WHEN TRUST MATTERS

Independent Limited Assurance Report

to the Management of ArcelorMittal Brazil S.A.

ArcelorMittal Brazil S.A. ("ArcelorMittal Brazil") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to provide limited assurance to ArcelorMittal Brazil over Selected Information used by ArcelorMittal Brazil as the basis for issuing XCarb™ green steel certificates for CO_2e savings made during the reporting period.

Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. In our opinion the stated CO_2e savings have been prepared in general alignment with the WRI/WBCSD GHG Protocol for Project Accounting. ArcelorMittal Brazil's customers that purchase XCarb™ green steel certificates can report an equivalent reduction in their Scope 3 emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This conclusion relates only to the Selected Information, and is to be read in the context of this Assurance Report, in particular the inherent limitations explained overleaf.

Selected Information

The scope and boundary of our work is restricted to the **data** described below (the "Selected Information"):

- **CO_2e savings:** The amount of CO_2e savings covered by this reporting period at a specific ArcelorMittal Brazil's Tubarao site, which is 33,836 tonnes CO_2e; and
- **XCarb™ green steel certificates:** The volume of XCarb™ green steel certificates corresponding to the above CO_2e savings, which is 16,483 metric tonnes.

Criteria

We assessed ArcelorMittal Brazil's methodology for calculating CO_2e savings against the following **Criteria** (the "Criteria"):

- The publicly available Greenhouse Gas Protocol for Project Accounting, as issued by WRI/WBCSD;
- ArcelorMittal Brazil's methodology as described within an internal Standard document ('Green Steel simplified CO_2e calculation methodology for gas injection projects '), as prepared by ArcelorMittal Brazil in consultation with the ArcelorMittal Flat Carbon Europe CTO Office;
- ArcelorMittal Brazil's internal procedure for issuing XCarb™ green steel certificates and tracking customer transactions; and
- ArcelorMittal Brazil's report [available on request from ArcelorMittal] on the CO_2e savings achieved at the specific site (the "Entity"), including their following definitions and programme rules:
  - **XCarb™ green steel certificates:** CO_2e savings achieved under the XCarb™ green steel certificates programme are registered by ArcelorMittal Brazil in a centrally held record. DNV performs quarterly checks on the central record to review the amount of XCarb™ green steel certificate purchases and the corresponding certificates issued. Under the programme rules, ArcelorMittal Brazil may issue certificates up to a maximum of 95% of the volume of XCarb™ green steel certificates covered by the Assurance Report for each Reporting Period. To ensure an excess of certificates is not issued, the remaining 5% shall be reserved in case of any adjustments to the methodology for calculating CO_2e savings in the subsequent Reporting Period. The remaining 5% may be issued in future once the factor used to calculate CO_2e savings is confirmed as sufficiently robust.
  - **CO_2e savings:** The amount in metric tonnes of CO_2e saved compared to a **baseline scenario** by injection of natural gas inside the tuyeres of a blast furnace in replacement of hard coal at tuyere level. The CO_2e savings calculation is conducted in alignment with the Greenhouse Gas Protocol for Project Accounting. CO_2e savings is as per ArcelorMittal's Basis of Reporting document.
  - **Conversion into XCarb™ green steel certificates:** The aforementioned CO_2e savings have been converted into an equivalent volume of XCarb™ green steel certificates using a conversion factor of 2.053 tonnes of CO_2e per tonne of crude steel. The conversion factor used is calculated using the average CO_2e emissions of primary steelmaking from ArcelorMittal Brazil's average Scope 1, 2 and 3 site CO_2e emission profiles during 2022.
  - **Baseline scenario:** The baseline scenario calculates the likely CO_2e emissions corresponding to the **reporting period** that would have been emitted in relation to an identical amount of steel production from the **entity**, based on the 'continuation of current activities' had the gas injection project not have been implemented.
  - **Entity:** The specific entity where the carbon savings have been achieved, which in this case is at ArcelorMittal Brazil's Tubarao site, where natural gas injection in the blast furnace has taken place since September 2022. The methodology also takes into account indirect carbon savings linked to the change of blast furnace top gas characteristics and how this gas is used for heating purposes, and changes to scope 3 upstream emissions.
  - **Reporting period:** The CO_2e savings have been calculated as having been achieved over the time period 12th September 2022 to 31st January 2023.

Standard and level of assurance

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

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Basis of our conclusion

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

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with ArcelorMittal Brazil's key personnel to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Conducting an in person visit to the specific site to review data and systems for preparing site level data consolidated for use by the project. We were free to request interviews, data and information to support the process;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- Reviewing that the evidence, measurements and their scope provided to us by ArcelorMittal Brazil for the Selected Information is prepared in line with the Criteria.

DNV Business Assurance Services UK Limited

London, UK

22nd May 2023

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.co.uk/BetterAssurance

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi- disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by ArcelorMittal have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Management of ArcelorMittal Brazil and DNV

The Management of ArcelorMittal Brazil have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within XCarb™ green steel certificates.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to ArcelorMittal Brazil in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the XCarb™ green steel certificates. We have not reviewed whether or how ArcelorMittal Brazil's customers have used the reported CO_2e savings in their Scope 3 reporting.