



ArcelorMittal

Global Assurance

# Risk Management Policy

## Short description:

Risk management supports our efforts to remain a competitive and sustainable company, enhancing our operational effectiveness and creating wealth for our employees, shareholders and stakeholders in pursuance of our strategy.

## Scope:

Relevant to all employees of ArcelorMittal subsidiaries.



# Understand all the risks we are facing, take those which create value, reduce the undesirable or unrelated risks and maximize business opportunities.

## 1. Purpose

ArcelorMittal recognizes being exposed to a large number of uncertainties as inherent in the nature of its business, while operating its different activities, leading to potential volatility of the expected financial and non-financial results.

To increase confidence in the achievement of the objectives and the sustainability of our business and Company, management has implemented a risk management process operated by the business as part of the regular management activities.

## 2. Principles

To achieve this objective, we adhere to the following core principles:

- 1. Effective risk management process:** The Board has overall responsibility for ensuring that ArcelorMittal maintains an effective risk management process.
- 2. Everyone's commitment:** Each manager has to operate a risk management system consistent with the Corporate requirements within the organization he/she runs; All risk management activities, undertaken in areas such as for example Health and Safety, Corporate Responsibility, Security, Environment, HR, Insurances, IT, Legal Affairs, M&A, Marketing, Operations, Procurement, Projects, Tax and Treasury are fully part of this process.
- 3. Proactive leadership:** Risk identification (including identification of the risk of lost opportunities), risk assessment based on the best available information, risk response, and risk monitoring are ongoing and dynamic activities and form an integral part of the daily operations, management and decision-making processes;
- 4. Healthy Risk Culture:** Educated consistent risk-related decisions are taken, non-compliant behaviors are not tolerated and risk management is taken seriously and considers the involvement of relevant stakeholders.
- 5. Transparency & compliance:** Regular reports about the risk management activities, the most significant risks and the material failures in mitigation measures are escalated through the reporting line to the relevant levels of the Group;

The risk management function at Group level, facilitates the process, provides the risk management framework, and assures that it is functioning properly (significant risks being recognized, effectively managed and controlled in a timely manner in each area and business unit of the Group). Plus, based on risk information received from units and transversal functions, Group Risk coordinates and reports on a regular basis a consolidated company view to senior management and board members.

The segments and corporate functions are responsible to operate a risk management system consistent with the Group risk management process, to develop appropriate risk management guidelines for their respective businesses and providing adequate information.

The Audit and Risk Management Committee of the Board supports the Board of Directors in fulfilling its corporate governance and oversight responsibilities with the monitoring and review of the risk management framework and process of the Group.

The Internal Assurance function provides assurance to the Board of Directors about the efficiency and the effectiveness of the risk management process.