Risk Factors Comparison 2024-02-27 to 2023-03-01 Form: 10-K

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Many of the factors that affect our business and operations involve risk and uncertainty. The factors described below are some of the risks that could materially negatively affect our business, financial condition, results of operations and cash flows. Industry Specific Risk Factors Overcapacity in the global steel industry could increase the level of steel imports, which may negatively affect our business, results of operations, financial condition and cash flows. Global steel production overcapacity continues to be an ongoing risk to Nucor and the entire steel industry. The OECD ~~estimates~~ **estimated** that global steel production overcapacity ~~currently~~ **would grow from approximately 556. 1 million metric tons in 2022 to** more than **600 million metric** ~~500, 000, 000~~ tons **2023** , with additional capacity expected to come online over the next few years. China continues to be a significant contributor to excess steelmaking capacity, producing more than ~~1~~ **one** billion tons of steel in each of the past ~~three~~ **four** years, despite slower economic growth ~~and the impact of the Covid- 19 pandemic~~ . China is also investing in new steelmaking capacity in several countries in southeast Asia and Africa. During periods of global economic weakness, **the effects of** this overcapacity ~~is~~ **are** amplified because of weaker global demand for steel and steel products. **Steel** ~~This excess capacity often results in~~ manufacturers in ~~certain countries~~ **non- market economies tend not to adjust their production levels in line with regional demand and instead** ~~exporting~~ --- **export** significant amounts of steel and steel products at prices that ~~are~~ **can be** at or below their costs of production. In ~~some~~ countries **with non- market economies,** the steel industry is **often** subsidized or owned in whole or in part by the government, **which can provide** ~~giving imported steel from those~~ **these** ~~countries certain~~ **producers with** cost advantages **or cause their production decisions to be driven by political or social factors rather than price and demand signals. Surplus output from steel producers in these countries can flow into the U. S. market** . These imports **to the U. S.** , which are also affected by demand in the **U. S.** domestic market, international currency conversion rates, and domestic and international government actions, can result in downward pressure on **realized** steel prices **for Nucor** , which ~~could~~ **can** materially adversely affect our business, results of operations, financial condition and cash flows. In March 2018, the **Trump Administration imposed** ~~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 **of the Trade Expansion Act** . **Since** ~~The tariff or quota limits are imposed on all steel imports with the~~ **then both** ~~exception of steel imports originating from Australia, Canada and Mexico. During 2022,~~ the ~~current~~ **Trump and Biden** ~~administration~~ **Administrations have negotiated** ~~converted the tariff on steel imports from the European Union, United Kingdom and Japan to a~~ tariff rate ~~quota~~ **quotas with several countries allowing them to export a set amount of steel to the U. S. market without being subject to these Section 232 tariffs** . In December of 2022, the World Trade Organization (WTO) ruled that the Section 232 tariffs violated U. S. WTO commitments. The U. S. government strongly disagrees with the ruling and is appealing. 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. Our business requires substantial capital investment and maintenance expenditures, and our capital resources may not be adequate to provide for all of our cash requirements. Our ~~operations are capital-intensive~~ **business requires substantial expenditures for routine maintenance and to remain competitive** . For the three- year period ended December 31, ~~2022~~ **2023** , our total capital expenditures were approximately $ 5. ~~18~~ **87** billion. ~~Our business requires substantial expenditures for routine maintenance.~~ We **have** also recently announced substantial capital projects that we expect will increase production capacity, increase the efficiency of our operations and enhance our product offerings. Although we expect requirements for our business needs, including the funding of capital expenditures, debt service for financings and any contingencies, will be financed by internally generated funds, short- term commercial paper issuances, offerings of our debt securities or from borrowings under our $ 1. 75 billion unsecured revolving credit facility, we cannot guarantee that this will be the case. Additional acquisitions, increases in interest rates or unforeseen events could require financing from additional sources. Changes in the availability and cost of electricity and natural gas are subject to volatile market conditions that could adversely affect our business. Our steel mills are large consumers of electricity and natural gas. In addition, our DRI facilities are also large consumers of natural gas. We rely upon third parties for our supply of energy resources consumed in the manufacture of our products. The prices for and availability of electricity and natural gas **can be volatile. They** are ~~subject to volatile market conditions. These market conditions~~ often ~~are~~ affected by weather, political, regulatory and economic factors beyond our control, and we may be unable to raise the price of our products to ~~cover~~ **offset** increased energy costs. Disruptions, including physical or information systems related issues, that impact the supply of our energy resources could temporarily impair our ability to manufacture our products for our customers. Increases in our energy costs ~~resulting from market fluctuations or regulations~~ that are not ~~equally~~ **similarly** applicable **to our competitors' operations** ~~across the entire global steel market~~ could materially adversely affect our business, results of operations, financial condition and cash flows. Competition from other steel producers, imports or alternative materials may adversely affect our business. We face ~~strong~~ **ongoing** competition from other steel producers and imports that compete with our products on price, quality and service. The ~~steel~~ markets **for our products** are highly competitive and a number of firms, domestic and foreign, participate in the steel, steel products and raw materials markets. Depending on a variety of factors, including the cost and availability of raw materials, energy, technology, labor, transportation and capital costs, currency exchange rates, government subsidies of foreign steel producers and other global political and economic factors, our business may be materially adversely affected by **more intense** competitive forces. In many applications, steel competes with other materials, such as concrete, aluminum, plastics, composites and wood. Increased use or availability of these materials in substitution for steel products could have a material adverse effect on prices and demand for our steel products. Our industry is cyclical and both recessions and prolonged periods of slow economic growth could have an adverse effect on our business. Demand for most of our products is cyclical in nature and sensitive to general economic conditions. Our business supports cyclical industries, such as the ~~commercial~~ construction, energy, metals service centers, appliance and automotive industries. As a result, downturns in the U. S. economy or any of these industries could materially adversely affect our results of operations, financial condition and cash flows. The U. S. economy has experienced a strong recovery from the conditions experienced at the onset of the COVID- 19 pandemic, but ~~new variants of COVID- 19 and the continued abatement of the COVID- 19 pandemic,~~ related labor shortages and supply chain disruptions, new or proposed legislation related to governmental spending, inflation and increases in interest rates have impacted, and **will** ~~are expected to~~ continue to impact, economic growth. Even with this economic recovery, challenges from global production overcapacity in the steel industry and ongoing uncertainties, both in the United States and in other regions of the world, remain. We are unable to predict ~~with certainty~~ the duration of current economic conditions or the magnitude ~~and~~ **or** timing of changes in economic activity. Future economic downturns, prolonged slow growth or stagnation in the economy, a sector- specific slowdown in one of our key end- use markets, such as nonresidential construction, or changes in inflation could materially adversely affect our business, results of operations, financial condition and cash flows, especially in light of the capital- intensive nature of our business. The results of our operations are sensitive to volatility in steel prices and the cost and availability of raw materials, particularly scrap steel. We rely to an extent on outside vendors to supply us with key consumables such as graphite electrodes **, alloys** and **other** raw materials, including both scrap and scrap substitutes **(e. g., prime scrap, pig iron and DRI)** that are critical to the manufacture of our steel products. The raw material required to produce DRI is pelletized iron ore. Although we have vertically integrated our business by constructing our DRI facilities in Trinidad and Louisiana and also by acquiring our scrap processing and brokerage operations (" DJJ ") in 2008, we still must purchase most of our primary raw material, steel scrap, from numerous other sources located throughout the United States and internationally. Although we believe that the supply of scrap and scrap substitutes will remain adequate to operate our facilities, prices of these critical raw materials are volatile and are influenced by changes in scrap exports in response to changes in the scrap, scrap substitutes and iron ore demands of our global competitors, as well as volatility in currency rates and political conditions ~~. For example, when Russia invaded the eastern regions of Ukraine in February of 2022, we stopped all ordering of pig iron (a scrap substitute) from Russia and the supply of global pig iron was severely disrupted due to the concentration of pig iron supply in Russia and Ukraine. This had a material impact on pig iron pricing, an indirect impact on pricing of other raw materials and caused volatility in raw materials markets for much of 2022~~ . At any given time, we may be unable to obtain an adequate supply of these critical raw materials with price and other terms acceptable to us. The availability and prices of raw materials may also be negatively affected by new laws and regulations, allocation by suppliers, interruptions in production, accidents or natural disasters, war and other forms of armed conflict or political instability, changes in exchange rates, worldwide price fluctuations, including due to global political and economic factors, changes in governmental, business and consumer spending, inflation, increases in interest rates, labor shortages, and the availability and cost of transportation ~~, including as a result of the COVID- 19 pandemic~~ . Many countries that export steel into our markets restrict the export of scrap, protecting the supply chain of some foreign competitors. This trade practice creates an artificial competitive advantage for foreign producers that could limit our ability to compete in the U. S. market. If our suppliers increase the prices of our critical raw materials, we may not have alternative sources of supply. In addition, to the extent that we have quoted prices to our customers and accepted customer orders for our products prior to purchasing necessary raw materials, we may be unable to raise the price of our products to cover all or part of the increased cost of the raw materials or pass along increased transportation costs. Also, if we are unable to obtain adequate, cost- effective and timely deliveries of our required raw materials, we may be unable to timely manufacture sufficient quantities of our products. This could cause us to lose sales, incur additional costs, experience margin compressions or suffer harm to our reputation and customer relationships. Our steelmaking processes, our DRI processes, and the manufacturing processes of many of our suppliers, customers and competitors are energy intensive and generate carbon dioxide and other GHGs. The regulation of these GHGs could have a material adverse impact on our results of operations, financial condition and cash flows. Our operations are subject to numerous federal, state and local laws and regulations relating to the protection of the environment, and, accordingly, we make provision in our financial statements for the estimated costs of compliance. There are inherent uncertainties in these estimates. Most notably, the uncertainty of policies, enforcement priorities, legislation and regulations related to climate change mitigation strategies pose the greatest risk. As a carbon steel producer, Nucor could be increasingly affected both directly and indirectly by new or changing carbon policy decisions and mandates. Carbon is an essential raw material in Nucor' s steel production processes. Furthermore, Nucor steel mills use significant amounts of electricity as all of its mills utilize EAFs for 100 % of their steel melting operations and the decarbonization of electricity generation may lead to high power costs and decreased reliability. Significant changes to the regional power grids serving our steel mills and / or new rulemaking or legislation affecting the operation of these power grids could have a material adverse impact on our results of operations, financial condition and cash flows. Environmental regulation compliance and remediation could result in substantially increased costs and materially adversely impact our competitive position. We incur significant costs ~~in meeting our~~ **to achieve and maintain compliance with** environmental ~~regulation~~ **regulations** ~~compliance~~ and remediation obligations. The principal federal environmental laws include the CAA, which regulates air emissions; the CWA which regulates water withdrawals and discharges; the RCRA, which addresses solid and hazardous waste treatment, storage and disposal; and the CERCLA, which governs releases of hazardous substances, and remediation of contaminated sites. Our operations are also subject to state and local environmental laws and regulations. In addition to the above mentioned statutes, ~~certain~~ revisions to National Ambient Air Quality Standards, **including** ~~as well as~~ the **implementation** actions / decisions of environmental ~~regulators~~ **agencies** , could make it significantly more difficult ~~for us~~ to obtain construction permits and permits to expand existing operations. Resulting cancellations, delays or unanticipated costs to these projects could negatively impact our ability to generate expected returns on our investments. These regulations can also increase our cost of energy, primarily electricity, which we use extensively in the steelmaking process. We may in the future incur substantially increased costs complying with such regulations, particularly if federal regulatory agencies were to change their enforcement posture with respect to such regulations. Emerging customer preferences for greater product transparency and less GHG intensive materials may put us at a competitive disadvantage or reduce demand for our products. The federal government and numerous states are considering establishing **, or have already established,** requirements for Environmental Product Declarations (“ EPDs ”) ~~to~~ **so that consumers may more readily** evaluate **the** environmental impacts of products. California has enacted the “ Buy Clean California Act ” and California has **also** established Global Warming Potential ~~(GWP)~~ benchmarks through EPDs for certain materials, including certain steel products. EPD legislation has caused Nucor to incur additional costs and has the potential to put ~~domestic steel manufacturers~~ **Nucor and its customers** at a disadvantage to foreign competitors unless standardized mechanisms are used to fully evaluate products produced by foreign ~~steel~~ producers. General Risk Factors The COVID- 19 pandemic, as...... be reasonably estimated at this time. We are subject to information technology and cyber **-** security threats which could have an adverse effect on our business and results of operations. We utilize various information technology systems to efficiently address business functions ranging from the operation of our production equipment to administrative computation to the storage of data such as intellectual property and proprietary business information. We also utilize third- party service providers for certain information technology services that are important to our operations. We continuously evaluate our cyber **-** security systems and practices, assess potential threats, and improve our information technology networks, policies and procedures to address potential vulnerabilities. Despite efforts to assure secure and uninterrupted operations, threats from increasingly sophisticated cyber- attacks or system failures could result in materially adverse operational disruptions or security breaches of our systems or those of our third- party service providers. These risks could result in disclosure or destruction of key proprietary information or personal data or reputational damage, theft of assets or trade secrets, or could adversely affect our ability to physically produce or transport steel, resulting in lost revenues, as well as delays in reporting our financial results. We also could be required to spend significant financial and other resources to remedy the damage caused by a cyber **-** security breach, including to repair or replace networks and information technology systems. We may also contend with potential liability for stolen information, increased cyber **-** security protection costs, litigation expense and increased insurance premiums. Our operations are subject to business interruptions and casualty losses. The steelmaking business is subject to numerous inherent risks, particularly unplanned events such as explosions, fires, other accidents, natural disasters such as floods, hurricanes or earthquakes, critical equipment failures, acts of terrorism, inclement weather and transportation interruptions. **Nucor maintains property insurance for these types of losses but self- insures a significant portion of the program. Therefore,** ~~While~~ **while** our insurance coverage could offset a portion of the losses relating to some of those types of events, our results of operations and cash flows could be adversely impacted to the extent that any such losses are not covered by our insurance, or that there are significant delays in resolving our claims with our insurance providers. We acquire businesses and enter into joint ventures from time to time and we may encounter difficulties in integrating businesses we acquire. We plan to continue to seek attractive opportunities to acquire businesses, enter into joint ventures and make other investments that strengthen Nucor. Realizing the anticipated benefits of acquisitions or other transactions will depend on our ability to operate these businesses and integrate them with our operations **,** effectively identify and manage risks, and cooperate with our strategic partners. Our business, results of operations, financial condition and cash flows could be materially adversely affected if we are unable to successfully integrate these businesses or otherwise fail to realize the anticipated benefits of acquisitions or other transactions. Risks associated with operating in international markets could adversely affect our business, financial position and results of operations. Certain of our businesses and investments are located outside of the United States, in Canada, Mexico and in emerging markets. There are a number of risks inherent in doing business in or sourcing raw materials from such markets. These risks include, but are not limited to: unfavorable political or economic factors; local labor and social issues; changes in regulatory requirements; fluctuations in foreign currency exchange rates, interest rates and inflation; and complex foreign laws, treaties including tax laws, and the Foreign Corrupt Practices Act of 1977 ~~(FCPA)~~ . These risks could restrict our ability to operate our international businesses profitably and therefore have a negative impact on our financial position and results of operations. In addition, our reported results of operations and financial position could also be negatively affected by exchange rates when the activities and balances of our foreign operations are translated into U. S. dollars for financial reporting purposes **.Pandemics,** epidemics and other public health emergencies in the future,could have a material adverse effect on our business,results of operations,financial condition and cash flows.Our operations expose us to risks associated with pandemics,epidemics and other public health emergencies ~~,such as the COVID- 19 pandemic~~ .The COVID- 19 pandemic ~~has~~ had and **any future similar events** may have ~~further~~ negative impacts on our operations,supply chain,transportation networks and customers,which may compress our margins or impact demand for our steel products,including as a result of preventative and precautionary measures that we,other businesses and governments have taken or may take in the future. ~~The COVID- 19 pandemic and governmental actions in response have adversely affected the economies of many countries and caused periodic disruption to and increased volatility in financial markets.The progression of the COVID- 19 pandemic,including due to new variants of COVID- 19,could also negatively impact our business or results of operations through the temporary closure of our operating facilities or those of our customers or suppliers.~~ In addition,the ability of our teammates and our suppliers’ and customers’ teammates to work may be significantly impacted by **these types of public health emergencies** ~~individuals contracting or being exposed to COVID- 19~~ .Our customers may be directly impacted by business interruptions or weak market conditions and may not be willing **or able to fulfill their contractual obligations.Furthermore,the progression of and global response to these types of public health emergencies,as was the case with the COVID- 19 pandemic,can cause and increase the risk of delays in construction activities and equipment deliveries related to our capital projects,including**

potential delays in obtaining permits from government agencies,as well as changes in the prices and availability of labor and equipment for capital projects . The accounting treatment of equity method investments, goodwill and other long- lived assets could result in future asset impairments, which would reduce our earnings. We periodically test our equity method investments, goodwill and other long- lived assets to determine whether their estimated fair value is less than their value recorded on our balance sheet. The results of this testing for potential impairment may be adversely affected by uncertain market conditions for the global steel industry, as well as changes in interest rates, commodity prices and general economic conditions. If we determine that the fair value of any of these assets is less than the value recorded on our balance sheet, and, in the case of equity method investments the decline is other than temporary, we would likely incur a non- cash impairment loss that would negatively impact our results of operations. Tax increases and changes in tax laws and regulations or exposure to additional tax liabilities could adversely affect our financial results. The steel industry and our business are sensitive to changes in taxes. As a company based in the United States, Nucor is more exposed to the effects of changes in U. S. tax laws than some of our major competitors. Our provision for income taxes and cash tax liability in the future could be adversely affected by changes in U. S. tax laws. Nucor recognizes the effect of income tax positions only if those positions are believed to be more likely than not of being sustained. We cannot predict whether taxing authorities will conduct an audit challenging any of our tax positions and there can be no assurance as to the outcome of any challenges. If we are unsuccessful in any of these matters, we may be required to pay taxes for prior periods, interest, fines or penalties. We are subject to legal proceedings and legal compliance risks. We spend substantial resources ensuring that we comply with domestic and foreign regulations, contractual obligations and other legal standards. Notwithstanding this, we are subject to a variety of legal proceedings and legal compliance risks in respect of various issues, including regulatory, safety, environmental, employment, transportation, intellectual property, contractual, import / export, international trade and governmental matters that arise in the course of our business and in our industry. For information regarding our current significant legal proceedings, see “ Item 3. Legal Proceedings. ” A negative outcome in an unusual or significant legal proceeding or compliance investigation could adversely affect our financial condition and results of operations. While we believe that we have adopted appropriate risk management and compliance programs, the nature of our operations means that legal compliance risks will continue to exist and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time. ~~24~~