

Responsible Steel™ Certified Site



DNV-2021-275783.A

Presented to

ARCELORMITTAL BRASIL S.A.

SITE NAME AND ADDRESS

ArcelorMittal Tubarão
Av. Brigadeiro Eduardo Gomes, 526 - Bairro Polo Industrial
Tubarão - CEP 29160-904 - Serra - ES - Brazil

CLIENT NAME AND ADDRESS

ArcelorMittal Brasil S.A.
Av. Brigadeiro Eduardo Gomes, 526 - Bairro Polo Industrial
Tubarão - CEP 29160-904 - Serra - ES - Brazil

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

ResponsibleSteel Standard Version 1.1, 23 June 2021
ResponsibleSteel Assurance Manual Version 1.0, 29 December 2019

ISSUE DATE

21 January 2022

EXPIRY DATE

20 January 2025

NEXT SCHEDULED AUDIT

January 2023 (TBC)

CERTIFIED SINCE

21 January 2022

CERTIFICATION SCOPE

Integrated Production Process of Continuous Casting Slabs and Hot-Rolled Coils, incorporating Co-generation of Electrical Energy, Beneficial by-products, On-site Product Transportation to Praia Mole Port and Ocean Barges Terminal Operation. Production of pig iron and by-products, production of coke, sinter and internal transport of raw materials, intermediates and end products.

CERTIFICATION BODY

DNV
Av. Alfredo Egídio de Souza
Aranha, 100 - Jardim Santo
Antônio, São Paulo - SP, 04726
170, Brazil



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

A handwritten signature in blue ink, appearing to read 'Juliana Scalon'.

Juliana Scalon, Regional Manager LATAM

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.



Responsible Steel™ Certified Site



Annex

ARCELORMITTAL BRASIL S.A.

DNV-2021-275783.A

SITES AND FACILITIES COVERED BY THE CERTIFICATE

ArcelorMittal Tubarão

Barge Terminal; Coal Yard; Iron Ore Yard; Sinter Plant; Conventional Coke Plant; Blast Furnaces; utilities and Gasholder Area; Thermoelectric Power Plant; Coproducts Storage Centre (CASP); Heat Recovery Coke Plant; Continuous Casting; Steel Shop; Slag Yard; HSM; Hot Coil Yard; Slab Conditioning; Yard 8.

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

ArcelorMittal Brasil - Headquarter
Av. Carandaí, 1115 - 16° Andar - Funcionários,
Belo Horizonte - MG, 30130-915, Brazil

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

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PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the ArcelorMittal Tubarão site audit report. The full version of the audit report is in the possession of the member company and the audited site(s).

Audit overview

Member Name	ArcelorMittal
Audited entity name	ArcelorMittal Tubarão
Number of site(s) Names & location	1 site ArcelorMittal Tubarão, Av. Brigadeiro Eduardo Gomes, 526 - Polo Industrial Tubarão, Serra - ES - Brazil
Certification scope	Integrated Production Process of Continuous Casting Slabs and Hot-Rolled Coils, incorporating Co-generation of Electrical Energy, Beneficial by-products, On-site Product Transportation to Praia Mole Port and Ocean Barges Terminal Operation. Production of pig iron and by-products, production of coke, sinter and internal transport of raw materials, intermediates and end products
Standard version audited against	ResponsibleSteel Standard V1-1
Audit type and outcome	Initial certification audit Initial certification
Certification body	DNV GL
Audit Dates	Stage 1: 26th to 27th August 2021 Stage 2: 18th to 22nd October 2021
Number of auditors and audit days	3 auditors 23 days (stage 1, stage 2 and reporting)
Lead auditor declaration	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. 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. 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.</p>
Next audit type and date	Surveillance audit, January 2023

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Introduction

About ResponsibleSteel

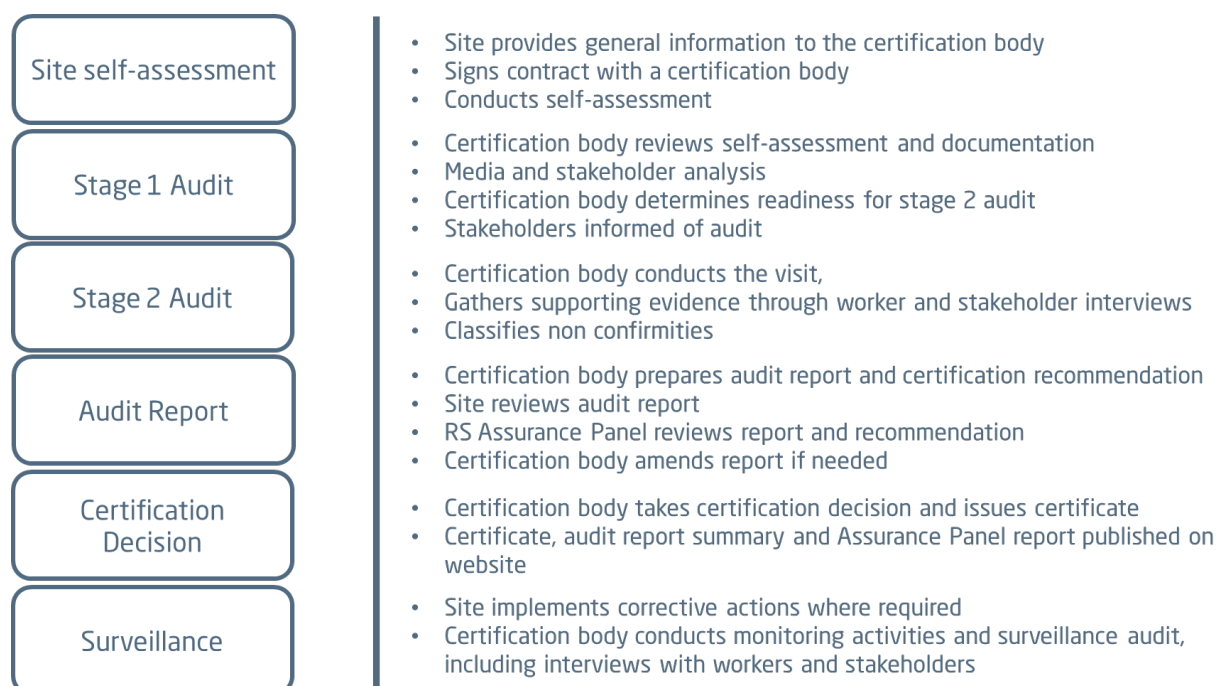
Our mission is to achieve net zero carbon emissions for the steel sector, and to enhance the responsible sourcing, production, use and recycling of steel.

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	Brazil, Serra city, State of Espírito Santo
Activities and products	<u>Activities:</u> 2 coking plants, sinter plant, 3 blast furnaces, steel shop, 3 continuous casters, hot strip mill, finishing lines, power plants, utilities and energy (water treatment and distribution; sewage treatment, oxygen plants, thermoelectric plants, coproduct recycling unit, maintenance, logistics operation (raw material delivery and shipping of finished products, and Ocean Barge Terminal). <u>Products:</u> hot rolled coils, steel slabs, by-products (e.g., blast furnace slag)
Year site opened	30 th November 1983
Major extensions and / or refurbishments and year(s) when these occurred	ArcelorMittal Tubarão, inaugurated on November 30, 1983, with an initial capacity of 3 million tons/year. It has a production capacity of 7.5 million tons of steel/year, of which 4 million tons are processed in coils at the Hot Strip Mill, inaugurated in 2002. In 2004, the expansion works started to increase the installed capacity to 7.5 million tons/year by mid-2007.
Annual production	Total production capacity: 7.5 million tonnes of crude steel per year
Number of employees and contractors	9 500
Carbon reduction target	ArcelorMittal Tubarão has committed to reduce CO ₂ specific scope 1 and 2 emissions by 10% by 2030, with a further ambition to be carbon-neutral by 2050, in line with the Paris Agreement.
Further environmental and social information	https://brasil.arcelormittal.com/sala-imprensa/publicacoes-relatorios/brasil/relatorio-de-sustentabilidade-2020-english https://brasil.arcelormittal.com/en/sustainability

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:

SINDIMETAL (SINDICATO DOS METALÚRGICOS DO ESPÍRITO SANTO) - On October 20, 2021 an interview was held with the interested party SINDIMETAL (SINDICATO DOS METALÚRGICOS DO ESPÍRITO SANTO - <https://sindimetal-es.org.br/>), located at R. Tancredo Neves, s/nº - São Diogo I, Serra - ES, Zip code: 29163-267. The previous planning was carried out with ArcelorMittal's support and the agreement negotiations were made by means of telephone contacts and e-mails, and prior to phase 2 of the ResponsibleSteel program assessment the local union, after consulting, favorably indicated the interview should take place.

The process occurred according to previous planning and the auditing team was accompanied and driven by a professional from ArcelorMittal to the Union's headquarters, and after the formal introductions between the auditing team and Union's representatives, ArcelorMittal's professional remained in a separate environment, thus the interview was carried out only with Union's representatives and the auditing team. The interview was conducted in Portuguese.

The interview was held with a representative of the management and with the president of the union, and initially the audit team was presented the union's administrative structure and the actions that are promoted.

The local union has a strong action on issues related to occupational health and safety and maintains internal programs with the objective of prioritizing the health and quality of life of the represented employees.

The union representatives affirmed positively the opportunity ArcelorMittal provides to keep in touch with their representatives, thus establishing appropriate communication channels.

Pet Ville Hotel - Company contracted to supply Dogs used in the rounds carried out by vigilant workers, the interview process took place through a video call for the owner Mr. Alberto, to demonstrate the way in which the animals were treated during the interview Mr. Alberto highlighted as positive the partnership and care with Dogs during the surveillance activities at ArcelorMittal.

APAE (ASSOCIAÇÃO DE PAIS E AMIGOS DE EXCEPCIONAIS) - Association of Parents and Friends of the Disabled (<https://www.apaees.org.br/vitoria/home>) - Social Entity that is a reference service in the care of people with intellectual and/or multiple disabilities and/or autism In the areas of Health, Social Welfare and Education, free of charge, the interview process took place in person with the visit of Auditors and ArcelorMittal responsible from the Communication Area. During the interview with the President of the Entity, it was possible to verify ArcelorMittal's engagement with the entity, through social investment in social projects of musicality InterAção - Arte e Dança (<https://brasil.arcelormittal.com/sala-imprensa/publicacoes-reports/shark/booklet-social-projects-2019>, page 3). During the face-to-face visit, a room with musical equipment and a dance room were

evaluated. The President of APAE highlighted how positive and important ArcelorMittal's engagement in supporting the entity.

ACACCI (ASSOCIAÇÃO CAPIXABA CONTRA O CÂNCER INFANTIL) - During the interview with the President of the Entity, it was possible to verify ArcelorMittal's engagement with the entity, through social investment in social projects of musicality InterAção - Hospital Class - Canto do Encanto (<https://brasil.arcelormittal.com/sala-press/publications-reports/shark/booklet-social-projects-2019>, page 5). During the face-to-face visit, a social project for painting and the inclusion of prints on the entity's walls was also highlighted. The President of ACACCI highlighted how positive and important ArcelorMittal's engagement in supporting the entity.

President of the Community Association of Residents - Sector Africa - Bairro Cidade Continental, within the area of influence of ArcelorMittal, the interview process took place through a video call to the President of the Association. During the interview with the President of the Residents' Association, he highlighted the community's difficulties with Covid-19 and the high level of performance, lack of training of residents and especially the maintenance of young people in school activities in the home office. The President highlighted as positive Voluntary actions Led by ArcelorMittal's Workers for food donation and the importance of ArcelorMittal in making a Personal Hygiene Kit available to residents (including protective masks and Alcohol in Gel) ArcelorMittal made available a Mobile Application - "Evolve" so that the residents themselves can make Environmental complaints about possible impacts of ArcelorMittal. ArcelorMittal made a Social Project "Cine Autorama" available to all residents of the Community. The Community President highlights the importance of ArcelorMittal in engaging with the community and that all complaints or requests are fully responded.

President of the Community Association of Residents - Community of the Americas, within the Influence area of ArcelorMittal, the interview process took place through a video call to the President of the Association. During the interview with the President of the Association of Residents, he highlighted the community's difficulty with Covid-19 and the high level of performance, lack of training of residents. The President highlighted as positive Voluntary actions Led by ArcelorMittal Workers for food donation and the importance of ArcelorMittal in providing a Personal Hygiene Kit to residents (including protective masks and Alcohol in Gel) implementation of the Community Garden and Youth Hiring Process for internship at ArcelorMittal. ArcelorMittal made available a Mobile Application - "Evolve" so that the residents themselves can make Environmental complaints about possible impacts of ArcelorMittal. ArcelorMittal made a Social Project "Cine Autorama" available to all residents of the Community. The Community President highlights the importance of ArcelorMittal in engaging with the community and that all complaints or requests are fully responded.

President of the Community Association of Residents - Asia Sector - Bairro Cidade Continental, in the area of influence of ArcelorMittal, the interview process took place via video call to the President of the Association. During the interview with the President of the Residents' Association, he highlighted the community's difficulties with Covid-19, the lack of training of residents and especially the maintenance of young people in school activities at the headquarters. The President highlighted the following actions carried out by ArcelorMittal Tubarão: receiving masks to combat Covid-19, two donations of food baskets to the community during the pandemic, participation in the InterAction Program (community children playing indoor soccer with a Physical Education teacher and complete sports equipment) and the Project for the Regularization of Residents' Associations in the Registry Offices in order to receive the financial donation and manage the social project approved by ArcelorMittal. ArcelorMittal made available a Mobile Application - "Evolve" so that the residents themselves can file environmental complaints about the possible impacts of ArcelorMittal.

President of the Community Association of Residents - Sector Europe - Bairro Cidade Continental, in the area of influence of ArcelorMittal, the interview process took place via video call to the President of the Association. During the interview with the President of the Residents' Association, he highlighted the community's difficulties with Covid-19, the lack of training of residents and especially the maintenance of young people in school activities at the headquarters. The President highlighted the following actions carried out by ArcelorMittal Tubarão: Project for the Regularization of Associations of Residents in Notary Publics to receive the financial donation and manage the social project approved by ArcelorMittal, receiving masks to combat Covid-19 and two donations of food baskets to the community during the pandemic, project for the end-of-year party in the community in 2021. ArcelorMittal made available a Mobile Application - "Evolve" so that residents themselves can make environmental complaints about possible impacts from ArcelorMittal.

Interviews with direct employees and service providers

Fifty (50) employees were interviewed, distributed as follows:

- 40 employees hired directly by ArcelorMittal who work full time.
- 10 service provider employees hired by ArcelorMittal. Employees from the following companies were interviewed:
 - Sodexo (Canteen) = 4 employees
 - Vix (Transport) = 4 employees
 - Treitis (Workplace Safety Training) = 1 employee
 - Previne (Occupational Health and Safety Process Management) = 1 employee

The selection and sampling for conducting interviews with direct employees was defined taking into consideration only the employees who were present at the site according to the shifts and times that they would be at the company.

A list of employees was made available, and the auditor randomly selected the workers to be interviewed.

For the interviews with service providers, the selection was determined by visiting the providers' operational facilities and, on site, a list of employees who were on site and selected for the interview was requested.

Sampling for the interviews was done as determined by the Responsible Steel Assurance Manual chapter 3.2 Certification audit stage 2 (Section 3.2.3.5 - Table 3)

Total of 50 interviewees: 25 people in individual interviews, an additional 25 people in group interviews (2 x 3) (2 x 4) (1 x 5) and (1 x 6)

For ArcelorMittal employees, managements, supervisors, administrative, and operational level employees were interviewed.

For service provider employees, administrative and operational level employees were selected.

In general, the interviews were carried out as planned and organized with the support of the ArcelorMittal team, which directed the interviewees to a private space made available to the audit team.

ArcelorMittal's managers and supervisors were interviewed individually and privately.

For the interviews with ArcelorMittal's administrative and operational level employees, individual and group interviews were organized, and as the space where the interviews were held was spacious, it was possible to accommodate the groups in a safe way, considering the safety protocols related to COVID-19.

Interviews with service provider employees were conducted individually.

The interviews assessed general knowledge of policies, programs, and procedures on the following topics:

- Compliance, health and safety, and environment.
- Work environment and relationship with managers and coworkers.
- Freedom to enter and leave the company after working hours.
- Working conditions and confirmation of the existence of labor contracts.
- Working hours and payment of salaries and benefits.
- Verification if there are internal campaigns focused on health and quality of life.
- Freedom to join unions and associations.
- Career development plan.
- Knowledge about emergency response procedures and evacuation drills.
- Knowledge of available channels for registering complaints.

With managers, in addition to the requirements evaluated above, knowledge about the organization's strategic objectives on the environment, diversity and inclusion, and social engagement projects was evaluated.

In general, the interviews had very favorable evaluations and the audit team identified a high level of employee satisfaction with the management model and resources made available by ArcelorMittal,

with this positive perception being extended to service providers. No complaints or critical situations were identified and reported to the audit team.

Summary of Audit Findings

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)	6	0	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)	7	0	1	0	0
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)	9	1	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)	8	0	0	0	0
Criterion 3.5: Safe and healthy workplaces (5)	4	0	0	0	1
Criterion 3.6: OH&S performance (2)	2	0	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)	9	0	0	0	0
Criterion 4.2: Forced or compulsory labour (7)	7	0	0	0	0
Criterion 4.3: Non-discrimination (9)	9	0	0	0	0
Criterion 4.4: Association & collective bargaining (12)	7	0	0	0	5
Criterion 4.5: Disciplinary practices (5)	4	0	0	0	1

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)	4	1	0	0	0
Criterion 4.8: Remuneration (11)	9	0	0	0	2
Criterion 4.9: Working time (7)	7	0	0	0	0
Criterion 4.10: Worker well-being (2)	2	0	0	0	0
Principle 5. Human Rights					
Criterion 5.1: Human rights due diligence (5)	5	0	0	0	0
Criterion 5.2: Security practice (9)	9	0	0	0	0
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)	11	1	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)	8	0	0	0	0
Criterion 7.2: Free, Prior & Informed Consent (3)	0	0	0	0	3
Criterion 7.3: Cultural heritage (7)	0	0	0	0	7
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	OFI	Minor NC	Major NC	Exclusion
Criterion 8.4: Site-level GHG reduction targets and planning (11)	11	0	0	0	0
Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure (8)	8	0	0	0	0
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)	8	0	0	0	0
Criterion 10.3 Water-related adverse impact (6)	6	0	0	0	0
Criterion 10.4 Managing water issues (8)	8	0	0	0	0
Principle 11. Biodiversity					
Criterion 11.1: Biodiversity commitment and management (25)	16	1	0	0	8
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)*	311	4	1	0	54

* 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

Principle 1. Corporate Leadership - Principle well attended, demonstrating a high commitment to Sustainability and compliance with the Responsible Steel Principles

Positive Point - ArcelorMittal Tubarão's Pyramid of Safe and Sustainable Production, which starts at the base with People, which sustains Respect, which sustains Trust, which sustains Transparency, which sustains Integration, which sustains Motivation and which sustains Innovation

Principle 2. Social, Environmental and Governance Management Systems - Principle well attended with certifications in ISO9001, ISO14001 and ISO45001 demonstrating a very mature Integrated Management System, in addition to demonstrating well-structured Governance Policies to demonstrate an excellent ethical conduct in the various topics covered by Responsible Steel.
Positive Point - Supplier Approval Process focusing on training Anti-Corruption Systems

Principle 3. Occupational Health and Safety - Principle well attended with ISO45001 certification demonstrating strong preventive actions to keep employees and third parties working in a safe and healthy manner.
Positive Point - Occupational Health and Safety Culture well disseminated among employees and third parties

Principle 4. Labor Rights - Principle well attended with a well-developed Integrated Management System and well-structured Governance Policies to demonstrate excellent ethical conduct in the various labor rights issues addressed by Responsible Steel.
Positive Point - Implementation of tools to ensure the ban on entry of child labor
Positive Point - Maintenance of the Workday in a 4 x 4 regime with 2 hours of rest
Positive Point - Aim to achieve 30% female work by 2030 at ArcelorMittal de Tubarão

Principle 5. Human Rights - Principle that is well attended with a mature Integrated Management System and well-structured Governance Policies to demonstrate excellent ethical conduct in the various human rights issues addressed by Responsible Steel.
Positive Point - Establishment of a Master Plan for Impact Analysis on Human Rights
Positive Point - Property Security Management and respect when approaching workers

Principle 6. Stakeholder Engagement and Communication - Principle well attended with a mature Integrated Management System and well-structured Governance Policies to demonstrate excellent ethical conduct in the activities carried out by ArcelorMittal in the engagement of Stakeholders.
Positive Point - Implementation of the ATIUN System to demonstrate Stakeholder engagement

Principle 7. Local Communities - A principle that is well attended with a well-established Integrated Management System, which allowed the identification of the seriousness and ethics of the relationship between ArcelorMittal and the Local Communities.
Positive Point - Local Communities are engaged in the Evoluir Application. ARCELORMITTAL's proactive involvement with the Local Communities to understand the needs and expectations as well as the provision of the necessary resources to serve these Local Communities

Principle 8. Climate Change and Greenhouse Gas Emissions - Principle well attended with a mature Integrated Management System and presentation of strategic data to demonstrate the commitment to the Paris Agreement agenda.

Positive Point - target to reduce its CO2 emissions by 10% by 2030 and to become carbon neutral by 2050

Principle 9. Noise, Emissions, Effluents and Waste - Principle well attended with ISO14001 certification demonstrating a very mature Integrated Management System and the use of high-tech equipment.

Positive Point - Diffuse Emission Measurement Network - RMED - 57 towers installed

Positive Point - Monitoring the Quality of Effluent discharged into the Sea

Positive Point - the application of REVSOL (waste management) on numerous roads in the Municipalities covered by the Novos Caminhos Program

Principle 10. Water Stewardship - Principle well attended with certification in ISO14001 demonstrating a very mature Integrated Management System and the use of high-tech equipment.

Positive Point - Use of desalination, water consumption with 96% coming from the sea and recirculation of 97.7% of water within ArcelorMittal

Principle 11. Biodiversity - Principle well attended with ISO14001 certification demonstrating a very mature Integrated Management System and a strong contribution to the excellent conservation of Biodiversity inside and outside the ArcelorMittal Tubarão site.

Positive Point - ArcelorMittal Green Belt, Environmental Education Center, Caiman Project and Tamar Project

Areas for improvement

Requirement 2.4.6 - Non-Compliance - We have identified a non-compliance in which the website does not publicly mention the total monetary amount donated to each beneficiary

Requirement 3.2.2.c - Opportunity for Improvement - operational controls could be more specific regarding the routines and practical activities carried out by the organization.

Requirement 4.7.1.b - Opportunity for Improvement - improvement in the presentation of data on the expected rest interval for workers in operational shifts.

Requirement 6.2.2 - Opportunity for Improvement - Improvement of the Communication channel for external stakeholders who have access to the reception area and stay in the living area.

We found that although there is no complaint from the Stakeholders interviewed, they demonstrate difficulty in accessing the communication channels.

Requirement 11.1.10 - Opportunity for Improvement - It was observed that it is important to tactically identify at the management level the status of the risk related to biodiversity, although in practice we observe numerous actions to improve and monitor biodiversity within the ArcelorMittal site.

Assurance Panel Declaration

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

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 12 January 2022.

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