

Risk Factors Comparison 2024-10-17 to 2023-10-12 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

There are inherent risks and uncertainties associated with our business that could adversely affect our business, results of operations and financial condition. Set forth below are descriptions of those risks and uncertainties that we currently believe to be material, but the risks and uncertainties described below are not the only risks and uncertainties that could adversely affect our business, results of operations and financial condition. If any of these risks actually occur, our business, results of operations and financial condition could be materially adversely affected. RISKS RELATED TO OUR BUSINESS Scrap and other inputs for our business are subject to significant price fluctuations and limited availability, which may adversely affect our business, results of operations and financial condition. At any given time, we may be unable to obtain an adequate supply of critical raw materials at ~~a price~~ **prices** and on other terms acceptable to us. We depend on ferrous scrap, the primary raw material used by our steel mills, and other inputs such as graphite electrodes and alloys for our steel mill operations. The price of scrap and other inputs has historically been subject to significant fluctuation, and we may not be able to adjust our product prices to recover the costs of rapid increases in raw material prices, especially over the short- term and in our fixed price contracts. The profitability of our operations would be adversely affected if we are unable to pass increased raw material and input costs on to our customers. The purchase prices for automobile bodies and various other grades of obsolete and industrial scrap, as well as the selling prices for processed and recycled scrap metals we utilize in our own manufacturing process or resell to others, are highly volatile. A prolonged period of low scrap prices or a fall in scrap prices could impair our ability to obtain, process, sell and consume recycled material, which could have a material adverse effect on our business, results of operations and financial condition. Our ability to respond to changing recycled metal selling prices may be limited by competitive or other factors during periods of low scrap prices, when the supply of scrap may decline considerably, as scrap generators hold onto their scrap in the hope of getting higher prices later. Conversely, increased foreign demand for scrap due to economic expansion in countries such as China, India, Brazil and Turkey **, as well as the growth of EAF steel production due to efforts by countries and producers to reduce carbon emissions in the industry,** can result in an outflow of available domestic scrap as well as higher scrap prices that cannot always be passed on to domestic scrap consumers or consumers of our steel products, further reducing the available domestic scrap flows and margins, all of which could adversely affect our sales and profitability. The availability of raw materials may also be negatively affected by new laws and regulations, **countries limiting scrap exports,** allocations by suppliers, interruptions in production, accidents or natural disasters, changes in exchange rates, global price fluctuations and the availability and cost of transportation. If we are unable to obtain adequate and timely deliveries of our required raw materials, we may be unable to timely manufacture significant quantities of our products. We are vulnerable to the economic conditions in the regions in which our operations are concentrated. Economic downturns in the U. S., United Kingdom (the "U. K."), Central Europe and China, or decisions by governments that have an impact on the level and pace of overall economic activity in one of these regions, could adversely affect demand for our products and, consequently, our sales and profitability. As a result, our financial results are substantially dependent upon the overall economic conditions in these areas. We rely on the availability of large amounts of electricity and natural gas. Disruptions in delivery or substantial increases in energy costs, including crude oil prices, could adversely affect our business, results of operations and financial condition. Our EAF mills melt steel scrap and use natural gas to heat steel billets for rolling into finished steel products. As large consumers of electricity and **natural** gas, often the largest in the geographic area where our mills are located, we must have dependable delivery of electricity and natural gas in order to operate. Accordingly, we are at risk in the event of an energy disruption. Prolonged black- outs or brown- outs or disruptions caused by natural disasters such as hurricanes would substantially disrupt our production. While we have not suffered prolonged production delays due to our inability to access electricity or natural gas, several of our competitors have experienced such occurrences. Prolonged substantial increases in energy costs would have an adverse effect on the costs of operating our mills and would negatively impact our profitability unless we were able to fully pass through the additional expense to our customers. ~~Our~~ **Further, our** finished steel products are typically delivered by truck. Rapid increases in the price of fuel attributable to increases in crude oil prices would increase our costs and adversely affect many of our customers' financial results, which in turn could result in reduced margins and declining demand for our products. We may encounter labor disputes and shortages for skilled labor and / or qualified employees in operational positions, which could adversely impact our operations. Our employees contribute to developing and meeting our business goals and objectives, and we depend on a qualified labor force for the manufacture of our products. The impact of labor shortages and increased competition for available workers may increase our costs or impede our ability to optimally staff our facilities and could have an adverse impact on our results of operations, financial condition and cash flows. In addition, an ongoing labor shortage may result in increased expenses related to hiring and retention of qualified employees. As our experienced employees retire and we lose their institutional knowledge, we may encounter challenges and may have difficulty replacing them with employees of comparable skill and efficiency. Additionally, as of August 31, ~~2023~~ **2024**, ~~14 %~~ **and**, ~~29 %~~ **and 10 %** of the employees in our North America **and Steel Group,** Europe **Steel Group and Emerging Businesses Group** segments, respectively, belong to unions. While **we** believe that we have good relations with the union representatives, there can be no assurance that any future labor negotiations will prove successful, which may result in a significant increase in the cost of labor, or may break down and result in the disruption of our business or operations. The loss of, or inability to hire, key employees may adversely affect our ability to successfully manage our operations and meet our strategic objectives. Our future success depends, in large part, on the continued service of our officers and other key employees and our ability to continue to attract and retain additional highly

qualified personnel. These employees are integral to our success based on their expertise and knowledge of our business and products. We compete for such personnel with other companies, including public and private company competitors who may periodically offer more favorable terms of employment. The loss or interruption of the services of a number of our key employees could reduce our ability to effectively manage our operations should we be unable to find appropriate replacement personnel in a timely manner ~~should the need arise. For example, as part of the Company's succession plan, Peter R. Matt became our Chief Executive Officer effective September 1, 2023. Failure to successfully execute this leadership transition and retain key employees could negatively impact our business and results of operations.~~ Our business, financial condition and results of operations may be adversely impacted by the effects of inflation. Inflation has the potential to adversely affect our business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. Other inflationary pressures could affect wages, energy prices, the cost and availability of components and raw materials and other inputs and our ability to meet customer demand. Inflation may further exacerbate other risk factors, including supply chain disruptions, risks related to international operations and the recruitment and retention of qualified employees. We may have difficulty competing with companies that have a lower cost structure or access to greater financial resources. We compete with regional, national and foreign manufacturers and traders. Consolidation among participants in the steel manufacturing and recycling industries has resulted in fewer competitors, and several of our competitors are significantly larger than us and have greater financial resources and more diverse businesses than us. Some of our foreign competitors may be able to pursue business opportunities without regard to certain laws and regulations with which we must comply, such as environmental regulations. These companies may have a lower cost structure and more operating flexibility, and consequently they may be able to offer ~~better~~ **lower** prices and more services than we can. There is no assurance that we will be able to compete successfully with these companies. Any of these factors could have a material adverse effect on our business, results of operations and financial condition. Operating and startup risks, as well as market risks associated with the commissioning of our micro mills, could prevent us from realizing anticipated benefits and could result in a loss of all or a substantial part of our investments. Although we have successfully commissioned and operated similar facilities, there are technological, operational, market and start-up risks associated with the **continued ramp up of our third micro mill and the** construction and commissioning of our ~~third and fourth micro mills~~ **mill**. Construction of our micro mills is subject to changing market conditions, delays, inflation and cost overruns, work stoppages, labor shortages, weather interferences, supply chain delays, **changes in transportation costs and availability**, changes required by governmental authorities, **and** delays **in acquiring** or the inability to acquire required permits or licenses, any of which could have an adverse impact on our operational and financial results. Further, although we believe these facilities should each be capable of consistently producing high-quality products in sufficient quantities and at costs that will compare favorably with other similar steel manufacturing facilities, there can be no assurance that these expectations will be achieved. If we encounter cost overruns, system or process difficulties ~~during commissioning or after startup~~ or quality control restrictions **during commissioning of our fourth micro mill or after startup** with either or both facilities, our capital costs could increase materially, the expected benefits from the development of the applicable facilities could be diminished or lost, and we could lose all or a substantial portion of our investments. **In addition, reductions in the availability of certain modes of transportation, such as rail or trucking, during construction of our micro mills could result in significant delays, and reduced transportation availability following startup at our facilities could limit our ability to deliver our steel products and therefore adversely affect our operational and financial results.** We could also encounter commodity market risk if, during a sustained period, the cost to manufacture is greater than projected or the market prices for steel products decline. Our mills require continual capital investments that we may not be able to sustain. We must make regular, substantial capital investments in our steel mills to maintain the mills, lower production costs and remain competitive. We cannot be certain that we will have sufficient internally generated cash or acceptable external financing to make necessary substantial capital expenditures in the future. The availability of external financing depends on many factors outside of our control, including capital market conditions and the overall performance of the economy. If funding is insufficient, we may be unable to develop or enhance our mills, take advantage of business opportunities and respond to competitive pressures. Unexpected equipment failures may lead to production curtailments or shutdowns, which may adversely affect our business, results of operations and financial condition. Interruptions in our production capabilities would adversely affect our production costs, products available for sale and earnings for the affected period. Our manufacturing processes are dependent upon critical pieces of steelmaking equipment, such as our furnaces, continuous casters and rolling equipment, as well as electrical equipment, such as transformers. This equipment may, on occasion, be out of service as a result of unanticipated failures. **We While we maintain backups for certain critical pieces of equipment to use during the time it may take to repair or replace inoperable equipment,** we have experienced, and may in the future experience, material plant shutdowns or periods of reduced production as a result of such equipment failures. In addition to equipment failures, our facilities are also subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions. Information technology interruptions and breaches in data security could adversely impact our business, results of operations and financial condition. We rely on computers, information and communications technology and related systems and networks in order to operate our business, including to store sensitive data such as intellectual property, our own proprietary business information and that of our customers, suppliers and business partners and personally identifiable information of our employees. Increased global information technology security requirements, vulnerabilities, threats and a rise in sophisticated and targeted cyber attacks, which may be heightened in times of hostilities or war, computer viruses, phishing attacks, social engineering schemes, malicious code, ransomware attacks, acts of terrorism and physical or electronic security breaches, including breaches by computer hackers, cyber-terrorists and / or unauthorized access to or disclosure of our and / or our employees' or customers' data pose a risk to the security of our systems, networks and the confidentiality, availability and integrity of our data. Our systems and networks are also subject to damage or interruption from power outages, natural disasters,

telecommunications failures, intentional or inadvertent user misuse, employee error, operator negligence and other similar events. Any of these or other events could result in system interruption, the disclosure, modification or destruction of proprietary and other key information, corruption of data, legal claims or proceedings, government enforcement actions, civil or criminal penalties, increased ~~cyber security~~ **cybersecurity** protection and remediation costs, production delays or disruptions to operations including processing transactions and reporting financial results and could adversely impact our reputation and our operating results. We have taken steps to address these concerns and have implemented internal control and security measures to protect our systems and networks from security breaches; however, measures that the Company takes to avoid, detect, mitigate or recover from material incidents, may be insufficient ~~or~~ circumvented, or may become ineffective and there can be no assurance that a system or network failure, or security breach, will not impact our business, results of operations and financial condition. As ~~cyber security~~ **cybersecurity** threats continue to evolve and become more sophisticated, we may be required to incur significant costs and invest additional resources to protect against and, if required, remediate the damage caused by such disruptions or system failures in the future. Increasing attention to ESG matters, including any targets or other ESG ~~or~~ environmental justice **or regulatory** initiatives, could result in additional costs or risks or adverse impacts on our business. Our business faces increasing scrutiny related to ESG issues, including environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, human rights, philanthropy and support for local communities ~~or~~ **Implementation of our environmental and sustainability initiatives, including the goals set forth in our annual sustainability report requires certain financial expenditures and employee resources, and the implementation of certain ESG practices or disclosures. If we fail to meet applicable standards or expectations with respect to these issues, including the expectations we establish for our business, our reputation and brand could be damaged, and our business, financial condition and results of operations could be adversely impacted.** Investors, stakeholders and other interested parties are also increasingly focused on issues related to environmental justice and ESG in general. **This Implementation of our environmental and sustainability initiatives, including the goals set forth in our annual sustainability report, requires certain financial expenditures and employee resources, and the implementation of certain ESG practices or disclosures. In addition, we are, or in the future may become, subject to domestic and international disclosure frameworks, regulations and requirements related to climate change and sustainability. Compliance with such disclosure frameworks, regulations and requirements, if and when they are implemented, could require significant effort, and if we fail to meet the applicable regulatory standards or expectations with respect to these issues, including the expectations we establish for our business, we could be subject to penalties, fines, lawsuits or regulatory action, our reputation and brand could be damaged, and our business, financial condition and result results in increased scrutiny of operations could be adversely impacted. Furthermore, protests and negative publicity with respect to our business and operations could result in the cancellation or delay of projects, the revocation of permits or termination of contracts, each of which could in turn result in the cancellation or delay of projects, the revocation of permits, termination of contracts, lawsuits, regulatory action and policy change that** may adversely affect our business strategy, increase our costs, or adversely affect our reputation and performance. We are subject to litigation, potential liability claims and contract disputes, and may become subject to additional litigation, claims and disputes in the future, any of which could adversely affect our business, results of operations and financial condition. We are involved in various litigation matters, including regulatory proceedings, administrative proceedings, governmental investigations, environmental matters and construction contract disputes. The nature of our operations also exposes us to possible litigation claims in the future. Furthermore, the manufacture and sale of our products as well as the use of our products in a wide variety of commercial and industrial applications expose us to potential product liability and related claims. In the event that a product of ours fails to perform as expected, regardless of fault, or is used in an unexpected manner, and such failure or use results in, or is alleged to result in, bodily injury and / or property damage or other losses, we may be subject to product liability and product quality claims. Because of the uncertain nature of litigation and insurance coverage decisions, we cannot predict the outcome of these matters. These matters could have a material adverse effect on our reputation, business, results of operations and financial condition. Litigation is very costly, and the costs associated with prosecuting and defending litigation matters could have a material adverse effect on our business, results of operations and financial condition. Although we are unable to precisely estimate the ultimate dollar amount of exposure to loss in connection with litigation matters, we make accruals as warranted. However, the amounts that we accrue could vary significantly from the amounts we actually pay, due to inherent uncertainties, including the inherent uncertainties of the estimation process, the uncertainties involved in litigation and other factors. See Part I, Item 3, Legal Proceedings of this Annual Report for a description of **certain pending** ~~our current material~~ legal proceedings. Potential limitations on our ability to access credit, or the ability of our customers and suppliers to access credit, may adversely affect our business, results of operations and financial condition. If our access to credit is limited or impaired, our business, results of operations and financial condition could be adversely impacted. Our senior unsecured notes are rated by Standard & Poor's Corporation, Moody's Investors Service and Fitch Group, Inc. In determining our credit ratings, the rating agencies consider a number of both quantitative and qualitative factors. These factors include earnings (loss), fixed charges such as interest, cash flows, total debt outstanding, off- balance sheet obligations and other commitments, total capitalization and various ratios calculated from these factors. The rating agencies also consider predictability of cash flows, business strategy and diversity, industry conditions and contingencies. Any downgrades in our credit ratings may make raising capital more difficult, increase the cost and affect the terms of future borrowings, affect the terms under which we purchase goods and services and limit our ability to take advantage of potential business opportunities. We could also be adversely affected if our banks refused to honor their contractual commitments or cease lending. We are also exposed to risks associated with the creditworthiness of our customers and suppliers. In certain markets, we have experienced a consolidation among those entities to whom we sell. This consolidation has resulted in an increased credit risk spread among fewer customers, often without a corresponding strengthening of their financial status. If the availability of credit to fund or support the continuation and expansion of our

customers' business operations is curtailed or if the cost of that credit is increased, the resulting inability of our customers or of their customers to either access credit or absorb the increased cost of that credit could adversely affect our business by reducing our sales or by increasing our exposure to losses from uncollectible customer accounts. The consequences of such adverse effects could include the interruption of production at the facilities of our customers, the reduction, delay or cancellation of customer orders, delays or interruptions of the supply of raw materials we purchase and bankruptcy of customers, suppliers or other creditors. Any of these events may adversely affect our business, results of operations and financial condition. **The impact of the Russian invasion of Ukraine on Geopolitical conditions, including political turmoil and volatility, regional conflicts, terrorism and war have caused disruptions in** the global economy, energy supplies and raw materials **is uncertain, but which may continue to negatively impact our business and operations . We operate globally and sell our products in countries throughout the world** . Since early 2022, Russia and Ukraine have been engaged in active armed conflict. We continue to monitor the adverse impact that the outbreak of war in Ukraine and the subsequent institution of sanctions against Russia by the U. S. and several European and Asian countries may continue to have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and customers. The ongoing conflict in Ukraine has led to market disruptions, including significant volatility in commodity prices and credit markets, as well as reductions in demand and supply chain interruptions, and contributed to global inflation. Further, if the conflict intensifies or expands beyond Ukraine, it could continue to have an adverse, indirect impact on our operations in Poland. The Russian invasion of Ukraine did not have a direct material adverse impact on our business, financial condition or results of operations during **2024, 2023 or 2022**. However, we will continue to monitor this fluid situation and develop contingency plans as necessary to address any disruptions to our business operations. To the extent **this and the other geopolitical conflicts war in Ukraine** may continue to adversely affect **our business the global economy** as discussed above, **it they** may also have the effect of heightening many of the other risks described in this “ Risk Factors ” section, such as those relating to data security, supply chain, volatility in prices of scrap, energy and other inputs, and market conditions, any of which could negatively affect our business, results of operations and financial condition. The potential impact of our customers' non- compliance with existing commercial contracts and commitments, due to insolvency or for any other reason, may adversely affect our business, results of operations and financial condition. From time to time in the past, some of our customers have sought to renegotiate or cancel their existing purchase commitments with us. In addition, some of our customers have breached previously agreed upon contracts to buy our products by refusing delivery of the products. Where appropriate, we have and expect to in the future pursue litigation to recover our damages resulting from customer contract defaults and bankruptcy filings. We use credit assessments in the U. S. and credit insurance in Poland to mitigate the risk of customer insolvency. However, a large number of our customers defaulting on existing contractual obligations to purchase our products could have a material adverse effect on our business, results of operations and financial condition. The agreements governing our notes and our other debt contain financial covenants and impose restrictions on our business. The indentures governing our 4. 125 % Senior Notes due 2030, our 3. 875 % Senior Notes due 2031 and our 4. 375 % Senior Notes due 2032 contain restrictions on our ability to create liens, sell assets, enter into sale and leaseback transactions and consummate transactions causing a change of control such as a merger or consolidation. In addition to these restrictions, our Credit Agreement, as defined in Note 8, Credit Arrangements, in Part II, Item 8 of this Annual Report, contains covenants that restrict our ability to, among other things, enter into transactions with affiliates and guarantee the debt of some of our subsidiaries. Our Credit Agreement **and U. S. Facility**, as defined in Note 8, Credit Arrangements, in Part II, Item 8 of this Annual Report also **require requires** that we meet certain financial tests and maintain certain financial ratios, including maximum debt to capitalization and interest coverage ratios. The loan agreement related to the Series 2022 Bonds, as defined in Note 8, Credit Arrangements, in Part II, Item 8 of this Annual Report, also restricts our ability to, among other things, enter into certain sale and leaseback transactions, incur certain liens and take certain actions that would adversely affect the tax- exempt status of the Series 2022 Bonds. Other agreements that we may enter into in the future may contain covenants imposing significant restrictions on our business that are similar to, or in addition to, the covenants under our existing agreements. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any of these covenants could result in a default under the indentures governing our notes or under our other debt agreements. An event of default under our debt agreements would permit our lenders to declare all amounts borrowed from them to be due and payable, together with accrued and unpaid interest. If we were unable to repay debt to our secured lenders or if we incur additional secured debt in the future, these lenders could proceed against the collateral securing such debt. In addition, acceleration of our other indebtedness may cause us to be unable to make interest payments on our notes. We may not be able to successfully identify, consummate or integrate acquisitions, and acquisitions may adversely affect our financial leverage. Part of our business strategy includes pursuing synergistic acquisitions. We have expanded, and plan to continue to expand, our business by making strategic acquisitions and regularly seeking suitable acquisition targets to enhance our growth. We may fund such acquisitions using cash on hand, drawing under our credit facility or accessing the capital markets. To the extent we finance such acquisitions with additional debt, the incurrence of such debt may result in a significant increase in our interest expense and financial leverage, which could be further exacerbated by volatility in the debt capital markets. Further, an increase in our leverage could lead to deterioration in our credit ratings. The pursuit of acquisitions may pose certain risks to us. We may not be able to identify acquisition candidates that fit our criteria for growth and profitability. Even if we are able to identify such candidates, we may not be able to acquire them on terms or financing satisfactory to us. We will incur expenses and dedicate attention and resources associated with the review of acquisition opportunities, whether or not we consummate such acquisitions. Additionally, even if we are able to acquire suitable targets on agreeable terms, we may not be able to successfully integrate their operations with ours. Achieving the anticipated benefits of any acquisition will depend in significant part upon whether we integrate such

acquired businesses in an efficient and effective manner. We may not be able to achieve the anticipated operating and cost synergies or long- term strategic benefits of our acquisitions within the anticipated timing or at all. For example, elimination of duplicative costs may not be fully achieved or may take longer than anticipated. The benefits from any acquisition may be offset by the costs incurred in integrating the businesses and operations. We may also assume liabilities in connection with acquisitions to which we would not otherwise be exposed. An inability to realize any or all of the anticipated synergies or other benefits of an acquisition as well as any delays that may be encountered in the integration process, which may delay the timing of such synergies or other benefits, could have an adverse effect on our business, results of operations and financial condition. Goodwill or other indefinite- lived intangible asset impairment charges in the future could have a material adverse effect on our business, results of operations and financial condition. ~~We review the recoverability of goodwill~~ **Goodwill** and other indefinite- lived intangible assets **are tested for impairment** annually as of the first day of our fourth quarter ~~;~~ and **between annual tests** whenever events or circumstances indicate that the carrying value of a reporting unit, including goodwill, or an indefinite- lived intangible asset ~~may not be recoverable~~ **exceeds its fair value**. To evaluate goodwill and other indefinite- lived intangible assets for impairment, we may use qualitative assessments to determine whether it is more likely than not that the fair value of a reporting unit, including goodwill, or an indefinite- lived intangible asset is less than its carrying amount. The qualitative assessments require assumptions to be made regarding multiple factors, including the current operating environment, historical and future financial performance and industry and market conditions. If an initial qualitative assessment identifies that it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value, additional quantitative testing is performed. Alternatively, the Company may elect to bypass the qualitative assessment and instead perform a quantitative impairment test to calculate the fair value of the reporting unit in comparison to its associated carrying value. The quantitative impairment tests require us to make an estimate of the fair value of our reporting units and indefinite- lived intangible assets. An impairment could be recorded as a result of changes in assumptions, estimates or circumstances, some of which are beyond our control. Factors which could result in an impairment include, but are not limited to: (i) reduced demand for our products; (ii) our cost of capital; (iii) higher material prices; (iv) slower growth rates in our industry; and (v) changes in the market based discount rates. Since a number of factors may influence determinations of fair value of goodwill and indefinite- lived intangible assets, we are unable to predict whether impairments will occur in the future, and there can be no assurance that continued conditions will not result in future impairments. The future occurrence of a potential indicator of impairment could include matters such as (i) a decrease in expected net earnings; (ii) adverse equity market conditions; (iii) a decline in current market multiples; (iv) a decline in our common stock price; (v) a significant adverse change in legal factors or the general business climate; (vi) an adverse action or assessment by a regulator; (vii) a significant downturn in residential or non- residential construction markets ~~in the U. S.;~~ and (viii) **excess steelmaking capacity due to new mill startup in the U. S. or** levels of imported steel ~~into the U. S.~~. Any such impairment would result in us recognizing a non- cash charge in our consolidated statements of earnings, which could adversely affect our business, results of operations and financial condition. Impairment of long- lived assets in the future could have a material adverse effect on our business, results of operations and financial condition. We have a significant amount of property, plant and equipment, finite- lived intangible assets and right- of- use (" ROU") assets that may be subject to impairment testing. Long- lived assets are subject to an impairment assessment when certain triggering events or circumstances indicate that their carrying value may be impaired. If the net carrying value of the asset or group of assets exceeds our estimate of future undiscounted cash flows of the operations related to the asset, the excess of the net carrying value over estimated fair value is charged to impairment loss in the consolidated statements of earnings. The primary factors that affect estimates of future cash flows for these long- lived asset groups are (i) management' s raw material price outlook; (ii) market demand; (iii) working capital changes; (iv) capital expenditures; and (v) selling, general and administrative (" SG & A") expenses. There can be no assurance that continued market conditions, demand for our products, facility utilization levels or other factors will not result in future impairment charges. Competition from other materials may have a material adverse effect on our business, results of operations and financial condition. In many applications, steel competes with other materials, such as aluminum and plastics (particularly in the automobile industry), cement, composites, glass and wood. Increased use of, or additional substitutes for, steel products could adversely affect future market prices and demand for steel products. Our operations present significant risk of injury or death. The industrial activities conducted at our facilities present significant risk of serious injury or death to our employees, customers or other visitors to our operations. Notwithstanding our safety precautions, including our material compliance with federal, state and local employee health and safety regulations, we may be unable to avoid material liabilities for injuries or deaths. We maintain workers' compensation insurance to address the risk of incurring material liabilities for injuries or deaths, but there can be no assurance that the insurance coverage will be adequate or will continue to be available on the terms acceptable to us, or at all, which could result in material liabilities to us for any injuries or deaths. Our business, financial condition, results of operations, cash flows, liquidity and stock price may be adversely affected by global public health epidemics. Pandemics, epidemics, widespread illness or other health issues ~~;~~ ~~including the COVID-19 pandemic (" COVID-19")~~, that interfere with the ability of our employees, suppliers, customers, financing sources or others to conduct business, or negatively affect consumer confidence or the global economy, could adversely affect our business, financial condition, results of operations, cash flows, liquidity and stock price. ~~Additionally~~ ~~Despite the limited impact of COVID-19 on our operations to date,~~ ~~such global~~ a resurgence of COVID-19 or any other public health ~~crisis~~ ~~may~~ **epidemics could** negatively impact our operations, supply chain, transportation networks and customers, which may compress our margins, including as a result of preventative and precautionary measures that we, other businesses and governments are taking. Any economic downturn resulting from the widespread public health impacts of ~~COVID-19 or~~ any future public health ~~crisis~~ **epidemic** could adversely affect demand for our products and contribute to volatile supply and demand conditions affecting prices and volumes in the markets for our products and raw materials. Fluctuations in the value of the U. S. dollar relative to other currencies may adversely affect our business, results of operations and financial condition. Fluctuations in the value of the U. S. dollar,

including, in particular, the increased strength of the U. S. dollar as compared to Turkey's lira, China's renminbi or the euro, may adversely affect our business, results of operations and financial condition. A strong U. S. dollar makes imported metal products less expensive, resulting in more imports of steel products into the U. S. by our foreign competitors, while a weak U. S. dollar may have the opposite impact on imports. With the exception of exports of nonferrous scrap metal by **the certain** recycling facilities in our North America **Steel Group** segment, we have not recently been a significant exporter of metal products **from the U. S.** Economic difficulties in some large steel-producing regions of the world, resulting in lower local demand for steel products, have historically encouraged greater steel exports to the U. S. at depressed prices which can be exacerbated by a strong U. S. dollar. As a result, our products that are made in the U. S. may become relatively more expensive as compared to imported steel, which has had, and in the future could have, a negative impact on our business, results of operations and financial condition. Operating internationally carries risks and uncertainties which could adversely affect our business, results of operations and financial condition. We have significant recycling and fabrication facilities and a mini mill in Poland as well as Tensar facilities in China and **England the U. K.** Our Europe **Steel Group** segment, which comprises **the majority of** our international operations, generated approximately **16-11** % of **2023-2024** consolidated net sales. Our stability, growth and profitability are subject to a number of risks inherent in doing business internationally in addition to the currency exchange risk and operating risks discussed above, including: • political, military, terrorist or major pandemic events; • differences in demand, production and energy costs; • local labor and social issues; • legal and regulatory requirements or limitations imposed by foreign governments (particularly those with significant steel consumption or steel-related production including Turkey, China, Brazil, Russia and India), including quotas, tariffs or other protectionist trade barriers, adverse tax law changes, nationalization or currency restrictions, **and efforts to reduce carbon dioxide emissions**; • disruptions or delays in shipments caused by customs compliance or government agencies; and • potential difficulties in staffing and managing local operations. These factors may adversely affect our business, results of operations and financial condition. Hedging transactions may expose us to losses or limit our potential gains. Our product lines and global operations expose us to risks associated with fluctuations in foreign currency exchange rates, commodity prices and interest rates. As part of our risk management program, we sometimes use financial instruments, including metals commodity futures, natural gas, electricity and other energy forward contracts, freight forward contracts, foreign currency exchange forward contracts and interest rate swap contracts. While intended to reduce the effects of fluctuations in these prices and rates, these transactions may limit our potential gains or expose us to losses. If our counterparties to such transactions or the sponsors of the exchanges through which these transactions are offered, such as the London Metal Exchange, fail to honor their obligations due to financial distress, we would be exposed to potential losses or the inability to recover anticipated gains from these transactions. We enter into the foreign currency exchange forward contracts as economic hedges of trade commitments or anticipated commitments denominated in currencies other than the functional currency to mitigate the effects of changes in currency rates. These foreign exchange commitments are dependent on timely performance by our counterparties. Their failure to perform could result in us having to close these hedges without the anticipated underlying transaction and could result in losses if foreign currency exchange rates have changed. There can be no assurance that we will repurchase shares of our common stock at all or in any particular amounts. The stock markets in general have experienced substantial price and trading fluctuations, which have resulted in volatility in the market prices of securities that often are unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the trading price of our common stock. Price volatility over a given period may also cause the average price at which we repurchase our own common stock to exceed the stock's price at a given point in time. In addition, significant changes in the trading price of our common stock and our ability to access capital on terms favorable to us could impact our ability to repurchase shares of our common stock. The timing and amount of any repurchases will be determined by the Company's management based on its evaluation of market conditions, capital allocation alternatives and other factors beyond our control. Our share repurchase program may be modified, suspended, extended or terminated by the Company at any time and without notice. See Note 15, Capital Stock, in Part II, Item 8 of this Annual Report for additional information on our share repurchase program.

RISKS RELATED TO OUR INDUSTRY Our industry and the industries we serve are vulnerable to global economic conditions. Metals industries and commodity products have historically been vulnerable to significant declines in consumption, global overcapacity and depressed product pricing during prolonged periods of economic downturn. Our business supports cyclical industries such as commercial, government and residential construction, energy, metals service center, petrochemical and original equipment manufacturing. We may experience significant fluctuations in demand for our products from these industries based on global or regional economic conditions, **geo-political conflicts**, energy prices, consumer demand and decisions by governments to fund infrastructure projects such as highways, schools, energy plants and airports. Commercial and infrastructure construction activities related to the residential housing market, such as shopping centers, schools and roads, could be adversely impacted by a prolonged slump in new housing construction. Our business, results of operations and financial condition are adversely affected when the industries we serve suffer a prolonged downturn or anemic growth. Because we do not have unlimited backlogs, our business, results of operations and financial condition are promptly affected by short-term economic fluctuations. We are unable to predict the duration of current economic conditions that are contributing to current demand for our products. Future economic downturns or a prolonged period of slow growth or economic stagnation could materially adversely affect our business, results of operations and financial condition. Excess capacity and over-production by foreign producers in the steel industry as well as the startup of new steelmaking capacity in the U. S. could result in lower domestic steel prices, which would adversely affect our sales, margins and profitability. Global steelmaking capacity exceeds demand for steel products in **some many** regions around the world. Rather than reducing employment by rationalizing capacity with consumption, steel manufacturers in these countries (often with local government assistance or subsidies in various forms) have traditionally **periodically** exported steel at prices significantly below their home market prices, which prices may not reflect their costs of production or capital. For example, steel production in China, the world's largest producer and consumer of steel,

has continued to exceed Chinese demand. This excess capacity in China has resulted in a further increase in imports of artificially low-priced steel and steel products to the U. S. and world steel markets. A continuation of this trend or a significant decrease in China's rate of economic expansion could result in increasing steel imports from China. Excessive imports of steel into the U. S. have exerted, and may continue to exert, downward pressure on U. S. steel prices, which negatively affects our ability to increase our sales, margins and profitability. The excess capacity may create downward pressure on our steel prices and lead to reduced sales volumes as imports absorb market share that would otherwise be filled by domestic supply, all of which would adversely affect our sales, margins and profitability and could subject us to possible renegotiation of contracts or increases in bad debt. Excess capacity has also led to greater protectionism as is evident in raw material and finished product border tariffs put in place by China, Brazil and other countries. We believe the downward pressure on, and periodically depressed levels of, U. S. steel prices in some recent years have been further exacerbated by imports of steel involving dumping and subsidy abuses by foreign steel producers. While some tariffs and quotas are periodically put into effect for certain steel products imported from a number of countries that have been found to have been unfairly pricing steel imports to the U. S., there is no assurance that tariffs and quotas will always be levied, even if otherwise justified, and even when imposed many of these are short-lived or ineffective. On March 8, 2018, the President signed a proclamation imposing a 25 % tariff or quota limits on all imported steel products for an indefinite period of time under Section 232. The tariff or quota limits are imposed on all steel imports with the exception of steel imports originating from Australia, Canada and Mexico, **though pursuant to a U. S. Presidential Proclamation issued July 10, 2024, this exclusion no longer covers steel imports from Mexico that are melted and poured in a country other than Mexico, Canada or the U. S.** During 2022, the current administration converted the tariff on steel imports from the European Union, U. K. and Japan to a tariff rate quota. When the Section 232 or other import tariffs, quotas or duties expire or if others are further relaxed or repealed, or if relatively higher U. S. steel prices make it attractive for foreign steelmakers to export their steel products to the U. S., despite the presence of import tariffs, quotas or duties, the resurgence of substantial imports of foreign steel could create downward pressure on U. S. steel prices. The adverse effects of excess capacity and over-production by foreign producers could be exacerbated by the startup of new steelmaking capacity in the U. S. Any of these adverse effects could have a material adverse effect on our business, results of operations and financial condition. Rapid and significant changes in the price of metals could adversely impact our business, results of operations and financial condition. Prices for most metals in which we deal have experienced increased volatility over the last several years, and such increased price volatility impacts us in several ways. While our downstream products may benefit from metal margin expansion as rapidly decreasing input costs for previously contracted fixed price work declines, our steel products would likely experience reduced metal margin and may be forced to liquidate high-cost inventory at reduced metal margins or losses until prices stabilize. Sudden increases in input costs could have the opposite effect in each case. Overall, we believe that rapid substantial price changes are not to our industry's benefit. Our customer and supplier base would be impacted due to uncertainty as to future prices. A reluctance to purchase inventory in the face of extreme price decreases or to sell quickly during a period of rapid price increases would likely reduce our volume of business. Marginal industry participants or speculators may attempt to participate to an unhealthy extent during a period of rapid price escalation with a substantial risk of contract default if prices suddenly reverse. Risks of default in contract performance by customers or suppliers as well as an increased risk of bad debts and customer credit exposure could increase during periods of rapid and substantial price changes. Physical impacts of climate change could have a material adverse effect on our costs and results of operations. The physical impacts of climate change may result in, among other things, increasing temperatures and an increase in extreme weather events such as droughts, wildfires, thunderstorms, snow or ice storms, earthquakes, floods, hurricanes and rising sea levels. Extreme weather conditions and natural disasters may increase our costs, limit the availability of materials, cause damage to our facilities or result in a prolonged disruption to our operations, and any damage resulting from extreme weather may not be fully insured. Many of our facilities are located near coastal areas or waterways where rising sea levels or flooding could disrupt our operations or adversely impact our facilities. Additionally, two of our micro mills are located in an arid desert climate, where drought may restrict available water supplies and increase the risk of wildfires. Furthermore, major changes in weather patterns, periods of extended inclement weather or associated flooding may inhibit construction activity utilizing our products, result in project cancellations, delay or hinder shipments of our products to customers or reduce scrap metal inflows to our recycling facilities or disrupt the availability of electricity to our facilities. Any such events could have a material adverse effect on our costs or results of operations.

RISKS RELATED TO THE REGULATORY ENVIRONMENT Compliance with and changes in environmental laws and regulations and remediation requirements could result in substantially increased capital obligations and operating costs; violations of environmental laws and regulations could result in costs that have a material adverse effect on our business, results of operations and financial condition. Existing environmental laws or regulations, as currently interpreted or reinterpreted in the future, and future laws and regulations, may have a material adverse effect on our business, results of operations and financial condition. Compliance with environmental laws and regulations is a significant factor in our business. We are subject to local, state, federal and international environmental laws and regulations concerning, among other matters, waste disposal, air emissions, waste and storm water effluent and disposal and employee health. Federal and state regulatory agencies can impose administrative, civil and criminal penalties and may seek injunctive relief impacting continuing operations for non-compliance with environmental requirements. New facilities that we may build, especially steel mills, are required to obtain several environmental permits before significant construction or commencement of operations. Delays in obtaining permits or unanticipated conditions in such permits could delay the project or increase construction costs or operating expenses. Our manufacturing and recycling operations produce significant amounts of by-products, some of which are handled as industrial waste or hazardous waste. For example, our EAF mills generate electric arc furnace dust ("EAF dust"), which the EPA and other regulatory authorities classify as hazardous waste. EAF dust and other industrial waste and hazardous waste require special handling, recycling or disposal. In addition, the primary feed materials for the shredders operated by our recycling facilities are

automobile hulks and obsolete household appliances. Approximately 20 % of the weight of an automobile hull consists of material known as shredder fluff. After the segregation of ferrous **scrap metal** and saleable nonferrous metals, shredder fluff remains. We, along with others in the recycling industry, interpret federal regulations to require shredder fluff to meet certain criteria and pass a toxic leaching test to avoid classification as a hazardous waste. We also endeavor to remove hazardous contaminants from the feed material prior to shredding. As a result, we believe the shredder fluff we generate is not normally considered or properly classified as hazardous waste. If the laws, regulations or testing methods change with regard to EAF dust or shredder fluff or other by- products, we may incur additional significant costs. Changes to National Ambient Air Quality Standards (" NAAQS") or other requirements on our air emissions could make it more difficult to obtain new permits or to modify existing permits and could require changes to our operations or emissions control equipment. Such difficulties and changes could result in operational delays and capital and ongoing compliance expenditures. These regulations can also increase our costs of energy, primarily electricity, which we use extensively in the steelmaking process. Moreover, in July 2021, the EPA issued a public statement regarding Clean Air Act violations at metal recycling facilities that operate auto and scrap metal shredders, noting that noncompliant shredders can have an impact on overburdened communities, and in August 2023, the EPA released federal enforcement priorities, which affirmed the EPA' s continued focus on reducing air toxins. The EPA uses alerts such as this to signal its intention to focus enforcement activity on a particular industry sector. Legal requirements are changing frequently and are subject to interpretation. New laws, regulations and changing interpretations by regulatory authorities, together with uncertainty regarding adequate pollution control levels, testing and sampling procedures, new pollution control technology and cost / benefit analysis based on market conditions along with changing interpretations, stricter enforcement and expanding scope of regulation to emerging contaminants are all factors that may increase our future expenditures to comply with environmental requirements. Accordingly, we are unable to predict the ultimate cost of future compliance with these requirements or their effect on our operations. We cannot predict whether such costs would be able to be passed on to customers through product price increases. Competitors in various regions or countries where environmental regulation is less restrictive, subject to different interpretation or generally not enforced, may enjoy a competitive advantage. We may also be required to conduct additional cleanup (and pay for associated natural resource damages) at sites where we have already participated in remediation efforts or take remediation action with regard to sites formerly used in connection with our operations **in response to new information or new regulatory requirements**. We may be required to pay for a portion or all of the costs of cleanup or remediation at sites we never owned or on which we never operated if we are found to have arranged for treatment or disposal of hazardous substances on the sites. In cases of joint and several liability, we may be obligated to pay a disproportionate share of cleanup costs if other responsible parties are financially insolvent. Increased regulation associated with climate change could impose significant additional costs on both our steelmaking and metals recycling operations. Energy used by our steelmaking operations is a significant input and the largest contributor to our GHG emissions and there is growing belief that consumption of energy derived from fossil fuels is a major contributor to climate change. The U. S. government and various governmental agencies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, including legislation regarding carbon emission pricing, GHG emissions and renewable energy targets. International treaties or agreements may also result in increasing regulation of GHG emissions, including the introduction of carbon emissions trading mechanisms. Therefore, any such regulation regarding climate change and GHG emissions could impose significant costs on our steelmaking and metals recycling operations and on the operations of our customers and suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs in order to comply with current or future laws or regulations and limitations imposed on our operations. The potential costs of " allowances," " offsets" or" credits" that may be part of potential cap- and- trade programs or similar future regulatory measures are still uncertain. Any adopted future climate change and GHG regulations could negatively impact our ability (and that of our customers and suppliers) to compete with companies situated in areas not subject to such limitations. From a medium and long- term perspective, as a result of these regulatory initiatives, we may see an increase in costs relating to our assets that emit significant amounts of GHGs. Additionally, although we are focused on water conservation and reuse in our operations, steel manufacturing is a water intensive industry. There may be an increase in costs to respond to future water laws and regulations, and operations in areas with limited water availability may be impacted if droughts become more frequent or severe. Regulatory initiatives in these areas will be either voluntary or mandatory and may impact our operations directly or through our suppliers or customers. Until the timing, scope and extent of any future regulation becomes known, we cannot predict the effect on our business, results of operations or financial condition, but such effect could be materially adverse to our business, results of operations and financial condition. We are subject to governmental regulatory and compliance risks that expose us to potential litigation and disputes regarding violations, which could adversely affect our business, results of operations and financial condition. As noted above, existing laws or regulations, as currently interpreted or reinterpreted in the future, and future laws and regulations, may have a material adverse effect on our business, results of operations and financial condition. See the risk factor" Compliance with and changes in environmental laws and regulations and remediation requirements could result in substantially increased capital obligations and operating costs; violations of environmental laws and regulations could result in costs that have a material adverse effect on our business, results of operations and financial condition" of this Annual Report for a description of such risks relating to environmental laws and regulations. In addition to such environmental laws and regulations, complex foreign and U. S. laws and regulations that apply to our international operations, including without limitation the Foreign Corrupt Practices Act and similar laws in other countries, which generally prohibit companies and those acting on their behalf from making improper payments to foreign government officials for the purpose of obtaining or retaining business, regulations related to import- export controls, the Office of Foreign Assets Control sanctions program and antiboycott provisions, may increase our cost of doing business in international jurisdictions and expose us and our employees to elevated risk. While we believe that we have adopted appropriate risk management and compliance programs, the nature of our operations means that legal and compliance risks will continue to

exist. A negative outcome in an unusual or significant legal proceeding or compliance investigation could adversely affect our business, results of operations and financial condition. We are involved, and may in the future become involved, in various environmental matters that may result in fines, penalties or judgments being assessed against us or liability imposed upon us which we cannot presently estimate or reasonably foresee, and which may have a material impact on our business, results of operations and financial condition. Under CERCLA or similar state statutes, we may have obligations to conduct investigation and remediation activities associated with alleged releases of hazardous substances or **other materials or** to reimburse the EPA (or state agencies as applicable) for such activities and to pay for natural resource damages associated with alleged releases. We have been named a PRP at several federal and state Superfund sites because the EPA or an equivalent state agency contends that we and other potentially responsible scrap metal suppliers are liable for the cleanup of those sites as a result of having sold scrap metal to unrelated manufacturers for recycling as a raw material in the manufacture of new products. We are involved in litigation or administrative proceedings with regard to several of these sites in which we are contesting, or at the appropriate time may contest, our liability. In addition, we have received information requests with regard to other sites which may be under consideration by the EPA as potential CERCLA sites. We are presently participating in PRP organizations at several sites, which are paying for certain remediation expenses. Although we are unable to precisely estimate the ultimate dollar amount of exposure to loss in connection with various environmental matters or the effect on our consolidated financial position, we make accruals as warranted. In addition, although we do not believe that a reasonably possible range of loss in excess of amounts accrued for pending lawsuits, claims or proceedings would be material to our financial statements, additional developments may occur, and due to inherent uncertainties, including evolving remediation technology, changing regulations, possible third-party contributions, the inherent uncertainties of the estimation process, the uncertainties involved in litigation and other factors, the amounts we ultimately are required to pay could vary significantly from the amounts we accrue, and this could have a material adverse effect on our business, results of operations and financial condition. Changes in tax legislation and regulations in the jurisdictions in which we operate may adversely affect our financial condition or results of operations. We are subject to taxation at the federal, state and local levels in the U. S., Poland, the U. K. and other countries and jurisdictions in which we operate, including income taxes, sales taxes, value-added (~~“VAT”~~) taxes and similar taxes and assessments. New tax legislative initiatives may be proposed from time to time which may impact our effective tax rate and which could adversely affect our tax positions or tax liabilities. Our future effective tax rate could be adversely affected by, among other things, changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in interpretations of existing tax laws, or changes in determinations regarding the jurisdictions in which we are subject to tax. From time to time, U. S. federal, state and local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher taxes than would be incurred under existing tax law and which could adversely affect our financial condition or results of operations.