



ArcelorMittal

# Sustainability Report 2022

Together in action towards a more sustainable world



ArcelorMittal

# Sustainability Report 2022

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Together in Action



## A message from the Management GRI 2-22

2022 will go down in the history of ArcelorMittal Brasil as a period of important advances, conquests and excellent results, from sales volume and financial results to actions to preserve the environment and develop the communities where we operate.

To the challenges and oscillations, our responses were quick and assertive, with the agility demanded by our partners, customers and the market. The scenario was challenging, with sharp variations in commodity prices on the international market, due to the war between Russia and Ukraine, and intense internal political movements, caused by national elections.

Despite all this, we had extremely satisfactory results. We increased our net revenue by 3.8%, to BRL 71.6 billion. In comparison with the extraordinary year of 2022, the best in the history of ArcelorMittal in Brazil, the other financial results recorded a retreat, as already expected. Still we reached an Ebtida of BRL 14.9 billion, enough to record an Ebtida margin of a significant 21% (on net revenue).

 **BRL 71.6 billion** Net Revenue

 **BRL 14.9 billion** EBTIDA

 **BRL 9.1 billion** Net Profit

 **12.7 million** tons of produced steel

 **3.3 million** tons of ore



Production was also expressive, at 12.7 million tons of steel and 3.3 million tons of ore. And we ended the year with a significant net profit of BRL 9.1 billion, in addition to a sound financial health and the implementation of the largest ongoing investment program in the Brazilian steel industry.

ArcelorMittal Brasil is investing BRL 7.7 billion just in expanding its units, which are added to the other sum of BRL 11.4 billion made in the acquisition of 100% of the shares of the plate producer Companhia Siderúrgica do Pecém (CSP), currently ArcelorMittal Pecém, in the State of Ceará, completed in March 2023. The new operation – modern, technological and logistically strategic – adds 3 million tons/year of steel to our production and consolidates ArcelorMittal's leadership as the largest steel producer in Brazil and Latin America.



**ArcelorMittal  
Group worldwide:  
Investment of  
USD 10  
billion  
in the reduction of  
CO<sub>2</sub> emissions by  
2050.**

Among the investments, there are BRL 2.5 billion in the Monlevade Unit (MG) to almost double the production capacity to 2.2 million tons/year of crude steel; BRL 1.95 billion in Vega (SC), allowing the production of laminates to increase from 1.6 million to 2.2 million tons/year; BRL 1.8 billion in Serra Azul (MG) to triple production, which will jump to 4.5 million tons of iron ore; BRL 1.3 billion at the Barra Mansa Unit, to increase steel production by 500 thousand tons/year; and BRL 144 million at the Sabará Unit, to offer high added value solutions for the automotive sector.

But the numbers are not all. Among our greatest achievements of the year are the advances that aim to contribute to the integral development of the country and everyone who lives in it. We were pioneers in assuming the global commitment to be carbon neutral by 2050 and we remain committed to leading the transition process to a low carbon economy. To do so, we have consolidated our action plan in 2022 aiming at a global reduction of 25% in specific CO<sub>2</sub> emissions by 2030, in particular with the increase in the use of scrap as raw material, greater use of natural gas and optimization of use of charcoal in our units.

**With the acquisition of Companhia Siderúrgica do Pecém (CSP), in the State of Ceará, we consolidated ourselves as the largest steel producer in Brazil and Latin America.**





# BRL 7.7 billion

Total Amount of Investments



**BRL 2.5 billion**  
Monlevade Unit



**BRL 1.95 billion**  
Vega Unit



**BRL 1.8 billion**  
Serra Azul Unit



**BRL 1.3 billion**  
Barra Mansa Unit



**BRL 144 million**  
Sabará Unit



This broad commitment to the environment meant that, in 2022, we were the first company in the country to obtain the ResponsibleSteel™ certification, an international standard of excellence in sustainability that evaluates and certifies all levels of a company, with an emphasis on governance, environmental and social issues.

Tubarão and Monlevade units, located in the States of Espírito Santo in Minas Gerais, respectively, were certified in 2022. The Vega Unit, in Santa Catarina, was recommended for certification after a rigorous audit process, obtaining the certificate in 2023.

We are clear that expanding business only makes sense if society as a whole benefits. Therefore, we spare no efforts to invest in quality education, professional training, promotion of sports and culture, among other social initiatives aimed at the communities where we operate and the general public.

Everything we do, however, is only possible thanks to the commitment of our professionals, our greatest asset. We prioritize the continuous construction of increasingly safe, healthy and quality work environments, principles that foster a strong culture based on respect for human beings, relationships of trust and transparency.



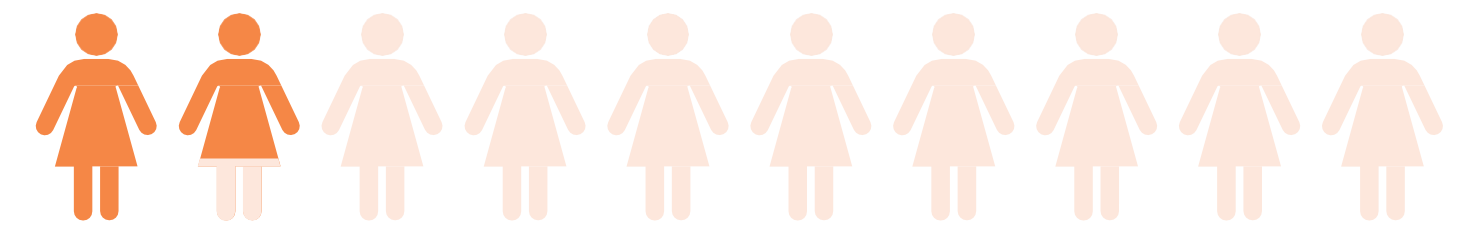
Investment of  
**BRL 78.7**  
million,  
between own and  
encouraged resources in  
social initiatives.



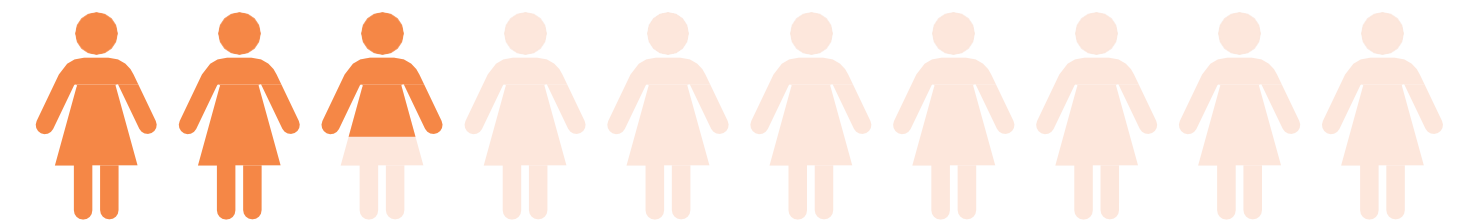


We also value diversity, with the aim of promoting inclusion, equity and respect, so that our teams can reflect the diversity of Brazilian society. One of the highlights of 2022 was the promotion of women to leadership positions, which now represent 19% of the workforce. We have a global goal of reaching 25% female leaders by 2030.

For us, people always come first. Development is only real if we all grow together and that is what we work for, ready for a more inclusive and innovative future for everyone.



19% of women in leadership roles in 2022



25% of women in leadership roles by 2030

*"Our purpose is to create intelligent steel for both people and planet. We understand the importance of our role in building a more prosperous future and we are confident in our strategy based on sustainable growth. We seek to work with our partners to bring the best steel solutions, with quality, innovation, sustainability and inclusion. Our guideline is to continuously invest in research and development to offer people and the planet technologically differentiated products that are increasingly efficient and have less environmental impact."*

**Jefferson De Paula**

*"Our goal as a group is only achieved because we are aware that human capital is our greatest asset, what makes a huge difference and is deeply associated with respect for people. Our care for human capital leads us to a more natural tendency to overcome challenges. We have assumed serious commitments to people, health, safety and the environment, and we are prepared for short, medium and long-term challenges."*

**Jorge Oliveira**



**Jefferson De Paula**

President of ArcelorMittal Brasil  
and CEO of ArcelorMittal Aços  
Longos e Mineração Latam



**Jorge Oliveira**

CEO of ArcelorMittal Aços  
Planos Latam and Vice-President of  
ArcelorMittal Brasil

# 2022 Highlights



→ First steel producer in the Americas to achieve the **ResponsibleSteel™** certification.



→ Acquisition of **Companhia Siderúrgica Pecém** (currently ArcelorMittal Pecém) with expansion of activities in the State of Ceará.



→ Resumption of expansion works at ArcelorMittal Vega unit, in São Francisco do Sul, with investments of **USD 350 million**.



→ More than **BRL 71 billion** in net revenue and ascertained net profit of **BRL 9.1 billion**.



→ Ebtida of **BRL 14,9 billion** and total sales volume of **12.4 million tons.**



→ 24% of increase in installed capacity and **15.4 millions tons of total steel production,** considering the new unit in Pecém.



→ **17,215 employees** and **18,836 suppliers** working with ArcelorMittal Brasil.

## Commitment with challenging goals



→ **25%**  
of women in leadership  
roles by 2030.



→ **25%**  
Of reduction in  
the intensity of  
global CO<sub>2</sub>  
emissions by  
2030.



→ Reach **neutrality** of  
CO<sub>2</sub> emissions in the  
whole ArcelorMittal  
Group **by 2050.**

## Awards and certifications

### 100 Open Corps

For the second consecutive year, ArcelorMittal Brasil led the ranking of the 100 Open Startups in the Mining and Metals segment, reaching Top 3 in the general national ranking for the third time in a row. 100 Open Startups is the leading open innovation platform in Latin America.

### Sport Encouraging Commendation

Homage paid to the five companies that most invest in sports in the country with resources from the Federal Act of Incentive to Sport..

### Época Negócios 360º

Elected the best Steel and Mining company by *the Época Negócios 360º Award*, promoted in partnership with *Fundação Dom Cabral*. The company was also the overall champion in the Financial Performance challenge, third in the top 150 ranking. In addition, it won second place in Innovation and People categories and was a highlight in Governance and Social and Environmental Responsibility

### Empresas Mais Estadão

ArcelorMittal ranked first in the Metallurgy and Steelworks and seventh place overall in the ranking of the 100 largest companies in Brazil according to the *Estadão Empresas Mais*.

### Aberje Award

Winner of 3 Regional Awards in the categories "Organizational Memory", "Audiovisual Media" and "Brand" in the event held by the Brazilian Association of Corporate Communication for the 100 years of ArcelorMittal in Brazil and branding campaigns held in 2022, in addition to the Communicator of the Year award.

### ABRH Award (ES)

The Brazilian Association of Human Resources of the State of Espírito Santo awarded ArcelorMittal in two categories: the Fundação ArcelorMittal was recognized for its innovative character in promoting gender equality and social development thanks to the Steam Girls case. ArcelorMittal Tubarão scored a second place in the *Ser Humano 2022* (2022 Human Being) award, with the project "*Academia do Bem-Estar* (Well-being Academy): body and mind connected to promote mental and emotional health".



## Minas Gerais Sport Award

Homage paid to five companies that invest the most in the country with resources from the Federal Sports Incentive Act.

## 2022 ECO Award

ArcelorMittal Brasil received an award from the American Chamber of Commerce (Amcham), in the "Processes" category, with the case "sustainable use of charcoal for the decarbonization strategy". The award highlights the strategy adopted at the *BioFlorestas* units in Juiz de Fora (MG), which since 2011 have used charcoal produced in the group's sustainable forests as raw material in the production of steel.

## 2022 MP/CAOTS Integrity Award

Recognition by the Public Prosecutor's Office of the State of Minas Gerais and the Federation of Private Law Foundations and Associations of the State of Minas Gerais (Fundamig), for good practices in Governance, Management and Compliance.

## Valor Inovação

Achievement of second place in the category "Mining, Metallurgy and Steelworks" of the 2022 Brazil Innovation Award.



## About the report

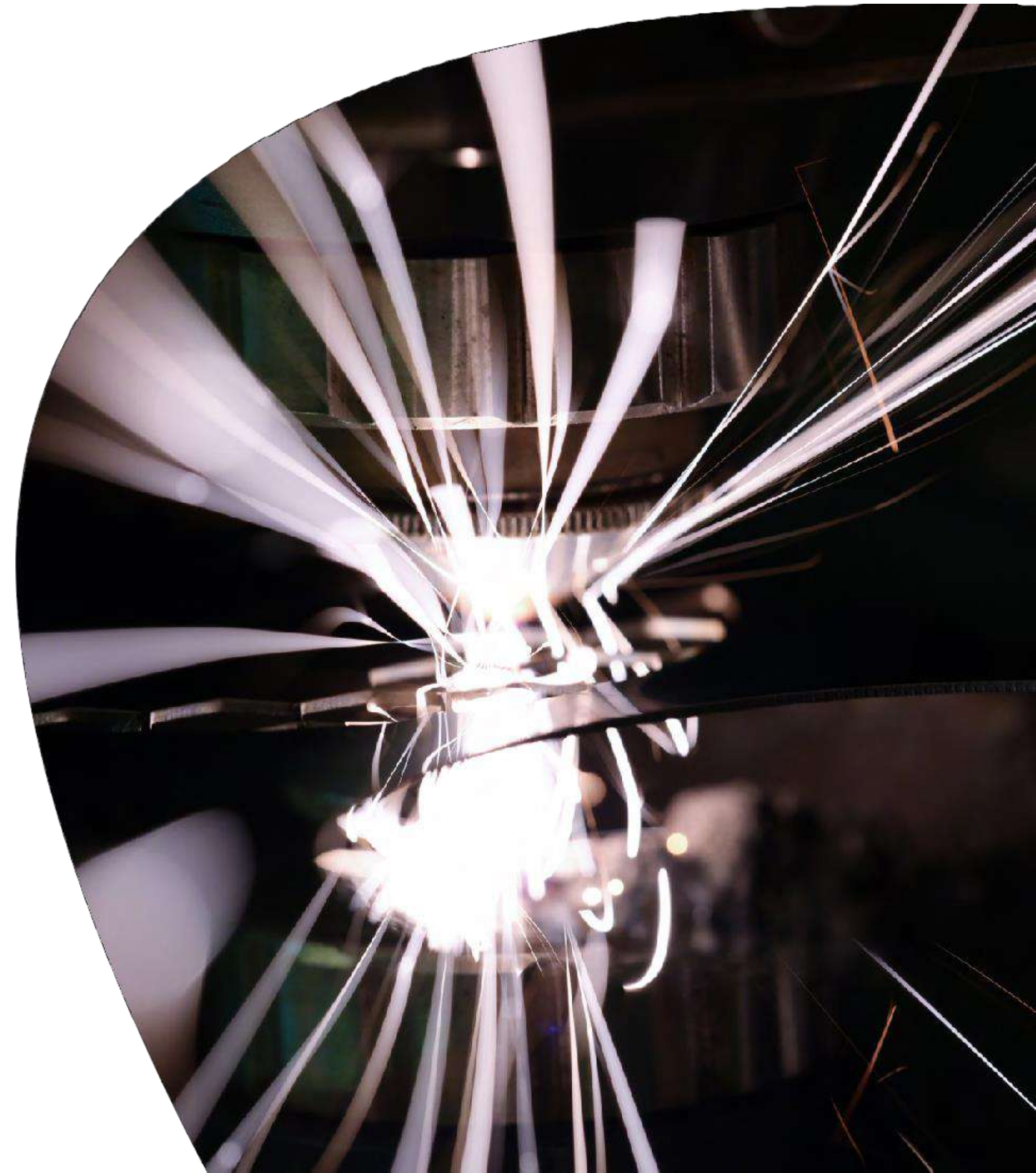
### GRI 2-3

In compliance with the best transparency practices, ArcelorMittal Brasil's 2022 Sustainability Report presents the company's performance in Brazil in accordance with the Standards 2021 version of the Global Reporting Initiative (GRI), a standard adopted worldwide for sustainability reports. The annual publication also considers the principles of the Integrated Report (IIRC), which guides the reporting of the ArcelorMittal Group.

This report reinforces the company's values, goals and objectives for all stakeholders, focusing on its commitment to fostering and ensuring full and sustainable development. For this, in addition to including information on corporate governance, risks, challenges and opportunities for the period from January 10 to December 31, 2022, its qualitative and quantitative content is based on its material topics, as presented below.

ArcelorMittal's 2022 Sustainability Report comprises all units of ArcelorMittal Brasil and Belgo Arames, and the Senior Management is responsible for analyzing and approving the information reported therein. The 2022 publication was externally verified, for the first time, by the Bureau Veritas audit.

The organization also has a consolidated financial statement report, audited and published annually on the official ArcelorMittal's website with the same scope. [GRI 2-2, 2-5, 2-14](#)



## Materiality Matrix

GRI 2-29, 3-1

Prepared in 2021, in accordance with the GRI methodology, the materiality matrix is aligned with the main demands of society.

Its elaboration process was divided into four stages: identification, prioritization, analysis and mapping.

After careful analysis, the priorities of each public, both internal and external, were collected and sorted, resulting in an average with the seven material topics listed.





During its elaboration, nine internal interviews were carried out with senior leadership, seven external interviews with customers and specialists, in addition to online surveys with stakeholder groups, such as the internal public, suppliers, partners, the press, sector entities and ecosystems of innovation.



## Material Topics GRI 3-2

| Topic  | Why is it important?  | Stakeholders                                   | ODS   |
|--|---|--|---|
| <p><b>Climate changes</b><br/>Adoption of a climate strategy that includes the reduction in greenhouse gas (GHG) emissions, mitigation and adaptation to climate change.</p>   | <p>Intensive activity in emissions.<br/>Goal to be carbon neutral by 2050.</p>              | <p>Leaderships<br/>Customers<br/>Suppliers</p> |       |
| <p><b>Energy Efficiency</b><br/>Energy management, analysis of energy performance, adoption of actions to increase process efficiency and prioritization of alternative energy sources.</p>  | <p>Rational consumption and conservation of energy sources.</p>                             | <p>Experts</p>                                 |       |
| <p><b>Health and safety of the worker</b><br/>Health and safety management, with a focus on establishing a safety culture, investments in infrastructure and personal protective equipment, awareness of activities and risk behavior, and care in the use of materials harmful to health.</p> | <p>High risk activity where health and safety requirements need to be values.</p>           | <p>Leaderships<br/>Experts</p>                 |    |
| <p><b>Ethics and integrity</b><br/>Fostering ethical and transparent conduct at the different levels of the organization, including anti-corruption mechanisms.</p>  | <p>Maintain the integrity culture standards achieved.<br/>Mechanisms to end slave labor</p> | <p>Customers<br/>Suppliers</p>                 |   |

## Material Topics GRI 3-2

| Topic  | Why is it important?  | Stakeholders  | ODS   |
|--|---|---|---|
| <p><b>Governance and compliance</b><br/>                     Strengthening of governance in accordance with best market practices, regulatory monitoring, compliance with legal regulatory standards in the sector, environmental licensing and relationship with regulatory and supervisory bodies.</p> | <p>Keep governance standard</p>   | <p>Leaderships<br/>                     Experts</p>               |    |
| <p><b>Innovation and technology</b><br/>                     Stimulating technological innovation in operations, seeking opportunities for new business fronts, automating processes and artificial intelligence.</p>  | <p>Foster innovation in an environment that demands strong operational controls to ensure operational safety.</p>                               | <p>Leaderships</p>  |   |
| <p><b>Supply chain management</b><br/>                     Relationship and management of the supply chain, aiming at the trust of customers in the chain and, when possible, the development of local suppliers.</p>  | <p>Positive impact in several locations due to having more than 15,000 suppliers from different segments, sizes and regions of the country.</p> | <p>Topic inserted by leadership during materiality validation</p> |   |

There were no changes to the list of material topics compared to the previous reporting period. [GRI 3-2](#)

## Our sustainability journey

We are proud to be a company that spares no effort to care for people and the environment. We foster decarbonization actions in the steel industry and are a reference in environmental management, with high rates of self-generation of energy, water recirculation and recyclability. We develop processes that ensure the implementation of ESG standards for steel production (ResponsibleSteel™) and ore production (Initiative for Responsible Mining Assurance – IRMA). One of the highlights of 2022 was the launch of ArcelorMittal 50 S XCarb® rebar, the company's first XCarb® Renewable and Recycled product, with 100% recycled material and 100% renewable energy.

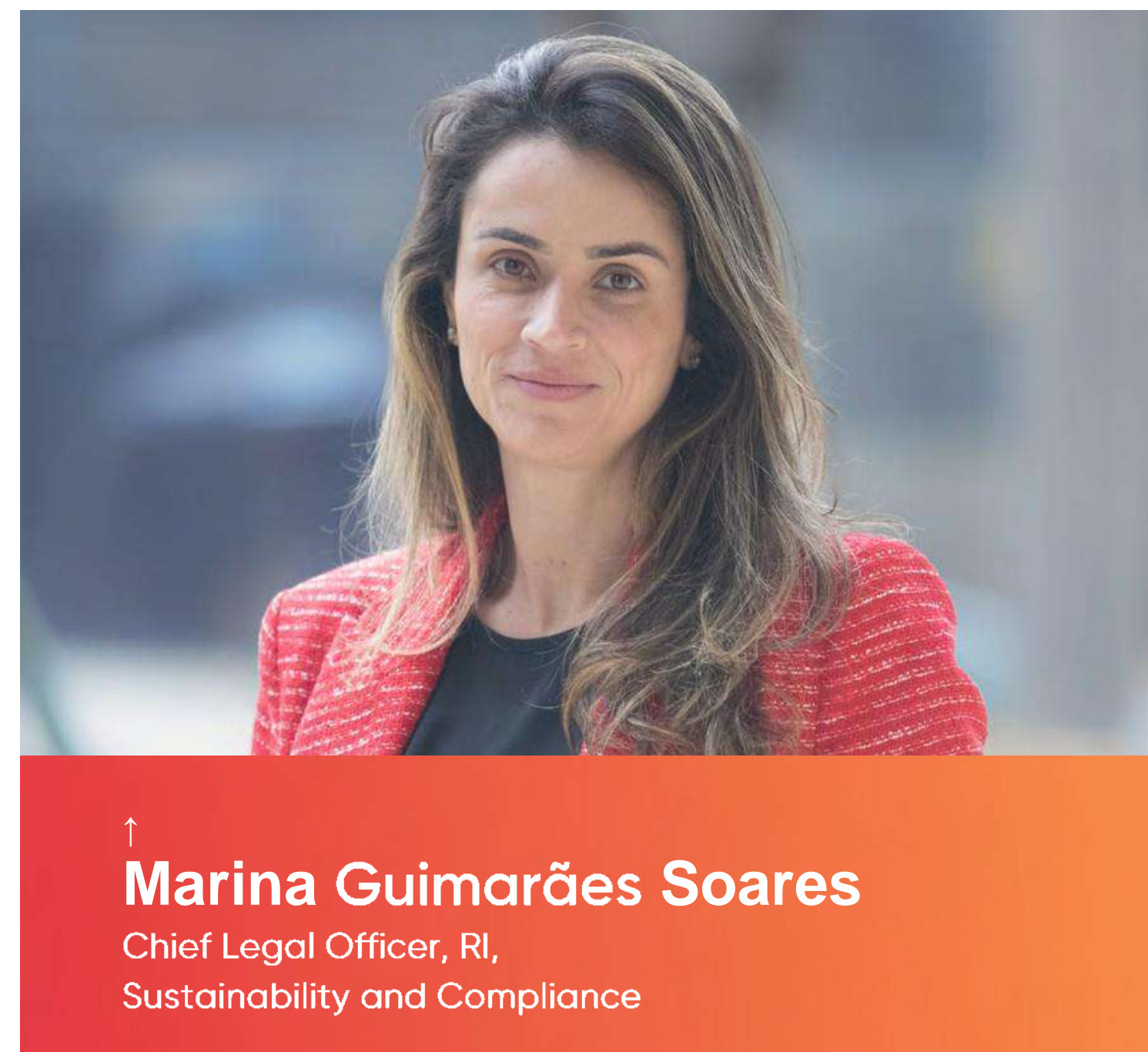
Our strategies in Brazil are based on careful and modern corporate governance practices, which go beyond mere compliance with legal rules. Proof of this was the achievement, by the Fundação ArcelorMittal, of the Integrity Award from the Public Prosecutor's Office of the State of Minas Gerais (MPMG) and the Federation of Private Law Foundations and Associations of the State of Minas Gerais (Fundamig), due to our good governance practices.

To reinforce our values, which are based on ethics, justice and equality, we have a robust Integrity Program applied in all units of the group. We seek to disseminate a culture of integrity inside and outside the company, articulating our actions around three fundamental pillars: honesty and transparency; respect and dignity; as well as exemplarity.

Our greatest asset, however, is our people. In 2022 alone, the Fundação ArcelorMittal invested BRL 73.5 million in promoting education, culture and sport, in actions that directly impacted 364,800 people.

We are committed to continuing to thrive on our Sustainability Journey, and this report shows how the journey was throughout 2022, marked by challenges, lessons learned and many achievements.

Questions or requests for more information must be sent to the email [comunicacao.corporativa@arcelormittal.com.br](mailto:comunicacao.corporativa@arcelormittal.com.br). [GRI 2-3](#)



↑  
**Marina Guimarães Soares**  
Chief Legal Officer, RI,  
Sustainability and Compliance



**ArcelorMittal Brasil**

## GRI 2-1, 2-6

Leader in steel production in the country, ArcelorMittal Brasil ended 2022 with an installed capacity of over 12.5 million tons of crude steel per year and around 17,200 direct employees. With the acquisition of Pecém, the installed capacity will increase to 15.4 million tons per year.

It also operates in the areas of power generation, mining, charcoal production through renewable forests, and information technology, serving customers in the automotive, shipbuilding, civil construction, home appliances and even packaging sectors.

### Worldwide presence

In more than a century of activities, the ArcelorMittal Group has consolidated itself as the largest steel group in the world, directly employing more than 190,000 people and serving customers with maximum quality and efficiency in 160 countries. The group maintains 11 research centers: there are more than 1,300 researchers committed to innovating in solutions that respond to society's demands, respecting the environment and communities.



## Our business

With production spread across the Central-West, Northeast, Southeast and South regions, ArcelorMittal Brasil's businesses integrate different units and areas of activity, which allow for more efficient use of resources and more robust and safer results.

### Long Steel

The Long Steel segment operates in five states (São Paulo, Rio de Janeiro, Minas Gerais, Bahia and Mato Grosso do Sul) with an installed capacity of 4.9 million tons of steel per year and commercial representation throughout the country. Through a wide distribution network, it supplies products and solutions to customers in the industrial, civil construction and agribusiness sectors, consolidating its position as a national leader in the supply of wires and one of the largest producers of steel cords for reinforcing tires.

### Flat Steel

The Flat Steel segment is responsible for the 7.5 million tons of steel in slabs, hot rolled coils and cold rolled coils produced by ArcelorMittal Brasil and sold in the country and in more than 30 countries. With the recent acquisition of the unit in Pecém, the installed capacity will be increased by 3 million tons of steel per year. The production, processing and distribution units in Minas Gerais, Santa Catarina, Ceará and Espírito Santo produce special steel for the automotive sector, such as Usibor, in addition to top quality products for the infrastructure, shipbuilding, civil construction and home appliances sectors.



**7.5 million of tons of plate, hot rolled and cold rolled steel**

### Mining

With an annual production capacity of 7 million tons of sinter feed and 500,000 tons of granulated iron ore, the two mines located in the State of Minas Gerais have reserves with extraction potential of around 480 million tons of ore and differentiated logistical capacity to production flow.



**Annual production of 7 million tons (sinter feed) and 500,000 tons of granulated iron ore**

### Information Technology

With a sound portfolio of services, which includes cybersecurity, cloud solutions and SAP platforms, ArcelorMittal Sistemas is considered a reference in efficiency and security in the area of information technology. In addition, the business segments have teams specialized in information technology, industrial automation, digital transformation and infrastructure and telecommunications who are aware of technological demands and support the units in achieving their strategic objectives.

### BioForests

With approximately 70,000 hectares of renewable eucalyptus forests and 33,000 hectares of permanent preservation areas and legal reserves in Minas Gerais, ArcelorMittal BioFlorestas has the mission of ensuring ArcelorMittal Brasil's demand for charcoal in an environmentally sustainable manner, reducing the environmental footprint of production and CO2 emission rates in the atmosphere.

Always acting with respect for environmental, social and governance practices, ArcelorMittal BioFlorestas stands out for adopting eco-sustainable management models, maintaining relationships based on respect and dialogue in the communities.

## Constant evolution

### Arriving in the State of Ceará

The acquisition of 100% of the shares of Companhia Siderúrgica do Pecém (CSP), in the Metropolitan Region of Fortaleza, Ceará, in an investment of approximately USD 2.2 billion, was finished.

A major world producer of high-quality slabs, ArcelorMittal Pecém has state-of-the-art facilities, with access to the port of Pecém. Operating an integrated plant with an installed capacity of 3 million tons of steel per year, the company is located within the country's first Export Process Zone and benefits from several tax incentives.

The acquisition strategy aims to expand primary steelmaking, rolling and finishing capacity, in addition to consolidating ArcelorMittal's share in the Brazilian steel market, enabling the additional production of 3 million tons of high-quality slabs for the foreign market.

Another benefit is the ability to take advantage of more than USD 50 million of identified synergies (including net income, purchases and process optimization), in addition to the capitalization of investment to boost the use of renewable energy sources, such as clean electricity and the green hydrogen in Ceará.



**Investment: USD 2.2 billion**

**Production Capacity: 3 million tons**

### Expansion of the Vega unit

Thinking about the expansion potential of the national and international steel market, the Vega unit of ArcelorMittal Brasil was expanded, in Santa Catarina, with investments of around USD 350 million. Thus, the unit's production volume will increase from 1.6 million tons to 2.2 million tons per year of laminates.

Upon completion of the work, scheduled for the last quarter of 2023, it will be possible to adopt innovative production processes, such as the Cold Mill Complex (CMC), which makes it possible to operate with both galvanizing and continuous annealing, in a *comblane* system, producing high-quality, exclusive and differentiated products.

The flexibility of the production line also allows for greater optimization in the pickling and cold rolling lines.



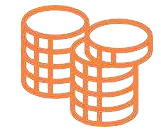
**Investment : USD 350 million**

**Production Capacity : 2.2 million tons**

### Investments in the Barra Mansa unit

To mark ArcelorMittal's 100 years of activity in the Long Steel segment in Brazil, BRL 1.3 billion will be invested in the Barra Mansa Unit, in Rio de Janeiro, in the coming years, doubling its steel shop production capacity and increasing by 500,000 tons per year its rolling capacity.

In addition, it will be possible to increase the portfolio of high-quality products offered by the unit and create 200 new direct and 150 indirect jobs, in addition to 1,200 workers hired to work on the expansion work. This confirms the company's confidence in the domestic market and its growth potential.



## Investment: BRL 1.3 billion

Investing in the automotive and industrial market

Until 2024, ArcelorMittal will make new investments of BRL 144 million in the Sabará Unit, in Minas Gerais, in the biggest investment plan in the Brazilian steel industry in progress. In all, BRL 7.8 billion will be invested in the plant, in the period between 2022 and 2025.

The expansion of the Sabará unit is part of the company's major expansion project, which also includes the Barra Mansa (RJ), Vega (SC), Serra Azul (MG) and Monlevade (MG) units.

It is worth noting that Minas Gerais is a State of paramount importance for the company and for the entire Brazilian automotive industry. Nine out of the ten most sold vehicles in Brazil use steel produced at the Sabará unit, which will have its production capacity increased by 35%, aiming to further meet the demands of the automotive sector.

Two new wire drawing equipment will also be purchased, expanding with innovation and excellence the range of steel solutions made available by the company in the automotive, railway, tools and industry markets in general.



## Investment: BRL 7.8 billion



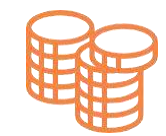
### Pellet Feed Project – ArcelorMittal Serra Azul

Mina Serra Azul Mine will receive investments from ArcelorMittal for the modernization and expansion of its activities, including the installation of a new pellet feed production plant, a noble product, extremely fine and with a high iron content.

There are plans for processing of compact itabirite and increasing production capacity from 1.6 million tons per year to 4.5 million tons per year of iron ore. The entire processing of compact itabirite will continue to be carried out dry, without a dam. The model has been implemented since 2012, when ArcelorMittal deactivated the company's dam in the region.

A new fleet of operating equipment, such as trucks, excavators and drills is expected to be acquired in this expansion process, totaling BRL 1.8 billion in investments.

The project involves an expansion with low environmental impact, as the area that will be mined is practically the same as that already mined, with an increase of only 13% in the original area. In addition, it will create 2,500 temporary jobs by outsourced companies, the generation of 370 direct jobs and the reprocessing of waste generated by the production process.



**Investment: BRL 1.8 billion**  
**Production Capacity: 4.5 million tons/year of iron ore**

### Shutdown Planning – [GRI MM10](#)

In accordance with legal requirements, ArcelorMittal Brasil has a long-term mine shutdown plan for the group's two mining units in Brazil.

# Where we operate

GRI 2-1, 2-6

## Long Steel

- ArcelorMittal Barra Mansa (RJ)
- ArcelorMittal Juiz de Fora (MG)
- ArcelorMittal Monlevade (MG)
- ArcelorMittal Piracicaba (SP)
- ArcelorMittal Resende (RJ)
- ArcelorMittal Sabará (MG)
- ArcelorMittal São Paulo (SP)
- ArcelorMittal Sitrel (MS)
- Belgo Arames – Contagem, Sabará, Itaúna and Vespasiano (MG), Feira de Santana (BA), Osasco and Sumaré (SP)

## Flat Steel

- ArcelorMittal Contagem (MG)
- ArcelorMittal Tubarão – Serra (ES)
- ArcelorMittal Vega – São Francisco do Sul (SC)
- ArcelorMittal Gonvarri – Araucária (PR) and Hortolândia (SP)
- ArcelorMittal Perfilor – São Paulo (SP)
- ArcelorMittal Pecém – São Gonçalo do Amarante (CE)

## Mining

- Mina do Andrade – Bela Vista de Minas (MG)
- Mina de Serra Azul – Itatiaiuçu (MG)

## Social Investment

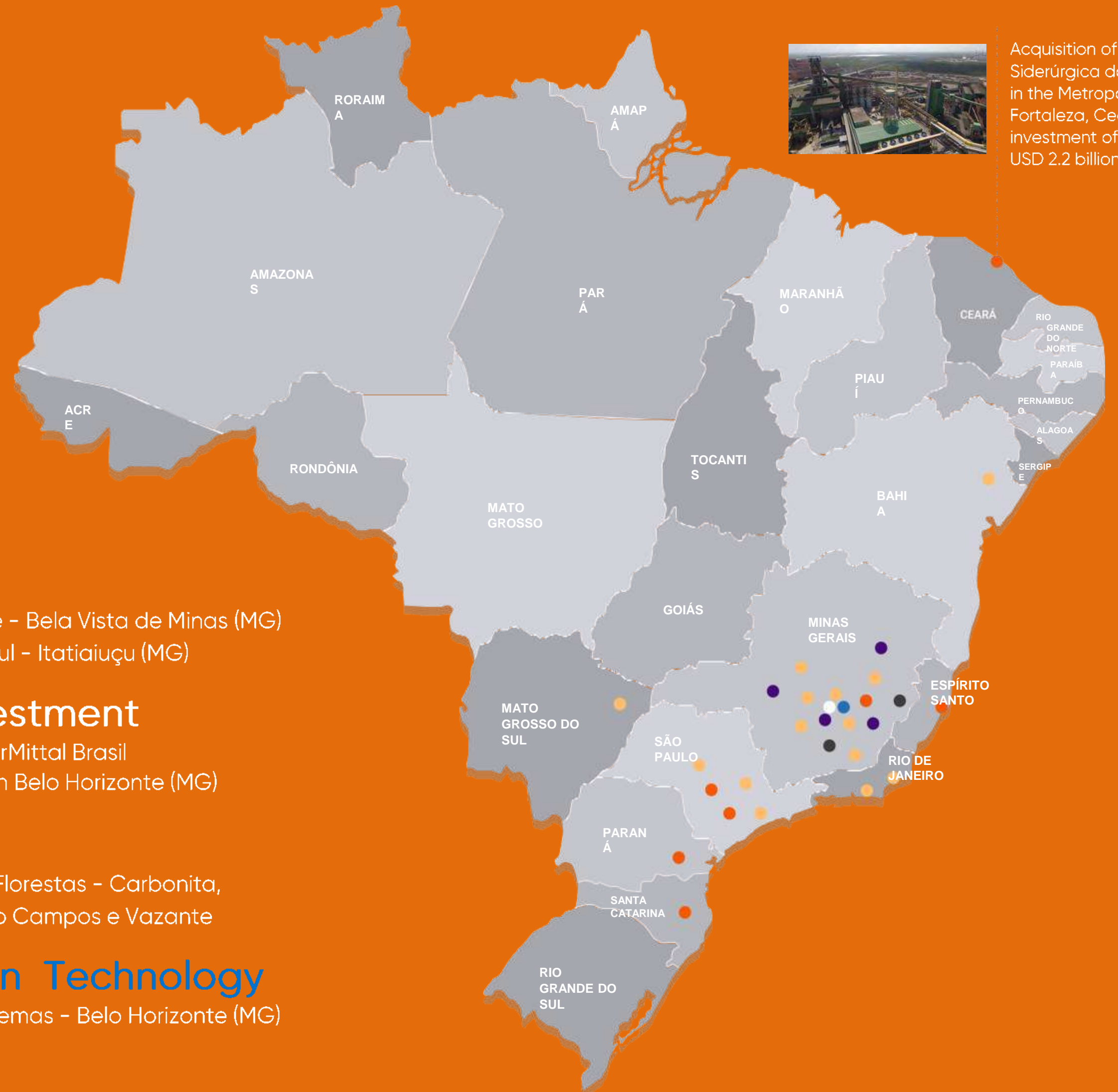
- Fundação ArcelorMittal Brasil Headquartered in Belo Horizonte (MG)

## BioForests

- ArcelorMittal BioFlorestas – Carbonita, Dionísio, Martinho Campos e Vazante (MG)

## Information Technology

- ArcelorMittal Sistemas – Belo Horizonte (MG)



Acquisition of Companhia Siderúrgica do Pecém (CSP), in the Metropolitan Region of Fortaleza, Ceará, in an investment of approximately USD 2.2 billion.

## ArcelorMittal Brasil Values

GRI 2-23, 2-24

Based on the goal "Smart steels for people and the planet", ArcelorMittal Brasil's activities are based on solid values that reinforce its commitment to building a fairer, more inclusive society and to preserving the environment. Our values are::





# Sustainability

Our thinking is based on ensuring a strategic competitive position, but also taking into account society's expectations for a more circular and low-carbon economy. Such long-term thinking is essential if we are to secure continued support from our stakeholders.



# Quality

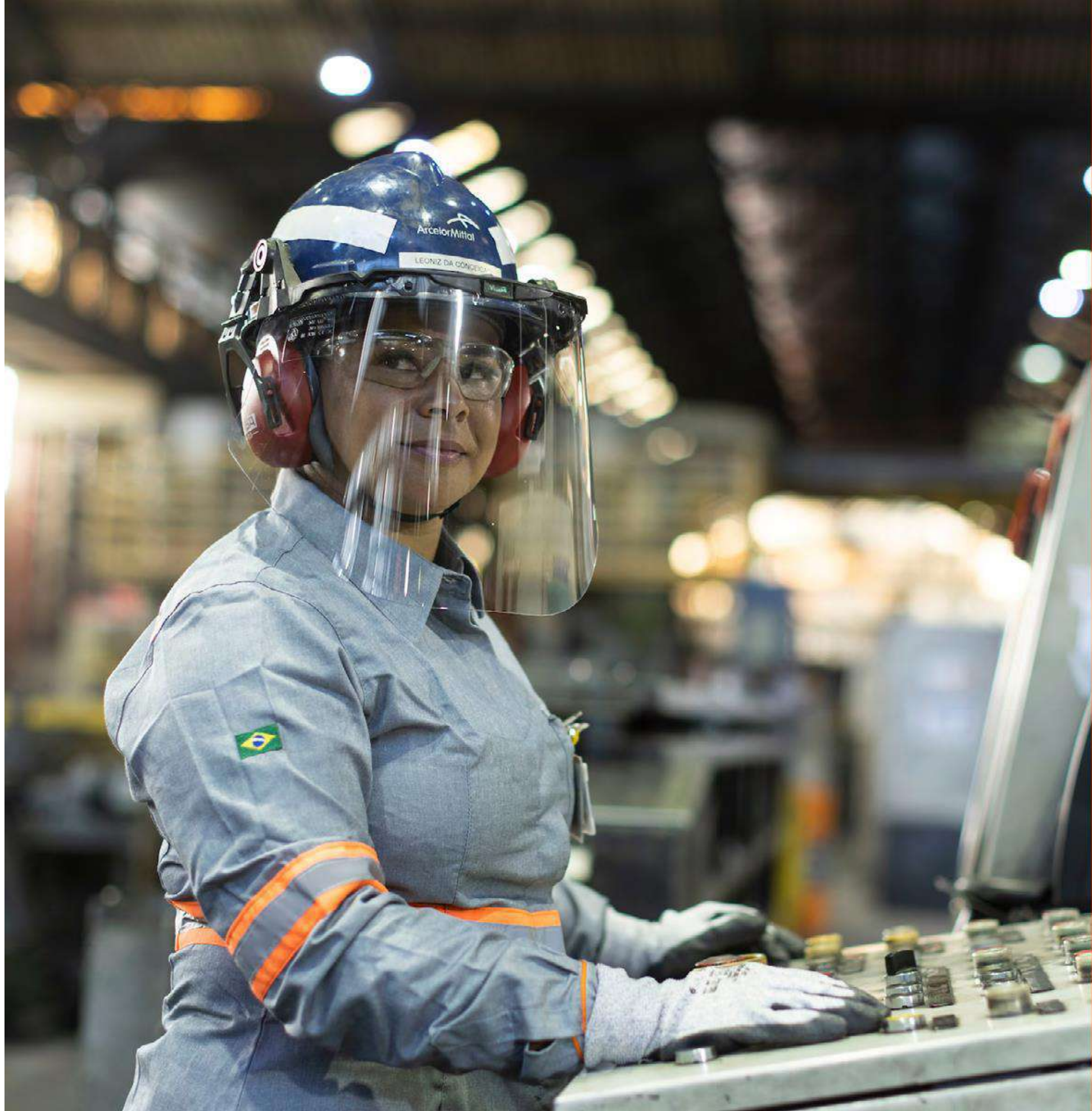
Quality is essential to our competitive advantage. We must always strive to exceed expectations for our products, processes and performance, combining our deep operational knowledge with a keen business vision and a desire to innovate and expand steel potential. We must seek excellence in everything we do, inspiring our colleagues to develop new ideas and get ahead.





# Leadership

In the highly competitive world in which we operate, we must continue to demonstrate opinion leadership and advocate for new ideas and new ways of operating. We must be open to change, focused on driving innovation and seeking opportunities for transformation. We do not wait for others to show us the way: we find the way. And, in doing so, we demonstrate to stakeholders the value that our company can add to society.



# Safety

Success begins with the safety of all male and female employees. Every accident is preventable, and all people who work at ArcelorMittal Brasil must live by this creed. This is at the heart of the safety culture we must achieve in all operations.

## Sustainable Development Guidelines

Allied to the company's values, ArcelorMittal Brasil has a sustainability strategy, established based on the 17 Sustainable Development Goals (SDGs) of the United Nations (UN). There are 10 guidelines based on best practices and social, economic and environmental trends.

1. Safe, healthy work and quality of life for our employees;
2. Products that encourage more sustainable lifestyles;
3. Products that create a sustainable infrastructure;
4. Efficient use of resources and high recycling rates;
5. Reliable user of air, land and water;
6. Responsible energy user, helping to create a low-carbon future;
7. Supply chain our customers trust;
8. Active and welcome member of the community;
9. Source of talented scientists and engineers for tomorrow;
10. Our contribution to society must be measured, shared and valued.





Together in Corporate Governance



## GRI 3-3; Governance and Compliance

**ArcelorMittal Brasil aims to consolidate principles of integrity, based on ethical, fair and egalitarian behavior among all those involved in the production process. Thus, it follows the best practices of Corporate Governance guided by ethics and transparency.**

Our Governance seeks to ensure the Company's success, through strategic guidelines that contribute to supplying markets with quality steel and stimulating the socioeconomic development of the regions where it operates.

Topics such as risk management, integrity, diversity and inclusion, health and safety, sustainability and environment are on the agenda of the strategic meetings of the Executive Officers and the Board of Directors. The initiatives fostered by Senior Management are aimed at increasing its effective participation in addressing such issues. In addition to managerial functions, the Senior Management is also in charge of:

- Have and present exemplary behavior to the organization as a whole;
- Promote and sponsor Principles of Integrity, acting in accordance with the highest moral and ethical standards;
- Ensure that the people we supervise understand the responsibilities and Group policies and act with the highest standard of integrity;
- Discuss topics such as compliance, integrity and sustainability in strategic meetings;
- Discuss risk management in strategic meetings;
- Act to avoid situations of violation of the Group's policies and applicable laws;
- Ensure the strict application of laws and internal rules applicable to operations regardless of their results;
- Decide on the installation of internal committees and monitor their work;
- Participate in meetings with the internal audit and forensic investigation departments;

- Understand possible conflicts of interest, discuss with managers and decide on the measures to be implemented in cases of real or potential conflict, when applicable;
- Maintain a Governance, Risks & Compliance (GRC) structure as an active and active 2nd line of organizational defense with other business managers;
- Participate in internal and external events that promote the dissemination and importance of the Culture of Integrity and sustainability. [GRI 2-12, 2-13](#)

The development of the collective knowledge, skills and experience in sustainability of the highest governance body can only be achieved from explicit and tacit planning, with mandatory internal training and preparations for participation in events of the sector and other entities. [GRI 2-17](#)

## Organizational Structure

### GRI 2-9

ArcelorMittal always aims for the highest standards of corporate governance wherever it operates. And in Brazil it would be no different. With highly qualified executives, directors and committees, the company values sustainability, competitiveness, safety and respect in all activities, which makes ArcelorMittal Brasil a reference and market leader.

In line with the Articles of Incorporation, a Corporate Governance program was structured with four bodies: Shareholders' Meeting, Board of Directors, Supervisory Board (non-permanent) and the Executive Board. The bodies are, in turn, assisted by seven advisory committees: Suppliers Committee, Diversity and Inclusion Committee, Risks and Crisis Committee, Information Security Committee, Integrity Committee and, finally, Image and Reputation. In addition, an audit committee for operations in Latin America was set up, which will come into force from 2023, permanently formed by the CEOs of the businesses and the VP of Global Assurance of the ArcelorMittal Group, in addition to permanent guests such as the CFOs, legal, audit internal and forensic.

To ensure business continuity, selection for the highest governance body and its committees is carried out through succession planning that maps key positions and professionals. This plan is under the responsibility of the People Department and is reviewed annually considering necessary criteria and, ultimately, endorsed by the CEO of the ArcelorMittal Group, who also performs the performance assessment of the highest governance body through the Global Employee Development Programme (GEDP), which connects strategic business guidelines and the areas and its professionals. [GRI 2-10, 2-18](#)

**Shareholders' Meeting:** Main decision-making body of the company, in charge of deliberating on the most relevant topics, such as the election of members of the Board of Directors and Audit Committee, financial statements and administrative reports.

**Board of Directors:** Body that aims to establish the Company's strategic guidelines, taking into account economic, social and environmental aspects and monitoring and guiding business and results. It is also in charge of electing officers and choosing and dismissing independent auditors. It is elected every two years at the Shareholders' Meeting, which chooses the three members of this board, two of whom are independent.

**Statutory Board:** Formed by at least eight members elected every two years by the Company's Board of Directors, it is the body responsible for management acts essential to the proper functioning of the company..

**Supervisory Board:** Independent body formed by three to five members chosen by the Annual Shareholders' Meeting. It is charge of the inspection and audit of the company's accounts and the performance of its officers, and ended up not being instituted exceptionally in the year 2022.

All information on the organizational structure of ArcelorMittal Brasil is available for public consultation at: <https://brasil.arcelormittal/estruturaoorganizacional>



**Aditya Mittal**

CEO ARCELORMITTAL

## Plans



**Jorge Oliveira**  
CEO ARCELORMITTAL LATAM LONG STEEL



**Erick Torres Bispo dos Santos**  
CEO ARCELORMITTAL PECEM



**Eduardo Zanotti**  
VP COMMERCIAL



**Jorge Adelino**  
VP OPERATIONS



**Paulo Wanick**  
CHIEF FINANCIAL OFFICER

## ArcelorMittal Brasil



**Jefferson De Paula**  
PRESIDENT



**Jorge Oliveira**  
VICE-PRESIDENT



**Alexandre Barcelos**  
VP FINANCIAL CORPORATE  
& INFORMATION TECHNOLOGY



**Marina Guimarães Soares**  
CHIEF LEGAL OFFICER, INSTITUTIONAL AFFAIRS AND  
SUSTAINABILITY AND COMPLIANCE



**Raquel Pitella Cañado**  
SUPPLY DIRECTOR

## Long Steel



**Jefferson De Paula**  
CEO LATAM LONG STEEL AND MINING



**Waldenir Lima**  
VP OPERATIONS LONG STEEL BRAZIL



**Everton Negresio**  
VP COMMERCIAL AND METALLIC LONG STEEL BRAZIL



**Fábio Paiva Scárdua**  
CFO - CHIEF FINANCIAL OFFICER AND GOVERNANCE, RISK & COMPLIANCE  
LATAM LONG STEEL AND MINING BRAZIL



**Tatiana Nolasco**  
DIRECTOR OF ESG, INNOVATION, TECHNOLOGY AND  
TRANSFORMATION OF THE LONG STEEL BUSINESS - BRAZIL



**Wagner Barbosa**  
BIOFOREST DIRECTOR AND MINING BRAZIL



**Paulo Salomão**  
DIRECTOR OF TECHNOLOGY, AUTOMATION, IT, ENGINEERING AND  
LATAM LONG STEEL PROJECTS AND MINING BRAZIL



**Sofia Trombetta**  
DIRECTOR OF PEOPLE, HEALTH AND WELL-BEING, LATAM  
LONG STEEL AND MINING BRAZIL



**Rodrigo Archer**  
CEO BELGA ARAMES



## Ethics and Integrity

### GRI 2-23, 2-24, 3-3; Ethics and Integrity

ArcelorMittal organizes and aligns business interests in a transparent and complete manner, strengthening relationships and encouraging behavior based on ethical and moral values, inside and outside the company.

All of the Company's activities aim to ensure sustainability, product quality, safety, health and the well-being of employees, partners and the community involved. The company is committed to the evolution of steelmaking, mining, bioforestry and environmental preservation through the sustainable use of raw materials and responsible production.

The Integrity Program, officially launched in 2007, is based on three basic pillars :

**Honesty and transparency:** ArcelorMittal believes in fairness and clarity, which is why all its actions carefully follow national and international laws and the highest ethical standards adopted by the market.

**Respect and dignity:** Respect and trust are the basis of all human relationships, and therefore, the company adopts practices that value employees, service providers, customers, the communities where we operate, the environment and human dignity.

**Exemplarity:** Good individual practices serve as an example for collective actions. Acting guided by ethics, honesty, transparency, solidarity and collaborative spirit generates a



All of the Company's activities aim to ensure sustainability, product quality, safety, health and well-being of our employees, partners and the community involved. The company is committed to the evolution of steelmaking, mining, bioforestry and environmental preservation through the sustainable use of raw materials and responsible production.

Positive influence and creates a more efficient and pleasant work environment. The transparent and objective communication of values and commitment positively influences the entire corporate environment in which we operate.

These pillars are broken down into eight principles:

- Be honest;
- Be transparent;
- Honor your word;
- Be fair and respectful to employees and other stakeholders;
- Respect and protect assets;
- Respect and protect confidentiality;
- Lead by example; and
- Talk about ethics and values.

With the aim of disseminating and implementing the Company's values and principles, the **ArcelorMittal Group's Integrity Program has more than twenty policies and procedures accessible, in Portuguese, to all employees** through the Legal Portal, with the Code of Conduct being the backbone of the Integrity Program. These documents comply with national laws as well as international best practices and are closely monitored by several areas. Furthermore, all policies and procedures have been approved by the Board of Directors and the Executive Board of the ArcelorMittal Group.

It is also worth mentioning the Human Rights Policy, which is anchored in basic and civic principles inspired by best practices on the subject, such as International Conventions, the United Nations Universal Declaration of Human Rights, the Global Compact and the fundamental principles governing labor relations, based on the rules of the International Labor Organization (ILO). These principles are applied to everyone who participates, directly or indirectly, in the Company's activities, including employees, service providers, officers and directors of the ArcelorMittal Group.

All employees receive a copy of the Code of Conduct upon recruitment and must sign a Term of Commitment pledging to respect it, as an indispensable condition for remaining on the staff.

The training covers 100% of employees, in addition to board officers and directors. These are mandatory training courses that, every three years, address the policies and procedures related to the Integrity Program. The schedule is determined by a global training matrix, which takes into account the need for specific knowledge in the development of each employee's activities. The control of this training is carried out by the Human Resources Management and monitored by the Compliance Legal Management. At the end of each year, the number of trained employees is reported to the Audit Committee of the ArcelorMittal Group, through the Compliance Certificate issued by the Company's officers. Throughout 2022, several workshops and conversation circles were held aimed at specific business areas, according to need and risk matrix.

In 2022, our annual Integrity event featured external consultants, who proposed a moment of reflection on integrity in business and the importance of cultivating healthy, honest and sustainable relationships with employees, leaders, the community, customers and suppliers, reinforcing, thus, the Principles of the ArcelorMittal Group's Integrity Program.

All policies and procedures that are part of the Integrity Program are approved by the Board of Directors and by the Executive Board of the ArcelorMittal Group.

Suppliers and subcontractors must also follow the pillars and principles of the Integrity Program, based on the Company's Responsible Supply Code, which is also in line with the Group's values and the ten ArcelorMittal Sustainable Development Guidelines. The purpose of this code is to encourage the Group's suppliers to identify opportunities for improvement in business practices related to the environment, health and safety, human rights and ethics throughout the entire supply chain.

In the operations carried out by ArcelorMittal, there are no forced or inadequate labor conditions that could be compared to a situation analogous to slavery. ArcelorMittal, in the process of continuous improvement, has intensified the management of its suppliers, carrying out audits and monitoring the working conditions of its service providers. The contracts signed by the Company contain clauses in which service providers ensure that they do not adopt any illegal work practices, including child labor and forced labor, and it is established that ArcelorMittal is entitled to verify compliance with said provisions, and

non-compliance by the service provider gives rise to just cause for termination of the contract. In addition, the ArcelorMittal Group has a supplier auditing process that assesses whether the Company's potential partners are listed on any "dirty list" of slave labor or child labor. [GRI 408-1, 409-1](#)

#### Dialogue - [GRI 2-16](#)

In 2022, the Compliance in Action campaign was carried out, which addressed the Code of Conduct and topics such as conflicts of interest, confidentiality, gifts, entertainment and data protection. It is also worth mentioning the campaign to foster the Company's listening channels, guiding internal and external audiences on the Complaint, Contact Us and Data Protection Channels, and the Compliance Bulletins, quarterly newsletters with updates, which are distributed to the main internal customers.

Another highlight was the campaign for the International Anti-Corruption Day, which included the production and broadcast of a video on the subject for employees.

#### Negative impacts - [GRI 2-25](#)

In response to a case of negative impact by ArcelorMittal Brasil, the company entered into an agreement with the Public Prosecutor's Office, committing to indemnify the people affected by the evacuation of the community in the Self-Rescue Zone (ZAS) of the Mineração Serra Azul dam.

The removal was necessary due to a change in the dam safety laws and the indemnification included financial compensation, sheltering domestic animals, advance payment to eligible households and psychosocial care for residents.

The second occurrence is related to air pollution by industries in the Tubarão Complex and is also under discussion with the Public Prosecutor's Office. The Company has committed itself and acted to reduce the release of pollutants into the atmosphere.

In order to maintain dialogue with its stakeholders, ArcelorMittal Brasil has a communication team to relate to the community in all its Mining units and Steel Production Plants and a complaint and communication channel available on its website.

#### Complaint Channel - [GRI 2-26](#)

Since 2013, ArcelorMittal has implemented a [Complaint Channel](#) which can be used by any person, whether or not belonging to the Group's staff to report acts, practices and situations that are not in accordance with the Code of Conduct or the Integrity Policy of the company.

Complaints involving fraud are investigated by the Forensic Investigation Department, while others – labor issues, moral harassment, customer complaints, conflicts of interest – are coordinated by the Compliance Legal Management and Compliance Officer. In order to ensure continuous improvement and ensure that the appropriate measures are deployed to prevent further occurrences, several internal campaigns are carried out.

in order to encourage employees' perception of the issue and, consequently, to file a complaint when faced with situations of non-compliance.

#### Compliance with laws and regulations - [GRI 2-27](#)

There are no significant cases of non-compliance at ArcelorMittal. Cases are defined following the verification of compliance with environmental licenses, legal regulations and other requirements, such as ISO 14001 certification and ABN Ecological Label.

### Significant fines (BRL) GRI 2-27

|   | 2020             | 2021             | 2022             |
|---|------------------|------------------|------------------|
| Monetary value of significant fines paid during the year  | 0                | 806,782          | 237,300          |
| Monetary value of significant fines received during the year, whether or not an appeal may still be filed | 2,319,180        | 1,834,425        | 2,084,500        |
| <b>Total</b>  | <b>2,319,180</b> | <b>2,641,208</b> | <b>2,321,800</b> |

### Non-monetary sanctions GRI 2-27

|  | 2020 | 2021 | 2022 |
|--|------|------|------|
| Total number of non-monetary sanctions applied | 2    | 10   | 0    |

**Participation in associations - GRI 2-28**

Aware of the relevance of the Company's activities and their economic and social importance, ArcelorMittal is a member and actively participates in associations and initiatives aimed at improving socio-environmental sustainability, technological innovation, sustainable steel production, regional integration, the eradication of work slavery and competitiveness.

The following initiatives stand out:

- Adherence in 2009 to the Pact for the Eradication of Slave Labor;
- Adherence in 2012 to the Charcoal Sustainability Protocol;
- Adherence in 2016 to the TI Business Forum: Grupo Brasil;
- Foundation with ten other corporations of the Civil Society Organization of Public Interest "Minas pela Paz";
- Adherence in 2020 to UN Women, the Business and LGBTI+ Rights Forum, the Business Network for Social Inclusion and the Business Coalition for Racial Equity.

The company actively participates in the elaboration of the ResponsibleSteel™ international certification and was the first steel industry to join the Green Building Council Brazil.

ArcelorMittal is also present in associations that bring together the Latin American steel value chain, such as the Asociación Latinoamericana del Acero (Alacero), the Instituto Aço Brasil, the Brazilian Association of Metallurgy, Materials and Mining (ABM), the Brazilian Institute of Mining (IBRAM), the National Confederation of Industry (CNI) and the Federation of Industries of the State of Minas Gerais (FIEMG) and Espírito Santo (FINDES).

**Tax management - GRI 207-2, 207-3**

All interactions and approaches with tax authorities are carried out according to the legal norms and ethical and moral criteria of the group, always being carried out in the presence of two employees of the company itself who strictly follow the ethical and moral values of the Code of Conduct, as well as the ArcelorMittal Anti-Corruption Law, which prohibits the offer, payment, promise of payment or any transfer of amounts to a public official that seeks to obtain undue advantages, influence decisions or perform illegal acts.

Interlocutions on public policies in the sphere of taxes are guided by Class Entities and Associations such as the National Confederation of Industry (CNI), the Federation of Industries of the State of Minas Gerais (FIEMG), Federation of Industries of the State of São Paulo (FIESP) and Aço Brasil. Until 2022, there was no specific assessment and opinion channel. Stakeholders' perceptions are aligned in strategic meetings.

The tax general manager ensures compliance with the tax strategy, which seeks to establish partnerships with other areas of the business to mitigate risks, identify sustainable alternatives for tax savings and facilitate the tax compliance.

The strategic fiscal risk maps, in turn, are reviewed periodically between managers and the Governance, Risks and Compliance Management, and revisions in risk committees composed of CEO and directors.

In addition to the review carried out by an external audit, the General Management of Taxes and external experts also review tax obligations to ensure compliance with changing laws and proper payment of taxes.

## Management of Risks

### GRI 3-3; Governance and Compliance

Risk is a part of all business activities; therefore, it is necessary to periodically assess and monitor these activities and the company's results. The Company applies a global risk management policy and methodology, based on identification, assessment (impact and probability), treatment or response and monitoring.

Periodically, the risk maps of each business unit are discussed and reviewed by the main managers of the group and by the areas of Governance, Risks & Compliance (GRC), in a proactive and transparent way. Other processes, such as strategic planning, production and maintenance assets, departmental processes and Capex investment projects, also undergo rigorous risk analysis supported by this organizational structure.

### **Impacts**

Following the principles of environmental sustainability, Following the principles of sustainability in the environmental, social and corporate governance aspects, the company periodically promotes various initiatives and strategic meetings with

Executive Directors and members of the Board of Directors to address topics related to management of risk , sustainability, environment, diversity and inclusion.

The company developed a methodology and a global policy for Risk Management, with the purpose of monitoring, identifying and assessing the impacts of critical situations, also calculating the probability, treatment and response of such cases. All actions are conducted based on risk maps for each business segment.

ArcelorMittal Brasil, aware of the impacts arising from its commercial activities, particularly those related to coal and ore yards, coke ovens, blast furnaces and steelworks, works to minimize and avoid such impacts on the community, making efforts to mitigate all real impacts, including air, noise, odor and vehicle traffic pollution, as well as potential impacts such as significant accidents and soil water contamination. [GRI 3-2](#)

### **Conflicts of Interest**

In order to avoid conflicts of interest, actual or potential, the Company launched, in 2013, the Procedure for Declaration of Conflict of Interests, which establishes a set of basic guidelines applicable to the entire Group in order to promote transparency, improve governance and guide employees. Annually, the predefined target public must access the system for declaring conflicts of interest and submit their declaration, even if they do not have any conflicts to be declared. This reporting is an essential mechanism to provide more transparency to situations of actual conflicts or potential conflicts of interest and, when necessary, enable measures to be taken

necessary to minimize risks, protecting employees and the Company. Through the declaration provided by the employee, his/her immediate manager, his/her superior's superior and the Compliance Officer carry out an assessment of the actual or potential conflicts reported and include the appropriate recommendations, which must be put into practice and monitored by the managers. [GRI 2-15](#)

### Fighting Corruption

ArcelorMittal values ethical and moral commercial relations and seeks to privilege public and private commercial partners, individuals and companies that share its values. All trading partners are ranked according to their risk level, from 0 to 3 – with level 3 being the highest risk. This classification is carried out based on objective criteria, determined in a global risk matrix of the ArcelorMittal Group, and, depending on the risk level, the partners are submitted to a detailed due diligence, involving the areas of Procurement and Governance, Risks & Compliance (GRC). During anti-corruption audits, not only the business partner, but also its partners and representatives are assessed, and any red flags found are duly addressed.

Also, all commercial partners classified as level 2 or 3 are trained, also every three years, in the Group's Anti-Corruption Policy. In addition, the agreements entered into with the Company have an anti-corruption clause.

The company also has specific policies for dealing with labor issues, all in compliance with local laws and international best practices and closely monitored by the areas involved in the Integrity Program. Employees can access these policies through the Legal Portal.

For 2023, ArcelorMittal Brasil aims to use the anti-corruption background check system to carry out audits and monitor the company's suppliers in Brazil. [GRI 205-1](#)

Training in fighting corruption is offered through periodic training (every three years for all employees), as established in the Anti-Corruption Policy. They are adapted to the public for which they are intended, and internally, in addition to e-learning training, several workshops and conversation circles are held with employees and managers of the units to address priority topics/with greater doubts or need for reinforcement in each location. Throughout the year, campaigns and disclosures on the subject are also launched, making employees aware of their role of the fight against corruption. Also, at least once a year, the Compliance/Integrity topic is discussed by the Board of Directors of ArcelorMittal Brasil, as well as a presentation on the subject is given by the Compliance Officer to members of the Company's senior management. [GRI 205-2](#)

| Operations assessed with risk of corruption <sup>1</sup> GRI 205-1                               | Quantity |
|--|----------|
| Total number of the organization's operations  | 18,836   |
| Total number of the organization's operations that underwent corruption-related risk assessments | 4,747    |
| Percentage of the organization's operations evaluated for risks related to corruption            | 25.2%    |

<sup>1</sup> Data refer to Plans, Long Steels and Belgo Arames

## Engagement of stakeholders

### GRI 2-29

To keep suppliers engaged with ArcelorMittal's values and practices, the company continuously develops procedures to maintain the relationship, mitigate risks and ensure supply sustainability, which allows for a sound evolution of the supply chain..

The approach to suppliers takes place through environmental audits, customer satisfaction surveys, establishment of contractual clauses, performance assessment, training and qualification workshops (in financial, social, environmental and safety management), conventions and business meetings. To ensure continuity in the supply chain, the company will implement in 2023, a program focused on sustainability in order to strengthen the principles of collaboration and good relationships.

One of the forms of engagement with customers is the Satisfaction Survey, an online form is submitted every year to be completed by selected customers. The procedures for dealing with points of dissatisfaction captured in the survey may involve the entire customer service team (marketing, sales, logistics, planning and technical assistance). For 2023, the company aims to obtain an assessment greater than or equal to 3.0 (on a scale of 1 to 5).

Another tool used is the Net Promoter Score (NPS) online survey, which is submitted punctually after the acquisition of Long Products from ArcelorMittal, with a minimum period of 45 days between each survey sent. The NPS aims to assess the customers' experience and loyalty, reviewing, on a scale from 0 to 10, how much they would recommend ArcelorMittal to a friend or business partner. During 2022, 8,681 customer opinions were collected. Among detractors (scores 0 – 6), the main categories that caused dissatisfaction were: Delivery (34%), Customer Service (19%) and Product/Service (14%), among others. Neutral and Promoter customers, who are considered satisfied (scores > 7), accounted for more than 80% of responses.





#umsótime

Abertura

Colab

Hun

Together in Management of People

A woman with curly hair is smiling and talking on a mobile phone. She is wearing a light-colored blazer and a lanyard. In the background, other people are working in an office environment.

# Management of People

Certain that the greatest asset of a company are its employees, the safety, health, well-being and the feeling of accomplishment of each one of them is fundamental for ArcelorMittal, which has a priority area in people management for the entire Company.

The company has an extremely qualified team of more than 17,200 people, most of them in the Southeast region of the country. It also aims to reach 25% of leadership positions held by women by 2030, reinforcing the company's commitment to expanding female participation in senior positions.

## Employees by employment contract type and gender GRI 2-7

| Contract Type   | 2020          |              |               | 2021          |              |               | 2022          |              |               |
|-----------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
|                 | Men           | Women        | Total         | Men           | Women        | Total         | Men           | Women        | Total         |
| Fixed time      | 54            | 11           | 65            | 16            | 3            | 19            | 1             | 2            | 3             |
| Indefinite time | 17,813        | 2,037        | 19,850        | 14,749        | 2,048        | 16,797        | 14,785        | 1,427        | 16,784        |
| <b>Total</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> | <b>14,786</b> | <b>2,429</b> | <b>17,215</b> |

## Employees by contract type and region GRI 2-7

| Region              | 2020       |                 |               | 2021       |                 |               | 2022       |                 |               |
|---------------------|------------|-----------------|---------------|------------|-----------------|---------------|------------|-----------------|---------------|
|                     | Fixed time | Indefinite time | Total         | Fixed time | Indefinite time | Total         | Fixed time | Indefinite time | Total         |
| North               | 0          | 57              | 57            | 0          | 18              | 18            | 0          | 21              | 21            |
| Northeast           | 0          | 1,657           | 1,657         | 1          | 591             | 592           | 0          | 565             | 565           |
| <b>Central-West</b> | 0          | 133             | 133           | 0          | 102             | 102           | 0          | 100             | 100           |
| <b>Southeast</b>    | 51         | 17,370          | -             | 18         | 15,404          | 15,422        | 3          | 15,714          | 15,717        |
| <b>South</b>        | 0          | 633             | 633           | 0          | 682             | 682           | 0          | 812             | 812           |
| <b>Total</b>        | <b>51</b>  | <b>19,850</b>   | <b>19,915</b> | <b>19</b>  | <b>16,797</b>   | <b>16,816</b> | <b>3</b>   | <b>17,212</b>   | <b>17,215</b> |

## Employees per employment type and gender GRI 2-7

| Type of employment <sup>1</sup> | 2020          |              |               | 2021          |              |               | 2022          |              |               |
|---------------------------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
|                                 | Men           | Women        | Total         | Men           | Women        | Total         | Men           | Women        | Total         |
| Full-time                       | 17,865        | 2,045        | 19,910        | 14,736        | 2,037        | 16,773        | 14,767        | 2,417        | 17,184        |
| Part-time                       | 2             | 3            | 5             | 29            | 14           | 43            | 19            | 12           | 31            |
| <b>Total</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> | <b>14,786</b> | <b>2,429</b> | <b>17,215</b> |

1. To consider working hours as partial or full, the number of hours worked per week was verified. Full-time work is one whose weekly working hours exceed 30 hours per week.

## Employees by age group GRI 405-1

|                         | 2020          | 2021          | 2022          |
|-------------------------|---------------|---------------|---------------|
| Under 30 years          | 3,988         | 3,154         | 3,202         |
| Between 30 and 50 years | 14,297        | 12,187        | 12,446        |
| Over 50 years           | 1,630         | 1,475         | 1,567         |
| <b>Total</b>            | <b>19,915</b> | <b>16,816</b> | <b>17,215</b> |

| Employees by functional category <sup>1</sup> GRI 2-7 |               |               |               |
|---|---------------|---------------|---------------|
|   | 2020          | 2021          | 2022          |
| Board   | 5             | 28            | 29            |
| Management  | 553           | 510           | 530           |
| Leadership/Coordination                               | 3             | -             | -             |
| Technique/Supervision                                 | 763           | 3,872         | 4,041         |
| Administrative  | 1,958         | 2,664         | 2,969         |
| Operational   | 16,593        | 9,742         | 9,646         |
| Trainees  | 40            | -             | -             |
| <b>Total</b>  | <b>19,915</b> | <b>16,816</b> | <b>17,215</b> |

<sup>1</sup> Employees on unpaid leave, retirees due to disability, removed by the National Social Security Institute (INSS) and expatriates without pay are not being considered, in view of the same criteria used by the company to calculate the number of FTE (calculation of equivalence for measure productivity).

| Workers by functional category and gender GRI 2-8, 405-1 |            |            |              |
|--|------------|------------|--------------|
| 2022   | Men        | Women      | Total        |
| Apprentices  | 397        | 368        | 765          |
| Trainees   | 499        | 564        | 1,063        |
| <b>Total</b>   | <b>896</b> | <b>932</b> | <b>1,828</b> |

All employees of the Company, in the areas of Long Products, Shared, Mining, Bioforestry, Systems and Fundação ArcelorMittal, except Belgo Arames, are covered by collective bargaining. [GRI 2-30](#)

| New recruitments and turnover of employees in 2022 GRI 401-1 |                 |              |              |               |
|--|-----------------|--------------|--------------|---------------|
| By age group   | Total employees | Recruitments | Dismissals   | Turnover rate |
| Under 30 years   | 3,202           | 974          | 515          | 23.25         |
| Between 30 and 50 years                                      | 12,446          | 1,113        | 1,263        | 9.55          |
| Over 50 years  | 1,567           | 40           | 236          | 8.81          |
| <b>Total</b>   | <b>17,215</b>   | <b>2,127</b> | <b>2,014</b> | <b>12.03</b>  |
| By gender  | Total employees | Recruitments | Dismissals   | Turnover rate |
| Men  | 14,786          | 1,503        | 1,745        | 10.98         |
| Women  | 2,429           | 624          | 269          | 18.38         |
| <b>Total</b>   | <b>17,215</b>   | <b>2,127</b> | <b>2,014</b> | <b>12.03</b>  |
| By region  | Total employees | Recruitments | Dismissals   | Turnover rate |
| North  | 21              | 6            | 5            | 26.19         |
| Northeast  | 565             | 89           | 137          | 20.00         |
| Central-West   | 100             | 14           | 17           | 15.50         |
| Southeast  | 15,717          | 1,819        | 1,794        | 11.49         |
| South  | 812             | 199          | 61           | 16.01         |
| <b>Total</b>   | <b>17,215</b>   | <b>2,127</b> | <b>2,014</b> | <b>12.03</b>  |
| <b>TOTAL HEADCOUNT</b>                                       | <b>17,215</b>   |              |              |               |

1 Calculation methodology:  $[(\text{contractors} + \text{dismissed})/2] / \text{total headcount}$

## Well-being, health and safety

### GRI 3-3; Health and safety of the worker

In 2022, ArcelorMittal Brasil applied a **Social Census** to learn even more about its internal audience, mapping social, economic and cultural realities of its employees and their families. Through the survey, it was possible to identify from hobbies and sports that employees practice to family composition and household income level. The data allows management to act more precisely to implement actions that promote well-being.

With an innovative mindset, reinforced by the modernization of the company and changes in post-pandemic work, the hybrid and flexible work model was consolidated in the company, with alternation between remote and face-to-face work, as required by the areas and the employees themselves.

The headquarters in Diadema (SP) and Belo Horizonte (MG) has adopted, since 2021, a workplace model, consisting of shared workstations, where employees schedule via app the days and hours of work they deem most appropriate, boosting productivity, flexibility, safety and well-being.

The spaces were designed to prioritize accessibility and welcome, both for employees and candidates for vacancies in the company, also focusing on connectivity, inclusion and incentive to creation and collaboration activities. The new offices have multi-use spaces, a cafeteria, lactation rooms, medical services, meeting, training and social facilities, in addition to a bike rack and the *Honest Market*, where employees can buy products at a fair price.

## Focus Friday and Flexible Working Hours

Following modern trends in the world of work, flexible start and end times for employees were instituted (start between 7:00 am and 9:00 am and leave between 4:30 pm and 6:30 pm). The Focus Friday model was also adopted, which avoids holding meetings on Friday afternoons for greater planning and focus.

## Focus on health mental

The company is concerned with and encourages mental health self-care and provides support to employees and their families through a psychosocial care team, in addition to a wide accredited health plan network with professionals specialized in physical and emotional demands. For this, ArcelorMittal offers the Gympass benefit, a platform that provides different options for health, sport, well-being and mental health promotion activities.

### **Academia do Bem-Estar (Well-being Gym)**

With the aim of promoting the well-being of employees, ArcelorMittal units in the Flat Steel segment implemented the *Academia do Bem-Estar* project, which encourages the practice of activities to care for the body and mind through a learning channel and exclusive lectures. The initiative aims to encourage and equip colleagues with information on well-being, so that they make more conscious choices.

### **Health for All**

Abertta Saúde, the ArcelorMittal Group's self-managed healthcare provider in Brazil, has been dedicated to taking care of the health of the Group's employees and their dependents for over 50 years. An organization that has been seeking continuous improvement under Customer Focus guideline and has incorporated technology, efficiency and real-time data management in the integration of areas such as Assistance, Occupational Health and Promotion of Health and Quality of Life, to offer memorable experiences to the Beneficiaries.

In addition, it continues to invest in the expansion and improvement of services and medical specialties in Health Promotion Centers, offering a differentiated service through comprehensive, agile and personalized care.

In addition to Abertta Saúde, the Group also has the ArcelorMittal Brasil Social Security Foundation (Funsset) which manages pension plans for employees and health care for retirees, pensioners and family members.

### **Safety first**

For ArcelorMittal, safety always comes first. The Company adopts clear and precise guidelines on risks to the health and safety of employees and on accident prevention system, following the most modern standards

Annually, objectives and goals to be achieved in each department and unit are established. The results are monitored in Critical Analysis Meetings, which are held periodically. All work is guided by the Health and Safety Policy and the Golden Rules of the ArcelorMittal Group.

The leadership's involvement with the Safety Culture is reinforced through the Safe Behavior, Take Care and Safety Leadership programs, which enable employees of different positions to assume the role of instructors of the processes they perform, awakening the spirit of leadership, the elaboration of training sessions and the strengthening of relations between the teams.

Through Safety Leadership, Leaderships are encouraged to promote commitment to safety in the workplace, look out for the well-being of colleagues and help resolve safety issues. At the same time, they must establish high safety standards in their activities, involve employees in the issue, make decisions based on everyone's safety and promote transparency in their practices.

In the Take Care program, employees are encouraged to take care of their own safety and that of their colleagues with the support of safety tools, such as the golden rules that save lives, identifying danger, reporting and making a commitment.



### Joint Work

Audits and Internal Commissions for Accident Prevention (CIPAS) are also carried out, focused on complying with laws, ensuring the renewal of current certifications, in particular the Occupational Health and Safety Management System, which is in line with the ISO 45001:2018 standard. The goal is always to safeguard the lives of employees and prevent injuries and illnesses by keeping all workplaces safe and healthy. [GRI 403-1](#)

The Accident Analysis and Investigation process is adopted to prevent occurrences based on interrelated procedures: data collection about the accident; description of what happened; analysis of causes and elaboration of corrective and preventive actions.

The Occupational Health Medical Control Program is also maintained, through which employees are periodically examined to identify possible clinical alterations resulting from risk exposure. Along the same lines, there are several accident prevention programs and the promotion of a safety culture, such as: Fire and Emergency Brigade, Safety Culture Programs, Fatalities Prevention Groups, Industrial Process Safety Technical Groups, Deviation Reports and Monthly Safety Meetings.

**It is worth noting that in 2022, Mina do Andrade, in Minas Gerais, completed 30 years without lost time accidents (CPT).**

The company is strongly committed to valuing its employees, offering benefits aimed at the well-being and quality of life of its full-time employees. Among the assistance options offered by the units are: health plan, life insurance, maternity/paternity leave and pension fund/benefit plan. [GRI 401-2](#)

*Pró Vida:* At the Vega and Tubarão units, employees have a specific program to take care of their well-being. *Pró Vida* offers all of them regular monitoring of health risk factors, such as combating smoking, controlling obesity and monitoring occupational diseases, with a focus on promoting comprehensive health. Employees undergo complete and detailed examinations so that they receive care according to the needs presented..

**Accident at the *BioFlorestas* unit :** Despite the strict safety and accident prevention measures adopted by the company, there was, exceptionally, in 2022, a fatal accident with an employee at the *BioFlorestas* unit, the first case in the last 15 years. All rescue measures were deployed by the company, as well as ongoing support for the victim's family. Safety and accident prevention standards were reinforced after the accident, ensuring the Company's commitment to the physical, psychological and emotional integrity of all employees, service providers and partners.

### Mina de Serra Azul Tailings Dam

A large physical containment barrier is being built at the Serra Azul mine, located in Itatiaiuçu, in the State of Minas Gerais, downstream of the tailings dam, as a security reinforcement for containment in a hypothetical rupture of the structure, as well as to enable the de-characterization.

The Serra Azul Mine dam has been deactivated since 2012 and currently uses a tailings disposal system with a dry stacking technique for ore extraction.

This innovation implemented in Serra Azul is considered a reference in quality of waste management in national mining. In 2016, it was included in the Bank of Good Environmental Practices for Industry, coordinated by the Federation of Industries of the State of Minas Gerais (FIEMG) and by the State Foundation for the Environment (FEAM), whose goal is to disseminate information on sustainable actions that can be implemented in other companies.

When there was an evacuation in 2019, the company opted to adopt, as a precautionary measure, safety measures superior to those required by the laws in force at the time, in order to ensure the complete safety of people, animals and the environment. Since then, preventive and safety measures have been adopted that exceed the determinations of the National Mining Agency (ANM) and current laws. In addition, the dam is monitored 24 hours a day by the unit's Monitoring Center and delivers periodic reports to ANM and other intervening bodies.

Since February 22, 2022, the Mina de Serra Azul dam is at emergency level 3, on a scale of 1 to 3, according to the technical classification criteria established by ANM. The emergency level of the dam was reclassified from 2 to 3, after the entry into force of Resolution 95 of February 7, 2022 by ANM, which changed the criteria for determining the emergency level of mining dams.

It is important to note that the reclassification did not change the safety conditions of the Mina de Serra Azul dam, which have remained unchanged since the deployment of the Emergency Action Plan for the Mining Dam (PAEBM) in February 2019, when the level of dam emergency was increased to 2, and the company preventively promoted the relocation of the community that lived in the so-called Self-Rescue Zone (ZAS). Therefore, the reclassification to emergency level 3 does not require new measures or additional security actions.

The reparation and compensation process is still ongoing, following the Term of Commitment signed with the Public Prosecutor's Office (MP) and the community.

In addition to carrying out frequent environmental monitoring of the dam, the company provides assistance to 859 families, 56 of them preventively relocated to properties rented by the company and with emergency aid paid until June 2021. Of these families, 20 already have permanent housing. In 2022, negotiations began with 284 of the possible 685 families mapped for the consolidation of individual agreements.

### Work-related hazards [GRI 403-8, 403-9](#)

ArcelorMittal Brasil adopts fatality prevention standards (FPS) as a reference to identify the main hazards related to work, such as isolation and blocking, work at height, lifting, vehicles and driving, and danger of gases. To mitigate these risks, the company trains its employees and performs audits to certify that the areas are following the recommendations. Identified risk situations are registered in the SAP system, and serious cases go through an investigation process, with a survey of the basic and immediate causes, points for improvement and action plan to deal with the identified causes. To minimize the risk of accidents at work, control measures such as training, collective protection equipment, personal protection equipment, operating procedures, engineering measures and industrial automation are applied.

### Health and Safety

#### [GRI 403-2, 403-3, 403-4, 403-5, 403-6, 403-7](#)

ArcelorMittal has processes for identifying, assessing and controlling risks and dangers to ensure the safety and health of workers. Group companies use documents such as technical reports on the conditions of the work environment, in addition to carrying out training, audits and inspections to identify possible risks, and encourage employees to report dangerous situations, ensuring their right to refuse in the case of activities that offer uncontrolled risks.

In addition, the Occupational Health Medical Control Plan (PCMSO) identifies risks related to the health of workers, determines tests capable of detecting possible clinical alterations

and fosters health actions. Companies, in turn, follow laws and regulations and monitor results annually, to ensure continuous improvement of results.

The company also promotes communication with initiatives that encourage worker participation, such as recording unsafe conditions, safety dialogues and meetings with top management. In addition, employees are trained as required by law, as well as receive specific training for working at heights, with electricity, among other particularities.

Among other initiatives by ArcelorMittal Brasil for health promotion, there is access to a self-managed Health Plan, regulated by the National Supplementary Health Agency (ANS), which seeks to foster health, well-being, improved quality of life and self-care for employees and their direct dependents through the Health Promotion Centers, Accredited Medical and Dental Network, preventive programs, pharmaceutical assistance, Medication Benefit Plan (PBM), online and prompt appointments, in addition to special service channels for assist and guide beneficiaries. In addition, in the Flat Steel segment, employees have privileged access to the Family Medical Integrated System (SIM), which has clinics with several professionals to provide comprehensive care.

Finally, the Company adopts an occupational health and safety policy to prevent accidents, injuries and occupational diseases, making everyone aware of their responsibility, in order to promote the health, safety and well-being of its own workers and third parties with the goal of eliminating incidents and achieving "Zero Accident".

| Work accidents GRI 403-9                                    |            |                      |            |                      |            |                      |
|---|------------|----------------------|------------|----------------------|------------|----------------------|
|   | 2020       |                      | 2021       |                      | 20221      |                      |
|   | Employees  | Workers <sup>1</sup> | Employees  | Workers <sup>1</sup> | Employees  | Workers <sup>1</sup> |
| Number of worked hours                                      | 27,183,876 | 16,291,654           | 29,168,107 | 33,353,002           | 25,531,020 | 36,156,092           |
| Number of deaths from work-related injuries                 | 0          | 0                    | 0          | 0                    | 0          | 1                    |
| Rate of deaths from work-related injuries                   | 0          | 0                    | 0          | 0                    | 0          | 0.028                |
| Number of severe injuries related to work (except deaths)   | 5          | 3                    | 8          | 4                    | 3          | 4                    |
| Rate of severe injuries related to work (except deaths)     | 0.18       | 0.18                 | 0.27       | 0.12                 | 0.12       | 0.11                 |
| Number of recorded work-related injuries (including deaths) | 39         | 13                   | 71         | 70                   | 75         | 126                  |
| Rate of recorded work-related injuries (including deaths)   | 1.43       | 0.80                 | 2.43       | 2.10                 | 2.94       | 3.48                 |

<sup>1</sup> The consolidated information does not include the Belgo unit.

<sup>2</sup> Workers who are not employees but whose work and/or workplace is controlled by the organization.

## Professional development

ArcelorMittal Brasil adopts a series of initiatives to train people and prepare its leaders for the future, transversally developing the Company's digital transformation.

Re-launched in 2022, the *Academia de Liderança* (Leadership Academy) trained more than 600 employees identified as future leaders in the company. The program offers lectures that discuss and guide the development of a leadership spirit among potential and future leaders.

## +600 employees trained at *Academia de Liderança*

### Connect&Up

In 2022, ArcelorMittal Sistemas maintained the Connect&Up Program, aimed at professionals who wish to work in the IT area, regardless of their training area. The fundamental thing is that the candidates are interested in the systems area and are in their last year of graduation or already graduated. It is also important to have advanced English. In total, 219 people enrolled in the program and 24 joined the team that develops IT solutions for the company's units in several countries.

### I AM ArcelorMittal

Reformulated in 2022, the Company's entry programs for the Long Steel segment focused on training and professional qualification are now called *I AM estágio (trainee)*, *I AM aprendiz (apprentice)* and *I AM expert*.

At the end of each selection process, the professional undergoes an improvement process, in which he/she comes into contact with the day-to-day activities of the company, gathering experiences that are fundamental for his/her career. They even have the opportunity to participate in projects in the workplace alongside renowned professionals.

### Exporting talents

Part of a global group, ArcelorMittal employees have the possibility of migrating to the group's units in other parts of the world thanks to a major program of "exchange" of talents. In 2022, several employees from different units and locations in Brazil joined teams from other countries, adding new experiences and fundamental knowledge for the business.

### Development of competences

#### GRI 404-1, 404-2, 404-3

In 2022, ArcelorMittal Brasil carried out learning journeys to improve the skills and competencies of its employees, trainees and apprentices, preparing them for the future challenges of the labor market. Of particular note in 2022 were the *Qualificar* and *I AM Expert* programs carried out in the Long Steel segment, which offered professional training and specialized knowledge to hired market professionals. *Qualificar* trained 40 students in mechanics and electronics, while *I AM Expert* hired 35 senior professionals and promoted exchanges with high-potential participants in the company.

Also in 2022, ArcelorMittal Aços Longos LATAM & Mineração Brasil reinforced the employer brand strategy and re-launched the “entry door” programs, with emphasis on the new Trainee, Apprentice and Expert Program, which sought out senior market professionals and offered comprehensive learning opportunities with a repertoire of business, innovation, health and safety, in addition to technical activities.

At the corporate level, the company has implemented several programs to improve the skills of its employees, including the Leader Development Program, Management in Focus, Cultural Transformation, undergraduate and graduate scholarships, training and language classes.

The Tubarão unit carried out integrated actions for the development of employees in conjunction with the Vega and Contagem sites, such as the Cultural Evolution Journey, Leadership Academy, Health and Safety, Innovation and Diversity and Inclusion. Graduate programs, focused supervision, feedback culture, individual development plan and mentorships were also offered, in addition to fostering proximity with senior leaderships at the event *Pausa para o Café* (Coffee Break).

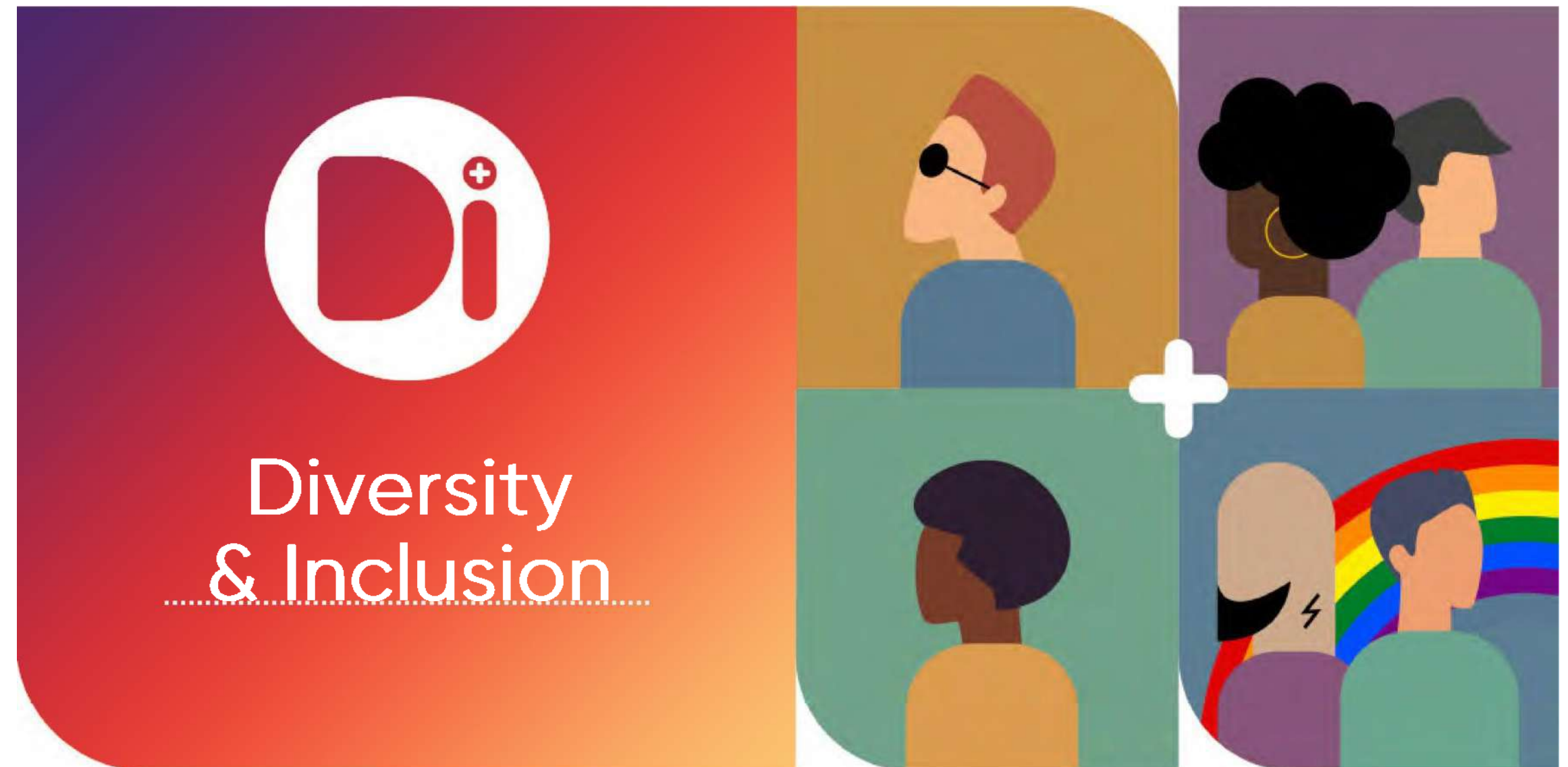
## Valuing diversity

To build a fairer and less unequal society, ArcelorMittal promotes inclusion, innovation, a spirit of collaboration, plurality and respect for diversity in the Company.

Since 2019, the company has consolidated its D&I Committee, a program to support the definition of the strategy, goals and KPIs for diversity and inclusion in the company, in addition to reviewing the actions already implemented.

In this process, ArcelorMittal created Affinity Groups formed by employees with the role of preparing an action plan that expands diversity and ensures more inclusive practices, in the topics such as: **Racial Diversity, Gender Equality, LGBTI+, People with Disabilities**. Each group has a leader and a co-leader, in addition to volunteers and allies.

It is worth noting that the company carried out the anonymous LGBTI+ Census, to map the presence of the LGBTI+ public inside its staff. In addition, it joined the *TransEmpregos* initiative, the largest transgender employability project in the country.



### Gender Equality

The steel production activity has historically been dominated by men. However, believing that a woman's place is wherever she wants, including in the steel industry, ArcelorMittal seeks to increase female participation in its activities, whether in operational, administrative or leadership roles, increasing from the current 19% to 25% of women in the workforce of Leadership positions by 2030.

### Steam Girls Program

According to data from the United Nations, female participation in the exact sciences, including engineering, technology, mathematics and statistics, does not reach 28% of the total number of students enrolled in universities in the world. Despite this, they are the majority of the planet's population.

To change this reality, since 2020, the Steam Girls project promotes meetings to exchange knowledge, experience and inspirations for the future between young women from communities surrounding ArcelorMittal units, daughters of company employees and women who already work in the STEAM area.

In 2022, the program was implemented in the cities of Belo Horizonte, Rio de Janeiro, São Paulo, Piracicaba, Juiz de Fora, Contagem, Vitória, Serra and Resende, and included art workshops, theater plays and motivational lectures with young people who already operate in the steel segment. The intention of the initiatives is to stimulate the interest of women in science areas, further valuing diversity and equity in the steel industry.

### *Elas na siderurgia (Women in Steelworks)*

Developed in partnership with the Federation of Industries of the State of Espírito Santo (Findes), the Social Service for Industry (Sesi) and the National Service for Industrial Learning (Senai), the *Elas na Siderurgia* program also seeks to increase the participation of women in the sector. Together, the institutions offer a technical training course for women to work in the steel industry. Lasting three months, theoretical classes take place at Senai's facilities and practical classes at ArcelorMittal, which also offers scholarships to students on the course.

### *Sustentabilidade Técnica Júnior (Junior Technical Sustainability)*

Sponsored by the Vega unit, in partnership with Sesi and Senai, the company's new training program is aimed at students in the early stages of high school at public schools in São Francisco do Sul (SC), aged between 15 and 17, in situations of social vulnerability. The 50 students selected will receive technical training and interpersonal skills, to prepare them for the labor market. Part of the vacancies are directed to people with disabilities.

Created in 2018, the Technical Sustainability Program aims to train, value and qualify young women from surrounding communities for the local labor market, collaborating with gender equity. Around 89% of the students participating in the program are employed at ArcelorMittal's Vega unit or at companies in the region, a real opportunity for development. As a result of this initiative, Vega now has the first women working on its production lines, a scenario that contributes to the target audience stipulated for all ArcelorMittal Brasil units of increasing to 25% the number of women in leadership positions by 2030.

| Proportion between the base salary received by women and men GRI 405-2 |      |
|--|------|
| By position  | 2022 |
| Board  | -    |
| Management   | 0.88 |
| Leadership/Coordination  | 0.95 |
| Technical/Supervision  | 0.90 |
| Administrative   | 0.86 |
| Operational  | 0.85 |





Together in Innovation  
and Technology



## GRI 3-3; Innovation and technology

**Super-advanced technologies that integrate equipment and systems and enable fast and efficient solutions are already realities at ArcelorMittal. The Group maintains 11 Research and Development Centers around the world with more than 1,300 researchers helping to foster innovative partnerships with the private sector and public authorities.**

In South America, the Research Center meets demands from Brazilian Flat Steel and Long Steel businesses in three areas: product development; process development and customer service.

The focus is on innovations for the automotive industry, machinery and equipment, civil construction, home appliances and energy, including oil and gas pipelines, offshore structures and wind towers.

Projects, programs and investments are disclosed in internal committee meetings, meetings with representatives of the areas and, when not confidential, in the company's official communication channels.

To minimize risks and optimize the use of resources in innovative projects, strategies such as MVP (minimum viable product) and PoC (Proof of Concept) are adopted. The company strengthens the culture of continuous learning, reviews compliance and the General Act for the Protection of Personal Data (LGPD) and conducts research that includes the legal and communication areas. Among the highlights of 2022 are:

- BRL 74 million of potential gains captured and investments in innovation projects and Corporate Venture Capital;
- Four startups invested among around 900 assessed (until 2022);
- 19,000 high-impact connections with startups, ICTs, hubs, universities, researchers, companies and students;
- 59% of employees impacted by innovation culture programs;
- 5,900 ideas registered in innovation programs; and
- 75 million people potentially reached in the national press and social networks.

#### Açolab

Startups are disruptive and innovative companies or ideas, executed by a group of people in order to develop and improve a business model, using technology.

Aware of the importance of these projects for the development of new businesses, the Company increased its investment in startups in 2022 by leading the "Mining and metals" category on the open innovation platform known as 100 Open Startups, reinforcing its commitment to fostering innovative and disruptive solutions for the industry.

In addition, it won third place in the overall 2022 "Open Corps" ranking, which recognizes leading companies in innovation and collaboration with startups in different sectors of the economy. Proof of this was a recognition at the 2022 100 Open Startups ranking. The leading open innovation platform in Latin America ranked ArcelorMittal Top 3 in the Mining and Metals category.

**AçolabVentures:** To generate even more opportunities, partnerships and innovative solutions, the AçolabVentures management fund was designed to invest around BRL 100 million in startups and small innovative companies in the Steel, Mining, Civil Works, Industry, Sustainability, Logistics, Commercial, Retail and Distribution segments. It is a pioneering innovation hub in the world, which is committed to generating value for companies and for society as a whole.

In 2022, one of the financed projects was the Brasil Energy Exchange (Beenx), a pioneering national company in the stop shop market, which involves trading electricity in digital environments, with a clean energy certificate and financial products. Throughout the year, the initiative received BRL 3.5 million as part of an initial pool of BRL 10.5 million in investments in open innovation involving AES Brasil companies, generators of 100% renewable energy.

**BRL 5.2 million was invested in Sirros IoT, a startup specialized in "internet of things" for industry 4.0. The objective is to optimize the cloud-based IoT Platform and scale the service to industrial plants.**



### iNO.VC Program

To accelerate the development of strategic and innovative proposals in the digital ecosystem, the Flat Steel segment created the “iNO.VC”. ArcelorMittal’s Digital Transformation Program puts employees, institutions, researchers, startups and companies in contact to foster collaborative practices of development projects for the strategy of this segment.

With the aim of seeking solutions for the commercial, production and transversal areas of the company, such as HR, finance and the environment, the initiatives involve resources such as Artificial Intelligence, cloud computing, 3D, robots, big data, Analytics, augmented reality, simulations, systems integration and cybersecurity. By 2022, around BRL180 million in benefits have already been generated as a result of projects arising from the program.

## ArcelorMittal Products

Investments in research and development are vital for the growth not only of the business, but of the country. In 2022 alone, more than BRL 8 million were allocated to MVP launches, or prototypes of new products, with just basic functionality, to be tested. These numbers involve approximately 100 MVP, between those implemented and those still under development.

### Civil Works

Innovations are also present at construction sites. With the aim of increasing productivity, optimizing time and saving materials, solutions such as cutting and bending steel, ready-made reinforcements and incorporated shapes were developed.

**Magnelis®**, an exclusive and innovative product from ArcelorMittal, has a corrosion inhibiting effect when drilled, scratched or cut, due to the formation of a zinc-based protective film, which will delay the corrosion of the structure. This is because it has 3% magnesium in its coating, which makes it up to three times more resistant to corrosion than common galvanized steel.

It offers more resistance, safety, economy and flexibility in applications, in addition to generating less environmental impact when compared to other materials. It is highly recommended for protection against long-term wear, especially in environments with ammonia.

This innovative technology will be produced in the Americas for the first time with the expansion of the Vega unit in the State of Santa Catarina.

#### **XCarb® rebar**

Launched in 2022, the ArcelorMittal 50 S XCarb® rebar is the first XCarb® product on the national market with 100% recycled metallic material, 100% of its production with renewable energy and 50% less carbon footprint compared to similar products from ArcelorMittal available so far.

Widely used in civil construction – mainly in areas such as building, industrial, commercial and infrastructure construction, ArcelorMittal 50 S XCarb® rebar was produced at the Rezende (RJ) and Piracicaba (SP) plants.

The rebar represents ArcelorMittal's commitment to offering customers low-carbon solutions. Its production corroborates efforts to decarbonize the steel industry, with the delivery of an innovative, eco-efficient material with high added value.



## **Steligence®**

Considering the main construction methods and best-in-class steel solutions, ArcelorMittal developed the Steligence® methodology, which allows a precise and accurate assessment of the entire process of a work, from the foundation to its facade. The process is based on three criteria: social (safety and human well-being), economic (costs, work time and quality of materials) and environmental (energy consumption, reduction of environmental impacts, sustainable use of materials). Thus, Steligence® ensures optimization of space and weight in buildings, lighter bases, cost reduction, comfort, less transportation of materials and improved preservation of the environment. To get an idea, this technology significantly reduces the generation of waste, as it is tailor-made.

It is also worth noting that XCarb© was delivered to customers using trucks powered by vehicular natural gas (CNG), reinforcing the concern with reducing the environmental footprint throughout the production chain.

### Satisfaction surveys

ArcelorMittal Brasil keeps a dynamic assessment of customer satisfaction, aiming to improve the provision of its services, products and activities.

In the Flat Steel segment, this survey is carried out annually. Since 2021, a form has been used, with staggered scores for evaluation ranging from 1 to 5. The questionnaire is sent via email and addresses different areas of customer service, such as Sales, Marketing, Logistics, Planning and Technical Assistance. As a goal for 2023, a minimum score equal to or greater than 3 was instituted in the assessment made by customers.

In the Long Steel segment, an online survey (Net Promoter Score – NPS) was carried out in 2022 with 8,861 customers shortly after purchasing ArcelorMittal products. Through these surveys, it was possible to identify potential failures and implement improvements in several areas, from service, sales, logistics and technical assistance, all aimed at improving services and products offered.

Altogether, 80% of the customers stated that they were satisfied with the company's products and services, with scores above 7. Among those who did not consider themselves satisfied (scores below 6), 34% attributed their dissatisfaction to the product delivery service, 19 % to service received and 14% to products/services offered.

## Technology

Investing in technology means reducing operational costs and exploring new commercial possibilities. Therefore, in 2022, partnerships were established with the Link School of Business to develop the Business Case, a training course that includes visits by the team to Silicon Valley, in the United States, to better understand the dynamics of this new market.

### Stock Car

Sport is also synonymous with efficiency, innovation, technology and safety. With that in mind, ArcelorMittal became a sponsor of the Stock Car Pro Series in 2022, the main category of Brazilian motorsport and one of the most important in the world. The support includes the sponsorship of the champion driver of the category, Gabriel Casagrande, for the 2023 season.

The partnership with Stock Car is in line with the company's efforts to intensify the recycling of scrap from car production, in addition to reducing CO2 emissions in steel production, optimizing production processes and techniques.

These changes, in turn, make steel more resistant and increasingly thinner, promoting a reduction in the consumption of fossil fuels in vehicles. This is the case of S-in motion, an ArcelorMittal Brasil initiative that aims to use high-strength and hot stamping steels to reduce weight and increase safety in the event of collisions involving internal combustion, hybrid and electric vehicles.

### ArcelorMittal Sistemas

ArcelorMittal's technology company develops IT solutions for all units in Brazil and in several countries. The group is a reference in Service Management, with a broad portfolio of services that include cybersecurity, cloud solutions, SAP platforms and project development. Within the sector you can find the AgileMinds Community, a work method that integrates and streamlines tasks, reducing bottlenecks and connecting and empowering people to improve processes.

| Investments in infrastructure and service support (BRL) GRI 203-1 |                  |                  |                   |                            |                    |                   |
|---|------------------|------------------|-------------------|----------------------------|--------------------|-------------------|
| Initiative  | Own resources    |                  |                   | Tax incentive <sup>1</sup> |                    |                   |
|   | 2020             | 2021             | 2022              | 2020                       | 2021               | 2022              |
| Education   | 1,144,124        | 449,848          | 2,330,992         | 0                          | 0                  | 0                 |
| Culture   | 565,563          | 80,145           | 221,429           | 15,565,854                 | 63,414,990         | 40,519,989        |
| Sport   | 371,059          | 4,494            | 831,348           | 4,447.54                   | 15,237,971         | 12,800,972        |
| Health  | 3,432,052        | 0                | 540,747           | 1,520,930                  | 27,949,969         | 5,812,865         |
| Corporate philanthropy  | 523,685          | 1,271,331        | 1,488,374         | 2,164,973                  | 12,030,025         | 5,812,865         |
| Others  | 2,277,793        | 3,964,475        | 8,349,602         | 0                          | 0                  | 0                 |
| <b>Total</b>  | <b>8,314,276</b> | <b>5,770,293</b> | <b>13,762,493</b> | <b>23,699,300</b>          | <b>118,632,955</b> | <b>64,946,692</b> |

<sup>1</sup> Data for 2020 and 2022 consider Fundação, Long, Shared, in addition to Tubarão and Vega.

## Supplier Chain

### GRI 3-3; Supplier Chain Management

In order to comply with ArcelorMittal standards of excellence, the company's suppliers must collaborate in identifying and improving responsible practices in the areas such as environment, health, safety, human rights and ethics.

One of them is ArcelorMittal's commitment to achieve zero accidents and injuries, which also applies to suppliers through the Company's health and safety policies. ArcelorMittal asks all its suppliers to eliminate the occurrence of accidents that affect employees or community members and requires them to comply with the company's Health and Safety Policy.

Suppliers must promote and respect human rights as much as possible, following ArcelorMittal's values. Therefore, the company demands that all partners comply with the Company's Human Rights Policy, the Code of Conduct, the Environmental Policy and the Anti-Corruption Policy, in addition to implementing procedures to ensure respect for human rights in its businesses. If local law forbids suppliers from complying with certain aspects of the Policy, they must comply with local law.

Suppliers must also be committed to applying fair, ethical and transparent business practices, using raw materials from legal and sustainable sources, improving their practices for energy efficiency, biodiversity management, waste reduction and recycling.

To monitor actions and ensure compliance, ArcelorMittal maintains constant audit procedures. One of the company's practices is to encourage joint and continuous work with its suppliers, so that it is possible to identify and apply improvements. To this end, the entire supply chain complies with standards of excellence in promoting health, safety, human rights, ethics and environmental protection.

In 2022, the company's supply network had more than 13,000 suppliers, from various segments, in different regions of the country. The entire purchasing process follows the ArcelorMittal Brasil Standard Practices and the Responsible Supply Code, with clear guidelines on how the company relates to the supplier market. As in 2020 and 2021, 100% of new suppliers in 2022, a total of 1,590, were also hired based on social criteria. [GRI 414-1](#)

ArcelorMittal establishes compliance with all legal requirements present in the location as a non-negotiable criterion for its relationship with suppliers. If the supplier does not meet the legal requirements, the relationship must be discontinued. In 2022, no significant social impacts were found in the company's supply chain, not even potential. [GRI 414-2](#)

The negative environmental impacts identified were due to the environmental sensitivity of the activity performed, in particular extraction of virgin material, use of charcoal as raw material and handling of materials potentially contaminated by oils and greases. It is worth mentioning that ArcelorMittal considers the action as a real negative impact when suppliers do not reach the minimum percentage of attendance in the audits and do not comply with the agreed improvements or do not have valid environmental documents.

Iron ore, lime, limestone, pig iron and scrap are, for ArcelorMittal, critical materials that must undergo environmental qualifications and audits. The definition of critical materials takes into account their relevance for steel production and the potential environmental impacts of the production process. Thus, all potential suppliers of these raw materials undergo an environmental assessment through qualifications prior to registration as a supplier before ArcelorMittal Brasil. In 2022, 3,004 companies were registered, with 340 potential suppliers considered critical. [GRI 308-1](#)

In this process, in 2021, the relationship with a supplier was terminated due to the environmental sensitivity identified in an internal audit. [GRI 308-2](#)

### Purchasing budget spent with local suppliers <sup>1,2</sup> GRI 204-1

| ArcelorMittal Brasil                                | 2021   | 2022   |
|---|--------|--------|
| Budget for suppliers (BRL billion)                  | 33.20  | 41.60  |
| Amount spent with local suppliers (BRL billion)     | 24.56  | 27.82  |
| Percentage of the budget spent with local suppliers | 73.98% | 66.87% |

<sup>1</sup> It considers as local the Brazilian scenario in the face of purchases made abroad.

<sup>2</sup> The reporting of this indicator started in 2021, so the 2020 history is not available.



## New suppliers selected based on environmental criteria GRI 308-1

|  |        |
|--|--------|
| Total new contracted suppliers                               | 3,004  |
| Total new suppliers selected based on environmental criteria | 340    |
| Percentage of new suppliers hired based on social criteria   | 11.32% |

## Negative environmental impacts in the supply chain and measures taken GRI 308-2

|   | 2020  | 2022  | 2021 |
|---|-------|-------|------|
| Number of suppliers assessed regarding environmental impacts  | 236   | 294   | 359  |
| Number of suppliers identified as causing actual or potential negative environmental impacts  | 641   | 1,035 | 666  |
| Number of suppliers identified as having actual and potential negative environmental impacts, with which improvements were agreed upon as a result of the assessment      | 2     | 3     | 0    |
| Percentage of suppliers identified as having actual and potential negative environmental impacts with which improvements were agreed upon as a result of the assessment   | 0.85% | 1.02% | 0%   |
| Number of suppliers identified as causing actual and potential negative environmental impacts, with which relations were terminated as a result of the assessment         | 0     | 1     | 0    |
| Percentage of suppliers identified as causing actual and potential negative environmental impacts, with which relationships were terminated as a result of the assessment | 0.00% | 0.34% | 0%   |

<sup>1</sup> The indicator does not consider environmental assessments carried out at suppliers of non-critical raw materials and at companies that receive critical and non-critical waste.



**Together in Environmental  
Management**

# Environmental Management

Managing environmental impacts is one of the biggest challenges for the steel and mining sector. The recyclability of steel itself and its by-products, however, present an incredible opportunity to promote a low-carbon, circular economy. ArcelorMittal Brasil is aware of its responsibility to minimize the environmental impact, mainly on air, land and water, and seeks to meet stakeholder expectations, acting with transparency and responsibility throughout the value chain, as we understands that this is essential for gain and keep the trust of our stakeholders.

**Carbon Footprint:** The Company believes that intelligent steel for people and the planet can only be produced if the carbon footprint is reduced. And while it is one of the biggest global challenges faced in recent years, the company must engage in open conversations about the challenges faced and discuss the best ways to minimize and mitigate environmental impacts.

To mitigate impacts caused by noise pollution, for example, the Piracicaba unit develops the *Blindagem Acústica* project aiming at improving the acoustics of the plant to offer more comfort and safety around the unit with high population density. Among the actions implemented are equipment maintenance and installation of walls and acoustic barriers in noisy processes, a project that has yielded results, with the community reporting back improvements after the implementation of the barriers.

To develop actions like this, the company maintains open communication channels with the communities to accommodate the main demands and improve its environmental management. Environmental Management is also responsible for the sustainable purchase of inputs and raw materials necessary for steel production. For this reason, the company constantly audits its suppliers to ensure that the raw materials and inputs used were produced in accordance with ethical environmental and social criteria.

Furthermore, all of ArcelorMittal's environmental management practices are guided by the Company's 10 Sustainable Development Guidelines and the UN's 17 Sustainable Development Goals (SDGs). Thus, the aspects and impacts of productive activities are duly mitigated, controlled and monitored periodically, to meet legal requirements and society's demands for a circular and low-carbon economy, through master plans.

### CO2 Master Plan

It is focused on measuring and reducing CO2 emissions through the use of renewable energy sources or those that emit less carbon

### Water Master Plan

It focus on the rational use of water, monitoring consumption, maximizing recirculation and ensuring the quality of water returned to the environment, in addition to seeking alternative sources of supply.

### Atmospheric Master Plan

It seeks to mitigate and eliminate visible atmospheric emissions and reduce the concentration of particulate matter, gases (SOx, NOx and Persistent Organic Pollutants) and metals.

### Byproducts Master Plan

It aims to reduce waste, eliminate stocks, develop applications for byproducts and find ways to recycle them internally, to add value, and aims at the so-called "zero landfill", which foresees abolishing the sending of waste to controlled landfills. In 2022, the Long Products segment created the Byproducts Catalogs to give visibility to potential customers.

### Biodiversity Master Plan

It encourages ArcelorMittal Brasil's commitment to biodiversity management and presents guidelines to promote the preservation and conservation of fauna, flora and natural resources under the company's area of influence. The Plan's guidelines also establish the means of recovering the areas that may be altered, as well as the actions for maintaining and expanding the spaces used to promote environmental education and scientific research.

### Noise Master Plan

It works to reduce the perception and impact of sound noise from the power plants in neighboring communities. Created in 2021, the plan has already carried out more than 70 actions to minimize and eliminate noise at the Piracicaba (SP), Monlevade (MG) and Trefilaria (SP) units. Currently, four other actions focused on the well-being of communities neighboring the plants are in progress.



**Desalination plant located at the Tubarão unit, in the State of Espírito Santo, is part of the Water Master Plan**

### Education and environmental excellence

In 2021, the Long Steel segment established the Environmental Excellence Program that brings together everything that can be done in favor of the evolution of environmental performance. Its guiding principle is ArcelorMittal's 10 Sustainable Development Guidelines, which are interpreted and deployed from the standpoint of Legal Requirements, ISO 14001, Ecolabel and ResponsibleSteel™.

Its elaboration sought to encompass all the needs for pollution prevention, improvement actions with a view to the future and perpetuity of the units. To develop the scope of the Program, the Master Plans of the units were considered, in order to facilitate the monitoring of projects, indicators and targets.

Online and face-to-face workshops are conducted within the scope of the Environmental Education and Social Communication Program, to promote awareness in the communities around Mina do Andrade and Monlevade, as well as the internal public of the units, about environmental issues, health and well-being and economic and social development.



## ResponsibleSteel™ Certifications

The Tubarão unit obtained, in January 2022, the ResponsibleSteel™ certification, making ArcelorMittal Brasil the first company in the Americas and outside Europe to be certified by the international standard that establishes certifiable requirements for responsible steel production, within ESG dimensions. The Monlevade units, the first in the Long Products segment in Brazil, in Minas Gerais; and Vega, in Santa Catarina, also achieved certification.

ResponsibleSteel™ it is an international standard of excellence, which evaluates and certifies the respect of companies for local communities, natural resources, labor relations and human rights throughout the production chain.

In this process, the units undergo rigorous independent audits that verify in-depth information on sustainable practices. The process involves visits to the industrial plant, interviews with employees, partners, unions, representatives of public bodies, Leaderships from surrounding communities and other stakeholders.

The procedure for certifying the units lasted about a year. At the Vega unit, the process took place during the largest expansion project in the unit's history, an investment of around US\$ 350 million.

### Preservation initiatives

**Apicultura Rio Doce Program:** The objective of the program is to develop a partnership with associations through rural partnership contracts in which the company assigns a production area for the use of beekeepers in the region, providing a new income alternative. It stimulates the formation of groups of beekeepers, reinforcing associations in communities and the sustainable use of the forest, uniting economic goals with social and environmental ones.

**Produtor de Águas Program:** With the aim of preserving the springs of Rivers Laranjeiras and Olaria, in São Francisco do Sul (SC), the Vega unit created this program in 2022, which records the properties located close to raw water collection points, with the purpose of public supply, to identify possible damage and environmental threats in the drainage basins of the region.

**Borboletas Project:** From an egg to a larva, forming a pupa until metamorphosing into an insect with beautiful wings. The butterfly is the image of transformation, and ArcelorMittal believes in sustainability as a way of transforming the world. The result of a partnership between the Marcos Daniel Institute and the Tubarão unit, the *Projeto Borboletas: Cores da Mata Atlântica* (Butterflies Project: Colors of the Atlantic Forest) was started in 2022 as a pioneer in the State of Espírito Santo with the preservation of these insects that are so important to the environment. It is based on the pillars of Scientific Research, Environmental Education and Scientific Dissemination and has the only butterfly house in the state.

**Caiman Project:** The broad-snouted alligator (*Caiman latirostris*) is a fundamental species for the preservation and balance of the Atlantic Forest.

With that in mind, the Marcos Daniel Institute, with the support of the Tubarão unit, develops work to monitor the species in the region of the company's green belt lakes and in other areas in the state of Espírito Santo. The actions aim not only at alligator conservation and research, but also at training young researchers in the communities involved.

**Carport Project:** A parking lot full of photovoltaic panels that capture and convert sunlight into electricity and also provide shade and cover for vehicles. This is where ArcelorMittal Tubarão employees park their vehicles. The Carport Project, an innovative and highly sustainable initiative, is capable of providing renewable electricity for the company and comfort for its employees.

**Nascentes Project:** Thinking about preserving the environment and the rational and sustainable use of water resources, the Nascentes Project aims to protect the country's drainage basins. The importance of these actions was recognized in 2021, when ArcelorMittal Brasil was awarded the Seal Alliance for Brazilian Waters by the Federal Government. With fencing techniques associated with vegetation cover recomposition models, the project includes natural regeneration of flora and educational environmental actions with rural producers in the region. In all, 140 springs were monitored in four years of operation, and 58 needed fencing for conservation. The initiative is developed by the Tubarão unit in partnership with the Capixaba Institute for Research, Technical Assistance and Rural Extension (Incaper), the Espírito Santo Agro Socio-Environmental Development and Innovation Foundation (Fundagres), the Public Prosecutor's Office of the State of Espírito Santo, the Drainage Basin Committee and the City Hall of Santa Leopoldina.

**Recovery Project of Rio Manso:** With the hiring of Associação Mineira de Defesa do Ambiente (AMDA), the Serra Azul unit implemented a project that planted more than 26,000 seedlings of native trees in the City of Rio Manso, including some endangered species, contributing to the recovery of local biodiversity.

**Tamar Project:** The Tubarão unit, with Fundação Projeto Tamar, promoted the cataloging of more than 5,000 green turtles (*Chelonia mydas*) since the beginning of the partnership in the 2000s. The studies include, for example, analysis of the health conditions of the turtles, their migratory profile and execution of biometrics and blood counts. The success of this partnership resulted in several academic works on this endangered species, in addition to the inauguration, with incentives from the City of Vitória, of a 100,000-liter water tank at the Tamar Project Visitor Center in the Capital City of the State of Espírito Santo.

#### *Health Product Declaration*

ArcelorMittal was the first company in the steel industry to obtain the Health Product Declaration – HPD. In 2022, nine civil construction products in the Long and Flat segments, and also from Belgo Arames obtained HPD certifications that report the chemical content of the products, relating them to potential health risks and ensuring more safety for all those involved in the production process.

Products that have achieved HPD are: rebar (CA25, CA50 and CA50-S/AR and CA60), welded mesh, trusses, Dramix®, coils (hot rolled, corrosion resistant, cold rolled and coated by hot immersion), annealed wires, nails and wires and wires for pre-stressed concrete.



#### **Evoluir Program**

Through an updated and refurbished application (available for download), the Evoluir Program at the Tubarão unit allows the population to access documents, videos, photos and reports on the Term of Environmental Commitment (TCA) signed in 2018 with the Federal Public Prosecutor's Office, State Public Prosecutor's Office of Espírito Santo, State Institute of the Environment (IEMA) and Environmental Company of the State of São Paulo (CETESB).

Based on the TCA, ArcelorMittal undertook to reduce the emission of particulate matter in the environment from the storage, movement and transport of iron ore. ArcelorMittal will allocate BRL 1.8 billion to increase its environmental performance. Among the completed commitments are:

**All of ArcelorMittal Brasil's environmental management practices are guided by the Company's 10 Sustainable Development Guidelines and the UN's 17 Sustainable Development Goals (SDGs).**

- Optimization in the storage of raw materials, by eliminating eight yards and covering three coke storage yards with tarpaulins;
- Obligation to cover trucks when transporting material and install new wheel wash stations at the exits of the yards to avoid dragging of materials;
- Installation of 4,000 new covers on the belts that transport raw materials;
- Installation of 49 coke ovens in a fourth battery in the coke plant;
- Installation of bag filters in the product processing yard.

Other improvements are still in progress, including dust removal of the race house and top of the blast furnace; the installation of wind fences 20 meters high; installation of a new and modern coal unloading system in the Heat Recovery coke oven; and acquisition of a third car for loading coal at the coke plant.

With the Evoluir Program, in addition to having access to all this information, anyone can clarify doubts, make suggestions and even schedule visits to the company, all in an agile, easy and intuitive way.

## Climate changes

### GRI 3-3; Climate changes

There is a growing concern about climate change and the adoption of sustainable economic practices that allow for the intelligent and efficient use of the planet's natural resources. Countries like Brazil, which have a renewable energy matrix, have an advantage, but much remains to be done to build an environmentally responsible world.

Aware of this, ArcelorMittal has CO2 master plans that establish the main actions to achieve the Group's goals of globally reducing its intensity of CO2 emissions in Scopes 1 and 2 by 25% by 2030 and achieving carbon neutrality by 2050.

In the coming years, the energy used to produce steel will undergo an increasingly radical transition, migrating from energy based on fossil fuels to energy with a low carbon footprint, such as wind energy, biomass and green hydrogen. New approaches will also be employed, such as circular forms of carbon and CCUS (Carbon Capture for Use and Storage) technologies.

ArcelorMittal, as a leading company in the steel sector, serves as a benchmark in sustainable practices. Its global recognition is also due to the development of products with a lower carbon footprint, using technologies throughout the production chain to minimize the environmental impact and foster a circular economy with low carbon emissions.





### ArcelorMittal at COP27

ArcelorMittal was present at the 27th United Nations Climate Change Summit (COP27), which took place in November 2022, in the City of Sharm el-Sheikh, Egypt. Around 120 heads of state and government representatives were present to discuss alternatives and make commitments to mitigate climate change.

The general manager of Sustainability at ArcelorMittal Brasil, Guilherme Abreu, participated in two panels organized by the National Confederation of Industry (CNI) on the themes "Business dialogue for a low-carbon economy" and "Climate neutrality". Another six representatives of the ArcelorMittal Group also attended the event.

The company has already committed to invest BRL 1.9 billion globally to develop carbon neutral technologies. In Brazil, initiatives are planned to increase the use of scrap as raw material, increase the use of natural gas and optimize the use of charcoal in the plants, in addition to efficiency projects.



### Emissions

With the objective of achieving carbon neutrality in all its units by 2050, ArcelorMittal started, in 2022, the use of natural gas at the Tubarão unit, reducing carbon dioxide emissions. This is just one of several measures that the company has taken to consolidate itself as a carbon neutral industry. To achieve this goal, the company created five strategies in its CO2 Master Plans: increasing the use of scrap; search for renewable energy sources; transformation of steel production; transforming energy use and offsetting remaining emissions.

The consolidation of the CO2 emission indexes considers the shareholding of the operating units that represent the highest volume of emissions, representing more than 95% of the company's emissions in Brazil. ArcelorMittal Brasil units considered were: Tubarão, Monlevade, Juiz de Fora, Piracicaba, Sul Fluminense; Tubarão HRCP coke production unit; the two iron ore mines Andrade and Serra Azul; and the ArcelorMittal Vega transformation unit. The methodology used for the calculation is described in the ArcelorMittal Group's "Basis of Reporting" document (Energy spreadsheet), which is based on the recommendations of the World Steel Association for the Data Collection process. The methodology is adapted for the steel sector and is compatible with the main methodologies and inventory demands worldwide. [GRI 305-2](#)

### Direct emissions of greenhouse gases (t CO2 equivalent) <sup>1,2,3</sup>

#### GRI 305-1

| Scope 1  | 2020                 | 2021                 | 2022                 |
|--|----------------------|----------------------|----------------------|
| Generation of electricity, heat or steam                               | 300,240.59           | 405,476.23           | 475,304.86           |
| Physical-chemical processing   | 13,443,350.00        | 16,268,159.53        | 16,240,174.45        |
| Transportation of materials, products, waste, employees and passengers | 54,637.83            | 58,545.39            | 62,107.18            |
| <b>Total gross CO2 emissions</b>                                       | <b>13,798,228.43</b> | <b>16,732,181.15</b> | <b>16,777,586.49</b> |
| <b>Biogenic CO2 emissions</b>  | <b>618,349.94</b>    | <b>472,550.11</b>    | <b>509,937.36</b>    |

<sup>1</sup> Data for 2020 and 2021 were revised, starting to consider GHG emissions from BioForest units as scopes 1 and 2. In addition, 2020 was considered an atypical year due to the COVID-19 pandemic, with its indexes normalized from 2021.

<sup>2</sup> The emission factors used in the consolidation of the inventory are those recommended by the World Steel Association in the document "CO2 Data Collection User Guide, Version 10" – as reported in the document "Basis of Reporting" of the ArcelorMittal Group. When available, emission factors reported by the Brazilian GHG Protocol Program are used.

<sup>3</sup> The consolidation approach takes into account the shareholding in operating units, considering only those that represent the largest volume of emissions, with more than 95% of the company's emissions in Brazil.

| Indirect emissions of greenhouse gas (t CO <sub>2</sub> equivalent) <sup>1</sup> GRI 305-2 |            |            |           |
|--|------------|------------|-----------|
| Scope 2  | 2020       | 2021       | 2022      |
|  | 136.160,71 | 126.110,57 | 76.243,20 |

<sup>1</sup> Data for 2020 and 2021 were revised, starting to consider GHG emissions from BioForests units as scopes 1 and 2.

| Other indirect emissions of GHG (t CO <sub>2</sub> equivalent) GRI 305-3 |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
| Scope 3 (upstream)   | 2020                | 2021                | 2022                |
| Acquired goods and services <sup>1</sup>                                 | 1.741.590,25        | 4.779.270,82        | 4.310.243,01        |
| Transport and distribution ( <i>upstream</i> )                           | -                   | 576.027,36          | 521.687,93          |
| <b>Total</b>   | <b>1.741.590,25</b> | <b>5.355.298,18</b> | <b>4.831.930,94</b> |

<sup>1</sup> Data for 2020 and 2021 were revised, starting to consider GHG emissions from BioForest units as scopes 1 and 2. There was also an increase in scope 3 emissions compared to 2020, in the category "Acquired goods and services" due to methodology change. With regard to data, it also began to account for emissions from transporting raw materials or products in an outsourced fleet to the company.

| Intensity of greenhouse gas emissions GRI 305-4    |               |               |               |
|--|---------------|---------------|---------------|
|  | 2020          | 2021          | 2022          |
| Total GHG emissions (t CO <sub>2</sub> equivalent) | 13.934.389,13 | 16.858.291,72 | 16.853.829,68 |
| Intensity of greenhouse gas emissions              | 1,60          | 1,51          | 1,58          |

| Reductions of GHG emissions <sup>1</sup> (t CO <sub>2</sub> equivalent) <sup>1,2</sup> GRI 305-5 |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2020              | 2021              | 2022              |
| Reductions from direct emissions (Scope 1)   | 49.268,66         | 52.114,43         | 106.506,11        |
| Reductions from indirect emissions from energy acquisition (Scope 2)                             | 240.076,65        | 333.880,18        | 232.029,91        |
| Reductions from other indirect emissions (Scope 3)   | 27.182,86         | 41.804,06         | 33.610,74         |
| <b>Total reduction of GHG emissions</b>  | <b>316.528,17</b> | <b>427.798,67</b> | <b>372.146,76</b> |

- <sup>1</sup> The following gases were considered: CO<sub>2</sub> – carbon dioxide, CH<sub>4</sub> – methane and N<sub>2</sub>O – nitrous oxide.
- <sup>2</sup> Data for 2020 and 2021 were revised due to the continuous improvement of ArcelorMittal Brasil's GHG emissions management.

| Significant atmospheric emissions (t) <sup>1</sup><br>GRI 305-7, SASB EM-MM-120a.1 |           |           |           |
|--|-----------|-----------|-----------|
|  | 2020      | 2021      | 2022      |
| NO <sub>x</sub>  | 4,778.71  | 6,141.90  | 6,378.58  |
| SO <sub>x</sub>  | 13,045.37 | 11,986.73 | 12,190.39 |
| Volatile Organic Compounds (VOCs)  | 3.30      | 5.18      | 22.39     |
| Particulate matter (PM)  | 2,184.89  | 2,490.98  | 2,606.92  |

<sup>1</sup> For compiling the information, the ArcelorMittal Group's atmospheric emissions reporting method, reported in the Basis of Reporting document, was considered.

## Energy Efficiency

### GRI 302-1, 3-3; Energy efficiency

Steel production is a carbon-intensive activity and, therefore, has the opportunity to be at the forefront in building a low-carbon future with high efficiency in energy resources, through technological innovation and collaboration with other industrial sectors.

For this reason, ArcelorMittal assumed the goal of using 100% of certified renewable electricity by 2030. In this process, the company seeks to strengthen its business, reducing energy costs and creating commercial opportunities through the reuse of carbon.

For 2023, each industrial unit has set its goal individually according to its current production processes and its local realities.

Seeking to improve energy efficiency gains, the Tubarão unit of ArcelorMittal Brasil joined, in 2018, the first cycle of the Alliance Program, an initiative of the National Confederation of Industries (CNI) in partnership with Eletrobras and the Association of Large Industrial Consumers of Energy and of Free Consumers (Abrace). This partnership unites industry experience with academic knowledge and reverberates positively with projects that contribute to energy efficiency and reduction of the carbon footprint.

At the Tubarão unit, 21 opportunities for process optimization were identified, of which ten were implemented, which contributed to a reduction of 35,000 MWh/year and a reduction of approximately 8,200 tons of CO<sub>2</sub> per year. The Vega unit announced in 2022 that it will participate in the second cycle of the Program.

In 2023, ArcelorMittal Brasil announced that it will form a joint venture with Casa dos Ventos, one of the largest developers and producers of wind energy projects in Brazil, for the development of a 553.5 MW wind energy project. The BRL 4.2 billion project intends to secure and decarbonize a considerable part of the future electricity needs of the company's operations in Brazil and will be detailed in the next Sustainability Report.

| Fuel consumption (GJ) GRI 302-1 |                       |                       |                       |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Non-renewable sources           | 2020                  | 2021                  | 2022                  |
| Anthracite                      | 2,342,978             | 1,595,373             | 842,731.29            |
| Compressed air                  | 690,618.50            | 866,290.26            | 872,844.22            |
| Argon <sup>1</sup>              | 17,954.80             | 21,691.60             | 22,280.15             |
| Coal for PCI                    | 34,732,342.37         | 55,003,876.88         | 51,110,926.17         |
| Natural Gas                     | 5,356,311.69          | 5,223,642.13          | 8,314,390.54          |
| GLP                             | 25,809.29             | 24,600.64             | 38,451.57             |
| Nitrogen <sup>1</sup>           | 1,535,612.77          | 1,727,932.69          | 1,714,143.51          |
| Diesel oil                      | 774,401.12            | 968,513.33            | 1,180,296.7           |
| Oxygen <sup>1</sup>             | 5,712,270.86          | 7,530,185.16          | 7,262,107.56          |
| <b>Total<sup>1</sup></b>        | <b>149,005,708.78</b> | <b>181,015,987.68</b> | <b>184,268,520.45</b> |
| Renewable sources               | 2020                  | 2021                  | 2022                  |
| Charcoal                        | 3,385,215.05          | 3,494,910.60          | 3,948,614.01          |
| Charcoal for PCI                | 709,872.80            | 717,800.67            | 968,540.88            |
| <b>Total</b>                    | <b>4,095,087.86</b>   | <b>4,212,711.27</b>   | <b>4,917,154.89</b>   |

| Electric energy (GJ) GRI 302-1 |               |               |               |
|--------------------------------|---------------|---------------|---------------|
|                                | 2020          | 2021          | 2022          |
| Purchased                      | 22,357,882.43 | 26,395,413.12 | 25,883,430.73 |
| Sold                           | 4,176,359.41  | 8,696,754.62  | 8,634,253.95  |

| Total consumed energy (GJ) <sup>1</sup> GRI 302-1 |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
|   | 2020                  | 2021                  | 2022                  |
| Fuel from non-renewable sources                   | 149,005,708.78        | 181,015,987.68        | 184,268,520.45        |
| Fuel from renewable sources                       | 4,095,087.86          | 4,212,711.27          | 4,917,154.89          |
| Consumed energy <sup>2</sup>                      | 38,840,268.98         | 41,210,559.67         | 40,687,089.83         |
| Sold energy                                       | 4,176,359.41          | 8,696,754.62          | 8,634,253.95          |
| <b>Total</b>                                      | <b>187,764,706.21</b> | <b>217,742,503.99</b> | <b>238,507,019.12</b> |

<sup>1</sup> For compiling information, the ArcelorMittal Group's greenhouse gas emissions and energy consumption inventory construction method was considered, as reported in the Basis of Reporting document, based on recommendations from the World Steel Association.

<sup>2</sup> The total amount of energy consumed is 40,687,089.83 GJ, referring to the sum of 25,883,430.73 GJ of purchased energy and 14,803,659.10 GJ of self-generated energy.

| Consumed energy (GJ) GRI 302-1 |                      |                      |                      |
|--------------------------------|----------------------|----------------------|----------------------|
|                                | 2020                 | 2021                 | 2022                 |
| Electricity                    | 38,840,268.98        | 41,210,559.67        | 40,687,089.83        |
| <b>Total</b>                   | <b>38,840,268.98</b> | <b>41,210,559.67</b> | <b>40,687,089.83</b> |

<sup>1</sup> Total energy consumed (GJ), the amount of energy consumed is 40,687,089.83 GJ, referring to the sum of 25,883,430.73 GJ of purchased energy and the rest of self-generated energy.

| Sold energy (GJ) GRI 302-1 |                     |                     |                     |
|----------------------------|---------------------|---------------------|---------------------|
|                            | 2020                | 2021                | 2022                |
| Electricity                | 4,176,359.41        | 8,696,754.62        | 8,634,253.95        |
| <b>Total</b>               | <b>4,176,359.41</b> | <b>8,696,754.62</b> | <b>8,634,253.95</b> |

| Reductions in energy consumption achieved as a result of improvements in conservation and efficiency (GJ) <sup>1</sup> GRI 302-4 |                |                |                |
|--|----------------|----------------|----------------|
|  | 2020           | 2021           | 2022           |
| Barra Mansa - Reduction in the consumption of Electricity  | 2,521          | 2,570          | 129,562        |
| Barra Mansa - Reduction in the consumption of Natural Gas  | 49,270         | 6,569          | 0              |
| Juiz de Fora - Reduction in the consumption of Electricity   | 9,543          | 0              | 48,607         |
| Juiz de Fora - Reduction in the consumption of Natural Gas   | 17,617         | 8,475          | 315,855        |
| Monlevade - Reduction in the consumption of Electricity  | 10,461         | 13,728         | 2,063          |
| Monlevade - Reduction in the consumption of Natural Gas  | 50,620         | 13,251         | 0              |
| Piracicaba - Reduction in the consumption of Electricity   | 48,476         | 15,490         | 0              |
| Piracicaba - Reduction in the consumption of Natural Gas   | 0              | 62,036         | 0              |
| Resende - Reduction in the consumption of Electricity  | 37,026         | 30,416         | 0              |
| Resende - Reduction in the consumption of Natural Gas  | 72,321         | 38,351         | 25,618         |
| Sitrel - Reduction in the consumption of Natural Gas   | 0              | 0              | 3,496          |
| Trefilarias - Reduction in the consumption of Electricity  | 3,241          | 88             | 0              |
| Tubarão - Reduction in the consumption of Electricity  | 103,329        | 1,508          | 29,370         |
| Tubarão - Reduction in the consumption of Natural Gas  | 0              | 0              | 14,838         |
| <b>Total</b>   | <b>404,425</b> | <b>192,482</b> | <b>569,409</b> |

<sup>1</sup> The projects monitored and executed throughout the base year of 2022 were compiled. The types of energy included in the reductions are: electricity and natural gas.

## Water, effluents and waste

Water, Effluent and Waste Management at ArcelorMittal aims to map, monitor and direct strategic plans for the use of natural resources by the company, taking into account risks and opportunities within each plant.

Another goal is to encourage the use of alternative sources of water resources (surface, underground and rainwater), in addition to optimizing their use in operations, either by adopting a more conscious use of the resource, or by using reused water.

Proper waste management, including those classified as hazardous, in stages such as generation, transport and storage, can reduce significant environmental impacts. As a result, the company requires full compliance with legal requirements and good practices in the management of waste and co-products in all its areas, through policies, guidelines and standards at ArcelorMittal Brasil units, following the logic of the 3 Rs (Reduce, Reuse and Recycle). [GRI 306-1](#)

The company's priority is to invest in research to enable the reuse or recycling of generated waste, transforming it into an asset and providing alternative raw materials, thus avoiding the extraction of natural resources. Waste management is carried out internally by the company, except for waste destined for external final disposal, which is managed by third parties. In some stages of management, such as transportation and processing, the company can hire service providers. [GRI 306-2](#)

One of the main innovations of the year was the project "Automation of the system for receiving and issuing the Waste Transport Manifest", which, for the first time in the country, unified the MTR environmental system with the government, bringing together on a single platform data on generation, transport and disposal of solid waste. The proposal was considered so innovative that it received the 2022 TOP Industrial award, in the "Environment" category.



**Desalination Plant, located at the Tubarão Unit, in the State of Espírito Santo**

### Total volume of water collected in all areas, by source (ML)<sup>1</sup> GRI 303-3

|   | 2020              | 2021              | 2022              |
|---|-------------------|-------------------|-------------------|
| <b>Surface waters (total)</b>                     | <b>7,743.18</b>   | <b>10,658.88</b>  | <b>22,974.62</b>  |
| Freshwater (>1000 mg/l of total dissolved solids) | 7,743.18          | 10,658.88         | 22,974.62         |
| <b>Groundwater (Total)</b>                        | <b>2,999.38</b>   | <b>3,464.59</b>   | <b>3,819.37</b>   |
| Freshwater (≤1000 mg/l of total dissolved solids) | 2,999.38          | 3,464.59          | 3,819.37          |
| <b>Seawater (Total)</b>                           | <b>324,861.03</b> | <b>350,307.69</b> | <b>374,875.31</b> |
| Freshwater (>1000 mg/l of total dissolved solid)  | 324,861.03        | 350,307.69        | 374,875.31        |
| <b>Third party water (Total)</b>                  | <b>15,519.19</b>  | <b>16,783.72</b>  | <b>1,087.28</b>   |
| Freshwater (>1000 mg/l of total dissolved solid)  | 15,519.19         | 16,783.72         | 1,087.28          |
| Directed collected rainwater                      | 1,679.18          | 2,801.33          | 1,151.60          |
| <b>Total</b>                                      | <b>352,801.95</b> | <b>384,016.20</b> | <b>403,908.18</b> |

<sup>1</sup> Data were compiled for all units in the Flat, Long (including Mining and BioForests) and Belgo Arames segments.

### Total water disposal in all areas, by destination (ML)<sup>1</sup> GRI 303-4

|                   | 2020              | 2021              | 2022               |
|-------------------|-------------------|-------------------|--------------------|
| Source type       | All areas         | All areas         | All areas          |
| Surface water     | 955.94            | 641.57            | 1,088.2            |
| Groundwater       | 26.73             | 25.24             | 30.1               |
| Seawater          | 322,230.87        | 346,185.96        | 371,539.82         |
| Third party water | 185.60            | 150.91            | 263.52             |
| <b>Total</b>      | <b>323,399.14</b> | <b>347,003.68</b> | <b>372,921,636</b> |

<sup>1</sup> Data were compiled for all units in the Flat, Long (including Mining and BioForests) and Belgo Arames segments.

### Total waste generated, by composition (t) GRI 306-3

|                     | 2020                | 2021                | 2022                |
|---------------------|---------------------|---------------------|---------------------|
| Hazardous waste     | 198,024.00          | 145,588.72          | 249,535.21          |
| Non-hazardous waste | 5,858,861.00        | 6,519,975.04        | 7,978,730.95        |
| <b>Total</b>        | <b>6,056,885.00</b> | <b>6,665,563.76</b> | <b>8,228,266.16</b> |

<sup>1</sup> Data referring to 2021 were not included in the previous report, however, they were retrieved and are being presented in this report.

<sup>2</sup> Data were compiled for all units in the Flat, Long (including Mining and BioForests) and Belgo Arames segments.



| Total waste not intended for final disposal, per recovery operation, in metric tons (t) <sup>1</sup><br>GRI 306-4 |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| 2022  |                     |                     |                     |
| Non-hazardous waste   | 2022                |                     | Total               |
|   | Onsite              | Offsite             |                     |
| Preparation for reuse   | 0                   | 194,137.83          | 194,137.83          |
| Recycling   | 2,139,650.14        | 4,920,981.18        | 7,060,631.32        |
| <b>Total</b>  | <b>2,139,650.14</b> | <b>5,115,119.01</b> | <b>7,254,769.15</b> |
| Hazardous waste   | 2022                |                     | Total               |
|   | Onsite              | Offsite             |                     |
| Preparation for reuse   | 0                   | 372.72              | 372.72              |
| Recycling   | 20,109.78           | 125,736.50          | 145,846.28          |
| <b>Total</b>  | <b>20,109.78</b>    | <b>126,109.22</b>   | <b>146,219.00</b>   |
| <b>Total waste not intended for final disposal</b>  | <b>2,159,759.92</b> | <b>5,241,228.23</b> | <b>7,400,988.15</b> |

<sup>1</sup> Data were compiled for all units in the Flat, Long (including Mining and BioForests) and Belgo Arames segments.

| Total waste not intended for final disposal, per recovery operation, in metric tons (t) <sup>1</sup> GRI 306-5 |              |                   |                   |
|--|--------------|-------------------|-------------------|
| 2022   |              |                   |                   |
| Non-hazardous waste  | 2022         |                   | Total             |
|  | Onsite       | Offsite           |                   |
| Incineration with energy recovery  | 0            | 5.719,02          | 5.719,02          |
| Incineration without energy recovery   | 0            | 20,35             | 20,35             |
| Landfill   | 29,07        | 717.873,4         | 717.902,47        |
| Temporary storage of final disposal  | 0            | 319,96            | 319,96            |
| <b>Total</b>   | <b>29,07</b> | <b>723.932,73</b> | <b>723.961,80</b> |
| Hazardous waste  | 2022         |                   | Total             |
|  | Onsite       | Offsite           |                   |
| Incineration with energy recovery  | 0            | 1.968,64          | 1.968,64          |
| Incineration without energy recovery   | 0            | 480,02            | 480,02            |
| Landfill   | 0            | 100.824,83        | 100.824,83        |
| Temporary storage of final disposal  | 0            | 42,72             | 42,72             |
| <b>Total</b>   | <b>0</b>     | <b>103.316,21</b> | <b>103.316,21</b> |
| <b>Total waste not intended for final disposal</b>   | <b>29,07</b> | <b>827.248,94</b> | <b>827.278,01</b> |

<sup>1</sup> Data were compiled for all units in the Flat, Long (including Mining and BioForests) and Belgo Arames segments.

### Desalination Plant

Inaugurated in 2021, the largest seawater desalination plant in Brazil, at the Tubarão unit, with a production capacity of up to 500 m<sup>3</sup>/h of industrial water, operated perfectly throughout 2022. Built in an area of 6,000 m<sup>2</sup>, the plant is organized in modules, allowing for future expansion that triples its desalination capacity.

In 2022, the project earned the company the title of “Best Corporate Social Responsibility Project” at the World Congress of the International Desalination Association (IDA), in Australia, the most important global desalination event in the world.

### Investment in research

To ensure the availability of water resources at industrial plants, an unprecedented study is being carried out in Brazil on the “Predictability of water availability in the hydrographic basins in which the company operates”. The action conceived and under development by the Long Steel segment at ArcelorMittal has in mind adaptation scenarios that will be necessary to face possible climate changes in the coming years. ArcelorMittal, in partnership with researchers and professors from the Universidade Federal de Juiz de Fora (UFJF), is developing a survey that covers units located in the cities of Barra Mansa (RJ), João Monlevade (MG), Juiz de Fora (MG), Resende (RJ) and Piracicaba (SP). The method consists of carrying out “state of the art” bibliographical research on tools that best represent the industrial water risk in the world, associated with theoretical and practical studies, characterizing the water safety of drainage basins. The study also foresees a digital platform that presents the real water availability

and forecasts for 10-, 20-, and 30-year scenarios. Expected to be completed in 2024, a diagnosis will also be carried out to suggest the implementation of effective actions that reduce the risk of shortages, and map new sources of capture and use water in the short, medium and long term.

### Biodiversity

Addressing sustainability is also talking about preserving biodiversity. ArcelorMittal Brasil ensures the maintenance and preservation of habitats and ecosystems, both in its own and leased operating units, whether they are located adjacent to environmental protection areas or outside them.

Species censuses and monitoring are carried out, in addition to identification and rescue actions. At the Tubarão unit, for example, 548 broad-snouted caimans (*Caiman latirostris*) were identified, 24 of which were rescued, examined and returned to the green belt lagoons. A total of 282 sea turtles were also captured, 130 of which were banded for the first time and 42 were recaptured during the monitoring year. The company also identified adult butterflies, which were later released in the butterfly house, another 89 still in the egg or caterpillar stage and 46 in an incomplete lifecycle.

In 2022, the Tubarão unit started a fauna and flora survey within its areas, to catalog and classify vulnerable, endangered and critically endangered species. The forecast is for completion in 2023. Due to the installation of wind fences around the yards, it was necessary to suppress some species around the Coal Yard, Ore Yard and Byproduct Storage Center (CASP). During the period, there was also continuity of projects to preserve the population of broad-snouted alligators, green turtles and butterflies. Duration of initiatives: *Projeto Nascentes*: three years; *Instituto Marcos Daniel*: six years; and *Projeto Tamar*: five years. [GRI 304-2](#)

At the Tubarão unit, restoration measures were also implemented in an area of 5.6 km<sup>2</sup> formed by part of the forest remnants attested by Experts from the Capixaba Institute for Research and Rural Extension (Incaper). 2022 marked the implementation of the maintenance phase of plantations and monitoring of green belts located in the Coal and Ore Yards, the Byproduct Storage Center (CASP) and the Environmental Education Center (CEA).

In addition, an area of 40,000 m<sup>2</sup>, also attested by Incaper Experts, was included in the *Nascentes do Rio Santa Maria da Vitória* agreement, a project that carries out a qualitative assessment of the enclosed springs, based on local macroscopic assessments, which identify, for example, water color, odor, solid waste, manure, vegetation, site protection, and proximity to homes. Altogether, 89% of the springs have a degree of preservation ranging from reasonable to excellent. In 2022, with the expansion of the project, the regions of *Mangaraí, Barra do Mangaraí, Rio do Meio and Meia Léguas* were included. [GRI 304-3](#)

The Vega unit, in Santa Catarina, has a Private Natural Heritage Reserve (RPPN) with an area equivalent to one third of the land of the industrial unit. In addition to hosting environmental education actions, it enables the development of research on existing biodiversity. The implementation of the Reserve included a stage of recovery of the dump areas in which the land resulting from the earthworks process during the construction phase of Vega was disposed - through the planting of native species, with seedlings cultivated in a nursery inside of the RPPN itself. One of the Reserve's attractions is the ecological trail, approximately 860 meters long, where Environmental Education activities are carried out for employees, family members and residents of the community. The trail has two lookouts, which provide a panoramic view of the flora and fauna of the region and the industrial unit.

The Long Steel segment maintains protected and preserved areas in the typical Atlantic Forest biome, where relevant species of birds, amphibians, reptiles, mammals and vegetation can be found.

[GRI 304-3](#)

## Protected areas or areas with a high level of biodiversity<sup>1</sup> GRI 304-1

### ArcelorMittal Brasil

| Region                  | Total area belonging to the organization (ha) | Protected area in the region (ha) | Value for biodiversity  |
|-------------------------|---|-----------------------------------|---|
| Coronel Fabriciano (MG) | 4,990   | 2,332                             | It includes approximately 903 hectares (ha) of Permanent Preservation Area (APP) and 1,429 ha of Legal Reserve. |

### ArcelorMittal BioForests

|  |        |        |   |
|--|--------|--------|---|
| Midwest of Minas Gerais (Abaeté, Bom Despacho, Dolores do Indaiá, Martinho Campos and Quartel Geral) | 34,245 | 7,969  | Cerrado biome preservation area adjacent to eucalyptus plantation and extraction areas and charcoal production in three energy production units (UPE). Includes approximately 844 ha of APP and 7,125 ha of Legal Reserve.  |
| North of Minas Gerais (Carbonita, Senador Modestino Gonçalves and Diamantina)                        | 41,941 | 11,818 | Area belonging to the organization in the region, where managed eucalyptus planting and charcoal production activities are carried out. There are approximately 6,337 ha of Private Natural Heritage Reserve (RPPN), 1,233 ha of APP and 4,247 ha of Legal Reserve. |
| Vale do Rio Doce of Minas Gerais (Dionísio, São José do Goiabal and São Pedro dos Ferros)            | 32,258 | 10,311 | Preservation area of the Atlantic Forest biome. The area includes approximately 3,502 ha of APP and 6,809 ha of Legal Reserve.  |

### ArcelorMittal Juiz de Fora

|                   |       |     |     |
|-------------------|-------|-----|-----|
| Juiz de Fora (MG) | 1,979 | 782 | APP |
|-------------------|-------|-----|-----|

### ArcelorMittal Monlevade and ArcelorMittal Mina do Andrade

|                     |        |       |  |
|---------------------|--------|-------|--|
| João Monlevade (MG) | 10,411 | 4,088 | There are 515 ha of Private Natural Heritage Reserve (RPPN), made up of the Atlantic Forest biome on the banks of the Piracicaba River in Minas Gerais; 1,151 ha of APP and 2,422 ha of Legal Reserve. |
|---------------------|--------|-------|--|

| ArcelorMittal Sitrel   |       |       |   |
|--|-------|-------|---|
| Três Lagoas (MS)   | 355.3 | 221.5 | 2,963 ha of APP; 71,064 ha of Legal Reserve; 4,679 of area covered by native forest and 142,776 ha of reforestation area (forests planted with native or exotic essences).  |
| ArcelorMittal Sul Fluminense                                   |       |       |   |
| Barra Mansa (RJ)   | 54.2  | 19.8  | APP and Legal Reserve.  |
| Resende (RJ)   | 423.9 | 176.8 | APP and Legal Reserve.  |
| ArcelorMittal Vega   |       |       |   |
| São Francisco do Sul (SC)                                      | 220   | 151   | 76 ha of Private Natural Heritage Reserve (RPPN) and 75 ha of non-contiguous area of Atlantic Forest, being part of sandbank.   |
| ArcelorMittal Mina Serra Azul                                  |       |       |   |
| Itatiaiuçu (MG)  | 1,162 | 332   | 72 ha are APP and 250 ha are Legal Reserves.  |
| ArcelorMittal Guilman Amorim                                   |       |       |   |
| Nova Era e Antônio Dias (MG) – middle course of Rio Piracicaba | 3,285 | 1,237 | There are approximately 254 ha of Private Natural Heritage Reserve (RPPN), 216 ha of APP and 767 ha of Legal Reserve, in which the preserved biome is the Atlantic Forest.  |
| ArcelorMittal Tubarão  |       |       |   |
| Serra (ES)   | 1,338 | 279.9 | <p>Protected or restored habitats correspond to 665 ha, of which: 394.3 ha of reforested areas (which include the green belt) and 271 ha of areas with forest remnants, including 35 ha referring to the Environmental Education Center - (CEA) - reforestation with growth, native and fruit species, riparian vegetation and vegetation in a state of regeneration). There is also an adjacent area known as "Área da Picanha" with 0.09 km<sup>2</sup>, located in the APA of Praia Mole. The biodiversity value is characterized by the following ecosystems:</p> <ul style="list-style-type: none"> <li>• Fresh water: within the company's site there are eight lakes, one of which is artificial (located at CEA) and seven natural, of which six are interconnected and form the Praia Mole stream. These lakes are extensively monitored and assessed;</li> <li>• Terrestrial: the company has important remnants of tableland forest and restinga;</li> <li>• Marine: the company is located adjacent to a marine area that is extensively monitored and assessed.</li> </ul> |

<sup>1</sup> Some information has been updated according to an aerial photogrammetric survey carried out by a specialized technical consultancy. The legal reserve areas of part of the properties belonging to the company are in the process of being regularized, which is why the areas registered were considered. With a view to continuous improvement, the Heritage team is developing a territorial management platform, a project that aims to integrate and make available internally in a single location all the company's geographic bases. [GRI 2-4](#)

## Number of species included in the IUCN Red List and national conservation lists, broken down by extinction risk level GRI 304-4

| Extinction risk level         | 2020   | 2021   | 2022   |
|-------------------------------|--|--|--|
| Critically threatened species | -  | -  | Plant: ipê-amarelo ( <i>Handroanthus riococensis</i> ).  |
| Threatened                    | Reptile: broad-snouted caiman ( <i>Caiman latirostris</i> ).   | Reptiles: broad-snouted caiman ( <i>Caiman latirostris</i> ) and green turtle ( <i>Chelonia mydas</i> ).<br><br>Bird: cocoa thrush ( <i>Turdus fumigatus</i> ).  | Reptiles: broad-snouted caiman ( <i>Caiman latirostris</i> ) and green turtle ( <i>Chelonia mydas</i> ).<br><br>Plants: jequitibá-rosa ( <i>Cariniana legalis</i> ), acá-preto ( <i>Pouteria coelomatica</i> ), canela-do-nativo ( <i>Rhodostemonodaphne capixabensis</i> ), <i>Scutia arenicola</i> and caixeta ( <i>Tabebuia cassinoides</i> ).                                |
| Vulnerable                    | Restoration measures of the green belt areas that make up part of the forest remnants as attested by Incaper Experts.  | Recovery of the springs of Santa Maria da Vitória river as attested by Incaper Experts.  | Mammals: jaguarundi ( <i>Herpailurus yagouaroundi</i> ).<br><br>Plants: ariticum-do-brejo ( <i>Annona glabra</i> ), garapa ( <i>Apuleia leiocarpa</i> ), coqueirinho ( <i>Bactris caryotifolia</i> ), jacarandá-caviuna ( <i>Dalbergia nigra</i> ), palmito-juçara ( <i>Euterpe edulis</i> ), gameleira ( <i>Ficus cyclophylla</i> ) and salmar ( <i>Jacquinia armillaris</i> ). |
| Near threatened               | Bird: blue-winged macaw ( <i>Primolius maracana</i> ).   | Bird: blue-winged macaw ( <i>Primolius maracana</i> ).   | -  |
| Least concern                 | Reptile: green turtle ( <i>Chelonia mydas</i> ).<br><br>Bird: tropical mockingbird ( <i>Mimus gilvus</i> ).<br><br>Plants: ipê-amarelo ( <i>Handroanthus riococensis</i> ), jacarandá-cipó ( <i>Machaerium fulvovenosum</i> ), imbirema ( <i>Couratari asterotricha</i> ) and oak ( <i>Solanum sooretamum</i> ). | Bird: tropical mockingbird ( <i>Mimus gilvus</i> ).<br><br>Plants: ipê-amarelo ( <i>Handroanthus riococensis</i> ), jacarandá-cipó ( <i>Machaerium fulvovenosum</i> ), imbirema ( <i>Couratari asterotricha</i> ) and oak ( <i>Solanum sooretamum</i> ). | -  |

## Environmental compliance

### GRI 2-27

Concerned with always complying with environmental laws, ArcelorMittal paid, during 2022, BRL 231,000.00 in significant fines. The amount of fines received in the period reached BRL 2,021,724.57, with or without appeal, totaling BRL 2,252,724.57. In all, the company received two non-monetary sanctions over the past year.

It is worth mentioning that the number of notices received in 2022 was lower than that registered in previous years, a positive fact, as a result of the company's environmental management. A good part of the contingent amount is due to the only notice received at the Serra Azul unit due to the company's dam in the region. The case is being appealed administratively.





Together in social investment



## Investimento Social

Always acting in partnership with public authorities and various civil society institutions, ArcelorMittal develops projects that aim to promote advances in fundamental areas for society, such as health, education, culture, social empowerment and promotion of sports. Among the initiatives for 2022, the following stand out:

### Junior Technical Sustainability

The Vega unit, in partnership with civil society entities, such as Sesi and Senai from the State of Santa Catarina, implemented the Junior Technical Sustainability Program aimed at students in the first years of high school in public schools in the City of São Francisco do Sul. Teenagers between 15 and 17 years of age in situations of social vulnerability can develop their technical and interpersonal skills, with psychopedagogical follow-up. The program is also open to teens with disabilities. In 2022, a technical course in electromechanics was started for 40 young people from São Francisco do Sul. With a duration of two years, the project is executed by Senai and invested by ArcelorMittal Brasil.

### F1 in Schools

Imagine children and teenagers building, from scratch, a Formula 1 team and everything that goes with it: brand creation, sponsorship search, super-advanced engineering and, of course, the race. This is the F1 in Schools project, created by the F1 community with the aim of attracting and awakening the interest of young people between 9 and 19 years old in science, engineering, mathematics and technology.

Students are licensed to use official software and models to build their miniature car and participate in a championship involving young people from 52 countries.



The Pocadores team, sponsored by the Tubarão unit, represented Brazil in the competition. The team, which is a three-time state champion, secured a place in the international competition after winning third place in the national F1 in Schools tournament held in 2021.

Pocadores had their carbon footprint zeroed in 2022, due to the planting of 130 seedlings in the *Santa Maria da Vitória* river basin, participating in the ArcelorMittal's *Projeto Nascentes*.

### Bodyboarders

The extensive coastline in Brazil has not only beautiful beaches, but also the passion for the sea and the waves, which make the country a breeding ground of champions in surfing and bodyboarding.

Aware of the importance of the sea and sport, the Tubarão unit sponsors professional athlete Neymara Carvalho, five-time bodyboarding world champion, and her daughter Luna Hardmann, who won the Pro Junior in Portugal. The company also supports the Instituto Neymara Carvalho, sponsoring other young talents in the sport, such as the talented Paulo Galatti, aged 17, who reached the final of the 2022 Pro Junior Bodyboarding World Circuit, in Spain.

In 2022, there was also the ArcelorMittal Wahine Bodyboarding Pro, a professional bodyboarding competition exclusively for women, which took place on Jacaraípe beach, in the State of Espírito Santo. The stage brought together participants from several countries to strengthen the sport and emphasize the importance of female athletes in the modality.

Before the competitions, at least 200 students from the Tubarão municipal education network had the opportunity to experience bodyboarding classes given by the competitors to encourage the sport.



### InterAção [GRI 413-1](#)

By means of the InterAção program, ArcelorMittal supports social projects linked to the promotion of literature, school training, professional inclusion of people with disabilities and sports.

For more than two decades, the Tubarão unit has valued interaction and active participation in the life of the communities where it operates. In 2022, through InterAção, it supported 13 non-governmental organizations in Espírito Santo that served around 3,000 people directly and 10,522 indirectly, in addition to generating 45 jobs through the partnership.

In the same year, with the support of the Company, the regularization process was completed for six of the 14 residents' associations, which started in 2021, which had irregular documentation and records.

The Vega unit has been building a mature relationship with the community that prioritizes social, economic and sustainable development in São Francisco do Sul (SC) for over 20 years, in synergy with the Tubarão unit.

In 2022, the unit sponsored, with an amount of approximately BRL 460,000, ten projects of social organizations in the region. In the same period, 20 projects were encouraged via the Culture Incentive Act, through Fundação ArcelorMittal, making culture accessible to the community, with a transfer of more than BRL 7 million. In addition, Vega sponsored, for the second year in a row, one of the largest dance festivals in the world, the Festival de Dança de Joinville, once again taking the event to the community of São Francisco do Sul.

### Strategic sport partnerships

#### SADA Cruzeiro

Volleyball is the collective sport that gathers more international titles and Olympic medals in Brazil. Knowing the tradition of this sport, ArcelorMittal Brasil sponsors the professional team SADA Cruzeiro Vôlei, one of the most winning teams in the history of the sport – nationally and internationally. Allied to sponsorship, through Fundação ArcelorMittal, sports and social programs are sponsored in conjunction with SADA Cruzeiro, providing sports activities

for young people in several cities in Minas Gerais. In the last 10 years, the project received more than BRL 35 million in investments through the State Act for Sports Incentive, impacting 54,000 students.

#### Stock Car

In 2022, ArcelorMittal Brasil started its partnership with the Stock Car Pro Series, through the sports incentive act.

The sponsorship is in line with a movement in the global automotive industry, which is increasingly aware of its impact on the environment, which aims to decarbonize the entire lifecycle of vehicles, which ranges from steel production to vehicle recycling. The carbon generated in the production of steel coils and in the manufacture of tubes used by Stock Car and its logistics were offset by planting seedlings in the *Santa Maria da Vitória* river basin, in the State of Espírito Santo.



# Fundação ArcelorMittal

*Fundação ArcelorMittal* (ArcelorMittal Foundation) is responsible for directing social investments to connect the ArcelorMittal Group to relevant causes towards the citizenship of Brazilian children and young people.

In 2023, the entity celebrates 35 years of dedication to transforming the lives of people in Brazil, with initiatives in the areas of education, culture and sport. In 2022, the Foundation connected to 364,000 people directly.

To reach so many people, more than BRL 73.5 million, between own and incentive resources, were invested in 66 cities across the country.

2022 was a year of recognition for actions implemented by the ArcelorMittal Foundation's sports axis. The Comenda Incentivadores do Esporte award was received at the Chamber of Deputies, in Brasília. The homage was paid to the five companies that invest the most in this area in the country, with resources from the Federal Act of Sports Incentive. The ArcelorMittal Foundation also received the "Prêmio do Esporte Mineiro 2022" award, granted by the Social Development Department of Minas Gerais, through the Undersecretary of Sports, for being one of the companies that most supported sports in the States of Minas Gerais in 2022.

**Check out some of these projects:**





## Liga STEAM

As a response to the current challenges facing Brazilian education, Fundação ArcelorMittal annually promotes Liga STEAM, a program to train students and education professionals in innovation and technology, to encourage studies and research that help improve learning.

In 2022, in partnership with Tríade Educacional, the program offered 50 vacancies for teachers from public and private schools in different regions of the country, who were able to discuss innovative pedagogical practices. During the 40 hours of training, the selected educators studied the theoretical and practical bases of the STEAM approach and what is needed to plan and implement a proposal in this perspective. In all, 133,189 people participated in the program and shared the challenge of transforming the reality of education in Brazil.

The STEAM Girls campaign held workshops, plays and lectures with inspiring young people to the cities of Belo Horizonte, Contagem, Juiz de Fora (MG), São Paulo, Piracicaba (SP), Resende, Rio de Janeiro (RJ), Vitória and Serra (ES).

Liga STEAM Award - The initiative has existed for 30 years, and in 2022 it was renamed Liga STEAM. The Award recognizes initiatives by teachers and students within the themes covered by STEAM and, for the first time, the awards were divided into two categories: Elementary School and High School.

More than BRL 700,000 were distributed in prizes. The winners of both categories won a technology and innovation laboratory, worth BRL 340,000. Part of the work was presented at an event held at the Museum of Tomorrow, in Rio de Janeiro.

### *Diversão em Cena (Fun on Stage)*

Considered the largest theater training program for children in Brazil, *Diversão em Cena*, carried out by the ArcelorMittal Foundation, has already helped to promote more than 3,000 artistic shows across the country, with an audience of more than 990,000 people.

In 2022, the second edition of the public notice was held to select the participating projects, in the areas of theater, music, circus, musicals, dance and innovative languages, with a contribution of BRL 6 million. An external commission was created with professionals of reference in each area. Throughout 2023, the program will take art and culture to 60 locations in Brazil.

### *Acordes Project*

In partnership with the government, Fundação ArcelorMittal carries out the *Acordes* Program, aimed at teaching classical and erudite music in public schools, contributing to expanding the cultural repertoire and improving the school performance of students.

The actions are made possible by the Rouanet Act and by state acts to encourage culture in the States of Minas Gerais and São Paulo. In 2022, the project travelled to six cities: Sabará, Itaúna, Juiz de Fora and João Monlevade (MG); Piracicaba (SP); and Feira de Santana (BH). In each city, at least 100 students attended the program.

Activities include weekly flute, violin and cello lessons. In addition to developing companionship and coexistence, the program intends to form a Young *Camerata* in each city where it is present. In the City of Piracicaba, the project also includes teaching choral singing.

#### *Torneio Conexão Cidadã (Citizen Connection Tournament)*

Teams from 11 municipalities: Carbonita, Contagem, Dionísio, Itaúna, J. Monlevade, Juiz de Fora, Sabará, S.J. Goiabal, Santos Dumont and Vespasiano, in the State of Minas Gerais, and Feira de Santana, in the State of Bahia, faced each other in various modalities, and were still able to live the experience of connecting with other people, cities and cultures.

#### **Solidarity**

The turn of the year from 2021 to 2022 was negatively significant for residents of Minas Gerais: heavy rains fell in several regions of the State and left 30 dead, 60,000 homeless and 9,000 homeless. In all, 450 municipalities entered an emergency situation or a state of public calamity.

ArcelorMittal was with them: through the #oAçoSalvaVidas (Steel Saves Lives) campaign, the company raised and donated BRL 740,000 to affected municipalities, including João Monlevade, Rio Piracicaba, Nova Era, Sabará, São Pedro dos Ferros, Dionísio, São José do Goiabal, Marliéria, Abaeté, Martinho Campos, Dolores do Indaiá, Quartel Geral, Bom Despacho, Carbonita, Senador Modestino Gonçalves, Diamantina, Vazante, João Pinheiro, Paracatu, Itatiaiuçu and Bela Vista de Minas, all in the State of Minas Gerais. Of the total, BRL 240,000 were used to purchase cleaning kits, basic food baskets, mattresses and rent equipment to work on the recovery of damaged roads.

At the same time, the company started a collection campaign for items of basic need and immediate consumption – such as hygiene and cleaning products, mattresses, water filters, drinking water, stoves, cooking gas cylinders, refrigerators, blankets and canned food – which were donated to the affected families. Equipment and machinery to clear roads were also donated.

#### *Cidadãos do Amanhã (Citizens of Tomorrow)*

In 2022, BRL 6.86 million were raised through the Cidadãos do Amanhã program, resources distributed among the Municipal Funds for the Rights of Children and Adolescents in 38 cities. The investment benefited 7,000 young people in vulnerable situations, who participated in guidance and socio-family support actions. Through the program, it was possible to allocate up to 6% of the Individual Income Tax or make a donation to the Municipal Funds for the Rights of Children and Adolescents.

 **BRL 6.86 million**  
raised through the *Cidadãos do Amanhã* program

#### **Surrounding communities**

The company monitors actual and potential impacts on the surrounding communities at all its units and recognizes the importance of minimizing these impacts, therefore, it maintains a frequent and transparent dialogue with these communities, building a peaceful and constructive relationship with all those involved.

All ArcelorMittal Brasil units have public channels in order to respond to all requests and complaints from local communities, the main ones being: the central telephone available 24 hours a day, the Contact Us channels and the Reporting Channel. ArcelorMittal Brasil maintains an open dialogue with local representatives and stakeholders to understand their expectations and demands.



## Strategic Partnerships in Culture

In 2022, strategic partnerships were expanded and brought more incentive for events and places that promote culture. We sponsor *Palácio das Artes*, the largest production, training and cultural dissemination center in the State of Minas Gerais and one of the largest in Latin America, and we renewed our sponsorship with *Grupo Corpo*, one of the most important Brazilian contemporary dance companies.

We celebrated a new partnership with the Minas Gerais Philharmonic Orchestra, with the *Fora de Série* event, with nine concerts from March to December, and promotion of exchange between musicians and students of the *Acordes* project, by ArcelorMittal, which takes classical music to public schools from Juiz de Fora, João Monlevade, Sabará (MG) and Piracicaba (SP).

We are also maintainers of the *Museu do Amanhã* (Museum of Tomorrow), in Rio de Janeiro, with resources from the Federal Act of Incentive to Culture, which include the maintenance of the space and the holding of *Festival Antropoceno* and *Rolê Steam*.



Performance in the year



# GRI 413-2 Performance in the year

In addition to numbers, the company's financial results represent its effort to foster economic, social and environmental development for the entire country, reinforcing its commitment to the market, investors and society as a whole.

## Scenario

Despite the exceptionally positive scenario in 2021, 2022 is considered good in terms of performance in the steel sector.

In the period, ArcelorMittal's performance was positively impacted by the behavior of the Brazilian economy, mainly in the first half, which resulted in an annual growth of 2.9% in the Gross Domestic Product (GDP), according to data from the Brazilian Institute of Geography and Statistics (IBGE).

The positive results for 2022 were accompanied by the good performance of the two main industrial sectors that consume steel: civil works, which had a jump of 6.9% compared to the previous year, according to IBGE; and the production of motor vehicles, up 5.4% in the same comparison, according to data from the National Association of Motor Vehicle Manufacturers (Anfavea).

The cons among steel consuming industries were due to the electronics sector, which presented a global drop in production volume of 5.8% in 2022, and capital goods (machines, equipment and installations for other industries), with a slight drop of 0.3%.



Last year was also marked by volatilities and uncertainties, in particular due to the remaining impacts of the pandemic, the invasion of Ukraine by Russia and the Brazilian elections, which mobilized part of national and international discussions.

At the end of the last quarter, there was a sharp drop in national steel consumption compared to 2021, in a movement of return to normal levels of domestic demand. Discounting the enormous pressure to rebuild stocks after the pandemic in the previous year, which caused sales to reach extraordinary levels, it was already expected that the results of 2021 would not be repeated in 2022.

The Company's consolidated sales volume, however, decreased less, to 13.7 million tons (-2.6%), of which 8.3 million tons (61%) were destined for the domestic market and 5.4 million (39%) to the foreign market, which corresponds, respectively, to an increase of 2.9% and a retraction of 3.1% compared to 2021.

For 2023, expectations for the sector's performance project a slight growth in the indicators: in apparent consumption, projections are for an increase of 1.5% on an annual basis, reaching 23.67 million tons; in the production of crude steel, growth of 2% is estimated, reaching 35.3 million tons.

An increase of 1.9% is also expected in domestic sales, which should add up to 20.57 million tons, in addition to a 2.3% increase in imports. Exports, in turn, should slow down this year.

## Economic and financial results

2022 was a very good year for ArcelorMittal Brasil, considering everything from sales and production volumes to financial results. Due to the extremely high comparison base of 2021, the year that consolidated itself as the best in recent decades in sectorial and exceptional performance in the centenary history of ArcelorMittal in Brazil, a significant decrease in results in 2022 was already expected and it did happen. The inflow, however, only represents a return to normality levels in the national steel market, at a heated pace of production and demand.

Net revenues increased by 3.8% in 2022, totaling BRL 71.6 billion. In 2022, the Company recorded an Ebtida of BRL 14.9 billion, a recess of 26% over 2021, but still enough to reach an Ebtida margin of a significant 21%. Steel production was also expressive, totaling 12.7 million tons of steel and 3.3 million tons of ore, a recess of 5.3% and 1.4% respectively in relation to the previous year. The sales volume of consolidated steel, however, suffered a minor recess, to 12.4 million tons (-0.9%), of which 7.4 million tons (60%) were destined for the domestic market and 5.0 million (40%) to the foreign market, which corresponds, respectively, to an increase of 1.0% and a decrease of 1.0% compared to 2021. ArcelorMittal Brasil ended the year with a significant profit net of BRL 9.1 billion (-33.4%). Thanks to solid financial health, the company was able to keep the robust investments already planned.

The results were controlled by measures taken in relation to preserving cash, reducing costs, optimizing processes, increasing productivity and supporting customer and supplier chains. ArcelorMittal Brasil's performance is marked by a quick and assertive response to periods of crisis, quickly adjusting production to the demand of the national and international markets.

## Generated and distributed direct economic value (BRL million) GRI 201-1

| Generated and distributed direct economic value (BRL million) |                   |                   |        |
|---|-------------------|-------------------|--------|
|   | 2020 <sup>1</sup> | 2021 <sup>1</sup> | 2022   |
| Revenues  | 41,522            | 86,676            | 87,515 |

<sup>1</sup> Historical data has been corrected. [GRI 2-4](#)

| Distributed economic value (BRL million) |                   |                   |               |
|--|-------------------|-------------------|---------------|
| Distributed                              | 2020 <sup>1</sup> | 2021 <sup>1</sup> | 2022          |
| Operating costs                          | 31,027            | 57,025            | 65,195        |
| Employee wages and benefits              | 2,662             | 2,602             | 3,077         |
| Third party capital compensation         | 2,909             | 4,332             | 2,933         |
| Own capital compensation                 | 695               | 6,039             | 3,879         |
| Payments to government                   | 3,420             | 9,028             | 7,191         |
| Donations – Investments in the community | 23                | 25                | 99            |
| <b>Total</b>                             | <b>40,736</b>     | <b>79,052</b>     | <b>82,373</b> |

<sup>1</sup> Historical data has been corrected. [GRI 2-4](#)

| Retained direct economic value (BRL million)                                     | 2020 <sup>1</sup> | 2021 <sup>1</sup> | 2022  |
|--|-------------------|-------------------|-------|
| "Generated direct economic value" minus "Distributed economic value distributed" | 786               | 7,624             | 5,141 |

<sup>1</sup> Historical data has been corrected. [GRI 2-4](#)

| Distributed direct economic value (BRL million) | 2020   | 2021   | 2022   |
|---|--------|--------|--------|
| Total assets                                    | 43,928 | 61,063 | 65,150 |
| Net debt  | 14,351 | 16,226 | 15,571 |
| Investment (cash flow)                          | 1,032  | 2,190  | 3,619  |
| Net equity                                      | 12,207 | 21,371 | 21,805 |
| Net income (loss)                               | 1,505  | 13,689 | 9,119  |
| Generation of operating cash (EBITDA)           | 5,083  | 20,189 | 14,900 |

| Distributed economic value (%)   |                   |                   |            |
|----------------------------------|-------------------|-------------------|------------|
|                                  | 2020 <sup>1</sup> | 2021 <sup>1</sup> | 2022       |
| Operating costs                  | 76.15             | 72.13             | 79.15      |
| Employee wages and benefits      | 6.54              | 3.29              | 3.74       |
| Third-party capital compensation | 7.14              | 5.48              | 3.57       |
| Own capital compensation         | 1.71              | 7.64              | 4.71       |
| Payments to government           | 8.40              | 11.42             | 8.73       |
| Community investments            | 0.06              | 0.03              | 0.12       |
| <b>Total</b>                     | <b>100</b>        | <b>100</b>        | <b>100</b> |

<sup>1</sup> Historical data has been corrected. [GRI 2-4](#)

# GRI content summary

|  |  |
|--|--|
| <b>Declaration of use</b>                | ArcelorMittal Brasil reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022. |
| <b>GRI 1 used</b>                        | GRI 1: Basics 2021   |
| <b>Applicable GRI Sectorial Standard</b> | Not applicable   |

| GRI Standards                  | Content   | Location   | Omission             |        |             | ODS   |
|--------------------------------|---|--|----------------------|--------|-------------|-------|
|                                |   |  | Omitted requirements | Reason | Explanation |       |
| GRI 2: General contents - 2021 | 2-1 Details about the organization                                | 24, 29   |                      |        |             |       |
|                                | 2-2 Entities included in the organization's sustainability report | 18   |                      |        |             |       |
|                                | 2-3 Reporting period, frequency and point of contact              | 18, 22   |                      |        |             |       |
|                                | 2-4 Reformulated information                                      | When applicable, sections that present different data for companies are flagged and the different approaches are described in the footnotes to the indicators. |                      |        |             |       |
|                                | 2-5 External verification   | 18, 123  |                      |        |             |       |
|                                | 2-6 Activities, value chain and other business relationships      | 24, 29   |                      |        |             |       |
|                                | 2-7 Employees   | 51 – 53  |                      |        |             | 8, 10 |
|                                | 2-8 Workers that are not employees                                | 53   |                      |        |             | 8     |
|                                | 2-9 Governance structure and its composition                      | 39   |                      |        |             | 5, 16 |

| GRI Standards                  | Content   | Location   | Omission             |                            |  | ODS   |
|--------------------------------|---|--|----------------------|----------------------------|--|-------|
|                                |   |  | Omitted requirements | Reason                     | Explanation  |       |
| GRI 2: General contents - 2021 | 2-10 Nomination and selection for the highest governance body                           | 39   |                      |                            |  | 5, 16 |
|                                | 2-11 Chairman of the highest governance body  | The Chairman of the Board of Directors does not hold (cumulative) the position of Chief Executive Officer of the Company or any other senior executive position in the organization. |                      |                            |  | 16    |
|                                | 2-12 Role played by the highest governance body in overseeing the management of impacts | 38   |                      |                            |  | 16    |
|                                | 2-13 Delegation of responsibility for managing impacts                                  | 38   |                      |                            |  |       |
|                                | 2-14 Role played by the highest governance body in sustainability reporting             | 18   |                      |                            |  |       |
|                                | 2-15 Conflicts of interest  | 47   |                      |                            |  | 16    |
|                                | 2-16 Communication of critical concerns   | 43   | Requirement B.       | Information not available. | All critical concerns are assessed and properly addressed. However, the total number communicated is not monitored, as it is not an indicator of the organization's control. |       |
|                                | 2-17 Collective knowledge of the highest governance body                                | 38   |                      |                            |  |       |
|                                | 2-18 Assessment of the highest governance body's performance                            | 39   |                      |                            |  |       |
|                                | 2-19 Compensation policies  | -  | All.                 | Confidential information   | Corporate policy and the process for determining compensation involve strategic and business-sensitive information, so we chose not to disclose it.                          |       |

| GRI Standards                  | Content   | Location | Omission             |                          |   | ODS |
|--------------------------------|---|----------|----------------------|--------------------------|---|-----|
|                                |   |          | Omitted requirements | Reason                   | Explanation   |     |
| GRI 2: General contents - 2021 | 2-20 Process for determining compensation             | -        | All.                 | Confidential information | The process for determining compensation involves strategic and business-sensitive information, which is why we chose not to disclose it.   |     |
|                                | 2-21 Proportion of total annual compensation          | -        | All.                 | Confidential information | The information on compensation paid addresses strategic and sensitive information about the business and, in order to preserve the privacy of those involved, we chose not to disclose it. |     |
|                                | 2-22 Declaration on sustainable development strategy  | 5        |                      |                          |   |     |
|                                | 2-23 Policy commitments                               | 30, 41   |                      |                          |   | 16  |
|                                | 2-24 Incorporation of policy commitments              | 30, 41   |                      |                          |   |     |
|                                | 2-25 Processes to repair negative impacts             | 43       |                      |                          |   |     |
|                                | 2-26 Mechanisms for consultation and raising concerns | 44       |                      |                          |   | 16  |
|                                | 2-27 Compliance with laws and regulations             | 44, 94   |                      |                          |   |     |
|                                | 2-28 Participation in associations                    | 45       |                      |                          |   |     |
|                                | 2-29 Approach to stakeholder engagement               | 19, 48   |                      |                          |   |     |
|                                | 2-30 Collective bargaining agreements                 | 53       |                      |                          |   | 8   |

| GRI Standards                        | Content  | Location  | Omission             |                            |   | ODS       |
|--------------------------------------|--|-----------|----------------------|----------------------------|---|-----------|
|                                      |  |           | Omitted requirements | Reason                     | Explanation   |           |
| <b>Material Topics</b>               |  |           |                      |                            |   |           |
| GRI 3: Material Topics - 2021        | 3-1 Process for defining material topics   | 19        |                      |                            |   |           |
|                                      | 3-2 List of material topics  | 20-21, 46 |                      |                            |   |           |
| <b>Mudanças climáticas</b>           |  |           |                      |                            |   |           |
| GRI 3: Material Topics - 2021        | 3-3 Management of material topics  | 80        |                      |                            |   |           |
| GRI 201: Economic performance – 2016 | 201-2 Financial implications and other risks and opportunities resulting from climate change   |           | All.                 | Information not available. | The ArcelorMittal Group document that deals with information on the financial implications and other risks and opportunities arising from climate change is the Climate Action Report. However, the last published version was in July 2021. Therefore, there was no progress in relation to the information that was presented in ArcelorMittal Brasil's 2021 Sustainability Report. The next Climate Action Report (the third) is expected to be published in 2024. | 13        |
| GRI 303: Water and effluents – 2018  | 303-3 Water catchment  | 88        |                      |                            |   |           |
|                                      | 303-4 Water disposal   | 88        |                      |                            |   |           |
|                                      | 303-5 Water consumption  |           | All.                 | Not applicable.            | Indicator calculated as follows: total water collected + total re-circulated water – effluent, unlike the GRI standard which does not consider the total re-circulated water.   |           |
| GRI 304: Biodiversity – 2016         | 304-1 Owned, leased or managed operating units within or adjacent to environmental protection areas and areas of high biodiversity value located outside protected areas | 91        |                      |                            |   | 6, 14, 15 |
|                                      | 304-2 Significant impacts from activities, products and services on biodiversity   | 90        |                      |                            |   | 6, 14, 15 |



| GRI Standards                                     | Content  | Location  | Omission             |        |             | ODS               |
|---|--|---|----------------------|--------|-------------|-------------------|
|   |  |   | Omitted requirements | Reason | Explanation |                   |
| <b>Climate changes</b>                            |  |   |                      |        |             |                   |
|   | 304-3 Protected or restored habitats   | 91  |                      |        |             | 6, 14, 15         |
|   | 304-4 Species included in the IUCN Red List and national conservation lists with habitats in areas affected by the organization's operations | 93  |                      |        |             | 6, 14, 15         |
| GRI 305:<br>Emissions – 2016                      | 305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)   | 82  |                      |        |             | 3, 12, 13, 14, 15 |
|   | 305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from the purchase of energy   | 82-83   |                      |        |             | 3, 12, 13, 14, 15 |
|   | 305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)   | 83  |                      |        |             | 3, 12, 13, 14, 15 |
|   | 305-4 Intensity of greenhouse gas (GHG) emissions  | 83  |                      |        |             | 13, 14, 15        |
|   | 305-5 Reduction of greenhouse gas (GHG) emissions  | 83  |                      |        |             | 13, 14, 15        |
|   | 305-7 NOx, SOx and other significant atmospheric emissions   | 84  |                      |        |             | 3, 12, 14, 15     |
| Mining Sectorial Supplement – Effluents and Waste | MM3 Total amounts of overburden, tailings and sludge and their associated risks  | Overburden: 5,514,161.00<br>Tailings: 1,489,703.38 t<br>Sludge: 460.48 t<br>Total: 7,004,324.38 (t) |                      |        |             | 3, 6, 12          |
| GRI 306:<br>Waste – 2020                          | 306-1 Waste generation and significant impacts related to waste  | 87  |                      |        |             | 3, 6, 11, 12      |
|   | 306-2 Management of significant impacts related to waste   | 87  |                      |        |             | 3, 6, 8, 11, 12   |
|   | 306-3 Generated waste  | 88  |                      |        |             | 3, 6, 11, 12, 15  |
|   | 306-4 Waste not sent for final disposal  | 89  |                      |        |             | 3, 11, 12         |
|   | 306-5 Waste sent for final disposal  | 89  |                      |        |             | 3, 6, 11, 12, 15  |

| GRI Standards                                  | Content   | Location | Omission             |        |             | ODS      |
|--|---|----------|----------------------|--------|-------------|----------|
|  |   |          | Omitted requirements | Reason | Explanation |          |
| <b>Health and safety of the worker</b>         |   |          |                      |        |             |          |
| GRI 3: Material Topics - 2021                  | 3-3 Management of material topics   | 55       |                      |        |             |          |
| GRI 401: Employment - 2016                     | 401-1 New hires and employee turnover   | 54       |                      |        |             | 5, 8, 10 |
|  | 401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees                  | 57       |                      |        |             | 3, 5, 8  |
| GRI 403: Occupational health and safety - 2018 | 403-1 Occupational health and safety management system  | 57       |                      |        |             | 8        |
|  | 403-2 Hazard identification, risk assessment and incident investigation   | 59       |                      |        |             | 8        |
|  | 403-3 Occupational health services  | 59       |                      |        |             | 8        |
|  | 403-4 Participation of workers, consultation and communication to workers regarding health and safety at work           | 59       |                      |        |             | 8, 16    |
|  | 403-5 Training of workers in occupational health and safety   | 59       |                      |        |             | 8        |
|  | 403-6 Worker's health promotion   | 59       |                      |        |             | 3        |
|  | 403-7 Prevention and mitigation of impacts on occupational health and safety directly related to business relationships | 59       |                      |        |             | 8        |
|  | 403-8 Workers covered by an occupational health and safety management system  | 59       |                      |        |             | 8        |

| GRI Standards                                 | Content  | Location   | Omission             |        |             | ODS         |
|---|--|--|----------------------|--------|-------------|-------------|
|   |  |  | Omitted requirements | Reason | Explanation |             |
| <b>Health and safety of the worker</b>        |  |  |                      |        |             |             |
| GRI 403: Occupational health and safety- 2018 | 403-9 Work accidents   | 59-60  |                      |        |             | 3, 8, 16    |
|   | 403-10 Occupational diseases   | There were no cases of occupational diseases or deaths from occupational diseases among employees and workers. |                      |        |             | 3, 8, 16    |
| GRI 404: Qualification and education - 2016   | 404-1 Average hours of training per year and per employee                                  | 61   |                      |        |             | 4, 5, 8, 10 |
|   | 404-2 Programs for improving employee skills and career transition assistance              | 61   |                      |        |             | 8           |
|   | 404-3 Percentage of employees receiving regular performance and career development reviews | 61   |                      |        |             | 5, 8, 10    |

| GRI Standards                       | Content   | Location  | Omission             |                           |   | ODS  |
|-------------------------------------|---|---|----------------------|---------------------------|---|------|
|                                     |   |   | Omitted requirements | Reason                    | Explanation   |      |
| <b>Ethics and intergity</b>         |   |   |                      |                           |   |      |
| GRI 3: Material Topics - 2021       | 3-3 Management of material topics   | 47  |                      |                           |   |      |
| GRI 205: Fighting Corruption - 2016 | 205-1 Operations assessed for risks related to corruption                   | 47  |                      |                           |   | 16   |
|                                     | 205-2 Communication and training on anti-corruption policies and procedures | 47  |                      |                           |   | 16   |
|                                     | 205-3 Confirmed cases of corruption and actions taken                       |   | All.                 | Confidential information. | All reports received by ArcelorMittal Brasil during the year are investigated and reported with the utmost confidentiality in accordance with the Whistleblowing Policy.  | 16   |
| GRI 206: Unfair competition - 2016  | 206-1 Lawsuits for unfair competition, trust and monopoly practices         | During the period covered by this report, there was movement in only one of the cases which, after the Necessary Review by the Court, confirmed the nullity of Cade's decision and the need for a new trial. The case was archived. |                      |                           |   | 16   |
| GRI 406: Non-discrimination - 2016  | 406-1 Incidents of discrimination and corrective measures taken             |   | All.                 | Confidential information. | The required information is open only to specific Company teams, such as the Compliance Officer and the Forensic and Internal Audit Departments. These areas are independent from the organizational structure established in Brazil and report directly to the ArcelorMittal Group, in Luxembourg. This independence is essential for teams to act with integrity and objectivity. | 5, 8 |

| GRI Standards                                     | Content  | Location  | Omission             |        |             | ODS       |
|---|--|---|----------------------|--------|-------------|-----------|
|   |  |   | Omitted requirements | Reason | Explanation |           |
| <b>Governance and compliance</b>                  |  |   |                      |        |             |           |
| GRI 3: Material Topics – 2021                     | 3-3 Management of material topics  | 37, 46  |                      |        |             |           |
| GRI 201: Economic performance – 2016              | 201-1 Generated and distributed direct economic value  | 106   |                      |        |             | 8,9       |
| GRI 207: Taxes – 2019                             | 207-2 Governance, control and tax risk management  | 45  |                      |        |             |           |
|   | 207-3 Stakeholder engagement and management of their concerns  | 45  |                      |        |             | 1, 10, 17 |
| GRI 405: Diversity and equal opportunities – 2016 | 405-1 Diversity in governance bodies and employees   | 52-53   |                      |        |             | 5, 8      |
|   | 405-2 Proportion between base salary and compensation received by women and men                                | 64  |                      |        |             | 5, 8, 10  |
| GRI 413: Local communities – 2016                 | 413-1 Operations with engagement, impact assessments and development programs focused on the local communities | 97  |                      |        |             |           |
|   | 413-2 Operations with significant and negative impacts – actual and potential – on local communities           | 104   |                      |        |             | 1, 2      |
| GRI 415: Public Policies – 2016                   | 415-1 Political contributions  | ArcelorMittal Brasil does not support or authorize donations to candidates, political parties or any political group. |                      |        |             | 16        |
| GRI 416: Consumer Health and Safety – 2016        | 416-2 Cases of non-compliance regarding health and safety impacts caused by products and services              | There were no situations of non-compliance with laws.   |                      |        |             | 16        |

| GRI Standards   | Content  | Location  | Omission             |                            |   | ODS              |
|---|--|---|----------------------|----------------------------|---|------------------|
|   |  |   | Omitted requirements | Reason                     | Explanation   |                  |
| <b>Governance and compliance</b>                      |  |   |                      |                            |   |                  |
| Mining Sectorial Supplement – Biodiversity            | MM1 Amount of land (owned or leased, used for productive or extractive activities) altered or rehabilitated  | Total land altered and not yet rehabilitated: 159.02 ha Total amount of land recently changed (in the reporting period): 10.05 ha Total amount of land newly rehabilitated during the reporting period and for agreed final use : 888.10 ha<br><br>Data from mining units and BioForests were compiled. |                      |                            |   | 3, 6, 12, 14, 15 |
| Mining Sectorial Supplement – Local Communities       | MM6 Number and description of significant conflicts relating to land use and customary rights of local communities and indigenous peoples                        | There is no number and description of significant conflicts.  |                      |                            |   | 1, 2             |
|   | MM7 To what extent mechanisms for submitting demands and grievances were used to resolve conflicts related to land use and customary rights of local communities | The company has a channel for external and internal complaints . There are no records of complaints regarding land use involving customary rights of local communities.   |                      |                            |   | 1, 2             |
| Mining Sectorial Supplement – Closure planning        | MM10 Number and percentage of operations with plans to close activities  | 28  |                      |                            |   |                  |
| Mining Sectorial Supplement – Management of materials | MM11 Programs and progress related to material management  |   | All                  | Information not available. | Due to the unavailability of the information, the indicator will only be disclosed in the next cycle. | 9, 13            |
| <b>Innovation and technology</b>                      |  |   |                      |                            |   |                  |
| GRI 3: Material Topics – 2021                         | 3-3 Management of material topics  | 66  |                      |                            |   |                  |
| GRI 203: Indirect economic impacts – 2016             | 203-1 Investments in infrastructure and service support  | 71  |                      |                            |   | 5, 9, 11         |

| GRI Standards  | Content   | Location | Omission             |                 |   | ODS          |
|--|---|----------|----------------------|-----------------|---|--------------|
|  |   |          | Omitted requirements | Reason          | Explanation   |              |
| <b>Gestão da cadeia de fornecimento</b>                          |   |          |                      |                 |   |              |
| GRI 3: Material Topics – 2021                                    | 3-3 Management of material topics   | 71       |                      |                 |   |              |
| GRI 204: Purchase Practices – 2016                               | 204-1 Proportion of expenses with local suppliers   | 72       |                      |                 |   |              |
| GRI 403: Occupational health and safety – 2018                   | 308-1 New suppliers selected based on environmental criteria  | 72-73    |                      |                 |   |              |
|  | 308-2 Negative environmental impacts in the supply chain and measures taken   | 72-73    |                      |                 |   |              |
| GRI 407: Freedom of Association and Collective Bargaining – 2016 | 407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be compromised | -        | All.                 | Not applicable. | In supplies, there is no monitoring of suppliers regarding the violation of workers' rights to exercise freedom of association and collective bargaining. | 8            |
| GRI 408: Child labor – 2016                                      | 408-1 Operations and suppliers with significant risk of child labor cases   | 43       |                      |                 |   | 5, 8, 16     |
| GRI 409: Forced or slave labor – 2016                            | 409-1 Operations and suppliers with significant risk of cases of forced or slave labor                                | 43       |                      |                 |   | 5, 8         |
| GRI 414: Social assessment of suppliers – 2016                   | 414-1 New suppliers selected based on social criteria   | 72       |                      |                 |   | 5, 8, 16     |
|  | 414-2 Negative social impacts in the supply chain and measures taken  | 72       |                      |                 |   | 5, 8, 16     |
| <b>Energy efficiency</b>   |   |          |                      |                 |   |              |
| GRI 3: Material Topics – 2021                                    | 3-3 Management of material topics   | 84       |                      |                 |   |              |
| GRI 302: Energy – 2016   | 302-1 Energy consumption within the organization  | 84-86    |                      |                 |   | 7, 8, 12, 13 |
|  | 302-4 Reduction of energy consumption   | 86       |                      |                 |   | 7, 8, 12, 13 |

# SASB Content Summary



| Topic                    | Code         | Title   | Page or omission   |
|--------------------------|--------------|---|--|
| Greenhouse gas emissions | EM-MM-110a.1 | Gross global emissions of Scope 1, percentage covered by emission limitation regulations  | Gross global emissions of Scope 1: 16,415,698.68 t.<br>Gross global emissions of Scope 1 data reported according to the total surveyed in the GRI 305-1 indicator, keeping the same scope of ArcelorMittal Brasil units.   |
|                          | EM-MM-110a.2 | Gross global emissions of Scope 1, percentage covered by emission limitation regulations  | ArcelorMittal is committed to globally reducing CO2 and emissions of Scope 1 and 2 by 25% by 2030 and achieving carbon neutrality in all business units by 2050. The defined baseline is 2018. The management of Greenhouse Gases (GHG) emissions are being gathered in the Carbon Master Plans built in the segments. |
|                          | EM-MM-120a.1 | CO, (2) NOx (excluding N2O), (3) SOx,(4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb) and (7) volatile organic compounds (VOCs)         | 84   |
| Water Management         | EM-MM-140a.1 | (1) Total freshwater withdrawal, (2) total freshwater water consumed, percentage of each in regions with high or extremely high baseline Water Stress | The company does not capture or consume freshwater taken from regions with high water stress.  |
|                          | EM-MM-140a.2 | Number of cases of non-compliance associated with water quality licenses, standards and regulations   | The indicator will not be answered for confidentiality reasons.  |
| Greenhouse gas emissions | EM-MM-150a.1 | Total weight of tailings waste, percentage recycled   | The total weight of tailings waste is 7,004,324.38 t.  |

## Sustainable Development Goals

1. Eradication of poverty

2. Zero hunger and sustainable agriculture

3. Health and well-being

4. Quality education

5. Gender equality

6. Drinkable water and sanitation

7. Clean and accessible energy

8. Decent work and economic growth

9. Industry, innovation and infrastructure

10. Reduction of inequalities

11. Sustainable cities and communities

12. Responsible consumption and production

13. Action against global climate change

14. Life in water

15. Life on earth

16. Efficient peace, justice and institutions

17. Partnerships and implementation means



**BUREAU  
VERITAS**

# Assurance Report

## Declaration of independent verification – Bureau Veritas

Bureau Veritas Certification Brasil (Bureau Veritas) was hired by ArcelorMittal Brasil to conduct an independent verification of its 2022 Sustainability Report (hereinafter referred to as the Report).

The information published in the Report is the sole responsibility of the management of ArcelorMittal Brasil. Our responsibility is defined according to the scope below.

### Scope of the Work

The scope of this verification covered:

1. The Global Reporting Initiative™ Standards and Principles<sup>1</sup> for Sustainability Reporting and refers to accountability for the period from January 1 to December 31, 2022.

### Responsibilities of ArcelorMittal Brasil and Bureau Veritas

The preparation, presentation and content of the Report are the sole responsibility of the management of ArcelorMittal Brasil. Bureau Veritas is responsible for providing an independent opinion to Stakeholders in accordance with the scope of work defined in this declaration.

### Methodology

The verification included the following activities:

1. Interviews with those responsible for the material topics and content of the Report;
2. Remote audits encompassing its segments in Brazil: Long Steel; Flat Steel; BioForests; Mining; Shared Services and Information Technology;
3. Remote verification of corporate and operational processes (verification of substantial GRI indicators and sampling of information);
4. Analysis of documentary evidence provided by ArcelorMittal Brasil for the period covered by the Report (2022);
5. Assessment of systems used for data compilation;
6. Analysis of engagement activities with interested parties (stakeholders) developed by ArcelorMittal Brasil;
7. Assessment of the system used to determine the material topics presented in the Report, considering the context of sustainability and scope of published information.

The verification level adopted was the Limited one, in accordance with the requirements of the ISAE 3000<sup>2</sup> standard, and incorporated into the internal verification protocols of Bureau Veritas, which brings certain restrictions with regard to the accuracy of the data.

<sup>1</sup> 1 Materiality, Stakeholder Inclusion, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.

<sup>2</sup> 2 International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information

### Exclusions and limitations

Any assessment of information related to:

- Activities outside the reporting period;
- Position statements (expressions of opinion, belief, objectives or future intentions) by ArcelorMittal Brasil;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements and verified by independent auditors;
- Greenhouse Gas (GHG) emissions inventory.

The following limitations have been applied to this verification:

- Data reliability was verified on a sample basis, exclusively in light of the information and data related to the material topics presented in the Report;
- The economic information presented in the Report was verified specifically against the GRI principles of Balance and Completeness.

### Opinion on the report and verification process

- The ArcelorMittal Brasil Report comprises a complete edition, available on the company's website. The scope of our verification reached the 2022 data and indicators on the material topics presented in this publication;
- ArcelorMittal Brasil presents its Report based on the material topics reviewed in a materiality study carried out in 2021. In our understanding, the topics continue to reflect the impacts of ArcelorMittal Brasil's activities in a balanced way;
- In our understanding, ArcelorMittal Brasil's Sustainability Report presents the impacts of the company's activities in a balanced way;
- ArcelorMittal Brasil has demonstrated an adequate data collection and compilation method in relation to the GRI Principle of Reliability;
- The inconsistencies found in the Report were adjusted during the process and were satisfactorily corrected.

### Conclusion

As a result of our verification process, we concluded that::

- The information provided in the Report is balanced, consistent and reliable;
- ArcelorMittal Brasil has established appropriate systems for collecting, compiling and analysis of quantitative and qualitative data used in the Report.

### Declaration of independence and impartiality

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 190 years of experience in independent assessment services.

Bureau Veritas has implemented and enforced a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to prevention with regard to conflict of interests.

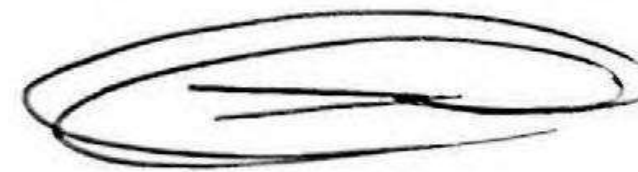
The verification team has no other connection with ArcelorMittal Brasil, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification carried out by our team.

The team that carried out this verification for ArcelorMittal Brasil has extensive knowledge in verifying information and systems, which involve environmental, social, health, safety and ethics issues, which, combined with experience in these areas, allows us to have a clear understanding of the presentation and verification of good corporate responsibility practices.

### Contact

<https://www.bureauveritas.com.br/pt-br/fale-com-gente>

São Paulo, July 2023.



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Corporate information

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Grupo Report – rpt.sustainability

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Sarah Fernandes – wording

Rejane Lima – edition

Nikaelly Sousa, Tatiana Lopes and Thiago Itacaramby – GRI Consultancy and SASB Alicia

Alicia Toffani – orthographic revision

[www.gruporeport.com.br](http://www.gruporeport.com.br)

## Design

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