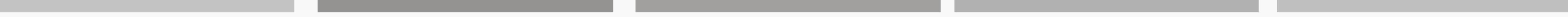




Sustainability Report
ArcelorMittal Poland
2020



ArcelorMittal



Interview with Sanjay Samaddar, chairman and CEO ArcelorMittal Poland

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- 1.2 What was particularly important in 2020
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The 11th Sustainability Report of ArcelorMittal Poland is a summary of 2020, a year which brought a lot of challenges and can be named a "step-change" year even now. What was the year like from the Board's perspective?

Indeed, last year was a time of great challenges for our company but also for the entire industry, on a global scale. Safety has always been the top priority for us, not only in the context of the nature of our operations. Last year the concept of safety took on a new meaning – for the first time we had to face an external direct risk to health on an unprecedented scale due to the COVID-19 pandemic. Day by day we learned new practices and worked intensely on creative solutions to ensure the safety of our employees. The flagship project organised by our Health & Safety department, Take Care Training, serves as additional reinforcement of proper attitudes to daily duties, promoting increased vigilance. Unfortunately, during 2020, we were seriously challenged in our ability to continue all the training programmes within the restrictions imposed by the pandemic.

How did ArcelorMittal Poland react to the outbreak of the pandemic and what actions were taken?

Even before patient zero was diagnosed in Poland, we had started analysing potential risks and launched an internal information campaign. Each decision taken was a result of expert team deliberations as we immediately set up a crisis management team involving the most experienced leaders representing different organisational units. Our plants and offices were provided with disinfectant dispensers, and relevant services started regular sanitization of rooms using fogging machines. In parallel, we started temperature checks, distributed facemasks and gloves to employees, and implemented social distancing rules. From this point onward, one could see posters and other communication everywhere, including internal press and electronic channels, where we repeated the requirement to follow sanitary rules. Wherever the physical presence of employees was not essential, we launched remote work to prevent the disease spread. For over a year a lot of us worked remotely and, for safety reasons, we intend to still

use this solution, to the extent that it is possible, until we can truly feel the mitigating impact of the vaccinations.

We also kept an eye on our external stakeholders in need of our support – and we did so thanks to many years of relationship building. We immediately reinforced our cooperation with healthcare centres in the provinces of Silesia, Małopolska and Opole. We provided personal protective equipment to 10 healthcare institutions in the form of necessary sanitary overalls, facemasks, sanitizers, gloves or aprons among others.

The steel industry was affected not only by the pandemic last year.

Yes. We had been raising the problems of the industry in Poland and Europe for years. COVID-19 worsened the crisis in the steel market – which was already challenged by the rising carbon price under the Emissions Trading System, high electricity prices and unfair non-EU steel imports among others. All these factors have a substantial impact on our competitiveness, as they make it more difficult for us to compete with producers from the countries where there are no

Interview with Sanjay Samaddar, chairman and CEO ArcelorMittal Poland

costs for CO₂ emissions. Whilst we are committed to combating climate change, we expect a level playing field, which unfortunately does not exist yet.

Did these factors have a direct impact on the decision to shut down primary operations in Kraków?

Yes, unfortunately, they did. It was due to these exceptionally difficult market conditions and structural factors that we were eventually forced to take this decision. At the time the demand for steel in Europe plummeted, the European Commission decided again to increase duty-free import quotas for non-EU steel products. Additionally, electricity prices and CO₂ emission costs were increasing rapidly, with capacity fees also announced in the Polish market. Unfortunately, the European market was not safeguarded by sufficient protective measures, and – in this extremely difficult situation – the COVID-19 pandemic made the crisis even worse. With virtually all steel intensive industries downsizing their operations, we had to adapt our capacity to the lower demand level. Yet, let me say it clear, our Kraków unit, with a coke plant, two modern rolling mills and a galvanizing and organic coating

line remains robust and will continue to be a leading player in the steel map of Central and Eastern Europe.

Does steel manufacturing have a future in the context of all these challenges?

The circumstances of our industry operations change quickly, which is epitomized by the current industry decarbonisation plans. ArcelorMittal Europe wants to reduce its carbon dioxide emissions by 30 per cent by 2030 and become carbon neutral by 2050. We treat this challenge very seriously, with our experts developing new technologies to decarbonise steelmaking, while also guaranteeing top quality. We are already aware that the future of metallurgical plants will be inevitably connected with decarbonisation processes. Moreover, Poland decided to embark on a new direction for the power sector development, which was specified in the Poland's Power Sector Energy Policy Until 2040. The document foretells the intense development of renewable energy sources and an ambition to move towards a low-emission economy. This transformation will be influenced greatly by the development of infrastructure necessary to obtain green energy.

Solutions based on renewable energy sources require enormous volumes of steel, and for this reason our industry will become the key link in the coming transformation.

The speed, efficiency and cost of decarbonization will determine the future of the steel sector in every country. Lower carbon footprint, and ultimately, carbon neutrality, cannot be achieved without the support of the member states and national government initiatives. We are heavily engaged with the government departments and we continue to work together towards this common goal.

What is the importance of relations with local communities for the company operating on such a scale?

Maintaining a continuous dialogue with local communities in cities in which we operate is essential to plan our investments and future in a responsible way. I am convinced that but for direct relations with local healthcare providers initiated years ago, our mutual support at the onset of the pandemic would not have been so efficient. It is one of numerous examples where dialogue and setting common objectives

translates into real and effective actions. It is of utmost importance for us to foster open and continuous communication with stakeholders – employees, local authorities, educational centres, NGOs and residents of local areas.

What are the company's priorities for the future?

The safety of our colleagues is always and invariably a fundamental element for us. We will still strive to achieve our ultimate objective of zero fatalities at work and develop the initiatives to reinforce an attitude of shared vigilance among our workforce. Unfortunately, we were not a fatality-free company in 2020.

Additionally, we are standing on the threshold of changes related to decarbonisation. In less than a decade, carbon dioxide emissions at ArcelorMittal Europe will be by 30 per cent lower, which will only be possible due to intensified works on innovative manufacturing solutions. As the leader in the steel industry, we have great technological, research and intellectual resources to propose the best solutions. In 2021, ArcelorMittal Group launched XCarb™, a brand to bring together all our products manufactured using low-

emission production technologies and other environmental initiatives.

The nearest future will also bring projects supporting diversity and social integration among our employees. To ensure fair treatment in all aspects of our life, in the first quarter of 2021 we started a campaign to increase the awareness of exclusion risks. A lot of challenges are underway worldwide when it comes to combatting prejudice against specific groups, therefore we declare a clear commitment to inclusion efforts, e.g. breaking stereotypes or reinforcing the role of women in industry. A workplace with gender balance is our goal and we are committed to achieving it.

To sum up, from a sustainable development perspective, the top priorities for me and my leadership team are health and safety, decarbonization, as well as diversity and inclusion.

Interviewed by Marcin Przeor



Priorities and management

1.

- 1.1 Who we are
- 1.2 What was particularly important in 2020
- 1.3 Our value chain
- 1.4 Our stakeholders and communication channels
- 1.5 Managerial approach
- 1.6 Awards and recognitions

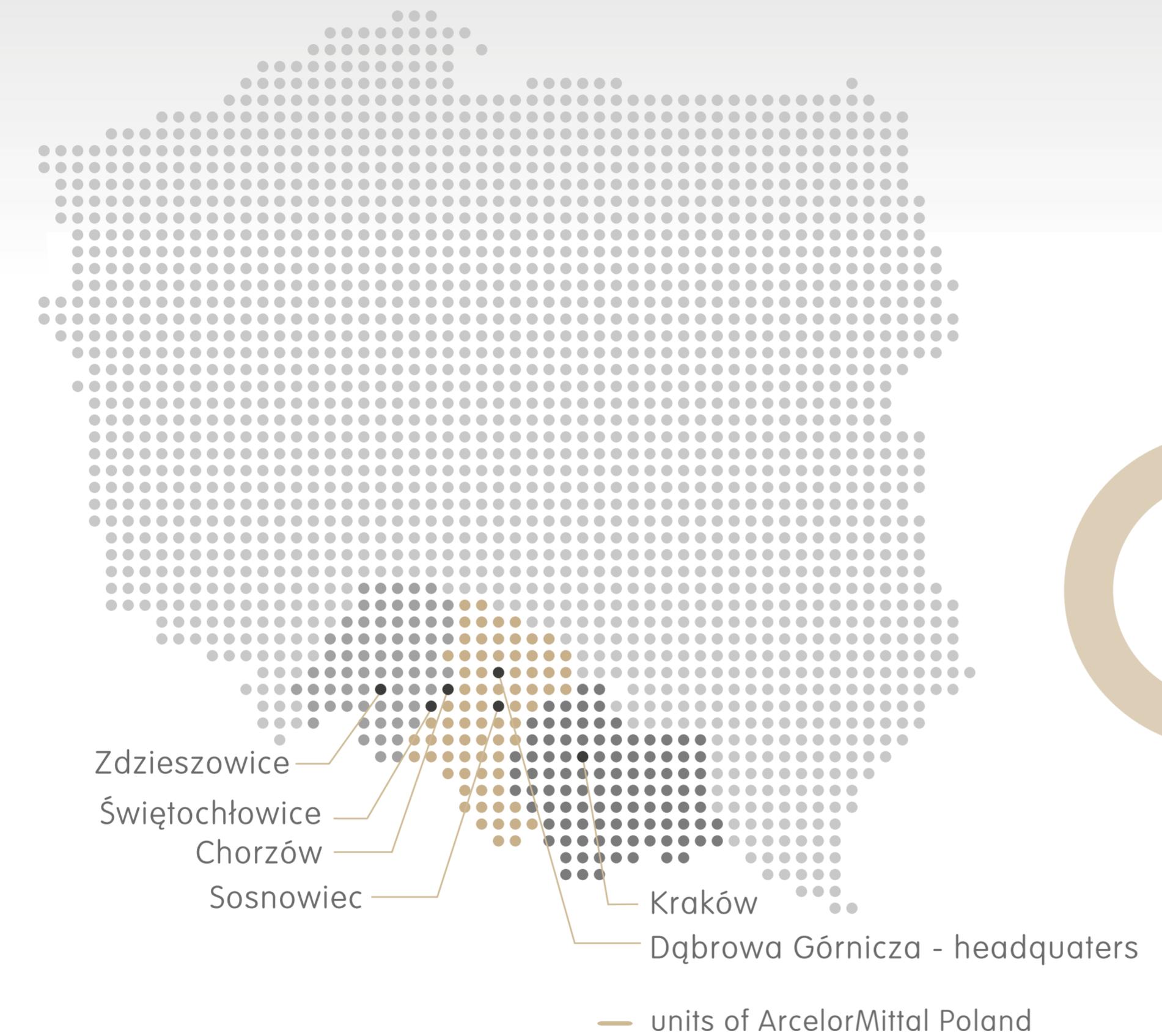
1.1 Who we are

ArcelorMittal Poland is the largest and most advanced steel producer in Poland and a leading coke producer in Europe. The outcomes of our work are visible virtually everywhere – from white goods, through cars to skyscrapers.

We are responsible for around 50 per cent of national steel production capacity. We have 6 units located in Silesia, Małopolska and Opole region, where we employ over 10,000 people, including our subsidiaries.

Since our first days in Poland, that is since 2004, we have invested over PLN 7 billion in modernisation of our plants.

We are part of ArcelorMittal, a global leader in steel and mining industries with operations in 60 countries.



Did you know that...

Steel is an endlessly recyclable material. Even as much as 70 per cent of all steel products is recycled after 20 years.

At ArcelorMittal worldwide, 1.2 tonnes of steel are recycled every second – this is about the weight of a car.

ArcelorMittal Group is the largest steel scrap recycler.

1.2 What was particularly important in 2020

2020 brought to us unprecedented challenges, the scale and nature of which affected to a great extent not only the shape of our entire industry but also day-to-day functioning of each and every one of us. We have always emphasised that safety of our employees is number one priority for us, therefore already in March we have responded firmly to the COVID-19 pandemic.

It was the time when we immediately provided our plants with all the necessary protective measures, in parallel starting an intensive informational campaign on coronavirus prevention and dangers. Wherever possible, we implemented remote work to additionally contain the risk of disease spread.

The global pandemic has additionally exacerbated the challenges of our sector, which we have been raising for years. The problems of CO2 emissions trading system, non-EU steel imports as well as growing energy prices have not been solved. All these factors have forced us to make a difficult decision to shut down our blast furnace and steel plant in Kraków and adapt the footprint there.

The future of our Kraków unit are its downstream operations, where we have invested over PLN 500 million over last 5 years. Dąbrowa Górnica is where we concentrate crude steel production; in summer 2020 the repair of the blast furnace no. 3 was finalised, and later the same year we decided to launch projects to increase the steel plant production capacity. The total value of these investments is almost PLN 250 million.



2020 highlights:

Continued efforts in our journey to zero accidents at work.

Keeping our employees safe during the growing pandemic risk by providing them with necessary personal protective equipment and maximizing remote work.

Repair of blast furnace no. 3 in Dąbrowa Górnica.

Finding new jobs for as many employees of Kraków primary as possible after reconfiguration of the footprint and focus on downstream operations, by matching the jobs with other units and starting an internal recruitment campaign.

1.2 What was particularly important in 2020

> Situation in the steel market

Being a leader in steel production, we do our best to deliver products as demanded by the market and the rules of level playing field. Therefore, directly and by industrial associations such as Eurofer or Polish Steel Association (HIPH) we speak out, loud and clear, about problems related to the EU Emissions Trading System (EU ETS), unfair imports and growing energy prices. Since long we have declared our readiness to counteract climate change and we have been reducing our carbon footprint.

ArcelorMittal Europe has committed to reduce its CO₂ emissions by 30 per cent by 2030. Yet, we emphasise that actions must be taken on a global scale and not only a regional one, as it poses a threat to the competitiveness of EU plants. Since 2016, the prices of CO₂ emissions allowances have increased by as much as four times, and at the end of 2020 exceeded EUR 30 for the first time.

The fact that CO₂ emission fees are present only in the EU leads to a surge of unfair imports in Europe. Products from non-EU manufacturers, who do not come under the ETS, reach European market at unfair prices and their manufacture results in a higher level of CO₂ emissions.

EU safeguard measures, unfortunately, are insufficient. This, coupled with high energy prices, which in Poland have additionally increased due to the capacity fee effective from the start of 2021, and in view of the COVID-19 pandemic which makes the crisis even deeper, the entire industry sector is likely to encounter significant challenges.

Polish steel industry today stands for significant manufacturing capacity, technical and technological potential, with intellectual and research capabilities. These arguments are strong enough to support our industry.

Tomasz Ślezak

director of Energy and Environment
Board of Directors member

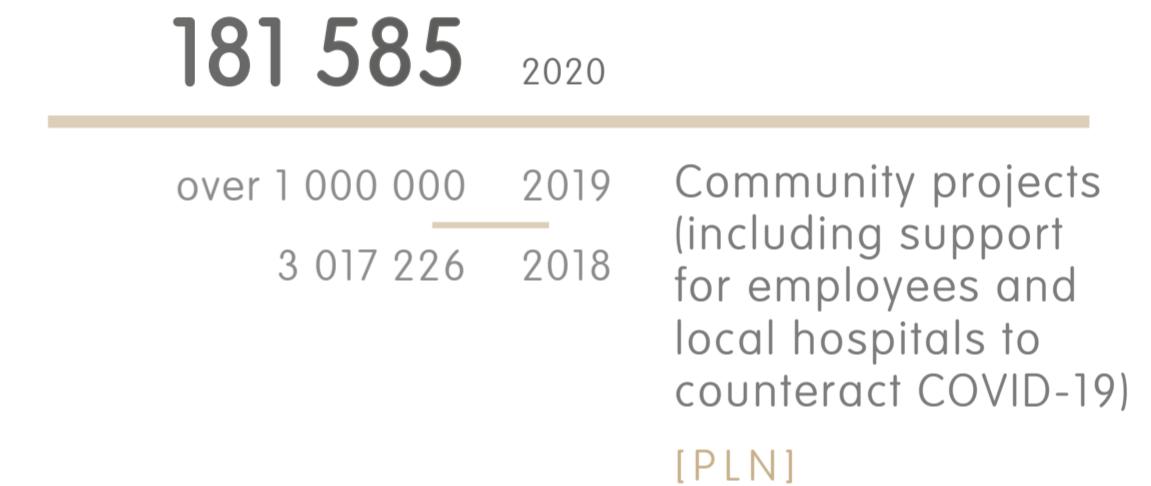
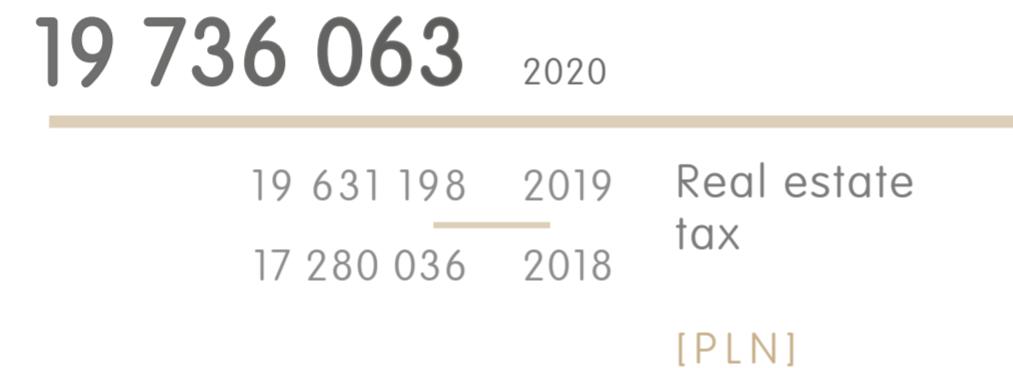
Industry representatives, especially energy-intensive industries, emphasize that the current situation is very demanding for them. A large part of the costs is the capacity fee, which entered into force at the beginning of this year. It amounts to PLN 76 for each MWh collected at the peak - This is an extremely heavy cost element, in the case of our company it is several dozen million PLN per year.

1.2 What was particularly important in 2020

> Impact of the steel sector on Polish economy 2020



ArcelorMittal Poland's operations in numbers in 2020 compared to previous years



Total crude steel production in Poland was at the level of 7,85 million tonnes, and Polish economy consumed or processed 12,9 million tonnes of steel products.



The national economy used a total of 12.9 million tonnes of steel, and the construction industry used the most among all sectors of the economy (approx. 41% of steel).



Employment level in steel companies at the end of 2020 was at the level of around 24 thousand people.



Salaries in steel companies were on average by 7 per cent higher than the industrial average and by 13 per cent higher than mean salaries in the economy.



The sold production of the steel industry was at the level of around PLN 28,8 billion (2,3 per cent of the industrial production), with export sales making up more than half of this value (PLN 16.2 billion).

Source: Polish Steel Association

1.3 Our value chain

Main challenges in the value chain of ArcelorMittal Poland

Issues to which we pay special attention:

Sourcing of raw materials, products and services

- Transparent and responsible principles of supplier selection and supplier cooperation
- Implementation of Responsible Sourcing Code
- Impact on national economy, the role of our presence in the Polish and European markets

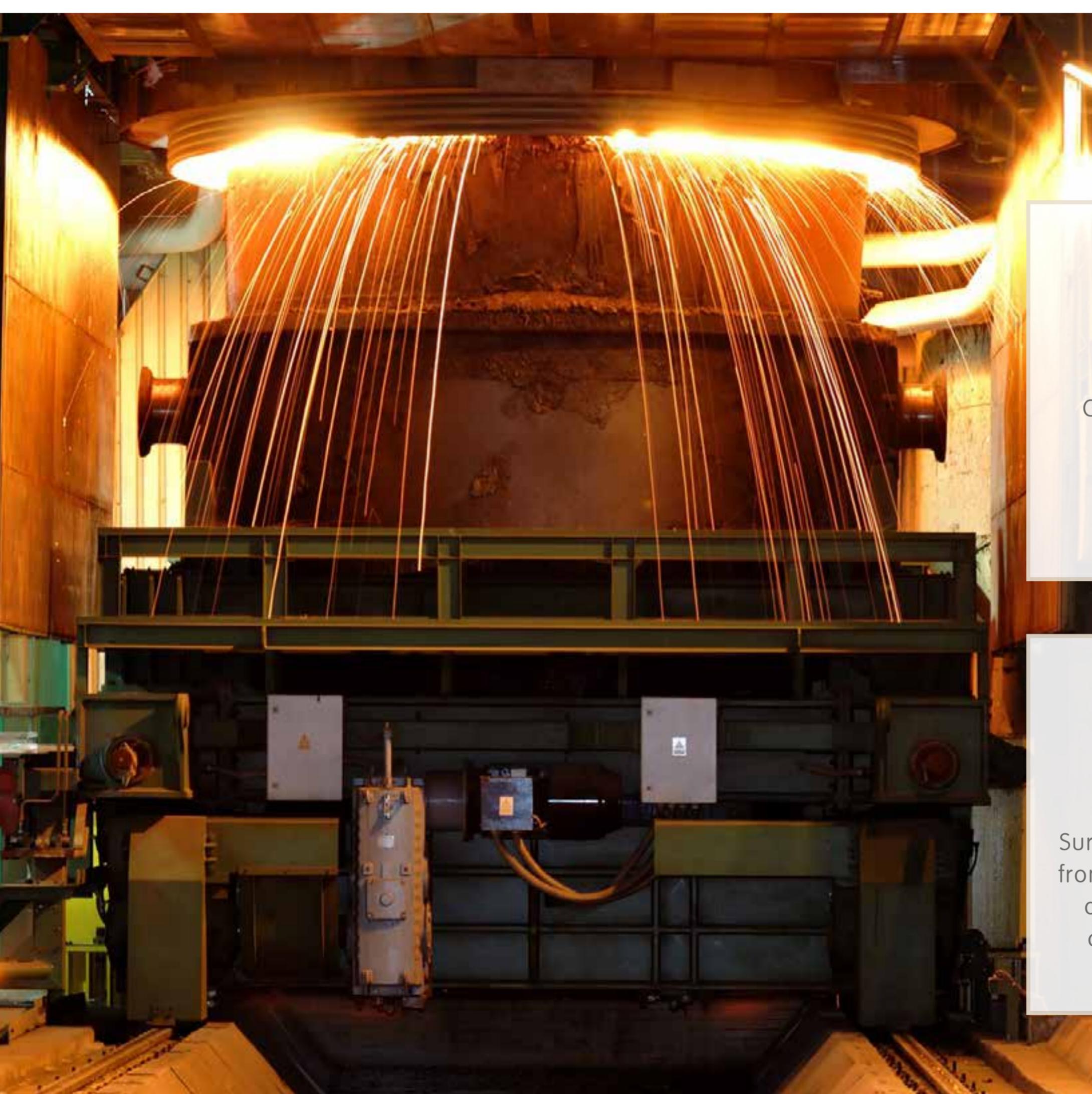
Steel and coke production

- Our target - zero accidents at work
- Scale of employment, work terms and conditions
- Recruitment and low employee turnover, making the industry a more attractive workplace
- Monitoring and reducing environmental impact, particularly in terms of dust and gas emissions into the air
- Ensuring production continuity and optimum utilisation of production capacity
- Effective use of energy and water
- Effective use of raw materials – optimising costs and maintaining reliability
- Compliance with Polish and international law regulations

Sales and the use of our products by our customers

- Offering a wide range of top-quality products
- Ensuring timely deliveries
- Dedication to customer satisfaction and continuous improvement of service levels
- Responding to customer needs, including the demand for steel now and in the future

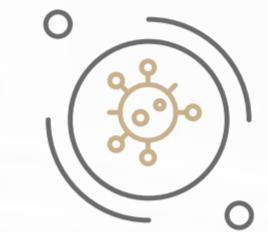
1.3 Our value chain



Key challenges of business activity



Growing energy prices and CO₂ emission allowances



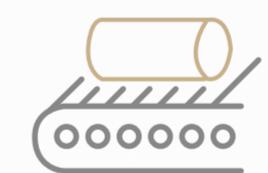
Fighting the coronavirus pandemic which is posing a threat to the health of employees



Reducing environmental impact: developing modern technologies and production processes – technological capacity and costs



Surge of steel imports to EU from non-EU producers that are not required to pay any CO₂ emission fees



Economic slowdown in steel intensive industries, especially in automotive industry, exacerbated by the COVID-19 pandemic



Ensuring production continuity, reliable deliveries and top quality of products offered

1.3 Our value chain

> ArcelorMittal's 10 sustainable development outcomes



1.4 Our stakeholders and communication channels

We value open and transparent communication with all our stakeholders. As a company with a broad scope of operations and an extensive network of contacts, we are an active participant of a dialogue with internal and external stakeholders and we work on building long-lasting relations.

Employees

- "1" magazine
- intranet + newsletter
- mailing
- STUDNIA and SharePoint – intranet information base of ArcelorMittal Poland
- notice boards in production departments
- internal TV channel STALwizja
- direct communication to shift workers by shift leaders (also by phone)
- digital communication platforms – Yammer, Teams and Zoom; HRapka application
- e-mail messages, cascading of information by shift leaders, leaflets and posters

Contractors

- regular contact
- meetings of key contractors with the Board of Directors
- industry conferences and events

common communication channels



brochures



website

poland.arcelormittal.com



social media:
Facebook, Twitter,
YouTube and LinkedIn

Customers

- meetings and cooperation
- customer satisfaction surveys and customer feedback
- meetings of key customers with the Board of Directors
- SteelUser online platform for customers
- industry conferences and events, Customer Day
- corporate newsletter for customers

Local communities and social partners

- meetings with local authorities, social partners and residents of the areas neighbouring our plants
- direct contact and cooperation, e.g. with schools and universities

Potential employees (candidates)

- cooperation with schools and universities, labour fairs
- industry conferences and events

In 2020 we replaced most face-to-face meetings with teleconferences and online meetings

1.4 Our stakeholders and communication channels in 2020

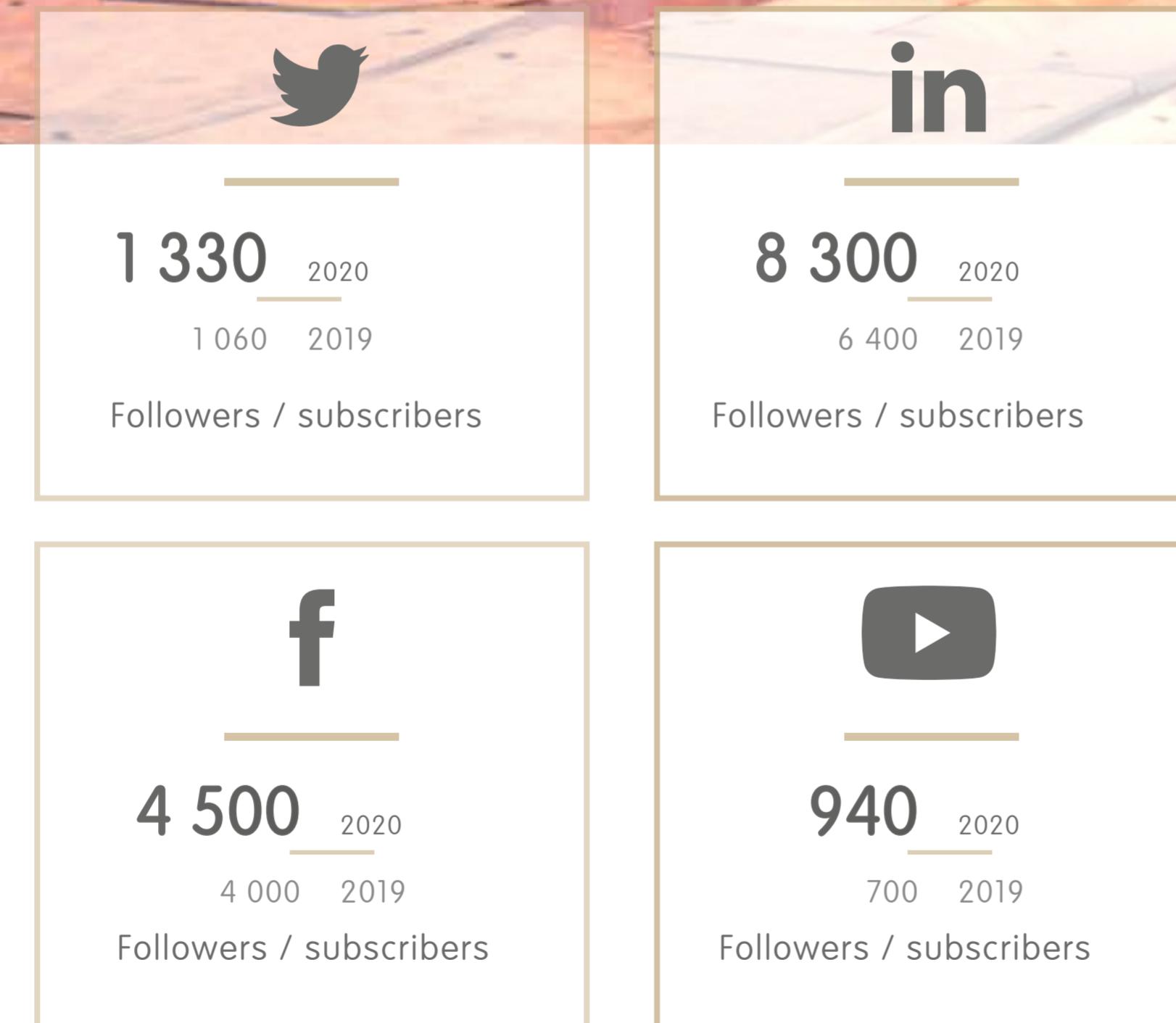
> ArcelorMittal Poland in social media / Membership or support for associations and organisations



Reliable and precise information is a foundation of effective communication with stakeholders, therefore we keep focus on our social media channels.

We use Twitter to publish industry-related content, Facebook to communicate with a number of stakeholder groups and LinkedIn to reach potential candidates to work with us.

You can also find us on YouTube where we post videos on our current activity.



Membership or support for associations and organisations:

- Regional Economic Chamber in Katowice
- Polish Economic Society
- Polish Steel Association
- Indo Polish Chamber of Commerce & Industry
- Academic and Economic Association for Metallurgy
- Steel Industry Employers' Association
- British-Polish Chamber of Commerce
- Polish Association of Metallurgical
- Engineers and Technicians (SITPH)

The Board
of Directors

as on 31.05.2021



Sanjay Samaddar

chairman of the Board of Directors
Chief Executive Officer of ArcelorMittal Poland

Sanjay joined the group in December 2003 as director, sales & marketing of Mittal Steel Galati, Romania. In 2005, he was appointed director, sales & marketing and member of the board of Mittal Steel, Poland.

After the merger of Mittal Steel and Arcelor in 2006, he was promoted to vice president and chief marketing officer, Eastern Europe. Sanjay moved to the Czech Republic in 2008, as CEO and chairman of the board of ArcelorMittal Ostrava. In 2009, Sanjay became CEO and chairman of the board of ArcelorMittal Poland, and CEO of Flat Carbon Europe business division East.

In 2011, through to 2019, his responsibilities in business division East were extended to Ostrava in Czech Republic and Galati in Romania. At the same time Sanjay took on additional responsibility as country head of Poland, in charge of government affairs.

In 2019, Sanjay was appointed head of human resources and IS/IT, with additional responsibilities as head of the European shared service centre and country head of Poland. He maintains these positions at the same time with his role as CEO and chairman of the Board of ArcelorMittal Poland (appointed in October 2020).

1.5 Managerial approach

> The Board of Directors

The Board of Directors

as on 31.05.2021



Czesław Sikorski

COO Logistics, Coke-making
deputy chairman of the Board of Directors

Frederik Van De Velde

deputy CEO
member of the Board of Directors

Tomasz Ślęzak

Energy and Environment director
member of the Board of Directors

Adam Preiss

Chief Financial Officer
member of the Board of Directors

Tomasz Plaskura

Chief Marketing Officer Flat Products
Eastern Europe
member of the Board of Directors

The Supervisory Board:

as on 31.05.2021

Augustine Kochuparampil
chairman of the Supervisory Board

Jerzy Goinski
trade unions representative

Władysław Kielian
trade unions representative

Ramesh Kothari

Andrzej Wypych

At ArcelorMittal Poland,
we have a functioning
and constantly
improved Integrated
Management System,
periodically confirmed
by external audits
in various areas
of activity.

It includes:

- Quality Management System in accordance with ISO 9001:2015
- Quality Management System for automotive in accordance with IATF 16949:2016 (in selected areas)
- Environmental Management System in accordance with ISO 14001:2015
- Occupational Health and Safety Management System in accordance with ISO 45001:2018
- Energy Management System in accordance with ISO 50001:2018
- Process Safety Management System (in areas of high-risk plants) in accordance with the Environmental Protection Law
- Environment protection laboratories and quality testing laboratories accredited for the standard ISO/IEC 17025:2018-02

In August 2020, Integrated Management System audit was conducted by TÜV Rheinland Polska Sp. z o.o., a certification authority. During the visits in all our units, auditors assessed the effectiveness of the management system. The audit covered all production areas, support functions as well as procedures and standards in force.

Due to the pandemic, the audit was conducted in strict sanitary regime and part of the meetings were organised online.

The audit covered all the implemented standards, that is quality management system in accordance with ISO 9001:2015, environment management system in accordance with ISO 14001:2015 and quality management system for automotive in accordance with IATF 16949:2016.

An additional challenge comprised certification of the new standards: energy management system in accordance with ISO 50001:2018 and occupational health and safety management in accordance with ISO 45001:2018.

The new standard ISO 45001:2018 replaced the standards applied previously by our company, namely occupational health and safety management standard according to PN-N-18001 and BS OHSAS 18001.

The auditors of the certification authority noted that our company implemented a number of effective solutions to minimise the risk of the SARS-CoV-2 virus spread, such as extensive communication and implementation of procedures and instructions on preventive measures.

1.5 Managerial approach

> Compliance programme at ArcelorMittal Poland

High standards in management and fraud prevention are maintained thanks to a comprehensive Compliance Programme, managed by compliance officer - Magdalena Soboń-Stasiak, nominated solely for this purpose. The objective of the programme is to prevent fraud, corruption and practices contradicting the rules of business conduct.



The Programme consolidates the following documents:

- ArcelorMittal's Code of Business Conduct,
- Anti-Fraud Policy,
- ArcelorMittal's Anti-Corruption Guidelines,
- Receiving and Giving Gifts & Entertainment Procedure,
- ArcelorMittal's Anti-Trust Guidelines for Europe,
- ArcelorMittal's Insider Dealing Regulations,
- ArcelorMittal's Whistle-blower's Policy,
- ArcelorMittal's Dawn-Raid Guidelines,
- ArcelorMittal's Human Rights Policy,
- ArcelorMittal's Economic Sanctions Guidelines (and Economic Sanctions Overview),
- Personal Data Protection Procedure.



1.5 Managerial approach

> Compliance programme at ArcelorMittal Poland

100 per cent of ArcelorMittal Poland's business units have been analysed with respect to corruption risk.



In November 2020 - this time only virtually - we organised another edition of our cyclical event known as Fraud Awareness Week during which the Forensic Team runs an informational campaign all over ArcelorMittal. This event shows our employees how to detect fraud and makes them more aware of how frauds can affect the whole company.

Vigilance is fundamental

Our company has implemented relevant strategies to guarantee security of employees reporting potential fraud or misconduct in good faith – it is the Group's policy to protect such individuals.

Everyone has a possibility to report fraud using dedicated channels – hotline centre and e-mail address supported in Polish and English. In addition to that, employees can contact a compliance officer directly.

In addition to an opportunity to participate in such projects, every single employee of our company is obligated to take a training on the code of business conduct at least once every three years.

INTERNATIONAL Secure cooperation

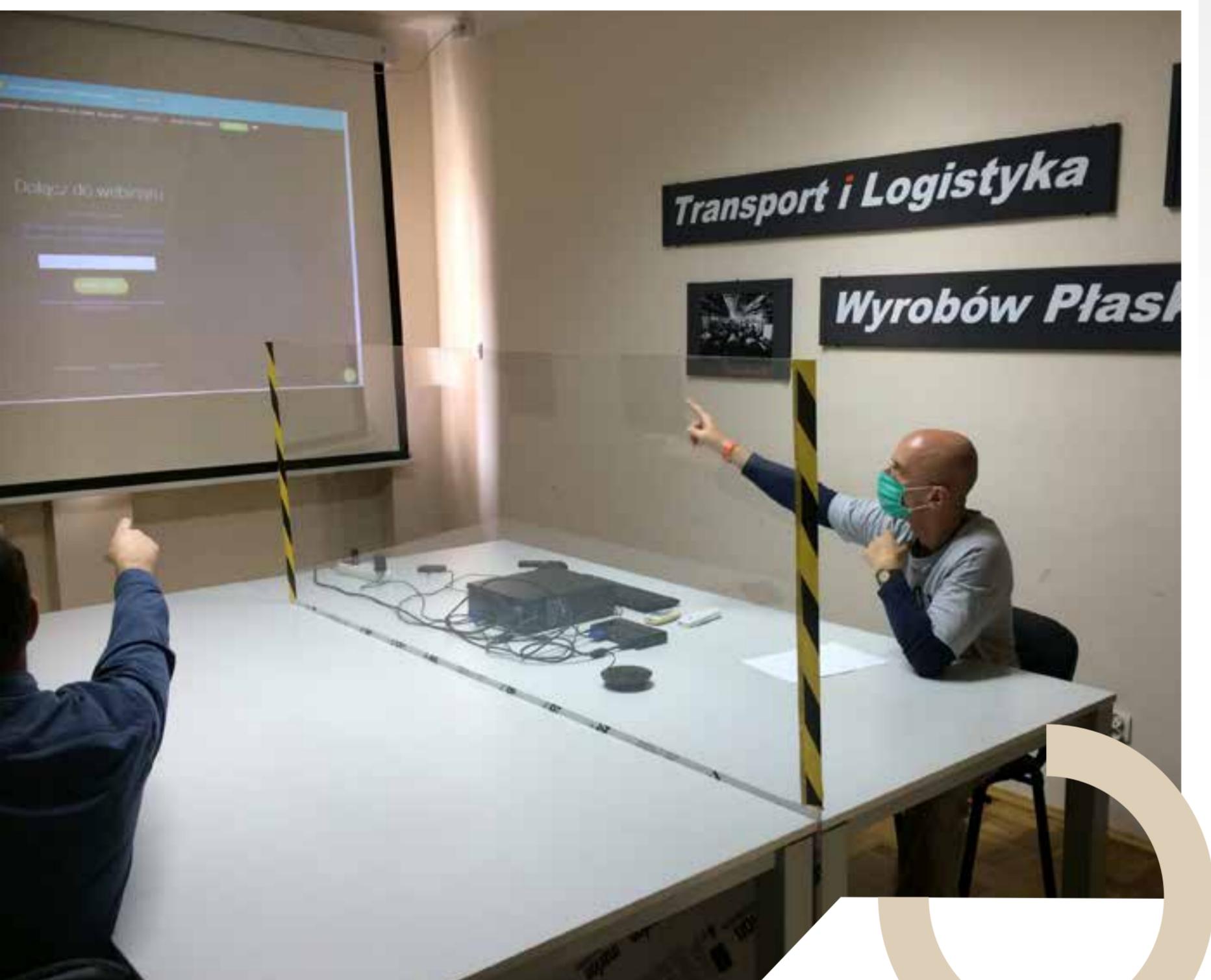
Our contracts with vendors contain mandatory clauses related to our ethical standards and anti-corruption guidelines.

Signing thereof is a prerequisite for a vendor to start cooperation with our company.

November 15-21, 2020

1.5 Managerial approach

> Compliance programme at ArcelorMittal Poland



2020 trainings in numbers:

56 one-to-one and group trainings on:
anti-corruption guidelines, receiving and
giving gifts and entertainment; code of
business conduct; anti-trust regulations;
insider dealing regulations.

The number and percentage of all ArcelorMittal Poland employees who learned the anti-corruption rules and procedures in the organization and were trained on combating corruption (mandatory training every three years)



403

2020

382 2019

142 2018

including managers
and senior managers



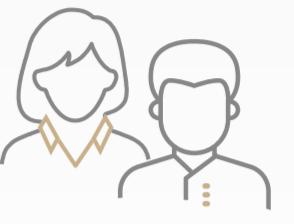
902

2020

994 2019

413 2018

Total number of employees
who learned
the procedures



441

2020

612 2019

271 2018

Including positions
below managers



4,57

2020

4,06 2019

1,44 2018

including % of managers
and senior managers



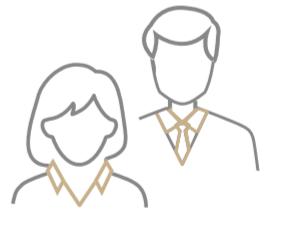
10,24

2020

10,55 2019

4,19 2018

% of employees who
learned the procedures



5,0

2020

6,49 2019

2,75 2018

including % of positions
below managers

1.6 Awards and recognitions

As one of industrial leaders and a company acting in favour of a number of communities we are regularly rewarded for projects related to product development and optimisation, work safety improvement and following the highest ethical standards in business.

Polityka weekly, together with Deloitte Polska and the Responsible Business Forum, awarded the **Silver Leaf CSR award** to us for meeting the highest ethical standards and for the best local and global practices.

We are always proud to emphasise that when we plan our actions, we pay special attention to all the stakeholder groups, and each reward is an additional inspiration for us to work hard, especially when we are lined up in the most prestigious CSR ranking in Poland.

ArcelorMittal received the **Innovation Alliance Award 2020** as one of the major suppliers for Samsung – one of the leaders in white-goods manufacture. ArcelorMittal is the largest supplier of steel products to Samsung Electronics Poland Manufacturing, and both companies are always passionate to look for new and better solutions together. It is the reason why this special recognition was awarded to us.

Jerzy Łukaszyński and Andrzej Senk, our social labour inspectors in Zdzieszowice and Kraków were recognised in the **Most Active Social Labour Inspector competition** organised by the National Labour Inspectorate.

The objective of the competition is to promote the activity of social labour inspectors who are effective contributors to improved safety in the plants and who protect employee rights.

Work safety is the number-one priority for us. Therefore we are happy that the activity of our labour inspectors has been recognised by the authority essential to Health and Safety at national level.



We were recognised by the **Responsible Business Forum** in the 19th edition of the Responsible Business in Poland. Good Practices report for our Take Care project, among others, it being a programme of trainings to raise safety awareness at work and prevent work risks. In the 2020 report, 11 our good practices were listed.

The **Tomorrow Without Smog** project of ArcelorMittal Poland, encouraging residents of Kraków to replace their old and environmentally unfriendly stoves not only contributed to cleaner air in Kraków but was also recognised by the global public relations community.

The company who helped us manage the campaign related to this project, MSL, was a winner of the SABRE Award in the Chemistry and Industry category, in a prestigious PR competition for Europe, the Middle East and Africa, EMEA.



Safe workplace

2.

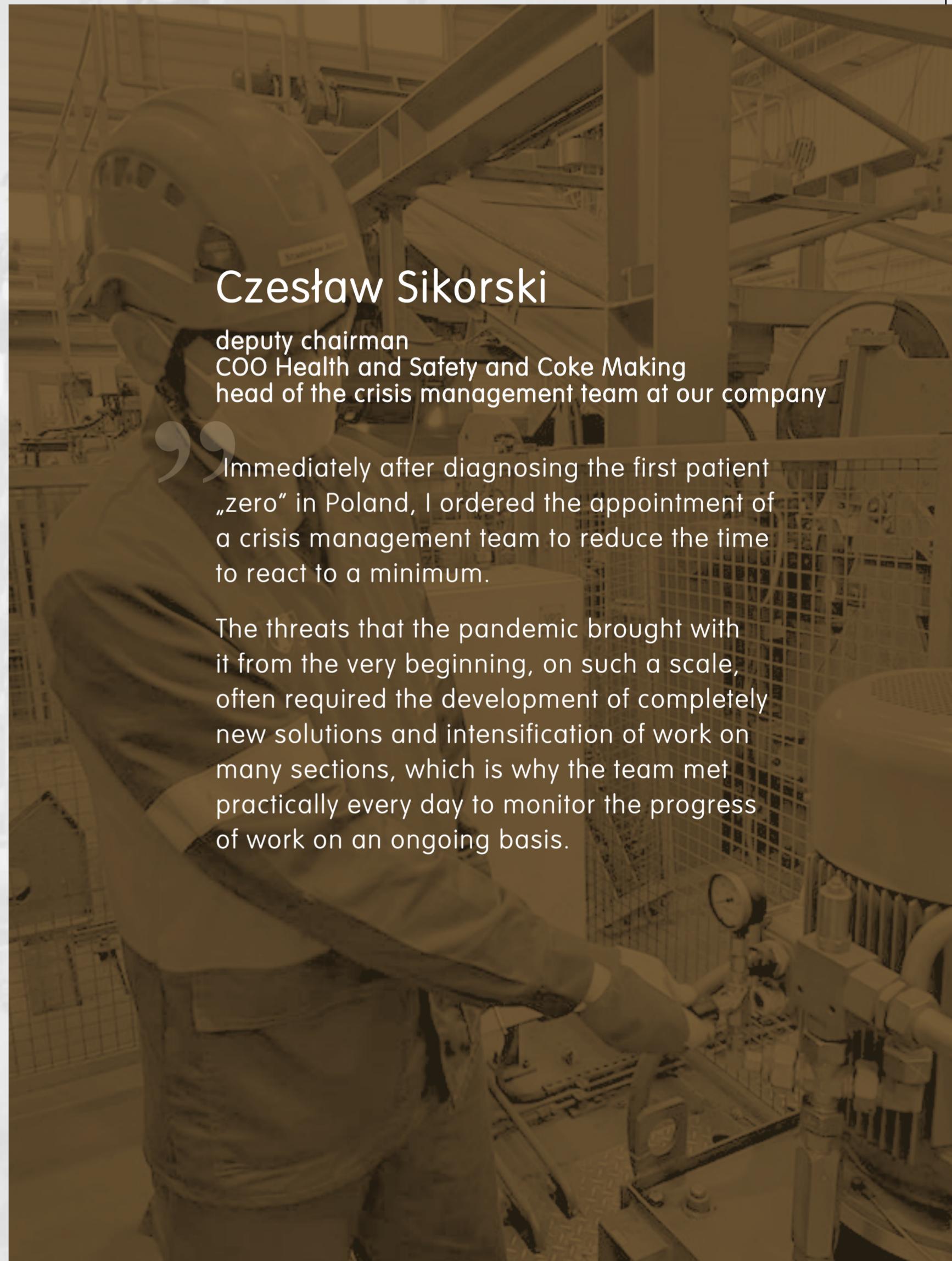
- 2.1 Impact of the pandemic on the company's functioning
- 2.2 Hiring and people development
- 2.3 Local communities

2.1 Impact of the pandemic on the company's functioning



In 2020 safety, always the top priority, became even more significant than ever, with its role evolving with the global pandemic. On 4 March 2020 Poland's patient zero was diagnosed with COVID-19, yet in our company we started an information campaign as early as in February, with regular communication on the risks of the pandemic. We communicated the latest information and recommendations in scope of hygiene, reminding everybody to wash their hands frequently and carefully and to stay cautious in public spaces.

The health of our employees is number one priority for us, therefore at the onset of the pandemic we set up a dedicated crisis management team with an objective to ensure safe working conditions for our colleagues and organise and coordinate necessary preventive measures in multiple areas of the company at the same time. The crisis management team is composed of the most capable inhouse experts on health and safety, occupational medicine, law, HR, facility management, communications, IT, logistics and security.



Czesław Sikorski

deputy chairman
COO Health and Safety and Coke Making
head of the crisis management team at our company

‘‘Immediately after diagnosing the first patient „zero“ in Poland, I ordered the appointment of a crisis management team to reduce the time to react to a minimum.

The threats that the pandemic brought with it from the very beginning, on such a scale, often required the development of completely new solutions and intensification of work on many sections, which is why the team met practically every day to monitor the progress of work on an ongoing basis.

2.1 Impact of the pandemic on the company's functioning

Due to the headcount level and different type of jobs performed by various departments and offices, taking preventive measures required preparation of accurate procedures, which allowed us to plan safe work. Particular effort was made to prepare and immediately implement the procedures for the shopfloor, where thousands of people are busy everyday with plenty of diversified tasks. In our preparatory work we followed the guidelines of the Ministry of Health, Chief Sanitary Inspectorate (GIS), Centre for Disease Control and Prevention (CDC), World Health Organisation (WHO), and additionally, in an attempt to anticipate the future, we implemented internal quarantine as one of the first companies.

As the pandemic evolved, the guidelines changed and we had to be flexible enough to respond immediately and anticipate the future. Wherever possible, our employees switched to remote working to minimize the risk of virus spread. The technologies that we used let us quickly and efficiently switch to this form of work – internet communication platforms, cameras and online calls became everyday reality for a lot of us.

Also our internal trainings switched to online. Our ArcelorMittal University Campus responded to difficult circumstances and provided employees with materials and tools making it possible to participate in online classes to minimize direct contact when not necessary. Mandatory and additional trainings, including trainings on the pandemic prevention, were available to all interested employees. In 2020, as never before, the term "webinar" became the buzzword of the training sphere.

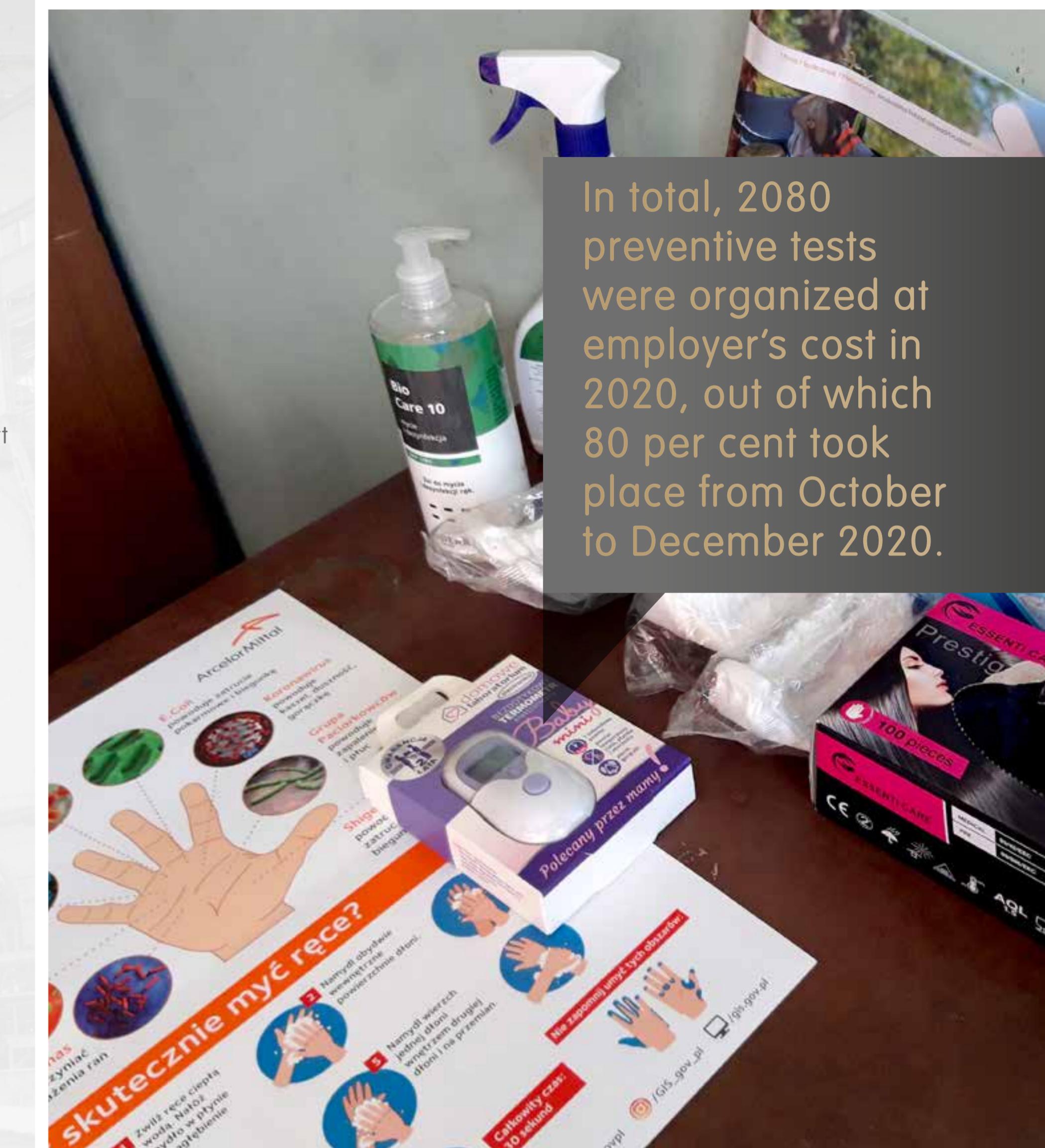
Even though the situation in the Polish pharmaceutical market was difficult due to the pandemic, together with the Healthcare Foundation in Dąbrowa Górnica we continued our flu vaccination programme for our employees and their families. Due to the extraordinary circumstances, people willing to participate in the programme joined it according to schedule and taking into account progress in vaccine deliveries.

Additionally, striving to counteract the COVID-19 spread, since March 2020 we have guaranteed RT-PCR testing for RNA of the SARS-CoV-2 virus to the people coming back to work after isolation or quarantine. In total, 2080 preventive

tests were organized at employer's cost in 2020, out of which 80 per cent took place from October to December 2020.

2020 was a time of multiple changes and tensions, where a majority of us had more questions about the future than answers to them. There were some moments of distress and fear, and in a long-term perspective it might have influenced our psychical comfort, therefore with the DROGA Foundation in Dąbrowa Górnica we offered our employees and their families the support of experts giving advice in difficult moments.

All interested parties may contact the foundation by phone, e-mail, message in social media or a website form to get consultation. We are aware that such significant changes over such a short period can make psychological or psychiatric support of great value.



In total, 2080 preventive tests were organized at employer's cost in 2020, out of which 80 per cent took place from October to December 2020.

2.1 Impact of the pandemic on the company's functioning

> Cooperation with healthcare foundations

Thanks to long lasting cooperation with the Healthcare Foundation (FOZ) in Dąbrowa Górnica, we offer to our employees, subsidiaries employees and those working for companies cooperating with ArcelorMittal Poland the support in getting funds for medical treatment.

We also provide support in booking appointments with doctors and rehabilitation sessions. The Foundation also reimburses the cost of selected medical checks, medicine purchase as well as rehabilitation equipment and services.

According to the directive effective in our company, whenever an employee is in need of treatment, costs reimbursement or rehabilitation, department support coordinators contact the Foundation to organize support. The Foundation receives similar requests from supervisors of employees or directly from the people in need.

Thanks to the contact with the Healthcare Foundation in Dąbrowa Górnica we cooperated mainly with local hospitals in Silesia and Dąbrowa region.

The outbreak of the pandemic triggered also broader cooperation with the health services in Małopolska and Opole regions.

We delivered medical overalls, facemasks, gloves, disinfectants, medical aprons or face shields to medical services in:



Zdziezowice
Świętochłowice
Chorzów
Sosnowiec
Kraków
Dąbrowa Górnica - headquarters

Our company provided support in the form of personal protective equipment to 10 medical service providers in three provinces.

The Healthcare Foundation organized online workshops on Sedentary Lifestyle and Return to Physical Activity. During the event in June, we could listen to medical experts providing us with knowledge on the risks related to sedentary lifestyle.

Our employees could find out how to prevent possible injuries after returning to physical activity and how to adapt the intensity of physical exercise to body weight.

In addition to the Healthcare Foundation in Dąbrowa Górnica, we also cooperate with the Steelworkers' Healthcare and Social Welfare Foundation in Kraków. Both these foundations are involved daily in preventive healthcare for employees and their families.

For instance they organize screening medical tests and workshops for toddlers attending company kindergartens, promoting healthy lifestyles for entire families. The materials and test results distributed after the workshops inspire parents and help them participate actively in their children's development.

In 2021 the foundations are going to continue preventive healthcare activities for employees, families and residents of their respective cities by organising workshops, trainings and tests, including also COVID-19 related topics.

To protect the health of all the foundation stakeholders, including employees of our company, the foundations implemented remote processing of applications, which reduced the paper flow.

2.1 Impact of the pandemic on the company's functioning

> Take Care programme

We have been a creator of appropriate safety attitudes in our organisation for years. As the leader in our industry, with operations based on the products manufactured in industrial setting, we must set the standards in the area of occupational health and safety. Therefore, we dedicate a lot of effort to foster our flagship safety programme "Take Care".

The project aims at cultivating a correct and common-sense approach to daily routines while staying vigilant. During

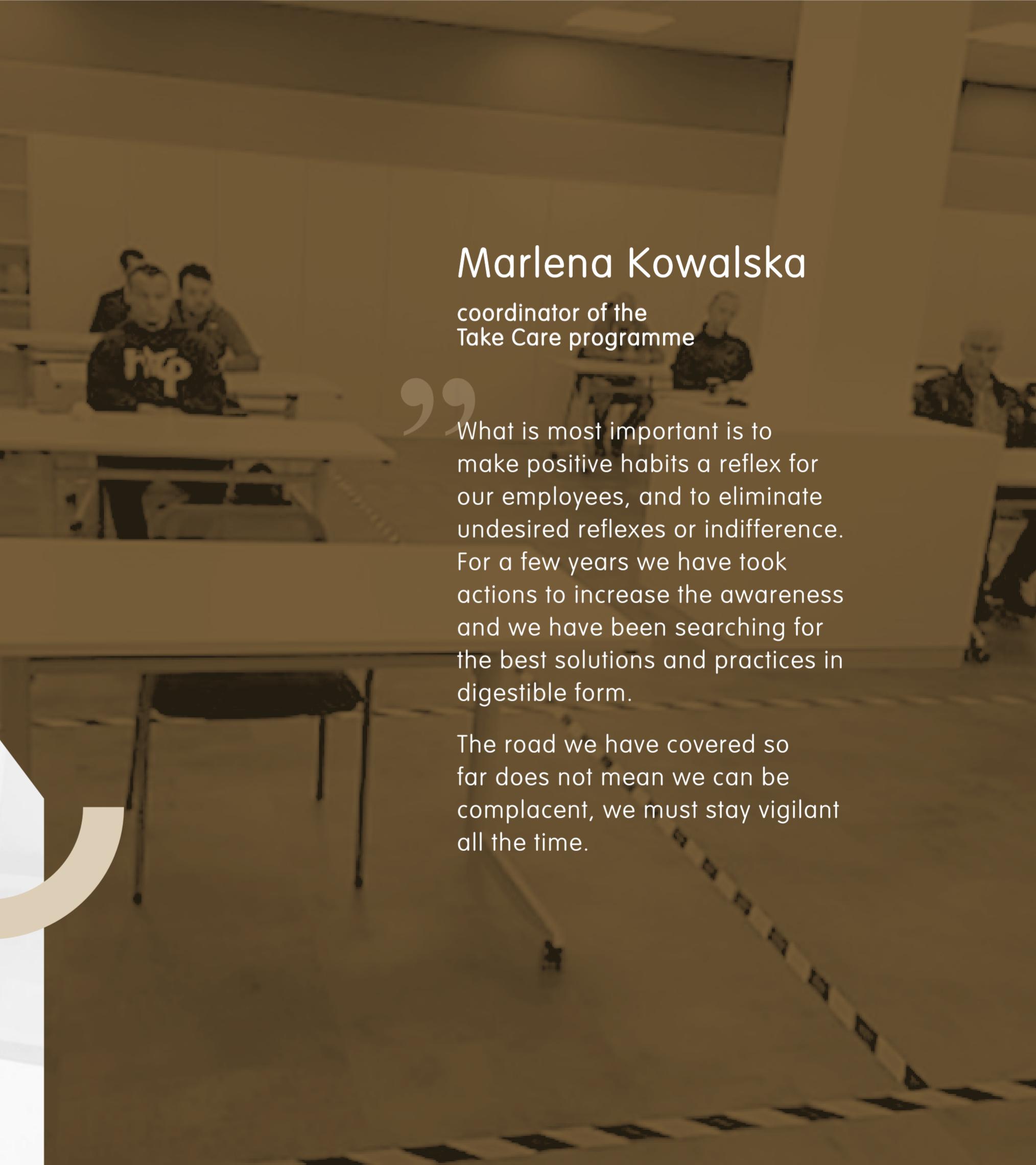
the first phase of the project, 10,000 employees of ArcelorMittal Poland and its subsidiaries were trained, with focus on responding to accidents and their prevention, and in 2019 we started the second phase of the programme involving a hands-on skills training.

The programme is focused on four prevention standards related to safe work performance in the areas of: isolation, vehicles and driving, cranes and lifting, and working at heights.

688
people were trained under
the Take care programme

Due to the COVID-19 pandemic, in 2020, training was conducted in compliance with sanitary rigors.

Throughout 4 training days, one day is devoted to shopfloor training to show potential dangers in real working conditions. In spite of the COVID-19 pandemic, in 2020 we managed to train 688 people under the Take Care programme. The trainings were organised according to the strict sanitary rules.



Marlena Kowalska
coordinator of the
Take Care programme

What is most important is to make positive habits a reflex for our employees, and to eliminate undesired reflexes or indifference. For a few years we have took actions to increase the awareness and we have been searching for the best solutions and practices in digestible form.

The road we have covered so far does not mean we can be complacent, we must stay vigilant all the time.

2.1 Impact of the pandemic on the company's functioning

> Health Week and Safety Day

Every year we organize Health Week at ArcelorMittal Poland to promote active lifestyles. This is an opportunity to invite all employees to participate in workshops, contests, sport activities, where they can gain knowledge on human growth, condition and anatomy.

The outbreak of the pandemic in 2020 had an impact on the formula of the event – keeping in mind safety of our colleagues we organized Health Week remotely, and our employees could access the materials with advice, quizzes or even an online addiction-

meter showing a risk of addiction based on the input of data on frequency, causes and circumstances of consuming addictive substances.

In parallel to the Health Week, we reminded our employees of the possibility to join our flu vaccination programme for them and their families.

Our company also celebrates the Health and Safety Day, and its last year's motto was "We choose the safest way". This annual event promotes shared vigilance in the workplace, and while celebrating we focus on practical topics related to safety.

Along with last year's event we also prepared 10 Golden Rules for Health to be followed if you want to be healthy.

- I treat my health and life as priority.
- I make sure I sleep and rest properly for the safety of myself and my colleagues.
- I follow H&S procedures and I use PPE to avoid occupational diseases.
- I keep work-life balance to prevent occupational burnout.
- I undergo recommended preventive medical checks to avoid hidden diseases.
- I maintain a balanced diet adapted to my daily rhythm.
- My daily routine includes recreational physical activity.
- I care about my personal hygiene to avoid infectious diseases.
- I avoid addictive substances to keep my body in good condition and prevent addiction.
- I contact specialists and use family support to stay strong and keep my mind at ease.

The event was in the time where the SARS-CoV-2 virus was spreading rapidly all over the world, therefore in 2020 the celebrations went online and had the form of email communication with video footage and message from the chairman and CEO of ArcelorMittal emphasizing how important the event is.

We also conducted a campaign with traditional informational materials on COVID-19 such as posters, leaflets, information in the intranet, and webinars. Also audits of sanitary rules compliance were performed.



2.1 Impact of the pandemic on the company's functioning

> Our target - zero accidents at work

As the leading employer in the steel industry in Poland we want to be an example of safety, therefore we follow the highest standards when it comes to health and safety and we continue our efforts in a journey to excellence in this area.

The ultimate goal of our company is to have zero accidents at work, therefore we tirelessly search for the best solutions, adapting trainings, practice, standards and procedures. We turn all experiences into learning points, based on which we implement new and better solutions. We hire top specialists in this area and use the support of experienced partners. Safety is our top priority.



ArcelorMittal Poland has in its organisation structure a central health and safety department taking care about employees' safety.

The department is composed of teams responsible for work safety, fire protection and asset risk management, as well as a support unit responsible for preparation of safety regulations for large investment projects, rail safety, root cause analyses of accidents, occupational medicine and preparation and implementation of employee awareness building programmes in scope of safe behaviours at work, to mention only part of their tasks.

Our activities are based on specific guidelines: we operate in line with ArcelorMittal's Health and Safety Policy, ArcelorMittal's Health Standards and Fatality Prevention Standards.

In our biggest units (Dąbrowa Górnica, Kraków, Zdzieszowice) we have at our disposal well prepared ambulance service, available 24/7.

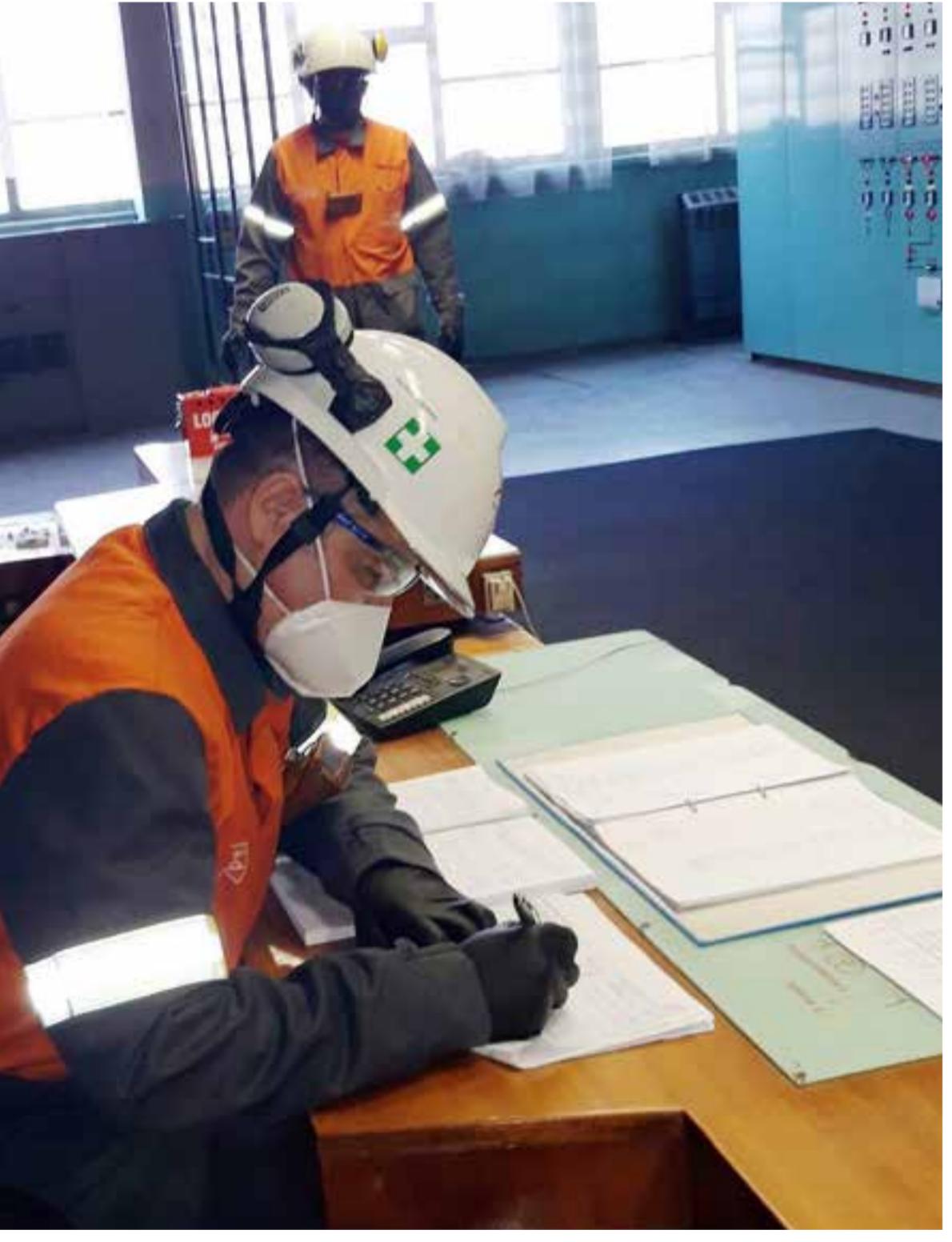
Moreover, since the onset of the COVID-19 pandemic, all entities and people staying within the premises of ArcelorMittal Poland are obliged to comply with the virus spread preventive measures.

This is why contractors, lessees, interim employees and subsidiaries were requested by us to apply the same rules as we follow in our company.



2.1 Impact of the pandemic on the company's functioning

> Our target - zero accidents at work



Actions to prevent the spread of the virus are obligatory for all entities and persons on the premises of ArcelorMittal Poland.

- Procedure concerning preventive measures against SARS-CoV-2 virus spread, comprising:
 - General informational actions such as: newsletters, posters, leaflets, daily e-mail messages, reports, instructional videos;
 - Procedure for people coming back from abroad;
 - Internal quarantine;
 - RT-PCR tests for people coming back to work from isolation or quarantine;
 - Body temperature measurement;
 - Designation of isolation rooms;
 - Medical transport of people with symptoms from their workplace;
 - Rules of personal traffic within the company premises.
- COVID-related HIRA document;
- Mandatory face masks within the company premises;
- COVID-19 trainings and webinars;
- H&S audits of strict sanitary rules observance;
- Set-up of the crisis management team working on the definition and organization of necessary measures related to the pandemic;
- Designation of pandemic coordinators in plants;
- Rules of physical meetings and supervision over disinfection of conference rooms;
- Rules of H&S audits in the sanitary regime;
- Providing employees with permanent access to disinfectants, disposable masks and gloves;
- Disinfection of handrails, handles, lift buttons, control desks, shower rooms and changing rooms;
- Designating safe distances between workplaces;
- Remote work where possible;
- Disinfection of internal traffic vehicles and reducing the number of passengers per vehicle;
- Ensuring psychological support in form of remote consultations and webinars – cooperation with the Droga Foundation;
- Setting up zdrowie@arcelormittal.com mailbox for employees where they can send questions or report issues;
- Recommendation to organize remote meetings – cancellation of non-mandatory trainings and internships for school and university students;
- Adaptation of plant canteens to the requirements of the new sanitary regime;
- Preparation of plans to keep the production level with minimum staffing.

2.1 Impact of the pandemic on the company's functioning

> Our target - zero accidents at work

We manage work safety in line with the highest standards, acting in line with ISO 45001:2018.

We have our internal procedures and standards to manage safety at work, such as e.g.:

- hazard identification and risk assessment (HIRA) procedure HIRA (PS/S2/B.003),
- responding to anomalies, risks and near misses (PS/S2/B.015),
- responding to accidents at ArcelorMittal Poland (PO/S2/B.002),
- organisation of premedical aid at ArcelorMittal Poland (PO/S2/B.003),
- fatality prevention standards,
- asset risk management procedure (PO/S2/B.009).

We also have precise regulations on the safety of contractor employees with whom we cooperate. The agreement on work health and safety, implemented by directive 3/2018 and procedure PO/S2/Z.001, defines guidelines that make safe cooperation possible.

> Standards and procedures – system approach

The procedure on hazard identification and occupational risk assessment (PS/S2/B.003) comprises mandatory requirements resulting from the provisions of Polish law as well as items specified in the international ArcelorMittal Standard (AM 014 HIRA).

The document specifies potential dangers of specific positions and prescribes the procedures to be followed in case of a breakdown or an accident. Risk assessments are reviewed on an annual basis.

Of course, we fully respect employees' right to refuse work performance if they have reservations concerning danger to their life or health.

Accidents and their causes as well as near misses are analysed in detail according to the standard FPS 011. Thorough examination lets us come to detailed conclusions and define areas of improvement.



2.1 Impact of the pandemic on the company's functioning

> Main Health and Safety Committee

> Health and Safety trainings and initiatives raising employee awareness

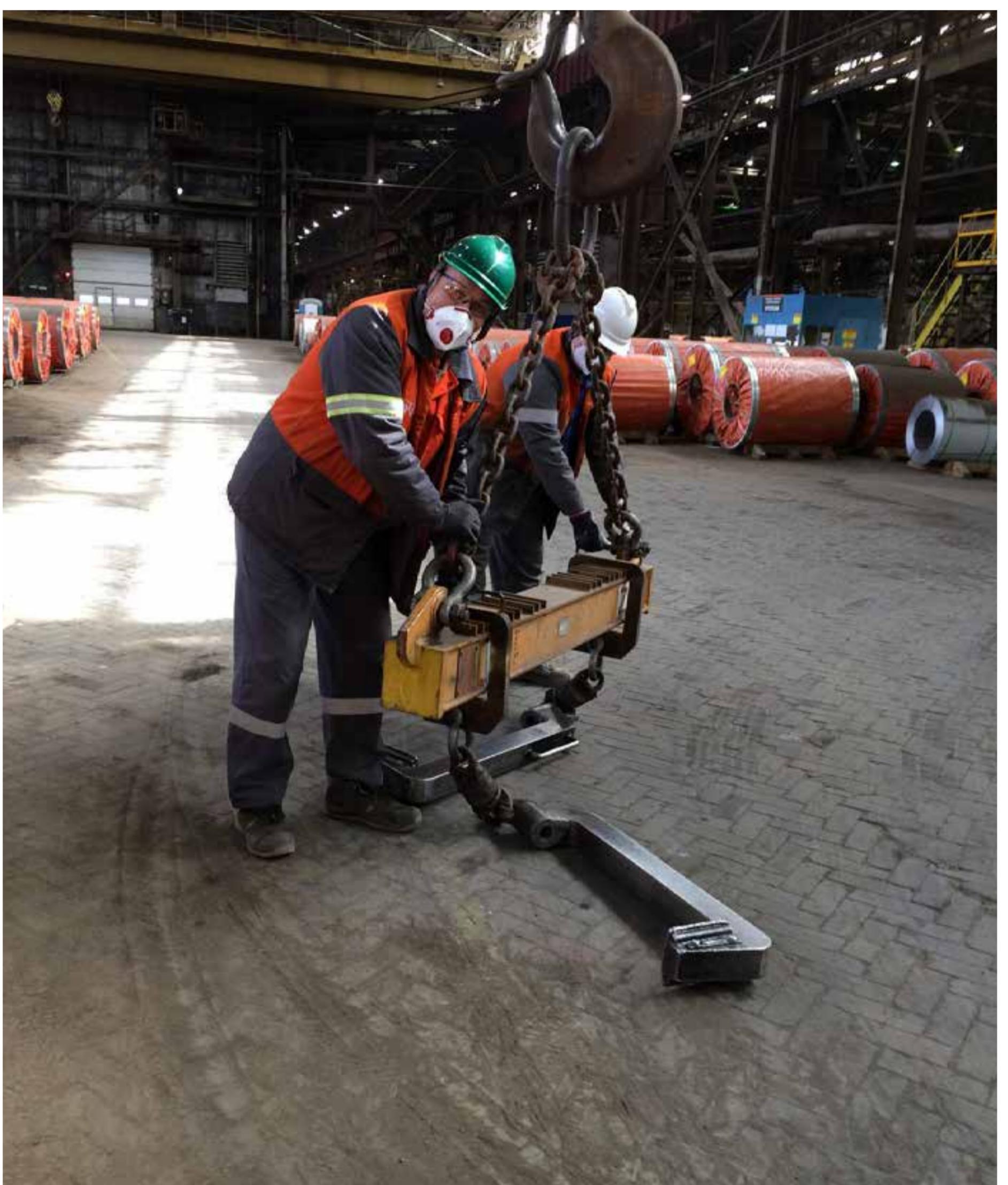
Main Health and Safety Committee

Our company has its Main Health and Safety Committee performing advisory, opinion-making and consulting functions on the topic of occupational health and safety. It operates under the leadership of senior management and Trade Union leaders.

During its meetings, which are organised at least once per quarter, the points of key importance for the company are raised, such as e.g. employee health protection, work conditions improvement or accident prevention.

On the other hand, local committees focus on local problems. The Main Health and Safety Committee is moderated alternately by an employer representative and a social labour inspector.

Employees may report points for consideration via H&S department, Social Labour Inspectors or superiors.



Health and Safety trainings and initiatives raising employee awareness

In 2020 we conducted 237 periodic H&S trainings for 5240 people. Additionally, we organized a number of trainings and campaigns raising awareness of the pandemic and risks related to the rapid spread of the SARS-CoV-2 virus. Whenever possible, we encouraged our people to participate in remote learning paths on safety.

Our employees also took part in other trainings on safety in specific contexts: work at heights, work in confined spaces, operation of electrical engineering facilities.

Our employees were also taught how to use fall protection equipment, fire protection regulations for building construction or transport of hazardous goods, to mention a few of them.

Reinforcing responsible attitudes and raising the awareness of our employees has as its ultimate objective fatality prevention, keeping in mind two fatalities in 2020, and prevention of lost time injuries, with 17 LTI in 2020 (including two serious accidents).

We go to great lengths to reduce the number of dangerous incidents. Last year, the accident frequency rate at our company was 1.20¹.

¹ International indicator Lost Time Injury
Rate = number of fatal accidents + number of accidents resulting in hours of incapacity to perform work x 1 000 000 / total number of hours worked by all employees.

2.2 Hiring and people development

> Hiring and people development

The decrease in demand for steel and the large volume of imports of steel products from outside the European Union caused that in November 2019 our company was forced to shut down the operation of the blast furnace and steel shop in Kraków. Since then, most of the employees affected by the stoppage of these installations have found employment in our other plants or - after the COVID-19 pandemic - stayed in the so-called temporary unemployment.

Due to the pandemic, virtually all steel-using industries limited their activities, and macroeconomic data indicated that the likelihood of a quick rebound in steel demand is very small. This crisis and several other structural issues, such as rising energy prices, the lack of effective measures to protect the European market and the rising prices of emission allowances, influenced the decision to permanently close the primary part in order to adapt to lower demand.

The downstream operations in which we have invested approx. PLN 500 million in the last five years is the future of Kraków. In the primary part of the Kraków branch, great professionals worked on a daily basis, and keeping them within the organization was a key issue for us.

Therefore, for a large percentage of people who were employed in the Kraków primary operations, we were able to immediately offer jobs in other operations in Kraków or in our units in Silesia.



Our belief in digitalization helped us in allocation process where we were very quickly able to find matches of profiles of people with the kind of opportunity which existed in other plants.

Allocation processes were facilitated thanks to the launch of the internal recruitment platform making it easier for our employees to apply for various positions (both blue-collar and white-collar ones) in all locations where we have operations.



We used our new innovative platform ORC (Oracle Recruiting Cloud) based on the so-called "cloud" technology. This tool, where each employee has their individual account, is for sure a big step forward in digitization of HR processes.

And, what is equally important, it makes it possible to minimize physical contact and paper document flow, enabling all stakeholders to play an active part at all recruitment stages. It was noticed and appreciated in the time of the pandemic. Moreover, meetings with candidates were organized mainly in remote form, using Internet communication platforms, which translated into safety of employees.

The whole process was accompanied by regular communication in internal media that we used to inform potential candidates about vacancies and job opportunities in plants.

2.2 Hiring and people development

> Agreement for Kraków

On 8 November 2020 we signed an agreement with the trade unions of Kraków on the impact of permanent shutdown of primary operations on employees of the unit.

The agreement was necessary to regulate the HR status of the people affected, directly or indirectly, by the repercussions of the shutdown.

Thanks to quick and constructive dialogue with trade unions it was possible to come to an agreement covering all employees of the primary operations in Kraków.

We guaranteed that employees taking up new positions in other plants or subsidiaries, regardless of the location, would maintain their base salary at the same level.

During the recruitment campaign, employees of the closed primary plants, in case of open recruitment processes in Kraków will have the right of priority.

Moreover, if change of job means commuting to another unit, we take care of transport and offer additional additional incentives to support these processes.



Details of agreed solutions:

- Some employees working for the primary operations provide services also in departments other than the blast furnace and steel shop. Many of them are expected to continue their current assignments.
- Some employees remain at the installations of the blast furnace and steel shop – many of them are going to take care of tasks which Krakow plant performs for Dąbrowa Gornicza.
- There is also a group of employees who will retire.

- Another group of employees are those who will soon acquire retirement rights, to whom we are going to offer a pre-retirement package agreed with our social partners. This solution will also be available to employees of other plants in Krakow (rolling mills, coke plant), who are due to retire in the next 12 months.
- For a large number of employees, additional workplaces have been identified at our other plants and at our subsidiaries in Kraków (e.g. ArcelorMittal Refractories).



Sanjay Samaddar

chairman and CEO
of ArcelorMittal Poland

As a large employer in Kraków area we have always been responsible for our employees. It is also the case right now.

From the very beginning our goal was to offer as many jobs as possible to the employees of the blast furnace and steel plant in Kraków.

We would like to thank our social partners for their openness and dialogue, thanks to which we have managed to reach a compromise within a reasonably short period.

2.2 Hiring and people development

> Scale of employment

The scope, location and scale of our operations translate into employment size. As the leader in steel production in Poland, we give jobs to over 10,000 people in six units.

It is important for us to be perceived as the employer that guarantees safe, attractive and ethical work conditions, therefore we absolutely follow the rules of ArcelorMittal Code of Business Conduct, believe in continuous improvement and define ambitious and concrete targets for each year, and support people development.

ArcelorMittal's Sustainable Development Outcomes

- Safe, healthy, quality working lives for our people
- Pipeline of talented scientists and engineers for tomorrow

As the largest steel producer in Poland, we employ over 10,000 people in six units and subsidiaries

Sanjay Samaddar

chairman and CEO of ArcelorMittal Poland

“ People are the key asset of ArcelorMittal Poland, therefore we take care to first of all keep our colleagues safe. This is why we organise regular trainings and pro-safety events, such as e.g. the Health Week.

In 2020 we also had to face the completely new challenge of the rapidly spreading virus, and as a consequence we implemented precise restrictions and additional preventive measures.

When it comes to safety we accept no compromise – our own health and the health of our families are ultimate top priority.

2.2 Hiring and people development

> Scale of employment

> Mutual respect and promotion of diversity

Total number of people employed under an employment contract with ArcelorMittal and subsidiaries: 10,321, including 1136 women and 9185 men.

Only three employees worked part time and 75 people worked under a civil law contract.

Mutual respect and promotion of diversity

Since 2013 we have been a signatory of the Diversity Charter, which is our commitment to treat all employees in a fair manner and counteract any signs of discrimination in the workplace. It is important for us to make our organisation a place of equal opportunity and development conditions for all employees.

Women make up 11 per cent of ArcelorMittal Poland staff.

* Including 31 students working under employment contracts as practical vocational training.

Total number of people employed under an employment contract with ArcelorMittal Poland only: 8812, including 931 women (928 full-time contracts) and 7881 men.

Number of people employed under an employment contract with ArcelorMittal Poland and subsidiaries, region-wise, as on 31 December 2020.

Silesian province	Opole province	Małopolska province	Total *
5 453 All employees of ArcelorMittal Poland and subsidiaries	1 563 All employees of ArcelorMittal Poland and subsidiaries	3 305 All employees of ArcelorMittal Poland and subsidiaries	10 321 All employees of ArcelorMittal Poland and subsidiaries
596 Women	175 Women	365 Women	1 136 Women
4 857 Men	1 388 Men	2 940 Men	9 185 Men

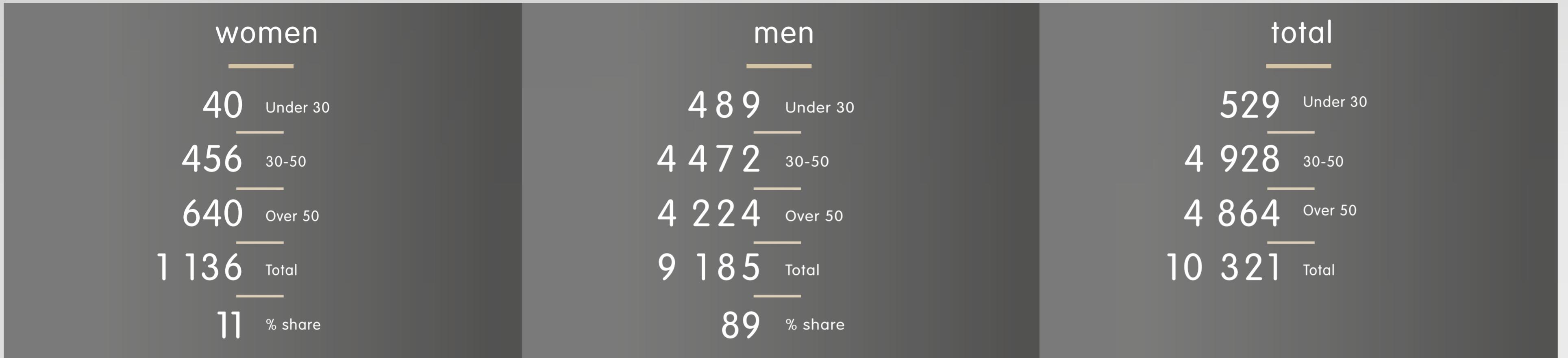
Number of people employed under employment contracts with ArcelorMittal Poland and subsidiaries, gender-wise and type of employment agreement, as on 31 December 2020.

women	men	total
1 079 People working under unlimited employment contract	8 548 People working under unlimited employment contract	9 627 People working under unlimited employment contract
56 People working under limited employment contract	632 People working under limited employment contract	688 People working under limited employment contract
1 People working for a trial period	5 People working for a trial period	6 People working for a trial period
1 136 Total	9 185 Total	10 321 Total

2.2 Hiring and people development

> Mutual respect and promotion of diversity

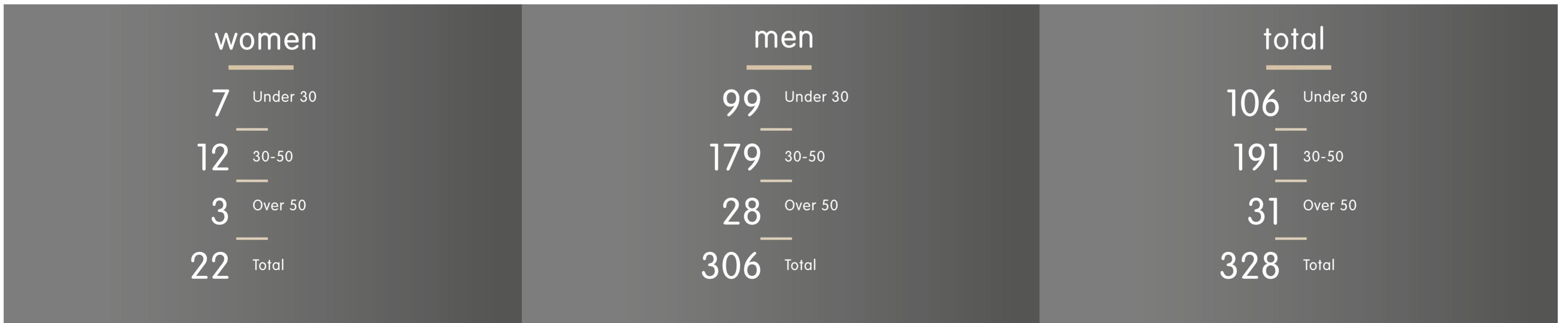
Number of people employed under employment contracts with ArcelorMittal Poland and subsidiaries gender-wise and age-wise, as on 31 December 2020.



Number of employees who left the company in 2020

— 958 including 704 people over 50
— 148 women
— 810 men

Number of new hires under contracts of employment with ArcelorMittal Poland in 2020 gender-wise and age-wise.



Employees working for the company for a time shorter than one year: 4.7 per cent

2.2 Hiring and people development

> Mutual respect and promotion of diversity



Number of employees of ArcelorMittal Poland and subsidiaries under employment contracts in the breakup into contract categories, gender-wise and age-wise, as on 31 December 2020.

Board of Directors members and directors

women	men	total
0 Under 30	0 Under 30	0 Under 30
3 30-50	28 30-50	31 30-50
1 Over 50	29 Over 50	30 Over 50
4 Total	57 Total	61 Total
6,6 % share	93,4 % share	

Higher and lower level managers *

women	men	total
3 Under 30	18 Under 30	21 Under 30
61 30-50	630 30-50	691 30-50
37 Over 50	422 Over 50	459 Over 50
101 Total	1 070 Total	1 171 Total
8,6 % share	91,4 % share	

Other administration employees

women	men	total
25 Under 30	63 Under 30	88 Under 30
232 30-50	504 30-50	736 30-50
278 Over 50	434 Over 50	712 Over 50
535 Total	1 001 Total	1 536 Total
34,8 % share	65,2 % share	

Line employees

women	men	total
12 Under 30	408 Under 30	420 Under 30
164 30-50	3 316 30-50	3 480 30-50
322 Over 50	3 331 Over 50	3 653 Over 50
498 Total	7 055 Total	7 553 Total
6,6 % share	93,4 % share	

We contribute to the implementation of the UN Sustainable Development Goals 2015-2030:



- 4. Quality Education
- 8. Decent Work and Economic Growth

* Positions included in the group: head, manager, leader and shift manager

2.2 Hiring and people development

> Trainings

Increasing people qualifications is an essential part of organisation management. We have been operating on the basis of knowledge of top quality experts as well as the solid work of qualified professionals for years,

and we do our best to offer good development conditions to them.

The outbreak of the pandemic in the first quarter of 2020 made it much more difficult to organize

physical training sessions or workshops, therefore, in an attempt to keep our colleagues safe, it was the year when we focused mainly on the priority areas, including obviously the trainings to raise the awareness of COVID-19 risks.

All the trainings during the pandemic were organized in line with the required strict sanitary rules.

Average number of training hours per employee of ArcelorMittal Poland in 2020 in the breakup into main employment categories.

Board of Directors members and directors

236,9 Total training hours

4,8 Average per employee

25,1 Training hours – women

6,3 Average for women

211,8 Training hours – men

4,7 Average for men

Higher and lower-level managers

7 746,2 Total training hours

7,4 Average per employee

723,6 Training hours – women

7,8 Average for women

7 022,6 Training hours – men

7,3 Average for men

Other administration employees

11 838,1 Total training hours

8,4 Average per employee

1 788,1 Training hours – women

4,0 Average for women

10 050,0 Training hours – men

10,5 Average for men

Line employees

78 475,3 Total training hours

12,5 Average per employee

2 890,5 Training hours – women

7,5 Average for women

75 584,8 Training hours – men

12,8 Average for men

98 296,5 Total number of training hours realised in 2020

5 427,3 Total training hours

92 869,2 Total training hours – women

75 584,8 Total training hours – men

The statistics contain all trainings, including trainings required by labour law.

In 2020 due to pandemic, one employee took on average 10.8 hours of training, whereas in 2019 it was 24 hours of training per employee on average.

2.2 Hiring and people development

> Trainings

In addition to mandatory trainings and as well as COVID-19 prevention trainings, in 2020 our priority were trainings on safety and production: operation of machinery and equipment, technological processes and IT systems for production support (including also e-learning).

In spring 2019 in Dąbrowa Górnica we opened ArcelorMittal University Campus, which is a modern training centre for all employees of ArcelorMittal Poland and subsidiaries in Poland. It is one of the eight centres of our organisation's internal university in the world.

The area of the centre is around 1,600 square metres, with 10 professionally equipped training rooms, leisure area and offices of campus employees.



In 2020, due to the risk of the pandemic, all classes inside the campus were organised in line with strict sanitary rules. Moreover, the staff of ArcelorMittal University Campus in Poland conducted a lot of online trainings and provided support in organisation of computers for plants to make it possible for workers to participate in trainings.

The area of the centre is around 1,600 square metres

10 professionally equipped training rooms

2.2 Hiring and people development

> Learning Week

Each June our company organises the so-called Learning Week, when we promote learning and people development, with a number of lectures and workshops. Due to the outbreak of the COVID-19 pandemic, in 2020 the event was organised remotely and its main theme was "Global connections and local reflections".

The challenges we all had to face for many months made resulted in a significant part of our work going remote – whenever possible we replaced meetings with conference calls and online sessions. It was also the case for Learning Week 2020, when our ArcelorMittal University Campus

organised a workshop dedicated to online activity. In the second week of June, our employees could participate in the sessions on the use of MS Teams (a tool for online meetings) and webinars on savoir-vivre online with information about good practices for conference calls. In total, 133 people took part in 5 online meetings.

In addition to the classes organised by the Polish Campus, in June all the employees could participate in workshops and lectures organised by other countries where ArcelorMittal has its operations.

They were divided into five main themes: Boost your technical knowledge.

- Take care of yourself and stay well. Enhance your creativity.
- Inspire your learning and Strengthen teamwork. In total, there were several hundred learning paths available via "globally connected" screens of our computers.

Sanjay Samaddar

chairman and CEO
of ArcelorMittal Poland

We know how important it is for people development to stay active in the learning process, therefore we implement a number of internal initiatives to make it possible for our colleagues to participate in a lot of interdisciplinary trainings, both theoretical and practical ones. The world changes rapidly and only proper development guarantees that we will understand the changes.

Magdalena Skiba-Pielok

head of Polish branch
of ArcelorMittal Campus

In fact the topic for the classes was a kind of natural choice: in the period of a few months online communication platforms became essential. In addition to an ability to use them, it is also important to know when we use them and what kind of distractors we can encounter – therefore we decide to organise such sessions.

2.2 Hiring and people development

> Cooperation with universities

Presence at labour fairs

We are the leader of the Polish steel industry mainly thanks to our people – capable and talented – whose work guarantees quality and makes it possible to deliver the most ambitious projects. One of ArcelorMittal's Sustainable Development Outcomes is to have the pipeline of talented scientists and engineers for tomorrow, and this ambition can be realised thanks to the cooperation with top universities.

Beginning of March 2020 we took part in the Engineering Labour and Entrepreneurship Fairs organised by the Silesian University of Technology in Gliwice and AGH University of Science and Technology in Kraków, where we showed students how they can develop in our company.

In Gliwice we welcomed our visitors with delicious coffee and discussed benefits of developing skills with large companies and we also talked about opportunities offered by our organisation.

Our stand was very popular among students but also graduates of the Silesian Technical University.

The AGH University of Science and Technology is our long-year partner, with its graduates making up a significant percentage of our experts.

Like in the previous years, our stand during labour fairs at the AGH University was one of the most often visited ones, and young scientists, engineers and students asked a lot of interesting question about our company and whole steel industry.



ArcelorMittal's Sustainable Development Outcomes

Pipeline of talented scientists and engineers for tomorrow

2.2 Hiring and people development

> Cooperation with universities

Scholarships for top students of the AGH University

In 2020 we organized third edition of the scholarship programme, where we support the most talented students of the AGH University in Kraków.



The scholarships were offered to master's degree engineering students who in the previous academic year had an average score of at least 4.0. The decision to award nine-month scholarships of PLN 900 (gross) per month was taken by representatives of our company and the AGH University.

based on such criteria as: active participation in student science clubs, scientific publications, organisational activity for the university or faculty and representing the university in contests, competitions and volunteer activities.



Stypendia dla studentów AGH
Aplikuj już dziś o 900 zł miesięcznie!

Breaking the Barriers

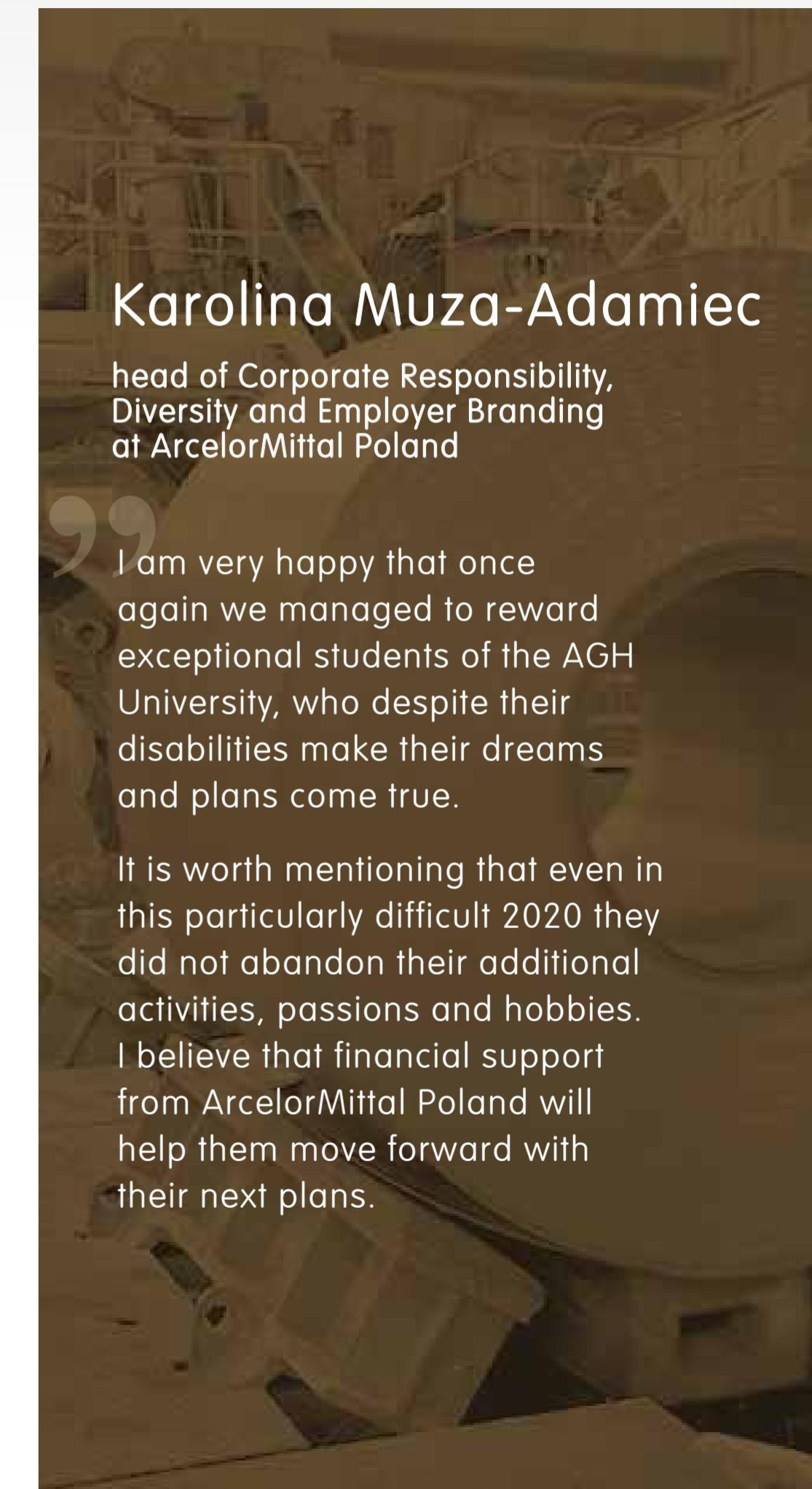
During the 9th edition of the Breaking the Barriers programme, we awarded two students who showed exceptional engagement level in university activities and beyond.

This award has two categories: for students, who despite their disabilities, are socially active, and for students who help their disabled peers at the university. We have been involved in this programme together with the Office for Students with Disabilities of the AGH University since 2012.

Cooperation with scientific clubs

In 2020, we launched a project to provide additional funding to scientific clubs functioning at the AGH University of Science and Technology. Together with the university we started to design the programme in order to define fair selection criteria.

The project will be dedicated to students who, with their scientific clubs, want to realise an original engineering project. It is important for us to recognise the activity of young talented people who often need support to realise their ambitious plans.



Karolina Muza-Adamiec

head of Corporate Responsibility, Diversity and Employer Branding at ArcelorMittal Poland

I am very happy that once again we managed to reward exceptional students of the AGH University, who despite their disabilities make their dreams and plans come true.

It is worth mentioning that even in this particularly difficult 2020 they did not abandon their additional activities, passions and hobbies. I believe that financial support from ArcelorMittal Poland will help them move forward with their next plans.

2.2 Hiring and people development

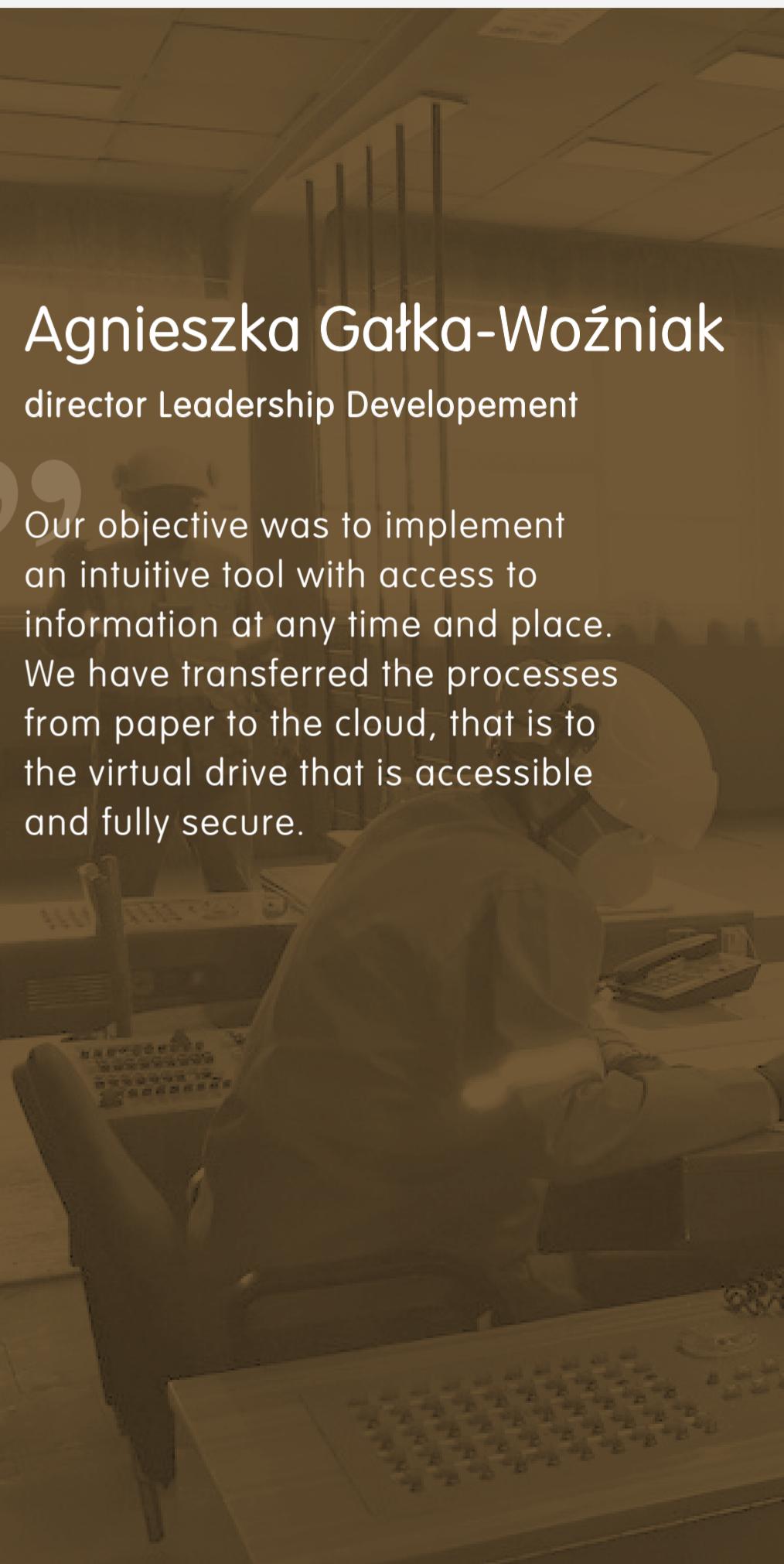
> New recruitment approach

At the beginning of 2020 we launched a new recruitment platform, which simplified recruitment processes in our company and gave them more transparency to all stakeholders. The Oracle Recruiting Cloud (ORC) platform uses the so-called "cloud" technology, thanks to which during the coronavirus pandemic we could reduce physical contact between recruitment actors and conduct these processes online.

Both candidates and recruiters use the same user-friendly system. Each of us can quickly find all job offers (also from other plants within ArcelorMittal Europe), send an application and check its status. Managers looking for new candidates to join their teams can easily start a recruitment process and track it from their individual account. Moreover, each user gets an automatic message with information about the recruitment status.



The system can be accessed from any place with Internet access using the career tab at our website. Additionally, each employee has their own, automatically generated account, and can browse through internal jobs offers, send an application or recommend a friend.



Agnieszka Gałka-Woźniak
director Leadership Development

Our objective was to implement an intuitive tool with access to information at any time and place. We have transferred the processes from paper to the cloud, that is to the virtual drive that is accessible and fully secure.

2.2 Hiring and people development

> Silesian Science Festival

In 2020 we took part in the 4th Silesian Science Festival (ŚFN) that took place between 25 to 27 January 2020 in the International Congress Centre in Katowice. The Festival is one of the largest popular science events in Poland and Europe, with total attendance level of around 50,000 people.

The large area with a few stages, six sectors dedicated to different scientific domains, library or a food court, accommodated almost 200 exhibitions. The stand of ArcelorMittal Poland was positioned close to the main stage. We offered virtual reality technologies to visitors.

This 3-day event was full of lectures and panels, during which visitors could find out a lot about different areas of sciences. The organisers did not forget about children, with their most absorptive and open minds.

There were a lot of opportunities for children to learn by playing or performing different physical or chemical experiments. The third day of the festival was dedicated mainly to student groups from the region.



Monika Roznerska

Human Resources director
till April 30, 2021

“ during the festival’s opening gala:

The romantic relationship between science and industry is doing well, but – as in any serious relationship – from time to time some refreshment is necessary to be able to show one’s best sides – that is why ArcelorMittal Poland was present during this event. I am convinced that the festival will boost further science development and will bring benefits to both scientists and industrialists, whose areas of activity are always complementary.

2.3 Local communities

> Volunteering

While facing the pandemic challenges, the main organisational activity of our company was focused to keep our stakeholders – our employees their families and close ones safe.

The recommendations for virus spread prevention in our country quickly became the standard in 2020, which obviously made it more difficult to organize volunteer activity for those in need, but even in such difficult circumstances we managed to keep on our social activity.

In 2020 we conducted 17 volunteer events, during which 36 employees supported 1369 beneficiaries, dedicating 230 hours to fulfil this objective.



wolontariusz
ArcelorMittal

- Volunteers from Zdzieszowice organized the "scrap for 100 smiles" action, during which they collected 620 kg mixed steel scrap, and the equivalent of scrap value in PLN was transferred to the Association for Disabled People in Zdzieszowice.
- Schools and their students can also count on the support from ArcelorMittal volunteers, as during the organisation of the swimmers league competition for children and the youth in Primary School no 3 in Zdzieszowice. Volunteers took active part in preparation of the competition – they installed the swimming lane separators, helped in food point service and provided IT support.
- Last year, we organised support for the orphanage in Strzegów. In summer, volunteers collected gifts, and the home received cleaning products, clothes, fridge and even a trampoline! During the second stage in December, children received Christmas gifts. Volunteers from Zdzieszowice always remember about this place and use all opportunities to support the orphanage.
- In Szymiszów, we organised a meeting with children, during which our employees promoted volunteer activity. The meeting entitled: "Volunteer activity – is it worth it?" had the form of a lecture and afterwards volunteers played with children.

2.3 Local communities

> Volunteering



— The Association for Disabled People in Zdzieszowice was supported by our volunteers in organisation of the Disabled People Meeting, that is a sports competition, during which a number of people, in spite of life adversities, overcome barriers and show a spirit of sports competition.

— Like every year, our volunteers got involved in material support for orphanage in Sosnowiec. On 4 December 2020 volunteers delivered a lot of useful things to the orphanage: new clothes, groceries, cleaning products, white goods and live Christmas trees.

summary of the
volunteer action
programme 2009-2020:

454,450
beneficiaries

13,239
activity hours

182
volunteers were
involved in the
programme

637
events in total

— Our colleague has been involved in support for the Saint Thomas Apostle Hospice in Sosnowiec for years, where she helps them take care of their green area, plant flowers and bushes.

— Due to the pandemic all volunteer activities were organised according to strict sanitary rules. At the same time, strict limitations hindered.

organisation and logistics of the events, therefore some of them were reduced in order to keep everybody safe.



2.3 Local communities

> Our Children Foundation

It has been a decade since Our Children Foundation established by ArcelorMittal Poland started to support development and education of children and the youth. While managing two kindergartens, in Dąbrowa Górnica and in Kraków, the foundation supports parents in finding a work-life balance. Moreover, Our Children Foundation is also active when it comes to preventive healthcare for children and the youth, social support, volunteer programmes and charity.



In 2020 the Foundation responded to the coronavirus pandemic outbreak challenges and took actions to prevent the disease spread. At the websites of company kindergartens, in parents-restricted platforms, parents could find remote education materials so that they were supported when onsite education was suspended. Employees of kindergartens and foundation managers were available to parents during the so-called lockdown and provided information on the current

epidemiological situation in respect of education providers. Upon requests from parents, actions were taken in order to ensure safety.

The Foundation also provided support in the form of financial allowances to cover the costs of education for children, whose parents had financial difficulties due to the pandemic. Also kindergartens received more financial support due to the exceptional circumstances which required increased vigilance and additional protective measures.

One of the pillars of the Foundation is charity. In 2020, the company kindergarten in Dąbrowa Górnica collected arts accessories for the children's psychiatric ward in the Paediatrics Centre in Sosnowiec to support activity-based therapy for children. In spite of the difficulties caused by the pandemic, a lot of materials were collected and delivered to the ward before Christmas.

In addition to the foregoing, Our Children Foundation and "Dr Clown" Foundation organised a volunteer event for little patients of Sosnowiec and Dąbrowa Górnica hospitals in December.



The foundations donated Christmas trees with decorations to the paediatrics wards of the Sz. Starkiewicz Hospital Oncology Centre in Dąbrowa Górnica and the John Paul II Paediatric Centre in Sosnowiec.

Magdalena Kuśmierz

member of the Board of Directors
of Our Children Foundation
of ArcelorMittal Poland

Our Children Foundation has as its objective to support development, education and upbringing of children, but also to perform activity related to preventive healthcare of children and the youth, and to promote volunteer activity.

This is why we came up with the idea of this common project. If this project brought smiles to children's faces for a moment, during these difficult period for them, it means our activity makes sense.



Environment protection

3.

- 3.1 Priorities and environmental footprint management system
- 3.2 ArcelorMittal Europe's Strategy
- 3.3 Reducing emissions into the air
- 3.4 Energy efficiency
- 3.5 Water and wastewater
- 3.6 Circular economy

3.1 Priorities and environmental footprint management system

Responsible approach to environmental protection is essential for us, therefore our long-year and consistent approach aims at reducing our environmental footprint to the greatest extent.

We are fully aware of the impact our industry has on natural environment that is why we carry out intense works to reduce emissions in our plants and we do our best to transform the image of the steel industry.



Environmental protection comes under 3 Sustainable Development Outcomes of ArcelorMittal:

- Efficient use of resources and high recycling rates;
- Trusted user of air, land and water;
- Responsible energy user that helps create a lower carbon future.



We contribute to achieving two of the UN Sustainable Development Goals for 2015-2030:

12. Responsible Consumption and Production
13. Climate Action

3.1 Priorities and environmental footprint management system

In delivery of our plans connected with minimizing environmental footprint, we use the World Class Manufacturing concepts, defined in the environment and social responsibility and cost deployment pillars.

We have environmental laboratories that enable us to precisely follow up all the indicators related to our environmental impact, and also to monitor our plants to be well prepared for communication with our stakeholders.

The laboratories hold relevant accreditation to fulfil the requirements of ISO/IEC 17025:2028-02. Additionally, in our biggest units in Dąbrowa Górnica, Zdzieszowice and Kraków we use the Process Safety Management System resulting from the Environmental Protection Law.

Our operations are audited annually by internal inspections, environmental authorities and external auditors managed by independent certification authorities. In 2020, TÜV Rheinland Polska Sp. z o.o. audited the Integrated

Management System with positive evaluation of our environment management system in accordance with ISO 14001:2015 and engagement of our leadership in environment and energy related topics.

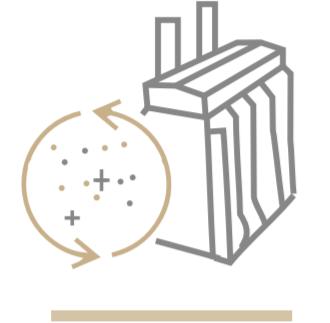
To maintain the highest standards in our planning, we rely on the Integrated Management System, comprising among others the following:

- Environment Management System in accordance with ISO 14001:2015,
- Energy Management System in accordance with ISO 50001:2018,
- Process Safety Management System (for high-risk plants) in accordance with the Environment Protection Law.



3.1 Priorities and environmental footprint management system

The Integrated Management System serves as a framework for the following:



improvement of environmental footprint by continuous reduction of pollutant and GHG emissions, waste management, waste recycling and reduction in raw materials consumption



operations in line with effective legal regulations and all and any requirements applicable to our activity



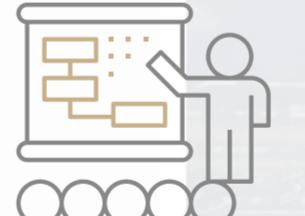
continuous improvement of energy efficiency, in particular by focusing our efforts on rational use of energy and other media



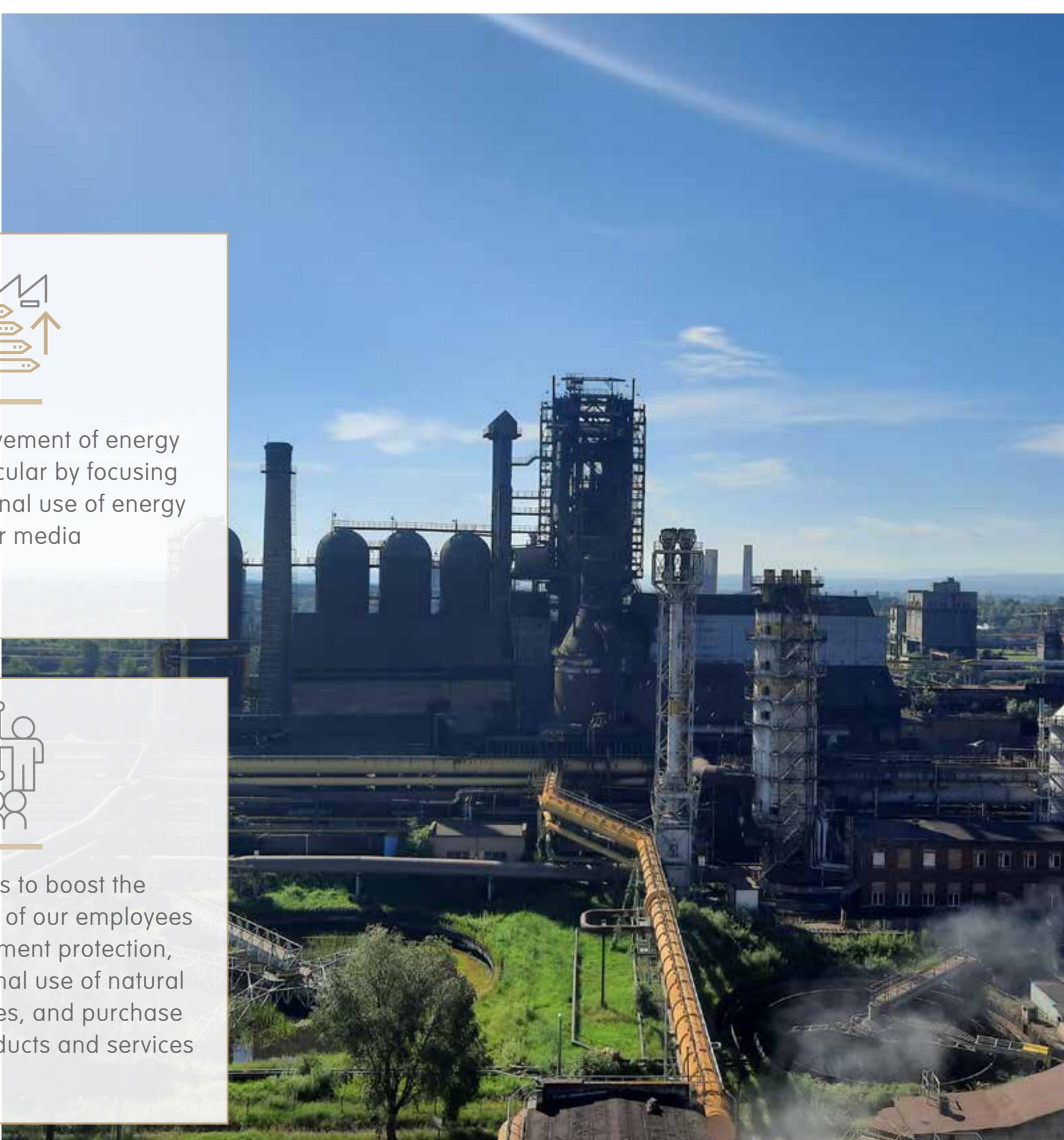
undertaking environmental actions to build a positive image of the company among customers, shareholders, suppliers and local communities



continuous improvement of the Integrated Management System functioning in our company, analysing risks for all identified processes and monitoring their effectiveness, also in respect of environmental protection



continuous efforts to boost the skills and awareness of our employees in scope of environment protection, energy saving, rational use of natural resources and utilities, and purchase of energy saving products and services



3.2 ArcelorMittal Europe's strategy

In June 2020, publishing its report on the details of reducing CO₂ emissions by 30 per cent by 2030 at ArcelorMittal Europe, the company announced its ambition to be fully carbon-neutral in 2050.

Smart Carbon is a steel manufacturing method where coal is largely replaced by clean energy carriers such as bio-coal, plastic granules or natural gas, as well as coal captured in closed circuits.

This solution is complemented by CO₂ sequestration technologies (CCU) and utilisation of carbon dioxide for

production of fuels and chemicals, or by carbon capture and storage (CCS).

Implementing the production of carbon neutral steel with direct reduction of iron (DRI) requires that natural gas be abandoned in favour of "green" hydrogen. This transformation will first involve development of hydrogen technology for steelmaking processes

and use of blue hydrogen (obtained by natural gas reforming), and in the second stage, green hydrogen will be used, produced with the use of renewable energy sources.

Technologies based on direct reduction are subject of research also thanks to the projects implemented in Poland – we are now working on the use of coke oven gas in the blast furnaces in Dąbrowa Górnica.

Coke oven gas contains approx. 60 per cent of hydrogen, which will make it possible to check the potential of this element for use in blast furnaces. Contrary to the use of coke oven gas, e.g. in power plants, where part of carbon content is released into the air, when coke oven gas is used in blast furnaces, carbon will be used in the process, which will reduce emissions.



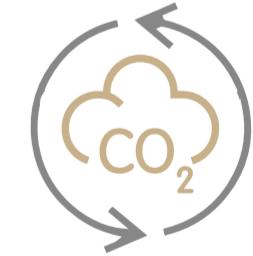
In Europe we work on two breakthrough and carbon neutral steel manufacturing technologies: Smart Carbon and innovative technology based on direct reduction of iron (DRI) with the use of hydrogen.



clean power
(with solar or wind energy sources)



circular economy sources of carbon energy (such as biowaste from sustainable forestry or agriculture residues for production of bioenergy)



carbon capture and usage or storage



Moreover, to come closer to the objective of becoming emission neutral, in 2021 ArcelorMittal Group launched a new brand, XCarb™. It is also a response to growing interest in low emission steel products, thanks to which, together with our customers, we want to care for natural environment.

XCarb™ will eventually bring together all ArcelorMittal products manufactured with the use of steelmaking innovation and our initiatives and environmental projects which fall under our ongoing programme with the aim of progressing in the journey to be climate neutral.

XCarb™ will comprise a system of special green steel certificates attached to product orders, thanks to which we can reduce level 3 emissions in accordance with GHG Protocol Corporate Accounting and Reporting Standard.

Sanjay Samaddar

chairman of the Board of Directors of ArcelorMittal Poland

Poland's Energy Policy Until 2040 foretells intense development of renewable energy sources and an ambition to move towards a low carbon economy. This transformation will be influenced greatly by the development of infrastructure necessary to obtain green energy.

I mean here wind farms, consisting of hundreds of single wind towers, each of them composed of even up to 180 tonnes of steel plates. Similarly photovoltaic solutions function thanks to steel construction and assembly accessories.

Solutions based on renewable energy sources require enormous volumes of steel, so industry will be an active player of the coming transformation.

3.3 Reducing emissions into the air

Since the start of our operations in Poland we have delivered a number of investments that have helped us significantly reduce emissions into the air and our environmental footprint.

Since 2004 we have invested over 7 billion zlotys in our plants, realizing a number of projects for the benefit of environment.

It has let us reduce carbon dioxide emissions in all our plants by around 58 per cent, and emissions of dust by around 82 per cent.

In 2020 we took actions to improve the process in blast furnace no. 3 in Dąbrowa Górnica, increasing natural gas consumption and reducing the consumption of coke. Gas has much lower emission indicator, so thanks to the change in the so-called fuel mix

we reduced CO₂ emissions by around 35,000 tonnes per year. In 2021 we are planning to upgrade the tuyere elements to be able to additionally increase natural gas use in place of coke to reduce annual carbon dioxide emissions by additional 62,000 tonnes.

Last year we also installed monitoring equipment in the top of blast furnace #2 in Dąbrowa Górnica, which helps us better check the concentration of gases

and actual temperatures over the cross-section of the furnace. Thanks to the probe, operator can dose coke more precisely, which enables us to reduce its consumption by around 1 kilogramme per tonne of produced hot metal.

In 2020 we also delivered a continuous improvement project in the steelmaking process, thanks to which we increased the use of scrap in place of hot metal. It helped us reduce CO₂ emissions by around 32,000 tonnes per year.

Reducing dust emissions in Kraków coke plant:

We perform a lot of activities and modernisations in our coke plant in Kraków to minimize our environmental footprint. The key ones are as follows:

- Revamping of the refractory brickwork of the coke oven battery, which will translate into lower emissions from the coke oven top. Cost: around PLN 1.3 million.
- Maintenance of the brickwork of the coking chambers combined with cleaning of coke oven regenerators, worth PLN 400,000, letting us reduce fugitive emissions from coke ovens.
- Retrofitting of water gates of the riser pipes of the coke oven battery, to reduce dust emissions, at a cost of PLN 270,000.
- Revamping of the dedusting installation, comprising replacement of hoppers and filtering units. The investment for approximately PLN 120,000 made it possible to stay within the strict stack emission limits in the plant.



3.3 Reducing emissions into the air

Emissions of greenhouse gases in 2020: Total direct emissions [Mg]

Dąbrowa Górnica

3 962 222	2020
4 381 883	2019
4 643 350	2018

Kraków

Lower emission due to temporary shut down.

274 391	2020
1 099 689	2019
1 272 541	2018

Zdzieszowice

Lower emission due to temporary shut down of assets during COVID period.

625 005	2020
779 572	2019
1 067 752	2018

Świętochłowice

37 682	2020
39 613	2019
40 280	2018

Sosnowiec

69 764	2020
69 765	2019
73 928	2018

Chorzów

9 018	2020
7 849	2019
8 062	2018

Environmental fees

In accordance with the legal regulations, we pay relevant fees related to our environmental impact, that is emissions into the air, water intake, wastewater disposal and waste storage.



Environmental fees

25 434 700	PLN	2020
31 042 175	PLN	2019
34 432 725	PLN	2018

3.3 Reducing emissions into the air

Emissions of other compounds and dust into the air [Mg]

Dąbrowa Górnica	Kraków	Zdzieszowice	Other
3 733 <small>2020</small> 4 224 <small>2019</small> 4 817 <small>2018</small>	NOx (nitrogen oxides, nitrous oxides, nitrogen dioxides)	430 <small>2020</small> 647 <small>2019</small> 630 <small>2018</small>	NOx (nitrogen oxides, nitrous oxides, nitrogen dioxides)
5 415 <small>2020</small> 5 014 <small>2019</small> 5 415 <small>2018</small>	SOx	82 <small>2020</small> 165 <small>2019</small> 206 <small>2018</small>	SOx
1269 <small>2020</small> 2 315 <small>2019</small> 3 959 <small>2018</small>	Total dust (all possible dust emitted by plants)	74 <small>2020</small> 318 <small>2019</small> 407 <small>2018</small>	Total dust (all possible dust emitted by plants)
896 <small>2020</small> 1 260 <small>2019</small> 1 798 <small>2018</small>	including PM10	51 <small>2020</small> 211 <small>2019</small> 208 <small>2018</small>	including PM10
217 988 <small>2020</small> 240 041 <small>2019</small> 162 152 <small>2018</small>	Volume of dust captured by dedusting facilities	3 877 <small>2020</small> 17 124 <small>2019</small> 15 098 <small>2018</small>	Volume of dust captured by dedusting facilities

3.4 Energy efficiency

While reducing our environmental footprint, we also pay attention to responsible use of energy resources. At ArcelorMittal Poland our successive ambition is to optimize energy input for the desired production output. The Energy Management System in accordance with ISO 50001 comes in handy here, thanks to which we can effectively monitor energy consumption and refer to standards when we take actions in this area.

In 2020 we adapted our system to the criteria of the latest ISO 50001:2018 standard, which was confirmed by external certification audit. Each and every year we also conduct reviews to assess the correct use of energy, utilities consumption and to look for new areas for improvement. Internal audits help us also determine if we fulfil legal requirements applicable to energy use.

Being part of the national system for the reinforcement of energy efficiency, we receive the so-called white certificates in recognition of our modernisation projects, confirming our energy efficiency.

In 2020, in spite of organizational difficulties caused by the onset of the pandemic, we continued our Energize 2.0 programme, which is an umbrella for our energy saving projects. In view of growing energy prices and more stringent restrictions related to carbon dioxide emissions, continuing this programme is one of the key projects for our company.



Tomasz Ślęzak

Energy and Environment director
member of the Board of Directors

We received almost 70 million zlotys of compensation for the costs related to CO₂ emission fees, which are transferred to us by electricity producers in energy prices. It is only part of our costs that we have to pay as energy intensive industry.

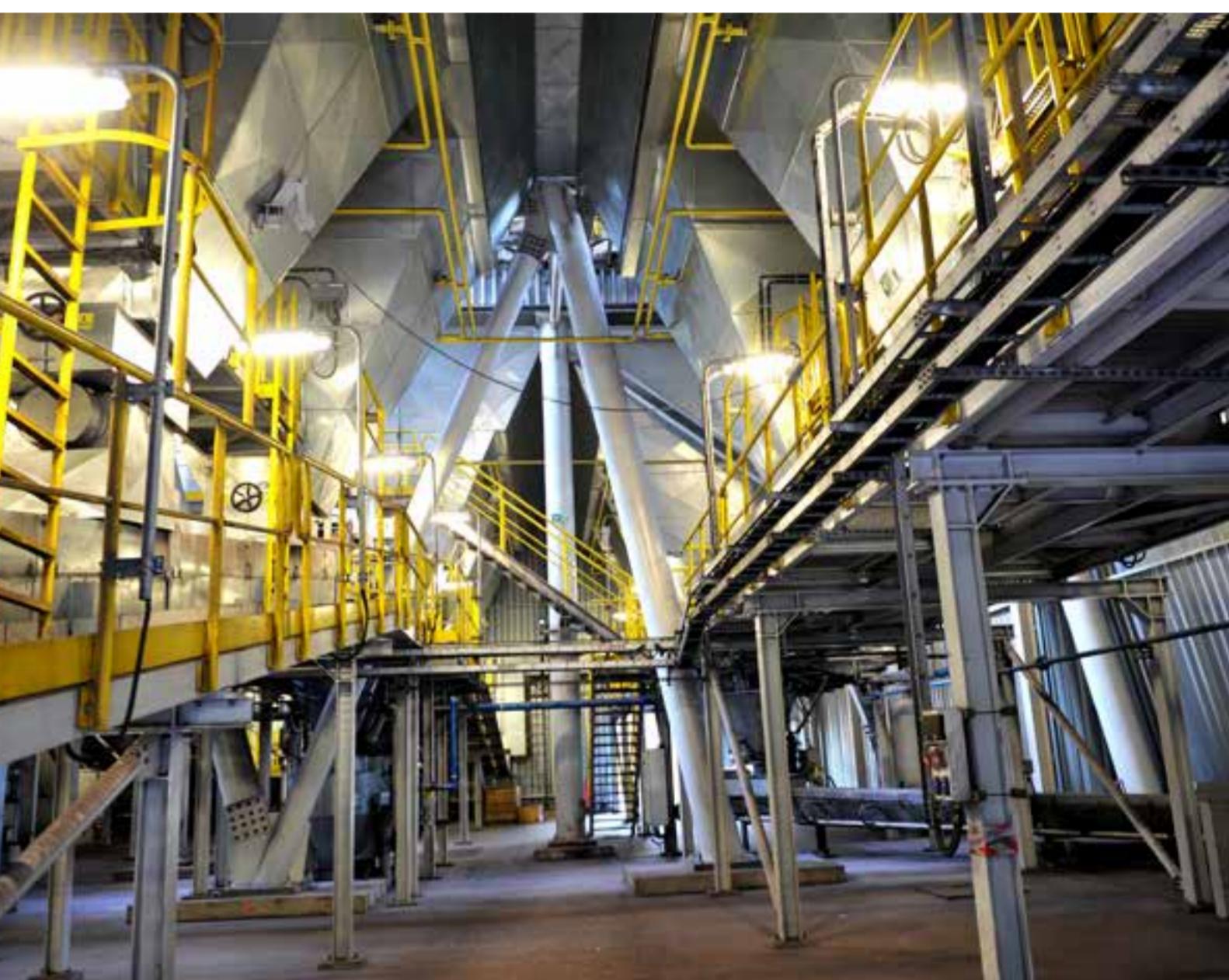
Compensation for indirect CO₂ costs are part of ETS legislative solutions and have been widely used in EU countries for many years - we received the support for the first time in 2020.

We appreciate the compensation introduced by the government, yet it does not solve the problem of high electricity costs for industry in Poland.

3.4 Energy efficiency



In 2020 we improved our energy efficiency by the following:



— Continuing lights modernisation in our plants by replacing housings and light sources to the state-of-the-art LEDs. It allowed us to build a more durable and easier to maintain infrastructure and better light efficiency in rolling mills in Dąbrowa Górnica. The project will let us save around PLN 3 million per year.

— Completing the revamping of the recuperator in the walking beam furnace no 2 in rolling mills in Dąbrowa Górnica. The upgraded installation enables us to recover heat in a more efficient way and reuse it in the production process for preheating of semi-products before further processing. Thanks to that we can save over PLN 4 million per year.

— Implementing automatic control for hot stoves heating in the blast furnace no. 3 in Dąbrowa Górnica, in order to save coke and blast furnace gas at the level of PLN 3 million per year.

— Analysing the work of the water pumphouse in the power and utilities plant in Kraków, in order to optimize the system and decommission part of the installation while maintaining the desired pressure in the mains. The project was combined with analysing the demand for industrial water and brings around one million zlotys per year.

— Changing the method of preheating raw water for production of softened water in Kraków, in order to capture more heat. The modification comprised replacement of process steam pumped into the system with condensate from a heat exchanger. Thanks to the new method, we will save energy of around PLN 300,000 per year.

3.4 Energy efficiency



Plans
for 2021
include
but are not
limited to:

- further lighting upgrade to LEDs in Dąbrowa Górnica and Kraków,
- reducing nitrogen consumption in Dąbrowa Górnica,
- starting the upgrade of sinter belts in Dąbrowa Górnica, among others by replacing fans in sinter belt no 3,
- installing inverters to control the rotary speed of motors used in gas exhaust fans 1 and 2 in Zdzieszowice.

Additionally, we foresee further works on smaller projects that result from internal audits and analyses of energy efficiency improvement.

* In 2019 the energy consumption reporting method was changed. Since 2019 we have been reporting energy consumption in accordance with the standard used for benchmarking within ArcelorMittal group, which is aligned with the

methodologies used in the other effectiveness-boosting programmes that we implement, such as World Class Manufacturing or Energy Management System.

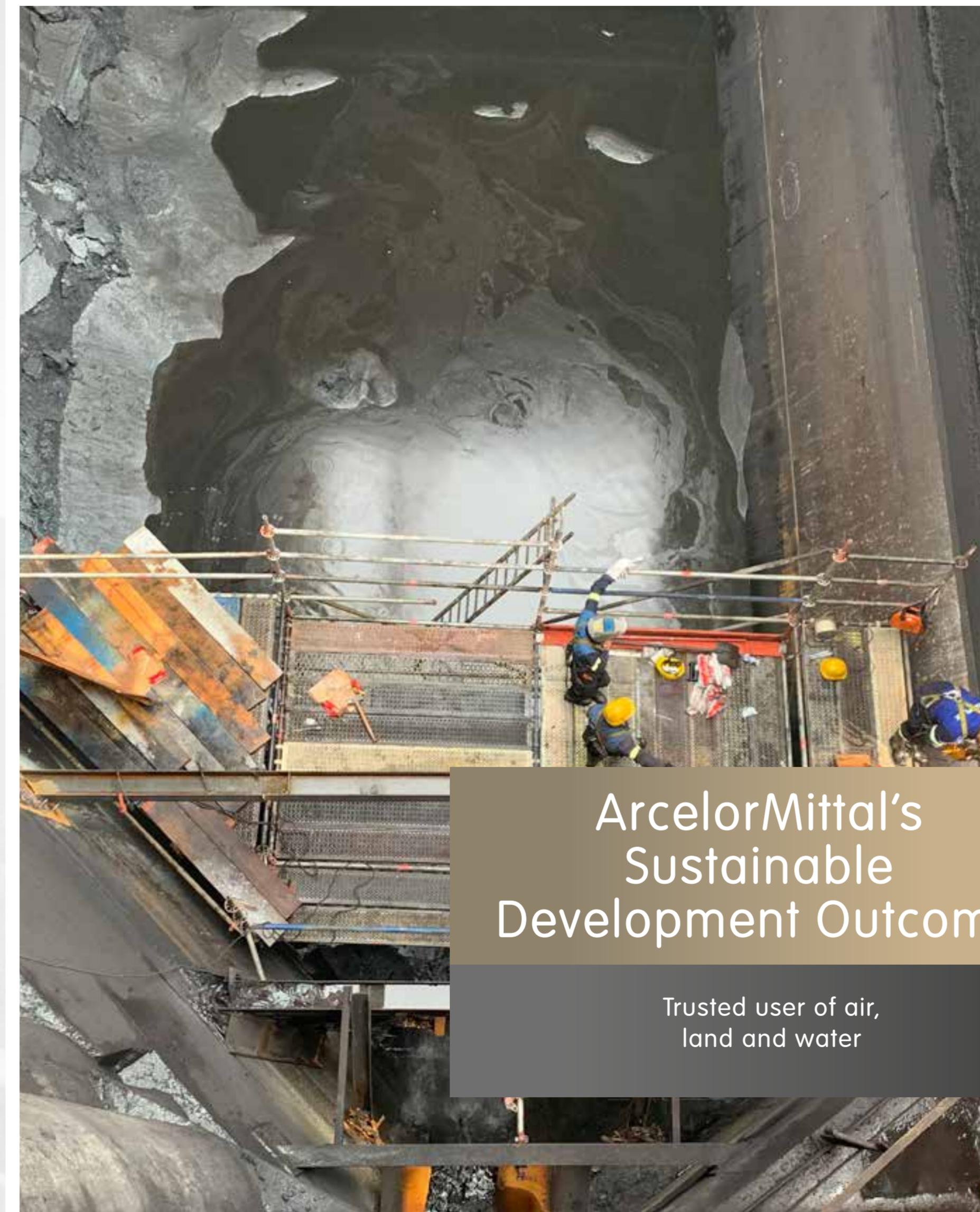
3.5 Water and wastewater

> Water

Our sustainability ambitions include but are not limited to rational management of our resources, also by limiting water consumption and efficient waste management.

We are aware of how precious water is for environment, therefore we aim at being most efficient while using it in circulation. For many years we have developed our control and measurement equipment in internal water circuits, and modernized wastewater treatment facilities in our plants. Using WCM methodology, we plan to optimize the use of water resources and systematically monitor development in this scope.

Our company holds integrated permits, which – based on national regulations – specify the obligations under the best available techniques for water management. Additionally, permits for the sector, which we receive from environmental authorities, specify the rules of water intake and wastewater disposal.



Improvements in internal network:

In 2020, we installed another water drop chute for the water used in BOF cooling on the façade of the steel plant building in Dąbrowa Górnica. Thanks to an independent line, approx. 300 metres long, we are faster in maintaining the chutes and cleaning industrial water containing dust captured from BOF gas. The BOF water cooling system operates in a closed circuit, and cleaned water is redirected into the production process.

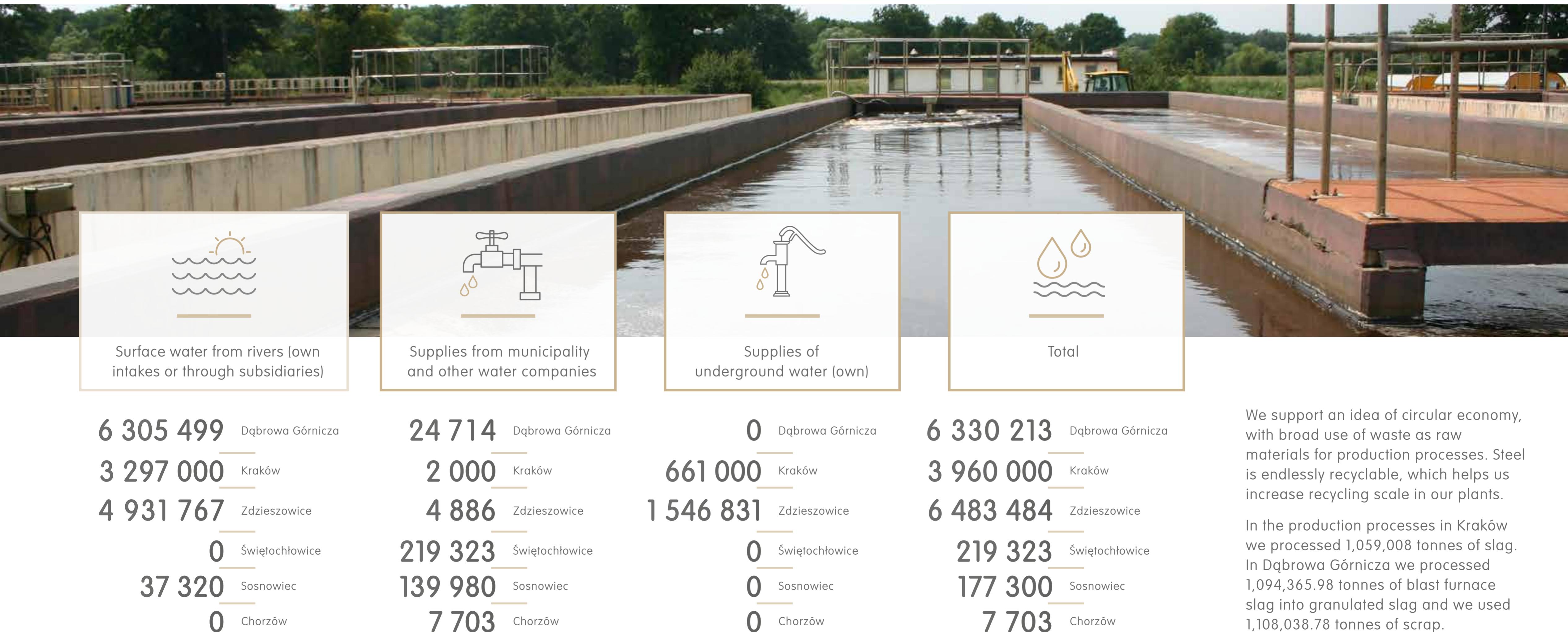
Last year in Kraków coke plant we performed some preventive repairs of stormwater drains, to minimize stormwater pollution.

We care about high quality of water not only inside our plants but also outside. We develop improvements for the benefit of our neighbours, as for example in Zdzieszowice, where our recently modernised biological treatment plant is also used by the communes of Zdzieszowice, Leśnica i Walce. In 2020, we used new channel gates in our wastewater treatment plant to improve environment safety of the treatment process.

3.5 Water and wastewater

> Water

Water intake, source-wise and location-wise [m³] in 2020



We support an idea of circular economy, with broad use of waste as raw materials for production processes. Steel is endlessly recyclable, which helps us increase recycling scale in our plants.

In the production processes in Kraków we processed 1,059,008 tonnes of slag. In Dąbrowa Górnica we processed 1,094,365.98 tonnes of blast furnace slag into granulated slag and we used 1,108,038.78 tonnes of scrap.

Dąbrowa Górnica

98 hazardous
 2 613 957 other than hazardous

Kraków

740 hazardous
 2 238 other than hazardous

Zdzieszowice

721 hazardous
 1 057 other than hazardous

Świętochłowice

0 hazardous
 11 other than hazardous

Sosnowiec

0 hazardous
 0 other than hazardous

Chorzów

0 hazardous
 0 other than hazardous

Recovery of waste generated within the plant and received from outside

721 hazardous
 1 057 other than hazardous

Neutralised (own waste within the plant)

0 hazardous
 245 other than hazardous

0 hazardous
 2 450 other than hazardous

0 hazardous
 0 other than hazardous

0 hazardous
 0 other than hazardous

0 hazardous
 0 other than hazardous

Transferred to entitled entities

59 hazardous
 2 721 other than hazardous

565 hazardous
 13 856 other than hazardous

222 hazardous
 46 550 other than hazardous

13 hazardous
 7 561 other than hazardous

Total weight of generated waste

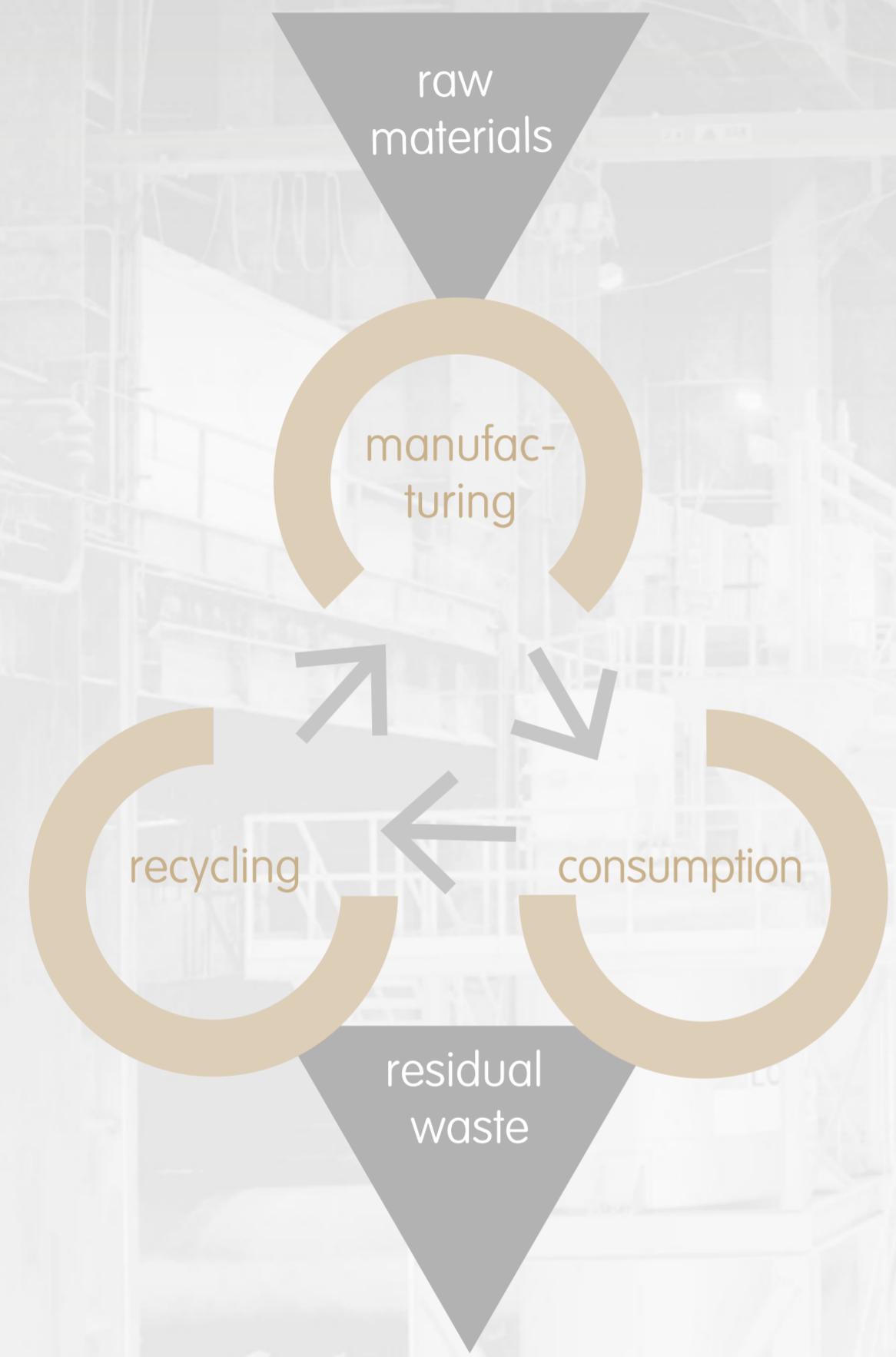
54 hazardous
 6 228 other than hazardous

556 hazardous
 13 921 other than hazardous

219 hazardous
 46 028 other than hazardous

8 hazardous
 7 561 other than hazardous

3.6 Circular economy



Circular economy is when waste is treated as a raw material that can be reused in a production process thus limiting industrial impact on environment.

Reasonable use of resources, taking into account the longest possible lifecycle of waste materials, serves to minimize raw materials consumption and makes it possible to generate significant savings.

ArcelorMittal Poland has followed the ideas of circular economy for years, with a wide use of steel scrap as recovered raw material for the production process for years. Additionally, we recycle mill scale (a layer of metal oxides in the form of scales formed on the surface of the preheated steel) and part of dust and sludge.

Typical types of waste in steel industry comprise blast furnace slag and steelmaking slag. Both these materials are used in construction sector.

Steelmaking slag is used mainly for road building, which reduces the mining of rocks for production of aggregate. Blast furnace slag is processed onsite in the course of granulation process, which results in the production of granulated slag which is used by cement industry.

Following the strategy to reduce the consumption of natural resources, ArcelorMittal Poland recycles also waste gases and treated wastewater in its production processes.

In the plant in Dąbrowa we use cleaned and dehydrated blast furnace gas as a fuel in blast furnace installations. Surplus gas is directed to plant network or to external customers. Analogically, BOF gas generated in the steel plant is recovered and reused in other installations, depending on their requirement. Industrial wastewater and rainwater from the area of the plant is reused after prior treatment in our treatment facilities.

In Zdzieszowice, we reuse treated industrial wastewater, a major part of which is redirected to cooling processes in coke making installations. Consequently, we can reduce water intake from the Odra river for the needs of industrial processes, and also reduce the volume of wastewater.

The leftovers remaining after the treatment of industrial and municipal waste undergo recovery processes and can be reused. Additionally, all waste generated in the processes of chemical coal treatment is redirected to coke making process.

In our Kraków unit, we process waste generated in the course of reclaiming the materials from the steelmaking waste storage yard in Pleszów. In 2020, we recovered there more than 1,059,502 tonnes of waste, mainly slags that we recycled and processed into aggregate used e.g. in construction sector.



- 4.1 Future thinking
- 4.2 Our supply chain
- 4.3 Our products
- 4.4 Our projects
- 4.5 Industry 4.0

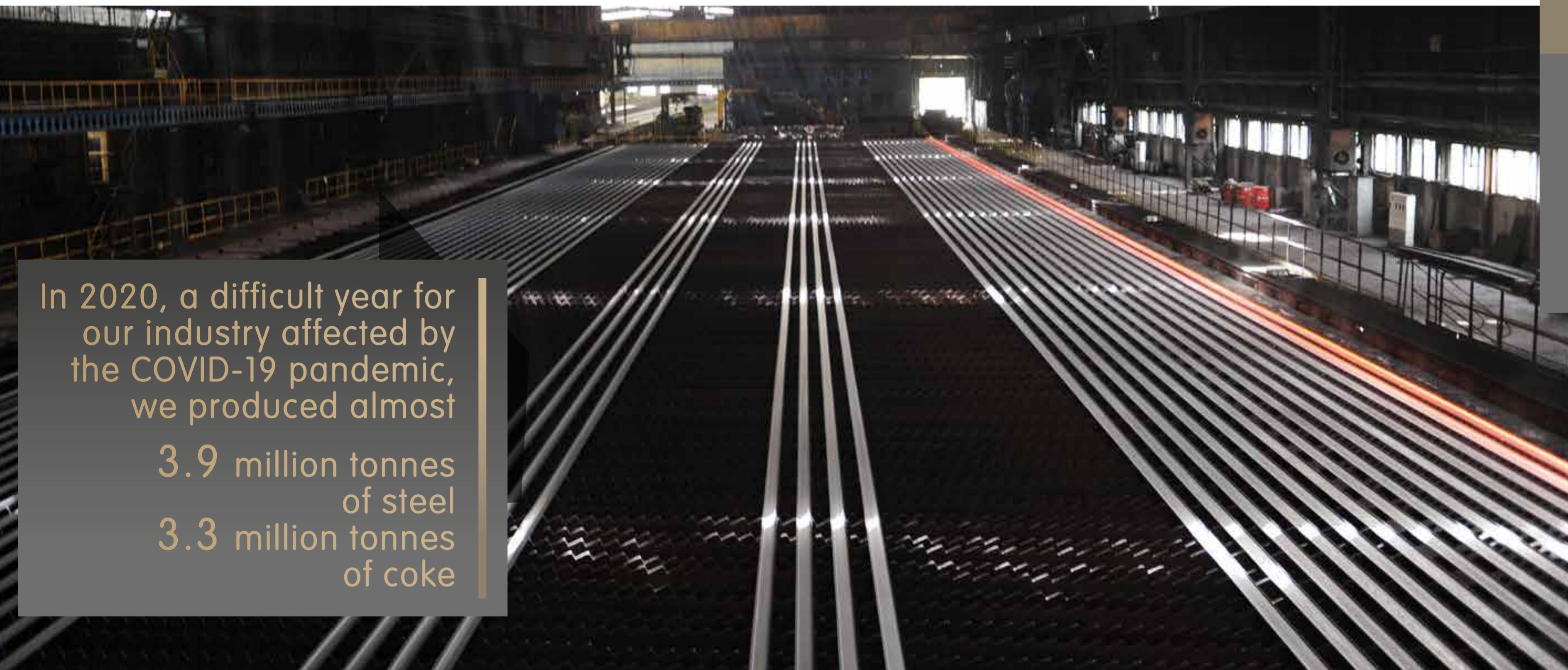
4.1 Our steel

Our steel is a key component present in all economy sectors. Our products add quality to the construction sector, where we offer our support in developing state-of-the-art and low-emission solutions.

Outstanding properties of steel are also valued by the automotive industry representatives and builders of rail and power infrastructure, all of whom embark on bold and large ventures with our support.

The Quality Management System in accordance with ISO 9001:2015 and, in selected areas, Quality Management System for Automotive in accordance with IATF 16949:2016 guarantee effective procedures when it comes to the quality of our products.

Since 2017 we have been implementing the Excellence in Quality project in six pillars: product development, quality improvement within the World Class Manufacturing framework, self-control, organisation, quality KPI and customer service.



In 2020, a difficult year for our industry affected by the COVID-19 pandemic, we produced almost
3.9 million tonnes of steel
3.3 million tonnes of coke

ArcelorMittal's Sustainable Development Outcomes:

While producing high quality steel we pay special attention to the:

- products that create sustainable infrastructure
- products that accelerate more sustainable lifestyles
- supply chains that our customers trust



Our activity contributes to the fulfilment of the UN Sustainable Development Goals for 2015-2030:

8. Decent Work and Economic Growth
11. Sustainable Cities and Communities
12. Climate Action

4.1 Future thinking

> Challenges for steel industry at the European Economic Congress

Steel belongs to top recyclable materials as it can be recycled endlessly in 100 per cent. Steel properties make it possible to really aim at circular economy – ArcelorMittal plants worldwide recycle around 1.2 tonnes of steel per second.

Moreover, steel is essential to develop renewable energy sources – it is a building material for wind farms or solar panel components among others, which contributes to reduction of global CO₂ emissions.

The ArcelorMittal Europe aims at reducing carbon dioxide emissions in Europe by 30 per cent by 2030 in support of the Green Deal adopted by the European Commission. This goal matches with our plan to be climate

neutral in Europe by 2050. The key to success might be two pioneer methods of CO₂ neutral steel manufacturing developed by ArcelorMittal. One of them is Smart Carbon, that is a concept based on circular use of carbon, clean electricity and capturing and storing of carbon dioxide.

The other one is an innovative method of direct reduction of iron ore (DRI) with the use of hydrogen.

ArcelorMittal highlights the need to define appropriate policy framework to allow European steel industry to contribute to the fulfilment of the EU climate goals, in particular taking into account related costs.



ArcelorMittal Europe is going to reduce its carbon dioxide emissions by 30 per cent by 2030, and be fully climate neutral by 2050.

European Economic Congress

In September, during the European Economic Congress in Katowice, representatives of our industry discussed the condition of the European steel industry and the Polish perspective in the context of new challenges resulting from EU regulations. Among the panellists was Tomasz Ślezak, member of the Board of Directors of ArcelorMittal Poland, who presented the company's perspective.

4.1 Future thinking

> Challenges to steel industry at the European Economic Congress

The European Union commits to become climate neutral in 2050 and be the best place for sustainable business according to the so-called Green Deal concept.

It was noted during the Congress that EU steel producers announced their decarbonisation plans.

Decarbonisation is a 21st century challenge, irrevocable and ambitious but at the same time costly.

Hydrogen might turn out to be the technology of the future, yet its use on such a large scale as the entire steel industry requires time and enormous energy. This transformation is going to bring giant costs.

The issue of a necessity to work out an effective mechanism for carbon compensation fee, without which the entire EU climate policy may lose its functionality, is a long-term speaking point of our industry representatives.

During the European Economic Congress in Katowice the issue of energy prices was also raised, as the prices in Poland are among the highest in Europe, which makes our country less competitive compared to neighbours.



Stefan Dzienniak

chairman of the Polish Steel Association

Electricity in Poland is much more expensive than in neighbouring countries, and I would like to remind you that business will always look for favourable conditions. Growing electricity prices are bad not only for steel industry but for entire Polish economy.

4.1 Future thinking

> World Class Manufacturing



World Class Manufacturing (WCM) is a concept involving holistic approach to management. The methodology's basic assumptions comprise systematic improvement of company effectiveness by eliminating losses wherever possible. According to this concept, the effectiveness should increase when the top standards and quality of products offered are maintained, which we try to achieve step by step.

In December 2020 we celebrated the 9th WCM Day when we awarded the best projects and improvements realized in line with the WCM spirit and enabling our company to become more effective.

Due to the coronavirus pandemic, in order to keep everyone safe, the celebrations had an online form which still attracted a number of guests. In total, around 150 colleagues joined this live event online. In 2020, there were 46 projects and 51 improvements submitted for the competition.

Among the winners in the highest number of categories were coke making plants and long plants. Additionally, a special reward for particular engagement in the Environment and Social Responsibility pillar was given to Jarosław Waluda, employee of the steel plant in Dąbrowa Górnica.



4.2 Our supply chain

The selection of suppliers for goods and services at ArcelorMittal Poland is of key importance for the quality of our work. Currently, we cooperate with around 4 thousand vendors, including subcontractors, transport companies or material suppliers, service providers and contractors.

The majority of them are local entities that know the nature of our operations very well and are knowledgeable about industry requirements – especially when it comes to raw materials for production.

Permanent relations with suppliers are our long-year tradition and to support the process we use specific guidelines, worked out in the course of many years of cooperation:



- Responsible Sourcing Code (for raw materials suppliers),
- General Purchasing Terms and Conditions for Services and Materials,
- General Purchasing Terms and Conditions for Investments,
- Health and Safety agreements.

In addition to the quality of services and materials offered, high standards of business conduct belong to the basic criteria to be fulfilled by our suppliers. An obligation to comply with human rights and rules of environment protection and health and safety rules is a solid link in our supply chain – and is precisely defined in the Responsible Sourcing Code.

In order to evaluate the standards, we use a mandatory supplier evaluation questionnaire, based on which we can determine financial standing, approach to Health and Safety, and compliance with our procedures.

Our suppliers undergo audits, during which we verify the compliance of services and materials offered with our requirements. The assessment criteria are defined in system procedures and instructions: PO/O2/Z.001, PO/O2/J.105, IC/O2/Z.001, IC/O2/Z.104.

2020 was exceptional when it comes to safety and continuity of supply chains. The difficulties triggered by the COVID-19 pandemic affected almost all economy areas. We could often hear about the slowdown, caution and even business scepticism arising from unfavourable market forecasts.

However, thanks to systematic building of solid relations we could count on trust from our partners, whose approach had an important impact on how we navigated through this difficult year.

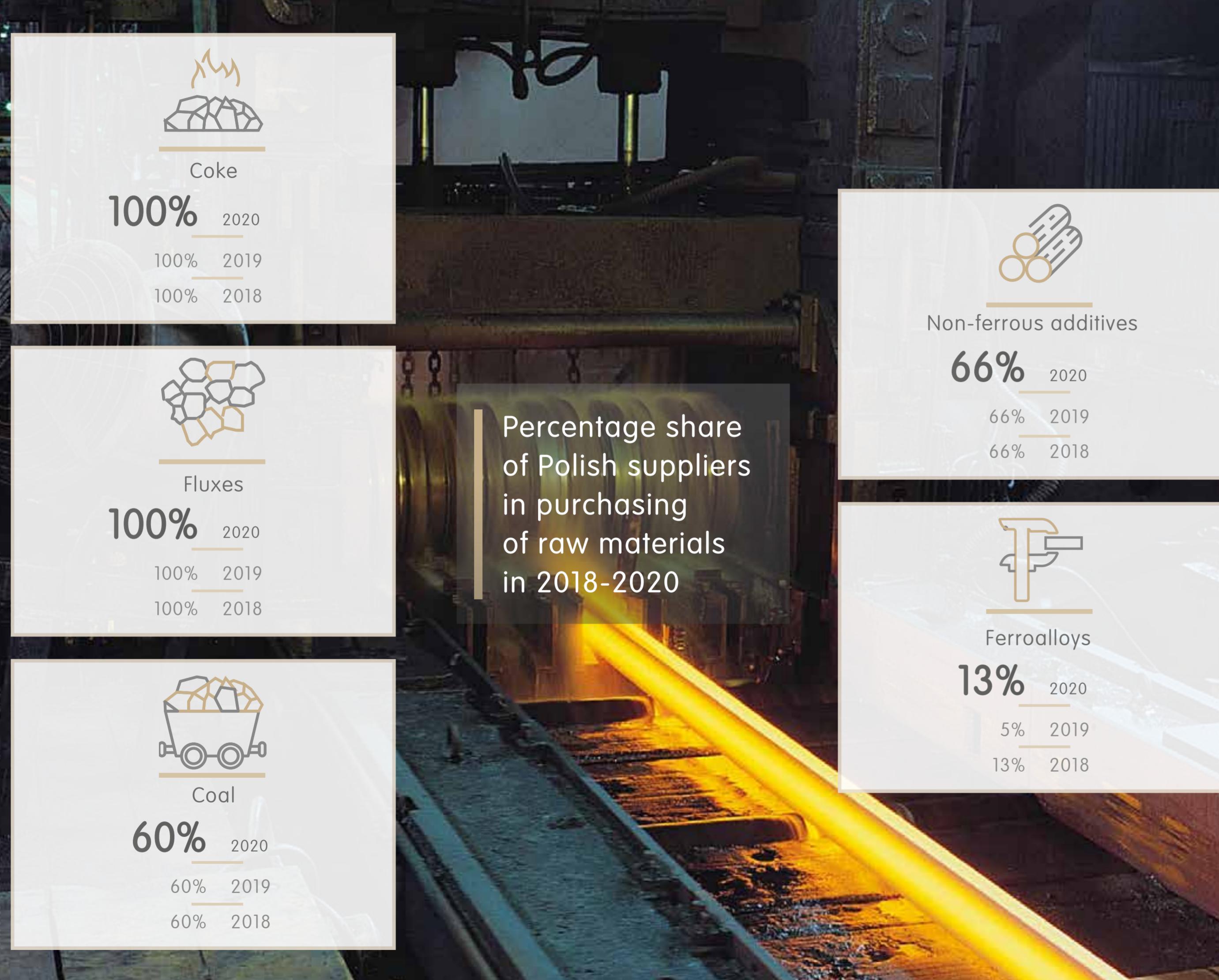
When it comes to contact with our suppliers, we value effective communication for quick exchange of reliable information. Thanks to that we can analyse risks together and plan our cooperation.

Due to the pandemic restrictions we replaced physical meetings with conference calls. In 2020, we also reinforced electronic form of contact by launching additional e-mail addresses and, mainly, the DigiPACE purchasing platform.

This tool integrates a lot of functions necessary to conduct a purchasing process and enables all stakeholders to have simultaneous access to current information. Suppliers, purchasing agents and other employees of our company participating in the process can easily communicate and monitor the status of common actions.

Additionally, the SES Portal, that is the platform for service providers, making it easier to settle the work performed, was extended by new functionalities in 2020.

4.2 Our supply chain



We choose the low-emission transport of raw materials – we receive more than 90 per cent of raw materials by rail

Some of 2020 challenges required exceptional organizational effort from us. Parallel to the outbreak of the pandemic, a number of airports and sea harbours relevant for our deliveries were closed.

In spite of that, we managed to realize contracted deliveries, we took advantage of all tariff preferences and avoided the so-called demurrage fees caused by transport stoppages.

4.3 Our products

Our products are valued by representatives of various economy branches worldwide, due to their quality and our continuous search for the best possible manufacturing solutions. We are committed to fulfil the assumptions related to product development, and – responding to market demand – we are trying to extend the portfolio offered. Our steel in form of sheets, rails, rail accessories, sheet piles, sections and wire rod is used every day to build the world around us.

In 2020 in Świętochłowice we launched the UltraMat® product, with unique properties valued by roof producers. Its main advantage is higher mechanical resistance of paint at low temperatures.

The product won the Gold Medal at the BUDMA fair of the International Poznań Fairs (MTP) for the most innovative solutions.



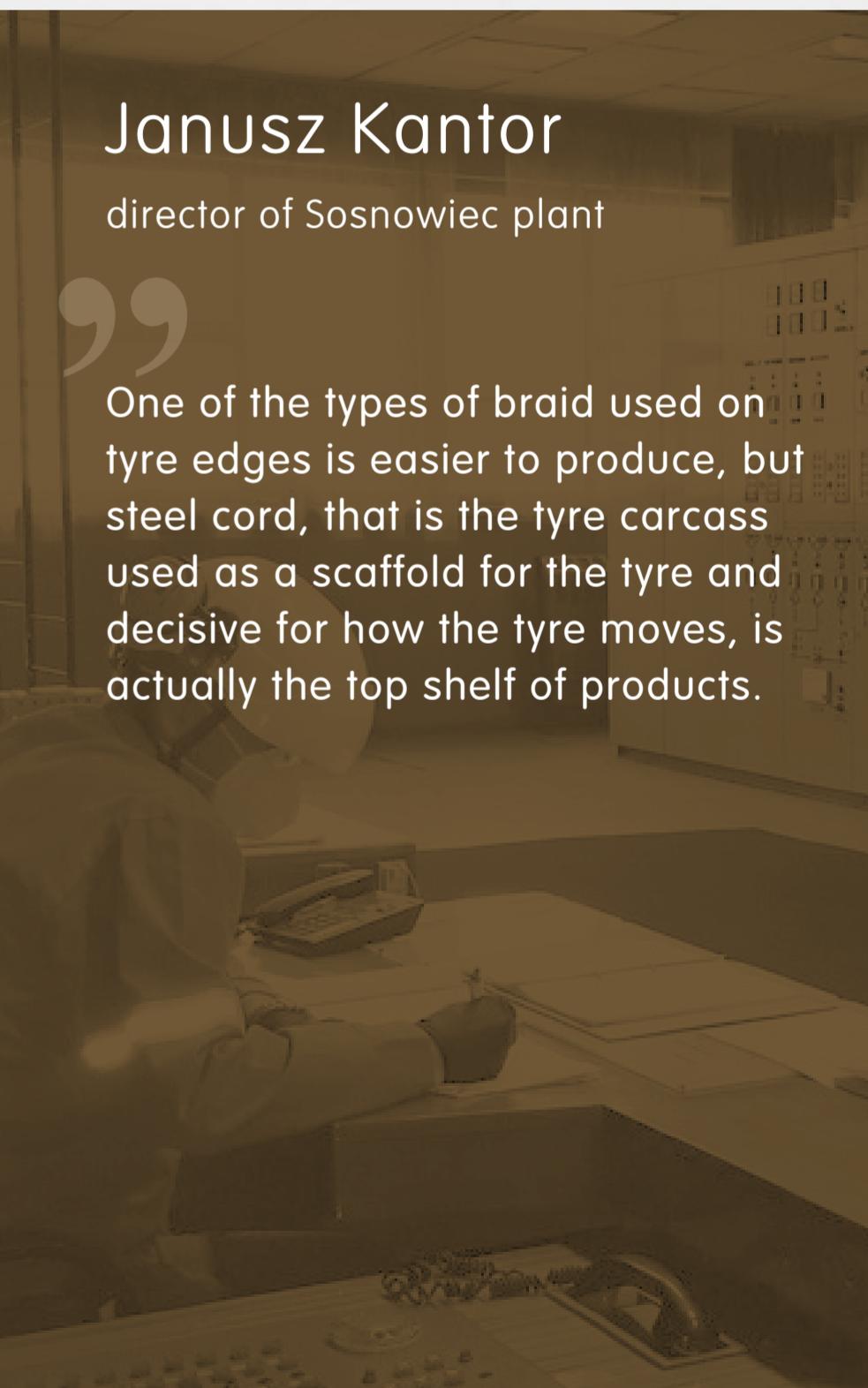
We also launched the production of the hybrid coating PURAMAX®, which makes steel roof tiles highly resistant to mechanical damage, and is a response to the current construction trends thanks to its unique satin glow.

In 2020 we also started to produce zinc and aluminium coatings with magnesium addition. This solution offers a thinner coating while remaining perfectly resistant to corrosion.

In Sosnowiec, following the strategic modernisation of the wire rod mill, we significantly extended our production of wire rod for automotive industry.

Our wire rod, which is characterised by high quality, is used to produce the so-called cord, that is a fibre used as internal reinforcement for production of tyres to guarantee their strength.

Only the top quality steel can meet the producers' requirements in this scope.



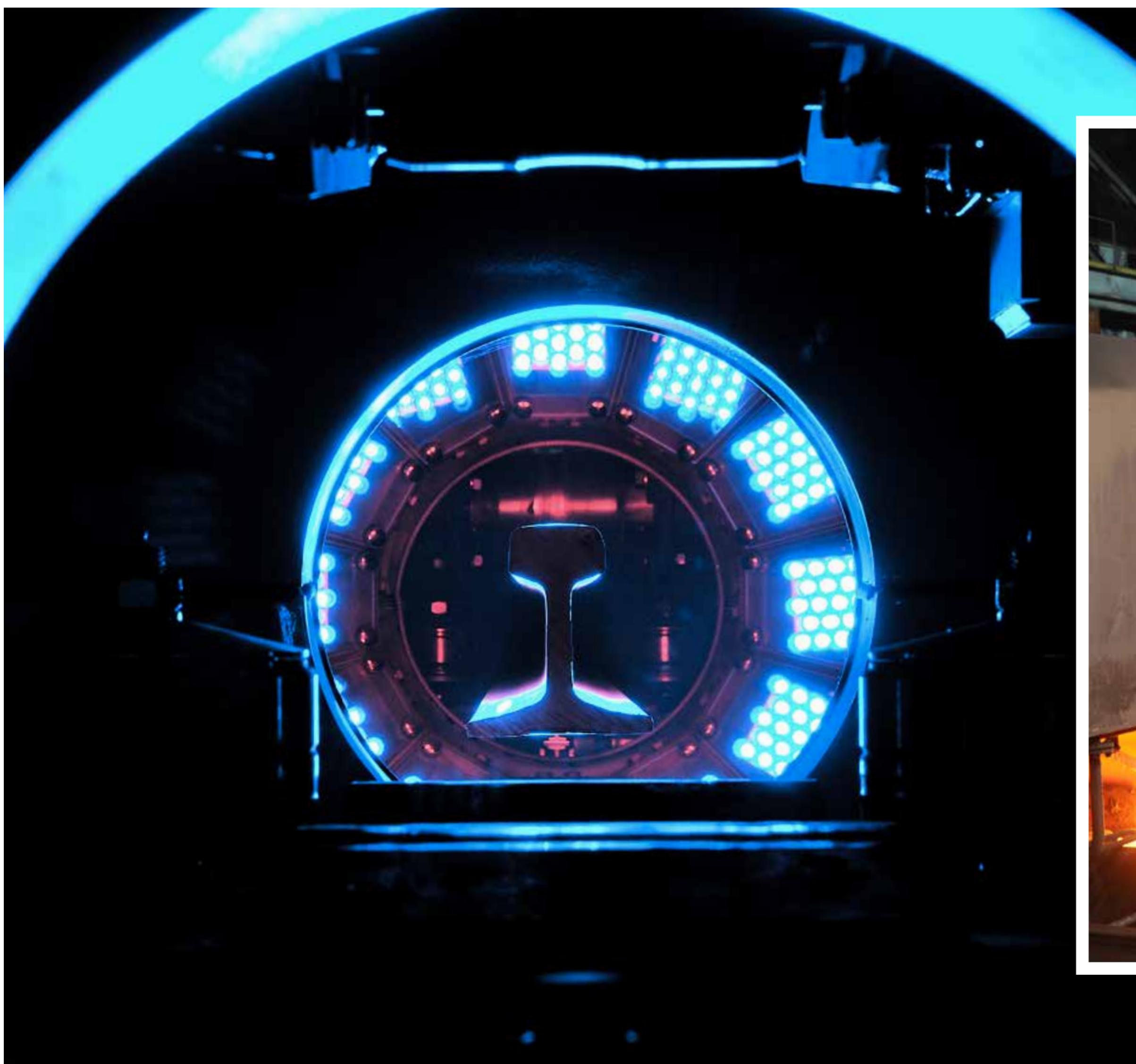
Janusz Kantor

director of Sosnowiec plant

“

One of the types of braid used on tyre edges is easier to produce, but steel cord, that is the tyre carcass used as a scaffold for the tyre and decisive for how the tyre moves, is actually the top shelf of products.

4.3 Our products



Installation of the new marking machine and a control and testing unit in Chorzów makes it possible to produce 4 rail profiles (49E1, MAV48, P50, 50E2) in line with the European Standard PN-EN 13674. The control unit enables automatic ultrasound and eddy current testing as well as rail corrugation tests.

In the rolling mills in Dąbrowa Górnica, we launched the production of new rail profiles for foreign markets, among others according to AREMA and GOST standards. We also started the production of new sections, profile IPE O 500.

We also developed Stelligence®, which is our offer of sustainable solutions for construction sector, where steel products, both flat and long, combined with distribution, make it possible to reduce carbon footprint of a building by 38 per cent thanks to lighter steel structures.

4.4 Our projects

The production of top quality steel products requires appropriate infrastructure and reliable installations that use the best technologies. Therefore, in our journey to excellence, we upgrade our plants in an intense way and search for optimum solutions.

Last year we started works to enable the transport of hot slabs (steel semi-products with a rectangular cross-section used as charge material for the manufacture of flat products) from Dąbrowa Górnica to the hot rolling mill in Kraków, in the conditions

that make it possible to keep high temperature necessary for further processing of a semi-product. In this case, delivery of slabs at 300°C is a necessary technological condition to obtain the required rolling parameters.

As part of the project, we had to provide appropriate railcars, which, after adaptation for operations, had to undergo comprehensive maintenance works to obtain relevant certificates. The purpose of all this is to ensure top quality of the sheet offered.



we have over 600 km of railway tracks on our premises

did you know...

It would be enough for a train connection from Kraków to Gdańsk!

4.4 Our projects



In September we completed the third (after the ones in March and June) in 2020 overhaul of the hot rolling mill in Kraków. Repair and upgrade works covered all the areas of the rolling mill, over the length of almost 600 metres of the rolling line.

The upgrade comprised among others providing a water seal to the walking beam furnace, repair of electrical engineering equipment and replacement of the guides.



In our cold rolling mill in Kraków we installed a special roll texturing machine, which makes it possible to obtain the required roughness of the sheet surface.



The modern unit is provided with automatic roll position detection systems which ensures process reliability. In addition to that, we modernised the acid regeneration station, where we replaced five big cylindrical silos for acid and the interconnecting process channels.

...there are 990 km of pipelines on our premises



did you know...

This is about the distance between Dąbrowa Górnica and Dalmatia in Croatia.

4.4 Our projects

In August we started a 60 million PLN worth revamping of blast furnace no 3 in Dąbrowa Górnica, with the upgrade of the BF gas cleaning system as its main objective. Moreover, we repaired dedusting installation and blast furnace cooling system. The upgrade covered the replacement of pipelines of BF heaters and compensators on BF gas collector.



In 2020 we also managed to perform some works in the steel plant in Dąbrowa Górnica. One of the installations under repair was the ladle furnace, where we upgraded the off-gas exhaust system to increase dedusting efficiency. We also modernised a vacuum degassing vessel where liquid steel impurities are removed, which is of key importance e.g. while producing steel for rails.

We also improved the design of our continuous caster no 1 improving the rotary connector of the ladle turret. The connector transmits control signals.

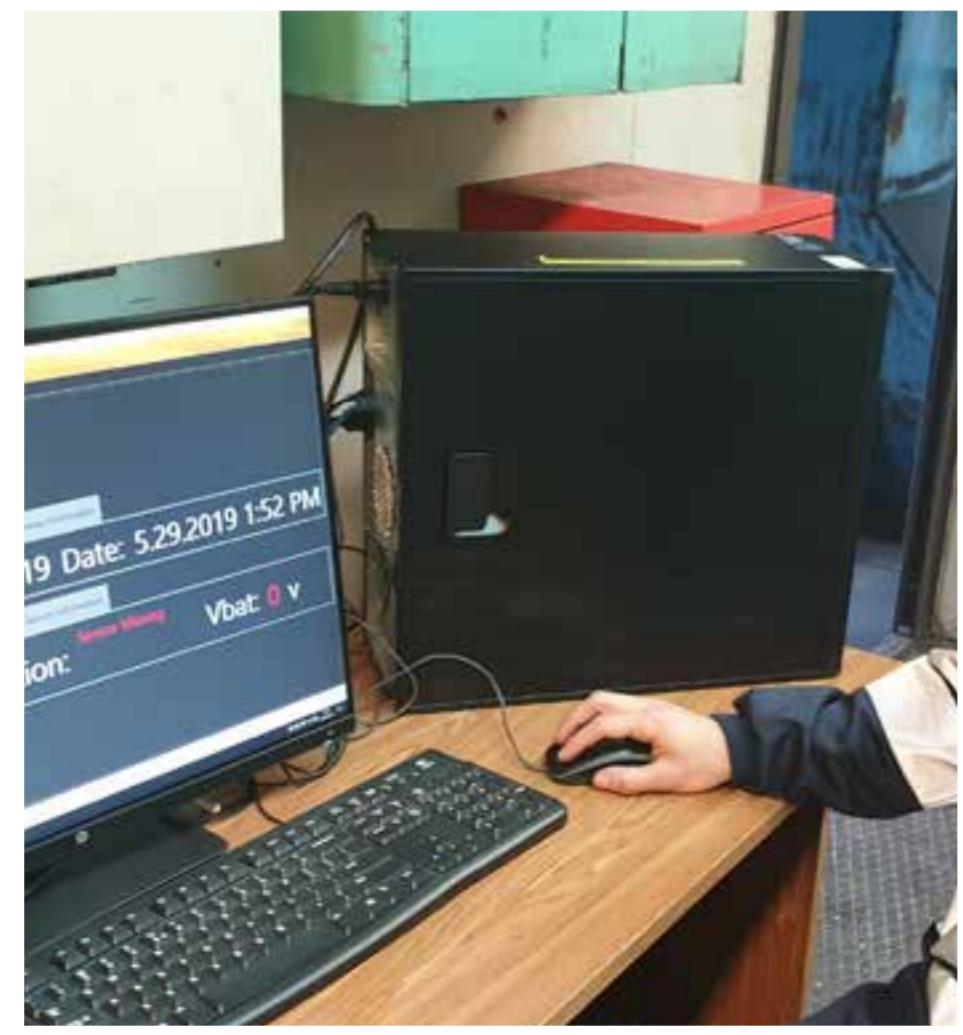
In 2020 we also managed to continue part of the projects subsidised by the National Research and Development Centre. The engineering works were affected by bad situation in the steel

sector in Poland and Europe and by the onset of the pandemic. In spite of the difficulties, cooperation with the National Research and Development Centre brought us a positive decision on the new subsidy for the innovative project involving improvement of energy and environment efficiency while iron ore sintering by developing an innovative technology of coke breeze undersize granulation.



4.5 Industry 4.0

We transform the image of Polish steel industry by investing in new technologies, realizing successful projects as part of the so-called Industry 4.0 framework, which entails development of digital tools in all production aspects. In 2020, automation and digitization were not made easier by the coronavirus pandemic, but even in these unfavourable circumstances we managed to realize a lot of plans.



Our IT specialists worked hard when the pandemic started to make sure all employees have safe and easy access to necessary IT tools. The risks connected with quick COVID-19 spread required that immediate preventive measures be taken, including the use of new technologies, such as the ones at the gates of our plants.

We installed there special thermal vision cameras to measure temperature of people entering our premises to be able to detect any potential symptoms of infection.

The system is capable of performing 16 accurate measurements in a single spot per second. In parallel, we continued implementing comprehensive Industry 4.0 projects for supporting production in our plants.

Tomasz Frankiewicz

director of Automation,
Industrial IT and Models
at ArcelorMittal Poland

The key success factor was a high level of discipline among our employees and following internal restrictions and cybersecurity rules.

We did not have any serious incidents in this area. The pandemic will undoubtedly change our work culture and general approach to remote work.

2020 we continued our mobile inspections project, thanks to which our maintenance staff, using a dedicated application, confirm the performance of regular work and assess the condition of equipment in our plants. All the operations are performed using mobile tools and make it possible to have immediate access to necessary information. This improvement helps us in intuitive creation of a database with the condition of our installations, which makes it easier to plan further maintenance work. The project encompasses all production units of our company.

We continue our efforts to develop mathematical models of production processes. In 2020 we implemented a model for steel sheet galvanizing, helping us reduce zinc consumption and at the same time improve production quality.

We started works to implement a new system for production tracking in Dąbrowa Górnica, Sosnowiec and Świętochłowice. The entire system is based on standard generic components developed by our Automation, Industrial IT and Models office.



4.5 Industry 4.0

We conducted thorough modernisation of computer networks in the steel plant in Dąbrowa Górnica, where we increased the connection efficiency by introducing relevant segmentation with the use of the state-of-the-art technologies. This is how we managed to increase reliability of data transfer between different levels of steel plant production management systems.



Thanks to virtualisation of over 750 servers we improved our cybersecurity and servers reliability, and we also reduced electricity consumption in a significant way.

In 2020 we also worked on the system to manage the logistics of finished products in the area of long products. The first stage of the project covered the management of sheet piles, which received relevant labels that make it easier to manage their logistics.

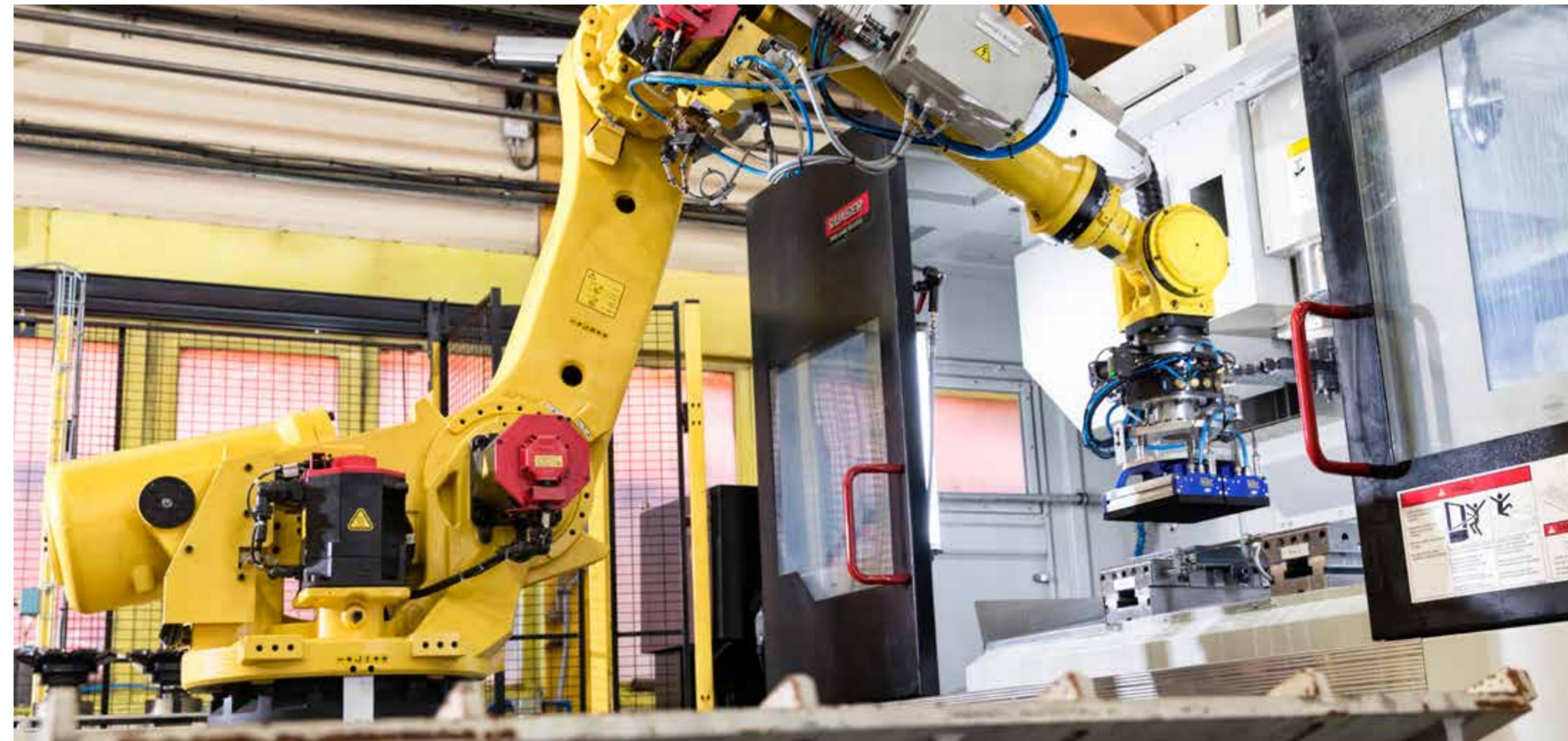
The project included but was not limited to extending the infrastructure and implementing special computer desktops to monitor the logistics online. The improvement makes it possible to reduce transport costs and to have quick access to necessary information on the condition of the products stored.

We also developed an application for the Database on products and packaging and waste management (BDO), which facilitates management of waste records at ArcelorMittal Poland. The integration of both applications was possible thanks to receiving the API connector from the database administrator, that is the Institute for Environment Protection

One of the key Industry 4.0 concepts that we develop is the application of 3D printing. We believe that broad use of additive manufacturing is the future for production plants, which – to be up and running – require enormous stocks of spare parts and regular supply of unique machinery elements.

Our global research and development centre has worked for years on 3D printing optimization and production of spare parts this way, with both metal and plastic as production material. In 2020 our company joined an elite group of ArcelorMittal plants having their own top-class 3D printer.

Thanks to a modern printer installed in Dąbrowa Górnica we started advanced works on the manufacture of metal elements using selective laser sintering. Elements obtained this way can have complex shapes combined with high surface quality.





About this report

5.

- 5.1 About this report
- 5.2 GRI Content Index

5.1 About this report

We present you the 11th Sustainability Report of ArcelorMittal Poland. We report annually covering the period from January 1 to December 31, 2020. The report was prepared in accordance with the international GRI Standards reporting guidelines at the CORE level and has not been subject to additional external verification.

We collected data for the report based on internal reporting systems. Employees of the company at various levels, including the Management and the Board of Directors, were involved in the process of selecting topics and analysing the significance of issues. All topics relate to the activity of the organization, both internally and externally.

If you have questions about the content and described activities, please contact:

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Priority issues (important reporting topics):

- Occupational health and safety with particular emphasis on a pandemic situation and measures to prevent the spread of the virus,
- The situation on the steel market and role of the steel industry in the Polish economy,
- Terms of employment and changes in the configuration of plants,
- The environmental management and the strategy of the ArcelorMittal group,
- Gas and dust emissions - scale and reduction,
- Investments improving efficiency and reducing the negative environmental impact of the company,
- Quality and development of the product portfolio,
- Industry 4.0,
- The role of steel and production processes in a circular economy / waste,
- Business ethics and transparency.

We would like to extend our sincere thanks to all the contributors to this report, for their time and recommendations.

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Occupational health and safety

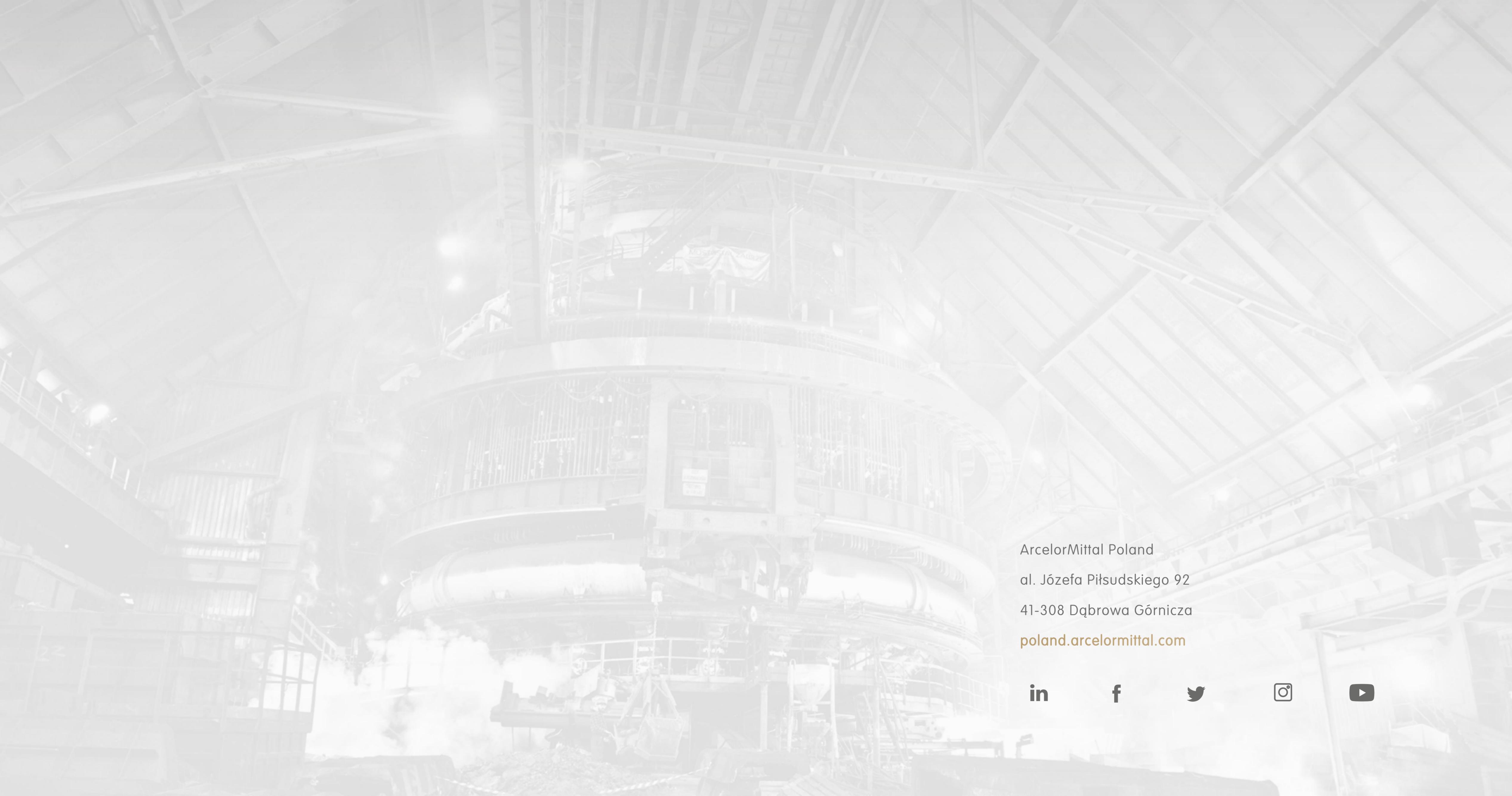
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