INNOVATING FOR IMPACT

2018 United States Integrated Report

ArcelorMittal

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2018 UNITED STATES

INTEGRATED REPORT

Overview

ArcelorMittal is the world's leading steel and mining company. We believe our sustainability practices are among the best in the steel industry. We have the largest global production capacity of any steel company in the world. We know our steel plays a major role in the sustainability of our world. Subsequently, sustainability is integral to our company's future and success.

ArcelorMittal operates 26 facilities in 12 of the United States, employing more than 18,000. Our non-industrial presence extends to 15 states and the District of Columbia. In 2018, ArcelorMittal USA produced 14.9 million tons of raw steel and shipped a broad range of steel products to the automotive, construction, pipe and tube, appliance, container, energy and machinery markets.

We are dedicated to producing safe, sustainable steel. That commitment means we strive to create a sustainable future for our company, our communities and our stakeholders. For generations, steel has played an important role in enhancing the quality of life for people around the world. Today, and in the future, steel will continue to drive solutions and innovations that will move society forward and contribute to more sustainable lifestyles. At ArcelorMittal, we are committed to innovation, continuous improvement and addressing challenges along the way.

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INNOVATING for Impact

Innovation and sustainability are at the core of ArcelorMittal's business strategy. Just as our products are the material of choice for more sustainable lifestyles, we continue to make progress toward elevating the sustainability of our operations. Our work in sustainability is made possible through innovation, which drives us to continually improve the experiences of our employees, strengthen our operational processes and revolutionize our products.

2018 was a unique year for ArcelorMittal in the United States. In the first half of the year, we benefitted from trade actions that resulted in improved steel pricing. Financially, ArcelorMittal USA reported its best year since 2007. However, our business is cyclical, and we recognize that market environments are constantly evolving. In the second half of the year, we saw signs of a softening global economy, which impacted steel demand and market trends. We know that our success cannot depend on market dynamics alone, and that to be competitive we must continually innovate our approaches with regard to our people, our processes and our products.

Our 2018 United States Integrated Report demonstrates how we innovate for impact.

Our people

The health and safety of our 18,000 employees, as well as our contractors, is our highest priority. I am proud to share that our lost time injury (LTI) rate for 2018 was our best on record and a 31 percent improvement over 2017. That being said, I am saddened to report that we had one fatality in 2018. I will not be satisfied until our goal of zero fatalities and injuries is achieved. I firmly believe that health and safety is an area of our business where further innovation of our processes and continuous improvement are critical. In the case study section of this report, we discuss our virtual reality safety training pilot program. Virtual reality provides our employees with a more engaging and realistic training experience in a safe environment.

Ultimately, the success of our company rests on the strength of our people. 2018 was a year of dialogue with our union workforce. In November 2018, we ratified a new, four-year contract with the United Steel Workers union which includes industry-leading employee compensation and benefits. To further acknowledge the successes of our salaried workforce in 2018, we began the implementation of our new employee recognition program, which we hope will ensure that employees' outstanding efforts are both recognized and valued.

Our processes

The efficiency and sustainability of our processes are essential to our success. This requires the implementation of new technology to reduce our energy consumption and most effectively use our resources. In 2018, ArcelorMittal USA executed 30 energy efficiency projects that resulted in energy savings of more than $15.9 million, the equivalent of powering 11,600 homes for one year (126,544 megawatts). We reduced our total energy consumption by 1.35 percent over 2017.

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We improved our reliability and delivery through innovating our processes to best serve our customers in 2018. We organized 65 new cross-functional teams comprised of 320 people at 11 locations. Together, these teams are working on a total of 167 projects to upgrade our systems and processes. Just as important, this initiative has ushered in a culture change for our company – a shift to a more collaborative environment. This is not a project; it is an innovative way of doing business differently and is vital to our sustainability. This effort was supported by a 41 percent increase in ArcelorMittal USA capital investments in 2018. Many of these investments were aimed at maintaining and improving operational reliability, which is the foundation for solid on-time delivery and optimal quality. For example, the Burns Harbor powerhouse rehabilitation project, detailed in the outcome 6 section of this report, will significantly enhance our reliability while reducing our energy usage, contributing to a cost savings of $60 million.

In addition, I am pleased to announce that in 2018, ArcelorMittal USA accomplished our Action 2020 aspirations. As detailed in the strategy section of this report, Action 2020 is a strategic roadmap for ArcelorMittal's global business segments and seeks to deliver real financial and efficiency improvements in the business by 2020. ArcelorMittal USA achieved our Action 2020 savings goal of $230 million one year ahead of schedule. Our business has undergone significant transformation under the Action 2020 framework, setting us on course for a stronger and more sustainable future through the ups and downs of our business cycle.

Our products

We remain focused on continually innovating our products. Our researchers and engineers are developing new steel grades that are lighter, stronger and safer than ever before. This leads to a decrease in emissions and a lower environmental impact during the steel's end-product use phase. Our research and development facility in East Chicago, Indiana, is one of ArcelorMittal's 11 global innovation sites focused on the sustainability of our products.

As one example, we are continuing to meet the needs of an evolving automotive industry. We believe our new advanced high-strength and third generation steels will be the preferred, sustainable material in the vehicles of tomorrow. As detailed in the outcome 2 section of this report, we are confident that our steel solutions will provide the weight savings required to meet regulated vehicle fuel and efficiency standards.

As we share the successes of our people, processes and products in the United States during 2018, I am encouraged by our progress and optimistic about future possibilities. We have made great strides, and an even greater future awaits through continued innovation. I invite you to read ArcelorMittal's full 2018 United States Integrated Report to learn more about our journey toward becoming one of the most sustainable steel companies in the world.

John Brett

President and CEO
ArcelorMittal USA

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Innovating for **IMPACT**

As the world's leading steel and mining company, with an output of nearly 15 million tons of steel in the United States, our impact matters. Our products have the opportunity to significantly improve modern lives. We also recognize that the process of making steel and securing the raw materials required to do so can inevitably have negative impacts. Our opportunities and challenges affect all our stakeholders, from our employees and our local communities to our customers and investors. It is our responsibility to manage our impacts, with innovation being a key driver of our success.

Through the implementation of ArcelorMittal's 10 sustainable development (SD) outcomes, we are focused on doing just that. As you will read in our 2018 report, these outcomes are the core of our sustainability strategy and the roadmap for how we monitor, measure and report on our environmental, social and governance impacts.

Our strengths and the positive impacts achieved via the 10 sustainable development outcomes are how we strive to be the most sustainable steel company in the world. Examples from 2018 include:

- Outcome 1 (*safe, healthy, quality working lives for our people*): With more than 18,000 hardworking men and women in the United States, we achieved our best safety record to date, a 31 percent improvement over 2017.
- Outcome 4 (*efficient use of resources and high recycling rates*): 31 percent of each ton of steel produced by ArcelorMittal in the United States was made from recycled scrap steel.
- Outcome 5 (*trusted user of air, land and water*): Three ArcelorMittal facilities in the U.S. were certified by Wildlife Habitat Council in recognition of land conservation and restoration on our property. To further improve upon employee environmental knowledge and performance this year, we created a new, online training portal for plant environmental and operational personnel across the U.S.
- Outcome 6 (*responsible energy user that helps create a lower carbon future*): Since 2013, ArcelorMittal USA has attained a 3.37 percent energy reduction, equating to 2.8 million megawatts. In 2018, we implemented 30 new energy efficiency projects that resulted in energy savings of more than $15.9 million.
- Outcome 7 (*supply chains that our customers trust*): ArcelorMittal USA spent $8.1 billion in our supply chain and increased spending with Minority, Women and Veteran Enterprises in the United States by 9 percent over 2017.
- Outcome 8 (*active and welcomed member of the community*): ArcelorMittal awarded more than $6.9 million in grants and employee matching donations in the U.S. to nonprofit partners working in our communities.
- Outcome 10 (*our contribution to society measured, shared and valued*): The publication of our 2018 Integrated Report marks ArcelorMittal's tenth year of sustainability reporting in the United States. This decade of reporting has allowed us to further embed sustainability into our business operations and strategy while transparently communicating with our stakeholders.

However, we are also defined by how we respond to our negative impacts. At ArcelorMittal, we view this challenge as a key driver in achieving excellence and greater sustainability. By analyzing our performance across the 10 SD outcomes, we know where our gaps exist and where to find our greatest opportunities for improvement.

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For example, we know that we have a challenge in building a pipeline of talented scientists and engineers for the future (outcome 9). Our United States operations have a maturing workforce, and we are facing increasing competition for limited STEM (science, technology, engineering and math) talent. Our community investments in STEM education programs are working to address this need, while we are simultaneously looking to improve our processes to hire, train and retain our workforce of the future.

As a heavy manufacturing company, we also know that we must work to address our negative impacts on climate change (outcome 6) and the environment (outcome 5) with increased attention and resources. In the United States, we are focused on continuous improvement in our environmental metrics and are working toward

"Our products have the opportunity to significantly improve modern lives. We also recognize that the process of making steel and securing the raw materials required to do so can inevitably have negative impacts. The key to addressing all of our impacts, both our opportunities and our challenges, is innovation. By implementing the initiatives associated with our 10 sustainable development outcomes, we are putting innovation into practice."

contributing to ArcelorMittal's global carbon reduction strategies. We are simultaneously investing in environmental restoration, conservation and carbon mitigation work with nonprofit organizations in the local communities where we operate. For example, funding nonprofit community-based projects such as green infrastructure and ecosystem services are contributing to a lower carbon future. Furthermore, ArcelorMittal is exploring innovations in both our products and our processes (outcomes 2 and 3) to minimize our environmental impact.

This brings us back to the theme of this year's report, "Innovating for Impact." The key to addressing all our impacts, both our opportunities and our challenges, is innovation. Many of our positive impacts are made possible or amplified through innovation, such as implementing energy-saving technologies and identifying new ways to recycle steel and our byproducts. Simultaneously, we continue to address our challenges through innovation, including investing in new models of STEM education programs and incorporating new processes and approaches to minimize our environmental footprint.

As a valued stakeholder, we encourage you to explore ArcelorMittal's 2018 United States Integrated Report to learn how we are innovating for impact at all levels of our company. It is important to us that we maintain an open and transparent dialogue with our stakeholders. If you have questions about our report or our sustainability work in the United States, please contact us at USACR@ArcelorMittal.com.

William C. Steers

President, ArcelorMittal USA Foundation and Corporate Responsibility Governance Board

Beth Spurgeon

Executive Director, ArcelorMittal USA Foundation and Corporate Responsibility Governance Board

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OUR BUSINESS

2018 United States Integrated Report

Organizational overview

From raw material to finished product, our business operations extend from iron ore and coal mining, to iron and steelmaking, and finally to hot rolling and finishing facilities that provide a full range of steel products and solutions.

Our footprint in the United States includes 26 facilities in 12 states, employing more than 18,000 people. Our non-industrial presence extends to 15 states and the District of Columbia. In 2018, ArcelorMittal USA produced 14.9 million tons of raw steel and shipped a broad range of steel products to the automotive, construction, pipe and tube, appliance, container, energy and machinery markets.

ArcelorMittal's operations in the United States are made up of facilities owned and operated by various predecessor companies, all joining together as ArcelorMittal following the merger of Arcelor and Mittal in 2006, then the world's largest and second largest steel companies respectively by production volume. The full history of ArcelorMittal in the United States is chronicled on our website's "Who we are" section.

The scope of our 2018 integrated report includes all of ArcelorMittal's wholly-owned operations located in the United States, as well as joint ventures where ArcelorMittal holds a meaningful ownership percentage. The map on the next page details the locations and functions of each of these facilities and offices. Whenever possible in this report, we will provide detail to explain which facilities are included in each data point and section. References in the report to "ArcelorMittal" or "ArcelorMittal in the United States" include all of ArcelorMittal's wholly-owned operations that are located within the United States footprint, as well as joint ventures where ArcelorMittal holds a meaningful ownership percentage. References to "ArcelorMittal USA" include only wholly-owned ArcelorMittal USA LLC facilities and I/N Tek and I/N Kote. Please refer to the data table for additional detail.

Leadership and governance

Operational leadership for facilities located in the United States is provided by members of the leadership teams for ArcelorMittal North America and ArcelorMittal USA. The members of these leadership teams and the Boards of Governance associated with them shape every aspect of our corporate behavior and help us meet our promise of transforming tomorrow. Visit the "Leadership" section of our USA website for more information.

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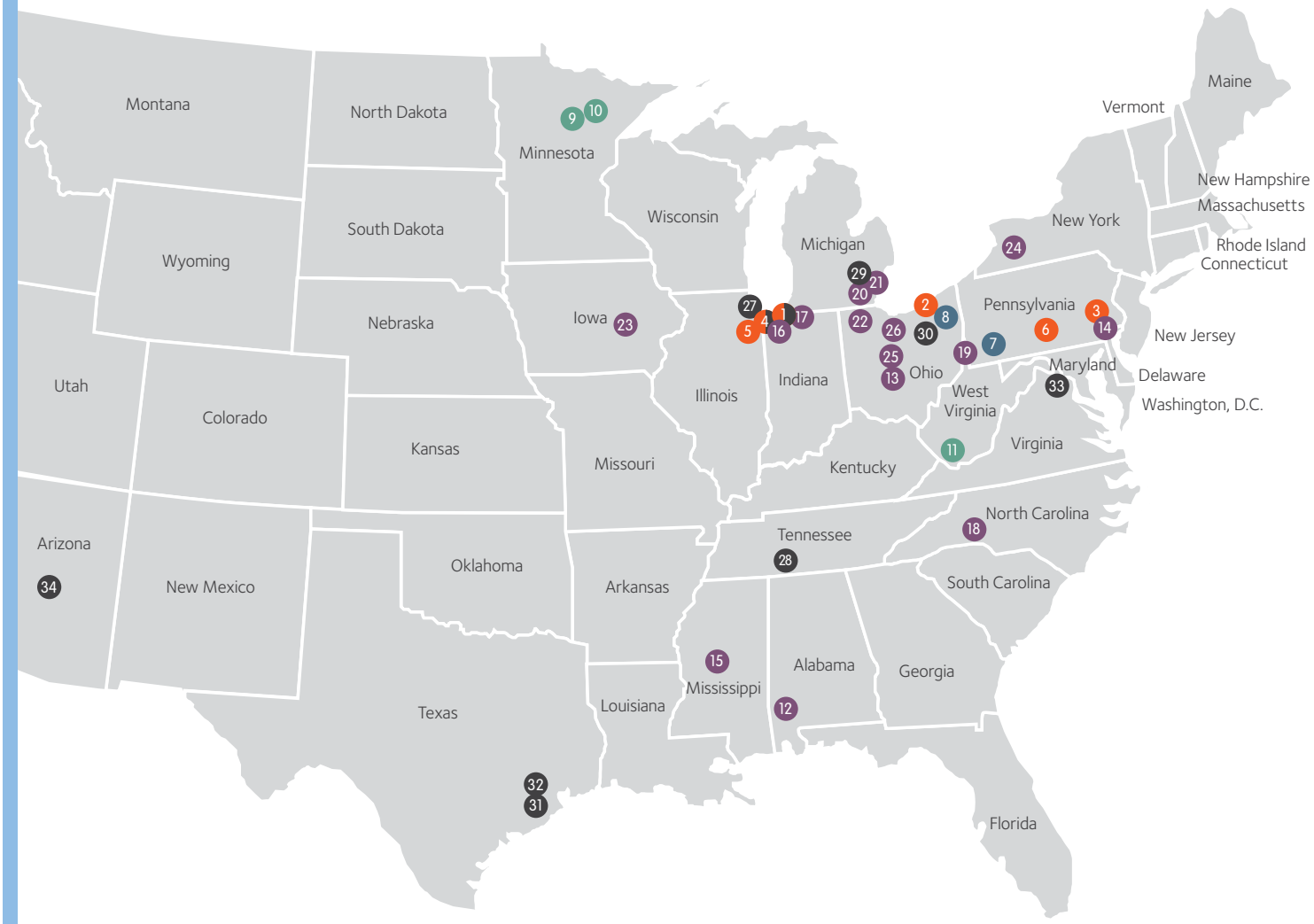
ArcelorMittal in the United States



Steelmaking

1. Burns Harbor/ Burns Harbor Plate
2. Cleveland
3. Coatesville
4. Indiana Harbor
5. Riverdale
6. Steelton

Cokemaking

7. Monessen
8. Warren

Mining

9. Hibbing*
10. Minorca
11. Princeton

Finishing

12. AM/NS Calvert*
13. Columbus
14. Conshohocken
15. Double G Coatings*
16. Gary Plate
17. I/N Tek and I/N Kote*
18. Piedmont
19. Weirton

Tailored Blanks

20. Dearborn*
21. Detroit
22. Pioneer**
23. Montezuma*
24. Tonawanda*

Tubular

25. Marion
26. Shelby

Offices

1. ArcelorMittal USA corporate office
27. Chicago corporate office
28. Nashville
29. Detroit/Southfield
4. East Chicago R&D
30. Richfield
31. Houston
32. The Woodlands
33. Washington, D.C. (Government relations)
34. Exosun office

* Joint venture

** Closing October 2019

Revised March 2019

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Operating context

ArcelorMittal's business context and operations in the United States are heavily influenced by external factors in the global economy. Since the later part of 2008, ArcelorMittal has weathered the most challenging economic times to face our industry in years. However, in 2018, ArcelorMittal USA reported its best financial performance since 2007 due to a robust pricing environment. In 2019, we are once again anticipating challenging market conditions.

Key influences on the ArcelorMittal operating context in the U.S.

Industry dynamics

In 2018, the U.S. steel industry experienced a robust pricing environment, which was positively influenced by the Section 232 trade measures. Global economic effects on the steel industry cannot be overstated. In the United States, we continue to keep a watchful eye on economic changes domestically and internationally that can have significant impact on our business.

The U.S. economy

The U.S. economy stabilized after the Great Recession, reaching 2.9 percent annual GDP growth in 2015. This growth then slowed slightly until rebounding to 2.9 percent in 2018. This modest pace of economic expansion contributed to an increasingly healthier demand for steel and other industrial products in 2018. The American iron and steel industry is a dynamic part of the U.S. economy, accounting for more than $200 billion in direct economic impact.

Effect of imports and trade

Overcapacity in the global steel industry coupled with continued slowdown in emerging markets mean imports remain a disruptive force in the U.S. market. In 2018, stronger trade actions, including Section 232 measures, have enabled shipments by U.S. steel mills to grow, following the surge of imports in 2014 that harmed 2015-2016 shipment levels. While the import market share was the lowest it has been since 2013, foreign supply remains resilient as global overcapacity continues.

Auto sector performance

After seven consecutive years of growth since the Great Recession, automotive production slowed in 2017 and remained stagnant in 2018. Though we expect that trend to continue, the automotive market will remain a key demand driver for the steel industry in the U.S. ArcelorMittal continues to emphasize the role our products, especially advanced high-strength steels and solutions, will have on the automotive market today and in the future.

Infrastructure development and construction market

The construction market and infrastructure projects in the U.S. have a wide-reaching impact on steel demand from structural steels to construction equipment, appliances and more.

The regulatory environment

The steel industry's relationship with government regulators, both in our own business and for our customers, remains a key business driver. We continue to work with our customers to implement technologies to meet new standards and prepare ourselves and our customers for regulations today and in the future.

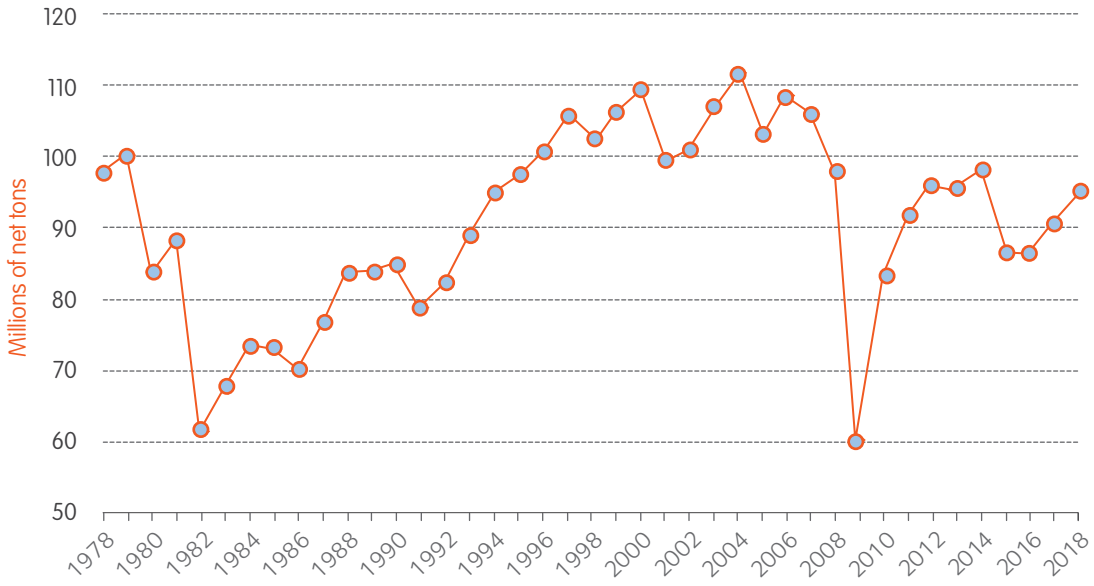
Industrial energy efficiency

In an energy-intensive business, monitoring and actively reducing our dependence on external energy sources are key to a thriving business. ArcelorMittal USA continues our partnership with ENERGY STAR® and the U.S. Department of Energy as part of our effort to further reduce our energy usage and provide industry leadership and benchmarking.

Understanding the domestic steel industry

U.S. domestic steel shipments: 1978-2018

U.S. steel producers expanded shipments from the early 1980s until the beginning of the Great Recession, which produced a devastating low in domestic steel shipments. In the years since 2009, the U.S. industry has not been able to return to pre-recession levels. In 2018, shipments totaled 95.5 million net tons. While this was an increase of 5 percent over 2017, shipments were still over 10 percent lower than the pre-crisis average of 106 million net tons for 2000-2007. Stronger trade actions, including Section 232 measures enacted in 2018, have enabled shipments to grow following the surge of imports in 2014 that harmed 2015-2016 shipment levels.

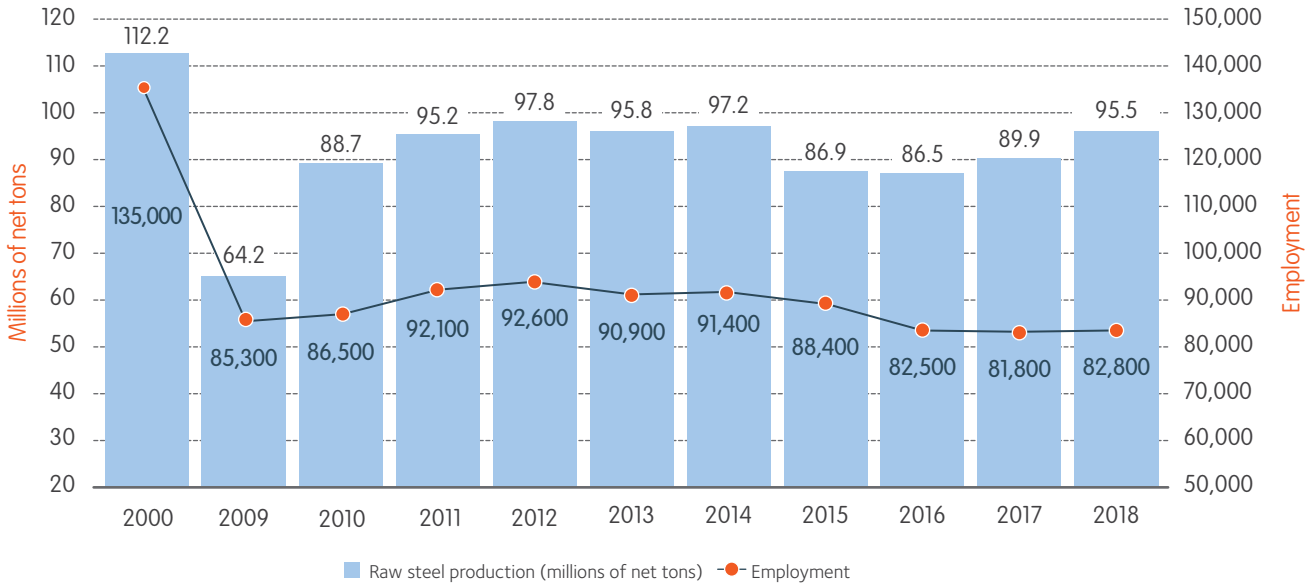


Source: AISI

Understanding the domestic steel industry (continued)

Steel production vs. employment in the United States: 2000-2018

Steelmaking processes have transformed at a rapid pace, reflecting the industry's improvement in operating practices and investment in state-of-the-art equipment to increase productivity. Employment by U.S. steel mills has declined from approximately 135,000 in 2000 to almost 83,000 in 2018 due to a consolidated and more efficient industry and automated processing. In 2000, one employee accounted for 831 net tons of raw steel production, while in 2018, one employee accounted for 1,153 net tons of raw steel production, an increase of 39 percent. Steel production employment rose in 2018 for the first time in four years as production increased following the implementation of Section 232 measures on steel imports.

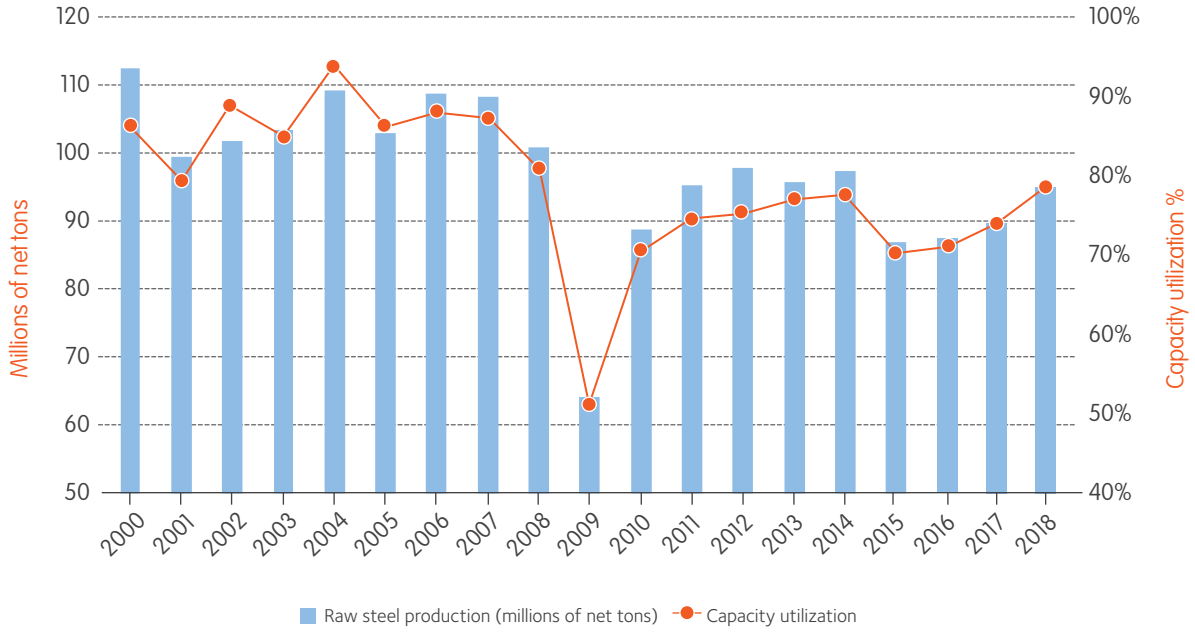


Sources: AISI, Bureau of Labor Statistics
(Employment = NAICS 3311)

Understanding the domestic steel industry (continued)

U.S. raw steel production and capacity utilization: 2000-2018

Another major indicator of the health of the domestic steel industry is capacity utilization. In the six years prior to 2008, capacity utilization levels averaged 88 percent. During the Great Recession, capacity utilization dropped to just 51.5 percent in 2009. In 2015, U.S. raw steel output fell to its lowest level since 2009 following a surge of imports in 2014, along with subsequent inventory corrections. Since 2015, the U.S. raw steel production capacity utilization rate has increased annually, rising to nearly 80 percent in 2018. While this is the highest rate in 10 years, it is still below the level the industry needs to achieve long-term sustainability.

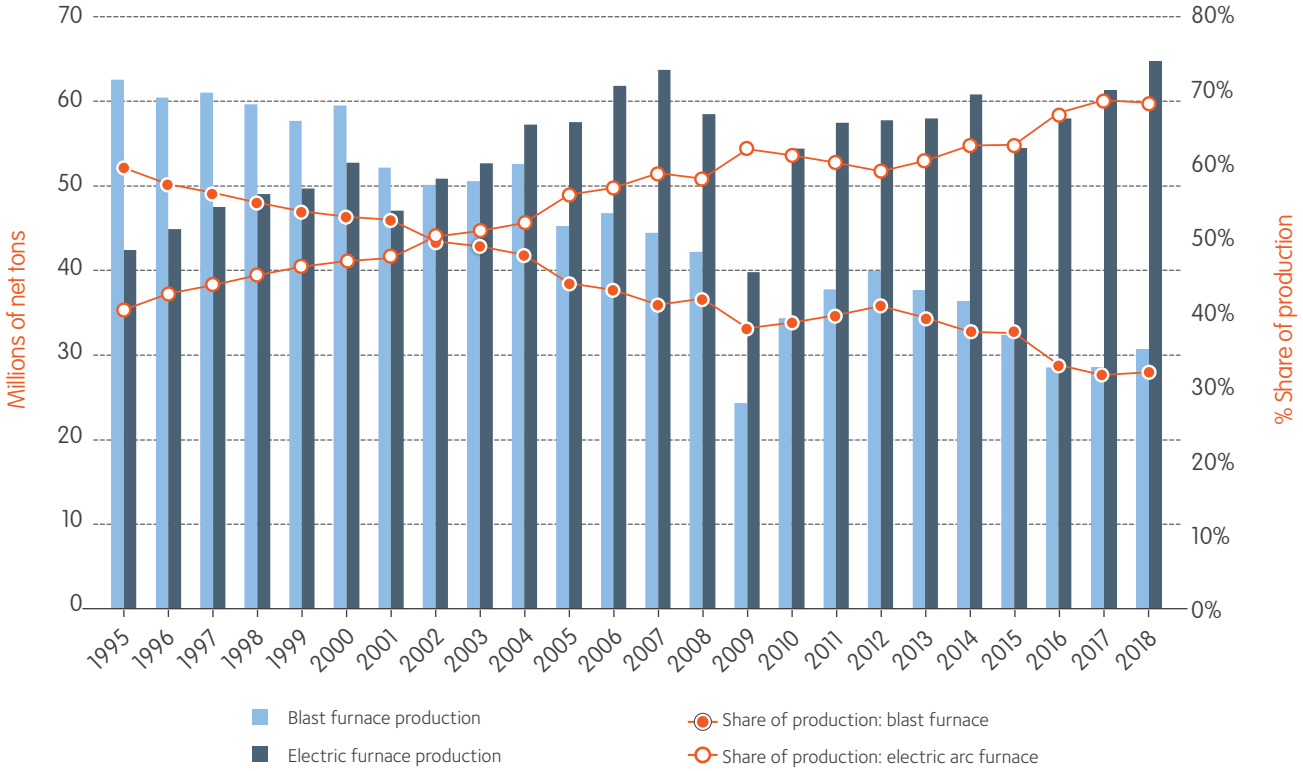


Source: AISI

Understanding the domestic steel industry (continued)

U.S. raw steel production – integrated vs. mini-mill: 1995-2018

Since 1995, integrated steelmakers have been losing their dominant share of U.S. raw steel production to mini-mills. In 1980, blast furnace production share was 72 percent. It has since declined from 60 percent in 1995 to 32 percent in 2018. This graph visually illustrates the threat of electric arc furnace technology–which offers flexibility, quick turnaround time and lower fixed costs–to integrated steelmaking. The blast furnace share of overall steel production rose slightly to 32 percent in 2018, the first increase in six years. Total blast furnace production increased by 7.4 percent year over year, compared to EAF production which increased by 5.5 percent year over year. This was the first year since 2010 that blast furnace production growth has outpaced EAF production growth.



Source: AISI

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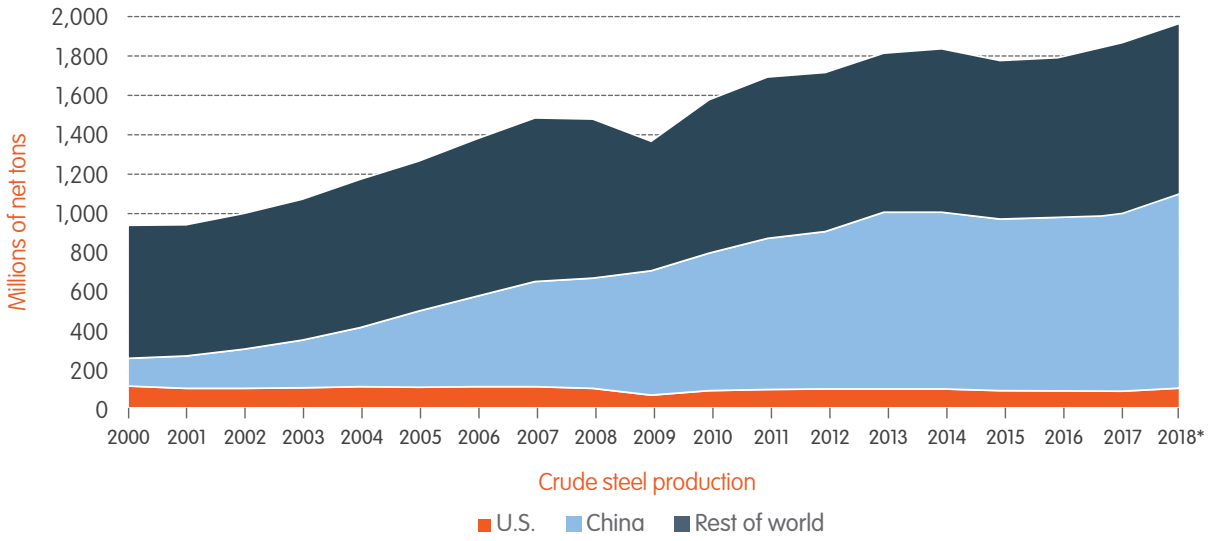
The impact of global overcapacity

Unfairly traded imports have a dramatic impact on our ability to command fair prices for our products and operate our facilities at sustainable levels. At the heart of the tidal wave of imports flooding the U.S. market since 2014 is the issue of global excess capacity, driven by government subsidies and other trade distortions.

Global steel production has more than doubled since 2000 — growing from 936 million tons in 2000 to 1.97 billion tons in 2018. This has almost entirely been attributed to growth outside of the United States, which has seen its share of global production decline from 12 percent in 2000, to 5 percent in 2018. While the U.S. has increased production over the last two years, global production has increased at a faster rate, leaving the U.S. at a distinct disadvantage.

Since 2000, Chinese steel production has increased more than seven-fold, growing from 142 million net tons in 2000, to approximately 1 billion net tons in 2018. Chinese steel production now represents over half (52 percent) of global production for the first time in history. This rapid and significant increase in steel production has led to dangerous levels of overcapacity that have significantly impacted broader global markets. Without an effective capacity reduction plan in coming years, severe overcapacity in China will continue to harm the global steel industry.

Global steel production: 2000-2018



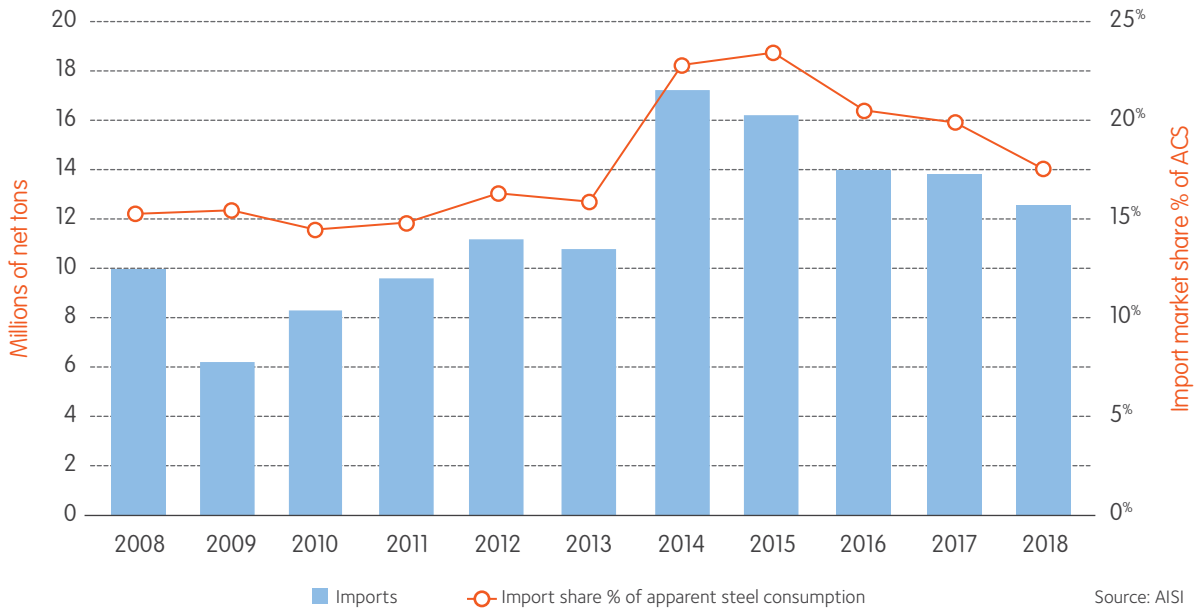
% of world production	2000	2005	2010	2015	2018
U.S.	12%	8%	6%	5%	5%
China	15%	31%	45%	49%	52%
Rest of world	73%	61%	50%	46%	43%

Source: World Steel Association
* Subject to revision

For ArcelorMittal USA, flat roll import volume deeply impacts the fair competition of our business. A 60 percent surge in flat roll import volume in 2014 resulted in import share growth from 15.9 percent in 2013 to 22.8 percent in 2014, despite available domestic capacity. This flood of imports continued through 2015 at an all-time high of 23.4 percent. There was a slight decrease in import share in 2016 (20.5 percent) and 2017 (19.9 percent). Imports of flat roll steel totaled 12.5 million net tons in 2018, down 8 percent from 2017. Imports accounted for 17.8 percent share of U.S. flat roll consumption in 2018, compared to 20 percent in 2017. This decline in import share can be attributed to the Section 232 measures and other trade relief imposed on steel imports, which helped slow the flow of cheap steel imports into the U.S. Although imports have receded from surge levels in 2014-2015, imports' share of the market remains elevated compared to the average of 15.4 percent during 2008-2013.

The chart below illustrates that while imports make up a minority share of domestic steel consumption, they are a disruptive force in the market.

Flat-rolled imports and import share: 2008-2018



Imports capture volume that could be made by domestic steel makers to improve capacity utilization levels. This disruption is especially true with unfairly traded imports — those sold in the U.S. at dumped or government-subsidized prices. Imports are dumped if, among other criteria, they are sold at prices below their home market prices or the producer's cost to manufacture.

The impact of global overcapacity (continued)

Our legal remedy against unfairly traded imports is to file trade cases with the Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) against specific countries for specific products. Commerce determines whether imports are being dumped and/or subsidized. The ITC decides if the domestic industry has been injured or is threatened with injury. Indicators of injury include declining U.S. production, shipments, capacity utilization, employment, and financial performance. Documentation of lost sales or lost revenue—where we were forced to reduce our prices to compete with import prices—is extremely important in presenting our case. Winning the trade case requires affirmative determinations of injury or threat of injury and either dumping or subsidies.

If a given case is successful, Commerce will assess a tariff equal to the difference between the dumped and/or subsidized import price and the fairly-traded price. It is the responsibility of the importer to pay the tariffs; for the products of interest to ArcelorMittal, these duties are as high as 266 percent of the landed price of the imports. The tariffs remain in effect for five years. At that time, a sunset review is initiated by the ITC and Commerce to determine if the tariffs should be continued or allowed to expire, or "sunset."

Today, 202 anti-dumping and countervailing duty orders are in place to combat unfairly traded imports of iron and steel products. Despite these orders, the challenge to achieve a sustainable level playing field continues for U.S. manufacturers. To that end, in March 2018 under Section 232 of the Trade Expansion Act, the Trump Administration imposed a 25 percent tariff on steel imports from many countries and negotiated quota arrangements with others, after concluding that such imports threaten U.S. national security. ArcelorMittal supported this investigation and its goals to improve the competitiveness of the steel industry in the U.S. and to make it increasingly difficult for unfairly traded imports to impact the industry's ability to respond to the nation's security interests.

This action by the Administration has helped to more positively position ArcelorMittal to compete on that level playing field. Today, our U.S. business is stronger, and we have been able to increase our investments in our plants and our people. We will continue to work with the Administration to ensure that this process and other trade actions in place adequately position the American steel industry to meet the country's national security interests and to address the causes of global excess steel capacity.

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Financial value creation

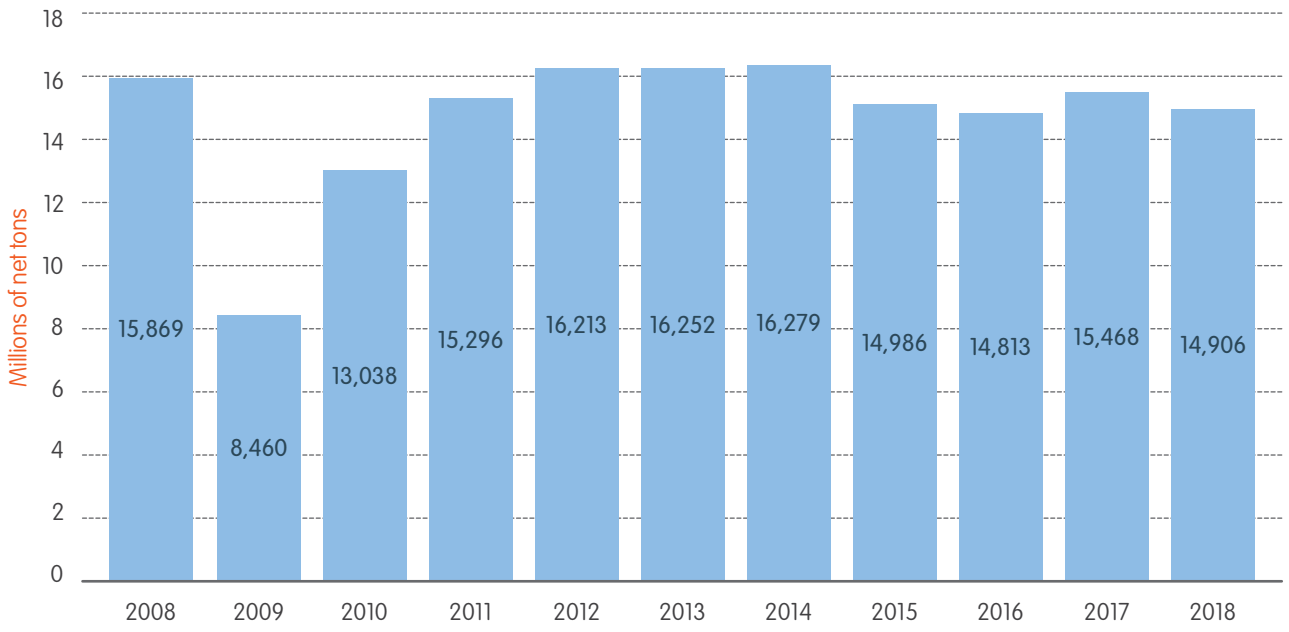
ArcelorMittal's operations in the United States are a part of the parent company, ArcelorMittal S.A., based in Luxembourg. Preparing a country level integrated report at ArcelorMittal means discussing financial challenges and opportunities related to our business units in the United States. However, direct financial statements are not public at this level. Full financial results for ArcelorMittal globally can be found in our annual report and 20F.

Steel production

In the United States, ArcelorMittal has seen a slow and progressive recovery year over year since the economic downturn of 2009. That recovery was dampened significantly by the flood of imports arriving in the United States in recent years. While ArcelorMittal USA experienced a strong financial year in 2018 due to a robust pricing environment, our steel shipments fell short of our business plan. To improve in 2019, we are focused upon cost control, operational stability and on-time delivery.

Raw steel production in the chart below refers to steel in the first state of melting, suitable for finishing. In 2018, ArcelorMittal USA produced 14.9 million tons of raw steel, with 98 percent of that production in our flat operations, primarily integrated steel production facilities. ArcelorMittal USA operates only one long carbon facility today in Steelton, Pennsylvania.

Raw steel production, ArcelorMittal USA: 2008-2018



Financial value creation (continued)

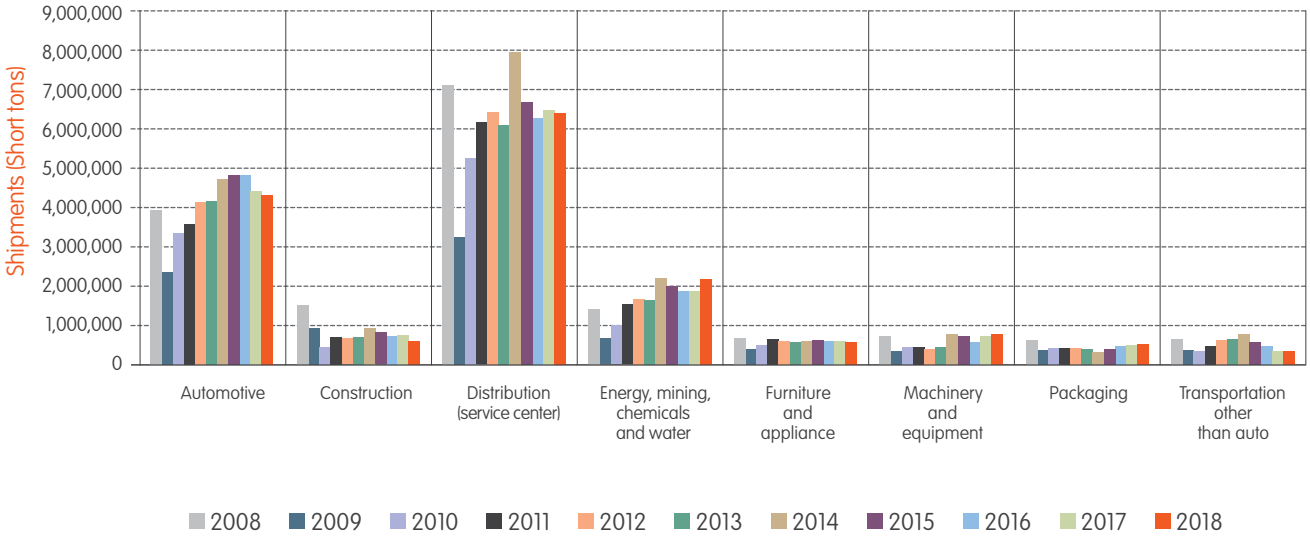
Key market segments

Steel has a major role to play in the vitality of the U.S. economy and national security. Steel has a broad range of applications in industries such as transportation, energy, defense, machinery, appliance, construction and packaging.

In construction, steel offers superior performance, affordability and an environmentally-friendly profile over competing materials. Steel is the main material used in products that deliver renewable energies such as solar, tidal and wind. The automotive sector accounts for roughly 12 percent of the overall global steel consumption. In the United States, that number rises to 27 percent.

The majority of ArcelorMittal's shipments in the United States serve the markets of service center/distribution (41 percent), automotive (28 percent) and energy/mining/chemicals/water (14 percent). The chart below illustrates our sales by market segment in the United States in 2018 and year over year since 2008.

ArcelorMittal sales by market segment, Steel shipments in the United States: 2008-2018



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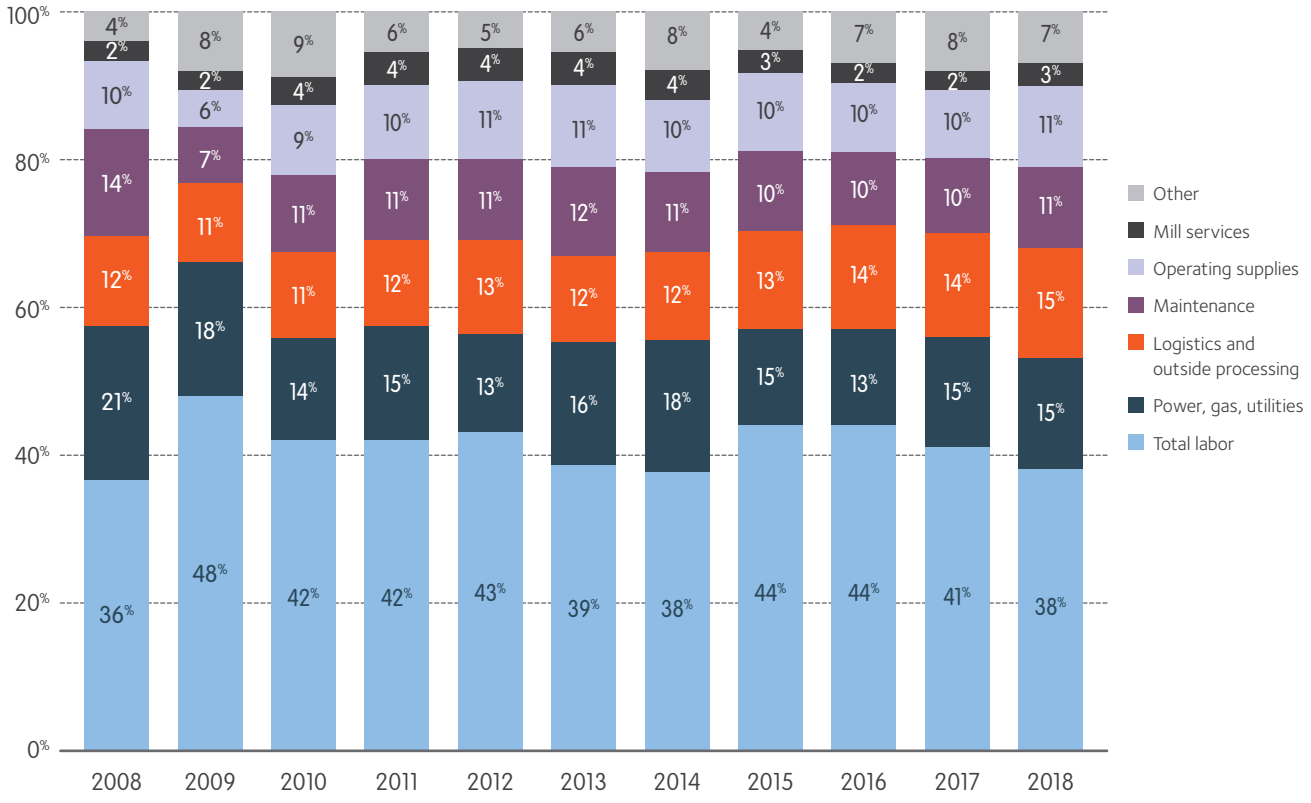
As it relates to ArcelorMittal USA's profit and loss equations, our profitability and long-term financial stability depend largely on conversion costs. These are the costs the company incurs to transform raw materials into finished steel products, minus the cost of raw materials. Repairs and maintenance, labor, energy use and logistics are examples of types of conversion costs. As shown in the chart below, labor directly accounts for 38 percent, the largest share of the total conversion cost of steel and influences all major cost categories.

Components of conversion costs: 2008-2018



"Total labor" includes both represented and non-represented employees.
"Maintenance" excludes internal labor.
Data represents wholly-owned ArcelorMittal USA LLC facilities and includes I/N Tek and I/N Kote.

Financial value creation (continued)

Capital investment

ArcelorMittal is committed to investing in our assets in the United States through capital expenditure (CapEx). For the last five years, our capital investment related to the ArcelorMittal USA business unit has averaged more than $280 million per year to enhance our facilities' capabilities and extend the life of our assets.

In 2014, ArcelorMittal acquired AM/NS Calvert, a joint venture with Nippon Steel. The capital expenditure specific to AM/NS Calvert since 2015 has allowed this facility to build capability and efficiency, opening new market opportunities specifically related to high value-added products. Our dual commitment to increasing capacity at AM/NS Calvert while simultaneously investing in ArcelorMittal USA's most cost-competitive assets directly addresses the needs of our global Action 2020 plan, detailed in the strategy section of this report.

Total U.S. CapEx	2014	2015	2016	2017	2018
ArcelorMittal USA* CapEx in millions USD	$317	$233	$280	$246	$348
AM/NS Calvert CapEx in millions USD	— **	$40	$122	$99	$44

* CapEx represents wholly-owned ArcelorMittal USA LLC facilities and includes I/N Tek and I/N Kote.

** AM/NS Calvert was acquired by ArcelorMittal in February 2014. Our first full year of CapEx occurred in 2015.

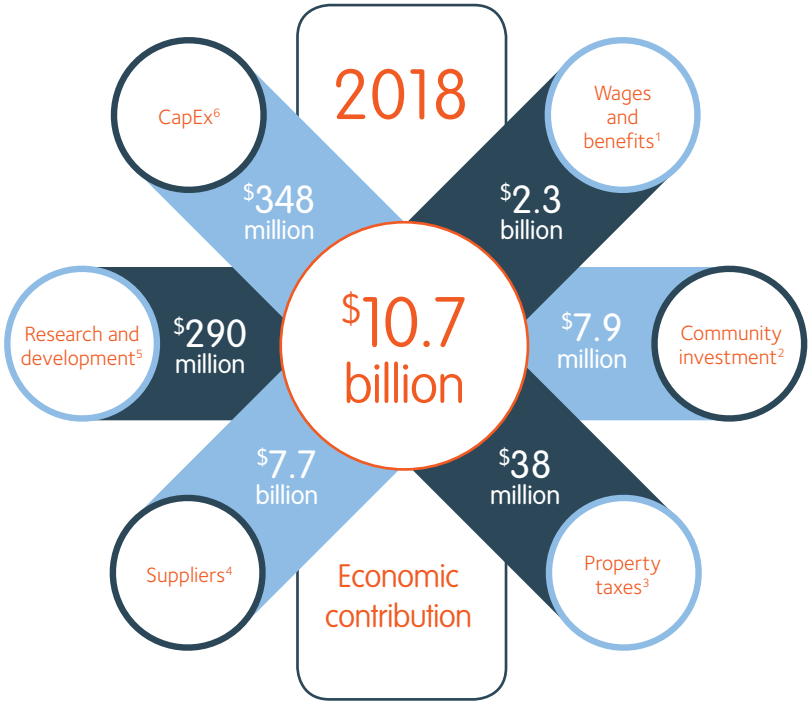
The list below includes the 25 largest CapEx projects in the United States in 2018. They are listed in order from largest to smallest according to total expenditures in 2018.

2018 CapEx projects in the United States
Burns Harbor HSM reheat furnace replacement step 2.1
Indiana Harbor East 3CAL upgrades for AHSS
Indiana Harbor West campaign extension 2018 IH4 top change phase 2
Burns Harbor power house rebuild phase B
Indiana Harbor West 2CGL non-automotive products upgrade
AM/NS Calvert HSM logistics center
Burns Harbor HSM walking beam furnace phase 1
Cleveland C5 BF top change and major repairs
Cleveland RHF1 major rebuild and hearth replacement
Burns Harbor landfill phase 2
Indiana Harbor East 5PKL automation and field exciter upgrade
Indiana Harbor West 3SP #1CCM - slab thickness conversion to 9-1/4
Indiana Harbor East 80TD level 1 electrical modernization
Indiana Harbor East 80"HSM L1, L2 drives and automation phase 2 finishing mill and downcoiler
Burns Harbor light flat-roll MES replacement
Burns Harbor 160" plate mill UT tester
Weirton WE-package boiler lease buyout
Burns Harbor 60616 power house rebuild - phase A
Cleveland OC5&C6 BF (#3PH) service water system revamp
Indiana Harbor West 3SP No. 1 BOF vessel reline
Indiana Harbor East 80TDM investments for light gauge capability improvement
Burns Harbor No. 2 coke battery roof rebuild
Indiana Harbor West 2CGL outdoor substation switchgear
Cleveland #1BOF #1 vessel reline
Indiana Harbor East 80HSM hydraulic auto gauge control F4-F6 mechanical

Economic contribution

In 2018, our U.S. operations employed more than 18,000 individuals with a direct economic contribution of $2.3 billion through wages and benefits (not including expenses related to active and inactive pension and retiree health care). We also contribute $38 million each year in property taxes, providing significant funding for schools and local governments that would otherwise face significant challenges in terms of long-term sustainability. Often, ArcelorMittal is the largest employer in the communities in which our facilities are located. In Indiana, Ohio and Pennsylvania – where the majority of our USA workforce is located – our entry-level hourly pay is significantly higher than the local minimum wage. This allows our employees to earn highly competitive wages to provide for their families and contribute to the local economy. In addition to providing highly competitive wages, we seek to engage local businesses in fulfilling our supply chain, multiplying our economic contribution in our communities. To ArcelorMittal, being a good employer and community partner are all part of being a responsible corporate citizen.

ArcelorMittal economic contribution in the United States: 2018



1 Not including expenses related to active and inactive pension and retiree health care. Includes ArcelorMittal USA LLC wholly-owned facilities and includes I/N Tek and I/N Kote and AM/NS Calvert.

2 Includes cash grants, employee donations and company matching gifts in the United States.

3 Includes ArcelorMittal USA LLC wholly-owned facilities and includes Monessen, I/N Tek, I/N Kote and AM/NS Calvert.

4 Includes ArcelorMittal USA LLC wholly-owned facilities. Does not include supply chain spend related to CapEx projects.

5 Includes global R&D spend.

6 Includes ArcelorMittal USA LLC wholly-owned facilities and includes I/N Tek and I/N Kote.

ArcelorMittal

OUR STRATEGY

Our strategy

In the United States, our business strategy guides our decision making at every level. It is not enough just to perform well. We must consider the feedback we receive from our stakeholders and our impact on the larger community. This strategy emphasizes our ongoing commitment to sustainability, and from that our continued license to operate.

Action 2020

In 2016, ArcelorMittal launched our global Action 2020 plan. This plan contains a strategic roadmap for ArcelorMittal's main business segments and seeks to deliver real financial and efficiency improvements in the business by 2020. The Action 2020 plan targets a return to >$85/t EBITDA absent of any recovery in steel spreads and raw material pricing from their current level. Globally, the Action 2020 plan targets a structural EBITDA improvement of approximately $3 billion. Upon full achievement of the plan, ArcelorMittal would expect to deliver free cash flow in excess of $2 billion annually. This strategy, globally, allows us to increase EBITDA to invest in the continued sustainability of our business units around the world.

In 2018, ArcelorMittal USA achieved our Action 2020 aspirations. For us, Action 2020 centered on a strategy of concurrently investing in our facilities while ceasing operations at some of our redundant assets. ArcelorMittal USA achieved our Action 2020 savings goal of $230 million one year ahead of schedule. Our business has undergone significant transformation under the Action 2020 framework, setting us on course for a stronger future, regardless of the cyclicality of our industry.

To achieve our Action 2020 goals, we focused on the following:

World-class assets

In an ever-competitive industry, it is critical to ensure every facility is operating in the most efficient and cost-productive manner possible. In 2018, we finalized important strategic restructuring in our operations. This included the completion of the Indiana Harbor footprint asset optimization, idling the 84" hot strip mill, No. 2 steel producing, No. 1 aluminizing line and No. 5 galvanizing line. We completed all scheduled plant-to-plant part transfers with zero customer impact. The idling of our Conshohocken rolling mill and the Cleveland temper mill further optimized redundant assets and contributed to cost savings.

Action 2020 (continued)

Emphasizing cross-functional, cooperation-focused teams

Every individual working in the ArcelorMittal ecosystem in the United States is important to the long-term sustainability of our business. In 2018, our continued focus on achieving our Action 2020 goals and the execution of our footprint optimization plan was truly a cross-functional effort. Teams ranging from commercial, planning, strategy, operations, quality, logistics and communications contributed to this effort and ensured no disruption to our customers.

Creating high value-added products for our customers

ArcelorMittal's United States business has long prided itself on the strength of our customer relationships. We recognize, though, that customers continually look for deeper collaboration and the creation of value-added products and solutions from their suppliers. ArcelorMittal is the largest producer of advanced high-strength steels in the world. In 2018, ArcelorMittal invested $290 million globally in research and development to drive innovation in product solutions. Value-added products include fully finished hot-roll and cold-roll, galvanized and other coated steels. Producing grades of steel no other steelmaker can produce will help insulate our U.S. business from the threat of imports over time, as well as improve our competitive advantage.

Technology-driven customer response capabilities

Our primary focus in 2018 was related to our delivery performance. We recognize how critical it is to look at delivery differently than we have in the past. We must meet the expectations of our customers and ensure we are strong partners in their business objectives. To that end, we transitioned to customer-centric delivery metrics as of January 1, 2018, which reflect how our customers measure our performance.

Throughout the year, we implemented many new practices and process changes throughout the organization to improve on-time in full (OTIF) fulfillment of orders. We increased communication of performance across the company, making delivery performance data easily accessible and widely referenced. Creating meaningful improvement in customer confidence and building transparency and trust has required a culture shift for our company, and we are beginning to make progress. As of the end of 2018 and into 2019, our delivery performance is trending upwards.

This is a new era at ArcelorMittal, and we will continue to strengthen our use of data and metrics to enhance customer satisfaction and ultimately increase volume opportunities for our company.

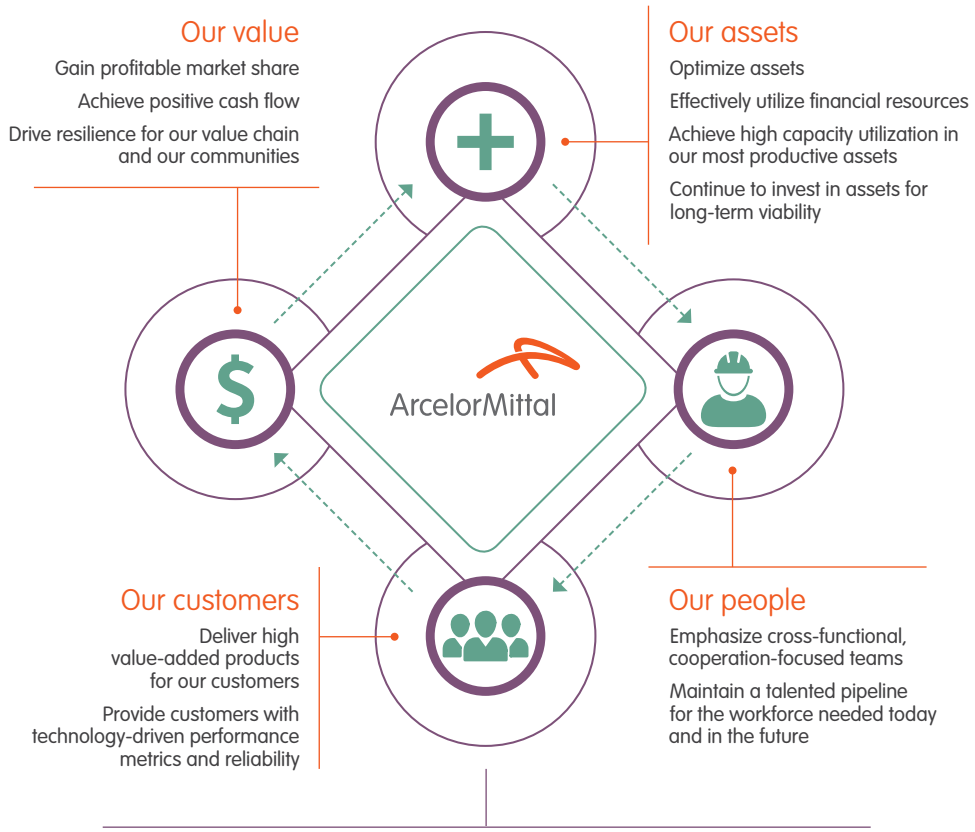
Industry 4.0

Industry 4.0 and digitalization are here to stay and play a critical role in ArcelorMittal's strategic direction. They are at the forefront of a towering wave of change that is rushing through the business world, drowning businesses unable or unwilling to keep up. We are embracing the fourth revolution and have already made beneficial changes that will affect how we manage our supply chain in the digital world, optimize our performance, and how we can serve our customers most effectively. This is evidenced by the implementation of new technologies and digitalization initiatives throughout the U.S. in 2018, including new delivery analytics, data storage and transfer processes, and new customer portals.

Maintaining a pipeline of talented employees to deliver world-class productivity

To drive continuous improvement and asset optimization, ArcelorMittal must also employ the best operators, technicians, craftspeople and engineers to keep our facilities running at optimal productivity. In our 10 sustainable development outcomes, we emphasize in outcome 9 the importance of a pipeline of talented scientists and engineers for tomorrow. ArcelorMittal works hard to develop a more efficient workforce as we lose employees to retirement. While technology advances allow steel mills to operate with fewer employees, those advances also make it imperative for ArcelorMittal to attract and retain the best talent.

United States Action 2020 strategy reinforced



Our strategy in the United States is underpinned by our 10 sustainable development outcomes

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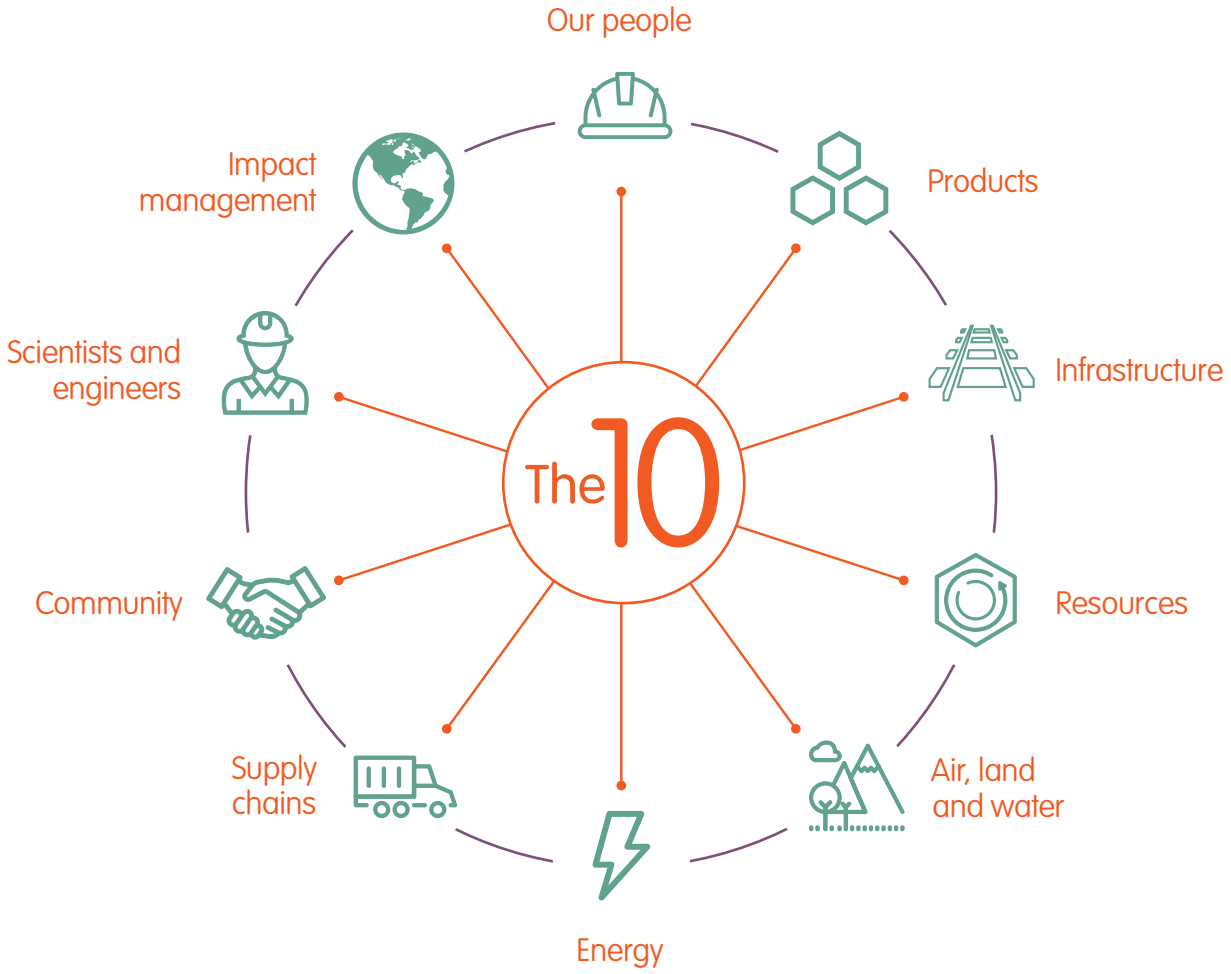
Where strategy and sustainability meet

Along with a robust business strategy in the United States, we have invested in a robust, focused sustainability strategy that directly addresses business needs across the enterprise. In 2014, we recognized that to truly drive company sustainability, we must go beyond the bounds of traditional corporate responsibility programming and think about the impact that is needed from our business and our products. This stems from our belief that it is no longer enough to merely think as a good corporate citizen. Launched in 2015, our sustainable development framework takes our efforts a step further, driving us to act on the commercial imperatives of our business and the environmental footprint of our work.

Our framework allows us to deliver upon this imperative, ensuring our robust processes aid in making our company and our world safer, stronger and more sustainable. It also helps us to avoid damaging disruptions to our operations and creates substantial long-term value.

The 10 sustainable development outcomes



Driving value across the business

By integrating sustainability into our business and working with our stakeholders, we will drive financial, social and environmental value. Our 10 sustainable development outcomes are well aligned with the United Nations 17 Sustainable Development Goals (SDG) — the global articulation of what all organizations, companies and governments must work to achieve so people everywhere can enjoy a good quality of life. By pursuing ArcelorMittal's 10 sustainable development outcomes, integrating sustainability into the business, and improving long-term value for our stakeholders, we are contributing to the SDGs in many ways.

Addressing the carbon challenge

ArcelorMittal is globally committed to transitioning to low-emissions steelmaking in line with the Paris Agreement. We believe the combination of our breakthrough technologies and the support of good public policy can make this transition a reality.

U.N. Sustainable Development Goals: 7 Affordable and Clean Energy; 13 Climate Action; 17 Partnerships for the Goals

ArcelorMittal's 10 sustainable development outcomes: 4. Resources; 5. Air, Land & Water; 6. Energy

Innovation to support customers and society

Through world-class research and development, ArcelorMittal is offering customers innovative steels that make the most of steel's qualities, boosting our high-added value product portfolio and helping our customers contribute to sustainable development.

U.N. Sustainable Development Goals: 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

ArcelorMittal's 10 sustainable development outcomes: 2. Products; 3. Infrastructure

High-performing people, in a high-performing organization

Finding, keeping and supporting the right people with the right skills will be central to our long-term success.

U.N. Sustainable Development Goals: 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 17 Partnerships for the Goals

ArcelorMittal's 10 sustainable development outcomes: 1. Our People; 9. Scientists & Engineers

Anticipating and responding to key social and environmental trends

We need to listen to our stakeholders to operate responsibly and reduce our negative environmental impacts, working with local communities to support socio-economic development and value creation.

U.N. Sustainable Development Goals: 6 Clean Water and Sanitation; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 17 Partnerships for the Goals

ArcelorMittal's 10 sustainable development outcomes: 4. Resources; 5. Air, Land & Water; 8. Community; 10. Impact Management

Reassuring our customers through supply chain standards and certification

As a vertically-integrated business, our customers are dependent on the reliability of our internal supply chain to ensure they can meet their sustainability goals. Through ArcelorMittal's global leading role in developing multi-stakeholder environmental and social standards, we're working to reassure our customers that our products are responsibly made from trusted sources of raw materials.

U.N. Sustainable Development Goals: 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 13 Climate Action; 17 Partnerships for the Goals

ArcelorMittal's 10 sustainable development outcomes: 7. Supply Chains

IIRC's Six Capitals-intersections with our business strategy

In pursuing an integrated report, ArcelorMittal acknowledges how the six capitals model pioneered by the International Integrated Reporting Council (IIRC) connects directly to our business strategy. This model includes an analysis of financial capital, manufactured capital, intellectual capital, social and relationship capital, human capital and natural capital. By integrating these capitals into our business strategy, we work to create a balanced business model that emphasizes outcomes beyond just our financial sustainability. The six capitals directly outline the ways in which our business strategy adds long-term value for our stakeholders.

Strategic focus		IIRC's Six Capitals					
		Financial	Manufactured	Intellectual	Social and relationship	Human	Natural
Our assets	Optimize assets	●	●	●		●	●
	Effectively utilize financial resources	●	●				
	Achieve high capacity utilization on our most productive assets	●	●			●	●
	Continue to invest in assets for long-term viability	●	●			●	
Our people	Emphasize cross-functional, cooperation-focused teams			●	●	●	
	Maintain a talented pipeline for the workforce needed today and in the future	●		●	●	●	
Our customers	Deliver high value-added products for our customers	●			●		
	Meaningfully improve delivery performance	●	●		●		
Our value	Gain profitable market share	●			●		
	Achieve positive cash flow	●					
	Drive resilience for our value chain and communities	●	●	●	●	●	●

ArcelorMittal

OUR SUSTAINABILITY STRATEGY

Our strategy centers on our 10 sustainable development outcomes

1. Safe, healthy, quality working lives for our **people**
2. **Products** that accelerate more sustainable lifestyles
3. Products that create sustainable **infrastructure**
4. Efficient use of **resources** and high recycling rates
5. Trusted user of **air, land and water**
6. Responsible **energy** user that helps create a lower carbon future
7. **Supply chains** that our customers trust
8. Active and welcomed member of the **community**
9. Pipeline of talented **scientists and engineers** for tomorrow
10. Our contribution to society **measured**, shared and valued

All underpinned by transparent good governance

The 10

ArcelorMittal

OUTCOME **1**

SAFE, HEALTHY, QUALITY WORKING LIVES FOR OUR PEOPLE

We are committed to promoting and protecting the safety and well-being of our people, yet we still face challenges in creating a zero-accident workplace. We need to ensure our workplaces are safe. We also want to create a great place to work by supporting the general health of our employees. We additionally believe in the importance of strong labor relations to create a positive working environment.

2018 highlights

31 percent — ArcelorMittal's U.S. lost time injury rate for 2018 (.66) improved 31 percent over 2017 and is our best on record.

13 facilities — 13 U.S. facilities, as well as our Global R&D center, maintained their Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

7,000 exams — Over 7,000 represented and salaried employees received wellness/preventive exams or biometric screenings in the U.S.

Why is this important to us?

The safety and health of our employees is one of the most important issues impacting ArcelorMittal. We strive to implement best-in-class labor and safety standards in all facilities for all employees and anyone working at or visiting our facilities. For this reason, safety, health and labor relations are key issues in sustainable development. Employers wanting to attract, develop and retain the brightest talent must ensure they address these issues and create a positive working culture.

The commercial imperative

What kind of challenges do we face?

ArcelorMittal is dedicated to ensuring the safest environment for our more than 18,000 employees across the U.S. When accidents happen, there are enormous consequences for the person involved, his or her family and colleagues. We also have a responsibility to support the general health and well-being of our employees, especially given the reality of an aging workforce.

What do we need to do?

Safety has been and will continue to be our number one priority. To produce steel and extract minerals without either fatalities or injuries, everyone must take responsibility for ensuring a safe environment, not just for themselves but also for their colleagues, including contractors. We strive to provide all our employees with the training, protective equipment and tools necessary to complete their jobs in the safest way possible.

To ensure our employees are safe at work, ArcelorMittal has a company-wide commitment to achieve zero accidents and fatalities in the workplace. We have also made employee health a priority through the implementation of several preventive health initiatives. In addition, we are committed to engaging in regular and transparent labor relations.

What is the potential to create value?

It is in everyone's interest to aim for a workplace entirely free of any safety incident. We want to go one step further and actively promote well-being and positive relationships with our employees, because we know this makes our people happier and more productive in their work.

Safety

Safety performance

Each year, we strive to improve our safety performance through our Journey to Zero initiative and by reducing lost time injuries (LTIs). An LTI is defined as a non-fatal injury resulting in a loss of work time. We continuously initiate and evaluate programs and partnerships to reduce our LTI rate. Globally, our company achieved an LTI rate of .69 per million hours worked in 2018, a statistic that includes our employees and contractors. It is our best on record and a significant improvement since the merger between Arcelor and Mittal, when the LTI rate was 3.3. But until the number is zero, we will continue to work toward improved health and safety outcomes each year.

We are pleased to report that our U.S. LTI rate for 2018 (.66) improved 31 percent over 2017. This figure expresses the frequency of injuries per million hours worked, and includes employees and contractors for ArcelorMittal USA LLC, Monessen and AM/NS Calvert facilities. While our focus on safety and continual improvement has been steadfast, not reflected in our 2018 LTI rate is one incident that resulted in the death of an employee at an ArcelorMittal facility in 2018 in the United States. We are deeply saddened by this tragic event and are committed to providing a safe and healthy work environment for all employees and contractors. Our work toward an incident-free workplace is not over until we achieve our Journey to Zero goals.

As part of our continued safety efforts, we ask that a significant portion of all managers' time is spent on the shop floor observing practices, procedures and equipment, and identifying how we might make the workplace safer. We are continuously building on this foundation of safety knowledge by engaging every employee in the proper way to complete tasks and procedures. We firmly believe that it is everyone's responsibility to work together to achieve a safer work environment.

To enhance safety, ArcelorMittal offers a series of publications called Life Books, which provide safety suggestions, reminders and ideas auditors can use when conducting safety audits. With guidance provided by the Life Books, auditors can recommend changes that may exceed the company's safety standards or the safety standards set forth in federal, state or local laws, to help achieve a safer workplace.

The Life Books cover seven key areas:

- Isolation
- Confined space
- Working at heights
- Rail safety
- Vehicles and driving
- Cranes and lifting
- Contractors

Our work toward an incident-free workplace is not over until we achieve our Journey to Zero goals.

Joint commitment to safety

Together, ArcelorMittal and the United Steelworkers (USW) strive to ensure the safety of our employees and improve the safety performance of our operations. The USA safety steering committee–which comprises senior executives, union leadership and safety professionals– continuously monitors safety performance through weekly reports, conference calls and monthly meetings.

Since 2005, safety leaders and union representatives from all USA facilities have met regularly to:

- Discuss best practices
- Receive training on new initiatives
- Share information and exchange ideas regarding continuous safety awareness
- Review lost time incidents and fatalities
- Review what went well/wrong during the previous quarter

In 2018, strategic continuous improvement efforts included:

- Improving compliance to ArcelorMittal standards through monthly safety refresher trainings and distribution of standards guides to employees
- Re-issuing STOP WORK cards to employees
- Enhancing required shop floor audit and observation activities to improve quality and to ensure expanded employee coverage
- Improving and assessing the scope and quality of shop floor audits and safety observations through operational safety evaluations at division and plant levels
- Strengthening contractor involvement and engagement of contractor representatives through face-to-face pre-job hazard assessments, daily work authorizations and dedicated contractor auditing activities
- Delivering focused health and safety training to all new supervisory personnel and providing additional training to existing supervisors and managers on effectively conducting safety meetings
- Improving the incident investigation process with a particular focus on incidents with a potential for serious injury or fatality
- Expanding required risk assessments for all tasks
- Continuation of employee risk assessment training with emphasis on situational awareness
- Advancing the use and review of standard operating procedures and work instructions with a focus on auditing them for critical or high-risk tasks
- Augmenting contractor safety management activities and expanding the use of Green Guardians (safety monitors) for high-risk contractor activities
- Implementing corporate initiative to reduce overexertion injuries
- Initiating gap analysis for the transition from OHSAS 18001 to ISO 45001

Safety initiatives

To reinforce safe practices and ensure that managers and supervisors are spending time on the shop floor, our facilities complete regular shop floor audits and observations.

As part of our commitment to shared vigilance in the workplace, and to help improve our LTI rate by preventing serious accidents from occurring, we formally track near misses at our operating facilities. Due to the nature of LTIs – where many are repeat in nature – we continually learn from previous incidents and near misses, which in turn improves our safety record. In 2018, we recorded 882 near misses among our facilities.

Near misses are formally reported using the following methodology:

- Collect data
- Describe incident
- Determine causal factors (unsafe conditions and actions)
- Perform root cause analysis
- Develop preventive and corrective actions

The near miss is also formally investigated to identify and address the underlying safety issues.

To reinforce safe practices and ensure that managers and supervisors are spending time on the shop floor, our facilities complete regular shop floor audits and observations. A shop floor audit is a face-to-face discussion between employees and leadership which is designed to check deployment of health and safety procedures, align procedures with practices and provide feedback to recognize, assess and reduce risks. The ultimate goal of a shop floor audit is to recognize and reinforce safe practices, identify obstacles to safe practices, reinforce existing standard operating procedures and identify improvement actions. Managers are required to conduct one shop floor audit per week with the goal of ensuring that each employee is audited at least twice per year.

Employee observations are opportunities to understand and correct conditions that could lead to an incident or injury. They require the observation of a task or action, a discussion with the employee on the observed task or action, and the opportunity to reinforce or correct practices that are observed. Managerial and supervisory personnel must conduct either two or four observations per week with the goal of ensuring that each employee is observed at least quarterly.

Another strategy to improve our U.S. safety performance is maintaining the Occupational Health and Safety Assessment Series (OHSAS) 18001 certification, a voluntary international certification for safety management systems intended to help sites control

risks by setting targets and monitoring safety performance. The certification was developed in response to widespread demand for a recognized standard against which workplaces can be objectively assessed. In 2018, 13 U.S. facilities, as well as our Global R&D center in East Chicago, maintained their certification with OHSAS 18001.

This certification requires external auditors to review our health and safety system, similar to how ISO/TS 16949 and ISO 14001 certifications are audited for quality and environmental systems. One of the tools in the OHSAS 18001 process is Hazard Identification, Risk Assessment and Control (HIRAC), which helps identify and ultimately reduce risks in the workplace. The process promotes proactive engagement between shop floor employees and managers to recognize hazards, assess the level of risk and implement controls to reduce the risks.

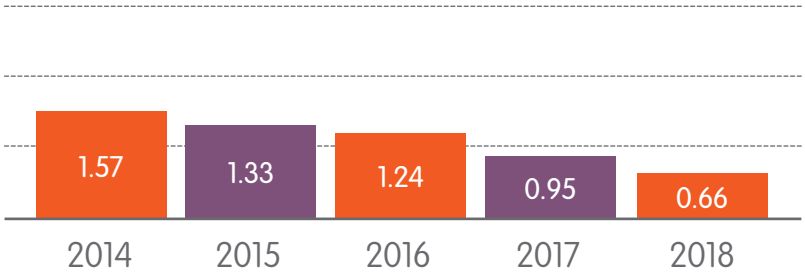
Throughout 2018, a total of 18 formal safety audits were conducted to evaluate compliance to OSHA regulations and company standards.

To reinforce our health and safety standards and remember the workers we have lost, ArcelorMittal and the USW host Global Health and Safety Day/Workers Memorial Day every April at local facilities throughout the United States. The theme of our 2018 Health and Safety Day was, "We choose the safest way." Our employees across the country participated in hands-on learning activities to reinforce the importance of health and safety in the workforce.

In the United States, Global Health and Safety Day officially launches our annual SummerSafe program, which aims to educate employees about safety hazards that can occur in warm weather. Similarly, we annually promote WinterSafe and HolidaySafe programs to highlight seasonal hazards, including icy roads and severe weather, as well as the dangers of portable heaters and other potential home hazards.

Each safety initiative is highlighted in several internal communication vehicles for employees, including *1 Magazine*, 1 Intranet, videos and posters, to ensure employees have access to these crucial messages throughout the year.

Lost time injury frequency rate*



*Includes employees and contractors at ArcelorMittal USA LLC facilities, Monessen and AM/NS Calvert. Figures reported express the frequency of lost time injuries per million hours worked.

Labor

Employee relations

We recognize the continuing importance of our partnership with the unions who represent many of our employees. Factoring in all of our offices and facilities in the United States, unions today represent some 67 percent of our total workforce. Within our represented facilities, unions represent more than 83 percent of our workforce.

Our new contract with the USW was ratified by USW-represented employees on November 29, 2018. This agreement replaced the three-year BLA that expired on September 1, 2018, and will remain in effect until September 1, 2022.

USW leadership is routinely invited to attend meetings at all of our facilities. In addition, there are quarterly update meetings at each of our facilities with invitations to all employees and their USW representatives focusing on building a fundamental understanding of the current state of the business and what can be done to help shape a more sustainable future. Such meetings focus on improving safety, quality and delivery of our products. Additionally, videos and communications are regularly produced for department managers and employees. Designed to promote discussion and stimulate new ideas, communications cover a variety of topics.

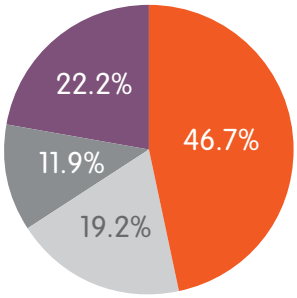
Employee grievances

ArcelorMittal has several policies and training procedures in place to protect both our employees and the company. The BLA with the USW provides a grievance procedure for represented employees. In the United States, we employ a whistleblower hotline that allows employees and stakeholders to report violations of our Code of Business Conduct 24 hours a day, seven days a week. This phone line and website are operated by an independent third party, and any reports made through the whistleblower hotline are anonymous and confidential. We explicitly communicate that there will be no retaliation for reports made in good faith. All reports are taken seriously and addressed in a timely manner.

In the U.S., ArcelorMittal strives to maintain a healthy partnership with all stakeholders, including our local unions and national union leadership.

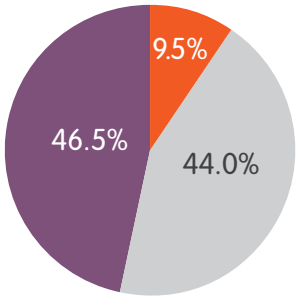
Labor statistics

Duration of employment with ArcelorMittal in the U.S.*



- Less than 10 years
- 10-19 years
- 20-29 years
- 30 years or more

Percentage of employees by age group*



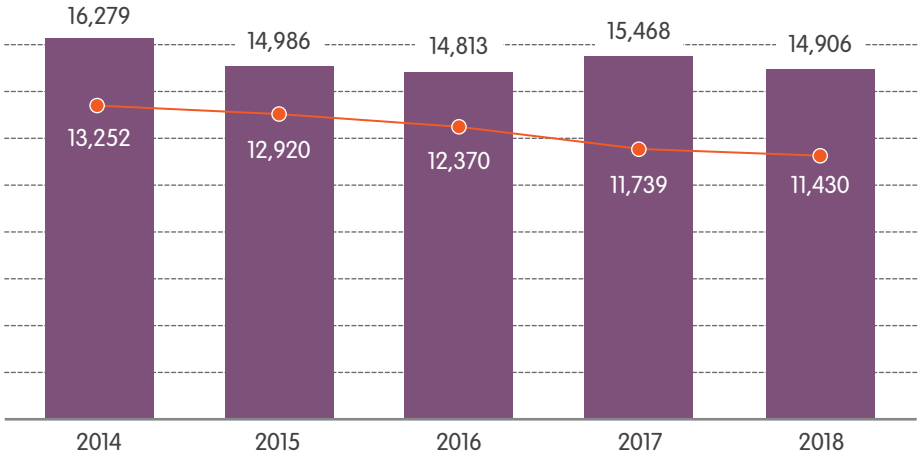
- Under 30 years old
- 30-50 years old
- Over 50 years old

Average age: 48.1 years old

*Data represents employees of wholly-owned ArcelorMittal USA LLC facilities. It also includes Monessen, I/N Tek, I/N Kote and AM/NS Calvert.

Raw steel production vs. represented employees 2014-2018

The chart below traces ArcelorMittal USA's represented employee levels since 2014, as compared to raw steel production. While raw steel production varied based on market conditions, employment levels have generally decreased slightly year over year. In 2018, one employee accounted for 1,304 tons of raw steel production.

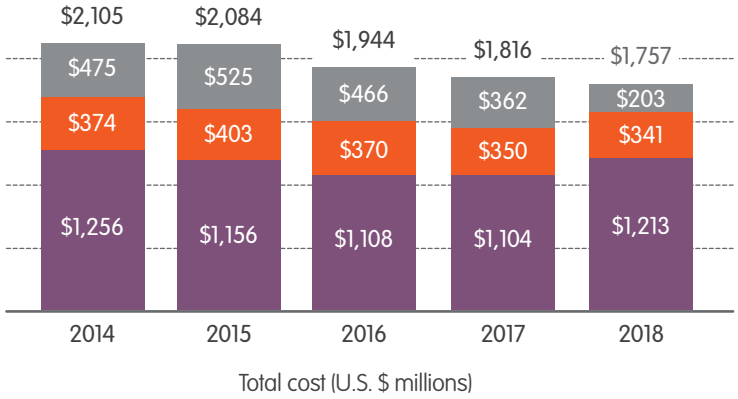


Represented employee data includes wholly-owned ArcelorMittal USA LLC facilities minus Piedmont. It also includes I/N Tek and I/N Kote.

Raw steel production (000s of net tons) — Employment

Total labor costs for represented workforce at ArcelorMittal USA: 2014-2018

The chart below illustrates ArcelorMittal USA's total costs for our represented workforce from 2014 to 2018, including payroll, benefits and post-retirement costs. In 2018, ArcelorMittal USA's total costs for our represented workforce were $1.76 billion.

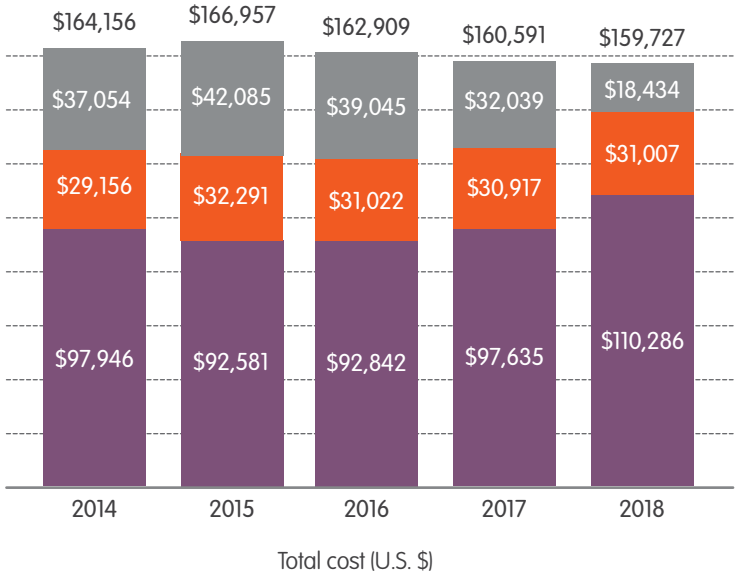


- Post-retirement costs
- Other costs
- Payroll costs

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. Historical labor costs reflect data for facilities that are now closed (Indiana Harbor Bar Company) and sold (Georgetown). "Other costs" include payroll taxes, active group insurance, worker's compensation, SUB pay and severance.

Average annual employee costs per represented employee at ArcelorMittal USA: 2014-2018

The chart below illustrates the average annual earnings of a represented employee at ArcelorMittal USA, highlighting annual pay, benefits and post-retirement costs. The 2018 average employment costs for a steelworker was $159,727.

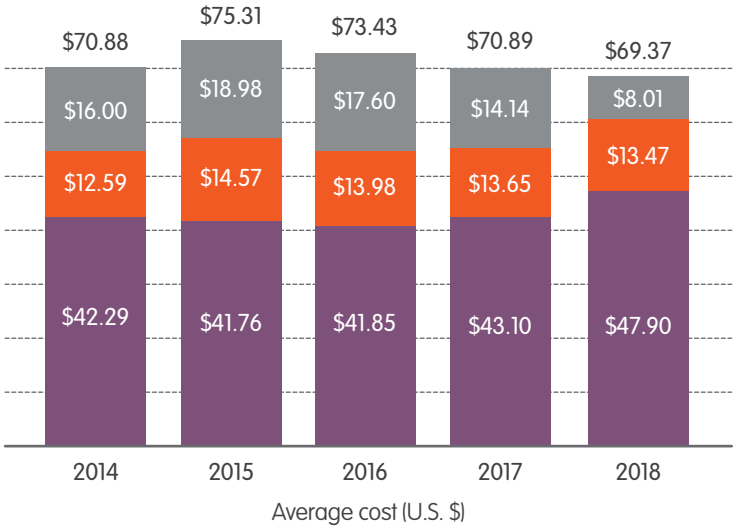


- Post-retirement costs
- Other costs
- Payroll costs

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. Historical labor costs reflect data for facilities that are now closed (Indiana Harbor Bar Company) and sold (Georgetown). "Other costs" include payroll taxes, active group insurance, worker's compensation, SUB pay and severance.

Average labor costs per worked hour to ArcelorMittal USA: 2014-2018

The chart below illustrates the average cost per worked hour per active represented employee. In 2018, the average cost of a represented employee to ArcelorMittal USA was $69.37 per hour worked, including payroll, benefits and post-retirement costs. According to Q3 2018 data from the Department of Labor's Bureau of Labor Statistics, the average manufacturing worker earned $39.84 per hour, including benefits.

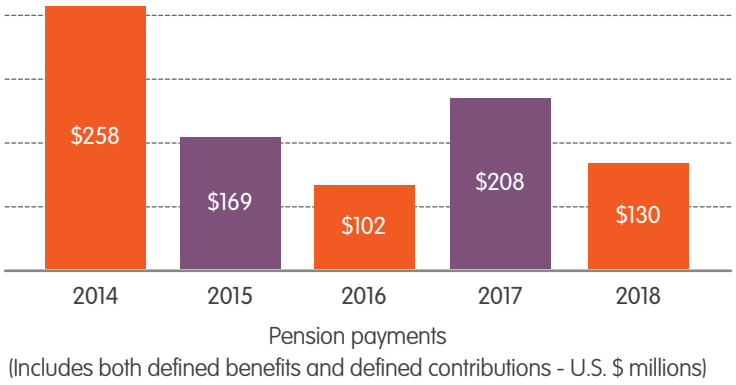


- Post-retirement costs
- Other costs
- Payroll costs

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. Historical labor costs reflect data for facilities that are now closed (Indiana Harbor Bar Company) and sold (Georgetown). "Other costs" include payroll taxes, active group insurance, worker's compensation, SUB pay and severance.

ArcelorMittal USA pension funding payments: 2014-2018

ArcelorMittal USA, at a minimum, funds to the legal requirements. Fluctuations to annual pension funding are due to changes in actuarial funded status, asset values, legal funding rules, interest rates and changes in benefits.



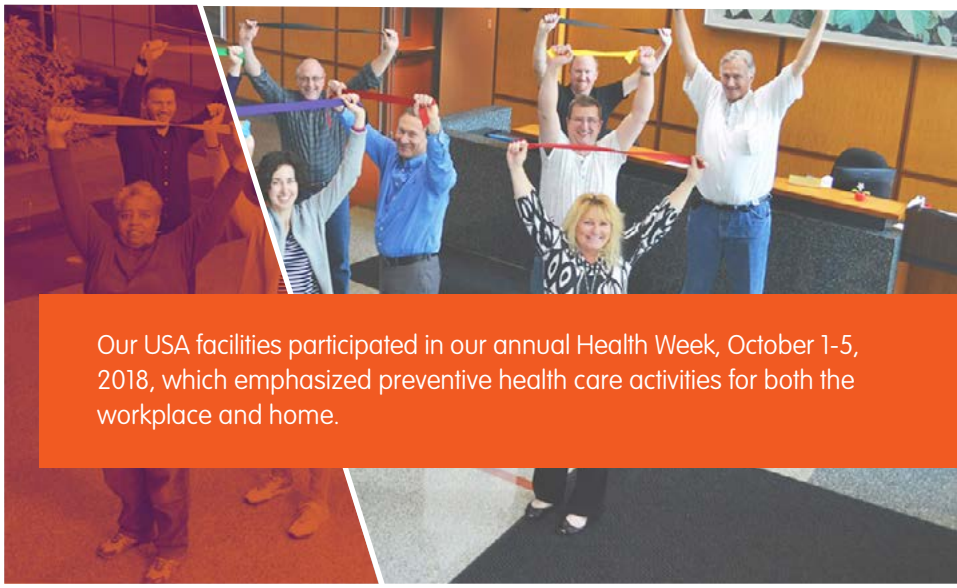
Data represents ArcelorMittal USA LLC facilities and includes both represented and non-represented employees. Data also includes payments to Steelworkers Pension Trust and employer share of 401k contribution.

Health

Employee health

ArcelorMittal recognizes that employee health and wellness play a critical role in improved employee safety, productivity and overall well-being. The combination of an aging workforce and rising health care costs makes it imperative for us to take action on the issue of employee wellness. ArcelorMittal USA paid a total of $243 million in medical costs for enrolled represented employees in 2018.

ArcelorMittal's national health initiatives are focused on encouraging our employees to take preventive measures to protect their health. ArcelorMittal's goal is to decrease health care costs while ensuring that employees continue to have access to needed support. For example, salaried employees are encouraged to complete biometric screenings. These screenings provide a snapshot of key metrics such as cholesterol, glucose, blood pressure and BMI, which can be used as a tool by employees to take proactive preventive health care measures. In 2018, 1,016 salaried employees received biometric screenings. Biometric screenings were offered on-site and off-site in 2018. Similarly, under the USW Health Awareness Initiative, represented employees were encouraged to receive wellness/preventive exams with a physician. A total of 6,064 represented employees received wellness/preventive exams in 2018.



Our USA facilities participated in our annual Health Week, October 1-5, 2018, which emphasized preventive health care activities for both the workplace and home.

Employees were encouraged to participate in these health programs with financial compensation.

All employees were also highly encouraged to take advantage of free flu shots. In total, 2,112 employees and 936 dependents received either on-site or off-site flu shots.

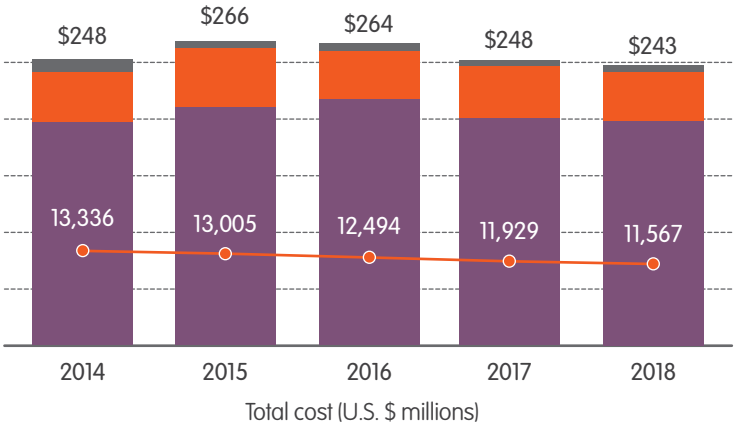
Our USA facilities also participated in our annual Health Week, October 1-5, 2018, which emphasized preventive health care activities for both the workplace and home. The theme of Health Week 2018 was, "Good health, Good life." Health Week events included exercise classes, health screenings, free flu shots and presentations about preventive health measures, such as healthy eating, fitness, heart health, smoking cessation and stress awareness. Some ArcelorMittal plants offer wellness initiatives outside of Health Week. Examples of facility-based wellness programs include smoking cessation and diabetic management programs.

Additionally, the ArcelorMittal Employee Discounts program offers regional and national health club discounts as well as significant discounts for products and services that support employee financial wellness. We actively communicate health and wellness initiatives through our employee communications channels, including our employee magazine and intranet.

Health statistics

Total medical costs for enrolled represented ArcelorMittal USA employees: 2014-2018

ArcelorMittal USA paid a total of $243 million in medical costs for enrolled represented employees in 2018. Since 2014, the costs of medical coverage have decreased by approximately 2 percent, with an average yearly decrease of 0.5 percent.



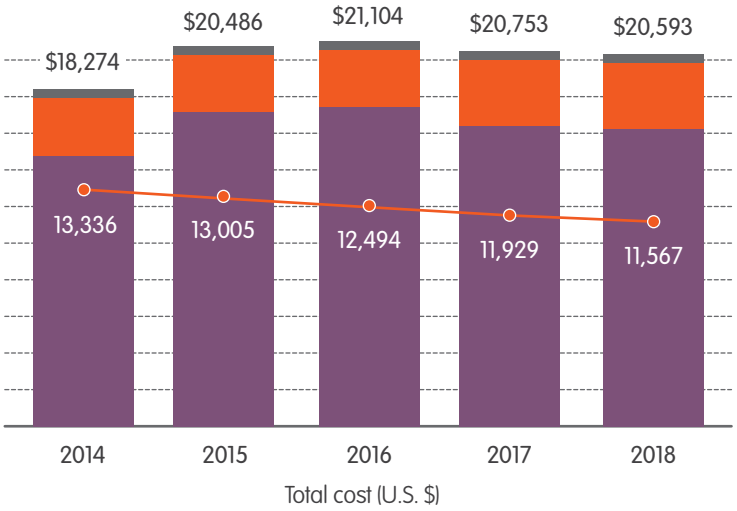
- Enrolled represented employees
- Administrative costs
- Drug benefit payments
- Medical benefit payments

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. It also includes I/N Tek and I/N Kote.

Source: 2018 Annual Cost Report, Trion

Medical costs per enrolled represented ArcelorMittal USA employee: 2014-2018

The costs of medical coverage per enrolled represented employee to ArcelorMittal USA have increased approximately 10 percent since 2014, reaching $20,593 in 2018. Medical costs have increased an average of 1.9 percent year over year since 2014.



- Enrolled represented employees
- Administrative costs
- Drug benefit payments (less rebates)
- Medical benefit payments

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. It also includes I/N Tek and I/N Kote.

Source: 2018 Annual Cost Report, Trion

ArcelorMittal USA employee benefits vs. national benchmark

This chart provides a detailed look at ArcelorMittal USA's medical benefits plan as compared to national benchmarks. Enrolled represented employees of ArcelorMittal USA enjoy a superior plan as compared to other manufacturers.

In-network benefits	National benchmark		ArcelorMittal USA*	
Annual deductible	$750/$1500		$200/$400	
Out of pocket maximum	$3,000/$6,800		$1,500/$3,000	
Coinsurance	80%		90%	
Emergency room copay	$150		$50, waived if admitted	
Non-preventive doctor visits	$25 copay		$20 copay	
Specialist doctor visits	$40 copay		$20 copay	
Prescriptions	Retail	Mail order (90 days)	Retail	Mail order (90 days)
Generic	$12	$26	$10	$15
Brand formulary	$35	$77	$20	$30
Brand non-formulary	$58	$131	$30	$60

* 2018 benefits

The ArcelorMittal USA data represents the majority of employees, who are part of the Highmark/Caremark plan.

ArcelorMittal USA has a wellness program that waives the deductible for Wage members who satisfy the wellness program requirements.

Source: Trion, Mercer's National Survey of Employer-Sponsored Health plans 2018, 10,000-19,999 employees for PPO/POS plans

ArcelorMittal USA employee out-of-pocket costs vs. benchmark

The percentage of medical and prescription costs covered by ArcelorMittal USA represented employees has declined over time with the exception of 2017. The national norms are more than three times higher than our employees' out-of-pocket.

Percent of medical/Rx costs paid by enrolled represented employee out-of-pocket		
	ArcelorMittal USA (Represented)	National norms*
2014	5.7%	18.0%
2015	5.2%	20.0%
2016	4.7%	20.0%
2017	5.5%	18.0%
2018	4.9%	19.0%

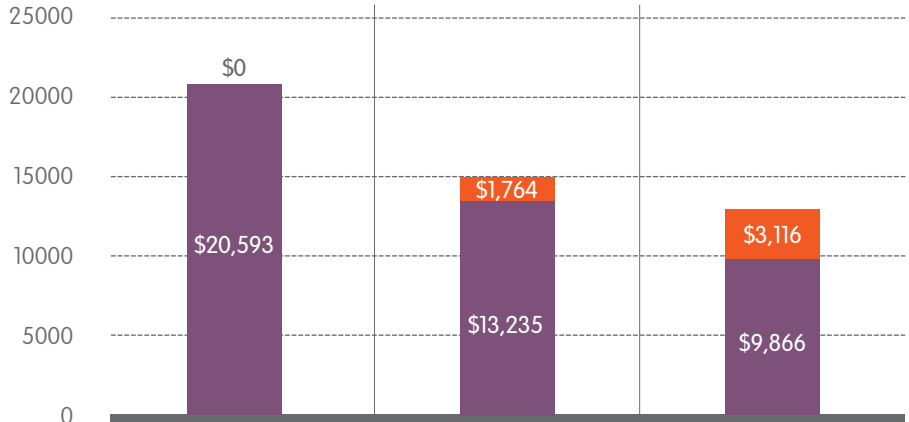
Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. It also includes I/N Tek and I/N Kote.

* National norms from National Business Group on Health 2018 Employer Health Plan Cost Survey.

Source: Trion

2018 average annual medical plan costs per enrolled represented employee vs. benchmark

ArcelorMittal USA's medical plan costs per enrolled represented employee are more than double the costs of similarly-sized companies in Mercer's 2018 National Survey of Employer-Sponsored Health Plans (employer size 10,000 – 19,999). Additionally, ArcelorMittal USA's represented employees do not pay for premiums for the medical benefits package while employees of other similarly-sized companies pay 24 percent of the total medical plan cost.



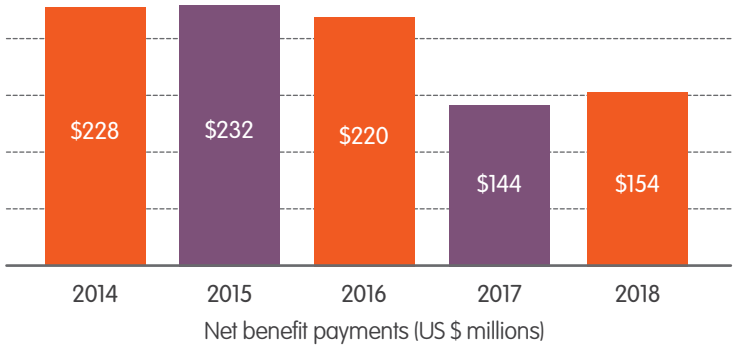
	ArcelorMittal USA (Represented)	ArcelorMittal USA (Non-represented)	2018 Mercer Survey
Employee contributions	$0	$1,764	$3,116
Employer cost	$20,593	$13,235	$9,866
Total medical plan cost	$20,593	$14,999	$12,982
Employer subsidy percentage	100%	88%	76%

Employee contribution Employer cost

Employee premiums do not take into account co-pays and coinsurance paid for by employees. The Mercer benchmark percent employer cost share is adjusted for the ArcelorMittal USA enrollment mix. Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. It also includes I/N Tek and I/N Kote.

ArcelorMittal USA OPEB/retiree health care benefit payments: 2014-2018

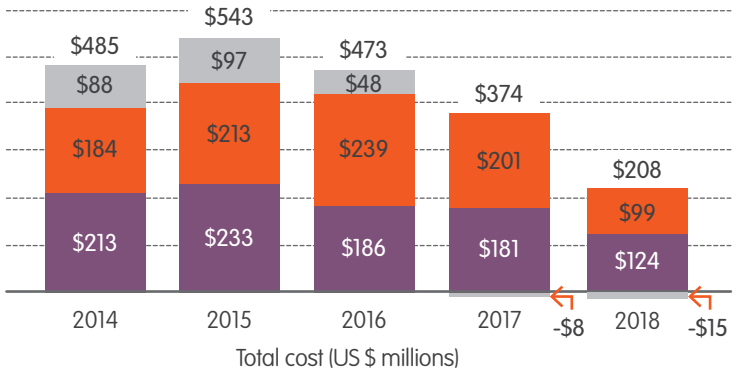
This chart reflects the cash benefits for retiree medical, life, and other benefits (including legacy retirees and excluding pensions) provided to the current and projected retiree population. While payments are still lower than 2014-2017 levels due to a switch of Medicare eligible retirees to a Medicare Advantage Plan and a new vendor for that benefit, we anticipate that costs will continue to increase over 2018 levels due to the rising cost of health care and an increase in the number of retirees.



Data represents ArcelorMittal USA LLC facilities.

ArcelorMittal USA post-retirement expenses: 2014-2018

Post-retirement expenses represent the accounting recognition of benefits (primarily pensions, retiree medical, and retiree life insurance) delivered to employees after they retire. The expenses include a component for the estimated cost of these benefits for current employees as well as interest expense on the accrued liability. Post-retirement expenses are affected by the level of benefits promised, interest rates, return on assets, and other actuarial assumptions including projected health care inflation and mortality. These expenses are expected to be significant for the foreseeable future.



Data represents ArcelorMittal USA LLC facilities. Includes both represented and non-represented employees.

OPEB = other post-employment benefits

VEBA = voluntary employees' beneficiary association

OUTCOME 1

CASE STUDIES

Case study 1

Campaigns and audits to enhance safety

Guided by our commitment to health and safety, ArcelorMittal has many formal training programs, protocols and procedures in place to reduce risk and ensure a safe workplace. This includes improving communication, increasing the safety skills of supervisors and employees, and conducting additional HIRAC-Lite training, audits and observations.

Case study 2

Embracing Industry 4.0 with Android tablets

ArcelorMittal continues to invest in digitalization efforts for maintenance inspections to enhance the safety of our operations. We are utilizing the EXP platform on Android devices to improve the reliability of our assets, which ultimately leads to better performance in the delivery of quality products to our customers.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME 2

PRODUCTS THAT ACCELERATE MORE SUSTAINABLE LIFESTYLES

We are committed to manufacturing products that advance sustainable lifestyles. Our steel is an essential component of countless products Americans depend on in their daily lives, including automobiles, appliances and packaging. The role steel plays in the sustainability strategies of our customers and these products often goes unrecognized. Steel not only allows products to be lighter, which results in reduced carbon emissions, but it is also continuously and easily recyclable. Additionally, compared to competing materials, steel has a smaller environmental footprint.

2018 highlights

$290 million — ArcelorMittal invested $290 million towards global research and development efforts.

15 products — ArcelorMittal globally launched 15 new products that contribute to more sustainable lifestyles.

21 awards — Global R&D received 21 technology-related awards for improved products and processes that contribute to a more sustainable future.

Why is this important to us?

We believe steel plays an important role in the circular economy. Steel is a critical component of the products we rely on in our modern lives. As a leading steel producer in North America, we have a responsibility to demonstrate the sustainable life cycle of steel and continue to innovate with our current range of steel products.

The commercial imperative

What kind of challenges do we face?

We must create products that meet our customers' business and sustainability goals. In the automotive market, manufacturers in the U.S. are required to make their cars more fuel efficient than ever before, often by making them lighter, while maintaining safety standards. Years of successful innovation have put steel at an advantage here, and our industry must maintain this leadership.

What do we need to do?

To maintain our market leadership, we regularly invest in continued product innovation. This means continually making stronger and lighter steels that meet our customers' expectations. We also must work with our stakeholders to understand their specific needs and create solutions to meet new sustainability goals. We can demonstrate how steel's environmental footprint is smaller than competing materials and will continue to drive industry-leading life cycle analysis.

What is the potential to create value?

Steel is the answer to many environmental challenges. Steel creates societal value in that it is strong, safe and easily and continuously recyclable. One ton of steel produces less CO_2 than aluminum, magnesium or carbon fiber over its whole lifetime. Recent innovations, such as the high-strength steels developed for the automotive market, have advanced our potential to make cars lighter, reduce air emissions and help customers meet stringent government regulations.

Product innovation and design

Steel is one of the most versatile materials in the world. It is 100 percent recyclable and is critical in making products that accelerate modern lifestyles, such as cars and consumer goods, more environmentally-friendly and energy-efficient throughout their life cycle.

In recent years, ArcelorMittal has observed growing expectations for our sustainability performance from our customers. As a result, we're committed to developing products that contribute to sustainable development through the energy and resource efficiency of our production processes, the recyclability of our products and their full life cycle impact.

Customers are choosing materials based on these factors, and steel is poised to maintain its competitive advantage by demonstrating its environmental footprint. A ton of steel produces less CO_2 than aluminum, magnesium or carbon fiber over its whole lifetime, due to its lower production emissions and continuous recyclability.

However, we must continually innovate to maintain our competitive advantage. As an industry leader in sustainability, it is our responsibility to actively manage and explore opportunities to reduce our environmental footprint by creating breakthrough technologies and products to address sustainability challenges. Being at the forefront of innovation and customer collaboration in the industry will put us ahead of our competitors as the material and steel manufacturer of choice for our customers.

As an industry leader in sustainability, it is our responsibility to actively manage and explore opportunities to reduce our environmental footprint by creating breakthrough technologies and products.

Our research and development sites are charged with developing new steel products and solutions, evolving production processes and evaluating new business models. ArcelorMittal has 11 research and development sites across Europe, North America and South America. The 1,400 employees who work in these labs implement the technologies that will drive our industry forward and maintain ArcelorMittal's advantage. Each site has its own special areas of interest, with other secondary activities. The U.S. research and development center is located in East Chicago, Indiana, and focuses on process and technical assistance, automotive, appliances, energy products, construction and industry products.

In 2018, ArcelorMittal invested $290 million in global research and development efforts. The company globally launched 15 new products and solutions to accelerate sustainable lifestyles, while progressing further on 17 existing R&D product development programs.

ArcelorMittal also conducted 32 life cycle analysis studies in 2018 related to our steel products and the processes required to produce them.

R&D teams utilize our recently-launched Sustainable Innovation (SI) tool to test proposed projects for their potential impact on sustainable development. Any that do not make a positive contribution will not be implemented, ensuring that we create a pipeline of products with proven sustainability benefits.

In 2018, Global R&D received 21 awards for their contributions to a more sustainable future through improved products and processes.

Automotive

The weight of a car is key to its fuel efficiency, but it's a challenge to improve efficiency while also ensuring safety and recyclability. We have made this challenge central to our product development strategy.

In 2012, the U.S. government, the State of California and automakers announced updated Corporate Average Fuel Economy (CAFE) and greenhouse gas (GHG) standards that were expected to virtually double fuel economy to 54.5 miles per gallon (MPG) for the 2025 light duty vehicle fleet. Over the intervening years, automakers have been implementing various technologies — including lightweighting with advanced high-strength steels — to comply with increasingly stringent standards.

In response to automaker concerns about the pace and cost of implementing the standards leading up to 2025, the U.S. government initiated an ongoing regulatory process to update them. While there remains a great deal of uncertainty regarding how this process will unfold, ArcelorMittal believes automakers will continue to place high value on weight reduction.

ArcelorMittal is the leading steel provider by market share to the world's automotive market including in the United States and North America. As the automotive industry is one of our major stakeholders and what we call a "franchise business," we are dedicated to developing new products and steel solutions that meet the ever-changing needs of the industry. This includes responding to the mobility trends toward autonomous, connected, electrified and shared (ACES) vehicles, and harnessing our R&D capabilities to tailor innovations to the makers of conventional, hybrid and electric vehicles.

ArcelorMittal and our automotive customers have demonstrated that advanced high-strength steels (AHSS) can deliver vehicle lightweighting benefits at a lower cost to automotive manufacturers and consumers with overall lower environmental impact than alternative solutions such as aluminum, magnesium or carbon fiber. The weight reduction achieved with current and emerging AHSS products can be an essential, no-regrets strategy to improving vehicle fuel economy and reducing GHG emissions.

Advanced high-strength steels (AHSS) can deliver vehicle lightweighting benefits at a lower cost to the consumer and with less environmental impact than alternative solutions such as aluminum, magnesium or carbon fiber.

Automotive (continued)

We must maintain our leadership in the automotive sector by responding to the trends of electrification and digitalization in transport.

Government models show that the weight reduction offered by AHSS provides one of the largest improvements in fuel economy, and the single largest improvement in efficiency per dollar spent than any other known fuel economy improvement technology. Most important to the purpose of the CAFE standards, AHSS create a lower life cycle carbon footprint vehicle than one manufactured from other, more energy and emissions intensive alternatives such as aluminum or carbon fiber.

Some AHSS products have multiplied in strength by almost 10 times over the past 20 years. This is a phenomenal change for the material that is also the most recycled material in the world. Many of our innovations have been the result of our close, long-term partnerships with automotive customers. By understanding and meeting our customers' needs, we create viable new products for the market as a whole. Our advanced and ultra high-strength steels are part of a full range of steel grades available to the automotive industry to help achieve lightweighting goals without compromising safety.

We believe AHSS will be the preferred material in the vehicles of tomorrow, providing the safety and weight requirements of electric vehicles, along with superior strength for battery protection, all at the lowest cost to automakers and consumers.

Customer recognition

ArcelorMittal was recognized by several top automotive customers for our excellence as a supplier to this critical market in 2018.

Excellence in Innovation Award, Honda R&D Americas
Recognized for our co-engineering efforts that led to the world's first inner and outer door ring system for the 2019 Acura RDX.

#1 Supplier Award, Ford Motor Company
Received Ford's highest ranking for suppliers for the seventh consecutive year.

Supplier IMPACT Diamond Diversity Award, General Motors Company
Recognized for our supplier diversity for the fourth consecutive year.

Supplier Quality Award, General Motors Company
AM/NS Calvert was recognized for meeting or exceeding a very stringent set of quality performance criteria.

Supplier Bulk/Raw Material Quality Achievement Certificate, Nissan North America
One of only two suppliers to win this based on evaluations of quality, cost, delivery, development and management.

Supplier Diversity Award, Nissan North America
Recognized for meeting or exceeding Nissan's objectives by successfully expanding opportunities for diverse businesses using certified suppliers.

Consumer products

The average American household contains more than 1,000 pounds of steel. ArcelorMittal supplies steel products for a multitude of consumer applications, from washing machines and water heaters, to fans and fencing. Its resilience and light weight contribute to sustainable modern lifestyles.

Appliances

Appliances are an excellent example of steel's sustainability. Many of these items, including washers, dryers, dishwashers, stoves and refrigerators, are made from steel that is produced by major domestic appliance manufacturers.

By weight, the typical household appliance consists of about 75 percent steel, all of which is recyclable. The steel used in appliances is usually made with an average of 25 percent recycled steel. In addition, internal steel components may be made using a significant amount of recycled steel—ranging from 25 to 90 percent depending on the grade of steel and steelmaking process—demonstrating once again how sustainable steel is as a material.

Home products

There are an endless number of home products made of steel. For example, enameling steel for bathtubs is produced out of our Indiana Harbor facility in Indiana. Our plant in Riverdale, Illinois, produces steel utilized for hand and garden tools, and our Burns Harbor, Indiana, facility produces coils used in water heater tanks.

Packaging

Steel is used in packaging for food, drinks and other liquids. Steel packaging protects its contents from oxygen, light and other external elements, ensuring food safety. Steel packaging also conserves food without the need for refrigeration, keeping it usable for longer and helping to prevent food waste.

As a result of technical improvements, we can now produce thin tin plate steel that is equally strong, but much lighter, thereby reducing transport emissions as well as the amount of raw materials needed per can. And, because it's magnetic and easy to recover, recycling is also economical.

Our Weirton facility in West Virginia has the single largest facility capacity to produce tin products in the U.S. These products are used by our customers to produce food cans. Other packaging markets we serve include pet food cans, aerosol cans, paint cans, automotive oil filters and decorative tins.

Steel is used in packaging for food, drinks and other liquids, protecting the contents from oxygen, light and other external elements.

OUTCOME 2

CASE STUDIES

Case study 1

Process improvements support sustainable manufacturing goals

Our appliance manufacturing customers are working to build more resource-efficient operations. Through co-engineering, we help our customers optimize the grade and thickness of steel they use. Our technical expertise provides customers with cost-effective steel solutions which ultimately minimize our collective footprint.

Case study 2

Producing new advanced steel products for automotive

ArcelorMittal continues to step up to the challenge of producing specialized high-strength steels for our automotive customers. After several years of collaboration between ArcelorMittal's Global R&D center in East Chicago and our Cleveland facility, the manufacturing process to achieve the properties of GI TRIP 690 was achieved. With the commercialization of this grade for Fiat Chrysler Automobiles (FCA), ArcelorMittal has demonstrated its versatility and flexibility, as well as its commitment to the customer.

Case study 3

ArcelorMittal Tailored Blanks Detroit strategically positioned to serve as key supplier

ArcelorMittal Tailored Blanks Detroit, which officially opened in February 2018, produces steel laser-welded blanks that are stamped and assembled into a variety of parts and solutions for the automotive market, including structural rails, door rings, door pillars, door inners and cowl sides. The creation of the state-of-the-art manufacturing facility in Detroit was a strategic business decision for ArcelorMittal and integral to its growth.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME 3

PRODUCTS THAT CREATE SUSTAINABLE INFRASTRUCTURE

The sustainability of every city and state in the U.S. depends on infrastructure. Serving as the backbone of the nation, infrastructure encompasses buildings, transportation, energy systems and products serving the military. Steel is the key to sustainable infrastructure in the United States due to its unmatched strength and longevity combined with the benefits of its environmental footprint.

2018 highlights

11 products

Global R&D launched 11 new products and solutions to support sustainable construction and infrastructure.

21 programs

ArcelorMittal globally has 21 research and development programs in the pipeline relating to sustainable infrastructure.

Why is this important to us?

Our future as a country and a company depends upon continued investments in infrastructure. The importance of infrastructure, including roads, bridges, railways, hospitals, schools, offices, energy generation and defense is indisputable. However, many overlook steel's integral role in the construction of infrastructure. Through continued innovations, steel supports the sustainability of our infrastructure systems. This is critical during a time when our country is suffering from aging infrastructure and has limited funds to support it.

The commercial imperative

What kind of challenges do we face?

The demand for more sustainable materials from our customers continues to increase. Materials are needed to contribute to lighter buildings, longer-lasting transportation solutions and cleaner forms of energy. Steel meets the challenge by proving that its environmental footprint, coupled with its strength and availability, make it the material of choice for infrastructure solutions.

What do we need to do?

To effectively serve infrastructure sectors, we must communicate steel's current and potential sustainability contributions. We also must continue to build on our current range of products by working to make our products even more environmentally-friendly, longer-lasting and stronger.

What is the potential to create value?

We are currently meeting much of the nation's need for sustainable infrastructure solutions. Steel is strong enough to build skyscrapers, versatile enough to meet any construction challenge, and continuously recyclable at the end of its useful life. Our current steel innovations are already reducing carbon emissions, energy use and costs for our infrastructure customers. Steel products are also creating environmental value through the creation of renewable energy through wind turbines.

Buildings

Steel meets a wide range of needs that emerge from the expectation for more sustainable buildings and cities. For example, lighter-weight steel solutions considerably reduce the energy needed to construct a building. Steel also reduces the need for other materials in the building, thereby lessening the environmental impacts associated with material creation and transportation. In addition, steel allows buildings to be assembled easily and then dismantled at the end of their life, so components can be reused or recycled.

Steligence® is a philosophy grounded in science that makes the case for a holistic approach to construction that breaks down barriers and encourages collaboration across the construction industry professions.

ArcelorMittal steel continues to drive the construction of tall, supertall and megatall buildings across the world. One exciting U.S. project is the 425 Park Avenue in New York City. The 41-story, 897-foot tall building is the 17th-tallest building under construction in the city and is slated to be completed in 2020. Each of the floors are column-free due to cantilevered steel framing. ArcelorMittal supplied over 2,500 tons of A913 Grade 70 for this project. This high-strength steel offers weight savings and superior toughness.

This specific type of steel is produced out of ArcelorMittal Europe-Long Products' Differdange mill in Luxembourg. By contributing to weight savings, it minimizes the building's environmental footprint. Other benefits include the fact that it is composed of 97 percent recycled scrap steel and saves additional energy during fabrication as it does not require preheating for welding.

Another excellent example of ArcelorMittal steel utilized in building construction is Rainier Square Tower in Seattle which will be the city's second tallest tower once complete. ArcelorMittal has supplied more than 1,500 tons of steel for the structure, including A913 Grade 65, which is the first to use a new steel/concrete composite high-rise core wall system. The system uses two steel plates connected by steel spacing ties with the cavity between the plates filled with high-strength concrete. According to the American Institute of Steel Construction, it provides the potential to shave months off construction schedules and reduces costs when compared with a traditional concrete core system. Additionally, the inclusion of A913 Grade 65 offers superior weldability for this project.

New construction solutions continue to be a focus of ArcelorMittal's research and development efforts. In 2018, ArcelorMittal globally launched Steligence® to highlight the innovations our steel has to offer in the design and performance of a building, and to support our customers in their use. Steligence® aims to facilitate the next generation of high-performance buildings by harnessing the sustainability credentials of steel, not just in terms of its unmatched recyclability, but also through the potential for the reuse of steel components and the reduced use of materials.

Potential benefits for customers adopting the Steligence® approach include: more stories within a given height than with traditional materials; lower costs for foundations because of weight reductions; and longer uninterrupted spans between columns, resulting in more flexibility for interior floor layouts.

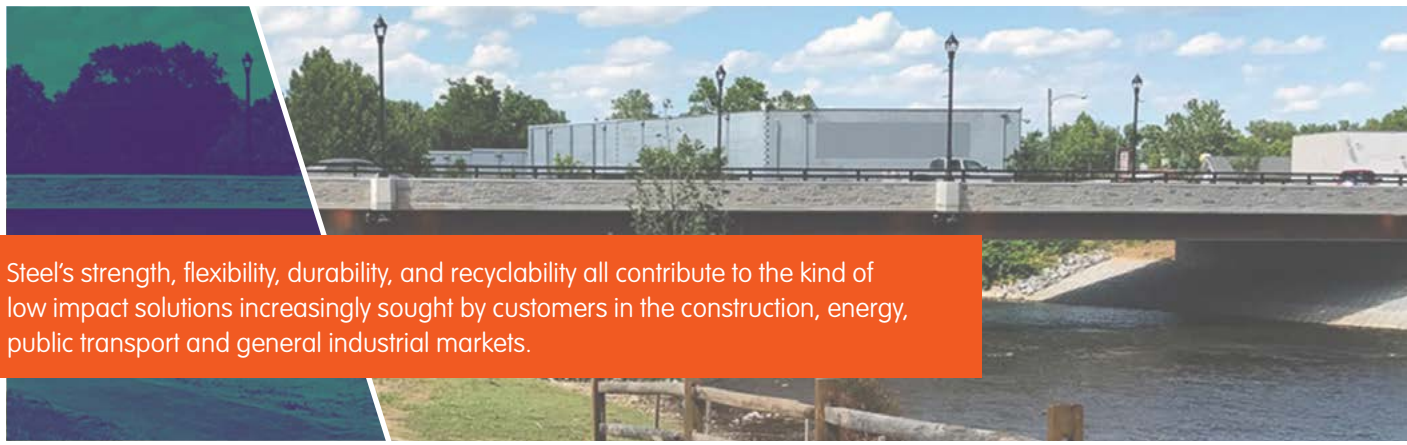
Transportation infrastructure

Steel plays an integral role in transportation infrastructure throughout the United States. We have long taken the lead among North American steel companies in the development of plate for bridge applications, including more corrosion-resistant steels. A recent example includes the upgrade to the Tappan Zee Bridge, now called the Governor Mario M. Cuomo Bridge, across the Hudson River north of New York City. This is the largest transportation design-build project to date in the U.S. and is one of the largest construction contracts in New York history. Our facilities in Burns Harbor, Indiana, and Coatesville and Conshohocken, Pennsylvania, provided 160,000 tons of high-performance steel (HPS) for the project. The bridge supports the transportation of 138,000 daily users. Just as impressive are the bridge's sustainability statistics. The new bridge is designed and constructed to last 100 years without major structural maintenance, due in part to the use of corrosion-resistant steels. Nearly 50 percent of the ArcelorMittal-supplied steel for the project is made from recycled materials.

In addition to HPS, we have also developed a corrosion-resistant plate steel called Duracorr® that is used in bridge applications. One recent example is a project on U.S. Route 340 in Waynesboro, Virginia (pictured below), for which ArcelorMittal was recognized with the Short Span Bridge Award from the Virginia Department of Transportation in 2018. Duracorr® has a unique feature in that it corrodes in salt-containing environments at one-tenth the rate of weathering steel. This makes it possible to build a bridge with Duracorr® that never needs painting. When compared to weathering, painted or galvanized steels, Duracorr® has life cycle cost advantages that permit its effective use in a wide variety of applications. Use of Duracorr® also benefits the environment by reducing costs to re-paint bridges and avoids societal costs of traffic jams, excessive fuel use and resultant pollution.

We are also one of only three domestic manufacturers that produces rail through our Steelton, Pennsylvania, facility. This facility has produced rail since 1867 and is capable of making one million tons of raw steel annually, serving rail customers such as the Metropolitan Transportation Authority in New York City, the Toronto Transit Commission, the Massachusetts Bay Transportation Authority in Boston, and the Washington Metro in D.C.

Our Steelton facility is the only producer of tram rails in the U.S. and provided materials for the construction of the new Tacoma, Washington streetcar system. In addition, we provide rail for freight carriers. Rail is an excellent example of sustainable infrastructure, with the capacity to transport freight and passengers with a lower environmental impact than automobiles.



Steel's strength, flexibility, durability, and recyclability all contribute to the kind of low impact solutions increasingly sought by customers in the construction, energy, public transport and general industrial markets.

Energy generation

As society moves toward the implementation of cleaner and more efficient ways to generate energy, we have innovated steel solutions for the renewable energy market.

Steel is an essential component in all forms of energy generation and can bring significant environmental benefits. For many years we have supported the energy industry through products such as tubular steel for pipelines for the oil and gas sector. As society moves toward the implementation of cleaner and more efficient ways to generate energy, we have innovated steel solutions for the renewable energy market.

The American Wind Energy Association states that wind energy is being generated to power the equivalent of 26 million homes in the U.S. We currently provide the steel for the construction of wind turbines in Iowa, Indiana, North Dakota and Texas. Wind energy is among the fastest, cheapest, largest-scale solutions to reduce carbon emissions today. Another benefit of wind power is that it is a sustainable, clean source of energy.

In addition to playing a key role in the construction of wind turbines made from steel, we also support renewable energy generation on our property. In Lackawanna, New York, our predecessor company, Bethlehem Steel, shut down its integrated steelmaking facility in the early 1980s. The site ultimately sold to Mittal Steel in 2005. Following the ArcelorMittal merger, Lackawanna's finishing operations closed in 2009. The over 1,000-acre Lackawanna property was vacant and underutilized when it was acquired.

Today, the Lackawanna property is home to Steel Winds, one of the first and largest urban wind farms in the world. We lease approximately 47 acres of land for the project, which produces around 35 megawatts of electricity. We also lease approximately 23 acres to Steel Sun, where a solar "farm" generates 3 megawatts of electrical power serving the University of Buffalo. An additional 6 megawatt expansion of the solar farm is currently under construction this year on an adjacent 39 acres to provide renewable power to a local private college campus. Together, these wind and solar electric-generating facilities provide the amount of energy needed to power approximately 13,000 average American homes.

Military

We are proud to support our nation's defense infrastructure by supplying steel for a variety of military applications. We are currently the largest supplier of armor steel plate to the United States Armed Forces. Our armor products find application in many fighting vehicles including the Abrams main battle tank, the Bradley fighting vehicle, the Stryker family of fighting vehicles, various MRAP (Mine Resistant Ambush Protected) vehicles and the up-armored Humvee.

We also supply steel plate for a variety of United States Navy vessels, including aircraft carriers, submarines, littoral combat ships, destroyers and Coast Guard cutters. We have supplied steel plate for virtually every submarine and aircraft carrier in the Navy's fleet, including the current Virginia-class nuclear-powered submarines and the nuclear-powered Ford class aircraft carriers, like the USS John F. Kennedy (CVN-79) and the USS Enterprise (CVN-80), which are currently under construction. Other notable recent projects include the USS Illinois submarine, the USS Indianapolis (LCS 17), the USS Gerald R. Ford aircraft carrier and the new destroyer, the USS Zumwalt.

We have supplied steel plate for virtually every submarine and aircraft carrier in the Navy's fleet, including the current Virginia class nuclear-powered submarines and the nuclear-powered Ford class aircraft carriers.

OUTCOME 3

CASE STUDIES

Case study 1

Supplying products that are critical to today's energy markets

ArcelorMittal USA manufactures a vast range of world-class, high-performance steel products and solutions for the energy industry. These include oil and gas exploration and production, transport, refining and storage as well as products for the thermal, nuclear and renewable energy industries. As a company, ArcelorMittal is well-positioned to meet the changing needs of this highly demanding market, both nationally and globally.

Case study 2

Saluting our partnership with the U.S. Navy

As a long-time supplier to the shipbuilders who manufacture vessels for the U.S. Navy, ArcelorMittal focuses on supplying high-quality plate products. We produce special weight-controlled carbon plates at Burns Harbor, and Navy armor plates at Coatesville and Conshohocken. ArcelorMittal and its legacy companies have provided plate for every carrier built in the U.S., from the USS John F. Kennedy (CVN-79), to the USS Enterprise (CVN-80).

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME **4**

EFFICIENT USE OF RESOURCES AND HIGH RECYCLING RATES

Now more than ever, we are focused on understanding the full life cycle of materials and products. Steel is at a distinct advantage, as the most recycled material in the world — more than aluminum, paper, glass, gas and plastic combined. This is because steel is continuously recyclable, meaning that it can be recycled indefinitely without compromising its quality. As a result, steel plays an important role in the circular economy.

2018 highlights

31 percent

31 percent of each ton of steel produced by ArcelorMittal in the U.S. is from recycled scrap steel.

74 percent

When steel is recycled, 74 percent of the energy that would be used to create steel purely from raw materials is conserved.

4,020 pounds

Every ton of steel recycled conserves 2,500 pounds of iron ore, 1,400 pounds of coal and 120 pounds of limestone.

Why is this important to us?

In recent years, a greater emphasis has been placed upon the reuse and recyclability of all materials. Steel is everywhere in our daily lives, and we must highlight all of its advantages. As the leading steel provider in the U.S., we carry the responsibility of maximizing our efficiency and recyclability.

The commercial imperative

What kind of challenges do we face?

Many of our stakeholders are not fully aware of steel's contribution to the circular economy and its inherent life cycle advantage. As a result, competing materials pose a challenge to our leadership in the market. In addition, we must continue to utilize all of our materials in the most efficient ways possible and find new ways to maximize our reuse or recycling.

What do we need to do?

We must continue to drive process innovation, as it is the key to using our resources in the most efficient ways possible. We must also collaborate with our stakeholders, including our customers, the government and our local communities, to better inform them of steel's life cycle advantages and to encourage higher end-of-life recycling rates for products made from our steel.

What is the potential to create value?

Steel will always be a leader due to its high recyclability rate. When steel is recycled, we minimize our use of natural resources, decrease our emissions and reduce our overall environmental footprint. We can create additional long-term value through continued innovation and stakeholder collaboration.

Recyclability of steel

Steel is the most recycled material in the world. Since 1988, more than one billion tons of steel have been recycled by the North American steel industry, according to the American Iron and Steel Institute. There are typically 60 to 80 million tons of steel scrap recycled per year into new steel products in North America. When steel is recycled, 74 percent of the energy that would be used to create steel purely from raw materials is conserved. In addition, every ton of steel recycled conserves 2,500 pounds of iron ore, 1,400 pounds of coal and 120 pounds of limestone. Production through an integrated steelmaking facility allows for high quality steels that can meet more advanced applications.

In total, 31 percent of each ton of steel produced by ArcelorMittal in the U.S. is from recycled scrap steel.

Beyond the recycling of steel itself, ArcelorMittal is constantly working to enhance the value of steelmaking byproducts and coproducts. This includes utilization of upstream separation technology to remove contaminates from iron byproducts for reuse. Additionally, material preparation such as micro-pelletizing of fine dusts can create marketable products.

Some byproducts, like mill scale, steelmaking oxides and beneficiate steelmaking slag fines can be recycled to a certain extent right on site through sinter plants to make iron-bearing raw material for our blast furnaces. Others, like coal tar or ammonium sulfate from the coke plants, are highly valued as raw materials in the chemical industry or for use as fertilizers. Blast furnace and coke oven gas is captured and used to create electricity and steam.

Recent innovations by our research and development team are allowing us to reuse more of these resources, such as slag and sludge, within our steelmaking process. The sustainability benefit is significant, as we can greatly lower costs and reduce landfilling and the consumption of virgin raw materials (iron ore and fluxes). Additionally, slag can be recycled into new products, which include:

- Dark colored glass, including medicine and beer bottles
- The mineral wool industry, including ceiling tiles, insulation, fire proofing and sound proofing
- Concrete blocks
- Construction applications, including heavy highway and bridge materials, base for roads, concrete, hot mix asphalt and under drains for piping

In 2018, ArcelorMittal Indiana Harbor's environmental team and Global R&D hosted the Americas Recycling Roundtable, which attracted employees from as far away as England and Spain. The focus of the two-day meeting was the recycling of byproducts and included recent advances in steel revert recycling and waste reuse, such as the production and utilization of extruded iron oxide pellets made with scale and steel shop filter cake. Many ideas were discussed at the roundtable, as our employees continue to look for new opportunities to enhance our sustainability.

OUTCOME **4**

CASE STUDIES

Case study 1

Universal waste: a major component of our facility's recycling initiative

Universal waste is a category of waste materials designated as "hazardous waste," but contains materials that are very common in home and industrial use. Many ArcelorMittal facilities have established an internal system for collecting and properly disposing of universal waste materials. Burns Harbor's collection is unique as it has more than 150 collection points throughout the facility for batteries and lamps.

Case study 2

Operating sustainably with the sale of byproducts

It's widely known that ArcelorMittal Monessen produces coke and ArcelorMittal Burns Harbor makes high-quality steel products, but these facilities also sell their byproducts back to the community. Instead of disposing them, the facilities operate sustainably by selling their byproducts where they can be utilized for other important uses.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

OUTCOME **5**

TRUSTED USER OF AIR, LAND AND WATER

The air we breathe, the land we live on and the water that sustains us are all essential components of our ecosystem. Each of these elements is also critical to our business and the steelmaking process. Being a trusted user of air, land and water is a hallmark of our sustainability strategy in the U.S. and around the world.

2018 highlights

100 percent

ArcelorMittal maintained ISO 14001 certification for 100 percent of our steelmaking facilities in operation in the U.S.

20,000 students

More than 20,000 students received environmental education programming as a result of ArcelorMittal community initiatives in the U.S.

$159 million

ArcelorMittal is the sole corporate partner of Sustain Our Great Lakes, a public-private partnership that has resulted in $159 million of conservation and restoration investment in the Great Lakes Basin since 2006.

Why is this important to us?

Air, land and water are finite natural resources. To be a sustainable company we must ensure each of these resources is used in a responsible manner. Our goal is to respect the ecosystems in the cities and states where our facilities operate. These are also the communities where our stakeholders, including our employees and our local community members, live and work. We must also consider our impact on the larger climate of the United States and the planet.

The commercial imperative

What kind of challenges do we face?

The steelmaking process is heavily dependent on natural resources. Air emissions containing permitted levels of carbon dioxide are a byproduct of steel production. Steel production also relies on natural resources such as iron ore that is mined from the land. In addition, water plays a critical role in material transportation and the steel production process itself.

What do we need to do?

We must find ways to manage and minimize our environmental impact. This starts with holding ourselves accountable for meeting required environmental regulations and working toward innovative new solutions to continually decrease our environmental footprint. Our stakeholder relationships are critical to our success, ensuring that we anticipate issues before they arise and that we can work in partnership to address them. Our goal is to build and retain the trust of our stakeholders.

What is the potential to create value?

Our greatest opportunity to create value lies in our strong stakeholder relationships. Our partnerships with groups such as Sustain our Great Lakes and the Wildlife Habitat Council are excellent examples of how we are actively involved in meaningful environmental protection initiatives outside our company. Additionally, we create value by ensuring our processes achieve or are actively pursuing best practice examples of environmental performance. We continue to look for opportunities to utilize the byproducts of steelmaking as resources to drive environmental sustainability.

Environmental management

We continuously look for new and innovative ways to manage and minimize our environmental impact. In 2018, 100 percent of our steelmaking facilities in operation maintained their ISO 14001 certification status from the International Standardization Organization. In addition, all facilities successfully transitioned to ISO's new 2015 standard, which focuses on the integration of environmental management with business processes. Adhering to this voluntary environmental management framework demonstrates our commitment to continuous improvement and minimizing the environmental impact of steelmaking where possible. Our facilities are regularly audited by internal and external professionals to evaluate regulatory and permitting issues.

To unify and standardize environmental data collection across our facilities, our teams are continuing to implement an automated, integrated and upgradable Environmental Management Information System (EMIS). This cloud-based system enables us to manage large quantities of data and produce near-time, credible and certifiable environmental compliance data. This increased ability to collect and organize critical data enables our environmental team to continue improving its processes, reduce risk and lower the overall costs of environmental management. The EMIS implementation continued in 2018, with 100% of our steelmaking plants using the online NPDES solution, including the creation of dashboards that provide quick and reliable snapshots of data trends to more efficiently manage our processes. In addition, we are implementing a solution to address e-manifest requirements for hazardous waste shipments, and continue to integrate media-specific modules into the facilities.

We also created an online training portal for environmental and operational personnel at the plants in 2018. These environmental training programs provide legally-required training in the waste, water, and transportation sectors. Each program is modular in format and can be viewed individually on a computer screen or in a classroom setting, ensuring that all plants are receiving consistent information to help maintain superior environmental performance. We will continue to build our training portfolio in the coming year.

In 2018, our plants conducted over 40 emergency release/spill response exercises. Additionally, environmental professionals from across the country participated in a Federal Emergency Management Agency (FEMA) Incident Command tabletop exercise led by nationally-recognized experts. This special drill was fashioned to gauge and improve response actions to difficult yet relevant scenarios with multiple environmental impacts. In 2019, the environmental affairs team will continue to provide ongoing training on incident command management to improve our response readiness.

Air

Our responsibility regarding air emissions (including CO_2e) extends beyond our facilities, recognizing the important role industrial manufacturers play related to climate change and environmental leadership. Our products are now and will continue to be strong carbon mitigation enablers in industries using steel in their products. We work to increase strength and durability in our products and efficiency in our manufacturing processes. By doing so, studies show the use of steel in the automotive, construction and other industries will create significant emissions reductions.

Inside our facilities, we work toward the same rigor in our air emissions controls. Our environmental professionals collaborate with operations personnel every day. Together, they ensure compliance with environmental permits and address issues when they arise.

Please refer to the outcome 6 section of this report for more details about our CO_2e emissions and carbon mitigation strategy.

Recognizing the important role industrial manufacturers play related to climate change and environmental leadership contributes to being a trusted user of air, land and water..

Land

We believe we have a responsibility to protect local biodiversity and ecosystems in the environments where we operate. We are committed to excellence in stewardship and land management both on our properties and in our surrounding communities. Eleven ArcelorMittal facilities in North America sit along the Great Lakes and its watershed, a very rich ecosystem. These facilities identify on-site areas for restoration and preservation, as well as stewardship opportunities in the surrounding communities.

Since 2012, ArcelorMittal has worked with the nonprofit organization Wildlife Habitat Council (WHC) to restore and conserve land within our facilities. This includes the restoration of over 40 acres of on-site dune and swale habitat and an employee walking trail at our Burns Harbor, Indiana facility.

In 2018, three of our facilities achieved WHC Conservation Certification, demonstrating their commitment to environmental stewardship. WHC's certification program is the only voluntary sustainability standard designed for habitat enhancement and conservation education activities on corporate lands.

ArcelorMittal Burns Harbor and Global R&D in East Chicago both received gold certifications, and ArcelorMittal Riverdale received a silver certification. Together, these three sites were recognized for establishing 17 habitat restoration programs, including the following project examples: restoration of globally rare dune and swale habitat; environmental education programs for Calumet area students; invasive species control; tree plantings and more. These initiatives provide learning opportunities for employees, students and the local communities.

As our WHC certifications demonstrate, our restored land not only benefits the local ecosystem, but is also used as an environmental education tool. In 2018, we partnered with Dunes Learning Center, The Field Museum, Gabis Arboretum at Purdue Northwest and Shirley Heinze Land Trust to deliver the "Mighty Acorns," "Citizen Science," and "Calumet in My Back Yard" education programs to 5,500 students in the Chicagoland and Northwest Indiana region, 140 of whom participated in environmental stewardship activities at our Burns Harbor facility in Indiana. In total, more than 20,000 students in the U.S. received environmental education programming as a result of ArcelorMittal community initiatives in 2018.

We are also committed to ensuring that the land where our facilities are no longer in operation is successfully remediated and/or redeveloped. In Lackawanna, New York, a portion of the land assets we inherited from Bethlehem Steel out of their

Land (continued)

bankruptcy are currently being leased for wind and solar farming. In addition, we have completed remediation on over 290 acres and have sold approximately 200 acres of the property to private and public corporations for redevelopment as an industrial business park. The business park is currently home to an international high-tech welded tubular steel manufacturing plant with other commercial, R&D and industrial uses planned. Investments of over $9 million have been committed or are planned by state and county development agencies to upgrade infrastructure on site in support of the business park development. This includes the 2018 opening of a mile-long Shoreline Trail, a public bike and walking trail on the former property frontage along NYS Route 5, which will connect to nearby state parks on the Lake Erie waterfront.

Similarly, at our idled and recently sold facility in Georgetown, South Carolina, we maintained the plant and addressed ongoing environmental requirements to ensure that the property could be sold to a viable new user. This prevented the creation of a brownfield site and ensured continued environmental and economic benefits to the community.

We also fund environmental projects in our local communities, as outlined under outcome 8. These projects largely focus on environmental education and conservation within the footprint of our facilities and their surrounding communities.

Water

Water plays a critical role in the production of our steel and the transport of both raw materials and finished products. Our facilities in the U.S. have permits for the water we discharge, dictating the cleanliness of the water, as well as monitoring and reporting requirements. We collaborate with operations personnel to ensure compliance with these permits and immediately address issues when they arise. In 2018, we withdrew 1.06 billion m3 of water for our operations. Of that, 70 percent is considered non-contact, or water that is used to cool operating equipment. Non-contact water is returned to its source in accordance with strict regulatory guidelines.

The water that contacts steel or is exposed to the production process is segregated and treated using advanced control technology before being returned to its source in accordance with state and federal standards. This process is similar to how non-contact water is returned to its source.

Recognizing the importance of water within our business and our communities, we continued our leadership role in Sustain Our Great Lakes (SOGL) in 2018, a public-private partnership with the National Fish and Wildlife Foundation (NFWF), U.S. EPA, U.S. Fish and Wildlife Service, U.S.D.A. Forest Service, the National Oceanic and Atmospheric Administration, and U.S.D.A. Natural Resources Conservation Service. SOGL's mission is to restore and protect fish, wildlife and habitat throughout the basin by leveraging funding, building conservation capacity and focusing partners and their resources on key ecological issues. Since 2006, the program has awarded 312 grants totaling nearly $74.1 million, which when combined with $85.4 million in grantee match, has resulted in a total conservation investment of more than $159.3 million in the region. These investments have supported the restoration of:

- 2,033 stream miles of aquatic connectivity
- 276 miles of stream and riparian habitat
- 207 million gallons of stormwater storage
- 34,040 acres of wetland and associated upland habitat

ArcelorMittal and its partners have built upon the success of SOGL with the Chi-Cal Rivers Fund. Also a public-private partnership administered by NFWF, the Fund restores the health, vitality and accessibility of the waterways in the Chicago and Calumet region by supporting green stormwater infrastructure, habitat enhancement and public use improvements. Since 2013, the Chi-Cal Rivers Fund has awarded 33 grants totaling $8.4 million, which when combined with $18.4 million in grantee match, has resulted in a total conservation investment of more than $26.8 million in the region. These investments have resulted in:

- 5.3 million gallons of additional stormwater storage capacity
- 92 acres of new public park space added or improved
- 2,040 acres of riparian, wetland and upland habitat enhanced

In 2018, ArcelorMittal was a founding funder in a new, NFWF public-private partnership designed to support community and habitat resilience in Southeast Michigan. Please refer to the outcome 5 case study section for further details.

For more information, please visit: www.sustainourgreatlakes.org, www.nfwf.org/chi-cal, www.nfwf.org/semichigan

OUTCOME 5

CASE STUDIES

Case study 1

Unique public-private partnership contributes to the Cleveland community

ArcelorMittal strives to partner with many local organizations and one example is a unique public-private partnership between ArcelorMittal Cleveland and its local sewer district. A storm sewer pipe at ArcelorMittal Cleveland's property became blocked and started flooding parking lots of neighboring businesses. ArcelorMittal engaged with stakeholders close to the issue: the neighboring businesses, the Village of Newburgh Heights whose community was served by the storm sewer, and the Northeast Ohio Regional Sewer District (NEORSD). ArcelorMittal and NEORSD entered into an agreement to replace the blocked storm sewer. As a result, the project was more efficient and less expensive, and the new sewer is larger and can handle much higher volumes.

Case study 2

Supporting community and habitat resilience in Southeast Michigan through a new public-private partnership

ArcelorMittal, acting as the sole corporate funder, has partnered with the National Fish and Wildlife Foundation (NFWF) to launch a new grant program to award $1.2 million (in its first year) to benefit Southeast Michigan communities and habitats. Work supported by the fund will improve resilience in the face of intensifying environmental stressors related to development, climate, invasive species, nonpoint source pollution and other factors.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME 6

ENERGY USER THAT HELPS CREATE A LOWER CARBON FUTURE

Steelmaking is an energy-intensive industry. Energy consumption has a negative impact on the environment, and as a result, our goal is to decrease this impact by monitoring and minimizing our annual energy consumption. We continually work to identify and implement ongoing, innovative solutions to increase the sustainability of our operations, reduce greenhouse gas emissions and protect the environment, all while saving costs.

2018 highlights

1.35 percent

ArcelorMittal USA reduced its energy consumption by 1.35 percent over 2017.

30 projects

ArcelorMittal USA implemented 30 energy projects with an energy savings of more than $15.9 million, the equivalent of powering 11,600 homes for a year.

ArcelorMittal USA continues to serve as ENERGY STAR® and U.S. Department of Energy partner.

ENERGY STAR PARTNER

Better Buildings

Better Plants

Why is this important to us?

Energy efficiency results in the reduction of air emissions as well as our operating costs. Both issues are central to our company's long-term sustainability. As a result, we have made energy efficiency a priority throughout our U.S. operations to ensure that we are responsible energy consumers.

The commercial imperative

What kind of challenges do we face?

We are a major consumer of energy, and exposure to a sometimes volatile energy market has a huge impact on the financial sustainability of our company. Factors ranging from aging infrastructure to extreme weather patterns can have a dramatic impact upon energy prices.

What do we need to do?

To address energy challenges, we need to promote efficiency through projects that improve our sustainability. This includes investing in energy-saving technology and utilizing more environmentally-friendly energy sources when possible. In addition, we strive to become a more self-sufficient energy user by working to increase our capacity for self-generated energy. Our goal is to achieve a 1 percent reduction in energy each year over a 2013 baseline.

What is the potential to create value?

Our energy efficiency initiatives have already resulted in massive decreases in our environmental impact and costs. In 2018, we invested in 30 energy projects that saved approximately $15.9 million in energy costs and will continue to provide ongoing savings. Through partnerships such as the U.S. Department of Energy's Better Buildings, Better Plants program, and the Environmental Protection Agency's Energy Star® program, we are working with our stakeholders to further minimize our energy use.

Energy management

Our energy strategy is led by a team of dedicated professionals that includes a manager of continuous improvement, a manager of energy procurement, a USA energy committee and local facility energy champions.

The USA energy committee discusses priorities and shares best practices via a monthly conference call. They also meet in person at the annual Americas Energy Roundtable, where energy leaders across our North and South America regions come together to discuss opportunities and successes. At the 2018 roundtable held in Cleveland, participants shared current and future projects and discussed best practices. Attendees also had the opportunity to tour ArcelorMittal Cleveland and learn about their local energy-saving initiatives.

In the U.S., our target is to achieve an energy reduction of 1 percent each year over a 2013 baseline. We reduced our energy consumption by 1.35 percent in 2018, mainly attributable to the fact that we generated more of our own electricity. That said, we have only achieved a 3.37 percent improvement against the 2013 baseline. This is partly related to a multi-year capital investment project to rebuild our Burns Harbor facility's powerhouse. This important energy management facility is designed to use byproduct fuels from coke ovens and blast furnaces as primary fuels for producing steam. This generated steam is then used either directly in our operations, as the energy to produce wind for the blast furnaces, or to generate power to supplement the electrical requirements of the facility. While this project resulted in a planned, short-term increase in our energy use, once completed, the power station is expected to provide Burns Harbor with 75 percent of the plant's power requirements. This will result in significantly increased energy efficiency and cost savings for the plant. Other factors that will likely contribute to reduced energy consumption in future years include the new reheat furnaces at Burns Harbor and the new generator at Cleveland.

ArcelorMittal's dedication to energy efficiency initiatives continued throughout 2018. Through the efforts of plant employees and the support of management, 30 energy projects were developed and implemented by ArcelorMittal USA, with an energy savings of more than $15.9 million annually, the equivalent of powering 11,600 homes for a year.

Energy management (continued)

Our electric energy usage is monitored daily by each facility using real-time energy usage software. Facilities can see their usage and adjust operations appropriately during peak times and seasons, thereby minimizing the impact on the resource and managing internal costs. Through targeted energy improvement projects, ArcelorMittal USA works to improve energy efficiency to increase our sustainability performance.

Every facility plays an important role in energy management by developing plant energy reduction roadmaps to identify ways to reduce energy use, costs and emissions through capital expenditures, maintenance budgets and the conservation of energy.

These energy roadmaps contain projects and goals designed to enable the plants to attain specific energy reductions. The roadmaps are updated and reviewed regularly.

A Global Drone Network was formed in 2018 with drone experts from across the ArcelorMittal community. They held four webinars throughout the year including one that focused on the use of drones for inspecting the reliability of energy assets.

The Global Energy Technical Committee continued to look for new, innovative ways to decrease energy usage. They developed LOCOX, a low-cost oxygen sensor for furnaces that reduces fuel consumption.

The tool has been deployed at plants throughout the world, including the plate mill at Burns Harbor and the hot-strip mill at AM/NS Calvert.

In October 2018, we participated in National Energy Awareness Month for the ninth year, showcasing employee projects and progress toward reducing energy use at work. This included energy fairs at our Burns Harbor, Indiana, and Cleveland plants. Our Cleveland facility also hosted an energy innovation contest, rewarding employees for low-cost energy conservation ideas. Throughout the year, we highlighted energy savings projects through our employee communications channels, including *1 Magazine*.

Energy efficiency

ArcelorMittal USA is a major energy consumer, with 15 percent of our conversion cost – the cost to transform raw materials into finished steel products – directly related to energy. In total, 62.4 percent of the total electrical energy used in steel production at our integrated facilities was generated by capturing and reusing coke oven and blast furnace gas. In addition, ArcelorMittal USA continues to use natural gas in our blast furnaces in place of metallurgical coal or coke as commercially practical. Not only is natural gas more energy efficient, but it is also cleaner and helps to reduce our CO_2e emissions. During 2018, due to various operating conditions at the blast furnaces, there was a 2.2 percent decrease in natural gas injection compared to the previous year.

Other energy solutions implemented include equipment upgrades and the installation of efficient lighting and variable frequency drives which control electric motors.

We are continuing to identify and implement new, innovative solutions to increase the sustainability of our operations, reduce greenhouse gas emissions and protect the environment and natural resources, all while saving costs.

In 2018, ArcelorMittal USA continued to work with the U.S. Department of Energy (DOE) in the Better Buildings, Better Plants program and the U.S. Environmental Protection Agency's (EPA) Energy Star® program to decrease energy intensity in the United States.

Better Buildings, Better Plants is a nationwide, voluntary partnership initiative that offers companies support to achieve their energy goals through training, technical sharing and educational services along with national recognition. ArcelorMittal USA joined the program in 2013 and committed to reducing its energy intensity by 10 percent across 12 plants by 2023. We are the only integrated steel company to join the program and one of 202 DOE Better Plants Program Partners, representing more than 3,000 manufacturing facilities nationwide. To date, companies in the program have achieved a cumulative cost savings of $5.3 billion.

In 2018, ArcelorMittal was recognized by both the DOE and the EPA for energy excellence. ArcelorMittal USA received the DOE's "Better Practice Award" for its energy management toolbox, ArcelorMittal Cleveland attained the DOE's 50001 Ready Designation, and ArcelorMittal Weirton was honored for reducing its energy intensity as part of the Energy Star® Challenge for Industry. Please refer to the outcome 6 case study section for further details.

In 2018, ArcelorMittal was recognized by both the U.S. Department of Energy and the Environmental Protection Agency for energy excellence.

Carbon

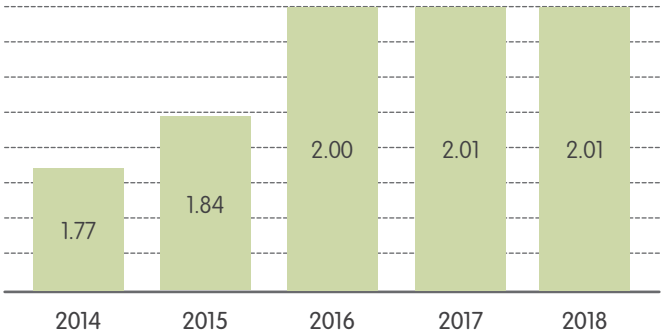
Our total CO_2e emissions reported in the United States decreased from 28.2 million metric tons in 2017 to 27.2 million metric tons in 2018. At ArcelorMittal, CO_2e per metric ton of steel is an important KPI. This number remained consistent year over year at 2.01.

Today's numbers become a baseline measurement going forward. We look forward to pursuing projects and best practices to decrease our total carbon footprint.

Continuous improvement and accountability related to air emissions is a key priority for our business around the world. The World Steel Association says, "Modern steel plants operate near the limits of practical thermodynamic efficiency using existing technologies. With most major energy savings already achieved, further large reductions in CO_2e emissions are not possible with the available technologies. The targets set out by governments and international bodies require breakthrough technologies via innovation and exploration of new production technologies."

We will continue to seek innovative opportunities to decrease our CO_2e emissions. We will implement new technologies and best practices both in our facilities and in the products we manufacture. Concurrently, we are also partnering with our local communities, as detailed in outcome sections 5 and 8, to support natural and community-based carbon mitigation strategies.

Metric tons of CO_2e emissions per metric ton of crude steel produced*



*ArcelorMittal in the United States reports CO_2e emissions to U.S. EPA in accordance with 40 CFR 98 and uses World Steel Association's recommended reporting method related to CO_2e, which specifies metric tonnes vs. short tons (U.S.)

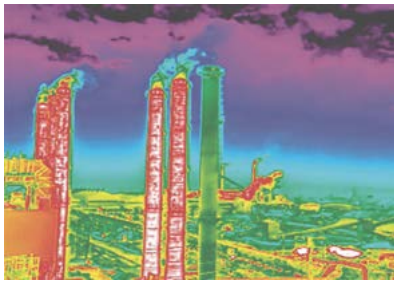
OUTCOME 6

CASE STUDIES

Case study 1

Impressive recognitions in energy excellence

In 2018, ArcelorMittal was recognized by both the U.S. Department of Energy and the Environmental Protection Agency for energy excellence. ArcelorMittal USA received the DOE's "Better Practice Award" for its energy management toolbox, ArcelorMittal Cleveland attained the DOE's 50001 Ready Designation, and ArcelorMittal Weirton was honored for reducing its energy intensity as part of the Energy Star® Challenge for Industry.



Case study 2

Using drones for critical energy-related detections

The use of drones for energy-related detections allows ArcelorMittal to reduce costs while minimizing risks. At Cleveland, a drone is used to inspect roofs, power lines and gas lines. At Burns Harbor, drones identify leaks and potential sources of concern, most notably, the detection of a blast furnace gas leak that could be hazardous.

Case study 3

Seeing the light: our energy-efficient lighting efforts

ArcelorMittal is replacing outdated lighting with energy-efficient LED replacements to increase safety and awareness of surroundings, while decreasing maintenance costs. All ArcelorMittal USA facilities are either planning lighting projects or have efforts in progress.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

OUTCOME 7

SUPPLY CHAINS THAT OUR CUSTOMERS TRUST

As a leading producer of steel, our operations depend upon a vast supply chain. Our supply chain reflects who we are and is integral to the creation of our products. Furthermore, as a supplier to many industries ourselves, we recognize the importance of upholding strong supplier relationships and standards. As a vertically-integrated business, our customers are dependent on the reliability of our internal supply chain to ensure they can meet their sustainability goals.

2018 highlights

$8.1 billion — ArcelorMittal USA spent $8.1 billion on our supply chain.

$285 million — ArcelorMittal USA spent $285 million with Diversity Enterprises, a 9 percent increase over 2017 spend.

Why is this important to us?

We take responsibility for actively managing our supply chain. By incorporating social, ethical and environmental considerations into our sourcing decisions, we are positively contributing to a responsible supply chain that benefits the sustainability of our company and the planet.

The commercial imperative

What kind of challenges do we face?

We expect our suppliers to adhere to the same high standards of social, ethical and environmental performance that we require of ourselves. This includes meeting governmental supply chain regulations. Not only do we require this level of transparency ourselves, but our customers are also requesting higher levels of supply chain reporting and transparency. Due to the nature of our industry, we face the added challenge of drawing from a traditionally homogenous supplier base.

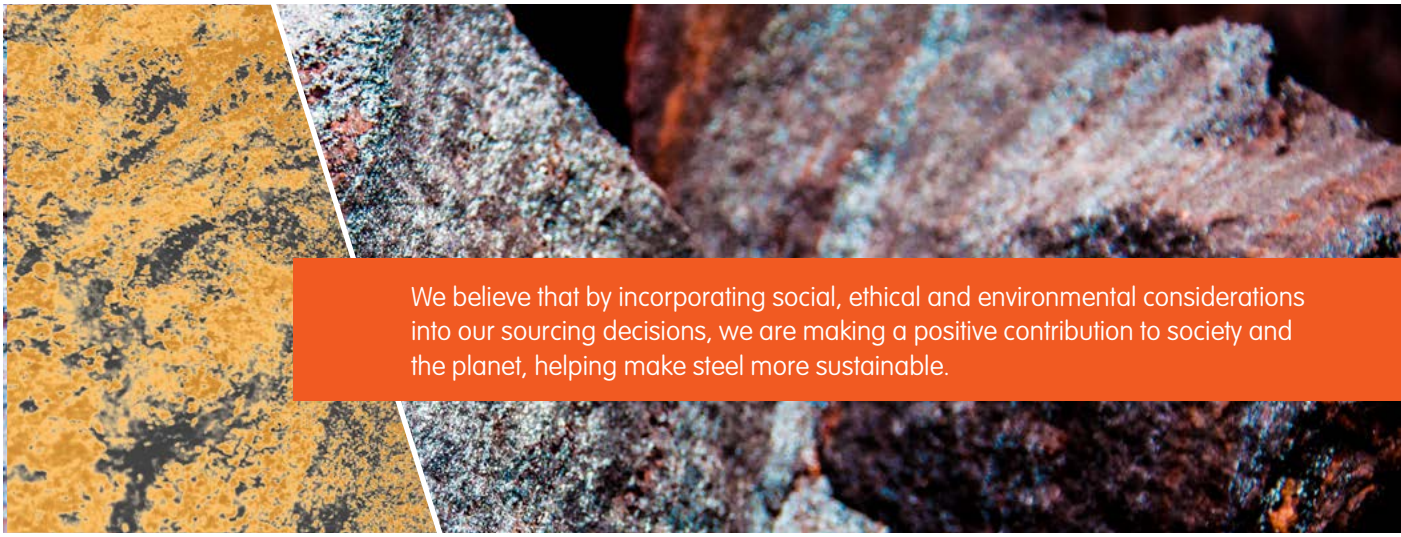
What do we need to do?

We created a Code for Responsible Sourcing in 2010 and continue to implement its principles into the standard purchasing form used with our suppliers. The USA procurement and supply chain team adheres to all global sourcing rules and regulations required by ArcelorMittal Group supply chain practices. We will continue to thoroughly vet new suppliers and strengthen our current supplier relationships. We can also further grow our supplier diversity program to incorporate more qualified and certified Minority, Women and Veteran Enterprises (MBE, WBE and VETs) into our procurement process.

What is the potential to create value?

A responsible supply chain is more efficient, competitive and resilient. Our policies help us to reduce risk and ensure that we are following internal and external policies and regulations. By developing and expanding business relationships with MBE, WBE and VETs, we are supporting the diversification of the industry through both financial support and expertise. This approach also creates a more diverse supplier base, which fosters increased competition and heightens performance.

Supply chain



We believe that by incorporating social, ethical and environmental considerations into our sourcing decisions, we are making a positive contribution to society and the planet, helping make steel more sustainable.

Supply chain investment

Our supply chain is critical to our business operations and the communities in which we operate. In 2018, ArcelorMittal USA invested $8.1 billion in its suppliers. This supply chain includes raw materials; energy; utilities; parts, equipment and contractors; outside processing; and supplies and consumables.

Supply chain management

As a metals and mining company, we are both a supplier and customer, and we take an active role in managing our participation in the supply chain. We believe that by incorporating social, ethical and environmental considerations into our sourcing decisions, we are making a positive contribution to society and the planet, helping make steel more sustainable. That is why we created a Code for Responsible Sourcing in 2010 and have worked to implement its principles into the standard purchasing form used with our suppliers. The code was created in consultation with customers, suppliers, peer companies, and nonprofit organizations, and observes international best practice. It covers health and safety, human rights, labor standards, business ethics and environmental management, and has evolved to incorporate new developments, such as global standards on conflict minerals.

The USA procurement and supply chain team adheres to all global sourcing rules and regulations required by ArcelorMittal Group supply chain practices. This includes adherence to our human rights and anti-corruption policies.

Additional focus is concentrated on complying with U.S. Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) regulations in dealing with foreign vendors to safeguard trade from terrorists and to maintain the economic health of the U.S.

Momentum behind supply chain accountability is continuing to grow. Consumer-facing brands in particular want to demonstrate responsible sourcing, and customers are joining together to require, and validate, higher standards in their supply chains. ArcelorMittal has seen this through a growing demand from our customers for reassurance on environmental and social standards. We recognize supply chain certification and assurance as vital opportunities to forge closer links with our customers.

Supply chain (continued)

As a result, we are playing a leading role in the development of a new, third-party certification process for the steel industry, ResponsibleSteel™. We began testing the new standards at several of our European operations in 2017, expanding the pre-audits globally in 2018. The United States is examining the feasibility of implementing these standards and is considering how we can use them to most effectively drive continuous improvement and social and environmental standards. Test audits were completed at ArcelorMittal Burns Harbor and AM/NS Calvert in February 2019.

Conflict minerals

Along with our stakeholders in the international community, ArcelorMittal is committed to the use of conflict-free materials. Some of the raw materials used in our industry are sourced from regions experiencing civil war or other conflicts which have the potential to be funded by the trade of certain minerals.

The 2012 U.S. Conflict Minerals Law (Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) defines conflict minerals as gold, tin, tantalum and tungsten, including their derivatives, and sets forth disclosure regulations designed to eliminate the purchase of these minerals from conflict zones, being the Democratic Republic of the Congo (DRC) and adjoining countries. In the U.S., specifically, we use tin and tungsten as additives in certain steel products.

ArcelorMittal is committed to using raw materials of legal and sustainable origin and not sourcing conflict minerals that may finance armed conflicts and enable human rights abuses. ArcelorMittal in the U.S. maintains a robust due diligence process, through its parent company's Responsible Sourcing Program and conflict minerals team, to achieve compliance with our commitment.

ArcelorMittal follows the Organisation for Economic Co-operation and Development (OECD) due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas. ArcelorMittal was an active participant in the working group that established this guidance in 2011, and since 2013 we have implemented the framework outlined in this guidance. We have asked our relevant suppliers to complete the Conflict Minerals Reporting Template (CMRT) developed by the Electronics Industry Citizenship Coalition/Global e-Sustainability Initiative. Our robust process includes close collaboration with buyers for tin and tungsten to properly assess the supply chain risks, use of the CMRT to facilitate the transfer of information between and among ArcelorMittal and our suppliers and customers, and risk-based due diligence processes.

ArcelorMittal is committed to full compliance with the law and has disclosed the results of its supply chain due diligence publicly since May 2014.

Product transportation

Our steel products are shipped by rail, barge, truck and ship to destinations across North America and the world. Our logistics department works to identify the most efficient, cost-effective, sustainable transportation solutions to deliver products to our customers in a timely and environmentally-efficient manner.

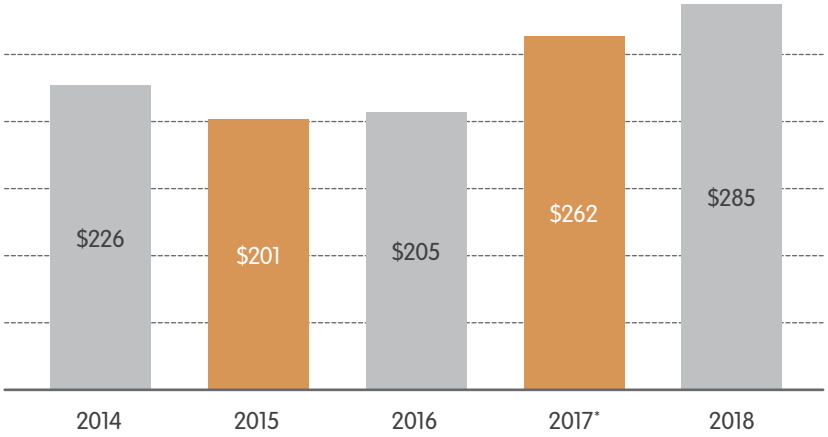
Supply chain (continued)

Supplier diversity

We are committed to developing and maintaining supplier relationships that provide a source of competitive advantage. However, recognizing that the supplier base for the steel industry is traditionally homogeneous, we have a supplier diversity program to diversify our supplier relationships. We continue to accelerate our efforts in identifying opportunities in our supply chain where it is possible to enable qualified and certified Minority, Women and Veteran Enterprises (MBE, WBE and VETs) to participate in our procurement process. In 2018, we spent $285 million with Minority, Women and Veteran Enterprises in the United States, a 9 percent increase over 2017. This furthers the trend of our increased spending with Diversity Enterprises.

Developing and expanding business relationships with Diversity Enterprises secures our position as an industry leader. We have actively identified and helped cultivate these relationships. This approach also creates a more diverse supplier base, which fosters increased competition. A relentless dedication to quality is the basis of our success. Our primary goal is to produce, provide and continuously improve products that meet customers' expectations for quality, delivery, cost and technology. As a result, we select only those suppliers who share our commitment to quality and can meet or exceed our requirements to provide superior quality products and services.

ArcelorMittal USA spending with Minority, Women and Veteran Enterprises (in millions)



*2017 is the first year that ArcelorMittal USA started tracking spending with Veteran Enterprises. Prior years only include spending with Minority and Women Enterprises.

Our steel products are shipped by rail, barge, truck and ship to destinations across North America and the world.

OUTCOME 7

CASE STUDIES

Case study 1

USA delivery initiative: what we're doing and why our customers care

For the past two years, ArcelorMittal USA has been planning and implementing a new delivery initiative with a clear vision – to be the supplier of choice for our valued customers. Transitioning to a customer-centric view, ArcelorMittal developed this initiative to improve performance and exceed our customers' expectations.

Case study 2

Relying on minority owned suppliers for quality parts

Laura Bianchi Eikenmeyer is the owner of Refractory Service Corp, which is a key supplier of refractories to ArcelorMittal facilities. Her company is the only women-owned refractory supplier, and we are proud to include the company in our procurement process.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME 8

ACTIVE AND WELCOMED MEMBER OF THE COMMUNITY

The communities where we operate are far more than just the physical locations of our facilities. These communities are made up of our neighbors and key stakeholders. They are also the places where our employees choose to live and raise their families, and where our future workforce is educated and trained. It is important to us to be both an active and a welcomed member of our communities.

2018 highlights

$6.9 million

ArcelorMittal awarded more than $6.9 million in grants and matching donations in the U.S. to nonprofit partners working in our communities.

3,350 hours

Employees in the U.S. donated more than 3,350 hours of their time to local nonprofit partners through ArcelorMittal-sponsored volunteer projects.

$325 thousand

In the second year of the Building Resilience grant program in the U.S., ArcelorMittal invested $325,000 in the long-term sustainability of 14 nonprofits.

Why is this important to us?

Often, we are the largest employer in the communities where our facilities are located. As a result, these areas are directly impacted by our operations. We are committed to being a responsible and sustainable corporate citizen by understanding and addressing the needs of our community stakeholders.

The commercial imperative

What kind of challenges do we face?

Our goal is to develop and maintain the trust of our local stakeholders, allowing us to be a welcomed member of each community. Operating under our legacy companies, our facilities have been a major presence in their respective communities for generations, in some cases over 100 or 200 years. ArcelorMittal is a relatively new brand in the steel industry, having been established in 2007. As a result, we must work even harder to build our stakeholders' trust. Our facilities make positive contributions to our local communities in many ways. From the economic contribution through employment and taxes, to community investment programming and employee engagement, ArcelorMittal is a contributor to every community where we operate.

What do we need to do?

We must work in partnership with our community stakeholders to address local opportunities and challenges as they arise. We encourage open and transparent stakeholder dialogue through stakeholder meetings. We also engage with our stakeholders to affect positive change locally and believe in having 360-degree partnerships, including financial investments and employee volunteerism. Our grant and volunteer initiatives are strategically aligned with the community needs we have the ability and expertise to address. These initiatives include science, technology, engineering and math (STEM) education, environment, and health and safety initiatives.

What is the potential to create value?

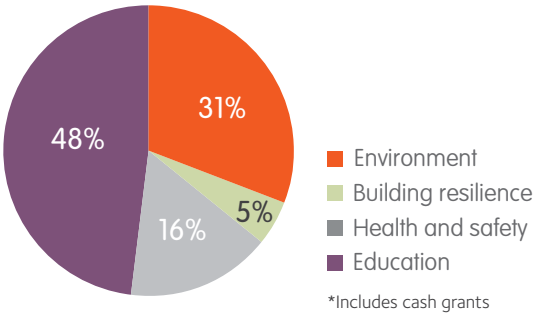
By being an engaged member of our communities, we create value for our stakeholders and the company. Through our partnerships, we can respond to stakeholder issues and strengthen the overall community. As a company, we benefit through enhanced trust and a strengthened reputation.

Community investment

In 2018, we provided more than $6.9 million in cash grants to support nonprofit organizations in the United States working in three key areas: science, technology, engineering and math (STEM) education, environment, and health and safety. By strategically focusing our giving in these areas in the U.S., we can create deep partnerships with the nonprofit organizations we support and ensure those partnerships create measurable and long-lasting results. To us, supporting our communities and the nonprofits within them extends far beyond financial donations. We actively engage with our community partners to affect change locally and believe in having 360-degree partnerships that emphasize not only financial support, but also volunteer opportunities for ArcelorMittal employees.

On the following page you will find a short overview of our major community investment priorities in the United States. For more information on our grantmaking process in the U.S., please visit the grantmaking section of our website.

2018 community investment per focus area in the U.S.*



*Includes cash grants

Our community investment focus areas

STEM education

The cornerstone of ArcelorMittal's global community investment program is STEM education. In the U.S., we have a history of strong investment in STEM organizations and programming within our local communities. In 2018, 43 percent of our U.S. grant funding was allocated to STEM programming. Modern steelmaking is cutting-edge, exciting and globally competitive. Our ongoing success depends on the education of talented scientists and engineers who will become the next generation of leadership in our society and in this industry. ArcelorMittal invests in education within our communities with the knowledge that learning is essential to an individual's economic success, developing future leaders and creating stronger communities. We invest in education partners who are implementing STEM curricula both within schools and out of school environments and are enhancing students' critical skill sets to solve future challenges in building sustainable communities.

Environment

The support and conservation of our shared environment is one of our key priorities, accounting for 31 percent of our national funding in 2018. We partner with organizations protecting and restoring the environment through water and land restoration, environmental education and energy conservation. As sustainability is core to our business, we also fund programs that focus on the creation of green spaces, green infrastructure and green jobs.

Health and safety

Safe, healthy, quality working lives for our people is not only ArcelorMittal's number one sustainable development outcome, it is also the company's first major priority. Through our grantmaking, we work not only to improve employee health and safety, but to extend this commitment to our communities. Health and safety funding accounted for 16 percent of our national grantmaking in 2018.

Building resilience

In 2018, we launched the second round of our community investment initiative, "Building Resilience: Investing in Nonprofit Sustainability." The program funds sustainability, resilience and capacity-building initiatives for our existing nonprofit partner organizations. Please refer to the outcome 8 case study section for further details.

Employee engagement in our communities

ArcelorMittal prides itself on being a responsible partner in our local communities and making an impact beyond providing financial support. We encourage our employees to use their time, talents and leadership skills to make a difference in their communities.

Volunteerism at ArcelorMittal

Our employees donate time and talent year-round through coordinated volunteer activities with nonprofit partners. Whether mentoring students, serving as a science fair judge or cleaning debris from a local river, our employee volunteers are enriching the lives of many and developing their own skills in leadership, teamwork and communication. In 2018, ArcelorMittal employees in the U.S. donated more than 3,350 hours of their time to our local nonprofit partners through 80 ArcelorMittal-sponsored volunteer projects. Skills-based STEM volunteerism made up 42 percent of all volunteer hours.

Matching gifts through Give Boldly

Just as we are strategic in how we invest our philanthropic giving, our employees are equally thoughtful in choosing the causes they support. Give Boldly, our employee giving program, enables our employees to make charitable gifts, both directly and through payroll deductions. As part of this program, we offer a corporate match to eligible organizations, increasing the impact of our employees' donations and supporting the organizations that matter most to them. Their generosity and the positive impact in our communities are tremendous. In 2018, we launched a new Give Boldly website to enhance ease-of-use and employee engagement. Employees in the U.S. donated $948,059 to 759 nonprofit organizations. During this time, we paid $650,000 in employee matches, supporting hospitals, schools and community-based nonprofit organizations.

Whether mentoring students, serving as a science fair judge or cleaning debris from a local river, our employee volunteers are enriching the lives of many and developing their own skills in leadership, teamwork and communication.

OUTCOME 8

CASE STUDIES

Case study 1

ArcelorMittal continues to 'build resilience' in community partners

ArcelorMittal has continued "Building Resilience: Investing in Nonprofit Sustainability," a grant initiative available to our nonprofit partners to support projects traditionally underfunded by foundations and corporations. These projects, which are designed to have a significant impact on the long-term sustainability of the organization, include: strategic planning; professional development; sustainability planning; diversity and inclusion training; technology implementation and more.

Case study 2

Shining a spotlight on our community investment efforts

ArcelorMittal was recognized for our community investment efforts in our two largest communities on National Philanthropy Day 2018. We were honored as "Company of the Year" by the Association of Fundraising Professionals' Indiana- Northwest Chapter and "Corporate Leader of the Year" by the organization's Greater Cleveland chapter. These awards celebrate our outstanding commitment to community through philanthropic support, employee involvement and community leadership.

Case study 3

Empowering females through STEM education

Funding STEM education in our communities is crucial to developing a pipeline of diverse talent. Through our partnerships with Science Olympiad and the Girl Scouts of Greater Chicago and Northwest Indiana, we're ensuring that girls are learning valuable skills and getting exposure to a variety of career paths in STEM fields.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME 9

PIPELINE OF SCIENTISTS AND ENGINEERS FOR TOMORROW

The future of our company depends on a strong pipeline of talented science, technology, engineering and math (STEM) professionals. We need STEM workers to fill an ever-increasing number of open positions. These employees will also be responsible for driving the product innovations that will lead to a more sustainable future.

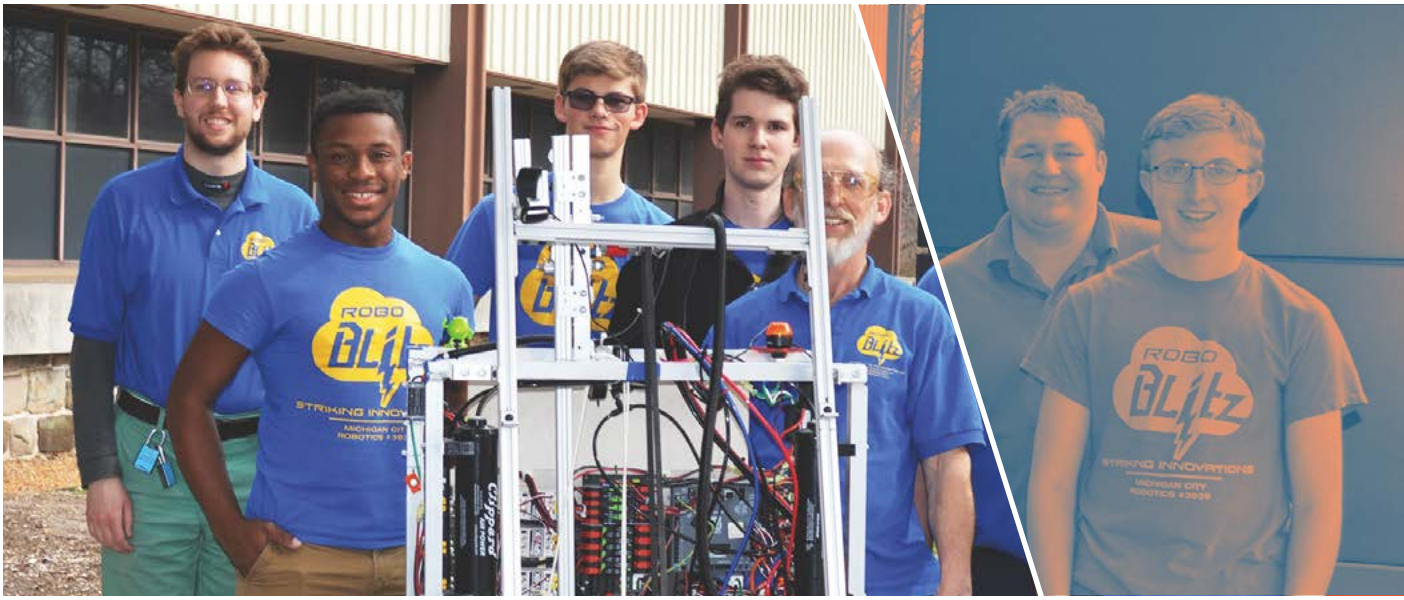
2018 highlights

43 percent — ArcelorMittal committed 43 percent of our U.S. grantmaking budget to support STEM programming, surpassing our corporate goal of 40 percent.

827,883 hours — ArcelorMittal USA provided 46,101 training hours for salaried employees and 781,782 hours for hourly employees.

$897 thousand — ArcelorMittal USA committed more than $897,000 for tuition reimbursement for undergraduate and graduate programs for U.S. employees.

100 percent — 100 percent of Steelworker for the Future® graduates who have successfully completed the program have been extended a full-time employment offer.



Why is this important to us?

Manufacturing in the United States faces a significant workforce challenge in the coming years. At ArcelorMittal, we know our maturing workforce will retire and there will be a need for experienced workers to take their places. We need to hire, train and retain skilled workers to continue our mission to provide safe, sustainable steel for years to come.

The commercial imperative

What kind of challenges do we face?

In the U.S., more than 46 percent of our employees are over the age of 50. As our employees retire, we need to ensure that their expertise is transferred to the next generation. However, the U.S. is currently facing a STEM skills gap. According to the U.S. Department of Commerce, STEM occupations are projected to grow by 8.9 percent from 2014 to 2024, a faster rate than non-STEM occupations. This is a concern as the number of U.S. companies reporting difficulty in filling STEM positions due to a lack of qualified STEM workers continues to increase.

What do we need to do?

We invest in the full continuum of STEM education to ensure that students throughout the U.S. have access to STEM opportunities. In our communities, we partner with local nonprofit organizations and schools to provide STEM experiences for youth. We also partner with post-secondary institutions to engage and recruit talent through ArcelorMittal USA's Steelworker for the Future® community college program. Additionally, we support colleges and universities with our Campus Partnership Program. To retain and further the development of our current workforce, we provide tuition reimbursement and training programs.

What is the potential to create value?

The workforce of tomorrow will have the opportunity to drive our technological innovations. This includes developing more sustainable production processes and developing new ways to use and reuse resources. We also want to work toward an increasingly diversified workforce.

Training and development

ArcelorMittal provides training and development opportunities for salaried employees through our global ArcelorMittal University and the USA learning and development department. We offer both online and in-person training to help employees expand the professional and position-specific skills required in today's workforce.

Our salaried employees participate in the Global Employee Development Program (GEDP), a process that is widely used across the entire ArcelorMittal group. In 2018, more than 4,000 U.S. employees participated in the GEDP.

Salaried employees in the U.S. participated in 46,101 hours of training in 2018. They are also eligible for a tuition reimbursement program that helps them complete general undergraduate or graduate degree programs directly related to their job functions. In 2018, we spent more than $897,000 on tuition reimbursement for undergraduate and graduate programs.

Training our operating and maintenance workforce is a critical focus area for our company. In 2018, 781,782 hours were spent training our hourly employees, or upskilling those with basic craft knowledge. Our hourly employees receive training in five key areas: safety, operator training, line of progression, multicraft disciplines and upskilling. As the safety of our employees is our number one priority, we focus on training programs that ensure all our employees are properly prepared for their daily tasks. Our employees working in operations participate in both lines of progression training: training to learn higher level assignments, as well as operator maintenance training to learn how to perform routine maintenance tasks, including inspections. Traditionally, steel facilities employed individuals who were trained in specific crafts such as welders, crane repair, electrical repair, millwrights, HVAC repair, boilermakers or carpenters. Due to the changing environment of the industry, we have been consciously working to expand the skill set of our current craft employees by training them in all skills that fall under our two main positions of maintenance technician electrical and maintenance technician mechanical.

Future employees

America's steel industry has evolved significantly over time. The skills, training and education necessary to create quality steel products are more advanced, and the need for innovation is more critical than ever before.

In addition to building a diverse employee population because our workforce has an average age of 48.1, we must have qualified, work-ready employees in our communities prepared to fill vacancies left by retirees. To address this challenge, in 2018 we continued and expanded several initiatives and partnerships with educational institutions and nonprofit partners.

One such program is ArcelorMittal USA's Steelworker for the Future®. Launched in 2008, the 2.5-year program combines classroom learning at a participating community college with paid, on-the-job training at an ArcelorMittal USA facility. At the completion of the program, students graduate with an associate in applied science degree in industrial technology with a concentration in electrical or mechanical maintenance, an education that can be used across the manufacturing industry. Currently, 48 students are enrolled in a Steelworker for the Future® related curriculum at 6 community colleges in 3 states across the U.S.

In 2018, ArcelorMittal USA hired 12 interns and 12 full-time employees through the Steelworker for the Future® program. As of December 2018, 100 percent of graduates who successfully completed the program have been extended a full-time offer. Of these offers, 84 percent of students accepted the offer and are now ArcelorMittal employees. The average annual

Ensuring future employees are highly skilled and educated is a key business priority for ArcelorMittal.

Future employees (continued)

income of an ArcelorMittal USA maintenance technician is approximately $90,000 by their third year of employment, plus benefits.

In 2018, we continued to expand our outreach to high schools located near our facilities, making them aware of career opportunities in manufacturing, as well as emphasizing the benefits of learning marketable, in-demand skills through a program like Steelworker for the Future®. We also continued to conduct outreach to middle schools with an emphasis on the importance of math and science.

In addition to training skilled craftspeople, we seek to develop and recruit professionals in engineering, finance, business management and other areas.

We have created partnerships with nine accredited four-year colleges and universities focused on engineering and business programs. Through this Campus Partnership Program, we focus on equipping students with the skills needed to succeed in the global marketplace and increasing opportunities for women and minority students.

Every summer, we fill internship positions with qualified students from our partner colleges and universities. During the summer of 2018, 77 interns worked in various roles at ArcelorMittal USA facilities across the country. Additionally, ArcelorMittal USA hired and placed 54 newly-graduated employees during the year from our partner colleges and universities.

Steelworker for the Future® partner colleges

Cuyahoga Community College (Tri-C)

Ivy Tech Community College of Indiana

Lakeland Community College

Lorain County Community College

Moraine Valley Community College

Prairie State College

Campus Partnership Program colleges

Colorado School of Mines

Indiana University

Michigan State University

Michigan Technological University

Missouri University of Science and Technology

Ohio State University

Pennsylvania State University

Purdue University

Rose-Hulman Institute of Technology

For more information, visit:

www.workforarcelormittal.com

www.steelworkerforthefuture.com

Community investment in science, technology, engineering and math (STEM) education

ArcelorMittal invests in STEM education because we know that it is not only critical to the operation of our business, but also to the communities in which we operate. According to the U.S. Department of Commerce, jobs in STEM-related fields are growing at a significantly faster rate than non-STEM fields. STEM education is central to the country's economic development goals and our ability to compete in a global economy. In addition, STEM careers provide significant societal benefits, including the development of new science, technology and sustainability solutions that improve our quality of life.

However, companies throughout the country report significant difficulty in filling these lucrative STEM positions. This is due to a lack of qualified workers in STEM fields. According to the Business Higher Education Forum, only 44 percent of 12th graders in the United States are proficient in math. Of those, 61 percent are not interested in pursuing careers in STEM fields. That leaves a very small number of our youth–a mere 17 percent of all 12th graders–who are both proficient and interested. This is especially an issue for ArcelorMittal, as advanced manufacturing companies need an educated workforce with the knowledge and skills required to adapt and change as new technologies are developed in this fast-moving industry.

As a result, ArcelorMittal invests in the full continuum of STEM education to ensure that students throughout the United States have access to STEM opportunities. Our goal is to increase student STEM skills while simultaneously fostering a lifelong love of STEM. We accomplish this through our programmatic-based grantmaking, employee volunteerism and mentoring.

In 2018, we invested nearly $3 million in STEM education programming across the U.S., accounting for 43 percent of our total grant budget. STEM grants ranged from after-school STEM programs and competitions, to in-school STEM curricula and summer camps. We especially aim to support programs that encourage STEM education for traditionally underrepresented groups, especially girls and minorities. To enhance our STEM partnerships, our employees serve as volunteers and mentors. In 2018, our employees in the U.S. contributed over 1,400 STEM-related volunteer hours.

ArcelorMittal invests in the full continuum of STEM education to ensure that students throughout the United States have access to STEM opportunities.

OUTCOME 9

CASE STUDIES

Case study 1

Sophie Ydstie: the importance of female engineers in the workforce

We rely on a strong pipeline of diverse STEM professionals to innovate, which will ultimately lead to a sustainable future. Sophie Ydstie, a quality assurance metallurgical engineer for the cold mill at ArcelorMittal Indiana Harbor has had positive experiences being a female engineer and being involved with the Society of Women Engineers (SWE) at ArcelorMittal.

Case study 2

Virtual reality: using the latest technology to engage our current and future employees

ArcelorMittal is using virtual reality (VR) to not only recruit the talented workforce of the future, but also to train our current employees in an engaging manner. At the Burns Harbor Deerfield Woods Training Center, employees are experiencing fire extinguishing training through VR. Allowing employees to train in a safe environment, while practicing unsafe acts is revolutionary and will enable us to be better equipped for the future. Additionally, our college recruiting team is using the technology at career fairs to recruit a talented pipeline of scientists and engineers.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

OUTCOME **10**

OUR CONTRIBUTION TO SOCIETY MEASURED, SHARED AND VALUED

We contribute to society in a variety of ways, through the taxes we pay, the employment of our workforce, our support of local economies and through our sustainability initiatives. It is important that we measure and highlight these contributions.

Why is this important to us?

We know that we make vital financial and social contributions to our communities. However, it is easy to overlook these contributions without metrics demonstrating our substantial impact. As a result, it is our goal to promote our current metrics and develop better measurements moving forward to best demonstrate the value we create.

The commercial imperative

What kind of challenges do we face?

Our stakeholder relationships are critical to the operation of our business. These relationships are strengthened by demonstrating the value our company creates for these stakeholders. However, measuring economic and social value for a company of our size and scope can be a challenge.

What do we need to do?

Our corporate responsibility governance structure is critical to monitoring and measuring our impact. Established in 2015, our Sustainable Development Council (SDC) oversees the implementation and measurement of our 10 sustainable development outcomes in the U.S. The SDC is continuing to lead this work and refine the measurement of our impact. We will also continue to analyze our economic contribution data and highlight this impact with our stakeholders. The publication of our fourth U.S. integrated report continues our commitment to holistically represent both our social and financial contributions.

What is the potential to create value?

We already know that our contributions are significant. However, our ability to fully demonstrate these contributions will strengthen our relationships with our stakeholders, thereby strengthening our overall operations.

Measuring success in corporate responsibility

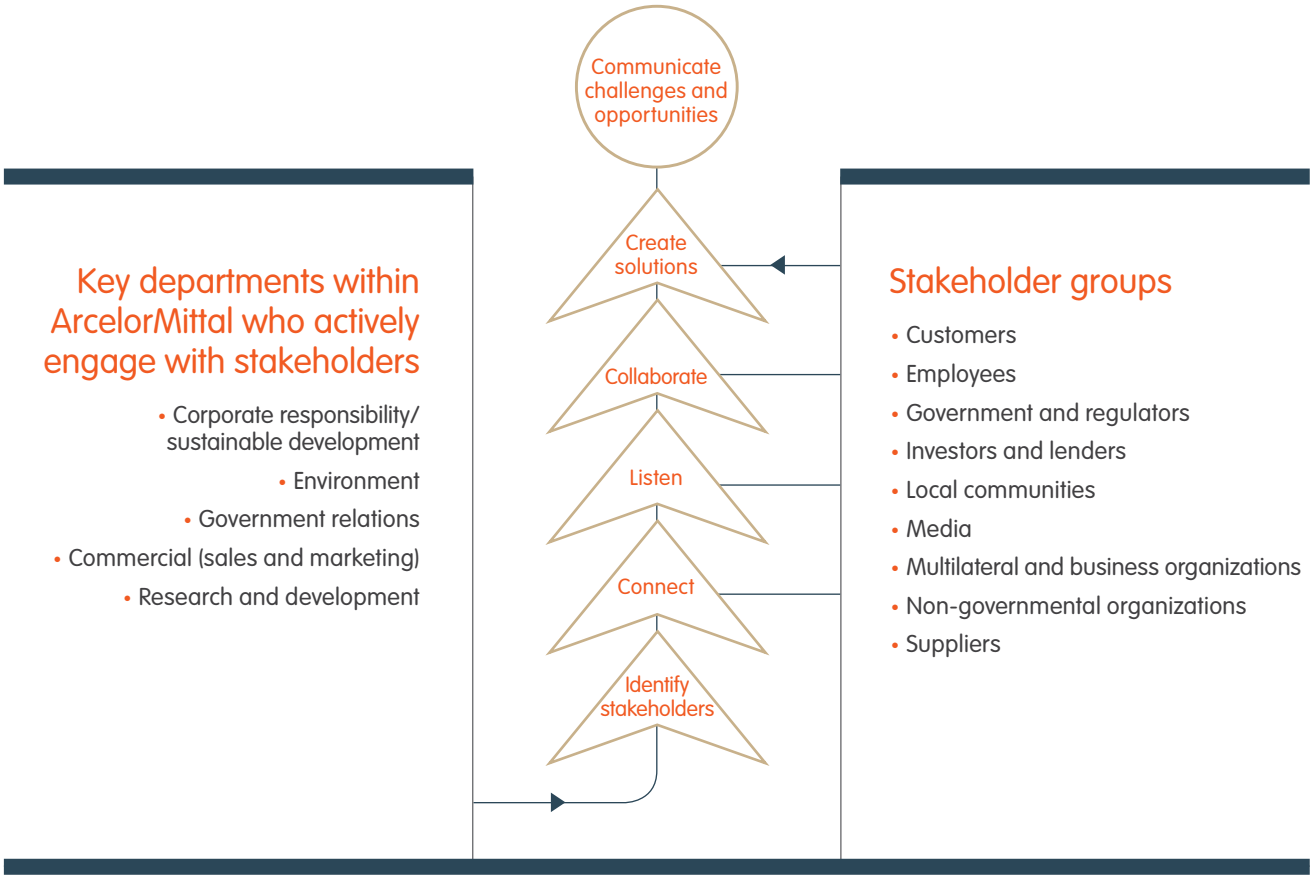
A Sustainable Development Council (SDC) exists at the national level to oversee both corporate responsibility and sustainable development initiatives. The SDC is responsible for driving measurement and metrics around the 10 sustainable development outcomes. In 2018, the SDC continued to evaluate our progress against the 10 outcomes in the United States. The council oversaw the implementation of our fourth annual internal and external U.S. stakeholder survey. The goal of this survey was to garner feedback and measure progress on our sustainability initiatives. Additional information about the survey is detailed in the stakeholder engagement section of this report.

We have been reporting on our sustainability performance in the U.S. for 10 years, and the 2018 report is our fourth integrated report. This demonstrates our commitment towards the goal of publicly highlighting our measurements and metrics around social and financial value creation. We are the first country within ArcelorMittal's western hemisphere footprint to publish an integrated report. The report is available online at usa.arcelormittal.com/sustainability and can be downloaded in its entirety.

Corporate responsibility leaders and members of our national SDC and local Councils for Stronger Communities (CSCs) work to manage stakeholder expectations appropriately. Annually, we identify key stakeholders at local, regional and national levels and develop a strong understanding of those stakeholders' expectations of ArcelorMittal and what they deem to be material issues for our business. We encourage open and transparent relations with stakeholders and address any questions or concerns. We work closely with all our stakeholders, both internal and external, to deepen our engagements and move the needle on material issues. This spirit of collaboration drives our business forward and allows us to set a strong foundation of leadership in our communities. We must lead, facilitate and participate in the conversations that affect our communities. This approach ensures we work collaboratively to address important issues and goals that we share. We conduct our stakeholder engagement in a variety of ways, from one-on-one meetings to surveys and group forums, tailoring our communications approach to each stakeholder group.

Leaders and stakeholders

At ArcelorMittal, we employ a robust stakeholder engagement process involving every level of leadership. This graphic outlines our key external stakeholders and those groups and individuals who actively engage with these stakeholders on a regular basis.



Leadership teams and committees in the United States

- Boards of Directors (ArcelorMittal USA and global)
- ArcelorMittal Management Committee (global)
- ArcelorMittal USA Leadership Team
- United States Sustainable Development Council
- Councils for Stronger Communities (local facility level)

Memberships

As part of ArcelorMittal's stakeholder engagement work in the U.S., we partner with numerous national and local organizations. View a complete list on our website's "memberships" page.

Stakeholder engagement

As part of our corporate responsibility governance, we have a robust stakeholder engagement process. ArcelorMittal has identified our key stakeholders, including customers, employees, government and regulators, investors and lenders, local communities, media, multilateral and business organizations, non-governmental organizations and suppliers.

The graphic below demonstrates how we engage with and our relationship to each stakeholder group.

	Customers	Employees	Government and regulators	Investors and lenders	Local communities	Media	Multilateral and business organizations	Non-governmental organizations	Suppliers
Stakeholder issues	• Quality of products • Ethical business practices • Safety in products • Renewable technologies, lightweight steel products	• Worker health and safety • Job security • Working conditions • Remuneration and rewards • Career development • Operational excellence • Ethical business practices	• Biodiversity conservation • Emissions control • Attracting investment • Employment opportunities • Social and economic development	• Corporate governance • Business performance • Employee health and safety • Climate change • Corporate responsibility management	• Community engagement processes and plans • Environment and emissions control • Social investment • Job security	• Industry challenges and developments • Health and safety • Environmental issues	• Long-term industry challenges • Human rights • Water, energy and waste • Health and safety • Responsible sourcing • Climate change	• Environmental protection • Social and economic development • Working conditions • Corruption and bribery • Health and safety • Human rights	• Code for Responsible Sourcing • Quality of products • Operational excellence • Ethical business practices
How we engage	• Site visits • Customer-oriented publications and events • Partnerships, e.g. our engineering teams in customers' plants	• Intranet • Meetings • Employee survey • Newsletters and publications • Training programs • Trade union relations	• Country-specific steering groups • Conferences and speaking engagements • 1:1 formal dialogues	• Road shows • 1:1 meetings, regular conference calls • Site visits	• Local engagement workshops • Local corporate responsibility reporting • 1:1 meetings	• Site visits • Press releases • Interviews • Internet • Twitter	• Active involvement in organizations, including WBCSD, CSR Europe, World Steel Association, EITI and UN Global Compact	• Partnership • Formal meetings • Correspondence and events • 1:1 meetings	• Dialogue through account management relationships • Regular engagement with our local management on-site
Our relationship	• Provide innovative partnerships for sustainable growth • Provide quality products at good value	• Central to the success of our business by demonstrating productivity, quality, ethics and leadership • Provide a safe and enriching work experience	• Generate economic growth through revenues, taxes, fees and product innovation • Key to providing fair and transparent competitive trading conditions	• Generate sustainable growth and shareholder returns • Improve our shareholder capital and boost financial performance	• Provide support for local economic development • Build trust with local communities	• Provide industry trends as well as social, environmental and economic information • Build and protect and raise awareness of our products and operations	• Add to the collective understanding of responsible business practices • Build capacity within our organization and understand and drive peer approaches	• Provide an insight into the needs of society and the environment • Monitor our performance in meeting the needs of stakeholders, vulnerable groups and society	• Secure delivery of good value and quality products and services • Meet responsible sourcing requirements • Provide fair access to business opportunities and appropriate payment conditions

Stakeholder engagement (continued)

Annual stakeholder survey

ArcelorMittal implemented our annual, anonymous stakeholder survey with the goal of analyzing our sustainability progress in 2018. This survey was sent to over 17,000 internal and external stakeholders in the United States. This year, the survey was expanded to include employees at our Tailored Blanks and Tubular facilities in the United States, as well as an expanded list of supplier, government relations and investor relations contacts. The survey received a 26 percent internal stakeholder response rate and a 7 percent external stakeholder response rate.

Key findings from the survey include the following:

- Our stakeholders believe that ArcelorMittal's sustainability and corporate responsibility initiatives in the United States continue to improve. In total, 53 percent of stakeholders believe our work has improved over the previous year, and 25 percent believe our work has remained consistent.
- Our employees and community partners have the highest rates of awareness of our 10 sustainable development outcomes. The survey results indicated that we continue to have an opportunity to strengthen awareness, especially among our suppliers and investors.
- When asked to rate the 10 sustainable development outcomes against ArcelorMittal's performance on each, stakeholders responded that the gap between outcome importance and performance was smallest on outcomes 2, 3, 8 and 10. Stakeholders responded that the gap was greatest on outcomes 1, 5, 6 and 9.

Complete survey responses and individual stakeholder comments have been evaluated by ArcelorMittal's United States corporate responsibility and leadership teams and are being used to set a baseline for future measurements. ArcelorMittal will implement its fifth annual stakeholder survey in the United States in the coming year.

Stakeholder communications

ArcelorMittal utilizes a variety of communications tools to engage with each of its stakeholder groups. Communications tools that the corporate responsibility team utilized with U.S. stakeholders in 2018 included:

- Online integrated report and printed executive summary document
- Employee magazine (printed and online)
- Employee intranet
- External stakeholder e-newsletter
- USA website (blog, stories, press releases and announcements)
- Social media
- Facility and state-level fact sheets
- Sustainability-focused presentation materials

Stakeholder meetings

ArcelorMittal's corporate responsibility team is committed to conducting one-on-one meetings on an ongoing basis with our U.S. stakeholders. In 2018, the majority of these meetings were held with local communities, nonprofit organizations, government officials and employee stakeholder groups. For example, in 2018, corporate responsibility staff met with every ArcelorMittal nonprofit organization partner at least once, and often multiple times throughout the year. This allows us to build proactive, 360-degree stakeholder relationships.

Community feedback

External stakeholders who wish to provide us with feedback or address a concern can contact ArcelorMittal through several channels. Our website includes a "contact us" form for inquiries. Our U.S. social media channels provide another outlet for direct communications with the company. We also operate community information telephone lines for facilities in our primary communities, and all facilities and offices have their main phone number and address published on our website. This practice ensures that community members have the ability to connect directly with their local operations. These multiple systems allow our staff to respond in a timely fashion to concerns, questions or comments from our communities.

If you have inquiries about this integrated report or our corporate responsibility and sustainability initiatives in the U.S., we encourage you to connect with ArcelorMittal's corporate responsibility team directly at: USACR@arcelormittal.com.

OUTCOME **10**

CASE STUDIES

Case study 1

Opening our doors to share our value

We pride ourselves on our significant social and financial contributions and strive to demonstrate them to our key stakeholders. As part of this effort, we bring our stakeholders inside our operations. Whether we open our doors to local and national news crews or invite students and educators on mill tours, we prioritize transparency in order to communicate our value broadly.

Case study 2

Welcoming government officials to engage in meaningful conversation

At ArcelorMittal, we are pleased to welcome members of Congress to our plants to see our operations and discuss pressing topics. U.S. Senator Todd Young (R-Ind.) visited ArcelorMittal Burns Harbor to learn more about the needs of our industry, particularly as it relates to education and job training. Visits from elected officials create unique opportunities for engagement and learning about issues important to our industry, employees and communities.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

TRANSPARENT GOOD GOVERNANCE

We operate under the highest standards of business ethics and governance. These standards are essential to every aspect of our company and underpin the 10 sustainable development outcomes.

Why is this important to us?

Compliance with applicable laws, rules and regulations, demonstrating commitment to ArcelorMittal's principles of integrity, and upholding good governance are fundamental to being a responsible business. These initiatives are also critical to the successful fulfillment of our 10 sustainable development outcomes. Without strong ethics and governance structures, transparency and stakeholder relationships can be compromised.

The commercial imperative

What kind of challenges do we face?

As a leading employer in the U.S., it is vital that we are clear about the standards of behavior we expect from our directors, officers, employees and anyone else who acts on our behalf. We need to ensure that these individuals act in accordance with our Code of Business Conduct and applicable policies at all times. Every employee has the ability to either positively or negatively impact the integrity of our business.

What do we need to do?

We must continue to uphold the highest standards of business practice through our policies and employee trainings. Governance structures, both for the company and for corporate responsibility, are responsible for overseeing this important business function. We also continue to encourage open and transparent relations with our stakeholders to address any concerns and maintain their trust.

What is the potential to create value?

Companies with robust and transparent oversight benefit from stronger relationships with all their stakeholders, including customers, employees, investors and lenders, local communities, non-governmental organizations and government and regulators. This results in a lower likelihood for business disruptions and a stronger corporate culture.

ArcelorMittal

Human rights

For ArcelorMittal, our employees are our greatest asset. We maintain and enforce at the global level a comprehensive, company-wide human rights policy based upon the United Nations Universal Declaration of Human Rights; the International Covenants for Civil and Political Rights, and Economic Social and Cultural Rights; and the International Labour Organization. In the United States, our fair and equal treatment policy ensures employees are protected and valued, focused on providing equal employment opportunity and prohibiting discrimination, harassment and retaliation, among other things, based on classifications protected by law. ArcelorMittal is an equal opportunity employer and has a zero-tolerance policy for inappropriate conduct, workplace discrimination or harassment of any kind.

Ethics

Ethics and integrity are at the heart of how we do business at ArcelorMittal, and we are committed to upholding the highest standards of business practice through our policies and employee trainings.

Our performance is guided by a Code of Business Conduct. All salaried employees are required to complete online training on the Code as well as ArcelorMittal's Human Rights Policy. In addition, certain salaried employees are required to complete training on antitrust, insider trading, data protection, economic sanctions, anti-corruption, and building a workplace of dignity and respect.

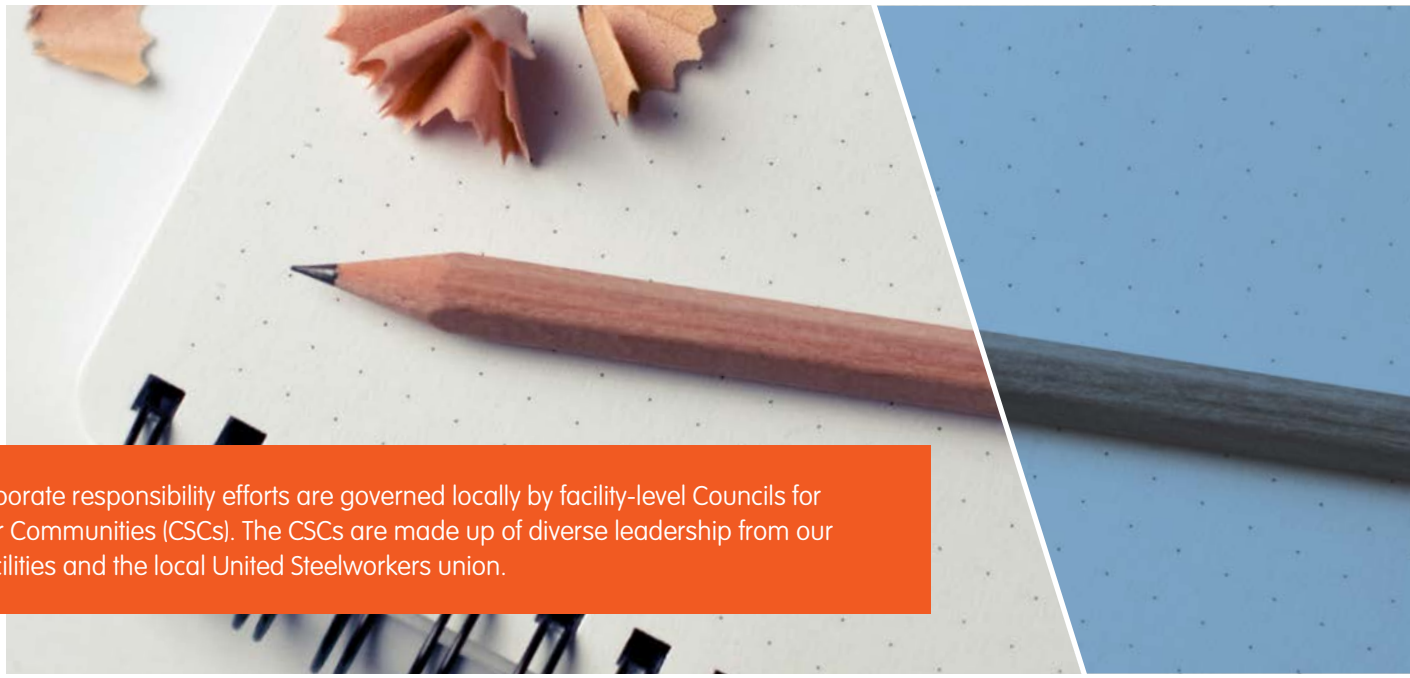
ArcelorMittal

Corporate responsibility governance

ArcelorMittal's Sustainable Development Council (SDC) exists at the national level to oversee both corporate responsibility and sustainable development initiatives. The SDC is composed of a cross-functional team of leaders from across U.S. business units and is responsible for driving ArcelorMittal's sustainable development outcomes nationally. Major governance activities overseen by the SDC include publication of ArcelorMittal's integrated report, implementation of our annual U.S. stakeholder survey and integration of the 10 sustainable development outcomes into the business.

Our corporate responsibility efforts are governed locally by facility-level Councils for Stronger Communities (CSCs). The CSCs are made up of diverse leadership from our local facilities and the local United Steelworkers union. The CSCs at each of our facilities work in collaboration with a corporate responsibility manager to implement global, national and local initiatives, as well as to build sustainable stakeholder partnerships. CSCs are currently in place at 15 facilities in the U.S., providing valuable perspectives on corporate responsibility. This structure embeds corporate responsibility into each facility and encourages employees to embrace individual actions that contribute to our overall corporate responsibility objectives and company culture.

In 2018, the SDC and CSCs met regularly for a total of more than 50 formal meetings. Discussions centered on sustainability and corporate responsibility initiatives at their facilities and nationally, plans for engaging with communities, financial contributions to nonprofit organizations and responses to issues submitted via grievance mechanisms or community response lines.



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TRANSPARENT GOOD GOVERNANCE CASE STUDIES

Case study 1

Who is responsible for human rights?

Shannon Masson, assistant general counsel and compliance offer for ArcelorMittal USA, shares why the observation of human rights is not just a corporate issue. The obligation to promote respect for human rights rests with each of us as individuals.

To view the full case studies, go to the online report at usa.arcelormittal.com/sustainability

ArcelorMittal

2018 Data table

Unless otherwise footnoted, the data below is specific to wholly-owned ArcelorMittal USA LLC facilities as well as Monessen, I/N Tek, I/N Kote and AM/NS Calvert.

Outcome	Topic	Description	Criteria	2014 Data	2015 Data	2016 Data	2017 Data	2018 Data
1	Lost time injury frequency rate percent change (per million hours worked)	Number of injuries which resulted in employee or contractor having to miss at least one day of work as a result of the accident, per million hours worked	GRI 403-2 SASB NR0302-18	1% reduction (1.57)	15% reduction (1.33)	7% reduction (1.24)	23% reduction (0.95)	31% reduction (0.66)
1	Percentage of employees covered by collective bargaining agreements	The percentage of employees covered by collective bargaining agreements	GRI 102-41 SASB NR0302-19	70%	69%	69%	68%	67% [1]
1	Average hours of training per year per employee by gender and by employee category	Average hours of training per year per employee by gender and by employee category	GRI 404-1	Salaried avg: 36.1 hours Salaried total: 147,672 Hourly avg: 41.1 hours Hourly total: 584,587	Salaried avg: 6.48 hours Salaried total: 25,571 Hourly avg: 49.16 hours Hourly total: 654,151	Salaried avg: 8.1 hours Salaried total: 26,788 Hourly avg: 57.9 hours Hourly total: 717,243	Salaried avg: 12.7 hours Salaried total: 42,830 Hourly avg: 61.3 Hourly total: 746,990	Salaried avg: 13.7 hours Salaried total: 46,101 hours Hourly avg: 66.3 hours Hourly total: 781,782 hours [2]
1	Number of operations certified to the Occupational Health and safety Assessment Series, OHSAS 18001	OHSAS 18001 is an international assessment series for health and safety management systems	KPI	17 facilities + R&D (18)	17 facilities + R&D (18)	13 facilities + R&D (14) [3]	13 facilities + R&D (14)	13 facilities + R&D (14)
1	Number of social dialogue interactions	Formal worker representation meetings and interactions at the corporate level, including annual partnership meetings and joint health and safety meetings	KPI	4	4	3	3	3 [2]
1	Number of employee newsletters or other communications distributed regularly; number of recipients	Number of newsletters published detailing pertinent company matters; number of recipients per issue	KPI	7: more than 20,000	6: more than 20,000	6: more than 17,500	6: more than 17,500	6: more than 17,500
1	Employees by employment contract and gender	Employees by employment contract and gender	GRI 102-8	---	Total workforce in 2015: 20,298 [4] Gender: M – 89.1% F – 10.9% [4]	Total workforce in 2016: 18,293 Gender: M - 89.1% F - 10.9%	Total workforce in 2017: 18,377 Gender: M - 88.6% F - 11.4%	Total workforce in 2018: 18,186 [1] Gender: M - 88.1% F - 11.9%
1	Workforce breakdown by employment duration	Duration of employment in years by total employee percentage	KPI	<10: 46.3%, 10-19: 12.7%, 20-29: 8.3%, >30: 30.7%, no service date: 2.0%	<10: 47.3%, 10-19: 13.2%, 20-29: 9.3%, >30: 28.4%, no service date: 1.8%	<10: 50.3%, 10-19: 13.2%, 20-29: 10.1%, >30: 26.4%, no service date: .05%	<10: 43.3%, 10-19: 18.6%, 20-29: 13.7%, >30: 25.7%, no service date: 0.05%	<10: 46.7% 10-19: 19.2% 20-29: 11.9% >30: 22.2%
1	Number of biometric screening and wellness/preventive exam participants	Number of employees who have undergone voluntary biometric health screenings Number of represented employees who have undergone voluntary wellness/preventive exams under new USW Health Awareness Initiative	KPI	3,109 salaried and represented employees ---	3,590 salaried and represented employees ---	716 salaried employees 6,603 represented employees [4]	949 salaried employees 6,206 represented employees	1,106 salaried employees [2] 6,064 represented employees [2]

Data table (continued)

ArcelorMittal

Outcome	Topic	Description	Criteria	2014 Data	2015 Data	2016 Data	2017 Data	2018 Data
1	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs	The percentage of the total workforce represented in formal joint management worker health and safety committees	GRI 403-1	100%	100%	100%	100%	100% [2]
		The level(s) at which the committee(s) typically operates		Monthly	Monthly	Monthly	Monthly	Monthly [2]
4	Percentage of materials used that are recycled input materials	The weight or volume of internally-generated recycled input materials as a percentage of the total input materials used	ArcelorMittal's Basis of Reporting	19.31%	21.50%	17.88%	17.90%	16.3%
4	Total amount of waste by type and disposal method (using European metrics and calculations)	The total amount of materials (hazardous and non-hazardous) in metric tons by type for reuse	ArcelorMittal's Basis of Reporting	2,969,683	2,989,867	2,428,420	2,518,292	2,683,871
		The total amount of materials (hazardous and non-hazardous) in metric tons by type for recycling		11,745,989	9,500,479	3,490,278	4,699,869	4,921,417
		The total amount of materials (hazardous and non-hazardous) in metric tons type for disposal		833,941	1,299,788	564,616	702,436	589,752
		The total amount of materials (hazardous and non-hazardous) in metric tons by type for deep well injection disposal		37,477	20,904	18,076	12,735	23,998
4	Amount of scrap steel recycled per amount of steel produced	Tons of scrap steel recycled per amount of steel produced	ArcelorMittal's Basis of Reporting	39%	34%	29%	37%	31%
4	Environmental liabilities	Future environmental liabilities related to studies and remediation of environmental impact from our operations and the operations of predecessor companies	KPI	$194 million	$195 million	$188 million	$173 million	$172 million
5	Greenhouse gas emissions	Direct greenhouse gas emissions, metric tons CO_2 direct. There are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations	USEPA 40 CFR 98	26.2M metric tons CO_2e direct	24.9M metric tons CO_2e direct	27.0M metric tons CO_2e direct	28.2M metric tons CO_2e direct	27.2M metric tons CO_2e direct

Data table (continued)

ArcelorMittal

Outcome	Topic	Description	Criteria	2014 Data	2015 Data	2016 Data	2017 Data	2018 Data
5	NOx, SOx, and other significant air emissions by type and weight (using European metrics and calculations)	The weight of significant air emissions (in kilograms or multiples such as tonnes) for NOx	ArcelorMittal's Basis of Reporting	13,553 metric tons	14,756 metric tons	13,563 metric tons	14,720 metric tons	13,541 metric tons
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for SOx		15,852 metric tons	15,633 metric tons	16,154 metric tons	15,887 metric tons	13,912 metric tons
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for volatile organic compounds (VOC)		1,829 metric tons	1,794 metric tons	1,486 metric tons	1,403 metric tons	1,358 metric tons
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for particulate matter (PM)		2,806 metric tons	2,630 metric tons	2,455 metric tons	2,895 metric tons	2,638 metric tons
5	Total carbon emissions per metric ton of steel produced	Total metric tons of CO_2e reported to USEPA per metric ton of steel produced [5]	40 CFR 98 and ArcelorMittal's Basis of Reporting	1.77	1.84	2.00	2.01	2.01
5	Number of emergency release/ spill response exercises conducted	Number of drills performed to prepare for potential emergency spills/releases	KPI	20	25	22	39	40
5	Total water withdrawal by source	Total volume of water in m^3 withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities by source type including surface water, including water from wetlands, rivers, lakes and oceans	ArcelorMittal's Basis of Reporting	1,181,829,894	1,231,262,229	906,708,086	1,032,267,000	1,061,548,000
5	Percentage of steelmaking facilities operational during the fiscal year certified to the Environmental Management System ISO 14001	ISO 14001 is an international standard for environmental management systems	KPI	100%	100%	100%	100%	100%
6	Direct energy consumption by primary energy source	Total energy consumption in joules or multiples	ArcelorMittal's Basis of Reporting	Total energy: 402,011,203 GJ	Total energy: 385,790,359 GJ	Total energy: 368,085,121 GJ	Total energy: 355,641,000 GJ	Total energy: 353,689,000 GJ
		Total energy consumption in joules or multiples from fossil fuels		313,647,169 GJ	313,845,487 GJ	321,202,721 GJ	284,091,000 GJ	287,048,000 GJ
6	Energy saved due to conservation and efficiency improvements	Percent change in energy intensity per ton of steel compared to the previous year; amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples	GRI 302-4	0.365%	2.04%	2.07%	-1.03%	1.35% [6]
7	Spending with Minority, Women and Veteran Enterprises	Total spending with Minority, Women and Veteran Enterprises in the United States	KPI	$226 million	$201 million	$205 million	$262 million [7]	$285 million [8]

Data table (continued)

ArcelorMittal

Outcome	Topic	Description	Criteria	2014 Data	2015 Data	2016 Data	2017 Data	2018 Data
8	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Percentage of operations with implemented local community engagement	GRI 413-1	100%	100%	100%	100%	100%
8	Direct community investment by focus area	Philanthropic giving completed through ArcelorMittal corporate responsibility in the United States by main giving focus areas	KPI	Education 36%, Environment 35%, Health and Safety 29%	Education 48%, Environment 37%, Health and Safety 15%	Education 52%, Environment 35%, Health and Safety 13%	Education 48%, Environment 35%, Health and Safety 12%, Building Resilience 5%	Education 48%, Environment 31%, Health and Safety 16%, Building Resilience 5%
8	Total volunteer hours contributed by employees to U.S. nonprofit organizations	Number of hours contributed to nonprofit organizations by ArcelorMittal employees in the United States	KPI	99 volunteer projects, more than 2,800 hours	More than 100 volunteer projects, 4,200 hours	78 volunteer projects, more than 4,050 hours	88 volunteer projects, more than 3,550 hours	80 volunteer projects, more than 3,350 hours
8	Total STEM skills-based volunteer hours contributed by employees to U.S. nonprofit organizations	As a segment of total hours, this number represents the total number of hours contributed by ArcelorMittal employees to nonprofit organizations that are considered STEM skills-based	KPI	---	Percentage of total volunteer hours that were skills-based: 19% Total skills-based hours: over 800 [4]	Percentage of total volunteer hours that were skills-based: 43% Total skills-based hours: over 1,750	Percentage of total volunteer hours that were skills-based: 59% Total skills-based hours: over 2,100	Percentage of total volunteer hours that were skills-based: 42% Total skills-based hours: over 1,400
8	Total invested in conservation efforts in the Great Lakes Basin through Sustain Our Great Lakes	Total invested in conservation efforts in Great Lakes Basin through Sustain Our Great Lakes, a bi-national, public-private partnership. ArcelorMittal is the sole private partner; the total invested reflects ArcelorMittal contributions, federal funds, and local match.	KPI	$23.0 million	$12.7 million	$11.6 million	$19.5 million	$14.8 million
8	Number of significant incidences reported through grievance mechanisms	Number of complaints or incidences from the public or other stakeholders reported through grievance mechanisms	KPI	12	15	15	7	30
8 and 9	Number of STEM (science, technology, engineering and math) beneficiaries	Number of beneficiaries of Untied States based grantmaking programs specifically related to STEM education	KPI	---	1,735,494 [4]	1,736,104	1,981,753	1,660,895
10	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Direct economic value distributed: employee wages and benefits (not including expenses related to active and inactive pension and retiree health care)	GRI 201-1	$2.12 billion	$2.31 billion	$2.19 billion	$2.14 billion	$2.30 billion [9]
		Direct economic value distributed: community investments		$8.3 million	$8.3 million	$8.2 million	$8.3 million	$7.9 million
		Indirect economic value distributed: property taxes		---	$46 million [4]	$41 million	$38 million	$38 million

Data table (continued)

ArcelorMittal

Outcome	Topic	Description	Criteria	2014 Data	2015 Data	2016 Data	2017 Data	2018 Data
GG	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage	Total number of hours devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations	GRI 412-2	2,668	3,578	2,713	1,095	1,712 [10]
		Percentage of salaried employees who have completed training in policies and procedures concerning aspects of human rights that are relevant to operations		87%	88%	67%	36%	76% [10]
GG	Percentage of obligated employees receiving anti-corruption training	Percentage of obligated employees who are required to receive anti-corruption training who had completed it by year end 2017	GRI 205-2	93%	83%	44%	36%	75% [10]
GG	Percentage of employees receiving Code of Business Conduct training	Percentage of salaried employees who have completed formal training about issues outlined in the Code of Business Conduct, such as ethics and accountability	GRI 205-2	93%	90%	76%	65%	70% [10]
GG	Number of local governance structures in place	Governance structures are Councils for Stronger Communities (CSCs), comprised of management and union representatives, that lead programs related to internal and external governance	KPI	18	18	16	15 [3]	15
GG	Number of local governance meetings	Total number of CSC and USA Foundation Governance Board meetings across all locations	KPI	94	85	53	51	50

1 Data includes employees across all facilities within the United States. Within our represented facilities, unions represent more than 83 percent of our workforce.

2 Data specific to wholly-owned ArcelorMittal USA LLC facilities and I/N Tek and I/N Kote.

3 Decrease due to divested sites.

4 Reported for the first time that year.

5 ArcelorMittal uses World Steel Association's recommended reporting method related to CO_2e, which specifies metric tons vs. short tons (U.S.).

6 In 2014, ArcelorMittal USA began calculating energy based on U.S. DOE reporting guidelines, using baseline year 2013. Data for 2014-2018 reflects this change. Over the past five years ArcelorMittal has attained an overall 3.35 percent energy intensity reduction in its U.S. operations. Data is specific to wholly-owned ArcelorMittal USA facilities and I/N Tek and I/N Kote.

7 ArcelorMittal began tracking spending with Veteran Enterprises in 2017. Prior years only include spending with Minority and Women Enterprises.

8 Data specific to wholly-owned ArcelorMittal USA LLC facilities.

9 Data specific to wholly-owned ArcelorMittal USA LLC facilities, as well as I/N Tek, I/N Kote and AM/NS Calvert.

10 Data includes wholly-owned ArcelorMittal LLC USA facilities, I/N Tek and I/N Kote and AM/NS Calvert, minus Steelton and Minorca. Data prior to 2018 did include Steelton and Minorca. Due to a change in training platforms, reminders for employees to refresh required compliance training were unable to be sent through most of 2016. In mid-2017, reminder notifications were reinstated, and in 2018, we sent training reminders on a quarterly basis. We are committed to upholding the highest business standards through our policies and employee training and will continue to work to improve training compliance through periodic employee communications.

Note: With the exception of CO_2e metrics which include U.S. mining facilities and ArcelorMittal Shelby, all environmental metrics reported are specific to wholly-owned ArcelorMittal USA facilities, as well as Monessen, I/N Tek, I/N Kote and AM/NS Calvert. ArcelorMittal's Basis of Reporting can be found here: https://annualreview2018.arcelormittal.com/~/media/Files/A/Arcelormittal-AR-2018/AM_BasisofReporting_2018.pdf

ArcelorMittal

About our United States Integrated Report

ArcelorMittal's corporate responsibility and sustainability strategy relies on the roadmap of our 10 sustainable development outcomes. With our 10 outcomes, we move beyond traditional stakeholder engagement and community investment to incorporate long-term value creation and business models in our sustainability performance metrics. As we continue to build this important roadmap, we work diligently to drive long-term value creation through our economic, governance, social and environmental performance.

In the United States, ArcelorMittal is reporting on our corporate responsibility and sustainability outcomes for the tenth time. In 2016, we took our first major step toward integrated reporting in the United States. For the last four years, our annual integrated reports have brought together our sustainability results with the strategy of our United States business. This methodology brings us closer to sustainability — both in the traditional and financial sense and by integrating sustainability in our annual strategic planning processes and discussions. This integrated approach ensures ArcelorMittal does what is right–for our business, our people and our planet.

It is important to us that our integrated report is accessible to all stakeholders. We also place great value on ensuring this report is environmentally friendly. Thus, we have chosen to publish our report online. Our integrated report can be found on the sustainability section of our U.S. website. The information presented here represents our 2018 calendar year results. The ease of a web portal allows us to update data and information throughout the year. Also on this website are many of the goals and metrics ArcelorMittal is working toward in 2019 in the United States.

This report aligns with the content elements suggested by the International Integrated Reporting Framework and the International Integrated Reporting Council (IIRC). Wherever possible, data also aligns with the Global Reporting Initiative (GRI) guidelines. This report and its indicators also align with Sustainability Accounting Standards Board (SASB) for the Metals and Mining sector. Environmental data captured in this report aligns with ArcelorMittal's Basis of Reporting and in some cases U.S. EPA regulations.

This fourth annual integrated report continues our focus on driving future value creation. Within this report, we outline goals for our work in sustainability. For this reason, the data and commentary throughout this report are both a retrospective look at 2018 results and a forward-thinking approach to our performance. Data within this report is subject to change at any time. No stakeholder should view this report as financial forecast or guidance.