

**CLEVELAND-CLIFFS INC. AND ASSOCIATED COMPANIES
FOREIGN CORRUPT PRACTICES ACT AND ANTI-CORRUPTION POLICY**

Effective Date: October 15, 2021 Supersedes: C-1009 (September 1, 2020)

Policy No: C-1009

APPROVED



Follow-up Review Date: As Needed

Lourenco Goncalves

TABLE OF CONTENTS

PAGE NUMBER

1. UNITS AFFECTED	2
2. PURPOSE	2
3. BACKGROUND	2
4. POLICY	4
5. CONSEQUENCES OF FCPA VIOLATIONS	7

DISTRIBUTION

Company's Intranet: <http://www.onecliffs.com>

MAINTENANCE RESPONSIBILITY

Executive Vice President, Chief Legal Officer & Secretary

1. **UNITS AFFECTED**

1.1. Cleveland-Cliffs Inc. ("Cliffs"), its consolidated subsidiaries, and associated companies including controlled partnerships and/or joint ventures (collectively, the "Company").

2. **PURPOSE**

2.1. The objective of the Foreign Corrupt Practices Act and Anti-Corruption Policy (the "Policy") is to help ensure that the Company and those acting on its behalf comply with the United States Foreign Corrupt Practices Act ("FCPA") and all other anti-corruption laws applicable in the regions where the Company does business or has business contacts.

3. **BACKGROUND**

3.1. As the Company continues its efforts to expand its operations and penetrate new markets, it is appropriate to reemphasize the Company's commitment to conduct its business throughout the world in accordance with both applicable law and high ethical standards. Certain federal laws, including the FCPA, are applicable to the manner in which the Company and its employees conduct business outside the United States.

3.2. State laws and the local and national laws of the countries in which the Company does business may also be applicable. Although the applicable laws vary in scope and severity of consequence, failure to comply with the policy described below will at a minimum tarnish the Company's reputation as a responsible corporate citizen. Such reputational damage can dramatically affect the value of Cliffs' brand, its relationship with business partners, and its share price.

3.3. As described below, the FCPA primarily involves interactions with non-U.S. government officials. It is critical to understand, however, that various other anti-corruption laws also govern the conduct of the Company and its employees. For example, certain laws prohibit bribery of domestic government officials. Other laws prohibit bribery in a purely commercial context. We must comply with these and all other applicable anti-corruption laws.

3.4. It is not feasible to capture in this Policy the requirements of every potentially applicable anti-corruption law. Therefore, it is incumbent on all employees to seek the guidance of Cliffs' Legal Department to ensure that business activities engaged in do not violate any applicable anti-corruption laws.

3.5. The FCPA's basic prohibition is that corporations or persons may not, directly or indirectly, make payments, promises or offers of anything of value to non-U.S. government officials with the corrupt purpose of obtaining or retaining business, influencing an official act or decision, or securing an improper advantage. It is also unlawful to give indirectly money or anything of value to any third party knowing that the third party will in turn make the prohibited payment.

Thus, employees dealing with agents, representatives and other third parties must take appropriate measures to ensure that such third parties do not carry out an illegal payment or offer or promise to pay.

- 3.6. The corrupt payment or offer need not actually result in successfully securing business or an advantage to constitute a violation. To the contrary, the mere offer itself, if made with the corrupt intent to secure business or an advantage, is a violation of the FCPA.
- 3.7. Securing an improper advantage is a broad term that applies not just obtaining a sales contract, but extends to other business benefits, including for example lessening a regulatory or legal burden, granting importation or tax benefits, or other benefits gained in part through providing or offering anything of value to a government official.
- 3.8. The U.S. enforcement authorities have interpreted who constitutes a “government official” under the FCPA broadly and have included employees of any state-owned or state-controlled entity, employees, officers and agents of governments, government agencies, departments or instrumentalities, public international organizations, as well as political candidates or officials or political parties. Given the potential breadth of the definition, and that other countries’ anti-corruption laws have similarly broad definitions, employees should seek guidance from Cliffs’ Legal Department to determine whether they are interacting with a “government official”.
- 3.9. The FCPA also requires the Company to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company.
- 3.10. The Company must also devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that:
 - 3.10.1. all transactions are executed in accordance with management’s general or specific authorization;
 - 3.10.2. transactions are recorded as necessary to permit preparation of financial statements in conformity with (1) generally accepted accounting principles and (2) to maintain accountability for assets;
 - 3.10.3. access to assets is permitted only in accordance with management’s general or specific authorization; and
 - 3.10.4. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

4. **POLICY**

- 4.1. The Company and its employees shall comply with all applicable anti-corruption laws, including the FCPA, and all other applicable laws where the Company operates.
- 4.2. Company employees and agents are expressly prohibited from engaging in acts or omissions that offer, authorize or give a bribe to a government official or create the impression that a bribe has been offered, authorized or given.
- 4.3. The Company shall require all agents, representatives and business partners who work on the Company's behalf with government officials to comply with these same laws and practices and shall take other appropriate affirmative steps to prevent those doing business directly or indirectly before a government official on the Company's behalf from engaging in bribery.
- 4.4. Employees involved in a potential acquisition or partnership arrangement, in conjunction with Cliffs' Legal Department, should have the activities of the potential acquisition target or joint venture partner reviewed to identify and address any FCPA or anti-corruption issues.
- 4.5. Employees involved in the retention of a third party agent or representative engaged to act on behalf of the Company, in conjunction with Cliffs' Legal Department, should have an appropriate background investigation conducted with respect to that agent/representative to identify and address any FCPA or anti-corruption issues.
- 4.6. **Facilitating Payments Prohibited.**
 - 4.6.1. The FCPA contains a narrow exception for "facilitating payments". A facilitating payment is a small payment or gratuity to a government official performing a ministerial or clerical function that is designed to secure or speed up a routine non-discretionary government action by the government official.
 - 4.6.2. Though currently permitted under the FCPA, facilitating payments are not excepted from and are illegal under many other countries' similar anti-corruption laws.
 - 4.6.3. As such, the Company expressly prohibits any employees, partners, agents or anyone else acting on the Company's behalf from making a facilitating payment.
 - 4.6.3.1. *Overriding Exception:* If you are in circumstances that involve an imminent threat to the security, safety, health or welfare of you or others with you, make the payment demanded and move to a safe location as quickly as possible. Report the incident to your supervisor and to the Legal Department as quickly as possible. The payment must be accurately recorded (e.g., facilitating/extortion payment made due to threat to safety).

4.7. Providing Gifts, Travel, Meals, Lodging and Hospitality/Entertainment to Government Officials.

4.7.1. **Prior written approval** from Cliffs' Legal Department or the Vice President, Government Relations is required **before** providing any gifts, meals, hospitality/entertainment, lodging or out-of-town travel to a government official, foreign or domestic, or to any employee of a state-owned or state-controlled entity.

4.7.2. **Prior written approval** from Cliffs' Legal Department is required **before** hosting an event – such as a seminar demonstrating, promoting or explaining the Company's products, capabilities or services – where the attendees at such an event include government officials, foreign or domestic, or employees of state-owned or state-controlled entities. Note: the Vice President, Government Relations has the authority to approve Company-sponsored events hosted by the Government Relations Department.

4.8. Prohibition on Payments/Provisions by Third Parties

4.8.1. Third parties retained by the Company are prohibited from making facilitating payments, charitable donations or political contributions to government officials.

4.8.2. Third parties retained by the Company may provide gifts, lodging or out of town travel to government officials **only** after the Company employee or officer responsible for the engagement has secured the requisite **prior written approval** as described above.

4.9. Prohibition on Commercial Bribery. The Company also prohibits bribery in the context of a private commercial transaction that does not involve any government officials. No offer, promise or authorization of money or anything of value may be made if it could reasonably be understood as a bribe to a commercial counterparty to grant the Company a business advantage.

4.10. Prohibition on Receiving Bribes. The Company also prohibits employees and anyone acting on the Company's behalf from requesting or receiving bribes in both the public/government and commercial context.

4.11. Books and Records.

4.11.1. As a publicly-listed company, the Company shall maintain accurate books and records and establish and maintain a system of internal controls to ensure accountability for assets to reduce the possibility of undocumented illegal payments.

4.11.2. Employees' expense reports shall provide reasonable detail and accurately and fairly reflect the transaction for which the employee seeks reimbursement. Employees who

approve invoices from service providers are responsible for ensuring that such invoices contain reasonable detail and accurately and fairly reflect the transaction for which the service provider requests payment.

4.12. Internal Control Framework and Training.

4.12.1. Cliffs' Internal Audit Department shall conduct periodic testing of the Company's financial transactions and system of internal controls to assess compliance with this Policy.

4.12.2. The Company shall undertake periodic checks of requisite due diligence, prior approvals relating to provisions to government officials, and appropriate document retention to assess compliance with this Policy.

4.12.3. Cliffs' Legal Department shall provide periodic training relating to this Policy to those employees who interact with non-U.S. government officials and those who retain agents, representatives or other third parties who interact with non-U.S. government officials on the Company's behalf.

4.13. Violations and Reporting Violations.

4.13.1. In addition to criminal and civil sanctions, any employee who violates the Company's Foreign Corrupt Practices Act and Anti-Corruption Policy, or who directs or knowingly permits a subordinate or third-party to violate this Policy, shall be subject to disciplinary action, including possible termination.

4.13.2. Cliffs will investigate all reports of potential violations of this Policy. Employees who in good faith believe that this Policy has been or will be violated must utilize the Company's internal reporting mechanisms by either contacting Cliffs' Legal Department or Ethics Committee directly or reporting the matter through the Company's anonymous Ethics Helpline or Website.

4.13.3. Any form of adverse action or retaliation against any Company employee for reporting in good faith a suspected violation of this Policy or for participating in an investigation of a suspected violation will not be tolerated and is expressly prohibited. Any employee who participates in retaliatory conduct in violation of this Policy will be subject to disciplinary action as deemed necessary, up to and including termination.

5. **CONSEQUENCES OF FCPA VIOLATIONS**

5.1. The Accounting Provisions.

- 5.1.1. Record-keeping and internal accounting controls violations are civil wrongs unless they are committed willfully, in which case they are subject to criminal prosecution. Criminal violations could result in penalties of \$5 million in fines and 20 years in prison for individuals and \$25 million for entities. Civil violations could result in fines of \$5,000 to \$100,000 per violation for individuals and \$50,000 to \$500,000 per violation for entities.

5.2. The Anti-Bribery Provisions.

- 5.2.1. Criminal violations of the anti-bribery provisions could result in \$100,000 in fines and 5 years in prison for individuals and \$2 million in fines for entities. Individuals and entities could be subject to civil fines of \$10,000 for each offense.

5.3. Other federal statutes could apply to effectively double the criminal fines associated with an FCPA violation. Other additional consequences may include: disgorgement of profits, loss of certain business privileges, delisting from exchanges, government-appointed monitors, reputational damage and collateral litigation.