

# Responsible Steel™ Certified Site



DNV-2023-275783.B

Presented to

## ARCELORMITTAL BRASIL S.A.

### SITE NAME AND ADDRESS

ArcelorMittal Vega  
BR 280 Km11 - Morro Grande  
São Francisco do Sul – SC  
89240-000  
Brazil

### CLIENT NAME AND ADDRESS

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

10 March 2023

### EXPIRY DATE

9 March 2026

### NEXT SCHEDULED AUDIT

April 2024 (TBC)

### CERTIFIED SINCE

10 March 2023

### CERTIFICATION SCOPE

Design and Manufacturing of Pickled, Cold Rolled and Galvanized steel coils

### CERTIFICATION BODY

DNV  
Vivo Building  
30 Stamford St  
South Bank  
London SE1 9LQ  
United Kingdom



### AUTHORISED CERTIFICATION BODY SIGNATURE

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

Juliana Scalón, Regional Manager LATAM

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

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](http://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 BRASIL S.A.

### SITES AND FACILITIES COVERED BY THE CERTIFICATE

ArcelorMittal Vega  
BR 280 Km11 - Morro Grande  
São Francisco do Sul – SC  
89240-000  
Brazil

### SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

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

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# PUBLIC SUMMARY AUDIT REPORT

This is a concise public summary of the audit report for ArcelorMittal Brazil S.A., site ArcelorMittal Vega. The full version of the audit report is in the possession of the member company and the audited site.

## Audit overview

<b>Member Name</b>	ArcelorMittal
<b>Audited entity name</b>	ArcelorMittal Brazil S.A.
<b>Number of sites</b> <b>Names &amp; location</b>	1 site ArcelorMittal Vega  Gerência de Área de Segurança Saúde e Meio Ambiente  BR 280 Km11 - Morro Grande - 89240-000 - São Francisco do Sul - Santa Catarina - Brasil
<b>Certification scope</b>	Design and Manufacturing of Pickled, Cold Rolled and Galvanized steel coils
<b>Standard version audited against</b>	<a href="#">ResponsibleSteel Standard V1-1</a>
<b>Audit type and outcome</b>	Initial certification
<b>Certification body</b>	DNV BUSINESS ASSURANCE AVALIAÇÕES E CERTIFICAÇÕES BRASIL LTDA
<b>Audit Dates</b>	Stage 1: June 03rd to 08th ,2022, number of days 04 (1 auditor) Stage 2: August 01st to 09th ,2022, number of days 14 (2 auditors)
<b>Number of auditors and audit days</b>	Lead auditor: <b>Luciano Rodrigues Teixeira</b> Auditor: <b>Leandro Augusto Selles</b> Technical expert/s: Not applicable Translator/s: Not applicable  Pre-audit: June 06 <sup>th</sup> to 09 <sup>th</sup> ,2022, number of days 04 (1 auditor) Stage 1: September 05 <sup>th</sup> to 08 <sup>th</sup> ,2022, number of days 04 (1 auditor) Stage 2: October 03 <sup>rd</sup> to 09 <sup>th</sup> ,2022, number of days 14 (2 auditors)
<b>Lead auditor declaration</b>	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

	<p>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> <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>
<b>Next audit type and date</b>	Surveillance: April 2024 (TBC)

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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

<b>Country and town</b>	Brazil, São Francisco do Sul, Santa Catarina
<b>Activities and products</b>	<p><b>Activities:</b></p> <p>ArcelorMittal Vega is in São Francisco do Sul (SC), 45 km from Joinville, with road access via BR-280. Strategically located in the North Region of Santa Catarina, it is close to the main industrial, automotive, and metal-mechanical centres of the state. The port structure of São Francisco do Sul allows the use of an innovative system of maritime cabotage transport, integrating ArcelorMittal Vega by sea with the ArcelorMittal Tubarão unit, in Espírito Santo - Brazil.</p> <p>The unit occupies an area of 120 thousand m<sup>2</sup>, part of a plot of 2.2 million m<sup>2</sup>, which also houses the Private Natural Heritage Reserve (RPPN) with 760 thousand m<sup>2</sup>, inaugurated in 2002 with the aim of preserving the biological diversity of the region.</p> <p><b>Products:</b></p> <p><b>HOT STEEL LAMINATED COILS:</b> From the stripping of hot rolled coils. They are produced in the pickling line when it is not coupled with the cold strip laminator. The material can be supplied with or without oil.</p> <p><b>COLD LAMINATED COILS:</b> The cold rolled material is obtained by the box annealing process from the Full-Hard coil, promoting the recovery and recrystallization of the product. After this heat treatment, the material passes through the hardening laminator to adjust the shape, mechanical property, and surface quality. The material can be supplied with or without oil, as required by the customer "COATED GALVANIZED COILS:</p> <p><b>EXTRAGAL (GI):</b> Steel plates with pure zinc coating. Coating weights between 40 and 235 g / m<sup>2</sup> per face (5.6 to 33 µm). Not exposed (GI-X): The only coated product that can be produced in the two Galvanization lines (1 and 2). Benefits: high resistance to corrosion. The crystalline structure is not visible to the naked eye. The high quality of the surface leads to a finished paint appearance, meeting the most stringent requirements in the industry automotive for exposed body parts.</p> <p><b>GALVALLIA (GA):</b> Coating weights between 40 and 75 g / m<sup>2</sup> per face (5.6 to 10.5 µm).</p> <p><b>GALVALUME (GL):</b> Coated product produced in the Galvanization line 2. Steel sheets with a 55% aluminium, 43.5% zinc and 1.5% silicon coating. Coating weights between (34 to 100g / m<sup>2</sup>) per face (10 to 26 µm).</p>

	<p><b>ALUSI® (AS):</b> Coated product produced in the Galvanization line 2. Obtained by the hot-dip process of the plate in a bath composed of 90% aluminium and 10% silicon. Coating weights between 34 to 100 g / m<sup>2</sup> per face (12 to 33 µm).</p> <p><b>USIBOR ®:</b> Aluminium-silicon coated boron steel. Coating thickness: 34 to 100 g / m<sup>2</sup> per face (12 to 33 µm)."</p>
<b>Year site opened</b>	2003
<b>Major extensions and / or refurbishments and year(s) when these occurred</b>	<p>Vega unit began operations in 2003, as a result of an initial investment of US\$ 420 million. Currently, it has already carried out two major expansions and is preparing for a third investment.</p> <p>In 2010, the Galvanization 2 line was inaugurated, with an investment of US\$ 76 million.</p> <p>In 2015, it invested US\$32 million in line adjustments to diversify the product portfolio and increase capacity.</p> <p>In 2021, work resumed on the largest expansion project in its history, the CMC Project (Cold Mill Complex), an investment of US\$ 350 million for the production of a new continuous galvanizing and annealing line. The Cold Mill Complex system will allow the combined processing of cold-rolled and coated steels and increase the product portfolio for the market. The completion of the work is scheduled for the third quarter of 2023.</p>
<b>Annual production</b>	Total Production Capacity = 1.5 million tonnes steel per year
<b>Number of employees and contractors</b>	<p>Employees: 734 (Male: 599 – Female: 135)</p> <p>Contractors: 1268 (Male: 1098 – Female: 170)</p> <p>Total: 2002 (Male: 1697 – Female: 305)</p>
<b>Carbon reduction target</b>	<p>ArcelorMittal Brazil's invests in cleaner production processes, energy efficiency projects and low-carbon technologies to mitigate and minimize air emissions and greenhouse gas (GHG) emissions. It also implemented energy management plans and innovation initiatives, and annually undertakes strategic investments to improve emissions performance in its operations. Some of ArcelorMittal Brazil's planned emissions reduction initiatives include expanded use of scrap as raw material, using natural gas, and optimized use of charcoal in currently charcoal-fuelled operations.</p> <p>For more information, access the Sustainability Report (page 51)</p> <p><a href="https://brasil.arcelormittal.com/sala-imprensa/publicacoes-relatorios/brasil/relatorio-de-sustentabilidade-2020-english">https://brasil.arcelormittal.com/sala-imprensa/publicacoes-relatorios/brasil/relatorio-de-sustentabilidade-2020-english</a></p> <p>ArcelorMittal Vega announced a commitment to be carbon neutral by 2050, putting the company at the forefront of efforts to reduce greenhouse gases</p>

	<p>emissions from the steel industry. ArcelorMittal has set a target to cut emissions by 25% by 2030 and to achieve carbon neutrality by 2050. This statement is in its 2021 Sustainability Report.</p> <p>Verified that in the Climate Action Report 2 document, it is observed that after defining the goal of reducing CO2 emissions by 8% by 2020 (taking 2007 as the base), the organization managed to reduce 7.9%. As far as the next steps are concerned, it will be necessary to verify the performance over the next few years to affirm that the strategies are effective.</p>
<b>Further environmental and social information</b>	<p>More information can be found on:</p> <p><a href="https://brasil.arcelormittal.com/sala-imprensa/publicacoes-relatorios/brasil/relatorio-de-sustentabilidade-2021">https://brasil.arcelormittal.com/sala-imprensa/publicacoes-relatorios/brasil/relatorio-de-sustentabilidade-2021</a></p> <p><a href="https://brasil.arcelormittal.com/en/sustainability">https://brasil.arcelormittal.com/en/sustainability</a></p>

## Stakeholder engagement

ArcelorMittal Vega has developed a spreadsheet Listed all Stakeholders, with the following details (Stakeholder Group Classification, Stakeholder, Stakeholder Influence, Stakeholder Interest, ArcelorMittal Interest, Stakeholder Representative, Role, and Form of Relationship).

Through this worksheet, the team of Auditors, a sample was selected for the interview process, considering representatives of the Public Power, Government / Public Power, Group: Fire and Rescue Service in the city of São Francisco do Sul (Volunteer), Social Assistance Service, Government / Public Power, Social project, and Union Summary of Stakeholders interviewed:

### Interviews with stakeholders

**Group:** Government / Public Power

A member of the government (Secretary Public) was interviewed [at city hall office](#), and he was informed that ArcelorMittal has several positive actions in the city of São Francisco do Sul, for sports, education, technical training, support for children and adolescents, combating cancer, women's prize, firefighter project, children with disabilities, autism, and the secretary still understands that the company could improve the training of social workers and campaigns to collect food. ArcelorMittal's engagement was considered a positive impact.

**Group: Fire and Rescue Service in the city of São Francisco do Sul (Volunteer)**

Organization formed by 26 Public Employees and 102 Volunteer members, with the objective of bringing comfort and the necessary care to victims of pre-hospital accidents, mitigating and preventing possible sequelae; sensitize the public through lectures and meetings on accident prevention, first aid, firefighter training and the training of Child Firefighters, recognizing that ArcelorMittal works in partnership and support with the provision of support materials in training and sponsorship to improve the rooms of class. ArcelorMittal's engagement is considered a positive impact.

**Group: Social Assistance Service**

Provision of service that serves people with disabilities, the elderly, children and adolescents, people included in the Single Registry (Vulnerable), beneficiaries of the social program "Programa Bolsa Família", "Auxílio Brasil" and the program "Benefit of Continued Provision".

During the visit, the Social Secretary reported the importance of the company's support and investment actions in the children's and adolescents' investment fund (annually),

(Public Fund that aims to finance projects that work to guarantee the promotion, protection, defence of the rights of children and adolescents), the company periodically conducts support visits and volunteer projects. ArcelorMittal engagement is considered a positive impact.

**Group: Government / Public Power**

Interviewed technician from the Instituto do Meio Ambiente (Environment Institute) [at the institute's headquarters](#), which is the environmental agency of the Santa Catarina State Government. It operates with an administrative headquarters, located in Florianópolis, and 16 Regional Managements distributed throughout the State. Created in 2017, replacing Fatma (Environment Foundation), which operated for 42 years, IMA's main mission is to ensure the preservation of the state's natural resources. In the city of São Francisco do Sul, it has an administrative headquarters, and the local action is to manage the Acaraí State Park, which was conceived with the support of ArcelorMittal as an environmental compensatory measure for the installation of the enterprise. Among the actions promoted by the institute with the support of ArcelorMittal are monitored visits and the availability of a structure for academic studies by universities in the region.

The Environment Institute manages the State Conservation Units - seven of them belong to the park category, which is more flexible as to the uses of the area and where access to the public is regulated, but allowed, and three belong to the Reserve category, where environmental management is very restricted, and access is allowed only to researchers.

Verified that the entity and the institute act in a positive way towards issues related to environmental awareness and preservation.

**Group: Social project**

Association of Parents and Friends of the Disabled - 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.

[ArcelorMittal's engagement is considered a positive impact.](#)

## Group: Union

Sindicato dos Metalúrgicos de Araquari e São Francisco do Sul (SINTRAMASF).

Interview conducted [remotely by the Microsoft Teams platform due to the union](#) being in another municipality. The Joinville mechanical industry professional association was created, which was recognized with its union letter in 1973 and started to be called Joinville mechanical industry patronal union. The focus of the entity has always been the growth and strengthening of the metal mechanical industries in the region, which was reinforced with the acquisition in 2015 of its new headquarters. the entity's new headquarters was inaugurated in December 2015, thus increasing the quality of the union's services, and providing more benefits to its member companies. During the interview with the union representative, the actions promoted by the entity and the good level of relationship with ArcelorMittal were verified, and a close and positive relationship with the company was reported. It was verified, according to the representative's reports, that the company, whenever necessary, makes available an adequate structure so that the union can access the company's website for a relationship with the workers.

## Interviews with stakeholder - Direct employees and service providers

Total of 60 employees were interviewed, distributed as follows:

1. 40 employees hired directly by ArcelorMittal who work full time. [\(25 men and 15 women\)](#)
2. 20 service provider employees hired by ArcelorMittal. [\(12 men and 08 women\)](#)

Employees from the following companies were interviewed:

Top Service (Facilities and Cleaning) = 6 Employees [\( 04 men and 02 women\)](#)

Setti Manutenção (Maintenance) = 1 Employee [\( 1 man \)](#)

CRC (Maintenance) = 02 Employees [\( 02 men \)](#)

Veolia (Utility and Environmental) = 1 Employee [\(1 man\)](#)

Sankyu (Logistics)= 3 Employees [\(02 Men and 01 woman \)](#)

Air Products (Gas Supply) = 01 Employee [\( 1 man \)](#)

Time Now (Engineering) = 02 Employees [\( 2 women \)](#)

Sapore (Restaurant) = 01 Employee [\( 01 woman \)](#)

Supero (Information Technology) = 01 Employee [\( 1 man \)](#)

EPC Gerenciamento (Project Management) = 01 Employee [\(1 man \)](#)

Newlogos (Communication) = 01 Employee [\( 01 woman \)](#)

The selection and sampling for conducting interviews with direct employees was defined taking into consideration only the employees who were present at the company 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 employees 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 Manual 3.2 Certification audit stage 2 (Section 3.2.3.5 - Table 3)

Total Expected of 40 interviewees: 20 people in individual interviews more 20 people in group interviews (2 x 3) and (1 x 4) and (2 x 5)

Total Realized of 60 interviewees: 20 people in individual interviews more 40 people in group interviews (4 x 3) and (2 x 4) and (4 x 5)

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 conducted as planned and organized with the support of the ArcelorMittal team, which directed the interviewees to the private place 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 place where the interviews were held was spacious, it was possible to accommodate the groups in a safe way, considering the safety protocols as to how to face 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 co-workers.
- Freedom to enter and leave the company after working hours.
- Working conditions and confirmation of the existence of labour 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 favourable evaluations and the audit team identified an elevated 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.
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<b>Opportunity for Improvement (OFI)</b>	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.
<b>Minor non-conformity (NC)</b>	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.
<b>Major non-conformity (NC)</b>	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.
<b>Exclusion</b>	The requirement is either <b>not applicable</b> : excluded from the audit since it is not applicable to the sites; or <b>not rated</b> : 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.

The performance of ArcelorMittal Vega in relation to the Principles and Criteria of the ResponsibleSteel Standard is summarised in the table below.

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
<b>Principle 1. Corporate Leadership</b>					
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
<b>Principle 2. Social, Environmental and Governance Management Systems</b>					
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)	8	0	0	0	0
Criterion 2.5: Competence and awareness (5)	5	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
<b>Principle 3. Occupational Health and Safety</b>					
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)	6	2	0	0	0
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
<b>Principle 4. Labour Rights</b>					
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)	5	0	0	0	0
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)	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
<b>Principle 5. Human Rights</b>					
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
<b>Principle 6. Stakeholder Engagement and Communication</b>					
Criterion 6.1: Stakeholder engagement (10)	9	1	0	0	0
Criterion 6.2: Grievances and remediation of adverse impacts (12)	12	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 6.3: Communicating to the public (7)	7	0	0	0	0
<b>Principle 7. Local Communities</b>					
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
<b>Principle 8. Climate Change and Greenhouse Gas Emissions</b>					
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
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)	7	0	0	0	1
<b>Principle 9. Noise, Emissions, Effluents and Waste</b>					
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
<b>Principle 10. Water Stewardship</b>					
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
<b>Principle 11. Biodiversity</b>					
Criterion 11.1: Biodiversity commitment and management (25)	16	0	0	0	09
<b>Principle 12. Decommissioning and closure</b>					

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 12.1: Decommissioning and closure (13)	13	0	0	0	13
	Conform	OFI	Minor NC	Major NC	Exclusion
<b>Total (370) *</b>	<b>309</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>56</b>

\* 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 Vega 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.

Positive Point - Dissemination and implementation of the golden rules, including the right to appeal a work.

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 covered topics 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.

Positive Point - Robust emergency response management system.

Principle 4. Labour Rights – Principle well attended with a well-developed Integrated Management System and well-structured Governance Policies to demonstrate excellent ethical conduct in the various labour rights issues addressed by Responsible Steel.

Positive Point – Implementation of tools to ensure the ban on entry of child labour.

Positive Point – Aim to achieve 30% female work by 2030 at ArcelorMittal Vega.

Positive Point - Collective agreement with well-differentiated and beneficial clauses for workers, example.

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.

Positive Point - Interview with women in leadership positions in operations. , who demonstrated engagement and that promotions take into account the competence and not the gender of the professional.

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 conducted by ArcelorMittal in the engagement of Stakeholders.

Positive Point – ArcelorMittal Foundation, dissemination of social projects with a positive impact.

Positive Point Technical Sustainability Project - in partnership with “Senai - Serviço Nacional de Aprendizagem Industrial” - for young people in possible social vulnerability

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 Social Programs. ArcelorMittal Vega initiative-taking 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 - Has Vibration Analysis through predictive maintenance.

Positive Point – Hiring in 2022 of Conceptual Engineering to plan and execute projects to mitigate noise and vibration in the industrial plant.

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 – Water Master Plan

Principle 11. Biodiversity – Principle well attended with ISO14001 certification demonstrating a very mature Integrated Management System and a strong contribution to the preservation of Biodiversity.

Positive Point - Identification of fauna and flora species within the Private Natural Heritage Reserve (RPPN), and development of a Biodiversity Master Plan.

## Areas for improvement

No nonconformities were identified regarding the requirements of the Responsible Steel Program.

The team of Auditors identified: 05 Opportunities for improvement during the audit.

**3.2.1c** - Auditor identified opportunity regarding updating its matrix of needs and expectations related to stakeholders to make clearer its real needs and the way in which ArcelorMittal can exceed its expectations.

**3.4.3b** - The Auditor identified the opportunity for improvement in evaluating the establishment of the rules of the contracted companies, to ensure that the minimum of rules related to obtaining a health plan and care for workers who may suffer accidents during work can be properly taken care of.

**3.4.4a** - Auditor identified opportunities for improvement as to the maintenance of the traceability of accident records relating the internal records with the accident communications made with the regulatory authorities to facilitate their recovery when necessary

**3.6.1** - Auditor identified opportunities for improvement as to the association of objectives and goals with the actions determined by the organization to make it possible to evaluate their effectiveness.

**6.1.4a** - The Auditor identified the opportunity for improvement, in developing a mapping of all communities within ArcelorMittal Vega's area of influence and demonstrating with data analysis the level of coverage and scope of actions with a positive impact on the communities.

## Exclusions

**3.5.3** - ArcelorMittal Vega considered the item as not applicable, as all workers return to their residence daily after the workday.

**4.4.5 a-e** - The use of Employment and Recruitment Agency is not applicable for ArcelorMittal Vega.

**4.8.5** - There are no stores of goods or services offered to workers at ArcelorMittal Vega site.

**4.8.6** - ArcelorMittal Vega does not provide accommodation.

**5.3.1** Requirement considered Not Applicable, because the site is not located in a terrorist risk, because it is not located in permanent risk and does not have permanent risks due to the action of marginal groups. This requirement refers to installations in conflict areas.

5.3.2 - Requirement considered Not Applicable, because the site is not located in a terrorist risk, because it is not located in permanent risk and does not have permanent risks due to the action of marginal groups. This requirement refers to installations in conflict areas.

7.2.1 - ArcelorMittal Vega identified a self-declared Indigenous community (far from its area of direct influence) that is not impacted by its expansion work

7.2.2 - ArcelorMittal Vega identified a self-declared Indigenous community (far from its area of direct influence) that is not impacted by its expansion work

7.2.3 - ArcelorMittal Vega identified a self-declared Indigenous community (far from its area of direct influence) that is not impacted by its expansion work

7.3.1-7.3.5 - ArcelorMittal Vega is in an industrial condominium on Rodovia BR 2, km11, 8 miles away from the historic center of São Francisco do Sul-SC, therefore, located outside the area of influence of the urban and historical heritage.

The industrial district was established according to local legislation and defined by Municipal Law 48/1997

7.4 - There is no need for physical or economic displacement of communities. The site has an extensive internal area. In case of expansion in production, an internal area of the site will be used

8.5.1b - Regarding the GHG emissions (CO<sub>2</sub> e) for heat and steam, they are shown in the report. The unit does not acquire heat or pressure steam, only electricity that is already included and accounted for in its inventory.

11.1.2 a,c,d - ArcelorMittal Vega demonstrates that the site is not in the World Heritage area.

11.1.3 -a.b.c - Projects for new installations are evaluated from the point of view of environmental, social, economic impacts, in accordance with current legislation.

11.1.6 - Not applicable, as the site is not within the Ramsar site and ArcelorMittal Vega is in an industrial condominium on Rodovia BR 280, km11, located 8 miles from the historic center of São Francisco do Sul-SC, therefore, outside in urban heritage and entertainment

11.1.7 -a,c - The site is not within the Ramsar site. Despite this, the site takes environmental initiatives (protection, conservation, awareness, and environmental education). In addition, in addition, actions to expand the expanded biodiversity, as well as the incentive initiative, to expand the expanded biodiversity, according to the Improvement Plan.

11.1.11 - ArcelorMittal Vega demonstrates that controversies occurred at the time of implantation of the site in São Francisco do Sul, which were dealt with through Public Consultation with environmental agencies (Brazilian Institute for the Environment and Natural Resources), also dealt with the findings of the EIA studies /RIMA and properly documented, where applicable. The issuance of the Environmental Operating License that proves the competent body attested that the adverse impacts were duly clarified.

12 - Principle 12 does not apply since they have not announced a site closure or decommissioning.

## Assurance Panel Declaration

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

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 22 February 2023.

More information on the audit process and the role of the Assurance Panel can be found in the [ResponsibleSteel Assurance Manual](#).