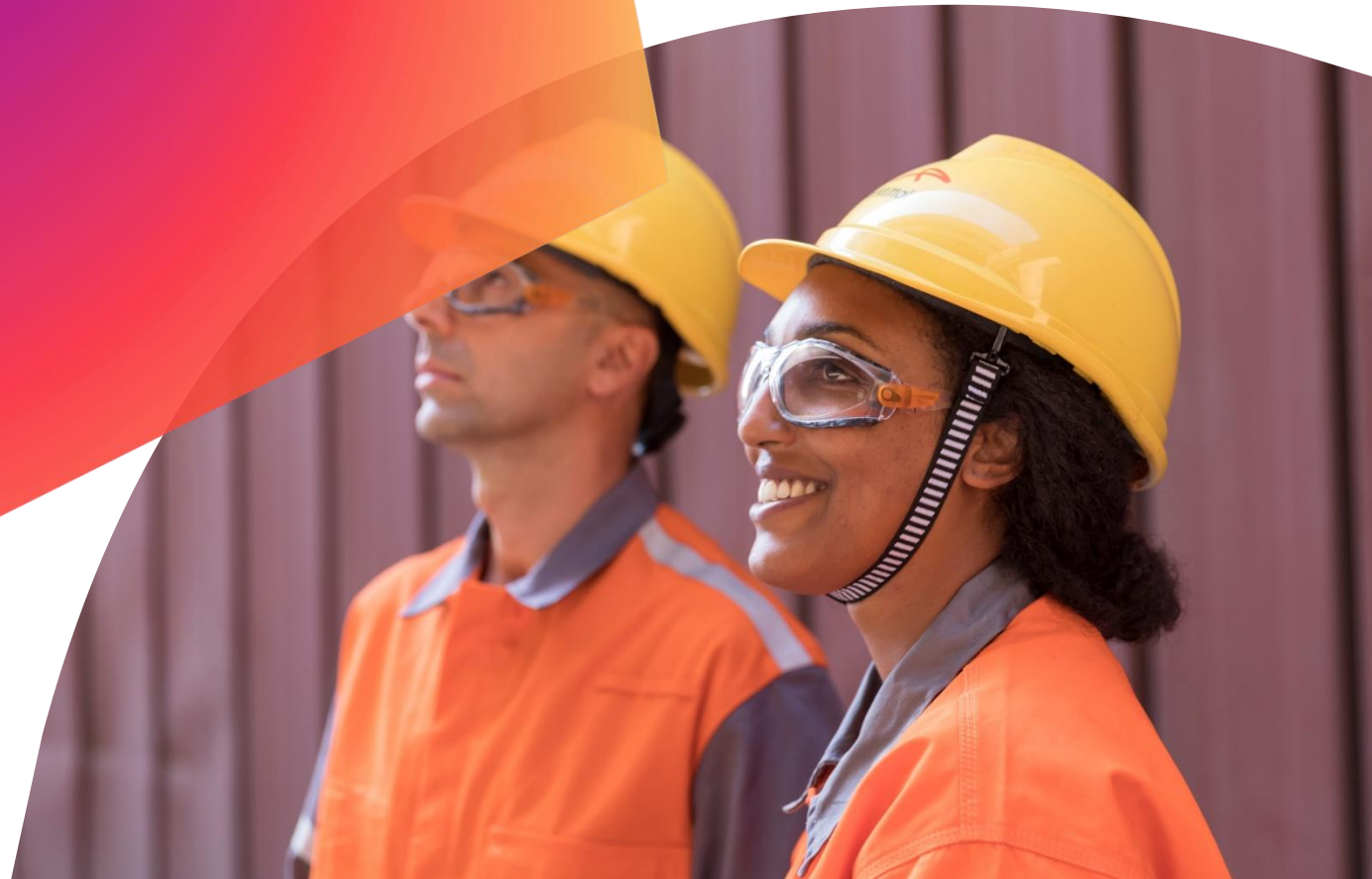


# Sustainable Development

13 November 2024



# Sustainable development highlights– 3Q 2024

## Health and safety audit

Recommendations from the dss+ workplace safety audit



October 2024

## Health & Safety:

**The Company-wide independent safety audit by dss+ is complete.** It is a comprehensive independent safety audit, providing ArcelorMittal with a clear set of recommendations which the Company is committed to implement

The Company is now defining the most effective ways to implement these recommendations in an accelerated manner → first phase includes taking these recommendations to build customized, business unit- specific work plans, to be incorporated into their five-year planning cycle

LTIFR<sup>1</sup> of 0.88x for 3Q'24 and 0.68x in 9M'24

## Decarbonization:

**ArcelorMittal continues to optimize its decarbonisation pathway to ensure that the Company can remain competitive and achieve an appropriate rate of return**

Whilst engineering is ongoing, the Company is engaging with the European Commission and member states on the measures required to support a low carbon competitive steel sector in Europe including more robust trade defences and an effective CBAM

**ArcelorMittal continues to build its portfolio of renewable energy projects to secure and decarbonise its future electricity needs.** Group renewable portfolio is now 2.1GW (including India and investments in Brazil and Argentina)

## Low Carbon Emissions Steel:

**Portfolio of XCarb® products continues to lead the market<sup>3</sup>**

- **Increased our XCarb® recycled and renewably produced low-carbon emissions product range:** ArcelorMittal Europe – Flat Products has capability to produce 80% of its industry steel grades and dimensions in XCarb® recycled and renewably produced, with potential to expand
- An extensive new product development programme for utilising our finishing capabilities across Europe to transform hot rolled substrate from Sestao to value added products (e.g. coated products)
- **Wide ranging interest from customers:** Velux has signed a 10 year agreement

**Smarter steels for people and planet**

# Health & Safety



# Journey to zero fatalities: Company-wide safety audit by dss+ is complete

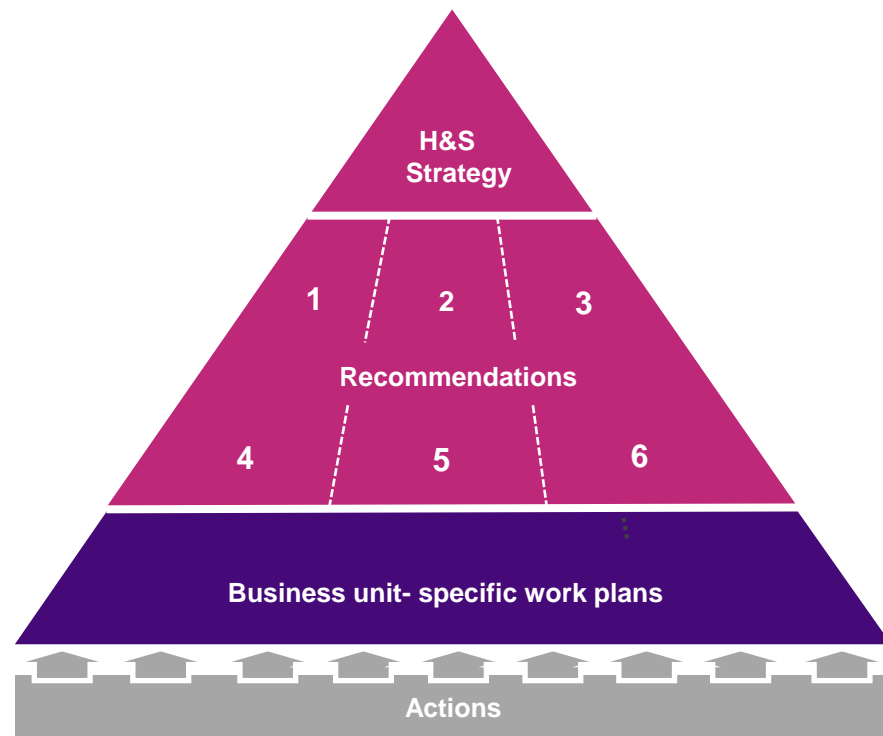
## Health and safety performance

- Protecting employee health and safety remains the overarching priority of the Company. LTIF<sup>1</sup> rate of 0.68x in 9M'24

## The Company-wide independent safety audit by dss+ is complete

- The audit provided ArcelorMittal with a clear set of six recommendations which the Company is committed to implement
- The audit identified that while there are areas of excellence in the Group, **variability in performance exists which must be addressed by initiatives that fast-track the strengthening of “one safety culture,”** underpinned by enhanced governance and assurance across all operations
- The Company is now defining the **most effective ways to implement these recommendations in an accelerated manner:**
  - First phase includes taking these recommendations to build customized, business unit-specific work plans, to be incorporated into their five-year planning cycle

See website for further details: [dss+ safety audit recommendations](#)



# A comprehensive independent safety audit

## The Company-wide independent safety audit (Dec 2023 – Sept 2024) conducted by dss+ comprised of:

- **155 site audits (including JVs)** on the three main occupational risks
- **Process safety management assessments** of 14 highest risk assets
- Thorough examination of Health and Safety management practices across the Group, including:
  - Key health and safety documents and data review;
  - **280+ interviews** of ArcelorMittal employees, including board members, senior leadership, middle management, health and safety personnel and union members;
  - **60+ management and health & safety meetings** attended; and
  - **80+ focus groups** with shopfloor employees (union and non-union), supervisors, and middle management

“dss+’s unprecedented level of access allowed them to thoroughly review safety practices across the Group, providing us with a clear set of recommendations which we are committed to implement.” *Aditya Mittal, CEO ArcelorMittal*



# Recommendations from the safety audit

The recommendations are classified into six main areas:



# Decarbonization

# Leveraging strengths to lead the market in low-emissions steel solutions



## Strengths & advantages:

- Existing EAF footprint → 36 EAFs in the group (including JVs)
- Existing DRI capabilities → we are the world's largest DRI producer
- Innovation → R&D capabilities supporting "smart carbon" steel making technologies; announced plans to build industrial-scale direct electrolysis plant (Volteron™)
- Diverse operations → unique scale provides access to options

## Securing resources:

- Group renewable portfolio is now 2.1GW (including India and investments in Brazil and Argentina)
- Three scrap recycling businesses acquired in UK/Europe with combined collection capacity of ~1.0Mt
- Accessing high quality DRI through acquisition of Texas HBI and organic investments (Canada DRI pellet conversion project, Serra Azul pellet feed)

## Broadening our offering of low carbon emissions products:

- Increasing our low-carbon emission steel offerings through our XCarb® branded products in response to demand for low-carbon solutions from major sectors such as automotive and construction
- XCarb® products have a carbon footprint of as low as 300kg CO<sub>2</sub>/t

## Decarbonization projects progressing:

- ArcelorMittal is progressing the engineering of its decarbonization projects globally to ensure that it delivers economic decarbonization.
- The Company is engaging with the European Commission and member states on the measures required to support a low carbon competitive steel sector in Europe including more robust trade defences and an effective carbon border adjustment mechanism.

ArcelorMittal continues to optimize its decarbonization pathway to ensure that the Company can remain competitive and achieve an appropriate return on investment



# A competitive European steel industry

## Decarbonization in Europe should not lead to de-industrialisation

Measures that we see as fundamental to ensuring a growing and competitive clean steel sector:

- **More robust trade defences to support the European steel industry to invest and grow.** Near term, an immediate review of existing measures including the safeguards and longer term, a new tool to address global overcapacity and increasing imports replacing the safeguards
- **An effective Carbon Border Adjustment Mechanism (CBAM)** which needs to include a solution to maintain EU exports, reducing the risk of circumvention and resource shuffling, and including all steel-intensive finished products
- Europe needs to **invest in energy** (renewables and hydrogen) to provide industry access to the capacity and price needed for industry to decarbonize
- Establishing lead markets to **create market demand for green steel** outside of just government procurement contracts

**EUROFER**  
THE EUROPEAN STEEL ASSOCIATION  
The President and Vice-Presidents

### Open Letter

#### Call for urgent action to save the European steel industry and the livelihood of our workers

Your Excellencies,

The European steel industry is an indispensable part of many key EU manufacturing value chains and stands for innovation, desired product solutions and high-quality jobs in Europe. We are committed to contribute to the EU's ambitious decarbonisation and global climate protection objectives, securing a just transition and quality jobs.

However, we are at a crossroad: our industry is in its worst crisis since the financial and economic crisis in 2009. This is driven by the impact of global steel overcapacity and unfair trade, which exacerbates the impact of low steel demand and high energy prices in the EU. Without urgent measures, it will make it difficult in most of the EU member states to preserve a resilient and sustainable steel industry that can invest in our ambitious decarbonisation projects by 2030 and beyond.

Steel production in the EU has been shrinking by 30% since 2008 to 126 million tonnes in 2023. Restructuring and capacity reduction processes have led to a loss of almost 100,000 jobs in the last 15 years. Capacity utilisation has recently dropped to the lowest, unviable levels of around 60%. A trend that continues in 2024.

The Ministerial Meeting of the Global Forum on Steel Excess Capacity (GFSEC) has just confirmed that global steel excess capacity (551 million tonnes in 2023) continues to be a rapidly growing structural problem. According to the OECD, additional 157 million tonnes of capacity are in progress by 2026, mainly using very carbon intensive conventional steelmaking technology.

A Steel Action Plan as part of the Clean Industrial Deal must include both, emergency measures and a structural solution to the disastrous impact of global overcapacity and unfair trade on the EU steel market, putting jobs and the clean transition at risk. Further undermining the EU's competitiveness as well as our resilience and strategic autonomy would be a toxic option.

In line with the recommendations of the Draghi report, we therefore call upon you – the heads of state and government of the EU Member States – to support and endorse as a matter of urgency:

- Measures to strengthen and ensure assertive enforcement of the EU Trade Defense Instruments to stop unfair trade practices and circumvention, and a structural solution to comprehensively stop the spill-over impact of persisting and worsening global excess capacity. The current steel safeguards must be replaced by a more robust tariffication regime.
- Improvements to the Carbon Border Adjustment Measure (CBAM) to prevent circumvention, resource shuffling and delocalisation of downstream sectors, and to preserve EU steel exports.
- Action throughout the EU to reduce energy costs for energy intensive industries exposed to significant global competition, and to secure access to raw materials while retaining steel scrap within the EU.
- Establishment of lead markets to drive the demand for green steel in Europe.

We call upon the European Council to consider the above in its conclusions on 17/18 October 2024 and EU policy priorities.

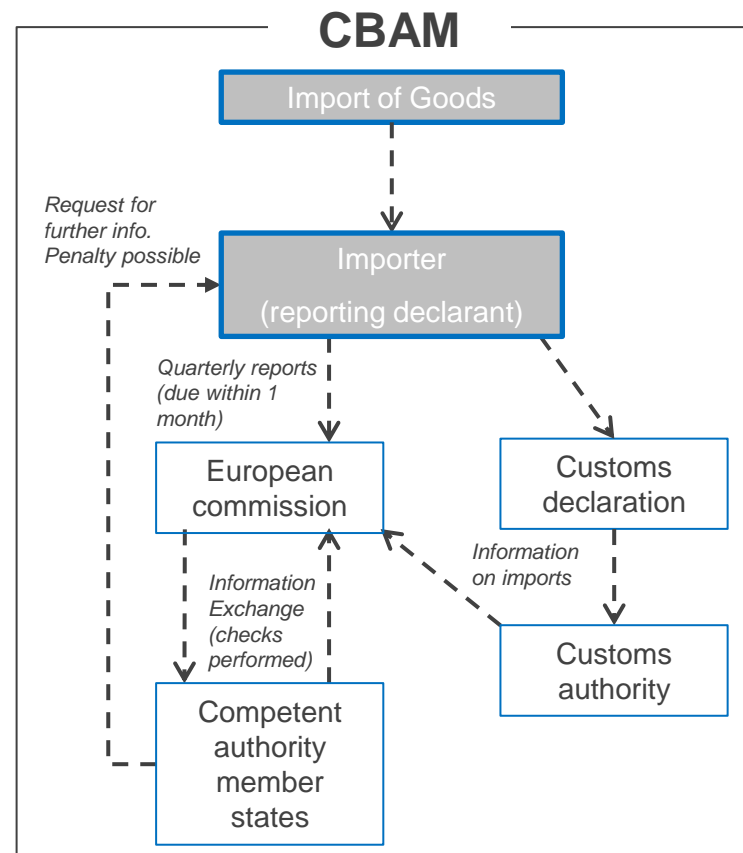
Page | 2

The European Steel Association (EUROFER) AISBL | Avenue de Cortenbergh, 172, 1000 Brussels, Belgium  
+32 3 738 79 20 | mail@eurofer.eu | www.eurofer.eu | EU Transparency Register: ID 93038071152-83

# CBAM - transition monitoring underway

If well designed, CBAM<sup>1</sup> can play an important role to ensure a level playing field on carbon - to equalise the cost of carbon between domestic products and imports

- **EU Importers must report quarterly** on the volume of their imports, total embedded and indirect emissions and carbon costs due in the country of origin for the goods imported
  - **Transition period (Oct 1, 2023 – Dec 31, 2025)** with no financial obligation but penalties may be imposed for failing to report
  - **From Jan 1, 2026, financial obligation starts.** Phase out of free allocation (ETS)<sup>2</sup>
- **The CBAM needs strengthening if the CBAM is to prove effective and fair to all**, in our opinion. Key areas include but are not limited to:
  - **Scope:** It needs to include all steel- intensive finished products (e.g. car or wind tower)
  - **Steel being exported out of Europe** needs an export measure, so that it can be competitive globally
  - Avoid the high risk of market distortion of existing low carbon based steel production that can be shifted to Europe



# Building a global renewable energy portfolio

## Securing and decarbonising future electricity needs

India

1GW

- ArcelorMittal owned project started commissioning (\$0.7bn investment)
- Solar/wind project is expected to provide >20% of AMNS India's Hazira plant electricity requirements reducing carbon emissions by ~1.5Mt per year
- Estimated to add \$0.1bn to ArcelorMittal EBITDA

Brazil

1GW

- 3 renewable projects; a 754MW wind/solar project JV partnership with Casa dos Ventos & a 265MW solar project JV partnership Atlas Renewable Energy (\$240m total AM investment)
- Commissioning expected to start in 2H'25
- Estimated to add ~\$0.1bn to ArcelorMittal EBITDA

Argentina

130MW

- JV partnership with PCR (ArcelorMittal investment of \$0.1bn)
- 112.5MW wind farm commissioned Dec'23; 18MW solar project under development
- Cost competitive renewables vs. market price (>30% of Acindar's electricity requirements)



**2.1GW Group renewable portfolio (including India and investments in Brazil and Argentina)**

# India Renewables performing well

## Renewables project started commissioning; \$0.7bn investment combining solar/wind power (1GW)

- With ground-breaking starting in Apr'23 and commissioning initiated in Jun'24 – this was the fastest 1GW capacity ramp up in India
- Project provides cost competitive renewables for AMNS India vs. accessing through grid → Project has obtained the requisite grid connectivity approvals and commenced supply of power to AMNS India as of Sept'24
- Estimated to add \$0.1bn to ArcelorMittal EBITDA



Click [here](#) to watch a video on the India Renewables project

# Low-carbon solutions: broadening our market offering

## XCarb® low-carbon emissions steel

- Our XCarb® products have a carbon footprint as low as 300kg CO<sub>2</sub>/t
- Increased our XCarb® recycled and renewably produced (RRP) low-carbon emissions product range: ArcelorMittal Europe-Flat Products now has the capability to produce 80% of its industry steel grades and dimensions in XCarb® RRP, with potential to expand
- New value chain decarbonization offering which provides customers with low CO<sub>2</sub> transport for both XCarb® and regular steel purchases

## Climate solutions: Positioning to capture demand from low carbon end markets

- **Hydrogen:** Launch of **HyMatch®** steel brand for hydrogen transport pipelines supporting the implementation of hydrogen infrastructure globally
- **Electric vehicles (EV):** Construction of electrical steels site in Mardyck (170kt capacity) and another project under development in the US. ArcelorMittal Multi Part Integration®<sup>1</sup> available for EVs, aims to simplify operations, ensure lightweighting and crash performance while reducing the CO<sub>2</sub> footprint.
- **Low-carbon emissions buildings:** Adding investments to our existing portfolio in lightweight insulation panels through the recent acquisition of Italtalpanelli's Italian and Spanish businesses
- Building on the solutions already available across the group in **low-carbon emissions buildings** (e.g. Steligence brand), **renewables** (e.g. Magnelis® for solar) and **flood protection** (EcoSheetPile™ Plus range).



# ArcelorMittal XCarb<sup>®</sup> journey

XCarb<sup>®</sup> low-carbon emissions solutions designed to help customers reduce their Scope 3 emissions



Available now

**XCarb<sup>®</sup>**  
Steel certificate

CO<sub>2</sub> attribute certificates generated by decarbonisation investments on the blast furnace route.

Enables reporting of an equivalent reduction in your and your customers' Scope 3 emissions<sup>1</sup>

#### Benefits

- Available with all steel grades
- Contributes to carbon neutral balance sheet
- Supports customers' sustainability strategy



Available now

**XCarb<sup>®</sup>**  
Recycled and renewably produced

Steel made in electric arc furnace with high scrap content and 100% renewable energy, offering with a third-party verified Product Carbon Footprint.

#### Benefits

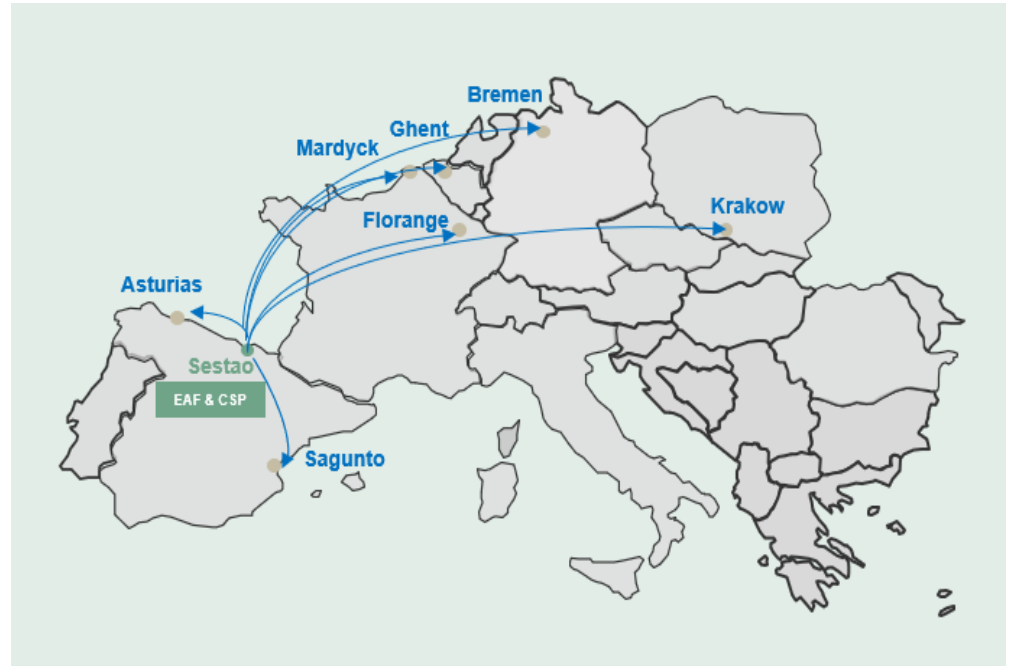
- Available in specific steel grades
- Supports customers' sustainability strategy
- Contributes to circular economy

# XCarb<sup>®</sup> recycled and renewably produced – expanding our offering

An extensive new product development programme for utilising our finishing capabilities across Europe to transform hot rolled substrate from Sestao to value added products (e.g. coated products)

ArcelorMittal's strong R&D capability and extensive network of finishing mills enables commercialisation of XCarb recycled and renewably produced steel and value added cold rolled and coated products:

- > 10 plants involved
- > 200 products under development
- > 45 products commercialized
  - Hot rolled black & pickled
  - Cold rolled
  - Hot dip, including **Magnelis<sup>®</sup>**
  - Pre-painted steels
  - Structural and construction grades
  - High-strength low-alloy steel (HSLA)
  - Boron grades, including Usibor<sup>®</sup>



# Case study: 10-year agreement with VELUX to supply XCarb<sup>®</sup> recycled and renewably produced steel

“Stability is key and that is what the long-term agreement is providing us” – Senior VP, Advanced Materials, VELUX

- Following successful trials, we signed a 10-year commercial agreement with VELUX to supply XCarb<sup>®</sup> recycled and renewably produced.
- VELUX is now gradually increasing order intake so that by 2025, XCarb<sup>®</sup> will be used in several steel components for their roof windows, fully replacing the conventional steel that was previously used and reducing CO<sub>2</sub> emissions by 70%.
- Further co-engineering studies are underway looking at design optimisation and lightweighting.
- By partnering with our customers and focussing on their needs (innovation, cost, quality and service, stable supply, low-carbon footprint), we are developing steel solutions that enable us to increase steel penetration rate and ArcelorMittal's market share.



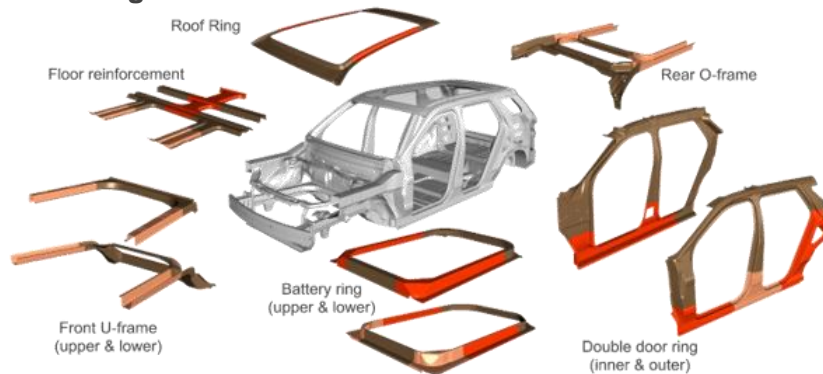


# The Power of Less: ArcelorMittal Multi Part Integration (MPI) with XCarb<sup>®</sup> recycled and renewably produced

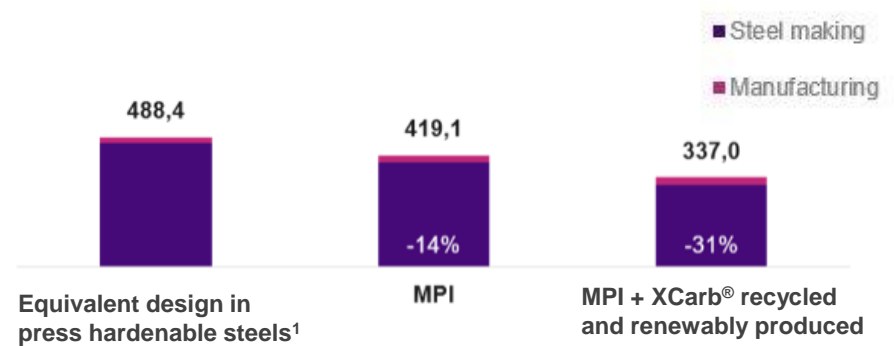
ArcelorMittal Multi Part Integration<sup>®</sup> available for EVs, aims to simplify operations, ensure lightweighting and crash performance while reducing the CO<sub>2</sub> footprint.

- ArcelorMittal's Multi Part Integration™ (MPI) concept allows multiple vehicle components to be integrated into fewer laser welded blanks (LWB).
- ArcelorMittal can now produce laser welded blanks using XCarb<sup>®</sup> recycled and renewably produced Usibor 1500 press hardenable steel for MPI applications in the automotive market
- Growing XCarb<sup>®</sup> product offer will allow further CO<sub>2</sub> savings in the future

## Full catalogue of MPI solutions



## CO<sub>2</sub> reduction result - MPI intensive study (6 MPI's)



**XCarb<sup>®</sup> products combined with ArcelorMittal Multi Part Integration™ to go further in terms of sustainability**

1. The study considered an optimised vehicle design using six MPI modules (Double Door Ring (inner and outer), Rear H-Frame, Rear floor, Floor reinforcement, Dash panel), compared to a vehicle design already fully optimised in Press Hardenable Steels. Applying these six modules increased material efficiency; CO<sub>2</sub>e emissions reduced by -14% per vehicle. In addition, -17% reduction was achieved by using Usibor<sup>®</sup> 1500 XCarb<sup>®</sup> recycled and renewably produced across the six modules. Total reduction of -31%.

# XCarb<sup>®</sup> recycled and renewably produced used in a range of Climate Solutions

## Newport Wales – Securing homes with low-carbon emissions steel

- 680 tonnes of EcoSheetPile™ Plus range, part of ArcelorMittal's XCarb<sup>®</sup> recycled and renewably produced have been installed in Newport, Wales.
- These steel sheet piles will protect 2,000 homes and numerous businesses from high tides, addressing both personal safety and job security for those living along the River Usk.



## Kingspan | invespanel has become the first sandwich panel producer in Iberia to use XCarb<sup>®</sup> organic coated steel.

- ArcelorMittal is the European leader for organic coated (also known as prepainted) steel for construction.
- Granite<sup>®</sup> and Estetic<sup>®</sup> organic coated steels are premium products used for example in insulated panels for ceilings, walls and façades.
- In addition to being a leading supplier to the market, ArcelorMittal Construction also produces and supplies steel sandwich panels directly.



# XCarb® Innovation Fund: supporting breakthrough technologies that will accelerate the steel industry's transition to carbon neutral steelmaking

Investing in technologies throughout the entire steelmaking value chain, with the aim of integrating into our processes



**BOSTON METAL**

### Molten Oxide Electrolysis

Electricity and iron ore to steel through direct, one-step process

\$36m



**CHARTECH**

### Organic waste to biocarbon and gases

High temp pyrolysis ('HTP') technology

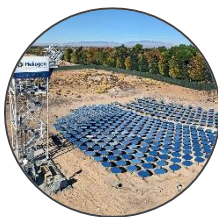
\$5m



**form energy**

**Iron-air battery** Low-cost, large-scale battery ~ 1/10 of the cost of Li-ion battery technology

\$43m



**Heliogen**

**Renewable energy to heat** Solar energy concentrator and conversion to heat, electricity and clean fuels

\$20m



**H<sub>2</sub>PRO**

**Novel electrolyser** Electrochemical – Thermally Activated Chemical (ETAC) technology

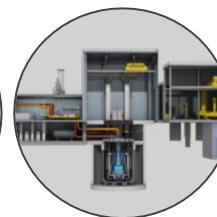
\$5m



**LanzaTech**

**Gas fermentation** Carbon rich waste gases into sustainable fuels and chemicals

\$30m



**TerraPower**

**Nuclear energy** Sodium-based fast nuclear reactor with molten salt energy storage

\$50m



**UTILITY**

**Waste gas to H<sub>2</sub> and CO<sub>2</sub>** conversion of waste gas to high quality streams (H<sub>2</sub> and CO<sub>2</sub>), reducing cost of subsequent carbon capture

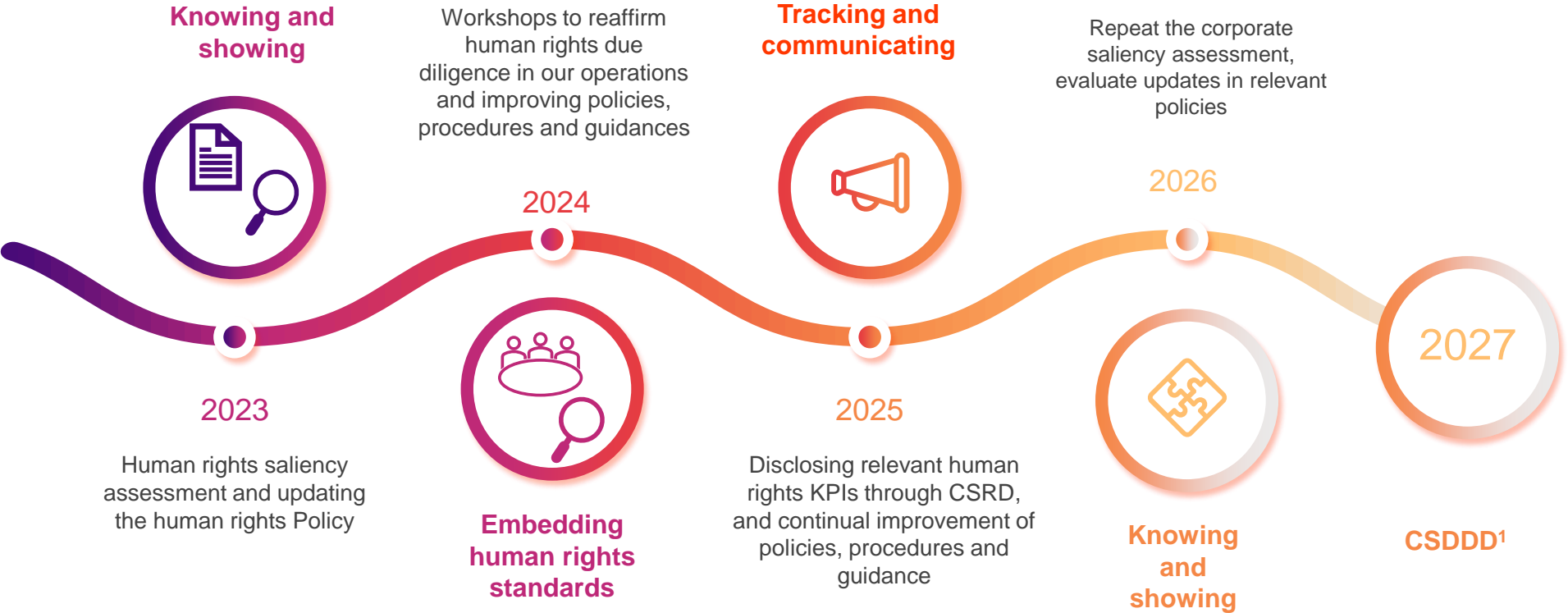
\$5m

# **Social - Human Rights & Gender Diversity**





# ArcelorMittal human rights 4 years roadmap



1. EU Corporate Sustainability due diligence directive which requires companies to address sustainability risks and negative impacts throughout their business activities

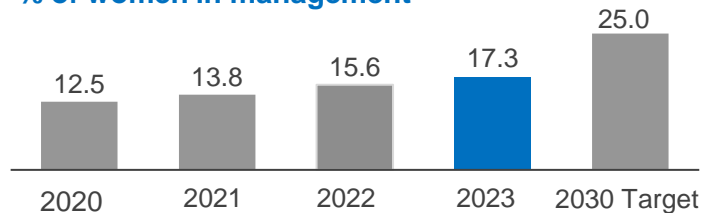
# Gender Diversity: Target to double women in management to 25% by 2030

- Target to **double % of women** in our leadership positions
- **Global Diversity and Inclusion (D&I) Panel** in place overseeing and steering the Group towards a more inclusive and diverse organisation
- Robust D&I roadmap (engaging leaders, strengthening governance & developing group wide programs, new strategic framework for a diverse & inclusive workplace, reviewing policies and defining minimum standards)

Key updates as at Q3 2024:

- On track to beat target for women in leadership positions in 2024
- Women make up 22% of total successors for key positions succession plans and 59% of key positions have at least one woman assigned as a successor
- Local initiatives to drive gender diversity include: in Europe, 'My journey to the Boardroom' programme launched to equip women for Board duties and in South Africa, a new wellness room for new mums returning to work.
- Additional recruitment efforts focused on partnering with organizations focused on women's careers and attending diversity job fairs.

**% of women in management**



# Appendix



# Sustainable Development Governance

- **Board level review** of Sustainable Development progress each quarter by the Board Sustainability Committee → three independent directors, chaired by Clarissa Lins<sup>1</sup>
- Accountability for Sustainable Development is led by the Executive Vice President, Business Optimisation, reporting directly to the **Executive Office**
- The **Climate Change Panel**'s mandate is to coordinate progress on climate change between different functions and segments
- The **Sustainable Development Panel**'s role is to discuss how best to strengthen the company's environmental, social and governance (ESG) oversight
- Diversity & Inclusion Governance is led by the **Global Diversity and Inclusion Panel** which acts as an informed representative of the Group
- The **Investment Allocations Committee** authorises large capex projects and reviews the carbon emissions impact of all proposals
- **ResponsibleSteel and IRMA certification** program to drive strong, consistent ESG management systems across business



# Key reporting updates 3Q 2024



**2023 20F**  
March 2024

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**Health & Safety  
Interim Update**  
April 2024

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**Factbook**  
April 2024



**2023 Integrated  
Annual Review**  
April 2024

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**Take a tour of  
ArcelorMittal Ghent**  
July 2024



**dss+ workplace  
safety audit  
recommendations**  
October 2024