executive compensation program. Among others, these metrics are expected to align with the company's focus on safety and its environmental goals.

[Fixed row]

**(4.6) Does your organization have an environmental policy that addresses environmental issues?**

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.6.1) Provide details of your environmental policies.**

**Row 1**

**(4.6.1.1) Environmental issues covered**

Select all that apply  
☒ Climate change

**(4.6.1.2) Level of coverage**

Select from:  
☒ Organization-wide

**(4.6.1.3) Value chain stages covered**

*Select all that apply*

☒ Direct operations

#### (4.6.1.4) Explain the coverage

*Policy applies companywide.*

#### (4.6.1.5) Environmental policy content

##### **Environmental commitments**

☒ Commitment to a circular economy strategy

☒ Commitment to comply with regulations and mandatory standards

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

*Select all that apply*

☒ Yes, in line with the Paris Agreement

#### (4.6.1.7) Public availability

*Select from:*

☒ Publicly available

#### (4.6.1.8) Attach the policy

*SDI Environmental Policy Statement.pdf*

### **Row 2**

#### (4.6.1.1) Environmental issues covered

*Select all that apply*

☒ Climate change



#### (4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

☒ Upstream value chain

#### (4.6.1.4) Explain the coverage

*Policy applies to all suppliers companywide.*

#### (4.6.1.5) Environmental policy content

##### Environmental commitments

☒ Commitment to comply with regulations and mandatory standards

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ Yes, in line with the Paris Agreement

#### (4.6.1.7) Public availability

Select from:

☒ Publicly available

#### (4.6.1.8) Attach the policy

*SDI Supplier Code of Business Conduct.pdf*

[Add row]

#### **(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

##### **(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

Select from:

☒ Yes

##### **(4.10.2) Collaborative framework or initiative**

Select all that apply

☒ Other, please specify :Global Steel Climate Council

##### **(4.10.3) Describe your organization's role within each framework or initiative**

*We are a founding member of the Global Steel Climate Council (GSCC), an international coalition of steel producers and other stakeholders spearheading the steel industry's efforts toward reducing carbon emissions. The GSCC is a nonprofit association organized to advance climate strategy through its Steel Climate Standard and advocate for carbon emissions reductions within the steel industry. In 2023, the GSCC published the Steel Climate Standard to provide a technology-agnostic global standard to measure and report steel product GHG emissions and provide a science-based target-setting framework to enable the industry to reduce carbon emissions. The Steel Climate Standard is comprised of two main components: (1) product certification criteria that allow customers to know if the steel they are buying is on the glidepath to achieve the goals of the Paris Agreement; and (2) a science-based target-setting framework based on a 1.5C scenario glidepath for net zero GHG emissions by 2050. The Steel Climate Standard will measure key GHG emissions through hot rolling from Scope 1, Scope 2, and upstream Scope 3 categories. We are excited to have led in the development and launch of this important standard for the industry, and for the investment and innovation that will surely follow. We intend to issue GSCC science-based targets for our steel mills' Scope 1, 2, and 3 GHG emissions in 2024. We plan to continue to address decarbonization issues and to play a leadership role in developing innovative ways to reduce our carbon impact.*

*[Fixed row]*

#### **(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

##### **(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

Select all that apply

☒ Yes, we engaged directly with policy makers

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

**(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

Select from:

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

**(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement**

Select all that apply

☒ Paris Agreement

**(4.11.4) Attach commitment or position statement**

*SDI Environmental Goals Press Release July 7, 2021 Final.pdf*

**(4.11.5) Indicate whether your organization is registered on a transparency register**

Select from:

☒ No

**(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan**

*Steel Dynamics' Executive Vice President/Chief Financial Officer, the highest management-level position with responsibility for climate-related items, oversees climate related engagement activities to ensure they are consistent with the company's decarbonization commitments and strategy. Furthermore, there are communication policies and controls that provide communication guidelines and limit who can speak on behalf of the company. Those who are authorized to speak have the appropriate knowledge regarding our decarbonization commitments and strategy.*

*[Fixed row]*

**(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?**

## Row 1

### (4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

*Global Arrangement on Sustainable Steel and Aluminum (the Global Arrangement)—to address non-market excess capacity (NMEC) and carbon emissions intensity.*

### (4.11.1.2) Environmental issues the policy, law, or regulation relates to

*Select all that apply*

☒ Climate change

### (4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

**Financial mechanisms (e.g., taxes, subsidies, etc.)**

☒ Other financial mechanisms, please specify :tariffs/taxes

### (4.11.1.4) Geographic coverage of policy, law, or regulation

*Select from:*

☒ Global

### (4.11.1.6) Your organization's position on the policy, law, or regulation

*Select from:*

☒ Neutral

### (4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

*Select all that apply*

☒ Ad-hoc meetings

☒ Participation in working groups organized by policy makers

☒ Regular meetings

☒ Other, please specify :Participated in the International Trade Commission

(ITC) investigation of steel and aluminum CO2 intensity rates. Hosted ITC at one of our steel mills, field tester of ITC questionnaire and participated in ITC hearing in Washington DC.

☒ Discussion in public forums

- ☒ Responding to consultations
- ☒ Submitting written proposals/inquiries

**(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*This law is not relevant to our environmental commitments, as we plan to meet those independent of the ITC study or Global Trade Agreement.*

**(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

*Select from:*

- ☒ Yes, we have evaluated, and it is aligned

**(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

*Select all that apply*

- ☒ Paris Agreement

**Row 2**

**(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers**

*Proposed US Congressional Bill: Clean Competition Act*

**(4.11.1.2) Environmental issues the policy, law, or regulation relates to**

*Select all that apply*

- ☒ Climate change

**(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment**

**Financial mechanisms (e.g., taxes, subsidies, etc.)**

- ☒ Carbon taxes

**(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

- ☒ National

**(4.11.1.5) Country/area/region the policy, law, or regulation applies to**

*Select all that apply*

- ☒ United States of America

**(4.11.1.6) Your organization's position on the policy, law, or regulation**

*Select from:*

- ☒ Support with minor exceptions

**(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation**

*Proposed bill includes taxes on domestic steelmakers. US steelmakers are the lowest in the world so we believe this should be removed from the legislation.*

**(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

*Select all that apply*

- ☒ Regular meetings
- ☒ Discussion in public forums
- ☒ Participation in working groups organized by policy makers
- ☒ Responding to consultations

**(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*This law is not relevant to our environmental commitments, as we plan to meet those independent of the Clean Competition Act.*

**(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned

**(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

*Select all that apply*

☒ Paris Agreement

**Row 3**

**(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers**

*Proposed bill: Prove It Act*

**(4.11.1.2) Environmental issues the policy, law, or regulation relates to**

*Select all that apply*

☒ Climate change

**(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment**

**Environmental impacts and pressures**

☒ Emissions – CO2

**(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

☒ National

#### **(4.11.1.5) Country/area/region the policy, law, or regulation applies to**

*Select all that apply*

☒ United States of America

#### **(4.11.1.6) Your organization's position on the policy, law, or regulation**

*Select from:*

☒ Support with no exceptions

#### **(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

*Select all that apply*

☒ Regular meetings

☒ Discussion in public forums

☒ Participation in working groups organized by policy makers

☒ Responding to consultations

☒ Submitting written proposals/inquiries

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*This law is not relevant to our environmental commitments, as we plan to meet those independent of the PROVE IT ACT.*

#### **(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned



#### (4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

*Select all that apply*

☒ Paris Agreement

#### Row 4

#### (4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

*US General Services Administration (GSA) Low Carbon Limits Pilot Program*

#### (4.11.1.2) Environmental issues the policy, law, or regulation relates to

*Select all that apply*

☒ Climate change

#### (4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

##### Environmental impacts and pressures

☒ Emissions – CO2

#### (4.11.1.4) Geographic coverage of policy, law, or regulation

*Select from:*

☒ National

#### (4.11.1.5) Country/area/region the policy, law, or regulation applies to

*Select all that apply*

☒ United States of America

#### (4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- ☒ Support with major exceptions

#### **(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation**

*Interim IRA Low Embodied Carbon (LEC) Material Requirements published May 16, 2023, contain placeholders for LEC limits for steel made at integrated mills. Creating differing standards for global warming potential (GWP) based upon the steelmaking method is counterintuitive to the decarbonization efforts of the US government. The IRA dual standards are unfair, will allow higher emitting steel producers to be favored over lower emitting producers in the more restricted LEC categories, and disincentivize and delay decarbonization.*

#### **(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

Select all that apply

- ☒ Participation in working groups organized by policy makers
- ☒ Submitting written proposals/inquiries
- ☒ Other, please specify :We provided comments through our trade groups Steel Manufacturers Association (SMA) and American Institute of Steel Construction (AISC).

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*This law is not relevant to our environmental commitments, as we plan to meet those independent of the GSA Low Carbon Limits.*

#### **(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

Select from:

- ☒ Yes, we have evaluated, and it is aligned

#### **(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

Select all that apply

- ☒ Paris Agreement

## Row 5

### (4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

*US Federal Highway Association Low Carbon Limits*

### (4.11.1.2) Environmental issues the policy, law, or regulation relates to

*Select all that apply*

☒ Climate change

### (4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

#### Environmental impacts and pressures

☒ Emissions – CO2

### (4.11.1.4) Geographic coverage of policy, law, or regulation

*Select from:*

☒ National

### (4.11.1.5) Country/area/region the policy, law, or regulation applies to

*Select all that apply*

☒ United States of America

### (4.11.1.6) Your organization's position on the policy, law, or regulation

*Select from:*

☒ Neutral

### (4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

*Select all that apply*

☒ Other, please specify :We provided comments through our trade groups Steel Manufacturers Association (SMA) and American Institute of Steel Construction (AISC).

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*This law is not relevant to our environmental commitments, as we plan to meet those independent of the FHWA Low Carbon Limits.*

#### **(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

*Select all that apply*

☒ Paris Agreement

*[Add row]*

### **(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

#### **Row 1**

#### **(4.11.2.1) Type of indirect engagement**

*Select from:*

☒ Indirect engagement via a trade association

#### **(4.11.2.4) Trade association**

## North America

☒ Other trade association in North America, please specify :Steel Manufacturer's Association (SMA)

### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, we publicly promoted their current position

### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SDI's position is consistent with the trade group Steel Manufacturer's Association (SMA). The member companies of the SMA, using electric arc furnaces (EAFs), melt recycled steel scrap to create new steel products with greater energy efficiency and the lowest carbon intensity in the world. EAF-produced sustainable steels have up to 75% less Scope 1 and Scope 2 CO2 emissions than traditional steelmaking processes. Sustainable steel products from domestic EAFs are essential building blocks for a green American economy. Recycling the steel produced over the past 150 years of America's history allows the SMA members to create the steel that will build our economy for the next 150 years. In order to ensure that our products and processes continue to surpass the highest measures of sustainability, SMA and its members have developed the following principles reflecting our members' shared commitment to health and safety, environmental stewardship, community engagement, and economic opportunity. Specific principles SMA promotes related to decarbonization: • Support the market-based expansion of EAF-based steel production as key to decarbonizing and reducing greenhouse gases (GHGs) in the global steel industry • Promote public and private use of steel products produced through low carbon-emitting EAF steelmaking processes • Engage supply chain partners – including energy providers – to reduce carbon intensity of their products and services • Advocate for policies that promote EAF steel production as the most effective and efficient way to reduce CO2 emissions in steelmaking Environmental Protection and Stewardship – SMA Members: • Produce steel products and co-products in an environmentally responsible manner • Sustainably*

*produce steel from a feedstock primarily composed of recycled scrap steel materials • Ensure management practices and control systems to maintain compliance with all relevant environmental regulations • Identify, promote, and invest in opportunities for innovations to increase energy efficiency, lower air emissions, minimize waste, maximize recycled usage of water while decreasing effluent, and improve steel recycling rates as well as the reuse of co-products • Recycle large volumes of steel products that might otherwise be put in a landfill or otherwise adversely impact local communities • Promote and sponsor facility and community environmental stewardship programs*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

*Select all that apply*

☒ Paris Agreement

### **Row 3**

#### **(4.11.2.1) Type of indirect engagement**

*Select from:*

☒ Indirect engagement via a trade association

#### **(4.11.2.4) Trade association**

##### **North America**

☒ Other trade association in North America, please specify :American Institute of Steel Construction (AISC)

#### **(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

*Select all that apply*

☒ Climate change

#### **(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with**

Select from:

☒ Consistent

#### **(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

Select from:

☒ Yes, we publicly promoted their current position

#### **(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*SDI's position is consistent with the trade group AISC. For more than 100 years, the American Institute of Steel Construction has advanced the use of structural steel in buildings and bridges through the development of advanced technical specifications, research, and educational programs. AISC represents nearly 1,000 U.S. steel companies that produce, distribute, fabricate, and install structural steel for America's great steel schools, airports, infrastructure projects, and skylines. Structural steel is the premier green construction material. Its high recycled content and recycling rate far exceed those of any other construction material. Over the past three decades, the steel industry has reduced greenhouse gas and overall emissions by 36% and increased the water recycling rate of steel production to 95%. Today, the American steel industry is the least carbon-intensive of all major steel-producing countries, and its footprint will continue to decrease as the U.S. power grid becomes more and more fossil-free. Numerous legislative and regulatory efforts in recent years have targeted emissions, energy efficiency, and related environmental concerns. AISC actively monitors this type of legislation on the state and national levels, proactively educating and advising bill sponsors and environmental groups to ensure that domestically fabricated structural steel is a part of the solution. AISC works with all of the largest mills in the country to develop accurate industry-wide environmental product declarations (EPDs) that consider a number of environmental impacts related to the manufacture of steel, including global warming potential, ozone depletion, acidification, eutrophication, and ozone creation. The EPDs represent more than 95% of all domestic structural production, which is a level of coverage unmatched by any other material.*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

☒ Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

*Select all that apply*

☒ Paris Agreement

#### Row 5

#### (4.11.2.1) Type of indirect engagement

*Select from:*

☒ Indirect engagement via other intermediary organization or individual

#### (4.11.2.2) Type of organization or individual

*Select from:*

☒ Non-Governmental Organization (NGO) or charitable organization

#### (4.11.2.3) State the organization or position of individual

*Climate Leadership Council (CLC)*

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

*Select all that apply*

☒ Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

*Select from:*

☒ Consistent



#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ Yes, we publicly promoted their current position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SDI's position is consistent with the Climate Leadership Council (CLC) as it relates to the Global Arrangement on Sustainable Steel and Aluminum. Both the CLC and SDI advocate for: strong melted and poured provisions; a rational set of rules whereby new nations would be allowed to join The Agreement but still be held to U.S. standards; and a thoughtful replacement plan that has industry backing should the Tariff Rate Quota's be removed.*

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

- ☒ Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- ☒ Paris Agreement

### Row 6

#### (4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via other intermediary organization or individual

#### (4.11.2.2) Type of organization or individual

Select from:

☒ Private company

#### **(4.11.2.3) State the organization or position of individual**

*Schagrin Associates (International Trade Law & Policy)*

#### **(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Select all that apply

☒ Climate change

#### **(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with**

Select from:

☒ Consistent

#### **(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

Select from:

☒ Yes, we publicly promoted their current position

#### **(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*SDI's position is consistent with the Schagrin Associates as it relates to the Global Arrangement on Sustainable Steel and Aluminum. Both the Schagrin & Associates and SDI advocate for: strong melted and poured provisions; a rational set of rules whereby new nations would be allowed to join The Agreement but still be held to U.S. standards; and a thoughtful replacement plan that has industry backing should the Tariff Rate Quota's be removed.*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

☒ Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

#### (4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

#### Row 1

##### (4.12.1.1) Publication

Select from:

☒ In voluntary sustainability reports

##### (4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

##### (4.12.1.4) Status of the publication

Select from:

☒ Complete

#### (4.12.1.5) Content elements

Select all that apply

☒ Emissions figures

☒ Emission targets

☒ Other, please specify :Water metrics

#### (4.12.1.6) Page/section reference

Pages 9-16.

#### (4.12.1.7) Attach the relevant publication

*FINAL 2023-Sustainability-Update.pdf*

#### (4.12.1.8) Comment

*SDI publishes this report annually on our company website.*

### Row 2

#### (4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

#### (4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ GRI

☒ TCFD

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

#### (4.12.1.4) Status of the publication

Select from:

☒ Complete

#### (4.12.1.5) Content elements

Select all that apply

☒ Emissions figures

☒ Emission targets

#### (4.12.1.6) Page/section reference

Pages 19-24.

#### (4.12.1.7) Attach the relevant publication

2023 SDI Annual Report.pdf

#### (4.12.1.8) Comment

Annual report including Form 10-K filed annually with US SEC.

### Row 3

#### (4.12.1.1) Publication

Select from:

☒ In voluntary sustainability reports

#### (4.12.1.3) Environmental issues covered in publication

*Select all that apply*

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

#### (4.12.1.4) Status of the publication

*Select from:*

- ☒ Complete

#### (4.12.1.5) Content elements

*Select all that apply*

- ☒ Content of environmental policies
- ☒ Biodiversity indicators
- ☒ Emissions figures
- ☒ Emission targets

#### (4.12.1.6) Page/section reference

*Pages 1,3,4,5,17,20,21,22,23,24,27,28,29,30*

#### (4.12.1.7) Attach the relevant publication

*2023 SASB and GRI Indices Final 7.31.2024.pdf*

#### (4.12.1.8) Comment

*SDI publishes this report annually on our company website.*  
*[Add row]*

## C5. Business strategy

### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

#### Climate change

##### (5.1.1) Use of scenario analysis

Select from:

☒ Yes

##### (5.1.2) Frequency of analysis

Select from:

☒ First time carrying out analysis

[Fixed row]

### (5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

#### Climate change

##### (5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 2.6

##### (5.1.1.2) Scenario used    SSPs used in conjunction with scenario

Select from:

☒ No SSP used

### (5.1.1.3) Approach to scenario

Select from:

- ☒ Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 1.6°C - 1.9°C

### (5.1.1.7) Reference year

2020

### (5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2050
- ☒ 2100

### (5.1.1.9) Driving forces in scenario



## Finance and insurance

- ☒ Sensitivity of capital (to nature impacts and dependencies)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Assumptions: We hired a third-party Climate Scenario Analysis consulting company to assist us with climate scenario analysis. The consultant conducted modeling of physical risks under two scenarios. SDI chose RCP 2.6 and RCP 8.5, spanning from 2020 to 2100 in decadal intervals. The RCP 2.6 scenario represents moderate physical risks, while the RCP 8.5 scenario represents high physical risks. The modeling process involved analyzing atmospheric data to forecast how the frequency and severity of natural catastrophe hazards may evolve under different climate change pathways. This analysis encompassed a range of hazards, included in the previous Climate-related scenario parameters response. Parameters: For each modeling scenario, assets were rated as low, medium, or high risk, with high risk defined as at least 1% marginal value at risk by 2100.*

### (5.1.1.11) Rationale for choice of scenario

*We aimed to capture a wide range of physical climate risks spanning from the moderate physical risk scenario in RCP 2.6 to an extreme high-risk scenario in RCP 8.5. Analytical choices: We selected the Cross Dependency Initiative model (XDI) as our physical risk analytical tool. XDI utilizes its industry-leading climate model in conjunction with JBA's 5m flood model to assess and quantify the impact of climate change. By employing a spatio-temporal risk assessment tool, XDI combines building vulnerability data with historical and future climate data. This enables the calculation of two crucial measures: the physical hazard damage to buildings, representing the estimated reinstatement value at risk in a given future year, and the failure probability, indicating the likelihood of asset closure due to a climate event. The process involves analyzing key parameters such as likelihood and physical severity, extracting changes in statistical distributions from climate change models, and applying property vulnerability curves to estimate projected damage. Through this comprehensive approach, our analysis provides valuable insights into the potential climate change risks and impacts to our buildings and assets, as identified by these models.*

## Climate change

### (5.1.1.1) Scenario used

#### Physical climate scenarios

- ☒ RCP 8.5

### (5.1.1.2) Scenario used    SSPs used in conjunction with scenario

Select from:

- ☒ No SSP used

### (5.1.1.3) Approach to scenario

Select from:

- ☒ Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 3.5°C - 3.9°C

### (5.1.1.7) Reference year

2020

### (5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2050
- ☒ 2100

### (5.1.1.9) Driving forces in scenario

## Finance and insurance

- ☒ Sensitivity of capital (to nature impacts and dependencies)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Assumptions: We hired a third-party Climate Scenario Analysis consulting company to assist us with climate scenario analysis. The consultant conducted modeling of physical risks under two scenarios. SDI chose RCP 2.6 and RCP 8.5, spanning from 2020 to 2100 in decadal intervals. The RCP 2.6 scenario represents moderate physical risks, while the RCP 8.5 scenario represents high physical risks. The modeling process involved analyzing atmospheric data to forecast how the frequency and severity of natural catastrophe hazards may evolve under different climate change pathways. This analysis encompassed a range of hazards, included in the previous Climate-related scenario parameters response. Parameters: For each modeling scenario, assets were rated as low, medium, or high risk, with high risk defined as at least 1% marginal value at risk by 2100.*

### (5.1.1.11) Rationale for choice of scenario

*We aimed to capture a wide range of physical climate risks spanning from the moderate physical risk scenario in RCP 2.6 to an extreme high-risk scenario in RCP 8.5. Analytical choices: We selected the Cross Dependency Initiative model (XDI) as our physical risk analytical tool. XDI utilizes its industry-leading climate model in conjunction with JBA's 5m flood model to assess and quantify the impact of climate change. By employing a spatio-temporal risk assessment tool, XDI combines building vulnerability data with historical and future climate data. This enables the calculation of two crucial measures: the physical hazard damage to buildings, representing the estimated reinstatement value at risk in a given future year, and the failure probability, indicating the likelihood of asset closure due to a climate event. The process involves analyzing key parameters such as likelihood and physical severity, extracting changes in statistical distributions from climate change models, and applying property vulnerability curves to estimate projected damage. Through this comprehensive approach, our analysis provides valuable insights into the potential climate change risks and impacts to our buildings and assets, as identified by these models.*

*[Add row]*

## (5.1.2) Provide details of the outcomes of your organization's scenario analysis.

### Climate change

#### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

*Select all that apply*

- ☒ Risk and opportunities identification, assessment and management

#### (5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*Based on the third-party consultant analysis of the physical risks, even under the more extreme RCP 8.5 scenario, the estimated total cost of damage to our physical properties is predicted to be less than 1% of the total property value of the top 100 sites. This suggests that there is a low risk of our key facilities being significantly physically damaged as a result of climate change. It is important to note that this model result does not take into account any existing mitigation measures, such as additional storm water trenches, which could further reduce the actual loss.*

[Fixed row]

## (5.2) Does your organization's strategy include a climate transition plan?

	Transition plan	Publicly available climate transition plan	Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion
	Select from: <input checked="" type="checkbox"/> Yes, we have a climate transition plan which aligns with a 1.5°C world	Select from: <input checked="" type="checkbox"/> No	Select from: <input checked="" type="checkbox"/> No, and we do not plan to add an explicit commitment within the next two years

[Fixed row]

## (5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

### (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ☒ Products and services
  - ☒ Upstream/downstream value chain
  - ☒ Investment in R&D
  - ☒ Operations
- [Fixed row]

### (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

#### Products and services

##### (5.3.1.1) Effect type

Select all that apply

- ☒ Opportunities

##### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

##### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*When determining the products Steel Dynamics would like to produce, the company has capitalized on the opportunity of consumer preference by producing lower-carbon emissions steel through exclusive use of EAF steelmaking technology.*

#### Upstream/downstream value chain

##### (5.3.1.1) Effect type

Select all that apply

- ☒ Opportunities

##### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Our vertically connected businesses provide numerous advantages, including a secure baseload of quality ferrous raw materials, which is our largest raw material input in the production of steel. Aware of potential variations in the supply of utilized raw materials available, Steel Dynamics continues to diversify its input options, as well as increase acquisition of those inputs from in-house processes, such as metals recycling operations.*

## Investment in R&D

### (5.3.1.1) Effect type

Select all that apply

☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Steel Dynamics continually evaluates various projects that align with its decarbonization goals. The company intends to invest in the development of lower-carbon products, which are growing in demand.*

## Operations

### (5.3.1.1) Effect type

Select all that apply

☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Steel Dynamics examines ways to improve its operational efficiency and use of renewable energy, thus reducing its emissions and preparing for increasing materialization of the cost of carbon through consumer preference and potential regulation.*

[Add row]

## (5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

### Row 1

#### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Capital expenditures

#### (5.3.2.2) Effect type

Select all that apply

☒ Opportunities

#### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

#### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*Steel Dynamics continually evaluates various projects that align with its decarbonization goals. The company is investing in projects that will result in lower-carbon footprint products, which are growing in demand. As with all capital expenditures, decarbonization projects must be approved as a capital project and approved by the Board.*

[Add row]

**(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Other methodology or framework

[Fixed row]

**(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

**(5.5.1) Investment in low-carbon R&D**

Select from:

☒ Yes

**(5.5.2) Comment**

*Our metals recycling segment is continuously doing R&D to improve sorting and separation techniques for ferrous scrap which could decrease the volume of primary iron used in our steel mills, decreasing the carbon footprint of our steel products. An example of this is R&D being done to separate steel stamping scrap with different levels of manganese content, which could support some steel mills to use more recycled material and decrease their carbon footprint.*

[Fixed row]



**(5.5.4) Provide details of your organization's investments in low-carbon R&D for metals and mining production activities over the last three years.**

**Row 1**

**(5.5.4.1) Technology area**

Select from:

☒ Metal recycling

**(5.5.4.2) Stage of development in the reporting year**

Select from:

☒ Pilot demonstration

**(5.5.4.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan**

*Currently aluminum rolling mills in the US use scrap (i.e., recycled aluminum) and virgin aluminum, known as P1020, to make new flat rolled aluminum. Because P1020 is a virgin material and very energy intensive to manufacture, the more scrap that can be used and the less P1020, the lower the carbon footprint of the product. For comparison, recycled aluminum scrap saves 95% of the energy needed to make new P1020 aluminum. There is currently little availability of clean and segregated aluminum scrap, due to current technological limitations in the sorting of mixed aluminum scrap commodities. This inability to sort mixed commodities leads to a significant portion of aluminum scrap going to the secondary market and not able to be used in aluminum rolling mills. Our R & D is focused on advancing the sorting techniques and processes in order to increase the amount of available clean and segregated aluminum scrap that can be used in aluminum rolling mills, which will decrease the carbon footprint of the aluminum flat roll products in the US. This could greatly benefit our new facility, Aluminum Dynamics, currently under construction in Columbus, Mississippi, as well as any external customers in our metals recycling value chain.*

*[Add row]*

**(5.5.5) Provide details of your organization's investments in low-carbon R&D for steel production activities over the last three years.**

**Row 1**

#### (5.5.5.1) Technology area

Select from:

☒ Other, please specify :Biocarbon production

#### (5.5.5.2) Stage of development in the reporting year

Select from:

☒ Large scale commercial deployment

#### (5.5.5.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*In 2023, we began construction of a biocarbon production facility located in Columbus, Mississippi. The facility will use high-temperature pyrolysis to convert sustainability sourced biomass to high-purity biocarbon. We will use this biocarbon as a lower carbon replacement for anthracite in our steelmaking operations, which could result in as much as a 35% reduction in our steel mills' Scope 1 GHG absolute emissions. The facility is projected to begin commissioning before year end 2024. This investment represents a significant step toward the decarbonization of our steel mills.*

### Row 3

#### (5.5.5.1) Technology area

Select from:

☒ Other, please specify :Consumption of hydrogen produced at biocarbon production facility

#### (5.5.5.2) Stage of development in the reporting year

Select from:

☒ Large scale commercial deployment

#### (5.5.5.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*Consumption of hydrogen byproduct produced at biocarbon production facility would reduce the use of natural gas thereby lowering GHG Scope 1 emissions at the biocarbon facility.*

## Row 4

### (5.5.5.1) Technology area

Select from:

☒ Other, please specify :Biocarbon use as a substitute for coal or coke in the production of pig iron.

### (5.5.5.2) Stage of development in the reporting year

Select from:

☒ Basic academic/theoretical research

### (5.5.5.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*Use of biocarbon as a substitute for coal or coke in the production of pig iron used could reduce our steel mill Scope 1 and Scope 3 emissions.*

[Add row]

## (5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Primary reason for not pricing environmental externalities	Explain why your organization does not price environmental externalities
	<p>Select from:</p> <p><input checked="" type="checkbox"/> No, but we plan to in the next two years</p>	<p>Select from:</p> <p><input checked="" type="checkbox"/> Other, please specify :In early stages of determining cost of implementing decarbonization projects.</p>	<p><i>Currently monitoring and evaluating.</i></p>

[Fixed row]

## (5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change

[Fixed row]

**(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?**

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: <input checked="" type="checkbox"/> No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years

[Fixed row]

**(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?**

## Climate change

### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ Other, please specify :Contribution to GHG emissions

### (5.11.2.4) Please explain

Currently we have prioritized engaging with suppliers that contribute the highest GHG emissions towards our steel mills' Scope 3 Category 1 emissions. As we learn more about our suppliers we will likely add other criteria to drive supplier engagement and frequency.

[Fixed row]

### (5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comment
Climate change	Select from: <input checked="" type="checkbox"/> Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts	Select from: <input checked="" type="checkbox"/> No, we do not have a policy in place for addressing non-compliance	Handled on a case by case basis.

[Fixed row]

**(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

## **Climate change**

### **(5.11.6.1) Environmental requirement**

*Select from:*

☒ Other, please specify :We expect suppliers to follow all environmental regulations and we encourage sustainability practices. We require certain suppliers certify they are in compliance with our Environmental Policy.

### **(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement**

*Select all that apply*

☒ Supplier self-assessment

### **(5.11.6.9) Response to supplier non-compliance with this environmental requirement**

*Select from:*

☒ Other, please specify :Handled on a case by case basis.

### **(5.11.6.11) Procedures to engage non-compliant suppliers**

*Select all that apply*

☒ Other, please specify :Handled on a case by case basis.

*[Add row]*

**(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.**

## **Climate change**

### **(5.11.7.2) Action driven by supplier engagement**

Select from:

- ☒ Emissions reduction

### (5.11.7.3) Type and details of engagement

#### Information collection

- ☒ Collect GHG emissions data at least annually from suppliers

### (5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

[Add row]

## (5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

### Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

- ☒ Customers

#### (5.11.9.2) Type and details of engagement

##### Education/Information sharing

- ☒ Share information about your products and relevant certification schemes
- ☒ Share information on environmental initiatives, progress and achievements

##### Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Other innovation and collaboration, please specify :Steel Dynamics actively engages with its customers to provide updates on its lower-carbon related strategy and to provide differentiated high-quality products and supply-chain solutions to meet their customers' needs.

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Engagement is with customers who express interest in our sustainability strategy, goals and lower carbon steel products.*

#### Climate change

##### (5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

##### (5.11.9.2) Type and details of engagement

###### Education/Information sharing

☒ Share information about your products and relevant certification schemes

☒ Share information on environmental initiatives, progress and achievements

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Engagement is with investors and shareholders who express interest in our sustainability strategy, goals and lower carbon steel products.*

#### Climate change

##### (5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Suppliers

##### (5.11.9.2) Type and details of engagement

###### Education/Information sharing

☒ Share information about your products and relevant certification schemes



☒ Share information on environmental initiatives, progress and achievements

**Innovation and collaboration**

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Other innovation and collaboration, please specify :Steel Dynamics actively engages with its customers to provide updates on its lower-carbon related strategy and to provide differentiated high-quality products and supply-chain solutions to meet their needs.

**(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement**

*Currently we have prioritized engaging with suppliers that contribute the highest GHG emissions towards our Scope 3 Category 1 emissions. As we learn more about our suppliers we will likely add other criteria to drive supplier engagement and frequency.*  
[Add row]

**(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?**

	Environmental initiatives implemented due to CDP Supply Chain member engagement
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.**

Row 1

**(5.13.1.1) Requesting member**

Select from:

### (5.13.1.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

### (5.13.1.4) Initiative ID

Select from:

☒ Ini1

### (5.13.1.5) Initiative category and type

#### Change to supplier operations

☒ Increase proportion of renewable energy purchased

### (5.13.1.6) Details of initiative

*In 2023 Mercedes-Benz signed an agreement with Steel Dynamics, Inc. to source more than 50,000 tonnes of lower carbon steel annually for its plant in Tuscaloosa, Alabama. SDI steel supplied per that agreement will be produced using an electric arc furnace (EAF) and will use electricity from 100% renewable sources. With EAFs powered by renewable electricity, emissions can be reduced by more than half to 1.0 tonne CO2 per tonne steel on average compared to primary steel production which uses blast furnaces and basic oxygen furnaces. In doing so, SDI and Mercedes-Benz, which have been working together since 2015, go a step further towards lowering emissions in the steel supply chain.*

### (5.13.1.7) Benefits achieved

Select all that apply

☒ Reduction of own operational emissions (own scope 1 & 2)

☒ Reduction of downstream value chain emissions (own scope 3)

### (5.13.1.11) Please explain how success for this initiative is measured

*Scope 2 emissions from our steel sold to this customer are reduced to zero (0) through retirement of renewable energy certificates (RECs). This benefits our customer's Scope 3 emissions, and our Scope 2 emissions.*

### (5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

☒ No

[Add row]

## C6. Environmental Performance - Consolidation Approach

**(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.**

### Climate change

#### (6.1.1) Consolidation approach used

Select from:

☒ Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*Under the operational control approach, a company accounts for 100% of the GHG emissions from operations over which it has control. We chose this method to align with our financial reporting, which includes all entities in which we have a controlling majority interest.*

### Plastics

#### (6.1.1) Consolidation approach used

Select from:

☒ Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*This is not a material topic for us as we do not manufacture, commercialize or intentionally use plastics other than in some product packaging. Our metals recycling segment receives plastics intermixed with postconsumer ferrous and nonferrous scrap metal. Our metals recycling segment processes the scrap in order to remove plastics leaving the metallic portion for sale to customers. The plastics removed are currently sent off-site for landfill disposal, although potential recycling opportunities are being considered. The amount of plastics recovered is a small percentage of the postconsumer metal being received and processed. Any data we do collect will be for operations we control, for the same reasons provided for Climate Change.*

### Biodiversity

### (6.1.1) Consolidation approach used

Select from:

☒ Operational control

### (6.1.2) Provide the rationale for the choice of consolidation approach

*Any data we collect will be for operations we control, for the same reasons provided for Climate Change.*

*[Fixed row]*

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

## **(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

*Select all that apply*

- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- ☒ US EPA Mandatory Greenhouse Gas Reporting Rule
- ☒ US EPA Emissions & Generation Resource Integrated Database (eGRID)

## **(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### **(7.3.1) Scope 2, location-based**

*Select from:*

- ☒ We are reporting a Scope 2, location-based figure

### **(7.3.2) Scope 2, market-based**

*Select from:*

- ☒ We are reporting a Scope 2, market-based figure

### **(7.3.3) Comment**

*Scope 2 location-based calculations use EPA eGRID subregion emission factors. Scope 2 market-based calculations use emission factors supplied by our energy suppliers, where provided, and location-based factors where not provided. We use the most recent available factors at the time of our GRI disclosures. Some factors will reflect actual 2023 rates, and some will lag such as eGRID factors and certain utility factors.*

[Fixed row]

**(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Select from:

☒ Yes

**(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Row 1**

**(7.4.1.1) Source of excluded emissions**

*Scope 3 for Steel Operations Segment locations other than our seven steel mills, Metals Recycling Operations Segment, Fabrication Operations Segment, Aluminum Operations Segment, and Other operations*

**(7.4.1.2) Scope(s) or Scope 3 category(ies)**

Select all that apply

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Scope 3: Franchises   | <input checked="" type="checkbox"/> Scope 3: Use of sold products         |
| <input checked="" type="checkbox"/> Scope 3: Investments  | <input checked="" type="checkbox"/> Scope 3: Upstream leased assets       |
| <input checked="" type="checkbox"/> Scope 3: Capital goods  | <input checked="" type="checkbox"/> Scope 3: Downstream leased assets     |
| <input checked="" type="checkbox"/> Scope 3: Business travel  | <input checked="" type="checkbox"/> Scope 3: Processing of sold products  |
| <input checked="" type="checkbox"/> Scope 3: Employee commuting   | <input checked="" type="checkbox"/> Scope 3: Purchased goods and services |
| <input checked="" type="checkbox"/> Scope 3: Waste generated in operations                                      |   |
| <input checked="" type="checkbox"/> Scope 3: End-of-life treatment of sold products                             |   |
| <input checked="" type="checkbox"/> Scope 3: Upstream transportation and distribution                           |   |
| <input checked="" type="checkbox"/> Scope 3: Downstream transportation and distribution                         |   |
| <input checked="" type="checkbox"/> Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) |   |

**Row 2**



#### (7.4.1.1) Source of excluded emissions

*Scope 3 seven steel mills' results do not include several Scope 3 categories*

#### (7.4.1.2) Scope(s) or Scope 3 category(ies)

*Select all that apply*

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Scope 3: Franchises                             | <input checked="" type="checkbox"/> Scope 3: Use of sold products          |
| <input checked="" type="checkbox"/> Scope 3: Investments                            | <input checked="" type="checkbox"/> Scope 3: Upstream leased assets        |
| <input checked="" type="checkbox"/> Scope 3: Capital goods                          | <input checked="" type="checkbox"/> Scope 3: Downstream leased assets      |
| <input checked="" type="checkbox"/> Scope 3: Business travel                        | <input checked="" type="checkbox"/> Scope 3: Processing of sold products   |
| <input checked="" type="checkbox"/> Scope 3: Employee commuting                     | <input checked="" type="checkbox"/> Scope 3: Waste generated in operations |
| <input checked="" type="checkbox"/> Scope 3: End-of-life treatment of sold products |  |

#### (7.4.1.6) Relevance of Scope 3 emissions from this source

*Select from:*

- ☒ Emissions are not relevant

#### (7.4.1.10) Explain why this source is excluded

*The listed sources of scope 3 emissions were deemed not relevant. For example, emissions from Waste Generated were evaluated and estimated that represent*

### Row 3

#### (7.4.1.1) Source of excluded emissions

*Scope 3 seven steel mills' results do not include Category 3*

#### (7.4.1.2) Scope(s) or Scope 3 category(ies)

*Select all that apply*

- ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

#### (7.4.1.10) Explain why this source is excluded

*Previously not disclosed by steel sector peers. Plan to start disclosing in 2024 once we announce our Global Steel Climate Council (GSCC) certified science-based targets.*

*[Add row]*

### (7.5) Provide your base year and base year emissions.

#### Scope 1

##### (7.5.1) Base year end

12/31/2018

##### (7.5.2) Base year emissions (metric tons CO2e)

1867717

##### (7.5.3) Methodological details

*The boundary for this disclosure is SDI's seven EAF steel mills. Emissions were calculated following the GHG Protocol.*

#### Scope 2 (location-based)

##### (7.5.1) Base year end

12/31/2018

##### (7.5.2) Base year emissions (metric tons CO2e)

2962616

##### (7.5.3) Methodological details

The boundary for this disclosure is SDI's seven EAF steel mills. Emissions were calculated following the GHG Protocol. Location-based calculations use EPA eGRID subregion emission factors.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

2604858

(7.5.3) Methodological details

The boundary for this disclosure is SDI's seven EAF steel mills. Emissions were calculated following the GHG Protocol. Calculations use emission factors supplied by our energy suppliers.

Scope 3 category 1: Purchased goods and services

(7.5.3) Methodological details

SDI has estimated Scope 3 emissions however, we have not established a target for this scope as of September 2024.  
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

	Gross global Scope 1 emissions (metric tons CO2e)	End date	Methodological details
Reporting year	2750371	Date input [must be between [10/01/2015 - 10/01/2023]	Companywide emissions

	Gross global Scope 1 emissions (metric tons CO2e)	End date	Methodological details
Past year 1	2719805	12/31/2022	Companywide emissions
Past year 2	2492330	12/31/2021	Companywide emissions
Past year 3	2376864	12/31/2020	Companywide emissions
Past year 4	1758419	12/31/2019	This covers seven steel mills only.
Past year 5	1867717	12/31/2018	This covers seven steel mills only.

[Fixed row]

## (7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

### Reporting year

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

3407925

#### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2314679

#### (7.7.4) Methodological details

Companywide emissions

### Past year 1

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

3398319

**(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)**

2230225

**(7.7.3) End date**

12/31/2022

**(7.7.4) Methodological details**

*Companywide emissions*

**Past year 2**

**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

2838990

**(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)**

2222771

**(7.7.3) End date**

12/31/2021

**(7.7.4) Methodological details**

*Companywide emissions*

**Past year 3**

**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

2965579

**(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)**

2209997

**(7.7.3) End date**

12/31/2020

**(7.7.4) Methodological details**

*Companywide emissions*

**Past year 4**

**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

2646639

**(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)**

2371818

**(7.7.3) End date**

12/31/2019

**(7.7.4) Methodological details**

*This covers seven steel mills only.*

**Past year 5**

**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

2962616

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2604858

### (7.7.3) End date

12/31/2018

### (7.7.4) Methodological details

*This covers seven steel mills only.  
[Fixed row]*

## (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### (7.8.1) Evaluation status

*Select from:*

☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

3238481

#### (7.8.3) Emissions calculation methodology

*Select all that apply*

☒ Average data method

☒ Spend-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

34

#### (7.8.5) Please explain

*The majority of pig iron supplied in CY2023 was from Brazilian suppliers. Primary data was supplied and used for all Brazilian pig iron in CY2023. The boundary of this disclosure is the seven steel mills, it is not companywide.*

### Capital goods

#### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

#### (7.8.5) Please explain

*Emissions from this category were*

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### (7.8.5) Please explain

*Previously not disclosed by steel sector peers. Plan to start disclosing in 2024 once we announce our Global Steel Climate Council (GSCC) certified science-based targets.*

### Upstream transportation and distribution

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)



**(7.8.3) Emissions calculation methodology***Select all that apply*☒ Average data method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**(7.8.5) Please explain***The boundary of this disclosure is the seven steel mills, it is not companywide.***Waste generated in operations****(7.8.1) Evaluation status***Select from:*☒ Not relevant, explanation provided**(7.8.5) Please explain***Emissions from this category were***Business travel****(7.8.1) Evaluation status***Select from:*☒ Not relevant, explanation provided**(7.8.5) Please explain**

*Business travel emissions were deemed not relevant so not evaluated. Based on the size of other Scope 3 categories at our company, business travel emissions are expected to be an insignificant contribution. Also, business travel emissions have not been deemed critical by our key stakeholders (e.g. customers, suppliers, investors) and further they have not been identified as significant by any steel sector-specific guidance or peer reports.*

## Employee commuting

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Employee commuting emissions were deemed not relevant so not evaluated. Based on the size of other Scope 3 categories at our company, employee commuting emissions are expected to be an insignificant contribution. Also, employee commuting emissions have not been deemed critical by our key stakeholders (e.g. customers, suppliers, investors) and further they have not been identified as significant by any steel sector-specific guidance or peer reports.*

## Upstream leased assets

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Not relevant and not evaluated because we do not have upstream leased assets.*

## Downstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

106079

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*The boundary of this disclosure is the seven steel mills, it is not companywide.*

## Processing of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Excluded due to uncertainty and limited data in downstream processing and end-use.*

## Use of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Excluded due to uncertainty and limited data in downstream processing and end-use.*

## End of life treatment of sold products

### (7.8.1) Evaluation status

*Select from:*

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Not relevant and not evaluated because scrap metals are assumed to have no emissions associated with them at end-of-life.*

## Downstream leased assets

### (7.8.1) Evaluation status

*Select from:*

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Not relevant and not evaluated because we do not have downstream leased assets.*

## Franchises

### (7.8.1) Evaluation status

*Select from:*

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Not relevant and not evaluated because we do not have any franchises.*

## Investments

### (7.8.1) Evaluation status

*Select from:*

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Based on the size of other Scope 3 categories at our company, emissions from investments are expected to be an insignificant contribution.  
[Fixed row]*

### (7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

#### Past year 1

##### (7.8.1.1) End date

12/31/2022

##### (7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

3305929

##### (7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

365816

##### (7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

193459

#### Past year 2

#### (7.8.1.1) End date

12/31/2021

#### (7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

3214200

#### (7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

#### (7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

300143

[Fixed row]

### (7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

**(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Row 1**

**(7.9.1.1) Verification or assurance cycle in place**

Select from:

☒ Annual process

**(7.9.1.2) Status in the current reporting year**

Select from:

☒ Complete

**(7.9.1.3) Type of verification or assurance**

Select from:

☒ Limited assurance

**(7.9.1.4) Attach the statement**

2023 CDP SDI Scope 1 2 Verification\_companywide.pdf

**(7.9.1.5) Page/section reference**

1-2

**(7.9.1.6) Relevant standard**

Select from:

☒ ISO14064-3

**(7.9.1.7) Proportion of reported emissions verified (%)**

**(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Row 1**

**(7.9.2.1) Scope 2 approach**

Select from:

☒ Scope 2 market-based

**(7.9.2.2) Verification or assurance cycle in place**

Select from:

☒ Annual process

**(7.9.2.3) Status in the current reporting year**

Select from:

☒ Complete

**(7.9.2.4) Type of verification or assurance**

Select from:

☒ Limited assurance

**(7.9.2.5) Attach the statement**

2023 CDP SDI Scope 1 2 Verification\_companywide.pdf

**(7.9.2.6) Page/ section reference**



**(7.9.2.7) Relevant standard***Select from:*☒ ISO14064-3**(7.9.2.8) Proportion of reported emissions verified (%)**

100

**Row 2****(7.9.2.1) Scope 2 approach***Select from:*☒ Scope 2 location-based**(7.9.2.2) Verification or assurance cycle in place***Select from:*☒ Annual process**(7.9.2.3) Status in the current reporting year***Select from:*☒ Complete**(7.9.2.4) Type of verification or assurance***Select from:*☒ Limited assurance**(7.9.2.5) Attach the statement**

#### (7.9.2.6) Page/ section reference

1-2

#### (7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

#### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

#### Row 1

#### (7.9.3.1) Scope 3 category

Select all that apply

☒ Scope 3: Purchased goods and services

☒ Scope 3: Upstream transportation and distribution

☒ Scope 3: Downstream transportation and distribution

#### (7.9.3.2) Verification or assurance cycle in place

Select from:

☒ Annual process

#### (7.9.3.3) Status in the current reporting year

Select from:

☒ Complete

#### (7.9.3.4) Type of verification or assurance

Select from:

☒ Limited assurance

#### (7.9.3.5) Attach the statement

2023 CDP SDI Scope 3 Verification\_steel mills.pdf

#### (7.9.3.6) Page/section reference

1-2

#### (7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

#### (7.9.3.8) Proportion of reported emissions verified (%)

95

[Add row]

**(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Select from:

☒ Increased

**(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

## Change in output

### (7.10.1.1) Change in emissions (metric tons CO2e)

115020

### (7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

### (7.10.1.3) Emissions value (percentage)

2

### (7.10.1.4) Please explain calculation

Gross global company-wide Scope 1 and market-based Scope 2 emissions increased in 2023 by approximately 2% while steel mill production increased by 7%. The increase in absolute emissions was largely attributed to increased production at our new mill in Sinton, Texas, but due to efficiency improvements at Texas compared to 2022, the overall increase was minimal. As a growth company when we increase production of EAF made steel we displace emissions produced by higher emitting BOF/BF steelmaking methods.

[Fixed row]

## (7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

## (7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ No

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mexico	24854	6143	6143
United States of America	2725517	3401782	2308536

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division

Steel fabrication operations segment - includes joist and deck fabrication operations.

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

9413

## Row 2

### (7.17.1.1) Business division

*Metals recycling operations segment - includes ferrous and nonferrous scrap recycling operations, and a secondary aluminum smelter.*

### (7.17.1.2) Scope 1 emissions (metric ton CO2e)

103430

## Row 3

### (7.17.1.1) Business division

*Steel operations segment - consists primarily of seven EAF steel mills and steel processing and coating lines.*

### (7.17.1.2) Scope 1 emissions (metric ton CO2e)

2603431

## Row 4

### (7.17.1.1) Business division

*Other operations – primarily consists of joint ventures including a secondary copper wire and rod producer, corporate office and idled iron production operations*

### (7.17.1.2) Scope 1 emissions (metric ton CO2e)

34098

[Add row]

**(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Comment
Metals and mining production activities	693916	<i>The boundary for this disclosure is companywide minus the seven steel mills.</i>
Steel production activities	2056455	<i>The boundary for this disclosure is our seven steel mills.</i>

[Fixed row]

## (7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

### (7.20.1) Break down your total gross global Scope 2 emissions by business division.

#### Row 1

##### (7.20.1.1) Business division

*Metals recycling operations segment - includes ferrous and nonferrous scrap recycling operations, and a secondary aluminum smelter.*

##### (7.20.1.2) Scope 2, location-based (metric tons CO2e)

59667

##### (7.20.1.3) Scope 2, market-based (metric tons CO2e)

59667

#### Row 2

#### **(7.20.1.1) Business division**

*Steel fabrication operations segment - includes joist and deck fabrication operations.*

#### **(7.20.1.2) Scope 2, location-based (metric tons CO2e)**

15702

#### **(7.20.1.3) Scope 2, market-based (metric tons CO2e)**

15702

### **Row 3**

#### **(7.20.1.1) Business division**

*Other operations – primarily consists of joint ventures including a secondary copper wire and rod producer, corporate office and idled iron production operations.*

#### **(7.20.1.2) Scope 2, location-based (metric tons CO2e)**

16210

#### **(7.20.1.3) Scope 2, market-based (metric tons CO2e)**

16210

### **Row 4**

#### **(7.20.1.1) Business division**

*Steel operations segment - consists primarily of our seven EAF steel mills and steel processing and coating lines.*

#### **(7.20.1.2) Scope 2, location-based (metric tons CO2e)**

3316346



### (7.20.1.3) Scope 2, market-based (metric tons CO2e)

2223100  
[Add row]

**(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Metals and mining production activities	338618	286387	<i>The boundary for this disclosure is companywide minus the steel mills.</i>
Steel production activities	3069307	2028292	<i>The boundary for this disclosure is our steel mills.</i>

[Fixed row]

**(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.**

**Consolidated accounting group**

### (7.22.1) Scope 1 emissions (metric tons CO2e)

2750371

### (7.22.2) Scope 2, location-based emissions (metric tons CO2e)

3407925

### (7.22.3) Scope 2, market-based emissions (metric tons CO2e)

**(7.22.4) Please explain**

*Companywide emissions using Operational Control consolidation approach.*

**All other entities****(7.22.1) Scope 1 emissions (metric tons CO2e)**

0

**(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

0

**(7.22.3) Scope 2, market-based emissions (metric tons CO2e)**

0

**(7.22.4) Please explain**

*No other entities are included in our response.*

*[Fixed row]*

**(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

*Select from:*

☒ No

**(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Row 1

(7.27.1) Allocation challenges

Select from:

☒ Doing so would require we disclose business sensitive/proprietary information

(7.27.2) Please explain what would help you overcome these challenges

*In development currently, but will be communicated directly to customers upon request not through a public format.*  
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

	Do you plan to develop your capabilities to allocate emissions to your customers in the future?	Describe how you plan to develop your capabilities
	<p>Select from:</p> <p><input checked="" type="checkbox"/> Yes</p>	<p><i>In development currently, but will be communicated directly to customers upon request not through a public format.</i></p>

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

### (7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

#### Consumption of fuel (excluding feedstock)

##### (7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

##### (7.30.1.2) MWh from renewable sources

0

#### (7.30.1.3) MWh from non-renewable sources

10344209

#### (7.30.1.4) Total (renewable and non-renewable) MWh

10344209

### Consumption of purchased or acquired electricity

#### (7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

#### (7.30.1.2) MWh from renewable sources

690000

#### (7.30.1.3) MWh from non-renewable sources

7198579

#### (7.30.1.4) Total (renewable and non-renewable) MWh

7888579

### Total energy consumption

#### (7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

### (7.30.1.2) MWh from renewable sources

690000

### (7.30.1.3) MWh from non-renewable sources

17542786

### (7.30.1.4) Total (renewable and non-renewable) MWh

18232786

[Fixed row]

**(7.30.4) Report your organization's energy consumption totals (excluding feedstocks) for metals and mining production activities in MWh.**

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> HHV (higher heating value)	2551275
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Unable to confirm heating value	748546
Total energy consumption	Select from: <input checked="" type="checkbox"/> Unable to confirm heating value	3299821

[Fixed row]

**(7.30.5) Report your organization's energy consumption totals (excluding feedstocks) for steel production activities in MWh.**

## Consumption of fuel (excluding feedstocks)

### (7.30.5.1) Heating value

Select from:

☒ HHV (higher heating value)

### (7.30.5.2) MWh consumed from renewable sources inside steel sector boundary

0

### (7.30.5.3) MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)

7792935

### (7.30.5.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary

0

### (7.30.5.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary

7792935

## Consumption of purchased or acquired electricity

### (7.30.5.1) Heating value

Select from:

☒ Unable to confirm heating value

### (7.30.5.2) MWh consumed from renewable sources inside steel sector boundary

690000

**(7.30.5.3) MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)**

6450033

**(7.30.5.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary**

0

**(7.30.5.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary**

7140033

## **Total energy consumption**

**(7.30.5.1) Heating value**

Select from:

☒ HHV (higher heating value)

**(7.30.5.2) MWh consumed from renewable sources inside steel sector boundary**

690000

**(7.30.5.3) MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)**

14242968



#### (7.30.5.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary

0

#### (7.30.5.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary

14932968

[Fixed row]

#### (7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of heat	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	<i>Select from:</i> <input checked="" type="checkbox"/> No

[Fixed row]

**(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**(7.30.7.1) Heating value**

Select from:

☒ HHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*We didn't use material that falls under this category during the reported period.*

**Other biomass**

**(7.30.7.1) Heating value**

Select from:

☒ HHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*We didn't use material that falls under this category during the reported period.*

**Other renewable fuels (e.g. renewable hydrogen)**

**(7.30.7.1) Heating value**

Select from:

☒ HHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

0

#### (7.30.7.8) Comment

*We didn't use material that falls under this category during the reported period.*

### Coal

#### (7.30.7.1) Heating value

Select from:

☒ HHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

2832144

#### (7.30.7.8) Comment

*The disclosed data includes: Charge Carbon, Injection Carbon, and Coal*

### Oil

#### (7.30.7.1) Heating value

Select from:

☒ HHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

395905

#### (7.30.7.8) Comment

*The disclosed data includes: Diesel, and Unleaded Gasoline*

#### Gas

#### (7.30.7.1) Heating value

Select from:

☒ HHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

7116159

#### (7.30.7.8) Comment

*The data disclosed includes: Natural Gas, Propane, Propylene, and Acetylene*

#### Other non-renewable fuels (e.g. non-renewable hydrogen)

#### (7.30.7.1) Heating value

Select from:

☒ HHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

0

#### (7.30.7.8) Comment

*We didn't use material that falls under this category during the reported period.*

## Total fuel

### (7.30.7.1) Heating value

Select from:

☒ HHV

### (7.30.7.2) Total fuel MWh consumed by the organization

10344208

### (7.30.7.8) Comment

*The disclosed data includes: Charge Carbon, Injection Carbon, Coal, Diesel Fuel, Unleaded Gasoline, Natural Gas, Propane, Propylene, Acetylene  
[Fixed row]*

**(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.**

## Row 1

### (7.30.14.1) Country/area

Select from:

☒ United States of America

### (7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

### (7.30.14.3) Energy carrier

Select from:

☒ Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

☒ Wind

#### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

534000

#### (7.30.14.6) Tracking instrument used

Select from:

☒ US-REC

#### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

#### (7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2014

#### (7.30.14.10) Comment

*Unbundled RECs are being used as a short-term emissions reduction tool until we receive RECs from PPAs, sleeved PPAs, RPPAs, and VPPAs. RECs were sourced from several renewable generators located in the United States, with various commissioning dates, all less than 15 years old, which is the requirement set by Green-E. Approximately 97% of the acquired wind RECs were produced in facilities commissioned or re-powered after 2014.*

## Row 2

### (7.30.14.1) Country/area

Select from:

☒ United States of America

### (7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

### (7.30.14.3) Energy carrier

Select from:

☒ Electricity

### (7.30.14.4) Low-carbon technology type

Select from:

☒ Solar

### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

156000

### (7.30.14.6) Tracking instrument used

Select from:

☒ US-REC

### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

#### (7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2017

#### (7.30.14.10) Comment

*Unbundled RECs are being used as a short-term emissions reduction tool until we receive RECs from PPAs, sleeved PPAs, RPPAs, and VPPAs. RECs were sourced from several renewable generators located in the United States, with various commissioning dates, all less than 15 years old, which is the requirement set by Green-E. All of the solar RECs were produced in facilities commissioned or re-powered after 2017.*

### Row 3

#### (7.30.14.1) Country/area

Select from:

☒ United States of America

#### (7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

#### (7.30.14.3) Energy carrier

Select from:

☒ Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:



☒ Nuclear

#### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1290856

#### (7.30.14.6) Tracking instrument used

Select from:

☒ Contract

#### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

#### (7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1990

#### (7.30.14.10) Comment

*We have two separate electricity suppliers at our Sinton, TX, mill. The primary who provides the majority of the electricity supplies nuclear electricity under a contractual arrangement. The way they guarantee we have claim to the nuclear is by retiring EACs for nuclear energy called Emissions Free Energy Credits (EFECs). That ensures no else has rights to claim that nuclear energy. The utility retired the EFECs on our behalf, not SDI.*  
[Add row]

#### (7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

**Mexico**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

12414

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

12414.00

**United States of America**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

7876165

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

#### (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

7876165.00

[Fixed row]

### (7.32) Disclose details on your organization's consumption of feedstocks for steel production activities.

#### Row 1

#### (7.32.1) Feedstocks

Select from:

☒ Coal

#### (7.32.2) Total consumption

231246

#### (7.32.3) Total consumption unit

Select from:

☒ metric tons

#### (7.32.4) Dry or wet basis?

Select from:

☒ Dry basis

#### (7.32.5) Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit

3.12

#### (7.32.6) Heating value of feedstock, MWh per consumption unit

8.48

#### (7.32.7) Heating value

Select from:

☒ HHV

#### (7.32.8) Comment

*The boundary for this disclosure is our seven steel mills.*

### Row 2

#### (7.32.1) Feedstocks

Select from:

☒ Natural gas

#### (7.32.2) Total consumption

18882533

#### (7.32.3) Total consumption unit

Select from:

☒ thousand cubic feet

#### (7.32.4) Dry or wet basis?

Select from:

☒ Wet basis

#### (7.32.5) Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit

0.06

#### (7.32.6) Heating value of feedstock, MWh per consumption unit

0.3

#### (7.32.7) Heating value

Select from:

☒ HHV

#### (7.32.8) Comment

*The boundary for this disclosure is our seven steel mills.*

*[Add row]*

### (7.41) Report your organization's steel-related consumption, production and capacity figures by steel plant.

#### Electric arc furnace

##### (7.41.1) Metal scrap consumption (metric tons)

8340408

##### (7.41.2) Blast furnace iron consumption (metric tons)

1425008

##### (7.41.3) Direct reduced iron consumption (metric tons)

263820

##### (7.41.4) Crude steel production (metric tons)

10447402

**(7.41.5) Crude steel capacity (metric tons)**

12745949

**Other**

**(7.41.1) Metal scrap consumption (metric tons)**

0

**(7.41.2) Blast furnace iron consumption (metric tons)**

0

**(7.41.3) Direct reduced iron consumption (metric tons)**

0

**(7.41.4) Crude steel production (metric tons)**

0

**(7.41.5) Crude steel capacity (metric tons)**

0

**Total**

**(7.41.1) Metal scrap consumption (metric tons)**

8340408

**(7.41.2) Blast furnace iron consumption (metric tons)**

1425008

### (7.41.3) Direct reduced iron consumption (metric tons)

263820

### (7.41.4) Crude steel production (metric tons)

10447402

### (7.41.5) Crude steel capacity (metric tons)

12745949

[Fixed row]

## (7.41.1) Report your organization's steel-related production outputs and capacities by product.

### Row 1

#### (7.41.1.1) Product

Select from:

☒ Hot-rolled steel

#### (7.41.1.2) Production (metric tons)

10210106

#### (7.41.1.3) Capacity (metric tons)

12745949

#### (7.41.1.4) Comment

*The boundary of this disclosure is our seven steel mills, and this reflects hot-rolled steel tons. C7.41 reflects cast metric tons.*

### Row 2

#### (7.41.1.1) Product

Select from:

☒ Metal scrap

#### (7.41.1.2) Production (metric tons)

6374546

#### (7.41.1.4) Comment

Amount reported as "Production" is the amount of nonferrous and ferrous scrap shipped by our metals recycling segment, OmniSource.  
[Add row]

### (7.42.1) Provide details on the commodities relevant to the metals production activities of your organization.

#### Row 1

#### (7.42.1.1) Output product

Select from:

☒ Other ferrous metals (Please specify) :Ferrous scrap

#### (7.42.1.3) Production (metric tons)

5871869

#### (7.42.1.5) Scope 1 emissions (metric tons CO2e)

95273

#### (7.42.1.6) Scope 2 emissions (metric tons CO2e)

54962



### (7.42.1.7) Scope 2 emissions approach

Select from:

☒ Location-based

### (7.42.1.9) Comment

*Emissions from Scope 1 and Scope 2 location-based were estimated based on an allocation of mass of production between ferrous and nonferrous.*

## Row 2

### (7.42.1.1) Output product

Select from:

☒ Other non-ferrous metals (Please specify) :Aluminum, copper, silver, lead, and nickel.

### (7.42.1.3) Production (metric tons)

502677

### (7.42.1.5) Scope 1 emissions (metric tons CO2e)

8156

### (7.42.1.6) Scope 2 emissions (metric tons CO2e)

4705

### (7.42.1.7) Scope 2 emissions approach

Select from:

☒ Location-based

### (7.42.1.9) Comment

Emissions from Scope 1 and Scope 2 location-based were estimated based on an allocation of mass of production between ferrous and nonferrous.  
[Add row]

**(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Row 1**

**(7.45.1) Intensity figure**

0.000269

**(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

5065050

**(7.45.3) Metric denominator**

Select from:

☒ unit total revenue

**(7.45.4) Metric denominator: Unit total**

18795316000

**(7.45.5) Scope 2 figure used**

Select from:

☒ Market-based

**(7.45.6) % change from previous year**

21

### (7.45.7) Direction of change

Select from:

☒ Increased

### (7.45.8) Reasons for change

Select all that apply

☒ Change in renewable energy consumption

☒ Change in output

☒ Change in revenue

### (7.45.9) Please explain

*Revenue decreased approximately 16%, while companywide absolute Scope 1 and Scope 2 (market-based method) emissions increased approximately 2% due to steel production increasing 7%. This resulted in an overall net increase of the gross global combined Scope 1 and 2 emissions revenue intensity of 21%.*

*[Add row]*

## (7.49) State your organization's emissions and energy intensities by steel production process route.

### Row 1

#### (7.49.1) Process route

Select from:

☒ Scrap-electric arc furnace

#### (7.49.2) Emissions intensity figure, metric tons CO<sub>2</sub>e per metric ton of crude steel production

0.39

#### (7.49.3) Energy intensity figure, GJ (LHV) per metric ton of crude steel production

5.2

#### (7.49.4) Methodology applied

Select from:

☒ GHG Protocol

#### (7.49.5) Comment

*The boundary of this disclosure is our seven steel mills.*

[Add row]

### (7.52) Provide any additional climate-related metrics relevant to your business.

#### Row 1

#### (7.52.1) Description

Select from:

☒ Energy usage

#### (7.52.2) Metric value

5.2

#### (7.52.3) Metric numerator

*Total Energy Consumption: 53,778,640 GJ*

#### (7.52.4) Metric denominator (intensity metric only)

*Cast Steel: 10,447,402 Metric Tons*

#### (7.52.5) % change from previous year

2

## (7.52.6) Direction of change

Select from:

☒ Decreased

## (7.52.7) Please explain

*Our Sinton, Texas mill began operations in late 2021 and continues to ramp up production, contributing to increased energy usage and energy intensity in 2022. As Sinton continues to operate at a higher utilization rate on a consistent basis, energy intensity is decreasing.*

[Add row]

## (7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Intensity target

## (7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

### Row 1

## (7.53.2.1) Target reference number

Select from:

☒ Int 1

## (7.53.2.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

## (7.53.2.4) Target ambition

Select from:

- ☒ Well-below 2°C aligned

#### (7.53.2.5) Date target was set

07/07/2021

#### (7.53.2.6) Target coverage

Select from:

- ☒ Other, please specify

#### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO<sub>2</sub>)
- ☒ Methane (CH<sub>4</sub>)
- ☒ Nitrous oxide (N<sub>2</sub>O)

#### (7.53.2.8) Scopes

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

#### (7.53.2.9) Scope 2 accounting method

Select from:

- ☒ Market-based

#### (7.53.2.11) Intensity metric

Select from:

- ☒ Metric tons CO<sub>2</sub>e per metric ton of steel

**(7.53.2.12) End date of base year**

12/31/2018

**(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**

0.206

**(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**

0.287

**(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

0.4930000000

**(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

74

**(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

88

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

82

**(7.53.2.55) End date of target**

12/31/2025

**(7.53.2.56) Targeted reduction from base year (%)**

20

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)**

0.3944000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

0

**(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

0.197

**(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

0.194

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

0.3910000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

103.45

**(7.53.2.83) Target status in reporting year**

Select from:

☒ Achieved

**(7.53.2.85) Explain target coverage and identify any exclusions**



Steel Dynamics is targeting a 20% Scope 1 and Scope 2 combined greenhouse gas (GHG) emissions intensity reduction across its EAF steel mills by 2025 compared to a 2018 baseline.

#### (7.53.2.86) Target objective

Interim emissions reduction and renewable energy milestones to achieve our Carbon Neutral goal.

#### (7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☒ No

#### Row 2

#### (7.53.2.1) Target reference number

Select from:

☒ Int 2

#### (7.53.2.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

#### (7.53.2.4) Target ambition

Select from:

☒ Well-below 2°C aligned

#### (7.53.2.5) Date target was set

07/07/2021

#### (7.53.2.6) Target coverage

Select from:

☒ Other, please specify

### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO<sub>2</sub>)

☒ Methane (CH<sub>4</sub>)

☒ Nitrous oxide (N<sub>2</sub>O)

### (7.53.2.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

### (7.53.2.9) Scope 2 accounting method

Select from:

☒ Market-based

### (7.53.2.11) Intensity metric

Select from:

☒ Metric tons CO<sub>2</sub>e per metric ton of steel

### (7.53.2.12) End date of base year

12/31/2018

### (7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)

0.206

### (7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)

0.287

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.4930000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

74

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

88

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

82

(7.53.2.55) End date of target

12/31/2030

(7.53.2.56) Targeted reduction from base year (%)

50

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.2465000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

-38

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.197

**(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

0.194

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

0.3910000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

41.38

**(7.53.2.83) Target status in reporting year**

Select from:

☒ Underway

**(7.53.2.85) Explain target coverage and identify any exclusions**

*Steel Dynamics is targeting a 50% Scope 1 and Scope 2 combined greenhouse gas (GHG) emissions intensity reduction across its EAF steel mills by 2030 compared to a 2018 baseline.*

**(7.53.2.86) Target objective**

*Interim emissions reduction and renewable energy milestones to achieve our Carbon Neutral goal.*

**(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year**

*The company plans to continue working to: • Identify and implement emissions reduction projects. •Improve energy management to reduce emissions and enhance operational efficiency. •Increase the use of renewable and nuclear energy, including partnering with our utilities. •Research, develop, and implement innovative technologies. Key levers for achieving target include: •Substitution of coal-based materials with biocarbon •Use of Renewable Energy Certificates (RECs) from Power Purchase Agreements (PPAs), sleeved PPAs, Renewable Power Purchase Agreements (RPPAs), and Voluntary Power Purchase Agreements (VPPAs) •Implementation of mill decarbonization projects. Scope 1 and 2 combined intensity decreased 20% as of December 31, 2023 compared to the 2018 baseline.*

### **(7.53.2.88) Target derived using a sectoral decarbonization approach**

Select from:

☒ No

[\[Add row\]](#)

### **(7.54) Did you have any other climate-related targets that were active in the reporting year?**

Select all that apply

☒ Targets to increase or maintain low-carbon energy consumption or production

☒ Other climate-related targets

### **(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.**

#### **Row 1**

#### **(7.54.1.1) Target reference number**

Select from:

☒ Low 1

#### **(7.54.1.2) Date target was set**

07/07/2021

#### **(7.54.1.3) Target coverage**

Select from:

☒ Other, please specify

#### (7.54.1.4) Target type: energy carrier

Select from:

☒ Electricity

#### (7.54.1.5) Target type: activity

Select from:

☒ Consumption

#### (7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

#### (7.54.1.7) End date of base year

12/31/2018

#### (7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

5800000

#### (7.54.1.9) % share of low-carbon or renewable energy in base year

0

#### (7.54.1.10) End date of target

12/31/2025

#### (7.54.1.11) % share of low-carbon or renewable energy at end date of target

10

#### (7.54.1.12) % share of low-carbon or renewable energy in reporting year

10

#### (7.54.1.13) % of target achieved relative to base year

100.00

#### (7.54.1.14) Target status in reporting year

Select from:

☒ Achieved

#### (7.54.1.16) Is this target part of an emissions target?

*Yes, this is indirectly related to our Scope 2 emissions which is covered by a Scope 1 and 2 Combined Intensity target for 2025 and 2030 for our seven steel mills.*

#### (7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

#### (7.54.1.19) Explain target coverage and identify any exclusions

*Steel Dynamics plans to increase the use of renewable electrical energy for its EAF steel mills to 10% by 2025. Target and % energy for reported year above both reflect electrical energy (electricity), rather than total energy. While the base year electricity usage was 5,800,000 MWh, our target to achieve 10% renewable electricity is based on usage of 8,000,000 which reflects our anticipated total usage with our new Sinton, Texas mill at full capacity.*

#### (7.54.1.20) Target objective

*Increase the usage of renewable electricity at our seven steel mills to reduce scope 2 emissions.*

#### (7.54.1.22) List the actions which contributed most to achieving this target

*In 2023, 10% of the electrical energy consumed by Steel Dynamics was from renewable sources. The increase in the use of renewable electrical energy thus far has been from acquiring Renewable Energy Certificates (RECs).*

## Row 2

### (7.54.1.1) Target reference number

Select from:

☒ Low 2

### (7.54.1.2) Date target was set

07/07/2021

### (7.54.1.3) Target coverage

Select from:

☒ Other, please specify :Steel Mills

### (7.54.1.4) Target type: energy carrier

Select from:

☒ Electricity

### (7.54.1.5) Target type: activity

Select from:

☒ Consumption

### (7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

### (7.54.1.7) End date of base year

12/31/2018



**(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)**

5800000

**(7.54.1.9) % share of low-carbon or renewable energy in base year**

0.0

**(7.54.1.10) End date of target**

12/31/2030

**(7.54.1.11) % share of low-carbon or renewable energy at end date of target**

30

**(7.54.1.12) % share of low-carbon or renewable energy in reporting year**

10

**(7.54.1.13) % of target achieved relative to base year**

33.33

**(7.54.1.14) Target status in reporting year**

Select from:

☒ Underway

**(7.54.1.16) Is this target part of an emissions target?**

Yes, this is indirectly related to our Scope 2 emissions which is covered by a Scope 1 and 2 Combined Intensity target for 2025 and 2030 for our seven steel mills.

**(7.54.1.17) Is this target part of an overarching initiative?**

Select all that apply

☒ No, it's not part of an overarching initiative

#### (7.54.1.19) Explain target coverage and identify any exclusions

*Steel Dynamics plans to increase the use of renewable electrical energy for its EAF steel mills to 30% by 2030. Target and % energy for reported year above both reflect electrical energy (electricity), rather than total energy. While the base year electricity usage was 5,800,000 MWh, our target to achieve 30% renewable electricity is based on usage of 8,000,000 which reflects our anticipated total usage with our new Sinton, Texas mill at full capacity.*

#### (7.54.1.20) Target objective

*Increase the usage of renewable electricity at our seven steel mills to reduce scope 2 emissions.*

#### (7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

*Key levers for achieving target include use of RECs from Renewable Power Purchase Agreements (RPPAs) Voluntary Power Purchase Agreements (VPPAs), Power Purchase Agreements (PPAs), and sleeved PPAs.*

*[Add row]*

### (7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

#### Row 1

#### (7.54.2.1) Target reference number

Select from:

☒ Oth 1

#### (7.54.2.2) Date target was set

07/07/2021

#### (7.54.2.3) Target coverage

Select from:

☒ Other, please specify

#### (7.54.2.4) Target type: absolute or intensity

Select from:

☒ Intensity

#### (7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

**Net emissions target**

☒ Net metric tons CO2e

#### (7.54.2.6) Target denominator (intensity targets only)

Select from:

☒ metric ton of steel

#### (7.54.2.7) End date of base year

12/31/2018

#### (7.54.2.8) Figure or percentage in base year

0.49

#### (7.54.2.9) End date of target

12/31/2050

#### (7.54.2.10) Figure or percentage at end of date of target

0

#### (7.54.2.11) Figure or percentage in reporting year

0.39

**(7.54.2.12) % of target achieved relative to base year**

20.4081632653

**(7.54.2.13) Target status in reporting year**

*Select from:*

☒ Underway

**(7.54.2.15) Is this target part of an emissions target?**

Yes

**(7.54.2.16) Is this target part of an overarching initiative?**

*Select all that apply*

☒ No, it's not part of an overarching initiative

*[Add row]*

**(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

*Select from:*

☒ Yes

**(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO<sub>2</sub>e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	26	`Numeric input
To be implemented	2	415652
Implementation commenced	2	1237084
Implemented	2	941059
Not to be implemented	5	`Numeric input

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

## Row 1

### (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy consumption

☒ Wind

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

209946

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (market-based)

### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ <1 year

### Row 2

#### (7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Solar PV

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

61333

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (market-based)

#### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ <1 year

### Row 3

#### (7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Nuclear

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

669781

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (market-based)

#### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 3-5 years

[Add row]

### (7.55.3) What methods do you use to drive investment in emissions reduction activities?

### Row 1

### (7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

### (7.55.3.2) Comment

*Steel Dynamics continually evaluates various projects that align with its decarbonization goals. The company intends to invest in projects that will result in lower-carbon footprint products, which are growing in demand. As with all significant capital expenditures, decarbonization projects must be approved as a capital project and approved by the Board.*

## Row 2

### (7.55.3.1) Method

Select from:

☒ Employee engagement

### (7.55.3.2) Comment

*There are two groups that directly support the company's assessment and management of environmental risks and opportunities. The CEG is responsible for identifying, reviewing, and recommending projects and capital investments to drive improvement toward the company's decarbonization goals. The CEG is a cross-functional team consisting of members of senior leadership, operational leadership, environmental engineers, and other subject matter experts in the fields of environmental regulation and renewable energy, with representation from all of our operating platforms. The Decarbonization Working Group drives quality sustainability disclosures and reporting, as well as suggestions for new related policies, educational protocols, and commercial support for our sales teams. The group is comprised of a cross-functional team, including environmental and operating engineers, sustainability professionals, and individuals from investor relations, treasury, risk management, financial accounting, and legal. The CEG and Decarbonization Working Group report through our Vice President of Environmental Sustainability to the Executive Vice President who is also our Chief Financial Officer. Within our steel operations, local leadership is responsible for developing and implementing strategic annual decarbonization plans to identify, implement, monitor, and measure decarbonization projects where feasible. The CEG members are key drivers of these efforts with support from all levels within the company, including senior leadership, divisional operating management, and environmental engineers.*

## Row 3

### (7.55.3.1) Method



Select from:

☒ Dedicated budget for other emissions reduction activities

### (7.55.3.2) Comment

*Steel Dynamics continually evaluates various projects that align with its decarbonization goals. The company intends to invest in projects that will result in lower-carbon footprint products, which are growing in demand. As with all capital expenditures, decarbonization projects must be approved as a capital project and approved by the Board.*

[Add row]

## (7.65) Disclose your organization's best available techniques as a percentage of total plant capacity.

### Electric arc furnace: Scrap preheating

#### (7.65.1) % of total plant capacity

47

#### (7.65.2) Primary reason for not having technique

Select from:

☒ Considered infeasible due to site-specific conditions

#### (7.65.3) Comment

*The majority of our steelmaking production uses this technique. The boundary for this percentage is our seven steel mills.*

### Electric arc furnace: Oxy-fuel burners

#### (7.65.1) % of total plant capacity

96

#### (7.65.2) Primary reason for not having technique

Select from:

☒ Considered infeasible due to site-specific conditions

### (7.65.3) Comment

*Steel Dynamics has invested or upgraded to oxy-fuel burners across our steelmaking sites, covering 98% of our steelmaking production. The boundary for this percentage is our seven steel mills.*

### Electric arc furnace: Oxygen blowing for liquid steel oxidation or post combustion

### (7.65.1) % of total plant capacity

89

### (7.65.2) Primary reason for not having technique

Select from:

☒ Improvement potential considered insignificant

### (7.65.3) Comment

*Only a small volume of our steelmaking production does not use this technique. The boundary for this percentage is our seven steel mills.*

### Electric arc furnace: Integrated, real-time process control and monitoring systems

### (7.65.1) % of total plant capacity

95

### (7.65.2) Primary reason for not having technique

Select from:

☒ Improvement potential considered insignificant

### (7.65.3) Comment

*Only a small volume of our steelmaking production does not use this technique. The boundary for this percentage is our seven steel mills.*

## **Casting: Absence of soaking pits and primary rolling of ingots**

### **(7.65.1) % of total plant capacity**

100

### **(7.65.3) Comment**

*The boundary for this percentage is our seven steel mills.*

## **Casting: Near net shape casting, e.g. thin slab, thin strip, etc.**

### **(7.65.1) % of total plant capacity**

84

### **(7.65.2) Primary reason for not having technique**

Select from:

☒ Considered infeasible due to site-specific conditions

### **(7.65.3) Comment**

*Only a small volume of our steelmaking production does not use this technique. The boundary for this percentage is our seven steel mills.*

## **Hot rolling mill: Hot charging**

### **(7.65.1) % of total plant capacity**

72

### **(7.65.2) Primary reason for not having technique**

Select from:

☒ Other, please specify :Not efficient for overall mill operations in certain cases.

### (7.65.3) Comment

*The majority of our steelmaking production uses this technique. The boundary for this percentage is our seven steel mills.*

### Hot rolling mill: Recuperative/regenerative burners

### (7.65.1) % of total plant capacity

54

### (7.65.2) Primary reason for not having technique

Select from:

☒ Other, please specify :Extra low NOx and Oxyfuel burners used instead.

### (7.65.3) Comment

*The majority of our steelmaking production uses this technique. The boundary for this percentage is our seven steel mills.*

### Hot rolling mill: Walking beam furnace

### (7.65.1) % of total plant capacity

22

### (7.65.2) Primary reason for not having technique

Select from:

☒ Other, please specify :Using other types of furnaces (tunnel, equalizing). We are not reheating the steel so not applicable in most cases.

### (7.65.3) Comment

*Using other types of furnaces (tunnel, equalizing). We are not reheating the steel so not applicable in most cases. The boundary for this percentage is our seven steel mills.*

## Hot rolling mill: Variable speed drives on combustion air fans of reheat furnace

### (7.65.1) % of total plant capacity

28

### (7.65.2) Primary reason for not having technique

Select from:

☒ Other, please specify :Variable louvres for controlling flow rate.

### (7.65.3) Comment

*This is under consideration at several of our mills. The boundary for this percentage is our seven steel mills.*

*[Fixed row]*

## (7.73) Are you providing product level data for your organization's goods or services?

Select from:

☒ No, I am not providing data

## (7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

### (7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

#### (7.74.1.1) Level of aggregation

Select from:

☒ Group of products or services

#### (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Other, please specify :Third party verified GHG Scopes 1, 2 and 3 emissions following the GHG Protocol and ISO 14064-3: 2019.

#### (7.74.1.3) Type of product(s) or service(s)

**Power**

☒ Other, please specify :Lower-carbon steel, made exclusively with electric arc furnace (EAF) technology

#### (7.74.1.4) Description of product(s) or service(s)

*The company's steelmaking operations have exclusively used electric arc furnace (EAF) technology with recycled ferrous scrap as the primary input, producing lower-carbon-emission quality steel products for our customers. EAF steelmaking technology generates a mere fraction of the carbon emissions produced and energy intensity required by traditional blast furnace steelmaking technology. The company's EAF steel mills use recycled ferrous, or steel scrap, as the single-largest raw material input in the production of new finished steel products. In 2023, 82% of the material used in our furnaces to produce steel at our seven EAF steel mills was recycled ferrous scrap and internally generated iron substitutes.*

#### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

#### (7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Third party verified GHG Scopes 1, 2 and 3 emissions, calculated following the GHG Protocol.

#### (7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Cradle-to-gate

#### (7.74.1.8) Functional unit used

*metric tons CO2e per metric ton of steel*

#### (7.74.1.9) Reference product/service or baseline scenario used

*Steel made using traditional blast furnace (BF)-basic oxygen furnace (BOF) methods.*

#### (7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Cradle-to-gate

#### (7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1.55

#### (7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

*Steel Dynamics' steel mills 2023 GHG emissions intensity was 0.78 metric tons CO2e/metric ton of cast steel. This includes GHG emissions Scopes 1, 2 and 3. This compares to 2.33 metric tons CO2e/metric ton of crude steel cast, the 2022 global average for steel made with BF-BOF method according to the World Steel Association.*

*[Add row]*

#### (7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

## C11. Environmental performance - Biodiversity

**(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Actions taken in the reporting period to progress your biodiversity-related commitments
	Select from: <input checked="" type="checkbox"/> No, and we do not plan to undertake any biodiversity-related actions

[Fixed row]

**(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?
	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?**

**Legally protected areas**



#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

#### (11.4.2) Comment

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

### UNESCO World Heritage sites

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

#### (11.4.2) Comment

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

### UNESCO Man and the Biosphere Reserves

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

#### (11.4.2) Comment

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

## Ramsar sites

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ No

**(11.4.2) Comment**

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

## Key Biodiversity Areas

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ No

**(11.4.2) Comment**

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

## Other areas important for biodiversity

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ No

## (11.4.2) Comment

*The boundary for this disclosure is companywide. We reviewed readily available biodiversity resources for the identified area type and do not believe any of our operational sites are located in or near enough to these areas for there to be any material impact on biodiversity.*

*[Fixed row]*

## C13. Further information & sign off

**(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?**

**(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party**

Select from:

☒ No, and we do not plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

**(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party**

Select from:

☒ Not an immediate strategic priority

**(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party**

*Our usages of fuels and electricity, as well as GHG Scopes 1, 2 and 3 are verified by a third party because these metrics are very important to our customers and investors, are part of our publicly stated goals, and we are preparing for the upcoming US SEC regulatory requirements. While other information provided in this submittal is not verified, it has been created with or reviewed by outside experts for input.*

*[Fixed row]*

**(13.3) Provide the following information for the person that has signed off (approved) your CDP response.**

**(13.3.1) Job title**

*Executive Vice President (EVP), who is also our Chief Financial Officer (CFO)*

### (13.3.2) Corresponding job category

Select from:

☒ Chief Financial Officer (CFO)

[Fixed row]

