
SUSTAINABILITY POLICY

1. INTRODUCTION

Sustainability and a robust ESG framework are core components of ArcelorMittal Nippon Steel India's (AM/NS India) business strategy, going beyond regulatory compliance. In line with our commitment to transparency and accountability, we present our Sustainability Policy, which acts as a supplementary resource to the metrics and statements pertaining to environmental, social, and governance (ESG) factors in our reports and other relevant media. The policy offers an encompassing overview of our organizational performance and impact in these crucial areas, aiming to provide stakeholders with a comprehensive overview of our commitment to sustainable practices. We are strongly aware of the impacts of our operations on the planet, people and factoring in triple bottom line (environment, social and governance) approach in our business excellence strategies. This document is designed to enhance transparency, instil confidence, and strengthen accountability regarding our ESG initiatives and progress.

2. SCOPE

This policy is applicable to all operating sites within ArcelorMittal Nippon Steel India (AM/NS India) and its subsidiaries.

3. VISION

Our vision is to lead the steel industry by demonstrating strong commitment to sustainability. We strive to integrate cutting-edge technologies and responsible practices across our operations, ensuring minimal environmental footprint, fostering social well-being, and driving economic growth that benefits our stakeholders and communities alike. By pioneering sustainable solutions, we aim to inspire positive change and set new benchmarks for industry excellence, paving the way towards a more sustainable and resilient future.

4. GUIDING PRINCIPLES

1. Environmental Stewardship

- **Climate Change:** We are committed to establish a comprehensive framework for addressing climate change and reducing Greenhouse Gas emissions in line with India's sequential emission reduction targets and strive for carbon neutrality.
 - a. *Scientific Alignment:* The company will base its climate actions on the latest scientific evidence and international agreements.
 - b. *Emissions Reduction:* The company will strive to reduce greenhouse gas emissions across its operations.
 - c. *Renewable Energy:* The company will increase its use of renewable energy sources.
 - d. *Energy Efficiency:* The company will implement energy-efficient practices and technologies.
 - e. *Sustainable Materials:* The company will prioritize the use of sustainable materials and reduce waste.
 - f. *Supply Chain Engagement:* The company will work with suppliers to promote sustainable practices.
 - g. *Climate Risk Management:* The company will assess and mitigate climate-related risks to its operations.

- h. *Transparency and Reporting*: The company will disclose its climate performance and progress regularly.
- i. *Climate Governance Committee*: Establish a climate committee to oversee the implementation of the policy.
 - i. *Performance Evaluation*: Regularly assess the company's progress against its climate targets.
 - ii. *Accountability*: Hold employees accountable for their role in achieving the company's climate goals.
 - iii. *Regular Review*: Review and update the policy periodically to reflect changes in regulations, technology, and best practices.
- o **Resource Efficiency**: We are committed to establish a framework for adopting circular economy principles and promoting resource efficiency within the company's operations. Our primary focus is on optimizing and debottlenecking the utilization of raw materials, water, and energy.
 - a. *Waste Reduction*: Minimize waste generation throughout the production process.
 - b. *Product Design*: Design products for durability, repairability, and recyclability.
 - c. *Material Efficiency*: Optimize material usage and reduce resource consumption.
 - d. *Closed-Loop Systems*: Develop closed-loop systems to recover and reuse materials.
 - e. *Product Stewardship*: Take responsibility for the entire product lifecycle, from design to end-of-life.
 - f. *Collaboration and Partnerships*: Collaborate with suppliers, customers, and other stakeholders to promote circular economy practices.
 - g. *Circular Economy Committee*: Establish a committee to oversee the implementation of the policy.
 - i. *Performance Evaluation*: Regularly assess the company's progress against its circular economy targets.
 - ii. *Accountability*: Hold employees accountable for their role in achieving the company's circular economy goals.
 - iii. *Regular Review*: Review and update the policy periodically to reflect changes in regulations, technology, and best practices.
- o **Pollution Prevention**: Deploying advanced technologies and practices to minimize air, water, and soil pollution is a key strategy in our business operations to achieve our environmental targets.
- o **Biodiversity Protection**: We are committed establish a framework for conserving biodiversity and minimizing the company's negative impacts on ecosystems. We promote initiatives to preserve and enhance biodiversity in areas of our operations.
 - a. *Biodiversity Conservation*: Prioritize the conservation of biodiversity in areas affected by the company's operations.
 - b. *Habitat Restoration*: Restore degraded habitats and ecosystems to support biodiversity.
 - c. *Sustainable Practices*: Implement sustainable practices that minimize environmental impacts.
 - d. *Species Protection*: Protect endangered and threatened species and their habitats.
 - e. *Community Engagement*: Engage with local communities and stakeholders on biodiversity issues.
 - f. *Biodiversity Committee*: Establish a committee to oversee the implementation of the policy.

- i. *Performance Evaluation:* Regularly assess the company's progress against its biodiversity targets.
 - ii. *Accountability:* Hold employees accountable for their role in achieving the company's biodiversity goals.
 - iii. *Regular Review:* Review and update the policy periodically to reflect changes in regulations, technology, and best practices.
- o **Sustainable Supply Chain:** We are committed to establish a framework for promoting sustainability throughout the company's supply chain. Working collaboratively with suppliers to promote sustainability practices throughout the supply chain.
 - a. *Environmental Performance:* Require suppliers to demonstrate strong environmental performance and compliance with relevant regulations.
 - b. *Climate Change Initiatives:* Requires supplies to have climate change policy and commitments.
 - c. *Social Responsibility:* Ensure that suppliers adhere to ethical labor practices and respect human rights.
 - d. *Resource Efficiency:* Promote resource efficiency and waste reduction in the supply chain.
 - e. *Biodiversity Conservation:* Support biodiversity conservation efforts in supplier regions.
 - f. *Transparency and Accountability:* Require suppliers to disclose their sustainability performance and be accountable for their actions.
 - g. *Sustainable Supply Chain Committee:* Establish a committee to oversee the implementation of the policy.
 - i. *Performance Evaluation:* Regularly evaluate the sustainability performance of suppliers.
 - ii. *Accountability:* Hold suppliers accountable for their compliance with the policy.
 - iii. *Regular Review:* Review and update the policy periodically to reflect changes in regulations, technology, and best practices.

2. Social Responsibility

- o **Employee Well-being:** We ensure a safe, healthy, and inclusive workplace that promotes the professional and personal development of our employees.
- o **Stakeholder Engagement:** Stakeholder engagement is crucial for our business operations. We engage regularly with stakeholders, including employees, customers, suppliers, investors, and communities, to align our sustainability initiatives with their expectations.
- o **Human Rights:** Uphold and promote human rights in all our operations and supply chains, ensuring fair labour practices and prohibiting child and forced labour.
- o **Corporate Social Responsibility:** To establish a framework for the company's corporate social responsibility (CSR) initiatives, addressing the economic, environmental, and social impacts of its operations.
 - a. *Economic Development:* Contribute to the economic development of the communities where the company operates.
 - b. *Environmental Stewardship:* Minimize the company's environmental impact and promote sustainable practices.
 - c. *Social Responsibility:* Support social development initiatives and address the needs of local communities.

- d. *Governance and Transparency:* Adhere to ethical business practices and maintain transparency in its CSR activities.
- e. *CSR Committee:* Establish a CSR committee to oversee the implementation of the policy.
 - i. *Performance Evaluation:* Regularly assess the company's progress against its CSR targets.
 - ii. *Accountability:* Hold employees accountable for their role in achieving the company's CSR goals.
 - iii. *Regular Review:* Review and update the policy periodically to reflect changes in regulations, technology, and best practices.

3. **Governance and Economic Viability**

- **Risks Identification and Reporting:** AM/NS India follows a comprehensive approach to risk identification and reporting to ensure effective risk management across its operations. We recognize the importance of identifying and addressing risks associated with its business activities, including environmental, social, and governance (ESG) risks.
- **Ethical Conduct:** We adhere to the highest ethical standards and comply with all applicable laws and regulations.
- **Transparency and Accountability:** Maintaining high standards of corporate governance and transparency is one of the prominent pillars of our business operations.

5. STRATEGIC OBJECTIVES

1. **Carbon Footprint Reduction**

- Set and achieve specific targets for reducing CO2 emissions through energy efficiency measures, renewable energy adoption, scrap use, low emission raw material/fuel blending, innovative technologies and carbon capture and storage (CCS).
- Participate in global and regional initiatives aimed at mitigating climate change.

2. **Circular Economy**

- Promote recycling and the use of secondary raw materials to minimize waste and reduce dependency on virgin resources.
- Develop and market products that are designed for durability, reusability, and recyclability.
- Create value addition from waste generated.

3. **Water Management**

- Implement water-saving technologies and practices to reduce water consumption and ensure sustainable water use across our operations.
- Adopt advanced water management strategies, including the treatment, reuse, and recycling of wastewater, to minimize the environmental impact and preserve local water resources effectively.

4. **Sustainable Product Development**

- Focus on the development of steel products that enhance energy efficiency and sustainability in their end-use applications, such as construction, automotive, and renewable energy sectors.
- Collaboration with customers to develop and promote sustainable steel solutions.

5. **Biodiversity**

- Develop and implement strategies that minimize negative impacts on biodiversity throughout the supply chain to ensure compliance with biodiversity-related laws, regulations, and standards.

- Partnerships with organizations and initiatives that are dedicated to biodiversity conservation to leverage resources, knowledge, and expertise.
- Support research and development efforts to enhance understanding of biodiversity and its conservation & participate in industry-wide initiatives to promote biodiversity best practices.
- Focus on raising awareness among Suppliers & employees about biodiversity conservation, sustainable practices, and their role in achieving organizational biodiversity goals.

6. Supply Chain Sustainability

- Communicate sustainability expectations to suppliers.
- Evaluation & selection of suppliers based on their sustainability index.
- Foster collaboration with suppliers for sustainability initiatives.
- Track and measure supply chain sustainability performance.

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