



TCFD 2.2

NUCOR®



2	INTRODUCTION
2	MESSAGE FROM THE CEO
4	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
4	GOVERNANCE
4	RISK MANAGEMENT
11	STRATEGY
12	METRICS AND TARGETS
15	INDEX

For more information on Nucor's sustainability efforts, please visit: www.nucor.com/responsibility.



MESSAGE FROM THE CEO

Sustainability has always been at the core of Nucor's business model. For more than 50 years, we have been recycling scrap metal into new steel products. Now, more than ever, our investors, customers, and teammates want to know what we are doing to push our sustainability initiatives even further. Fortunately, we have a good story to tell. Nucor has one of the lowest carbon footprints of any steelmaker in the world, and we have plans in place for future reductions.

We compete in a global market comprised of very different steelmaking production methods. Therefore, transparency in emissions reporting is important to fully understand the environmental impact of individual steel companies. We believe we have an obligation to our stakeholders to disclose the risks climate change presents to our business and the steps we are taking to mitigate those risks. In this report, you will find information on the progress we have made to reduce our environmental footprint and our strategy to make additional reductions, including exciting initiatives we have to support clean energy, produce net-zero steel products and encourage global emissions reporting standards to accelerate the transition to low-carbon steel.

The green and digital economy is being built on steel and the steel it is built with matters.

ABOUT THIS REPORT

At Nucor, we recognize the importance of using our leadership position in a key economic industry to foster meaningful progress in addressing climate change. We also recognize that understanding the risks and impacts of climate change on our business is crucial to effectively adapt to those impacts, as well as to capitalize on the opportunities presented by the energy transition. This is Nucor's second climate report prepared in alignment with the TCFD guidance and it follows the framework to include the core elements of governance, strategy, risk management, and metrics and targets. Nucor retained a third-party consultant to facilitate our TCFD process, including assessing climate risks and opportunities and maintaining the alignment of our disclosures within the TCFD framework.

KEY HIGHLIGHTS

- Nucor has committed to a 35% reduction in the greenhouse gas (GHG) intensity for Scope 1 and 2 emissions of its steelmaking operations by 2030 (2015 baseline). This will lower Nucor's intensity of steel mills to 0.38 metric tons of carbon dioxide equivalent per metric ton of steel produced, or approximately 79% less than the most recently available global steelmaking average.
- Nucor has launched Econiq™, the steel industry's first line of net-zero GHG emissions steel products at scale. We sent our first shipment of Econiq steel to General Motors in early 2022, which will help the automotive manufacturing company decarbonize its supply chain.
- Nucor is the first major industrial company to join the United Nations 24/7 Carbon-Free Energy Global Compact. The Compact aims to accelerate the decarbonization of the world's electricity systems to mitigate climate change and ensure access to clean, reliable, and affordable electricity. Nucor is working with our electricity suppliers to access 24/7 clean energy at our steel mills. We are also actively invested in a number of innovative projects to accelerate the transition to 24/7 clean energy, including our investment in NuScale Power Corporation, a developer of small modular reactor nuclear plants.
- Our new steel plate mill in Brandenburg, Kentucky, has registered to pursue LEED v4 for Building and Design certification. It will be the first steel mill in the world to pursue certification under LEED v4, which is more stringent than previous LEED rating systems and ambitiously aligns each credit category with sustainable performance, climate change, and revolutionizes the manufacturing landscape through third-party transparency and reporting requirements.
- Nucor is a founding member of The Global Steel Climate Council Inc. (GSCC), which is a nonprofit association focused on reducing GHG emissions from the global steel industry. We are advocating for a single global standard that is production method agnostic to help accelerate the transition to low-emission steel.
- Nucor has also made an equity investment in Electra, a Colorado-based start-up developing a process to produce carbon-free iron that can be used to make steel. The company uses renewable energy to refine low-grade iron ores into high-purity iron through electrochemical and hydrometallurgical processes. This material can be used in the EAF steelmaking process to replace other high-quality metallics that come with higher embodied GHG emissions.

ABOUT US

Since entering industrial manufacturing over fifty years ago, Nucor has become the largest and most sustainable manufacturer and recycler of steel products in North America, with operating facilities principally in the United States, Canada, and Mexico. Nucor's business is organized into three segments: raw materials, steel mills, and steel products.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, investors, and banks in providing information to stakeholders. Increasing the amount of reliable information on institutions' exposure to climate-related risks and opportunities strengthens the stability of the financial system, contributes to a greater understanding of climate risks, and facilitates financing the transition to a more stable and sustainable economy.

Climate change is complex, and its impacts are inherently difficult to measure. TCFD reporting provides companies and investors with a framework to determine their exposure to climate transition risks and a way to communicate the potential effects of these risks to their stakeholders. The TCFD structures its recommendations around four thematic areas representing core elements of organizations' operations:

- **Governance**
- **Risk Management**
- **Strategy**
- **Metrics and Targets**

GOVERNANCE

BOARD OF DIRECTORS

To meet the challenges ahead, Nucor's Board of Directors provides the ultimate oversight of the company's climate change strategy and risk management efforts. Nucor's Board recognizes that climate change risks are interconnected with other business risks and has ultimate responsibility for ensuring that climate risk assessment and strategy are integrated in overall business planning. The Board meets four times annually and reviews environmental, health, and safety issues in every meeting, including the implications of climate change for the business.

The Board's Nominating and Governance Committee (comprised of all Nucor board members) is responsible for reviewing ESG (Environmental, Social, and Governance) topics, including regulatory compliance, water, energy consumption, and corresponding GHG emissions, and provides oversight to management regarding climate-related risks and opportunities.

MANAGEMENT ROLE

Nucor manages sustainability efforts (including climate-related aspects) through a multi-layer structure. At the executive management level, the Executive Vice President of Business Services and General Counsel of Nucor oversees a collaborative effort to manage climate-related risks, and to evaluate and execute on opportunities, which includes teammates in business development, raw materials, environmental affairs, public affairs, government relations, legal and investor relations. These departments are in regular communication and coordinate to keep the broader leadership team informed and well-positioned to develop strategies that respond to climate-related risks and opportunities.

While Nucor manages an enterprise level strategy around sustainability, the company intends to maintain its highly decentralized structure. We believe in placing decision-making authority as close as possible to the point of execution. We operate this way because we expect our frontline teammates to make decisions about their operations. We seek to hire and retain entrepreneurial, dedicated and highly productive teammates, and we believe this is a key driver of our success.

In line with this approach, many of our energy and GHG management initiatives are implemented at the business unit and facility level. Reducing our energy and GHG intensity is understood throughout Nucor as a strategic imperative, both as a risk to be mitigated and as a commercial opportunity to be seized. Teammates across Nucor regularly evaluate and execute on initiatives toward this end. They examine prospects for capital and other investments, joint ventures, commercial partnerships, and other action plans or process modifications to achieve desired sustainable outcomes. Progress is assessed and relevant data compiled to provide management and the Board with updates on the progress of climate change-related actions.

RISK MANAGEMENT

The Board of Directors establishes guidelines for assessing and managing Nucor's risks, including both strategic and operational risks. Under the direction of the Board, our CEO and the entire executive team are fully engaged in risk management and mitigation.

Nucor's Corporate Controller, Internal Audit and Legal teams conduct an annual risk assessment survey of company management to identify and evaluate risks, compile a comprehensive annual risk report, and present it to the Audit Committee of the Board (comprised of all Nucor board members) for evaluation. The Audit Committee reviews this assessment and provides management with its input on these issues.

We assess risks broadly and holistically, and climate-related risk is just one component of the overall risk landscape as a factor that influences the company's situational preparedness. In addition, Nucor has retained external third-party specialists that evaluate and assist us in preparing for climate-related physical risks such as flooding, fires, and other natural occurrences, as well as transition risks associated with social, economic, and political developments in a climate-changing world. Through these processes, Nucor develops mitigation strategies and believes it is well-positioned to deal with any such risks.



TCFD RISK CATEGORY		RISK	MITIGATION	TIME HORIZON
TRANSITION	Policy And Legal	Current and emerging GHG regulations	<ul style="list-style-type: none"> GHG performance management Policy advocacy and stakeholder engagement 	Short to medium-term
	Market	Energy availability and cost. Non-fossil fuel-based energy supply	<ul style="list-style-type: none"> Ongoing evaluation of our supply chain Diversifying our supply chain Policy advocacy and stakeholder engagement 	Short to long-term
PHYSICAL	Reputation	Credibility of decarbonization plans and reduction targets	<ul style="list-style-type: none"> Stakeholder engagement Third-party verification 	Short to medium-term
	Acute and Chronic	Extreme weather events	<ul style="list-style-type: none"> Evaluating operations for areas of greatest potential economic risk Continuously improving business continuity and risk management system and practices 	Short to long-term

TRANSITION RISK:
CURRENT AND EMERGING GHG REGULATIONS

Description: Our steelmaking processes, Direct Reduced Iron (DRI) processes, and the manufacturing processes along our value chain are energy-intensive and generate significant GHGs. We are, therefore, vulnerable to emerging regulations designed to reduce GHG emissions, including carbon pricing, cap and trade systems, or stricter energy efficiency standards. Such measures could increase our costs and adversely impact our earnings, financial condition, and cash flows if these incremental costs are not recovered.

MITIGATION:
GHG PERFORMANCE MANAGEMENT

Our primary risk mitigation strategy is to improve our GHG performance and reduce our carbon footprint. Nucor exclusively employs EAF technology to produce steel. This is currently the best available technology to produce a wide range of steels at scale while emitting the least amount of GHGs. As a result, although Nucor accounts for approximately one-quarter of steel production in the United States, we are responsible for only about one-twelfth of the industry's GHG emissions. Nucor has already achieved and will continue to meet the Paris Agreement and operates well below the 2-Degree Scenario based on the GHG sector-based benchmarks established in 2021 by the Transition Pathways Initiative (TPI). In 2021, we announced a comprehensive GHG emissions reduction

strategy aiming to lower the Scope 1 & 2 GHG emissions intensity of our steel mills by 35% compared to a 2015 baseline by 2030. We estimate that this will result in our GHG intensity being 79% less than the most recently available global steelmaking average. Beyond 2030, we are committed to working towards net-zero GHG intensity at our steel mills.

Consistent with these commitments, Nucor has a range of initiatives underway across all areas of operation and our external supply chain including:

- Investing capital to modernize our operations and implement new energy efficiency and GHG mitigation projects.
- Partnering with governments, private enterprises and universities to research and test emerging technologies aimed at reducing or capturing GHG emissions, for example:
 - Nucor is partnering with the University of Kentucky (U.K.) to conduct research funded by the U.S. Department of Energy. The U.K. Center for Applied Energy Research is developing a carbon capture system to remove carbon dioxide from fossil fuel combustion.
- Developing new partnerships to facilitate carbon capture and storage at locations that are significant GHG emitters.
- Exploring ways to further reduce the GHG emissions associated with the raw materials we use to make steel.

This includes:

- Investing in alternative iron-making technology, such as that under development by **Electra**, where we are a minority shareholder.
- Substituting fossil carbon in our EAFs with biocarbon derived from sawmill residuals from sustainably grown forests and recycled biomass.
- Reducing copper content in ferrous scrap to reduce the amount of virgin/extracted iron we require for steel production.
- Executing on opportunities across our entire value chain to avoid negative impacts and ensure alignment with our emissions reduction goals, including by:
 - Pursuing partnerships to develop carbon-free small modular nuclear reactors, on-site renewable power generation and/or storage.
 - Supporting the transition of the domestic power grid to a more sustainable, lower carbon future via additional virtual power purchase agreements (VPPAs) for renewable energy¹.
 - Working through our Nucor Industrial Recycling group, we continue to champion circular steelmaking with current and potential steel customers to find new and better ways to return steel scrap directly from manufacturing facilities to steel mills for re-melting - improving resource efficiency for all participants in the steel value chain.

MITIGATION:
POLICY ADVOCACY

Nucor's Public Affairs department regularly engages with relevant federal and state officials to seek cooperative solutions within the legislative, policy, and other climate-related initiatives under consideration. As a key representative of a major industry for our economy, our aim is to ensure that Nucor's perspective is heard so we can best position ourselves to help drive climate progress forward while maintaining the financial health to do so.

TRANSITION RISK:
ENERGY AVAILABILITY AND COST, NON-FOSSIL FUEL-BASED ENERGY SUPPLY

Description: Nucor's profitability and competitiveness are affected by fluctuations in our costs for energy and raw materials on an ongoing basis. Our steel mills and DRI facilities

are large consumers of energy, and we rely upon third parties for our energy supply. The prices and availability of electricity and natural gas are subject to volatile market conditions, which are often impacted by weather, political, regulatory, and economic factors beyond our control.

Ongoing efforts to reduce or slow the effects of climate change will require a significant change to the domestic power grid as the United States transitions to increased reliance on intermittent, renewable energy. We are already observing some instances of higher costs and diminished reliability affecting our operations.

MITIGATION:
ONGOING EVALUATION AND PROACTIVE MANAGEMENT OF OUR ENERGY UTILIZATION AND SUPPLY CHAIN

Due to the nature of our business, ensuring a reliable energy supply is one of our highest priorities. We approach energy supply management as business risk management. We continuously evaluate our energy procurement strategy and actively engage our business partners and vendors to identify ways we can reduce our costs and GHG intensity, as well as improve our efficiency and reliability to optimize our business. We constantly assess energy markets and our energy supply chain and use digital analytical supply management tools to proactively mitigate risk and minimize the impact of disruptive market events.

Our EAF-based steel mills can be quickly ramped up or cycled down in response to demand for steel; as well as to power availability or cost, or to other factors (e.g., safety concerns). Our position as a significant but interruptible energy consumer enables us to contract for power on economically attractive terms and reduces the risk we face from power price spikes and/or unforeseen power curtailments.

And while our EAF-based steel mills already employ the world's most efficient steelmaking processes, we continue to find opportunities to improve how we use energy, such as off-gas heat recovery, burner enhancement, highly efficient power supply systems, and scrap preheating options. In recent years, we have begun to utilize micro-mill technology at our newest rebar focused steel mills in Florida and Missouri. Micro-mills can melt, cast, and roll steel into rebar in under two hours, eliminating the need for natural gas reheating. We have a third rebar micro-mill in the development stages, located in Lexington, North Carolina, and we expect it will be operational in 2024.

¹ Our reliance on Electric Arc Furnaces across core steelmaking operations means that we are well-positioned to leverage the increased availability of renewable electricity sources. Electrical energy from the U.S. power grid accounts for approximately half our steel mills' annual energy requirements. Today, approximately 40% of this energy is sourced from non-fossil fuel-based sources (e.g., hydroelectric, nuclear, solar, wind).

MITIGATION:
DIVERSIFYING AND GREENING OUR ENERGY SUPPLY CHAIN

We estimate that as much as 40% of the electricity we use today is from renewable or zero-carbon (e.g., nuclear) energy sources. We are pursuing the further reduction of our Scope 2 emissions intensity by increasing the adoption of renewable or zero-carbon electricity in more of our facilities.

- We have signed Virtual Power Purchase Agreements with renewable energy providers and continue to explore opportunities to execute additional contracts. These contracts support the decarbonization of the U.S. power grid while providing us with Renewable Energy Credits (RECs)² and a long-term hedge against rising electricity costs for a portion of our power requirements.
- We have invested in NuScale, a publicly-listed company developing small modular nuclear reactor technology.
- Our Vulcraft plant in Chemung, New York has installed a 2.2 MW DC roof mount solar power system, with roughly 3,960 solar panels producing approximately 1,700 megawatt-hours in 2022.
- We are actively exploring additional partnerships for behind-the-meter renewable power generation and storage.

At our DRI operations, which are more natural gas reliant, we have begun to explore the use of green hydrogen. We believe green hydrogen represents a promising alternative to fossil fuels, but we expect that it will not be commercially viable for some years.

MITIGATION:
POLICY ADVOCACY

Nucor’s Public Affairs department regularly engages with relevant federal and state officials to seek durable solutions within the legislative, policy, and energy-related regulatory initiatives under consideration. As a key representative of a major industry for our economy, our aim is to ensure that Nucor’s perspective is heard so we can best position ourselves to help drive progress forward while ensuring that our energy supply is reliable and enables us to remain cost competitive. A specific initiative we have undertaken in this regard is ongoing active membership in, and engagement with, the Clean Energy Buyers Association (CEBA). Further information on this organization is available [here](#).

TRANSITION RISK:
CREDIBILITY OF DECARBONIZATION PLANS

Description: As investors face increased scrutiny around the climate risks of their investments, the financial sector is heightening its focus on carbon-intensive companies. Many

large investors have committed to aligning portfolios with a 2-degree or lower trajectory. Both Nucor’s investors and customers are increasingly asking us to provide assurance with respect to our carbon footprint or the relative carbon intensity of our products. A perceived lack of transparency or inconsistencies in our data, or doubts about the efficacy of our strategies, would adversely impact our reputation among these important constituencies.

MITIGATION:
STAKEHOLDER ENGAGEMENT

We regularly engage with stockholders and other constituents to understand their views and concerns so that their perspectives can be given appropriate consideration as we refine and implement our strategies. Nucor will continue to report GHG emissions, including significant Scope 3 GHG emissions tied to our supply chain, and endeavor to continue to lead the industry with comprehensive and transparent disclosure. We engage third-party consultants to verify our data. Many of our competitors do not include this level of transparency within their disclosures, ignoring significant sources of embodied carbon within their steel, such as purchased coke.

PHYSICAL RISK:
NATURAL DISASTERS AND EXTREME WEATHER EVENTS

Description: Nucor is vulnerable to both acute and chronic physical risks due to climate change, which range from flood risks, increased storm intensities, and increased potential for heat stress-related safety and performance issues among Nucor teammates. Potential impacts of climate-related physical risks on the company can be increased instances of disruptions in operations, as well as disruptions to our suppliers or customers.

MITIGATION:
EVALUATING OPERATIONS

We manage physical risks by continuously improving and optimizing our business continuity and risk management system and practices. Environmental and Health and Safety teams throughout the company evaluate and prepare for any operational risks related to climate change. We prepare and adapt to increasing climate-related physical risk through Emergency Response Plans, weatherizing our equipment, and employee training.

We also retain external third-party experts to evaluate and help us prepare for climate-related physical risks, who help identify locations of high risk and develop specific mitigation plans for those sites.



During 2022, Marsh (a leading insurance broker and risk advisor) evaluated 36 significant Nucor locations, assessing their climate change risk exposure during the period ending in 2050 under Representative Concentration Pathway (RCP) 8.5. This climate change scenario assumes relatively high concentrations of GHGs in the earth’s atmosphere as a result of limited global efforts to curtail them. The climate change perils evaluated included: surface water flooding, riverine flooding, coastal inundation, soil movement, extreme wind, wildfire, freeze-thaw and extreme heat.

Marsh’s work identified 12 at-risk property assets under RCP 8.5 in 2050. Marsh conducted a more detailed analysis of these 12 assets across climate scenario trajectories RCP 8.5, 4.5, and 2.6; modeling maximum expected damage and performing sensitivity analyses to better understand expected damage parameters. This work enabled them to estimate financial exposure for Nucor from a variety of related perils under a range of scenarios. Under a climate scenario that could be expected to result from RCP 8.5 Marsh estimated the total exposure among the 12 at-risk property assets at approximately \$103 million in 2050, with most of the exposure due to the risk of riverine flooding. Marsh also projected a significantly higher risk of disrupted (rather than damaged) operations due to extreme heat across several of these assets by 2050 under RCP 8.5.

TCFD OPPORTUNITIES CATEGORY	OPPORTUNITIES	TIME HORIZON
PRODUCT AND SERVICES	<ul style="list-style-type: none"> • ECONIQ™ Net-Zero Carbon Steel and other low GHG intensity products 	Short to medium term
MARKETS	<ul style="list-style-type: none"> • Increased Demand for Steel Products used in the Production and Distribution of Renewable Energy • Increased infrastructure investment associated with population migration, shoreline hardening, storm resiliency 	Short to medium term

² RECs represent the energy generated by renewable energy sources, such as solar or wind power facilities. RECs represent the clean energy attributes of renewable electricity. RECs are certificates that transfer the “renewable” aspects of renewable energy to the owner. A REC is produced when a renewable energy source generates one megawatt-hour (MWh) of electricity and delivers it to the grid.

PRODUCT AND SERVICES:**ECONIQ™ NET-ZERO CARBON STEEL**

Our competitive advantage depends on our ability to correctly anticipate the shifts in customer preferences so we can accordingly invest in new technologies and innovation. Customers are increasingly expecting low-carbon emitting products to meet their own GHG emissions goals, representing a key opportunity for Nucor steel products. While all of our steel and steel products have low-embodied carbon content, we have prioritized the development of even lower carbon products, such as Nucor's net-zero Econiq™ line.

Nucor's Econiq™ offering represents the world's first net-zero carbon steel available at scale. We produce Econiq™ steels by starting with the lowest GHG intensity steelmaking process via EAF and then utilize 100% renewable electricity supply and carbon offsets to eliminate the remaining associated Scope 1 & 2 emissions. Econiq™ has generated significant interest in the automotive, construction, renewable energy, and other markets where companies are searching for ways to reduce their carbon footprint.

The first coil of Econiq™ was shipped to General Motors (GM) in January 2022, after this new line of steels launched in October 2021. During 2022, we received the General Motors Overdrive Award for our partnership with GM on Econiq™. Nucor was also recognized as a General Motors Supplier of the Year in 2022 for the fourth straight year. We remain the only EAF steelmaker to receive the Supplier of the Year Award from GM.

We look forward to continuing to offer Econiq™ and similar green product innovations to our customers. They create opportunities to reduce GHG emissions across our product portfolio while also earning us a privileged position as a trusted supplier. We are targeting at least 1 million tons of Econiq™ shipments in 2023. As we grow sales volumes for Econiq™ we will reduce our net GHG emissions commensurately.

MARKETS:**INCREASED DEMAND FOR STEEL PRODUCTS USED IN THE PRODUCTION AND DISTRIBUTION OF RENEWABLE ENERGY**

We are focusing on renewable power generation and transmission as key growth markets. Renewable energy assets and power grid transmission infrastructure are steel-intensive. As the leading producer of steel from recycled ferrous scrap, we believe we are well-positioned to meet these needs. After all, the green economy is being built on steel, and the steel it is built from matters.

Nucor is investing in the capabilities required to strengthen its position as a leader in sustainable steel manufacturing and support the renewable energy future. We have made targeted investments in new products and production

capabilities that we believe have positioned us well to respond to climate-related opportunities. For example, Nucor will soon be one of only a few companies in the world capable of supporting the steel plate requirements of the offshore wind market's towers with the introduction of Elcyon™. Elcyon™ is a new sustainable heavy gauge steel plate product created specifically to meet the rigorous quality standards of offshore wind energy designers, manufacturers and fabricators. We are also constructing a tube mill in Kentucky that will supply galvanized solar torque tubes to the nation's expanding solar energy markets. In addition, following our investments in new advanced value-added processing capabilities at our sheet mill in Blytheville, Arkansas, Nucor can now produce 3rd Generation Advanced High-Strength Steel (AHSS) products that will allow vehicles to meet stricter mileage standards and reduce their life cycle emissions.

These facilities represent a substantial investment by Nucor, which we believe will generate significant returns as the world continues to adopt new technologies and products to respond to climate change.

The Inflation Reduction Act, signed into law on August 16, 2022, is expected to provide more than \$300 billion for clean energy development and climate programs. We anticipate that the legislation will sharply accelerate investment in clean energy generation and transmission assets and encourage domestic sourcing of steel and steel products essential to their construction. For example, the legislation's mix of tax credits and other incentives supports the Biden Administration's announced goal to build 30 gigawatts of offshore wind power by 2030. This alone could result in approximately 7.5 million tons of additional steel demand.

MARKETS:**INCREASED INFRASTRUCTURE INVESTMENTS**

Steel is a versatile, durable, very high strength building material. And we are the leading domestic producer of a diverse array of steel products for construction applications.

As severe weather events and coastal and riverine flooding and erosion become more common, Nucor products and services are increasingly important to building climate-resilient infrastructure and to rebuilding efforts following destructive storms. Some examples include:

- Steel piling supplied rapidly to restore the bridge to Sanibel Island, Florida following Hurricane Ian.
- Piling supplied to mitigate flood risk to New York City's Coney Island MTA train yard.
- Structural and plate steel supplied to facilitate rapid replacement of the Pfeiffer Canyon bridge in California, following extensive damage to the original structure caused by heavy rains.

- Shoreline and beach erosion mitigation in the New York Metro area, post-Hurricane Sandy.
- Levee fortification in New Orleans, post-Hurricane Katrina.

The Infrastructure Investment and Jobs Act enacted in 2021 is expected to provide more than \$500 billion in incremental funding for domestic infrastructure projects similar to the ones listed above. We expect the IIJA will drive at least 3 million tons of additional steel demand per annum in the U.S. over the next several years.

STRATEGY**BUSINESS STRATEGY OVERVIEW**

Steel is a versatile material that is vital in any modern economy and a key material required to support the global energy transition to a low-carbon economy. As the leading producer of steel from recycled ferrous scrap, we believe we are well-positioned to meet these needs and become a global leader in the production and sale of low-GHG steel. To capitalize on these prospects, we must carefully plan our investments, considering the long-life cycle of steel mills, as well as the scale and scope of the associated infrastructure and supply chain we require to manufacture our products.

While Nucor envisions a wide variety of potential consequences from climate change that might have an impact on our business, we believe we are well-positioned relative to many of our peers whose steelmaking operations are much more GHG intensive. And at the present time we see numerous opportunities to further reduce our GHG intensity without material impact on our operating expenses or diminution of our financial resources. In addition, we believe the exposures to climate change-related perils embodied in our physical assets (e.g., property, plant, and equipment) are manageable given our resources and the redundancies inherent in our diverse asset base.

Regardless of the scenario, we intend to preserve our conservative capitalization, strong credit rating, and ready access to low-cost capital so that we are well-prepared for any unfavorable events and remain well-positioned to adapt to changing circumstances.

NUCOR'S APPROACH TO CLIMATE STRATEGY

As part of our ongoing efforts to identify climate-related risks and opportunities, we engage leaders and teammates across our organization to assess where to best focus our efforts to mitigate risks and maximize benefits for our internal and external stakeholders. This has resulted in our incorporating the effects of climate change into our business strategy via multiple initiatives, including:

- Protecting the long-term resiliency of our physical infrastructure in our steel mill locations from the impacts of a changing climate.
- Measuring, managing, and reducing our GHG emissions intensity to reduce any potential costs associated with our GHG footprint by:
 - Investing capital to modernize our operations and implement new energy efficiency and GHG mitigation projects.
 - Developing new partnerships to facilitate carbon capture and storage.
 - Exploring new technologies to further reduce the GHG emissions associated with the raw materials we use to make steel.
 - Using data analytics and digitizing our infrastructure and processes to improve the efficiency and connectivity of critical systems.
- Assessing climate-related risks and opportunities across our entire value chain to avoid negative impacts and ensure alignment with our emissions reduction goals.
- Identifying and pursuing the increasing array of market opportunities related to mitigating and adapting to climate change across the built environment, transportation, and energy sectors.

RISK TIME HORIZONS

Nucor assesses risks as far into the future as practical, considering our business's evolving nature. Typically, we consider the following

- **Short-term: <1 year**
- **Medium-term: 2-4 years**
- **Long-term: 5+ years**

METRICS AND TARGETS

METRICS

Nucor's steel mills account for more than 80% of our total emissions. The vast majority of our Scope 1 GHG emissions result from the fuels used to generate heat that is applied to iron-containing raw materials (e.g., scrap metal, iron ore) and other alloying ingredients in our steelmaking process.

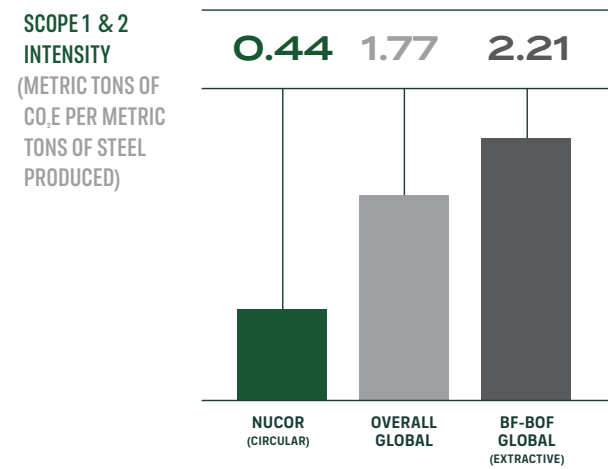
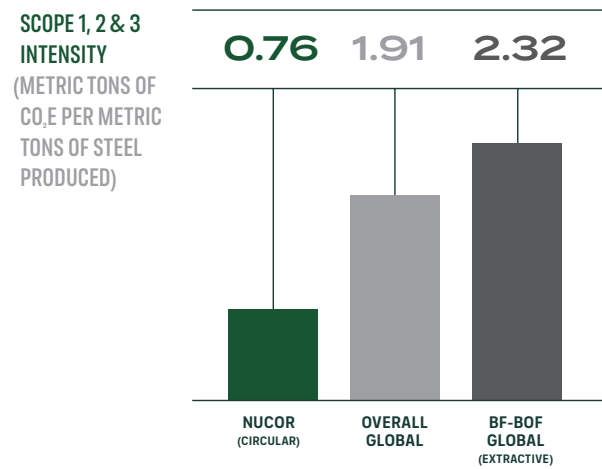
Our Scope 2 GHG emissions are primarily the result of the generation of the electricity used in our EAF-based steelmaking. As the largest EAF-based steelmaker in the world, Nucor consumes a significant amount of electrical energy. For details on Nucor's energy mix and consumption, please see our most recent SASB report for our steel mills segment, published in May 2022.

Nucor's Scope 3 emissions inventory primarily results from our steel mills' consumption of iron-bearing raw materials supplied by external parties (e.g., iron ore pellets, pig iron, and hot briquetted iron). As described above, we are actively exploring ways to reduce the CO₂ intensity of these raw materials for Nucor, and we believe we can demonstrate progress in this area in the short and medium term.

OTHER METRICS

- Other metrics that we are evaluating/monitoring as potential indicators of climate-related risks and opportunities include:
 - Heat-related health and safety statistics.
 - Supply chain disruptions (e.g., power or gas supply disruption and price spikes).
 - Logistics disruptions due to flooding or low water levels on rivers used for shipments.
 - Market size, growth outlook statistics for steel usage in the renewable energy industry.
 - Projected steel needs of the electric vehicle industry.
 - Projected changes in steel demand due to the broader economy's transition to lower carbon intensity and enhanced infrastructure resilience over time.





*Nucor data is latest available at time of publication for 2022. Overall Global and BF-BOF Global data is for 2021, which was the latest available information as of the printing of this report.

TARGETS

Nucor is committed to a 35% combined reduction in steel mill Scope 1 and Scope 2 GHG intensity by 2030, using a 2015 baseline. This goal will take Nucor's steel mill GHG emissions down to 79% less than the most recently available global steelmaking average.

IN ADDITION:

- Nucor will continue to disclose and work aggressively to reduce its largest sources of Scope 3 emissions.
- Beyond 2030, we are committed to reducing steel mill carbon intensity towards net-zero.

INDEX

CATEGORY	DISCLOSURES	REFERENCE LOCATION
GOVERNANCE Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.	
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
RISK MANAGEMENT Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	
	b) Describe the organization's processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

FOR MORE INFORMATION ON NUCOR'S
SUSTAINABILITY EFFORTS, SCAN HERE.

