

Responsible Steel™ Certified Site



Presented to

ArcelorMittal Eisenhüttenstadt GmbH

GUT-N-21-10183

SITE NAME AND ADDRESS

Site of Eisenhüttenstadt: Werkstraße 1,
15890 Eisenhüttenstadt, Germany

CLIENT NAME AND ADDRESS

ArcelorMittal Eisenhüttenstadt GmbH
Werkstraße 1, 15890 Eisenhüttenstadt, Germany

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

September 2022 (TBC)

CERTIFIED SINCE

19 July 2021

CERTIFICATION SCOPE

Development and production of hot metal, semi-finished products, hot rolled strip, cold rolled strip and coated coils and sheets.

CERTIFICATION BODY

GUT Zertifizierungsgesellschaft für Managementsysteme mbH
Umweltgutachter
Eichenstraße 3b
12435 Berlin
Germany



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

None

AUTHORISED CERTIFICATION BODY SIGNATURE

Prof. Dr.-Ing. Jan Uwe Lieback
Director

Andreas Lemke
Head of Certification Office

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 Eisenhüttenstadt GmbH

GUT-N-21-10183

SITES AND FACILITIES COVERED BY THE CERTIFICATE

Pig iron production (sintering plant, blast furnace 5A)
Steel mill
Hot rolling mill
Cold rolling mill
Hot Dip Galvanizing lines
Organic Coating line

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

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delivery documents.



PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the ArcelorMittal Eisenhüttenstadt audit report. The full version of the audit report is in the possession of the member company and the audited entity.

Audit overview

Member Name	ArcelorMittal
Audited entity name	ArcelorMittal Eisenhüttenstadt GmbH
Number of sites Names & location	ArcelorMittal Eisenhüttenstadt GmbH, Werkstraße 1, 15890 Eisenhüttenstadt, Germany
Certification scope	Development and production of hot metal, semi-finished products, hot rolled strip, cold rolled strip and coated coils and sheets
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification audit Initial certification
Certification body	GUT Zertifizierungsgesellschaft für Managementsysteme mbH Umweltgutachter
Audit Dates	Stage 1: 05-06 May 2020 Stage 2: 25-27 Jan 2021 (remote due to Covid pandemic) 03-04 Jun 2021 (on-site)
Number of auditors and auditor days	3 auditors 19 days (stage 1, stage 2 and reporting)
Lead auditor declaration	<p>The findings in this summary 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 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>

	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.
Next audit type and date	Surveillance audit, September 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 and town	Germany, Eisenhüttenstadt
Activities and products	The site is an integrated iron and steel works: All plants from pig iron production to sheet metal processing are combined on the site. <u>Activities:</u> <ul style="list-style-type: none"> • Production and servicing of slabs, hot rolled (pickled) coils, cold rolled coils, coated (metallic) coils • Production of hot metal, liquid steel and by-products. The production of sinter and internal transport of raw materials, intermediate and end products
Year site opened	1951
Major extensions and / or refurbishments and year(s) when these occurred	1997: New Blast furnace 5A 1997: Hot Strip Mill 1999: Hot Dip Galvanizing Line 2 2008: Modernisation of Hot Dip Galvanizing Line 2 2012 - 2015: Modernisation of Hot Dip Galvanizing Line 1

	2016: Start of Modernisation of Automation Hot Strip Mill 2018: New Laser Welder Inspection Line 1 (automotive products)
Annual production	Capacity of up to 1815 kt/year pig iron Capacity of up to 2350 kt/year steel
Number of employees and contractors	2830 employees (incl. personnel leasing and apprentices) 350 workers of contractors on average over the year
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. There is a documented site specific target: 30% reduction by 2030 compared to from 2018 levels
Further environmental and social information	Steel4Future. Nachhaltigkeit im Überblick 2020 (in German, covering all ArcelorMittal sites in Germany)

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:

- Representatives from authorities and ministries
- Chamber of commerce
- Labour union representative
- Neighbour
- Contractors

Confidentiality was ensured. The interviews were conducted in a friendly atmosphere and the interviewees were all co-operative and supported the audit. All of the interviewed stakeholders were positive about the organisation and their relationship with it. From their responses the auditors concluded that there are no salient issues present.

In addition to external stakeholders, on-site workers were an important source of information for the audit. In total, 44 workers of the Eisenhüttenstadt site were interviewed, including workers from the

sinter plant, ladle furnace steel shop, blast furnace, also maintenance functions, foremen, laboratory staff, line managers, members of the performance monitoring team, purchasing managers (based at the European Purchasing Organisation in Luxembourg). Received input was used by the auditors for triangulation with other collected evidence. While the worker interviews did not uncover any serious issues, practices can be strengthened in a few areas, as described below.

Summary of Audit Findings

The performance of the Eisenhüttenstadt site 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)	6	0	0	0	0
Criterion 1.2: Leadership and Accountability (5)	5	0	0	0	0
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (6)	6	0	0	0	0
Criterion 2.2: Responsible Sourcing (6)	5	1	0	0	0
Criterion 2.3: Legal compliance and signatory obligations (6)	6	0	0	0	0
Criterion 2.4: Anti-Corruption and Transparency (8)	6	1	0	0	1
Criterion 2.5: Competence and awareness (5)	5	0	0	0	0
Principle 3. Occupational Health and Safety					
Criterion 3.1: OH&S policy (6)	6	0	0	0	0
Criterion 3.2: Health and Safety (OH&S) management system (10)	10	0	0	0	0
Criterion 3.3: Leadership and worker engagement on OH&S (10)	10	0	0	0	0
Criterion 3.4: Support and compensation for work-related injuries or illness (8)	2	0	0	0	6
Criterion 3.5: Safe and healthy workplaces (5)	4	0	0	0	1
Criterion 3.6: OH&S performance (2)	1	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)	6	0	0	0	3
Criterion 4.2: Forced or compulsory labour (7)	4	0	0	0	3
Criterion 4.3: Non-discrimination (9)	7	1	0	0	1
Criterion 4.4: Association & collective bargaining (12)	12	0	0	0	0
Criterion 4.5: Disciplinary practices (5)	5	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFl	Minor NC	Major NC	Exclusion
Criterion 4.6: Hearing and addressing worker concerns (5)	5	0	0	0	0
Criterion 4.7: Communication of terms of employment (5)	5	0	0	0	0
Criterion 4.8: Remuneration (11)	5	0	#1	0	5
Criterion 4.9: Working time (7)	3	0	#2	0	3
Criterion 4.10: Worker well-being (2)	2	0	0	0	0
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	4	0	#3	0	0
Criterion 5.2: Security practice (9)	6	0	0	0	3
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)	10	0	0	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	0	0	0	0
Principle 7. Local Communities					
Criterion 7.1: Commitment to local communities (8)	6	2	0	0	0
Criterion 7.2: Free, Prior & Informed Consent (3)	0	0	0	0	3
Criterion 7.3: Cultural heritage (7)	6	0	0	0	1
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)	8	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	OFl	Minor NC	Major NC	Exclusion
Criterion 8.4: Site-level GHG reduction targets and planning (11)	9	0	#4	0	1
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	1	0	#5	0	6
Principle 9. Noise, Emissions, Effluents and Waste					
Criterion 9.1: Noise and vibration (7)	7	0	0	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)	11	0	0	0	0
Principle 10. Water Stewardship					
Criterion 10.1 Water-related context (7)	7	0	0	0	0
Criterion 10.2 Water balance and emissions (8)	7	0	0	0	1
Criterion 10.3 Water-related adverse impact (6)	4	0	0	0	2
Criterion 10.4 Managing water issues (8)	8	0	0	0	0
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	22	1	0	0	2
Principle 12. Decommissioning and closure					
Criterion 12.1: Decommissioning and closure (13)	0	0	0	0	13
	Conform	OFl	Minor NC	Major NC	Exclusion
Total (370)	289	7	5	0	69

* 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

The level of management commitment to the ResponsibleSteel programme is outstanding.

The site is strongly committed to occupational safety & health and worker wellbeing. This is illustrated by their occupational safety initiative "Take Care" which aims to foster awareness and competence of workers and management. Worth highlighting is the "[Take Care Training Center](#)" in co-operation with "QualifizierungsCENTRUM der Wirtschaft", where workers receive attractive hands-on safety training.

In addition to supporting community initiatives and charitable projects in the neighborhood - particularly in the areas of youth development, education, culture and sports - the site works to ensure a good work-life balance for employees. This includes a range of family-friendly measures, such as the granting of childcare and family events allowances. The average working time of shift workers is 32 to 35 hours per week.

With a female quota of around 20 percent of the workforce, the site in Eisenhüttenstadt has been at the forefront of the steel industry for years, and not just in Germany.

Management of environmental issues is well established. Notably, 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 (see their "[Climate Action in Europe](#)" report).

ArcelorMittal Eisenhüttenstadt assumes responsibility for the conservation of natural habitats, protected areas and ecological corridors in the region. Noteworthy efforts are the relocation of protected reptiles, continuous control of the water levels of Lake Pohlitz, strengthening of biodiversity through near-natural greening with valuable local plants, active insect protection through new habitats for butterflies, wild bees and birds.

The good level of housekeeping on the site's premises is worth mentioning too.

Areas for improvement

During the audit, a few areas were identified that require the attention of the site. As a consequence, 5 minor non-conformities against requirements of the ResponsibleSteel Standard were raised. The sites are requested to effectively address the non-conformities before the surveillance audit. The non-conformity findings are related to:

Clarify the sites' remuneration policy (requirement 4.8.1.a-c)

ArcelorMittal has a publicly available Human Rights Policy. This policy contains a statement on "Providing Competitive Compensation and Remuneration". However, the policy does not contain an explicit commitment to

- a) Pay at least the applicable legal minimum wage to all workers or the wage set through a collective agreement, whichever is higher
- b) Reward workers for overtime hours at a premium
- c) Pay workers in monetary means only and in full.

While these requirements are implemented in practice, they are not part of the policy.

Ensure fatigue management is fully effective (requirement 4.9.1)

A public policy on fatigue management is not yet in place, but fatigue management measures have been taken. For example, the weekly working time is 32-35 hours, shifts are planned in line with current science-based insights on occupational health, and overtime is strictly limited. However, the site's assessment of fatigue management has identified excessive working hours of managers as a risk. Interviews confirmed that this is an issue at manager-level. The site is required to set up a system for measuring the daily working hours of managers and to improve fatigue management practices.

Engage external stakeholders systematically in the assessment of human rights-related risks and adverse impacts (5.1.2)

The site has conducted a human rights due diligence assessment in early 2021 which did not identify any issues. Although some external stakeholders were involved in this process, their engagement was not systematic. The site's stakeholder management plan has already been revised to ensure their systematic involvement and implementation of this aspect of the plan is due shortly.

Reporting related to greenhouse gas emissions (requirements 8.4.5 and 8.5.1)

Reporting and publication of greenhouse gas (GHG) emissions is not managed by the sites, but at the European level of the ArcelorMittal group. The roadmap for ArcelorMittal Europe is described in the corporate report "[Climate Action in Europe](#)". Internally, progress in achieving the targets is documented in the monthly report "Jahresentwicklungsplan" (annual development plan) and GHG emissions are reported on a quarterly basis to the corporate headquarters. Scope 3 data is available at group level, but missing at ArcelorMittal Europe level.

Opportunities for improvement

Apart from the minor non-conformities, the sites meet all the requirements of the ResponsibleSteel Standard. However, the auditors have identified 7 requirements where the sites have potential for improvement. These are recommendations to the sites rather than non-conformities. To name just one example: The site has signed the "[Charter of Diversity](#)" which promotes integration of diversity in business culture. The site also contributes to a year-long ArcelorMittal campaign to boost "Diversity Inclusion". Since worker awareness for issues around diversity, inclusion and equality still seems to be rather low, the auditors recommend strengthening efforts in this regard.

Assurance Panel Declaration

In line with the ResponsibleSteel Assurance Manual, three members of the Assurance Panel reviewed the full audit report for ArcelorMittal Eisenhüttenstadt, 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 Eisenhüttenstadt.

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](#).