



ArcelorMittal

Procedure for Anti-Corruption

Short description

ArcelorMittal has a reputation for honesty and integrity in its management practices and in its business transactions that it wishes to maintain. It is therefore vital for the ArcelorMittal group to fight and prevent corruption in all its forms. It is the policy of ArcelorMittal and its subsidiaries and affiliates to comply with all applicable anti-corruption laws and international conventions wherever it does business as mentioned in the Code of Business Conduct.

Scope

This Procedure applies to all employees involved in dealing with third parties, including permanent and non-permanent staff and, subject to local regulations, subsidiaries, including branches and representative offices, unless legal/supervisory requirements or proportionality considerations determine otherwise. It is the responsibility of each manager to ensure that this Procedure, where relevant, is known and conformed to within his/her respective area of responsibility.



1. Purpose

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2. Scope

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Definition of Bribery and Corruption

General Definition

Corruption is defined as the misuse of power by someone to whom it has been entrusted, for his/her own private gain. The most common form is bribery, which is the giving or receiving of money, a gift or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the course of doing business.

Facilitation payments

Facilitation payments are a form of bribery where (i) the sum involved is minor and paid to a low-level public official and (ii) the payment is made to secure an action or service to which an individual or company is routinely and legally entitled (e.g., routine processing of government papers such as visa).

It is the policy of ArcelorMittal to refrain from making any corrupt payments, including facilitation payments. ArcelorMittal employees, who are asked to make facilitation payments, should report such incidents to the Regional/Segment Legal/Compliance Department.

Extortion

Extortion seeks to obtain money or another form of private gain by making threats or using force. Except when the life, health or safety of an employee is threatened, extortion is not an excuse to pay a bribe. When the threat is aimed at the business, the payment will be considered a bribe. A payment made in good faith must immediately be reported to Corporate or Regional/Segment Compliance.

Solicitation and other incidents

Solicitation of a bribe is the act of asking or enticing someone to commit bribery. Any solicitation by a public official or a private person of a bribe or anything else of value as well as any other corruption incident or attempt must be reported immediately to Corporate and Regional/Segment Compliance.

3. Principles and objectives

The objective of this Procedure is to prevent bribery and corruption or use of ArcelorMittal infrastructure for corruption purposes. It ensures that Group-level standards are set and applied, to which business units align their local procedures and policies, and that controls are put in place and that regular monitoring and testing are conducted, as well as reporting.

4. Glossary

Expenses are the provision or reimbursement by the company of travel, lodging and other expenses incurred by a prospective client, customer or business partner.

Gifts mean anything of value, including (but not limited to) loans, favorable terms or discounts on any product or service, services, prizes, transportation, use of another company's vehicle, use of vacation facilities, stocks or other securities, participation in stock offerings, home improvements, gift certificates.

Public official is a person who has been legally elected or appointed to office and who exercises governmental functions. E.g.:

- an officer or employee of a government or of a department, agency or instrumentality thereof or any person acting in an official capacity for or on behalf of such government,
- an officer or employee of a "public international organization" or any person acting in an official capacity for or on behalf of such public international organization,
- an employee of a company or other business entity in which a governmental body has an ownership interest and/or over which such governmental body may, directly or indirectly, exercise a dominant influence,
- a political party or a member of a political party or a candidate for political office,
- persons known or suspected to be family members of public officials or in respect of companies who are controlled by family members of public officials to avoid that these persons serve as a conduit for an illegal payment to a public official.

Hospitality or entertainment includes meals, receptions, tickets to entertainment, social or sports events. Hospitality requires the host to be present; if not, the expenditure is a gift.

Politically exposed persons are individuals who have a high-profile political role or have been entrusted with a prominent public function.

Private-to-private corruption acts are acts that do not involve public officials but constitute a criminal offence in many countries and strictly prohibited under the ArcelorMittal Code of Business Conduct.

5. Corruption situations and controls in place

The following subsections describe the main situations in which corruption takes place and the controls adopted by the Group for mitigating and managing bribery and corruption risks. Employees should refer to the specific Group and local procedures, which set out rules and provide detailed guidance on the processes described.

5.1. Interactions with third parties

Corruption in third party management can happen in the context of relations with business partners (e.g., clients, suppliers, advisors, etc.), and other third parties (including subsidiaries and partners in JVs, media and communication companies, beneficiaries of sponsorships and contributions, insurance companies, etc.). It is prohibited (i) to make any corrupt payments through intermediaries and (ii) to make a payment to a third party, while knowing that all or a portion of the payment will go directly or indirectly to a public official. The term "knowing" includes conscious disregard and deliberate ignorance.

ArcelorMittal undertakes due diligence on its business partners and on any other third party with a view to assessing the corruption risk before engaging with them. Please refer to the Procedure for Due Diligence for detailed guidance on how to conduct appropriate due diligence on third parties.

For further details on how to prevent corruption in the procurement and sourcing process, please refer to Annex I, which clarifies the principles that apply in the tender process.

For further information on identifying and preventing bribery in sales activities please refer to Annex II.

5.2. Dealing with public officials

ArcelorMittal may be dealing with public officials in three distinct occasions: (1) in general interactions, (2) in the context of political contributions and (3) when engaging in business activities with public officials and/or politically exposed persons (PEPs).

5.2.1. Interactions with public officials

Corruption during interactions with public officials occurs for instance during reporting towards the public administration, institutional relations and lobbying activities, inspections, obtention of licenses and permits.

Relevant typologies of interactions with public officials have been classified as intensive (high risk), moderate (medium risk), and light-touch (low risk), based on their underlying risk. Please refer to Annex III for more details on how different types of interactions are categorized by the Group. Depending on the risk level of the interaction, it is **recommended** to put the following controls in place:

Pre-clearance of roles and responsibilities: Pre-clearance of people allowed to interact with public officials in all intensive (high risk) and moderate (medium risk) interactions with public officials. A register of all ArcelorMittal employees who have received such a pre-clearance should be in place on business unit level.

Adequate reviews and approvals: Adequate reviews should be in place to ensure the truthfulness, accuracy and update of all communications directed to public officials. Adequate approval lines for all transactions involving public officials should be set up. Also, more than one person should be attending inspections and interactions with public officials.

Process traceability and reporting: All intensive (high risk) and moderate (medium risk) interactions with public officials should be registered. All documentation of interactions with public officials should be in written form and stored (incl. reviews, approvals, inspections documentation, payments etc.).

5.2.2. Political contributions

ArcelorMittal does not engage in politics and therefore political contributions are exceptional and require high-level approvals. Moreover, political contributions may be interpreted as a bribe and, therefore, may only be made in accordance with applicable law and requirements for public disclosure. Such contributions are subject to the prior written approval of the local Legal/Compliance Department, the Regional/Segment General Counsel/Head of Compliance, and the local Head of Business Unit.

All contributions must be included in a Political Contributions Register in accordance with ArcelorMittal's instruction relating to transparency and monitoring of political contributions. If a contribution is being contemplated, the rules on conflicts of interest of the Code of Business Conduct must be observed. Any person who has an affiliation with the individual politician or political party should abstain from any involvement in the decision-making process.

5.2.3. Engaging in business activities with public officials and PEPs

When engaging in business activities with public officials and/or politically exposed persons (PEPs), comprehensive due diligence on all stakeholders involved should be conducted. Please refer to the section on "Interactions with third parties" (above) and the Procedure for Due Diligence for further details.

5.3. Employee onboarding and management

During employee onboarding and management, corruption can occur, for instance in the hiring process, the management of salary levels, in career advancement, in the assignment of benefits, and in internal transfers and moves.

The integrity of ArcelorMittal's employees must be preserved in accordance with ArcelorMittal's Resourcing Policy and Vetting Procedure.

For more details on the principles that apply in the employee hiring, onboarding, and management process, please refer to Annex IV.

5.4. Receipt and offer of gifts, entertainment, and hospitality

The exchange of gifts and entertainment can build goodwill in business relationships, but some gifts and entertainment can create improper influence (or the appearance of improper influence). Some can even be seen as bribes that tarnish ArcelorMittal's reputation for fair dealing or break the law. Segments and business units are allowed to adopt more stringent procedures whenever considered appropriate on the basis of a risk assessment.

For guidance on the approval thresholds for gifts and entertainment offered to employees of ArcelorMittal and employees of other private companies please refer to Annex V.

For guidance on the approval thresholds for gifts and entertainment offered to public officials please refer to Annex VI.

In general, receiving gifts and entertainment from third parties should be declared via the Conflicts of Interest Declaration Tool. Please refer to the Procedure for Conflicts of Interest for guidance on how to declare a gift or entertainment. Certain gifts however can be directly approved by the employee him-/herself if the thresholds and conditions outlined in Annex V are met. Gifts and entertainment that are given to third parties by ArcelorMittal employees are controlled and approved via the expense system of the Group.

Gifts

Gifts should not be given without the prior review of the local anti-corruption law and this Procedure. Indeed, gifts can raise ethical and anti-corruption compliance questions both in the private and in the public sector. However, ArcelorMittal employees should be especially careful when offering gifts to public officials. As the US FCPA and many other anti-corruption laws – which have an international scope and apply to foreign corrupt activities – prohibit giving anything of value to public officials, it is important to be sure that gifts or entertainment offered to public officials cannot be construed as bribes. Further, public officials are often prohibited by law from accepting gifts or entertainment.

Therefore, no gifts and gratuities should be offered to public officials except for promotional items of little value, provided that this is not prohibited by local law and that it is not made with a corrupt purpose. The Code of Business Conduct also prohibits offering cash, gifts or favors outside the ordinary course of business to current/prospective customers, their employees/agents, or any with whom the relevant group company has a (potential) contractual relationship.

ArcelorMittal's employees must also refuse gifts and gratuities from persons who deal or seek to deal with ArcelorMittal such as (potential) suppliers, with the exception of promotional items of little value. Accepting cash gifts from anyone is prohibited and must be refused.

Entertainment & hospitality

All business entertainment and hospitality given or received by ArcelorMittal employees must not be disproportionate and clearly intended to facilitate business discussions. As a general

guideline, business entertainment in the form of meals and beverages is acceptable as long as it is in line with local law, the Group's SG&A policy, reasonably infrequent, and as far as possible on a reciprocal basis.

Given the more restrictive rules that apply in the case of public officials, ArcelorMittal may pay or reimburse public officials for reasonable travel and lodging-related expenses or costs directly related to:

- the promotion, demonstration, or explanation of ArcelorMittal products or services; or
- the settlement of a dispute or a potential disagreement; or
- the execution or performance of a contract between a company in the ArcelorMittal Group and the government which the public official represents.

The payment or reimbursement of entertainment and hospitality expenses should be permitted under local law and any other applicable laws and is subject to the prior written approval of the local General Counsel or Compliance Officer and the Head of the local Business Unit.

Cash payments or per diems should be avoided and reimbursements for hospitality expenses should be paid to the government entity or agency rather than to the public official directly. Any exception to this rule can be made only with the prior written authorization of the local General Counsel or Compliance Officer.

Family members of public officials may not be invited to such events. If a family member nevertheless accompanies the relevant person to the event, ArcelorMittal will not pay or reimburse any expenses of such family member.

5.5. Approval and reimbursement of travel expenses

All travels must be moderately scaled and clearly intended to facilitate business discussions. In each case, the purpose of the expense must be defined and approved in advance and the reimbursement is subject to "bona fide" supporting documentation.

5.6. Sponsorships and contributions

Corruption through sponsorships and contributions can occur in the case of political contributions, contributions to trade unions and charitable/corporate responsibility contributions.

All above mentioned contributions and sponsorships are subject to the following controls:

- Adequate due diligence to ensure that they fully comply with applicable laws, especially anti-corruption laws. Please refer to the Procedure for Due Diligence for details on how to conduct appropriate Due Diligence.
- In principle, no contributions should be made to individuals but only to organizations.
- Proper approval in writing of significant contributions and sponsorships by the Local Head of Business Unit, the local Compliance Department, and the Regional/Segment Head of Compliance as well as country-level leader responsible for corporate responsibility or any country-level Charitable Foundation (without prejudice to stricter local rules or other rules applying to contributions and sponsorships which are not considered significant within the meaning of this Procedure).

Employees should refer to Annex VII, which sets out the thresholds that are applicable to sponsorships and contributions, and that determine the action that needs to be taken and the approval level to be sought.

Sponsorships

Sponsorships need to follow the following principles:

- Activation of the process only following the formal submission or a request for sponsorship, containing all the needed details regarding the sponsorship.
- Approval of the sponsorships only within pre-defined limits, after reviewing the request.
- Provision of adequate review and approval levels for the request.
- Transparency and traceability of the process and record keeping of key documentation.

Political contributions

Please refer to section on "Dealing with Public Officials" dedicated to political contributions (above).

Contributions to trade unions

Contributions to trade unions or to a union member or to any entity controlled by a trade union are subject to applicable law, requirements for public disclosure and the following principles:

- Contributions are subject to prior written approval of Corporate Legal & Compliance.
- The rules on Conflicts of Interest contained in the Code of Business Conduct must be observed. This means that any person who has any kind of affiliation should abstain from any involvement in the decision-making process.
- Special attention needs to be taken in specific countries and in specific circumstances where trade unions, union members or entities controlled by a trade union may serve as a conduit for bribes to public officials and that depending on the context contributions to trade unions, union members or entities controlled by a trade union may consequently be interpreted as a bribe.

Charitable/corporate responsibility contributions

There is a risk that bribes take the form of charitable contributions or sponsorships. For this reason, they need to follow these principles:

- It is verified that the money paid to a charity, or any other form of sponsorship is not dependent on, nor made to win, a business deal or otherwise unduly obtain another business advantage.
- Money is always given to a legitimate organization and not to an individual.
- The contributions are subject to adequate prior due diligence (please refer to the Procedure for Due Diligence for further details), and subsequent monitoring and compliance with key performance indicators.
- Contributions are only made to organizations that are registered under the local country's laws.
- Scrutiny of the organization officials is conducted, and a background check performed on the organization itself and on its managers. It is checked, if possible, to whom the money will go and for what purpose.
- Special care needs to be taken, when being in negotiation for a government contract or a license, or a sensitive issue is reviewed by the government, as contributions to an organization affiliated with a public official is likely to be interpreted as a bribe.
- Cases in which a customer or public official recommends or refers an organization to you should be subjected to heightened scrutiny. In such cases, the organization may be a conduit for improper payments to the customer or public official.

- Charitable and corporate responsibility contributions as well as sponsorships should be in line with the Corporate Responsibility strategy of the ArcelorMittal group and the Corporate Responsibility Department must be consulted prior to engaging in any such type of contribution.
- Significant charitable contributions, corporate responsibility contributions and any other form of significant sponsorship, especially when government entities or public officials are involved, as defined in ArcelorMittal's Corporate Responsibility policies, are subject to the prior written approval of local Legal or Compliance Department.

5.7. Mergers and acquisitions

Special attention to bribery and corruption needs to be taken in the context of all M&A activities. Please refer to the Compliance M&A Policy for further details on how to mitigate and deal with bribery and corruption risk when performing M&A activities through proper due diligence.

6. Financial and accounting requirements

ArcelorMittal is under the legal obligation to prepare and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ArcelorMittal. The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments.

ArcelorMittal is also under the legal obligation to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances. The following controls should be applied by employees:

- Tailored and appropriate levels are required for payments approval, reflecting the principle of segregation of duties,
- Adequate supporting documentation is needed for payments approvals,
- Use of cash is limited; exceptions are disciplined in detail,
- Reviews are set up for significant financial transactions,
- Payments are properly classified and reflected in the accounts.

Further requirements are laid out in the accounting policies and procedures.

7. Monitoring & Testing

Compliance will monitor and test the controls for managing bribery and corruption risk in line with the Procedure for Compliance Monitoring & Testing. On a periodic basis, when deemed appropriate by the Group Compliance, specific controls will be tested independently by the Compliance Network.

Business segments must periodically certify compliance in accordance with ArcelorMittal's Compliance Certification process and provide relevant information in relation to risk assessments, processes and controls.

8. Reporting

Any concern that an ArcelorMittal employee, officer or director has about a possible bribery or corruption case should be reported to the direct supervisor (N+1) or management (N+2). In case of a lack of adequate response, escalations should be made through the Whistleblowing channel, according to the Whistleblower Policy.

9. Anti-corruption sanctions and reputational risk

Instances of corruption and bribery create considerable reputational risk, leading to financial losses, durable impairments

to growth, increased inspections and potentially lawsuits. In most jurisdictions, both companies and individuals can be liable for a criminal offence. The exact extent of criminal liability will depend on the law of a particular country.

Generally speaking, criminal liability entails fines and prison terms which can be severe. For example, under the FCPA, business entities are subject to a fine of up to USD 2 million per violation. Officers, directors, shareholders, employees and agents are subject to a fine of up to USD 250,000 per violation and imprisonment of up to five years. Alternatively, the fine may be up to twice the benefit that the defendant sought to obtain by making the corrupt payment.

Further, criminal penalties for companies like ArcelorMittal accused of violating the Books and Records (i.e., accounting – see "Financial and Accounting Requirements", above) provisions of the FCPA can reach up to USD 25 million and up to twice the benefit the entity sought to obtain through the violation. Individuals convicted of such a violation will be fined up to USD 5 million or imprisoned for up to 20 years. In addition, disgorgements of profits associated with improper payments are likely to be imposed under the FCPA.

Companies and individuals may be prosecuted for corruption in their home countries, in the country where the corruption took place, and in other countries, including the United States of America. Extradition of individuals to another country is also a risk, depending on the country where the actions took place. Fines imposed on individuals may not be paid by their employer.

Civil liability and damages

In addition to criminal liability, both individuals and companies involved in corruption are at risk of being sued and being found liable to compensate those other individuals or companies who may have suffered losses as a result of the corrupt act. This may occur where, for example, an unsuccessful bid participant sues a successful bid participant who has been corruptly awarded a contract in order to recover lost tender costs and lost profit.

Suspension or Debarment

In addition to direct sanctions for corruption, companies involved in enforcement proceedings may be prohibited from making sales to government customers or organizations, or may be precluded from certain advantages, including contracts. Loss of such sales opportunities in many cases can have a greater financial impact on a company than the direct sanctions of the enforcement proceeding.

Sanctions taken by ArcelorMittal

Based on this Procedure for Anti-Corruption, applicable law and ArcelorMittal internal policies, instances of fraud or bribery by an ArcelorMittal employee are punishable and will result in sanctions that include suspension or termination of the employment contract.

10. General guidance and contacts

As this Procedure for Anti-Corruption cannot cover every eventuality, ArcelorMittal employees are encouraged to use their good judgement and apply common sense. In case of doubt, please contact your local Legal or Compliance Department, your local Business Unit Head or the persons referred to in this Procedure with any questions.

If your local Legal or Compliance Department or local Business Unit Head require guidance on this Procedure for Anti-Corruption, they may contact any of the following persons:

- the Group General Counsel,
- the Group Compliance Officer,
- the Regional/Segment General Counsels/Heads of Compliance.

Annex I: Procurement and sourcing

Corruption during the selection and management of suppliers of goods and services (incl. advisors) can occur when there is a bribe for purposes such as:

- to select a specific supplier,
- to renew a contract with a supplier,
- to agree to pay inflated prices to a supplier when renewing a contract,
- to falsify the evaluation of conformity of the good or service received,
- to agree to work with a sub-contractor specified by the client to win a tender process.

It is important that all procurement decisions are taken based on merit and not by exerting improper influence on government officials or any other third party. You should never seek non-public inside information in violation of such regulations.

During the tender process, strict regulations exist concerning conflicts of interest and interactions and communications with officials or any other person involved in the tender process. During the tender process, you should not offer any entertainment, gift-giving, or similar exercise with any official or other person involved in the tender process. You should locate and review relevant procurement guidelines and regulations and, if necessary, consult with the local General Counsel or Compliance Officer to avoid any violations of such laws.

In general, the following principles should apply:

- Recourse to suppliers of goods and services, including advisors, only on the basis of a qualification process including a bribery and corruption assessment, and after an evaluation of necessity and legitimacy of the supply or service to be received,
- Formalization of the suppliers' selection process, including the selection criteria,
- Evaluation of conformity of the supply and services received in accordance with the specifications included in the purchase order,
- Justification and proportionality of the payment requested in relation to the supply/ service received,
- Implementation of the principle of separation of duties, so that the person who agrees the contract is different from the person who submits the purchase order; also, she/he should belong to a different function from who manages the contract or approves the work performed within the contract,
- When appropriate and reasonable, award of contracts only following an open and transparent tender procedure, involving at least three bidders, requiring at least two people to evaluate the results and to approve the contract.

Before engaging in business activities with suppliers and contractors, due diligence as described in the Procedure for Due Diligence should be conducted.

Annex II: Sales activities

Corruption in ArcelorMittal's sales process occurs for instance when a bribe is offered to a client during a tender process.

Rules and prescriptions regarding the bidding processes are applicable also in case ArcelorMittal is taking part in the bidding process as a competitive participant.

Tender regulations usually include specific rules about the timing of, and process for, securing bid information and documents and you should ensure that you act in conformance with those rules. You should never seek non-public inside information in violation of such regulations. You should follow the same guidelines as for tender processes in procurement and sourcing (please refer to Annex I).

Annex III: Categorization of interaction types with public officials based on their underlying risk

ArcelorMittal has categorized the following relevant typologies of interactions with public officials based on the underlying risk:

Intensive (high risk) interactions:

- Public affairs – lobbying, governmental/local government interactions,
- Inspections conducted by public officials,
- Litigations,
- Mergers, acquisitions, disposals, and other investments,
- High value business opportunities (incl. large financial investments that might require approval from a governmental entity),
- Large scale infrastructure financing in conjunction with government projects.

Moderate (medium risk) interactions:

- Business partnerships and Joint Ventures,
- Regulatory approvals (incl. licenses and permits),
- Real estate transactions,
- Sponsorships and donations,
- Gifts and entertainment,
- Referral employment opportunities.

Light-touch (low risk) interactions:

- Obligations towards the public administration (e.g., reporting),
- Engagement of third parties,
- Public tenders.

Before engaging in an interaction with public officials, the risk of the specific situation should be assessed by allocating the interaction to one of the categories above. If the specific interaction with a governmental official cannot be allocated, the following criteria can be used to assess the underlying risk (not exhaustive):

- Country perceived to be a high-risk country for corruption according to the Corruption Perception Index (CPI),
- Industry sector perceived to be high risk for corruption based on objective criteria (incl. licensing requirements and regulatory oversight, cash intensiveness, etc.),
- Local jurisdiction known to have high levels of bank secrecy and presenting a high risk for facilitating illicit financial flows,
- Local jurisdiction encouraging or requiring organizations to hire local agents to transact business with the government,
- Interaction involving extremely high value money transfer,
- Interaction requiring high number of interactions between the same persons.

Annex IV: Employee hiring, onboarding and management

Given the risk of bribery during the hiring process, the following principles should apply:

- Formalization of the hiring need and request by the department who has the need, including the details of the role to be recruited,
- Publication of the job offer and leverage of different recruiting channels,
- Pre-definition of the selection criteria to be followed and formalized during the hiring process,
- Selection process and decision carried out by more than two people,
- Selection of the employee to be recruited among a range of candidates,
- Formalization of the employment relationship in a written contract including pre-defined anti-corruption contractual clauses,
- Provision of the anti-corruption documentation to an employee reinforcing the stance against bribery and corruption (e.g., Code of Business Conduct),
- Implementation of the principle of separation of duties so that the person who agrees the contract is different from the person who has the hire need,
- Transparency and traceability of the process and record keeping of key documentation (incl. request for disclosure of any actual or potential conflict of interest).

The following principles should apply during an employee onboarding and management:

- Only appoint an employee to a key position if the integrity of that employee is documented or has not been challenged.
- All actual or potential conflicts of interest that employees may have must be reported in accordance with the relevant provisions of the Procedure for Conflicts of Interest.
- The recruitment of a public official, former public official, or relative of a public official could be viewed as a favor or advantage potentially constituting bribery and/or may create a conflict of interest. Such a conflict may impair an individual's decision-making or jeopardize the reputation of the individual and that of ArcelorMittal. In order to ensure that conflicts of interest can be mitigated, they must be identified at an early stage of the recruitment process.
- Where a new employee is to be appointed, the ArcelorMittal Vetting Procedure should be complied with, and appropriate compliance training should be provided.
- Additional attention should be paid and anti-corruption training should be provided to the employees potentially exposed to high bribery/corruption risk (e.g., who depending on the nature of the job is supposed to regularly interact with public officials, etc.).
- In case of breach of the Procedure for Anti-Corruption by an employee, appropriate and proportionate disciplinary measures (up to and including termination of the employment contract) should be taken. No employee will suffer any adverse consequences for refusing to pay bribes even if it may result in ArcelorMittal losing business or not benefiting from a business advantage.
- Transparency and traceability must be guaranteed in all the processes for the management of salary levels, career advancement, assignment of benefits, decisions on transfers and moves.

Annex V: Guidance on the approval thresholds for gifts and entertainment offered to employees of ArcelorMittal and employees of other private companies

Gifts and Entertainment fall into three categories:

- Those that are usually acceptable and that you may approve yourself,
- Those that are never acceptable,
- Those that may be acceptable but require approval.

In case of any doubts on the thresholds, the actions to be taken or other issues, it should be escalated to the responsible Compliance Officer or the Legal Department.

1. Usually acceptable

Some gifts and entertainment are sufficiently modest that they do not require prior approval. Subject to your applying a "self-approval test" (see below), the following are usually acceptable without prior approval, whether you accept or offer them:

- **Meals:** modest occasional meals with someone we do business with.
 - In any case, meals of a value above USD 200 per person (or any lower local limit) will not be considered "modest meals".
 - Meals must be attended by the person or representatives of the person offering them. Otherwise, they will be considered gifts and the rules of this Procedure that apply to gifts will be applicable.
- **Entertainment:** occasional attendance at ordinary sports, theatre and other cultural events when the person offering the ticket also plans to attend the event.
 - When the person does not attend the event, the entertainment will be considered a gift and the rules of this procedure which apply to gifts will be applicable.
 - In any case, entertainment of a value higher than USD 250 (or any lower local limit) will not fall within this category and will need prior approval.
- **Gifts:** promotional items of little value, such as pens, calendars or other small items which usually bear the ArcelorMittal logo or another company's logo.
 - In any case, any gift of a value higher than USD 125 will not be considered a promotional item of little value.

Self-approval test

In addition to applying the principles above, ask the following questions to determine whether a gift or entertainment is appropriate:

- **Intent** – is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
 - In the case of gifts: is the intention of the donor essentially to promote his products or services?
 - In the case of entertainment: Is it a trade fair or a conference to promote products or to visit a plant? If not, is there any other business component in the entertainment? Will the person offering entertainment attend the event?
- **Legality** – are you sure the gift or entertainment is legal under local, as well as international anti-corruption laws? A significant number of anti-corruption laws prohibit not only corruption of public officials but also private-to-private corruption. However, bona fide (see "Intent" above) hospitality and promotional business expenditure to improve the image of a commercial organization, to better present products or services or establish cordial relations are, under international standards, generally considered legally acceptable provided they remain reasonable, proportionate and in line with the other criteria set out hereafter (see below). Any illegal gift, meal or entertainment is obviously per se unacceptable.
- **Materiality and frequency** – is the gift or the entertainment modest and infrequent or could it place, or appear to place, the recipient under an obligation? For example, offering to, or receiving from, the same person, more than 2 gifts a year would generally not be acceptable and would in any case require prior approval.
- **Proportionality** – is the gift or entertainment in line with the recipient's position in his/her company?
- **Compliance with the Code of Ethics and Compliance policies the other person is subject to** – is the receipt of gift or entertainment allowed by the recipient's organization? In case of doubt, written confirmation should be sought from the other person.
- **Transparency** – would you be embarrassed if your manager, colleagues or anyone outside ArcelorMittal became aware? If so, there is probably something wrong.
- **No double standards** – we should only offer what we would feel comfortable to accept (and vice versa).

2. Always unacceptable

These are gifts and entertainment that are never permissible for ethical and legal reasons and that no one can approve, whether they are given or received:

- Gifts other than promotional items of a nominal value or entertainment involving parties engaged in a tender or a competitive auction bidding process,
- Any gift of cash or cash equivalent (such as gift cards/ vouchers/ certificates, loans, stock, stock options),
- Any gift or entertainment that is indecent, sexually oriented or that might otherwise adversely affect ArcelorMittal's reputation,
- Any gift or entertainment that would be illegal under applicable anti-corruption laws or that would not be in line with the other person's Ethics & Compliance policies.

3. May be acceptable under certain conditions when approved

For anything that does not fit into the other categories, the gift or entertainment are permissible only if the following conditions are met:

- **Gifts** valued at more than USD 125 (or any lower local limit set by segment or local management subject to approval by Corporate Legal & Compliance):
 - o When offered: only if previously approved via the Conflicts of Interest declaration process.
 - o When received: in principle, they have to be declined.
 - o However, if the recipient feels that a refusal could be perceived as offensive by the donor, he must (i) get approval from the local Compliance Officer and VP of his line management (or if the recipient is a VP or higher his line manager) and (ii) make a declaration via the Conflicts of Interest declaration process and (iii) the gift must either remain in the office (and be the property of ArcelorMittal) or be given to a charity chosen by ArcelorMittal.
- **Meals** that may cost more than USD 200 per person (or any lower local limit set by segment or local management subject to approval by Corporate Legal & Compliance) require to be approved ex post via the regular expense report in accordance with applicable procedures. Meals of such a value are expected to remain exceptional and must be in line with the Group's SG&A policy and any applicable segment and/or BU procedures. Managers who have the responsibility to approve expense reports should give clear instructions to their employees to avoid inappropriate and lavish meals.
- **Entertainment** (other than meals) and/or **travel** and/or **overnight accommodation** that exceeds the lower of (i) USD 250 or (ii) any lower limit set by segment or local management with the approval of Corporate Legal & Compliance:
 - o When offered: approved ex-post via the regular expense report in accordance with applicable procedures.
 - o When received: only when the person offering the ticket also plans to attend the event and if approved via the Conflicts of Interest declaration process.

Annex VI: Guidelines on the approval thresholds for gifts and entertainment offered to public officials

Given the accrued risk in the case of gifts to public officials, the following rules should apply:

- Nothing should ever be offered to family members of public officials; on an exceptional basis, if deemed appropriate under the circumstances, the offer may be extended to the spouse of a public official.
- We should never offer lavish entertainment.
- Entertainment (and the payment of travel and accommodation costs) should never be pure entertainment: reasonable expenses incurred in relation to plant visits and inspections or conferences organized to promote products should normally be permissible.
- The travel must match the trip: if the motive for the visit is a plant inspection or a business meeting, an actual plant inspection or business meeting must take place and the official should not go sightseeing instead.
- Cash payments and per diems to cover daily expenses should not be offered to public officials: the vendors (e.g., restaurant) should be paid directly by ArcelorMittal.

Whenever practical, the invitation should be addressed to the agency/entity and kindly request the agency/entity to send a delegate.

Gifts and entertainment offered to public officials must be handled with greater attention and again fall into three categories:

- Those that are usually acceptable and that you may approve yourself,
- Those that are never acceptable,
- Those that may be acceptable but require approval.

In case of doubt, any question should be escalated to the Group General Counsel or the Group Compliance Officer.

1. Usually acceptable

Subject to your applying a "self-approval test" (see below), the following are usually acceptable without prior approval:

- **Meals with a government official:** modest occasional meals
 - In any case, meals of a value above USD 200 per person (or any lower local limit set by segment or local management subject to Corporate Legal & Compliance approval) will not be considered "modest meals".
 - Meals must be attended by the person or representatives of the person offering them. Otherwise, they will be considered gifts and the rules of this procedure that apply to gifts will be applicable.
- **Gifts offered to a government official:** promotional items of little value such as pens, calendars or other small items which usually bear the ArcelorMittal logo.
 - In any case, any gift of a value higher than USD 125 will not be considered a promotional item of little value.

Self-approval test

In addition to applying the principles above, ask the following questions to determine whether a gift or entertainment to a public official is appropriate:

- **Intent** – is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a decision to grant business (e.g., a contract) or a business advantage (e.g., a permit, a tax benefit, customs clearance etc.)?
- **Legality** – are you sure the gift or meal is legal under local, as well as international anti-corruption laws? In principle, there should be no legal issue under international standards if there is no corrupt intent (see "Intent" above) and if the gift or the meal is reasonable and proportionate – which should be the case for modest meals and gifts of a nominal value bearing the ArcelorMittal logo (see "Materiality and frequency", and "Proportionality"). In case of doubt, escalate to the Group General Counsel or the Group Compliance Officer. Any illegal gift or meal is obviously per se unacceptable.
- **Materiality and frequency** – is the gift or entertainment modest and infrequent or could it place the recipient under an obligation? For example, offering the same person, more than 3 promotional items per year would in principle not be considered acceptable. In case of doubt, escalate to the Group General Counsel or the Group Compliance Officer.
- **Proportionality** – is the gift or entertainment in line with the recipient's position in his/her agency/company?
- **Compliance with the Code of Ethics and Compliance policies the public official is subject to** – is the receipt of gift or entertainment allowed under the internal regulations that may apply to the government agency or the state-owned or state-controlled entity? In case of doubt, written confirmation should be sought from the official.
- **Transparency** – would you be embarrassed if your manager, colleagues or anyone outside ArcelorMittal became aware? If so, there is probably something wrong.
- **No double standards** – we should only offer what we would feel comfortable to accept (and vice versa).

2. Always unacceptable

These are gifts and entertainment to public officials that are never permissible for ethical and legal reasons and that no one can approve, whether they are given or received:

- Gifts or entertainment involving public officials (i) engaged in a tender or a competitive bidding process or (ii) involved in a licensing process,
- Any gift of cash or cash equivalent (such as gift cards/ vouchers/ certificates, loans, stock, stock options),
- Any gift or entertainment that is indecent, sexually oriented or that might otherwise adversely affect ArcelorMittal's reputation,
- Any gift or entertainment that would be illegal under applicable anti-corruption laws or that would not be in line with the public official's Ethics & Compliance policies.

3. May be acceptable under certain conditions when approved

Anything that does not fit into the other categories is permissible only if the following conditions are met:

- **Meals with a public official** which have a value exceeding USD 200 per person (or any lower local limit set by segment or local management subject to approval by Corporate Legal & Compliance) require to be approved ex post via the regular expense report in accordance with applicable procedures. Meals of such a value are expected to remain exceptional and must be in line with the Group's SG&A policy and any applicable segment and/or BU procedures. The manager who has the responsibility to approve the expense report should give clear instructions to his employees to avoid inappropriate and lavish meals from being offered.
- **Entertainment** (other than meals) and/or **travel** and/or **overnight accommodation** offered to a public official:
 - When offered: approved ex-post via the regular expense report in accordance with applicable procedures.

Annex VII: Thresholds and definitions for contributions and sponsorships

Significant contributions or sponsorships are:

- Any contributions or sponsorships amounting to USD 25,000 or more or contributions of a lesser amount which form part of a project amounting in total to USD 25,000 or more.
- Contributions amounting to USD 10,000 or more or contributions of a lesser amount which form part of a project amounting in total to USD 10,000 or more when they involve or benefit government entities and/or public officials, especially when these contributions and sponsorships:
 - o Have been requested by or recommended by government entities or public officials,
 - o Or are to be made to government entities or public officials.

Charitable contributions are:

- Anything of value provided to individuals or organizations that support charitable activities.

Community Investment and Corporate Responsibility contributions are:

- Contributions that do not qualify for charitable status and are made in reference to ArcelorMittal's Sustainability strategy or that are made to further social, environmental or ethical causes (e.g., health initiatives, road safety, anti- corruption initiatives, environmental remediation etc.).

Other sponsorships are:

- Any other contribution which would not fall within the two aforementioned categories and through which an organization or person would be receiving (financial) support in consideration for some publicity (e.g., sponsoring a football club).

