

Interview with Sanjay Samaddar,	
chairman of the Board of Directors	

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2022 is behind us, and it brought a number of unprecedented challenges for our organisation. How did our company respond to those challenges?

Indeed, last year we witnessed transformations that affected the functioning of many aspects of business, politics, and societies worldwide. The escalation of the unexpected Russia-Ukraine geopolitical situation caused a huge resonance with impact on society and economy.. In response to the threat to the security of people, we wanted to help those in need immediately. I have to say that I was deeply impressed by the dedication shown by our entire community - employees, partners, and neighbours - in responding to help those who suffer due to the war. As a company, we immediately started cooperating with hospitals, helping them purchase medical equipment and organized a collection for families of ArcelorMittal employees in Ukraine, to provide them with the necessary means for everyday life. We were also in constant contact with the authorities of the provinces and cities where we operate, to effectively co-organize the aid. We also participated in a wide UNICEF campaign, where ArcelorMittal doubled the funds contributed by employees. In addition, numerous grassroots initiatives, in which our employees were involved, showed that we have hearts as big as our blast furnaces. They needed help, and we were ready to provide it - such a relationship is a measure of humanity, which cannot be described in words

## What business and economic consequences did this geopolitical situation bring about?

The year 2022 saw, among other things, strengthening of cooperation with the Ukrainian ArcelorMittal Kryvyi Rih plant, which supplied materials to and through Polish territory. At the same time, resources were sent from our units and through Polish territory to the Ukrainian plant. Of course, the aforementioned situation brought changes, for example, in logistics. Supply chains around the world required reorganization, and infrastructure in our country was put under pressure. However, last year we struggled with a general slowdown in economic activity in Europe. If we take into account the burdens in the form of CO<sub>2</sub> emission charges, which we as an industry have been talking about for a long time, as well as unprecedented rising prices of gas and energy, the economic conditions are very demanding as a result. Last year, after a thorough analysis of the deteriorating situation in the market, we decided to reduce production and at the end of September we were forced to temporarily shut down blast furnace no 3 in our plant in Dabrowa Górnicza. The installation was restarted in January 2023, but this shows how difficult the economic conditions are. For many years, ArcelorMittal and the steel industry has been calling for support in the form of appropriate legal regulations to ensure a level playing field. Producers outside the European Union operate under much more favourable conditions, without incurring the costs associated with the CO<sub>2</sub> emissions trading system, where currently around 90 euros are paid for each emitted tonne of carbon dioxide.

# Interview with Sanjay Samaddar, Chairman of the Board of Directors

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The evidence of our careful approach to sustainable development is the positive result of the ResponsibleSteelTM audit and certification. ArcelorMittal Poland received this distinction as the first company in Poland and one of the first in Europe.

#### What is the significance of receiving this certificate?

We inform our stakeholders that we conduct our operations in accordance with high ethical standards and that we are a socially responsible company. This certificate is a significant distinction for us at ArcelorMittal Poland. Steel is one of the most commonly used materials in the world. Our customers in the automotive, construction, energy, packaging, transport, and household appliances industries have increasingly high expectations regarding the materials they use, expecting them to meet the highest social and environmental standards. The ResponsibleSteel™ certificate is a clear assurance for them that they can rely on us.

It is also well aligned with ArcelorMittal plans of minimizing the impact of production plants on environment and CO<sub>2</sub> emissions. Please be reminded that ArcelorMittal declared to reduce CO<sub>2</sub> emissions in Europe by 35 per cent by 2030 compared to 2018, and by 2050 we want to be fully carbon neutral. It shows that we want to produce steel while respecting natural environment. At ArcelorMittal Poland we are ready to switch from conventional steelmaking to new technological routes in order to produce recycled and green steel that contributes to environmental goals. We are excited about prospective actions

that will help us achieve these goals. Steel will be needed in the future, and the modern world will still need steel: to build infrastructure for renewable energy sources, transport electrification, and due to its perfect recyclability. However, achievement of these goals requires significant capital expenditure, access to ample green energy at affordable prices and a fair market that is not surged by steel from producers that do not pay for CO<sub>2</sub> emissions.

#### From your point of view, what is most important inside the company?

Our topmost priority is always safety that is expressed by the zero accidents in the workplace motto. We work in an industrial environment where full caution and constant vigilance are required. Unfortunately, last year in Zdzieszowice, there was an accident where a worker from our contractor company was fatally wounded as a result of a fall from height. We do not cease our efforts to strengthen safety. We implement a number of internal procedures, programmes and trainings, starting from cyclic events such as Safety Day or Health Week, to health and safety competitions. In order to complement our flagship training programme, Take Care, in 2022 we launched new educational initiatives, such as e.g. Stop. Agree, Inform or a training programme with external trainers from safety specialists ,where we reinforce employees safety awareness and competence. In 2022, we were still dealing with the threats related to COVID-19. The state of epidemic, and then the epidemic threat, required constant readiness, so we regularly convened crisis management meetings

and updated information for employees, while ensuring all necessary safety measures. When it comes to safety, there is no room for compromise, so we constantly appeal to employees to take care of themselves.

#### How does ArcelorMittal Poland mark its presence in the immediate vicinity?

Being active in the life of the communities where our plants are located is one of the goals of our company's corporate responsibility. For years, we have been strengthening relations with the local communities by engaging in various social projects and actively participating in the lives of external stakeholders. Steel plays a significant role in everyone's life, and therefore also in our neighbours' lives. A great example here is the construction of sports facilities in Sosnowiec, the title sponsor of which is our company. Today, ArcelorMittal Park in Sosnowiec serves as a unique space for the inhabitants of the region, including our employees and their families. These objects exemplify the use of steel, which we call the "material of the modern world" and our commitment to the development of the immediate environment.

More information about our initiatives and key activities in 2022 can be found in the report, which I strongly recommend you to read.

#### Thank you.

Interviewed by Marcin Przeor

#### Priorities and management

- 1.1. Who we are
- 1. 2. What was particularly important in 2022
- 1. 3. Our value chain
- 1. 4. Our stakeholders and communication channels in 2022

Interview chairman of the Board of Directors

Priorities and management

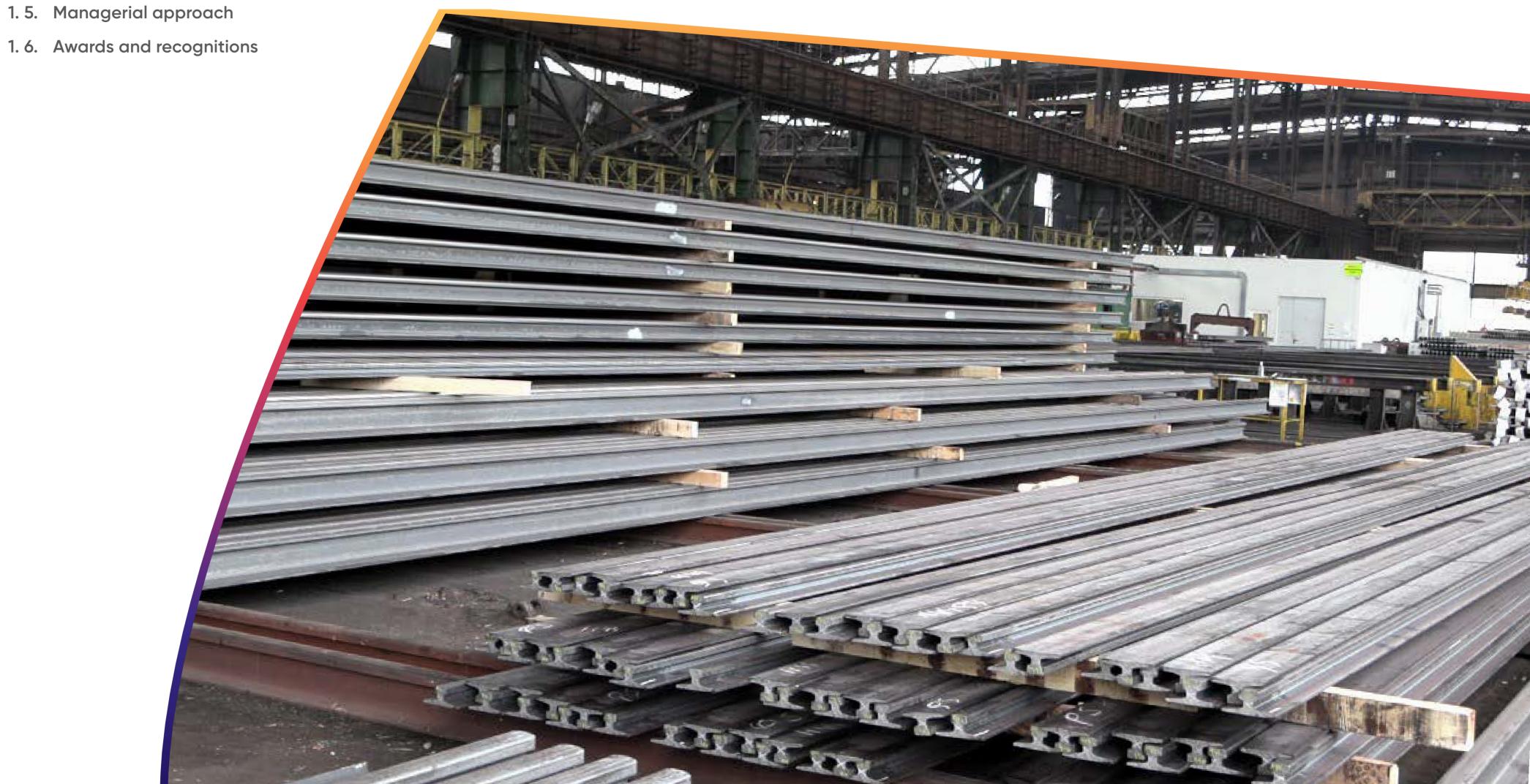
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### Who we are

We are the largest and most advanced producer of steel and coke in Poland. By producing strategic raw material for global economies, we concentrate 50 percent of the metallurgical potential throughout our country. We have 5 steel plants and the largest coke plant in Europe – in total, we employ nearly 10,000 people in three provinces: Silesia, Małopolska and Opole.

We are part of ArcelorMittal group – the world's leading steel and mining company, present in 60 countries.

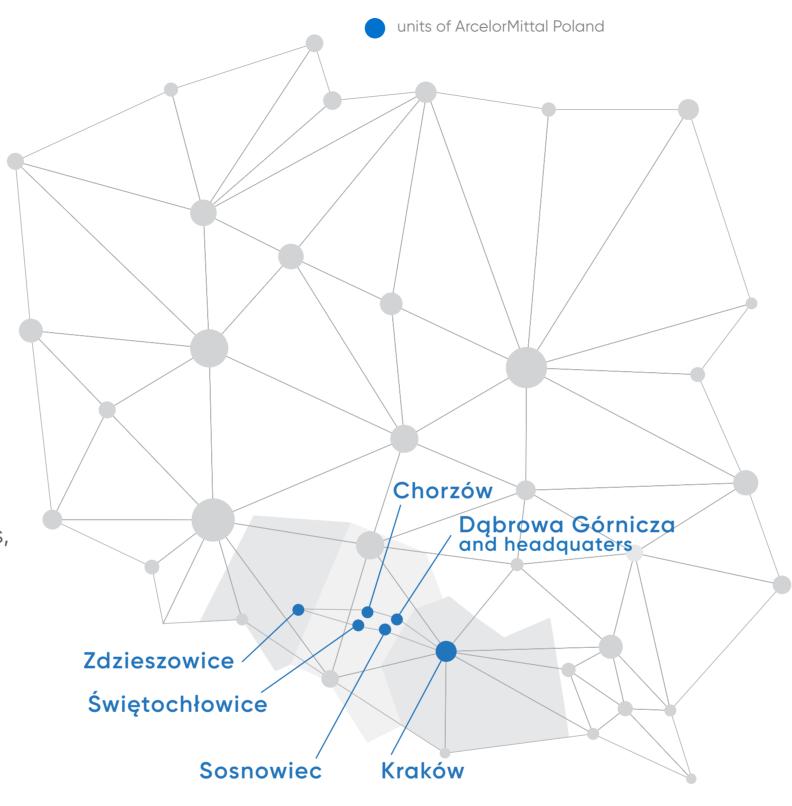
Over the last 19 years, that is since 2004 when we started our activity in Poland, we have become known as a company that constantly modernises Polish steel industry.

The effects of our work can be seen everywhere – from household appliances, through automotive and rail transport, to construction. Our steel is at your fingertips.

In 2022, we produced a total:

**3,422,428** tonnes of steel







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## What was particularly important in 2022

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The year 2022 went down in history as a time full of challenges that we faced not only as an organisation or industry, but also as a society as a whole. The slowdown in economic activity in Europe, counteracting the effects of the COVID-19 pandemic, high gas and energy prices and the war in Ukraine had a significant impact on our reality. It was a demanding time for employees, stakeholders and everyone around.

Health and safety remain our top priority. In 2022, we implemented several programmes aimed at improving our health and safety results, such as "Follow rules. Together we save lives" or "Stop. Inform. Agree." As in the previous year, we also complied with strict restrictions related to the prevention of COVID-19 transmission, while ensuring that employees are equipped with protective measures and necessary information related to the threats connected with the coronavirus. In addition, we organized some events to promote health and safety among our employees, such as our cyclical "Health Week" or "Safety Day". All initiatives at local and corporate levels are supposed to bring us closer to our ultimate objective of zero accidents in the workplace.

On February 24, 2022, Russia invaded Ukraine – a neighbour country of Poland, where ArcelorMittal has one of its plants. As a gesture of help to those in need, we immediately started cooperation with medical facilities, transferring funds for the necessary equipment and organizing a collection for the families of ArcelorMittal employees from Kryvyi Rih.

We also joined a large UNICEF campaign, under which the charitable funds donated by our employees to help Ukraine were doubled by ArcelorMittal. At the same time, our employees independently and bottom-up organized help for people in need.

A great accomplishment of our company was the official certification for the ResponsibleSteel™ standard developed by an organization associating the largest steel producers, their suppliers, scientific units, industry associations as well as environmental and social organizations. We are the first company in Poland to have obtained this certification.





Responsible

This certification is an incredible distinction for us at ArcelorMittal Poland, but also a commitment to our stakeholders. Steel is one of the most commonly used materials in the world. Our customers in the automotive, construction, energy, packaging, transportation and white goods industries have increasing expectations of the materials they use, requiring them to meet the highest social and environmental standards. The ResponsibleSteel™ certificate is proof of responsible management and also provides us with additional motivation for development

Sanjay Samaddar Chairman of the Board of ArcelorMittal Poland

## What was particularly important in 2022

Situation in the steel market

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We produce steel – a raw material of strategic importance for economy and at the same time the unquestionable "backbone" of the modern world. Its suitability for modern renewable energy infrastructure, electrification of transport and its recyclability make steel an excellent choice for sustainable development. The responsible production and use of steel affects almost all aspects of human activity.

Nevertheless, following the path of sustainability is associated with many challenges that steel industry has to face. We felt it at the turn of summer and autumn, when due to the economic slowdown, high energy and gas prices, growing imports from outside the European Union and record high prices of CO<sub>2</sub> emission allowances, we decided to temporarily suspend the operation of blast furnace no. 3 in Dabrowa Górnicza. There was a shortage of orders. The operation of the installation was resumed at the beginning of 2023, so as to ensure continuity of production during the revamping of the other blast furnace in Dabrowa Górnicza.

The market situation in Europe deteriorated further over the summer.
We are observing a decline in demand, and the order book is below the minimum level of technological operation of two blast furnaces in in September 2022.

Frederik Van De Velde CEO of ArcelorMittal Poland Our company is moving towards decarbonisation to meet the assumptions of the "Fit for 55" programme, announced by the European Union. At the same time, by 2030 we want to fulfil the commitments at the European level in order to reduce  $CO_2$  emissions by 35per cent in the Old Continent compared to 2018.

#### Steel industry's impact on the Polish economy in 2022



Total crude steel production was 7.4 million tonnes, and Polish economy consumed or processed 15.26 million tonnes of steel products;



Construction industry was the largest consumer (5.4 million tonnes) of steel, contributing to around 43 per cent of total consumption by all economy branches;



Employment level in steel companies at the end of 2022 was around 24 thousand people;



Salaries in steel industry were on average by 9 per cent higher than a mean salary in industry and by 13 per cent higher that a mean salary in whole economy;



Steel production sold was at the level of around PLN 63.5 billion (3 per cent of industrial production), with export sales contributing to over 50 per cent of this value (PLN 33 billion).

Source: Polish Steel Association

To this end, we set up a dedicated decarbonisation department that is working intensely on research and opportunities in this area – as the Group we have the best knowledge and scientific and technological background to be at the forefront of the upcoming transformations.

It does not mean, however, that we do not need any support in this mission. Decarbonisation investments require tremendous expenditure, which is a great challenge in the current context of burdensome fees for carbon dioxide emission allowances.

For each tonne of CO<sub>2</sub> emissions, companies in the EU pay around 90 euros, which is not paid by companies from outside the Community. In order to create competitive conditions for our plants, an appropriate legal framework should therefore be created related to the carbon levy on goods from outside the EU. We also need access to energy at competitive prices that will ensure security and let us achieve our ambitious goal to the benefit of society as a whole.

#### ArcelorMittal Poland's operations in numbers in 2022 compared to previous years

		2020	2021	2022
Steel production	TONNES	3,865,965	3,991,867	3,422,428
Coke production	TONNES	3,275,529	4,192,790	3,707,507
Corporate income tax	PLN	-	456,789,299	112,735,758
Excise tax for electricity, gas and coal products	N	3,018,946	3,847,961	2,813,067
Real estate tax	N D	140,463,119	143,941,616	146,244,803
Perpetual usufruct	N PLN	19,736,063	24,617,216	32,893,030
Social projects	N	181,585	594,395	924,891

### Our value chain

Interview

chairman of the

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#### Sourcing of raw materials, products and services

- > Transparent and responsible rules of supplier selection and supplier cooperation;
- Compliance with the Code for Responsible Sourcing;
- > Impact on national economy, the role of our presence in the Polish and European markets.

Main challenges in the value chain of ArcelorMittal Poland:

#### Steel and coke production

- > Our target: zero accidents at work;
- Scale of employment, work terms and conditions;
- Recruitment and low employee turnover, building a pipeline of talented candidates for work by employer branding;
- Monitoring and reducing environmental impact, in particular emissions of dust and gases into the air;

- > Effective use of energy and water;
- Ensuring production continuity and optimum utilisation of production capacity.
- Effective use of raw materials optimising costs and maintaining reliability of facilities;
- > Compliance with Polish and international law.

#### Sales and the use of our products by our customers

- Offering a wide range of topquality 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.

#### The main challenges of business activity:



Rising prices of energy and CO<sub>2</sub> emission allowances;



Slowdown in economic activity in Europe;



High stock levels at customers;



Fight against the COVID-19 pandemic threatening the health of employees;



Reducing environmental impact: development of low-carbon 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 CO<sub>2</sub> emission fees;



Ensuring continuity of production, reliability of supply and the highest quality of offered products;



Attracting candidates to work in the steel industry.



Change of supply chains in connection with the war in Ukraine.

### Our value chain

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#### Safe, healthy, quality working lives for our people

- Our priority is the safety of employees.
- We implement comprehensive safety projects on our journey towards the ultimate objective – zero accidents at ArcelorMittal Poland.
- We conduct internal information campaigns to promote attitudes that improve quality in the field of occupational health and safety
- We cooperate with the DROGA Foundation, which offers therapeutic and addiction support.
- We follow the rules and recommendations to prevent COVID-19 transmission and provide our employees with the necessary sanitary items. We have launched a post-coronavirus rehabilitation programme.
- Products that accelerate more sustainable lifestyles
- 3 Products that create sustainable infrastructure
- We expand our range of long products (such as wire rod, sheet piles, sections and rails – including a 120 m long rail and mining supports), flat products (sheets, strips), special products (railway accessories) and semi-finished steel products.
- We supply products for rail transport, construction, automotive, white goods and mining industries.

Main challenges in the value chain of ArcelorMittal Poland

#### 4 Efficient use of resources and high recycling rate

- In Dąbrowa Górnicza, we use blast furnace gases captured in ironmaking processes for energy production.
- At the TAMEH combined heat and power plant in Krakow, we switched from coal fuel to metallurgical gases. In the Zdzieszowice combined heat and power plant we use cleaned coke oven gas. One of our walking beam furnaces in the hot rolling mill in Krakow is also supplied with coke oven gas.
- Steel has great recyclability, thanks to which we are moving towards a circular economy.

#### 5 Trusted user of air, land and water

- We systematically reduce dust and greenhouse gas emissions into the air
- We carry out strategic investments in research and development, including low-emission steel production processes and lowemission steel grades.
- We organize monthly meetings of the waste management committee.

#### 6 Responsible energy user that helps create a lower carbon future

- We continue to work towards achieving ambitious climate goals. By 2030, we want to reduce CO₂ emissions in Europe by 35per cent, and globally by 25per cent. The development of two key technologies will help us in this: the innovative DRI-EAF (steel production in an electric furnace with direct iron ore reduction technology) and Smart Carbon (using carbon in a closed loop).
- In our structures, there is a decarbonization department that is exploring the possibilities of reducing CO<sub>2</sub> emissions.
- We modernize the lighting of our plants by replacing old lights with more efficient LED lamps

#### 7 Supply chains that our customers trust

- We operate on the basis of the Code of Responsible Sourcing, World Class Manufacturing (WCM) methodology and Integrated Management System.
- We measure customer satisfaction, organize a cyclical Customer Day event and other meetings with customers. We analyse claims and strive to reduce their number.

- 8 Active and welcomed member of the community
- Pipeline of talented scientists and engineers for tomorrow

#### 10 Our contribution to society measured, shared and valued

- We cooperate with local communities and together with them we pursue important social goals.
- We organize scholarships for talented students who major in areas connected with our business
- We cooperate with schools and universities, supporting scientific circles and participating in university job fairs.
- Our employees engage in volunteering and social activities in their immediate surroundings.
- We focus on transparency by regularly informing stakeholders about our activities, through social media, website, regular meetings with stakeholders or the press.

## Our stakeholders and communication channels in 2022

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#### **Employees**

- "1" company magazine
- intranet + newsletter
- mailing
- STUDNIA and SharePoint information repositories of ArcelorMittal Poland
- internal meetings, including meetings of the CEO with employees and his visits to the shopfloor
- information boards in departments
- company television STALwizja
- direct communication information provided by shift leaders to shift employees
- digital communication platforms
   Teams and Zoom; HRapka
   application, MyHrPortal employee
   portal, Yammer
- poland.arcelormittal.com website
- social media Facebook, Twitter, YouTube, Instagram and LinkedIn channels

We are committed to transparent and open communication with our partners in order to be able to build lasting relationships and keep them informed about our activities. That is why we conduct a multi-stakeholder dialogue through many channels, thus reaching out to many stakeholder groups:

#### Local communities and social partners

- meetings with local authorities, social partners and residents of neighbouring towns
- open days in our plants
- ongoing contact and cooperation,
   e.g. with schools and universities
- other events in our branches
- brochures and website: poland.arcelormittal.com
- information magazine "STALowe wieści" [STEELnews] for the residents of Dabrowa Górnicza
- social media Facebook, Twitter,
   YouTube and LinkedIn channels

#### Customers

- ongoing contact, meetings and collaboration
- customer satisfaction surveys and customer feedback about the company
- meetings of key customers with the Board of Directors
- SteelUser online platform for customers
- industry conferenced and events,
   Customer Day
- corporate newsletter for customers
- brochures and poland.arcelormittal.com website.

#### Suppliers

- daily contact and meetings
- meetings of key suppliers with the Board of Directors
- industry conferences and events
- brochures and poland.arcelormittal. com website
- digiPace applications (for conducting purchasing processes) and SES Portal (for settlements of work performed)

#### **Employees of future generations**

- cooperation with schools and universities, job fairs
- conferences and industry events
- poland.arcelormittal.com website,
   Oracle recruitment platform
- zainstalujsie.pl website for candidates for internships
- social media LinkedIn, Facebook,
   Twitter and YouTube channels
- recruitment advertisements in urban space, press, and Internet



## Our stakeholders and communication channels in 2022

#### Membership or support for associations and organizations:

- **\**
- Polish Economic Society
- Polish Steel Association
- Academic and Economic Association for Metallurgy

- Polish Chamber of Railway
   Equipment Manufacturers
   and Service Providers
- Business Centre Club

- Regional Chamber of Commerce in Katowice
- British-Polish Chamber of Commerce

- Association of Metallurgical Employers
- Polish Association of Metallurgical Engineers and Technicians (SITPH)

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#### ArcelorMittal Poland on social media:

	Faceb	ook Twitter	LinkedIn	YouTube
Number of followers /subscribers 2020	4,5	,	8,300	940
Number of followers /subscribers 2021	5,4	.60 2,380	•	1,040
Number of followers /subscribers 2022	6,1	.00 2,530	10,950	1,220

Click to find out more



ArcelorMittal Poland website



ArcelorMittal Poland on Facebook





ArcelorMittal Poland on Linkedin



ArcelorMittal Poland on Youtube



#### 1.5 Managerial approach

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Sanjay Samaddar chairman of the Board of Directors

**Adam Preiss** 

CFO

member of the Board of Directors



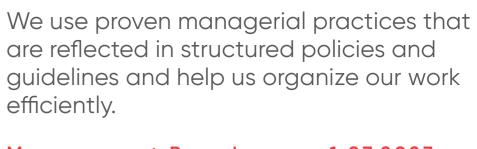
Czesław Sikorski
deputy chairman of the Board of Directors
COO Logistics, Coke Making



Tomasz Ślęzak
Energy and Environment director
member of the Board of Directors



Frederik Van De Velde
CEO
member of the Board of Directors



Management Board, as on 1.07.2023

Supervisory Board, as on 1.07.2023



Augustine Kochuparampil

– chairman of the Supervisory Board

Ramesh Kothari

Władysław Kielian – trade union representative

Lech Majchrzak – trade union representative

Andrzej Wypych



Tomasz Plaskura
CMO Flat Products Eastern Europe
member of the Board of Directors`



Wojciech Koszuta
member of the Board of Directors

## Managerial approach

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Managing an enterprise operating on such a large scale as ours requires the functioning of a properly integrated management system and organized teams and advisory bodies. This philosophy is supposed to guarantee systematic approach and helps in the efficient delegation of work, as well as improves the flow of information and reporting.

Every week, our company has management committee meetings, which provide a platform for exchanging information on strategic and operational topics. The meetings are attended by CEO, CHRO and COOs responsible for particular areas of the company.

General topics related to occupational health and safety are discussed at the reviews of the Main Health and Safety Committee, which performs an advisory and consulting role. The reviews are attended by trade union representatives and senior management. In parallel, we organize meetings of local Health and Safety committees, which focus work on performance in particular locations in which we operate.

After the onset of the pandemic, we established a **crisis management team**, who, on a cyclical basis, discuss issues related to the organization of the company's life in relation to the risks associated with COVID-19. The team reports to the deputy chairman of the Board of Directors, Czesław Sikorski, who is accompanied by a group of experts in the field of occupational health and safety, law, communication, facility management and IT.

In our company we also have a Women's Forum, composed of female representatives of offices and plants from various locations. The Forum was created as a platform for exchange of opinions and experiences from the perspective of female employees who are a minority in our company.

As part of the social dialogue, we have the Main Social Benefits Committee, responsible for deployment and monitoring of the objectives resulting from the Company Social Benefits Fund. The committee, meeting about 8 times per year, is composed of company representatives and trade union organisations. In addition to the Main Committee, there are also two Local Social Benefits Committees, one for Silesia and Dąbrowa region and the other one for Małopolska, and they work on similar topics locally.

### Integrated Management System

Our Integrated Management System is validated by positive external audits carried out by an accredited certification body for all areas of our activity. In 2022, TUV Rheinland Polska Sp. z o.o. auditors during visits to our six locations reassessed the effectiveness of the integrated management system at ArcelorMittal Poland. The audit concerned all implemented standards constituting our integrated management system, i.e. ISO 9001 (quality), ISO 14001 (environment), ISO 45001 (health and safety), ISO 50001 (energy) and IATF 16949 (quality management standard for automotive industry).

As we operate in a safe and responsible manner, we also maintained the positive decisions of the State Fire Service and the Provincial Inspectorate for Environmental Protection regarding the functioning of the Process Safety Management System in Dąbrowa Górnicza, Kraków and Zdzieszowice.

### Components of the Integrated Management System at ArcelorMittal Poland:

- 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 (for high risk plants) in accordance with the Environmental Protection Law,
- Environment protection laboratories and quality testing laboratories are accredited for the standard ISO/IEC 17025:2018–02.

Thanks to the management systems we can be sure that our processes have been properly identified and are properly managed, and that we have well-trained employees, fully aware of how to carry out tasks effectively to achieve the goals and how to perform work in a safe way and minimize waste



Krzysztof Warchoł Management Board Plenipotentiary for Integrated Management Systems



## Managerial approach

In the summer of 2022, as the first company in Poland, we obtained the certification in accordance with the ResponsibleSteel™ standard, developed by an organization associating the largest steel producers, their suppliers, scientific units, industry associations as well as environmental and social organizations. The audit verified our activities against strict requirements, the implementation of which is checked by auditors not only on the basis of received documents, but also during discussions with external and internal stakeholders.

A positive result of the audit shows to our stakeholders that we manage the company responsibly, and all our plants produce steel and coke respecting the principles of integrity and sustainable development, at every stage of operations. Everything is important: work management, raw materials sourcing, production processes and their impact on environment, working conditions or company's involvement in local community affairs.



## Managerial approach

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#### **Compliance Programme**

The management of processes and people on such a large scale as in our case requires appropriate regulations in the field of compliance with legal regulations and the principles of business conduct.

Therefore, to prevent fraud, we implement a comprehensive Compliance Programme with the following constituents:

- ArcelorMittal's Code of Business Conduct,
- Human Rights Policy,
- Anti-Corruption Procedure,
- Economic Sanctions Procedure,
- Insider Dealing Regulations,
- Data Protection Policy,
- ArcelorMittal's Data Protection Procedure,
- Whistleblower Policy,
- Anti-Fraud Policy,
- Receiving and Giving Gift and Entertainment Procedure.



#### Other policies:

- Integrated Management System policies,
- Social policy,
- Employee Relations policy,
- Security policy,
- Diversity and Inclusion policy
- Work-life balance policy
- Procedures for preventing and dealing with harassment in the workplace at ArcelorMittal Poland S.A.

Our company has a compliance officer function realized by an experienced lawyer, Magdalena Soboń-Stasiak, who for years has been watching over the compliance of the Group's companies with legal standards in Poland and acts as a data protection officer and antimoney laundering officer. Every employee can report their comments or suspicions of corruption to the compliance officer in complete security. For this purpose, we have confidential communication channels: a toll-free telephone number and a special e-mail address.

We devote a lot of attention and work to promote and strengthen ethical attitudes in line with our rules. That is why we organize relevant trainings and prepare information materials.

Every employee of our company is required to undergo training in business conduct every 3 years at minimum.

#### Managerial approach

#### Compliance trainings in 2022:

We conducted 40 individual and group compliance trainings on: anitcorruption, receiving and giving gift and entertainment procedure, code of business conduct, antitrust laws, insider dealing and economic sanctions.

100 per cent of business units were analysed for corruption risk.

As part of an internal information campaign, in 2022 our employees received short films from the "Compliance in Action" series, with episodes on the most important issues related to counteracting fraud. Recordings with ArcelorMittal experts focused on data protection, offering and accepting gifts, conflicts of interest and the overall culture of compliance among others.

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#### Compliance trainings in 2022:



			2020	2021	2022	
	number of employees arned the procedures		902	357	851*	
	managers and senior managers	>	160	535	134*	
	positions below managers	>	403	120	233 *	
	ent of employees who arned the procedures	>	10.24	4.22	10.16**	
-	oer cent of managers and senior managers	>	4.57	1.41	2.70**	
	per cent of positions below managers	>	5	2.8	7.18**	

The number and percentage of all employees of ArcelorMittal Poland who in 2022 became familiar with the anti-corruption rules and procedures in the organization, as well as underwent training on the combating corruption (mandatory training once every 3 years). Trainings take place in the form of stationary meetings, webinars and self-paced learning (training available on the company's training platform).



<sup>\*</sup> The number given refers to employees designated to learn the procedures in the reporting period.

<sup>\*\*</sup> Which makes up 100 per cent of employees designated to learn the procedures in the reporting period.

## Awards and recognitions

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Being a leading company in the steel industry in Poland, we are regularly recognised for our heavy work.

Awards and recognitions testify to the commitment and effectiveness of people with whom we have the privilege to work every day.



In spring of 2022, we were awarded the title of "Ethical Company 2021" in a prestigious ranking organized by "Puls Biznesu" and "PwC". Every year, they recognise companies operating on the basis of high ethical standards both in their activities and in management. In 2022, we were recognised in the area of environmental protection and women's security.

We are classified in the ranking of the best employers in Poland, prepared by Forbes Polska in cooperation with Statista. The Poland's Best Employers 2022 ranking shows the best employers by industry – we took sixth place in the category "Production and processing of raw materials, building materials, metal and paper".

Our company took 8th place in the ranking of the 50 best employers, which in spring 2022 was published by "Wprost" magazine. With this rank we became the highest classified company in the "industry" category.

Our company was awarded the Highest Quality International 2022 Programme in the QI ORDER category for "Highest Quality Management". The Jury of the Programme, organized under the patronage of the Polish Agency for Enterprise Development, Polish Committee for Standardization of the Department of Process Management at the University of Economics in Krakow, recognised our activities related to implementation and promotion of the idea of quality in all aspects of operations, especially in the field of management, thus awarding us the Golden Emblem QI 2022.

"Polityka" weekly in cooperation with Deloitte and Responsible Business Forum honoured us with Polityka's **Silver Leaf CSR** in the 11th edition of the list of socially responsible companies. CSR leaves are awarded to companies that base their activities on the best standards in the social, environmental and corporate governance areas.

As many as 10 of our practices were included in the report "Responsible Business in Poland. Good Practices" published by Responsible Business Forum. The publication is the largest review of sustainable development initiatives in Poland – we are proud to see so that so many our initiatives are appreciated. Our ten initiatives included activities related to support for Ukraine, our company kindergartens, activities in the area of health and safety, training, cooperation with universities and

wellbeing. We were listed among 38 companies and organizations that are most committed to social cohesion and diversity management, according to the **Diversity IN Check** study. Its results were announced during the 9. CSR Fair organized by Responsible Business Forum.



#### Safe workplace

- 2. 1. A systematic approach to safety
- 2. 2. Activities to reinforce health and safety
- 2. 3. Internal Health and Safety programmes and initiatives

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## A systematic approach to safety

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Workplace safety is always our top priority, as nothing can replace the priceless gift of life and health. We operate in an industrial environment where one must be vigilant at every step, which is why we work on increasing awareness and adhering to occupational health and safety rules.

Ensuring compliance with safety regulations, we operate in accordance with ISO 45001:2018 standard. At the same time, we aim for our goal of 'zero accidents at work', which is aided by clear regulations, policies, and internal procedures:

- ArcelorMittal H&S Policy
- Response to breakdowns/potential breakdowns and serious incidents
- Response to anomalies/threats/ potentially dangerous incidents
- Monitoring and control of occupational safety and health status
- Occupational hazard identification and risk assessment
- Procedure for providing pre-medical assistance

Procedure for preventive measures related to the spread of the SARS-CoV-2 virusArcelorMittal's Health Standards have been developed that define the basic principles of preventive healthcare in production plants. In addition, twice a year, occupational health units cooperating with ArcelorMittal Poland prepare a report on the health of our employees, which is the basis for taking preventive and remedial actions. Its result in 2022 were, for example, visits of a physiotherapist who, after observing and analysing the postures of employees at workplaces, recommended adequate exercises to strengthen the body and shared professional tips with us.

The Collective Labour Agreement includes additional compensation for long-term or permanent damage to health. The Company Social Benefits Fund, on the other hand, includes the rules of co-financing additional health benefits, such as:

- rehabilitation for people working in special conditions,
- sport vouchers,
- rest after work in the form of trips.

In addition to recovery meals and refreshments required by state regulations, we also provide regenerative meals for all employees of the company.

Based on Directive 1/2016 DG, supported employment positions have been set up in our company, quaranteeing temporary employment in the socalled "light positions" to employees who require temporary convalescence and should recover from their health condition. This allows employees to remain employed and at the same time take care of their own health, which - as a result of civilization diseases or other diseases - requires that they are temporarily seconded to lighter duties. In addition, our coke oven plants carry out biomonitoring among employees exposed to carcinogens, including polycyclic aromatic hydrocarbons (PAHs).



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Our company also has an entire OHS management system, which covers employees of external companies. Each contractor is obliged to comply with our rules and signs a "Health and Safety Agreement", accepting the so-called "catalogue of penalties". Companies cooperating with us are obliged to teach their employees our requirements and regulations, which is necessary to pass the mandatory health and safety exam. The works carried out by contractors are subject to regular audits. Any nonconformities found are analysed on a weekly basis by a team responsible for consequence management and elimination of non-conformities.

Our procedure for pre-medical treatment defines the rules of first aid and medical rescue. In our largest units (Dąbrowa Górnicza, Kraków, Zdzieszowice) ambulances with rescue teams are stationed and there are airstrips for the Air Rescue Service. These solutions enable fast and professional emergency assistance.

For years, we have been working to prevent accidents by building a Safety Pyramid by reporting every accident at work, anomaly, risk and near miss. By monitoring and recording every incident, we reduce the most severe incidents that can lead to serious and fatal accidents. In our journey to zero accidents, we put emphasis on the identification of the socalled PSIFs. It is an acronym made up of the first letters of four English words: potential, serious, injuries, fatalities. By detecting, analysing and preventing these dangerous situations, we have a better chance of avoiding serious and fatal accidents.

The Main Health and Safety Committee is a structure that performs an advisory and consultative function in our company in the field of occupational health and safety. It is composed of representatives of trade unions and senior management. Meetings of the Main Health & Safety Committee are held in the presence of an occupational doctor at least once a quarter and concern not only periodic reviews of working conditions, but also matters of importance to the entire company, in contrast to local committees, whose meetings deal with local challenges. The Main Health and Safety Committee also accepts requests from employees submitted through the Health and Safety Office, superiors or social labour inspectors. The rules of functioning of both the Main Health and Safety Committee and the local Health and Safety committees are governed by an internal regulation.

The work of the internal Health and Safety forum allows us to exchange opinions and visit workplaces with the participation of representatives of the employer and the social partners. Since 2020, we have also been using an e-mail address zdrowie@arcelormittal. com where employees can submit their comments, ask questions and consult on issues related to the health management system at ArcelorMittal Poland.



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### COVID-19 pandemic: full preparedness

After the outbreak of the COVID-19 pandemic in 2020, we established a crisis management team, whose representatives set the most important operational plans, report morbidity results and respond to the current needs of stakeholders. In 2022, after the easing of restrictions and the official declaration of an epidemic emergency, which replaced the state of epidemic, the team meetings were maintained on a preventive basis to respond to needs and threats as quickly as possible. The work of the team is directly coordinated by the Deputy Chairman of the Board of Directors, Czesław Sikorski. During the COVID-19 pandemic, we also organized weekly meetings with trade union representatives to exchange information and experience in the field of crisis management system on an ongoing basis.

In 2022, we continued the communication campaign related to the threats resulting from the COVID-19 pandemic, informing about the basic principles of preventive healthcare and changes in regulations – when they occurred.



### Application supporting Health and Safety audits

Audits carried out in the shopfloor are a very important part of safety management. If carried out well - they make it possible to significantly improve work safety by strengthening correct behaviours, eliminating bad habits and reducing or removing hazards. Each such observation is recorded by us in the HandS system, which we have been developing since 2012. In 2022, we completed work on creating a new, more user-friendly HandS 2.0 system, also having a mobile version of the app. The application makes it possible to quick access clearly presented data and statistics, without the need to reach for paper documentation, and in addition allows employees to report risks related to their work.

## Activities to reinforce health and safety

The promotion of appropriate safety attitudes has a wide reach in our company. Our aim is to reinforce positive behaviours and build permanent shared vigilance, that is why we talk about it in serious terms and on a regular basis. In parallel to the meetings of teams and committees dealing with occupational health and safety, we organize a number of events, several of which have a cyclical character and have become regular parts in the calendar of our organization.

#### Safety Day

Traditionally, in spring, for the 16th time, we celebrated Safety Day, an event during which we remind employees of the absolute priority of compliance with health and safety rules. During various demonstrations and trainings, our experts presented the latest personal protective equipment, first aid methods, and carried out simulations of evacuation of employees from buildings. In addition, physiotherapists gave the participants of the event advice on how to perform their work in a way safe for their organism.

Part of the event was also devoted to drone shows, during which drone operators presented their advantage in inspections of dangerous, hard-to-reach places. Volunteers had the opportunity to test their skills in the locomotive cabin simulator and see what a challenge it is – also in terms of safety – to drive a train. In addition, incorrect actions were staged in field games, and the task of the teams was to recognize and then react to all activities carried out in violation of applicable regulations. The game "Stop -React!" took place in Dąbrowa Górnicza and Kraków, but teams from all our plants took part in it.

### Competition "On a journey to zero accidents"

In November 2022, at the Siemianowice Cultural Centre Park Tradycja, the ceremonial final gala of the second edition of the "On a journey to zero accidents" competition took place, during which we selected the best projects to improve safety in our plants. Our employees submitted a total of 36 projects, of which the best turned out to be the concept of the Krakow Power Plant consisting in the implementation of remote reading of water meters in confined spaces. Thanks to this solution, the risks resulting from the need for an employee to enter such spaces have been eliminated. The second and third places were won by the employees of the Dabrowa rolling mill and the Kraków coke plant. In addition to our management, the event was attended by ArcelorMittal Europe's new Head of Health and Safety - Flat Products, Bruno Borba, who then visited our production facilities to learn about our health and safety plans and challenges.

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## Activities to reinforce health and safety

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#### "Safety is me" competition

During the Safety Day, we announced the results of the photo contest entitled "Safety is me", in which employees showed in photographs the safe habits they learned at work and apply in their private lives. As a result, our creative employees presented such activities as: proper lighting of the vehicle during a stop, the use of protective harnesses during sailing or isolation of the electrical installation before the repair of sockets.

Responding to any anomalies is exactly what we want to have rooted in the safety culture of our organization. Safety must be placed above all other priorities, without compromise,



Frederik Van De Velde CEO of ArcelorMittal Poland



#### **Health Week**

Every year we carry out a "Health Week", which comprises internal events that include many sports activities, workshops and research. In 2022, the thirteenth edition took place, during which our employees participated in the charity walk and run event among others. For each individually walked or run kilometre, we paid PLN 6 to help children in need. In total, in this way we "ran" over PLN 46 thousand. In addition, our employees took part in a tennis tournament, webinars with a dietitian and an internist or diagnostic tests recommended for smokers and overweight people. As part of the 13th Health Week, we traditionally organized a training in first aid, as well as a flu vaccination campaign for employees and their families.

#### Challenge for Health

On April 17, 2022 the action promoting physical activity, "Challenge for Health", inaugurated during the previous Health Week was finished. The challenge was to collect points awarded for sports activity in the mobile application. Our employees collected points, for example, for walking, running or cycling. The challenge had both a team and an individual version. The idea of the project is to encourage and involve others (colleagues, coworkers, family) to be active together and continue activity so that it becomes a habit and helps in improving physical condition.

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Occupational health and safety topics require continuous work on the development and improvement of existing solutions. A routine approach to work poses a threat that our vigilance will be dulled, which is why we regularly refresh our message to employees, proposing new development programmes and initiatives, as well as working on the evolution of trainings in this area.



291
periodic Health & Safety
trainings in 2022



5,157 attendees

In addition to mandatory trainings, we also organized many additional educational activities, such as for example:

- Transport of hazardous materials
- Health and Safety coordinator
- Root cause analysis (RCA)
- Safety aspects in machinery procurement
- Safe work at height
- Safety in industry part 3
- Health and safety of in-house transport
- First aid
- Health & Safety excellence
- Qualified first aid
- LOTO safety of maintenance services
- First aid full course

- First aid 2h reminder
- Improving the quality of Health and Safety audits
- Practical ways of risk assessment
- Basic firefighter training
- Coaching skills for auditors
- Workshops for social labour inspectors
- Renewal of radiological licences
- Classes with a physiotherapist during Safety Day
- Assumptions of the "behavioural safety" programme

Since 2016, we have been implementing our flagship Health and Safety project, **Take Care,** as part of which we conduct workshops to make employees aware of the risks associated with our work. The programme strengthens our responsibility, emphasizing the "I want" attitude, which is to replace the "I must" attitude. In the first edition, which covered nearly 10,000 employees, we worked on perceptiveness and creating attitudes that allow us to anticipate threats and react accordingly.

The second part of the project focuses mainly on practical skills training in 4 standards related to safe work in the field of: isolation, vehicles and moving, lifting operations and crane equipment and work at height. At the end of 2022, as part of the second phase of 'Take Care', 98per cent of the population had already been trained, including our own company and subsidiaries' employees. In the future, we will implement the third part of the programme as well as trainings for new hires, including elements from the first two parts



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An additional, 4-day Health and Safety module is also included in the Senior foreman/Manager at the start - intended for people who are supposed to take up new positions related to team management in production plants. This part of the training is an intensive, practical training on new challenges in the field of safety and responsibility for subordinates.

We respect the right of employees to stop work in the event of a threat to life or health. In 2022, we launched a new programme called "Stop. Inform. Agree", the idea of which is to raise awareness of potential risks that may occur during everyday work. The three imperatives in the title refer to the situation in which the safety measures in the employee's opinion are not sufficient to start or continue work. This applies to circumstances when we have noticed an event at work that potentially threatens the safety of anyone. According to the programme, relevant people should be notified to eliminate existing and future threats as soon as possible.



Our main idea is that everyone should be aware of the potential risks that may occur during the performance of work. We expect and encourage each of our employees to consciously assess what potential risks or potential hazards may occur during the work performed by them and their colleagues. The health and life of our employees is priceless!

Wojciech Kozak Health and Safety Director at ArcelorMittal Poland In 2022, among our employees there were 17 accidents at work and 0 fatal accidents, and an accident frequency rate was 1.22\*. Unfortunately, one of the employees of the contractor company died because of a fall from great h eight while working in our Zdzieszowice unit.

In 2022, we reviewed and updated our Golden Rules of Safety, a set of 10 behaviours necessary to prevent fatal accidents. They refer to the most common deadly hazards encountered in our metallurgical and mining facilities. The rules were developed to be clear, simple and applicable to all intended tasks on the shop floor. They are included in initial training programmes and are often referred to in safety meetings, shopfloor visits and risk assessments. We expect them to be widely known, understood and applied by everyone, because they are not recommendations, but mandatory rules. That is why their update was accompanied by a wide information campaign including, m.in quizzes for employees or posters.

\* We apply international ratio - Lost Time Injury Rate - which is calculated as follows: number of fatalities + number of lost time injuries x 1,000,000 / total man-hours worked by all employees.

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### Follow the rules. Together we save lives

In 2022, our organization continued the information and education campaign entitled "Follow the rules. Together we save lives." This wide-ranging campaign, with articles, interviews with professionals, quizzes, infographics and videos, was supposed to refresh the knowledge of safety rules applicable to frequent or typical activities at our sites.

While in 2021 the campaign focused mainly on gas detection, isolation or risk assessment before starting work (light HIRA), last year it focused on a safe distance from vehicles, work at height and safe distance from loads transported by overhead cranes.

Due to the need to systematically improve the quality of safety, especially in places where accidents have occurred, we use a programme called the **Safety**Net. This initiative includes additional 40 days of support for plant where a serious incident (Lost Time Injury or Fatality) occurred. Additional audits, training and tests are then carried out, combined with visits by executives, to reinforce appropriate attitudes and eliminate similar risks in the future.

At the end of 2021, our company launched the Safety Net programme for drivers and suppliers after an accident of a driver who fell from the semi-trailer while attaching a tarpaulin to it. At that time, immediately, a transversal team of 13 specialists performed an analysis and took action to minimize threats for the future, e.g. driver information material was updated and placed in more accessible places, more user-friendly loading waiting points were designed, and positions requiring mirrors in vehicles were marked to improve visibility and safety around trucks.

In 2022, after evaluating all ArcelorMittal Europe plants in terms of safety in the context of serious accidents (including fatalities), we started to implement a new programme. Together with external experts from DSS+, we started to improve our skills in:

- conducting audits in plants and multi-level assessment,
- performing HIRA and "light" HIRA,
- issuing permits for work,
- conducting briefings considering the subject of health and safety,
- conducting incident analyses,
- proactive risk management,
- proper implementation of standards,
- development of leadership competencies.

The pilot programme, planned for 24 weeks, covered managers, senior foreman and employees of other positions from the Rolling Mills and Blast Furnace Plant in Dąbrowa Górnicza. Further training for other plants is planned for 2023.

At the end of 2022, we also began preparations for the "Godfather" programme, including audits of contractors, as well as the exchange of experience and good practices conducted by representatives of companies and supervisors from our Company. In 2023, the systematic activities will consist in the continuation of regular consultations conducted by experts in the field of health and safety with contractors, as well as trainings and tests for employees of companies working in our premises. We will also continue the "Leadership in Safety" trainings for people managing employees on behalf of contractors.



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#### **Cooperation with foundations**

Thinking about the health and good mental condition of our employees and their relatives, we cooperate with the Health Protection Foundation (FOZ) in Dąbrowa Górnicza and the Metallurgical Foundation for Health Protection and Social Assistance in Krakow, thanks to which our employees have access to specialized tests. FOZ also supports our employees in recovering from accidents. The result of this cooperation is also a programme of reimbursement of medicines, rehabilitation services and equipment, as well as hard-to-reach medical tests.



In 2022, the reimbursement programme for our employees as well as people with disabilities and old-age pensioners offered the support at the level of over PLN 320 thousand.

In addition to treatment and quick response to the health problems of our employees, we also focus on prevention. That is why we jointly organize a programme of preventive check-ups, which are designed to detect even the smallest abnormalities that may indicate a developing disease. Every year we inform our employees about the importance of conducting these tests.

More than 250 employees and their family members took part in preventive screening tests and proposed vaccinations considering the most current health needs. Among this group, almost 80 employees took part in ultrasound examinations as part of prostate cancer prevention and consultations with a urologist.

Together with the Health Protection Foundation, we offer rehabilitation assistance to employees who have difficulties in recovering from COVID-19. In addition to the organization of stays in sanatoriums and rehabilitation on an outpatient basis, the support also includes consultations with specialist doctors.

We also implement an annual health promotion programme in our coking plant in Zdzieszowice, which guarantees employees access to a wide range of diagnostic tests and specialist consultations.

#### **DROGA Foundation**

In addition to efforts to support the physical health of our employees, we also aid in the field of mental well-being – thanks to cooperation with the DROGA Foundation. The Employee Support Programme "EAP – ask for directions" offers us and our relatives access to professional psychological and psychiatric help and provides the help of therapists.

The programme includes individual and group therapies, training, as well as consultations with other experts, e.g. in the field of law. The aim of the programme is to work on the mental balance of people with addictions, problems of a private or professional nature and to help victims of violence. Due to the sensitive nature of the problem, several forms of contact have been made available to people in need – telephone, e-mail address, ZOOM to enable comfortable contact with support providers.



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- 3. 1. Scale of employment
- 3. 2. Benefits and employee relations
- 3. 3. Digitalisation of HR processes
- 3. 4. Cooperation with universities headhunting for talents

3. 5. Trainings and development

3. 6. Local communities



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We are the best at what we do because we work with the best. ArcelorMittal Poland focuses on building lasting relationships with employees, ensuring high standard of their development, working conditions as well as mental and physical well-being. One of 10 ten ArcelorMittal Sustainability Outcomes is to guarantee "safe, healthy, quality working lives for our people".

We want to attract and retain people who want to develop their skills in the prospective metallurgical industry. As the largest steel producer in Poland, we have a great impact on the image of the entire steel industry on the labour market. When building our image as an employer of choice, we adhere to the principles of ArcelorMittal's code of business conduct and the internal Diversity and Inclusion Policy.

We are signatories to Diversity Charters, and in March 2022 we additionally started promoting "best practices related to work-life balance and well-being of ArcelorMittal Poland employees" that foster the creation of friendly working conditions. Our relations with employees are also strengthened by the Collective Labour Agreement negotiated with trade union organizations.



the largest steelmaking company in Poland



nearly 10,000 people employed in six units and subsidiaries





śląskie

opolskie /



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



małpolskie /

Quality Education





#### Number of people employed under an employment contract:

ArcelorMittal Poland	ArcelorMittal Poland with subsidiaries	
8,492	9,610	2022
8,435	9,610	2021
8,812	10,922	2020

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Number of employees employed under a employment contract at ArcelorMittal Poland and subsidiaries, region-wise and contract type-wise, as on 31 December 2022

		Małopolska province	Silesian province	Opole province	Total
ArcelorMittal Poland and its subsidiaries		2,723	5,374	1,513	9,610
ArcelorMittal Poland only		2,142	4,916	1,434	8,492
Women	>	160	535	134	972
Men	)	1,982	4,381	1,300	8,638



#### 9,610

Total number of people employed under a contract of employment at ArcelorMittal Poland (including subsidiaries)



972 Women



8,638 Men



#### 8,492

The total number of persons employed under a contract of employment in ArcelorMittal Poland only



829

Women (including 1 woman parttime)



139

people under a civil-law contract



7,663

Men (including 2 men part-time)



47.6 per cent

of us are between 30 and 50 years old



46.7 per cent are over 51



10.1 per cent of our staff are women



5.6 per cent are under 30 years old Number of employees employed under employment contracts with ArcelorMittal Poland and subsidiaries – gender-wise and by type of employment contract, as on 31.12.2022

			People working under unlimited employment contract	People working under limited employment contract	People working for a trial period
Total number of	Women	>	845	124	3
employees at ArcelorMittal Poland	Men		7,528	1,074	36
and subsidiaries	Amount		8,373	1,198	39
Employees of	Women	>	713	113	3
Employees of ArcelorMittal Poland	Men	>	6,621	1,006	36
only	Amount *		7,334	1,119	39

Number of people working under employment contracts with ArcelorMittal Poland and its subsidiaries – gender-wise and age-wise, as on 31.12.2022

	Under 30	30-50	Over 50	Percentage
Women	37	438	497	5.6
Men	505	4,140	3,993	47.6
Total	542	4,578	4,490	46.7

Number of new hires under contracts of employment with ArcelorMittal Poland and its subsidiaries in 2022



714 new hires



109 Women



605 Men





724
people left
the company



82 Women



433 people over 50



642 Men



7 per cent employees working for less than a year

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\* Including 10 interns employed under an employment contract as part of practical vocational training.

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Number of employees employed under employment contracts with ArcelorMittal Poland and subsidiaries – gender-wise and by type of employment contract, as on 31.12.2022

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			Under 30	30-50	Over 50	Total	Percentage
	Women	>	0	6	1	7	11.9
Board of directors members and directors	Men	>	0	26	26	52	88.1
	Total	>	0	32	27	59	100.0
	Women	>	3	74	41	118	10.5
Higher and lower level managers*	Men	>	11	587	404	1,002	89.5
	Total	>	14	661	445	1,120	100.0
	Women	>	21	203	212	436	30.8
Other administration employees	Men	>	53	487	441	981	69.2
	Amount	>	74	690	653	1,417	100.0
Line employees	Women		13	155	243	411	5.9
	Men		441	3,040	3,122	6,603	94.1
	Amount	>	454	3,195	3,365	7,014	100.0

<sup>\*</sup> Positions included in this group: head, manager, leader and shift-leader.

Number of new employees hired at ArcelorMittal Poland and its subsidiaries in 2022 per employment contract, broken down by gender and age



			Under 30	30-50	Over 50	Total
Number of new hires  - ArcelorMittal Poland and its subsidiaries	Women	>	27	72	10	109
	Men		203	334	68	605
	Total		230	406	78	714



women held senior or lower management positions (or 10.5 per cent of all those in senior or lower management positions)



women held directorial positions

Number of employees on boards of directors – genderwise and age-wise, as on 31.12.2022



men aged 30-50 in ArcelorMittal Poland



men aged over 50 in ArcelorMittal Poland



1 woman aged 30-50 in subsidiaries

### Diversity and inclusion

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

Respecting business ethics, we take care that everyone in our company is treated fairly and appreciated for their contribution to the development of the organization. We are convinced that the diversity of our employees is an asset that guarantees new ideas, opinions and experiences, which will strengthen our values of leadership, sustainability and quality. We have a Diversity and Inclusion Policy that defines our goals and principles in this area.

We know that taking first steps on a career path and getting familiar with a new workplace is not easy. That is why we organized team-building meetings of interns and young employees with experienced employees and managers to break the ice and create free space to talk about different perspectives on our daily work. The meeting took the form of an open discussion combined with team-building activities.

In response to the need to listen to the voice of our female colleagues, we established the Women's Forum, which gathers female representatives of various locations, offices and plants. The Forum presents its recommendations, showing female perspective on development. We also reinforce the role of our female colleagues in the development of the industry through a series of interviews in internal media. In addition, in our recruitment process we are eager and ready to see female candidates for work in steel industry.



Recruitment process

Steel and coke manufacturing is a mission that requires significant human resources, that is why in 2022 we conducted a widespread recruitment campaign. Our activities were addressed to candidates (both women and men) who value stable employment and development. The title of a leader in steel and coke industry in Poland guarantees not only high recognizability but is also proof of top standards in relations with employees.

Our message reached the candidates through billboards, leaflets, press advertisements, posters or stands in shopping centres. In addition to traditional solutions, we also took care of online promotion. We used banners in news websites or sponsored content in social media.

In spring, we were present at the Jobicon job fair organized by the largest portal with job offers in Poland, that is pracuj.pl. During the event, we conducted one-to-one online interviews, and in addition, our experts gave lectures about the start of their professional careers and preparation for job interviews, IT projects implemented in our company as well as social activities and volunteering.

In May 2022, we participated also in the Job and Entrepreneurship "May Job Fair "organized by the Municipal Labour Office in Kraków and the Department for Entrepreneurship and Innovation of the City of Kraków, where we encouraged candidates to work in our Kraków Unit.

In autumn 2022, we also took part in the Silesian Virtual Job Fair on-line, which was prepared by the Provincial Labour Office in Katowice together with the Silesian Provincial Headquarters of the Voluntary Labour Corps in Katowice. The event created an opportunity to build relations with employees-to-be of our plants in the Silesia and Dabrowa area.



Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report



Recruitment

We value feedback from our colleagues, which is why we use the employee referral programme "I recommend - I earn", which is an additional recruitment channel. At the same time, it is a good opportunity for our employees to receive a financial allowance in a situation where the candidate recommended by them is selected as a result of the recruitment

In a company with such a large scale of employment as ours, there are a number of internal recruitments, which means that employees decide to change positions within one company. We regularly send job offers to our employees, by mail or company television.



# Benefits and employee relations

We make sure to appreciate our employees, also through a number of non-financial benefits that will positively affect their quality of life. We have a Company Social Benefits Fund, which regulates the rules for granting them. Benefits are offered to full-time and part-time employees.

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report



The non-financial benefits we offer surpass the legally required minimum required by law.

These include among others:

Since 1 June 2022, we have provided our

employees with even wider access to

health care services, raising the level of

the healthcare package. Currently, the

In the area of Silesia and Dabrowa, an

online web platform, Social Partner,

employer pays 95% of the package price.

- Co-funding of energy meals
- Professional healthcare co-funded by the employer
- Possibility to put children in company kindergartens, or co-funding of nurseries/kindergartens
- Additional day off on 4 May –
   Steelworker's Day
- Employee pension programme
- Trainings; education co-funding
- Offer of the Company Social Benefits Fund:
- > Holiday allowance,
- > Loans for housing purposes,
- > Material support in difficult life situations,
- > Co-financing for children's recreation,
- Co-financing for trips, rallies, cinema tickets, swimming pool, selected cultural and sports events,
- > Co-financing for sports cards (also for family members)
- Paid employee referral programme.

# Benefits and employee relations

### Social dialogue

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

An important element of building mutual relations in the company is a systematic and constructive social dialogue, which allows us to reach agreement on the most important issues related to our business.

We have 21 trade unions in the company, with whom we engage in a multi-faceted dialogue:

- regular meetings of the Board of Directors with trade unions are held at least once a quarter;
- meetings of the Central Team, i.e. representatives of HR and trade union organizations are organized;
- meetings of the so-called "working team" are organized to deal with the development of proposals for company sources of labour law, which includes representatives of the employer and the trade unions;
- representatives of the HR
  department participate in meetings
  of Management Boards, Presidiums
  and General Meetings of Delegates;
- meetings within the framework of the Safety Forum, where issues related to OHS are discussed together with the social side.





81 per cent of our employees participate in a voluntary employee pension programme (PPE).



100 per cent of women decided in 2022 to return to work after parental leave.



99 per cent of our employees are covered by collective agreements.

#### Agreements

In September 2022, due to the economic slowdown and difficult market situation in the industry, our company announced the decision to downsize production. In parallel with the agreement with the social side, we assured that the necessary, economically reasonable measures would be taken to restart blast furnace No. 3 as soon as possible and to maintain the level of employment necessary to resume its operation. We also declared to restart blast furnace no. 3 no later than at the moment of stopping for the reline of the blast furnace no. 2 in 2023. Eventually, we resumed the operation of the installation in January 2023, in accordance with the agreement.

We also updated and extended the agreement on mitigating the social effects resulting from the implementation of restructuring processes at ArcelorMittal Poland S.A., which may affect the employment level in the Company. The main objective of the document was to protect and maintain jobs and maximise employment for people whose jobs could become redundant. One of the provisions concerned the clarification of proposals and job changes and the adaptation of competencies to new positions, so we organized additional meetings as part of internal recruitment.

For years, our company has been

developing IT systems supporting HR to

processes. In 2018, we still used around

documentation regarding working time,

required things. In 2012 we introduced

our company register their holidays or

to eliminate paper in this process.

After the outbreak of the pandemic,

we additionally limited the circulation

of paper documents to reduce the risk

associated with the spread of COVID-19.

an application for self-management of

leaves, thanks to which all employees of

overtime electronically, which allowed us

spending a lot of time to handle formally

make it easier to everybody to handle

time-consuming employee service

1 tonne of paper per year only for

### Digitalisation of HR processes

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

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About this report

#### Employee portal "MyHrPortal"

In addition, at the beginning of June 2022, we launched "MyHrPortal" website, through which employees can contact HR department, send requests from various categories of employee matters to HR and independently gain knowledge on topics related to among others labour law. Access to the portal is possible from anywhere with internet access, so that our employees can monitor the status of their requests at their convenience. The portal also serves as a place from which we can easily access other applications for employee issues, such as HRapka or Oracle.

### Recruitment, training and onboarding "in the cloud"

Since 2020, we have been conducting recruitment processes using cloud technology of Oracle, that is a virtual disk that is used to process data. The very next year, we launched a training module there. The solution guarantees all parties to the processes quick access to common cases, along with a possibility to monitor the status and all necessary information. In 2022, we started work on extending the system by an additional module onboarding module to facilitate assimilation of new employees.

### Engagement and satisfaction survey – Speak Up +

In order to better understand the perspective of employees on matters related to the development of the organization and the working environment, we conduct opinion surveys using virtual tools, in which we are supported by the comprehensive "Peakon" system. Thanks to this solution, we can easily collect anonymous answers and analyse the evolution in answers to particular questions.



We owe our position as a leading steel

and talented people who pursue their

plants and offices. In order to ensure

a constant pipeline of candidates for

work and to build a positive image of

the employer, we engage in projects at

additional relations with the academia.

For students and university graduates,

we have prepared a dedicated website

available at www.zainstalujsie.pl. There

are all our job offerings and contact

organising the internship programme,

details to people responsible for

which we called "Feel The Steel".

universities and come forward to build

professional passions by working in our

company in Poland primarily to ambitious

# Cooperation with universities, headhunting for talents

Interview chairman of the Board of Directors

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Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

#### Caseweek

Representatives of our company took part in IAESTE CaseWeek, which is the largest series of engineering workshops in Poland, organised by the student association IAESTE Poland. As part of the event, students of the top universities in Poland have the opportunity to learn the practical side of professional challenges and build contact with companies. Our representatives served workshop participants a solid dose of practical knowledge about quality management, supply chain and the use of virtual reality, 360 film technology and 3D modelling for industry.

#### **EBEC**

In spring 2022, we took part in the local edition of EBEC (European BEST Engineering Competition) at the Silesian University of Technology, a competition in which students had to face a task prepared by us. In this case, the participants tried to prepare assumptions related to the concept of the so-called "SMART steelworks". The jury, with Rafał Kostka, the director of our Dabrowa steel plant as one of jury members, evaluated innovation, feasibility of the proposed solutions and reference to real market conditions and environment. 6 teams took part in the competition, the best of who advanced to the national final.

### Job Fairs (AGH University of Technology, Silesian University of Technology, Kraków University of Technology)

Our recognizability among students is largely due to our presence at job fairs, where we promote development opportunities in our company and discuss topics relevant for specific activities in our plants and offices. In 2022, we were traditionally present at the Engineering, Entrepreneurship, Technology and Accessibility Job Fair of the Silesian University of Technology in Gliwice, both during the spring and autumn campaigns. We also took part in fairs organized by the AGH University of Science and Technology in Kraków and the Kraków University of Technology, where we encouraged visitors to participate in our internship programme "Feel The Steel".



# Cooperation with universities, headhunting for talents

Interview chairman of the Board of Directors

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Safe workplace

Stable and recommended workplace

**Environment protection** 

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About this report

#### Support for students' clubs

In 2022, we launched the "Spin up your students' club with ArcelorMittal Poland" programme which offers financial support for students' clubs of the AGH University of Science and Technology in Kraków. The main objective of the initiative is to support ambitious engineering projects carried out by students of the University and encourage them to engage in scientific activity and to build relations between ArcelorMittal Poland and the academic community. In the last edition of the programme, as many as 11 students' clubs from 5 faculties of the University received support.

We also organized a virtual lecture of our experts from the Central Logistics Office together with the director of the unit, Piotr Barycki, for members of the Transpeed students' club from the AGH University of Science and Technology in Kraków. Students had the opportunity to find out about the logistics challenges in large industrial enterprises and learn about the key material flows in plants.

### Students' shopfloor visit in Sosnowiec

In October, we had the pleasure to host students of the Silesian University of Technology and Wrocław University of Technology, who as part of the Programming the Industry of the Future programme visited our Sosnowiec unit to see onsite the work of leading companies with an automated manufacturing process right at the start of their professional journey. After the initial presentation, we showed the guests around the recently modernised wire rod mill department, where students had the opportunity to talk to experienced employees, see the line control systems and learn more about the automation of the entire process.

#### Scholarships for the disabled

In 2022, we selected the winners of the 11th edition of the Breaking the Barriers programme, which we organize together with the AGH University of Science and Technology. The campaign was established in 2012 to financially support students who, despite their disabilities, are active in social activities and those who help people with disabilities. In the recent edition, we awarded scholarships to 4 people who break the barriers and demonstrate exceptional activity at university and beyond.

# Scholarships for the talented at AGH University of Science and Technology

For the 5th time we awarded scholarships to talented people studying at the AGH University of Science and Technology in Kraków, who stand out thanks to their impressive academic results and additional activity. In 2022, the committee with representatives of our company and the University, after analysing the presentations, awarded scholarships to 3 people representing various fields of study: Materials Engineering, Metallurgy and Advanced Engineering Materials.



# Cooperation with universities, headhunting for talents

Interview chairman of the Board of Directors

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About this report

#### Virtual IT Career Fair

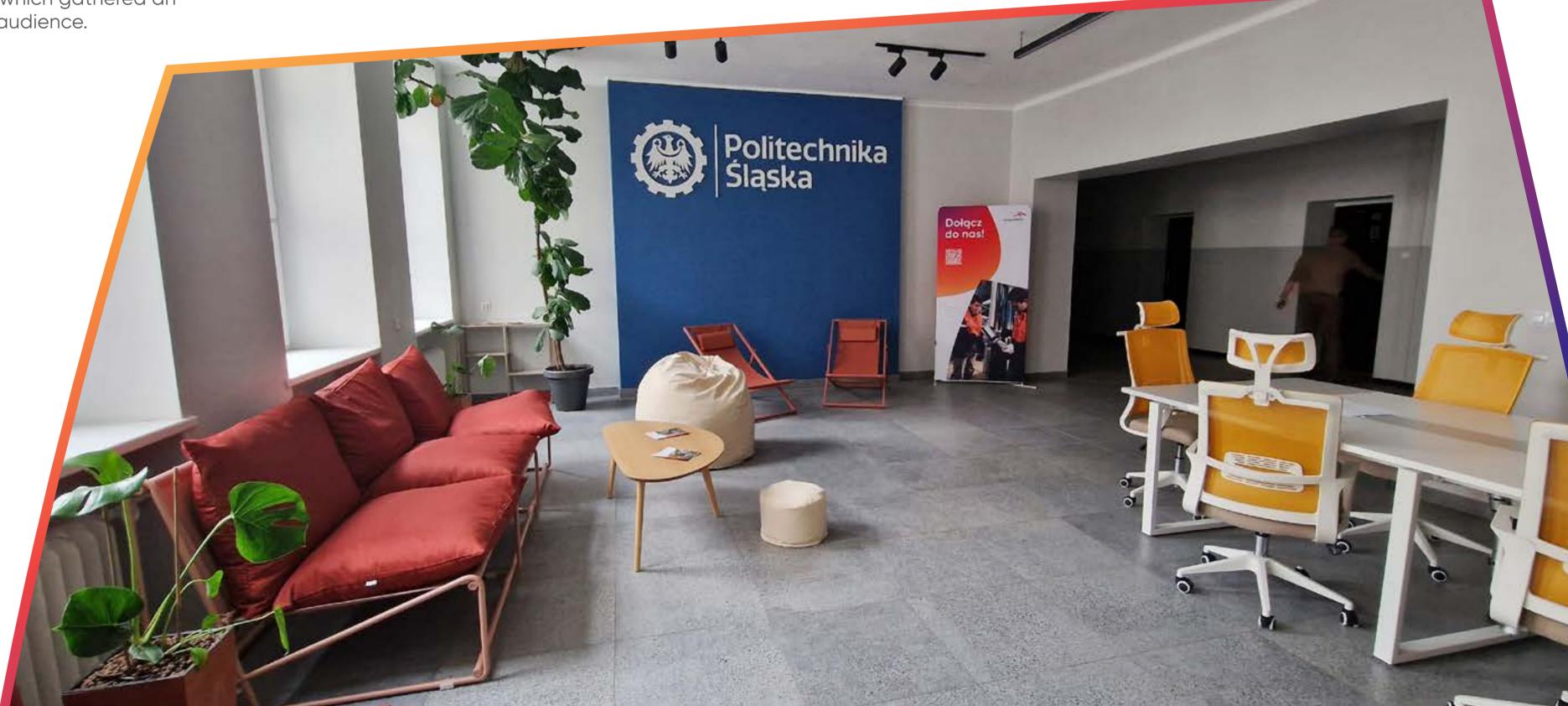
In autumn, we participated in the nationwide IT career job fair as a gold partner of the event. The fair, in which we took part for the second time, was held on a platform resembling a computer game, where participants – exhibitors, candidates and industry experts moved and communicated using avatars. In addition to individual interviews with candidates, experts from our Office of Automation Control, Industrial Informatics and Models also gave an interesting lecture on the development of IT in the steel industry, which gathered an impressive virtual audience.

### Zone for students of the Silesian University of Technology

In 2022, we started work on the preparation of a leisure zone in Katowice, in the building of the Faculty of Transport and Aeronautical Engineering of the Silesian University of Technology. The space with a sofa, chairs, tables and chargers will serve students in their free time between classes.

In addition, an expert from our Quality Office, Adam Dziedzic, sat on the committee evaluating papers and achievements in the field of materials engineering, which were presented by enthusiasts of exact sciences during the Festival of Exact Sciences – the days of Prof. Antoni Hoborski at the AGH University of Science and Technology in Kraków.

Pipeline of talented scientists and engineers for tomorrow is one of ArcelorMittal Sustainability Outcomes.



### Trainings and development

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

The knowledge and skills of our employees guarantee that our organization is the leading steel and mining company in the world, which is why we pay a lot of attention to trainings, development needs and progress assessment methodologies. We use our procedure on "Training of employees at ArcelorMittal Poland S.A.", which defines the rules for qualification enhancement and helps us identifying needs in this area. We also periodically analyse competency matrices, which allows us to better manage and use employees' skills.

We identify potential promotion paths for our employees, based on their competencies, aptitudes and aspirations. White collar employees identify development needs with their superiors during semi-annual and annual reviews as part of the Global Employee Development Programme (GEDP). Development plans may involve job changes, which is why our employees have priority to participate in any recruitment before it is announced outside the company.

Managing such extensive knowledge assets requires a systematic approach to employee development planning to ensure high quality of the process. That is why our HR Office organizes:

Career committees - cyclical meetings during which superiors, with the support of HR office, review employee evaluations and their development plans; implementation of individual development plans helps employees take up new positions or effectively fulfil their current role; Succession plans, which consist in appointing potential successors to people occupying the key operational positions; succession plans cover all organizational levels

 they are prepared for key company management positions, for white-collar and line employees; the effectiveness of our succession plans for key positions is 100 per cent.

Employee development is also reinforced by the transfer of knowledge in the form of one-to-one work on elevation of competencies, such as mentoring (cooperation of experienced employees with younger staff) and coaching (development through cooperation with external coaches, focused mainly on changing attitudes and reinforcing self-awareness).

Each position in our company has specific requirements, which is reflected in the following documents:

- operating instructions and standard operating procedures;
- job description that define responsibilities for each position;
- competency matrix for line positions.

Our company has a specially prepared training space of about 1600 m<sup>2</sup>, equipped with modern rooms, including an assembly hall, a computer room and a VR room. It is part of the internal network of 8 campuses of ArcelorMittal University.



### Trainings and development

Average number of training hours per employee of ArcelorMittal Poland in 2022 - in the breakup into main employment categories:

	Board of Directors members and directors	Higher and lower-level managers	Other administration employees	Line employees
Average per employee	8.6	26.8	12.7	25.9
Average for women	6.8	22.1	10.4	16.6
Average for men	8.9	27.4	13.8	27.0



26,3 In 2022, one employee devoted an average of 26.3 hours to training



17,3

In 2021, one employee devoted an average of 17.3 hours to training (applies to people covered by all forms of employment).



	Board of Directors members and	Higher and lower-level	Other administration	
	directors	managers	employees	Line employees
Total training hours	479	27,830	16,776	178,310
Training hours – women	54	2,672	4,190	7,600
Training hours - men	425	25,158	12,586	170,710



Interview chairman of the Board of Directors **Priorities and** 

management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

### Trainings and development

Interview chairman of the Board of Directors

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About this report

The statistics contain all trainings, including trainings required by labour law. In addition to mandatory trainings, our 2022 priorities were safety trainings and production-related trainings: operation of machinery and equipment, technological processes, IT systems for production support (including e-learning). Furthermore, trainings for development of individual and managerial competencies were organised.

In 2022, trainings in our company comprised mainly technical and mandatory classes related to operation of machinery and equipment, as well as specialized courses in response to the needs of our plants. We also continued trainings in the so-called "light HIRA", that is efficient hazard identification and risk assessment of workplace. Following beneficial experiences related to the "Shift leader at the start" and "Manager at the start" programmes, in 2022 we again organized preparatory trainings for people who were supposed to take up shift leader and manager positions.

Modern enterprises face new challenges posed by a rapidly changing world. It requires huge commitment and requires that managers address new expectations, which is why we organized a training for them on Consequence Management, which included explanations of the sources of individual employee behaviours, role of authority, algorithms for providing feedback or building habits in teams.

Together with the Blast Furnaces in Dąbrowa Górnicza, we started work on a new online training, thanks to which hot stove operators and a specialist acting as "alpha" operator can understand the ironmaking process more easily and be better prepared to perform their duties. The first of the training modules was created at the end of 2022.

Another worthwhile project was a skills enhancement training for OHS coaches. Its purpose was to improve the quality of audits by improving the communication skills of health and safety department employees and making the coaches more assertive when they request others to follow safety rules.

We also launched a new programme on Proactive Change Management, with an objective to enhance the skills of shift leaders working in primary operations. The combination of workshops and lectures guaranteed a solid dose of knowledge, with focus on change management and change anticipation, as well as managerial skills and innovation.

We focused a lot of attention on promoting the idea of well-being, which helps one find a work-life balance. To this end, we organized webinars entitled on burnout prevention or stress resistance building, as well as other sessions introduced in previous year, Nerves of steel, which focused on the techniques of stress management and self-confidence building. In addition, employees of the health and safety and HR departments participated in lectures instructing how to talk to employees about mental health and how to recognise worrying symptoms in this area.

In March, we launched an additional campaign, Learn over coffee, where we organized inspirational webinars for employees at least once a quarter. The themes covered by these classes included among others Design thinking – how to implement innovations, Flexible mind – your brain can do more than you think! or Inner drive – how to motivate yourself to take action.



### Trainings and development

Interview chairman of the Board of Directors

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Safe workplace

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**Environment protection** 

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About this report

#### **Learning Week**

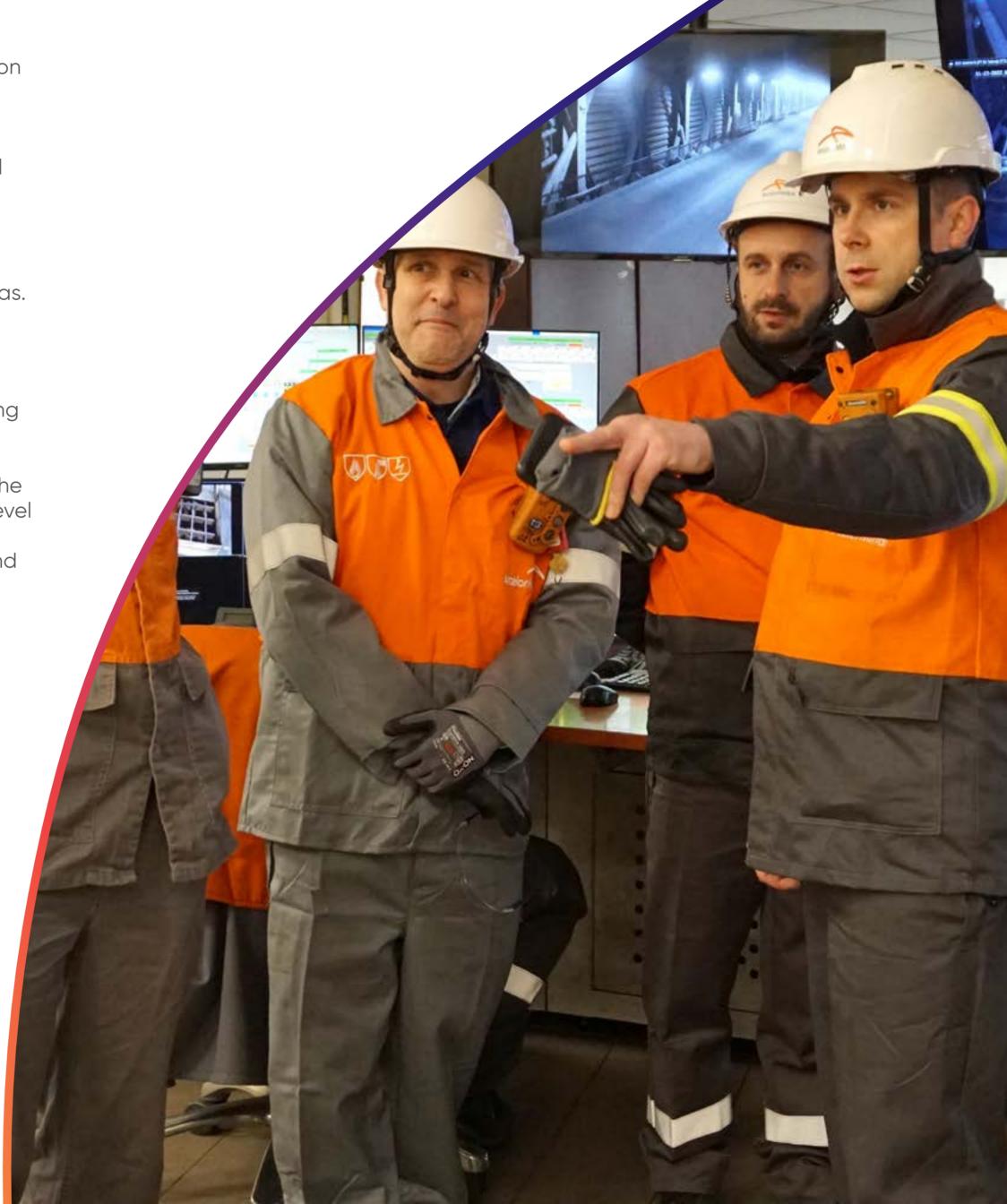
At the end of June, we completed another edition of Learning Week, a cyclical event that promotes development and learning among our employees. After a two-year break from classroom activities caused by the coronavirus pandemic, in 2022 – for some workshops – we could finally see each other directly at trainings. Classroom workshops focused on physical activity to calm down and strengthen concentration. We also prepared several inspiring webinars, such as Women inspire women – use what you have or Get inspired - stimulate your imagination or how to be creative.

In addition, our employees had the opportunity to participate in classes on gamification and its impact on increasing both individual motivation to work and strengthening it within the team. A day later, we had an interesting webinar on digital cooperation, how important it is (and will be) to use digital tools in everyday work and which skills employees and managers should develop.

The whole event was summed up by a lecture, Learning in the flow of work – learn something new every day, even at work!, during which participants learned more about the psychological aspects of expanding intellectual resources, the human potential to absorb information and the circumstances that affect this process.

Our training activities in 2023, in addition to the programmes developed so far, mandatory and technical trainings, will include implementation of the Manager's Academy programme. It will be reactivation of a series of classes for managers, thanks to which they will be able to strengthen their leadership competencies, expand their networks and exchange experiences in their areas. In addition, we want to strengthen the idea of self-learning and promote our e-learning tools.

We also started working on a well-being strategy that should help us reduce the overload felt by our employees in challenging times, as well as improve the overall atmosphere and increase the level of mutual support among employees. The activities will include workshops and recommendations, which, after being widely popularized, will strengthen the relations and well-being of all of us, which in turn should translate into our health and mental condition.



As the largest steel company in Poland, we know that the effects of our work have an impact on our stakeholders, therefore, in an attempt to be sustainable, we try to strengthen relations with local communities by responding to their needs. In 2022, we provided support for 69 projects.

For years, we have been engaged in employee volunteering, with our colleagues involved in helping in their local environment. We are proud to support their selfless effort, providing

Since the beginning of our activity in Poland, we have already spent over PLN 24 million to support local communities.

As part of our social commitment:

- We support hospitals and medical facilities;
- We organize and support ecological projects;
- We cooperate with schools and universities;

— We work for safety, among others by subsidizing equipment and vehicles

— We care about cultural heritage, in particular the heritage related to metallurgical industry;

— We provide support to those in need - senior citizens, people with disabilities, as well as those affected by social exclusion or poverty;

— We promote healthy lifestyles by supporting amateur sports and physical activity.



Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel



### Social projects in 2022

Regular cooperation with the Steelworkers Healthcare Foundation, with whom we jointly organize preventive medical check-ups for local residents and employees.

Cooperation with the Foundation for Education, Prevention and Psychotherapy "Droga", providing psychological support for those in need. Our funding helped the foundation in the modernization of its headquarters – replacement of doors and window blinds in group therapy rooms, as well as purchase of multimedia equipment.

Donation to the Museum of Metallurgy in Chorzów of the monuments of the impact hammer dated 1944. Weighing nearly 2 tonnes, the tool is another item donated by us, next to other metallurgical machines, historical photos or technical drawings that enriched the collections of the museum in Chorzów.

Subsidies for the Dąbrowa Górnicza Volley Association, promoting volleyball in the city. Thanks to our funding, the Association purchased equipment and new player outfits. The donation for Pszczółka Maja
Association in Zdzieszowice for
implementation of the playroom
project. There, having fun and
playing together, children will be able
to develop coordination and mobility
and train motor skills.

Support for the Young Rescuers project, in which volunteer firefighters from Dąbrowa Górnicza Tucznawa carried out inter-school competitions in providing pre-medical assistance for primary school students.

Donating a new a multi-gas Dräger X-am 5000 detector for the Municipal Headquarters of the State Fire Service in Świętochłowice, for measuring oxygen content and hazardous aases. Adam Bilik Honorary Blood Donors
Association of the Republic of Poland
at ArcelorMittal Poland S.A. Together,
we worked to promote blood
donation and blood treatment,
e.g. through the organization of
academies related to the club's
activities, blood donation campaign,
purchase of equipment, office
accessories and preparation of
information materials.





### Social projects in 2022

- Co-financing of the computer lab at Special Primary School No 10 in Świętochłowice, opened in September 2022. Thanks to the modern classroom, students can follow curricula designed for children with autism spectrum and speech impairments.
- Financial support for the Association of Motorcyclists Motoserce in Dąbrowa Górnicza, organising a blood donation action combined with medical and fire rescue shows, a motorcycle parade and a concert of the Big Cyc band.

Business Model for Dąbrowa, organized by the municipal authorities, with an objective to support the development of entrepreneurship of the residents of Dąbrowa Górnicza and to promote business activity as a path of professional development.

### The Dąbrowa Górnicza Half-Marathon

In April, the 14th ArcelorMittal Poland Dąbrowa Górnicza Half Marathon took place. The event in which we are a partner was attended by 469 runners, including a number of employees of our company. In total, the athletes had to run 21 km of picturesquely located route in he vicinity of lakes Pogoria III and IV.





Interview chairman of the Board of Directors

Priorities and management

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### **ArcelorMittal Park**

In summer 2022, we became the official partner of the Zagłębie Sports Park in Sosnowiec. This multidisciplinary sports complex in the centre of Zagłębie Dąbrowskie is the largest complex of this kind in Poland.

### ArcelorMittal Park





3 sports facilities

11 600 seats on football stadium



3052 seats on sports hall



2545 seats on winter stadium

One of ArcelorMittal Poland's objectives is to be actively present in the life of the communities in which we operate – after all, this is where most of our employees live. Since the beginning of our presence in Poland, we have been involved in various social projects. We are steelmakers, and the steel we produce plays a very important role in everyday life of every human being. Sports facilities are the best example of this



Sanjay Samaddar, Chairman of the Board of ArcelorMittal Poland

Interview chairman of the Board of Directors

Priorities and management

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### Open days

After a nearly three-year break caused by the COVID-19 pandemic, we invited our neighbours and all those interested in visiting our plants to participate in the Open Days. Fans of metallurgy and coke making over the course of a few weeks had the opportunity to see our work again, thanks to the visits we organized for them in Dąbrowa Górnicza, Kraków, Zdzieszowice, Sosnowiec and Świętochłowice.

Interview chairman of the Board of Directors

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About this report



### Meetings with stakeholders

Listening to the needs of our neighbours, we also organize meetings with city councillors, as well as representatives of associations and cultural units with whom we cooperate. In autumn 2022, we met with stakeholders in Kraków and Dąbrowa Górnicza, where we presented outlooks for the development of our plants, our environmental actions, and a summary of our activity for local communities.

### Local

#### **Our Children Foundation**

Our company sponsors Our Children Foundation, working for the development and education of children and running two company kindergartens – in Dąbrowa Górnicza and Kraków, with our employees educating their children there. The foundation's activity entails additional charitable actions.



#### Support for Ukraine

At the beginning of Russian invasion of Ukraine, we joined in helping the victims and their families. The regular war beyond eastern border caused enormous suffering to innocent people who needed support. Therefore, together with ArcelorMittal Business Centre of Excellence, we organized the necessary help for the families of employees from ArcelorMittal Kryvyi Rih in Ukraine, where the steelworks belonging to our Group is located.



PLN 3.5 million we donated in total to support Ukraine

Interview chairman of the Board of Directors

Priorities and management

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About this report

### Support for the Museum of Metallurgy

In an attempt to promote steel industry and nurture industrial culture in the region, we cooperate with the Museum of Metallurgy in Chorzów, which has in its collection many exhibits and memorabilia donated by our units. In 2022, we additionally supported the institution in the preparation of Radośnik steelworkers' garden. The space is to be a point for ecological education. It was also created to start a dialogue about the ecological ambitions of the modern steel industry, which is constantly changing, as well as the role of steel in circular economy



We provided several hundred people with transport from the border and the necessary assistance on the spot: accommodation, food and hygiene products. At the same time, from the beginning of the aggression, our employees joined in volunteer actions and collections organized in all our locations and in the cities and municipalities where they live every day, often in cooperation with local authorities.

We also started cooperation with the St. Barbara Provincial Hospital in Sosnowiec and the John Paul II Kraków Specialist Hospital, where medicines and equipment for Ukrainian institutions are collected.

Our company donated additional PLN 2.6 million to the Healthcare Foundation in Dabrowa Górnicza, for which the most necessary equipment and medical supplies were purchased for 4 facilities: 3 hospitals from Kryvyi Rih and 1 from Lviv. Among the items supplied were among others sets of orthopaedic drills and milling machines, surgical diathermy machines, sterilizer, ventilators, cardiac monitors, syringe pumps, patient transport trolleys, couches, treatment and operating lamps, antidecubitus mattress, pleural puncture sets, emergency bandages with dressing, medical gases, bandages, haemostatic dressings and disinfectants.

## Environment protection

- 4. 1. Priorities and environmental footprint management system
- 4. 2. Reducing emissions into the air
- 4. 3. Energy efficiency
- 4. 4. Water and waste management

4. 5. Circular economy

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel



Priorities and environmental footprint management system

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

Environment protection through gradual reduction of our impact on the surroundings is a priority for us. As the largest steel and coke producer in Poland, we are aware that our operations affect our neighbours, which is why we are constantly working on the best available solutions for energy efficiency, as well as reducing our impact on the quality of air, soil and water.

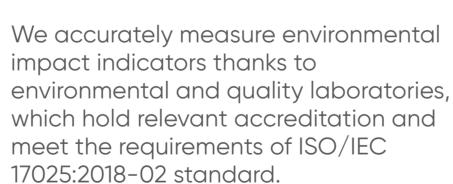
One of the evaluation criteria before we, as the first company in Poland, were granted the ResponsibleSteelTM certificate, was environment protection, where our approach to climate change, emissions, biodiversity and water management was assessed.

In matters related to environmental protection, we are guided by three Sustainable Development Ambitions of ArcelorMittal:

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

The foundation on which we base our approach to environment protection is compliance with all local and international legal requirements and environmental standards.

Our company has an Environment Office that oversees all aspects related to monitoring and reporting of indicators related to our impact on the natural environment.



In the three largest units (Dąbrowa Górnicza, Kraków and Zdzieszowice), appointed eco-ambassadors who, as experts in environmental protection, improve communication with our stakeholders.

Their contact details are available on our website. We implement the Integrated Management System Policy, which includes:

- ISO 50001:2018 Energy Management System
- ISO 14001:2015 Environmental
   Management System
- Process Safety Management System (in the areas of high risk plants) according to the requirements of the Environmental Protection Act.



Priorities and environmental footprint management system

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**Environment protection** 

Top quality steel

About this report

These systems undergo mandatory compliance audits every year. In the event of any irregularities found during the audits, they are reported to relevant units and then eliminated through internal environmental improvements. Our policy also obligates us to constantly improve the qualifications and awareness of our employees regarding responsible use of natural resources and the purchase of energy-efficient products. Efficient environmental improvement management is also supported by the World Class Manufacturing (WCM) methodology, which has two pillars focused on this topic: environment and social responsibility, and cost deployment

Environmental reviews with top management of the company, including directors of production plants, take place every two months to discuss the most important environmental issues. The purpose of these reviews is, among other things, to ensure ongoing control over waste and by-product management and to monitor the implementation of strategies in this area.

In accordance with ArcelorMittal's declaration to reduce carbon dioxide emissions in the European Union by 35% by 2030 compared to 2018 and achieve full neutrality by 2050, we are working on reducing carbon footprint in our plants. A competent approach to managing this process resulted in the appointment of a Chief Decarbonization Officer (CDO) and a whole unit working on effective CO<sub>2</sub> emission reduction, including analysis and preparatory work.

Currently, there are mainly two technologies being considered that would make it possible to decarbonize steel manufacturing: the innovative DRI-EAF technology, which involves building electric arc furnaces working in a system with direct reduction of iron ore, and the Smart Carbon technology, which involves reducing the emissions from the charge material and CO<sub>2</sub> sequestration. However, this involves enormous financial expenditure, so the steel industry needs support in the form of appropriate legal frameworks and access to green electricity at competitive prices.

As a Group, we identified five key levers for decarbonizing our activities, namely: steelmaking transformation, energy transformation, increased use of scrap, clean energy generation, and residual emissions compensation. ArcelorMittal continues to play a leading role in developing and piloting innovative technologies that will enable the entire Group, and ultimately the steel industry, to reduce carbon dioxide emissions.

In spring of 2022, as part of these efforts, the Group launched a programme called XCarb™ Accelerator, which seeks the best companies and ideas focused on breakthrough technologies that can accelerate the decarbonization of the steel industry. In line with the project's idea, start-ups from around the world can submit applications in the competition for bold investments supported by the ArcelorMittal XCarb™ Innovation Fund.

The aim of this fund is to invest up to \$100 million annually in breakthrough technologies, as well as to provide access to ArcelorMittal's expertise in innovation, research and development, technology commercialization, and business mentoring. In line with ArcelorMittal's philosophy of "Smarter steels for people and planet," the Fund invests in companies that can accelerate the transition to low-carbon and ultimately zero-carbon steel production, enabling them to develop faster and achieve the necessary scale for their technologies to become commercially viable.



**Priorities and** environmental footprint management system

**Biodiversity** 

We pay attention to ensuring that our actions take into account the protection of biodiversity and ecosystem functions. We want to contribute to sustainable use of natural resources and to actions for the regeneration and protection of natural heritage.

based on the IFC Performance Standard 6, which includes the following methods:



#### avoidance

e.g. avoiding impacts on protected areas, spatial distribution of infrastructure to avoid breeding areas of rare/key species;



#### restoration/rehabilitation

e.g. restoring degraded or removed ecosystems to their original state after exposure to impacts that could not be avoided or minimised;

compensation for any adverse impacts remaining after applying all

minimization, restoration/

previous methods - avoidance,

In risk management processes, we take into account the issue of biodiversity and the maintenance of ecosystem functions.

In 2022, we conducted the second stage of a biodiversity audit on the premises of our facilities. The aim of the study was to identify and take inventory of the biological diversity in our immediate surroundings, in order to better respond to threats to the closest environment both fauna and flora. A team of experts conducted field research in all 6 locations of our plants. An internal survey was also conducted among employees to take into account their observations and suggestions regarding our natural environment.

Our general approach to biodiversity is



#### minimization

e.g. taking measures to minimise the duration, intensity, and extent of impacts that cannot be completely avoided;



rehabilitation.



Interview chairman of the **Board of Directors** 

management

**Priorities** and

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

## Reducing emissions into the air

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

Our responsible approach to environment protection is reflected in investments in production facilities, as well as in regular upgrades, inspections, and maintenance of dust collection systems in our plants. To ensure a consistent approach to assessing the impact of our major investment projects on the environment, we are committed to complying with national legal regulations and good international industry practices, such as the International Finance Corporation (IFC) environmental and social standards or the World Bank Group guidelines on environment, health and safety protection.

Since our presence in Poland began in 2004, we have achieved the following reductions in our emissions:



dust by 90 percent



CO<sub>2</sub> by 35 per cent

Following the footsteps of previous years, 2022 was also a time of intense work aimed at reducing our impact on natural environment. Many of these efforts were focused on our plant in Dąbrowa Górnicza, where we run our primary operations.

We installed a new dust separator at the dedusting installation of one of the ladle furnaces (LHF), which enable more effective capture of coarser dust fractions and increased the reliability of the installation. Additionally, we also modernised the initial section of the continuous exhaust duct of the installation, increasing its cross-section and ensuring gas flow. The very ladle furnace at the steel plant also received a new cover, which significantly improves the effectiveness of its dust collection. This is due to a larger suction nozzle cross-section and better installation sealing, achieved by reducing the gap between the cover and the exhaust. Thanks to an investment it was also possible to eliminate the phenomenon of moist dusts clogging the gas duct. Nearly identical modernizations of the covers were carried out on two adjacent ladle furnace stations (TLF).

In 2022, the steel plant in Dąbrowa Górnicza received also five tailored mufflers for the steam reduction station which significantly reduced noise emission in the area.

However, in the area of our primary operations, 2022 was mainly a time of preparation for the strategic revamping of the blast furnace no 2 in Dąbrowa Górnicza planned for 2023. The revamping will be the largest of its kind ever carried out in Poland, and will involve the construction of a new two-stage blast furnace gas cleaning installation and an innovative cooling system for the furnace shaft and tuyere assemblies, significantly reducing the installation's impact on natural environment.



The investment will cost PLN 720 million

In Dąbrowa Górnicza, we also began work on, among others, modernizing the dedusting system of three Maerz kilns in the lime plant and modernizing the dedusting system of the argon bubbling station in the in steel plant, which will cost aproximately 44 PLN million. In September, we also completed work to silence the conveyor belt in sections 61-63.

In 2022, we continued our proenvironmental investment in Kraków worth 31.5 PLN million, aimed at purifying coke oven gas from ammonia and hydrogen sulphide. The work included the construction of a stripping column, tanks for concentrated water, a pump station, and heat exchangers.

As part of the programme developed for 2022–2024, renovation work on battery systems and dry coke quenching installations continues, significantly reducing particulate emissions. The value of this investment is 15 million Polish zloty annually.



Reducing emissions into the air

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report



### **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:

2022 🖁	22,694,627
2021 🖁	26,238,346
2020 🚽	25,434,700

Emissions of greenhouse gases in 2022:

#### Total direct emissions [Mg]

1		

	Dąbrowa Górnicza	Kraków	Zdzieszowice	Świętochłowice	Sosnowiec	Chorzów
2022	3,574,630	259,868	674,521	31,341	80,039	8,419
2021	4,396,333	317,233	746,635	38,428	85,909	10,160
2020	3,962,222	274,391	625,005	37,682	69,764	9,018

### Reducing emissions into the air

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

			NOx (nitrogen ox-ides, nitrous ox-ides, nitrogen diox-ide)	SOx	Total dust (all possi-ble dust emitted by plants)	including PM10	Volume of dust captured by de-dusting facilities
	2022	>	2,775	4,913	633	392	179,036
Dąbrowa Górnicza	2021	>	3,646	5,491	1,164	848	178,094
	2020	)	3,733	5,415	1,269	896	217,988
	2022	>	354	163	68	46	3,180
Kraków	2021	>	581	74	71	46	2,663
	2020	)	430	82	74	51	3,877
	2022	>	1,549	634	99	67	3,293
Zdzieszowice	2021	>	1,838	648	100	68	3,324
	2020	)	1,533	449	72	49	2,706
	2022	>	146	34	5	5	1,245
Pozostałe	2021	>	184	72	10	10	3,944
	2020		150	42	9	9	3,256

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel



### Energy efficiency

Interview chairman of the **Board of Directors** 

Priorities and management

Safe workplace

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Top quality steel

About this report

We are aware of how important responsible energy use is, which is why we continuously improve our approach to efficient resource and energy management. Our Energy Management System, compliant with ISO 50001, helps us with this as we conduct annual reviews and assessments of media consumption in individual processes. The system's high level was confirmed in May 2022 by the certification unit, TÜV Rheinland Polska Sp. z o.o. We also conduct periodic internal audits in all production facilities and ensure compliance with energy law requirements.

In 2022, to extend our efforts to improve energy efficiency in our company, we launched two programmes focusing on savings in this area: Value Creation Plan and Energy Crisis. The initiatives were launched in response to high energy prices and their significant dynamics following the outbreak of war in Ukraine, as well as rising costs of carbon dioxide emissions. In total, by the end of 2022, our energy projects allowed us to reduce expenses by approximately PLN 94 million throughout ArcelorMittal Poland.



Our company participates in the national system to support energy efficiency by implementing projects for which we are subsequently awarded White Certificates, which are certificates confirming the saving of a certain amount of energy as a result of investment projects aimed at improving energy efficiency. In 2022, thanks to our actions, we received as many as 6,319 toe (tonnes of oil equivalent, where 1 toe = 41.868 GJ) and submitted 11 new applications for projects with a potential of 24,973 toe.



10 per cent on an annual basis

of electricity that we purchase since 2021 comes from renewable energy sources.

**Energy efficiency** 

Selected energy efficiency projects in 2022

Interview chairman of the Board of Directors

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About this report





1,575.7 MWh savings energy per year

Throughout 2022, we implemented 17 short-term projects aimed at energy efficiency in our company, resulting in approximately 1,575.7 MWh of savings per year. This is equivalent to the annual energy consumption of almost 800 households in our country.

One example of a project that allowed us to save a lot of energy was the modernization of lighting at the Kraków cold rolling mill. The work involved replacing 1714 older, mainly metal halide

fixtures with more reliable and efficient LED lamps. Lighting was also replaced in Dąbrowa Górnicza, at the steel plant and rolling mills, where LEDs improved visibility on production floors.

At the coke plant in Zdzieszowice, we carried out the modernization of suction lines 1 and 2 in the coke gas installation and adjusted the speed of rotation using inverters, which resulted in savings of around PLN 4 million.

At the coke plant in Kraków, we secured savings of approximately PLN 1.45 million after the implementation of the inverter adaptation project for the coke gas suction lines 7 and 8.

2022 was also the year when we modernised the cooling system of the blast furnace no 3 in Dąbrowa Górnicza. We replaced two energy-intensive fan motors with new motors with inverters, resulting in savings of PLN 1.9 million. We also successfully carried out insulation work on steam pipelines in our unit in Dąbrowa Górnicza, reducing steam losses and saving approximately PLN 1.7 million.

In 2022, at the Kraków Cold Rolling Mill, we also worked on the modernization of the annealing furnace, where after cold rolling, another stage of sheet metal processing is used to give it the appropriate plastic properties. Eventually, nine new hydrogen installations will replace older hood-type furnaces. In addition to higher quality products, we will also achieve significantly better results in terms of media consumption – we will use approximately 80 percent less electrical energy and about 20 percent less natural gas. This will result in lower CO<sub>2</sub> emissions.

### Energy

efficiency

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About this report

Selected energy efficiency projects planned for 2023:

- Continued modernization of lights by installing energy-efficient LED fixtures in additional facilities in Dąbrowa Górnicza and Kraków.
- Replacement of motors and installation of inverters on the cooling section of the blast furnace no 2 in Dąbrowa Górnicza.
- Installation of control valves and measurement systems in lowpressure oxygen devices for turbo blowers at TAMEH power plant to stabilise the operation of blast furnaces.
- Modernization of the drives at the sinter belt no 1 in Dąbrowa Górnicza.
- Implementation of a mathematical model for controlling the furnace in galvanizing line no 2 in Kraków.
- Modernization of the pumps system in the pumping section no 1 in Kraków.

63,724,482 GJ\* Our energy consumption in 2022



<sup>\* \*</sup> In 2019, there was a change in the method of reporting energy consumption. Since 2019, we report energy consumption according to the standard we use for benchmarking purposes in the ArcelorMittal Group, which is consistent with the methodology used in our other energy efficiency programmes, such as World Class Manufacturing or Energy Management System.

4.4

### Water and waste management

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Top quality steel

About this report



#### Water intake, by source and by location in 2022 [m³]

	Surface water from rivers (own intakes and through subsidiaries)	Supplies from munic- ipality and other water companies	Supplies of un- derground water (own)	Total
Dąbrowa Górnicza	7,288,767	16,492	0	7,305,259
Kraków	3,100,000	661,000	5,000	3,766,000
Zdzieszowice	4,902,888	5,176	1,586,086	6,494,150
Świętochłowice	0	159,818	0	159,818
Sosnowiec	25,440	155,761	0	181,201
Chorzów	0	7,781	0	7,781

According to ArcelorMittal Sustainable Development Outcomes, we are committed to efficiently use resources and reduce our impact on water, soil, and air. Therefore, we are constantly working to improve our natural resources management and waste management, which is determined based on integrated and sectoral permits. They specify, among other things, limits and places for storing waste. We keep records and prepare reports for the BDO system (national database on products and packaging and waste management).

We also have a hierarchy of waste management methods, which prioritises the order of waste management. The WCM (World Class Manufacturing) methodology helps us optimise the use of water resources.

Steel and coke production require the use of water, so we carefully approach the optimization of its consumption, keeping in mind how valuable this resource is.

Therefore, we carry out modernizations of equipment and installations that will allow us to use water more sparingly and efficiently.

A good example is the construction of a desorption column and an ammonia water installation in Kraków, which serves to purify coke oven gas. The construction work lasted almost the entire year 2022.

We clean wastewater from our plants mechanically, biologically, and chemically to ensure high-quality of water discharged into the environment. We also regularly develop control and measurement equipment to precisely analyse indicators and the results of our tests.



About 55 per cent of the treated water is reused in Dąbrowa Górnicza



About 70 per cent of the water is reused in Kraków



About 45 per cent of the treated wastewater is reused in Zdzieszowice

#### Total weight of waste by waste type and waste disposal procedures in 2022 [t]

2022

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Top quality steel

	Weight		Recovery of waste generated within the plant and received from outside	Neutralised (own waste within the plant)	Transferred to authorised entities	Total weight
	Hazardous	>	71	0	309	241
Dąbrowa Górnicza	Other than hazardous	>	2,205,079	0	1,204,060	2,361,703
	Hazardous	>	456	0	1,905	2,360
Kraków	Other than hazardous	>	840,200	129	188,004	189,033
	Hazardous	)	866	0	54	49
Zdzieszowice	Other than hazardous	>	1,075	2,249	1,957	5,280
<i>4</i>	Hazardous	>	0	0	561,53	544,73
Świętochłowice	Other than hazardous	>	0	0	13,487	13,421
	Hazardous	>	0	0	292	281
Sosnowiec	Other than hazardous	>	0	0	44,086	44,896
	Hazardous	)	0	0	37	33
Chorzów	Other than hazardous	>	0	0	8,010	8,011



### Circular economy

Interview chairman of the **Board of Directors** 

**Priorities** and management

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Top quality steel

About this report

As part of our production planning, taking into consideration reducing our environmental impact, we operate based on the idea of so-called circular economy.

Following this assumption, to further strengthen the sustainability of our operations, we promote the reuse of resources that have already been utilised in the process so that we can avoid consuming additional primary resources.

The steel we produce has practically unlimited recycling potential. Every day, we use thousands of tonnes of scrap, which serves as a raw material used in the basic oxygen furnace (BOF) process in our steelmaking plant. The same is true for BOF gas, which, after recovery, serves as fuel for other installations.

We also extensively use other byproducts from our production processes: purified coke and blast furnace gases are reused to generate heat in our in-house power plants (excess gas also goes to external recipients). Meanwhile, scrap, scale, dross, partially dust and sludge undergo recovery in the sinter plant in the area of the blast furnaces.

The main waste product in metallurgy is ironmaking and steelmaking slag. However, these materials are reused in the construction industry. Steelmaking slag is mainly used in road construction, which reduces mining of mineral rock deposits for the production of aggregates. Ironmaking slag is processed on-site through granulation, resulting in granulated slag that is then used in the cement industry.

In addition, our used oils, after regeneration, go to refineries, and zinc dross, after melting, returns to the market as pure zinc.



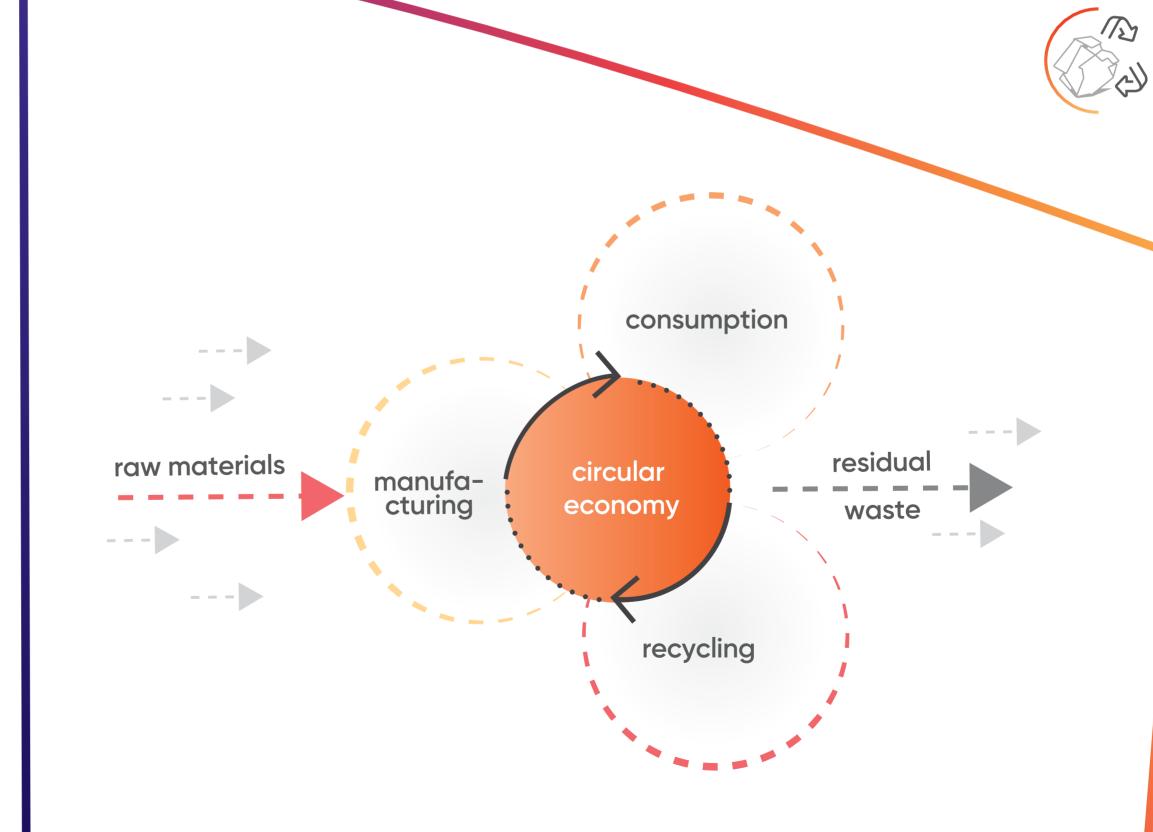
765,834 tonnes of slag were processed in the production processes in Kraków



947,633 tonnes of ironmaking slag were processed into granulated slag in Dąbrowa Górnicza



976,697 tonnes of scrap metal were used in Dabrowa Górnicza for production



## Top quality steel

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- 5. 2. Our supply chain
- 5. 3. Our products and projects
- 5. 4. IT projects

Interview chairman of the Board of Directors

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### Thinking about the future

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Top quality steel

About this report



determines the development and condition of key industries crucial for global growth. Our products contribute to the creation of, among other things, safe railway infrastructure and modern construction, they are also used in transport and guarantee the development of the automotive and household appliances industries.

In 2022 we produced:



3,422,428 tonnes of steel



3,707,507 tonnes of coke

#### **ArcelorMittal Sustainable Development outcomes:**

while producing top quality steel we pay special attention to:

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

In addition to sustainability and leadership, quality is our core value and also our commitment to stakeholders. The superior quality of our products is a result of a clear Quality Management System according to ISO 9001:2015 and, in selected areas, a Quality Management System for the automotive industry IATF 16949:2016.

We are guided by the idea of continuous improvement - we aim to produce more efficiently while maintaining our position as the leading steel producer in Poland.

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



Decent Work and Economic Growth



Sustainable Cities and Communities



Climate Action

### Thinking about the future

Interview chairman of the Board of Directors

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Top quality steel

About this report

#### Quality is in our hands

On 10 November 2022 we celebrated our first ever Quality Day, during which we launched a competition to improve in two categories: product quality improvement and employee engagement and knowledge enhancement in the field of quality. In total, 45 employees participated. In the "Product quality improvement" category, the winners were the authors of the "Reduction of scratches on DP600 material" project from the Cold Rolling Mill in Kraków, while the best in the category of engagement enhancement was the "Development of defect identification skills by DHW2 employees - theoretical and practical test" from our Królewska plant in Chorzow.

In November, we also organized a training session for employees of the Quality and Product Office to exchange metallurgical knowledge and experience between our units in Dąbrowa Górnicza, Sosnowiec, Chorzów, Świętochłowice, and Kraków. The engagement of an interdisciplinary group of employees (quality management area, product development, laboratories) facilitated a broad transfer of knowledge from experts specializing in improving the quality and development of various products.

#### **World Class Manufacturing**

While producing steel and coke we follow the World Class Manufacturing (WCM) methodology, which sets the path for optimization and process improvements in our company while maintaining highquality of products. The WCM philosophy supports our efficiency management. In line with its assumptions, we conduct detailed audits in our facilities, and their positive results are reflected in the gold, silver, and bronze WCM awards granted to the plants. The colours of the awards - reflecting Olympic ambitions - depend on the level of optimization achieved. In December 2022, after the final assessment of the level of WCM methodology implementation, our Rolls Management department was awarded a silver medal in confirmation of its outstanding performance.

On December 13, 2022, we celebrated the 11th WCM Day, during which awards were presented for the best projects and improvements in our plants, as well as individual diplomas for achievements in internal competitions. Over 100 people attended the event, including the authors of the final projects and improvements, WCM corporate auditors, as well as the management and leadership of ArcelorMittal Poland. Out of 66 projects and 85 improvements submitted to the competition, the jury selected those that resulted in improving working conditions and savings, also paying attention to innovation and teamwork.

During the ceremony, the winners of the corporate Performance Excellence Awards and Long Performance Excellence competitions were also recognized. The award-winning projects included the flat transport and logistics office training project on safety cone during lifting operations, an innovative project to increase the efficiency of the sintering process in Dąbrowa Górnicza, humanitarian aid for refugees from Ukraine, and a project addressing a hazardous activity of material turning on the receiving table in Chorzów.

Continuous improvement is one of the key factors of success, and its essence lies in strengthening and stimulating the natural human tendency for improvement and optimization. In this process, the most important role is played by the employees who carry it out

Piotr Żarczyński progress office director.

The aim of the competition is not only to appreciate good work in the segment. The goal is also to inspire other departments to undertake similar projects, as they are a lever for both engagement and continuous improvement - which is crucial for our organisation

Sanjay Samaddar

Chairman of the Board of ArcelorMittal Poland CEO of ArcelorMittal Europe – Long Products

### Thinking about the future

as well as its strength and versatility in application, make it an essential component for building the modern world. Steel is a perfect material for creating innovative building structures, infrastructure for renewable energy sources, and expanding electrified transportation.

The excellent recyclability of steel,

At the same time, the domestic steel industry has been struggling with difficulties related to high energy costs for years. Additionally, European producers are obliged to pay additional fees for each ton of CO<sub>2</sub> emitted under the EU ETS system, which does not apply to their competitors outside the European Union, resulting in the surge of imports produced without level playing field. ArcelorMittal, aware of the necessary reduction of the carbon footprint worldwide, has declared that by 2030 it will reduce carbon dioxide emissions in Europe by 35 per cent compared to 2018.

By 2050, it will be fully carbon-neutral. The achievement of these goals will be possible through the use of DRI-EAF technology, which combines direct reduction of iron with the construction of electric furnaces powered by renewable energy. However, this requires a huge transformation that should be supported by adequate legal frameworks, such as adjusting the carbon equalization charge to include imports from producers outside the EU. The steel industry needs a transition period where producing based on fair principles can generate the resources needed for this demanding transformation.

Tomasz Ślęzak, director of energy and environment and Member of the Board of Directors at ArcelorMittal Poland. spoke about the challenges facing the European steel industry at the European Economic Congress in Katowice in April 2022. During a panel discussion, he raised the issue of carbon credits under the EU ETS and stressed the need for real support in the pursuit of decarbonization, rather than just adding to the burden. Our representative also explained the reasons for changes in steel prices in 2022, including the impact of the Russian aggression against Ukraine, rising costs of raw materials and energy.

Component of the future

Interview chairman of the Board of Directors

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Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report



It would be beneficial if the ETS didn't create additional cost pressures, was complementary to the CBAM (Carbon Border Adjustment Mechanism), and provided real support mechanisms for decarbonization. It should not only enforce but also support the process. Decarbonizing the industry is extremely expensive, and without real support, it will be difficult to achieve – not only in the steel sector.

#### Tomasz Ślęzak

director of energy and environment, member of the Board of Directors of ArcelorMittal Poland.

### Our supply chain

Interview chairman of the Board of Directors

Priorities and management

Safe workplace

Stable and recommended workplace

**Environment protection** 

Top quality steel

About this report

Our company's responsibility is also related to selecting reliable partners and contractors to work with. We maintain business relationships with about 6,000 entities, each of which is obliged to comply with the principles of business conduct, human rights and environmental protection. We value building longlasting relationships with suppliers, often local entities that know the specifics of our industry.

All of this has a positive impact on the quality of cooperation. We evaluate our suppliers using a questionnaire, which allows us to understand our business partners' approach to issues related to safety and compliance with our procedures. The document is mandatory and includes information about the current financial condition of the contractor.

We adhere to clearly defined principles of cooperation, based on:

- Code for Responsible Sourcing (for suppliers of raw materials),
- General Terms and Conditions for the Purchase of Materials and Services,
- General Terms and Conditions for Investment Purchases,
- Health and Safety Agreeements.

Our suppliers undergo regular audits, in which we are assisted by the procedures: PO/O2/Z.001, PO/O2/J.105, IC/O2/Z.001, IC/O2/Z.104.

During the audits, an assessment is made of compliance with ArcelorMittal Poland's requirements and the extent to which the supplier meets the requirements of the quality management system

percentage of raw materials purchased in Poland



100 per cent coke



100 per cent fluxes



70 per cent coal



**42 per cent** non-ferrous materials



5 per cent ferroalloys



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We know how important efficient and uninterrupted communication is in business relationships, which is why we use the digiPace platform for conducting procurement processes and tenders. In addition, we are rolling out the SES Portal (a platform for self-settlement of work performed by the contractor) to additional locations.

2022 brought many challenges for us in terms of logistics and transport. After the Russian aggression in Ukraine, the existing supply chains required many organizational changes, which put a strain on the national railway and port infrastructure. Poland became the main transit country for goods transported to and from Ukraine - as a result of the break in flows through the territory of Russia and Belarus, as well as the limited access to Ukrainian seaports. In addition, the streams of goods (mainly of thermal coal) previously delivered by land from the east, were replaced by other sources using sea routes and Polish ports.

Ensuring the continuity of supplies was therefore a huge challenge for our company, which in the new circumstances worked on providing uninterrupted deliveries of iron ore, coal, as well as securing the shipment of steel products and coke. The year 2022 also saw a strengthening of cooperation with the Ukrainian ArcelorMittal plant in Kryvyi Rih, from which iron ore concentrates and sinter feed were delivered to and through the territory of Poland. At the same time, with our support, coking coal was delivered through the territory of Poland to the Ukrainian plant.

The challenging economic conditions, high inflation, and war also resulted in cost pressure, which significantly impacted the negotiation process. Keeping in mind a sustainable approach to cooperation with our partners and building long-lasting and responsible relationships, we concluded contracts with particular care for smaller and local entities. Often it was necessary to seek alternative solutions for existing products and services. The geopolitical situation had the greatest impact on global categories, with a particular focus on raw materials.



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The effects of our work are visible practically everywhere. Steel is one of the basic components of the developing world, used in construction, transport, automotive industry, energy infrastructure, and even in office accessories, household appliances or environmentally friendly food packaging. The reach of our products and semifinished products obliges us to constantly care for development, also in terms of reliability. That is why we regularly modernize our plants and carry out ambitious development projects.



We have invested PLN 8.5 billion

since the beginning of our activity in Poland, i.e. since 2004.

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On 18–19 May 2022, meetings of the so-called "Agoras" or conferences of roll mill operators from European plants of our Group, took place in Kraków. During the meetings, the heads of two French mills (in Dunkirk and Fos), two German mills (in Bremen and Eisenhüttenstadt), two Spanish mills (in Aviles and Sestao), as well as representatives from Gent in Belgium and Kraków, shared their experiences. Corporate representatives from the flat product technology and research and development offices also participated in the event, with reliability being one of the main topics.

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At the end of 2022, we began preparations for a major revamping of blast furnace no 2 in Dabrowa Górnicza. This will be the largest renovation of such an installation ever carried out in Poland. The extensive work will include a new carbon lining of the furnace, replacement of the staves and tuyere assemblies, modernization of the furnace loading system, and construction of a new cast house dedusting installation. During the modernization, we also plan to build a new two-stage blast furnace gas cleaning system and an innovative cooling system for the furnace shaft and tuyere assemblies.

In 2022, we also announced a new investment package worth over PLN 100 million at the Cold Rolling Mill Plant in Kraków. As part of the programme, we implemented three projects: replacement of rolling mill engines, modernization of sheet metal etching lines and the purchase of a new grinding machine. The project involved, among other things, the replacement of three DC engines in one of the rolling mill stands with one AC engine, automation of the pickling line and installation of a new coiler, as well as the delivery of a heavy-duty precision grinder.

As part of the modernization of the machinery park at the Kraków Cold Rolling Mill, we also installed a modern overhead crane with a lifting capacity of 40 tonnes. The installation was designed according to the state-ofthe-art solutions - it has 4 drive sets and is controlled by inverters. This means smoother operation, precise lifting operations, and lower energy consumption. Additionally, the crane is equipped with a modern safety system with entry gates and a work area illuminator that sets the danger zone on the floor under the load. In the same Kraków plant, we started the modernization of the annealing plant, so that the process after rolling, which involves giving the appropriate plastic properties, uses significantly less energy and time. Older bell-type furnaces will soon be replaced by 9 more modern hydrogen installations, which will not only guarantee higher product quality but also reduce media consumption - electricity by about 80 per cent and natural gas by about 20 per cent compared to previous values.

At the end of January 2022, another stage of automation of coil packing in the flat products area was completed. After the installation of the pushwrapper device in Kraków in November 2021, it was time to install a new device at the plant in Świętochłowice. It is the Multiwrapper, a device based on ABB robots, which independently measures the diameter, width, and eye of the coil, allowing for precise selection of packing parameters.

Appropriately programmed robots also recognize the lack of film on the roll and replace it on their own, taking the next one from the feeder, and after the packing is completed, they cut the film from the roll.

In Świętochłowice, we also installed a new crane in a strategic location for the plant. The new machine is equipped with a specialized coil grab with a capacity of up to 30 tonnes and an electromagnet for scrap loading.

In summer 2022, we carried out repairs in our plant in Chorzów, which involved repairing and replacing worn-out equipment along almost the entire length of the production line. The work aimed at increasing reliability covered the area of the walking beam furnace, rolling mill equipment, as well as the saws and cooling beds in the rolling mill.

We also invested around PLN 30 million in the modernization of the power plant in the coke plant in Zdzieszowice. As part of this project, the construction of a new steel chimney began in the Q2 of 2022. Due to the high degree of cleanliness of the coke oven gas currently used in the power plant, the new chimney can be shorter than the previous one, which was designed for coal fumes. The new, ninetymeter chimney is equipped with three separate flue gas ducts instead of the previously used one collective duct.

The new chimney and boiler repair are the next projects implemented at our coke plant in Zdzieszowice. In recent years, we have allocated an amount exceeding PLN 1.5 billion for the modernization of our coke plant.

Czesław Sikorski.

Deputy Chairman of the Board, COO Logistics and Coke Making, ArcelorMittal Poland.

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In Świętochłowice, we installed a new ejector, which is a device used for the vacuum removal of residues of chromium solution after the passivation process of the material. This allows us to avoid unwanted stains on materials intended for coating in the sheet production process.

On the organic coating line, OCL1, in Świętochłowice, we installed a new set of rollers on the material guiding table and adjusted the existing tables and rollers to reduce scratches and dents. Additionally, we plan to install a scraper on the metal roller in the ionic laminator of the line to further reduce the risk of dents. We are also carrying out a project related to the installation of paint thickness gauges on OCL1 for better control of the process and faster response to deviations. On the second coating line (OCL2), we installed new lighting at the end section in 2022 for more effective defect detection

In the same plant, we installed a so-called 'Chemcoater', a device that enables precise application of the conversion layer before the coating process - the first trials were carried out in December 2022. Further development activities in this area are planned for 2023. Thanks to the project, we achieve better control over the process, which translates into productivity.

As the largest steel producer in Poland, we offer a wide range of products, which we divide into categories based on their characteristics. These include:

- Long products (rails, wire rod, sections, sheet piles)
- Flat products (sheets, strips)
- Special products (e.g. railway accessories)
- Semi-finished steel products (blooms, billets, slabs)
- Coke and coke products

After tests with the Group's R&D department, in 2022 in Świętochłowice we launched production of a coating called Optigal based on the ZnAlMg alloy. This coating is intended for organic coating of sheet metal. The new application allows us to produce a high-quality metallic coating that is half the thickness of standard zinc coatings. Optigal is currently used in the production of Granite Standard and Granite HD coatings.



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We also started production of Granite HDS mat grained, which is a hybrid coating with a polyurethane primer and a polyester decorative layer, intended for roofing with a specific satin finish. This product is the result of a large R&D project aimed at modernizing the range of coatings for roofs, which also included the production of coatings that are highly appreciated on our market, such as Ultramat, Storm and Quartz.

When it comes to our products, in 2022 we also introduced steel grade C92D2 and worked further on Steel Cord application in the continuous caster no 2, and wire rod mill in Sosnowiec.

## Our steel for infrastructure projects

In October 2022, a viaduct underpass built using ArcelorMittal steel was put into use in Dąbrowa Górnicza. As part of this investment, 87 tonnes of steel structures were delivered for the spans of the railway viaduct. Another 106 tonnes were used for the construction of a facility at the Dąbrowa Górnicza-Gołonóg railway station, which was also being modernized at the same time.

In Sosnowiec, a new tram route leading through Zagórze, the largest district of the city, was opened. For this project, we supplied 14 km of rails produced at our rolling mill in Dąbrowa Górnicza.

Another interesting project where ArcelorMittal's steel was used was the major reconstruction of the port in the Baltic Sea town of Puck, for which



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Modern steel industry requires investments in new technologies and the implementation of appropriate IT tools. That is why for several years now, we have been working intensively on the development of the Industry 4.0 concept in our production plants, which is the responsibility of our Automation, Industrial Informatics and Models Office. The unit employs teams of seasoned software engineers, automation specialists, IT specialists, and data analysis experts who continuously modernize the face of metallurgy and ensure a sustainable IT infrastructure.

We work intensively on reporting automation and advanced process optimization algorithms, which are based on data obtained from automation systems. Building comprehensive solutions for designated areas was a task that engaged all technical and business teams in 2022. The solutions delivered enabled streamlining of the production area as well as supply chain optimization.

In 2022, we continued work on our GENESIS project, which streamlines logistics by managing product storage from an application. The system stores a map of the storage facility, which makes it possible to locate the products to which a relevant code was attached beforehand. The solution offers significant benefits in terms of process optimization and increases plant throughput by eliminating logistics bottlenecks. The project will ultimately cover all of our units, with the latest implementation focusing on our facilities in Dabrowa Górnicza.

We also continue the project of implementing production tracking systems, created based on our own components developed internally by the Office of Automation, Industrial Informatics, and Models. The system streamlines reporting, improves data consistency, supports operator work, and increases the level of production automation by integrating additional measurements and signals from production lines. In 2022, the main work related to the implementation of production tracking systems were carried out in the area of the steel shop in Dabrowa Górnicza. The works led to increasing the production capacity of these lines.

The broad scope of work carried out in this area was also related to the plans of the decarbonization team and the possibility of integrating future installations with the current infrastructure. The next challenge in the field of production tracking carried out in primary area is to get ready for the major revamping of blast furnace no 2 in 2023.

In 2022, we completed the HandS 2.0 project, which supports our Health and Safety department in coordinating audits and collaborating with external companies. The application enables registration and reporting of activities related to health and safety, as well as helps us improve the analysis of incidents - taking into account statistics and trends.

Another interesting project was the launch of an application that improves our communication with the residents of Dabrowa Górnicza. The informational application, prepared by our IT specialists, makes it possible to send notifications about the most important



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After implementing an automatic system for wagons recognition in Zdzieszowice in the previous years, the project was continued in 2022 in Dąbrowa Górnicza, where a modernized solution adapted to the unit's specifics was implemented. This solution enables us to save a significant amount of time, as it replaces manual registration of trains and eliminates the risk of mistakes in registration of data from wagons.

In 2022, as part of our development of Industry 4.0 ideas, we continued work on the digital 3D model of our facilities. We expanded our facility plans in digital form by laser scanning of production bays and warehouses. The resultant point clouds make it possible to build 3D models, visualize the surroundings and accelerate work during projects in the shopfloor. Additionally, 360-degree films made for health and safety purposes are used for a realistic presentation of safety aspects and optimization of the training process.

For several years, we have been working on developing 3D printing capabilities to be able to alternatively obtain hard-to-find components for our installations. In Zdzieszowice plant, we use a so-called "print room," a specially prepared room where initial designs for spare parts are created using 3D printing technology. The device we use there offers low maintenance costs and compatibility with a wide range of up to 12 different types of materials, used, among other things, to print flexible parts or materials providing protection against electrostatic discharge.

The printer also has a built-in camera, so that online monitoring of its work during printing is possible. We also have a high-quality 3D printer in Dąbrowa Górnicza, which can produce complete metal elements with complex structures, surfaces, and shapes. In the field of additive manufacturing and 3D printing technology, we closely cooperate with the R&D department of ArcelorMittal Asturias in Spain.



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We present you the 13th Sustainability Report of ArcelorMittal Poland. We report annually covering the period from January 1 to December 31, 2022 (the date of publication of the last report -June 2022). The report includes the data of ArcelorMittal Poland (unless stated otherwise in the content of the report).

The report was prepared in accordance with the international reporting guidelines GRI Standards at the CORE level and was not subjected to additional external verification. However, ArcelorMittal Poland was audited by an independent certification body in accordance with the quidelines of the international standard for the steel industry: ResponsibleSteel Standard. Most of the issues presented in this report were assessed by the auditors.

We collected data for the report based on internal reporting systems. Employees of the company at various levels, including managers, Management Committee and 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.

#### Priority issues (important reporting topics):

- occupational Health and Safety,
- environmental impact management strategy and ArcelorMittal Europe's strategy - decarbonisation,
- gas and dust emissions scale and reduction,
- investments improving efficiency and reducing the negative environmental impact of the company,
- the situation on the steel market and role of the steel industry in the Polish economy,
- employment conditions and recruitment campaigns,
- quality and development of the product portfolio,
- the role of steel and production processes in a circular economy nad waste,
- business ethics and transparency in action,
- diversity and inclusion,
- preparation for certification in accordance with the ResponsibleSteel Standard.

If, after reading this report, you have questions about the content and described activities, please contact us:

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