

Smarter steels for people and planet



ArcelorMittal North America
Sustainability Report 2021



#smartersteels

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About this report

About this report: The Sustainability Report is developed using Global Reporting Initiative (GRI) Indicators and Targets. A Target is a key performance indicator (KPI) as defined internally by ArcelorMittal North America. Targets are reported voluntarily and are not required by GRI sustainability reporting guidelines. The GRI 2020 standards are referenced in this report.

Within ArcelorMittal's six sustainability themes, ArcelorMittal North America is currently reporting on the following seven outcomes of the ten total sustainable development outcomes:

1. Health and Safety

Outcome 1. Safe, healthy, quality working lives for our people

2. Environment

Outcome 4. Efficient use of resources and high recycling rates

Outcome 5. Trusted user of air, land, and water

3. Climate Change

Outcome 6. Responsible energy user that helps create a lower carbon future

4. Customer Reassurance

Outcome 7. Supply chains that our customers trust

5. Social

Outcome 8. Active and welcomed member of the community

Outcome 10. Our contribution to society measured, shared and valued

The Product Innovation sustainability theme (Outcomes 2 and 3) and Outcome 9 under the Social sustainability theme are not addressed in this Sustainable Development Report.

Performance at a glance

North America results for 2021

Steel shipments

13,021(kt)

LTI*

0.44**

R&D investment (global)

\$270m

CO₂e***

1.514 per tonne
of steel

Economic contribution in NA

\$6.36b

Community investment

\$2,192,097

*LTI rate for the business unit ArcelorMittal North America is 0.41—Includes ArcelorMittal Dofasco, ArcelorMittal Long Products Canada, ArcelorMittal Tubular Products, AM/NS Calvert, ArcelorMittal Mexico

** 0.44 is the Lost Time Injury rate for all facilities in the geographic North America region which includes:

Canada: ArcelorMittal Dofasco, Mining Canada GP (5 facilities), ArcelorMittal Long Products Canada (5 facilities), ArcelorMittal Tubular Products (3 facilities) ArcelorMittal Tailored Blanks (2 facilities)

United States: ArcelorMittal Tubular Products (2 facilities) ArcelorMittal Tailored Blanks (1 facility) AM/NS Calvert (1 facility)

México: ArcelorMittal Tailored Blanks (1 facility), ArcelorMittal Tubular Products (1 facility), Lázaro Cárdenas, Michoacán (Flat and Long facilities), Celaya, Guanajuato (1 facility), El Volcán mines Rosario Tesopaco, Sonora (1 facility), Las Truchas/San José mining complex, Michoacán (1 facility)

***AM/NS Calvert CO₂ emissions are included in the calculation of Total CO₂ emissions per tonne of steel produced (tonnes of CO₂), however no steel was produced at this Facility in 2021. Steel emissions include Scope 1 and Scope 2 CO₂. Mining (concentrate and pellets) emissions include Scope 1 CO₂ only.

CEO's statement

Welcome to ArcelorMittal North America's 2021 sustainability report

Smarter steels for people and planet. That statement drives our purpose at ArcelorMittal.

As the world's leading steel and mining company, we have 158,000 employees and operations in 60 countries across the globe. Currently in North America we have 15,000+ people and 40 offices and facilities across Canada, the United States and Mexico. These include flat and long steelmaking operations, finishing mills, automotive tailored blanks, tubular operations, iron ore mines, scrap recycling and most recently a state-of-the-art HBI plant which you will read about later in this report.

2021 was a year of change for ArcelorMittal North America, after a significant event: divesting the majority of our USA assets to Cleveland-Cliffs at the end of 2020 which enabled us to both unlock value and reposition our North American footprint. We continue to serve our customers in the region through our

strategic assets in Canada, Mexico and AM/NS Calvert in the US.

These assets represent a strong presence in North America with Dofasco and ArcelorMittal Mexico among the lowest cost producers in the region. AM/NS Calvert, which is already one of the world's most advanced steel finishing facilities, will be enhanced by the new EAF set to come online in 2023, allowing slab source optimization.

ArcelorMittal's important R&D facilities in East Chicago, IN, and Hamilton, Ontario, continue their product and process development work, which underpins ArcelorMittal's leadership position in North America. After a year of transition, ArcelorMittal North America is poised for growth, with an emphasis on investments that will move us forward on our journey to carbon neutrality by 2050.

This is the first time our segment is reporting as

one entity. Thus, the information you will see in our 2021 report is aggregated to reflect the business units geographically located in the North America segment: ArcelorMittal Dofasco, ArcelorMittal Long Products Canada, Mining Canada, Infrastructure Canada, AM/NS Calvert, ArcelorMittal Tubular Products, ArcelorMittal Mexico and ArcelorMittal Tailored Blanks.

In 2014, we introduced our 10 sustainable development outcomes, our framework for defining the company's goals. We are continuously creating value as we progress toward the ultimate state of these outcomes. They have further evolved into five pillars of sustainable development with safety as the most important element; followed by climate, environment, supply chain/customer reassurance and social. Innovation remains the core strategic priority of our business and it has separate oversight.

CEO's statement

ArcelorMittal has pledged to reduce CO₂e intensity by 25% worldwide by 2030. All the changes and investments in North American and at ArcelorMittal facilities around the world have been designed to help us comply with the Paris Accord and to meet our carbon reduction goals.

The decarbonization conversation has broadened and deepened over the past few years and we are still learning every day how we can contribute to societal goals. We have heard from many of our customers who are concerned with decarbonizing their own supply chains. The whole world is now looking to large emitters (such as steel) to innovate technology and process changes that will help safeguard our planet's future. Our superb R&D teams in North America, along with their colleagues around the world, are dedicating significant resources to doing just that.

Steel is one of the world's most sustainable materials because it is strong, flexible and can be endlessly recycled. It is part of the fabric of modern life and contributes to our world in innumerable ways. Think of how many times each day you interact with something made of steel. Buildings, roads, bridges, railways, cars and many domestic appliances simply would not exist without steel as a component.

Innovative steel products are helping to reduce carbon emissions in vehicles and buildings,

construct smarter cities and generate renewable energy. But steel faces challenges too: we must find ways to make the mining and steelmaking processes less carbon intensive and more energy efficient, and thereby, more sustainable.

As a world leader in steel and mining, it is our responsibility to lead the way in ensuring steel fulfills its potential as an essential material of our circular economy and plays a primary role in solving the climate change challenge. We have the power to make a positive difference for our stakeholders, shareholders and society.

In this report, you will read about North America's transformation as we continue with the Herculean task of decarbonizing our operations. Here in North America, more than \$3.5B has already been committed to projects that will help our segment contribute to ArcelorMittal Group's pledge to be carbon neutral by 2050.

Reporting is a key part of our commitment to transparency and open dialogue with our stakeholders, and is a complement to ArcelorMittal Group.

This sustainability report as a segment is a good first step; we will need to grow and improve year after year. We hope you will continue on this journey to a sustainable future with us.



John Brett
Executive vice president
and Chief executive officer,
ArcelorMittal North America



Mapi Mobwano
President and Chief executive officer,
ArcelorMittal Mining Canada G.P.
Chairman of the management committee,
ArcelorMittal Infrastructure Canada G.P.



Todd Baker
President and
Chief executive officer,
ArcelorMittal Tailored
Blanks Americas



Sustainable business



Sustainable business

Strategy

Steel is a critical component of modern life and is essential in building our modern world. We encounter steel everywhere; from the alarm clock that wakes you, to your coffee maker, your car, the bridge you cross on the way to work, the building you work in. As our world addresses the huge challenges of climate change, steel will be a vital component of technology we need to decarbonize; pipelines for hydrogen, windmill towers, solar panels and more.

As a Group, we have five strategic priorities which are key to driving sustainable value creation.

- Improve safety
- Strategic growth
- Decarbonization and sustainability leadership
- Cost advantage
- Consistent returns



Sustainable business Strategy

Improve safety

Nothing is as important to our business as every worker safely returning home each day to his or her family.

The 29 regrettable worldwide fatalities from 2021 is prompting a major internal response in every region.

Though the North America region did not experience any fatalities during 2021, we are joining the Group in redoubling our efforts to rigorously implement the Company's tools and training programs, with an aggressive refresh of our 10 life-saving golden rules.

Life saving golden rules

1. I work in a "fit and able" condition
2. I use fall prevention or protection when the risk of falling is beyond 1.8 m or ~ 6 feet
3. I follow the isolation procedure
4. I follow the confined space procedure
5. I respect all rules of load handling and never stand under a suspended load
6. I respect all traffic and driving rules
7. I respect rail priority and stay out of close clearance areas
8. I respect the rules for entering and working in hazardous gas areas
9. I never disable safety devices
10. I respect all the H&S rules, standards and signals and I wear the required PPE



Sustainable Business Strategy

Improving health and safety

In North America, in the units reporting to Chief Executive Officer John Brett, there were zero fatalities and the lost time injury rate (LTI) improved over last year. However, we must reach ZERO accidents and fatalities in North America and group-wide. Improvements must be made each year until that goal is reached.

Globally, H&S performance deteriorated in 2021. COVID-19 limited in person H&S trainings which contributed to the decline in performance. The Board, ARCGS and senior management are fully

engaged and committed to improving our LTI. The entire company is looking to our best performing units to set the standard for safety benchmarks across the industry.

To further integrate the H&S culture within the salaried staff, starting in 2022, each employee must identify two H&S goals to be included in their performance evaluation. And for leaders, the short-term incentives plan link to H&S performance has been strengthened.

LTI
0.44*

Average Training Hours per employee
159.6

* LTI rate for the ArcelorMittal North America business unit is 0.41—Includes ArcelorMittal Dofasco, ArcelorMittal Long Products Canada, ArcelorMittal Tubular Products, AM/NS Calvert, ArcelorMittal Mexico



Sustainable business
Strategy

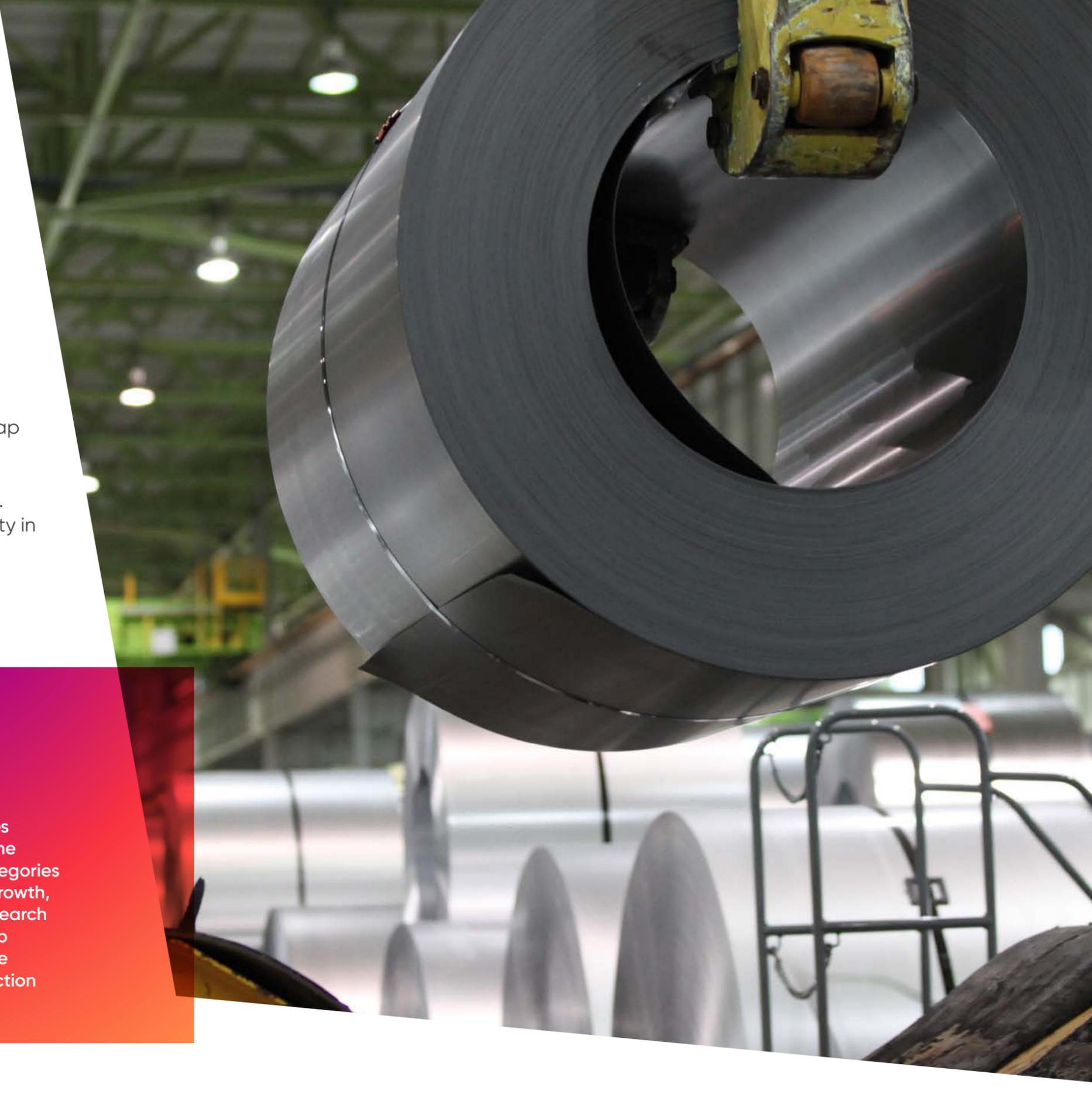
Strategic growth

Infinitely recyclable, with a lower LCA than competing materials, steel is essential in building the modern world. ArcelorMittal is a standard bearer, introducing a wide range of projects and investments that are all aimed at reducing the levels of CO₂ in our atmosphere. Like our overseas counterparts North America is well-positioned to take advantage of advanced steelmaking technology, starting from a position of some strength having EAF-intensive competition in the segment.

North America is still growing steel capacity. In a perfect world, all new steel would be made from recycled materials. However, the supply of scrap needed for producers to make the amount of steel we need will not be available until the end of this century. Therefore, virgin steel is still a necessity in North America.

View from ArcelorMittal Group: Strategic growth

Steel demand is due to increase globally from 1.9 billion tonnes in 2021 to 2.6 billion tonnes in 2050. Our growth plans are designed to ensure we capture the opportunities in both the developing markets where steel demand is growing faster – and also in new product categories that will be required for the energy transition. We will do this through strategic organic growth, harnessing our world-class R&D operations as well as selective value accretive M&A. Research and development sits at the heart of our operations and we are using our R&D leadership to leverage the unique advantages of steel – such as its ability to be completely reusable and recyclable – to create new products, solutions, business models and develop production processes that use less energy, emit less carbon and reduce costs.



Sustainable business
Strategy

Decarbonization and sustainability leadership

ArcelorMittal North America is committed to smarter steels for people and planet.

In the global steel sector, ArcelorMittal has taken the lead in decarbonization efforts that will drastically change our business. We understand the critical need to be in line with the global warming targets scientists have set to keep our planet healthy and have stated a 2030 target of reducing CO₂ intensity by 25% across our operations. Policy makers and governments are formulating standards that we will need to follow in order to retain our license to operate, with the potential for different compliance standards across the globe.

In North America, ArcelorMittal will spend more than \$3.5 billion dollars to continue our journey to reduce CO₂ intensity by 25% by 2030. You will read about some of the projects underway to help us reach that goal later in this report.

Total CO₂ emissions per tonne
of steel produced

1.514 CO₂e



Sustainable business Strategy

Cost advantage

From raw materials through finished products, no other steel company has the same level of scale, geographic exposure and end-market diversification as ArcelorMittal. This unique asset base means we can benchmark and leverage our scale to improve productivity and efficiency. In 2021, we generated \$0.6 billion of fixed cost savings through productivity gains, footprint optimization and lower corporate costs.

In North America, we are leveraging our presence in the region to not only achieve cost advantages for our segment but also to contribute to the Group. Maintaining our cost competitiveness remains an important priority and in 2022 our Group announced a new \$1.5 billion value plan to be achieved across the globe over the next three years.

Consistent returns

We experienced better than anticipated earnings in 2021. However, those in the steel industry are aware of the cycles that exist in this sector. All the efforts we are undertaking, in every area of the business, are designed to ensure we can deliver returns to our shareholders no matter where we are in the business cycle.



In 2022, ArcelorMittal was recognized as a sustainability champion by worldsteel for its outstanding sustainability efforts and performance in 2021

Sustainable business
Creating value

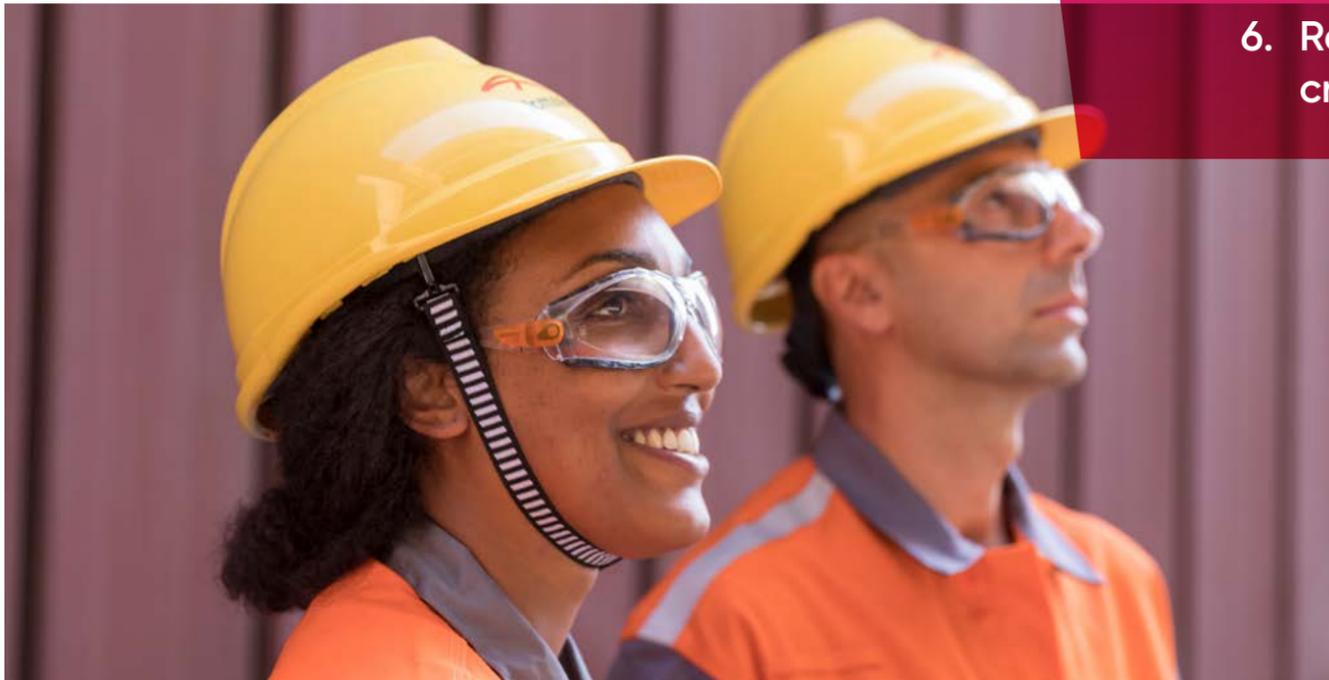
Creating value

To be a sustainable company, and to create value not just for shareholders but for all stakeholders, we must go beyond traditional corporate responsibility and think about the impact that is needed from our business and our products. Launched in 2015, our sustainable development outcomes were inspired by the 17 UN sustainable development goals (SDGs). This framework drives us to act on the needs of our business and the environmental impact of our work, especially now, with the effects of climate change being felt around the world. These outcomes are how we drive sustainable action within the company and track progress.

Our 10 SD outcomes

1. Safe, healthy, quality working lives for our people
2. Products that accelerate more sustainable lifestyles
3. Products that create sustainable infrastructure
4. Efficient use of resources and high recycling rates
5. Trusted user of air, land and water
6. Responsible energy user that helps create a lower carbon future
7. Supply chains that our customers trust
8. Active and welcomed member of the community
9. Pipeline of talented scientists and engineers for tomorrow
10. Our contribution to society measured, shared and valued

Underpinned by transparent good governance



Sustainable business
Creating value

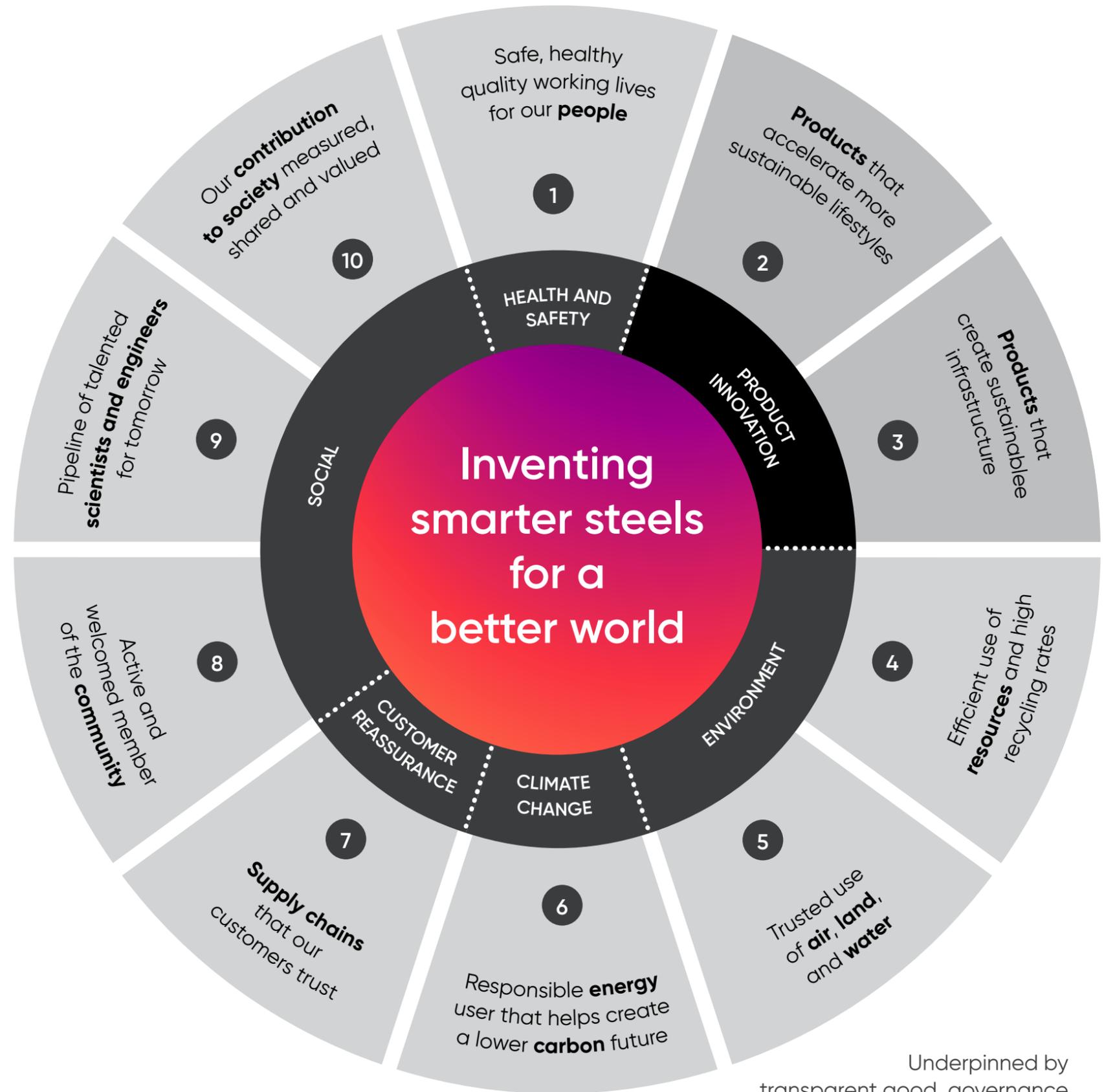
Creating value for our stakeholders

As the world's leading steel and mining company, we feel a keen responsibility to contribute to making a more sustainable future possible.

Our ten sustainable development outcomes have evolved into five SD pillars or themes. They are (as illustrated in the wheel) safety, climate, environment, supply chain and social. As product innovation is one of the core strategic priorities of our business, it has separate oversight.

Our 10 sustainable development outcomes are a compelling, practical and demanding way to help create a sustainable future, from the way we make steel and use resources, to how we develop new products, and support our people and our communities.

You will read more about our 10 SD outcomes and examples of how we live these values throughout this report.



Underpinned by transparent good governance

Responsible growth



Responsible growth

Responsible growth

With the divestiture of ArcelorMittal USA LLC at the end of 2020, ArcelorMittal North America segment is positioned to grow. With the goal of reducing our emissions always top of mind, we are embracing the innovative DRI/EAF route when it comes to decarbonization of our assets in the region. By 2030, ArcelorMittal North America will be nearly coal free; we will have only one blast furnace left in operation in our Mexican long products division.

Some of the advances we have made in 2021 toward our business and climate goals:

In December of 2021, our new 2.5Mt hot strip mill in Mexico produced its first coil. This is expected to add \$250 million to the region's EBITDA when the operation hits capacity.

New DRI and EAF installations at ArcelorMittal Dofasco in Hamilton, Ontario, will reduce carbon emissions by approximately 60% by 2030.

We are also growing our joint venture operation at AM/NS Calvert, our state-of-the-art downstream finishing facility in Alabama. The construction of the 1.5Mt electric arc furnace is well underway and expected to be operational in 2023. The EAF will build additional flexibility to its slab sourcing and enhance its ability to serve its full range of customers. We are also studying the potential to add a further 1.5Mt of steelmaking capacity.

We have also recently completed the acquisition of 80% of a state-of-the-art hot briquetted iron (HBI) facility in Portland, Texas, which will eventually supply AM/NS Calvert.

In our Las Truchas, Mexico, mining facility, detailed engineering has begun for a revamp project with investment of \$150 million. This project will add 1Mt a year to pellet feed production, improving the concentrate grade.

Executive Chairman Mr. Mittal on hand for the first coil produced at ArcelorMittal Mexico's new hot strip mill. →



Responsible growth

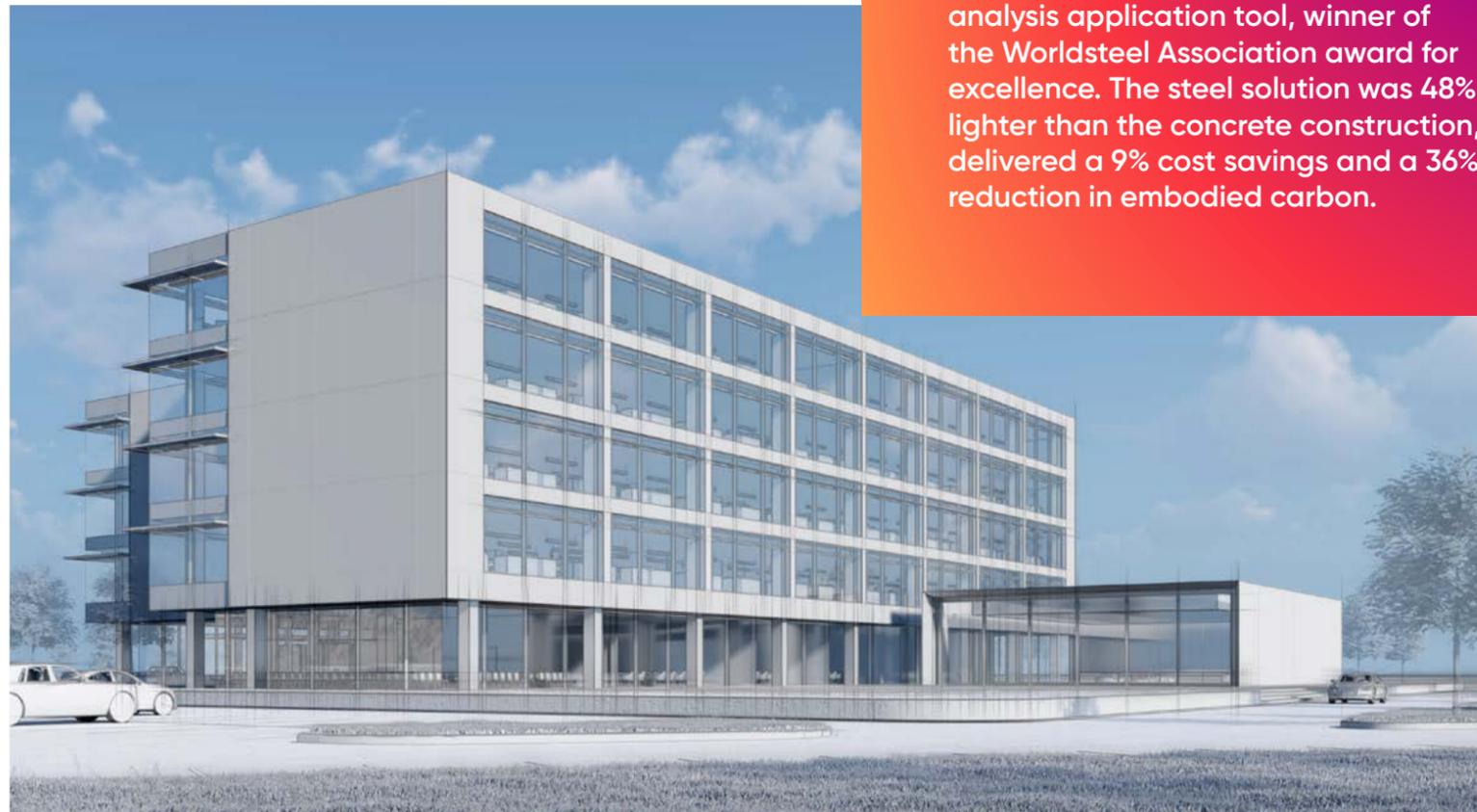
New products and processes for a smart transition

At ArcelorMittal North America, scientists and engineers at our R&D facilities in East Chicago, Indiana, and Hamilton, Ontario, spend time and effort advancing our capabilities in all the markets we serve, innovating and improving products that make people's lives better and the planet more sustainable. Across the globe in 2021, ArcelorMittal Group launched 24 new products and solutions to contribute to more sustainable lifestyles and 27 products to support sustainable construction infrastructure and energy generation. When we imagine the infrastructure our world will require to reach our decarbonization goals, steel plays a major role. Pipelines for hydrogen, windmills for clean energy generation, steels for automobiles and the construction industry that are produced in a more sustainable fashion and are fully recyclable: these products are necessary to develop a circular economy, and to reach the Paris climate goals.

[Xcarb](#)

[Steligence](#)

[S in motion solution](#)



A mid-rise office building in the Greater Toronto Area in Canada was virtually designed using steel component construction and contrasted against concrete construction with identical specifications and functionality. Life cycle assessments of the two designs were conducted using the life cycle analysis application tool, winner of the Worldsteel Association award for excellence. The steel solution was 48% lighter than the concrete construction, delivered a 9% cost savings and a 36% reduction in embodied carbon.



Responsible growth

New products and processes for a smart transition

Our innovations offer our customers solutions to enhance their contribution to a low carbon and circular economy, taking advantage of steel's high strength, versatility, durability and recyclability.

Steligence[®] enables architects and engineers to design building solutions that minimize material use while maximizing space, flexibility and end of life recyclability.

Our new **S-in motion**[®] solutions include body-in-white chassis and battery pack steel solutions for electric vehicles enable carmakers to extend drive range and enhance safety at the most affordable cost.



Bala Krishnan
Director, Automotive Product Applications
ArcelorMittal



The Altair Enlighten Award honors the greatest achievements in vehicle weight savings each year, and ArcelorMittal won this award in 2021. It inspires interest from business leaders, engineers, policymakers, educators, students and the public, stirring competition for new ideas and providing an incentive to share advances. Our own Bala Krishnan is [featured in this video](#).

Responsible growth

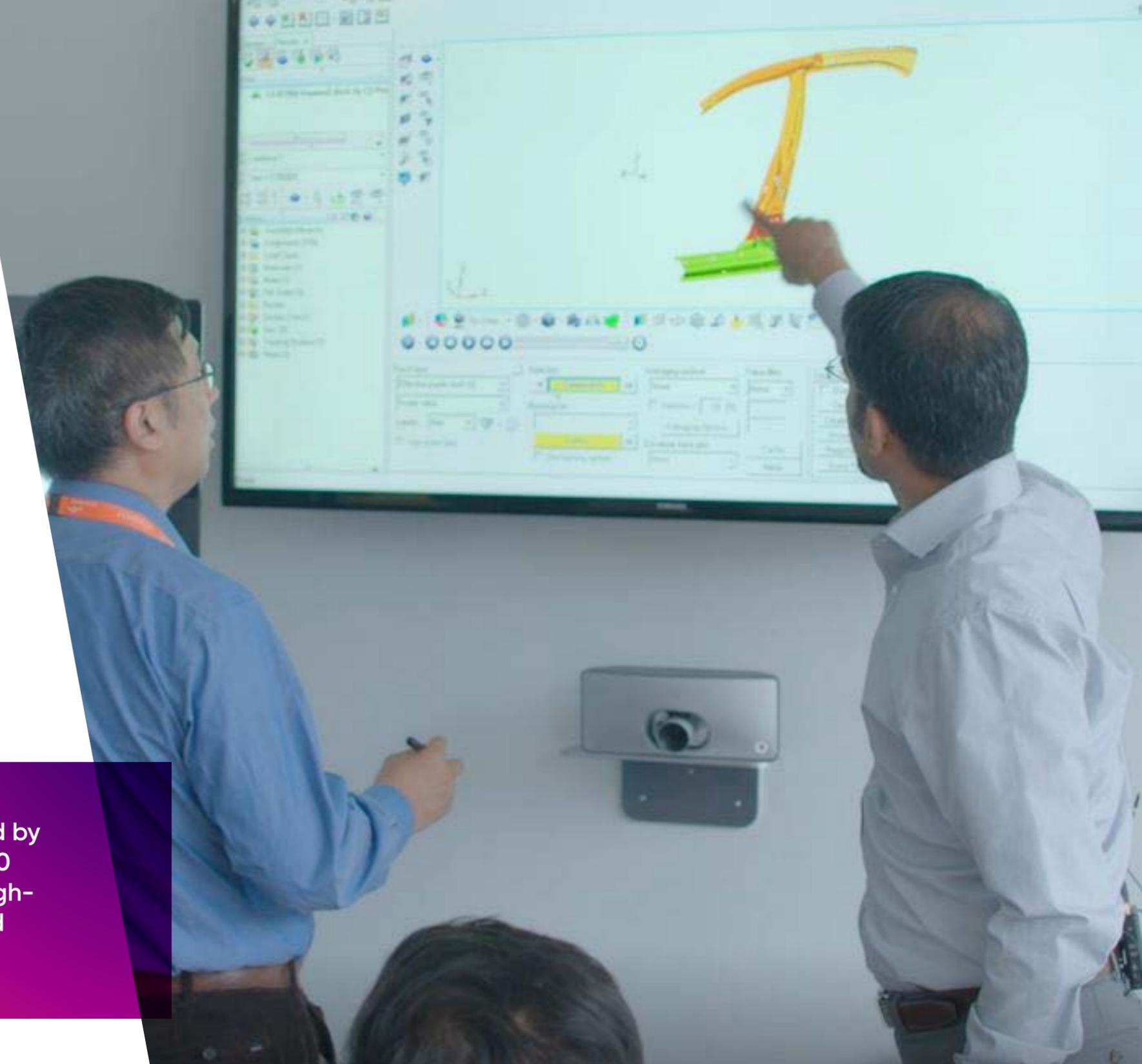
The importance of LCA and EPD

It is our responsibility to understand the total impact of our products on the world around us. In the steel industry, ArcelorMittal R&D has years of experience in this area. Globally we have conducted 37 Life Cycle Analyses (LCA) in 2021 related to steel products and processes, which means we understand the full environmental impact of a product from raw material extraction and transformation to delivery, use and disposal (cradle to grave). Only by knowing each step on a product's journey can we begin to introduce efficiencies and enhance its overall environmental performance, providing a better result to our customer and further outcompeting other products and materials.

Similarly, in the construction industry environmental product declarations (EPDs) are transparent, objective evaluations of the potential impact of products on people and the planet and are of increasing importance in supply chain decision

making. EPDs help to achieve credit in certifications like LEED (Leadership in Energy and Environmental Design) as well as BREEAM (Building Research Establishment Environmental Assessment and Methodology). ArcelorMittal issued 4 EPDs in 2021, including the first two EPDs for XCarb™ recycled and renewable produced steel solutions.

ArcelorMittal has been identified by LexisNexis® as one of the Top 100 innovators with exceptionally high-performing and well-maintained patent portfolios.



Responsible growth

Bringing our 10 SD outcomes to life

ArcelorMittal Tubular Products Woodstock and London plants are home to many innovative automotive products based on proprietary technologies. One of the most successful is its line of pick-up truck axle assemblies. ArcelorMittal steel goes into both the tube and bracket components. Further value is captured by producing the tube, and performing downstream assembly operations (welding, machining, etc.). Today, the London facility is solely focused on assembly of these complex products.

ArcelorMittal is well respected in this market due to its customer service and support, best in class quality, and uniquely due to its tuneable tubular technology (Multiwall). We can provide a range in both diameter and wall thickness within a single tube, allowing the customer to optimize performance and save mass. This technology was pioneered in Woodstock in the early 1990s and over the years its application has expanded into other areas in the automotive and mining industries. We are

enjoying supplying the third generation of vehicles using this technology, during which time the Multiwall tube component has remained substantially unchanged. Since 2009, the Woodstock produced tube has been outsourced to perform the Multiwall operation, before returning to the London plant for assembly. However, this supplier recently decided to exit the business, jeopardizing production at ArcelorMittal, and indeed at the end customer. The unique nature of the product meant it could not be purchased elsewhere. In addition, knowing that the exit was imminent, the supplier had run the equipment to the end of its life. As is typical at ArcelorMittal, our people devised a solution: re-create the operation within ArcelorMittal. The challenges were immense. It was imperative to the end customer they receive the exact same product, or they would incur substantial validation costs and run further risk of delays. A complete manufacturing process had to be designed, built, and commissioned before the supplier exited. The longer it took, the higher the cost and risk. Woodstock was

the natural fit, possessing several assets to reduce investment, and the knowledge required to create it. The project cost was US\$10M. The initial estimate was a timeline of 12-14 months. In the end, with many bumps along the way, the project went from approval to start of production in only 8 months.

The Solution:

The many years and models of similar products have yielded extensive learning, resulting in a highly optimized and automated solution. In fact, all part handling within the work cells is by robot or conveyor. The only operator interface to the product, from initial long tube to finished part, is for inspection or bulk transfer between cells. Therefore, the focus is on robust and reliable equipment.

Today the line is exceeding its performance expectations, and in doing so has reduced the product cost and secured additional value for ArcelorMittal. And just as importantly, has again shown the strength of ArcelorMittal to deliver for its customers.



Responsible growth

Bringing our 10 SD outcomes to life

When you hear the name “Canoo” you might think water. However, this Canoo is an emerging battery electric vehicle OEM company. It is developing breakthrough purpose-built electric vehicles with a proprietary and highly versatile platform architecture.

ArcelorMittal first heard from Canoo a few years ago. “Canoo was incorporated in late 2017 and immediately reached out to ArcelorMittal for technical assistance. We had really positive relationships with their key founders, who we worked with at a previous EV company,” says Scott Stone, the Global Technology Coordinator at ArcelorMittal Global R & D who has responsibility for the emerging BEV OEMs.

Stone says, “Within the North America automotive department we’ve built a special team to support and manage the emerging OEMs. This team has addressed both technical and commercial needs which have proven to be quite different.”

Canoo is getting ready to roll, starting with the production of a delivery and work-related version of the Lifestyle

vehicle, then the Lifestyle vehicle itself. This will be followed by a larger multi-purpose delivery vehicle and finally, a pickup truck. Canoo considers the Lifestyle vehicle to be “A loft on wheels.” Its proprietary multi-purpose platform provides SUV-sized interior space on a smaller exterior footprint.

“We have been highly engaged with Canoo from the outset, both technically and commercially, including co-engineering,” says Gail Milne, ArcelorMittal’s Team Manager for Emerging OEMs. “Thanks to our successful collaboration, the lifestyle vehicle contains more than 90% steel in the Body In White and the skateboard (the underlying support platform of the vehicles).

“ArcelorMittal’s intent to support this segment of the industry is two-fold,” says Milne. “First, we want to ensure that steel is the material of choice for all of the emerging OEMs. Secondly, we want to eventually secure business for ArcelorMittal.”



In this case, those goals seem to have been reached, as ArcelorMittal has been awarded a significant amount of Canoo’s business for its first vehicle, the Lifestyle Delivery Vehicle, which will launch late this year in Bentonville, Arkansas.

Canoo’s current headquarters are in Torrance, California. However, the company has announced it will build a new plant in Pryor, Oklahoma capable of making 150,000 vehicles each year, which should be operational in 2024.

Responsible growth

Our roadmap to net-zero in North America

To best serve our customers, our operations in North America will be increasing internal slab production over the next five years. Our commitment is to make definitive strides towards carbon neutral steel while also continuing to serve our customers as a full range supplier, fulfilling all of their technical and volume requirements.

All methods of producing steel contribute to CO₂ emissions, so it is imperative to replace slab capacity very thoughtfully, always keeping in mind the goal of carbon neutral steel production.

Here are some of the ways ArcelorMittal North America is replacing BF/BOF slab sourcing. To

begin this phase of decarbonization, we will invest in **additional DRI/EAF capacity**. (read more about our two largest projects on the following pages)

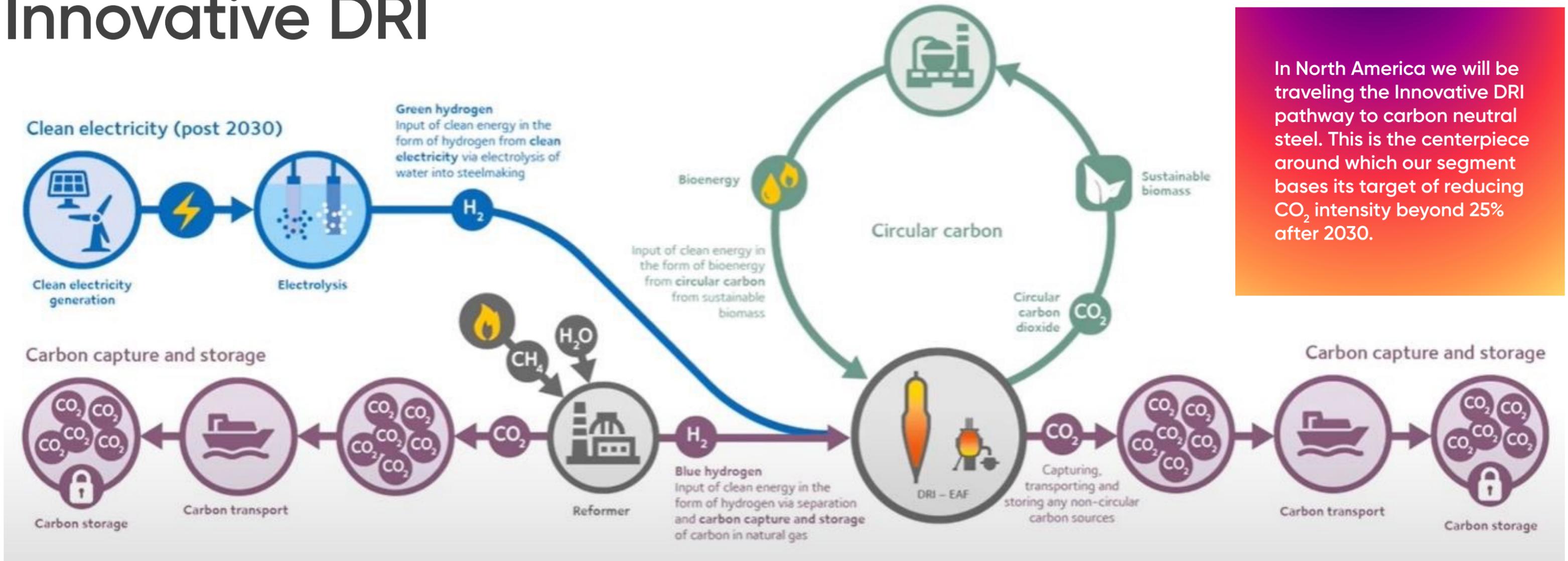
By carefully balancing the use of scrap, DRI, and other input iron units, ArcelorMittal aims to produce the highest quality steel products for the most demanding applications while minimizing carbon emissions. DRI investments include a **future option to convert from natural gas to hydrogen fuel**, once available, to further reduce CO₂ emissions.



Responsible growth

Our roadmap to net-zero in North America

ArcelorMittal North America's pathway to carbon neutral steel: Innovative DRI



In North America we will be traveling the Innovative DRI pathway to carbon neutral steel. This is the centerpiece around which our segment bases its target of reducing CO₂ intensity beyond 25% after 2030.

Responsible growth

Our roadmap to net-zero in North America

Innovative DRI— how does it work?

Our Innovative DRI pathway in North America applies to the direct reduced iron (DRI) – electric arc furnace route (EAF). In addition to scrap, the other metallic input in EAFs is DRI. This is made through the direct reduction of iron ore using natural gas. The heart of our Innovative DRI route involves replacing the natural gas (which acts as the reductant in the DRI process) with an alternate, clean energy source – hydrogen. We already know that hydrogen holds great potential as a reducing agent – today’s use of natural gas to make DRI implies that over 55% of the reduction process is done with hydrogen, as natural gas is split into hydrogen and carbon monoxide before the reaction chamber.

If hydrogen was produced via the electrolysis of water, with the electricity used for the electrolysis process derived from renewable sources, you could make zero-carbon DRI. If you then fed that into an EAF, along with scrap, and

that EAF ran on renewable electricity you would be making zero-carbon steel. Fundamentally, that is what we are seeking to achieve with our Innovative DRI pathway – steelmaking which removes carbon in its entirety from the production process.

While we believe this route holds great potential, the renewable energy infrastructure required to create sufficient volumes of carbon-free, ‘green’ hydrogen is sadly lacking. Therefore, until the infrastructure emerges to make affordable green hydrogen at scale, we can use blue hydrogen (sourced by extracting hydrogen from natural gas) as an intermediary step and utilize carbon capture and storage technology to capture CO₂ produced in DRI production while still using natural gas.

Responsible growth

Our roadmap to net-zero in North America

ArcelorMittal North America will rely on five key levers to accomplish our goals by 2050.

These are:



Steelmaking transformation



Energy transformation



Increased use of scrap



Sourcing clean electricity



Offsetting residual emissions

Other technologies being actively pursued or investigated:

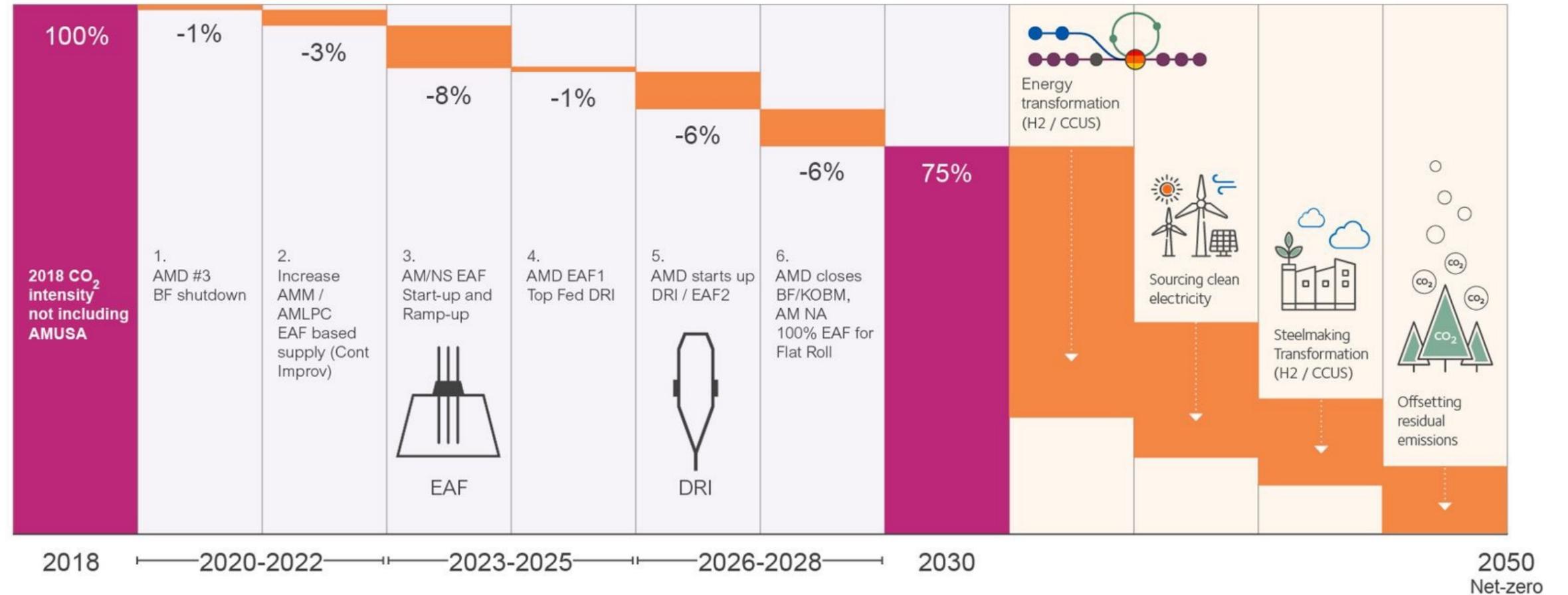
- Renewable natural gas
- Bio char
- H₂ at DRI plants
- Green hydrogen
- Carbon capture and utilization (jet fuel methanol)
- Carbon capture and storage
- Biogas
- Renewable energy (wind and solar)
- Virtual purchase power agreements (VPPAs)
- Renewable energy certificates

Responsible growth

Our roadmap to net-zero in North America

Net zero roadmap for North America: Scopes 1 & 2*

Here is our roadmap to net-zero for North America by 2050: we've already shutdown #3 BF at ArcelorMittal Dofasco and are increasing our supply of EAF produced slabs at ArcelorMittal Mexico and ArcelorMittal Long Products Canada currently. AM/NS Calvert will start up its EAF and ramp it up next year, and by 2025 ArcelorMittal Dofasco's current EAF will be top fed by lower intensity DRI (direct reduced iron). We have recently acquired 80% ownership in an HBI plant in Texas which can supply Calvert when the EAF comes online. By 2027, Dofasco's new EAF and DRI facilities will be operational, remaining ArcelorMittal Dofasco blast furnaces and BOFs will be idled, and internal Flat Rolled steel production in North America will be EAF based. We expect to achieve the global ArcelorMittal target of 25% reduction by 2027, ahead of the global target date of 2030. ArcelorMittal North America will go from ~40% BF production in 2018 to ~10% BF in 2027 (one blast furnace at ArcelorMittal Mexico Long Products will remain).



* Scope 1 and 2 basis. Should green hydrogen not be available at affordable rates by the end of 2025, natural gas would be used to power the DRI furnace. This would still result in a very significant reduction in CO₂ emissions, of 4Mt ~45%.

Responsible growth

Our roadmap to net-zero in North America

Bringing our 10 SD outcomes to life

CAD\$1.8 billion investment at our ArcelorMittal Dofasco site in Hamilton, Ontario, will reduce CO2 by 60% by 2028.

The plan is to build a new 2.5 Mt direct reduced iron facility and a 2.4 Mt electric arc furnace and continuous casters to align productivity, quality and energy capabilities at Dofasco. The current BOFs and blast furnace will be idled during this time period. ArcelorMittal partnered with the provincial

government of Ontario and the Canadian federal government on this project, announced in 2021 and now underway. Up to 2,500 jobs will be created during the engineering and construction phases and approximately 160,000 training hours will be required to transition our workforce to the new footprint. The new low-emission steelmaking facility will produce high quality steel for automotive and packaging applications.

We are committed to significantly reducing the carbon footprint of our Hamilton operations, with an approximately \$1.8 billion CAD investment to make it happen which includes government partnership



\$1.8B CAD
Cost

60%
Annual emission savings by 2028

Video: ArcelorMittal Hamilton Decarbonization Investment Project

Responsible growth

Our roadmap to net-zero in North America

Bringing our 10 SD outcomes to life



Approved \$775M investment at our AM/NS site in Calvert will increase total EAF slab supply sourcing. With the addition of a 1.5Mt EAF, AM/NS Calvert will contribute to the reduction of global annual CO₂ emissions. In addition to slabs sourced from other ArcelorMittal EAFs around the world, this expansion will increase the total slab supply to source from EAF by 2024, with opportunity for further improvement. A joint venture investment from ArcelorMittal and Nippon Steel Corporation, the new 1.5Mt EAF will provide on-demand casting of slabs and improve existing performance through hot charging of slabs into the hot strip mill. This will create 200 direct and 100 indirect well-paying skilled positions in advanced manufacturing in the community of Calvert, and up to 1,000 jobs during the engineering and construction phases which are well underway. The new EAF is expected to be operational in the second half of 2023 and supports advanced high strength Gen 3 steels.

\$~775M USD
Cost

Responsible growth

Our roadmap to net-zero in North America

Our sustainable future

Our sustainable future depends on whether we can decarbonize the global economy and mitigate the effects of climate change. This is an enormous challenge. For a global company like ArcelorMittal, this requires a complete rethinking of how we do business strategically and operationally. ArcelorMittal has declared a goal of net-zero carbon emissions by 2050, and worldwide reduction of CO₂e of 25% by 2030.

The North America segment will clearly contribute to this goal with the EAF additions previously referenced as well as with the following examples.



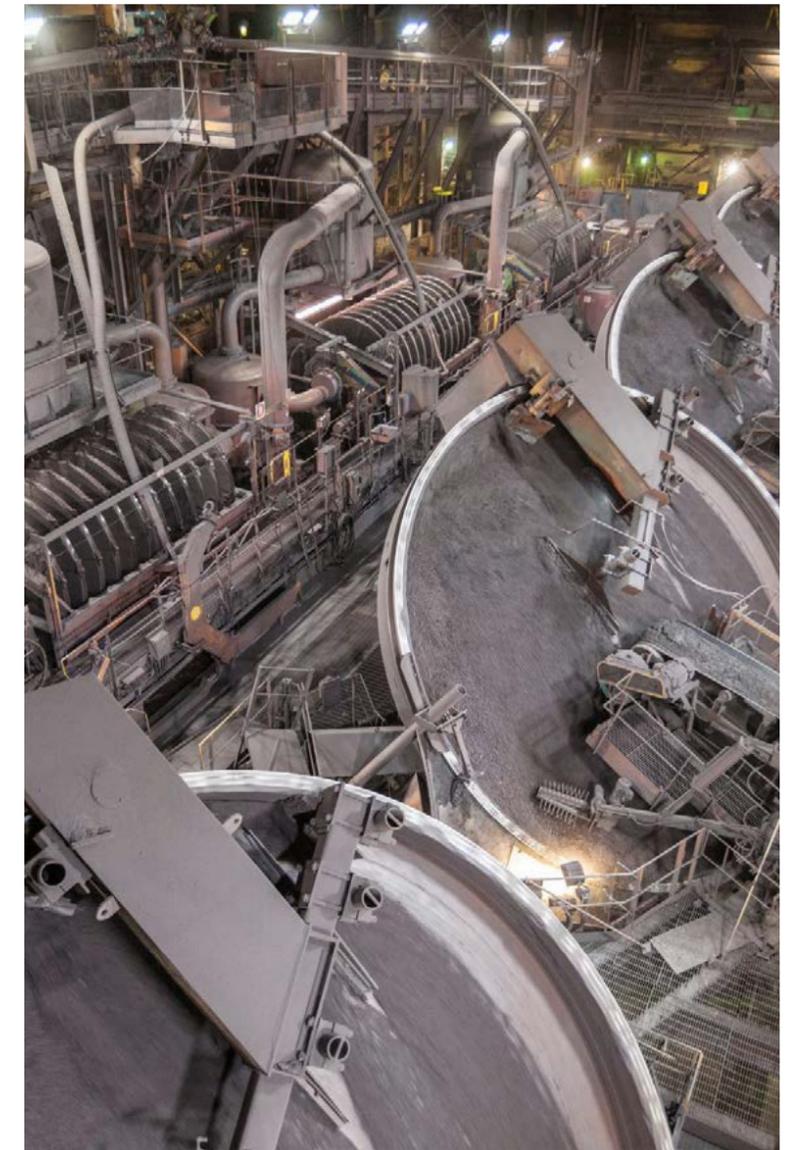
Responsible growth

Our roadmap to net-zero in North America

Announcement of a CAD\$205M investment with the government of Quebec to create one of world's largest DR pellet plants

Project summary

ArcelorMittal Mining Canada, GP to invest CAD\$205m in its Port-Cartier pellet plant, enabling this facility to convert its entire 10Mtpa annual pellet production to direct reduced (DR) pellets by the end of 2025, delivering 200,000t direct CO₂ savings for AMMC, and playing an important role in ArcelorMittal's efforts to reduce our group's CO₂e emissions intensity by 25% by 2030.



Funding

- The Government of Quebec will contribute through an electricity rebate of up to CAD\$80M

Employment

- ~250 jobs are expected to be created during the construction phase, from mid- 2023 - end 2025

Asset plan

- expands ArcelorMittal's ability to produce high-quality DR-ready pellets
- shift from current mix of 7Mtpa blast furnace pellets / 3Mtpa DR-ready pellets to 10Mtpa DR-ready pellets annually
- will feed significant demand for DR pellets in ArcelorMittal's planned DR-EAF steelmaking plants in North America and Europe

Carbon reduction

- direct annual CO₂e reduction of ~200,000 tonnes at Port-Cartier pellet plant via reduction in the energy required during the pelletizing process
- equivalent to >20% of the plant's total annual CO₂e

\$205M CAD

Cost

**200,000t
CO₂eq**

Annual emission savings by 2028

Responsible growth

Our roadmap to net-zero in North America

First known green hydrogen injection test at an industrial scale is a promising step to reaching net zero

Project summary

This test involved the direct injection of green hydrogen into the DRI plant, successfully reducing its CO₂ emissions. This was the first known test of its kind in the world performed on an industrial scale.

Footprint advantage

- ArcelorMittal Long Products Canada ("AMLPC") is well positioned to contribute to ArcelorMittal's decarbonization objectives given its DRI-EAF footprint, use of renewable electricity, secure scrap metal supply from joint venture and locally-sourced iron ore pellets for DRI production.

Methodology used

- In April 2022, AMLPC conducted a hydrogen injection test at its DRI facility in Contrecoeur, Quebec.
- The test involved the direct injection of green hydrogen into the DRI plant and is the first known test of its kind in the world performed on an industrial scale.
- During the 24-hour test, an average of 6.8% of the natural gas by volume in Module 1 of the DRI plant was replaced with green hydrogen, exceeding the initial objective of 5%



6.8%
H₂ injected

Reduction
in CO₂

Responsible growth

Our roadmap to net-zero in North America

\$1B USD Investment in ArcelorMittal Texas HBI facility further enhances ArcelorMittal position in the decarbonization pathway in North America

Project summary

Activity on this acquisition began in 2021 and on June 30, 2022 ArcelorMittal closed on the transaction to acquire an 80% shareholding in voestalpine’s world-class Hot Briquetted Iron (‘HBI’) plant located in Corpus Christi, Texas, now renamed ArcelorMittal Texas HBI.



Facility

- Built in 2016, this state-of-the-art plant is one of the largest of its kind in the world
- ~300 employees
- Annual capacity of two million tonnes of hot briquetted iron (HBI). Accelerates integration into high-quality metallic feedstock for EAFs
- Used to produce high-quality steel grades in an electric arc furnace (EAF) HBI can also be used in blast furnaces, resulting in lower coke consumption
- HBI is a premium, compacted form of direct reduced iron (DRI) developed to overcome issues associated with shipping and handling of DRI

Strategic Importance

- ArcelorMittal Texas HBI will supply high quality HBI to AM/NS Calvert EAF currently under construction
- Direct access to deep-water port
- Unused land on the site which provides options for future development
- Located in Texas, where load factors for solar and wind are expected to be high, it opens various opportunities for additional decarbonization initiatives, like hydrogen conversion

\$1.0B USD
Cost

2Mt HBI

What is HBI?

Hot briquetted iron (HBI) is DRI that has been briquetted under very high pressure and at elevated temperature to form dense briquettes that are much less porous than DRI and therefore much less reactive. HBI was developed to address the combustion risks associated with external transport of DRI.

Responsible growth

Our roadmap to net-zero in North America

ResponsibleSteel™

ResponsibleSteel™ is the steel industry's first multi-stakeholder standard and certification initiative. ArcelorMittal Group began working with the organization in 2015, to develop a credible platform that went beyond the typical technical accreditations, such as ISO 9001. We wanted something that also addressed the environmental, health and safety, energy, social, community, labor and other stakeholder considerations. As such, we see our compliance with ResponsibleSteel™ as pivotal to the future of responsible, smarter and greener steelmaking.

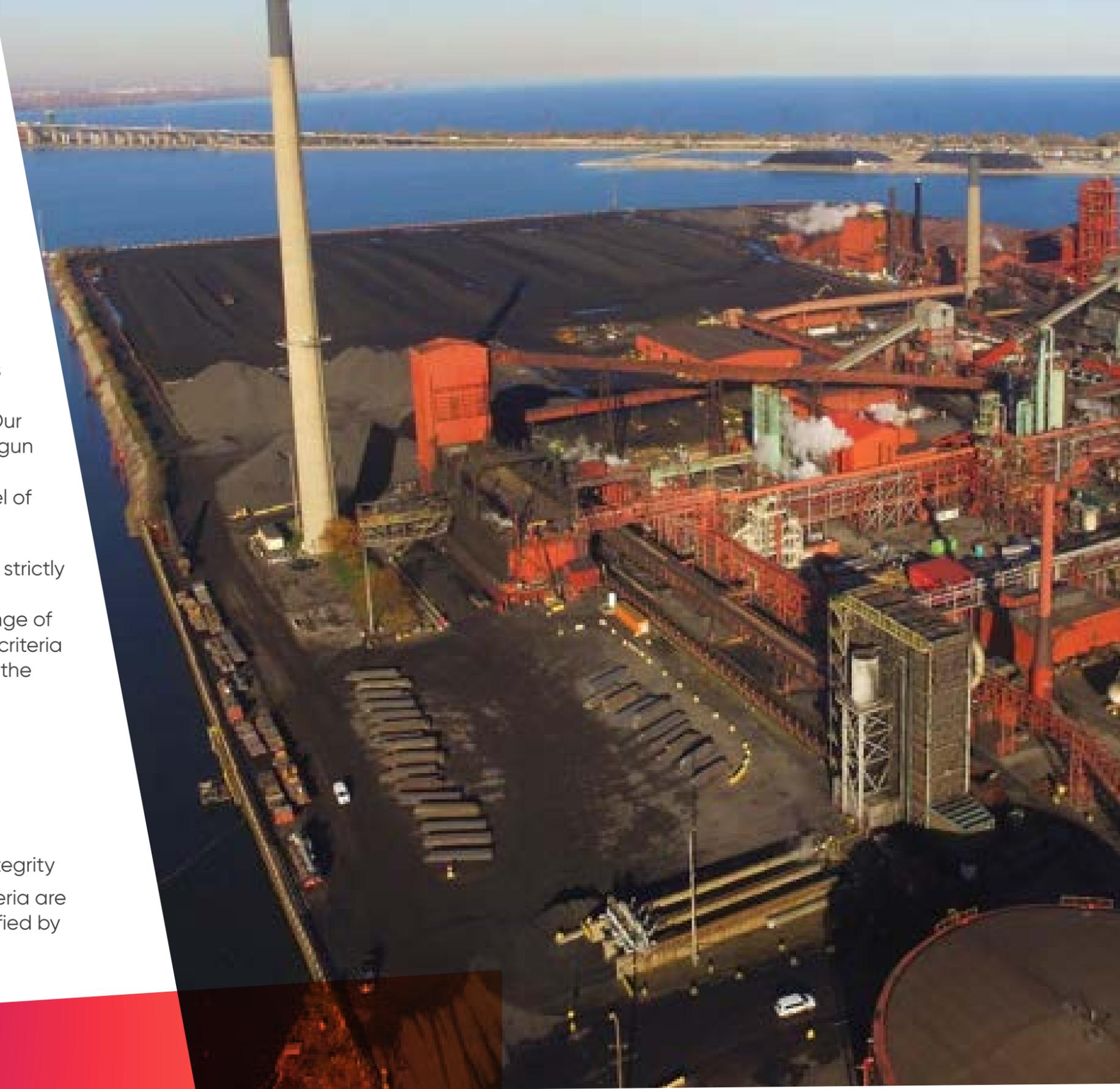
In 2021, ArcelorMittal plants achieved the world's first ResponsibleSteel™ certification in Europe, followed by plants in South America. At ArcelorMittal Dofasco in Hamilton, Ontario, the operation has undergone its first audit and the goal is to have the plant certified toward the end of this year, with other North America units to follow.

In our mining business, a similar effort is underway with the Initiative for Responsible Mining Assurance (IRMA). Our Canadian and Mexican mines have begun the self-assessment process and are working towards achieving the first level of certification by the end of 2025.

ResponsibleSteel™ is important, but not strictly for recording emissions. Its rigorous independent audits across a broad range of social, environmental and governance criteria will let us better measure our impact in the communities in which we work.

- climate change and greenhouse gas emissions
- water stewardship and biodiversity
- human rights and labor rights
- community relations and business integrity

Beyond our operations, all of these criteria are included when a facility becomes certified by ResponsibleSteel™.



Responsible growth

Responsible stewardship

Part of our license to operate in communities around the world depends on our responsible use of natural resources. We want our communities to know that we are responsible stewards of the environment, no matter where we operate. Stakeholders are expecting more from us than ever and we are preparing to meet new environmental demands which are developing rapidly or becoming stricter. ArcelorMittal Group has committed to establish 5-year environmental improvement plans for every facility that are integrated into their broader business plans and targets.

It's important for us to protect the land and communities around our sites. There is a diversity of habitats where ArcelorMittal's operations are located, including rare dune and swale (in Indiana, USA), a protected wildlife refuge in and adjacent to our facility in Lázaro Cárdenas, Mexico, and designated wetlands (Alabama, USA) to name a few. Our work on these sites is critical to the surrounding communities.

Bringing our 10 SD outcomes to life



This homely brown moth hangs out in a beautiful place. It was thrust into the spotlight in September of 2021 when it was discovered and photographed for the first time at ArcelorMittal Research and Development's piece of pristine prairie in East Chicago, Indiana. Named the blazing star borer moth

(*Papaipema beeriana*) it is a rare, prairie dependent moth found in the Midwestern United States.

As its name suggests, the blazing star borer moth can only survive if there are bright, pretty, purplish blazing star plants for their caterpillars to eat, and the ArcelorMittal prairie has two different species this rare moth can use, the rough and the marsh blazing star. There are several reasons why this moth is so rare, and it's not only due to it being a picky eater. The technical term is monophagous, which means they only eat one genera of plants, much like monarch caterpillars can only eat milkweed plants. The blazing star borer moth are also only found in remnant (unplowed)

prairie grasslands, which is the *most endangered of all ecosystems on the face of the planet.*

Pre-European settlement, Indiana contained around 15 million acres of prairie, yet less than 1% remains, making the seven acres of remnant prairie found at the Research and Development Center a valuable refuge for native plants and animals.

Additionally, a management technique, prescribed fire, is often used to help kill non-native plants that came from other parts of the world and help return nutrients to the soil, a must for fire-dependent prairies. However, this can negatively impact species like the blazing star borer moth because its eggs are found in the dead grasses over winter and they don't hatch until spring, maturing into adulthood in September. With burns taking place in the fall and early spring, the eggs would also be burned, which can cause the moth to disappear from the site.

As an excellent steward of this restored dune and swale site, ArcelorMittal follows the practice of only burning a portion of the prairie at a time, allowing for unburned areas to remain where species such as the blazing star borer moth can overwinter and survive. It's likely that in the future more prairie-dependent insect species will be found in the ArcelorMittal remnant prairie. One of the oldest ecosystems in the world surrounds an R&D center producing some of the most advanced technology of our time.

Responsible growth

Bringing our 10 SD outcomes to life

Bees, please!



The American Bumble Bee (*Bombus pensylvanicus*) has also been spotted and photographed at the restored dune and swale habitat in East Chicago, IN. Up until 2002, this was the most common US bumble bee, found in 47 states. After declining by almost 90% in the past twenty years it is now gone from large parts of its former range. Currently it is being considered for endangered species status by the U.S. Fish and Wildlife Service. The bees pollinate wild onion at the R&D prairie, giving them a restored native habitat in which to thrive.



Bringing our 10 SD outcomes to life

Mexico has the highest number of species in danger of extinction in Latin America. Of course, there are laws dictating the illegal trafficking of specimens and wild flora and fauna in Mexico, so when two green iguanas were seized as illegal contraband, the Federal Attorney for Environmental Protection (PROFEPA) wanted to return them to a natural habitat. Enter ArcelorMittal nature reserve and our 264- hectare habitat, located in Lázaro Cárdenas, Michoacán. It is a protected habitat within the steel facility and created to safeguard and preserve species of flora, wild and aquatic fauna. The iguanas were observed carefully but found to be adapting well in what is essentially their native habitat. "I wish we could recover more

species and be able to release them here," a spokesperson for PROFEPA said. "We are grateful for the support of ArcelorMittal for the relocation of this and other endangered species."



Responsible growth

Bringing our 10 SD Outcomes to life – ArcelorMittal Dofasco and Royal Botanical Gardens



Photo credit: Royal Botanical Gardens Donor Accountability Report 2021

Conservation in the Community

Partnerships can leverage and expand the critical conservation work we do in the region. In the summer of 2021, it was announced that one of our dedicated partners, ArcelorMittal Dofasco, is updating their century-old Hamilton plant to be the first integrated steel mill in North America to transition away from coal-based steelmaking. This historic project will be complete by 2028. Their commitment to electrify and reach net zero by 2050 will

provide a cleaner environment and help address climate change in our community and beyond.

In addition to starting this new decarbonization project, in 2021 ArcelorMittal Dofasco also supported the health of our region through its investment in RBG's Wetlands Restoration Program. ArcelorMittal Dofasco invests in projects that conserve the environment and improve the quality of our air, land and water – so the company makes

a wonderful partner. They are also an active member of the Hamilton Industrial Environmental Association (HIEA), a non-profit committed to improving our local environment that has supported RBG as well.

Wetlands are a vital habitat within our 2,700-acre landscape that require protection and preservation. Wetlands have a huge impact on helping clean our air, sequestering carbon and supporting biodiversity. They also provide value to the community through economic and recreational benefits such as fishing, boating and birdwatching. RBG's two major wetland systems, Cootes Paradise and Grindstone Marsh, total over 1,000 acres and comprise 98% of the remaining wetlands found on Hamilton Harbour. Once a thriving ecosystem, over the last 100 years a combination of water level fluctuations, invasive species and pollution have led to a major decline in marsh health. This has resulted in the loss of much of the wetland vegetation, degradation of water quality and the elimination of several species. Since 1997, RBG has worked to rehabilitate our wetlands to allow the ecosystem to regenerate naturally and hopefully become self-sustaining in the future.

ArcelorMittal Dofasco's 2021 support impacted the upstream half of Cootes Paradise and Grindstone Marsh, targeting the removal and management of invasive plant species and Common Carp. As well, significant plantings of marsh and aquatic species were undertaken.

Together we are not just restoring habitat

RBG's Wetland Restoration Program will have a significant impact on climate change as well. Once the wetland is revegetated again, this area could capture about 3,750 kg of carbon annually going forward and reduce carbon emissions. ArcelorMittal Dofasco's transition to clean steelmaking technology is a historic shift to decarbonization. It will allow the Hamilton plant to emit less carbon while making smarter steels for people and the planet. And the company's support of the environment and RBG's local wetlands only increases the impact of these actions. Together we will reduce carbon and make a healthier community for us all.

Responsible growth



Bringing our 10 SD outcomes to life

AM/NS Calvert is a Wildlife Habitat Council (WHC) gold certified site. To retain certification, consistent improvements must be made on a site year after year. In 2021, employees at AM/NS Calvert undertook quite a few environmental stewardship projects to help preserve their site, located near a designated wetlands area. Considerable effort was expended maintaining the 1100 acres of timberland at the site, including controlled burns of the undergrowth and maintaining the bat boxes and wildlife food plots located there. New in 2021 was an afforestation effort resulting in sixty acres at the AM/NS Calvert

site being planted with long leaf pines, a tree native to Alabama. Afforestation is a process where new forests are planted across land without trees. As a forest grows, it naturally removes CO₂ from the atmosphere and stores it in its trees. This project was a direct result of a meeting our employees held with a representative from the Alabama Department of Conservation and Natural Resources (ADCNR) to discuss our current environmental stewardship program and brainstorm on potential projects that complement AM/NS Calvert's long-term stewardship program.



Responsible growth
Sustainability in leadership

Sustainability in leadership

Our people are our most important assets and we need to ensure they have the support, resources and opportunities to succeed. The first focus for our company is looking to address the gap that exists in the representation of women on our management teams. We have publicly committed to doubling the number of senior leadership positions held by women to at least 25% by 2030. To help with this, a new D&I committee was formed.



Bringing our 10 SD outcomes to life

ArcelorMittal Dofasco selected 23 Equality, Diversity and Inclusion Champions who worked to increase employee involvement in ED&I initiatives in 2021, helping to create a more diverse and inclusive work environment. These dedicated employees generated greater awareness and knowledge of equality, diversity and inclusion and solicited feedback and ideas from their colleagues.

View from ArcelorMittal Group: EDI

Diversity and Inclusion (D&I) Council and Charter The Council was formed in 2021 to champion D&I and oversee actions at corporate and segment level.

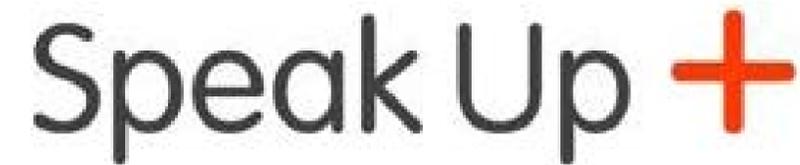
Responsibilities:

- Champion diversity and inclusion and support our ambition to be an employer of choice
- Improve inclusion, growth and trust throughout the employee experience
- Provide guidance, share best practices and encourage segments to develop their own D&I strategies and plans
- Challenge the status quo, monitor the group's global progress and promote company-wide communication on D&I achievements

The mission, actions and governance of the Council are detailed in the global D&I Charter.

Responsible growth
Sustainability in leadership

View from ArcelorMittal Group: SpeakUp+ survey launched



In 2021, we launched **SpeakUp+**, an upgraded version of our employee engagement survey. This 'pulse check survey' will be carried out every quarter. This way it can provide more regular feedback and allow us to address issues early. In the latest survey over 140,000 qualitative comments were provided by our employees. The

transition to SpeakUp+ saw an increase in engagement across the group to 75%, compared with an average of around 70% over the last 10 years. It is gratifying that this indicates that our workforce has emerged from the pandemic more engaged in what they are doing.

Bringing our 10 SD outcomes to life

ArcelorMittal Dofasco in Canada has launched a wellness program to support physical and mental wellbeing. It is supported by an Employees and Family Assistance Program together with web resources available 24/7. Over 2,000 employees have been trained in mental health awareness so far. As a result, ArcelorMittal Dofasco has been recognized with an Excellence Canada Gold Certification Award in the Healthy Workplace category.



Responsible growth
Community engagement

Community engagement

Our operations have an impact on the communities where our facilities are located across North America. While some facilities are situated away from populated areas, some are inextricably enmeshed in their communities—literally. Consider that some of the haulage roads running through our ArcelorMittal Dofasco plant are also City of Hamilton streets.

We are committed to making a strong contribution to these communities by creating economic and social value. We do this in several ways: through employment and procurement, taxation, sustainable development initiatives and more. We want our employees, their families and our communities to thrive. We want to engage with our communities, listen to them and respond in a way that makes us partners in all we achieve there.

Bringing our 10 SD outcomes to life

For the 11th consecutive year, ArcelorMittal Mexico has been honored with the Distinction of Socially Responsible Company granted by the Mexican Center for Philanthropy, A.C. during the XV Latin American Meeting of Socially Responsible Companies. This distinction reaffirms our commitment to continue being a socially responsible company, promoters of health, safety, quality of life, business ethics, as well as the investment and connection with our communities.

Financial institutions are increasingly turning to lists of Socially Responsible Companies, to assess the risks of their loans or investments. It is proven that when choosing between two brands of the same quality and price, social responsibility affects the purchase decision over design, innovation and brand loyalty. 70% of consumers say they are willing to pay more for a socially responsible brand, especially millennials.

Additionally, some of ArcelorMittal México's programs have been recognized as best practices.

2013
"Yo Quiero Ser"
Environmental Reserve Management Program

2014
Centro Cultural ArcelorMittal

2015
A World of Minerals for Living
Safety Standards for Fatality Prevention

2016
Cultivando Futuros
Turtle camp "La Tortuga"

2017
Zero discharge savings

2020
ArcelorMittal Scholarship Program

2021
Mujeres de Acero

Best practice recognition award

Responsible growth Community engagement



Recognizing the needs of the community during the COVID-19 pandemic, ArcelorMittal Long Products Canada donated 25,000 medical masks that were used by institutions and organizations in the Greater Montreal (Quebec, Canada) area. In partnership with United Way of Greater Montreal, the shipment was sent to the City of Montreal’s Emergency Measures Coordination Centre (EMCC), which was responsible for identifying needs and distributing the masks. ArcelorMittal Long Products Canada and its employees were at the forefront of efforts to support the battle against COVID-19 with the steel produced in its facilities. This steel was used in applications such as the manufacture of medical equipment, telecommunications, transportation, water and energy infrastructure and much more.

Bringing our 10 SD outcomes to life

On June 21, 2021, in partnership with Hamilton Public Health Services, ArcelorMittal Dofasco began operation of an employer led community vaccine clinic located near our facility at The Centre on Barton. This clinic expanded the local vaccination program. The ArcelorMittal Dofasco Vaccine Clinic was used on an on-going basis to accommodate both ArcelorMittal Dofasco employees and residents in the community who were eligible for a first or second dose of COVID-19 vaccines. This clinic’s full capacity design was for 1,000 vaccines per day.



The ArcelorMittal Dofasco COVID-19 vaccination clinic was designed to help enhance The City of Hamilton’s capacity to deliver COVID-19 vaccines and to do it in an area of greatest need in the city with the some of the lowest vaccination rates. Our clinic was Hamilton’s only employer vaccine clinic that served both **employees and community members** in partnership with The Hamilton Public Health Unit. Through this clinic 17,577 first and second doses of the COVID-19

vaccines were administered to **employees and community members** increasing vaccination rates in our area.

A core team of employees worked with several partners to get the clinic ready and at full capacity for a June 21, 2021 opening for the public. We are proud of this innovative effort which was the only employer-led, solely employer-operated and employer-sponsored clinic – the

only one of its kind in the province of Ontario, Canada.

Video: The ArcelorMittal Dofasco COVID-19 Vaccine Clinic



Strong governance



Strong governance

Our approach to governance

From our Executive Chairman to the leaders of our North America segment, ArcelorMittal Group is governed by a robust structure to ensure integrity, compliance and business risk management. [You can read more about all of the governance structures within our company here.](#)

This is the first time ArcelorMittal North America has published a segment sustainability report. The intent of this report is to give further detail on the North America operation, its successes and challenges and to transparently share the data we have collected, which is reflected in our larger corporate Integrated Report.

A recent analysis by Sustainalytics identified that the five highest-risk industries in terms of Environmental, Social, Governance (ESG) issues are industrial conglomerates, steel, diversified metals, precious metals, and oil and gas producers.³ As the largest steel manufacturer in North America, South America, and Europe,

ArcelorMittal holds a vital position in addressing and managing these ESG risks. It is essential to recognize that ArcelorMittal's strategy towards managing these ESG risks is also critical to global economic growth.

Materiality assessments are the vital starting point for managing these risks. It is the principle of defining the social and environmental topics that matter most to ArcelorMittal's corporate business and its stakeholders. While ArcelorMittal Global conducted an assessment using a "double materiality" approach, ArcelorMittal North America is using the assessment tool which resulted in our ten sustainable development outcomes, which have provided the framework for ESG reporting and materiality issues since 2014.⁴

3. <https://connect.sustainalytics.com/scs-ebook-understanding-esg-materiality-for-corporations>

4. <https://corporate.arcelormittal.com/sustainability/materiality#>



Strong governance

Our approach to reporting

This Sustainable Development Report is developed using the Global Reporting Initiative (GRI) and Targets. A Target is a key performance indicator (KPI) as defined internally by ArcelorMittal North America. Targets are reported voluntarily and are not required by GRI sustainability reporting guidelines. The GRI 2020 standards are referenced in this report.

Within ArcelorMittal's five sustainability themes, ArcelorMittal North America is currently reporting on the following seven outcomes of the ten total sustainable development outcomes:

Health and Safety

Outcome 1. Safe, healthy, quality working lives for our people

Environment

Outcome 4. Efficient use of resources and high recycling rates

Outcome 5. Trusted user of air, land, and water

Climate Change

Outcome 6. Responsible energy user that helps create a lower carbon future

Customer Reassurance

Outcome 7. Supply chains that our customers trust

Social

Outcome 8. Active and welcomed member of the community

Outcome 10. Our contribution to society measured, shared and valued



Data tables

SD Outcome 1

Safe, healthy, quality working lives for our people

Our people are our strength...

Wins - For Flat Steel operations there is a three-year increasing trend of the number of men taking parental leave (2019-2021). In line with this, there is an increased number of men returning to work after parental leave, and an increase in the total number of men still employed twelve months after parental leave. This may be an indication of a narrowing of the gender gap, supporting all parents to take time to care for their growing families

Criteria	Topic	Description	2021 Data - North America		
⊙	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Description of benefits provided to full-time employees that are not provided to temporary or part-time employees	ArcelorMittal strives to provide competitive benefits to their employees. Benefits are provided to employees in alignment with expectations and industry standards specific to local geographies. These include providing life insurance, medical insurance/health coverage, pension/retirement savings, and share purchase options among others.		
401-3	Parental leave	Total number of employees entitled to parental leave, by gender	Men 15,234 Women 1,660		
		Total number of employees that took parental leave, by gender	Men 503 Women 72		
		Total number of employees that returned to work after parental leave, by gender	Men 471 Women 68		
		Total number of employees that were still employed 12 months after parental leave, by gender	Men 439 Women 73		
		Return to work rates of employees who took parental leave, by gender (%)	Men 94% Women 94%		
		Retention rates of employees that were still employed 12 months after parental leave, by gender (%)	Men 93% Women 107%		
		403-1	Workers representation in formal joint management-worker health and safety committees	Level at which each formal joint management-worker health and safety committee typical operates within the organization	Facility
				Percentage of the total workforce represented in formal joint management-worker health and safety committees (%)	100%
⊙	Restricted work, medical aid, and work-related fatalities for the total workforce	Restricted work hours (total) assuming an 8 hour working day where required	13,776		
		Restricted work frequency (restricted work hours/million hours worked)	336		
		Medical aid (total instances)	7,221		
		Medical aid (medical aid instances/million hours worked)	176		
		Work related fatalities	0		
⊙	Lost time injuries	Lost time injury incidents (total) assuming an 8 hour working day where required	18		
		Lost time injury frequency rate (lost time injury incidents/million hours worked)	0.44		
		Percent change over the previous year (%)	n/a		
⊙	Average hours of training per year per employee	Average hours of training per year per employee	159.6		
404-3	Percentage of employees receiving regular performance and career development reviews	Percentage of total employees receiving regular performance and career development review, by employee category (%)	Salary 98% Non-Salary 25%		
		Percentage of total employees receiving regular performance and career development review, by gender (%)	Men 44% Women 78%		

Data tables

SD Outcome 4

Efficient use of resources and high recycling rates

SD Outcome 5

Trusted user of air, land and water

Criteria	Topic	Description	2021 Data - North America	
301-2	Recycled input materials used	Percentage of recycled input materials used to manufacture the organization's primary products and services (%)	12%	
☉	Mining excesses	Tailings (MT)	45.2	
		Waste rock (MT)	12.0	
Criteria	Topic	Description	2021 Data - North America	
☉	Water withdrawal by source	Total water withdrawals (millions of m ³)	410.8	
		Water withdrawals by source (m ³)	Groundwater withdrawals	15,526
			Ocean withdrawals	0
			River withdrawals	44,466,216
			Lake withdrawals	267,002,795
			Wetland withdrawals	0
			Municipal withdrawals	12,337,854
			Rainwater withdrawals	57,474,601
			Wastewater from others	29,482,867
☉	Water recycled and reused	Total volume of water recycled and reused (millions of m ³)	641	
		Total volume of water recycled and reused as a percentage of the total water withdrawal (%)	156%	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Significant air emissions as reported to regulatory agencies (tonnes)	NO _x	12,614
			SO _x	9,883
			VOCs	246
			PM	4,282
			CO ₂	13,060,198
			CH ₄	174
			HFCs	0.09
			PFCs	0
			SF ₆	0
			PAH	4.15
			CO	24,072
			N ₂ O	218
			POPs	-
☉	Water discharge by destination	Water discharge by source (m ³)	Total volume of planned and unplanned water discharges (m ³)	449,837,038
			Subsurface discharge	2,820
			Surface discharge	6,219
			Ocean discharge	38,910,737
			River discharge	38,728,346
			Lake discharge	367,567,625
			Wetland discharge	0
			Treatment facility discharge	4,621,291

Data tables

SD Outcome 6

Responsible energy user that helps create a lower carbon future

Criteria	Topic	Description	2021 Data - North America
⊙	Primary energy consumption	Primary energy consumption from cokemaking, ironmaking and steelmaking (PJ)	217.16
302-4	Reduction of energy consumption	Reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (GJ)	557,471
		Types of energy included in the reductions	Fuel, Electricity, Heating, Cooling, Steam
		Base year	2020
⊙	Reductions in primary energy consumption	Energy consumption per tonne of steel produced (GJ/tonne)	25.19
		Energy consumption per tonne of steel products for concentrate - mining (GJ/tonne)	0.52
		Energy consumption per tonne of steel products for iron ore pellets - mining (GJ/tonne)	2.03
		Percentage change in energy intensity per tonne of steel compared to the previous year (%)	n/a
		Percentage change in energy intensity per tonne of concentrate compared to the previous year (%)	
		Percentage change in energy intensity per tonne of iron ore pellets compared to the previous year (%)	
305-5	Reduction of greenhouse gas (GHG) emissions	GHG emissions reductions achieved as a direct result of initiatives to reduce emissions (million metric tonnes of CO ₂ equivalents)	0.022
		Gases included in the calculation	Methodology of the National Emissions Registry
		Base year	2020
		Scope of GHG emissions	1.519t/t
⊙	Total CO ₂ emissions*	Total CO ₂ emissions per tonne of steel produced (tonnes of CO ₂ equivalents) Scopes 1 and 2	1.514
		Total CO ₂ emissions per tonne of concentrate - mining (kg of CO ₂ equivalents)	9.57
		Total CO ₂ emissions per tonne of iron ore pellets - mining (kg of CO ₂ equivalents)	157.63

Sustainability Win:
 Flat Steel invested significantly in energy reduction initiative projects across fuel, electricity, heating, cooling, and steam projects to realize a reduction of 295,132 GJ of energy. Investments included the replacement of a diesel compressor with an electric alternative, heating fuel reduction initiatives, HVAC upgrades, and the continuation of the LED lighting program with 5,000 fixtures replaced since the start of the program.

* Represents total CO₂ emissions per tonne of product produced. For Steel, scope of emissions includes: CO₂ Scope 1 and CO₂ Scope 2. For concentrate and pellets, CO₂ emissions include CO₂ Scope 1.

GHG emission rate calculations take the total GHG emissions divided by the total tonnage of product (steel/concentrate/pellets).

AM/NS Calvert CO₂ emissions are included in the calculation, however no steel was produced at this Facility in 2021.

In previous years for Canada reporting, CO₂e per tonne of product was referenced, including CO₂ Scope 1, CH₄, N₂O, and HFCs. The inclusion of CO₂ only is in alignment with Corporate environmental targets, and represents the reporting methodology to be used for future reporting.

Data tables

SD Outcome 7

Supply chains that our customers trust

SD Outcome 8

Welcomed member of the community

Criteria	Topic	Description	2021 Data - North America	
☉	Operations certified to ISO 14001	Percentage of operations certified to ISO 14001 (%)	88%	
Criteria	Topic	Description	2021 Data - North America	
307-1	Non-compliance with environmental laws and regulations	Total monetary value of significant fines, sanctions for failure to comply with environmental laws, regulations, by-laws, treaties, or voluntary agreements with regulatory authorities (\$USD)	\$226,339	
		Total number of non-monetary sanctions	19	
		Cases brought through dispute resolution mechanisms	6	
201-1	Direct economic value generated and distributed (\$USD)	Direct economic value generated	Revenues \$16,039,336,941	
		Economic value distributed	Operating costs	\$12,185,222,702
			Employee wages and benefits	\$1,676,096,784
			Payments to providers of capital (shareholders, loan payments)	\$469,593,999
			Payments to government	\$394,228,533
			Community investments	\$2,192,097
Economic value retained	\$1,312,002,826			
☉	Social dialogue interactions	Number of social dialogue interactions (engagements with local stakeholders)	54	
412-2	Employee training on human rights policies or procedures (can include a human rights module within a general training program)	Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	1,367	
		Percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations (%)	8%	
☉	Percentage of employees compliant with internal anti-corruption training requirements	Percentage of obligated employees who are required to receive anti-corruption training who had completed in by year end (%)	84%	

Data tables

SD Outcome 10

Our contribution to society measured, shared and valued

Criteria	Topic	Description	2021 Data - North America	
401-1	New employee hires and employee turnover	<i>See Table 401-1 at right</i>		
		Rate of new employees hired (%)	13%	
		Rate of employee turnover (%)	10%	
⊙	Economic contribution	Economic contribution to (local) economy (employee wages and benefits, payments to government, community investments, and local procurement) (\$USD)	\$6,355,081,893	
204-1	Proportion of spending on local suppliers	Procurement budget used for significant locations of operation spent on suppliers local to that operation	42%	
405-2	Ratio of basic salary and remuneration of women to men	Ratio of basic salary (%)	Salary - Women:Men	84%
			Non-salary - Women:Men	90%
		Ratio of remuneration (%)	Salary - Women:Men	81%
			Non-Salary - Women:Men	81%
⊙	Unionized workforce	Percent of employees that are unionized (%)	46%	

The global market influences our operations....

Over the last two years, US steel prices have increased from \$500USD - \$800USD to \$1,800USD (Mining Technology, 2021). In the early stages of the pandemic, steel production was limited and global utilization dropped to approximately 76% in 2020, and returned to 84% a year later. The limited supply led to increased steel prices as demand driven by steel intensive products like new cars and appliances recovered more quickly than supply. The largest producer of steel internationally, China, limited production in 2021 due to environmental policy and reduced demand due to reductions in property development and construction (Roknossadati, Batubenga, & Garda, 2022). These global impacts on the price of steel are reflected in ArcelorMittal's reported revenue.

Employee data

Topic	Description	2021 North America	
New employees hired	By age group	Under 30	1,004
		30-50	1,033
		Over 50	230
	By gender	Men	2,087
		Women	325
Number of new employees hired		2,412	
Rate of new employees hired	By age group	Under 30	5.4%
		30-50	5.5%
		Over 50	1.2%
	By gender	Men	11.2%
		Women	1.7%
Rate of total new employees hired		13.0%	
Employee turnover	By age group	Under 30	456
		30-50	598
		Over 50	642
	By gender	Men	1,588
		Women	252
Total number of employee turnover		1,840	
Rate of employee turnover	By age group	Under 30	2.4%
		30-50	3.2%
		Over 50	3.4%
	By gender	Men	8.5%
		Women	1.4%
Rate of total employee turnover		9.9%	

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ArcelorMittal