

# Sustainability Report 2021

ArcelorMittal Brasil



## Together in action



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# About the report

João Monlevade Plant (MG)



# About the report

This Sustainability Report presents how the year of 2021 went for ArcelorMittal Brazil, highlighting the topics selected in its new materiality matrix, prepared in accordance with best market practices and presented below.

**GRI 102-46**

The publication addresses the most relevant management facts focused on sustainable development from January 1 to December 31, 2021, reporting the main results and initiatives of interest to shareholders, employees, suppliers, customers, communities and other stakeholders, including information on corporate governance, risks, challenges and opportunities.

**GRI 102-44, 102-50**

Following the guidelines and indicators Standards of the Global Reporting Initiative (GRI), a world reference for corporate performance reports, the annual publication also considers the principles of Integrated

Reporting (IIRC), which guides the reporting of the ArcelorMittal Group.

**GRI 102-52**

Questions or requests for more information can be sent to the *e-mail* [comunicacao.corporativa@arcelormittal.com.br](mailto:comunicacao.corporativa@arcelormittal.com.br).

**GRI 102-53**

## Materiality

After three years and three reports based on the same materiality (prepared in 2018), this publication considers new material themes. Prepared in 2021 according to the GRI methodology, the process of building the new matrix was divided into four stages: identification, prioritization, analysis and mapping.

**GRI 102-49**

In the first stage, internal documents, sector studies and *benchmarking* were analyzed to identify the most relevant relationship audiences for ArcelorMittal Brazil, as well as the main impacts of its operation. With this, a list of 15 initial themes was reached: Development of human capital; Diversity and Inclusion; Energy Efficiency; Ethics and Integrity; Biodiversity Management and recovery of degraded areas; Supply chain management; Waste management; Water resources management; Governance and *Compliance*; Innovation and Technology; Climate Change; Air quality; Product quality and customer satisfaction; Social responsibility; and Team Health and Safety.

**GRI 102-44**

Subsequently, there was the prioritization stage, which included nine internal interviews with senior leadership, seven external interviews with customers and experts, and online surveys with more *stakeholder* groups, such as internal public, suppliers, partners, the press, sector entities and innovation ecosystem.

**GRI 102-42, 102-43**




Thus, in the analysis phase, the priorities of each consulted public, internal and external, were crossed and inserted in a scoring matrix, resulting in an average with the seven relevant topics in the general context.

The last stage was the validation with the leaders, who ratified the six themes classified as of high relevance in the matrix and inserted a seventh theme "Supply chain management" for considering relevant the impact of the Company in this regard. At this stage, when the risks and opportunities arising from the themes were also presented, the correlation of each theme with the Sustainable Development Goals (SDGs) of the United Nations (UN) and their goals were defined.


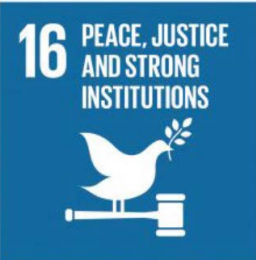
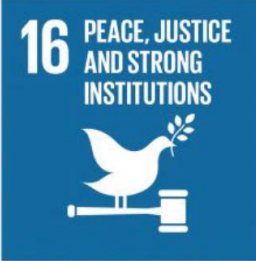





# Material topics

GRI 102-40, 102-46, 102-47, 103-1

Subject	Why It Matters	Stakeholders	GRI Indicators	Related SDGs
<p><b>1. Climate change</b> Adoption of a climate strategy that contemplates the reduction of greenhouse gases (GHGs) emission, mitigation and adaptation to climate change.</p>	<p>Emission-intensive activity;  Goal of being carbon neutral by 2050.</p>	<p>Leadership Clients Suppliers</p>	<p>201-2 305-1, 305-2, 305-3, 305-4, 305-5, 305-7</p>	
<p><b>2. Energy efficiency</b> Energy management, energy performance analysis, the adoption of actions to increase efficiency of the processes and the prioritization of alternative energy sources.</p>	<p>Rational consumption and conservation of energetic sources.</p>	<p>Experts</p>	<p>302-1, 302-4</p>	
<p><b>3. Team health and safety</b> Health and safety management, with a focus on the establishment of a safety culture, investments in infrastructure and personal protective equipment, awareness about activities and behavior of risks and care in the use of materials harmful to health.</p>	<p>High-risk activity, in which health requirements and safety needs to be among the priorities.</p>	<p>Leadership Experts</p>	<p>403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10</p>	



Subject	Why It Matters	Stakeholders	GRI Indicators	Related SDGs
<p><b>4. Ethics and integrity</b> Promoting ethical and transparent conduct at the various levels of the organization, including anti-corruption mechanisms.</p>	<p>Maintain culture standards of integrity achieved;</p> <p>Mechanisms to combat slavery.</p>	<p>Clients</p>	<p>102-16, 102-17, 406-1, 408-1, 409-1, 412-1, 412-2, 412-3</p>	 
<p><b>5. Governance and compliance</b> Strengthening the governance in agreement with best practices of the market, regulatory monitoring, compliance with the legal regulatory standards of the sector, environmental licensing and relationship with the regulatory and inspectors bodies.</p>	<p>Maintain the governance standard.</p>	<p>Leadership Experts</p>	<p>207-2, 307-1 405-1, 416-2</p>	
<p><b>6. Innovation and Technology</b> Stimulating technological innovation in operations, seeking opportunities for new business fronts, process automation and artificial intelligence.</p>	<p>Promote innovation in an environment that demands strong operational controls to guarantee the operational safety.</p>	<p>Leadership</p>		
<p><b>7. Supply chain management</b> Relationship and management of the supply chain, aiming at the confidence of customers in the chain and, where possible, development of local suppliers.</p>	<p>Positive impact in several locations for having more than 15 thousand suppliers, from various segments, sizes and regions of the country.</p>	<p>Theme inserted by leadership during the materiality validation</p>	<p>102-9, 102-10 204-1, 308-1, 308-2, 407-1 408-1, 409-1 414-1, 414-2</p>	 



## 2021 highlights

# ArcelorMittal

completes **100 years**  
in the Long steel  
segment in Brazil

First steel producer  
in the Americas  
to conquer the  
**ResponsibleSteel**  
certification

**Inauguration  
of the largest  
water desalination  
plant in the  
sea of Brazil,** with an initial  
capacity of  
500 m<sup>3</sup>/hour  
of water in  
Tubarão

### Challenging Goals

- **25%** of women among  
the leaders by 2030
- **Carbon neutrality  
by 2050**



# Awards and Certifications

In 2021, ArcelorMittal Brazil was publicly recognized for its acting on different fronts. The awards below summarize the achievements of the year, which can be consulted on the company's [website](#).

## Valor Inovação Brazil

ArcelorMittal Brazil was recognized as one of the most innovative companies in Brazil for the 2021 ranking of the 7<sup>th</sup> Edition of the Valor Inovação Award. The company won the 2<sup>nd</sup> place in the Mining, Metallurgy and Steel category – the best position among steelmakers – and ranked 23<sup>rd</sup> in the overall ranking, which lists the 150 most innovative companies in the country.

## Mais Estadão Companies

ArcelorMittal Brazil ranked 30<sup>th</sup> in the Metallurgy and Steel category and 10<sup>th</sup> in the Steel and Metallurgy sector in the Innovation, Governance and Sustainability rankings.

## Best and Largest/Exame

The company was considered the 19<sup>th</sup> largest corporation by net revenue, according to the Best and Largest ranking of Exame magazine, among 627 companies evaluated.

## Época Negócios

The ArcelorMittal Brazil Group was recognized in several categories of the Época Negócios 2021 Award, a ranking developed by the magazine in partnership with Dom Cabral Foundation:

### Belgo Bekaert

- 1<sup>st</sup> place in Mechanics and Metallurgy;
- 1<sup>st</sup> place in the Metallurgy category, with emphasis on the

People Management and Sustainability dimensions.

### ArcelorMittal Brazil

- 3<sup>rd</sup> place in the Innovation and People dimensions;
- 4<sup>th</sup> place in Mining and Steel;
- 4<sup>th</sup> place in the Sustainability dimension;
- 5<sup>th</sup> place in the Future Vision dimension.

## Automotive Business

ArcelorMittal Brazil was among the winning companies of the AB Diversity Award, in the Ethnicity, People with Disabilities and Generations pillars.

## Sustainability in the MRV Supply Chain

The company participated in the fifth edition of the award and won in 10<sup>th</sup> place in the General, Sustainability and HSE categories, in addition to reaching the 20<sup>th</sup> place in the Compliance and Sustainability categories.

## Aberje Award

The ArcelorMittal Foundation was the winner, in the category Organizational Memory, of the regional award Minas Gerais and Midwest of the Brazilian Association of Business Communication, with the project Residents: The Humanity of Heritage.

## Homem do Aço Award

Jefferson De Paula, president of ArcelorMittal Brazil and CEO of ArcelorMittal Long steel e Mining LATAM, received in 2021 the Homem do Aço Trophy, granted by the Associação do Aço Rio Grande do Sul (AARS).

## 100 Open Startups Ranking

ArcelorMittal Brazil was recognized for the third time in a row, on this platform that connects startups, large companies, executives, scientists and governments. It won the 1<sup>st</sup> place in the Mining and Metals category and ranked 2<sup>nd</sup> in the national general ranking.

The company was awarded for its open innovation initiatives through Açolab and iNO.VC – the company's pioneering innovation laboratories in the steel industry in the world.

## Ser Humano Award

With the project Governance to Prevent and Combat Covid-19, ArcelorMittal Brazil won the Ser Humano Award granted by the Brazilian Association of Human Resources of Espírito Santo (ABRH-ES) in the Business/ Administration category. The award presented in November aims to recognize the organizations that were innovative in the implementation of good practices in human resources.

## Top of Mind

Belgo Bekaert won the Top of Mind award of Rural Magazine as the brand most remembered by rural producers in the Wires category. Nationwide, the research has been carried out by the publication for 25 years.





# Message from the Management

## GRI 102-14

A year of great challenges, exceptional performance and strategic progress. Even in the face of the difficulties imposed by the second year of the coronavirus pandemic, ArcelorMittal Brazil recorded, in 2021, surprising operating and financial results and far above the most optimistic forecasts. But not only the operations, sales and financial results made up the exceptionality of the year in which the company completed, in December, 100 years of activities in the long steel segment in the country.

The announcement of investments of R\$7.6 billion for production expansion, the planned changes in the Group's commands in Brazil and worldwide, operational stability - with all plants operating at full capacity - and the pioneering implementation of the largest seawater desalination plant for industrial purposes in the country made 2021 a positively historic year.

ArcelorMittal Brazil had prepared to face another year of obstacles and instability due to the pandemic. However, surprisingly, steel consumption, which had fallen sharply in the first half of 2020 in Brazil, recovered in a "V" shape in the second half of the year and remained so throughout 2021, ending the year with a 23% spike in the sales of Brazilian steel, according to the Brazil Steel Institute. The company's results were also benefited by the devalued exchange rate and an increase in the price of metallic commodities in international markets. This scenario enabled the achievement of the best financial performance in ArcelorMittal Brazil's history, with EBITDA generation of R\$20.2 billion (297% increase over the previous year) and net revenue of R\$69 billion (108.7% increase). Production was 13.4 million tons of steel and 3.4 million tons of ore, an increase of 29.5% and 4.4%, respectively. And sales volume of 14.1 million tons (12.5 million steel and 1.6 million ore), which grew 18.9% compared to the previous year. The EBITDA margin on consolidated net revenue reached 29%, an increase of 14 percentage points compared to 2020. With this performance, net income reached R\$12.8 billion, an increase of 940% compared to the result of R\$1.2 billion in 2020. The results include the Brazilian steel and mining operations and the operations of the subsidiaries of Acindar, in Argentina, Unicon, in Venezuela, and ArcelorMittal Costa Rica. con, na Venezuela, e ArcelorMittal Costa Rica.



The results achieved in 2021 are the outcome of the atypical nature of the year, and the short-term tendency is that, as inventories of distributors and final industrial customers recompose themselves, the sales will return to levels compatible to the normal demand of the Brazilian market. However, regardless of the levels of demand and prices, ArcelorMittal works with an expectation of consistent growth in domestic steel consumption in the medium and long term due to the high housing deficit in the country and the expectation of resumption of investments in infrastructure, basic sanitation, roads, ports, airports, industrial parks, among others.

### Investments and trust in Brazil

Reaffirming its belief in the future of Brazil, the Company announced, at the end of last year and beginning of 2022, an investment package of around R\$7.6 billion in the country, which is already underway and will be concentrated in the next three years. In the long steel segment, R\$2.5 billion will be invested in the Monlevade Plant (MG), which will increase from the current 1.2 million to 2.2 million tons/year of crude steel in 2024. Another sintering, a new blast furnace will be implemented and the steelworks will be duplicated. The expansion of the Serra Azul Mine (MG) is also part of the investment package, where R\$1.8 billion will be invested in the construction of a new *pellet feed* production plant (high content iron ore fine). The contribution will allow the increase in production from 1.6 million to 4.5 million tons/year of iron ore and the extension of the mine's useful life by 34 years, until 2056.

Barra Mansa Plant (RJ), in turn, will invest R\$1.3 billion for the expansion of the current rolling mill, installation of a new rolling mill and improvements in the steelworks. With the new line, the rolling capacity will grow by approximately 500 thousand tons/year. In the flat steel segment, ArcelorMittal resumed the expansion of the Vega unit in São Francisco do Sul (SC), which will require investments of R\$1.95 billion in the implementation of a third plating line and a new continuous annealing line. toneladas ao ano para 2,2 milhões de toneladas.

The investment will allow production to rise from 1.6 million tonnes per year to 2.2 million tonnes.

The company also invested R\$2.1 billion in process improvement and operational efficiency projects. One of the highlights was the beginning of the operation of the country's largest seawater desalination plant at the Plant of Tubarão (ES), in September 2021. The system has the capacity to desalinate 500m<sup>3</sup>/hour of water, saving the equivalent in catchment of springs that supply the Great Victory. The unit was also a pioneer in obtaining, in an unprecedented way in the Americas, the ResponsibleSteel™ certification, a world organization that establishes standards for the sustainable production of steel.

### Repair and environmental commitment

Important agreements have been signed and actions implemented by the company in the social and environmental fields. In June, ArcelorMittal Mining Serra Azul signed a Complementary Agreement (TAC) with the Committee of Affected Residents and the Federal and State Public Prosecution Offices, which reinforces the Company's commitment to support families who were preventively evacuated from the community of Pinheiros (Itatiaiuçu - MG) by activating the Emergency Action Plan for Mining Dams (PAEBM) on February 8, 2019. The TAC established collective parameters for repair, configuring the first extrajudicial agreement in Brazil for dam cases.

Due to the entry into force of a new resolution of the National Mining Agency (ANM), on February 22, ArcelorMittal changed the emergency level of the Serra Azul Mine from 2 to 3. The reclassification took place in strict compliance with a new legal criterion and in no way changes the safety conditions of the dam, which remain unchanged since the PAEBM was activated. The dam has been deactivated since 2012 and its monitoring is carried out 24 hours a day, with updates to ANM.

The Tubarão Plant, in turn, advanced in the execution of the goals and guidelines established with the Government under the Environmental Commitment Agreement, signed in 2018, and is executing projects of R\$1.8 billion. The implementation of the ATT has been guaranteed through the Evolve Program, which brings together initiatives that go beyond the commitment assumed and has raised the level of environmental management of the company.

### Decarbonization and inclusion

The ArcelorMittal Group was a pioneer in establishing the global commitment to be carbon neutral by 2050, with the intermediate goal of reducing its emissions by 25% by 2030. Decarbonization is part of a larger agenda that ArcelorMittal maintains focused on ESG objectives (environmental, social and governance, in Portuguese). The Group's carbon neutrality actions are described in the *Climate Action Report*, which covers all ongoing initiatives, and in the Road Map to achieve the established goals. The XCarb™ was also launched, an initiative that seeks to manufacture steel products with low CO<sub>2</sub> emission or zero carbon at ArcelorMittal, as well as more comprehensive actions in green innovation projects, within a single and broad program to achieve progress in carbon neutrality.

Still on the ESG agenda, Espírito Santo's unit, ArcelorMittal Tubarão, is the first industrial plant in the Americas to achieve sustainability certification of its operations by the ResponsibleSteel™ standards. Currently, the plants located in São Francisco do Sul (SC), ArcelorMittal Vega, and in Minas Gerais, ArcelorMittal Monlevade, are undergoing the certification process.

The company's evolution on the subject is also reflected in the Diversity & Inclusion Program, launched in 2019. The program focuses on four dimensions: Gender Equity, Racial Diversity, People with Disabilities and LGBTI+. As a result of the program, ArcelorMittal launched last year the goal of having 25% of women among the leaders by 2030.

**Reaffirming confidence  
in the Brazilian  
market, ArcelorMittal  
Brazil started the  
investments of a  
package for the next  
three years totaling  
more than R\$7.6 billion**



**To reflect the company we are and ensure our positioning in the coming transformation, ArcelorMittal announced a new purpose in early 2022: "Smart steels for people and the planet"**

Within the proposal to value the female protagonism, ArcelorMittal Flat steel promoted the second edition of the Women's Award, aimed at entrepreneurs and public managers with important works of social transformation. In 2021, the award was extended to Santa Catarina.

**Innovation**

The company also immersed itself in the process of innovation and digital transformation through its laboratories and innovation programs – Açolab and iNO.VC –, in addition to supporting the development of information technology and digitalization solutions from ArcelorMittal Systems. As part of its innovation strategy, Açolab – the world's first steel innovation *hub* – announced the creation of a Corporate Venture Capital (CVC) fund, through which it will invest more than R\$100 million in the acceleration of *startups* and small innovative companies. iNO.VC created the iNO.VC Digital Innovation Trophy to stimulate the culture of innovation and recognize those who stood out in the digital transformation, being delivered to 23 companies, gyms, *startups* and institutions.

In addition, through the ArcelorMittal Research & Development Center for South America, which has been operating at the Tubarão unit since 2015, the company has promoted a series of partnerships focused on innovation, speeding up the implementation of the Group's solutions in the region.

The modernization process that the company is going through has led to the creation, by the long steel segment, of the Business Strategy, Innovation and Transformation Board, internally named as "Future Board" for bringing together, in the same team, the mission of enhancing the business strategy connected with the challenges of future agendas.

**Social responsibility and partnerships**

Throughout 2021, a record value of R\$127.4 million was invested, an amount that brings together own and encouraged resources, in social projects coordinated by the company. To structure its social actions, the Company has its

own management in the units of the Plans segment and with the ArcelorMittal Brazil Foundation, which, during its 33 years of history, has benefited more than 10 million people. In 2021, the main cultural partnerships were signed with the Palace of Arts, Corpo Group, the Philharmonic Orchestra and the Museum of Tomorrow. Also in 2021, we instituted important partnerships with sports projects, such as Sada Cruzeiro, Corredores de Aço, in addition to the unprecedented sponsorship of Stock Car Pro Series and *bodyboarder* athlete Neymara Carvalho. In the area of education, a strategy was developed in Steam (Science, Technology, Engineering, Arts and Mathematics), with the objective of training talents and promoting access of children and young people to technology and innovation. In Espírito Santo, the company launched an unprecedented announcement in the region, exclusively to support residents' associations.

**Changes in the management structure**

2021 was also marked by significant changes in the Group's management structure. At the Global level, the position of CEO was now held by Aditya Mittal, replacing Lakshmi Mittal, who assumed the position of Executive Chairman and Chairman of the Group's Board of Directors. In the Brazilian operation, the change occurred with the departure of Benjamin Baptista Filho from the presidency of ArcelorMittal Brazil, a position that he accumulated with that of CEO of ArcelorMittal Flat steel América do Sul. The executive came to occupy the chairmanship of the Board of Directors of ArcelorMittal Brazil. In his place, Jefferson De Paula took over, also accumulating the position of CEO of ArcelorMittal Long steel and Mining LATAM. Jorge Oliveira, in turn, was appointed CEO of ArcelorMittal Flat steel LATAM and also holds the position of Executive Vice President of ArcelorMittal Brazil.

Due to the outstanding results of Brazilian health and safety operations, Jefferson De Paula was appointed chairman of the World Health and Safety Council of the Group. The company's units are certified in the international standard OHSAS 18001, attesting to the compliance of the

management system and its alignment with the best practices. The company works strongly with monitoring the health of its employees and encouraging quality of life. In addition, it seeks to attract and retain talent and prioritizes a relationship of partnership and joint construction, giving space for the protagonism of its employees, who are encouraged to innovate and improve themselves.

**Purpose Update**

To reflect the company we are and ensure that we are well positioned for the transformation to come, ArcelorMittal entered 2022 with the announcement of an update on the purpose: "Smart steels for people and the planet". We are aware of our role in building the future. Looking at our trajectory doubles the belief that we are on the right track and that we will continue to support our employees, customers, suppliers, communities and partners, while becoming a more agile, innovative, diverse, sustainable and efficient organization.

Thank you for your trust in us and we express special thanks to our employees, responsible for having come here, writing a story of transformation and success.

**Jefferson De Paula**

President of ArcelorMittal Brazil and CEO of ArcelorMittal Long steel and mining LATAM

**Jorge Oliveira**

CEO of ArcelorMittal Flat steel LATAM and Vice President of ArcelorMittal Brazil





# ArcelorMittal Brazil

Vega Unit  
Sao Francisco do Sul (SC)



# ArcelorMittal Brazil

GRI 102-2, 102-7

ArcelorMittal Brazil is a privately held company that leads the production of steel in Latin America, supplying various industrial segments: civil construction, agribusiness, automobile, domestic and naval appliances.

GRI 102-1, 102-5

In plants installed in the states of Bahia, Espírito Santo, Mato Grosso do Sul, Minas Gerais, Rio de Janeiro, Santa Catarina and São Paulo, the company has an annual installed capacity of more than 12.5 million tons of crude steel and 7 million tons of ore.

Through a wide distribution network, national and international, the company meets the demands of the market with innovative solutions in Flat and Long Steels. With a high-performance multicultural team of about 16,000 professionals, it also operates in the mining, power generation, information technology (IT) and renewable bioreducer production segments (charcoal from eucalyptus forests).

## Worldwide presence

The ArcelorMittal Group, a global leader in the steel and mining industry, is present in more than 60 countries in Asia, Africa, Europe and the Americas. With about 168 thousand professionals, the Group has industrial operations in 19 countries and maintains the forefront in the main steel markets, including the construction, automotive, household appliances and packaging segments.

In Latin America, the Group operates in synergy with more than 30 units in Brazil,

Argentina, Costa Rica and Venezuela.

In 12 research centers around the world, 1,300 researchers work on the development of industrial solutions capable of minimizing socio-environmental impacts, generating value for customers and ensuring sustainable growth.

Differential that keeps the Company in the position of technology leadership and innovation.

About 16 thousand employees

Sale of 14.1 million tons of products

Consolidated net revenue R\$69 billion

Operating cash generation (EBITDA) de 20.2 billion

## ArcelorMittal Brazil in numbers

annual production capacity exceeding 7 million tons of iron ore and 12.5 million tonnes of crude steel



# Our Businesses

GRI 102-2

ArcelorMittal Brazil's business is concentrated in the Long Steels, Flat Steels, Mining and BioForests segments, with capillary production in the Midwest, Northeast (Bahia), Southeast and South regions. To continue the expansion of business in the country, in 2021, the ArcelorMittal Group announced an investment of R\$7.6 billion in Brazilian operations until 2024, which have already started to be applied at the Monlevade Plant, located in the city of João Monlevade, and at the Serra Azul Mine, in Itatiaiuçu, both in Minas Gerais. Monlevade's production capacity will increase from 1.2 million tons/year of crude steel to 2.2 million in 2024. The Serra Azul Mine will have its production practically tripled, from 1.6 million tons/year to 4.5 million iron ore.





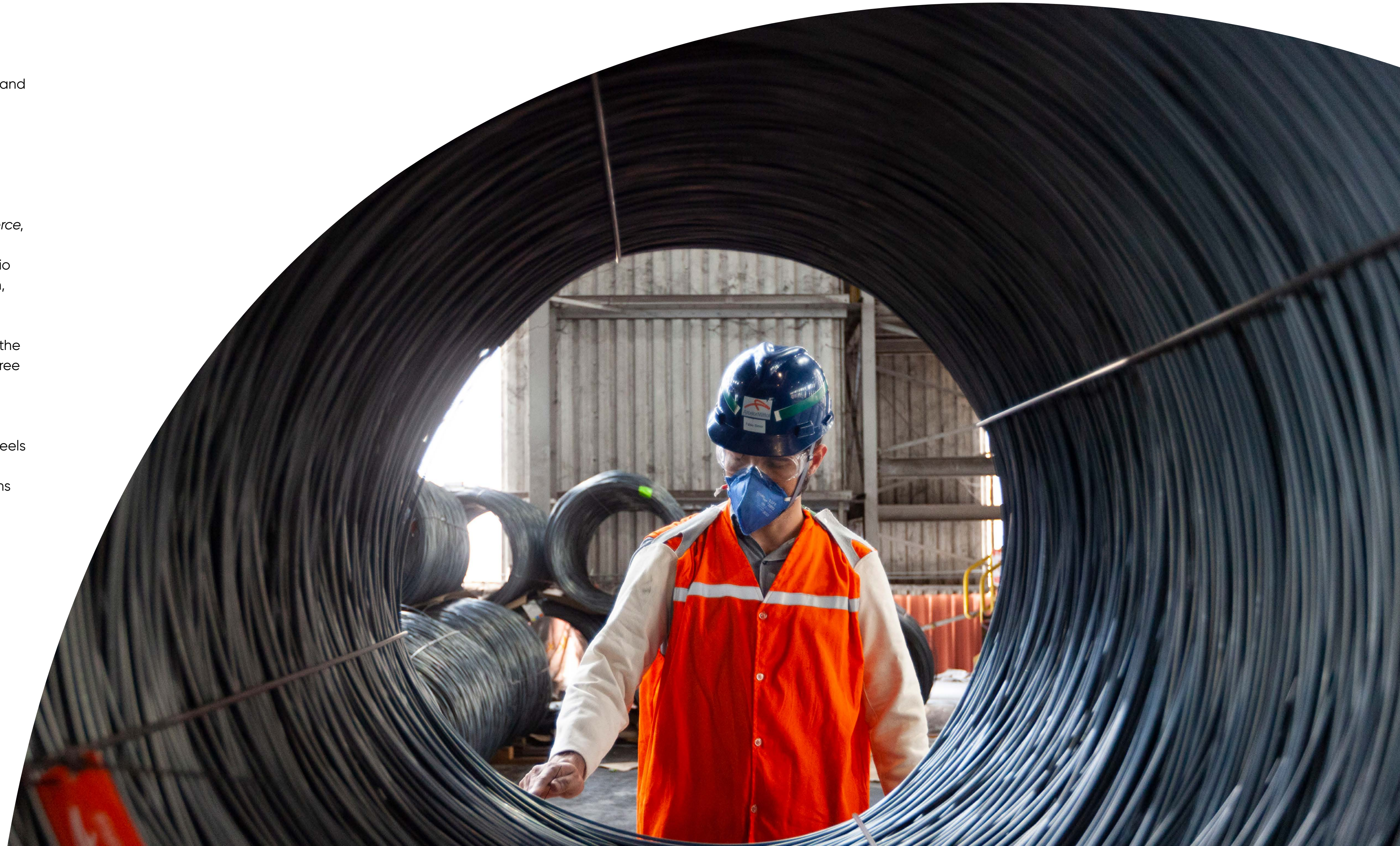
## Long Steels

The Long Steels segment provides customized products and services for the entire country, from industrial operations concentrated in five states: Bahia, Mato Grosso do Sul, Minas Gerais, Rio de Janeiro and São Paulo.

The company serves the most varied markets through a physical distribution network (107 commercial units, 21 service units and 16 retail stores) and virtual (*e-commerce*, including the Belgo Bekaert virtual store, launched in August), covering the entire national territory. The portfolio includes products for agribusiness, fencing, construction, automotive, welding, special applications and the oil industry. Through Belgo Bekaert, ArcelorMittal's strategic partnership with the Bekaert Group, the segment leads the production of wires in Latin America, being one of the three main global manufacturers of wire rod for *steel cord*, a solution that provides safety and stability to tires.

In 2021, ArcelorMittal celebrated 100 years of the Long Steels segment in Brazil. The company's history in the country was marked in December 1921, with the start of operations of the Long Steels segment at the Sabará Plant, the first integrated plant in South America and a pioneer in the manufacture of laminates with 100% Brazilian steel.

### 100 years of the Long steel segment in Brazil





## Flat Steel

As a supplier of a wide range of solutions for the automotive, shipbuilding, household appliances, civil construction, agricultural implements, among other sectors, the product portfolio of the Flat Steel segment has hot-rolled, cold-rolled and coated, in addition to plates, *blanks* and *slitters*. In a *joint venture* with Gonvarri Steel Industries, the operation has a service center specialized in stripping, cross-cutting, longitudinal and hot-rolled, cold-rolled and coated tooling processes. In a *joint venture* with Perfilor, the company still operates in the segment of metal roofs and facades, thermoacoustic systems and *steel deck* composite slabs. The production units are concentrated in Espírito Santo and Santa Catarina, and those of processing and distribution in Minas Gerais, Paraná and São Paulo. Customer satisfaction is assessed annually through surveys.





# Mining

To achieve self-sufficiency in iron ore and transform operations into safer and more sustainable mining, ArcelorMittal Brazil operates two deposits in the central region of Minas Gerais: the Andrade Mine and the Serra Azul Mine, with an annual production capacity of around 7 million tons of *sinter feed* and concentrate and 500 thousand tons of granulated iron ore.

The Andrade Mine has an itabirite processing plant since 2020, which increased the useful life of the deposit and brought better quality to the ore. The Serra Azul Mine is licensed by the State Environmental Policy Council (Copam) to expand one of its mining areas. This makes it possible to extract the ore in more superficial soils, improving the average quality of the final product marketed in domestic and foreign markets.

The Serra Azul Mine dam has been deactivated since 2012, and the tailings are disposed by the dry stacking technique. In accordance with the resolution of the National Mining Agency (ANM), the structure will be uncharacterized, which consists of the removal of all tailings from its interior. To start the process, the company is building a Downstream Containment Structure (DCS) near the dam. In 2019, the Emergency Action Plan for the Mining dam at level 2 was triggered after rigorous evaluation.

As a form of prevention, the residents of the district of Pinheiros, in Itatiaiuçu (MG), started to reside in properties rented by the company and received monthly emergency aid, as provided for in the Preliminary Agreement Term (TAP), signed with residents and the Federal and State Public Prosecutors. The document covers humanitarian, economic, environmental and technical aspects and was extended in the following year, expanding the benefits to the affected families. The service provided can be verified at <https://brasil.arcelormittal.com/serra-azul/reparacao-e-indenizacao>

In 2021, ArcelorMittal Brazil entered into an agreement for compensation and reparation to residents. The Complementary Agreement Term (CAT) includes criteria for housing, economic and agricultural activities, moral damages and part of collective damages – the final discussions on collective damages will be dealt with in a parallel agreement. Details of the agreement are on the [website](#) of the Federal Prosecution Office.





## BioForests

BioForests is the area responsible for the production of charcoal from renewable eucalyptus forests in the state of Minas Gerais, covering 16 municipalities, distributed in five administrative regions. It has an area of 100 thousand hectares of planted eucalyptus forests and 40 thousand hectares of permanent preservation and legal reserve. It is a reference in the adoption of sustainable management models, focused on social and environmental responsibility, and has effective performance in the communities where it operates.

BioForests is certified by international standards for planting, forest development, harvesting and production of charcoal, such as by the FSC (Forest Stewardship Council) certifier. Its Forest Research and Improvement Center includes a study of forest genetic improvement in order to obtain seeds, pollens and genetically superior grafts.





# Investments 2021

**New galvanization line:** the company resumed expansion works at the Vega unit in São Francisco do Sul (SC), with an investment of approximately R\$1.95 billion. With completion scheduled for the fourth quarter of 2023, the project includes a third plating line and a new continuous annealing line, the Cold Mill Complex (CMC), which will allow the combined processing of cold rolled and coated steels.

**Resumption of operation:** with an investment of R\$19 million, the operation of the steel mill of the Barra Mansa unit (RJ) was resumed, which was temporarily paralyzed since January 2019. The gradual return on activities, which responds to the increase in market demand for steel, generated about 130 direct jobs in 2021.

**Steel Cord Expansion:** with investment of R\$100 million, Belgo Bekaert began the expansion of its *Steel Cord* production units, steel cable for the reinforcement of tires for cars and trucks. The investment, which follows the growth plan of the Itaúna (MG) unit, includes the acquisition of a new brass line (wire covering with brass layer), dry drawing machines and new equipment for finished products.

**Serra Azul Mine (MG):** investment allocation for the construction of a new *pellet feed* production plant (noble product, with high iron content) that, in addition to increasing production capacity, will extend the life of the mine by 33 years, until 2056.

**Monlevade Plant (MG):** investment will allow the implementation of a new complete and integrated steel production line, making the long steel plant one of the largest in the country.

# Steel Geography

GRI 102-4, 102-6



## Principles and values GRI 102-16

To accomplish the purpose **Smart steels for the people and the planet**, ArcelorMittal Brazil maintains as a foundation of your business strategy the values:

- Sustainability
- Quality
- Leadership
- Safety

In the search to contribute to the construction of a more sustainable, integral and inclusive society, the company offers to the market solutions in high added value steel, adopts robust sustainability management and ethical corporate culture, based on: **honesty, transparency, respect, dignity and exemplarity**

**Sustainability management**  
ArcelorMittal Brazil's sustainability management is focused on the pillars of health and safety, diversity and inclusion, climate and innovation, based on the 10 Sustainable Development Guidelines (SDGs), established from the 17 UN Sustainable Development Goals. Each guideline establishes the commitment to achieving a more sustainable future, covering issues such as quality of life of employees and communities, responsible use of natural resources, value-added supply chain, scientific support and investment in new solutions.





# Corporate governance and *compliance*



# Corporate governance and *compliance*

ArcelorMittal Brazil's strategy is based on the practice of corporate governance that transcends mere legislative compliance, prioritizing ethical, fair and egalitarian behavior. The company's goal is to reconcile the supply of quality steel to the stimulus of socioeconomic development in the regions where it is present, in line with international best practices and the Group's global model. For this, it has a robust Integrity Program that directs its strategy and compliance. Read more [here](#).

## Administrative structure

GRI 102-18, 103-2, 103-3 | 405

To ensure sound, transparent and ethical governance, ArcelorMittal Brazil has a qualified team of directors, executives and committees, who make genuine efforts to maintain a business environment based on integrity, sustainability, competitiveness, security and respect. The Company belongs to the ArcelorMittal Group, which is present in more than 60 countries and seeks to maintain the highest standards of corporate governance, regardless of where it operates.

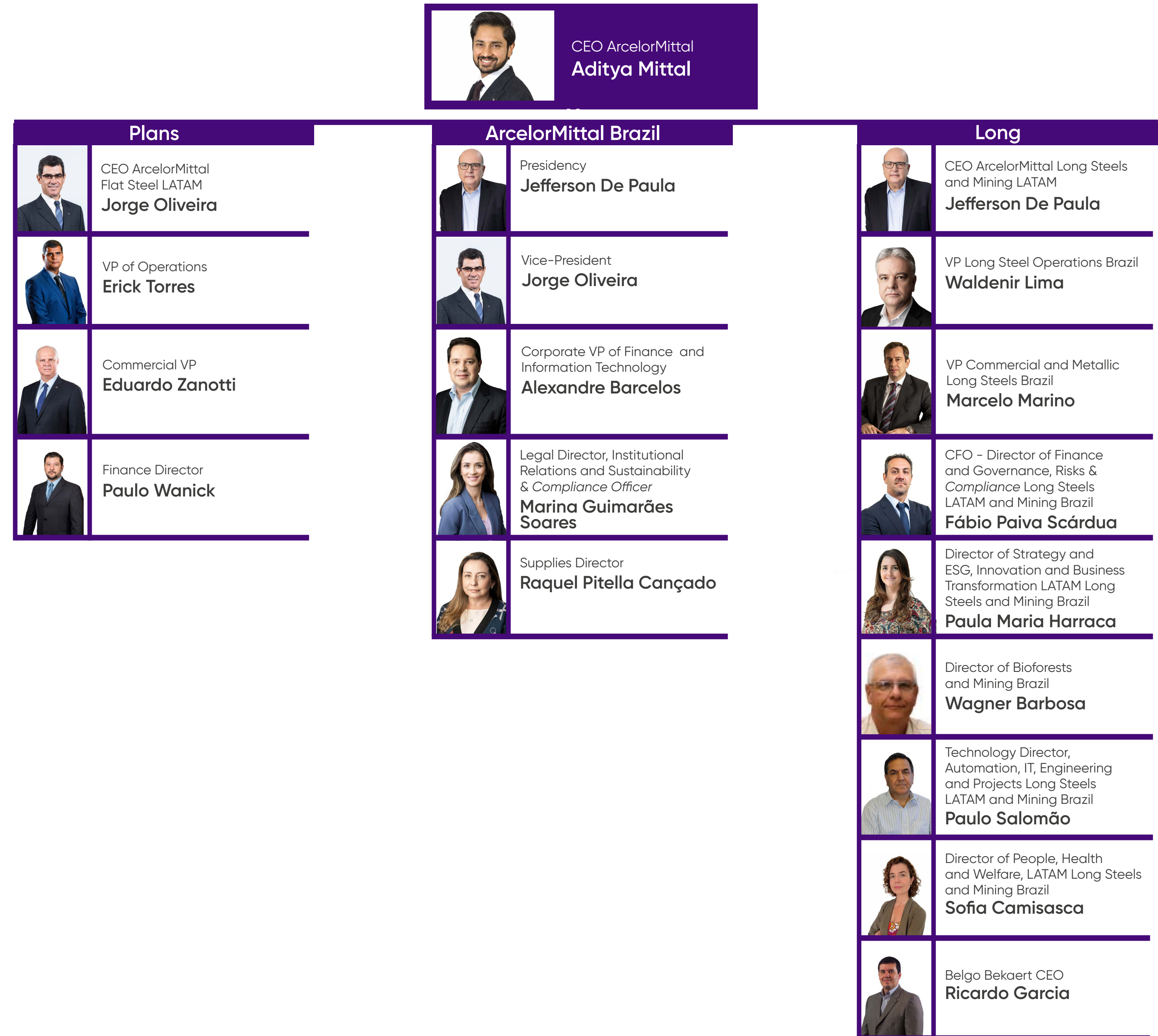
The corporate governance of ArcelorMittal Brazil is structured into four statutory bodies, namely: Shareholders' Meeting, Board of Directors, Executive Board and Fiscal Council. To advise these bodies, in 2021, there were seven advisory committees: Diversity and Inclusion Council; Supplier Committee; Image, Reputation and Sustainability Committee; Integrity Committee; Ombudsman Committee; Risk and Crisis Committee; and Information Security Committee.

In 2021, there were significant changes in the company's Executive Board. Benjamin Baptista Filho, who held the position of president of ArcelorMittal Brazil and CEO of ArcelorMittal Flat steel South America, retired after 38 years of career in the company, remaining as chairman of the Group's Board of Directors.

With this, Jefferson De Paula assumed, on October 1st, the presidency of ArcelorMittal Brazil, accumulating the position of CEO of ArcelorMittal Long steel and mining LATAM. Jorge Oliveira, in turn, was appointed Vice President of the *holding company* and CEO of ArcelorMittal Flat steel LATAM. Together, they add up to 64 years in the company.



# Organizational Structure



## Understand more about each body GRI 102-18

### Shareholders' Meeting:

it is the maximum decision-making body. It is through this body that shareholders meet and decide on the most relevant issues involving the Company's business.

### Board of Directors:

formed by three members, two of whom are independent. Its responsibility is to define strategic guidelines, monitor business performance, supervise the management of directors and analyze economic, environmental and social impacts.  
GRI 102-19

### Statutory Board:

responsible for the acts necessary for the regular operation of the Company. It consists of at least eight professionals chosen by the Board of Directors every two years.

### Audit Committee:

formed by three to five members, chosen by the General Assembly of Shareholders when it deems necessary. It is the independent body responsible for, among other things, overseeing the performance of the directors and examining the Company's accounts. It was not instituted in 2021.



# Ethics and integrity

GRI 102-16, 102-17, 103-2, 103-3 | 205

At ArcelorMittal Brazil, the Integrity Culture directs governance and *compliance* of the Company. Diffused and incorporated worldwide by senior management and employees, it is consolidated from the Group Integrity Program, established in 2007 (at the time called the *Compliance Program*) and periodically reviewed. Since 2014, the Integrity Culture is based on three pillars:

## Honesty and transparency;

in every gesture, action and word, the company complies with the rules of law, standards and ethics. Without the use of shortcuts or improvisations, indicators, communications and reports are transparent, objective and aligned with *compliance* at all levels.

## Exemplarity

individual action is always exemplary for collective action. ArcelorMittal Group leads by example, as does each of its employees. Transparent and objective communication of our values and commitments promotes positive influence throughout the corporate environment and in our relationships, leading to recognition.

## Respect and dignity

the Company seeks innovation to always do what's best for people and communities. Its performance values the respect and dignity of the human being, the environment and heritage. Relations with all audiences focus on the long term, respecting contracts and confidentiality.

# Integrity Program

Based on international best practices aimed at stimulating an ethical corporate culture, the program brings together several procedures and policies that evolve and become increasingly clear and comprehensive.

Available for download on the ArcelorMittal Brazil [website](#) among them are:

- Code of Conduct
- Guidelines for Compliance with Antitrust Laws
- Anti-corruption Policy
- Anti-Fraud Policy
- Human Rights Policy
- Whistleblowing Policy
- Personal Data Protection Procedure



# Complaint Channel

To control possible practices of ethical non-compliance, integrity and corporate governance, ArcelorMittal Brazil maintains a reporting channel aimed at internal and external audiences. Complaints are evaluated and investigated, ensuring confidentiality and protection of whistleblowers against possible retaliation. In 2021, the whistleblowing channel received 356 records and all were investigated and closed in the same year. It is possible to make the report by the following means:

**Phone:** 0800-891-4311  
**Internet:** [arcelormittal.ethicspoint.com](http://arcelormittal.ethicspoint.com)

**Correspondence:** Internal Audit - Forensic Services  
Carandaí Avenue, nº. 1115, 25th floor, neighborhood  
Funcionários, ZIP CODE: 30.130-915, Belo Horizonte/MG

## Data Protection Policy

In 2021, ArcelorMittal Brazil continued the project to adapt to the requirements of the General Personal Data Protection Law (LGPD), with the implementation of the new Group Privacy page on the company's website. In addition, a channel for exercising the Rights of Holders is also available on the website.

Several events and internal training on the subject were also held. Another completed action was the implementation of the personal data governance tool, One Trust.

The Company reinforces its commitment to engagement in building a genuine culture of privacy. Learn about our actions and Privacy Policy [here](#).

Number of complaints GRI 103-2	2020			2021		
	Contact us	Social Media	Total	Contact us	Redes sociais	Total
Number of complaints identified through the mechanism	Social media	160	338	356	210	566
Number of complaints addressed	Total	44	222	356	181	537
Number of complaints resolved	Contact us	160	338	356	210	566
Number of complaints recorded before the reporting period resolved during this timeframe	Social media	-	-			
Number of complaints that have been resolved	-	-	-			

<sup>1</sup> Contact Us Values and 2020 Totals have been reviewed. GRI 102-48



# Trainings

GRI 103-2, 103-3 | 205, 412

Employee training on the Integrity Program policies is defined according to the global *compliance* matrix, considering areas and functions most exposed to risks, and is given every three years. The matrix includes topics such as anti-corruption practices, standards of conduct, human rights, combating fraud, defense of competition, economic sanctions, privileged information and conflict of interest.

The training is carried out on admission and, annually, all employees who are completing the three-year cycle are called upon to recertify their knowledge about the Integrity Program. Courses, *workshops*, conversation circles and specific events on various topics are organized. Several trainings are also available on the ArcelorMittal University portal, with the goal of training 100% of ArcelorMittal's target audience. The entire board was communicated in campaigns that addressed aspects such as receiving gifts and offering entertainment, conflict of interest, combating fraud and standards of conduct.

GRI 205-2, 412-2

In 2021, 893 employees, among all functional categories, were trained in the main *compliance* topics. The highlight of the year's schedule was the International Fraud Awareness Week, organized by the Forensic area, together with the *Compliance* Legal Management, which featured *lives*, lectures and training.

Also in 2021, the implementation of RPA (Robotic Process Automation) provided the compliance policies training control more dynamism, through robot programming for the automation of the monitoring process and registration of training.

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## Practical Guide:

as a reinforcement to the awareness work of the entire team, in 2021, the company launched a practical guide to the Integrity Program. The material brings together the main policies and procedures that must be observed on a daily basis by the entire team, through objective messages and direct *links* to the main themes/ documents, in order to facilitate access to information.



# Risk management

GRI 102-11, 102-15, 103-2, 103-3 | 201, 201-2, 205, 207

For ArcelorMittal, risk management is part of a culture that brings together organizational skills and practices integrated into its strategy. The goal is to manage risk in creating, preserving and realizing value and is part of the day-to-day tasks of all areas and teams. Since 2008, ArcelorMittal has adopted a single risk management policy, applicable in all countries where the Group operates. The methodology, based on the main international norms and standards, includes the identification, evaluation of financial and/or non-financial impacts and the probability of events, as well as the necessary responses and periodic monitoring of risks.

Based on the Precautionary Principle – an approach introduced by the United Nations at Eco-92 to systematize preventive actions adopted by organizations – the company considers the various factors that may present risks of damage to the environment, image and reputation, health and safety of employees and other *stakeholders*.

The strategic risk maps of each business segment are periodically discussed and analyzed between the main process managers and the Governance, Risk and Compliance Management, and subsequently evaluated and reviewed in their respective risk committees, composed of the CEO and directors. In addition, the analysis and review of risk scenarios are present in the exercises of strategic planning and evaluation of investment projects (Capex), as well as in the unfolding of the methodology for tactical risks/related to the main assets and processes executed in the company.

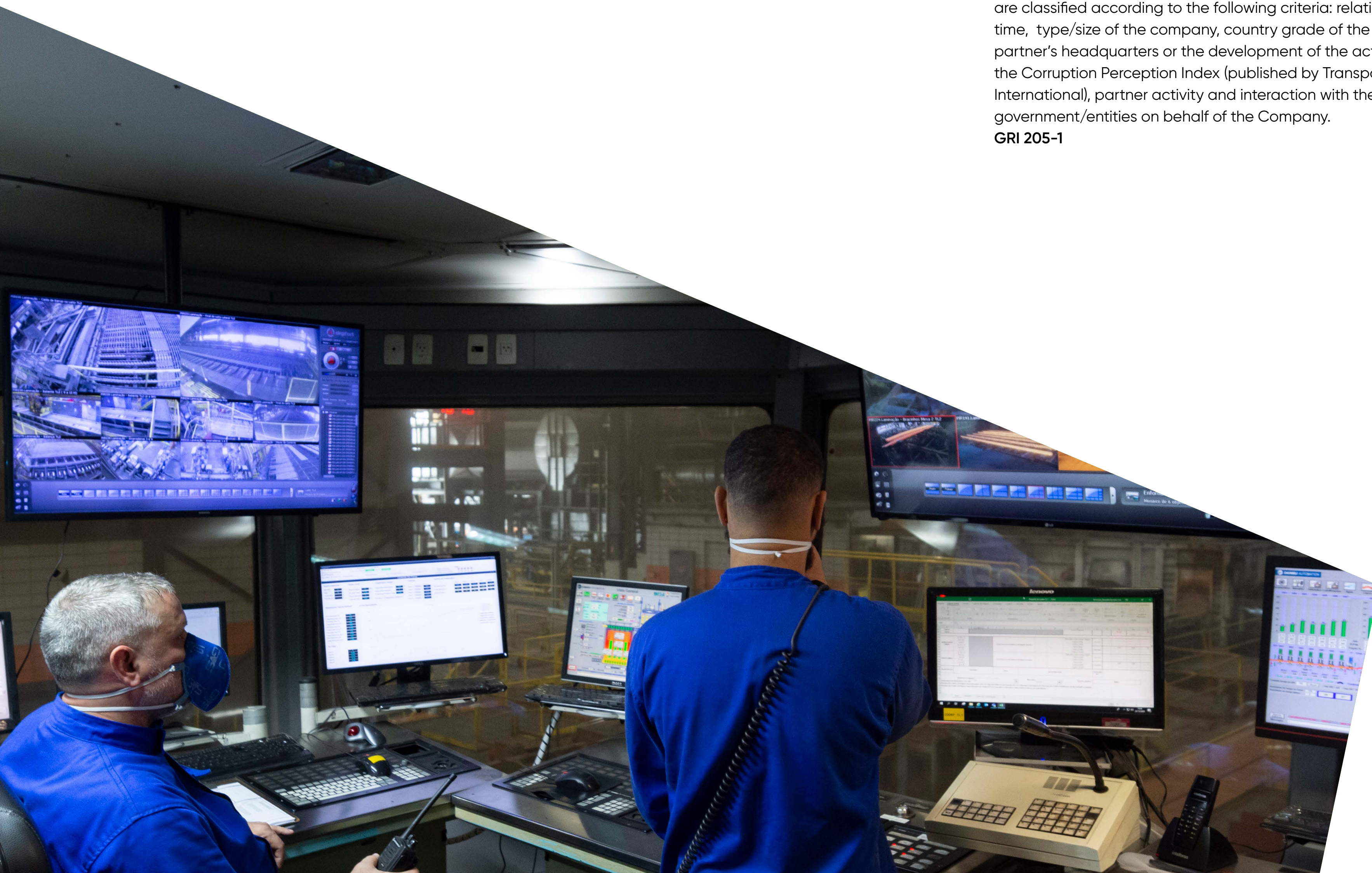
## Crisis Management and Business Continuity:

In the face of adverse, critical and high impact potential scenarios (covid-19, shutdowns, water crisis, impact of heavy rains), ArcelorMittal has developed a methodology for crisis management and business continuity, with the objective of speeding up decision-making in extreme events and adequate communication to stakeholders.

**Internal training:** in order to reinforce the methodology used and disseminate the risk culture, the Group periodically promotes *workshops* and training with several units and areas of the company.







**Suppliers:** to mitigate the risks of corruption, bribery and damage to the image, according to legal provisions in Brazil and abroad, business partners are evaluated according to risk classifications based on criteria established by the ArcelorMittal Group, through its Audit and Anti-Corruption Policy and Procedure. The matrix establishes that the risks are classified according to the following criteria: relationship time, type/size of the company, country grade of the partner's headquarters or the development of the activity in the Corruption Perception Index (published by Transparency International), partner activity and interaction with the government/entities on behalf of the Company.

**GRI 205-1**

This classification also determines the extent of evaluation and due diligence procedures. All active suppliers are reassessed every three years.

In 2021, 7,056 business partners were submitted to anti-corruption audits (43.61% of total partners). In the same year, ArcelorMittal Brazil participated in the pilot project to implement the global audit tool and continuous monitoring of business partners. This platform will be unique for all ArcelorMittal Group companies.

**GRI 205-1**

**Control and Technology:** the company adopts the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology in risk management and internal control. The methodology allows more effective monitoring of action plans in order to emphasize the responsibilities (*ownership*) of the areas and managers.

ArcelorMittal Brazil uses a risk management platform that aims to automate the *follow-up* routines of action plans, in addition to contributing to the digitization of the activity from the *"paperless" approach*. The system also includes strategic and tactical risk management models. In 2021, following the Digital Transformation strategy, ArcelorMittal included Asset/Operational risk management and Investment Project risks in the system, centralizing the different levels of risk management in a single tool.

Another innovation initiative to enhance internal controls was the implementation, in 2021, of the Robotic Process Automation (RPA), which provided more dynamism to the training of *compliance* policies, through robot programming for the automation of the process. Seven policies were applied for 100% of employees.





# People



# People

## GRI 103-2, 103-3 | 407

In people management, ArcelorMittal Brazil prioritizes investments aimed at the continuous search for increasingly safe, healthy and quality work environments. These are principles that meet a strong culture based on respect for human beings, trust and transparency. Within this premise, 100% of employees are benefited by collective bargaining. **GRI 102-41**

In 2021, in addition to ensuring a gradual return to face-to-face work, following all covid-19 prevention and control protocols, a hybrid *home office* system was started, with twice in the remote work week and the other days in person. This routine met a demand of 86% of employees, who, in a survey conducted in 2020, said they preferred a hybrid work model. The 30-hour workweek was also implemented, enabling this benefit to the employee who seeks a greater balance between personal and professional life.

In 2021, employees gained new work environments in Belo Horizonte (MG) and Diadema (SP). They are spaces planned for creative and collaborative activities, with special meeting places, training and social life, food, breastfeeding room and bicycle rack.

**Communication channels:** after listening to the perceptions of the entire team, ArcelorMittal Brazil innovated its way of dialoguing and interacting with employees, whether they are in offices, industrial units or at *home office*. To this end, it reformulated its communication channels, which began to include special content. In the Long steel segment, the Conecta News e-newsletter and the Conecta App were created, with access to services such as paychecks, vacancies, benefits and agreements.

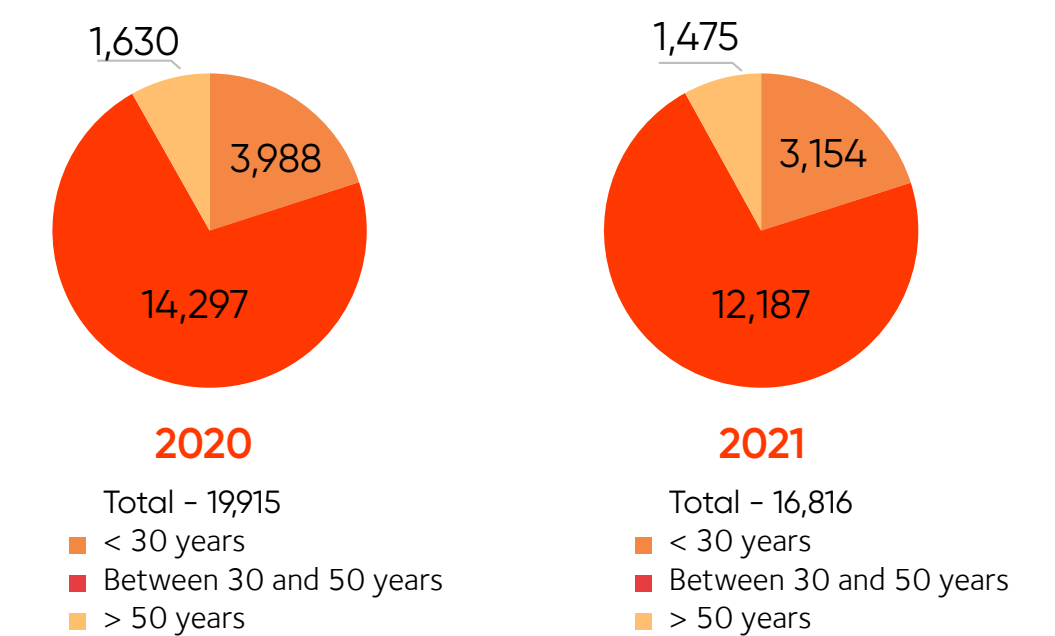
Employees by type of employment contract and gender GRI 102-8

Type of contract	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	2	1	3	54	11	65	16	3	19
Unspecified term	14,814	1,777	16,591	17,813	2,037	19,850	14,749	2,048	16,797
<b>Total</b>	<b>14,816</b>	<b>1,778</b>	<b>16,594</b>	<b>17,867</b>	<b>2,048</b>	<b>19,915</b>	<b>14,765</b>	<b>2,051</b>	<b>16,816</b>

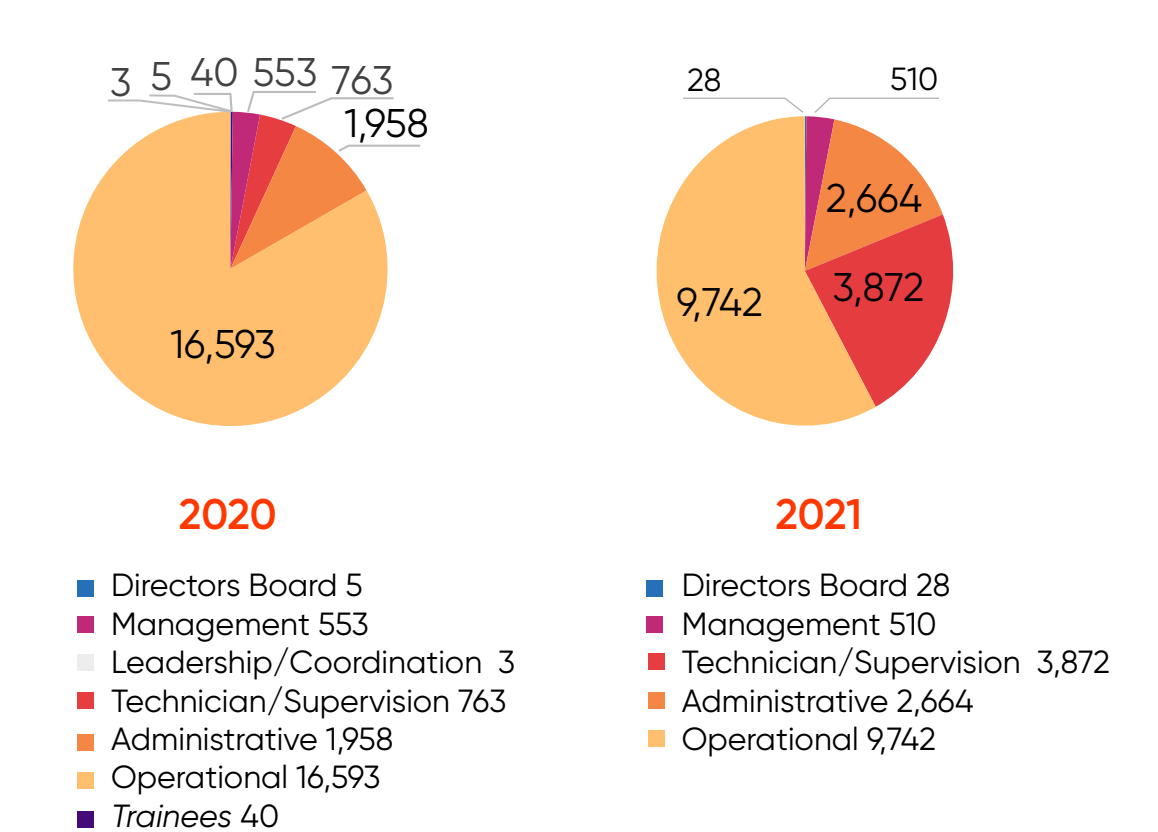
Employees by contract type and region GRI 102-8

Region	2019			2020			2021		
	Fixed-term	Unspecified term	Total	Fixed-term	Unspecified term	Total	Fixed-term	Unspecified term	Total
North	0	8	8	0	57	57	0	18	18
Northeast	0	571	571	0	1,657	1,657	1	591	592
Midwest	0	105	105	0	133	133	0	102	102
Southeast	3	15,217	15,220	51	17,370	17,421	18	15,404	15,422
South	0	690	690	0	633	633	0	682	682
<b>Total</b>	<b>3</b>	<b>16,591</b>	<b>16,594</b>	<b>51</b>	<b>19,850</b>	<b>19,901</b>	<b>19</b>	<b>16,797</b>	<b>16,816</b>

Employees by age group GRI 102-8



Employees by functional category<sup>1</sup> GRI 102-8



<sup>1</sup> There were no trainees at ArcelorMittal in 2021.



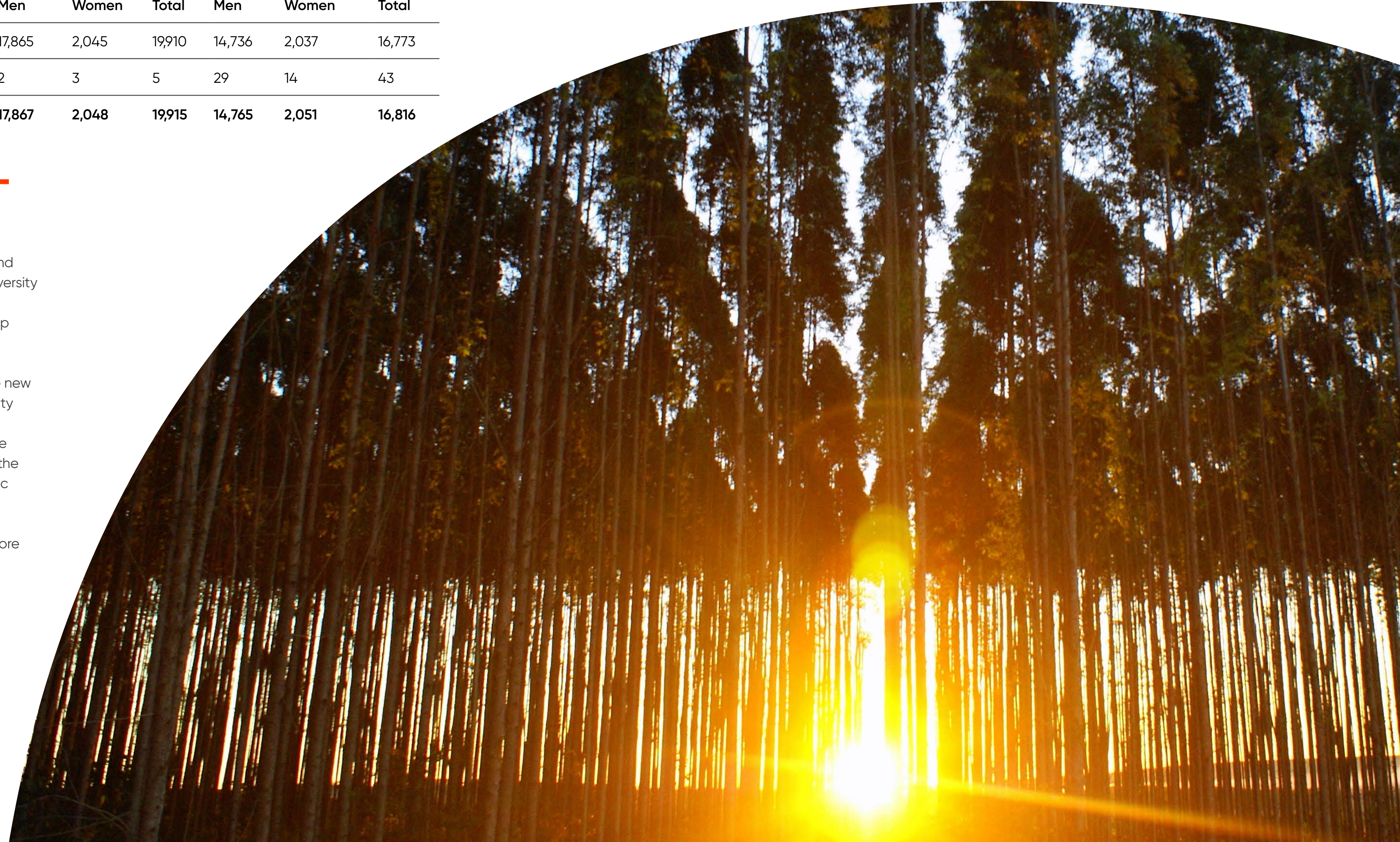
Employees by type of employment contract and gender GRI 102-8

Job Type	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fulltime job	14,803	1,773	16,576	17,865	2,045	19,910	14,736	2,037	16,773
Part-time job	13	5	18	2	3	5	29	14	43
<b>Total</b>	<b>14,816</b>	<b>1,778</b>	<b>16,594</b>	<b>17,867</b>	<b>2,048</b>	<b>19,915</b>	<b>14,765</b>	<b>2,051</b>	<b>16,816</b>

### Engagement survey

In 2021, the work of listening and ArcelorMittal team engagement has been enhanced with the support of *Speak Up+*, a more modern and effective survey. Dynamic and interactive, the format uses the Peakon platform, one of the best practices and research technologies available on the market. The periodicity of the survey goes from biennial to four applications per year. The questionnaire brings more comprehensive questions related to the Current

business challenges and addresses topics of diversity and inclusion, reward, recognition, relationship with leadership, health and wellness issues. Another feature of the new method is the possibility of *benchmarking* with other companies in the sector, which helps in the identification of specific strengths or risks, and in the elaboration and recommendation of more assertive actions.





# Health and Safety

GRI 103-2, 103-3 | 403, 403-1, 403-7

The health and safety management of ArcelorMittal Brazil is oriented towards prevention, based on the adoption of safe practices in its operations and aimed at improving the quality of life of employees. All actions aim to safeguard people's lives by providing safe and healthy workplaces, preventing injuries and illnesses and continuously improving performance, with the direct participation of leadership and all levels and functions of the organization. In addition, ArcelorMittal's SGSST - Occupational Health and Safety Management System is aligned with the standards ISO 45001:2018 e ISO 14001.

ArcelorMittal Brazil adopts clear guidelines on risks to the safety and health of its staff and on the systematic prevention of accidents. These guidelines follow the ArcelorMittal Group's global safety, health and occupational hygiene standards and are practiced by all business units in the country. Health and safety objectives and goals are established annually for each unit that are monitored at the Critical Analysis Meeting and deployed by all areas of the units. In addition to the performance of Cipa - Internal Commission for Accident Prevention, internal audits are carried out with a focus on certifications, legal compliance and the ArcelorMittal Group's global standards.

The ArcelorMittal Group has a worldwide safety standard that defines the Incident Analysis and Investigation process, involving four interrelated activities, with a focus/objective of

preventing the recurrence of this type of event: collecting incident data, describing the sequence of the incident, determining the casual factors and developing preventive and corrective actions.  
GRI 403-2

The PCMSO - Occupational Health Medical Control Program determines the necessary examinations to identify possible clinical changes related to the employee's risk exposure. Quality is ensured through internal audits and certification.  
GRI 403-3

Several programs and initiatives encourage the active participation of workers who are not part of the company's staff, but whose work and/or workplace are controlled by the organization, such as: Safety Culture Programs, Deviation Notices, FPS Groups (Fatality Prevention), Technical Groups for Industrial Process Safety, CIPA, Fire Fighting and Emergency Brigade, campaigns, Monthly Safety Meetings, among others.  
GRI 403-4

Occupational accidents <sup>1,2,3</sup> GRI 403-9	2020		2021	
	Employees	Workers	Employees	Workers
Number of worked hours	27,183,876	16,291,654	29,168,107	33,353,002
Number of serious work-related injuries (excludes fatalities)*	5	3	8	4
Work-related serious injury rate (excludes fatalities)	0.18	0.18	0.27	0.12
Number of registered work-related injuries (includes fatalities)	39	13	71	70
Registered work-related injuries rate (includes fatalities)	1.43	0.80	2.43	2.10

<sup>1</sup> Workers who are not employees but whose work and/or place of work is controlled by the organization

<sup>2</sup> 2019 data are not available.

<sup>3</sup> There were no deaths resulting from work-related injuries.



# Key Activities

## Trainings

The company invests in training its own staff and third parties to disseminate its culture and prevention practices. All employees are trained in specific training even before assuming their duties. The training covers several health and safety topics: use of PPE, golden rules, emergency procedures and behavioral training, among others. In addition, the company provides mandatory training such as working at height, working with electricity, access to confined space, crane operation, among others.

**GRI 403-5**

## Monitoring and control

Monitoring the performance of the SGSST includes compliance with legal requirements, identification and treatment of hazards and risks related to activities and operations, in addition to mapping the opportunities for improvements identified in the process to achieve the organization's objectives.

The performance of the SGSST is monitored through qualitative and quantitative indicators. The control of workers' health and safety occurs through the performance of measurements and monitoring of occupational risks; occupational health examinations; monitoring of health and safety objectives and goals; approaches and inspections; identification, analysis and treatment of anomalies; internal, external and new enterprise audits.

The company has tools for the management of processes and critical analysis meetings for the evaluation of results and implementation of the actions necessary to achieve the established goals. All these actions are managed in specific computerized systems.

## Dialogue and transparency

The company maintains communication, participation and consultation tools with the SGSST to ensure dialogue and transparency in the relationship with its employees and partners. The anomaly management system, for example, allows any employee communicates deviations related to safety and health, unsafe conditions or behaviors. Another communication channel is Cipa, formed by representatives of employees and the employer. The results are periodically monitored by senior leadership and discussed, at the global and local corporate level, in teleconferences, videoconferences, meetings, internal and external audits.



## Covid-19, wellbeing and mental health

ArcelorMittal Brasil, through Abertta Saúde, offers medical and hospital care with obstetrics to all its employees and dependents. In 2021, still in a pandemic scenario, the Association continued to be a technical reference on the subject and was responsible for creating dissemination materials on Covid-19, reinforcing the importance of preventive measures, clarifying doubts about the virus and vaccines.

It also supported its Beneficiaries with safe and reliable information discussed in the Health and Crisis Committees and developed a system for monitoring and accompanying the vaccination status of employees and their dependents, through the provision of a unique WhatsApp number for sending the vaccination card.

As part of the company's support for prevention and treatment measures, Abertta Saúde invested in virtual emergency care platforms in the specialties of Medical Clinic and Pediatrics, in addition to online psychological care and teleconsultations with its own professionals, aiming to avoid unnecessary visits to the emergency care service and an overload of

the health system. With the improvement of the scenario and greater flexibility of prevention measures, Abertta Saúde assisted in the analysis of the context to enable the return of the administrative teams to the offices, made the evaluation of the risk groups and the vaccination status of the employees, participated in the evaluation of the physical structure and suggested the necessary adjustments for the resumption to happen in an orderly and safe manner.

In addition, it invested in health promotion and education campaigns in internal communication channels and social networks, besides conducting livestreams on topics prioritized in the Ministry of Health calendar. It also technically supported the ArcelorMittal's Living Well Program, which aims to inspire the search and continuous learning of employees on how to live well, contemplating health and well-being in all its aspects: physical, emotional, spiritual, social and financial. It was also responsible by conducting the Whoqol questionnaire, an instrument of the World Health Organization, to measure the perception of quality of the lives of the Group's employees.

**Wellness Academy:** a project started in 2021, the Wellness Academy helps employees understand how well-being impacts personal and professional life, encouraging them to take care of mental, physical and emotional health. In addition to the creation of a learning channel, ten exclusive lectures of the program were given, with more than 15 hours, with the live participation of more than 1,000 employees. The evaluation of the shares received a 96% favorability index in the climate survey. **GRI 403-6**

Over  
**1 thousand**  
**employees**  
participated in  
exclusive lectures  
of the Welfare  
Academy program



# Professional development

ArcelorMittal Brazil invests in attraction, retention, development and appreciation of professionals with a set of benefits and opportunities. Development programs are based on cognitive neuroscience, in the process of *Lifelong learning*, a tool that helps in the construction of careers by focusing on self-knowledge, connecting the needs of employees to the challenges of the business.

Aligned with the cultural journey, the company maintains a solid succession planning process that maps key positions and professionals. The competency structure defines the necessary knowledge, skills and attitudes, serving as a guide in the search for specialized knowledge, as well as to evaluate performance more efficiently. The performance and potential evaluation is carried out through the GEDP (Global Employee Development Program) program, which, by connecting the strategic guidelines of the business with the areas and their professionals, provides the optimization of the results and the continuous improvement of the teams.

The training is carried out through coaching and experiences in online and face-to-face formats, in all units and with different focuses, such as: Supervision Academy, aimed at base leaders; Business Academies, for specific needs of the areas; Project With #Experience, focused on the sharing of good practices among managers; #SteelInterns, for interns; in addition to livestreams with Directors Board and Coffee with Management to approach the base employees and Talk Round with Supervision with the sharing of knowledge and availability of practical management tools. In 2021, some prominent initiatives were:

**Learning Week:** with the theme "Living and Learning", the event reached all units with the objective of disseminating the ten professional skills of ArcelorMittal and the five functional skills, which are Health and Safety, Diversity & Inclusion, Technological and Digital Knowledge, Project Management and Finance. Number of participants: 4,018. Satisfaction rate: above 97%.

**Innovation Academy:** promoting a culture that drives the company to achieve its strategic objectives related to Innovation and Industry 4.0 (Digital). Number of participants: 90. Satisfaction rate: above 92%.

**Digital Academy:** learning initiative promoted by the iNO.VC & GO project and the Digital Innovation and Transformation Laboratory aimed at acculturation of the workforce to better face the challenges of the digital world. Number of participants: 27 digital transformation leaders. Satisfaction rate: above 97%.

**Leadership Academy:** lectures and sharing experiences for leadership development and preparation of potential leaders. Number of participants: 2,200. Satisfaction rate: above 94%.

**Entrepreneurship:** partnership with Link School of Business, the first entrepreneurship college in Brazil, operates with entrepreneurship of impact, sharing experiences with the academic community, training executives and the joint realization of innovation challenges aimed at *startups*.



## New Talents

In 2021, ArcelorMittal Brazil started a partnership with the startup Eureka to improve the program # SteelIntern, important entrance door for employees. Specializing in the selection and recruitment of *millennials*, Eureka sought young practitioners of new technologies for this edition of the program, which contains technical and behavioral training and the realization of multidisciplinary projects.

The Gateway program is carried out in partnership with Senai and SENAR, as well as the Adolescent Apprentice and Technical Sustainability programs.

In order to contribute to the sustainable development of São Francisco do Sul (SC), since 2018, the Technical Sustainability Program identifies, selects and develops young talents, promoting professional qualification and expanding the prospects for the future for the new generations of Franciscans. Currently the Technical Sustainability operates on two fronts, both in partnership with the local Senai: the Young Apprentice Program, in an innovative and vocational format, and the Technical Course in Electromechanics, which offers a technical and citizen training that meets the main requirements of the market in the region.

The work begins with the identification and selection of students from the municipality interested in participating in one of the two models offered by the program. In the Technical Course in Electromechanics, all students undergo a selection test, and those who pass receive a full scholarship to the course. Students with the best performers still have the opportunity to be an intern in different areas of ArcelorMittal Vega, increasing their chances of winning a permanent position in the company.

Since its creation, more than 70% of participants in the program have conquered a position at ArcelorMittal Vega or in companies in the region. The initiative has influenced directly the increase in local hiring. In 2020, 90% of the new employees hired in Vega were residents of the municipality. In 2021, this index was 81%.

At ArcelorMittal Systems, the Connect&Up program was launched in 2021, which aims to train professionals who want to enter the IT market. In the first edition, participants had the opportunity to work with Analytics/ Data Engineering or SAP, considered one of the largest business management systems in the world.





# Diversity & inclusion

GRI 103-2, 103-3 | 405, 406

Since the creation of its Diversity & Inclusion Program (D&I) in 2019, ArcelorMittal Brazil has made a commitment to ensure that all people, more than respected in their individuality, are welcomed and valued. Promoting inclusion, equity and respect means betting on the sharing of values that collaborate with the construction of a more just and less unequal society. It is a way to integrate purpose and authenticity within the company.

ArcelorMittal Brazil's D&I Program operates in four dimensions: Racial Diversity, Gender Equity, LGBTI+ and Person with Disability. After assuming four important external commitments in 2020 (UN Women, Business Forum and LGBTI+ Rights, Social Inclusion Business Network (REIS) and Business Coalition for Racial and Gender Equity), ArcelorMittal Brazil created, in 2021, areas dedicated to the theme in the Long and Flat steel segments, with the objective of speeding up D&I initiatives.

## GRI 102-12

The proof of maturity in the corporation was the definition of our first gender goal: to have at least 25% of women in leadership positions by 2030.

Among the initiatives of awareness and engagement, the issues related to D&I became part of training programs, entering the grid of the Academy of Supervision and the Programs of Development and Preparation for Leadership. Lectures, conversation circles and awareness actions are frequent, with emphasis on major events held on International Women's Day, International LGBTI+ Pride Day, Disabled People's Fight Day and Black Consciousness Day.

The main policies and standards that deal with diversity and equity of opportunities are: Code of Conduct, Diversity & Inclusion Policy and Human Rights Policy, available for [download](#) at this [link](#).

**Thus, the company continued to advance on the D&I agenda in 2021, and developed actions such as:**

- **First LGBTI+ Census of the company, with voluntary and anonymous participation, to map the size and distribution of the LGBTI+ public;**
- **Re-registration of personnel under the light of D&I to better understand the profile of employees and employees, and thus outline more effective inclusion actions;**
- **Formalization of partnership with TransEmgos, the largest and oldest portal for the employability of trans people in the country;**
- **Individual accessibility survey: mapping of the main individual and specific resources in the work environment, so that people with disabilities can develop their activities with better working conditions, comfort and quality;**
- **Learning channel: creation of an online channel to train the teams at ArcelorMittal University. The space brings together trainings, access to live performances, lectures, podcasts, series tips, films, documentaries and books.**

Percentage of employees by functional category and gender <sup>1</sup> GRI 405-1 2021 <sup>2</sup>				
		Men	Women	Total
Directors Board	Number	21	7	28
	Percentage	75.00%	25.00%	100.00%
Management	Number	430	80	510
	Percentage	84.31%	15.69%	100.00%
Technical/supervisor	Number	3,349	523	3,872
	Percentage	86.49%	13.51%	100.00%
Administrative	Number	1,795	869	2,664
	Percentage	67.38%	32.62%	100.00%
Operational	Number	9,170	572	9,742
	Percentage	94-13	5.87%	100.00%
<b>Total</b>	<b>Number</b>	<b>14,765</b>	<b>2,051</b>	<b>16,816</b>
	<b>Percentage</b>	<b>87.80%</b>	<b>12.20%</b>	<b>100.00%</b>

<sup>1</sup> Data do not include outsourced workers, apprentices, trainees and employees on leave.

<sup>2</sup> The company does not have management of this indicator from previous years (2019 and 2020).

Percentage of employees of minorities and/or vulnerable groups <sup>1</sup> GRI 405-1 2021		
	Number	Percentage
Women	1,701	12.84%
Black People	7,146	53.94%
People with Disabilities	613	4.63%
LGBTI+ people <sup>2</sup>	112	3.06%

<sup>1</sup> The company does not have management of this indicator from previous years (2019 and 2020).

<sup>2</sup> The number of LGBTI+ people does not faithfully represent the reality of the company, as the census that collected the data in 2021 was anonymous, allowing duplicate responses, in addition to the marking "I prefer not to answer". In addition, as it was an optional/voluntary census, it was answered only by the employees, not corresponding to the total number of people in the company.



## Outstanding Programs in Gender Equity

- **Women in the Steel Industry:** qualifies women operators through an agreement with Senai (National Service of Industrial Learning). The initiative was attended by 23 women in 2021, all in the process of being hired by the company.
- **Women in Engineering:** Project with ten published *podcasts* and five webseries and exclusive reporting carried out at Rede Gazeta of Espírito Santo. Introduces stories of women's achievements in engineering to encourage others to join in the career.
- **Mentoring program:** aimed at women participating in succession plans is developed from Woman Career Pathing with the goal of career acceleration. It reached 43 women in 2021.
- **STEAM Girls:** focused on the training of children and young daughters of the company's employees and students of public schools in Minas Gerais, Rio de Janeiro and São Paulo (read more on page 61).
- **Technical Trainee for Women:** Launched in November 2021, ArcelorMittal Vega's program aims to stimulate the insertion of women in technical careers in the steel industry. Lasting two years, the first edition provided positions for graduates from 2018 to 2022 in technical courses from: Mechanics, Electrotechnics, Electronics, Industrial Automation, Electromechanics, Mechatronics, Chemistry, Metallurgy or Occupational Safety Technician. In 2021, 200 women enrolled in the initiative, 15 were hired and are dedicated to the unit's expansion project.







# Innovative Solutions



# Innovative Solutions

Innovation is at the heart of ArcelorMittal Brazil's strategy. Different actions and programs to encourage technological development and relationship with the main science and technology institutions and innovation *hubs* in Brazil and the world ensure the development of various projects.

In 2021, the Longs segment created the Strategy, ESG, Innovation and Business Transformation Directorate, internally considered as the "Future Directorate", as it brings together in the same team the mission of enhancing the business strategy in synergy with innovation. The initiative reinforces the company's innovation culture, which contributes to the effective improvement of processes and products, allowing the development of high quality solutions and the sustainability of production units.

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## Sustainable construction

ArcelorMittal Brazil offers the construction industry the Steligence® methodology to meet the demand for sustainable construction. The methodology evaluates the life cycle of the enterprise based on three pillars (environmental, economic and social) to support

developers, architects, engineers and builders in the development of innovative solutions. Steligence® allows you to optimize all phases of a project, considering architectural flexibility, speed of construction, reduction of environmental impacts, among others.



MRV Arena  
Belo Horizonte (MG)



# Products and services

GRI 103-2, 103-3 | 416

By prioritizing the application of innovative and responsible technology, ArcelorMittal Brazil develops solutions that anticipate trends in steel production. The company is in line with the challenges of sustainable development, offering eco-efficient solutions for numerous applications in civil construction, agribusiness and in various industrial segments, such as automobiles, appliances and power generation.

ArcelorMittal Brazil maintains strategic partnerships, such as the agreement with the University of São Paulo (USP) through the Building Tomorrow Chair, which aims to increase the productivity of the sector, develop new solutions, promote research and support the training of professionals for the present and future of civil construction. The projects have a national scope and have the active participation of specialists from Brazil, in addition to the professors who are internationally recognized. In 2021, this partnership was responsible for the launch of the CA50/S-AR rebar, a high-strength solution that allows creating innovative projects in a safer and more sustainable way.

The new high-performance product has been applied in works of different segments, presents 40% higher flow resistance compared to the conventional CA50. For some design conditions, gains of around 20% are obtained, reducing the volume of steel in foundations, prefabricated concrete elements, among other applications. Rationalizations represent economic gains of the order of 10% to 15% of costs and lower environmental impact through the concept of dematerialization, which reinforces ArcelorMittal's commitment to sustainability and decarbonization.

Another initiative linked to USP's Center for Innovation for Sustainable Construction resulted in the company joining 40 more organizations linked to the Modular Construction Alliance, with the objective of establishing multidisciplinary cooperation for the advancement of this construction modality with the application of steel solutions and economic gain. In 2021, the company made a new partnership with USP, by launching the Ideathon USP and ArcelorMittal program that encourages students to propose intelligent, innovative, sustainable solutions that have great application potential. More than 80 students participated with ideas related to smart construction, industry 4.0, new business models and sustainability.

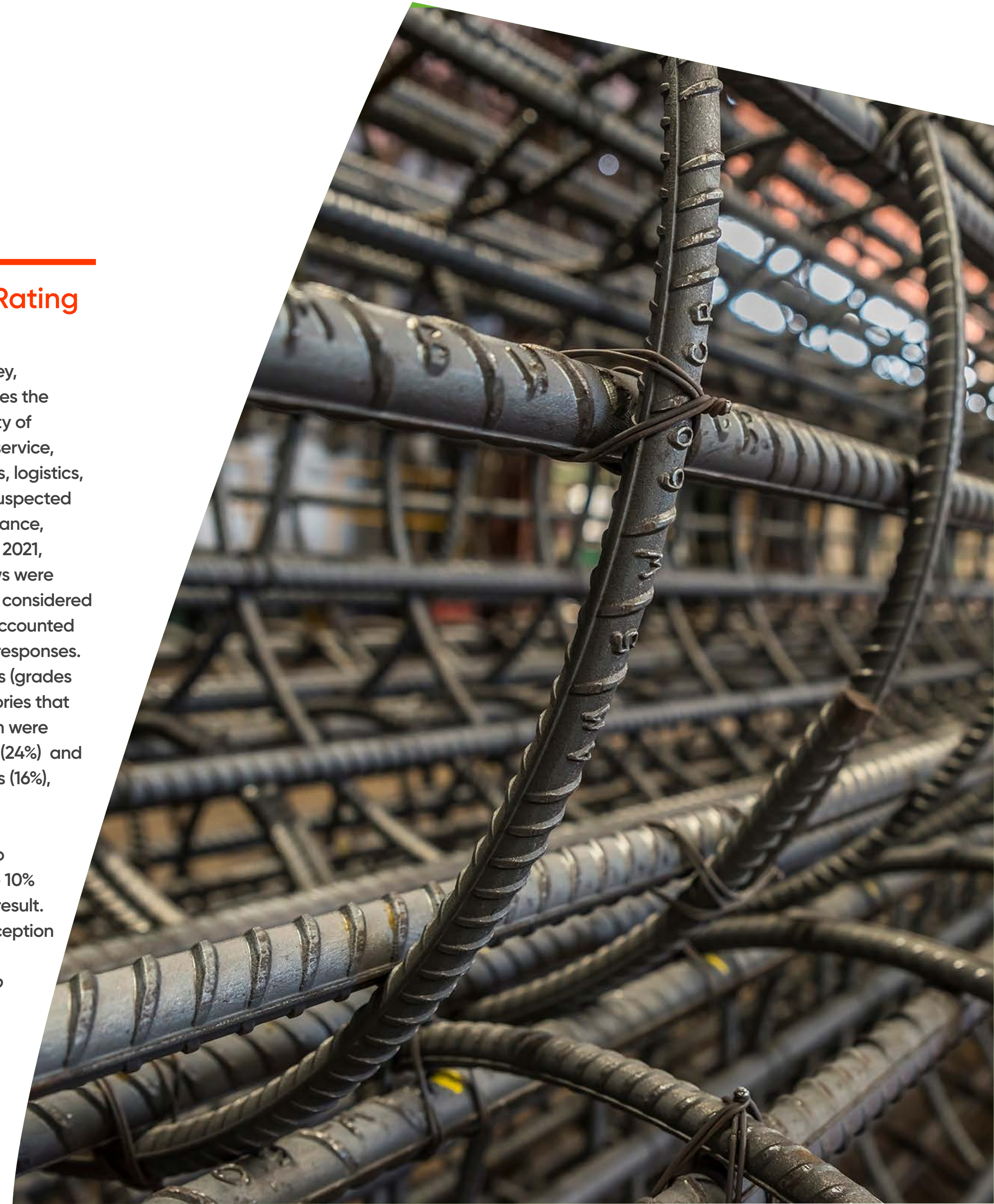
Partnership between the ArcelorMittal Innovation Center for Industry (Ciami), the Senai Innovation and Technology Center (cit), the UFMG CTNano (Federal University of Minas Gerais) and the Brazilian Industrial Research and Innovation Company (Embrapii) made it possible, in 2021, to create a technological *roadmap* and other R&D projects. As a result, the company gained the opportunity to develop nanomaterial projects applied to the steel industry, developing solutions aimed at eliminating internal losses in the plants and improving customer service. Ciami's work in Belo Horizonte (MG), focused on three pillars (Research, Development and Innovation; Laboratory Analysis; Technical Training) aims to help the company solve challenges to maintain its competitiveness. Six projects were carried out with Ciami in 2021 and another six were approved to be developed in 2022.

## Satisfaction Rating

GRI 102-43, 102-44

Through the NPS survey, the company evaluates the experience and loyalty of customers, covering service, commercial conditions, logistics, marketing, product, suspected fraud, technical assistance, among others. During 2021, 6,869 customer reviews were collected. Customers considered satisfied (scores > 7) accounted for more than 80% of responses. Among the detractors (grades 0-6), the main categories that caused dissatisfaction were delivery (32%), service (24%) and commercial conditions (16%), among others.

For 2022, the goal is to achieve an NPS score 10% higher than the 2021 result. Regarding brand perception research, Belgo was recognized as the *top of mind* of steel wire brands by 45% of respondents.





# Innovation and Technology

ArcelorMittal Brazil encourages continuous dialogue with communities, public agencies, entities and academia to improve investments in new process management solutions, business models and product development.

Technological spaces of excellence are maintained: Açolab, a pioneering open innovation laboratory in the steel industry; the iNOVC Program, focused on accelerating digital transformation; ArcelorMittal's Research & Development Center for South America and ArcelorMittal Systems, which offers IT solutions for Group units in several countries. In October, Belgo Bekaert inaugurated in Contagem (MG), the Innovation Space, an environment to integrate employees into the innovation ecosystem, in search of the development of disruptive projects that bring solutions to both the company and the market.

In 2021, ArcelorMittal's first Innovation Marathon was held, with 2,000 participants, eight classes, more than 5,000 accesses and 900 certificates issued.

## Açolab

Açolab, a reference in the steel industry and in the Group itself, is the world's first open steel innovation hub. In three years of activities, the Long Steels innovation laboratory has connected with about 12,000 startups, research centers, universities and other institutions, focusing on bringing innovative solutions to the business, through the improvement of processes, products and gains for customers involving various areas of the company, such as production, commercial, supplies and logistics.

In 2021, 28 MVP (*Minimum Viable Product*, a simplified version of a company's final product) were worked on. These products account for potential gains of R\$16 million. Among the highlights are the Optimization of Carbonization Curves and Retail Freight Hub projects, that provided important potential gains to increase the efficiency of charcoal production and improve customer service.

To continue making increasingly innovative and assertive deliveries, the new structure inaugurated for the lab in 2021 stands out, with three fronts of action, represented by the horizons of innovation: helping the company to maintain and optimize the business, taking advantage of existing products and services and adapting the organization to new technologies that are already validated in the market; work with new opportunities, expanding the portfolio of products, services and customers, and seek solutions and strategies in business outside the company's domain, integrating new knowledge and technologies to the current core.

Another highlight of the year was the launch of Açolab Ventures, a R\$100 million startup investment fund. Created with the objective of generating strategic and financial value for ArcelorMittal Brazil, Açolab Ventures starts from the concept of Smart Money, in which the company invests financial resources and its expertise to help startups and small companies to promote faster and sustainable growth. The Corporate Venture Builder areas were structured, focused on the construction of new businesses and spin-offs, using the same methodology applied by startups; and Disruptive Projects and New Businesses, to capture opportunities related to strategic technologies/markets in which the Company does not yet operate.

## Research and Development Center (R&D)

In 2021, the Research and Development Center located at the Tubarão (ES) Unit completed six years meeting the demands of the Flat and Long steel units in South America. The team of researchers operates throughout Brazil and, integrated with the other R&D centers of the ArcelorMittal Group, operates through partnerships, developing work with academic institutions and research and technology institutes. The R&D Center works with three fronts: process development, product development and applications. The focus is on the search for innovations that increase competitiveness, security and add even greater value to the company's products. By 2021, R\$120 million was invested

in research and development and about 100 deliveries/year were made in various solutions. Among the projects, 54% are in the area of products and applications, 36% in the area of processes and 10% are in exploratory analysis (new opportunities and technologies), speeding up the implementation in Brazil of the innovations and solutions developed by the Group. The R&D center closed the year with more than 170 ongoing projects and partnerships with 27 universities, institutes and laboratories.



Açolab is a technological space of excellence, a reference in the industry of steel and the first hub of open innovation



### ArcelorMittal Systems

ArcelorMittal Systems is ArcelorMittal's technology company, which develops and integrates innovative IT solutions aligned with the business strategy for all ArcelorMittal units in Brazil and in several countries. Its service portfolio includes infrastructure and application support, cybersecurity, cloud solutions, SAP platforms and project development, in Brazil and abroad. Watch the [video](#) of ArcelorMittal Systems' purpose. In 2021, its highlights were:

- **Strategy and Culture:** In the second year of the ConnectMinds program, the AgileMinds Community produced ten episodes of the AgileMinds *podcast* (available for employees and external audiences) and held several Tech Talks to boost the Agile Mindset. The "One Page Leadership Strategy" was created with the definition of the purpose, style and behavior of leadership and started management by OKRs (*Objective and Key Results*) to generate more focus, transparency, collaboration and engagement.
- **Communication, attraction and retention:** monthly edition of the publication *ArcelorMittal Systems News*, in Portuguese and English, for all units; publication in the linkedIn page of posts on innovation and technology. Launch of the *Connect&Up* program, aimed at attracting and training new talent, which registered more than 200 entries.
- **Security initiatives:** development of more than 17 projects to improve security, reducing the number of vulnerabilities per device scanned by 25%; project management LGPD (General Personal Data Protection Law), in conjunction with the Legal Department.
- **Digital transformation:** implementation of the virtual attendant Steela Chatbot TI, with 242 flows and continuous development, in order to improve the user experience; through RPA (*Robotic Process Automation*) technology there was a reduction of more than 28 thousand manual work hours per year.

- **Operational excellence:** annual average availability of all systems of 99.9981%, which corresponds to 9 minutes and 59 seconds of unscheduled unavailability per year. Service Level Agreement annual average record of 97.68%

**Certifications:** achievement of the SAP Customer Center of Expertise Certificate; maintenance of ISO 27001 (Information Security) and ISO 9001 (Quality) certifications.

### iNO.VC Program

The segment's digital transformation program plans promotes the connections of the digital ecosystem to the units of Tubarão (ES), Vega (SC) and Contagem (MG). In 2021, the second year of activities, 22 projects were worked on, 11 in partnership with *startups* and companies. The iNO.VC program held 40 events in the year, 257 connections with *startups*, habitats and universities, and launched seven national challenges. The program has contributed to increase the competitiveness of the industry of Espírito Santo and Santa Catarina, making it stronger, innovative and technological. An attention that gained even more strength with the award, in 2021, of the iNO.VC ArcelorMittal Digital Transformation Trophy. Created to stimulate the culture of innovation and recognize those who stood out in the digital transformation of the states of Espírito Santo and Santa Catarina, the award was given to 23 companies, *gyms*, *startups* and institutions.

Also through the iNO.VC Program, the Tubarão (ES) plant has been acting as a partner of the Industrial Entrepreneurship Program of Findeslab, innovation *hub* of the Espírito Santo industry created by the Federation of Industries of the State of Espírito Santo (Findes) and the National Service of Industrial Learning (Senai). The program is a successful initiative in the state that has made it possible to connect large companies' challenges to startup solution proposals. The plant is also integrated with several initiatives to promote innovation, such as its leading role in the state, leading the Mobilização Capixaba pela Inovação (MCI) movement, an action that seeks to create conditions that stimulate innovation and contribute to the emergence of a new economic cycle and prosperity for society.

No Sul do país, a unidade Vega atua em parceria com a Acate (Associação Catarinense de Tecnologia), uma rede de apoio ao ecossistema local que gera conexões visando fortalecer o setor de tecnologia no estado. A empresa também atua com o LinkLab ACATE, primeiro laboratório aberto de inovação de Santa Catarina e que conecta grandes empresas e *startups* para, de forma conjunta, buscar e desenvolver as melhores soluções digitais para os desafios que se apresentam.





# Supply Chain Management

GRI 102-9, 103-2, 103-3 | 204, 308, 408, 409, 412, 414

ArcelorMittal Brazil requires from its suppliers the compliance with minimum standards related to health and safety, human rights, ethics and the environment. To this end, the company encourages working together with its suppliers to identify and develop continuous improvements to the performance of its responsible sourcing program.

ArcelorMittal Brazil's supply chain has more than 15,000 suppliers, of various segments and sizes, distributed in various regions of the country and abroad, which allows the company to contribute to the improvement of social and environmental standards in various communities. In 2021, 3,500 new suppliers were registered. Of the total spent on suppliers in the year, which exceeded R\$33.2 billion, 73.98%, corresponding to R\$24.56 billion, was allocated to local suppliers, and for ArcelorMittal Brazil, national suppliers are considered local. **GRI 204-1**

The purchasing structure is composed of global, regional and local levels, ensuring that the process is as transparent and efficient as possible. Contracted suppliers are classified by category, for example: materials, services, metals, energy, raw materials, logistics, refractories.

The entire purchasing process is supported by ArcelorMittal Standard Practices (PPA), which regulate the way in which activities and relations with the supplier market are performed. The company maintains its business relationship guided by the Group's policies. Among them, the commitment of the company to maintain its business relationship guided by the Responsible Supply Code, as well as by three policies that reinforce the commitment to Health and Safety, Environment, Anti-Corruption and Human Rights. In the contracts signed, there are human rights clauses, in which the contracted companies ensure not to

adopt any illegal work practices, including analogous to slavery and child labor, and objective expectations in the areas of environment and community. To drive responsible steel production and supply, the Shark unit follows the ResponsibleSteel™ standard, global steel industry certification, and *Responsible Sourcing* program.

**GRI 412-1, 412-2, 412-3**

ArcelorMittal Brazil participates and supports as a sponsor the Prodfor (Integrated Supplier Development and Qualification Program), launched in partnership with other organizations in Espírito Santo. Created in 1997, the program promotes the training and development of small and medium-sized local suppliers, based on the pillars of Supply Quality Management, Occupational Health and Safety Management, Environmental Management and Financial and Fiscal and Labor Management in the Supply Quality Management System (SGQF), which organizes the management routines and internal processes of the companies that supply goods and services, mitigating risks and complying with legislation. In 2021, Belgo Bekaert Arames implemented the Supply in Action program, aiming to evaluate and encourage our suppliers in sustainable pillars, such as: Innovation, Diversity & Inclusion and Environment, Health and Safety.

In 2021, the Supply Board, in partnership with the areas of Risks and Compliance, Legal, Environment and Health and Security, launched the new Supplier Portal, dedicated space for current and future suppliers to have quick, easy and accurate access to all company procedures and policies. The platform also offers direct communication with the Purchasing team and centralizes the pre-registration of new suppliers. Click [here](#) and get to know the portal.



**2021 Audits**  
**GRI 308-1**

55 suppliers of critical materials for the production of steel (iron ore, pig iron, lime, limestone and scrap) audited from the environmental point of view in legal requirements, management system, social and environmental responsibility  
239 qualifications pre-registration of new suppliers carried out by the corporate team of the General Management of Institutional Relations and Sustainability.

Negative environmental impacts in the chain of suppliers and measures taken GRI 308-2	2019	2020	2021
Number of suppliers evaluated in relation to the environmental impacts	29	236	294
Number of suppliers identified as causing actual or potential negative environmental impacts	584	641	1,035
Significant negative environmental impacts, real and potential, identified in the chain of suppliers	The negative environmental impacts identified of the critical suppliers evaluated are due to of the environmental sensitivity of the main activity performed by them, since deals with virgin material extraction activities, use of charcoal as raw material and material handling potentially contaminated by oils and greases. It is considered real negative impact on the chain those suppliers that do not reach the minimum percentage of service in the audits carried out and not have complied with the agreed improvements or that they have not have valid minimum environmental documents.		
Number of suppliers identified as having negative, real and potential environmental impact, with which improvements were agreed as a result of the assessment	1	2	3
Percentage of suppliers identified as having negative, real and potential environmental impact, with which improvements were agreed as a result of the assessment	3.45%	0.85%	1.02%
Number of suppliers identified as causing actual or potential negative environmental impact, with which the relationships were terminated as a result of the evaluation	0	0	1
Percentage of suppliers identified as causing actual or potential negative environmental impact, with which the relationships were terminated as a result of the evaluation	0.00%	0.00%	0.34%
Reasons for the termination	Considering ArcelorMittal's commitments by promoting the sustainability of the chain of supply and its goals of reducing the carbon emissions, was closed, in 2021, the relationship with a supplier due to environmental sensitivity identified in internal audit.		
Representativeness, in volume of material, of suppliers identified on potential significant negative environmental impact	42.5 MI	27.2 MI	18.2 MI
Representativeness, in volume of material, of suppliers evaluated on potential significant negative environmental impact	27.8 MI	5.0 MI	4.8 MI



# Environmental management



Tubarão Unit (ES)



# Environmental management

GRI 103-2, 103-3 | 201, 201-2, 305

## Climate change

The steel industry has among its main challenges to accelerate the decarbonization process. Aware of this responsibility, the ArcelorMittal Group announced the goal of a 25% reduction in the intensity of CO<sub>2</sub> emissions for 2030. The Group also made a commitment to be carbon neutral by 2050. The challenge is part of the ArcelorMittal Group's second global climate action report, released in 2021. Five main levers are identified as the supports to achieve the emissions neutrality target:

- **Transformation of steel production: includes, in a first phase, the transition from mineral coal (in blast furnaces) to natural gas (in a DRI plant – sponge iron production) as a precursor to DRI using green hydrogen.**
- **Transformation of energy use: fossil fuel-based energy replaced by low energy and zero carbon, which includes green hydrogen, circular forms of carbon, and CCUS (Carbon Capture for Use and Storage) technologies.**
- **Increased use of scrap: increased use of scrap in the**

production process via integrated route.

- **Renewable energy: purchase of certified renewable energy and by direct purchase contracts (CCD) of energy with suppliers of renewable projects.**
- **Compensation of remaining issues: purchase of offsets or launching projects to generate high-quality carbon credits.**

To identify all steel activities and products manufactured with low CO<sub>2</sub> emissions, the XCarb™ brand was created, consisting of three initial initiatives: green certificates for steels that offer customers scope 3 emission reductions; steel produced in a recycled and renewable way, a pioneering product for the customer with low CO<sub>2</sub> emissions, less than 300 kg CO<sub>2</sub>/t steel; innovation financing for innovative zero CO<sub>2</sub> steel manufacturing technologies.

The consolidation of Greenhouse Gas emission indices takes into account the operating units that represent more than 95% of the company's emissions. The methodology used is described in the ArcelorMittal Group's *Basis of Reporting* document, based on WorldSteel Association recommendations for the Data Collection process. The methodology is adapted for the steel sector and is

compatible with the main global inventory demands.

Emissions reductions correspond to the follow-up of strategic projects based on Clean Development Mechanism (CDM) methodologies approved by the UNFCCC (United Nations Framework Convention on Climate Change). Two of these projects are registered as a CDM project, with the possibility of generating carbon credits. Seeking to expand the scope of the calculation, from 2019, the contribution to the reduction of emissions resulting from projects aimed at reducing the consumption of energy inputs, in particular, electricity and natural gas.

### GRI 305-5

The CO<sub>2</sub> Master Plan for the Long steel segment, integrated into the company's Environmental Excellence Program, involves the entire production chain, including Bioforests, metals and industrial units. The actions, 57 in the implementation phase, are focused on three main fronts: use of renewable energies, replacement of fossil fuels and expansion of the circular economy in the steel production process.

GHG emission indexes consider **95% of company emissions**





Direct emissions of greenhouse gases (tCO <sub>2</sub> equivalent) <sup>1</sup> GRI 305-1			
Scope 1	2019	2020	2021
Generation of electricity, heat or steam	-	-	405.476,23
Physical-Chemical processing	15,740,992.31	13,356,425.34	16,697,205.45
Transportation of materials, products, waste, employees and passengers.	67,958.00	57,732.68	55,351.52
<b>Total gross CO<sub>2</sub> emissions</b>	<b>15,808,950.31</b>	<b>13,414,158.02</b>	<b>17,158,033.20</b>
<b>Biogenic emissions CO<sub>2</sub></b>	<b>602,075.00</b>	<b>528,424.74</b>	<b>358,042.85</b>

<sup>1</sup> The 2020 data were revised due to the continuous improvement in the management of GHG emissions from ArcelorMittal Brazil. **GRI 102-48**

Indirect GHG emissions from energy acquisition (tCO <sub>2</sub> equivalent) GRI 305-2			
Scope 2	2019	2020	2021
	111,034.50	163,276.00	118,593.29

Outras emissões indiretas de GEE (t CO <sub>2</sub> equivalente) GRI 305-3			
Escopo 3 (a montante)	2019	2020	2021
Goods & services acquired <sup>1</sup>	1,266,597.62	543,665.04	4,857,174.96
Transport and distributing (upstream)	-	-	576,027.36
<b>Total</b>	<b>1,266,597.62</b>	<b>543,665.04</b>	<b>5,433,202.32</b>
<b>Biogenic emissions of CO<sub>2</sub></b>	<b>1,034,669.92</b>	<b>1,104,027.47</b>	<b>848,164.92</b>

<sup>1</sup> The emission calculation methodology was revised in 2021: emission factors were added for alloy irons and other raw materials.

GHG1 emission reductions (tCO <sub>2</sub> equivalent) GRI 305-5			
	2019	2020	2021
Reductions from direct emissions (Scope 1)	472,894	395,356	416,236
Reductions from indirect emissions of energy acquisition (Scope 2)	352,687	291,550	385,020
Reductions from other indirect emissions (Scope 3)	46,833	27,183	41,804
<b>Total reductions of GHG emissions</b>	<b>872,414</b>	<b>714,089</b>	<b>843,060</b>

<sup>1</sup> The gases considered were: CO<sub>2</sub> – carbon dioxide, CH<sub>4</sub> – methane and N<sub>2</sub>O– nitrous oxide.



# Environment and biodiversity

GRI 103-2, 103-3 | 304, 307

ArcelorMittal Brazil has an Environmental Policy that formalizes its commitment to society, bringing together attitudes, care and actions towards the environment. With sustainability as one of its values, the company constantly seeks to incorporate the excellence of environmental performance into its business strategy, considering that the steel production activity demands the use of natural resources intensely. The company has an Environmental Golden Rule that establishes guidelines on obligations, prohibitions, rights and duties when it comes to sustainability. The ArcelorMittal Group also has a guideline that determines ten premises for sustainable development, which serve as a basis for the establishment of environmental objectives and goals, available on the [website: https://brasil.arcelormittal.com/sustentabilidade/diretrizes-desenvolvimento-sustentavel](https://brasil.arcelormittal.com/sustentabilidade/diretrizes-desenvolvimento-sustentavel).

Biodiversity is monitored and evaluated through qualitative and quantitative surveys of wildlife (Turtle and Alligators), monitoring of marine biodiversity (*Phytoplacton, Zooplacton, Bentos and Ichthyofauna*), limnological of internal lagoons and monitoring of the implementation and effectiveness of green belts in the courtyards of the units. The management of biodiversity-related programs and initiatives is the responsibility of the Sustainability and Environment management, with involvement of all areas of the company through its environmental management system.

Among the impacts caused to biodiversity through the activities of ArcelorMittal Brazil, in 2021, there was the need to suppress some species of flora around the Coal Yard, the Ore Yard and the Coproducts Storage Center (Casp) of the Tubarão unit so that the site received the installation of wind barrier, a metal structure with screens that retain ore particles, preventing this material from being taken by the wind and contaminating the surroundings with so-called "black powder". In 2022, the company intends to make an evaluation of the reduction or increase of species, in a new study for fauna and flora survey.

## GRI 304-2

The Group's Environmental Policy determines compliance with environmental laws and regulations; efficient use of natural resources; commitment to management; and reduction of emissions. The initiatives have as guidelines the requirements of an Environmental Management System established from the ABNT NBR ISO 14001 standard, and the company also has certification in the ABNT Ecological Label for the Long segment. Launched in 2021, the Long steel Environmental Excellence Program is structured in five axes, whose indicators are monitored monthly by the directors.

In addition to compliance with laws and regulations at the federal, state and municipal levels, each business unit applies models for monitoring and controlling specific risks and impacts, according to its operations and location. These are robust initiatives that lead the company to seek referential certifications such as ResponsibleSteel and IRMA, in addition to Environmental Product Declarations (DAPs).

The ArcelorMittal Group actively participated in the construction of the ResponsibleSteel standard, the first international standard to establish certifiable requirements for processing and responsible steel production, within the ESG dimensions (from the English acronym for Environmental, Social and Governance). In addition to participating in the development of the standard, it has been leading the certification process of its units.

In 2020, the company became the first in the steel segment to participate in the Green Building Council Brazil (GBC Brazil), an institution that seeks to transform the civil construction industry with a focus on sustainability. In addition, in the same year, it was the first steel producer in Latin America to acquire the Environmental Product Declaration (DAP) for different products of Flat and Long steel. Product certifications are available on the company's [website](#). **GRI 102-13**

In 2021, the Tubarão unit underwent the certification process in the ResponsibleSteel standard, in which the company was subjected to a rigorous audit of its environmental, social and governance practices. In 2022, the plant became the first industrial plant in the Americas and outside Europe to obtain such recognition from this world organization, which is a reference for the production of steel in a responsible manner.



# Environmental Commitment Agreement

In 2021, the Tubarão unit announced an investment of more than R\$750 million in 127 new actions aimed at enhancing the company's environmental control and ratify compliance with the Environmental Commitment Agreement (TCA). The investment will be added to the contributions of R\$1.14 billion announced in 2018. Among the expected improvements are: new dedusting systems in coke crushing and steelworks; expansion of blast furnace collection systems; reform of coke batteries 2 and 3 and replacement of equipment with more efficient technologies.

In three years, 66% of the actions foreseen in the ATT were completed by the Tubarão plant. The ATT, assumed by the company in 2018 with public agencies of Espírito Santo, establishes a set of actions to improve the control of fugitive atmospheric emissions from operations, aiming at improving the air quality of the Metropolitan Region of Vitória, composing the Evolve Program. To meet these requirements, the company proposed about 500 initiatives, which must be met by 2023.

**Non-conformities:** In 2021, ArcelorMittal Brazil received 65 procedures related to the investigation and application of administrative sanctions, ten of them were of a non-monetary nature and were 100% met. The other 55 procedures totaled R\$1,834,425.77 in fines received, of which 31 were paid, totaling R\$806,782.95. The remaining 24 are being challenged.

The largest number of assessments in 2019 and 2021 is due to the assessments received by the Tubarão unit, which is undergoing an Operational License renewal and, for this reason, is subject to more frequent and thorough inspections. In 2020, the reduction in industrial activities and inspections due to covid-19 led to a lower number of assessments, and increased again in 2021.

Significant fines and non-monetary sanctions due to non-compliance with environmental laws and regulations (R\$) GRI 307-1			
	2019	2020	2021
Monetary value of fines paid in the period	0	0	806,782.95
Monetary value of fines received in the period	19,432,487.00	2,319,180.70	1,834,425.77
Number of non-monetary sanctions	14	2	10
Number of cases resolved with arbitration mechanisms	0	0	0

Significant atmospheric emissions (t) GRI 305-7			
	2019	2020	2021
NOx	4,839.65	4,778.71	6,141.90
Sox	13,312.08	13,045.37	11,986.73
Volatile Organic Compounds (VOC)	1.91	3.30	5.18
Particulate Matter (PM)	2,148.57	2,184.89	2,490.98

## Evoluir App

The ArcelorMittal Evoluir app received new features in 2021. The tool, created two years ago by the Tubarão, allows society to know, in an agile, interactive and transparent way, the actions of environmental management and compliance with the Environmental Commitment Agreement (TCA). The app brings together videos,

photos, documents and reports that enable any interested party to monitor the schedule of compliance with the actions of the TCA and all investments in the environmental area. With the reformulation, he received new interface and more interactive tabs with smart search, timeline and notifications.

Dedusting works totaled **R\$51 million** of investment

## Conservation and Reforestation

ArcelorMittal Brazil follows the best international practices to conserve the areas where it maintains its facilities, based on the performance of fauna and flora evaluations, in accordance with the environmental licensing processes. It invests in initiatives capable of ensuring the conservation of its forest remnants and reforested areas. Through qualitative and quantitative physical, chemical and ecotoxicological monitoring, the company evaluates and monitors the marine and pond environments.

In 2021, native seedlings were produced from 60 species of the Atlantic Forest and the Cerrado in Viveiro Langsdorff, in the municipality of Taquaraçu de Minas (MG). They will be used for the recovery of riparian forests and springs in the watershed of Rio das Velhas (MG). The project is the result of the ArcelorMittal Brazil partnership and the Rio das Velhas River Basin Committee and aims to produce 300,000 seedlings by 2022.

Belgo Bekaert maintains several partnerships aimed at the preservation of Brazilian fauna. Among them, with the NGO Panthera, recognized for its work of preserving the jaguar, a species threatened in the Pantanal, and the Onças do Iguaçu project, carried out in the Iguaçu National Park (PR), to protect the jaguar in the region. Other partnerships: project with the Center for Research and Conservation of Wild Fauna (NPC), to control the access of capybaras in the campus Luiz de Queiroz, from ESALQ/USP, in Piracicaba (SP); animal containment fencing project in partnership with the Center for Screening and Rehabilitation of Wild Animals (Cetas), in Brasília (DF); animal protection on the roads, in partnership with the State University of Mato Grosso do Sul, with the control of animal transit from the installation of protective fences.



## Tamar Project

For more than 20 years, the Tubarão unit has been partnering with the Tamar Project. During this period, more than 5,000 endangered green turtles *Chelonia mydas* were captured, tagged and discarded. Located in Serra (ES), the unit maintains a point of capture and study of the species: biometrics, growth, migratory patterns, hematological profile and health condition.

Visitation Park of the Tamar Project in Vitória (ES), which turtle tank had ArcelorMittal Tubarão among the sponsors





Protected areas or areas with high biodiversity index GRI 304-1			
Region	Total area belonging to the organization (ha)	Protected areas in the region (ha)	Value for biodiversity
<b>ArcelorMittal Brazil</b>			
Coronel Fabriciano (MG)	4,993	2,332	Areas belonging to the organization with approximately 903 ha of APP and 1,429 ha of Legal Reserve.
<b>ArcelorMittal BioForests</b>			
Midwest of MG (Abaeté, Bom Despacho, Dorés do Indaiá, Martinho Campos and Headquarters)	34,276	7,561.00	Cerrado biome preservation area adjacent to eucalyptus plantation and extraction areas and charcoal production in three Energy Production Units (UPE). There are approximately 844 ha of APP and 6,717 ha of Legal Reserve.
Vale do Rio Doce in MG (Dionysus, São José of Goiabal and São Pedro dos Ferros)	32,150	9,857	Preservation area of the Atlantic Forest biome. There are approximately 3,502 ha of APP and 6,355 ha of Legal Reserve.
North of MG (Carbonite, Senator Modestino Gonçalves and Diamantina)	41,941	11,818	Area in which the activities of managed planting of eucalyptus and production of charcoal. There are approximately 6,337 ha of Private Natural Heritage Reserve (RPPN), 1,233 ha of APP and 4,247 ha of Legal Reserve.
<b>ArcelorMittal Monlevade and Andrade Mine</b>			
João Monlevade (MG)	9,902.00	3,669.00	There are 527 ha of Private Natural Heritage Reserve (RPPN) composed of Atlantic Forest biome on the banks of the Piracicaba River in Minas Gerais; 1,151 ha of APP and 1,991 ha of Legal Reserve.
<b>UHE Guilman Amorim</b>			
Nova Era e Antônio Dias (MG) - medium course of the Piracicaba River	3,285	1,237	There are approximately 254 ha of Private Natural Heritage Reserve (RPPN), 216 ha correspond to the APP area and 767 ha to the Legal Reserve area, in which the preserved biomes in the Atlantic Forest biome.
<b>Mina Serra Azul</b>			
Itatiaiuçu (MG)	1.162	322	From the area, 72 ha correspond to the APP and 250 ha to the Legal Reserve.
<b>ArcelorMittal Veja</b>			
São Francisco do Sul (SC)	220	76	76 ha of Private Natural Heritage Reserve.

Region	Total area belonging to the organization (ha)	Protected areas in the region (ha)	Value for biodiversity
<b>ArcelorMittal Tubarão</b>			
Serra (ES)	1,338	279.9	Habitats protected or restored correspond to 665 ha (6.65 km <sup>2</sup> ), of which: 394.3 ha (3.94 km <sup>2</sup> ) of reforested areas (which include the green belt) and 271 ha (2.71 km <sup>2</sup> ) of areas with forest remnants (tableland forest, restinga, swamp, mangrove and permanently flooded forest), including 35 ha (0.35 km <sup>2</sup> ) referring to the Environmental Education Center (CEA) (reforestation with species growth, native, fruit, ciliary vegetation and vegetation in a state of regeneration). There is also an adjacent area known as "Picanha Area" with 0.088 km <sup>2</sup> , located in APA Praia Mole. The value of the biodiversity is characterized by the following ecosystems: <ul style="list-style-type: none"> <li>• Fresh water: within the company's website there are eight ponds, one artificial (located in the CEA) and seven natural, of which six are interconnected and form the Praia Mole stream. These ponds are widely monitored and evaluated;</li> <li>• Land: the company has important remnants of tableland forest and restinga;</li> <li>• Marine: the company is located adjacent to a marine area that is largely monitored and evaluated.</li> </ul>
<b>ArcelorMittal Juiz de Fora</b>			
Juiz de Fora (MG)	2,000	782	782 ha of APP and Legal Reserve.
<b>ArcelorMittal Sul Fluminense</b>			
Barra Mansa (RJ)	54	19.8	19.8 ha of APP and Legal Reserve.
Resende (RJ)	423.9	176.8	176.8 ha of APP and Legal Reserve.



Protected or restored habitats GRI 304-3			
Aspect	Area of Picanha	Green areas	Recovery of the Santa Maria da Vitória springs
Size of protected or restored habitat areas (km²)	0.09	6,65	0,05
Location of protected or restored habitat areas	Restored area	Remaining Forest Areas of ArcelorMittal Tubarão	River springs located in Santa Leopoldina (ES)
Report whether the success of the restoration measures has been approved by independent external experts	Area restored in 2019, which evaluation started in 2021	Restoration Measures of the green belt areas that make up part of the forest remnants attested by the experts of the Incaper (Instituto Capixaba de Rural Research and Extension)	Recovery of the Santa Maria da Vitória river spring attested by Incaper specialists
Report if there are partnerships with third parties to protect or restore habitat areas other than those in which the organization has supervised and implemented restoration or protection measures	Not applicable	Partnership with Incaper/ Fundagres	Partnership with Incaper/ Fundagres/CBH/ MPES, City Hall of Santa Leopoldina and ArcelorMittal
Report the status of each area based on its condition at the end of the reporting period	Restored area in 2019	In the maintenance phase of the plantations and monitoring of the green belt areas located in the courtyards of Coal, Ore, Copoduct Storage Central (Casp) and Environmental Education Center (CEA)	Renewed health insurance plan with project expansion Springs of the River Santa Maria da Vitória, including so the regions of Mangarai, Barra do Mangarai, Rio do Meio e Meia
Report the standards, methodologies and assumptions adopted.	A Program has been developed of Degraded Area Recovery (Prad) that detailed the methodology applied, considering planting with biodiversity species, care and sustainable cultural treatment	Incaper Technical Guidance	For Qualitative Assessment of the fenced springs (monitoring) parameters were used obtained during the macroscopic evaluation in loco of the springs: preservation, colour and odour of the water; solid waste; waste, vegetation; use of water, local protection and proximity of residence. 89% of the springs have a degree of preservation ranging from reasonable to great





**Species included in the IUCN red list and in national conservation lists with habitats in areas affected by operations of the organization or with high biodiversity index GRI 304-4**

Risk level	2019	2020	2021
Critically endangered	Plants: Brauna ( <i>Melanoxylon brauna</i> )	-	NA
Threatened with extinction	Plants: Piper cf. juliflorum, Solanum sooretamum ( <i>Solanaceae</i> ) and Couratari asterotricha ( <i>Lecythydaceae</i> )	Reptiles: Alligator ( <i>Caiman latirostris</i> )	Reptiles: Alligator ( <i>Caiman latirostris</i> ) and Green turtle ( <i>Chelonia mydas</i> ). Birds: Cocoa thrush ( <i>Turdus fumigatus</i> )
Near Threatened	Birds: Blue winged macaw ( <i>Primolius maracana</i> )	Birds: Blue winged macaw ( <i>Primolius maracana</i> )	Birds: Blue winged macaw ( <i>Primolius maracana</i> )
Vulnerable	Plants: Anthurium jilekii, juçara ( <i>Euterpe edulis</i> ), Ischnosiphon gracilis, Stromanthe schottiana, Jacquinia armillaris.	Restoration Measures of the green belt areas that make up part of the forest remnants attested by the experts of Incaper (Instituto Capixaba of Research and Rural extension)	Recovery of the springs of the River Santa Maria da Vitória attested by Incaper experts
Low Concern	Mammals: White-headed marmoset ( <i>Callithrix geoffroyi</i> ) Gray slender opossum ( <i>Marmosops incanus</i> ); Birds: Beach Thrush ( <i>Mimus gilvus</i> ), Cocoa thrush ( <i>Turdus fumigatus</i> ); Plants: Yellow trumpet tree ( <i>Handroanthus riocensis</i> ), Jacarandá-cipó ( <i>Machaerium fulvovenosum</i> )	Reptiles: Green Turtle ( <i>Chelonia mydas</i> ) Birds: Beach Thrush ( <i>Mimus gilvus</i> ) Plants: Yellow trumpet tree ( <i>Handroanthus riocensis</i> ), Jacarandá-cipó ( <i>Machaerium fulvovenosum</i> ), Ibirema ( <i>Couratari asterotricha</i> ) and Solanum sooretamum	Birds: Beach thrush ( <i>Mimus gilvus</i> ) Plants: Yellow trumpet tree ( <i>Handroanthus riocensis</i> ), Jacarandá-cipó ( <i>Machaerium fulvovenosum</i> ), Ibirema ( <i>Couratari asterotricha</i> ) and Solanum sooretamum.

**Amount of land (owned or leased, used for productive or extractive activities) altered or rehabilitated <sup>1</sup>**

In hectares GRI MM1	2019	2020	2021
Total land altered and not yet rehabilitated	11.58	35.24	61.03
Total amount of land altered during the period	22	12.16	25.82
Total amount of land rehabilitated during the period	10	97.55	100.55
<b>Total land altered and not yet rehabilitated</b>	<b>43.58</b>	<b>144.95</b>	<b>187.40</b>

<sup>1</sup> Includes the Bioforests business and the Andrade Mine.



# Energy efficiency

GRI 103-2, 103-3 | 302

ArcelorMittal Brazil's energy policy prioritizes the rational consumption and conservation of energy sources, investments in its own generation and the use of renewable energy. The company closed 2021 with self-generation of 44% of energy and purchase of 56% of electricity, with 90% certified as a renewable matrix. The goal is to reach 100% renewable sources by 2030.

In each operation, there is the management of the consumption and distribution of electricity and energy gases in the production processes, such as coke oven gas, blast furnace gas and converter gas, according to efficiency indicators of the use of these energy inputs and other materials, an integral part of the quality management systems (ISO 9001) and the environment (ISO 14001). These processes undergo periodic evaluations of industrial boards, as well as internal and external audits, seeking to identify and incorporate good practices and more efficient technologies.

Efficient energy management is a commitment of all ArcelorMittal Brazil units and is aligned with the Group's sustainability guideline no.6: "Responsible energy user, helping to create a future with low carbon emissions". The company seeks to optimize the use of energy resources and take advantage of the available energy potentials.

The Tubarão plant has Thermoelectric Plants and an Energy Center where the production, consumption and distribution of fuels are controlled. There are a number of business, technical, and operational standards for managing these operations and information.

In 2021, Tubarão implemented the first photovoltaic power generation project connected to the internal grid, using Magnelis® Steel, metal structures of ArcelorMittal solution, to cover 60 spaces of simple vehicles, Carport. The system is able to generate at the peak the equivalent energy to supply up to 114 family homes.

The unit, self-sufficient in energy, already has a generation system with a total capacity of 500 MW, equivalent to the amount of electricity required for the consumption of 1.7 million homes. Production meets its own consumption and, when there is a surplus, it is sold externally. All this power generation prevents burning of other fossil fuels.

The power generation projects are international highlights, since the unit was the first integrated steel production plant in the world to approve a Clean Development Mechanism (CDM) project, with the recovery of LDG gas in the Steelworks for power generation in thermoelectric plants. In addition to this initiative, it has a second approved CDM project, energy cogeneration through heat recovery in the coke production process of Coke Heat Recovery. The actions are systematized through the Energy Efficiency Master Plan (PDEE) since 2015. Since the 1990s, the unit has maintained actions that employ clean technologies aimed at reducing equivalent CO2 emissions, in accordance with the strategies established in the Kyoto Protocol and the Paris Agreement.





Electricity (GJ) GRI 302-1	2019	2020	2021
Consumed	21,079,02.00	22,357,882.43	26,395,413.12
Sold	5,129,940.96	4,176,359.41	8,696,754.62

Energy consumption within the organization (GJ) GRI 302-1			
Fuels from non-renewable sources	2019	2020	2021
Anthracite	2,579,160	2,342,978	1,595,373
Compressed air <sup>1</sup>	480,081.53	690,618.50	866,290.26
Argon <sup>1</sup>	20,372.37	17,954.80	21,691.60
Mineral coal for coke	107,844,189.39	97,817,409.85	108,053,881.88
Coal for PCI	45,259,579.05	34,732,342.37	55,003,876.88
Natural gas	5,783,322.25	5,356,311.69	5,223,642.13
LPG	119,782.57	25,809.29	24,600.64
Nitrogen <sup>1</sup>	1,392,283.71	1,535,612.77	1,727,932.69
Diesel oil	835,914.49	774,401.12	968,513.33
Oxygen <sup>1</sup>	6,235,658.18	5,712,270.86	7,530,185.16
<b>Total<sup>1</sup></b>	<b>170,550,344.70</b>	<b>149,005,708.78</b>	<b>181,015,987.68</b>

Fuels from renewable sources	2019	2020	2021
Charcoal	3,897,875.78	3,385,215.05	3,494,910.60
Charcoal for PCI	517,515.12	709,872.80	717,800.67
<b>Total</b>	<b>4,415,390.90</b>	<b>4,095,087.86</b>	<b>4,212,711.27</b>

<sup>1</sup> 2020 Values were revised. **GRI 102-48**

Total energy consumed (GJ) <sup>1</sup> GRI 302-1	2019	2020	2021
Fuels from non-renewable sources	170,550,344.70	149,005,708.78	181,015,987.68
Fuels from renewable sources	4,415,390.90	4,095,087.86	4,212,711.27
Energy consumed	39,306,737.52	38,840,268.98	41,210,559.67
Energy sold	5,129,940.96	4,176,359.41	8,696,754.62
<b>Total</b>	<b>209,142,531.16</b>	<b>187,764,706.21</b>	<b>217,742,503.99</b>

<sup>1</sup> For the compilation of information, the methodology of construction of inventory of greenhouse effect emissions and energy consumption of the ArcelorMittal Group, reported in the document "Basis of Reporting", based on recommendations of the World Steel Association, was considered.

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<sup>1</sup> For the compilation of information, the methodology of construction of inventory of greenhouse effect emissions and energy consumption of the ArcelorMittal Group, reported in the document "Basis of Reporting", based on recommendations of the World Steel Association, was considered.

Reductions in energy consumption obtained as a result of improvements in conservation and efficiency (GJ) GRI 302-4				
Per unit	2019	2020	2021	
Barra Mansa	Reduction of Electricity consumption	9,481	2,521	2,570
	Reduction of Natural Gas consumption	17,992	49,270	6,569
Juiz de Fora	Reduction of Electricity consumption	25,461	9,543	-
	Reduction of Natural Gas consumption	62,023	17,617	8,475
Monlevade	Reduction of Electricity consumption	-	10,461	13,728
	Reduction of Natural Gas consumption	19,832	50,620	13,251
Piracicaba	Reduction of Electricity consumption	-	48,476	15,490
	Reduction of Natural Gas consumption	90,999	-	62,036
Resende	Reduction of Electricity consumption	162,340.	37,026	30,416
	Reduction of Natural Gas consumption	3,676	72,321	38,351
Trefilarias	Reduction of Electricity consumption	-	3,241	88
Tubarão	Reduction of Electricity consumption	14,103	103,329	1,508
	Reduction of Natural Gas consumption	941	-	-
<b>Total</b>	<b>406,847</b>	<b>404,425</b>	<b>192,482</b>	



# Water, effluents and waste

GRI 103-2, 103-3 | 303

As a signatory of the Brazilian Business Commitment for Water Security, ArcelorMittal Brazil, in addition to meet all the parameters established in legislation, in relation to abstraction and disposal, follows the guidelines described in the Water Master Plan (PDA), a methodology that guarantees safety to industrial operations and the reduction of impacts resulting from the abstraction of water for the production of steel in the river basins. The PDA consists of three axes of action: alternative water sources; efficient use; and institutional representation **GRI 102-12**

The operation of ArcelorMittal Brazil does not generate a significant impact on any basin and all funding is granted, that is, it assumes that there was an analysis of the responsible environmental agency, which identified the appropriate amount that could be withdrawn. Regarding disposal, there are also no significant impacts, since most of the water used acts in non-contact cooling and the effluent undergoes heat treatment before returning to the river or ocean.

In 2021, the management of water resources in Minas Gerais, for example, resulted in the achievement of the General Nature Award, in the Best Environmental Project category, by the Water Master Plan implemented by the Juiz de Fora unit. With the implementation of the Water Master Plan, the unit reduced water abstraction by 14.3% (2018 x 2019), resulting in an annual saving of 321 thousand cubic meters.

In Espírito Santo, the Tubarão unit and the state government signed a pioneering commitment term: the monthly purchase of 540m<sup>3</sup>/h (150 l/s) of sanitary sewage reuse water from effluents from the Sewage Treatment Plant (ETE) Reuse of Cesan (Companhia Espírito Santense de Saneamento). por contrato de 25 anos, podendo ser renovado, e reduzirá

The acquisition will be made by contract of 25 years, which can be renewed, and will further reduce the demand of the plant for water from the Santa Maria da Vitória River, making available a greater volume of the resource to society. The action that reinforces the water security of the state also provides for the donation, by ArcelorMittal Tubarão, of an area of 11 thousand m<sup>2</sup>, for the construction of a new sewage treatment system.

Regarding the reuse of waste, the company's circular economy actions are governed by the Co-products Master Plan, which brings together initiatives and projects aimed at transforming waste into materials with market applicability. Its main objective is to achieve the so-called zero landfill, a scenario in which all the waste produced by the company will be transformed into a co-product.

## Largest desalination plant

In Espírito Santo, at the Tubarão unit, ArcelorMittal Brazil was inaugurated, in 2021, the largest seawater desalination plant in the country, with initial capacity to desaline 500m<sup>3</sup>/hour of water, providing greater water security for the company and the state. The state-of-the-art system is the result of investments of R\$50 million and uses the reverse osmosis technology,

quite common in countries such as Israel, Spain and the United States, for seawater abstraction. Started in 2020, the work required the creation of 220 new jobs. Built in an area of about 6,000m<sup>2</sup>, the plant will consume about 3MW of electricity and represents less than 1% of the total energy generated by the Tubarão unit itself, which is self-sufficient.





Water collection (m <sup>3</sup> ) <sup>1 2 3</sup> GRI 303-3	2019	2020	2021
Surface water	7,973,901	7,743,176	10,658,877
Groundwater	3,502,452	2,999,375	3,464,586
Marine waters	380,871,838	324,861,032	350,307,686
Third party waters	16,607,982	15,519,186	16,783,724
Rainfall directly collected	1,863,916	1,679,178	2,801,331
<b>Total</b>	<b>410,820,089</b>	<b>352,801,947</b>	<b>384,016,203</b>

<sup>1</sup> There is no water withdrawal in areas with water stress.

<sup>2</sup> There is no withdrawal of water from produced sources.

<sup>3</sup> Indicator management is done in cubic meters

Water disposal by destination type (ML) GRI 303-4	2019	2020	2021
Surface water	853.99	955.94	641.57
Groundwater	56.50	26.73	25.24
Sea water	1,451.28	1,424.52	1,132.89
Water sent to third parties	417.35	185.60	150.91
<b>Total</b>	<b>2,779.11</b>	<b>2,592.79</b>	<b>1,950.61</b>

Total quantities of sterile, tailings and sludge (ML) GRI 303-4	2019	2020	2021
In tons			
Non-hazardous (sterile) mining and metallurgical waste	6,301,578	5,661,120	4,259,932
Non-Hazardous Mining and Metallurgical Waste (tailings)	524,221	860,988	1,339,955
Muds	515	603	796





# Social impact





# Social Impact

GRI 102-43, 103-2, 103-3 | 413

ArcelorMittal Brazil maintains an open dialogue with the communities where it is present to diagnose the real needs of each location or entities directly and indirectly linked to its activities. The priority is to invest in the areas of education, culture, sport, corporate philanthropy, creative economy, environment, urban infrastructure and health. The goal is that 100% of the communities impacted by the company's operations have local development programs. The initiatives take place through partnerships aligned according to local demands.

The relationship with the community follows the Group's Human Rights Policy, which defines: respecting human rights and developing knowledge of the current cultures, customs and values in local communities through an inclusive and open dialogue with people neighboring the company's activities.

costumes e valores vigentes nas comunidades locais por meio de um diálogo inclusivo e aberto com as pessoas vizinhas das atividades da empresa.

To maintain constant communication with its stakeholders, ArcelorMittal Brazil dialogues with the community through social networks, conversation circles, face-to-face meetings and Contact Us, which can be accessed through the [link](#).

Aware of the impacts arising from its business, especially due to activities related to coal and ore yards, coke ovens, blast furnaces and steelworks, ArcelorMittal Brazil works to avoid and mitigate all impacts caused in communities, both real (air pollution, noise, odor and traffic of vehicles) as potentials (significant accident, water and soil contamination).

To minimize the possible impacts of the transport of coils, for example, in addition to seeking alternative modes (such as maritime) and requiring specific training for the transport of steel products for all drivers, ArcelorMittal has a very strict management of suppliers, through the Excellence Program.

GRI 413-2

## Local investments

In 2021, different actions were taken in the locations where the company's units are installed. Programs, donations and partnerships are part of the daily life of municipalities in all states where ArcelorMittal Brazil maintains operations. The initiatives are diverse and comprehensive, capable of meeting specific and medium and long-term demands, with the objective of supporting people with a focus on their real needs. Check out the highlights of the year below:

**Sponsorship of the sport:** sponsor of Sada Cruzeiro Volleyball alongside the ArcelorMittal Foundation, the company has consolidated itself as the biggest promoter of the sport in Minas Gerais. Along with other initiatives already established in the sports area, ArcelorMittal Brazil has made a commitment to develop sports and social programs that serve children and adolescents in volleyball schools in Betim, Contagem, Ouro Preto, Sete Lagoas, Ibirité, Ribeirão das Neves and Vespasiano.





**Sponsorship of culture:** through the ArcelorMittal Foundation, sponsorship was made to important groups in Minas Gerais, such as Corpo Group – one of the most important Brazilian dance companies, Palácio das Artes and the Philharmonic Orchestra of Minas Gerais. The company was recognized as the largest investor of culture in Minas Gerais by the enactment of State Law.

**Joinville Dance Festival:** In 2021, Vega sponsored the holding of the Open Stages of the Joinville Dance Festival in São Francisco do Sul, considered the largest festival of its kind in the world, which involves culture, entertainment and dance training for more than 30 years.

**Cleaning the Seas Project:** the Vega unit sponsored in 2021 the Cleaning the Seas project, an organization which has the support of the Brazilian Nautical Association (Acatmar) and carries out cleaning efforts on the shores and beaches of the Santa Catarina coast. In the action, volunteers collected 1.8 tons of waste.

**Trata Brazil:** ArcelorMittal Brazil joined the Council of the Trata Brazil Institute, a platform that brings together companies, regulatory agencies, associations related to water and basic sanitation, academia, consultancies, law firms and NGOs. The company will participate in debates, research and projects for the universalization of Brazilian access to treated water services, sewage collection and treatment, as well as related water waste.

**Community Interaction Program:** at the Tubarão unit, the program aims to support communities in the development of their own actions, discovering their potential and stimulating the protagonism of their individuals. In December 2021, a notice was issued to support residents' associations. The initiative provides financial support for projects that contribute to the economic, social and local development of communities in the municipality of Serra (ES), in 14 neighborhoods.

**Interaction Program to Support Social Projects:** created to boost community development to encourage education, sport, health, work and respect for human rights. Selected from the public notice, the projects are supported for three years. In 2021, more than 16 thousand direct and indirect beneficiaries were impacted.

**ArcelorMittal Vega Social Interaction Program:** The social projects approved and selected in 2021 by ArcelorMittal Vega prioritized actions of positive social impact in the community of São Francisco do Sul, contemplating the area of education, health, sport, culture and community development. These projects directly benefited 2,748 people, and indirectly benefited 23,159 people.

**Women's Award:** started in October 2021, the second edition of the Women's Award, launched in 2019 in Espírito Santo, also arrived in Santa Catarina. The award recognizes women, in various areas of activity, who are in charge of business or transformative social projects. In the categories – Academic, Press, Internal Public, Private (MEI and ME), Public and Third Sector –, the initiative had 297 registrations. Of these, 37 finalists were selected for the 13-hour "Learning Journey" training, offered between March and April 2022. In May 2022, the final award took place and the 14 winners received gift cards in the amount of R\$5,000.

**Partnership with MRV Arena:** In addition to signing as ArcelorMittal: Official Steel of MRV Arena, considering that the company's products are present since the foundation of the construction of the Atlético Mineiro stadium under construction in Belo Horizonte (MG), the company will have the *sector naming right* of the entire floor with cabins and *lounges* of the multipurpose arena that has the ambition to be the most technological in Latin America.

**New Paths Program:** through the social and environmental program of the Tubarão unit, the municipality of Marilândia (ES) won the second Distribution of Revsol



(CDR) of the state. The co-product is used as a primary road coating and has contributed to the improvement of rural and vicinal roads in municipalities of Espírito Santo. The first was installed in Alfredo Chaves, in 2020. The new CDR will meet the demands of cities located more than 100 km away from the steel producer, responsible for the donation of the Revsol and Revsol Plus co-products. Held since 2006, the program has set a record monthly donation of supplied co-products. The 2021 target, set at 735 thousand tons, was exceeded and donations reached 750 thousand tons. At the age of 15, the New Ways is present in 55 municipalities of Espírito Santo and has already donated more than three million tons of Revsol.

**Master ArcelorMittal:** itinerant training program that, due to the covid-19 pandemic, is offered online and free of charge to construction professionals and students. The course addresses trends and constructive techniques, with the correct application of products and focus on productivity, safety and sustainability.

**Emergency support:** allocation of more than R\$740 thousand to mining municipalities in support of the population affected by the rains in January 2022, to purchase cleaning kits, basic baskets, mattresses and equipment rental to act in the recovery of damaged roads.

**Covid-19:** the Vega (SC) and Tubarão (ES) units continued to meet demands related to the fight against the covid-19 pandemic, donating tests, masks, respirators and hospital supplies, such as 22.7 thousand m<sup>3</sup> of oxygen to hospitals in the Serra (ES) region. To support virtual classes during social isolation, notebooks and desktops were donated to students in social vulnerability. Needy families from 14 communities around the company received 34 tons of food, 12 tons of which were donated on Labor Day and 22 tons in Sipatma. In Santa

Catarina, the Vega unit made donations to the Municipal Health Fund of São Francisco do Sul of materials such as face shield masks, rapid tests, among other equipment, which totaled more than R\$287 thousand. Vega was also the protagonist in supporting the vaccination of industry workers in São Francisco do Sul, giving and preparing an exclusive space for the vaccination of this priority group. The unit also donated food baskets and other foods, which represented an investment of R\$35,974.64.

Operations with engagement, impact assessments and development programs aimed at the local community GRI 413-1						
Initiatives	Own resources			Tax incentive		
	2019	2020	2021	2019	2020	2021
Education	1,800,924	536,03	449,848	0	0	0
Culture	291,357	74,197	80,145	10,151,770	15,565,854	63,414,990
Sports	186,081	17,743	4,494	5,109,484	4,447,54	15,237,971
Health	0	1,978,001	0	1,462,737	1,520.93	27,949,969
Corporate philanthropy	286,301	285,63	1,271,331	1,501,567	2,164,973	12,030,025
Other	1,906,941	1,687,042	3,964,475	-	-	-
<b>Total</b>	<b>4,471,604</b>	<b>4,578,646</b>	<b>5,770,293</b>	<b>18,225,558</b>	<b>23,699,300</b>	<b>127,400,000</b>



# ArcelorMittal Foundation

Responsible for directing social investments and connecting the ArcelorMittal Group to causes relevant to citizenship of Brazilian children and youth, the ArcelorMittal Foundation had its strategic planning revised in 2021. The idea was to reinforce the purpose of transforming people's lives in a collective and participatory way, sharing knowledge and innovation. The priority axes of action were defined: Education, Culture and Sport, and Corporate Philanthropy actions, according to social demands. As in 2020, in 2021, due to the pandemic, many planned initiatives underwent reformulations and migrated to the online format. The highlight projects of the year were:

- **STEAM Strategy:** from the English acronym for Science, Technology, Engineering, Arts and Mathematics, STEAM initiatives seek to promote access to technology and innovation, for the training of future talents for the areas and the inclusion of children and young people. Among the initiatives promoted in 2021 is the STEAM Girls project, created to arouse the interest of girls in the areas of exact sciences. In line with ArcelorMittal's Diversity & Inclusion Policy, it proposes meetings between women who work in the STEAM areas, daughters of ArcelorMittal Group employees and girls from the communities.

- **ArcelorMittal Environment Award:** created to encourage the school community to propose scientific and innovative solutions to environmental issues, in addition to raising awareness on the topic of sustainability, the project was adapted in 2021 due to the pandemic. The face-to-face classes were directed to the virtual environment, but even so the project was carried out in 23 Brazilian cities, involving more than 1,800 teachers and 4,000 students.

- **Fun in Scene:** considered the largest public training program for children's theater in Brazil, Fun in Scene launched its first national public notice in the amount of R\$6 million in encouraged

resources, for the selection of proposals dedicated to the areas of theater, music, circus and dance, to compose the children's program of 2022. The program promotes the democratization of access to culture by offering theatrical productions free of charge or at popular prices in theaters, schools and public squares. Due to the pandemic, the initiative featured live broadcasting of the shows and, later, it was held in the *drive-in* format.

- **Sport:** A The ArcelorMittal Foundation invests in the training of athletes, as it believes that sports practice contributes to citizen training and social inclusion. More than 6,000 students participate in projects of various sports. Among the highlights of the year is the launch of the **Steel Corridors** project, carried out in partnership with the triathlete Thiago Vinhal, in Belo Horizonte (MG). The goal is to stimulate sports practice, provide leisure options for children and adolescents, promote inclusion and diversity in sport, in addition to training grassroots athletes.

- **#SteelSavesLives:** the donation campaign "#SteelSavesLives -Together against hunger" mobilized employees, customers and the community, and raised more than R\$1.2 million, an amount that was doubled by ArcelorMittal Brazil and Belgo Bekaert, totaling a donation of R\$2.4 million. The resource benefited more than 120,000 people from the communities where the company operates and from other locations throughout Brazil. The initiative is aligned with the Sustainable Development Goals 2, which provides for Zero Hunger.

- **Citizens of Tomorrow:** carried out more than 20 years ago, the program allocated R\$12,524,275.46 in 2021. The action encourages employees, family members, community, customers, suppliers and companies of the ArcelorMittal Group to allocate part of the Income Tax due or to make a donation to the Municipal Funds for Childhood and Adolescence (FIA).





# Results and prospects

GRI 103-2, 103-3 | 201



ArcelorMittal Brazil's business performance translates the company's efforts aimed at improving constant of initiatives that are able to add social, economic and environmental values to the country. The results reflect investments in innovations aimed at the sustainable development of the company and the communities where its steel and mining production, distribution and commercialization units operate, as well as steel and mining commercialization.

## Setting

Steel consumption, which recorded a strong drop in the first half of 2020 in Brazil, in 2021 showed a recovery in "V" in the second half of the year and remained so throughout the year, closing the period with a 23% jump in sales of Brazilian steel, according to data from the Brazil Steel Institute. In addition to the significant increase in demand for steel, ArcelorMittal Brazil's results were also benefited by the devalued exchange rate and the increase in the price of metal commodities in international markets, since the increase in consumption was a global phenomenon.

The performance obtained by ArcelorMittal Brazil followed the reaction of the Brazilian economy in 2021 – which ended the year with a 4.6% growth in GDP – and the good performance of the main steel-consuming segments in the country: the GDP of civil construction grew 8%, far exceeding the initial projections of 3.8% (FGV/Ibre); the production of the automotive industry grew 3%, with emphasis on trucks and utilities, which advanced 11.5% (Anfavea); the appliance industry showed an increase in sales of 7% (Abinee); while the machinery and equipment industry jumped 21.6% (Abimaq).

## Economic-Financial Performance

In 2021, ArcelorMittal Brazil achieved the best financial performance in its history, with EBITDA generation of R\$20.2 billion, an increase of 297% over the previous year, and net revenue of R\$69 billion, an increase of 108.7%. These results were compared to a total production of 13.4 million tons of steel and 3.4 million tons of ore, an increase of 29.5% and 4.4% respectively in relation to 2020, and a sales volume of 14.1 million tons (12.5 million steel and 1.6 million ore), representing an increase of 18.9% in the same comparison.

Of the total sold, 59% went to the domestic market and 41% to the foreign market. The EBITDA margin on consolidated net revenue reached 29%, an increase of 14 percentage points compared to 2020. With this performance, net income reached R\$12.8 billion, which represented a significant growth of 940% compared to the result of R\$1.2 billion in 2020. The results include the Brazilian steel and mining operations and the operations of the subsidiaries of Acindar, in Argentina, Unicon, in Venezuela, and ArcelorMittal Costa Rica.

Direct economic value generated and distributed GRI 201-1			
Direct economic value generated (R\$ million)	2019	2020	2021
Revenues	32,455	33,070	69,002
Direct economic value distributed (R\$ million)	2019	2020	2021
Employee salaries and benefits	2,623	2,662	2,602
Remuneration of third-party capital	2,629	2,909	4,332
Equity remuneration	1,230	1,505	13,689
Government payment	2,298	3,420	9,028
<b>Total</b>	<b>8,780</b>	<b>10,496</b>	<b>29,651</b>
Direct economic value withheld (R\$ million)	2019	2020	2021
"Direct economic value generated" minus "Distributed economic value"	23,675	22,574	39,351
Direct economic value distributed (R\$ million)	2019	2020	2021
Total assets	41,044	43,928	61,063
Net debt	16,224	14,351	16,226
Investment (cash flow)	1,209	1,032	2,190
Shareholders' equity	11,435	11,246	19,844
Net profit (loss)	1,230	1,235	12,841
Operating cash generation (EBITDA)	4,006	5,083	20,189
Distributed economic value (%)	2019	2020	2021
Employee wages and benefits	29.9%	25.4%	8.8%
Remuneration of third-party capital	29.9%	27.7%	14.6%
Equity remuneration	14.0%	14.3%	46.2%
Payment to government	26.2%	32.6%	30.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> 2019 and 2020 figures have been revised. GRI 102-48



# GRI Content Summary

GRI 102-55

**General Content**  
**GRI 101: Fundamentals 2016**  
GRI 101 does not have Contents

**Organizational profile**

GRI Standards	Content	Page	Omission	ODS
GRI 102: General Contents 2016	102-1 Name of the organization	13		
	102-2 Activities, brands, products and services	13, 14		
	102-3 Location of the organization's headquarters	Belo Horizonte (MG)		
	102-4 Location of the operations	19		
	102-5 Nature of ownership and legal form	13		
	102-6 Markets served	19		
	102-7 Scale of the organization	13		
	102-8 Information on employees and other workers	29, 30		8, 10
	102-9 Supplier chain	43		
	102-10 Significant changes in the organization and in its supply chain	There were none.		
	102-11 Precautionary principle or approach	26		
	102-12 External initiatives	36, 56		
	102-13 Membership of associations	48		

**Strategy**

GRI 102: General Contents 2016	102-14 Statement from senior decision-maker	9		
	102-15 Key impacts, risks and opportunities	26		

**Ethics and integrity**

GRI 102: General Contents 2016	102-16 Values, principles, standards and norms of behavior	19, 23		16
	102-17 Mechanisms for advice and concerns about ethics	23		16

**Governance**

GRI 102: General Contents 2016	102-18 Governance structure	21, 22		
	102-19 Authority delegation	22		

**Stakeholders engagement**

GRI 102: General Contents 2016	102-40 List of stakeholder groups	5		
	102-41 Collective bargaining agreements	29		8
	102-42 Identifying and selecting stakeholders	4		
	102-43 Approach to stakeholder engagement	4, 40, 59		
	102-44 Key topics and concerns raised	4, 40		

		Reporting practices		
GRI Standards	Content	Page	Omission	SDG
GRI 102: General Contents 2016	102-45 Entities included in the consolidated financial statements	Business of Long Steels, Flat Steels, Energy, Eucalyptus and Charcoal, Mining and Information Technology.		
	102-46 Defining report content and topic boundaries	4, 5		
	102-47 List of material topics	5		
	102-48 Restatements of information	24, 47, 55, 64		
	102-49 Changes in reporting	4		
	102-50: Period covered by this report	4		
	102-51 Date of the most recent report	July 2021, referring to 2020.		
	102-52 Report issuance cycle	4		
	102-53 Contact information for questions concerning the report	4		
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards "Essential" option		
	102-55 GRI content index	65		
	102-56 External verification	Not applicable.		

**Material topics**

GRI Standards	Content	Page	Omission	SDG
<b>GRI 200 SERIES ECONOMIC TOPICS</b>				
<b>Economic performance</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	46		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	64		8, 9
	201-2: Financial implications and other risks and opportunities due to climate change	26, 46		13

**Purchasing practices**

GRI 103: management approach 2016	103-1 Material topic explanation and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	43		
GRI 204: Purchasing practices 2016	204-1 Proportion of spending on local suppliers	43		8



GRI Standards	Content	Pages	Omission	SDG
<b>Content</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	23, 25, 26		
GRI 205: Combating corruption 2016	205-1 Operations assessed for risks related to corruption	27		16
	205-2 Communication and capacity building on anti-corruption policies and procedures	25		16
	205-3 Confirmed incidents of corruption and actions taken	This information is confidential and restricted to specific teams in the Compliance Officer area, of the Department of Forensic Investigation and internal and external audits.		16
<b>Taxes</b>				
GRI 103: Management form 2016 - GRI Taxes 207	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	26		
<b>GRI 300 SERIES ENVIRONMENTAL TOPICS</b>				
GRI Standard	Content	Page	Omission	SDG
<b>Power</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	54		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	55		7, 8, 12, 13
	302-4 Reducing power consumption	55		7, 8, 12, 13
<b>Water and Effluents</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	56		
GRI 303: Water and effluents 2018	303-3 Water abstraction	57		6, 8, 12
	303-4 Disposal of water	57		6
<b>Biodiversity</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	48		

GRI 304: Biodiversity 2016	304-1 Own operational units, leased or managed within or adjacent to environmental protection areas and areas of high biodiversity value located outside protected areas	51		6, 14, 15
	304-2 Significant impacts of activities, products and services on biodiversity	48		6, 14, 15
	304-3 Protected or restored habitats	52		6, 14, 15
	304-4 Species included in the IUCN red list and national conservation lists with habitats in areas affected by operations of the organization	53		6, 14, 15
Mining Sector – Biodiversity	MM1 Amount of land (owned or leased, used for productive or extractive activities) altered or re-enabled	53		3, 6, 12, 14, 15
<b>Biogenic</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	46		
GRI 305: Emissions 2016	305-1: Direct (Scope 1) greenhouse gas (GHG) emissions	47		3, 12, 13, 14, 15
	305-2 Indirect (Scope 2) greenhouse gas (GHG) emissions	47		3, 12, 13, 14, 15
	305-3: Other indirect (Scope 3) greenhouse gas (GHG) emissions	47		3, 12, 13, 14, 15
	305-5 Reduction of greenhouse gas (GHG) emissions	46, 47		13, 14, 15
	305-7 NOx, SOx and other significant air emissions	49		3, 12, 14, 15
Mining Sector Supplement – Effluents and waste	MM3 Total quantities of waste, tailings and sludge and their associated risks	57		3, 6, 12
<b>Environmental compliance</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	48		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	49		16
<b>Environmental evaluation of suppliers</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	43		
GRI 308: Environmental evaluation of suppliers 2016	308-1 New suppliers that were screened using environmental criteria	44		
	308-2 Negative environmental impacts in the supply chain and actions taken	44		



GRI 400 SERIES SOCIAL TOPICS					
GRI Standard	Content	Page	Omission	SDG	
<b>Occupational Health and Safety</b>					
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5			
	103-2 The management approach and its components	24			
	103-3 Evaluation of the management approach	31			
	403-1 Occupational health and safety management system	31		8	
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	31		3, 8	
	403-3 Occupational health services	31		3, 8	
	403-4 Worker participation, consultation and communication to workers concerning occupational health and safety	31		8, 16	
	403-5 Training of workers in occupational health and safety	32		8	
GRI 302: Energy 2016	403-6: Promotion of worker health	33		3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	31		8	
	403-8 Workers covered by an occupational health and safety management system	100% of employees and workers are covered by an Occupational Health and Safety Management System based on legal requirements and/or standards and guidelines recognized, internally audited and/or certified by an external party.		8	
	403-9 Work related accidents	31		3, 8, 16	
	403-10 Occupational diseases	There are no cases of occupational diseases or deaths from occupational diseases between employees and workers.		3, 8, 16	
	<b>Diversity and equal opportunities</b>				
	GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
103-2 The management approach and its components		24			
103-3 Evaluation of the management approach		21, 36			
GRI 405: Diversity and Equality of Opportunities 2016	405-1 Diversity of governance bodies and employees	36		5, 8	

No discrimination				
GRI Standard	Content	Page	Omission	SDG
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	36		
GRI 406: No discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Required information is only open to company specific teams such as the Compliance Officer and the Forensic and Internal and External Audit Departments. The Internal Audit area was created as an independent body of senior management, without direct subordination to local management and is managed by the Audit Committee of ArcelorMittal in Luxembourg. This independence is fundamental for the team to be able to act with integrity and objectivity, allowing the issuance of reports or impartial opinions in relation to the audited entity, shareholders, partners, and all other parties that may be related to their activities.		5, 8
	<b>Freedom of association and collective bargaining</b>			
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	29		
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		N.A.	8



GRI Standard	Content	Page	Omission	SDG
<b>Child labor</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	43		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	There were no cases in 2021.		8,16
<b>Forced labor or analogous to slave labor</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	43		
GRI 409: Forced labor or analogous to slave labor 2016	409-1 Operations and suppliers with significant risk of forced or slave-like labor	There were no cases in 2021.		8
<b>Human rights evaluation</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	25, 43		
GRI 412: Assessment of human rights 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	43		
	412-2 Training of employees in human rights policies or procedures	25, 43		
	412-3 Significant investment contracts and agreements that include human rights clauses or have been subject to human rights assessment	43		
<b>Local communities</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	59		
GRI 413: Local communities 2016	413-1 Operations with engagement, impact assessments and development programs aimed at the local community	61		
	413-2 Operations with significant potential negative impacts – actual and potential – on local communities	59		1, 2
Mining Sector Supplement – Local communities	MM6 Number and description of significant conflicts concerning land use and customary rights of local communities and indigenous peoples	The Human Rights Policy is committed to the theme, however, there is no monitoring of the number and description of conflicts requested by the indicator.		1, 2

<b>Supplier social assessment</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	43		
GRI 414: Social evaluation of suppliers 2016	414-1 New suppliers that selected using social criteria	100%		5, 8, 16
	414-2 Negative social impacts on the supply chain and measures taken	Not applicable.		5, 8, 16
<b>Consumer health and safety</b>				
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	5		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the management approach	40		
GRI 416: Consumer Health and Safety	416-2 Cases of non-compliance in relation to health and safety impacts caused by products and services	There were no significant and/or relevant cases that could point out deviations or risks to the health and safety of human lives.		16
<b>Closure planning</b>				
Mining Sector Supplement – Closing Planning	MM10 Number and percentage of operations with plans for the closure of activities			Information unavailable due to the mandatory confidentiality set out in the Code of Conduct.



**Sustainable Development Goals**

1. Elimination of poverty
2. Zero Hunger
3. Health and well-being
4. Quality in education
5. Gender equality
6. Clean Water & Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities & Communities
12. Responsible consumption and production
13. Combating climate change
14. Life underwater
15. Life on Land
16. Peace, justice and strong institutions
17. Partnerships in support of the goals



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## Corporate information

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ArcelorMittal

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for the people and the planet.