Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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Many factors may have an effect on our business, results of operations, financial condition and cash flows. We are subject to various risks resulting from changing economic, environmental, regulatory, political, industry, business and financial conditions. The factors described below are some of the risks that could materially negatively impact us. Global and National Risks Related to our Business Our industry, as well as the industries of many of our customers and suppliers upon whom we are dependent, is affected by domestic and global economic factors including periods of slower than anticipated economic growth and the risk of a recession. Our financial results are substantially dependent not only upon overall economic conditions in the United States and globally, including North America, Europe and in Asia, but also as they may affect one or more of the industries upon which we depend for the sale of our products. Global or domestic actions or conditions, including political actions, trade policies or restrictions, ~~such as the United States- Mexico- Canada Agreement (USMCA),~~ proposed or actual changes in tax laws, such as those introduced, proposed or actual regulation, **including** ~~such as~~ those related to the environment, ~~increasing~~ interest rates, terrorism, acts of war or hostility, natural disasters, or pandemics, epidemics, widespread illness or other health issues ~~, such as COVID- 19 or its variants~~ , could result in changing economic conditions in the United States and globally, disruptions to or slowdowns in our business, our supply chain, or our global or domestic industry, or those of our customers or suppliers upon whom we are dependent. Additionally, periods of slower than anticipated economic growth could reduce customer confidence and adversely affect demand for our products and further adversely affect our business, results of operations, financial condition and cash flows. Metals industries have historically been vulnerable to significant declines in consumption and product pricing during periods of economic downturn or continued uncertainty, including the pace of domestic non- residential construction activity. Our business is also dependent upon certain industries, such as construction, automotive, manufacturing, transportation, heavy and agriculture equipment, **energy** and pipe and tube (including OCTG) markets, and these industries are also cyclical in nature and **may** ~~have recently experienced~~ - **experience** supply chain disruptions. Therefore, these industries may experience their own fluctuations in demand for our products based on such things as economic conditions, interest rates, supply chain disruptions, raw material and energy costs, consumer demand, the rate of inflation and infrastructure funding decisions by governments. Many of these factors are beyond our control. As a result of volatility in our industry or in the industries we serve, we may have difficulty increasing or maintaining our level of sales or profitability. A downturn in our industry or the industries we serve may adversely affect our business, results of operations, financial condition and cash flows. A prospective decline in consumer and business confidence and spending, which is often coupled with reductions in the availability of credit or increased cost of credit and interest rates, as well as volatility in the capital and credit markets, may adversely affect the business and economic environment in which we operate and the profitability of our business. We are also exposed to risks associated with the creditworthiness of our customers and suppliers, which during times of ~~increased~~ **high** interest rates can be intensified. 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~~ **high** , the resulting inability of our customers or of their customers to either access credit or absorb the ~~increased~~ cost of that credit may adversely affect our business by reducing our sales or by increasing our exposure to losses from uncollectible customer accounts. A disruption of the credit markets could also result in financial instability of some of our customers and suppliers. 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, financial condition and cash flows. Global steelmaking overcapacity and imports of steel into the United States may adversely affect United States steel prices, which, together with increased scrap prices, may adversely affect our business, results of operations, financial condition and cash flows. Global steelmaking capacity currently exceeds global consumption of steel products, which adversely affects United States and global steel prices. Such excess capacity sometimes results in steel manufacturers in certain countries exporting steel and steel products ~~, including pre- fabricated long product steel~~ , at prices that are lower than prevailing domestic prices, and sometimes at or below their cost of production. Excessive imports of steel and steel products ~~, including pre- fabricated steel~~ , into the United States, may exert downward pressure on United States steel and steel products prices, which adversely affects our business, results of operations, financial condition and cash flows. Fluctuations in the value of the dollar can also affect imports, as a strong United States dollar makes imported products less expensive, potentially resulting in more imports of steel **and steel** products into the United States by our foreign competitors. Furthermore, ~~recent additions~~ **the introduction** of ~~domestic steel capacity as well as anticipated~~ additional domestic steel capacity could increase this global overcapacity. This, in turn, has led to and may further lead to increased domestic demand for ferrous scrap resulting in increased scrap prices. Our results of operations, financial condition and cash flows are driven primarily from the metal spread achieved from the price we sell steel and steel products compared to the price of our metallic raw materials, including scrap. During prolonged periods of steel and steel products overcapacity, leading to lower selling prices, combined with high demand for scrap and raw materials, leading to higher buying prices, our metal spreads could be compressed, which may adversely affect our business, results of operations, financial condition and cash flows. United States steel producers compete with many foreign producers, including those in China, Vietnam and other Asian and European countries. Competition from foreign producers is typically strong and is periodically exacerbated by weakening of the economies of certain foreign steelmaking countries, at times ~~due~~ **leading** to imports of steel involving dumping and subsidy abuses by foreign steel producers. Some foreign steel producers are owned, controlled or subsidized by foreign governments. As a result, decisions by these producers with respect to their production, sales and pricing are sometimes influenced to a greater degree by political and economic policy considerations than by prevailing market conditions, realities of the marketplace or consideration of profit or loss. Additionally, ~~low~~ **at times when** iron ore prices **are low** , ~~resulting in~~ disruption of the scrap price correlation to iron ore **may occur** , **which may** ~~leads~~ **lead** to reduced global costs to produce steel, further depressing steel import prices. A higher volume of steel imports into the United States tends to occur at depressed prices when foreign steelmaking countries experience periods of economic difficulty, decreased demand for steel products or excess capacity. The global steelmaking overcapacity is exacerbated by Chinese steel production capacity that far exceeds that country' s demand and has made China a major global exporter of steel, resulting in weakened global steel pricing than otherwise would be expected. While measures to curb unfair trade such as tariffs, duties or quotas, **along with** ~~and the renegotiation of~~ trade agreements with other countries, ~~including the USMCA,~~ have decreased the volume of steel and steel products imports, domestic steel and steel products prices ~~remain~~ **can be** negatively impacted by excessive imports of steel and steel products. Should current tariffs, duties or quotas expire or be relaxed, repealed or circumvented by importers of steel and steel products, or should trade agreements be renegotiated, downward pressure may be exerted on United States steel and steel products prices, which may adversely affect our business, results of operations, financial condition and cash flows. Pandemics, epidemics, widespread illness or other health issues ~~, such as COVID- 19 or its variants,~~ may adversely affect our business, results of operations, financial condition, cash flows, liquidity, and stock price. Pandemics, epidemics, widespread illness or other health issues ~~, such as a resurgence of COVID- 19 or its variants,~~ may adversely affect our business, results of operations, financial condition, cash flows, liquidity and stock price. Government actions globally, including United States federal and state governmental actions, related to ~~COVID- 19 and its variants~~ **pandemics, epidemics, widespread illness or other health issues** have **historically** impacted ~~and may further impact~~ demand for our products, our supply chain, ~~and~~ our employees **,** ~~. The response to COVID- 19 has adversely affected and may continue to adversely affect us and~~ the economy generally, ~~as a result of, among other things, labor shortages, supply chain disruptions,~~ inflation and ~~rising~~ **high** interest rates ~~. 23Additionally~~ , ~~while our operations have not been curtailed, virus variants that are more contagious or more severe could reduce demand for our products~~ and **any similar future actions may** ~~thus, reduce the productivity of our operations and adversely affect our business, results~~ **result in similar** ~~of operations, financial condition and cash flows. We or certain of our~~ **or additional impacts** ~~customers and suppliers have and may continue to experience supply chain disruptions, which may adversely affect our operations. Reduced demand for our products or raw material supply availability due to shutdowns or slowdowns in businesses may further adversely affect our volumes and margins, results of operations, financial condition and cash flows~~ . Industry Risks Related to our BusinessOur level of production and our sales and earnings are subject to significant fluctuations as a result of the cyclical nature of the steel industry and some of the industries we serve. ~~The~~ **24The** steel manufacturing business is cyclical in nature, and the selling price of the steel we make may fluctuate significantly due to many factors beyond our control. Furthermore, a number of our products are commodities, subject to their own cyclical fluctuations in supply and demand in both metal consuming and metal generating industries, including the construction and manufacturing industries. The timing, magnitude and duration of these cycles and the resulting price fluctuations are difficult to predict. The sale of our manufactured steel products is directly affected by demand for our products in other cyclical industries, such as construction, automotive, manufacturing, transportation, heavy and agriculture equipment, **energy** and pipe and tube (including OCTG) markets. Economic difficulties, stagnant or slow global economies, supply ~~/~~ **and** demand imbalances, supply chain disruptions, periods of heightened inflation or ~~increased~~ **high** interest rates, and currency fluctuations in the United States or globally may decrease the demand for our products or increase the amount of imports of steel into the United States, which may decrease our sales, margins and profitability. Volatility and major fluctuations in prices and availability of scrap metal, scrap substitutes ~~,~~ and supplies, and our potential inability to pass higher costs on to our customers, may constrain operating levels and reduce profit margins. Steel producers require large amounts of raw materials, including ferrous scrap metal and scrap substitute products such as pig iron ~~,~~ **and** pelletized iron **,** and other supplies such as zinc, graphite electrodes and ferroalloys. The principal raw material of our EAF steel operations is recycled ferrous scrap derived from, among other sources, " home scrap **,** " ~~,~~ generated internally at steel mills themselves, industrial scrap, generated as a by- product of manufacturing, obsolete scrap, recycled from end- of- life automobiles, appliances ~~,~~ and machinery, and demolition scrap, recycled from obsolete structures, containers and machines. The prices for scrap are subject to market forces largely beyond our control, including demand by United States and foreign steel producers ~~of which there has been recent capacity additions and expected further additions~~ , freight costs and speculation. The scrap metal recycling industry has historically been, and is expected to remain, highly cyclical and the prices for scrap have varied significantly in the past, may vary significantly in the future and do not necessarily fluctuate in tandem with the price of steel. Moreover, some of our integrated steel producer competitors are not as dependent as we are on ferrous scrap as a part of their raw material melt mix, which, during periods of high scrap costs relative to the cost of blast furnace iron used by the integrated producers, give them a raw material cost advantage over EAF mills. However, given environmental considerations of investors, customers and regulators, additional EAF mills may be constructed, **or companies currently operating blast furnace mills may invest in EAF mills,** leading to increased demand in ferrous scrap possibly resulting in higher scrap prices. While our vertical integration into the metals recycling business and our liquid pig- iron operations are expected to enable us to continue being a cost- effective supplier to our own steelmaking operations, for some of our metallics requirements, we still rely on other metallics and raw material suppliers, as well as upon general industry supply conditions for the balance of our needs. The availability and prices of raw materials and supplies, particularly those with positive environmental attributes, may also be negatively affected by new, existing ~~,~~ or changing laws, regulations, sanctions or embargoes, including those that may impose output limitations or higher costs associated with climate change or GHG allocation by suppliers, interruptions in production, accidents or natural disasters, changes in exchange rates, global price fluctuations, the availability and cost of transportation, and competing uses, all of which may be heighted during times of war or hostilities ~~, including those occurring in Eastern Europe as it relates to global~~

~~pig iron supply~~ . As a major producer of galvanized steel products, we purchase and consume a large amount of zinc, which if purchased at high prices, may adversely affect our profit margins. Any inability to secure a consistent, cost- effective and timely supply of our raw materials and supplies may adversely affect our business, financial condition, results of operations and cash flows. ~~24Additionally~~ -- **Additionally** , our inability to pass on all or ~~any~~ **a** substantial part of any cost increases, whether due to positive environmental attributes, inflation, supply and demand imbalances, or otherwise, or to provide for our customers' needs because of the potential unavailability of raw materials, supplies or required environmental attributes, may result in production slowdowns or curtailments or may otherwise adversely affect our business, financial condition, results of operations and cash flows. The cost and availability of electricity, natural gas, oil and other energy resources are subject to volatile market conditions. We consume large amounts of energy to melt scrap, reheat semi- finished products for rolling into finished products and perform other steps necessary to our production process. We rely on third parties for the supply of energy resources ~~we~~ **25we** require in our production activities. The prices for and availability of electricity, natural gas, oil and other energy resources, including renewable or other clean energy sources, are subject to regulation and volatile market conditions, often affected by weather conditions as well as political, environmental and economic factors beyond our control. As large consumers of electricity and natural gas, we must have dependable delivery in order to operate. Accordingly, we are at risk in the event of an energy disruption, including power outages, power unavailability or inability to obtain power **at a reasonable price or** with sufficient desired environmental attributes. Prolonged blackouts ~~or~~ **,** curtailments or disruptions caused by natural disasters or by political or environmental considerations would substantially disrupt our production. Since a significant portion of our finished products are delivered by truck, unforeseen fluctuations in the price of fuel would also adversely affect our costs or the costs of many of our customers. Increased environmental, GHG emissions and sustainability considerations from our customers or related regulations could affect demand for our products and add significant costs. Customers, investors and regulators have increased their focus on the environment, GHG emissions and sustainability. We are committed to the environment and sustainability. **We** ~~In 2021, we announced that we~~ are taking further action to reduce our environmental footprint through our 2025, 2030, and 2050 goals for GHG emission reduction and increased renewable energy usage. We believe that achievement of these goals will comport with expectations of our customers and investors, but certain customers and investors may have differing requirements. To achieve these goals, our operational costs may increase and we have had and will continue to have additional capital expenditures, some of which we may not be able to pass along to our customers. Any failure to timely meet these goals, or other requirements of customers or investors, may have an adverse effect on our business, results of operations and stock price. Additionally, governmental agencies, regulators, investors or other groups ~~may~~ **have** ~~introduce~~ **introduced** , **and may** request or require **,** environmental monitoring, disclosures or regulations in response to the potential impacts of climate change. International treaties or agreements may also result in increasing regulation of GHG emissions, including the introduction of carbon emissions limitations or trading mechanisms. Any such regulation or disclosure requirement could impose significant costs on our operations and on the operations of our customers and suppliers, including increased energy, capital equipment, emissions controls, environmental monitoring and reporting and other costs in order to comply with current or future laws, regulations or demands concerning the environment, climate change, GHG emissions and sustainability. Any adopted ~~future~~ regulations could negatively impact our ability, and that of our customers and suppliers, to compete with companies situated in areas not subject to or not complying with such ~~limitations~~ **regulations** , or could affect our environmental disclosures for any allowances, offsets or credits. We may see an increase in costs relating to our assets that emit GHGs as a result of these initiatives, which may impact our operations directly or through our customers and suppliers. ~~Until the timing, scope and extent of any future regulation becomes known, we cannot predict the effect on our financial condition, operating performance and ability to compete.~~ Compliance with and changes in environmental and remediation requirements may result in substantially increased capital requirements and operating costs. Existing laws or regulations, as currently interpreted or as may be interpreted in the future, as well as future laws or regulations, may adversely affect our results of operations and financial condition. ~~25We~~ **We** are subject to numerous local, state, federal and international statutory and regulatory environmental requirements relating to, among other things: ● the generation, storage, treatment, handling and disposal of solid and hazardous waste and secondary materials; ● the discharge of materials into the air, including periodic changes to the National Ambient Air Quality Standards and to emission standards; ● the management, treatment and discharge of wastewater and storm water; ● the use and treatment of groundwater; ● the remediation of soil and groundwater contamination; ● climate change legislation or regulation; **26** ● the need for and the ability to timely obtain air, water or other environmental permits; ● the timely reporting of certain chemical usage, content, storage and releases; ● the remediation and reclamation of land used in our operations; ● natural resource protections; and ● the protection of our employees' health and safety. Compliance with environmental laws and regulations, which affect our EAF steelmaking, metals recycling, liquid pig- iron, and copper and aluminum production operations, is a significant factor in our business. We are required to obtain and comply with environmental permits and licenses, and failure to obtain or renew or the violation of any permit or license may result in substantial fines and penalties, capital expenditures, operational changes, suspension of operations and / or the closure of a subject facility. Similarly, delays, increased costs and / or the imposition of onerous conditions to the securing or renewal of permits may adversely affect these operations. Uncertainty regarding adequate pollution control levels, testing and sampling procedures, and new pollution control technology are factors that may increase our future compliance expenditures. We are unable to predict the ultimate cost of future compliance with environmental requirements or their effect on our operations. Although we strive to be in substantial compliance with all applicable laws and regulations, legal requirements frequently change and are subject to interpretation such that regulatory agencies may bring enforcement actions for alleged noncompliance. Private parties might also bring claims against us under citizen suit provisions and / or for property damage or personal injury allegedly resulting from our operations. New laws, regulations and changing interpretations by regulatory authorities, together with uncertainty regarding the application of existing requirements, are among the factors that may increase our future expenditures to comply with environmental requirements. The cost of complying with existing laws or regulations as currently interpreted or reinterpreted in the future, or with future laws or regulations, may adversely affect our results of operations and financial condition. Our operations produce significant amounts of by- products, some of which are handled as solid or hazardous waste or as hazardous secondary materials. For example, our steel mills generate EAF dust, which the United States Environmental Protection Agency (United States EPA) and other regulatory authorities classify as hazardous waste and regulate accordingly unless recycled in an exempt manner. In addition, the feed materials for the shredders operated by our metals recycling operations include automobile bodies. A portion of the feed materials consist of currently unrecyclable material known as shredder residue. If laws or regulations or the interpretation of the laws or regulations change with regard to EAF dust or shredder residue or other by- products created by our operations, we may incur significant additional expenditures. ~~26Federal~~ -- **Federal** and state environmental laws enable federal and state agencies and certain private parties to recover from owners, operators, generators and transporters the cost of investigation and cleanup of sites at which wastes or hazardous substances were disposed and / or migrated. In connection with these laws, we may be required to clean up contamination discovered at our sites including contamination that may have been caused by former owners or operators of the sites, to conduct additional cleanup at sites that have already had some cleanup performed, to address emerging and newly- regulated contaminants such as per- and polyfluoroalkyl substances (PFAS) and 1, 4- dioxane, and / or to perform cleanup with regard to sites formerly used in connection with our operations. In addition, we may be required to pay for, or to pay a portion of, the costs of cleanup at sites to which we sent materials for disposal or recycling, notwithstanding that the original disposal or recycling activity may have complied with all regulatory requirements then in effect. Under certain laws, a party can be held jointly and severally liable for all of the cleanup costs associated with a disposal site. In practice, a liable party often splits the costs of cleanup with other potentially responsible parties. We have received notices from the United States EPA, state agencies and third parties that we have been identified as potentially responsible for the costs of investigating and cleaning up a number of disposal sites. In most cases, many other parties are also named as potentially responsible parties and also contribute to payment of those costs. ~~Because~~ **27Because** cleanup liability can in some cases be imposed retroactively on activities that occurred many years ago, and because federal and state agencies are still discovering sites that pose a threat to public health or the environment, we can provide no assurance that we will not become liable for significant costs associated with investigation and remediation of cleanup sites. Operational and Commercial Risks Related to our BusinessWe may face significant price and other forms of competition from other steel and aluminum producers, scrap processors and alternative materials, which may adversely affect our business, financial condition, results of operations and cash flows. The global markets in which steel companies and scrap processors conduct business are highly competitive and became even more so due to consolidations in the steel and scrap industries. Additionally, in many applications, steel competes with other materials, such as aluminum, cement, composites, plastics, carbon fiber, glass and wood. Increased use of alternative materials for any reason, including as a response to regulations or customer demands, could decrease demand for steel or force other steel producers into new products or markets that compete more directly with us, and combined with increased competition could cause us to lose market share, increase expenditures or reduce pricing, any one of which may adversely affect our business, financial condition, results of operations and cash flows. Additionally, during 2022 we announced our planned project to construct and operate a recycled aluminum flat ~~roll~~ **rolled products** mill with an anticipated annual production capacity of 650, 000 tonnes of finished products to be located in Columbus, Mississippi, with two supporting satellite recycling aluminum slab centers. Although we anticipate being able to effectively compete in the aluminum industry, along with the other risks described herein, we may face unexpected and enhanced competition, which may adversely affect the expected contributions of our aluminum operations and our resulting business, financial condition, results of operations and cash flows. ~~27Availability~~ -- **Availability** of an adequate source of supply of scrap is required for our metals recycling operations. We procure our scrap inventory from numerous sources. These suppliers generally are not bound by long- term contracts and generally have no obligation to sell recyclable metal to us. In periods of low industry scrap prices, scrap suppliers may elect to hold recyclable metal to wait for higher prices or intentionally slow their metal collection activities. If a substantial number of scrap suppliers cease selling recyclable metal to us, we may be unable to recycle metal at desired levels which may adversely affect our results of operations and financial condition. In addition, a slowdown of industrial production in the United States reduces the supply of industrial grades of metal to the metals recycling industry, resulting in our having less recyclable metal available to process and sell. Further, additional EAF steel mill construction **or blast furnace mills investing in EAF mills** could increase the demand for scrap, potentially resulting in higher scrap prices or periods of decreased scrap supply. Any inability to secure scrap for our EAF steel mills could adversely affect our business, results of operations, financial condition and cash flows. We are subject to cybersecurity threats and may face risks to the security of our sensitive data and information technology which may adversely affect our business, results of operations, financial condition and cash flows. Increased ~~global~~ cybersecurity and information technology security requirements, vulnerabilities and threats and a rise in sophisticated and targeted cybercrime, all of which may be heightened during times of war or hostilities, pose a risk to the security and functionality of our systems and information networks, and to the confidentiality, availability and integrity of sensitive data, including intellectual property, proprietary information, financial information, customer and supplier information, and personally identifiable information. Additionally, ~~such~~ cybersecurity vulnerabilities or attacks could result in an interruption of the functionality of our automated and electronically controlled manufacturing operating systems, which, if compromised, could cease, threaten, delay or slow down our ability to melt, roll or otherwise process steel or any of our other products for the duration of such interruption. Our customers and suppliers may also store certain of our sensitive information on their information technology systems, which if breached or attacked, could likewise expose our sensitive information. Similarly, information system vendors and software suppliers may experience a cybersecurity or information technology breach that exposes our systems or sensitive data. Any of these cybersecurity ~~and~~ **28and** information technology breaches or disruptions may result in reputational harm and may adversely affect our business, results of operations, financial condition and cash flows. Although we believe we have adopted procedures, training programs, and controls to adequately protect our sensitive data, networks and information and operating technology and systems, there can be no assurance that a system or network failure, or cybersecurity breach or attack, will be prevented, whether due to attacks by cyber criminals or due to employee, contractor or other error or malfeasance. This could lead to system interruption, production delays or downtimes and operational disruptions, and the disclosure, modification or destruction of sensitive data, which may adversely affect our reputation, customer and supplier relationships, financial results and results of operations, and could result in litigation or regulatory investigations, actions, fines or penalties, as well as increased cybersecurity monitoring and protection costs, including the cost or availability of insurance. Additionally, as cybersecurity threats continue to evolve and become more sophisticated, we may need to invest additional time, resources and finances to protect the security of our sensitive data, systems and information networks. We maintain an information security risk insurance policy to mitigate the impact of cybersecurity threats. We ~~did not experience any material information security breaches or third- party information security breaches during 2022, 2021, or 2020 and we did not incur any net expenses from information security breach penalties and settlements during 2022, 2021, or 2020. 28We~~ may face risks associated with the implementation of our growth strategy. Our growth strategy subjects us to various risks. As part of our growth strategy, we may expand existing facilities, enter into new business lines, products or process initiatives, acquire or build additional plants, acquire other businesses and assets, enter into joint ventures, or form strategic alliances that we believe will complement our existing business. These expansions and transactions, including our ~~announced~~ planned recycled aluminum flat ~~roll~~ **rolled products** mill with an anticipated annual production capacity of 650, 000 tonnes of finished products to be located in Columbus, Mississippi, may involve some or all of the following risks: ● the risk of entering business lines or product, domestic, or foreign markets, in which we have little experience, including the aluminum industry; ● the risk of a newly constructed facility being completed over budget or not on time, including due to equipment delays or labor shortages; ● the risk of not being able to adequately obtain sufficient labor to efficiently build or staff a new facility **, while maintaining our culture** ; ● the risk of expected markets, products, customers and demand for products produced by a new facility being lower than expected; ● the risk of new product development, technology development or customer acquisition and penetration being more costly or difficult than expected; ● the difficulty of competing for acquisitions and other growth opportunities with companies having materially greater financial resources than us; ● the inability to realize anticipated synergies or other expected benefits; ● the difficulty of integrating new or acquired operations and personnel into our existing operations **, while maintaining our culture** ; ● the potential disruption of ongoing operations; ● the diversion of financial resources or management attention to new operations or acquired businesses; ● the loss of key employees, customers or suppliers of acquired businesses; ● the potential exposure to unknown liabilities; **29** ● the inability of management to maintain uniform standards, controls, procedures and policies; ● the difficulty of managing the growth of a larger company; ● the risk of becoming involved in labor, commercial, or regulatory disputes or litigation related to ~~the~~ new operations or acquired businesses; ● the risk of becoming more highly leveraged; ● the risk of contractual or operational liability to other venture participants or to third parties as a result of our participation; ● the inability to work efficiently with joint venture or strategic alliance partners; and ● the difficulties of terminating joint ventures or strategic alliances. ~~29As~~ **Delays in achieving full operational capacity at** our Sinton Flat Roll Division **has** ~~ramps up, we have faced~~ and ~~could~~ **may** continue to **, and any** ~~face start- up inefficiencies. Delays~~ **delays** in ~~achieving full operational capacity~~ **our announced planned recycled aluminum flat rolled products mill** may **,** adversely affect our prospects, business, financial condition, results of operations and cash flows. These expansions or transactions might be required for us to remain competitive, but we may not be able to complete any such expansions or transactions on favorable terms or obtain financing, if necessary. Future expansions and transactions may not improve our competitive position and business prospects as anticipated, and if they do not, our business, financial condition, results of operations and cash flows may be adversely affected. We are subject to litigation and legal compliance risks which may adversely affect our financial condition, results of operations and liquidity. We are involved from time to time in various litigation matters, including administrative proceedings, regulatory proceedings, governmental investigations, environmental matters, and commercial and construction contract disputes, none of which ~~at the present time~~ are **currently** expected to have a material impact on our financial conditions, results of operations or liquidity. For additional information regarding legal proceedings please refer to Item 3. Legal Proceedings. In addition to risks associated with our environmental and other regulatory compliance, our international operations are subject to complex foreign and United States laws and regulations, including the Foreign Corrupt Practices Act and other anti- bribery laws, regulations related to import- export controls, the Office of Foreign Assets Control, and other laws and regulations, each of which may increase our cost of doing business and expose us to increased risk. Unexpected equipment downtime or shutdowns may adversely affect our business, financial condition, results of operations and cash flows. Interruptions in our production capabilities may adversely affect our production costs, products available for sale and earnings during the affected period. In addition to equipment failures, our facilities are subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions. Our manufacturing processes are dependent upon critical pieces of steelmaking equipment, such as our EAFs, continuous casters and rolling equipment, some of which are controlled by our information technology systems, as well as electrical equipment, such as transformers. This equipment may, on occasion, be out of service as a result of unanticipated failures or other events, including equipment failure, power surges, cybersecurity breaches or attacks or system failures. Further, we have experienced and may continue to experience ~~start~~ **ramp** - up inefficiencies at our Sinton Flat Roll Division **, including those related to major equipment failures** . We have experienced and in the future may experience plant shutdowns or periods of reduced production as a result of equipment failures or other events. Supply chain disruptions and labor shortages have and may continue to exacerbate the effects of equipment failures. These disruptions may adversely affect our business, financial condition, results of operations and cash flows. ~~Governmental agencies may refuse to grant or renew some of our licenses and permits required to operate our businesses. Some of our operations must receive licenses and air, water and other permits and approvals from federal, state and local governments~~

~~to conduct certain of our operations or to build, expand or acquire new facilities. Governmental agencies, non- governmental organizations, and members of the public sometimes resist the establishment of certain types of facilities in their communities. There can be no assurance that future approvals, licenses and permits will be granted or that we will be able to maintain and renew the approvals, licenses and permits we currently hold. Failure to do so may adversely affect our business, financial condition, results of operations and cash flows.~~ 30