



# SUSTAINABILITY REPORT 2021

CLEVELAND-CLIFFS INC.



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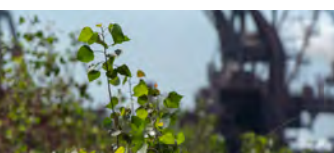
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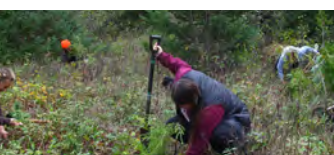
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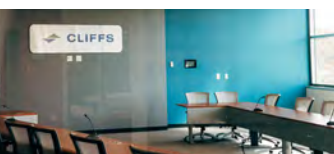
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# Core Values

Cleveland-Cliffs' Core Values are at the heart of everything we do. These important tenets guide our daily actions and decisions. Our Core Values help us maintain the trust we have built with our stakeholders and with each other and focus on doing what is best for our people, the environment and our business. Our Core Values provide a [strong foundation](#) from which we operate, and we are proud to demonstrate these values every day.



## SAFE PRODUCTION

Cliffs is committed to keeping each other safe through proper training and procedures, well-maintained equipment and good housekeeping.



## ENVIRONMENTAL STEWARDSHIP

Cliffs is committed to going beyond compliance, proactively addressing potential impacts and being a responsible steward of our resources and a good neighbor to the communities where we operate.



## BIAS FOR ACTION

Cliffs is committed to removing barriers to action, implementing plans for success and executing those plans.



## ETHICAL BEHAVIOR

Cliffs is committed to conducting business with honesty, fairness, integrity, and complying with all applicable laws.



## CUSTOMER FOCUS

Cliffs is committed to listening to our customers, being responsive and on time, meeting quality expectations, and helping our customers succeed.



## CREATING ECONOMIC VALUE

Cliffs is committed to doing the right thing the first time, gaining efficiencies and achieving breakthroughs in productivity and technology.



## TRUST, RESPECT AND OPEN COMMUNICATION

Cliffs is committed to maintaining open and honest communications to build trust, accepting and encouraging others' viewpoints, and promoting workforce diversity.



## GROUP AND INDIVIDUAL ACCOUNTABILITY

Cliffs is committed to holding each other to high standards of performance and conduct, being responsible for achieving results and walking the talk.



## TEAMWORK

Cliffs is committed to including each other in decision-making, knowing when to take the lead and when to be a team player, and recognizing the value of working together to succeed.



## RECOGNIZE AND REWARD ACHIEVEMENT

Cliffs is committed to recognizing employees and celebrating successes, praising personal performance and thanking others for their work.

# LETTER FROM LOURENCO

## DEAR STAKEHOLDERS:

Earlier this year we reported through our annual financial filings that we achieved all-time annual records in revenues, net income, Adjusted EBITDA and free cash flow. Very few companies in any business—particularly companies in the steel business—can report the growth Cliffs has had over the past two years. In 2020, Cleveland-Cliffs led the domestic steel industry consolidation that allowed for the market conditions that generated these remarkable results. The cash we generated was reinvested in our business in several significant ways, including the acquisition of Ferrous Processing and Trading Company (FPT), the leading prime scrap processor in North America. FPT is key to the execution of our sustainability strategy. Cliffs' position as the most prominent automotive steel supplier in the United States provides a compelling scrap offtake proposition for our customers. These opportunities not only position Cliffs to be the domestic leader in steel recycling but also enable us to create a truly closed-loop steel recycling system, while helping our customers achieve their own sustainability goals.

In addition to our prime scrap processing capabilities, we are pleased to report a full year of production of hot briquetted iron (HBI) at our flagship Direct Reduction plant in Toledo, Ohio. All of the HBI we produce is consumed internally as feedstock in our steel mills, and we have seen great success across our operations. Use of HBI continues to lower our usage of coke in our blast furnaces, increasing energy efficiency and decreasing carbon dioxide (CO<sub>2</sub>) emissions.

The Toledo plant was designed and constructed to use natural gas, the cleanest and most efficient among all commercially available reductants, and it was also built with the capability of using up to 70% of hydrogen in the mix as reductant gas. We are moving ahead with plans to implement the usage of hydrogen.

During 2021, Cleveland-Cliffs' executive leadership team and I continued to focus on an integrated, sustainable business model across the entire Company. A key component of that strategy continues to be increased transparency and a heightened focus on environmental, social and governance (ESG) issues.

“During 2021, Cleveland-Cliffs' executive leadership team and I continued to focus on an integrated, sustainable business model across the entire Company. A key component of that strategy continues to be increased transparency and a heightened focus on environmental, social and governance (ESG) issues.”

**LOURENCO GONCALVES, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER**



This Sustainability Report includes sustainability metrics from our 60+ facilities consolidated into a single ESG data table for investors and other stakeholders. We are proud to report on our progress in pursuit of our ESG goals, including our commitment to reduce greenhouse gas (GHG) emissions 25% by 2030 from 2017 levels.

In addition to our reporting efforts, we have partnered with many like-minded organizations to continue moving the needle on our sustainability efforts. Most notably, we joined the U.S. Department of Energy's Better Climate Challenge as part of the inaugural class that was introduced at COP26. Cliffs is the only steel producer to date that has joined this program. Additionally, we achieved a 'B' score for our CDP Climate Change questionnaire, the best amongst domestic steel producers who report to CDP.

Cleveland-Cliffs also continued our commitment to the communities where we operate. We re-energized our community relations team with representatives in all major hubs of business, providing a direct line of communication with our local communities. Through The Cleveland-Cliffs Foundation and corporate charitable giving, we donated \$6.5 million to organizations and individuals that support causes we care about. Finally, to demonstrate our Core Value of Safe Production, we achieved a company-wide 75% COVID-19 vaccination rate through an industry-leading vaccination incentive program.

As we look back on 2021, we could not have accomplished so much without the hard work and commitment of our 26,000 employees, approximately 70% of whom are represented by the USW, UAW, the Machinists, and other unions. We appreciate the work of each one of our employees and the unions representing them. As I wrote last year, Cleveland-Cliffs has been, and continues to be, built for future generations.

We believe in manufacturing in the United States and in good paying middle class jobs. As a shareholder of Cleveland-Cliffs or a stakeholder interested in our progress, I believe you do, too. On behalf of our employees, I thank you for that.

Sincerely,

**LOURENCO GONCALVES**

Chairman, President and Chief Executive Officer



# ABOUT CLEVELAND-CLIFFS



# Cleveland-Cliffs is...



*the largest  
flat-rolled steel  
producer in  
North America*



*the largest iron ore  
pellet producer in  
North America*



*the only producer  
of both grain  
oriented electrical  
steel (GOES) and  
non-oriented  
electrical steel  
(NOES) in the U.S.*



*the first and the  
only producer of  
hot briquetted iron  
(HBI) in the Great  
Lakes region*



*the largest supplier  
of steel to the  
automotive industry  
in North America*

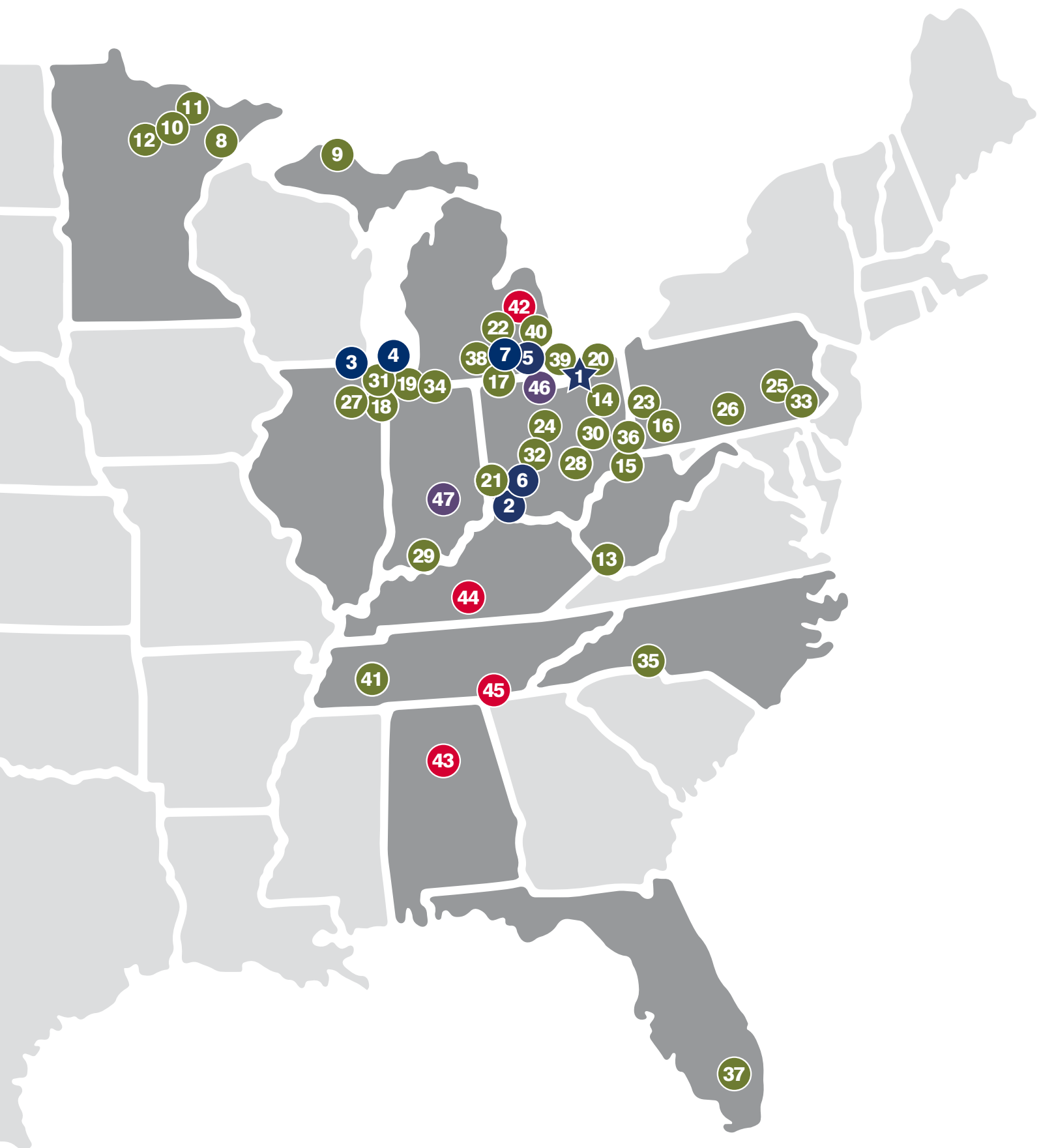
Cleveland-Cliffs has traditionally been recognized as the largest and oldest independent iron ore mining company in the United States. Following our transformative year in 2020 with the acquisitions of AK Steel and ArcelorMittal USA, Cliffs is now the largest flat-rolled steel company and iron ore pellet producer in North America. Additionally, in late 2021, Cliffs entered the prime scrap business with the acquisition of Ferrous Processing and Trading Company (FPT), one of the largest processors and distributors of prime ferrous scrap in the United States.

Today, we are vertically integrated from mined raw materials, direct reduced iron and ferrous scrap to primary iron and steelmaking and downstream finishing, stamping, tooling and tubing of steel parts and components. We believe such vertical integration represents a sustainable business model that is in the best interest of all stakeholders and provides for supply chain transparency. We believe we offer the most comprehensive flat-rolled steel product selection in the industry, along with several complementary products and services. A sampling of our offering includes advanced high-strength steels (AHSS), hot-dipped galvanized, aluminized, galvalume, electrogalvanized, galvanneal, hot-rolled coil (HRC), cold-rolled coil, plate, tinplate, grain oriented electrical steel, non-oriented electrical steel, stainless steels, tool and die, stamped components, rail, slab and cast ingot. For detailed information about Cleveland-Cliffs and our business activities please see our [2022 Form 10-K](#).

We are the first and only producer of HBI in the Great Lakes region. From our modern direct reduction plant, we produce high-quality, low-cost and low-carbon intensive HBI that we feed to our blast furnaces and can use as a productivity enhancer in our basic oxygen furnaces (BOFs) and electric arc furnaces (EAFs) as a scrap alternative. We use HBI to stretch our hot metal production, lower carbon intensity and our reliance on coke, and reduce our CO<sub>2</sub> emissions.

We are the largest supplier of steel to the automotive industry in North America and serve a diverse range of other markets due to our comprehensive offering of flat-rolled steel products. We are the only producers of both grain oriented electrical steel and non-oriented electrical steel in the United States, both of which are needed for the modernization of the electrical grid and the infrastructure needed to allow for increased electric vehicle (EV) adoption. From a focus on key environmental processes, such as steel recycling and reduction of carbon emissions, to corporate and social responsibility, sustainability is central to our values and operations.

As Cliffs continues to grow, we remain committed to being a good environmental steward and to attracting and retaining a highly skilled workforce and providing above-market compensation. From reducing greenhouse gas (GHG) emissions to partnering with our labor unions, to exploring the latest in product and process development, we are poised to remain North America's leader in sustainable mining and steelmaking.





# Company Offices & Operations

## CORPORATE OFFICES

- ★ 1 Cleveland-Cliffs Headquarters
- 2 Regional Office—West Chester
- 3 Regional Office—Chicago
- 4 Regional Office—Burns Harbor
- 5 FPT—Detroit Office
- 6 Research & Innovation Center
- 7 Regional Office—Detroit

## STEELMAKING

- 8 Northshore Mining Company
- 9 Tilden Mine
- 10 United Taconite
- 11 Minorca Mine
- 12 Hibbing Taconite Company
- 13 Princeton Coal
- 14 Warren
- 15 Mountain State Carbon
- 16 Monessen Coke
- 17 Toledo Direct Reduction Plant

- 18 Indiana Harbor
- 19 Burns Harbor
- 20 Cleveland Works
- 21 Middletown Works
- 22 Dearborn Works
- 23 Butler Works
- 24 Mansfield Works
- 25 Coatesville
- 26 Steelton
- 27 Riverdale
- 28 Zanesville Works
- 29 Rockport Works
- 30 Coshocton Works
- 31 Burns Harbor Plate & Gary Plate
- 32 Columbus, OH
- 33 Conshohocken
- 34 Tek & Kote
- 35 Piedmont
- 36 Weirton
- 37 FPT—Florida Locations (2)

- 38 FPT—Michigan Locations (12)
- 39 FPT—Ohio Locations (5)
- 40 FPT—Ontario Location (1)
- 41 FPT—Tennessee Locations (2)

## TOOLING & STAMPING

- 42 Windsor, Ontario
- 43 Sylacauga
- 44 Bowling Green
- 45 Cleveland, TN

## TUBULAR

- 46 Walbridge
- 47 Columbus, IN

**26,000  
employees**

of which 70% are union

**72 facilities**

operating in North America

**15.9 million**

net tons of steel sold in 2021

**\$20.4 billion**

in consolidated revenues for 2021



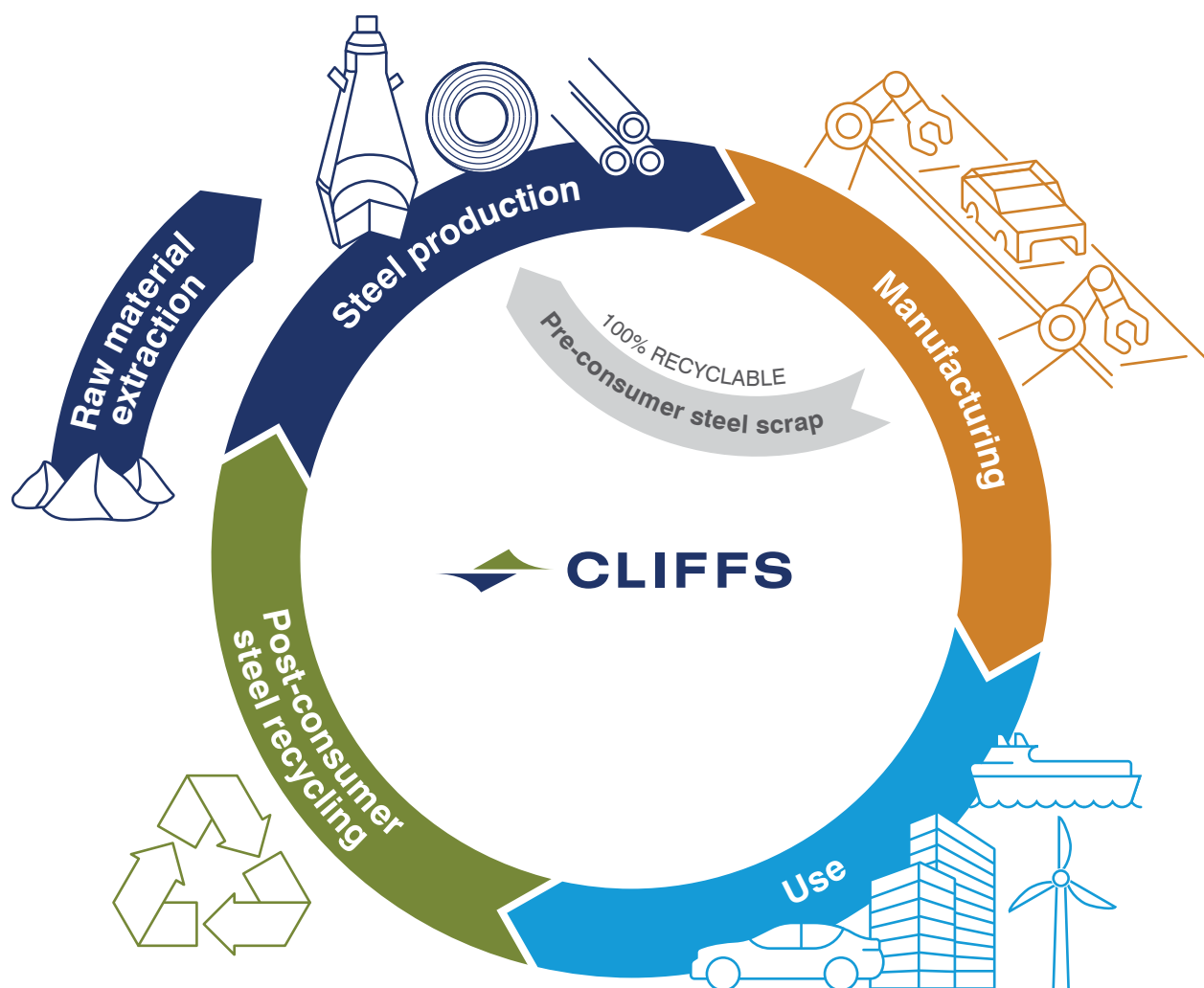
A photograph of a large industrial steel mill. The scene is filled with complex blue steel structures, including beams, girders, and a staircase on the left. In the center, there are large yellow cylindrical components, possibly part of a rolling mill. A green semi-transparent arrow-shaped overlay points from the left towards the center, containing the text "SUSTAINABLE STEEL".

# SUSTAINABLE STEEL



Steel is *the* preferred material for a sustainable society. Steel is the most recycled material in the world and can be continually recycled into new products. Following the end use of our steel products, 100% of Cliffs' steel can be recycled in some form. With our newly acquired FPT prime scrap processing facilities, we have the ability to buy back scrap directly from our flat-rolled automotive and other customers to create recycling partnerships, which further demonstrates our commitment to sustainable steelmaking. Additionally, use of prime scrap allows us to optimize productivity at our existing EAFs and BOFs and furthers our commitment to environmentally friendly, low-carbon intensity steelmaking with a clean materials mix.

## Closed-Loop Steel Recycling





*HBI at our Direct Reduction facility in Toledo, Ohio*

## Vertically Integrated Raw Materials for Cleaner Steel

As a vertically integrated iron and steel producing company, Cliffs differentiates itself from others in the steel industry since we internally produce in the United States the majority of the raw materials we use in the steelmaking process. Our high-quality ferrous raw materials, including iron ore pellets, HBI and prime scrap, enables us to supply a wide portfolio of high-quality grades and specialty steel products sustainably and consistently. We have the unique advantage as a steel producer of being fully self-sufficient in iron ore pellets, including standard pellets; fluxed pellets; and low-silica direct reduction (DR) grade pellets.

Our pellets are mined in Michigan and Minnesota and used in our cleaner pellet-based blast furnace production across the Great Lakes region and HBI production in Ohio. Pellets are 85% less CO<sub>2</sub>-intensive than sinter ores. Additionally, with our recently completed FPT acquisition, we now operate scrap facilities throughout North America. We also operate a coal mining complex in West Virginia and during 2021, we produced coke from our facilities in Indiana, Pennsylvania, Ohio, and West Virginia.

The security of our raw material sourcing reassures our customers their supply of Cleveland-Cliffs' steel will not be impacted by supply chain disruptions of raw materials such as imported pig iron and direct reduced iron, or shortages of prime scrap.

During 2021, we successfully ramped up our Toledo Direct Reduction facility to full production rates. HBI is a high-quality, low-cost and low-carbon intensive alternative to imported pig iron. HBI used in our BOFs and EAFs can enhance productivity and quality of the finished product and can be used as a scrap alternative. HBI is used in our blast furnaces to improve furnace energy efficiency and reduce the amount of coke required when producing iron and steel. We consumed more than 1.1 million metric tons of HBI in Cleveland-Cliffs' operations in 2021.

At Cleveland-Cliffs, 100% of our steel contains recycled steel scrap. Our prime scrap processing capabilities allow Cliffs to optimize productivity at our EAFs and BOFs.

We source prime scrap primarily from pre-consumer scrap, for example from our auto customers. This scrap is generated during the manufacture of steel products. We can also source prime scrap through post-consumer scrap, which comes from a steel product at the end of its useful life. Additionally, our blast furnaces recycle iron-bearing materials such as recovered iron scrap or agglomerated mill dusts and sludges. In 2021, Cleveland-Cliffs consumed over 6.7 million tons of steel scrap and recovered iron materials.

As prime scrap demand continues to grow and exceed supply, our acquisition of FPT positions Cliffs to be the domestic leader in closed-loop steel recycling. Additionally, FPT's capabilities create a platform for Cliffs to leverage longstanding, flat-rolled automotive and other customers into recycling partnerships to grow prime scrap presence and increase closed-loop recycling rates. Finally, the acquisition furthers our commitment to low-carbon intensity steelmaking with a high-quality raw materials mix.



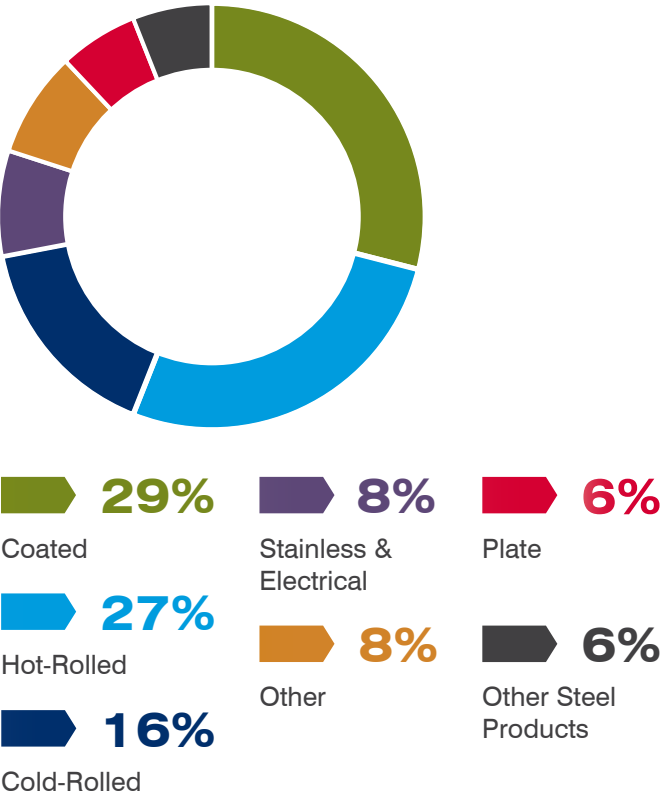
**100%**

of our steel contains recycled steel scrap

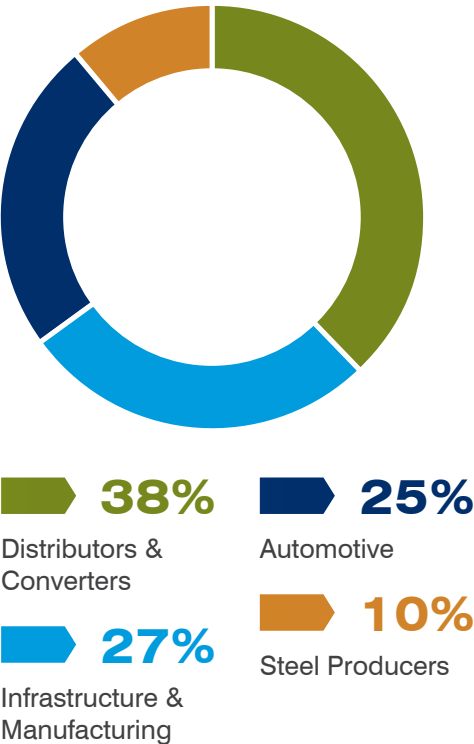
# Diversified Products & End Markets

Cleveland-Cliffs is a specialized iron and steelmaking company serving a variety of end markets. We primarily sell our products to customers in four broad market categories: automotive; infrastructure and manufacturing, which includes electrical power; distributors and converters; and steel producers, which consume iron ore and metallics and further process semi-finished materials. Cliffs offers steel solutions to every major industry. We pride ourselves on collaborating with our customers to not only solve their problems today, but also innovate for the future.

## 2021 Revenues by Product Line



## 2021 Revenues by End Market





# Steel for Today, Innovation for Tomorrow

Cliffs is proud to make the steel that structures our everyday lives. As we strive to be North America's leader in sustainable mining and steelmaking, we continuously innovate with an eye toward the future. We work closely with our customers across markets to help them achieve their own business goals. As the largest flat-rolled steel producer in North America, we make high-strength automotive and value-added steel products used in exposed parts of vehicles. Our downstream finishing capabilities create additional opportunities within our major end markets. As demand for electrical motors in passenger vehicles grows, more advanced steel applications will be required to meet the needs of EV producers and consumers. With our unique technical capabilities and leadership in the automotive industry, we believe we are well positioned to supply the steel and parts necessary to fill these needs.

While the U.S. steel industry only accounts for approximately 1% of the GHG emissions in the United States, the domestic transportation sector accounts for over 29% of emissions—which is a monumental task to decarbonize.

## Evolving Automotive Applications

We focus on high-quality, technologically advanced steel to meet exacting performance standards and customer requirements. We are collaborating with our automotive customers and their suppliers to develop innovative solutions using our developments in light weighting, efficiency, and material strength and formability across our extensive product portfolio, in combination with our automotive stamping and tube-making capabilities. We are also working with our customers to develop steels with greater heat resistance for exhaust systems that support new, fuel-efficient engines that run at higher temperatures.

Among other automotive grades and applications, exposed steel components have particular quality demands. Cliffs operates a unique mix of furnaces including EAFs, efficient blast furnaces and BOFs, and an HBI shaft furnace. Our range of furnace technologies, along with our secure source of ferrous raw materials and prime scrap, enable us to be the leading North American producer of low-carbon intensity, high-quality grades of flat-rolled steels, including those needed to make exposed vehicle parts.

While the U.S. steel industry only accounts for approximately 1% of the GHG emissions in the United States, the domestic transportation sector accounts for over 29% of emissions—which is a monumental task to decarbonize. We support our automotive customers' efforts to reduce vehicle GHG emissions by providing the steel grades they need and collaborating with them on development of next generation new grades and applications. We supply AHSS to automakers, including third generation (Gen 3) steel. AHSS reduces the weight of vehicles without sacrificing safety, while improving fuel efficiency and reducing vehicle GHG emissions.

As the sole domestic producer of non-oriented electrical steel, we are in the unique position to work closely with our customers to not only build the car of today, but the car of tomorrow. For example, our non-oriented electrical steels can be used for high efficiency electric motors. Whether it is electric motors or battery enclosures, we are developing a North American supply chain for steels that specifically serve the EV and hybrid electric vehicle market. The affordability of EVs (and availability of charging networks) is critical to widespread acceptance in the market, and our steels remain cost effective and more environmentally friendly compared to other materials. As the sole producer of grain oriented electrical steel in the United States, we are in a position to facilitate the modernization of the electrical grid, including supplying materials that can support a more extensive EV battery-charging network.



## Martensitic Steels

## ULTRALUME® PHS Ultra High Strength Steel



## NEXMET® 1000/12000

## Dual Phase Multi-Phase Complex Phase Structural Steel





## Cliffs' Plate

130 tons of steel per MW



## Cliffs' Galvanized

40 tons of steel per MW



## Cliffs' Electrical Steels

Sole producer of GOES and NOES in the United States

## Infrastructure & Manufacturing: A Modern Electrical Grid

Steel is critical to the greening of America. We sell a variety of our steel products, including plate, carbon, stainless, electrical, tinplate, and rail, to the infrastructure and manufacturing market. This market includes sales to manufacturers of heating, ventilation and air conditioning, appliances, power transmission and distribution transformers, storage tanks, ships and railcars, wind towers, machinery parts, heavy equipment, military armor, food preservation, and railway lines.

As demand for renewable power grows, large quantities of steel will be needed for solar and wind energy. Cleveland-Cliffs' product portfolio contributes to the traditional and emerging domestic energy markets, and we will continue to work with current and prospective customers on product development. We are working with various solar equipment producers to develop the grades of galvanized steel they need for arrays and installations. Similarly, we offer plate products that can be used by companies that manufacture wind turbines, such as the component suppliers for onshore and offshore wind energy. Through this collaboration, we are enhancing our product offerings to be able to deliver the steel necessary to produce these structures. A key theme of these discussions is that our customers want to buy American, and we are poised to deliver.

Additionally, our grain oriented electrical steel products will help modernize our aging United States electrical grid, and we strive to protect our ability to build transformers here in the United States. For example, our TRAN-COR® products have high permeability that offers the potential for lower core loss and lower noise, extending the life of the transformer. And, our electrical steel products contain approximately 75–85% of post-consumer and post-industrial recycled materials and are recyclable at the end of their useful lives. As the sole grain oriented electrical steel producer in the United States, we supply the critical components needed for these transformers to restore power when a storm hits or an emergency occurs. As part of our continuous improvement to our product portfolio, we are researching new grades of steel, and we are currently partnering with the Department of Energy on projects for electrical steels and light-weighting.



For example, we are working on a project to develop new steel alloys for specific resistivity to reduce core losses in electric motors suitable for a wide range of applications, such as large industrial fans or in-wheel motors in transportation systems. The aim is for the new electrical steels to be nearly 40% more efficient when compared to commercially available non-oriented electrical steel.

## Distributors & Converters

Virtually all of the grades of steel we produce are also sold to the steel distributors and converters market. This market generally represents downstream steel service centers, which source various types of steel from us and fabricate it according to their customers' needs. The steel industry is an essential sector of American manufacturing, and as the leader in the North American steel industry Cleveland-Cliffs provides other essential sectors with a steady domestic supply of the steel grades they need. We produce carbon and specialty steel plates that serve markets including medical equipment, construction and defense. We have the capability to make some of the widest, thickest and

heaviest steel plates in the United States while ensuring specialty properties for our customers. Our High Permeability Magnet Plate is used for hospital shielding and MRI units. In the construction and defense markets, we supply our high-quality FINELINE® plate from our Coatesville plant. This product line can be adjusted to meet the specifications for bridges and infrastructure applications or military alloy plate steels which are used in naval ships, submarines and armored vehicles.

Cliffs' tinplate business supplies the largest packaging companies in the United States, which is an essential sector in the food supply chain. Our Weirton facility is one of only three domestic mills that produces tinplate mill sheet steel products, which serve our everyday life. For example, we manufacture the products of choice for canning and preserving food as it significantly prolongs shelf life compared to alternative packaging such as plastic or paperboard. Our sustainable tinplate products contain at least 25%-recycled materials. We serve a core group of longstanding, domestic customers, many of whom are mature in their own sustainability programs.

*Dearborn Works, Michigan*





# PARTNERSHIPS & COLLABORATIONS





Cleveland-Cliffs has a valued history of engaging in partnerships and collaborations for the advancement of our industry. We continue to honor our longstanding relationships with industry organizations and academic institutions, and we entered into new partnerships in 2021 that aim to tackle some of the most critical issues facing our industry today.

## Colorado School of Mines

Cliffs is a corporate sponsor of the Advanced Steel Processing and Products Research Center (ASPPRC) at the Colorado School of Mines (CSM). Through the ASPPRC, we sponsor pre-competitive research that builds foundations for innovations in steel. By leveraging ASPPRC's fundamental research, we can fast-track commercialization of these learnings at our own research and development facilities. Recently, ASPPRC has focused on bringing steel producers and steel consumers together for discussions around the sustainability of steel, including increasing fuel efficiency or battery range of vehicles through light weighting with the use of AHSS. Additionally, Cliffs contributes to and participates in specific groups at CSM, including the Continuous Casting Center (CCC), which works on projects that aim to improve product quality, process uptime and yield of continuous casting. The CCC also has a strong emphasis in fluid dynamics. There are several ongoing projects, including a recent focus on the continuous caster tundish. Through Cliffs' participation in the CCC we have access to their important research, and we help shape the future direction of research and projects.

In partnership with the U.S. Department of Energy (DOE), Oak Ridge National Laboratory and CSM, Cliffs is conducting alloy design, lab validation, manufacture, and testing of novel low-density steels that possess mechanical properties exhibited by some of the advanced high strength steels. The goal of this project is to develop novel alloying and processing strategies towards the commercialization of steels with significantly lower density, using existing manufacturing facilities. Such steel is expected to generate energy savings by bringing efficiencies in the steel manufacturing and lifetime savings by use of lightweight steel in automotive structural application.

## Purdue University Northwest

We have several relationships with groups within Purdue University Northwest, including the Steel Manufacturing Simulation and Visualization Consortium (SMSVC)—a nationwide, industry-led sustainable consortium launched in 2016 by the Center for Innovation through Visualization and Simulation (CIVS). Cliffs provides foundational support and serves on the board of SMSVC, which conducts research and projects focused on ironmaking, steelmaking and casting.

## U.S. Department of Energy

Cliffs is proud to partner with the DOE on a number of programs and initiatives, beginning in 2020 with our carbon capture and sequestration study at our Burns Harbor facility. In 2021, we were chosen to receive technical assistance for pilot projects at our Cleveland Works facility through the Industrial Technology Validation (ITV) program, which is helping to explore alternative water treatment systems (read more about the pilot projects in the [Water & Wastewater](#) section of this report). Cliffs also formally joined the Better Plants program, committing to reduce energy intensity across our entire operating footprint. The DOE introduced a new initiative—the Better Climate Challenge—to encourage organizations to set ambitious, portfolio-wide GHG emission reduction goals. Cliffs is the only steel company to have signed on to the challenge with our current GHG emission reduction goal. For more information about these programs, please see the [Energy](#) and [Climate & GHG Emissions](#) sections of this report.



Burns Harbor, Indiana

## U.S. Environmental Protection Agency



In 2021, Cliffs joined the U.S. Environmental Protection Agency's ENERGY STAR program, which encompasses our entire operational footprint. Through this program, we are committed to: measuring and tracking our energy performance using the various ENERGY STAR tools and resources; develop and implement a plan consistent with ENERGY STAR Guidelines for Energy Management to achieve energy savings; and promote the importance of energy efficiency and the value of our ENERGY STAR partnership to our stakeholders. These activities serve as the foundation for our formal, company-wide energy program, aimed at driving tangible impact across our operations.

Cliffs also partners with several other university consortia, including the McMaster Steel Research Centre at McMaster University, and the Kent D. Peaslee Steel Manufacturing Research Center at Missouri University of Science and Technology. Both centers focus on casting and hot rolling, and McMaster also does work around ironmaking, steelmaking and coating.

# Awards & Recognition

In the wake of our transformational year of 2020, Cleveland-Cliffs and key members of our executive team received the following prestigious recognitions:



## ASSOCIATION OF IRON AND STEEL TECHNOLOGY—2021 BOARD OF DIRECTORS AWARDS

- Steelmaker of the Year and William T. Hogan, S.J. Memorial Lecture Award: Lourenco Goncalves
- Distinguished Member and Fellow Award: Wendell Carter
- AIME Honorary Member: Terry Fedor



## GENERAL MOTORS—2021 SUPPLIER OF THE YEAR

- Cleveland-Cliffs Inc.

## FORBES—BEST EMPLOYERS FOR VETERANS

- Cleveland-Cliffs Inc.



## S&P GLOBAL PLATTS—2021 GLOBAL METALS CEREMONY

- Metals Company of the Year and Deal of the Year: Cleveland-Cliffs Inc.
- CEO/Chairperson of the Year: Lourenco Goncalves



## ASSOCIATION OF STEEL DISTRIBUTORS (ASD) STEEL EXECUTIVE OF THE YEAR

- Steel Executive of the Year: Lourenco Goncalves

## NISSAN—2021 TIER II SUPPLIER DIVERSITY AWARD

- Cleveland-Cliffs Inc.



## FASTMARKETS—12TH ANNUAL GLOBAL AWARDS FOR STEEL EXCELLENCE

- Advocate of the Year: Lourenco Goncalves
- 2021 Scrap Company of the Year: FPT



## CRAIN'S CLEVELAND BUSINESS—FORTY UNDER 40

- Celso Goncalves, Executive Vice President & Chief Financial Officer



# OUR SUSTAINABILITY PRIORITIES





Cleveland-Cliffs' Sustainability Report 2021 covers information and data for calendar year 2021, unless otherwise noted. Report content and disclosures are aligned to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards for Iron & Steel Producers and Metals & Mining. Cliffs also supports the tenets of the Task Force on Climate-related Financial Disclosures (TCFD)—for more information related to such disclosures please see the [Climate & GHG Emissions](#) section of this report. Cliffs reports on an annual basis, and regularly engages with stakeholders throughout the year around sustainability topics. We welcome questions and feedback about this report to [sustainability@clevelandcliffs.com](mailto:sustainability@clevelandcliffs.com).

## About This Report

Throughout 2021, Cleveland-Cliffs continued to make progress on our sustainability priorities. We enhanced our [Commitment to the Environment](#) in tangible ways, including substantial capital expenditure on projects intended to prevent undue effect on the environment and partnering with the DOE to explore viable ways to reduce our carbon footprint through the Better Plants program and Better Climate Challenge. We [Empowered Our People](#) by continuing to provide a safe place to work, good-paying jobs and opportunities to give back to our communities. And, we strengthened our [Connections to Our Communities](#) by more proactively engaging with our local stakeholders. Above all, we value [Acting with Integrity](#) by holding ourselves to the highest standard of ethics and promoting responsible business practices.

In 2021, the focus on carbon emissions in the steel industry continued to increase. Cliffs listens to and engages with our stakeholders to share information on what we are doing to decarbonize our business. We are taking actions today to reduce our emissions, including working with a variety of organizations to explore pathways to decarbonization.

In lieu of making aspirational statements, Cliffs is focused on developing a tangible and realistic plan to reduce our carbon footprint—a key way we are demonstrating our Core Value of Bias for Action. To that end, in 2021, Cleveland-Cliffs began participating in the Expert Advisory Group of the Science Based Targets initiative (SBTi), contributing to the development of science-based target methodologies for the steel sector. The Expert Advisory Group has an advisory role, and decisions on final methodologies will be made by CDP, the United Nations Global Compact, World Resources Institute and World Wide Fund for Nature as founders of SBTi. The methodologies developed in this project will be available at no cost to all stakeholders with the aim of supporting alignment with the Paris Agreement goals.





## Aligning to the Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for the long-term sustainability of our planet and its people. The core of this Agenda are 17 Sustainable Development Goals (SDGs). The SDGs call for the widespread mobilization of governments, businesses and civil society to address an array of global challenges, including climate change, clean water, food shortages, inequality and poverty. Cleveland-Cliffs believes our business activities contribute to achieving progress on several of the SDGs. Through alignment with the following SDGs and their respective targets, Cliffs seeks to demonstrate our commitment to sustainability and to drive meaningful impact toward achieving the SDGs.

SDG	ALIGNMENT	REPORT SECTION
<b>Good Health &amp; Well-Being</b>	Cliffs goes beyond environmental compliance to proactively reduce GHG and air emissions, and we are a responsible steward of our water and land resources.	<a href="#">Environmental Management</a> ; <a href="#">Climate &amp; GHG Emissions</a> ; <a href="#">Air Quality</a> ; <a href="#">Water &amp; Wastewater</a> ; <a href="#">Land Management &amp; Biodiversity</a> .
<b>Quality Education</b>	Cliffs provides many opportunities for personal and professional development and skill-building, not just for our own employees but for prospective employees and the communities in which we operate.	<a href="#">Talent Management</a> ; <a href="#">Labor Relations</a> ; <a href="#">Community Engagement</a> .
<b>Affordable &amp; Clean Energy</b>	In addition to reducing our GHG emissions and improving energy efficiency, we partner with business partners, government agencies, NGOs and academia to advance research and development of clean energy technology.	<a href="#">Sustainable Steel</a> ; <a href="#">Partnerships &amp; Collaborations</a> ; <a href="#">Climate &amp; GHG Emissions</a> ; <a href="#">Energy</a> .
<b>Decent Work &amp; Economic Growth</b>	Cliffs is constantly innovating its products and processes through research and development, and customer and partner collaboration. As a vertically integrated iron and steelmaking company, we responsibly manage our materials consumption and wastes. Additionally, we strive to provide well-paying jobs and meaningful work to our current and prospective employees, including providing apprenticeships and internships for students and young adults.	<a href="#">Sustainable Steel</a> ; <a href="#">Waste &amp; Hazardous Materials</a> ; <a href="#">Value Chain Management</a> ; <a href="#">Talent Management</a> ; <a href="#">Labor Relations</a> .



*Our Cleveland Works facility overlooking downtown Cleveland, Ohio*

SDG	ALIGNMENT	REPORT SECTION
<b>Industry, Innovation &amp; Infrastructure</b>	Cliffs continuously identifies ways to improve the efficiency of our facilities and ensure the long-term sustainability of our operations, including upgrading and retrofitting existing equipment; exploring new industrial-scale technologies; and responsibly consuming our vertically integrated raw materials. To sustain our business long-term, we actively recruit and retain talent by providing industry-leading, well-paying jobs and skill-building opportunities.	<a href="#">Sustainable Steel</a> ; <a href="#">Climate &amp; GHG Emissions</a> ; <a href="#">Energy</a> ; <a href="#">Talent Management</a> ; <a href="#">Labor Relations</a> .
<b>Sustainable Cities &amp; Communities</b>	Cliffs is committed to reducing our GHG emissions 25% by 2030 from 2017 levels. We also responsibly manage our wastes to mitigate our potential environmental impacts. These commitments enable the long-term sustainability of our local communities.	<a href="#">Sustainable Steel</a> ; <a href="#">Climate &amp; GHG Emissions</a> ; <a href="#">Air Quality</a> ; <a href="#">Waste &amp; Hazardous Materials</a> .
<b>Responsible Consumption &amp; Production</b>	A critical component of Cliffs' business strategy is responsible management of our raw materials and resources. We strive to reduce our wastes, and we encourage our business partners to adopt sustainable practices that align with our strategy. Cliffs remains committed to supplier diversity and engages in responsible sourcing practices. We are committed to reporting our progress via our annual sustainability report.	<a href="#">Sustainable Steel</a> ; <a href="#">Our Sustainability Priorities</a> ; <a href="#">Waste &amp; Hazardous Materials</a> ; <a href="#">Value Chain Management</a> ; <a href="#">Public Policy &amp; Advocacy</a> .
<b>Climate Action</b>	In addition to reducing our GHG emissions, we partner with like-minded organizations to advocate for beneficial climate change strategies.	<a href="#">Sustainable Steel</a> ; <a href="#">Climate &amp; GHG Emissions</a> ; <a href="#">Public Policy &amp; Advocacy</a> .
<b>Life on Land</b>	Cliffs is a responsible steward of our natural resources and mindful of the areas surrounding our operations. We take daily actions to mitigate our potential impacts on the local environment and we take seriously our social license to operate.	<a href="#">Water &amp; Wastewater</a> ; <a href="#">Land Management &amp; Biodiversity</a> .
<b>Partnerships for the Goals</b>	Cliffs is committed to reporting our sustainability progress through our annual sustainability report (aligned to GRI, SASB and TCFD) as well as multi-stakeholder monitoring frameworks such as CDP. Additionally, we will continue to partner with like-minded organizations to advocate for public policy that is beneficial to our industry.	<a href="#">Partnerships &amp; Collaborations</a> ; <a href="#">About this Report</a> ; <a href="#">Public Policy &amp; Advocacy</a> .





# OUR COMMITMENT TO THE ENVIRONMENT

Cleveland-Cliffs actively manages and minimizes our impacts on the environment. We continue to make progress toward our goal to reduce GHG emissions 25% by 2030 from 2017 levels, and we strive to go beyond compliance with regard to air, water, waste and biodiversity. As a vertically integrated iron and steel producer, we continually look for ways to more sustainably source and consume raw materials. Most importantly, Cliffs understands that we must be a good steward of the environment in order to be a leader in our industry and sustain our business in the long term.

## Environmental Management

Environmental matters and their management continue to be an important focus at each of our operations. From 2017 to 2021, we invested approximately \$1 billion into our Toledo Direct Reduction plant, which provides a low-carbon intensity raw material to our steelmaking operations. The HBI produced from the plant requires less energy to produce compared to traditional feedstock and can be used in blast furnaces to reduce emissions by improving energy efficiency and reducing the amount of coke required for steel production.

Being a good steward of the environment starts with sound environmental management practices. As we harmonized environmental management programs from our three legacy companies over the past year, we cascaded best practices across our operations to strengthen our commitment to environmental stewardship. In May 2021, our Chairman, President and CEO elevated oversight of environmental affairs and sustainability to the executive level, further demonstrating its importance.

At the corporate level, Cliffs' environmental team manages primary regulatory engagement, permitting and oversees compliance across our operations. The corporate environmental team also provides direct and continuous support to our site environmental managers, who are integral to the success of our operations. Our site environmental managers work diligently to support and guide operations' compliance-related work; maintain permits; keep apprised of impending regulatory developments; interface with our local communities; and drive environmental improvement projects.

Additionally, the majority of our facilities certify to [ISO 14001](#), and we continue to evaluate opportunities to certify additional sites.

Cliffs is committed to investing in our people and our facilities to enhance our environmental management practices and remain a good neighbor to our local communities. We report our estimated capital expenditures related to environmental matters in our annual financial disclosures. In 2021, we invested approximately \$62 million, and our estimate for 2022 is approximately \$120 million for various water treatment, air quality, dust control, tailings management, and other miscellaneous environmental projects. We expect our capital expenditures for environmental improvements for each of 2023 and 2024 to be generally in line with 2022's estimated spending. We draw on the experience and expertise of our entire environmental team to identify and implement proven solutions to reduce our environmental footprint and go beyond compliance. We also stress the effectiveness of corrective actions and preventative measures as we strive for continuous improvement.

In 2021, we renewed our focus on improving data consistency and quality, and we undertook environmental risk assessments at our iron and steel producing sites. We increased the frequency of internal environmental reporting and established more formal check-in meetings across our operations on a regular cadence. This helps us to be more proactive in identifying potential issues before they adversely impact our operations or local communities.



# Climate & GHG Emissions

Over the last year, Cleveland-Cliffs continued to demonstrate our commitment to addressing GHG emissions and climate change. Our Strategy and Sustainability Committee of the Board of Directors—chaired by our Chairman, President and CEO—oversees Cliffs’ strategic plan and annual management objectives, as well as the Company’s implementation of our sustainability strategy, which includes review of major ESG-related risks and opportunities.

As a member of the Board and Cleveland-Cliffs’ top executive, our CEO ultimately directs Cliffs’ climate-related matters. Our CEO, along with the executive committee comprised of C-suite leadership, is responsible for environmental and sustainability performance, management of environmental and climate-related risks and implementation of Cliffs’ strategic plan. Additionally, as a member of the executive committee, our Executive Vice President of Environmental & Sustainability is the executive sponsor of sustainability management activities and reporting.

*Volunteer planting vegetation in upper Michigan in partnership with Trout Unlimited*



We report material, climate change-related risks to our business in our periodic reports filed with the U.S. Securities and Exchange Commission. Climate change and its potential associated impacts are complex and our efforts to identify climate-related risks and account for different scenarios are ongoing. While the magnitude of the impacts depends on the scenario, the following are potential physical risks and opportunities presented by climate change that we have identified to date:

- Increased average temperatures and increased frequency of extreme heat waves could lead to impacts to utilities demand
- Increased annual rainfall and increased frequency of high intensity precipitation events could increase the risk of floods
- Increased surface water temperatures in the Great Lakes along with reduced ice coverage could benefit industry with increased length of the shipping season

Regarding transitional risks and opportunities, Cleveland-Cliffs’ management team monitors, for example, how potential or emerging regulations, or other external situations can impact the business. Potential transitional risks and opportunities include:

- Laws and regulations implementing new carbon pricing or other GHG control requirements, which could impact operational costs
- Increased electricity demand to the grid in response to physical climate-related risks and electrification of the economy could increase energy prices
- The steel industry’s unique position of currently lacking industrial scale, zero-carbon emission technologies for iron and steelmaking
- Transition to EVs in the automotive industry presents an opportunity for a number of our automotive steel grades including non-oriented electrical steel used in motors
- Higher electricity demand is anticipated to increase demand for electrical steels like our grain oriented electrical steel products and steel usage in the rapidly expanding renewable energy sector





Indiana Harbor, Indiana

We address enterprise management risks as part of our business strategy. In response to climate-related risks, we have GHG reduction targets and priorities. Following our transformational year of acquiring AK Steel and ArcelorMittal USA, we established a GHG reduction commitment in January 2021 covering our expanded footprint. We are proud of our commitment to reducing our combined absolute Scope 1 and 2 GHG emissions by 25% by 2030 from 2017 levels, a goal we are actively tracking and measuring. Our GHG reduction commitment is based on executing the following five strategic priorities, which are outlined in our plan:

- Developing domestically sourced, high quality iron ore feedstock and utilizing natural gas in the production of HBI
- Implementing energy efficiency and clean energy projects
- Investing in the development of carbon capture technology
- Enhancing our GHG emissions transparency and sustainability focus
- Supporting public policies that facilitate GHG reduction in the domestic steel industry

At this year's United Nations Framework Convention on Climate Change (COP26), the DOE announced the newly created Better Climate Challenge. The Better Climate Challenge is a government-sponsored effort to set ambitious GHG emission reduction goals for organizations such as Cleveland-Cliffs. We are proud to be one of the inaugural members, and the only steel industry member, to join the Better Climate Challenge.



We plan to achieve our GHG emission reduction goals by focusing on actionable, commercially viable technologies and solutions, while supporting research for breakthrough technologies for the primary iron and steel sector. In other words, we are taking action now. Over the last several years, from design, construction and commissioning of our Toledo Direct Reduction plant to major energy efficiency upgrades and the acquisition of our FPT prime scrap processing facilities, we have made major investments totaling nearly \$2 billion that further sustainable low-carbon intensity steelmaking. Another way we are taking action now is ceasing the use of pulverized coal injection (PCI) at Dearborn Works. Instead of PCI we are injecting natural gas—which has lower CO<sub>2</sub> emissions than coal—directly into the furnace to reduce coke rates.

Cliffs' carbon strategy does not rely on purchasing the following to achieve our GHG reduction goal:

- Unbundled renewable energy certificates, which are not equivalent to purchasing additive renewable electricity from newly developed local projects;
- Carbon credits, which can be bought, sold or traded in public or private markets; or
- Carbon offsets (such as claiming existing forests) to “cancel out” emissions that a company generates.

A strategic area of research we are supporting is carbon capture and sequestration in the steel industry. As part of our collaboration with the DOE and our engineering and technology partners, we are evaluating an initial engineering design of an industrial-scale carbon capture system at our Burns Harbor facility. The study is on pre-combustion capture of CO<sub>2</sub> from blast furnace gas using a technology partner’s proprietary solvent and evaluating sequestration of the captured CO<sub>2</sub>. We kicked off the engineering study in summer 2021 and are investing over \$300,000 in costs and in-kind contributions to advance this field into a viable future option.

One of the breakthrough options identified for lowering carbon emissions in the industrial sector is fuel conversion to a fuel such as hydrogen. We are working with private and academic partners to build knowledge on hydrogen applications in the steel industry and identify opportunities and challenges. Currently, “green” hydrogen is a long-term option as it is not commercially viable in sufficient quantities for large industrial applications. This limitation aside, we are investigating potential hydrogen usage as part of our carbon strategy. While our Toledo Direct Reduction facility currently reforms natural gas to produce HBI, the facility was designed to replace up to 30% of the natural gas with hydrogen without modifications. We continue to evaluate the feasibility of sufficient hydrogen supply and implementation of fuel replacement at our Direct Reduction facility.

## GHG Emissions Key Metrics

We determine and disclose our GHG emissions in our annual sustainability report, to government regulatory agencies and to third-party platforms such as the additional GHG and climate-related information submitted to initiatives like CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. We are pleased to report that Cliffs received a ‘B’ score for our annual Climate Change response, the best amongst domestic steel producers.

Our combined Scope 1 and 2 GHG emissions performance for 2021 is presented in the chart below. Emissions increased year-over-year primarily due to a return to higher production levels from the production impacts in 2020 as a result of the COVID-19 pandemic. However, our GHG emissions profile continued on a downward trend from 2017 as a result of our evolved asset portfolio and energy efficiency projects. Our increased consumption of scrap and our successful use of HBI in our furnaces to reduce coke rate, enhance productivity and quality, and stretch hot metal production led to an overall reduction in carbon intensity per ton in 2021.

### Combined Scope 1 & 2 GHG Emissions (millions of mtCO<sub>2</sub>e)



<sup>1</sup> Emissions increased year-over-year primarily due to a return to higher production levels from the production impacts in 2020 as a result of the COVID-19 pandemic.



*Walking beam furnace at Burns Harbor, Indiana*

## Energy

A key priority of our GHG reduction strategy revolves around the efficient use of energy and clean energy. Steelmaking is an energy-intensive business. We consume a large amount of natural gas, electricity, industrial gases and diesel fuel, which are significant costs to our operations. The majority of our energy requirements are purchased from outside sources. Access to long-term, low-cost sources of energy in various forms is critically important to our operations. We created a multi-functional team focused on identifying opportunities for energy efficiency projects. Collaboration, both internal and external, is critical to achieving our energy and GHG reduction goals.

Cliffs is a proud partner of the DOE Better Plants® and the U.S. EPA ENERGY STAR® Industrial Partner programs. Through our partnerships, we receive expert training opportunities; program support; and participate in member webinars to learn and share best practices. As part of our DOE Better Plants® partnership, [we were one of five companies](#) selected to collaborate with the DOE in the newly launched Industrial Technology Validation (ITV) program. For more information on our participation in the ITV program, please see the [Water & Wastewater](#) section of this report.

Throughout our Cliffs' footprint we successfully implemented a number of energy efficiency projects ranging from new fuel-efficient furnaces to expanded deployment of LED lighting. At our Burns Harbor facility in northwest Indiana, we completed installation and commenced operation of two new Walking Beam Furnaces. The furnaces will improve quality and cost competitiveness, and reduce fuel consumption and associated GHG emissions.

We purchase electricity for all of our operations in either regulated or deregulated markets. Some of our operations also use self-generated coke oven gas and/

or blast furnace gas to produce electricity, which is an environmentally friendly practice that reduces our need to purchase electricity from external sources and helps reduce our Scope 2 emissions. We closely monitor developments at the state and federal levels that could impact electricity availability or cost and incorporate such changes into our electricity supply strategy. While our products enable additional wind and solar capacity and include the electrical steel grades necessary for an expanding modern grid, we also drive improvements to the grid through participation in renewable power offerings from regulated utilities that supply our operations.

# 9,217,005 GJ

of self-generated electricity

For example, in 2021, we committed to participate in a supplier's large customer voluntary green pricing program, which is expected to fulfill 35% of our Dearborn, Michigan integrated mill's power needs with solar-generated electricity. We understand that this supplier's new solar power generating facility is anticipated to begin operation in late 2023. We are targeting to purchase a total of 2 million megawatt hours ("MWh") of renewable energy annually (approximately 20% of Cliffs' total purchased electricity for 2021), which will be additive to the power grid, complement our existing supply and accomplish further reductions in our Scope 2 footprint.



# Air Quality

In addition to our commitment to comply with air permits, Cliffs seeks opportunities for continuous improvement through our daily activities and proactively communicates with our high-profile local communities to mitigate potential air quality concerns. We continue to foster open dialogue and listen to our stakeholders to understand issues and address them promptly. Additionally, we continuously work with our on-site contractors to identify issues and develop solutions to ensure we remain a good neighbor in our communities.

At our steel producing operations, we continue to work with our slag processing vendors to reduce fugitive air emissions. This was an area identified for improvement by our environmental management team, and as a result of our ongoing community engagement. We use dust suppressant on roads where large equipment

travels to reduce fugitive air emissions, and we keep the lines of communication open with our vendors to ensure best operational practices are implemented. At several of our operations we implemented new water fogging fugitive dust suppression systems to reduce fugitive air emissions from slag processing and material handling activities.

For example, at Middletown Works we increased slag cooling water and spray capability to improve slag cooling and reduce fugitive air emissions. We also installed a water fogging emission control system to reduce fugitive air emissions during the material handling activities at the blast furnace slag pits. Additionally, we performed a number of other substantial fugitive dust mitigation activities that further reduced fugitive air emissions at Middletown.

*Direct Reduction plant in Toledo, Ohio*





*United Taconite*

## Water & Wastewater

These activities resulted in reducing local community inquiries by 75% compared to 2020. Finally, some of our sites conducted trials in 2021 to further minimize slag processing emissions from slag pot dumping to further explore effective means to minimize fugitive air emissions from slag processing. We will continue to maintain operational best practices and partner with our slag processing vendors in 2022 to continue to reduce emissions in our ongoing efforts to be a good neighbor to our local communities.

At our iron ore mine operations, tailings basin beaches are continuously developed as tailings (a form of solid waste produced during the beneficiation process of iron ore concentrate) and are deposited into the tailings basin. The dynamic nature of beach placement and dewatering creates challenging conditions to access the beaches to employ dust control. Currently, hay mulch cover is an effective method to reduce the potential fugitive dusting events from tailings basin beaches. Depending on the size of the basin, sites use hundreds of large bales of hay each year to cover thousands of acres of beach. Hay mulch is typically applied by tractor to access the majority of beach areas. In recent years, Cliffs has augmented its program with alternative application methods specifically targeted to reach difficult-to-access beaches, for example, via helicopter. Our tailings basin teams across our mine operations explore different application methods while also sharing best practices across these sites. These best practices not only include the application methods themselves, but planning, instrumentation tools and inspection frequencies. Cliffs values the importance of cross-collaboration amongst our sites to ensure we are employing the most effective practices for optimizing operations.

Water is a critical component of our iron and steel producing operations, from processing to dust control. Cliffs strives to manage our water resources sustainably to remain a good environmental steward while maintaining compliance and the integrity of our products. We continue to recycle the vast majority of process water at our iron ore mining operations at on-site clarifier systems, and this recycled water substantially reduces the total volume of fresh water we would otherwise need to withdraw.

During 2021, we employed a number of water treatment pilots and projects that contributed to us achieving beyond compliance. Following our acquisition of the Steelton facility in late 2020, we are implementing a multi-year water savings project to reduce purchased city water. Our investigation identified and repaired water leaks in city water subsurface piping. The facility utilized sophisticated acoustic leak detection so only leaking segments were replaced, ultimately minimizing excavation. In 2021, purchased city water consumption was reduced by approximately 66 million gallons. Following completion of the project the facility expects annual savings of \$1 million in water utility bills. At our Indiana Harbor facility, we installed ammonia treatment capability at a blast furnace water treatment system, which resulted in a significant reduction of ammonia. We operated this equipment as a voluntary enhancement and plan to install permanent ammonia treatment at the blast furnace wastewater treatment plant in 2022.



At our Cleveland Works facility, we are piloting two water treatment technologies in partnership with the DOE and a water technology firm. In July 2021, the DOE selected five private-sector partners (who are also part of the DOE's Better Plants program) to receive technical assistance to test clean, efficient technologies in real-world industrial environments. These Industrial Technology Validation (ITV) projects are electro-coagulation water treatment systems.

The first project is a pilot of alternative technology for oil removal from wastewater using electro-coagulation instead of chemical treatment. This technology aims to improve water quality and increase oil recovered for reuse. The second project is a pilot of electro-coagulation water treatment instead of chemical treatment at one of our cooling towers.

This application of the technology aims to precipitate out high total dissolved solids (TDS) in the cooling tower, reducing blowdown, water treatment chemicals and city water usage. These projects are currently underway, and we expect to evaluate results in 2022.

In 2021, two of our iron ore facilities received recognition from the Minnesota Pollution Control Agency (MPCA) for maintaining a perfect record of compliance for our on-site wastewater treatment facilities—United Taconite and Northshore. To be eligible for this recognition, facilities must submit all monitoring reports to the MPCA correctly and on time; demonstrate consistent compliance through monitoring or surveys; and employ staff certified by the MPCA in wastewater operations.



#### SPOTLIGHT STORY

## Improved Wastewater Treatment

At our Burns Harbor facility, we are piloting an ammonia water treatment system to reduce nutrient loading to the East Branch of the Little Calumet River and Lake Michigan. The pilot test was a success, and will continue to be operated with capability to reduce ammonia from our discharge throughout the year—ensuring compliance and improving wastewater discharge parameters. Additionally, Cliffs has publicly committed to eliminating the waiver associated with our National Pollution Discharge Elimination System permit relative to the Clean Water Act (at Burns Harbor) due to the success of this pilot project. Steel mills, for example, can request waivers to allow for higher ammonia loading without impacting water quality. Burns Harbor is voluntarily eliminating our 301g variance for ammonia—going beyond compliance—to permanently install best available technology (BAT), removing an additional 40% of ammonia per year more than was allowed under the previous permit limits. This decision was made in good faith to maintain and strengthen relationships with our state, agency and local community stakeholders. We plan to install a permanent treatment system in 2025.





*Ore boat at our Indiana Harbor, Indiana facility*

## Waste & Hazardous Materials

Cliffs continues to produce high-quality iron ore pellets by processing and concentrating our ore solely through mechanical, magnetic and flotation methods—thereby avoid generating large quantities of hazardous waste associated with chemical extraction techniques. We believe in reusing waste materials to reduce our burden on harvesting natural resources. For example, at our mines, we reuse coarse tailings from our processing plants for construction of earthen dikes and road construction projects instead of purchasing excavated soil and materials.

Being a responsible steward of the environment includes effectively managing our waste materials. We undertook a number of initiatives in 2021 to improve waste handling at our sites. For example, at our Weirton facility, we partnered with a firm to pilot a process to generate usable base oils from high-volume rolling solutions. This pilot was successful and based on lessons learned, the vendor is engineering an onsite solution to facilitate treatment of additional lubricants. These lubricants can be sold as feedstock for other products to other industries. Additionally, the partner firm is exploring the idea of cleaning this base oil, refining it and selling it back to Cliffs for reuse at our site in lieu of using virgin lubricant oil. Not only can we use this base oil more than once, but it provides us a cost savings and can be scaled to other facilities.

At our Burns Harbor facility, we phased out the use of foreign sintering ore products as a feedstock for our furnaces and replaced them with process footprint

residuals and iron ore byproducts from our mines. These residuals are then reprocessed back into our operations to further improve our recycling rate. Building on the success of this process, we recycled approximately 356,000 tons of material that would otherwise be disposed of in a landfill.

Over the last several years, Cliffs has made significant investments in remediating land acquired from legacy companies. We assumed responsibility for impacted lands and transformed them into parcels that generate value for us and for the communities where we operate. At several of our integrated mills, we operate on-site storage facilities. This enables us to isolate iron-laden residual materials for potential reclamation in house rather than shipping them to off-site disposal facilities.

In 2021, a new federal regulation emerged to prohibit the presence of phenol, isopropylated phosphate (PIP 3:1), a substance that is used as a flame retardant, plasticizer and/or additive in a broad range of products such as cable, wiring and manufacturing equipment components. We proactively worked with our sites and vendors to utilize reformulated materials in our processes before this regulation took effect, and we are able to satisfy downstream customer requests to ensure PIP 3:1 and other constituents of concern are not contained in products they purchase from us.





*Volunteers participate in vegetation planting at Lost Creek in upper Michigan*

## Land Management & Biodiversity

Cleveland-Cliffs has a duty to protect not only our land but the surrounding natural resources and biodiversity. Several of our facilities are subject to strict government permitting processes for construction and mining activities that can involve ecological assessments and wetland delineation. However, we go beyond compliance as a responsible user of natural resources.

Cliffs partners with like-minded organizations that focus on preserving areas with high biodiversity value, as well as developing areas that can provide greater access to nature for local communities. For example, we became a member of Wildlife Habitat Council (WHC) in late 2021, an organization that empowers companies to advance biodiversity, sustainability, employee engagement and community relations goals. Previously, Cleveland-Cliffs partnered with WHC and the United States Department of Agriculture (USDA) Forest Service to help support the [Great Lakes Restoration Initiative](#) (GLRI).

Launched in 2010, the GLRI accelerated efforts to protect and restore the largest system of fresh surface water in the world. Through the USDA Forest Service funding, Cliffs and WHC also supported the CommuniTree program in northwest Indiana, which creates a healthier and more diverse tree population.

In Minnesota, Cliffs sponsors the Mineland Vision Partnership, a collaborative group of mining, government, business and community stakeholders that work together on land use projects that either preserve mineral lands for future mining, or redesign and reclaim minelands that are not being utilized for mining. In addition to sponsorship, we participate in meetings and partner on projects at our own mining operations. In 2021, we received a grant from the Mineland Vision Partnership to landscape and reclaim a stockpile to improve aesthetics for our local communities.

In addition to this work, we also partner with Trout Unlimited, a national organization that provides education and conducts restoration projects to recover streams and rivers to protect and restore wild and native trout and salmon. The Cleveland-Cliffs Foundation (the Foundation) helped fund a project that provided land access near the Cliffs Erie Railroad (north of our Northshore Mining operation) to replace a culvert and improve habitat connectivity and trout populations in Fredenberg Creek. The Foundation also supported the Fred Waara Chapter of Trout Unlimited in upper Michigan for the purchase and planting of vegetation at the mouth of Lost Creek. This project helped maintain Lost Creek as a cold-water refuge for trout and other native aquatic organisms.

Cliffs is also supporting the Toledo-Lucas County Port Authority and the Ohio Department of Natural Resources in the Duck Creek Wetland Restoration and Nutrient-Reduction Project at Ironville, near our Toledo Direct Reduction plant. The project includes restoration of 12 acres of degraded floodplain wetland; creation of new upland prairie habitat and four additional acres of floodplain wetland; and stream channel reconfiguration and naturalization of more than 2,200 lineal feet of a degraded, channelized reach of Duck Creek. The design and build firms have been selected, contracts have been finalized and permitting is underway. The project is slated for completion by the end of 2022.

Each year, the West Virginia Department of Environmental Protection and the West Virginia Coal Association conduct a recognition program for reclamation in the mining industry. Reclamation projects—which typically last several years—are required to be in advanced stages and endorsed by the local inspector. For Cliffs' Red Hawk Surface Mine, our reclamation project had reached a mature enough stage in 2021 to be considered for the reclamation award, which we proudly achieved.

## SPOTLIGHT STORY

# Conservation at Burns Harbor

At our Burns Harbor site, we have an ongoing WHC-supported project to rehabilitate Oak Savanna Dune and Swale that began in 2012. This included restoration of more than 40 acres of on-site dune and swale habitat and the creation of an employee walking trail. The site provides a shorebird habitat for nesting; stopover location for migratory birds; and permanent residency for native shorebirds. In late 2021, Burns Harbor employees completed several greening projects to remove invasive species, clear out forest understory and plant native milkweed and trees to recertify the site. In addition to this project, Burns Harbor also has a plant beautification team. This team is currently planning a project for 2022 to mitigate fugitive dust and stormwater runoff in the primary production area. We are proud to report that Burns Harbor was re-certified for 2022 due to the hard work of our dedicated site environmental team.





# EMPOWERING OUR PEOPLE



Cleveland-Cliffs greatly values our employees, and we take active measures to ensure their health and safety. We provide for the financial well-being of our workforce with competitive compensation and benefits, as well as opportunities for training and professional development. Cliffs believes in the power of a diverse and inclusive workforce, and we support our employees' right to freely associate and collectively bargain.

## Health & Safety

Safe production is our primary Core Value and continues to serve as the foundation of our health and safety program at Cliffs, as we strive toward achieving a zero injury culture across our operations. We are committed to maintaining a safe and healthy environment for everyone that sets foot on our sites, in accordance with the Occupational Safety and Health Administration (OSHA). We regularly monitor our safety performance and make continuous improvements to affect change. Best practices and incident learnings are shared globally to ensure each facility can administer the most effective policies and procedures for enhanced workplace safety. Progress toward achieving our objectives is accomplished through a focus on proactive sustainable safety initiatives, and results are measured against established industry and Company benchmarks, including our Company-wide Total Recordable Incident Rate (TRIR).

In 2021, we refreshed our corporate [Safety Policy](#), which was implemented at every site with the full support of our executive leadership. The policy is also printed on large posters that are displayed in communal places around our facilities.

## Safety Management

Most of our steel producing sites are certified to the ISO 45001 standard for occupational health and safety, and we plan to start down the path of certification for additional sites in 2022. We made changes to our organizational structure to give plant managers primary accountability for the safety of plant employees and contractors who do work at our sites. Each site has a safety manager (larger sites also have safety engineers) who reports to the plant manager.

These changes have empowered our plant managers to drive tangible improvements at their respective sites, and continue to value safety over everything else.

Our corporate safety team and plant managers meet weekly with executive leadership to review incidents that had potential for serious injury or fatality, corrective actions taken and best practices to foster a safe work environment. Over the last year, we cascaded our legacy Cliffs safety program to our steel acquisitions, as well as integrated some of the safety programming from our steel business into our Company-wide safety management program. In 2021, the following safety programs were deployed across our operational footprint:

- Life-Saving Rules
- Take 5 Hazard Recognition
- Corrective and preventive actions
- Field Verification of Critical Controls
- Serious Injury and Fatality prevention

Additionally, Cliffs continues to conduct required pre-operation safety inspections for mobile equipment and regular workplace exams in accordance with regulations such as Mine Safety and Health Administration. We also address industrial hygiene by proactively measuring controls and performance at all of our sites, and share best practices to achieve program targets with the support of an industrial hygienist.



## Safety Programs & Initiatives

In 2021, we implemented a number of training and development initiatives to equip our plant managers with the proper leadership tools for success. For example, we began rolling out a leadership development program administered by a group of experts with elite military training called Check-6. This group provides training around managing change, process optimization and risk minimization to help improve performance and efficiency. For example, Check-6 introduced the brief/debrief process, which consists of several steps to be carried out that are similar to the steps conducted before a military mission: outline safety objectives; brief the team on the mission at hand; execute the mission; debrief on lessons learned; repeat the process. The brief/debrief process happens daily at our sites, including at shift change meetings and job safety briefings.

In October 2021, we held an Employee Health Week at our Burns Harbor facility. Events included an American Red Cross blood drive and presentations by the American Heart Association (AHA) for heart health and breast cancer awareness. Employees could purchase blood pressure monitors for a donation to the AHA, of which 125 monitors were purchased with an additional 100+ requests for more. Regional health organizations hosted informational booths to provide health screenings and giveaways for participation, and we held a farmer's market that distributed a bag of fresh fruit and vegetables from a local farm to every employee.

## 2021 Safety Metrics

**1.37**

total recordable incident rate (company-wide)

**100%**

employees and non-employees working on site covered by an occupational health and safety management system

**53,224,430**

hours worked (employees)

**20**

average hours of health, safety, and emergency response training per employee

*A sign at our Burns Harbor Deerfield Woods Training Center*







*Devin Yanders helped distribute fresh produce to employees during the Burns Harbor Employee Health Week*

## Safety Performance

As part of our weekly corporate safety team meetings, our safety leadership team reviews safety issues as well as important operational topics. They also cover key leading and lagging safety metrics across all of our sites, which roll up to our corporate safety metrics. During 2021, our safety TRIR (including contractors) was 1.37 per 200,000 hours worked. We are proud to report that two of our operations have gone a significant length of time without a lost-time incident: Zanesville Works—19 years, and our Cliffs Technology Group in Ishpeming, MI—44 years.

Several of our sites were recognized for their outstanding safety performance in 2021. Our tubular components facilities in Walbridge and Columbus, Ohio, received The Fabricators & Manufacturers Association's 2022 Safety Award of Merit, presented to companies that posted an injury and illness incidence rate for 2021 that was better than the published Bureau of Labor Statistics rate by 10% or greater. Additionally, the Blue Eagle Surface Mine at our Princeton Coal complex received the Bart B. Lay, Jr. Milestone of Safety Award, which is the highest safety performance recognition given in West Virginia to a surface mining operation with the best overall safety performance. Our Eckman Loadout received the Mountaineer Guardian Safety Award in recognition of their outstanding safety performance.

## SPOTLIGHT STORY

# Ensuring Employees' Health & Safety

In July 2021, Cliffs launched a Company-wide COVID-19 vaccine incentive program that we developed in partnership with our labor unions (United Auto Workers and International Association of Machinists and Aerospace Workers). The intent of the program was to protect our valued workforce during the pandemic by providing our employees with a positive incentive for vaccination. Under the program, Cliffs committed to pay each employee at least \$1,500 to receive a COVID-19 vaccine. Cliffs also committed to pay \$3,000 to employees at locations that had a vaccination rate of at least 75%.

Throughout the 45 days the program was in place, the vaccination rate more than doubled, and we achieved a total vaccination rate of over 75% throughout our workforce. The initiative resulted in a payout of \$45 million in total cash incentives to our vaccinated workforce. The successful vaccination program allowed us to operate efficiently and safely throughout the remainder of 2021 and into 2022, and demonstrated our leadership's investment in the well-being of our workforce.



"I am delighted with the success of our vaccine incentive program. I appreciate the support of our local managers and union partners in making herd immunity a reality at the majority of our locations."

**LOURENCO GONCALVES**  
CHAIRMAN, PRESIDENT AND CEO



#### SPOTLIGHT STORY

## Honoring Our Veterans

Every year, about 200,000 men and women transition out of the military and into civilian life. Military veterans make up an important and valued segment of our workforce. They bring diverse experiences and valuable skills to our operations, and Cliffs is committed to honoring and employing veterans in our facilities. In 2021, we were proud to be named to [Forbes' America's 200 Best Employers](#) for Veterans list. The Best Employers for Veterans were identified in an independent survey from a vast sample of more than 5,000 U.S. veterans (having served in the United States Armed Forces either in the regular military or in the National Guard or military reserves) working for companies employing at least 1,000 people within the U.S.

Our “Military to Manufacturing” initiative recruits, trains and hires veterans who are transitioning out of their military service and seeking rewarding careers in the steel industry. The initiative engages veterans currently employed at Cleveland-Cliffs to serve as ambassadors and share their experiences with prospective veteran candidates. Luke Hoffman (pictured above), maintenance manager at Mansfield Works, proudly served almost nine years in the U.S. Army after 9/11, and today is helping fellow veterans see the opportunities in steel. “Military candidates often stand out for their skills, values, work ethic and willingness to take on a challenge. I know from my own experience how these attributes translate to a career in steel. At Cleveland-Cliffs, we have the resources to help our veterans be successful in the private sector, and I’m proud to be a part of it.” As our population of veteran team members grows, we intend to develop additional resources to support their personal and professional development. For example, we are partnering with The Manufacturing Institute’s Heroes MAKE America program to strengthen our work in this area.

## Talent Management

Our people are our most valuable asset. With a growing workforce—more than 26,000 employees strong—investing in our people’s safety and success is a top priority. We are focused on attracting and retaining a highly skilled workforce to help our Company achieve its business and sustainability goals. Working closely with our labor partners, our employees receive competitive compensation and benefits, along with wide-ranging opportunities for training, development and growth. In 2021, we had 76 students engaged in summer work and internship programs, and we hired 68 new permanent full-time employees to our associate program through college recruitment. In partnership with our local unions and technical schools, we had more than 800 employees participate in Company-supported apprenticeships and skilled training programs in 2021, roughly triple the amount trained in 2020.

In 2021, we made great strides in harmonizing our human resources systems, policies, procedures, and programs. We leveraged and improved upon the best of our legacy companies’ human resource management practices to enhance our brand recognition and demonstrate that Cleveland-Cliffs is the employer of choice across our operating communities.

### ATTRACTION, ENGAGEMENT & RETENTION

Cleveland-Cliffs employees earn well above the industry average and receive competitive benefits. In 2021, the median compensation of a Cleveland-Cliffs team member was \$125,396. Employees are rewarded for their contributions and are encouraged to take advantage of a growing suite of training and development opportunities. A Company-wide Tuition Assistance Program is in place to support salaried employees’ professional development and learning. Working in partnership with our unions, bargaining unit employees participated in multiple safety and skill-building trainings throughout the year. In total, we invested approximately \$450,000 in employee training and skill development last year.

Recruiting new team members was a major focus in 2021 and will be in the years ahead, as we continue to grow our Company and fill gaps due to retirements and attrition. Cleveland-Cliffs is expanding our talent acquisition team to engage and recruit top talent from a number of key demographics, including new college graduates, skilled tradespeople and military veterans with skillsets and credentials uniquely suited to our industry. Additionally, we established an Employee Referral Program for salaried employees beginning in early 2022. We look forward to reporting progress for this program in our next sustainability report.

**800+**  
**employees**

in skilled training programs in 2021

We are also engaged in local and state level partnerships to grow and develop talent from our hometown communities, offering safe, skilled, well-paying manufacturing jobs. These local efforts are responsive to local workforce needs and are custom-built through creative industry partnerships or apprenticeship programs. For instance, our Burns Harbor facility renewed its partnership with Ivy Tech Community College to offer an updated one-year training program whereby students learn electrical maintenance skills; complete a hands-on internship at Cleveland-Cliffs; earn an Industrial Workforce Certificate; and are eligible for permanent hire upon completion. Our Middletown facility again offered a summer work program for local students to provide them valuable experience in manufacturing and allow them to earn money toward their post-secondary education. A number of additional facilities employed college interns from engineering and business majors over the summer.

## Labor Relations

At Cleveland-Cliffs, we know that maintaining strong, positive relationships with labor unions is key to our long-term sustainability. We recognize and respect the right of our employees to freely associate and collectively bargain, and we do not engage in harassment, intimidation or retaliation for their efforts to bargain collectively.

Seventy percent of Cleveland-Cliffs' workforce are represented by three prominent unions—United Steelworkers, United Auto Workers and International Association of Machinists and Aerospace Workers. The hardworking men and women of Cliffs are the lifeblood of our Company. Our employees operate and maintain our facilities and are, ultimately, responsible for safely delivering a quality product to our customers. Therefore, we engage with our unions as business partners, and together, we have achieved a number of successes that benefit our business and our people alike.

In 2021, labor contracts for workers represented at our Rockport, Dearborn, Mansfield, Middletown, and Monessen facilities were successfully ratified. We are proud to report we did not experience any strikes or lockouts in 2021. We expect to continue productive dialogue with our labor partners into 2022 as a number of other site agreements reach expiration and will be renegotiated. This positive partnership with our unions helps us remain competitive and protects our customers and their supply chains from disruptions due to labor disagreements.

Regular, consistent two-way communication is the foundation of our approach to labor relations. We promote open dialogue at all levels of the organization—from regular meetings among Company and union leadership to everyday shop floor interactions between managers and team members. Safety is the most important focus of this ongoing dialogue, but we also welcome union and union members' input on any topic that will improve our business. We take employee issues and feedback seriously, and team members are offered multiple ways to raise concerns, ask questions or make suggestions.





#### SPOTLIGHT STORY

## Woman of Steel

Arvella Greenlaw (USW Local 6787) didn't always work at the mill. Despite being a third-generation steelworker—her father, uncles and cousins all worked at the mill—Greenlaw started her career in management at a healthcare insurance company. She toggled between this and work in the transportation sector before applying to Burns Harbor where her husband Dion works in the plate mill. Greenlaw has always supported union jobs because of the focus on workers' rights, and she wanted to retire from a union job. It took three years before she got the call to interview for a mill job at Burns Harbor, and at the time Indiana Harbor needed workers at the hot strip mill. Greenlaw worked at Indiana Harbor beginning in 2011, where she also joined the Women of Steel organization. When the hot strip mill operations closed, Greenlaw decided it was time to join her husband at Burns Harbor, so she began running the cooling bed at the 110" plate mill in 2017. She was also appointed the District 7 coordinator in 2019.

Even in management, Greenlaw has always been a proud union worker. "I believe in treating people as people, and while I'm union at heart, I believe we all have to work together because the number one priority is safety," she says. Many years ago, Greenlaw's uncle tragically passed away in a mill accident, and she believes the incident could have been avoided with more emphasis on safe work. When she joined

the Burns Harbor team, USW Local Union President Pete Trinidad Sr. asked Greenlaw to be a safety instructor at the Deerfield Woods Training Center, where she has since become a full-time instructor. Greenlaw teaches everything from heavy equipment operation, lock out tag out, fall protection, confined spaces, first aid, CPR, AED, and general safety awareness training in accordance with Occupational Health and Safety Administration and customer quality requirements.

Not only is Greenlaw passionate about her union job and the importance of workplace safety, she and her husband dedicate most of their time outside of work to helping others. Whether it's collecting donations from coworkers, family and friends for women and children who are victims of domestic violence to fundraising for the American Cancer Society, Greenlaw says: "I was raised with the mentality of, when you're good and you have an abundance, you share it." In recognition of Greenlaw's dedication to her union job and to supporting her community, she was awarded the 2021 USW Jefferson Cares Award for District 7. She was surprised to learn she won the award since she herself nominated several other people. True to form, Greenlaw donated her \$500 prize to Laini Fluellen Charities, an organization that raises awareness among young women for triple-negative breast cancer, a type of breast cancer that disproportionately affects Black and Hispanic women.

These include regular plant safety interactions; local grievance committee structures; our “Talk to Lourenco” hotline that provides employees with direct, unfiltered access to our Chairman, President and CEO; and an ethics helpline for reporting violations of our OneCliffs Way of Doing Business—Our Code of Business Conduct and Ethics or Company policies.

Finally, we also worked closely with our union partners in 2021 to attract and recruit new people to the Cliffs workforce. The market for skilled workers was extremely competitive last year, so in addition to upskilling and training our own team members, we have also focused on new hires.

Company-wide, Cleveland-Cliffs hired more than 3,300 bargaining unit team members in 2021. As we recruit and develop the next generation of our workforce, collaboration with our union partners will continue to be important. Together, we are committed to providing safe working conditions, strong compensation and benefits, meaningful work and work-life balance.



## Diversity, Equity & Inclusion

We continue to foster a culture of diversity, equity and inclusion at Cliffs. Through our OneCliffs Way of Doing Business, we outline our Core Values, which include Trust, Respect and Open Communication. To Cliffs, this means encouraging and accepting different views, and supporting and advancing gender and racial diversity. Further, we do not make employment-related decisions nor do we discriminate based on race, color, national origin, gender, age, religion, mental or physical disability, veteran status, sexual orientation or any other characteristic protected by applicable law. We strive to make Cliffs a safe place to work for all. Harassment and/or intimidation are not tolerated anywhere in our Company, and we hope our people make a career at Cliffs doing meaningful and challenging work.



### SPOTLIGHT STORY

## An Emerging Leader

Women continue to excel at Cleveland-Cliffs and earn recognition outside the walls of our company. Rahnuma Chowdhury, Senior Product Development Engineer—Quality Division, was named a 2021 STEP Ahead award honoree and an Emerging Leader by The Manufacturing Institute. Located at our Cleveland Works plant, Rahnuma has been instrumental in helping to develop new AHSS grades for automotive applications. These AHSS grades are stronger and more formable than traditional coated steels, allowing automakers to manufacture lightweight vehicles for greater fuel efficiency and safety. Rahnuma’s work in developing these vehicles of the future plays a key role in growing Cliffs’ automotive business.

Outside the mill, Rahnuma is active in the local community and beyond, participating in our “Women of Steel” campaign to help attract women to pursue STEM careers in our industry. She also mentors women engineering students through Women in Engineering professional mentorship initiatives at her alma mater, The Ohio State University, and volunteers at the Great Lakes Science Center to help middle and high school students explore STEM careers. We are proud to have Rahnuma as a valued member of our Cliffs team.



# CONNECTING WITH OUR COMMUNITIES







*Volunteers at the Burns Harbor Health Fair*

Cliffs takes very seriously our responsibility to be a good neighbor to our local communities. We work with local organizations to achieve common goals, and we listen and respond to the concerns of community members. Finally, we give generously to local and regional nonprofit and community-focused organizations with shared values.

## Stakeholder Engagement

In 2021, we expanded our efforts around proactive stakeholder engagement. These efforts have enabled Cliffs to better understand where our business intersects with the needs and expectations of our stakeholders, and to prioritize activities that create shared value. It also helps us build relationships and work collaboratively to address issues when they arise.

We engage regularly with a wide range of stakeholders, including our investors, customers, suppliers, industry groups, employees, communities, and governments at every level. Our interactions with each of these stakeholder groups are described throughout this report.

## Community Engagement

To many of our communities, Cleveland-Cliffs is a new company, and our community stakeholders were not previously familiar with our brand. Additionally, Cliffs is aware of the environmental justice (EJ) movement and that EJ communities exist. We know where these communities are located relative to our operational footprint, and we know that it is critical to foster valuable dialogue with local stakeholders in order to maintain our social license to operate. To that end, we have re-energized our community relations team with representatives in all of our major operational hubs. Each of our representatives possess unique knowledge and expertise necessary to develop meaningful relationships in their respective communities.





*Lourenco Goncalves (joined by Cliffs employees) gave the keynote address at the Laurentian Chamber of Commerce's Gala and Annual Dinner*

Additionally, we enhanced our Community Inquiry Program to better understand the perspectives and questions of community members; create an accessible and open line of communication; and enable the opportunity to further develop additional relationships in our communities. The program is managed at the site level by our community relations representatives and is overseen at the corporate level with support from our executive leadership. Our community relations representatives work cross-functionally with plant management, as well as corporate leadership in environmental, human resources, government affairs, and other departments.

Through this program, we employ [reliable and accessible channels](#) for our communities to reach us, and we respond to inquiries in a timely and appropriate manner. The program incorporates existing communications channels and procedures to ensure continuity. We also track information to determine best practices and evaluate program performance.

Our talented team is on the ground in our host communities, meeting with and listening to stakeholders and identifying opportunities for Cliffs to be supportive of shared community goals.

In each of our communities, Cliffs personnel actively participate in local civic organizations, chambers of commerce and community coalitions. This organizational structure ensures that community voices are recognized and heard when decisions are made and these stakeholders are kept informed of Cliffs' activities. As an example of our local engagement, our Chairman, President and CEO, Lourenco Goncalves, visited the Minnesota Iron Range in October 2021 and delivered the keynote address at the Laurentian Chamber of Commerce's Gala and Annual Dinner.

Finally, one of our key responsibilities as a corporate citizen is to give back to and support the communities where we operate. One important way we do this is by providing well-paying, family-sustaining jobs and generating economic value through the production of high-quality steel products. Another way we support communities is through our charitable investments.



Cliffs employee donating blood for the American Red Cross

## Charitable Giving

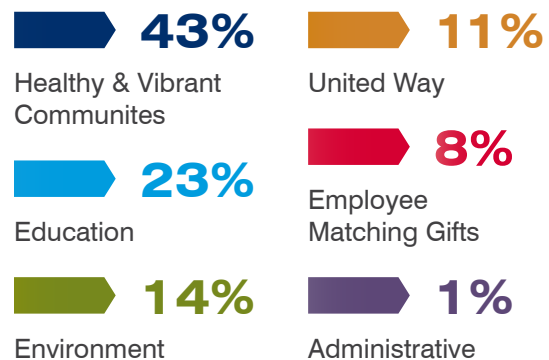
Through The Cleveland-Cliffs Foundation and corporate charitable giving, we invest in local organizations and programs that uplift and improve our communities. Our charitable giving is primarily focused on fostering healthy and vibrant communities, supporting education, and preserving the environment. In 2021, Cleveland-Cliffs and our charitable foundation donated \$6.5 million to local communities.

## 2021 Giving by Program Area



**\$6.5 million**

donated through The Cleveland-Cliffs Foundation and corporate charitable giving







#### SPOTLIGHT STORY

## USS Cleveland Legacy Foundation

The Cleveland-Cliffs Foundation entered into a two-year agreement to support the USS Cleveland Legacy Foundation. The USS Cleveland Legacy Foundation is a nonprofit organization that was established in 2019 to support the commissioning of the USS Cleveland (LCS 31), anticipated for completion in 2023 when it will be added to the Naval Vessel Register. The USS Cleveland Legacy Foundation will also oversee a multi-decade initiative to support the ship's crew during her service life (20–25 years), and return the ship home to Cleveland upon her retirement from Naval service to act as an enduring memorial and museum to honor all four U.S. Navy ships to have carried the name Cleveland. Support from The Cleveland-Cliffs Foundation helped dedicate the [Lone Sailor Statue](#), which represents all the people who served, are serving or will serve in the Navy. The installment of the Lone Sailor Statue in Cleveland aims to raise awareness of the effort to commission, support and honor the future Navy ship USS Cleveland. A replica of the Lone Sailor Statue can be seen along the Lake Erie shoreline near the Great Lakes Science Center—one of only 18 locations in the world. Additionally, Cliffs supplies steel plate product to Marinette Marine, where the USS Cleveland is being built.

*Pictured Above: James Graham (center), Executive Vice President, Chief Legal Officer & Secretary, accepts a replica Lone Sailor Statue on behalf of Cleveland-Cliffs.*

## The Cleveland-Cliffs Foundation

The Cleveland-Cliffs Foundation supports many organizations and programs across our operational footprint. This includes our nonprofit partnerships, scholarship programs, employee giving and matching gifts program, and more.

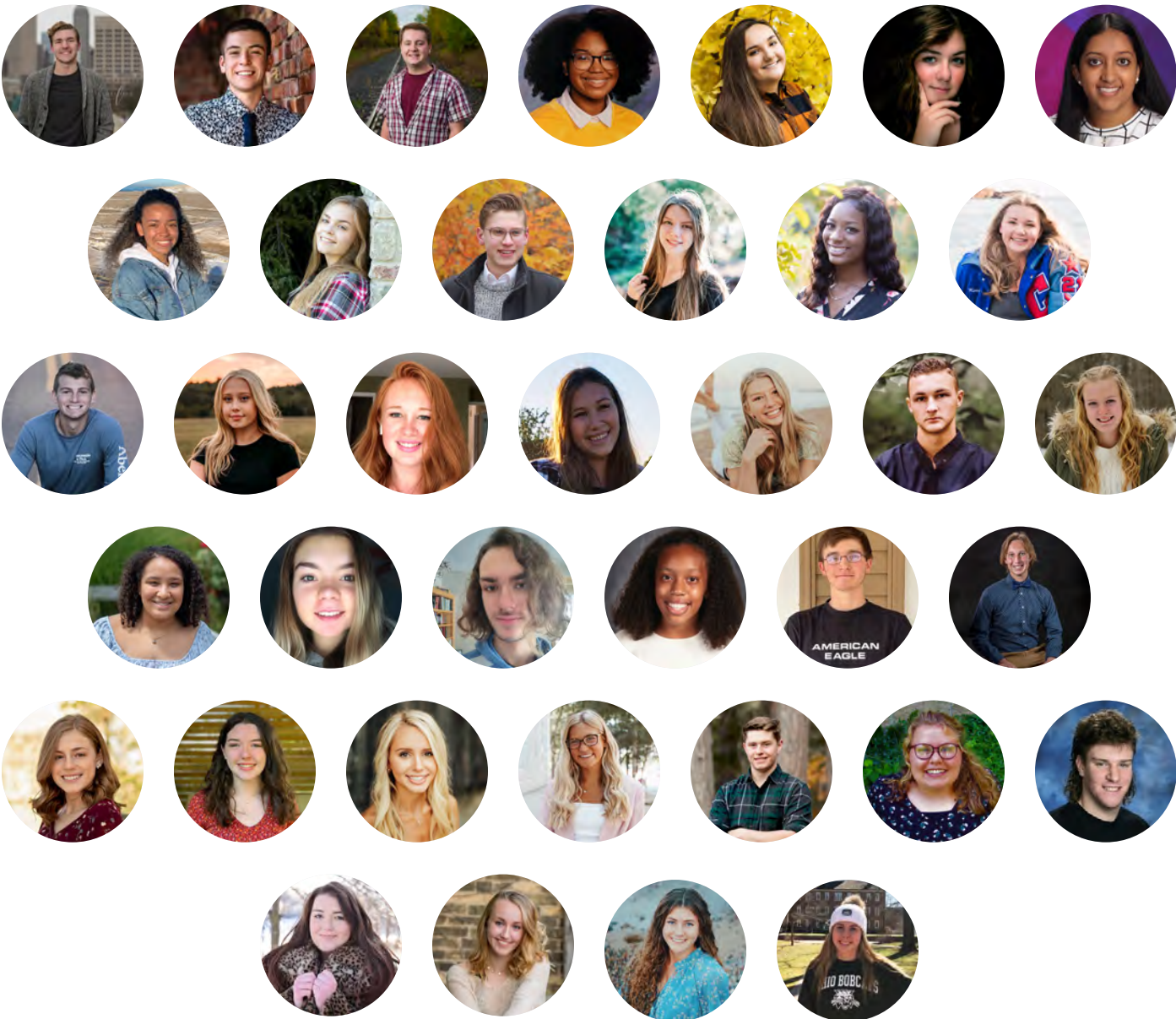
## National Fish & Wildlife Foundation

Our commitment to the environment extends beyond the boundaries of our facilities and into our local communities. In 2021, we partnered with community organizations to support neighborhood tree plantings, river cleanups and habitat enhancement projects throughout our footprint. Additionally, Cleveland-Cliffs renewed its commitment to the conservation and sustainability of the Great Lakes region through our unique partnership with the National Fish & Wildlife Foundation (NFWF). We collaborate with NFWF and other funders, including U.S. EPA, U.S. Fish and Wildlife Service and U.S. Forest Service, to support three public-private partnerships.

Through The Cleveland-Cliffs Foundation, we financially support several relevant funds under the NFWF umbrella. Through the Sustain Our Great Lakes fund, we maximize our financial support and impact for large-scale environmental improvements across the Great Lakes basin. Through the Chi-Cal Rivers Fund and the Southeast Michigan Resilience Fund, we support on-the-ground environmental restoration work that creates access to public greenspaces and opportunities for education in vulnerable communities where we have a significant operational presence.

# Scholarship Programs

The Cleveland-Cliffs Foundation has also continued to support signature college scholarship programs. In 2021, we expanded our Sons and Daughters Scholarship Program to award 35 competitive college scholarships to children of Cleveland-Cliffs employees. This scholarship opportunity is administered by the Middletown (Ohio) Community Foundation, which independently selects each recipient based on their outstanding academic achievement, leadership and community involvement. Another foundation-supported program, The Louie F. Cox African American Scholarship, benefits African American students who live or will graduate from a high school located in Butler or Warren Counties in Ohio. Two scholarships were awarded in 2021. The \$20,000 scholarship strives to recognize and reward outstanding high school academic and non-academic achievements and to provide financial assistance to deserving scholars pursuing a bachelor's degree.







Employees in our Chicago office gather food for the Souper Bowl Food Drive

## Employee Giving & Matching Gifts Program

On Giving Tuesday in November 2021, we launched The Cleveland-Cliffs Foundation Employee Giving and Matching Gift Program. Through this program, The Cleveland-Cliffs Foundation supports causes most important to our employees. The program is designed to encourage our employees to give back to nonprofit organizations they care about. In return, the Foundation is able to increase its community impact by matching their donations. Every Cleveland-Cliffs employee is eligible to request that up to \$1,500 of their personal charitable giving be matched each year, per the program guidelines.

**200,000  
pounds**

of food donated by Cliffs employees during the Souper Bowl Food Drive

## Healthy & Vibrant Communities

The Cleveland-Cliffs Foundation has committed to giving \$500,000 over five years to the Greater Cleveland Foodbank, to support the building of a new distribution center and to convert the current facility into a client-choice food pantry and service center. Our Foundation Board of Trustees approved an additional \$1 million in contributions to address food insecurity in 2022, including aligning donations with the Company-wide Souper Bowl Food Drive in February. The Foundation also committed to donate \$250,000 to the Manufacturing Advocacy & Growth Network Inc. (Magnet) to support the development of a new headquarter building in a vulnerable Cleveland neighborhood. The donation will also help Magnet engage and prepare the future workforce; promote smart manufacturing; and build racially equitable communities.

## Education Programs

The Foundation's education grants support students of all ages with an aim to prepare them for success in their academics and future careers. We recognize that today's students will be members of our workforce tomorrow, so we partner with organizations that are helping young people be workforce-ready, as well as prepared to lead in manufacturing, STEM and technical fields.

## Employee-Driven Support

Our employees continued to support their communities with their time and talent. Although in-person volunteer activities were still limited in 2021 due to COVID-19, Cleveland-Cliffs team members across our sites found ways to give back through blood donations, food drives and safe small group fundraising and volunteer projects. Additionally, employees at many sites participated in locally organized United Way campaigns, providing critical support for community basic needs and social services.

In October 2021, Cliffs employees along with The Cleveland-Cliffs Foundation, supported the Alzheimer's Association Walk to End Alzheimer's event at the Cleveland Metroparks Zoo. Together, we raised more than \$14,500. All proceeds from the event work to raise awareness and funds for Alzheimer's care, support and research.

Through the Foundation, 100 trees were planted in south Dearborn, Michigan, in partnership with Friends of the Rouge—a nonprofit organization that raises awareness about the need to clean up the Rouge River in Southeast Michigan. The tree planting was well received in the community and will provide positive environmental and social benefits to residents.

Together with USW Local 6787, employees from our Burns Harbor facility partnered with Shirley Heinze Land Management to volunteer their time to clean up Meadowbrook Nature Preserve in Valparaiso, Indiana. The team moved plants, cleared logs from trails and mulched various areas of the preserve as part of a United Way Day of Caring.

In September 2021, Cleveland-Cliffs employees joined the Maumee Valley Habitat for Humanity for "Rock the Block". The event, sponsored by The Cleveland-Cliffs Foundation, hosted dozens of volunteers to clear overgrown brush and remove debris from homes in the Birmingham neighborhood of east Toledo. The volunteers also planted flowers around the main sign of Birmingham Park.



### SPOTLIGHT STORY

## Read to Achieve

For the past three years, Cleveland-Cliffs has been a proud corporate partner of the Cleveland Cavaliers (Cavs), supporting several marquee programs. Read to Achieve is a season-long program that encourages youth to develop a life-long love for reading both on their own and as a community. Through reading activities, reading timeouts and donations, Read to Achieve reaches thousands of elementary and middle school students in Northeast Ohio. For the 2020-2021 basketball season, more than 370 classes and 19,000 students participated in this program. Even with the COVID-19 pandemic, Read to Achieve continued on through virtual programming where Cavs personalities such as in-arena host Ahmaad Crump would read to students and play games. The program also provided reading materials to students throughout the season.

*Pictured Above: Students participate in the Read to Achieve program sponsored by The Cleveland Cavaliers and Cleveland-Cliffs.*



# ACTING WITH INTEGRITY



**CLIFFS**

Cleveland-Cliffs remains dedicated to strong governance practices and ethical business dealings and values the importance of compliance. Our executive leadership team is forward thinking and continuously working for the next generation. From our Board of Directors to the plant floor, we are committed to acting with integrity every day.

## Corporate Governance

The Cleveland-Cliffs Board of Directors (the Board) is guided by our [Corporate Governance Guidelines](#), which outlines the Board’s duties and responsibilities, operations, membership criteria, continuing education, and other important tenets of service to the Company. At the end of calendar year 2021, the Board was comprised of 10 directors, nine of which were deemed independent under the New York Stock Exchange (NYSE) director independence standards. There are four Committees of the Board: Audit, Governance and Nominating, Compensation and Organization, and Strategy and Sustainability. All Committees are comprised entirely of independent directors, except the Strategy and Sustainability Committee, which is chaired by our Chairman, President and CEO, Lourenco Goncalves.

Our Strategy and Sustainability Committee continues to provide oversight of Cliffs’ strategic opportunities, risks and projects, as well as implementation of our sustainability strategy and related risks and opportunities. In 2021, we updated the Strategy and Sustainability Committee [charter](#) to include explicit oversight of climate-related risks and opportunities. The Board attends regularly scheduled meetings, as well as ad hoc meetings throughout the year, in order to keep apprised of material events and exchange ideas as they arise. Our approach to corporate governance continues to evolve as Cliffs grows and changes, and we remain flexible to meet the expectations of investors and other key stakeholders. We also engage in dialogue with our investors regularly to answer questions, provide education and receive their feedback, which facilitates an improved mutual understanding of the Company’s and investors’ goals and objectives. For more information about our corporate governance practices, please see our [2022 Proxy Statement](#).

### 2021 Director Highlights

The Cleveland-Cliffs Board of Directors is comprised of highly qualified professionals with diverse skill sets and experience that align with our long-term strategy.

**6.1** years of average tenure

**30%** ethnically diverse

**30%** women

**65** average age

**90%** independent

**4** new directors in the last three years



# Core Values & Ethics

Cleveland-Cliffs' Core Values serve as the foundation for operating ethically and responsibly and are embedded in our DNA as a company. The [“OneCliffs Way” of Doing Business—Our Code of Business Conduct and Ethics](#)—guides our daily actions and business decisions. We believe in honesty, transparency and fair business dealings, and we expect all of our people to adhere to these important ethical tenets. Our Ethics Committee continues to oversee the investigation of reported ethics violations and to determine appropriate follow-up measures. Our Chairman, President and CEO leads our Ethics Committee, of which all of our Executive Vice Presidents are members. The Ethics Committee is responsible for ensuring that Cliffs operates in accordance with all applicable laws, rules and regulations while maintaining the highest standards of ethics and integrity.

The OneCliffs Way document outlines important expectations of our people—from employees to contractors to third-party representatives—to uphold as ambassadors of Cleveland-Cliffs. Topics address anti-competitive behavior, conflicts of interest, political activities, records retention, and confidential information. It is important that our people know they can raise concerns, in good faith, anonymously (to the extent possible) and without fear of retaliation.

There are various channels for reporting concerns: to supervisors or trusted managers; to Human Resources personnel at local operating sites or offices; to a member of the Ethics Committee; an attorney in our Legal Department; or via our [Ethics Helpline](#), which can be accessed by phone or through an online platform. Cliffs is committed to responding promptly and appropriately to ensure our people remain safe every day. We conduct required training on various policies throughout the year, specific to job responsibilities. By the end of 2021, all of our non-represented salaried employees completed mandatory training on our OneCliffs Way via an online learning platform (excluding FPT).

# Compliance

In addition to the OneCliffs Way, we uphold the tenets of our supporting policies. In 2021, we synergized our legacy company policies to combine best practices and harmonize language as one company. Our [Human Rights Policy](#) is grounded in the principles of the United Nations' Universal Declaration of Human Rights to ensure the safety, health and well-being of our people and operating communities. We respect all human rights, and we comply with the laws and regulations set forth in the countries where we operate. Because our footprint exists primarily in the United States and Canada, there is very low risk of human rights violations such as child labor and forced or compulsory labor practices.

Our [Conflict Minerals Policy](#) enables us to comply with U.S. Securities and Exchange Commission conflict minerals reporting requirements. Under this policy, we periodically undertake due diligence efforts in good faith to evaluate the sourcing of conflict minerals throughout our supply chain. We request our relevant critical suppliers to complete the conflict minerals reporting template supported by the Responsible Minerals Initiative, and we commit to regular monitoring and engagement with our suppliers to verify the origins of conflict minerals in our supply chain. This helps us ensure we do not knowingly source these minerals in a manner that would finance or benefit armed groups in covered countries.

With more than 26,000 employees across our operating footprint, data security is incredibly important to our employees, contractors, customers, suppliers, vendors, and anyone else who does business with Cliffs. Our dedicated and knowledgeable Information Technology (IT) team works hard to protect our people every day from cybersecurity threats and safeguard our personal and business information, particularly as most of our salaried employees worked from home. Remote work brought on new considerations and challenges, and our IT team adapted to this shift seamlessly.

## Enterprise Risk Management

Cleveland-Cliffs takes a comprehensive approach to managing risk at all levels of the Company. At the enterprise level, our experienced team utilizes a proven approach that provides value to all aspects of our business. In 2021, the firm that developed the enterprise risk management (ERM) process that we have used for more than 15 years provided re-training for our entire risk management team. This re-training, coupled with added expertise to the team, helped drive the ERM process throughout our expanded operational footprint. Management targeted key operations for an in-depth enterprise risk review, and these reviews were completed by year-end.

Identified risks are managed at the plant level by plant leadership, with ultimate ownership by the plant manager. Risks are reviewed continuously, and plant risks roll up to corporate risks to identify trends. With our larger footprint we are exploring automated systems to capture data and conduct more detailed analysis of trends. For example, during a recent risk review the ERM process helped to underscore the need for succession planning at several of our locations. The resulting mitigation plan allows for the smooth transition of critical institutional knowledge and experience.

For each set of risks there is an associated timeline and risk owners, who review risks with plant management regularly. Our ERM team provides oversight to determine potential capital expenditures associated with risks, including major project identification and prioritization, and ensures risks and opportunities are directly tied to the overall business plan. Executive leadership is made aware of how the ERM process progresses across our operational footprint, and executives discuss specific risk reviews with leaders who report directly to them.

## Public Policy & Advocacy

Strong public policy and advocacy practices help us maintain a positive environment in which to do business at all levels of government. Our Chairman, President and CEO, Lourenco Goncalves, believes in the importance of this work, which enables us to strive for a level playing field in our operating markets. Trade, environmental and workforce policies are among our top priorities as a member of the United States steel industry. We welcome elected officials to visit our iron and steel producing sites and have regular dialogue with federal agencies such as the U.S. DOE and Department of Commerce.

Cliffs conducts direct advocacy with policymakers at the local, state and federal level on relevant and timely topics. For example, we did a great deal of advocacy and education around the production of electrical steel—which is critical to national security; the stability and greening of the U.S. power grid; and the subsequent clean energy transition.



*Lourenco Goncalves (second from left) cuts the ribbon at our Direct Reduction plant in Toledo, Ohio, with Congresswoman Marcy Kaptur (left) and Governor Mike DeWine (third from left)*





*From left to right: U.S. Secretary of Labor Marty Walsh, Lourenco Goncalves, and U.S. Congressman Frank Mrvan (First District of Indiana) at the “We Supply America” kickoff rally in Burns Harbor*

The trade enforcement challenges in the electrical steel market pose a significant supply chain vulnerability to maintaining a domestic source of this important material, and our work with elected officials has been critical to their awareness of these issues and efforts to address them. Additionally, we regularly discussed our aggressive GHG emissions reduction goal and associated strategy to demonstrate our commitment to cleaner domestic steel production. We actively partnered with the U.S. DOE on programs to evaluate promising new GHG emission reduction technologies for the steel industry. We fully expect this partnership will deepen in 2022 as new GHG-related programming becomes available and President Biden’s Administration further pursues economy-wide emissions reductions.

We work closely with our unions—such as the United Steelworkers (USW)—to advocate for our mutual interests. For example, in August 2021 we supported federal infrastructure investment through the USW’s “We Supply America” campaign and bus tour. Our Chairman, President and CEO, Lourenco Goncalves, joined U.S. Secretary of Labor Marty Walsh, U.S. Congressman Frank Mrvan and USW International President Tom Conway at the campaign’s kickoff rally in Burns Harbor in support of the \$1 trillion infrastructure bill, which was signed into law in early November 2021.

In October 2021, at the invitation of Congresswoman Marcy Kaptur, our Chairman, President and CEO, Lourenco Goncalves, provided testimony during a field hearing of the U.S. House Select Committee on Economic Disparity and Fairness in Growth in Lorain, Ohio. Goncalves’ testimony addressed his strong views regarding [“inclusive capitalism”](#) and the importance of manufacturing to growing and sustaining the American middle class. Cleveland-Cliffs worked closely with President Biden’s Administration and the USW to shape U.S. negotiations with the European Union (EU) over a deal to implement a new trade regime replacing Section 232 tariffs. In October 2021, our Chairman, President and CEO, Lourenco Goncalves, issued a statement in support of the Section 232 alternative arrangement between the U.S. and the EU. If properly enforced, this deal will more closely align the U.S. and the EU in combatting global steel market distortions, while also preventing a surge of steel imports from Europe and ultimately maintaining and keeping the underlying program strong.

Cliffs is also actively engaged in relevant trade associations such as the American Iron and Steel Institute, where we continue to serve on committees, provide input into important research and partner in advocacy for mutual issues of importance. Our partnership with the [BlueGreen Alliance](#) highlights the important role labor unions and environmental organizations play together in expanding the number and quality of jobs in the clean energy economy.

# Value Chain Management

Cleveland-Cliffs demonstrates our Core Value of Ethical Behavior by responsibly sourcing and procuring our raw materials with minimal environmental impact. We perform extensive due diligence on the raw materials we must source outside of the United States to ensure our suppliers adhere to our Code of Business Conduct and Ethics and our [Code of Conduct for Cliffs Suppliers](#). Cliffs expects our suppliers to comply with our Human Rights Policy, Conflict Minerals Policy and Environmental Policy. We also assess whether our suppliers are employing good practices within their own supply chain.

In 2021, we focused on harmonizing our supply chain processes to work from a unified standard operating procedure. Our Logistics leadership team meets with our critical suppliers—those who directly impact our iron and steel producing operations including single source suppliers—at least quarterly and more frequently as needed to evaluate performance, ensure they are aligned with our strategic business direction and maintain our mutually beneficial relationships. Additionally, our critical suppliers who are managed under the International Automotive Task Force (IATF) 16949 quality management standards are evaluated annually to confirm they meet the associated criteria to align with these standards. If there is misalignment, the supplier is formally notified in writing regarding what is needed to be in compliance with the standards.

## \$392 million

spent with diverse suppliers in 2021

Non-critical and small suppliers are managed by exception with corrective actions to reconcile issues related to things like service or delivery. These corrective actions are also documented in a formal process in collaboration with our buyers to help resolve issues. Most of our sourcing organically comes from local suppliers due to logistical considerations, especially sites that are in more remote locations.



### SPOTLIGHT STORY

## Cliffs Promotes Supplier Diversity

Cleveland-Cliffs was one of six suppliers to receive the 2021 Nissan Tier II Supplier Diversity Award. This award is given by Nissan North America to recognize suppliers who exceeded Nissan Objectives by successfully expanding opportunities for diverse business using certified suppliers. To receive this award, suppliers needed to exceed these Objectives and achieve a minimum of 10% spend with minority business enterprises and 5% spend with women business enterprises (of which we exceeded both targets). We are proud of our supplier diversity efforts and look forward to continue expanding our program in the future.

*Pictured Above: Dan Gordon (second from left), Senior Director of Carbon Auto Sales, accepts the Nissan Tier II Supplier Diversity Award on behalf of Cleveland-Cliffs*





*Tier IV production truck at United Taconite*

Relative to procurement, our United Taconite mine partnered with a local NGO to purchase two Tier IV production trucks through partial grant funding from the U.S. EPA Emissions Reduction Act administered by the state of Minnesota. These trucks replaced production trucks with higher-emitting engine technology from nearly 20 years ago. The new Tier IV production trucks will lower CO<sub>2</sub>, NO<sub>x</sub> and particulate matter emissions. We are in the process of replacing production trucks at all of our mines with Tier IV trucks. Also at United Taconite, we purchased a drill rig that drills smaller holes to reduce potential blast vibrations in our nearby communities.

As a critical supplier ourselves, Cliffs responds to regular requests from customers to provide sustainability information and data related to our business.

These requests take many forms, the most common of which are online surveys. For example, Cliffs responded to the EcoVadis supplier sustainability survey for the first time in 2021, earning a Silver medal for our sustainability achievement. We welcome these opportunities to engage with our customers, and we will continue to respond accordingly.

## Supplier Diversity

Cliffs remains committed to supplier diversity and inclusivity. We believe these sourcing practices foster healthy competition and innovation in an industry that has the potential to contribute significantly to the clean energy transition. We welcome ideas and collaboration from our suppliers to deliver the most value for our customers.

Cliffs has diverse supplier targets—particularly with our automotive customers—that we continue to achieve. We participate in numerous supplier diversity events throughout the year that provide us opportunities to meet this supplier base and potentially do business with them. Often times these suppliers are in the energy; transportation; or maintenance, repair and operations sectors. In 2021, we combined budgets from our legacy companies into a total diverse supplier spend amount. We are proud to report that we spent more than \$392 million with diverse suppliers in 2021, and we aim to increase this spend year-over-year.



## Partnership to Improve Safety PPE

Founded in 1945, Arbill is a woman-owned and operated family company that is a leader in enriching lives through workplace safety. Arbill provides a wide range of personal protective equipment (PPE), safety consulting services, technology and training to help its (primarily) industrial commercial partners strengthen and maintain comprehensive workplace safety while reducing the potential for injury. From face coverings to hearing protection to confined space equipment, Arbill carries notable brands like 3M and Honeywell as well as its own Truline product portfolio.

Arbill has been a proud supplier to Cleveland-Cliffs for the last seven years. At the time of our partnership's inception, Arbill CEO Julie Copeland spent significant time in Washington, D.C., advocating for fair updates to OSHA regulations that would benefit industrial manufacturers. Much of her advocacy work was through her board membership for the National Association of Manufacturing (NAM), where she first made connections to Cliffs.

Our Company utilizes several of Arbill's safety programs, including electrical glove testing and environmental, health and safety consulting and training programs. We are also working together at several of our facilities to match PPE solutions to specific types of injuries. Over the years, if Arbill could not source the appropriate equipment to fit our safety risk profile, they would develop and manufacture solutions through their Truline brand.

Additionally, Arbill responded quickly and decisively to the COVID-19 pandemic, moving employees to remote work in advance of the national lockdown and ensuring they could secure the needed PPE for their customers despite supply chain issues. Arbill brings experience, expertise and innovation to our partnership, and we look forward to our continued work together to keep our people safe at work. "I have always set a high bar for Arbill, and the road to achieve our business, while not always easy, is earned and well deserved," said Matt Zabik, Senior Director of Procurement for Cleveland-Cliffs.

"Cleveland-Cliffs took a bet on a small company and believed in Arbill. They helped us grow and they have been an unbelievable mentor, which in turn has made us a better company. We treasure our partnership with Cliffs and we continue to grow as a company because of this partnership."

**JULIE COPELAND, ARBILL CEO**

# Arbill





# PERFORMANCE DATA TABLE

## Environmental Performance

Metric	2021 Value	Units
<b>Energy</b>		
Total energy consumed	439,929,345	Gigajoule
Grid electricity consumption	38,099,122	Gigajoule
Percentage of energy from grid	9	%
Purchased steam consumption	772,108	Gigajoule
Self-generated electricity	9,217,005	Gigajoule
Total fuel consumed	401,058,115	Gigajoule
Percentage coal and coke	49	%
Percentage natural gas	49	%
Total energy intensity	26	Gigajoule/t crude steel
<b>GHG Emissions &amp; Air Quality</b>		
Direct scope 1 GHG emissions <sup>[1]</sup>	29.2	million metric tons CO <sub>2</sub> e
Indirect scope 2 GHG emissions <sup>[2]</sup>	5.3	million metric tons CO <sub>2</sub> e
Scope 1 and Scope 2 GHG emissions	34.5	million metric tons CO <sub>2</sub> e
Scope 1 and 2 GHG emissions intensity (company wide) <sup>[3]</sup>	2.05	total t CO <sub>2</sub> e/t crude steel
Scope 1 and 2 GHG emissions intensity (integrated BF/BOF average)	1.67	total t CO <sub>2</sub> e/t crude steel
Scope 1 and 2 GHG emissions intensity (EAF average) <sup>[4]</sup>	1.01	total t CO <sub>2</sub> e/t crude steel
Nitrogen oxide (NO <sub>x</sub> )	35,293	metric tons
Sulfur dioxide (SO <sub>x</sub> )	19,790	metric tons
Volatile organic compounds (VOC)	2,881	metric tons
Carbon monoxide (CO)	151,273	metric tons
Particulate matter (PM)	18,246	metric tons
Particulate matter (PM <sub>10</sub> )	10,109	metric tons

1 Includes emissions from mobile equipment, facility emissions reported under USEPA 40 CFR 98 MRR, and emissions from production facilities below the USEPA reporting threshold

2 Location based emissions using latest USEPA eGrid factors

3 Intensity value is inclusive of emissions across Cleveland-Cliffs vertically integrated footprint including mining, pelletizing, cokemaking, steel production, scrap processing, and downstream steel and specialty products facilities

4 EAF facilities produce specialty steel grades and products

Metric	2021 Value	Units
Particulate matter (PM <sub>2.5</sub> )	6,648	metric tons
HAPS	90	metric tons
Lead	4	metric tons
MnO	0	metric tons
PAHs	4	metric tons
<b>Waste &amp; Wastewater<sup>[5]</sup></b>		
Water intake total	1,165,435	Megaliters/thousand m <sup>3</sup>
<i>Surface water (fresh)</i>	1,053,275	Megaliters/thousand m <sup>3</sup>
<i>Stormwater</i>	72,974	Megaliters/thousand m <sup>3</sup>
<i>Ground water</i>	12,446	Megaliters/thousand m <sup>3</sup>
<i>Produced municipal water</i>	26,740	Megaliters/thousand m <sup>3</sup>
Water discharge total	942,736	Megaliters/thousand m <sup>3</sup>
<i>Surface water (fresh)</i>	933,564	Megaliters/thousand m <sup>3</sup>
<i>Municipal POTW</i>	9,172	Megaliters/thousand m <sup>3</sup>
Water consumption	222,698	Megaliters/thousand m <sup>3</sup>
Water recycled	1,823,051	Megaliters/thousand m <sup>3</sup>
Water recycled <sup>[6]</sup>	156	%
<b>Waste Management</b>		
Hazardous waste generated	680,609	metric tons
Hazardous waste recycled	180,989	metric tons
Hazardous waste recycled	27	%
Hazardous waste disposal total	499,618	metric tons
<i>Incineration (with energy recovery)</i>	296	metric tons
<i>Incineration (without energy recovery)</i>	1,480	metric tons
<i>Landfilling</i>	14,520	metric tons
<i>Other disposal</i>	7,975	metric tons
<i>On-site other disposal</i>	475,347	metric tons
Non-hazardous waste generated	2,092,430	metric tons
Non-hazardous waste recycled	1,017,969	metric tons
Non-hazardous waste recycled	49	%

5 100% of water withdrawn is freshwater and none of the water withdrawn/discharged by Cleveland-Cliffs is in a known area of water stress

6 Calculated in accordance with SASB methodology



Metric	2021 Value	Units
Non-hazardous waste disposal total	1,074,699	metric tons
<i>Incineration (with energy recovery)</i>	9,518	metric tons
<i>Incineration (without energy recovery)</i>	358	metric tons
<i>Landfilling</i>	1,050,361	metric tons
<i>Other disposal</i>	14,254	metric tons
<i>On-site other disposal</i>	208	metric tons
<b>Environmental Capital Expenditures</b>		
Environmental capital expenditures	62	Million USD
<b>Spills</b>		
Number of reportable spills	205	# of events
Total volume of reportable spills	113	m <sup>3</sup>
<b>Mining Reclamation</b>		
Area reclaimed during the current year	80	hectares
Area disturbed during the current year	104	hectares
Area of land yet to be reclaimed	12,576	hectares
Total area of land reclaimed	2,399	hectares
Total mine facility footprint	33,286	hectares
<b>Tailings &amp; Overburden</b>		
Overburden generated	135,844,084	metric tons
Tailings generated	66,138,322	metric tons

## Social & Governance Performance

Disclosure Title	Metric	2021 Value
<b>Labor Practices</b>		
Minimum notice periods regarding operational changes	Minimum number of weeks provided to employees prior to implementing significant operational changes that affect them	60 days
	Is notice period specified in collective bargaining agreements/contracts (Y/N)	Y
Percentage of employees covered by collective bargaining agreements, broken down by US or Foreign employees	Percentage of employees covered by collective bargaining agreements <sup>[7]</sup>	72%
Number of strikes and lockouts	Number of strikes and lockouts	0
Duration of strikes and lockouts	Duration of strikes and lockouts	0

<sup>7</sup> U.S. employee percentage

Disclosure Title	Metric	2021 Value
<b>Employee Health and Safety</b>		
Workers covered by an occupational health and safety management system	Number of employees and non-employees working on site covered by an occupational health and safety management system based on legal requirements/recognized standards	31,472
	Percentage of employees and non-employees working on site covered by an occupational health and safety management system based on legal requirements/recognized standards	100%
	Number of employees and non-employees working on site covered by an occupational health and safety management system that has been internally audited	31,472
	Percentage of employees and non-employees working on site covered by an occupational health and safety management system that has been internally audited	100%
	Number of employees and non-employees working on site covered by an occupational health and safety management system that has been audited or certified by external party	15,940
	Percentage of employees and non-employees working on site covered by an occupational health and safety management system that has been audited or certified by external party	51%
Work-related injuries	The number of fatalities as a result of work-related injury (employees)	2
	The rate of fatalities as a result of work-related injury (employees)	0.008
	The number of high-consequence work-related injuries (excluding fatalities) (employees)	124
	The rate of high-consequence work-related injuries (excluding fatalities) (employees)	0.47
	The number of recordable work-related injuries (employees)	407
	The rate of recordable work-related injuries (employees)	1.53
	The number of hours worked (employees)	53,224,430
	The number of fatalities as a result of work-related injury (onsite non-employees)	0
	The rate of fatalities as a result of work-related injury (on-site non-employees)	0
	The number of high-consequence work-related injuries (excluding fatalities) (onsite non-employees)	18
	The rate of high-consequence work-related injuries (excluding fatalities) (onsite non-employees)	0.27
	The number of recordable work-related injuries (onsite non-employees)	67
	The rate of recordable work-related injuries (onsite non-employees)	1.01
	The number of hours worked (onsite non-employees)	13,248,108
MSHA all-incidence rate	All-incidence rate (AIFR) (employees and on-site non-employees)	3.95
Near miss frequency rate (NMFR)	Near miss frequency rate (NMFR) (employees and on-site non-employees)	2.19



Disclosure Title	Metric	2021 Value
Average hours of health, safety, and emergency response training for employees	Average hours of health, safety, and emergency response training for employees	20
Average hours of health, safety, and emergency response training for contractors	Average hours of health, safety, and emergency response training for on-site non-employees	1
<b>Employee Engagement &amp; DEI</b>		
Diversity of governance bodies	Percent board of directors—female	30%
	Percent board of directors—male	70%
	Percent board of directors <30 years old	0%
	Percent board of directors 30-50 years old	0%
	Percent board of directors over 50 years old	100%
	Percent board of directors ethnically diverse	30%
Diversity of employees	Percent of female employees (non-union)	20.4%
	Percent of male employees (non-union)	79.6%
	Percent of female employees (union)	8.7%
	Percent of male employees (union)	91.3%
	Percent of employees <30 years old	11.7%
	Percent of employees 30-50 years old	49.3%
	Percent of employees over 50 years old	39.0%
	Percent of employees ethnically diverse	16.8%
	Number of new hires <30 years old	1324
	Number of new hires 30-50 years old	1721
	Number of new hires over 50 years old	497
	Rate of new hires <30 years old	37.4%
	Rate of new hires 30-50 years old	48.6%
	Rate of new hires over 50 years old	14.0%
	Number of new hires—female	552
	Number of new hires—male	3035
	Rate of new hires—female	15.4%
	Rate of new hires—male	84.6%
	Salary Attrition <sup>[8]</sup>	12.3%
	Hourly Attrition <sup>[7]</sup>	9.9%
	Total Attrition <sup>[7]</sup>	10.4%

8 Numbers do not include FPT

Disclosure Title	Metric	2021 Value
Supplier Diversity	Total Diverse Supplier Spend	\$392 million
Training & Development	Average hours of training on environmental, energy, or technical topics for relevant employees	6
	Number of employees receiving training on company policy <sup>9]</sup>	100%
	Number of employees receiving tuition reimbursement (whole or part)	63
	Number of employees in apprenticeship training programs	808
Human Rights & Community Relations		
Operations with local community engagement, impact assessments, and development programs	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	100%
Charitable Contributions	Total Monetary Charitable Contributions (corporate and Foundation)	\$6.5 million
	Total Monetary Employee Contributions (matching gifts to nonprofits)	\$495,000
"Percentage of (1) proved and (2) probable reserves in or near areas of conflict"		0%
"Percentage of (1) proved and (2) probable reserves in or near indigenous land"		0%
Number of site shutdowns due to pending regulatory permits or other political delays related to community concerns, community or stakeholder resistance or protest, and armed conflict		0
Customer Welfare, Selling Practices and Product Labeling		
Incidents of non-compliance concerning the health and safety impacts of products and services	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0
	Number of incidents of non-compliance with regulations resulting in a fine or penalty	0
	Number of incidents of non-compliance with regulations resulting in a warning	0
	Number of incidents of non-compliance with voluntary codes	0
Incidents of non-compliance with regulations for product labeling	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product labeling	0
	Number of incidents of non-compliance with regulations resulting in a fine or penalty	0
	Number of incidents of non-compliance with regulations resulting in a warning	0
	Number of incidents of non-compliance with voluntary codes.	0

9 100% of salaried employees (excluding FPT) received training on The OneCliffs Way (Code of Business Conduct and Ethics)



Disclosure Title	Metric	2021 Value
Incidents of non-compliance with regulations for marketing communications	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0
	Number of incidents of non-compliance with regulations resulting in a fine or penalty	0
	Number of incidents of non-compliance with regulations resulting in a warning	0
	Number of incidents of non-compliance with voluntary codes.	0
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	0
<b>Governance</b>		
Communication and training about anti-corruption policies and procedures	Percent of board members receiving communication and training on anti-corruption policies and procedures <sup>[10]</sup>	100%
	Percent of employees receiving communication and training on anti-corruption policies and procedures <sup>[11]</sup>	100%
Confirmed incidents of corruption and actions taken	Total number and nature of confirmed incidents of corruption	0
	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
	Number of public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	0
Production in countries with 20 lowest rankings in Transparency International's Corruption Perception Index (metric tons) <sup>[12]</sup>		0
<b>Competitive Behavior</b>		
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Number of legal actions pending or completed for anti-competitive behavior and violations of anti-trust and monopoly laws	Zero Agency Actions

10 Annually, each member of our Company's Board of Directors certifies their understanding and compliance with The OneCliffs Way (Code of Business Conduct and Ethics)

11 100% of salaried employees received communication on anti-corruption policies and procedures as of November 2021 (excludes FPT)

12 Cleveland-Cliffs does not have production outside of the United States and Canada

# CONTENT INDEX

The Cleveland-Cliffs 2021 Sustainability Report describes our programs and performance in the areas of environmental, social and governance initiatives. All disclosures in this Table refer to the GRI Standards, published in 2016, and subsequent updates, as well as the Iron & Steel and Metals & Mining SASB Standards published in 2018.

## GRI Index

GRI Standard	#	Disclosure	Location of Content
General Disclosures			
Organizational profile	102-1	Name of the organization	Cleveland-Cliffs Inc.
	102-2	Activities, brands, products, and services	<a href="#">About Cleveland-Cliffs</a>
	102-3	Location of headquarters	Cleveland, Ohio
	102-4	Location of operations	<a href="#">About Cleveland-Cliffs</a>
	102-5	Ownership and legal form	<a href="#">About Cleveland-Cliffs</a>
	102-6	Markets served	<a href="#">About Cleveland-Cliffs</a>
	102-7	Scale of the organization	<a href="#">About Cleveland-Cliffs</a>
	102-8	Information on employees and other workers	<a href="#">Performance Metrics</a>
	102-9	Supply chain	<a href="#">Value Chain Management</a>
	102-10	Significant changes to the organization and its supply chain	<a href="#">About Cleveland-Cliffs</a>
	102-11	Precautionary Principle or approach	<a href="#">Our Sustainability Priorities</a>
	102-12	External initiatives	<a href="#">Our Sustainability Priorities</a>
	102-13	Membership of associations	<a href="#">Partnerships &amp; Collaborations</a> / <a href="#">Our Sustainability Priorities</a> / <a href="#">Public Policy &amp; Advocacy</a>
Strategy	102-14	Statement from senior decision-maker	<a href="#">Letter from Lourenco</a>
	102-15	Key impacts, risks, and opportunities	<a href="#">Our Sustainability Priorities</a>
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<a href="#">Core Values &amp; Ethics</a>
	102-17	Mechanisms for advice and concerns about ethics	<a href="#">Core Values &amp; Ethics</a>



GRI Standard	#	Disclosure	Location of Content
Governance	102-18	Governance structure	<a href="#">Corporate Governance</a>
	102-19	Delegating authority	<a href="#">Corporate Governance</a>
	102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Environmental Management</a>
	102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance</a>
	102-23	Chair of the highest governance body	<a href="#">Corporate Governance</a>
	102-24	Nominating and selecting the highest governance body	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
	102-25	Conflicts of interest	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
	102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Governance</a>
	102-28	Evaluating the highest governance body's performance	<a href="#">Corporate Governance Guidelines</a>
	102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Corporate Governance</a>
	102-30	Effectiveness of risk management processes	<a href="#">Corporate Governance Guidelines</a>
	102-31	Review of economic, environmental, and social topics	<a href="#">Corporate Governance</a>
	102-32	Highest governance body's role in sustainability reporting	<a href="#">Corporate Governance</a>
	102-33	Communicating critical concerns	<a href="#">Corporate Governance Guidelines</a> / <a href="#">Contact the Board</a>
	102-35	Remuneration policies	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
	102-36	Process for determining remuneration	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
	102-37	Stakeholders' involvement in remuneration	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
	102-38	Annual total compensation ratio	<a href="#">Cleveland-Cliffs 2022 Proxy Statement</a>
Stakeholder engagement	102-40	List of stakeholder groups	<a href="#">Stakeholder Engagement</a>
	102-41	Collective bargaining agreements	<a href="#">Labor Relations</a>
	102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder Engagement</a> / <a href="#">Community Engagement</a>
	102-43	Approach to stakeholder engagement	<a href="#">Stakeholder Engagement</a> / <a href="#">Community Engagement</a>
	102-44	Key topics and concerns raised	<a href="#">Stakeholder Engagement</a> / <a href="#">Community Engagement</a>

GRI Standard	#	Disclosure	Location of Content
Reporting practice	102-45	Entities included in the consolidated financial statements	<a href="#">Cleveland-Cliffs 2022 Form 10-K, Exhibit 22</a>
	102-50	Reporting period	<a href="#">Our Sustainability Priorities</a>
	102-51	Date of most recent report	July 2021
	102-52	Reporting cycle	<a href="#">Our Sustainability Priorities</a>
	102-53	Contact point for questions regarding the report	<a href="#">Our Sustainability Priorities</a>
	102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">Our Sustainability Priorities</a>
	102-55	GRI content index	<a href="#">GRI Content Index</a>
	102-56	External assurance	No data in this report has been externally assured
Material Topics			
Economic Performance	201-1	Direct economic value generated and distributed	<a href="#">Cleveland-Cliffs 2022 Form 10-K / Charitable Giving</a>
	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Cleveland-Cliffs 2022 Form 10-K / Climate &amp; GHG Emissions</a>
	201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Cleveland-Cliffs 2022 Form 10-K</a>
Anti-corruption	205-1	Operations assessed for risks related to corruption	<a href="#">Core Values &amp; Ethics / Compliance / Enterprise Risk Management</a>
	205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Core Values &amp; Ethics / Performance Metrics</a>
	205-3	Confirmed incidents of corruption and actions taken	<a href="#">Performance Metrics</a>
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Performance Metrics</a>
Environmental			
Materials	301-2	Recycled input materials used	<a href="#">Sustainable Steel</a>
Energy	302-1	Energy consumption within the organization	<a href="#">Energy / Performance Metrics</a>
	302-2	Energy consumption outside of the organization	<a href="#">Performance Metrics</a>
	302-3	Energy intensity	<a href="#">Performance Metrics</a>
	302-4	Reduction of energy consumption	<a href="#">Energy</a>
Water & Effluents	303-1	Interactions with water as a shared resource	<a href="#">Water &amp; Wastewater</a>
	303-2	Management of water discharge-related impacts	<a href="#">Water &amp; Wastewater</a>
	303-3	Water withdrawal	<a href="#">Performance Metrics</a>
	303-4	Water discharge	<a href="#">Performance Metrics</a>
	303-5	Water consumption	<a href="#">Performance Metrics</a>

GRI Standard	#	Disclosure	Location of Content
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">Land Management &amp; Biodiversity</a>
	304-3	Habitats protected or restored	<a href="#">Land Management &amp; Biodiversity</a>
Emissions	305-1	Direct (Scope 1) GHG emissions	<a href="#">Climate &amp; GHG Emissions / Performance Metrics</a>
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Climate &amp; GHG Emissions / Performance Metrics</a>
	305-4	GHG emissions intensity	<a href="#">Performance Metrics</a>
	305-5	Reduction of GHG emissions	<a href="#">Climate &amp; GHG Emissions</a>
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<a href="#">Performance Metrics</a>
Waste	306-1	Waste generation and significant waste-related impacts	<a href="#">Waste &amp; Hazardous Materials / Sustainable Steel</a>
	306-2	Management of significant waste-related impacts	<a href="#">Waste &amp; Hazardous Materials / Sustainable Steel</a>
	306-3	(2016) Significant spills	<a href="#">Performance Metrics</a>
	306-3	(2020) Waste generated	<a href="#">Performance Metrics</a>
	306-4	Waste diverted from disposal	<a href="#">Waste &amp; Hazardous Materials / Performance Metrics</a>
	306-5	Waste directed to disposal	<a href="#">Performance Metrics</a>
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<a href="#">Value Chain Management</a>
<b>Social</b>			
Employment	401-1	New employee hires and employee turnover	<a href="#">Performance Metrics</a>
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	<a href="#">Performance Metrics</a>
Occupational Health and Safety	403-1	Occupational health and safety management system	<a href="#">Health &amp; Safety</a>
	403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Health &amp; Safety</a>
	403-3	Occupational health services	<a href="#">Health &amp; Safety</a>
	403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Health &amp; Safety</a>
	403-5	Worker training on occupational health and safety	<a href="#">Health &amp; Safety</a>
	403-6	Promotion of worker health	<a href="#">Health &amp; Safety</a>
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Health &amp; Safety</a>
	403-8	Workers covered by an occupational health and safety management system	<a href="#">Health &amp; Safety / Performance Metrics</a>
	403-9	Work-related injuries	<a href="#">Health &amp; Safety / Performance Metrics</a>
	403-10	Work-related ill health	<a href="#">Health &amp; Safety / Performance Metrics</a>



GRI Standard	#	Disclosure	Location of Content
Training and Education	404-1	Average hours of training per year per employee	<a href="#">Performance Metrics</a>
	404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Talent Management</a>
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<a href="#">Performance Metrics</a>
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Performance Metrics</a>
	413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">Community Engagement / Performance Metrics</a>
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<a href="#">Value Chain Management</a>
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Performance Metrics</a>
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	<a href="#">Performance Metrics</a>
	417-3	Incidents of non-compliance concerning marketing communications	<a href="#">Performance Metrics</a>
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">Performance Metrics</a>

## SASB Index

Topic	Accounting Metric	Code	Location of Content
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-MM-110a.1 EM-IS-110a.1	<a href="#">Performance Metrics</a>
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MM-110a.2 EM-IS-110a.2	<a href="#">Climate &amp; GHG Emissions</a>
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs) (8) manganese (MnO) (9) polycyclic aromatic hydrocarbons (PAHs)	EM-MM-120a.1 EM-IS-120a.1	<a href="#">Performance Metrics</a>
Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	EM-MM-130a.1 EM-IS-130a.1	<a href="#">Performance Metrics</a>
	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	EM-IS-130a.1	<a href="#">Performance Metrics</a>
Water Management	1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (3) percentage recycled	EM-MM-140a.1 EM-IS-140a.1	<a href="#">Performance Metrics</a>

Topic	Accounting Metric	Code	Location of Content
Waste & Hazardous Materials	Total weight of tailings produced	EM-MM-150a.5	<a href="#">Performance Metrics</a>
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	<a href="#">Waste &amp; Hazardous Materials</a>
	Amount of waste generated, percentage hazardous, percentage recycled	EM-IS-150a.1	<a href="#">Performance Metrics</a>
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	<a href="#">Environmental Management</a>
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-MM-210a.1	<a href="#">Performance Metrics</a>
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-MM-210a.2	<a href="#">Performance Metrics</a>
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	<a href="#">Stakeholder Engagement / Community Engagement</a>
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	<a href="#">Community Engagement</a>
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	EM-MM-310a.1	<a href="#">Labor Relations / Performance Metrics</a>
	Number and duration of strikes and lockouts	EM-MM-310a.2	<a href="#">Performance Metrics</a>
Workforce Health & Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) (4) total recordable incident rate (TRIR) and (5) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	EM-MM-320a.1 EM-IS-320a.1	<a href="#">Health &amp; Safety Performance Metrics</a>
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	<a href="#">Core Values &amp; Ethics / Compliance</a>
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-MM-510a.2	<a href="#">Performance Metrics</a>
Supply Chain Management	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	EM-IS-430a.1	<a href="#">Value Chain Management / Cleveland-Cliffs 2022 Form 10-K</a>
Activity Metrics	Production of (1) metal ores and (2) finished metal products	EM-MM-000.A	<a href="#">Cleveland-Cliffs 2022 Form 10-K</a>
	Total number of employees, percentage contractors	EM-MM-000.B	<a href="#">Performance Metrics</a>
	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	EM-IS-000.A	<a href="#">Cleveland-Cliffs 2022 Form 10-K</a>
	Total iron ore production	EM-IS-000.B	<a href="#">Cleveland-Cliffs 2022 Form 10-K</a>
	Total coking coal production	EM-IS-000.C	<a href="#">Cleveland-Cliffs 2022 Form 10-K</a>

# Forward-Looking Statements

This report contains statements that constitute “forward-looking statements” within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this report, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Investors are cautioned not to place undue reliance on forward-looking statements.

Uncertainties and risk factors that could affect our future performance and cause results to differ from the forward-looking statements in this report include, but are not limited to: continued volatility of steel, iron ore and scrap metal market prices, which directly and indirectly impact the prices of the products that we sell to our customers; uncertainties associated with the highly competitive and cyclical steel industry and our reliance on the demand for steel from the automotive industry, which has been experiencing a trend toward light weighting and supply chain disruptions, such as the semiconductor shortage, that could result in lower steel volumes being consumed; potential weaknesses and uncertainties in global economic conditions, excess global steelmaking capacity, oversupply of iron ore, prevalence of steel imports and reduced market demand, including as a result of the prolonged COVID-19 pandemic, conflicts or otherwise; severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges, due to the ongoing COVID-19 pandemic or otherwise, of one or more of our major customers, including customers in the automotive market, key suppliers or contractors, which, among other adverse effects, could lead to reduced demand for our products, increased difficulty collecting receivables, and customers and/or suppliers asserting force majeure or other reasons for not performing their contractual obligations to us; disruptions to our operations relating to the ongoing COVID-19 pandemic, including the heightened risk that a significant portion of our workforce or on-site contractors may suffer illness or otherwise be unable to perform their ordinary work functions; risks related to U.S. government actions with respect to Section 232, the USMCA and/or other trade agreements, tariffs, treaties or policies, as well as the uncertainty of obtaining and maintaining effective antidumping and countervailing duty orders to counteract the harmful effects of unfairly traded imports; impacts of existing and increasing governmental regulation, including potential environmental regulations relating to climate change and carbon emissions, and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorizations of, or from, any governmental or regulatory authority and costs related to implementing improvements to ensure compliance with regulatory changes, including potential financial assurance requirements; potential impacts to the environment or exposure to hazardous substances resulting from our operations; our ability to maintain adequate liquidity, our level of indebtedness and the availability of capital could limit our financial flexibility and cash flow necessary to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business; our ability to reduce our indebtedness or return capital to shareholders within the currently expected timeframes or at all; adverse changes in credit ratings, interest rates, foreign currency rates and tax laws; the outcome of, and costs incurred in connection with, lawsuits, claims, arbitrations or governmental proceedings relating to commercial and business disputes, environmental matters, government investigations, occupational or personal injury claims, property damage, labor and employment matters, or suits involving legacy operations and other matters; uncertain cost or availability of critical manufacturing equipment and spare parts; supply chain disruptions or changes in the cost, quality or availability of energy sources, including electricity, natural gas and diesel fuel, or critical raw materials and supplies, including iron ore, industrial gases, graphite electrodes, scrap metal, chrome, zinc, coke and metallurgical coal; problems or disruptions associated with transporting products to our customers, moving manufacturing inputs or products internally among our facilities, or suppliers transporting raw materials to us; uncertainties associated with natural or human-caused disasters, adverse weather conditions, unanticipated geological conditions, critical equipment failures, infectious disease outbreaks, tailings dam failures and other unexpected events; disruptions in, or failures of, our information technology systems, including those related to cybersecurity; liabilities and costs arising in connection with any business decisions to temporarily or indefinitely idle or permanently close an operating facility or mine, which could adversely impact the carrying value of associated assets and give rise to impairment charges or closure and reclamation obligations, as well as uncertainties associated with restarting any previously idled operating facility or mine; our ability to realize the anticipated synergies and benefits of our recent acquisition transactions and to successfully integrate the acquired businesses into our existing businesses, including uncertainties associated with maintaining relationships with customers, vendors and employees and known and unknown liabilities we assumed in connection with the acquisitions; our level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks; challenges to maintaining our social license to operate with our stakeholders, including the impacts of our operations on local communities, reputational impacts of operating in a carbon-intensive industry that produces GHG emissions, and our ability to foster a consistent operational and safety track record; our ability to successfully identify and consummate any strategic capital investments or development projects, cost-effectively achieve planned production rates or levels, and diversify our product mix and add new customers; our actual economic mineral reserves or reductions in current mineral reserve estimates, and any title defect or loss of any lease, license, easement or other possessory interest for any mining property; availability of workers to fill critical operational positions and potential labor shortages caused by the ongoing COVID-19 pandemic, as well as our ability to attract, hire, develop and retain key personnel; our ability to maintain satisfactory labor relations with unions and employees; unanticipated or higher costs associated with pension and OPEB obligations resulting from changes in the value of plan assets or contribution increases required for unfunded obligations; the amount and timing of any repurchases of our common shares; and potential significant deficiencies or material weaknesses in our internal control over financial reporting. For additional factors affecting our business, refer to Part I—Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2021, and our other filings with the U.S. Securities and Exchange Commission. You are urged to carefully consider these risk factors.





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