

Section 3 – Strong governance



# Independent Limited Assurance Report to the Directors of ArcelorMittal Société Anonyme

DNV Business Assurance Services UK Limited (“DNV”, “us” or “we”) were engaged by ArcelorMittal Purchasing S.A.S. to provide limited assurance to ArcelorMittal Société Anonyme (“ArcelorMittal”) for the reporting year ended 31 December 2021.

## Our Conclusion

**Our Conclusion:** Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

**Our observations and areas for improvement will be raised in a separate report to ArcelorMittal’s Management below. These observations do not affect our conclusion set out above.**

- We restate our recommendation from last year that ArcelorMittal should finalise an approach to reporting on joint ventures and consistently apply it across its portfolio. Within this approach, consideration should be made on the implications where joint ventures are integrated within ArcelorMittal’s activities and site boundaries, such as metal recycling operations, in line with reporting best practices, such as the WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.
- Responding to our previous assurance findings, ArcelorMittal has begun the process to develop an online environmental data collection system. We recommend that ArcelorMittal should provide separate market-based reporting on Greenhouse Gas (GHG) Scope 2 emissions, in addition to location-based reporting, in next year’s report.
- We recommend ArcelorMittal considers developing an approach to reporting the GHG impact of carbon reduction measures, such as Steelanol, Torero and use of black pellets.

- We noted that the boundary of Scope 2 emissions is not clearly defined and upstream impacts from purchases ArcelorMittal is currently working on these purchases. We restate our recommendation that the company includes construction/demolition activities, within the scope of its environmental data.
- We noted an increased focus on safety and to decommission a blast furnace. We recommend the company includes construction/demolition activities, within the scope of its environmental data.
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## Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV holds other audit and assurance contracts with ArcelorMittal, none of which conflict with the scope of this work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

### Selected information

- The scope and boundary of our work is restricted to the following key performance indicators included within the Fact book on page 30
- Target to reduce CO<sub>2</sub>e emissions intensity in Europe by 35% by 2030 (Scope 1 and 2)
  - Target to reduce CO<sub>2</sub>e emissions intensity across the group by 25% by 2030 (Scope 1 and 2)
  - CO<sub>2</sub>e intensity (steel; tonnes of CO<sub>2</sub>e/tonne of steel)
  - Absolute CO<sub>2</sub>e footprint (steel and mining; million tonnes)
  - Absolute CO<sub>2</sub>e footprint (steel; million tonnes)
  - Absolute CO<sub>2</sub>e footprint (mining; million tonnes)
  - Primary energy consumption (steel; petajoules)
  - Dust (ducted) per tonne of steel (kg/tonne of steel)
  - NOx (ducted) per tonne of steel (kg/tonne of steel)
  - SOx (ducted) per tonne of steel (kg/tonne of steel)
- Net water consumption (steel; m<sup>3</sup>)
  - Waste (non-used residues) landfilled (tonnes)
  - Waste (non-used residues) in stock (tonnes)
  - Fatalities (steel and mining)
  - Lost-time injury frequency rate (LTIFR) (per 100 employees)
  - Industrial operations (including mining) certified to ISO 45001:2018 (including mining; %)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used ArcelorMittal’s internal controls. We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report. We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report.

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### Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

### Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with ArcelorMittal’s management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Onsite testing of the following sites to review process and systems for preparing site level data consolidated at Head Office for the Selected Information listed on the previous page. DNV were free to choose the sites on the basis of materiality and their contribution to the Group’s overall data. Our original plan included a site visit to Kryvyi Rih, Ukraine (steel and mining), however we were not able to complete this site visit.
  - Gent, Belgium (steel)
  - Bremen, Germany (steel)
  - Lázaro Cárdenas Long, Mexico (steel)
  - Contrecoeur L’Est, Canada (steel)
  - Dofasco Flat Products, Hamilton, Canada (steel)
  - Tubarão, Brazil (steel)
  - Peña Colorada, Mexico (mining)
- Performing limited substantive testing of Group-level data at Head Office for the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by ArcelorMittal for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

**DNV Business Assurance Services UK Limited**

London, UK

29<sup>th</sup> April 2022

