

Sustainable Development Overview

August 2023



Detail of the Olympic torch made from
our low carbon steel

Sustainable development – H1 2023 continued progress



Decarbonization:

Decarbonisation projects are advancing:

- Pre-FEED stage for DRI-EAF projects ongoing/near completion; preparing to move to FEED on DRI/EAF projects; commitments with core suppliers
- 1st smart carbon project underway in Ghent (Belgium); first commercial grade advanced ethanol produced

Technology development:

- Announced plans to build industrial-scale direct electrolysis plant (Volteron™)

Securing decarbonisation resources:

- 1GW India renewables project on track for commissioning 1H'24; AM Brasil formed renewable energy JV to construct 554MW wind power project

Low Carbon Steel:

Customer interest high: Automotive, packaging, buildings, wind, solar, home appliances and more

- ArcelorMittal North America will supply General Motors (GM) with XCarb® recycled and renewably produced steel, offering significantly reduced CO2 emissions compared to much of the automotive steel in North America

Broadening range of products for XCarb® recycled and renewably produced; Global R&D is working extensively to explore new steel grade feasibility

Circularity of steel. Gestamp and ArcelorMittal will design and implement a circularity scheme, enhancing the recycling of steel

Health & Safety:

We aspire to become a fatality free and severe injury free company.

- LTIFR was 0.73x in 2Q23 (0.64x in 1Q23 and 0.67x in 2Q22). Health & Safety performance in 1H23 was 0.70x (0.68x in 1H22)
- **Benchmarking our safety culture.** Global Safety perception survey across 220,000 personnel (incl. contractors), >70% responded. Results driving bespoke action plans at each site
- **Safety leadership of management.** On-site safety training and coaching of senior management with an external consultant
- **More fatality prevention audits performed in 1H'23 vs 2022.** Focused on top causes of fatalities

Focussed on creating sustainable value

Governance, Health & Safety and Diversity



Sustainable development governance

- **Board oversight** of sustainable development progress each quarter by the Board Sustainability Committee → three independent directors, chaired by Clarissa Lins¹
- 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 position ArcelorMittal as a global leader on climate change and provides recommendations to the Board Sustainability Committee
- The **Sustainable Development Panel**'s role is 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

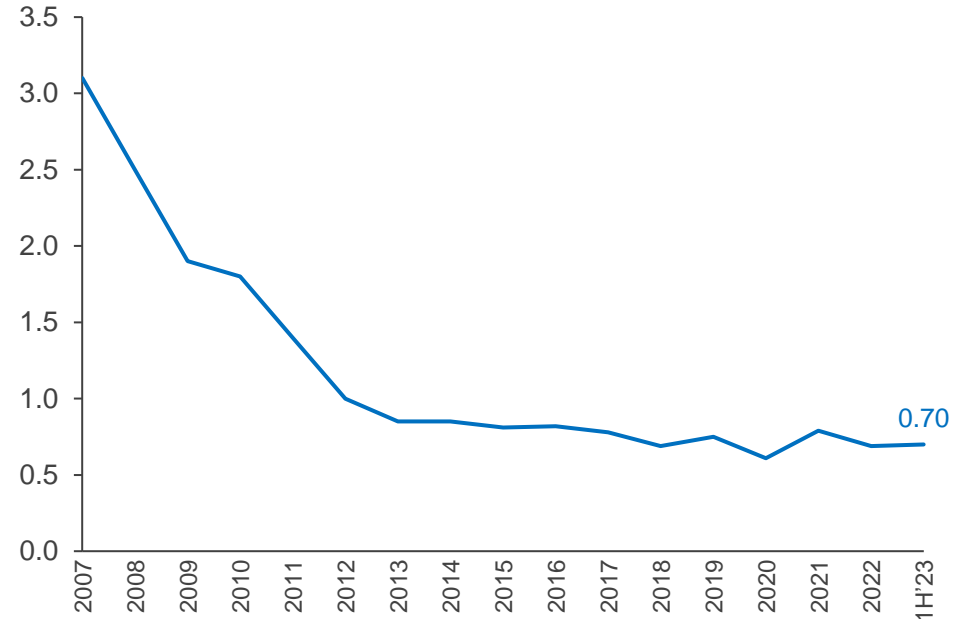


Safety an overarching priority of the Company: Determined to reach zero harm

Key 1H'23 progress:

- **Benchmarking our safety culture:** Global safety perception survey across 220,000 personnel (incl. contractors), >70% responded
 - Survey results driving bespoke action plans at each site
 - Moving towards an interdependent culture (from current independent stage) on the Bradley curve²
- **Safety leadership of management:** On-site safety training and coaching of senior management with an external consultant highlighting the focus on safety
- **More Fatality Prevention audits performed in 1H'23 vs 2022:** These are focused on the top causes of fatalities: hit by vehicles, hit by moving machines, hit by moving loads and falling from height

Health and safety performance (LTIFR¹)



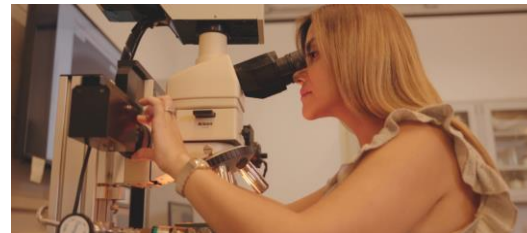
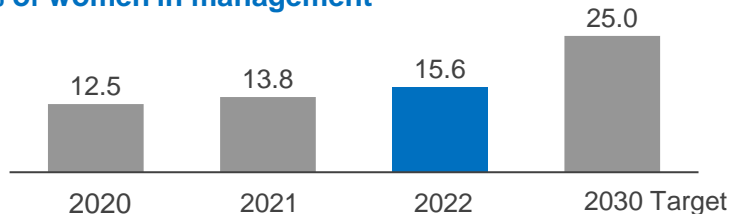
Gender Diversity: Target to double women in management to 25% by 2030

- Women make up higher % of our workforce vs industry peers
- 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)

Key Updates:

- D&I minimum common standards to be rolled out across the Group
- Conducted D&I maturity assessments across the group enabling the development of bespoke action plans
- Several local initiatives to support collective progress

% of women in management



ArcelorMittal - Diverse talent enables smarter steel - our women

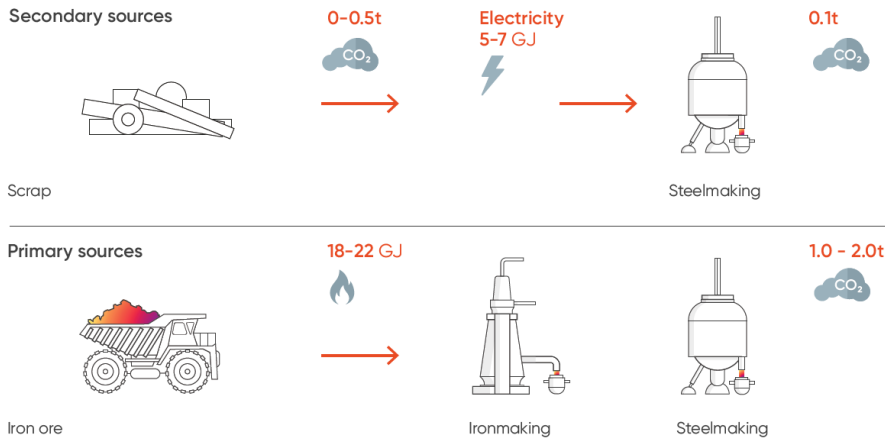
ArcelorMittal's Gender Diversity [video](#)

Climate Action Plan



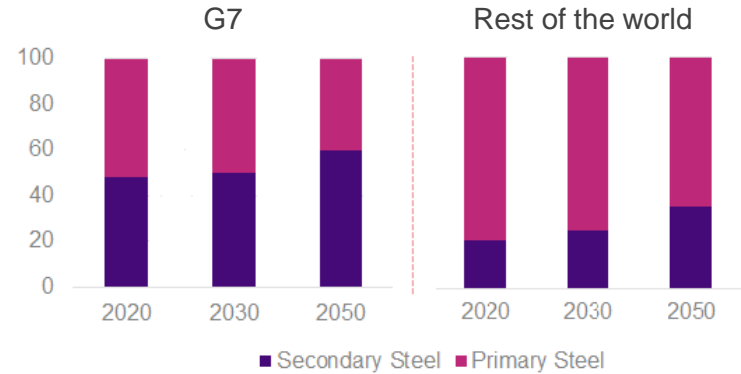
Not all steel demand can be met by recycling scrap. We need to decarbonize primary steelmaking for the global industry to achieve net zero

- Embodied carbon emissions in a tonne of steel is heavily influenced by the metallic input used in steelmaking, with secondary steelmaking carrying a much lower carbon footprint than primary steelmaking



*Indicative figures; should not be used as an exact reference

- Secondary steel will play an important role in decarbonizing the sector. Not all steel demand can be met by recycling scrap as there is not enough scrap available globally, particularly in developing economies. Primary steel production must also decarbonize to meet global decarbonisation targets



(Source: IEA, 2021)

A low-carbon emissions steel standard must encourage the decarbonization of all steelmaking methods

Our decarbonisation strategy

Steel will be made in different ways in different parts of the world

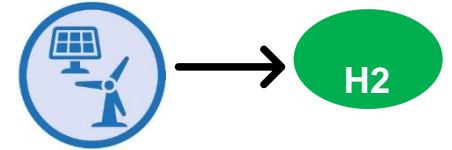
- **Circularity will be maximized**
- Broad suite of decarbonization technologies
- Deploy the right technology in the right region at the right time
- All pathways to support net zero

Smart carbon



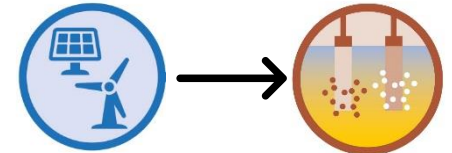
Modifies the BF-BOF route to take advantage of gas injection/recirculation, bioenergy, and CCU/S

Innovative DRI



Uses clean electricity to produce green hydrogen (via electrolysis of water) for the production of DRI

Direct electrolysis



Uses clean electricity to power the direct electrolysis of iron ore

Policy Conditions: What is needed to make low-CO2 steel as cost-competitive as high-CO2 steel?

Policy support and rising carbon prices need to work in tandem for ArcelorMittal to accelerate its decarbonisation to 1.5C alignment

1



Measures to incentivise production of low- and near zero carbon emissions steel (e.g. ETS)

2



A fair competitive landscape to create a level playing field (e.g. CBAM)

3



Public funding support to help innovation and long-term investments (e.g. Carbon contracts for difference)

4

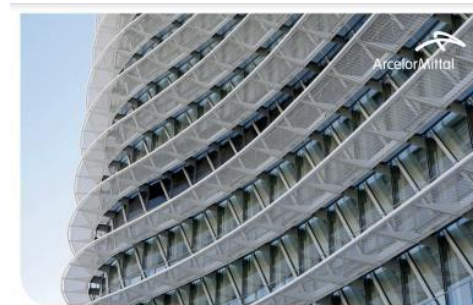


Access to sufficient amounts of clean energy and infrastructure at affordable prices: clean electricity, green hydrogen, sustainable biomass, CCS

5



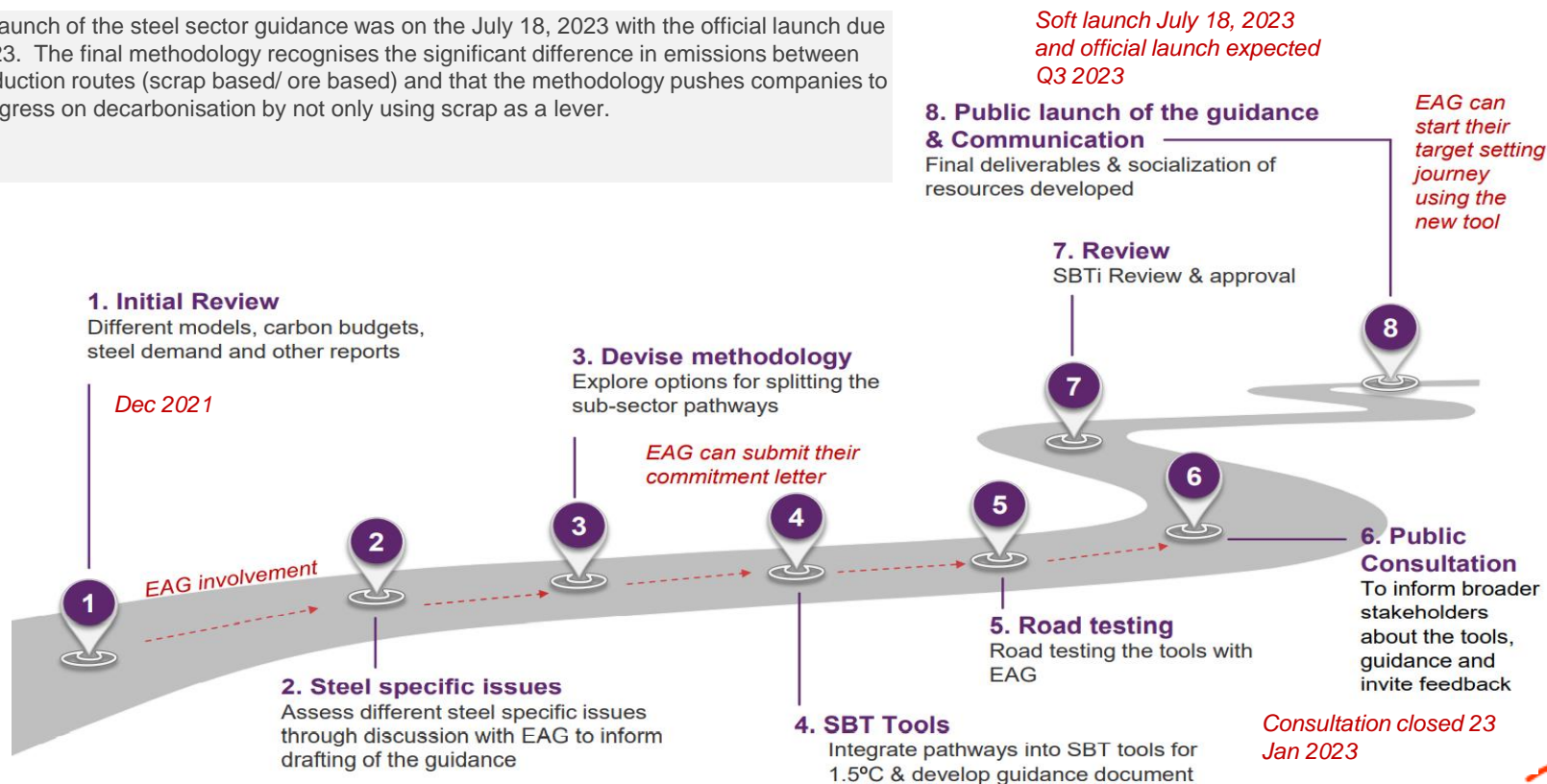
Market drivers for consumption of low- and near zero carbon emissions steel (e.g. public procurement standard, buyer commitments)



Mapping ArcelorMittal's advocacy alignment with the goal of net zero by 2050

Science Based Target Initiative: Steel Sector Guidance – official launch delayed to Q3 2023

The soft launch of the steel sector guidance was on the July 18, 2023 with the official launch due in Q3 2023. The final methodology recognises the significant difference in emissions between steel production routes (scrap based/ ore based) and that the methodology pushes companies to make progress on decarbonisation by not only using scrap as a lever.



Decarbonization progress

Phase 1 through 2030

Securing decarbonization resources

- **1GW renewable energy project** in India scheduled for completion in 1H 2024
- ArcelorMittal Brasil formed a **renewable energy JV** with Casa dos Ventos to construct 554MW wind power project
- Four **scrap recycling businesses acquired** in UK/Europe with combined collection capacity of 1.3Mt
- Accessing high quality DRI through acquisition of Texas HBI and organic investments (Canada DRI pellet conversion project, Serra Azul pellet feed)

Developing and implementing new smart carbon/new technologies

- Smart carbon project underway in Ghent (Belgium); **first ethanol produced**
- **Waste Wood Replacing Coal** → Torero, Ghent near completion
- Developing strategies and technologies to harness carbon capture and storage
- Announced plans to build industrial-scale **direct electrolysis plant** (Volteron™)

Transition from BF to DRI-EAF

Plan development and feasibility

- Plans submitted for integrated sites in France, Germany, Belgium, Spain and Canada
- Engaging with country Governments to provide greater visibility on energy costs and capital costs to enable these projects to move to the next phase of development

Engineering

- >200 dedicated employees; Pre-FEED stage for DRI-EAF projects ongoing/near completion
- Preparation to move to FEED, including commitments with core process equipment suppliers (Direct Reduction plant & Electric Arc facilities) to lock schedule for supply

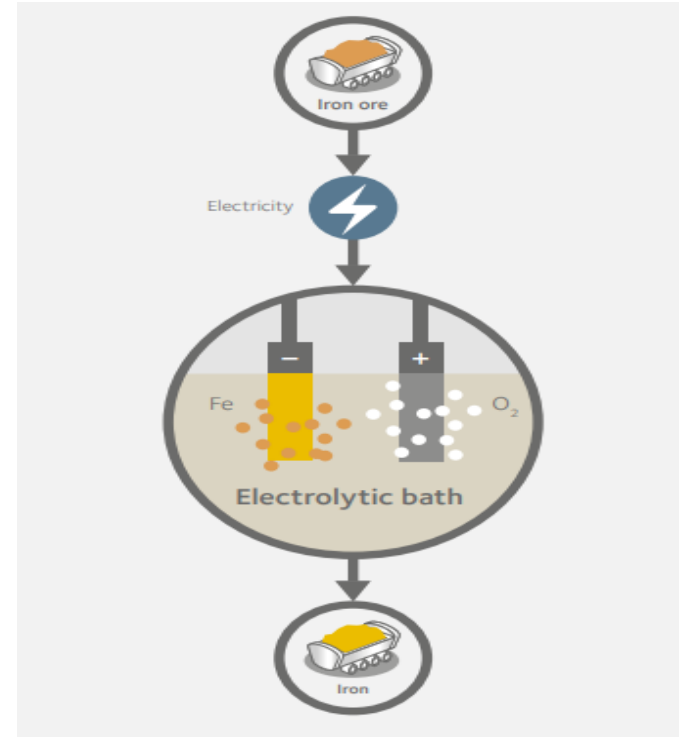
Construction

Striving to lead the industry to low carbon steel: Investing in direct electrolysis technology

Direct electrolysis - Volteron™

- Investing in Direct Electrolysis with the construction of world's first industrial- scale low temperature, iron electrolysis plant
- The first phase will produce between 40-80kt p.a of iron plates, production targeted to start in 2027
- Once the technology has been proven at this scale, the intention is to increase the plant's annual capacity to between 300kt to 1Mt
- In 2022, **the first plates of metallic iron were produced in a pilot** with an energy consumption in line with the expected values, confirming the high potential of this direct electrolysis technology for our future decarbonisation plans.

Direct electrolysis technology: Iron can be reduced from iron ore through direct electrolysis. When iron ore is introduced into an electrolytic bath (a bath with an electrical current running through two electrodes), the iron (Fe) will be attracted to one electrode and the oxygen (O) to the other.



Belgium: Smart carbon technology developments

Carbon capture and usage - Steelanol, Ghent

- Successful commencement of production of first samples through Lanzatech's bio- based process
- The €200m Steelanol plant has the annual capacity to produce 80m litres of ethanol → potential to reduce carbon emissions by 125,000 tonnes annually

Waste wood replacing coal - Torero, Ghent

- Construction of our industrial-scale demonstration plant at Ghent that converts waste wood into renewable energy through a process called Torrefaction
- The €55m project will reduce Ghent's Co2 emissions by 225,000 tonnes per year through two reactors
- Each reactor will produce 40,000 tonnes of bio-coal annually with the first due to start in 3Q'23



Taking action: evolving our asset base and investing in renewables



Securing the metallics required for low-emissions steelmaking

Four scrap recycling
businesses acquired in
past 18 months



Securing the metallics required for low-emissions steelmaking

Acquisition of state-of-
the-art HBI plant in
Corpus Christi, Texas



Transitioning our asset base

Plans announced to
transition to DRI-EAF
steelmaking at several
locations in Europe and
Canada



Investing in renewable energy sources

Renewable energy
projects in India, Brazil,
Argentina and South
Africa - total 1.9GW

Decarbonising our Global Assets

Canada (Dofasco)

- Low- carbon emissions steel making project (DRI EAF from BF- BOF)

USA (Texas)

- Texas HBI plant acquired, securing high-quality metalics for low-carbon steelmaking

Brazil

- Renewable energy JV in Brazil to develop a 554 MW wind power project (\$0.8bn)

South Africa

- Development of CCU technology at ArcelorMittal Vanderbijlpark and two 100 MW renewable energy projects planned for Gauteng and Western Cape

Belgium (Ghent)

- Dec 2022, inaugurated our 'Steelanol' CCU project in Ghent, Belgium

Europe

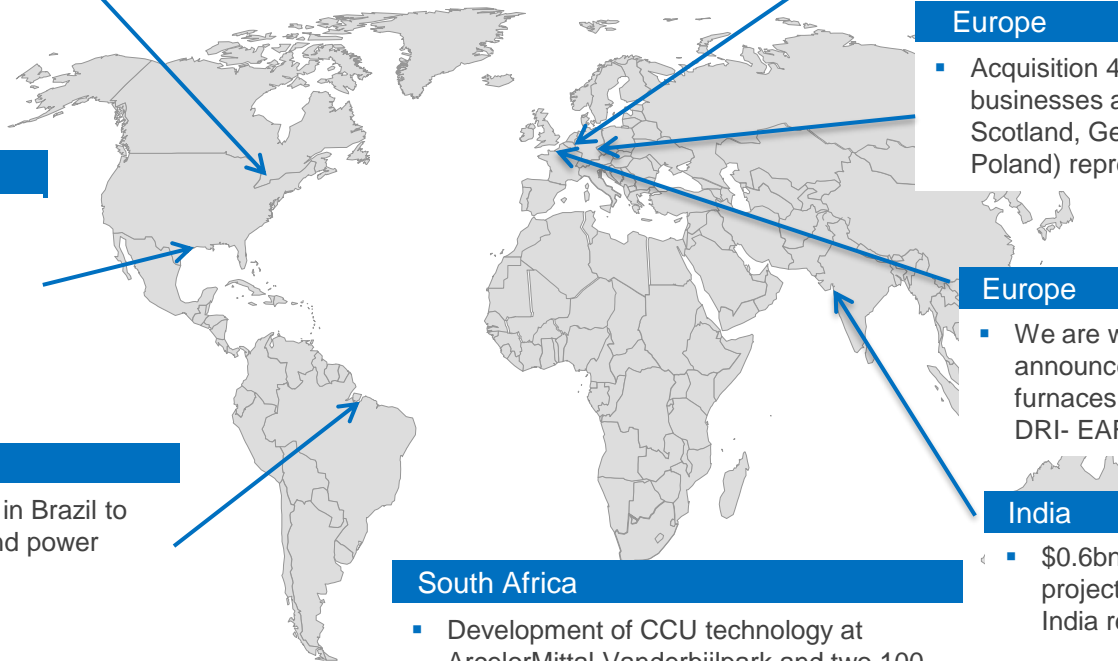
- Acquisition 4 scrap metal recycling businesses across Europe (including Scotland, Germany, Netherlands and Poland) representing 1.2MT of scrap p.a.

Europe

- We are working on a range of additional announced projects to replace blast furnaces in Europe with new, lower carbon DRI- EAF installations

India

- \$0.6bn investment in renewable energy project in India, to supply 20% of AMNS India requirements



Accelerating the Transition: XCarb™ Innovation Fund

- ArcelorMittal's XCarb innovation fund is a further sign of our effort to aiding the development of technologies which can help to support the decarbonization of our company and the broader industry
- Invested >\$180m in companies taking disruptive approach in areas such as hydrogen production, clean energy, long duration energy storage, novel steelmaking process, gas transformation technologies biomass valorisation, waste to gas or biocarbon
- Anchor partner in the Breakthrough Energy Catalyst, committing \$100 million over the next five years to fund first-of-a-kind projects that use key emerging climate technologies
- Recently concluded the inaugural XCarb™ Accelerator Programme and announced winners in July 2023 (Char Technologies, \$5m investment), following an overwhelmingly positive response, with over 90 start-ups from five different continents submitting applications across seven distinct technologies
- Launched our XCarb™ Innovation Fund India Accelerator Programme in July 2023, in collaboration with the Indian Institute of Technology Madras ('IIT Madras') to support breakthrough start-ups in India to accelerate the decarbonisation of the steel industry



Multi- day low cost energy reliability



Electricity to molten steel through a direct, 1 step process



Unlocking the power of sunlight



Transforming organic waste into valuable energy streams



Innovative carbon recycling



Affordable Green Hydrogen production

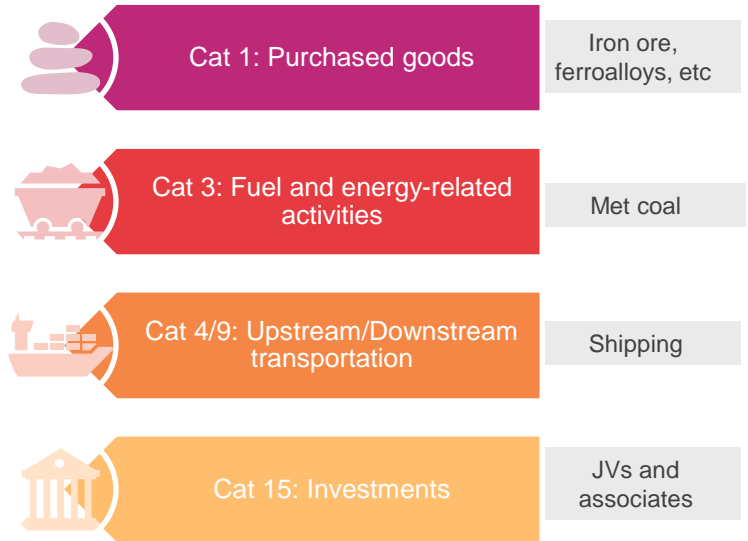


Breakthrough nuclear power innovator

Scope 3 emissions

- In 2022, a group-level project was carried out to screen all Scope 3 categories, with the purpose of identifying value chain emissions hotspots and inform sustainable procurement practices
- Two-step approach for accounting:
 - Screening of all categories with secondary data
 - Inventory of material categories using primary data, whenever possible, to increase accuracy
- Key supplier engagement on:
 - Product carbon footprint (PCF) primary data
 - Targets and decarbonization plans for specific products

ArcelorMittal material Scope 3 categories



TCFD

In 2022, we made significant progress towards disclosure in compliance with the TCFD recommendations.

- Physical climate risk screening was undertaken across the company's automotive and construction sector value chains against the central (below 2° C) and the high emissions (4.4° C) scenarios.
- Results indicated that all operational assets may be negatively impacted by some form of acute physical risk, impacting steel production capacity either directly or in the value chain. (Rainfall, flooding and wildfires presented the highest risk.)
- From an opportunity perspective, an increase in revenues was identified due to increased demand needed for strengthening infrastructure resilience in response to the impacts of these acute physical risks.

Physical Risk Item		Strategic Implication	Strategic Importance by 2050	
Acute	Flooding, landslides, wildfires and storms	Disrupting supply and value chain transport routes	High (negative)	
		Damaging equipment and infrastructure	High (negative)	
		Disrupting operations and causing production delays or shutdowns	High (negative)	
	Extreme weather events	Posing risk to personnel and impacting operations	Medium (negative)	
Chronic	Coastal flooding, extreme heat and extreme cold	Impacting supply and value chains	Medium (negative)	
		Water stress & drought	Impacting operations	Medium (negative)
			Impacting access to raw materials	Medium (negative)
Acute and chronic	Increased severity and frequency of destructive climate events	Increasing customer demand for steel to strengthen buildings	Medium (positive)	

Just Transition: Our Strategy

ArcelorMittal is developing its Just Transition strategy for the group. The four main components are of our Just Transition strategy include:

- Establishing a climate change strategy including decarbonisation and adaptation activities to address transition and physical risks and opportunities
- Co- creating the steel company of the future, one which is innovative, safe, inclusive and sustainable; while
- Identifying and taking adequate measure to avoid causing or contributing to direct and indirect adverse impacts on fundamental human rights of workers, communities and suppliers; and
- Mitigating, compensating or offsetting actions against such adverse impacts where avoidance is not possible.

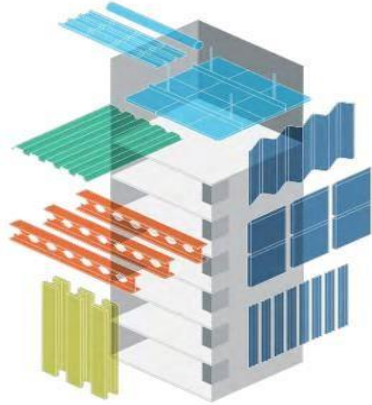


Low Carbon Emissions Steel

Building a Better World with Smarter Steels

ArcelorMittal's solutions enable customers to enhance their contribution to a low carbon circular economy

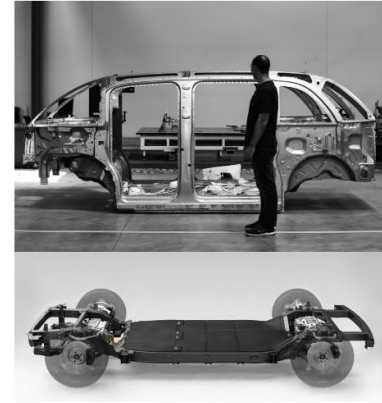
- Steel is as relevant as ever to the future success of our world: reusable, recyclable, strong and durable.
- We are evolving the contribution steel can make, innovating to make our solutions smarter and increasingly sustainable.



Steligence® enables architects and engineers to design building solutions that minimise material use while maximising space, flexibility and end of life recyclability



Magnelis® enhanced corrosion resistance for solar projects in harsh conditions, even in deserts and on water. Projects globally including PV and CSP structures



S-in motion® offers solutions for electric vehicles including body-in-white, chassis and battery pack, enabling carmakers to extend drive range and enhance safety at the most affordable cost.

ArcelorMittal's XCarb[®] offer of low carbon emissions steel solutions

XCarb[®]

Green steel certificate

2020: Launch of XCarb[®] green steel certificates

- For steel made in blast furnace route
- Based on mass balancing
- CO₂ savings from reducing fossil coal
- Available in all products and grades

XCarb[®]

Recycled and renewably produced

2021: Launch of XCarb[®] recycled and renewably produced

- Physical decarbonised steel made in electric arc furnace
- Using 100% renewable energy
- High recycled content

XCarb[®]

Brand to be developed

From 2026: New XCarb[®] products to be launched

- Physical decarbonised steel
- Based on direct reduced iron technology

More low-carbon emissions XCarb[®] solutions will be launched as new decarbonisation technologies are deployed

How XCarb® helps our customers achieve their sustainability goals



Customers across a range of industries are already benefitting from XCarb® solutions.

General Motors

Supplying Steel with substantially lower CO2 emissions to automakers in North America

ArcelorMittal North America will supply General Motors (GM) with XCarb® recycled and renewably produced steel, offering significantly reduced CO2 emissions compared to much of the automotive steel available in North America.

“This agreement provides another example of how we are innovating with our suppliers to reduce emissions throughout the supply chain.” “It also highlights how strong supplier relationships can build a better, more sustainable future.”

Jeff Morrison

Vice President of Global Purchasing and Supply Chain, General Motors



VELUX Group

Halve value chain emissions by 2030

VELUX Group and ArcelorMittal will now work together to lower the carbon footprint of the steels used in VELUX roof windows, aiming to reduce embedded CO2 by up to 70 percent (depending on the type of steel product used) compared with conventionally produced steel.

“Co-operations like these will enable decarbonisation of our products and we look forward to seeing the positive impact on our product and company carbon emissions.”

Jesús Villalba

Senior Director, Direct Procurement, VELUX Group



New Stadium in the Netherlands

CO2 savings equivalent to the emission of over 160 diesel cars driving 10,000km annually. Voortman Steel Construction and ArcelorMittal Staalhandel are collaborating to build the first football stadium to use XCarb® recycled and renewably produced steel. 80% of all sections of that will be assembled in the stadium are ArcelorMittal's sustainable steel, using 100% renewable electricity and 100% scrap.

“We hope that many more projects with XCarb® will follow, so that together with our partners we can contribute to a cleaner construction chain”

Michael Kolk

Sales Director, Voortman Steel Construction



XCarb® Recycled and Renewably Produced

A broadening range of products

XCarb® recycled and renewably produced steels for a wide range of markets and applications including automotive, construction, infrastructure, energy, domestic appliances and much more.

- ArcelorMittal flat products offering includes hot and cold rolled steels, metallic coated steels, organic coated steels, tubes and heavy plates.
- ArcelorMittal long products offering includes rebars, sheet piles, structural sections wire rod and more.
- Global R&D division is working extensively to explore new steel grade feasibilities.

Circularity of Steel

- Gestamp and ArcelorMittal will design and implement a circularity scheme that will enhance the recycling of steel between the two companies guaranteeing supply to the OEMs who want to use reduced CO2 steel solutions.
- Enhancing the reliability of the scrap supply chain for low- carbon emissions steel products is an important part of the decarbonisation process.



Fran Riberas, Chairman, Gestamp & Geert van Poelvoorde, Executive Vice President, CEO ArcelorMittal Europe ArcelorMittal

Our thinking for a low-carbon emissions steel concept is based on three core principles

Standards need to ensure the steel industry contributes to the objectives of the Paris agreement, demonstrating the progress all producers are making in moving towards near-zero emissions steelmaking.

1 A dual scoring system

It must have a dual-score approach (LCA + decarbonization rating system) that supports policymakers in the development of differentiated lead markets for low-carbon emissions steel production, and provides customers with comparable, transparent data of embodied carbon emissions in steel products



2 Recognizes different steelmaking routes

It must be designed in such a way that incentivises the decarbonization of all methods of steel production through technology shifts, rather than simply through increasing scrap rates using existing technology. This can be done by using a sliding scale based on the percentage of scrap used in production.



3 A clearly defined boundary

The decarbonisation rating system must be measured against a clearly defined embodied carbon emissions boundary which ensures a like-for-like comparison of the critical elements needed for core steel production



Biodiversity

The image features a vibrant background with a color gradient transitioning from deep purple on the left to bright orange on the right. A large, white, angular geometric shape is positioned in the lower-left quadrant, partially overlapping the gradient. The word "Biodiversity" is printed in a bold, white, sans-serif font in the upper-left corner.

Biodiversity: Preparing for Taskforce for Nature Related Disclosure (TNFD)

Two pilot TNFD biodiversity projects: Mining and Steel.

Mining: ICMM TNFD pilot programme, Liberia

- One of the most challenging locations for the company in protecting biodiversity. The East Nimba mountain range is protected by conservation measures such as the East Nimba Nature Reserve (ENNR). Both it and the western range have global conservation value and are home to a remarkable diversity of species and habitats, many of which are highly threatened.
- The ICMM and steel pilot project will:
 - Build awareness of nature- related impacts, dependencies, risks and opportunities
 - Help to shape and organise future TNFD disclosure
 - Provide the company with helpful insights ahead of the release of the final TNFD framework for application elsewhere in the group.



Global ResponsibleSteel Site Certification

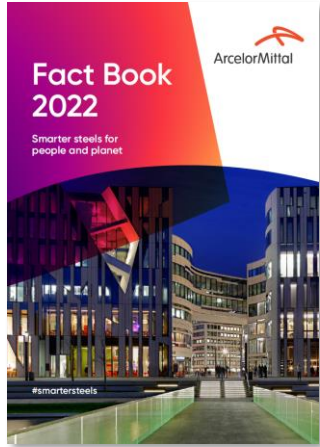
France, Spain, Brazil and Poland



- ArcelorMittal Tubarao, March 2022: first site in the Americas to receive certification against the ResponsibleSteel™ site standard
- By end of Q1 2023, 32 of ArcelorMittal's steelmaking sites have been certified under ResponsibleSteel:
 - ArcelorMittal Belgium (Geel, Genk, Gent, Liège)
 - Luxembourg (Belval, Differdange and Rodange)
 - Germany (Bremen and Eisenhüttenstadt)
 - Spain (Avilés-Gijón, Sagunto, Lesaka-Legasa and Etxebarri)
 - France (Dunkerque, Mardyck, Desvres, Montataire, Florange, Mouzon, Basse Indre, Fos-sur-Mer and Saint-Chély-d'Apcher)
 - Poland (Dąbrowa Górnicza, Kraków, Zdzeszowice, Świętochłowice, Sosnowiec, Chorzów and Warszawa)
 - Brazil (Tubarão, Monlevade, Vega)
- Further sites in Europe, Brazil and N America have commenced the rigorous independent audit process. Goal is to see steelmaking sites in 50% ArcelorMittal operating countries to be certified by 2025

- Unique multistakeholder ESG standard for steel industry
- Value to customers, investors and steelmakers
- **Site certification** requires independent assurance of management systems, governance and disclosure across broad range of ESG aspects:
 - human rights and labour rights
 - water stewardship and biodiversity
 - climate change and greenhouse gas emission
 - community relations and business integrity
- **Steel certification** standard published Sept 2022 drives demanding performance requirements on GHG performance levels and responsible sourcing conditions

ArcelorMittal Contacts



Daniel Fairclough – Global Head Investor Relations
daniel.fairclough@arcelormittal.com +44 207 543 1105

Hetal Patel – UK/European Investor Relations
hetal.patel@arcelormittal.com +44 207 543 1128

Maureen Baker – Fixed Income/Debt Investor Relations
maureen.baker@arcelormittal.com +33 1 71 92 10 26

Victoria Irving – ESG Investor Relations
victoria.irving@arcelormittal.com +44 7435 192206