

NUCOR'S COMMITMENT TO DIVERSITY, EQUITY & INCLUSION

Introduction: Nucor's Culture

At Nucor, we believe that our culture is foundational to our success. Our culture's key principles are: **Safety First, Trust, Open Communications, Teamwork, Community Stewardship and Results.**

Safety will always be our first principle, because the strongest evidence of our culture is how we care for one another.

The concept that comes up most often in describing Nucor's culture is Teamwork or Team. That is how we think of ourselves - as one Team; and it is why we refer to each other as Teammates. We have long recognized that the best performing teams are diverse, and that inclusion and equity are essential preconditions for us to realize the full benefits of our diversity.

For this we can in part thank our founder, Ken Iverson, who promptly took steps to desegregate all aspects of our first steel operation in Florence, South Carolina, upon our acquisition of Vulcraft, Inc. in 1962. It was our acquisition of Vulcraft that set Nucor on a course to become the largest, most diversified steel producer in North America.

Another important aspect of our culture is a commitment to continuous improvement. In recent months we have been actively considering how we can be a more inclusive organization, so that we and all our stakeholders can benefit from an increased diversity of perspectives and talents among our Teammates. We are considering what we can do better, differently, or more of, to accelerate our progress. We have reviewed the many initiatives we have had in place and launched new ones to make sure that we continue to move forward to become an even more diverse and inclusive company.

Nucor's Approach to Attracting and Retaining Teammates

Any discussion concerning human capital management at Nucor should be grounded in an understanding of our approach to attracting, selecting, motivating, and retaining talent.

At Nucor, we look for character traits when we hire new Teammates and focus less on specific credentials. We look for people who take initiative, demonstrate leadership, value responsibility and are willing to work as part of a team. We have an entrepreneurial culture, and we look for that spirit in those we hire.

Our frontline teammates are given a tremendous amount of decision-making authority because it is expected that they are in the best position to make decisions about the operation of their business. They are rewarded for this responsibility through a pay-for-performance bonus system based on the amount of quality steel and steel product that is safely produced each week.

Our performance driven compensation system reinforces our entrepreneurial culture and makes it possible to offer a degree of employment stability not usually found in cyclical, capital intensive businesses like ours. We strive to avoid layoffs or furloughing our Teammates. We very strongly believe that a Nucor Teammate who does their job well today, should feel confident that they will have a job tomorrow. This is understood throughout our company, is reflected in our high retention rate (typically over 90%) and helps enables us to attract dedicated and highly productive Teammates.

Diversity, Equity & Inclusion at Nucor Today

From the early 1960's until now, we have been a company focused on continuous improvement. And we strongly believe that our ongoing dedication to recruiting and hiring the best talent available provides us with a more diverse and capable workforce.

United States Census Bureau data informs us of the demographics of the communities where we operate, including educational attainment and occupation data, as well as representation of racial and ethnic groups. In measuring equity, we use this data to derive utilization rates that compare our internal representation of racial and ethnic minorities and women against the pool of available qualified candidates in our recruiting regions. The data reflects that for 94% of our job categories across the United States, our hiring practices yield employees whose gender and racial composition closely reflect the makeup of our communities.

We believe that our focus on equity in recruitment and hiring has made a positive impact throughout our organization. We are proud that our divisions' Teammate populations are consistent with the racial and ethnic diversity of the communities where we operate. Nucor's racial and ethnic minority population has been between 19% and 20 % in each of the past three years, fluctuating slightly based on hiring trends and the opening of new facilities.

Nucor's Longstanding Initiatives to Foster Diversity, Equity, and Inclusion

While we believe our culture and approach are the critical underpinnings that have enabled us to develop a diverse team, we also maintain numerous programs and initiatives to help ensure the quality and equity of our Teammate recruitment, retention, and talent development systems.

Monitoring and Measuring

In an on-going effort to check our expectations against reality, we run multiple, cross-divisional Teammate forums each year to understand the effectiveness of our inclusive and open-minded culture. These have been occurring annually since 1999.

Teammate Recruitment

Since the early 2000s Nucor has adopted a fully validated hiring system with clear adverse impact measurements to ensure that we are doing our best to attract and select the best available Teammates while representing the demographics of the communities in which we operate. These tools are routinely validated with the assistance of external experts. We also provide training to our leaders to draw attention to hiring practices that will reduce individual bias in the process.

External Partnerships

For many years, Nucor has maintained numerous partnerships that promote the hiring and development of Teammates from more diverse backgrounds. Some of our partners include:

- Tuskegee University, one of the leading historically black universities in the United States, where we operate the Nucor Education and Research Center.
- Society of Women Engineers, the world's largest advocate and catalyst for change for women in engineering and technology.
- INROADS, an organization that identifies, develops, and prepares youth from underserved communities for leadership positions in business and industry.

Teammate Development

To support leadership development among our Teammates Nucor has a comprehensive coaching and mentoring process that extends from entry level personnel to senior leadership. Beyond these internal programs dedicated to Teammates' growth and development, Nucor also offers:

- An educational reimbursement program that is frequently used by Teammates of all levels and their spouses to further their skills; and
- \$14,000 to each Teammate's child to use for educational expenses after high school graduation. Through the Nucor Foundation, we are providing over \$6 million dollars a year in scholarship payments and have contributed over \$109 million since the inception of the program.

Succession Planning

At Nucor we believe in developing our internal talent and have a robust succession planning process that measures the health of our talent pipeline from the Teammate level at each of our facilities to the executive level. We review the demographics of leadership candidates and create appropriate talent acquisition and development plans to ensure we are building a world class, diverse workforce. Because of this intentional succession planning process, we have continued to make progress on racial and ethnic diversity over the past two decades.

Our More Recent Initiatives

We have recently taken additional steps to facilitate awareness of, and attention to, social bias. As we learn from these activities, our plans to address the gaps and our approach will necessarily evolve.

Our CEO is in regular communication with the Nucor Team reiterating our leadership's commitment to fostering awareness of bias and rooting it out. We have created videos of dialogue between senior executives and Teammates regarding experiences of and actions responding to social inequity. Our executives are also leading discussions across the organization to reinforce our values and expectations for behavior in the workplace with the purpose of creating a stronger sense of belonging for all our more than 26,000 Teammates.

We have convened Teammate focus groups to foster open and honest dialogue regarding perceptions of company inclusiveness, and we are using that feedback to inform our leadership development and workplace training efforts going forward.

We have also created leadership development programs to help our leaders engage in conversations regarding racial and ethnic equity. The development curriculum emphasizes our expectations with respect to creating an environment that fosters engagement and belonging. We are optimistic that this curriculum will facilitate the development of an even more inclusive culture at Nucor.

Concluding Comments

While we are proud of our approach and track record of fostering diversity, equity and inclusion at Nucor, we are aware there is still progress to be made. We are working to increase the representation of minorities and women among our leadership. We will continue to evaluate our approach and execute where we detect opportunities to improve, so that Nucor and its stakeholders optimally benefit from our Team's performance.