

Responsible Steel™ Certified Site



ACE/2021/92887.1

Presented to

ARCELORMITTAL BELVAL & DIFFERDANGE S.A.

SITE NAME AND ADDRESS

ArcelorMittal Belval, Boulevard Charles de Gaulle 4008
Esch-sur-Alzette, Luxembourg

ArcelorMittal Differdange, Rue Emile Mark 4503
Differdange, Luxembourg

ArcelorMittal Rodange, 2, rue de l'industrie 4823
Rodange, Luxembourg

CLIENT NAME AND ADDRESS

ARCELORMITTAL BELVAL & DIFFERDANGE S.A.
Boulevard Charles de Gaulle 4008 Esch-sur-
Alzette, Luxembourg

Version of the ResponsibleSteel Standard and Assurance Manual that the site was audited against

ResponsibleSteel Standard version 1.1
ResponsibleSteel Assurance Manual version 1.0

ISSUE DATE

19 July 2021

EXPIRY DATE

18 July 2024

NEXT SCHEDULED AUDIT

January 2023 (TBC)

CERTIFIED SINCE

19 July 2021

CERTIFICATION SCOPE

Development and manufacture of steel semi and finished
products (beams, sheet piles, merchant bars, rails,
special sections, as well as completed structural
elements)

CERTIFICATION BODY

AFNOR Certification
11, Rue Francis de Pressensé
93200 Saint Denis
France



Any facilities and associated activities that are directly related to
steel making or processing, that are on-site or near the site and that
have not been included in the certification scope or audit scope

AUTHORISED CERTIFICATION BODY SIGNATURE

Julien Nizri, General Manager

ResponsibleSteel™, 755 Hunter Street,
Newcastle West NSW 2303, Australia

Validity of this certificate is subject to continued conformity with the
applicable ResponsibleSteel Standard and can be verified at
www.responsiblesteel.org

This certificate does not constitute evidence that a particular product
supplied by the certificate holder is ResponsibleSteel certified. Products
offered, shipped or sold by the certificate holder can only be considered
covered by the scope of this certificate when the required
ResponsibleSteel claim is clearly stated on sales and delivery documents.



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Annex

ARCELORMITTAL BELVAL & DIFFERDANGE S.A.

SITES AND FACILITIES COVERED BY THE CERTIFICATE

Belval: 1 electric arc furnace, 1 continuous caster steel shop, 2 rolling mills

Differdange: 1 electric arc furnace, 1 continuous caster steel shop, 1 rolling mill

Rodange: 1 rolling mill

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

ArcelorMittal Headquarter, 24-26, Boulevard d'Avranches, Luxembourg City, Luxembourg

ArcelorMittal Europe Flat Products & EPO (European Procurement Organisation), 24-26, Boulevard d'Avranches, Luxembourg City, Luxembourg

ResponsibleSteel™, 755 Hunter Street,
Newcastle West NSW 2303, Australia

Validity of this certificate is subject to continued conformity with the applicable ResponsibleSteel Standard and can be verified at www.responsiblesteel.org

This certificate does not constitute evidence that a particular product supplied by the certificate holder is ResponsibleSteel certified. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required ResponsibleSteel claim is clearly stated on sales and delivery documents.



PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the ArcelorMittal Belval & Differdange S.A. audit report. The full version of the audit report is in the possession of the member company and the audited sites.

Audit overview

Member name	ArcelorMittal
Audited entity name	ArcelorMittal Belval & Differdange S.A.
Number of sites Names & location	<ol style="list-style-type: none">1. Steel mill (EAF, cluster headquarter): ArcelorMittal Belval, Boulevard Charles de Gaulle, 4008 Esch-sur-Alzette, Luxembourg2. Steel mill (EAF): ArcelorMittal Differdange, Rue Emile Mark, 4503 Differdange, Luxembourg3. Rolling mill: ArcelorMittal Rodange, 2, rue de l'industrie, 4823 Rodange, Luxembourg
Certification scope	ArcelorMittal Luxembourg operates as a cluster that designs and manufactures semi-finished and finished steel products (beams, sheet piles, merchant bars, rails, special sections, completed elements, as well as completed structural elements)
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification audit Initial certification
Certification body	AFNOR Certification
Audit dates	Stage 1: 21-22 March (on-site) Stage 2: 29 March-2 April 2021 (on-site)
Number of auditors and audit days	2 auditors 17 days (stage 1, stage 2 and reporting)
Lead auditor declaration	<p>The findings in this report are based on an objective evaluation of evidence, derived from documents, first-hand observations at the sites and interviews with site staff, workers and stakeholders, as conducted during stage 1 and stage 2 audit activities.</p> <p>The audit team members were deemed to have no conflicts of interest with the sites. The audit team members were</p>

	<p>professional, ethical, objective and truthful in their conduct of audit activities.</p> <p>The information in this report is accurate according to the best knowledge of the auditors who contributed to the report.</p> <p>It should be noted that audits are snapshots that rely on sampling. Sampling of interview partners, of documentation and records, of observed operations and activities. The auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.</p> <p>It should be noted that audits are snapshots that rely on sampling. Sampling of interview partners, of documentation and records, of observed operations and activities. The auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.</p>
Next audit type and date	Surveillance audit, January 2022

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Introduction

About ResponsibleSteel

Our mission is to achieve net zero carbon emissions for the steel sector, and to enhance the responsible sourcing, production, use and recycling of steel.

We are a not-for-profit multi-stakeholder organisation founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel. We have built a consensus on what sustainability looks like for steel - including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers' rights, communities and biodiversity. We are the first global scheme for responsibly sourced and produced steel.

Our Members include steel makers, mining companies, automotive and construction companies as well as civil society organisations focused on labour rights, biodiversity, climate change and many other important issues.

Overview of the certification process

Certification against the ResponsibleSteel Standard is voluntary and follows the process below:



Sites can apply to be assessed against the ResponsibleSteel Standard on a voluntary basis. Conformity with the Standard is verified by independent certification bodies and auditors. They study documentation provided by the site, review relevant media and scientific publications on the site, visit the site to see operations first-hand, and interview site management, process owners, shopfloor workers and external stakeholders such as authorities, community and civil society representatives. The assessment is summarised in an audit report that is reviewed by an independent Assurance Panel. Only if that Panel is satisfied with the quality of the audit and the resulting report, can a site with a positive certification recommendation be certified. A ResponsibleSteel certificate is valid for three years and certified sites have to pass a surveillance audit after 18 months and subsequent re-certification audits to remain certified. The rules and processes for ensuring compliance with the Standard are laid out in the [Assurance Manual](#) and have been developed in line with the Assurance Code of Good Practice set by the ISEAL Alliance.

ResponsibleSteel provides an Issues Resolution System that any stakeholder may use to log a complaint about any aspect of the ResponsibleSteel programme. The [Issues Resolution System](#) can be accessed via the ResponsibleSteel website.

More information on ResponsibleSteel can be found on <https://www.responsiblesteel.org/>.

Site information

Country / town	Luxembourg, Belval Luxembourg, Differdange Luxembourg, Rodange
Activities and products	<p>Belval <u>Activities</u>: 1 electric arc furnace, 1 continuous caster steel shop, 2 rolling mills. <u>Products</u>: long products such as steelpiles, angles, beams</p> <p>Differdange <u>Activities</u>: 1 electric arc furnace, 1 continuous caster steel shop, 1 rolling mill. <u>Product</u>: beam</p> <p>Rodange <u>Activities</u>: 1 rolling mill. <u>Products</u>: rails, special profiles and merchant bars.</p>
Year site opened	Belval: 1911 Differdange: 1896 Rodange: 1872
Annual production	2 million tonnes of crude steel
Number of employees and contractors	1800
Carbon reduction target	ArcelorMittal Europe has committed to reduce CO2 emissions by 30% by 2030, with a further ambition to be carbon neutral by 2050, in line with the EU's Green Deal and the Paris Agreement. The Luxembourg cluster has defined a road map for scope 1 to 3 with time specific milestones. It includes a target to reach 50% green electricity by 2025 and 100% by 2030.
Further environmental and social information	Sustainable development report

Stakeholder engagement

Stakeholder engagement is an integral part of a ResponsibleSteel audit and ensures a rich and balanced collection of information and evidence. The auditors followed the methodology indicated in the [Guidance on Stakeholder Engagement](#) developed by ResponsibleSteel as well as the [Introduction to ResponsibleSteel for stakeholders](#).

Relevant stakeholder groups and their representatives were identified in the sites' areas of influence. All identified stakeholders were informed of the ResponsibleSteel audit four weeks in advance of the site visit and were provided opportunity to provide input to the audit process. The following stakeholders agreed to be interviewed:

- Environmental administration (ministry of environment)
- City of Differdange and Esch
- Suppliers (such as logistics, handling, maintenance)
- Differents NGOs (Corporate Social Responsibility, environment)
- Diversity NGOs (gender, diversity, inclusion)
- Insurance company (risk management)
- University of Luxembourg

In addition to external stakeholders, on-site workers were an important source of information for the audit. In total, 32 workers across the 3 sites, including workers from the electric furnace, rolling mill, also maintenance, supporting functions (general services, human resources), foremen, line managers, members of the performance monitoring team, union representatives and purchasing managers (based at the European Purchasing Organisation in Luxembourg), sustainability team, communication team, ArcelorMittal Real Estate (based at the headquarters in Luxembourg).

The input provided by internal and external stakeholders was mainly positive in nature, but also identified some areas for improvement, which were confirmed by the auditors' own findings. With regard to stakeholder management, the municipality wants to see improved communication, in particular in regard to the communication of measures taken to reduce white slag. In addition, although a strong safety culture was confirmed during the audit, the points-based system (including, for example, driving licences) is not well accepted by blue-collar workers and does not contribute to a positive safety culture.

Relevant input also came from external stakeholders such as environment inspectors, NGOs, suppliers, municipalities and from stakeholders that have a strong relationship with the site (for example, the university). The input that some of them provided may be impacted by the business relationships they have with the sites. The internal stakeholders - workers, unions and the on-site doctor - provided

important input as well. The input was used to substantiate the auditors' findings, but did not bring to light material issues.

Summary of Audit Findings

The performance of the Luxembourg Cluster in relation to the Principles and Criteria of the ResponsibleSteel Standard is summarised in the table on the next page. The headings of the table mean the following:

Conform	Conformity, the requirement is fulfilled.
Opportunity for Improvement (OFI)	The respective requirement or criterion has been implemented, but effectiveness or robustness might be increased, or it is a situation that could lead to a future non-conformity if not addressed.
Minor non-conformity (NC)	Isolated, unusual or non-systemic lapse. Or a lapse with limited temporal and organisational impacts. A non-conformity that does not result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. Sites can become certified with minor non-conformities, but they must have addressed them by the time of their next audit.
Major non-conformity (NC)	A non-conformity that, either alone or in combination with further non-conformities, results in or is likely to result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. For example, non-conformities that continue over a long period of time, are systemic, affect a wide range of the site's production or of the site's facilities. Sites with major non-conformities cannot be certified.
Exclusion	The requirement is either not applicable : excluded from the audit since it is not applicable to the sites; or not rated : the requirement is very closely linked to another requirement where a non-conformity (NC) or opportunity for improvement (OFI) has already been raised. Sometimes, when requirements are linked to one and the same subject-matter, it is appropriate to count NCs or OFIs only once to avoid repetition.

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Principle 1. Corporate Leadership					
Criterion 1.1: Corporate Values and Commitments (6)	5	2	#1	0	0
Criterion 1.2: Leadership and Accountability (5)	4	0	#2	0	0
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (6)	5	1	#3	0	0
Criterion 2.2: Responsible Sourcing (6)	6	2	0	0	0
Criterion 2.3: Legal compliance and signatory obligations (6)	5	0	#4	0	0
Criterion 2.4: Anti-Corruption and Transparency (8)	8	0	0	0	1
Criterion 2.5: Competence and awareness (5)	5	3	0	0	0
Principle 3. Occupational Health and Safety¹					
Criterion 3.1: OH&S policy (6)	5	1	#5	0	0
Criterion 3.2: Health and Safety (OH&S) management system (10)	10	2	0	0	0
Criterion 3.3: Leadership and worker engagement on OH&S (10)	9	1	#6	0	0
Criterion 3.4: Support and compensation for work-related injuries or illness (8)	6	0	0	0	2
Criterion 3.5: Safe and healthy workplaces (5)	3	2	#7	0	1
Criterion 3.6: OH&S performance (2)	2	1	0	0	0
Criterion 3.7: Emergency preparedness and response (6)	6	0	0	0	0
Principle 4. Labour Rights					
Criterion 4.1: Child and juvenile labour (9)	8	2	0	0	1
Criterion 4.2: Forced or compulsory labour (7)	7	0	0	0	0
Criterion 4.3: Non-discrimination (9)	9	2	0	0	0
Criterion 4.4: Association & collective bargaining (12)	11	0	0	0	1
Criterion 4.5: Disciplinary practices (5)	5	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 4.6: Hearing and addressing worker concerns (5)	5	3	0	0	0
Criterion 4.7: Communication of terms of employment (5)	5	0	0	0	0
Criterion 4.8: Remuneration (11)	8	0	0	0	3
Criterion 4.9: Working time (7)	7	0	0	0	0
Criterion 4.10: Worker well-being (2)	2	1	0	0	0
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	4	0	#8	0	0
Criterion 5.2: Security practice (9)	8	0	0	0	1
Criterion 5.3: Conflict-affected and high-risk areas (5)	0	0	0	0	5
Principle 6. Stakeholder Engagement and Communication					
Criterion 6.1: Stakeholder engagement (10)	8	0	#9 #10	0	0
Criterion 6.2: Grievances and remediation of adverse impacts (12)	12	0	0	0	0
Criterion 6.3: Communicating to the public (7)	7	1	0	0	0
Principle 7. Local Communities					
Criterion 7.1: Commitment to local communities (8)	8	1	0	0	0
Criterion 7.2: Free, Prior & Informed Consent (3)	0	0	0	0	3
Criterion 7.3: Cultural heritage (7)	5	0	0	0	2
Criterion 7.4: Displacement and Resettlement (9)	0	0	0	0	9
Principle 8. Climate Change and Greenhouse Gas Emissions					
Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement (8)	7	0	0	0	0
Criterion 8.2: Corporate Climate-Related Financial Disclosure (2)	2	0	0	0	0
Criterion 8.3: Site-level GHG emissions measurement and intensity calculation (3)	3	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 8.4: Site-level GHG reduction targets and planning (11)	9	0	#11	0	1
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	7	0	#11	0	0
Principle 9. Noise, Emissions, Effluents and Waste					
Criterion 9.1: Noise and vibration (7)	6	0	#12	0	0
Criterion 9.2: Emissions to air (8)	8	0	0	0	0
Criterion 9.3: Spills and leakage (9)	9	0	0	0	0
Criterion 9.4: Waste, by-product and production residue management (11)	10	0	#13	0	0
Principle 10. Water Stewardship					
Criterion 10.1 Water-related context (7)	6	0	0	0	1
Criterion 10.2 Water balance and emissions (8)	6	0	#14	0	1
Criterion 10.3 Water-related adverse impact (6)	4	0	0	0	2
Criterion 10.4 Managing water issues (8)	7	0	#9 #15	0	0
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	18	0	#16 #17	0	5
Principle 12. Decommissioning and closure					
Criterion 12.1: Decommissioning and closure (13)	0	0	0	0	13
	Conform	OFI	Minor NC	Major NC	Exclusion
Total (370)*	300	25	17	0	52

* Note that the Total in the table does not correspond to the sum of Conform, OFI, Minor NC, Major NC and Exclusion due to the way that requirements and conformity classifications are counted.

Strengths

Leadership and stakeholder management

- The engagement of the project team in implementing the ResponsibleSteel Standard in a COVID-19 sanitary context has to be highlighted (2.1)
- Anti-corruption issues are managed effectively in positions that are exposed to this issue (2.4)

- The way the safety culture is shared with workers and external audiences is good practice and, as a result, is well understood by workers and stakeholders (3.3)
- Financial funds have been built to support key associations (such as the non-profit organisations save a smile, MEDAF, Children of Hope, etc.) (6.1)
- The sustainable development report of the Luxembourg Cluster is a good means to support communication activities and share results and commitments (6.3)

Workers

- A maturity assessment has been implemented to improve safety practices (3.2)
- The GESIM program (Groupement des Entreprises Sidérurgiques et Métallurgiques - Group of Steel and Metallurgical Companies), which involves workers and stakeholders in building a health and safety action plan, is one of the best practices ever witnessed by the auditors in re-thinking an organization and finding solutions collectively (3.3)
- Workers are strongly committed to their work and feel safe (3.3)
- The health team has defined relevant actions to care for workers (COVID-19, stress, addictions, trainings for physical fitness, etc.) (3.5)
- Transparency with sub-contractors and support for safety was highlighted by stakeholders (3.3)
- A womens mentoring program has been launched (4.3)

Operations

- The energy efficiency program is shared with Belval city (8)

Continuous improvement

- High capability to drive complex industrial projects (2)
- Many tools are implemented to monitor SEEIM practices (Safety Energy Environment - Integrated Management) (2.1)
- The APPI, an internal application, is a useful tool for managing the actions in the management system (2.1)

Areas for improvement

The audit identified a few areas that require the attention of the sites and 17 minor non-conformities against requirements of the ResponsibleSteel Standard were raised. The sites are required to effectively address the non-conformities before the surveillance audit. The ResponsibleSteel Standard brings new concepts and a new vision of corporate responsibility, and the internal knowledge and understanding needs to be reinforced to fully embrace the new requirements. The complexity of a global organisation like ArcelorMittal contributes to the identified weaknesses. In addition, internal collaboration at the Cluster-level should be strengthened to better support implementation of the ResponsibleSteel Standard. The non-conformity findings are related to:

- The values stated in corporate documents are not well-known by workers of (1.1)

- The interrelatedness of risk analysis, key performance indicators (KPIs) , stakeholders interests and policies is not clearly defined. The dashboard does not comprise and consolidate the main KPIs at cluster level or plant level according to the main risks. The dashboard is limited to safety, absenteeism, business, production and quality (2.1)
- The sites' health and safety policy is not public, is not communicated to external stakeholders and could be more specific and more consistent within the context of the cluster. The main improvements areas should also be identified (3.1)
- Missing operation control was identified in some places but classified as minor because the risks are low and there is no direct impact on the health and safety of workers (3.5)
- A procedure is being drafted on how to handle harassment cases and effectiveness of the procedure has not yet been demonstrated. The procedure does not include preventive action but is based solely on the treatment of detected cases (5.1)
- The stakeholder list is limited to environment, health and safety and energy and needs to be expanded. The process to identify relevant stakeholders, understand their needs and expectations and defining ensuing action plans is not clearly defined. The level of stakeholder engagement has also been reduced due to COVID-19 and should be reinforced when the situation allows (6.1)
- There are initiatives to reduce noise levels at the Differdange and Belval sites, but there is no concerted action plan yet. This is currently under development (9.1)
- No water balance has been done as the sites have an almost closed water cycle. The ponds are filled up by rain water or specific intakes and discharge water only from overflow, with each measurable flow being followed. Data is available but there is no complete water balance (9.2)
- The sites implement biodiversity initiatives, but there is no clearly spelled out biodiversity action plan (11.1)

Assurance Panel Declaration

In line with the ResponsibleSteel Assurance Manual, three members of the Assurance Panel reviewed the full audit report for ArcelorMittal Belval & Differdange, including the auditors' findings for each individual requirement of the ResponsibleSteel Standard. Subsequently, the Assurance Panel members met online to discuss individual findings and to align their views on the audit report. We sought clarification and asked for reconsideration of conformity classifications where the auditors' conclusions were not sufficiently substantiated. Following review of the changes that were made by the auditors, we support the certification recommendation for ArcelorMittal Belval & Differdange.

The Assurance Panel's conclusions on the final audit report are as follows:

- The audit report contains sufficient detail to support an informed certification decision
- The supporting evidence and rationales given in the audit report support the auditors' conformity classifications
- The certification recommendation based on the audit report is conclusive

This statement has been approved by the three members of the Assurance Panel who reviewed the audit report on 19 July 2021.

More information on the [Assurance Panel](#) can be found on the ResponsibleSteel website. The audit process is described in the [ResponsibleSteel Assurance Manual](#).