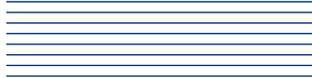


# SUSTAINABILITY REPORT

2022 | CLEVELAND-CLIFFS INC.





View of Beaver River in Minnesota, as seen from the section of the Superior Hiking Trail that traverses through Cleveland-Cliffs' Northshore Mine property

# OUR 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. We 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.



## Bias for Action

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



## Recognize and Reward Achievement

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



## 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.



## 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.



## 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.



## Trust, Respect, and Open Communication

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



## 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.

# ABOUT THIS REPORT

Cleveland-Cliffs' Sustainability Report 2022 covers information and data for calendar year 2022, unless otherwise noted. Report content and disclosures reference the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards for Iron & Steel Producers and Metals & Mining. Cliffs reports on our progress against our sustainability goals on an annual basis and regularly engages with stakeholders throughout the year around sustainability topics. We obtained external limited assurance for our consolidated Scope 1 and 2 GHG emissions data, which is detailed in our **Statement of GHG Emissions** at the back of this report. We welcome questions and feedback about this report to [sustainability@clevelandcliffs.com](mailto:sustainability@clevelandcliffs.com).

Our past reports are available in the **Fact Center**.

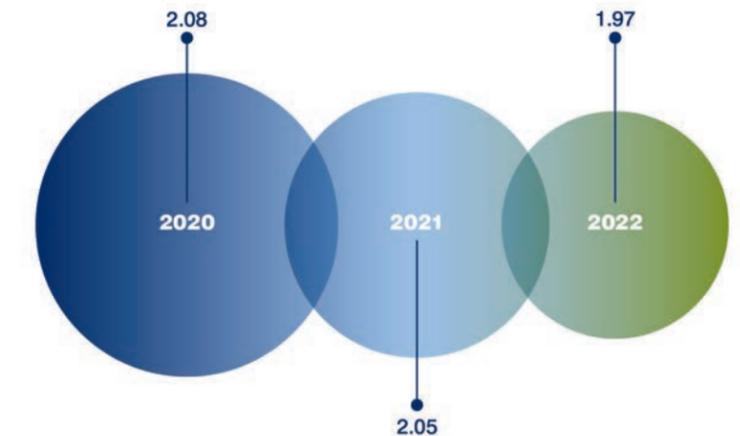
Absolute Scope 1 + 2 GHG emissions below reduction goal ahead of target year 2030.

## Cleveland-Cliffs' Scope 1+2 GHG Emissions Intensity

The charts below show the year-over-year trend of our combined Scope 1 and 2 greenhouse gas (GHG) emissions intensity values for: company-wide; integrated basic oxygen furnace (BOF) facilities; and electric arc furnace (EAF) facilities. **All values are reported in tonnes carbon dioxide equivalent (CO<sub>2</sub>e) per tonne of crude steel.** Please refer to the map in this report for facilities covered under each data set.

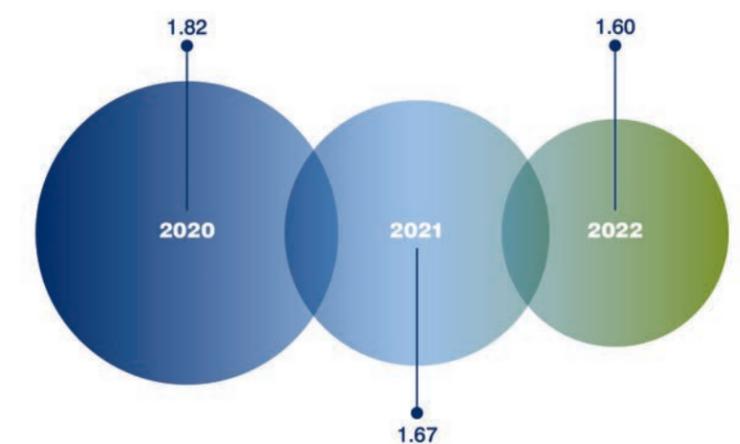
### Company-wide Emissions Intensity

This chart shows facility-wide Scope 1 and 2 location-based emissions from all Cliffs production operations, with the combined production of crude cast steel from both BOF and EAF steel shops as the denominator. Scope 1 emissions are inclusive of facility-wide process and combustion emissions as reported to U.S. EPA; onsite mobile equipment emissions; and facility-wide process and combustion emissions from facilities below the U.S. EPA reporting threshold.



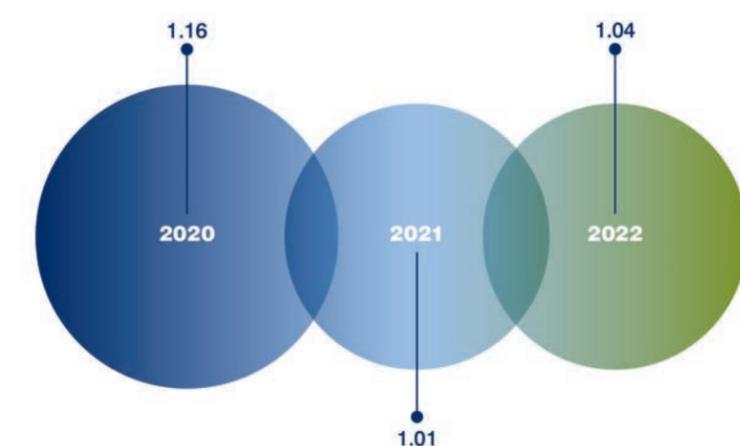
### Average Emissions Intensity of our Integrated Mills<sup>(1)</sup>

This chart shows facility-wide Scope 1 and 2 location-based emissions from all Cliffs integrated BOF facilities, with the production of crude cast steel from BOF shops as the denominator. Our integrated mills are primarily suppliers of steel for automotive uses.



### Average Emissions Intensity of our Specialty Steel Mills<sup>(1)</sup>

This chart shows facility-wide Scope 1 and 2 location-based emissions from all Cliffs EAF facilities, with the production of crude cast steel from EAF shops as the denominator. Three of our EAFs operate in tandem with argon-oxygen decarburization units for the production of electrical steel and stainless steel.



<sup>(1)</sup> Scope 1 emissions include facility-wide process and combustion emissions as reported to the U.S. EPA and onsite mobile equipment emissions.



# LETTER FROM LOURENCO

## Dear Stakeholders:

The key to our 175-year longevity at Cleveland-Cliffs has been the ability to adapt and reinvent ourselves throughout our long history. The transformational acquisitions we completed in 2020 represented our latest evolution, and 2022 was the year we finally made our presence felt as the largest flat-rolled steelmaker in North America. We recorded full-year revenue of \$23 billion, the highest in our nearly two-century history. We also recorded near-record highs for Adjusted EBITDA and free cash flow, which were only surpassed by our performance in 2021.

With this strong profitability, we were able to dramatically transform our balance sheet in 2022, reducing debt and net post-retirement liabilities by over \$3 billion. The size of these liabilities has been a consistent focus of our shareholders since our transformation, and I am pleased to have delivered this immense reduction in such short order. In addition, even with these major improvements to our balance sheet, we were still able to return healthy levels of capital to our shareholders.

We believe that our leading position as an automotive supplier is a strength of our business that will promote our future success. Our steel's surface quality, formability and strength characteristics, as well as our company-wide devotion to meeting demanding service and delivery needs, sets us far apart from any competing material supplier, steel or otherwise.

The main reason we have such a strong position in the automotive market is because of our commitment to blast furnace/basic oxygen furnace (BOF) steelmaking. Supplying highly-specified automotive-grade materials, particularly exposed parts, dictates the use of blast furnaces and BOFs. We believe that this will continue to be the case; and over time, we are confident we will be able to drive sustained reductions in carbon emissions from our integrated steelmaking footprint. This includes the success we have had thus far with using more hot briquetted iron (HBI) and scrap throughout our operations, as well as facilitating emerging technologies, such as carbon capture and hydrogen usage.

Our 27,000 employees have been vital to our recent success, and I thank all of our employees, particularly our union workforce, for their continued buy-in. In 2022, we successfully negotiated new 4-year labor contracts with our United Steelworkers (USW) partners, covering more than half of our employee base. Cliffs and the unions representing our workforce share the same goals. Through our established relationship with all unions, we will continue to collaborate and accomplish these goals together.

Cliffs is about more than just making steel. This year's Sustainability Report once again reports on our progress in pursuit of our environmental, social and governance (ESG) goals, including our commitment to reduce GHG emissions 25% by 2030 from 2017 levels, a Performance Data Table to consolidate our sustainability metrics, as well as updates on a variety of our partnerships and collaborations with our neighboring communities, stakeholders and like-minded organizations as we continuously strive for improved ESG performance.

As I have stated before, Cleveland-Cliffs has been, and continues to be, built for future generations. The decisions that we are making today will resonate for decades, and we do not take that responsibility lightly. We look forward to the future success these actions will bring.

Sincerely,

**LOURENCO GONCALVES**  
Chairman, President and Chief Executive Officer

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Direct Reduction plant in Toledo, Ohio

01

# We Are Cleveland-Cliffs

Cleveland-Cliffs is the largest flat-rolled steel producer and the largest manufacturer of iron ore pellets in North America. We are the only integrated steel company to use significant amounts of pre-reduced feedstock (HBI) in our blast furnaces.

# ABOUT CLEVELAND-CLIFFS

Cleveland-Cliffs Inc. (Cleveland-Cliffs or Cliffs) is vertically integrated from mined raw materials, direct reduced iron and ferrous scrap to primary steelmaking and downstream finishing, stamping, tooling and tubing. We are the largest supplier of steel to the automotive industry in North America and we serve a diverse range of other markets due to our comprehensive offering of flat-rolled steel products. Headquartered in Cleveland, Ohio, we employ approximately 27,000 people across our operations in the United States and Canada.

We have dedicated our technical and engineering resources to anticipating our customers' ever-evolving needs. As a fully-integrated steel enterprise, creating innovative, high-value steel solutions is one of our strategic priorities—favoring higher-margin, specialty products. By inviting collaboration between our customers, research groups and operations, we are developing solutions to new use cases and enhancing our competitive advantage.

Cleveland-Cliffs values being a good corporate citizen, and over the last year we continued to demonstrate our commitment to the environment, our people and ethical and responsible business practices. Through

efforts to reduce our GHG emissions we are working to preserve the environment for future generations. Our strategic actions of optimizing our asset footprint and raw material mix, particularly our unique practice of using significant amounts of HBI in our blast furnaces, along with production levels of crude steel, have all contributed to reductions in our GHG emissions. Upgrades to existing onsite energy recovery for power generation and the addition of renewable energy are important to manage Cliffs' emissions levels below our 2030 GHG goal. Through work with the U.S. Department of Energy, industry organizations and academic institutions, we are collaborating with like-minded organizations to advance clean energy technologies. Through our partnership with our labor unions, we seek to revitalize manufacturing in the United States, and through that, support and grow a vibrant American middle class. Through dedication to our local communities, we are supporting our neighbors in tangible ways to enable our shared success.

For more information about Cleveland-Cliffs, please see our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission located in the [Investors section of our corporate website](#).

## Cleveland-Cliffs Ranked 171 on Fortune 500 List

In May 2022, Cleveland-Cliffs announced our ranking on the Fortune 500 list for the first time since our transformation from a mining company to the largest flat-rolled steel company and largest supplier of steel to the automotive industry in North America. Our 2021 revenue of \$20.4 billion earned us the ranking of 171 on the list for 2022, surpassing our previous highest ranking ever of 366 in 2012. The Fortune 500 list ranks companies that are incorporated and operate in the United States by total revenues for their respective fiscal years.

“Our inclusion on this year’s Fortune list of companies—particularly our position well within the 200 largest ones—is another demonstration of our remarkable transformation. Despite all the challenges imposed by the COVID-19 pandemic and the long-lasting consequences to supply chains still affecting our clients as of today, we grew tenfold in just two years, from \$2 billion in revenues in 2019 to over \$20 billion in revenues in 2021,” said Lourenco Goncalves, Chairman, President and Chief Executive Officer.

## 2022 By The Numbers

#171 Rank on Fortune 500 List

14.8M Net Tons of Steel Sold

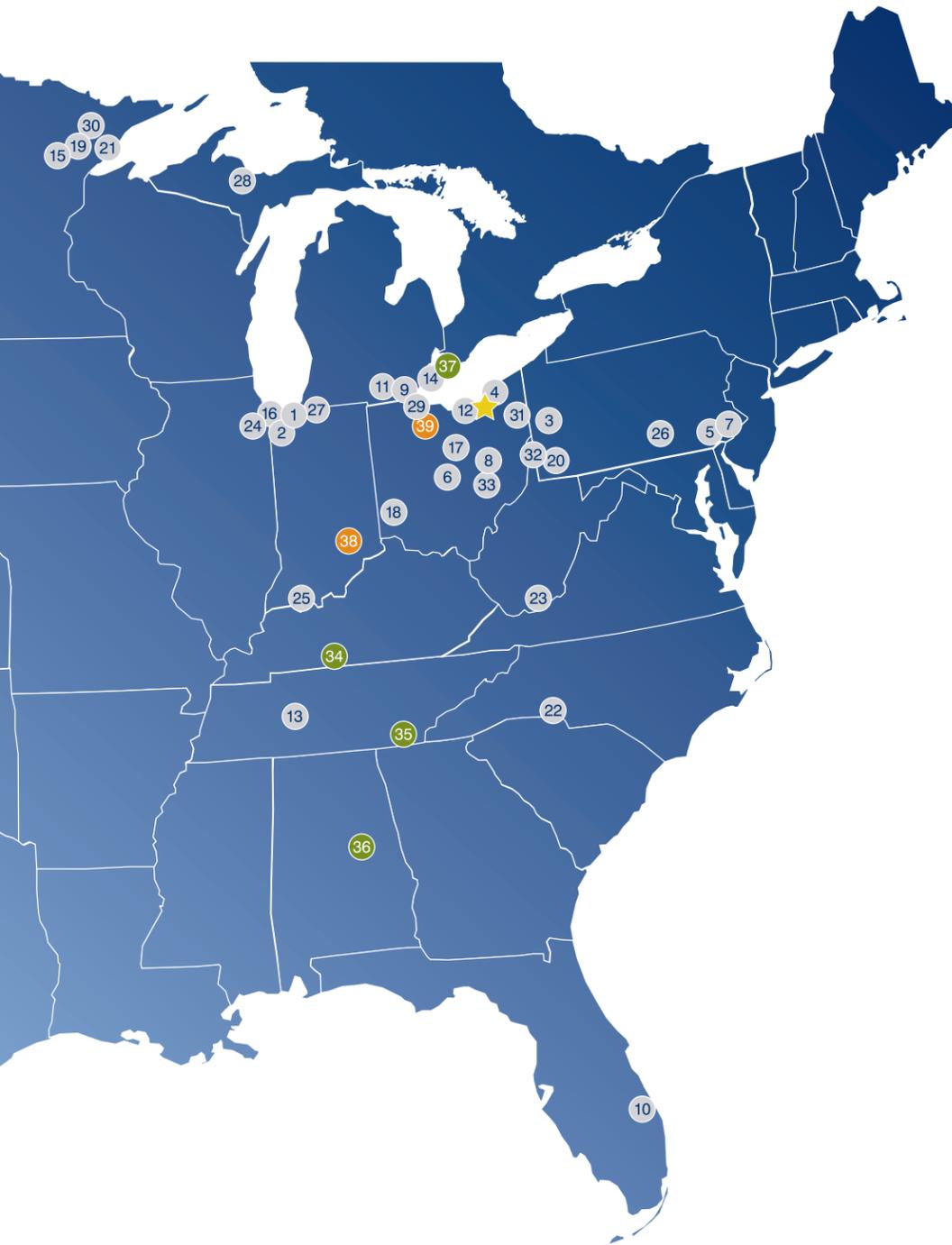
31% of Production Directed to Automotive Sector—Highest in the Industry

27K Employees

70% of Workforce Represented by Unions

## Company Offices & Operations

Cleveland-Cliffs' manufacturing facilities are primarily in the United States, as shown in the map below. In addition to our corporate headquarters in Cleveland, Ohio, we have offices in West Chester, Ohio; Chicago, Illinois; Burns Harbor, Indiana; and Detroit, Michigan; as well as our Research and Innovation Center in Middletown, Ohio.



★ Cleveland-Cliffs Headquarters

### Steelmaking

- 1 Burns Harbor
- 2 Burns Harbor Plate & Gary Plate
- 3 Butler Works
- 4 Cleveland Works
- 5 Coatesville
- 6 Columbus, OH
- 7 Conshohocken
- 8 Coshocton Works
- 9 Dearborn Works
- 10 FPT — Florida Locations (2)
- 11 FPT — Michigan Locations (12)
- 12 FPT — Ohio Locations (5)
- 13 FPT — Tennessee Locations (2)
- 14 FPT — Ontario Location (1)
- 15 Hibbing Taconite Company
- 16 Indiana Harbor
- 17 Mansfield Works
- 18 Middletown Works
- 19 Minorca Mine
- 20 Monessen Coke
- 21 Northshore Mining Company
- 22 Piedmont
- 23 Princeton Coal
- 24 Riverdale
- 25 Rockport Works
- 26 Steelton
- 27 Tek & Kote
- 28 Tilden Mine
- 29 Toledo Direct Reduction Plant
- 30 United Taconite
- 31 Warren
- 32 Weirton
- 33 Zanesville Works

### Tooling & Stamping

- 34 Bowling Green
- 35 Cleveland, TN
- 36 Sylacauga
- 37 Windsor & Ontario

### Tubular

- 38 Columbus, IN
- 39 Walbridge



## Cleveland-Cliffs Rings NYSE Closing Bell

Representatives from Cleveland-Cliffs' Board of Directors and executive management team **rang the closing bell** at the New York Stock Exchange on May 3, 2022, to celebrate the Company's 175th anniversary. Headquartered in Cleveland, Ohio, and operating in the Great Lakes region since 1847, Cliffs was first listed on the New York Stock Exchange in 1960.

“For nearly two centuries, Cleveland-Cliffs has been instrumental in building modern society in the United States through the domestic steel industry. Companies with this type of longevity are incredibly rare. Cleveland-Cliffs has achieved this through its resilience, innovation and constant reinvention which has kept the company relevant and adaptive to an ever-changing world for generations.”

### LOURENCO GONCALVES

Chairman, President and Chief Executive Officer

# OUR SUSTAINABILITY PRIORITIES

This report is structured around five sustainability priorities: Steel for a Sustainable Society; Our Commitment to the Environment; Empowering Our People; Connecting with Our Communities; and Acting with Integrity. We believe these priorities are important tenets of our Company’s identity, and we take regular action to demonstrate these tenets. As an iron and steel producer working toward a sustainable future, we need to develop innovative steel solutions while maintaining our environmental compliance. This is critical to managing and growing our business. Our dedicated and hardworking employees are key to our success. Engaging with our operating communities will sustain Cleveland-Cliffs over the long term. And, above

all, leading with integrity and employing ethical business practices are foundational to Cliffs.

## Alignment to the Sustainable Development Goals

We operate our business in a way that supports the **United Nations’ Sustainable Development Goals (SDGs)—a blueprint of 17 global goals shared by United Nations member states for the long-term sustainability of our planet and its people.** Through our actions and focused sustainability initiatives, we aim to create impact in our communities in alignment with the SDGs highlighted here.

### Empowering Our People

Investing in our employees’ safety and success is a top priority. We offer various opportunities for professional development and growth, competitive compensation and benefits and meaningful work. We strive to sustain and empower the American middle class for generations to come.



### Connecting with Our Communities

Through educational opportunities for students and prospective employees, we provide the tools people need to develop a long career at Cleveland-Cliffs. Through charitable giving, volunteering and thoughtful engagement, we support our local communities for a prosperous future.



### Steel for a Sustainable Society

We manage our business in a way that tangibly impacts the well-being of our society. We strive to responsibly utilize raw materials for cleaner iron and steelmaking to develop sustainable steel solutions for the transition to a low-carbon economy. Cliffs pays above industry average total compensation and provides meaningful work. This way of doing business ensures a thriving workforce and local communities, and drives us to do our part in the fight against climate change.



### Our Commitment to the Environment

As an iron and steel producer with mining activities, we have a responsibility to mitigate environmental impacts for the good health and safety of our people and communities; advance the clean energy transition with our sustainable steel solutions; and combat climate change by pursuing decarbonization solutions that reduce emissions, increase renewables and restore land and habitat where possible.



### Acting with Integrity

As an iron and steel producer with mining activities, we have a responsibility to mitigate our climate impacts—as a company through our own initiatives as well as through partnerships to develop and advance decarbonization initiatives for a sustainable future.





Coil of Cleveland-Cliffs Steel

## 02

# Steel for a Sustainable Society

Steel is critical to the development of clean energy technologies that will make society's transition to a low-carbon future a reality. From upgrading our electrical grid and developing renewable energy, to producing alternative fuels and powering electric vehicles, steel will be necessary to advance these sustainable solutions.

# STEEL: A RESILIENT BUSINESS

Cleveland-Cliffs operates a strategic portfolio of iron and steel technologies in North America, including efficient blast furnaces and BOFs, EAFs and a state-of-the-art Direct Reduction (DR) plant to produce HBI. Our extensive experience with modern steelmaking through our vertically integrated value chain ensures we will continue to meet the growing demand for steel made sustainably. As society transitions to a low-carbon future, the infrastructure needed to deliver new and cleaner technologies and power sources such as an efficient electrical grid; renewable electricity; electric vehicle (EV) motors; carbon capture and sequestration; and alternative fuels such as clean hydrogen, will all require steel. Today, Cliffs produces the advanced and specialty grades of steel necessary for these emerging decarbonization solutions, doing our part as we collectively move toward a clean energy economy.

Cliffs has demonstrated its commitment to sustainable steelmaking pathways, engaging with suppliers, customers, technology providers, government agencies and academia to explore opportunities for collaboration. We are utilizing methods for emissions reduction, such as optimizing recycled content, while maintaining the product quality specifications our customers need. Steel is the most recycled material in the world and can be continually recycled into new products. All of Cleveland-Cliffs steel is made with recycled content, and following its end use, 100% of that same steel can be recycled in some form. During 2022, Cliffs recycled over 6.5 million tons of steel scrap and recovered iron materials. Through our Ferrous Processing and Trading Company (FPT) business, we source prime scrap primarily from pre-consumer scrap—for example, from our automotive 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. Our prime scrap processing capabilities enable our closed-loop steel recycling process and ultimately allow Cliffs to optimize productivity at our EAFs and BOFs. For more detail on our recycled content, please visit our [corporate website](#).

Not all steel scrap is created equal, and low-impurity prime scrap supply is being outpaced by increased demand. The most demanding steel grades need high-purity sources of iron, a demand that Cliffs can fulfill with our U.S.-based, vertically integrated footprint. This vertical integration enables us to avoid global supply chain disruptions of imported iron metalics like pig iron. Using our iron ore mined and pelletized in Minnesota and Michigan, we internally produce the metalics our products need. Cleveland-Cliffs' ironmaking facilities across the Midwest include blast furnaces that are among the most efficient in the world, as well as our DR plant in Toledo, Ohio.

# 6.5M

Tons of steel scrap and recovered iron materials recycled in 2022



We are the first and the only producer of HBI in the Great Lakes region. From this modern plant, Cliffs produces high-quality, low-cost and low-carbon intensive HBI that can be used in our blast furnaces as a productivity enhancer, or in our BOFs and EAFs as a premium scrap alternative. We use HBI to stretch our hot metal production, lowering carbon intensity and reliance on coke. As a result of our internal usage of HBI, coupled

with our ongoing evaluation of coke use strategies, we idled our coke facility at Middletown Works (Ohio) during the third quarter of 2021 and permanently closed our Mountain State Carbon coke plant in the first quarter of 2022. With increasing tightness in the scrap market, we expect our blast furnaces and our DR plant to support our metalics needs. In 2022, our DR plant produced approximately 1.6 million metric tons of HBI.

## Closed-Loop Steel Recycling



### Diversified End Markets & Value Added Products

Cleveland-Cliffs is a specialized iron and steelmaking company primarily serving four broad market categories: automotive; distributors and converters; infrastructure and manufacturing, which includes electrical power; and steel producers, which consume iron ore and metallics and further process semi-finished materials. We manufacture difficult-to-produce, high-quality steel products that help our customers meet their own product requirements. The quality of our steel is appealing to end users because of its strength, surface quality and formability.

Our automotive products include advanced high strength steels (AHSS) utilized in vehicles to enable lightweighting for fuel efficiency as well as enhanced safety. We believe that we offer steel products that are stronger, less

expensive, have competitive weight savings, are easier to repair, and are more environmentally friendly than alternative materials. Cliffs works with our automotive customers to develop products such as steels with greater heat resistance for exhaust systems that support new, fuel-efficient engines that run at higher temperatures.

Cliffs also produces flat carbon steels for non-automotive applications as well as specialty steels such as galvanized and aluminized, stainless, electrical, tinplate, plate, and rail. For the infrastructure and manufacturing markets, our catalog of steel products supports applications for military defense, power transmission and distribution transformers, medical equipment, appliances and heating, ventilation and air conditioning (HVAC), food preservation, and more. For example, our stainless steel grades are utilized in a variety of applications for mass transit, such as frames for passenger buses and rail cars. Our plate

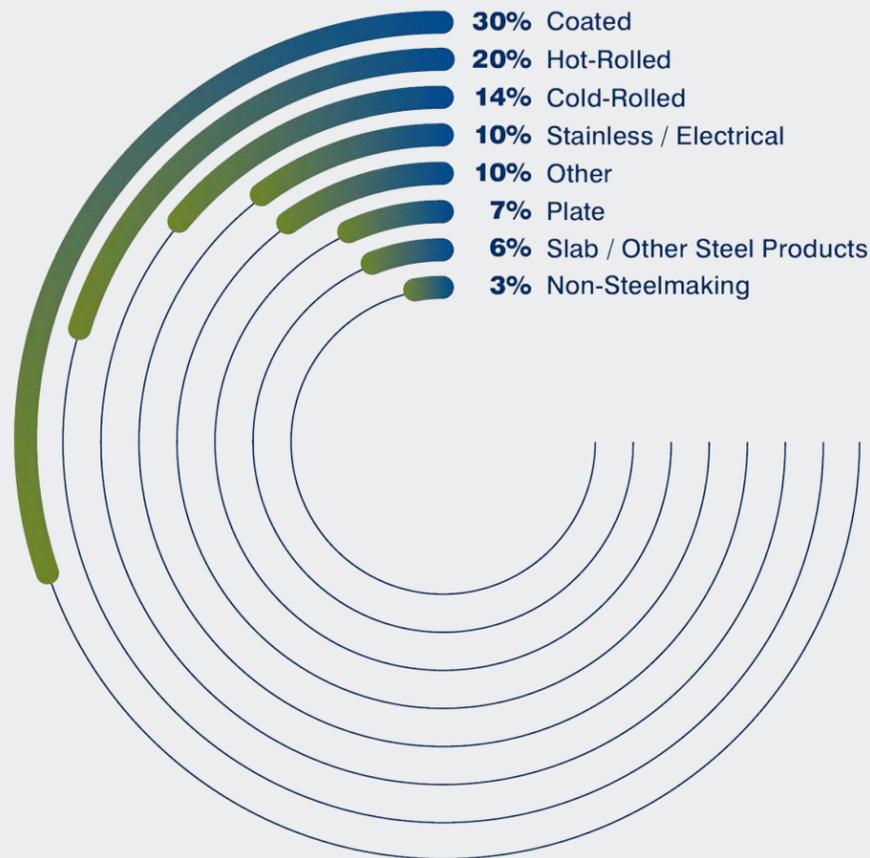
products can be used in wind towers to help advance the production of renewable energy.

As the sole producer of specialty electrical steels such as grain oriented and non-oriented electrical steel (GOES and NOES) in the United States, Cliffs supplies the steels necessary for upgrading an aging electrical grid and enabling power transmission through transformers and EV charging stations. NOES supports the adoption of battery EVs through traction motors, and our AHSS provide protection through battery enclosures. In our Sustainability Report 2021, we highlighted 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 goal was for the new electrical steels to be nearly 40% more efficient when compared to commercially available NOES. We are pleased to report that this project, in conjunction

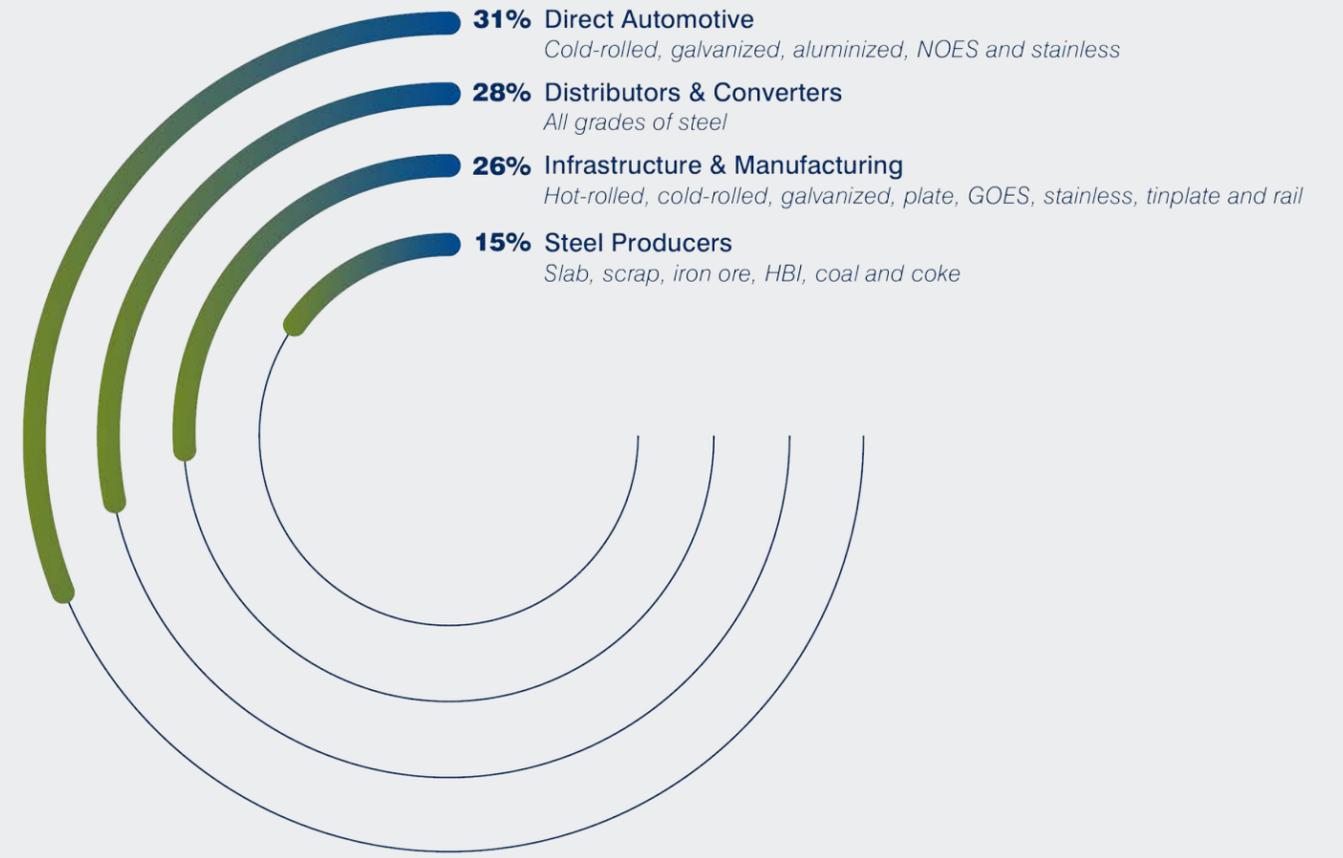
with the U.S. Department of Energy (DOE) and Oak Ridge National Laboratory, has moved into the final phase where mill-produced sample material is being evaluated in a motor to demonstrate the proposed efficiency improvement.

Virtually all of the grades of steel we produce are sold to the steel distributors and converters market, which generally represents downstream steel service centers that source and fabricate our steel according to their customers' needs. The steel producers market represents third-party sales to other steel producers, including those who operate blast furnaces and EAFs, as well as sales of raw materials and semi-finished goods, including iron ore pellets, coal, coke, HBI, scrap, slab and other steel products.

### 2022 Product Mix (By Revenue)



### 2022 End-Markets (By Revenue)



## Advancing the Clean Energy Transition

Amongst a broad range of materials, steel is the most critical to the transition to a low-carbon economy.<sup>[1]</sup> As demand for renewable power continues to grow, large quantities of steel will be needed for applications such as solar and wind energy. In 2022, President Biden signed the Inflation Reduction Act (IRA) into law, offering significant funding and incentives for developing clean energy technologies and infrastructure. Leveraging the complementary investments of the Infrastructure Investment and Jobs Act of 2021, the IRA will help financially support developments in decarbonization solutions. These laws, which incentivize companies to make significant investments, should encourage increased demand for the steel grades that Cleveland-Cliffs produces. Additionally, these laws offer bonuses to the incentives for projects made with domestically produced components and raw materials such as iron and steel. From steel plate for wind farms to galvanized steel for solar arrays, Cliffs' product portfolio can serve both traditional and emerging domestic energy markets.

## Advancing the EV Transition

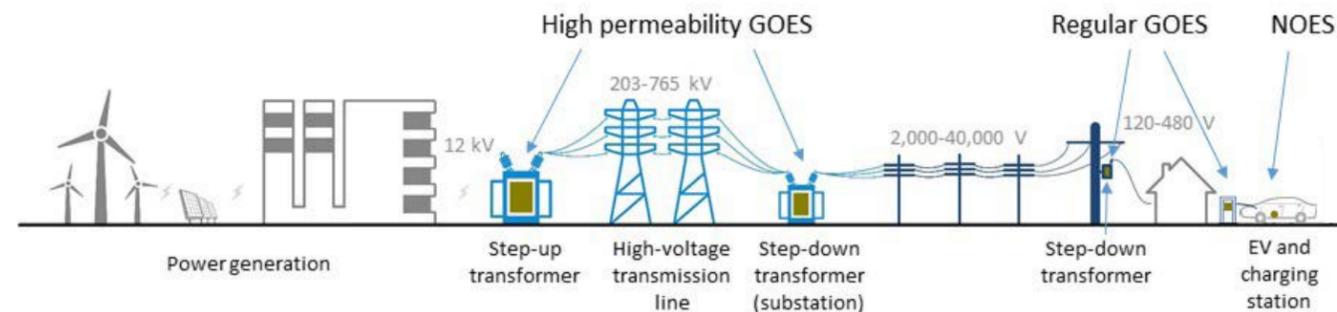
Cleveland-Cliffs is the largest supplier of steel to the North American automotive industry. Our steel is a critical engineering material for the automotive sector today, and for the transition to EVs in the future. Cliffs steel is cost-effective against other materials and enhances the affordability of EVs for consumers. All of Cleveland-Cliffs' steels are fully melted and produced in the United States.

Incentives like the new federal EV tax credit (established through the IRA) have requirements for domestically sourced materials and components and is likely to support further growth of the domestic EV market share.

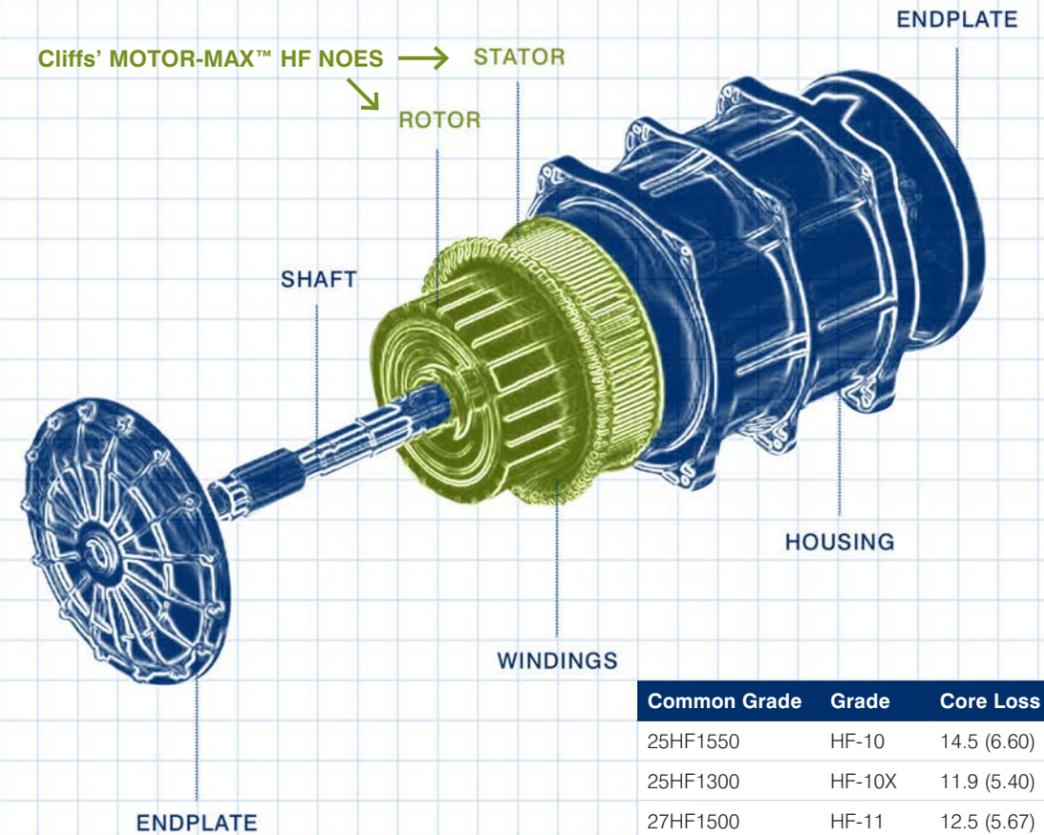
Because the American transportation sector accounts for more than 29% of GHG emissions in the United States (compared to the American steel sector's 1%), it is imperative that we continue collaborating with our automotive customers on ways to decarbonize the automotive industry. We focus on high-quality, technologically advanced steel to develop the products customers need ranging from AHSS and exposed surface quality grades to electrical steels and steel battery enclosures. For example, Cliffs' engineering teams are actively engaging with several automotive original equipment manufacturers (OEMs) to help optimize their battery enclosure designs to incorporate the most advanced high strength steel grades currently available. The battery enclosure is an integral component of the battery EV architecture and is paramount in the protection of the battery in the event of a crash. Protecting the batteries is so critical, that some OEMs have referred to the battery pack as a "6th passenger" in a vehicle. Steel provides not only the needed strength for the task, but also has a lower emissions life cycle when compared to other more expensive and higher carbon intensive materials like aluminum, magnesium and carbon fiber.

<sup>[1]</sup> "The raw materials challenge: How the metals and mining sector will be at the core of enabling the energy transition." McKinsey & Company, January 2022.

## Cleveland-Cliffs' Electrical Steels



## MOTOR-MAX™ Electrical Steels



Common Grade	Grade	Core Loss W/kg (W/lb)
25HF1550	HF-10	14.5 (6.60)
25HF1300	HF-10X	11.9 (5.40)
27HF1500	HF-11	12.5 (5.67)
30HF1600	HF-12	13.8 (6.30)

As the only North American producer of high-efficiency NOES—a critical component of EV motors—we are well positioned to help advance the adoption of EVs going forward. In December 2022, Cleveland-Cliffs announced the new MOTOR-MAX™ product line of NOES for high frequency motors and generators. MOTOR-MAX High Frequency Non-Oriented Electrical Steels (HF NOES) brand of electrical steels are designed for high speed motors, EV traction motors, aircraft generators and other rotating equipment. From research to production, Cleveland-Cliffs has the experience and capabilities to produce the quality electrical steels necessary for these distinctive high performance applications to meet a broad range of customer technical requirements.

As demand for electrical steels increases for EV traction motors, Cliffs is at the forefront of this market as the only producer of automotive-quality electrical steels located in North America. EV traction motors

are one of the most crucial components of electric vehicles, and utilizing MOTOR-MAX HF NOES will improve the overall efficiency and performance of the motor. With a reliable, domestic supply of MOTOR-MAX electrical steels, automotive OEMs have a dependable source for their production of EV motors in the United States. Additionally, the growing demand for EVs has fueled the requirement for charging stations' infrastructure nationwide, and Cliffs has the resources in place to play a leadership role with our GOES products.

Cliffs is able to make MOTOR-MAX HF NOES and other electrical steel products in our EAFs utilizing a mix of high-quality DRI and recycled steel scrap. We maintain control over the entire production cycle that occurs wholly in the United States. Cleveland-Cliffs' technique to produce electrical steels (like MOTOR-MAX HF NOES) results in lower GHG emissions than steel mills utilizing more carbon-intensive energy sources and production methods.



Burns Harbor, Indiana integrated facility on Lake Michigan

### 03

# Our Commitment to the Environment

Cleveland-Cliffs remains committed to operating our business in an environmentally responsible manner. Going beyond compliance, we continually seek opportunities to minimize our impacts and engage with our local communities to ensure we are a good neighbor. One of the most important issues impacting our planet is climate change, and we are doing our part to reduce our GHG emissions by pursuing proven and breakthrough technologies for decarbonization.

# ENVIRONMENTAL MANAGEMENT

Cleveland-Cliffs takes great pride in our environmental management program and efforts. Our business is highly regulated, and we understand the importance of maintaining compliance and going beyond what is expected to be a good corporate citizen. Throughout 2022, Cliffs' environmental management team continued to be proactive in engaging with our local communities and mitigating potential risk where possible. This included implementing new tools and internal reporting to better track data, such as statistical control of water permit data and utilizing Failure Mode Effect and Root Cause Analysis for issues and near misses. These practices help the team analyze trends over time to improve performance long-term, prevent or minimize recurring issues and reduce the number of environmental-related incidents and community concerns. As a result of these efforts, Cliffs reduced both reportable environmental incidents and environmental-related community complaints from 2021 to 2022.

Environmental performance is driven by our operating teams at each facility, who work closely with the site environmental staff to achieve optimal environmental performance. The operations are supported by a core team of corporate environmental regulatory, permitting and compliance experts. One key way Cliffs continuously improves our environmental performance is through maintenance of our ISO certifications. For example, our Columbus Coatings facility in Ohio—which restarted in mid-2021—is our most recent facility to achieve ISO 14001:2015 certification. For a complete list of site certifications, please visit our [corporate website](#). With the acquisition of FPT in late 2021, Cliffs added more than 20 sites to our operating footprint that brought new and different environmental compliance requirements. In 2022, we added internal capacity and expertise to our team to manage these sites and help integrate them into a well-established culture of striving for 'beyond

compliance'. Cliffs continued to invest in our facilities to increase our ability to manage environmental issues and maintain compliance, while being a good neighbor to our operating communities.

## \$133M

Invested for environmental capital expenditures in 2022

Additionally, we hold ourselves accountable to achieving excellent environmental and sustainability performance by incorporating associated Strategic Initiatives into our Executive Management Performance Incentive (EMPI) program. In 2022, several Strategic Initiatives were sustainability focused.

We are pleased to report that we made achievements for each of the initiatives and will continue to make progress in the coming year. For more information on our 2022 Strategic Initiatives, please see our most recent [Proxy Statement](#).

## Climate & GHG Emissions

While the American steel industry is among the cleanest in the world, Cleveland-Cliffs has engaged in a number of decarbonization initiatives to address our GHG emissions and do our part to help combat global climate change. Throughout the year, we continued to demonstrate results in reducing our emissions against our 2030 goal.

### Climate-Related Governance & Risk Management

Cliffs prioritizes GHG emissions reduction at the highest level of our corporate governance structure through our Strategy and Sustainability Committee of the Board of Directors. Led by our Chairman, President and Chief Executive Officer Lourenco Goncalves, the Committee directs strategy for climate-related risks and opportunities and is ultimately responsible for Cliffs' environmental and sustainability performance. The Committee is supported in these efforts by Cliffs' executive leadership team, including our Executive Vice President, Environmental & Sustainability, who leads Cliffs' environmental compliance obligations, sustainability management activities and reporting.

Enterprise risk management is a key component of our overall business strategy. Cleveland-Cliffs' most recent physical climate risk assessment, conducted in 2022, utilized third-party analysis to help identify climate-related physical risks across our footprint under RCP4.5 and RCP8.5 scenarios. Cliffs' long-term, climate-related physical risks were modeled and determined to be low. Additional information regarding our climate-related risks, opportunities and strategy will be presented separately in our 2022 Task Force for Climate-related Financial Disclosures (TCFD) report.

Since 2021, Cliffs has actively participated in an Expert Advisory Group (EAG), convened by the Science Based Targets initiative to develop a Steel Sectoral Decarbonization Approach (SDA) toward near zero GHG emissions by 2050 in alignment with the Paris Agreement. The SDA intends to outline a methodology for setting science-based targets and a decarbonization pathway. Currently, Cliffs continues to participate in the EAG and looks forward to the finalized SDA for evaluation.

### GHG Emissions Reduction Initiatives

Cleveland-Cliffs regularly tracks our progress against our goal of 25% reduction of combined absolute Scope 1 and 2 GHG emissions by 2030 from 2017 levels. In 2022, Cliffs' Scope 1 and 2 GHG emissions were already below our reduction goal ahead of the target year of 2030. This was achieved through strategic actions such as optimizing our asset footprint and raw material mix, particularly our unique practice of using significant amounts of HBI in our blast furnaces to reduce our coke rates, along with production levels of crude steel. Previously announced upgrades to existing onsite energy recovery for power generation and the addition of renewable energy are important to manage Cliffs' emissions levels below our GHG goal. While we are proud of these results, we will continue to focus our GHG reduction efforts by prioritizing our efficient operations and actionable, commercially viable technologies and solutions. Cliffs has dedicated resources for research and development of decarbonization technologies for the primary iron and steel sector. We are working with commercial and academic partners to investigate and advance projects focused on improving energy efficiency, industrial electrification, carbon capture utilization and storage (CCUS), and clean electricity and fuels such as hydrogen.

Scope 1 + 2 GHG emissions below reduction goal ahead of target year 2030

### Carbon Capture

Cliffs remains a proud member (and the only steel producer) of the DOE’s Better Climate Challenge, a voluntary platform for organizations to set ambitious, portfolio-wide operational GHG emissions reduction goals. To align with our corporate goal, we committed to a 25% reduction in GHG emissions within 10 years. Additionally, Cliffs pursues various partnership opportunities with the DOE and like-minded organizations to help us meet and exceed these ambitious goals. For example, we are looking forward to the next phase of research for carbon capture in the iron and steel industry as the initial Burns Harbor Carbon Capture study comes to a close. We are now pursuing support from and collaboration with the DOE and other partners for Front-End Engineering and Design of large scale carbon capture and sequestration from blast furnace gas at our Burns Harbor integrated iron and steel facility located in Northwest Indiana. The project aims to capture up to 2.8 million tons of carbon dioxide (CO<sub>2</sub>) per year for permanent geological sequestration. Although much work remains to make CCUS a viable solution in the future, Cliffs is investing significant resources into the potential of carbon capture technology and will continue to explore.

### Hydrogen

Cleveland-Cliffs’ state-of-the-art DR plant is hydrogen ready. The facility currently reforms natural gas to produce HBI and was engineered to replace up to 30% of the natural gas with hydrogen without modifications. While fuel switching for wide-spread clean hydrogen replacement in the global iron and steel industry will require large quantities of clean hydrogen that are not currently available, Cliffs is doing our part to help facilitate the commercial deployment of clean hydrogen as a decarbonization strategy. Throughout 2022, we engaged in discussions with other companies, universities and national research laboratories with the goal of leveraging potential funding under the DOE’s Regional Clean Hydrogen Hubs Funding Opportunity Announcement to develop and implement clean hydrogen solutions for our industrial applications in place of carbon-based natural gas. During 2022, Cliffs joined the Great Lakes Clean Hydrogen coalition—a coordinated hydrogen hub effort to transition the Midwest into a leading low-carbon fuel production center, attracting major investment, new businesses and job creation. In addition to our DR facility, Cliffs is also investigating the usage of hydrogen injection into our blast furnaces and other processes to reduce emissions.

Burns Harbor, Indiana



### GHG Emissions Performance

Cleveland-Cliffs tracks and reports our absolute GHG emissions in this annual sustainability report, as well as to government regulatory agencies and third-party sustainability ratings platforms. We also report select GHG intensities for our business. Cliffs discloses these metrics and additional GHG and climate-related information, such as our supplier climate engagement and relevant upstream Scope 3 emissions, in our annual Climate Change submission to CDP, an international nonprofit organization that manages the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. We are pleased to report that Cliffs maintained a ‘B’ score for our Climate Change response in 2022.

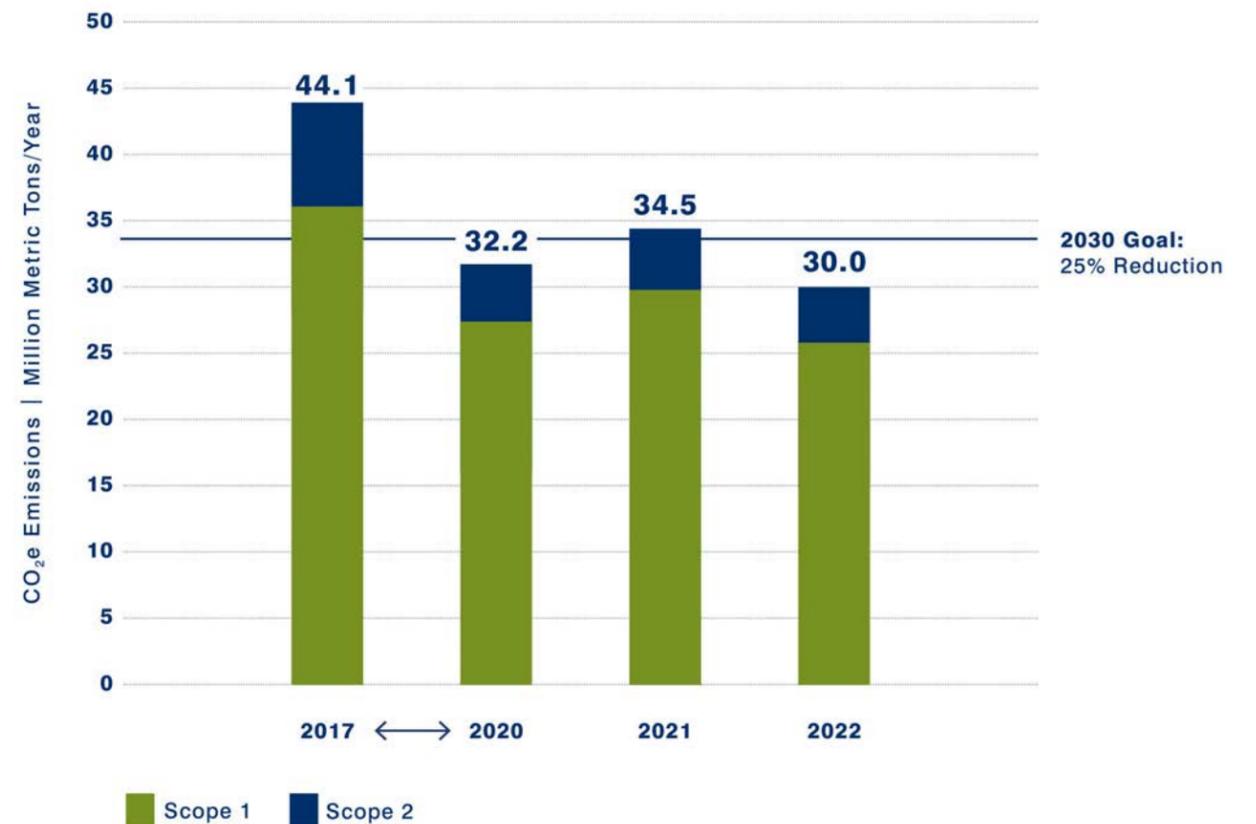
Our Scope 1 and 2 GHG emissions performance from our production facilities is presented in the chart

below. One of the key strategic priorities in our GHG reduction commitment was enhancing our GHG emissions transparency, along with publishing our sustainability reports. To that end, we obtained external limited assurance for our consolidated Scope 1 and 2 GHG emissions data for 2022, which is detailed in our **Statement of GHG Emissions** at the back of this report. Additional information on our broader emissions performance is located in the **Performance Metrics**, in the back section of this report.



As a CDP Discloser, Cleveland-Cliffs is recognized as a company that values environmental transparency and taking action.

### Consolidated Scope 1 & 2 GHG Emissions



## Energy

Energy efficiency remains a key focus of Cleveland-Cliffs' environmental strategy. As an energy-intensive business, it is critical that Cliffs is a responsible energy consumer. We work collaboratively with the DOE and leverage opportunities for project support and funding relative to decarbonization technologies. Our leadership team engaged with U.S. Secretary of Energy Jennifer Granholm and her staff several times throughout the year on the topic of decarbonization challenges facing the domestic iron and steel sector. Through the DOE's Better Plants® program, we are committed to a 10% reduction in energy intensity over 10 years. We also have access to important tools and expertise such as In-Plant Training, where companies host and participate in energy savings assessments and associated training on specific industrial systems such as steam and process heating.

In our Sustainability Report 2021, Cliffs announced a target to purchase 2 million megawatt hours (MWh) annually of renewable power that is newly developed or additional to the existing power grid. Throughout 2022, our team evaluated several commitments that support this target. In December, Cliffs executed a 15-year power purchase agreement with EDP Renewables SA for 180 megawatts (MW) of the 200-MW Headwaters III Wind Farm in Randolph County, Indiana. The wind farm is expected to be operational in 2025 and will annually power the equivalent of more than 54,000 Indiana homes.

We have also committed to participate in three regulated utilities' voluntary renewable energy programs. In addition to fulfilling 35% of our Dearborn Works, Michigan, integrated mill's power needs with solar-generated electricity, we have entered into an agreement that will supply 10% of our power needs with solar-generated electricity at our Weirton, West Virginia, facility. Cliffs has also agreed to participate in a Green Power program at our Indiana Harbor and Burns Harbor integrated mills in Northwest Indiana. We understand that these suppliers' new solar power generating facilities are anticipated to begin operation in late 2023 and late 2024, respectively.

Four of our iron ore mining and pelletizing operations are served by Minnesota Power (MP). As of the most recent



Through the U.S. Department of Energy's Better Plant program, Cleveland-Cliffs aims to increase resilience and reduce our carbon footprint through improvements in energy efficiency.

estimate available, MP's overall renewables percentage for retail customers in 2021 was 50%, which equates to just over one million MWh of renewable energy for the grid that supplies these Minnesota facilities.

Cleveland-Cliffs internally recovers energy from valuable byproduct gases from our Burns Harbor, Cleveland Works, Indiana Harbor and Warren facilities. Cliffs is pleased to report that the powerhouse upgrades at our Cleveland Works (Ohio) integrated mill are scheduled to be completed in early 2023. This includes installation of a new "G" generator to increase onsite power-generating capacity while reducing flaring of blast furnace gas and the amount of purchased electricity as well as associated Scope 2 emissions. The new generator will also replace two older and less efficient onsite generators and will allow Cleveland Works to recover energy and produce most of its power needs onsite.

Our Burns Harbor facility received a 2022 Energy Achievement Award given by the Association for Iron & Steel Technology's Energy & Utilities Technology Committee, for the installation and implementation of two new walking beam reheat furnaces. The award recognizes an individual, group and/or organization that has implemented and achieved energy conservation or a significant improvement in energy-related productivity through the application of new technology, practices and/or engineered methods in the iron- and steel-producing sector.



"G" generator installation at the powerhouse at our Cleveland Works facility

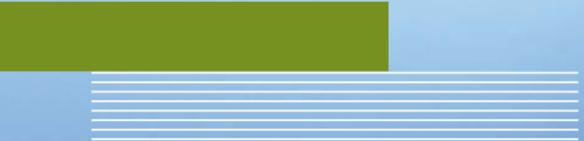
## Air Quality

Cleveland-Cliffs continued to make progress on important air quality projects in 2022 while complying with our air permits and maintaining open dialogue with the communities where we operate. Cliffs works with our slag processing vendors to employ best practices for fugitive air emissions reduction, such as expanded use of water fogging suppression systems and use of dust bosses at our facilities. At our Burns Harbor facility, we are working with our slag processor to implement slag granulation which will reduce fugitive air emissions and improve slag byproduct reuse.

Cliffs is also reinvesting in our emissions control systems at our Dearborn Works and Riverdale facilities. These projects include rebuilding and upgrading the electrostatic precipitators (ESP) at the BOFs. The ESPs are the primary emissions control devices that work in concert with the secondary baghouse emissions control systems. At Dearborn Works, the ESP upgrade is scheduled to be completed in 2023, and will improve

performance of the emissions control system. At Riverdale, the ESP upgrade began in late 2022 and will continue into 2023. Two new modules were added to increase redundancy and replace a decommissioned module that was constructed in the 1960s. These new modules will also allow isolation of units to do maintenance while still having three sections operating for compliance.

At our iron ore mine operations, we have continued to employ best practices for dust control at our tailings basin operations. In 2022, this included implementing a new piece of low-ground-pressure equipment at our Tilden mine (Michigan) that can work on soft ground areas of the tailings basin sooner in the calendar year than we have been able to in the past. We plan to continue using this equipment in the future as it can do more work in less time than traditional machines.



“Cleveland-Cliffs has been, and continues to be, built for future generations. The decisions that we are making today will resonate for decades, and we do not take that responsibility lightly.”

**LOURENCO GONCALVES**

Chairman, President and Chief Executive Officer



## Water & Wastewater

Like energy, water is a vital input to our iron and steelmaking operations, and our Core Values include being responsible stewards of this essential natural resource. One hundred percent of water withdrawn for our iron and steelmaking is freshwater and none of the water withdrawn or discharged by Cleveland-Cliffs is in a known area of water stress. Cliffs has invested more than \$70 million in powerhouse upgrades at our Cleveland Works facility in a continued effort to use water efficiently. In addition to increasing onsite power-generating capacity, the new “G” generator will allow for conversion from ‘once-through’ cooling water to closed-cycle cooling. The closed-cycle cooling is expected to reduce approximately 28 million gallons per day in discharge to the Cuyahoga River. Once the “G” generator is brought online and the existing “C” generator is tied in, the total recycled/reused water within the Cleveland Works footprint is expected to increase to roughly 95%. The tie-in, which will take several years to complete, will begin after regulatory approval is obtained in 2023.

In our Sustainability Report 2021, Cliffs introduced two water treatment technology pilot projects as part of the DOE’s Industrial Technology Validation program. During 2022, one pilot project was installed at Cleveland Works, and project data gathering was completed during the fall. The DOE was onsite to evaluate the project and initial findings were promising. A detailed report is expected to be issued by the DOE in 2023 based on their assessment of this data. The second pilot project is planned for installation and data collection in early 2023. The alternative technology yielded significant reduction in solid waste from process water, and preliminary data shows it could also increase process water reuse.

At Burns Harbor, we continue to employ an ammonia water treatment system (piloted in 2021) to reduce nutrient loading to the East Branch of the Little Calumet River and Lake Michigan. Reducing ammonia from our discharge helps us maintain compliance while improving wastewater discharge parameters. In 2022, we expanded our treatment capabilities and made enhancements to this system. The improvements allowed for longer operating time, which subsequently led to a further reduction in nutrient loadings for a total of approximately

95%. In 2023, the system winterization will be completed to allow for continuous operation. This system is best available technology as defined by U.S. EPA and it will continue to allow Burns Harbor to reduce pollutant loadings and ensure permit compliance.

# 620B+

Gallons of water recycled in 2022 is equal to 940K Olympic-sized swimming pools

## Waste & Hazardous Materials

Cleveland-Cliffs strives to be a responsible steward of our resources by optimizing our waste byproducts where possible. During 2022, we undertook a number of successful projects that we believe are sustainable over the long term.

Two projects that increased recycling and reduced waste disposal occurred at our Dearborn Works and Riverdale sites. Dearborn Works partnered with our slag processor, Levy, to find a new use for basic oxygen furnace runway slag. Levy’s trademarked and proprietary product—‘Duraberm’—uses Dearborn Works’ co-products to make harder, more durable roadways. Through this project, we recycled 128,000 tons of product that could have previously been landfilled.

At our Riverdale facility, we partnered with a firm to install a process to generate usable materials from a previously landfilled slag byproduct. Two products are generated—high iron content chips and fines—that are recycled back into the steel process, as well as non-metallic sands that can be beneficially reused commercially. This has resulted not only in a reduction of approximately 70,000 tons per year of landfilled material, but also a substantial cost savings.



(Left) Photo of road before Duraberm application (Right) Photo of road after Duraberm application

In our Sustainability Report 2021, we discussed a project at our Weirton facility, in which we partnered with a firm to pilot a process (off-site) to generate usable base oils from high-volume lubricants. This pilot was successful, and based on lessons learned the vendor installed an onsite processing system that isolated three different lubricants that were comingled prior to treatment, limiting opportunities for their reuse. These reprocessed oils can be sold as feedstock for other products to other industries. Additionally, the partner firm is seeking approval from our customers to reuse several high value lubricants in order to improve recycling of our rolling oils. The onsite processing system has significantly improved dewatering of the lower-value used oil, which is then utilized internally—increasing value and reducing transportation costs. Not only is this process more cost-effective, it can be scaled to other facilities in our footprint.

In addition to waste optimization, Cliffs continues to make investments in remediating land acquired from our legacy companies, including beneficial reuse of materials recovered by these sites where possible.

## Land Management & Biodiversity

As North America’s largest flat-rolled steel producer and manufacturer of iron ore pellets, Cleveland-Cliffs has a significant geographical footprint. For this reason, we act as responsible stewards of the land and recognize its natural resources and biodiversity. We continue to partner with like-minded organizations, such as Wildlife Habitat Council (WHC) and National Fish

# 200K

Tons of steel byproducts diverted from landfill and recycled from two integrated mills in 2022

and Wildlife Fund, to assist us in these important efforts as well as support other conservation projects around the United States.

In our Sustainability Report 2021, we discussed our work on the Duck Creek Wetland Restoration and Nutrient-Reduction project near our DR facility in Toledo, Ohio. In 2022, Cliffs continued to make progress. In partnership with Toledo-Lucas County Port Authority and Ohio Department of Natural Resources (ODNR), this project aimed to improve ecological habitat by restoring and developing:

- More than four acres of new upland pollinator habitat (including invasive species control and seeding and stabilizing of existing habitat)
- More than 11 acres of new/expanded wetland
- Nearly an acre of new backwater channels
- Increased stream length by more than 900 linear feet

Through this project, Cliffs has engaged with multiple entities to acquire the necessary permits, and project funding has been extended through year-end 2023 to complete the project. Upon completion, our DR plant will manage a multi-year maintenance and monitoring program in conjunction with ODNR and associated research universities.

# 609

Acres of land reclaimed in 2022 is equal to 460 football fields

## Biodiversity Conservation

At our Weirton facility we are working to convert a former lagoon site to a pollinator garden to enhance habitat in a low-intensity use area of the facility. Eradication of non-native and aggressive species was completed in fall 2022, and soil samples were collected to prepare for pollinator garden seeding to occur in spring 2023. Cliffs also engaged WHC to help determine baseline monitoring requirements of this project for its Conservation Certification program.

We continue to maintain Conservation Certification at Burns Harbor, through the efforts of our plant beautification team. In late October, the team successfully planted 1,000 plugs of native grasses and flowers at the East Gate of the facility. Additionally, the site welcomed youth day campers and chaperones from the Dunes Learning Center for a half-day program that consisted of a presentation on steelmaking where the campers could watch the process in real time via a live feed video from inside the mill. The campers also helped plant 80 plugs of milkweed in our onsite butterfly garden.

At our Northshore Mine (Minnesota), hikers are enjoying the Superior Hiking Trail that traverses through this property. Cliffs supported an access agreement that allowed the Superior Hiking Trail to connect our neighboring communities of Beaver Bay and Silver Bay.

The 300-mile trail stretches from Duluth, Minnesota into Canada, and provides hikers with access to the natural terrain along Lake Superior.

Not only does Cliffs take care of the land we currently own and operate, but we also value the importance of reclamation and remediation for potential future reuse. In 2022, the Pennsylvania Coal Alliance recognized our non-operational North Fork Mine with its Reclamation Award for Best Overall Project. The award was presented to Cliffs in recognition of outstanding reclamation of a surface mining operation where improved land use, water quality and other environmental benefits were achieved, based on ratings set forth by the Pennsylvania Department of Environmental Protection.

At our Lackawanna, New York, property, former home to a Bethlehem Steel integrated facility, we are engaged with the Great Lakes Restoration Initiative to help facilitate cleanup of property as part of the Gateway shipping canal. This remediation project also includes a public participation process to explore future development of a passive recreation area on the property along Lake Erie.



Rhiannon Ulatowski (right), Environmental Engineer at our Burns Harbor facility, accepting the award for Conservation Certification from Wildlife Habitat Council



Burns Harbor Plant Beautification Team planting trees



Steel slab at Cleveland Works' Hot Strip Mill

## 04

# Empowering Our People

Safe Production is the most important Core Value at Cleveland-Cliffs. We strive for safety excellence through proper training and protective equipment to ensure our people go home safely to their families. We aim to provide meaningful work for our employees as well as an attractive benefits package and opportunities for professional growth. Cliffs is proud of our strong union partnerships and we value the diversity of our workforce.

# HEALTH & SAFETY

Cleveland-Cliffs aims to create and foster a safe working environment for all, and we strive toward zero injuries. By adopting and leading in accordance with our corporate Safety Policy, as well as applicable regulations from the Occupational Safety and Health Administration and the Mine Safety and Health Administration, we strive for a safe and healthy environment for all who work at our sites. A large part of this effort includes diligent monitoring and tracking of our safety performance, as well as best practice sharing for continuous improvement. Cliffs focuses on proactive safety training and specific initiatives to achieve progress against our internal objectives and external benchmarks.

## Safety Management

Management of health and safety remains consistent at both the corporate and plant levels. Our plant managers are responsible for the overall safety of their assets, equipment and people, including contractors and visitors. They are expected to identify opportunities

to improve safety practices and performance, and emphasize the importance of safe working conditions for all. Site safety managers and engineers support the plant managers in this work. Incidents and near-misses are reviewed weekly, with corrective actions documented and implemented as soon as possible.

During 2022, we identified, reviewed and updated the most critical Safety Standards to provide consistent programs across our steelmaking operations. These included standards for:

- Overhead Crane Operation
- Confined Space Programs
- Employees Working at Height
- Railroad Safety Operation and Maintenance
- Energy Isolation / Lock-out and Tag-out

Our life saving rules are designed to keep our employees safe from serious injury or fatality. Below are the Life Saving Rules for all of our operations. Additionally, we provide support and training on various industrial hygiene concepts such as monitoring airborne contaminants and assessing physical hazards to relevant site personnel and union safety leadership. We continue to utilize the brief/debrief process, as well as recommend controls, measure performance and share best practices to achieve safety program targets.

## Life Saving Rules



Bypassing Safety Controls



Confined Space



Driving



Energy Isolation



Fit for Duty



Hot Work



Line of Fire



Molten Metal



Safe Mechanical Lifting



Take 5



Working at Height

## Safety Programs & Initiatives

In 2022, we continued to offer targeted safety programs and initiatives at our sites, including:

- In October, we held another Employee Health Week at our Burns Harbor facility. We hosted regional health organizations that set up informational booths to provide our people COVID-19 booster and flu vaccines, conducted health screenings and offered giveaways for participation. We also distributed a bag of locally grown fresh fruit and vegetables to every employee, which had been a much-appreciated activity from the prior year's Employee Health Week.
- Separately, Burns Harbor partnered with the American Heart Association to install a hands-only CPR training kiosk at our Deerfield Woods Training Center. The life-saving lesson takes approximately five minutes, and includes a video lesson followed by a practice session and a 30-second test. Every year more than 350,000 people go into cardiac arrest outside of a hospital and 90% of these people do not survive, so this kiosk is a small way that our employees may help save a life.



Hands-only CPR training kiosk in action at our Deerfield Woods Training Center in Burns Harbor, Indiana

## 2022 Safety Metrics

# 1.36

Total recordable incident rate (company-wide)

# 100%

Onsite workforce covered by an occupational health and safety management system

# 57M+

Employee hours worked

# 28

Average hours of health and safety training per employee

	2020	2021	2022
Total Recordable Incident Rate	1.18	1.37	1.36
Average hours of health, safety, and emergency response training (employees)	8	20	28

**Safety Performance**

Several of our sites were recognized in 2022 for their commitment to safety. Cleveland-Cliffs received the Midwest Regional Award presented by the Association of State Dam Safety Officials. Cliffs owns and operates five tailings storage facilities, and we have taken proactive steps to ensure the safety of these dams against potential failures. Through regular assessment, Cliffs updated our emergency action plans, reinforced thousands of feet of dam embankment and modified operations to reduce safety risks. Cliffs developed positive working relationships with state dam safety staff in Michigan and Minnesota (where our iron ore mines are located), keeping them apprised of operational status and long-term planning and seeking feedback as necessary.

In July 2022, Lake Superior & Ishpeming Railroad Co. (LS&I) won the 2021 Jake Award, given by the American Short Line and Regional Railroad Association. LS&I is a wholly owned subsidiary of Cleveland-Cliffs that transports our pellets from our Tilden mine to our dock in Marquette, Michigan. To win this award a member railroad must perform better than the Class II and III industry average injury frequency rate as reported by the Federal Railroad Administration during the prior year. The Jake Awards are named for the late Lowell S. “Jake” Jacobson, former president and General Manager of the Copper Basin Railway in Arizona. Mr. Jacobson was passionate about promoting railroad safety and created an awards program to honor fellow small-railroad colleagues and their commitment to safety.



**Spotlight On: Sentinels of Safety**

In October 2022, our Northshore Mine in Minnesota received the National Mining Association’s (NMA) 2021 Sentinels of Safety Award for outstanding performance in the Large Metal/Nonmetal Mill category. The NMA’s Sentinels of Safety Award recognizes coal and mineral mining operations in 10 categories for recording the most hours in a calendar year without a single lost-time injury. Established in 1925 by then Commerce Secretary Herbert Hoover, a former mining engineer, the Sentinels of Safety Award program remains the most prestigious recognition of mine safety in the United States, and continues to foster a strong safety commitment across the U.S. mining industry.

**Talent Management**

Building on the foundational work that began in 2021 as we harmonized our legacy systems, the Cleveland-Cliffs’ Human Resources (HR) team achieved a year of integration and development. Notably, the HR Team finalized internal and salaried recruitment policies, including a defined selection and interview process for salaried hiring. The new program rollout comprised user training for the HR team, interview teams and hiring managers to ensure everyone was aligned on these new policies and process.

We established the Cleveland-Cliffs Talent Center, comprised of the following disciplines: Talent Acquisition and Development, College Programs and Skilled Craft & Apprenticeship Training. The Talent Center strives to be a center of excellence that creates a motivated workforce that will come to Cliffs not just for a job, but remain for a career. Through the Talent Center, we aim to employ consistent processes and programs that attract and retain high-quality employees, developing their skills and continuously supporting them to thrive.

**Talent Acquisition and Development**

During 2022, Cleveland-Cliffs added expertise to our Talent Acquisition team, who serve as internal advisors and business partners to our various corporate departments. The Talent Acquisition team works closely with our broader HR team and internal stakeholders to build efficient and consistent recruiting and hiring processes across the Company. The Talent Acquisition

team also specializes in employment branding and compliance.

Throughout the year, we made enhancements to our external Careers site to better highlight current job openings and showcase Cliffs’ company culture. Here, prospective employees can find information on topics ranging from Company history, employment benefits, career paths and hiring process to our efforts around diversity, equity and inclusion. In 2022, we launched an internal employee referral program for current salaried employees that pays a bonus if their referral is hired into an eligible position.

The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employees. We provide our employees and their families with access to a variety of innovative, flexible and convenient health and wellness programs, including benefits that provide protection and security so they can have peace of mind concerning events that may require time away from work or that impact their financial well-being; that support their physical and mental health by providing tools and resources to help them improve or maintain their health and encourage engagement in healthy behaviors; and that offer choice so they can customize their benefits to meet their needs and the needs of their families. We are pleased to report from 2021 to 2022 our median employee annual total compensation increased from approximately \$125,000 to approximately \$132,000.

Cleveland-Cliffs employees and their families participate in the 2022 Walk to End Alzheimer’s at the Cleveland Metroparks Zoo



Developing our managers is critical to ensuring our workforce has leaders that demonstrate and encourage the Cleveland-Cliffs Core Values every day. In 2022, the Talent Development team offered two pilot programs for new managers. Based on initial feedback from these programs, we will offer a New Manager Development program in 2023 for newly hired or promoted managers. This program will provide helpful tools and resources for new managers to engage with their employees by cultivating trust through personal actions.

The Talent Development team also supports the College Programs team and its new hires by offering a New Graduate Development program specifically for college students hired into Cliffs across all of our locations and departments. This program focuses on developing our new college hires to continuously learn and leverage internal resources at Cliffs within their first year of employment.

### Spotlight On: Tyren Walker

Cliffs employees can come from many different places and backgrounds, but they also come from our local communities. Tyren Walker grew up in Coshocton, Ohio, and graduated from Coshocton High School in 2020. He started working in fast food when he was 16 and became an assistant manager after he graduated. Living in a small town, he always heard people talk about good jobs in the area with reputable companies, Cleveland-Cliffs being one of them. He decided to look into employment and applied at our Coshocton Works plant. He was hired in September 2021 and quickly fell in love with the job. Though he had no experience in steelmaking, he went through extensive training and job shadowing where fellow employees took Tyren under their wing and helped onboard him as a Laborer. Six months after being hired, Tyren was promoted to an Operating Technician in the Finishing department, where he ensures that the steel has the correct specifications before being shipped to the customer.



“I’m a people person. Since the day I was hired, my coworkers have always been nice and helpful to me, and every day I learn something new. We are like a family here, and that is what keeps me working at Cleveland-Cliffs.”

**TYREN WALKER**

### College Programs

In 2022, 186 students from over 40 schools across the United States joined Cleveland-Cliffs through our internship/co-op programs. We are pleased to report that we hired 127 new permanent, full-time employees through our New College Graduate program in 2022. Additionally, Cliffs has increased our participation in college recruiting efforts at several Historically Black Colleges & Universities (also known as HBCUs) including Howard University and Florida A&M University.

### Skilled Craft and Apprenticeship Training

Cleveland-Cliffs continues its commitment to local, state and community college partnerships to develop and secure local talent by offering opportunities for safe, rewarding and well-paying manufacturing careers. For example, our Cleveland Works facility renewed its partnership with Cuyahoga Community College and finalized revamped mechanical and electrical curriculums for students to earn a Steelworker for the Future technical certificate. Kickoff of this newly designed and innovative program commenced in January 2023 with initial internships to be offered during summer 2023. The program aims to produce graduates after one year rather than the previous two-year period.

Our Burns Harbor facility’s electrical maintenance partnership with Ivy Tech Community College (Ivy Tech) produced two graduates who participated in plant internships and were subsequently hired in 2022, with two more students in the 2023 pipeline. The Burns Harbor Training Committee also developed a state-of-the-art HVAC training program with Ivy Tech for internal Cliffs employees, and the program graduated four HVAC Technicians in 2022. Our Indiana Harbor facility continued its partnership with Ivy Tech to offer electrical skills training through the Craft Recruiting Program, which has placed 21 Advanced Manufacturing - Industrial Electrical graduates into full-time employment at Indiana Harbor since its inception.

Other notable partnerships include:

- **Coshocton Works, Ohio** – partnered with Career and Technology Education Centers of Licking County and created a training program meeting state-required apprenticeship standards. Coshocton Works also certified in-house instructors to provide electrical, mechanical and safety training to employees.
- **Minorca Mine, Minnesota** – partnered with Minnesota North College to create a blueprint reading instructional course for supervisors and welders. The training course reduced the expensive alternative of hiring outside contractors.
- **Rockport Works, Indiana** – used the Training, Performance, Compliance learning management system platform to develop online craft training programs. Ten Rockport Works operating employees started the program in Q1 2023.
- **Middletown Works, Ohio** – continued its summer work program for local high school students providing exposure to manufacturing while allowing participants to earn money toward their future career goals. Middletown Works as well as Rockport Works collectively hired 34 summer workers in 2022.

In 2022, several of our facilities were recipients of state and federal training grants allowing them to expand training initiatives and assist in their efforts to develop stronger, more advanced skilled craft programs.

# 186

Students participated in internship/co-op programs at Cliffs in 2022

## Diversity, Equity & Inclusion

At Cleveland-Cliffs, we aim to create a workplace that allows employees to thrive and grow—both personally and professionally—by providing opportunities for training and development as well as engagement with peers based on common interests. We publicly acknowledge this commitment with our OneCliffs Way of Doing Business: Our Code of Business Conduct and Ethics affirming that we do not make employment-related decisions nor will we discriminate based on race, color, religion, national origin, age, military or veteran status, disability, sex (including sexual orientation and gender identity), genetic information or any other characteristic protected by applicable law. Most importantly, we do not tolerate any form of harassment or intimidation anywhere in our Company, especially actions directed at those in a protected or underrepresented class. Cleveland-Cliffs is pursuing new opportunities to embrace diversity, equity and inclusion (DEI) in the coming year.

### Veterans and Women at Cleveland-Cliffs

The HR Team expanded our veteran hiring and retention efforts with a goal of fostering a military- and veteran-friendly work environment to attract and retain talent. In 2022, we certified two HR Team members as Certified Military Veteran Recruiters (CMVR), who serve as trained experts in military veteran recruitment best practices. Our CMVRs along with other HR Team members, attended many veteran recruiting fairs at both universities and on-base in Norfolk, Virginia. Additionally, we identified resources to establish an internal Veterans Business Resource Group (BRG) in early 2023.

The Women's Network BRG is also slated to commence in 2023 with year-long development opportunities and events planned. For the fourth consecutive year, Cliffs participated in the Women MAKE America Awards, formerly known as the STEP Ahead Awards, which recognize women in science, technology, engineering and production careers who exemplify leadership within their companies. We are pleased to report that Erin Bowers, Process Engineer at our Tilden mine in Michigan, was recognized as a 2023 Honoree.

Employees from Burns Harbor and Indiana Harbor participate in Women's Build Day with Habitat for Humanity NWI in Lake Station



### Spotlight On: Rose Davis

Rose Davis has worked in the steel industry for more than 30 years, and she has no plans to slow down any time soon. As a Lead Account Manager in our Commercial Plate group, Rose uses her experience and expertise to maintain longstanding relationships with our customers while helping to mentor employees who are new to the industry and to Cliffs. Her personal passion for advancing DEI fuels her drive to continue making a difference at Cleveland-Cliffs and beyond.

Over the last two years, Rose has sought out opportunities both internally and externally to educate peers on, and promote, DEI concepts. As a member of the DEI Committee for the Metals Service Center Institute, Rose has participated in panel discussions with other women of color to speak about her journey in the steel industry and where she has seen change occur over time. The DEI Committee serves as a helpful forum for professionals across the industry to ask questions and brainstorm ways to advance DEI in their own companies, such as establishing programming and attracting and retaining diverse talent.

Internally, Rose engages with Cliffs senior leaders around enhancing our DEI program and where she sees opportunities for the future. Rose began her career with Inland Steel after graduating from college, and stayed with the company through its various iterations to what it is today. During her tenure in the steel industry, she has seen how each iteration of the company approached DEI, and believes Cliffs is well-positioned to make a significant impact in this space. She recognizes that there are more women in the industry overall, including in management positions, and she is pleased to see this evolution.

Personally, Rose remembers one piece of advice that has stuck with her all these years: build your own personal board of directors. In addition to her mother—the most important board member—Rose has sought out influential people in both her personal and professional life that she has trusted to provide her guidance and support. While she believes in advocating for yourself and owning your career, she also believes you cannot do it alone. Looking ahead, Rose sees herself continuing to positively represent Cliffs in her current role, and hopes to be part of cultivating the DEI conversation for years to come.



## Labor Relations

In 2022, Cleveland-Cliffs continued our strong track record of positive labor relations with our union partners. More than 90% of Cliffs' hourly workforce are represented by three prominent unions—USW, United Auto Workers (UAW) and International Association of Machinists and Aerospace Workers (IAMAW). We are pleased to report that during 2022, three new labor contracts were successfully ratified for more than 15,000 represented union workers across our operating footprint:

- In June, a new 3-year labor agreement with the UAW was ratified, covering employees at our Butler Works, Pennsylvania facility.
- In September, a new 47-month labor agreement with the USW was ratified, covering employees at our legacy iron ore mining operations.
- In October, a new 4-year labor agreement with the USW was ratified, covering employees at 13 of our operating locations.

We look forward to continuing productive dialogue with our labor partners in 2023 as a number of other site

agreements reach expiration and will be renegotiated. Cliffs strongly believes that these positive partnerships with our unions help us remain competitive and protects our customers and their supply chains from disruptions due to labor disagreements.

We pride ourselves on maintaining consistent communications with our unions as the foundation of our approach to labor relations, and we encourage open dialogue at all levels of the Company. Employees are provided multiple avenues to raise concerns, ask questions or make suggestions on how to enhance their working experience. We are pleased to report that Cliffs did not experience any strikes or lockouts in 2022.

The market for skilled workers remains competitive, and in 2022, we continued to work with our union partners to attract and retain new talent. Company-wide, Cliffs hired more than 2,600 bargaining unit team members in 2022. As we prepare and develop the next generation of our workforce, we are committed to collaborating with our unions to provide meaningful work, excellent compensation packages and safe working conditions to promote pride as a Cleveland-Cliffs employees.

“Cleveland-Cliffs is a people oriented company. These labor agreements, covering more than half of our entire workforce, support that statement. Going forward, we will continue to promote our employees’ well-being as the basis of our success for the benefit of our clients and our long-term shareholders.”

### LOURENCO GONCALVES

Chairman, President and Chief Executive Officer

## Spotlight On: Katie Betters

After 14 years as a police officer, Katie Betters was ready for a career change. The mental and physical strain of the job was starting to take its toll, and Katie was looking forward to a fresh start. Her father worked at our Hibbing Taconite mine (HibTac) in Minnesota for 24 years as a maintenance mechanic, and Katie remembers taking tours of the mine as a child during Family Days.

Katie joined Cliffs as a production truck driver in 2019. After a little over two years in this role, she was promoted to Supervisor. It seemed a natural fit for Katie, because, as a truck driver, she understood how everything should work in the pit. As Supervisor, Katie is responsible for dispatching the entire pit. She sets up shifts for the crew, such as the truck drivers and shovel operators, inventorying the trucks and assigning drivers to each one. If any issues arise during the shift, she coordinates mechanics and electricians to troubleshoot. She has also trained new truck drivers, and continues to maintain open lines of communication with her colleagues to help answer questions.

A hunting accident unfortunately forced Katie's father to retire early from Cliffs, and this motivated her to become a firearms safety instructor for the Minnesota Department of Natural Resources in 2014. Since then, she has taught firearms safety to hunters both young and old, and as a Supervisor in a leadership role, she is involved in weekly safety talks at the mine. During her tenure as a police officer, Katie received a Distinguished Service Award for helping to save several young

adults from a home due to a carbon monoxide leak. Additionally, Katie is also a certified emergency medical technician. HibTac has its own emergency response team that Katie serves on, which provides emergency medical support as first responders while the ambulance is on its way.

Katie is a clear leader in all aspects of her life. Her philosophy is simple: she believes that everyone is human, and she is always willing to listen to others' ideas about how to accomplish common goals. A healthy respect of one another and our opinions goes a long way. She is the type of person you want to have on your team in both good times and times of crisis, and Cliffs is proud to have her on our team.





Cleveland-Cliffs employees collecting food for annual Souper Bowl Food Drive

## 05

# Connecting with Our Communities

We value the communities where we operate and their contributions to Cleveland-Cliffs. Through two-way dialogue, Cliffs can keep a pulse on what is important to our communities to ensure we act as a good neighbor. Through The Cleveland-Cliffs Foundation, we create tangible impact through strategic partnerships and significant financial support to like-minded organizations.

# STAKEHOLDER ENGAGEMENT

We believe it is vitally important to listen to and work with our stakeholders. Various groups throughout our Company regularly engage with a range of internal and external stakeholders to build and maintain two-way dialogue with our host communities, public officials and neighbors. Each year, Cliffs enhances our outreach efforts to ensure fairness and inclusivity of different stakeholder perspectives. This helps us prioritize activities and more effectively address issues important to our stakeholders.

## Community Engagement

Throughout 2022, Cleveland-Cliffs worked to build brand awareness and recognition to demonstrate our continued commitment to the regions where we operate. Through our Government and Community Relations team, Cliffs gets to know and supports the communities located in and around our major operational hubs.

An important tool in helping us support our communities is our Community Inquiry Program, which helps foster dialogue and provides us valuable information when community stakeholders have questions regarding our operations. In 2022, Cleveland-Cliffs received and responded to over 300 inquiries through this Program. Not only does the Program aid us in addressing potential community concerns, it helps us collaborate cross-functionally with our internal colleagues to strengthen our response. We track information gleaned from these interactions to determine the appropriate course of action, develop best practices and evaluate and improve program performance.

Another key aspect of our community relations work is our inclusion of Environmental Justice (EJ) principles. EJ as defined by the U.S. EPA is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the

development, implementation and enforcement of environmental laws, regulations and policies.

Additionally, Cliffs' employees continue to engage with local civic and community organizations, including chambers of commerce, economic development organizations, neighborhood associations and nonprofit stakeholders. These relationships allow us to incorporate the input of relevant community stakeholders into business decisions that may impact the community.

We occasionally bring our communities into Cliffs' facilities, where appropriate. For example, each year we hold National Manufacturing Days in partnership with The Manufacturing Institute. These Days allow local students to explore a career in steelmaking through tours of our operations. The first Friday of October is traditionally reserved for Manufacturing Day, and hundreds of local students toured our facilities, including Dearborn Works, Burns Harbor, Rockport Works, and Mansfield Works. Both Burns Harbor and Rockport Works hosted three different tours each, welcoming students from multiple schools.

## Community Open Houses

In 2022, Cliffs reached out to numerous communities to facilitate thoughtful dialogue with our Company leadership, most notably through our community open houses. Throughout 2022, we held open houses at several of our largest steel mills, including:

- Burns Harbor
- Riverdale
- Dearborn Works
- Cleveland Works
- Indiana Harbor



These events provided another critical opportunity for community stakeholders to directly engage with representatives from Cliffs. Open houses were held in a central location in the community, after normal business hours, in order to “bring Cliffs into the community.” The format allowed for one-on-one dialogue with Cliffs' senior leadership and plant personnel and included resources for communities where English is a second language. Collectively, approximately 430 community members attended these open houses. This successful effort built stronger partnerships with our community members and opened new lines of communication with our stakeholders, while advancing EJ concepts in our operating communities.

## Charitable Giving

Cleveland-Cliffs conducts charitable giving through a number of vehicles:

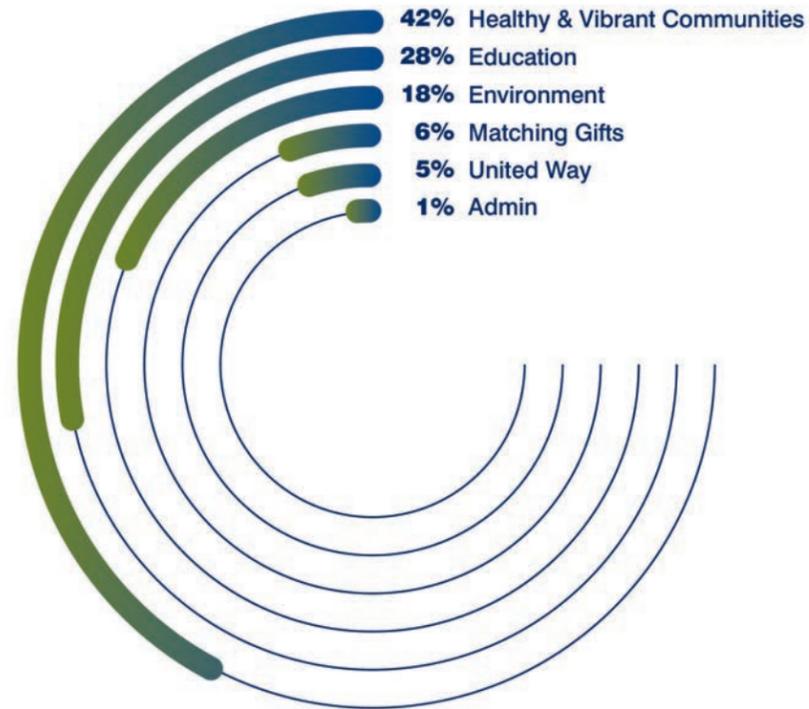
- The Cleveland-Cliffs Foundation, which makes donations to community organizations, facilitates employee matching gifts and funds a multi-year college scholarship program for children of employees
- Site-specific programs and events, such as employee volunteering
- Strategic partnerships, such as with the Cleveland Cavaliers among others

# \$7.4M

Donated to our local communities in 2022

(From top to bottom) Burns Harbor, Dearborn Works, Riverdale, Cleveland Works, Indiana Harbor

## 2022 Giving by Program Area



## The Cleveland-Cliffs Foundation

Established in 1962, The Cleveland-Cliffs Foundation (The Foundation) serves as a dedicated resource for our charitable giving activities in the communities where we operate. We partner with and invest in local organizations and initiatives that focus on promoting education, protecting the environment and supporting healthy and vibrant communities. This also includes initiatives such as employee matching gifts and our scholarship programs.

### Employee Giving and Matching Gift Program

Administered by The Foundation, the Employee Giving and Matching Gift Program supports causes most important to our employees. Through this program, employees are encouraged to donate to nonprofit organizations they care about and The Foundation matches these donations up to \$1,500 per employee per year. In 2022, Cliffs offered employees a special opportunity to directly support relief efforts for Hurricane Ian, which raised more than \$10,000 and was matched by the Foundation. The Foundation matched more than \$434,000 in employee donations in 2022.

**~\$434K**  
In employee donations  
matched in 2022

### Scholarship and Education Programs

The Foundation proudly supports two signature college scholarship programs. In 2022, we continued to expand our Sons and Daughters Scholarship Program to award 40 new competitive college scholarships to children of Cleveland-Cliffs employees. Additionally, 75 children received scholarship renewal awards. The Louie F. Cox African American Scholarship supports African American students who either live in Butler or Warren County (Ohio) or will graduate from a high school located in one of these counties. Two new scholarships (valued at \$20,000 each) and six renewals were awarded in 2022.

## Healthy & Vibrant Communities

The Foundation was proud to support the Cleveland Metroparks in their efforts to build a new outdoor bike park at the Ohio and Erie Canal Reservation. The Cleveland-Cliffs Bike Park creates a new outdoor complex that includes several first-of-its kind features in the region, including a public-use paved pump track, outdoor competition course, professionally paved jump line and youth-focused bike playground. The Cleveland-Cliffs Bike Park offers a unique experience for bike riders of all ages and skill levels and is free for all visitors.

In 2021 and 2022, The Foundation contributed \$1 million each year to address food security. Simultaneously in 2022, our employees donated more than 200,000 pounds of food through our Souper Bowl Food Drive, which resulted in donations to area food pantries in our local communities. The Foundation made a significant donation to World Central Kitchen—an organization that provides meals in response to humanitarian, climate and community crises—to support their relief efforts in Ukraine.



## Spotlight On: Family Days

On September 24, 2022, we welcomed approximately 8,000 employees and family members to our Middletown Works (Ohio) integrated mill for Family Day. This event was an opportunity to showcase all the great work we do at this facility, including through a virtual tour of the mill via a virtual reality experience. Cliffs employees and their families enjoyed food, games, face painting, bounce houses, train rides and more throughout the day. Additionally, through our partnerships with the Cincinnati Reds and FC Cincinnati, representatives from the teams as well as their mascots made a special appearance. A great time was had by all, and we look forward to continuing the Family Day tradition in the future.

Earlier in the month, we hosted a Summer Safe Family Day for the Hot Strip Mill at our Indiana Harbor facility. More than 200 employees, friends and family were in attendance. Attendees learned about the importance of a safe working environment, and had the opportunity to tour the Hot Strip Mill followed by a picnic lunch.



James Graham, chair of The Cleveland-Cliffs Foundation, cuts the ribbon to open the new Cleveland-Cliffs Bike Park

**National Fish & Wildlife Foundation**

Cliffs has supported the National Fish & Wildlife Foundation for the last 15 years through specific funds that are focused on conservation projects near our operational hubs: Sustain Our Great Lakes, Southeast Michigan Resilience Fund and Chi-Cal Rivers Fund. Through these funds, we advance environmental conservation near our facilities for the benefit of our local communities and beyond. In 2022, these three funds awarded \$18.1 million to more than 50 projects. Additionally, we indirectly support the important work done by organizations such as the U.S. Fish & Wildlife Service, U.S. Forest Service and U.S. Department of Agriculture. Also in 2022, Cliffs expanded our support to include the Central Appalachia Habitat Stewardship Fund, which funds projects located in the Appalachian regions of Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia.

**Employee-Driven Support**

Many of our Cliffs employees live in or near our operating communities, reinforcing the importance of supporting our local neighborhoods. Through United Way campaigns conducted across our operating footprint, Cliffs employees donated to support basic needs and social services for our local communities. With all donations matched by The Foundation, more than \$1 million was donated to support United Way initiatives in these communities.

Employee volunteering efforts continued to thrive in 2022 across our operating footprint. The following are numerous examples of the generosity of our Cliffs team members.

**Maumee Valley Habitat for Humanity**

In October 2022, employees from our Toledo DR plant joined the Maumee Valley Habitat for Humanity for “Rock the Block.” The event, sponsored by the Foundation, hosted dozens of volunteers to clean up parks, plant flowers, clear and trim brush and provide exterior repairs in an effort to revitalize the Birmingham neighborhood adjacent to the Toledo DR plant.

**Support to Encourage Low-Income Families Home Repair Program**

Middletown Works employees volunteer to provide home repairs to area residents through the Support to Encourage Low-Income Families Home Repair program. The program provides free home repairs and mobility modification to area seniors, people with disabilities and other families who are unable to physically or financially complete the repairs.

**Project Playhouse**

Coshocton Works employees partnered with Habitat for Humanity to support their Project Playhouse effort. Employees were matched with an area child to design a one-of-a-kind playhouse that provides a safe place to play.

**Brandywine Clean-Up**

Cliffs and our employees in Coatesville, Pennsylvania were proud to sponsor the Brandywine Clean-Up, hosted by the Brandywine Red Clay Alliance, an organization that works to promote the restoration, conservation and enjoyment of the natural resources of the Brandywine and Red Clay watersheds. A group of Coatesville employees joined local neighbors to clear debris from area roads, trails and streams. Additionally, the group worked to clean-up remaining flood debris from Hurricane Ida that impacted the area in summer 2021.

**STEM-Focused Engagement Opportunities**

Employees from our Toledo DR plant volunteered at a variety of STEM-focused engagement opportunities in 2022, including ones held at the Imagination Station and the American Heart Association’s STEM Goes Red event. Collectively, these events provided hands on activities while introducing youth to careers in engineering and other STEM fields.

**Reforestation Program**

Employees at our United Taconite mining operation collected pinecones from black spruce pine trees on our property to donate to the Minnesota Department of Natural Resources (MNDNR) for their reforestation program. The MNDNR will use the cones to seed approximately 5,000 acres to reforest MNDNR-managed land.

**Audubon Society & Dunes Calumet Audubon Society**

Employees at our Indiana Harbor facility worked with the Indiana Audubon Society and Dunes Calumet Audubon Society to install a falcon box prior to nesting season. The falcon box provides a safe nesting area for peregrine falcons and allows the Indiana Department of Natural Resources to monitor chick development and band them to determine where they migrate once they leave the nest.

**Adopt-A-Road**

Dearborn Works employees participate in the county’s Adopt-A-Road program. Periodically, employees pick up litter from the roadside in South Dearborn, near our facility. The program works to keep the county’s roadways clean and attractive for commuters and area residents.

**Spotlight On: IRONMAN Jay Parks**

James ‘Jay’ Parks, Shipping Unit Tech at our Coshocton Works, Ohio, facility, qualified for the 2022 IRONMAN 70.3 World Championship in St. George, Utah. The triathlon race, which took place on October 28-29, consisted of swimming, biking and running. Cliffs was proud to support Jay and outfit him with race gear as he chased his dream of competing at an elite level. Typically, Jay wears Cliffs-branded gear to all the events he competes in, such as 5k races, marathons and other triathlons. We look forward to cheering Jay on as he competes in the Boston Marathon in April 2023 and the Ironman 70.3 World Championships in Lahti, Finland, in August 2023.



## Strategic Partnerships

During 2022, Cliffs expanded (and established new) strategic partnerships in our local communities. Working closely with The Foundation and Community Relations, our internal team facilitates these strategic partnerships to continue building Company awareness externally while working with like-minded organizations to engage with our employees and give back to our communities.

### Cleveland Cavaliers

In early 2022, Cliffs and the Cleveland Cavaliers (Cavs) announced an expansion of our existing multi-year agreement that put our logo on the player uniforms for the 2022-2023 season. We are proud of our presence in the Great Lakes region, and this partnership allows us to have greater visibility across multiple fronts. Cliffs is the only steel company to have a jersey patch partnership with a major North American sports team. Cliffs has been headquartered in Cleveland since 1847 and operating in the Great Lakes region for more than 175 years, and this expanded partnership serves as a point of pride for both our employees and our hometown basketball team.

Cavs All-Star point guard Darius Garland hails from Gary, Indiana (near two of our largest steelmaking facilities that are located in Northwest Indiana) and his grandparents worked within the steel industry, providing another great connection between our organizations. Garland donates his time and talent by conducting free basketball camps for children, all of which are presented by Cliffs. In 2022, he conducted camps in Cleveland, Ohio, Northwest Indiana and Nashville, Tennessee, which were attended by 200 children in each location. Through our partnership with the Cavs we continue to support the Read to Achieve program, which encourages a love of reading and provides reading materials to children throughout Northeast Ohio. In 2022, we engaged with approximately 48,000 students through this program.

Another important aspect of our Cavs partnership is our support of the Boys and Girls Clubs of America (Clubs). The Foundation pledged a significant amount of new funding to support Clubs serving our host communities. Clubs within Cliffs' operating footprint were encouraged to apply for competitive grant dollars to support capital- and program-related expenses that

encourage healthy lifestyles. In 2022, the Foundation awarded a total of nearly \$500,000, dispersed among the following Clubs in our host communities:

- Central Ohio
- Chicago
- Cliff Hagan Boys and Girls Clubs (Rockport, Indiana)
- Hamilton (Ohio)
- Harrisburg
- Northeast Ohio
- Northland (Hibbing, Minnesota)
- Northwest Indiana
- Ocoee Region (Cleveland, Tennessee)
- Philadelphia
- Toledo
- West Chester/Liberty



Darius Garland conducting a youth basketball camp



Darius Garland, point guard for the Cleveland Cavaliers, wearing a game jersey with the Cleveland-Cliffs jersey patch

“Being from Gary, Indiana, I know first-hand how important Cliffs and steel are to communities, both here in Cleveland and across our region. Every time I put this jersey on and see the Cliffs patch on the chest, I’ll be reminded of these people and motivated by the hard-working mentality that they bring every day.”

**DARIUS GARLAND**  
Point Guard, Cleveland Cavaliers



### Spotlight On: Community Tours

Cliffs and the Cavs teamed up on the Bigger Than Basketball Community Tour for its first stop in Mansfield, Ohio. This new initiative focuses on providing resources for underserved populations in each community by teaming up with local agencies to help identify specific needs such as clothing, food security and recreation. Each visit on the tour includes fun with the Cavs such as youth basketball clinics and appearances from their entertainment teams.

In Mansfield, Cliffs and the Cavs partnered with The New Store, Friendly House and Children’s Hunger Alliance of Richland County. The day kicked off at The New Store, a program of Richland County Children’s Auxiliary that serves more than 2,000 youth annually, including supplying them with new clothing for the school year. Our Mansfield Works facility has been supporting The New Store for many years and we were pleased

to continue this support in a meaningful way. The New Store organizes an annual winter coat drive, and more than 900 youth received winter coats as well as a Cliffs/Cavs branded winter hat. Thanks to a generous donation by the Children’s Hunger Alliance, each child took home a shelf-stable meal as well. Members of the Cavs Powerhouse Dance Team and Cavaliers Better Halves (spouses and significant others of Cavs players and coaches) attended the event alongside Cliffs employees.

The second event of the day took place at Friendly House, a community center that provides after school programming for the immediate neighborhood and community. One hundred youth attended and received winter coats, hats and meals. The youth also participated in a Cavs Academy Basketball Clinic, a Powerhouse Dance Clinic and enjoyed a special appearance by Cavs mascot Sir CC.

### Cleveland Guardians

Cleveland-Cliffs is the presenting partner of PlayBall! CLE, an initiative of Cleveland Guardians Charities that provides financial support and educational resources to underserved baseball, softball and adaptive organizations throughout Northeast Ohio. This program aims to support youth players, coaches and volunteers to ensure every league within the program is positively impacting the lives of the youth they serve. The partnership between Cleveland Guardians Charities and local youth leagues involves a number of benefits to help increase representation and growth of baseball and softball in marginalized communities, including attending a Guardians game during the regular season. More than 5,800 people from 11 participating leagues attended three PlayBall! CLE events at Progressive Field and League Park.

Additionally, we provided opportunities for our Cleveland Works and Mansfield Works employees to attend a Guardians game during the regular season. More than 2,000 employees and their families from Cleveland Works attended games in September, including enjoying a pregame meal, ballpark experiences and watching Department Administrator Ryan Howell throw out the ceremonial first pitch. Mansfield Works employees and their families attended games in August and participated in the same experiences.

*Ryan Howell, Department Administrator at our Cleveland Works facility, throws out the first pitch at a Cleveland Guardians game*



### Cincinnati Reds & FC Cincinnati

Cliffs engages in partnerships with the Cincinnati Reds and FC Cincinnati due to their proximity to our Middletown Works, Ohio, facility. Through our partnership with the Reds, we have provided local employees the opportunity to watch batting practice or throw out the ceremonial first pitch before a regular season game, as well as attend the game. Over the past year we have worked to bring the Fun at Bat program to Middletown and its surrounding communities. Fun at Bat is a nationwide initiative with an emphasis on character development, functional movement, active play and fun through the game of baseball. We look forward to launching this initiative in 2023 with students from the Middletown School District.

Through our multi-year partnership with FC Cincinnati—a Major League Soccer club located in Cincinnati, Ohio—we participated in a social media campaign to recognize local high school soccer teams in the Greater Cincinnati region (including near Middletown). Weekly voting was facilitated throughout the high school soccer season, which culminated in a winner for Team of the Year. The recipient, Taylor Men’s High School Soccer team, was acknowledged at the final FC Cincinnati home game of the season on October 2, 2022. Additionally through our partnership, Cliffs has a brand presence at FC Cincinnati’s stadium, and we provide home game tickets to our employees as well as to the Team of the Week. Cliffs ‘presents’ the club’s “Street Team,” which travels across the region to promote the club, and we look forward to also presenting a soccer match during the 2023 season.



Hot-Dipped Galvanizing Line at Dearborn Works

## 06

# Acting with Integrity

Strong corporate governance and ethical business practices serve as the foundation of Cleveland-Cliffs' company culture. We believe in honesty, fairness and treating everyone with respect—from our Board of Directors to our employees, and our customers to our suppliers.

# CORPORATE GOVERNANCE



The Cleveland-Cliffs Board of Directors (the Board) is comprised of 10 directors, nine of which are deemed independent under the New York Stock Exchange 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 Chief Executive Officer Lourenco Goncalves. Cliffs' Corporate Governance Guidelines serve as the framework within which the Board conducts its business.

Our Strategy and Sustainability Committee provides essential oversight of Cliffs' risks, opportunities and projects related to business strategy and sustainability. The Strategy and Sustainability Committee's charter also includes oversight of climate-related risks and opportunities, and the Committee regularly engages with management regarding Cliffs' employee health and safety programs and ESG initiatives.

The Board participates in their regularly scheduled meetings and ad hoc meetings as appropriate to actively engage with senior management, stay informed on significant issues and developments and oversee Cliffs' strategic direction. Cliffs continually enhances its approach to corporate governance as our business grows and evolves. It is critical that we maintain positive relations with our stakeholders and investors to meet expectations, and we welcome two-way dialogue to promote open communication.

For 2022, we established new Strategic Initiatives for our EMPI program, some of which were ESG-focused. For example, the Compensation and Organization Committee approved initiatives aimed at developing a renewable energy portfolio and emissions reduction targets that are science-based, as well as participating in emerging technologies such as carbon capture and sequestration. For more information about our corporate governance and executive compensation practices, please see our most recent [Proxy Statement](#) filed with the U.S. Securities and Exchange Commission.

## Core Values, Ethics & Compliance

Cleveland-Cliffs' employees embody our Core Values every day through their hard work and dedication to the success of our business. The shared focus on our Core Values as the foundation for our business dealings provides us the ability to overcome challenges and helps us maintain trust with our colleagues and external stakeholders. Our OneCliffs Way of Doing Business outlines the necessary behaviors we are expected to follow to uphold our Core Values. Our Ethics Committee, led by our Chairman, President and Chief Executive Officer, Lourenco Goncalves, and comprised of our executive leadership, continues to oversee the investigation of reported potential ethics violations and to determine appropriate follow-up measures. Our Ethics Committee has the important responsibility of ensuring that Cliffs operates according to all applicable laws, rules and regulations while maintaining the highest standards of ethics and integrity.

Our employees are the eyes and ears of Cleveland-Cliffs. Raising concerns can help our Company improve processes and solve problems quickly and effectively. There are various channels for reporting concerns: to supervisors or trusted managers; to HR personnel at local operating sites or offices; to a member of the Ethics Committee; to an attorney in our Legal Department; or via our Ethics Helpline, which can be accessed by phone or through an online platform. Cliffs takes reported concerns seriously and does not allow retaliation against employees for reporting concerns in good faith. All of our non-represented salaried employees are required to complete training on our OneCliffs Way of Doing Business via an online learning platform. Starting in 2023, this training will take place in January of each year.

Compliance goes hand-in-hand with ethics and integrity. Respect for human rights is imperative to responsible business practices and we comply with all applicable laws and regulations governing human rights. In 2022, we enhanced our Human Rights Policy to make explicit our commitment to both the United Nations' Universal Declaration of Human Rights and the United Nations' Guiding Principles on Business and Human Rights. All of our corporate policies work together to promote a well-rounded culture of ethical business practices.

With more than 27,000 employees across our operating footprint, Cleveland-Cliffs takes cybersecurity very seriously. We have a dedicated Information Technology Security team that aligns our approach to cyber threats with the National Institute of Standards and Technology cybersecurity framework. Cliffs has a cross-functional Information Security Committee, chaired by our Chief Information Officer, that oversees policy and investment in this area. The Chief Information Officer reports biannually to the Board of Directors via the Audit Committee on information security risks and cybersecurity status and plans.

## Enterprise Risk Management

Cleveland-Cliffs manages risk at all levels of our Company. We utilize a proven methodology that provides value to all aspects of our business. Our Enterprise Risk Management (ERM) process captures a wide variety of risks, including key ESG risks. In 2021, executive management identified key operations for an in-depth enterprise risk review based on size and history of the facilities.

### 2022 Director Highlights

**7.1**  
Years of average tenure

**30%**  
Ethnically diverse

**4**  
New directors joined the Board in the last 4 years

**30%**  
Women

**90%**  
Independent

In 2022, we completed risk reviews for the majority of our integrated operations, EAF facilities, finishing facilities and mining operations—repeating those that were completed in 2021 to continually build on the integrity of the program. We plan to complete remaining sites in 2023 and to conduct risk reviews on a continuing cadence thereafter.

Identified risks continue to be managed by facility leadership at the facility level. Each risk has an associated timeline and owner who regularly reviews the status of risk mitigation with facility management. Executive management is kept apprised of how the ERM process progresses across our operational footprint so they are prepared to discuss specific risk reviews with facility managers who report directly to them; can identify trends in risks; determine potential capital expenditures associated with identified risks; and allow analysis within the context of our overall business strategy.

### Public Policy & Advocacy

Involvement in public policy and advocacy allows Cleveland-Cliffs to represent its interests and educate policymakers on matters that relate to the future success of the steel industry in the United States. Cliffs conducts direct advocacy with policymakers at the local, state and federal levels on relevant and timely policy matters. For example, in 2022, we worked with the U.S. Department of Commerce, the Office of the United States Trade Representative and steel industry advocates in Congress to urge the continuation of stringent steel Section 232 tariffs and quotas. We also partnered with the USW, the American Iron and Steel Institute and other organizations to inform and influence the ongoing U.S. government negotiation of the Global Arrangement on Sustainable Steel with the European Union.

Cleveland-Cliffs' Chairman, President and Chief Executive Officer, Lourenco Goncalves, was personally involved in conducting bipartisan advocacy in support of passage of the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS Act). The CHIPS Act will provide necessary government incentives for the establishment of new microchip manufacturing capabilities in the U.S. Given Cliffs' position as the largest producer of steel for the North American automotive industry, passage of the CHIPS Act will be critical to remedying supply chain bottlenecks

restricting automotive production volumes and, by extension, steel consumption by the automotive sector.

Cliffs was an active participant in four U.S. International Trade Commission (USITC) Five-Year Sunset Reviews of existing Anti-Dumping (AD) and Countervailing Duty (CVD) orders on the following steel products: Corrosion-Resistant, Cold-Rolled, Hot-Rolled and Cut-to-Length Steel Plate. The USITC conducted reviews of cases that were initially brought by the domestic steel industry and the USW successfully in 2015 and 2016 in response to a surge of dumped and subsidized steel imports at that time. Mr. Goncalves testified at all four USITC Sunset Review hearings in 2022, addressing the importance of maintaining these orders so that, among other things, Cliffs can earn an adequate rate of return on our capital needed to reinvest into our business for the future. These successful sunset reviews resulted in the continuation of the AD/CVD orders for most countries subject to the cases for a minimum of five additional years.

Cliffs is the definitive steel industry leader with respect to its partnership with the DOE toward pursuing GHG emissions reductions and energy efficiency opportunities across its operating footprint. In August 2022, Cliffs hosted U.S. Secretary of Energy Jennifer Granholm and Congresswoman Marcy Kaptur, Chair of the House Appropriations Subcommittee on Energy and Water, at its state-of-the-art Toledo DR Plant. This visit served as an opportunity to highlight our modern plant and to discuss how Cliffs' usage of HBI from this plant results in substantial GHG emission reductions, particularly from reduced coke rates in our blast furnaces.

In follow up to Secretary Granholm's Toledo visit, Mr. Goncalves met with the Secretary in her Washington, D.C. office in October 2022. The two discussed Cliffs' ability to utilize hydrogen as a replacement for fossil fuels in its steelmaking furnaces when hydrogen is commercially available in the future. Mr. Goncalves and Secretary Granholm also discussed other areas of partnership between Cliffs and the DOE related to the Better Plants and Better Climate Challenge Initiative programs.

Following passage of the Inflation Reduction Act in August 2022, Cliffs worked with senior staff from the White House Domestic Policy Office to participate in a series of announcements related to President

Biden's "Buy Clean" initiatives. In September, Cliffs hosted U.S. Secretary of Transportation Pete Buttigieg, White House Climate Advisor Ali Zaidi and Robin Carnahan, Administrator of the General Service Administration. As part of the "Buy Clean" announcements, these officials held up Cliffs' Toledo DR Plant as an example of the type of innovative, forward-thinking, clean manufacturing investment that the "Buy Clean" policy is meant to spur.

Cliffs was particularly active in accommodating public official visits in 2022, hosting the following individuals, among others:

- U.S. Secretary of Energy, Jennifer Granholm
- U.S. Secretary of Transportation, Pete Buttigieg
- U.S. General Services Administrator, Robin Carnahan
- White House National Climate Advisor, Ali Zaidi

- U.S. Senator Rob Portman (Ohio)
- U.S. Representative Marcy Kaptur (Ohio)
- U.S. Representative Frank Mrvan (Indiana)
- U.S. Representative Chrissy Houlahan (Pennsylvania)
- U.S. Representative Max Miller (Ohio)
- U.S. Representative Warren Davidson (Ohio)
- U.S. Representative Tim Ryan (Ohio)
- U.S. Representative Bill Johnson (Ohio)
- U.S. Representative Mike Kelly (Pennsylvania)
- State Representative Dave Lislegard (Minnesota)
- State Representative Pat Boy (Indiana)
- State Senator Rodney Pols (Indiana)
- State Senator Scott Hutchinson (Pennsylvania)
- State Representative Paula Hicks-Hudson (Ohio)
- Dearborn Michigan Mayor Abdullah Hammoud

U.S. Secretary of Transportation Pete Buttigieg (middle) tours Cleveland-Cliffs Direct Reduction facility in Toledo, Ohio





U.S. Secretary of Energy Jennifer Granholm meets with Cleveland-Cliffs Chairman, President and Chief Executive Officer Lourenco Goncalves in Washington, D.C.

## Value Chain Engagement

As a vertically integrated iron and steel producer, Cleveland-Cliffs manages a unique value chain both upstream and downstream. While we own and produce many of our raw materials, we rely on our suppliers to provide other critical materials necessary for the steelmaking process, as well as transportation of these materials and finished products.

Cliffs engages in due diligence on sourced raw materials in accordance with our Conflict Minerals Policy, as well as Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the use of conflict minerals. We cascade our expectations to our suppliers to adhere to our Code of Business Conduct and Ethics, Code of Conduct for Cliffs Suppliers, Human Rights Policy, Environmental Policy and Conflict Minerals Policy to ensure we are aligned in our shared values and responsible business practices. All of these documents are publicly available on our [corporate website](#).

We engage with our suppliers to understand their sustainability performance. In 2022, we enhanced our supplier engagement program further by surveying our top suppliers (by total annual spend) to inquire about their own sustainability goals and targets. This engagement is driving meaningful dialogue between

Cliffs and our top suppliers, which we aim to expand in the coming year. In addition, we improved our CDP Supplier Engagement Rating to an A-, demonstrating our leadership in engaging suppliers around sustainability.

## Supplier Diversity

Maintaining a diverse supply chain is important to Cliffs. We believe that suppliers from diverse backgrounds bring unique perspectives to the table and innovative ideas to a critical industry with a long history. In 2022, we spent \$365 million with diverse suppliers and have a target to increase this spend year over year. As we advance our business strategy and sustainability goals, we want to partner with suppliers that are not afraid to think outside the box.

**\$365M**  
Spent with diverse suppliers in 2022

## Supplier Performance

As a key supplier in our own customers' value chains, Cliffs regularly responds to requests for information relative to our sustainability strategy and initiatives through various channels, including EcoVadis, a provider of business sustainability ratings. Cliffs is pleased to report that we retained our Silver medal for sustainability achievement in 2022 while increasing our overall scores. Where appropriate, we will continue to prioritize EcoVadis and other customer requests (such as CDP) as a way to uncover opportunities for collaboration in achieving shared sustainability goals.

Cleveland-Cliffs' performance as a valued supplier was recognized several times in 2022. Nissan awarded us their Monozukuri Spirit award at their Regional Supplier Appreciation and Awards event at The Country Music Hall of Fame and Museum. The Monozukuri Spirit award is given to suppliers that embrace the Monozukuri mindset: a cross-functional effort between purchasing, quality, supply chain, manufacturing, logistics, product planning, design and engineering that encourages

a collaborative exchange of improvement ideas between Nissan and its suppliers. Monozukuri is the Japanese term for 'manufacturing', and the broader meaning encompasses a synthesis of technological prowess, know-how and spirit of Japan's manufacturing practices.

In June, representatives from Cliffs were recognized by Subaru of Indiana Automotive (SIA) for exceptional performance over the past year at their annual awards ceremony in the Greater Lafayette, Indiana area. Cleveland-Cliffs was awarded the Special Recognition Award – Excellence in Partnership for going above and beyond effort as identified by SIA management. SIA is Subaru's only manufacturing facility outside of Japan and currently makes the Ascent, Impreza, Legacy and Outback models for North America.



Cleveland-Cliffs is honored to be an EcoVadis silver award recipient, underscoring our commitment to corporate social responsibility and sustainable procurement.

Cleveland-Cliffs representatives accept the Special Recognition Award — Excellence in Partnership from Subaru of Indiana Automotive



## Spotlight On: Hightowers Petroleum Co.

Yudell Hightower was on his way to Detroit for a job at Chrysler when his train made a stop in Middletown, Ohio. He had a few friends here and decided to stay, taking a job at Armco Steel (now Cleveland-Cliffs). While working at Armco, Yudell began building his fuel business in 1957. In 1982, his son Stephen (Steve) built upon the family's legacy business by founding Hightowers Petroleum Co. (HPC) as a wholesale fuel distributor. From there, the business has evolved and grown into an energy solutions enterprise that serves customers across 42 states.

HPC began delivering gasoline and diesel fuel to Middletown Works in 2009. Since then, we have expanded our partnership to include multiple sites with plans to add more in 2023. HPC serves several of our automotive customers, which helps create synergies in understanding the operational demands of heavy manufacturing. Having found a niche in these types of markets, HPC recognizes the need for timeliness and standardization in the products it delivers, and strives for continuous improvement through programs like ISO certification.

When asked about the relationship between Cliffs and HPC, Chief Operating Officer Stephen L. Hightower II said the companies have 'grown together.' "Each plant operates differently and with different needs, and HPC has learned to adapt to these varied needs to work with existing suppliers to create efficiencies for Cliffs," Stephen said. He believes that Cliffs and HPC share the same values of treating suppliers with respect, fostering two-way dialogue to work through issues and creating opportunities for mutual success over the long-term.

Sustainability is an important shared value, and HPC is walking the talk. They are a U.S. EPA SmartWay program member, which helps companies advance supply chain sustainability by measuring, benchmarking and improving

freight transportation efficiency. This helps HPC and its carrier partners determine the most efficient routes for product delivery. HPC also has an in-house professional dedicated to sustainability, and the company plans to publish its first ESG report in 2023. Stephen believes that growth occurs through innovation, and HPC continues to evolve its business with the changing landscape. For example, HPC recently partnered with one of the largest producers of renewable diesel with the goal of building a distribution infrastructure network across the United States to serve customers in the Midwest and beyond. HPC has also established a turnkey EV charging company as the world moves toward EV adoption.

With all the success the Hightower family has achieved over the last 60 years, they are most proud of having built a business in which the whole family can participate. And, the business provides the opportunity to give back to the city of Middletown. Stephen organized a group that helped raise \$8 million to rebuild the Robert "Sonny" Hill Jr. Community Center, one of the oldest and most recognizable institutions in Middletown, originally founded by Armco Steel in 1947. Cliffs values like-minded companies like HPC for continued future success.



*Members of the Hightowers family who lead the family business*

# PERFORMANCE METRICS

Performance metrics for 2020 and 2021 are listed in the following tables as reported in our Sustainability Report 2020 and Sustainability Report 2021, respectively, at the time of each report publishing. Performance metrics listed for 2022 cover the calendar year ending December 31, 2022.

## Environmental Performance

Metric	2020	2021	2022	Units
<b>Energy</b>				
Total energy consumed	349,909,354	439,929,345	380,523,579	Gigajoules
<i>Grid electricity consumption</i>	30,552,696	38,099,122	33,113,203	Gigajoules
<i>Percentage of energy from grid</i>	9%	9%	9%	%
<i>Purchased steam consumption</i>	1,514,715	772,108	778,276	Gigajoules
<i>Self-generated electricity</i>	9,360,655	9,217,005	6,909,687	Gigajoules
Total fuel consumed	317,841,943	401,058,115	344,530,118	Gigajoules
<i>Percentage coal and coke</i>	55%	49%	45%	%
<i>Percentage of natural gas</i>	44%	49%	53%	%
Total energy intensity	23	26	25	Gigajoules/t crude steel
<b>GHG Emissions &amp; Air Quality</b>				
Direct scope 1 GHG emissions	27.5	29.2	25.4	million metric tons CO <sub>2</sub> e
Indirect scope 2 GHG emissions (location-based)	4.7	5.3	4.6	million metric tons CO <sub>2</sub> e
Scope 1 and Scope 2 GHG emissions	32.2	34.5	30.0	million metric tons CO <sub>2</sub> e
Scope 1 and 2 GHG emissions intensity (company-wide)	2.08	2.05	1.97	total t CO <sub>2</sub> e/t crude steel
Scope 1 and 2 GHG emissions intensity (integrated BF/BOF average)	1.82	1.67	1.60	total t CO <sub>2</sub> e/t crude steel
Scope 1 and 2 GHG emissions intensity (EAF average)	1.16	1.01	1.04	total t CO <sub>2</sub> e/t crude steel
Nitrogen oxide (NO <sub>x</sub> )	31,798	35,293	31,857	metric tons
Sulfur dioxide (SO <sub>x</sub> )	17,871	19,790	16,474	metric tons
Volatile organic compounds (VOC)	2,050	2,881	2,625	metric tons
Carbon monoxide (CO)	121,294	151,273	127,106	metric tons
Particulate matter (PM)	12,094	18,246	15,649	metric tons
Particulate matter (PM <sub>10</sub> )	8,483	10,109	7,697	metric tons
Particulate matter (PM <sub>2.5</sub> )	4,758	6,648	5,386	metric tons
HAPS	92	90	72	metric tons
Lead	3	4	3	metric tons
MnO	3	—	—	metric tons
PAHs	2	4	4	metric tons

Metric	2020	2021	2022	Units
<b>Waste &amp; Wastewater<sup>[5]</sup></b>				
Water intake total	1,567,560	1,165,435	1,092,703	Megaliters/thousand m <sup>3</sup>
<i>Surface water (fresh)</i>	1,438,333	1,053,275	964,082	Megaliters/thousand m <sup>3</sup>
<i>Stormwater</i>	98,546	72,974	88,710	Megaliters/thousand m <sup>3</sup>
<i>Ground water</i>	10,440	12,446	11,402	Megaliters/thousand m <sup>3</sup>
<i>Produced municipal water</i>	20,241	26,740	28,508	Megaliters/thousand m <sup>3</sup>
Water discharge total	1,398,161	942,736	1,040,865	Megaliters/thousand m <sup>3</sup>
<i>Surface water (fresh)</i>	1,391,021	933,564	1,033,353	Megaliters/thousand m <sup>3</sup>
<i>Municipal POTW</i>	7,141	9,172	7,511	Megaliters/thousand m <sup>3</sup>
Water consumption	169,398	222,698	51,838	Megaliters/thousand m <sup>3</sup>
Water recycled	2,055,070	1,823,051	2,349,315	Megaliters/thousand m <sup>3</sup>
Water recycled	57	156	215	%
<b>Waste Management</b>				
Hazardous waste generated	554,431	680,609	575,876	metric tons
Hazardous waste recycled	139,119	180,989	146,060	metric tons
Hazardous waste recycled	25	27	25	%
Hazardous waste disposal total	415,312	499,618	430,506	metric tons
<i>Incineration (with energy recovery)</i>	6	296	228	metric tons
<i>Incineration (without energy recovery)</i>	1,266	1,480	1,263	metric tons
<i>Landfilling</i>	19,222	14,520	17,359	metric tons
<i>Other disposal</i>	2,874	7,975	3,620	metric tons
<i>Onsite other disposal</i>	391,944	475,347	408,036	metric tons
Non-hazardous waste generated	2,547,220	2,092,430	2,508,822	metric tons
Non-hazardous waste recycled	1,446,025	1,017,969	1,136,523	metric tons
Non-hazardous waste recycled	57	49	45	%
Non-hazardous waste disposal total	1,101,195	1,074,699	1,372,300	metric tons
<i>Incineration (with energy recovery)</i>	11,372	9,518	7,208	metric tons
<i>Incineration (without energy recovery)</i>	165	358	158	metric tons
<i>Landfilling</i>	636,396	1,050,361	1,349,084	metric tons
<i>Other disposal</i>	449,507	14,254	15,573	metric tons
<i>Onsite other disposal</i>	3,755	208	276	metric tons

Metric	2020	2021	2022	Units
<b>Environmental Capital Expenditures</b>				
Environmental capital expenditures	33.5	62	133	Million USD
<b>Spills</b>				
Number of reportable spills	139	205	198	# of events
Total volume of reportable spills	138.8	113	134	m <sup>3</sup>
<b>Mining Reclamation</b>				
Area reclaimed during the current year	46	80	246	hectares
Area disturbed during the current year	94	104	154	hectares
Area of land yet to be reclaimed	10,566	12,576	12,544	hectares
Total area of land reclaimed	2,140	2,399	2,585	hectares
Total mine facility footprint	33,394	33,286	33,333	hectares
<b>Tailings &amp; Overburden</b>				
Overburden generated	136,900,274	135,844,084	158,473,916	metric tons
Tailings generated	55,229,309	66,138,322	52,347,232	metric tons

**Social & Governance Performance**

Disclosure Title	Metric	2020	2021	2022
<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	60 days	60 days
	Is notice period specified in collective bargaining agreements/contracts (Y/N)	Y	Y	Y
Percentage of employees covered by collective bargaining agreements, broken down by US or Foreign employees	Percentage of employees covered by collective bargaining agreements	72%	72%	70%
Number of strikes and lockouts	Number of strikes and lockouts	0	0	0
Duration of strikes and lockouts	Duration of strikes and lockouts	0	0	0

Disclosure Title	Metric	2020	2021	2022
<b>Labor Practices</b>				
Workers covered by an occupational health and safety management system	Number of employees and non-employees working onsite covered by an occupational health and safety management system based on legal requirements/recognized standards	30,790	31,472	35,381
	Percentage of employees and non-employees working onsite covered by an occupational health and safety management system based on legal requirements/recognized standards	98.6%	100.0%	100.0%
	Number of employees and non-employees working onsite covered by an occupational health and safety management system that has been internally audited	30,790	31,472	35,381
	Percentage of employees and non-employees working onsite covered by an occupational health and safety management system that has been internally audited	78.6%	100.0%	100.0%
	Number of employees and non-employees working onsite covered by an occupational health and safety management system that has been audited or certified by external party	28,178	15,940	17,112
	Percentage of employees and non-employees working onsite covered by an occupational health and safety management system that has been audited or certified by external party	78.6%	51.0%	48.0%
Work-related injuries	The number of fatalities as a result of work-related injury (employees)	0	2	2
	The rate of fatalities as a result of work-related injury (employees)	0.000	0.008	0.007
	The number of high-consequence work-related injuries (excluding fatalities) (employees)	86	124	122
	The rate of high-consequence work-related injuries (excluding fatalities) (employees)	0.34	0.47	0.42
	The number of recordable work-related injuries (employees)	328	407	436
	The rate of recordable work-related injuries (employees)	1.31	1.53	1.51
	The number of hours worked (employees)	53,224,430	57,847,953	
	The number of fatalities as a result of work-related injury (onsite non-employees)	0	0	0
	The rate of fatalities as a result of work-related injury (onsite non-employees)	0.000	0.000	0.000
	The number of high-consequence work-related injuries (excluding fatalities) (onsite non-employees)	8	18	12
	The rate of high-consequence work-related injuries (excluding fatalities) (onsite non-employees)	0.14	0.27	0.16
	The number of recordable work-related injuries (onsite non-employees)	36	67	63
	The rate of recordable work-related injuries (onsite non-employees)	0.63	1.01	0.82
	The number of hours worked (onsite non-employees)	11,491,087	13,248,108	15,326,578
MSHA all-incidence rate		3.05	3.95	3.86
Near miss frequency rate (NMFR)		1.45	2.19	2.23
Average hours of health, safety, and emergency response training (employees)		8	20	28
Average hours of health, safety, and emergency response training (non-employees)		1	1	1

Disclosure Title	Metric	2020	2021	2022
<b>Employee Engagement &amp; DEI</b>				
Diversity of governance bodies	Percent board of directors—female	33%	30%	30%
	Percent board of directors—male	67%	70%	70%
	Percent board of directors <30 years old	0%	0%	0%
	Percent board of directors 30-50 years old	8%	0%	0%
	Percent board of directors > 50 years old	92%	100%	100%
	Percent board of directors ethnically diverse	25%	30%	30%
Diversity of employees	Percent of female employees (non-union)	18%	20.4%	19.6%
	Percent of male employees (non-union)	82%	79.6%	80.4%
	Percent of female employees (union)	8%	8.7%	9.3%
	Percent of male employees (union)	92%	91.3%	90.7%
	Percent of employees <30 years old		11.7 %	12.9%
	Percent of employees 30-50 years old		49.3%	49.4%
	Percent of employees > 50 years old		39%	37.7%
	Percent of employees ethnically diverse		16.8%	17.5%
	Number of new hires <30 years old		1,324	1,376
	Number of new hires 30-50 years old		1,721	1,884
	Number of new hires > 50 years old		497	554
	Rate of new hires <30 years old		37.4%	36.1%
	Rate of new hires 30-50 years old		48.6%	49.4%
	Rate of new hires > 50 years old		14.0%	14.5%
	Number of new hires—female		552	604
	Number of new hires—male		3,035	3,212
	Rate of new hires—female		15.4%	15.8%
	Rate of new hires—male		84.6%	84.2%
	Salary Turnover		7.6%	2.7%
	Hourly Turnover		3.9%	8.4%
Total Turnover		4.7%	11.1%	
Supplier Diversity	Total diverse supplier spend	\$288 million	\$392 million	\$365 million
Training & Development	Average hours of training on environmental, energy or technical topics for relevant employees		6	6
	Number of employees receiving training on company policy		100%	100%
	Number of employees receiving tuition reimbursement (whole or part)		63	59
	Number of employees in apprenticeship training programs		244	808

Disclosure Title	Metric	2020	2021	2022
<b>Human Rights &amp; Community Relations</b>				
Operations with local community engagement, impact assessments, and/or development programs	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	100%	100%	100%
Charitable contributions	Total monetary charitable contributions (corporate and Foundation)	\$6.5 million	\$6.5 million	\$7.4 million
	Total Monetary Employee Contributions (matching gifts to nonprofits)	\$873,000	\$495,000	\$434,000
Percentage of (1) proved and (2) probable reserves in or near areas of conflict		0%	0%	0%
Percentage of (1) proved and (2) probable reserves in or near indigenous land		0%	0%	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	0	0
<b>Customer Welfare, Selling Practices and Product Labeling</b>				
Incidents of non-compliance concerning the health and safety impacts of products and services		0	0	0
Incidents of non-compliance with regulations for product labeling		0	0	0
Incidents of non-compliance with regulations for marketing communications		0	0	0
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
<b>Governance</b>				
Communication and training covering anti-corruption policies and procedures	Percent of board members receiving communication and training on anti-corruption policies and procedures	100%	100%	100%
	Percent of employees receiving communication and training on anti-corruption policies and procedures	100%	100%	100%
Confirmed incidents of corruption and actions taken		0	0	0
Production in countries with 20 lowest rankings in Transparency International's Corruption Perception Index (metric tons)		0	0	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	Zero Agency Actions	Zero Agency Actions

# STATEMENT OF GREENHOUSE GAS (GHG) EMISSIONS

Management of Cleveland-Cliffs Inc. (Cliffs or the Company) is responsible for the completeness, accuracy and validity of the Statement of GHG Emissions. Management is also responsible for the collection, calculation and presentation of the information included in the Statement of GHG Emissions and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the Statement of GHG Emissions.

Management asserts that the Statement of GHG Emissions for the year ended December 31, 2022 are presented in accordance with The Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (Revised Edition)*, published by the World Resources Institute/World Business Council for Sustainable Development.

Information outside of the Statement of GHG Emissions, including linked information, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the calendar year ended December 31, 2022, or information relating to forward-looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

## Base Year

Cleveland-Cliffs measures progress toward our GHG emissions reduction goal against a base year of 2017. The base year of 2017 was chosen, as this is the year the company began its GHG reduction journey and announced the strategic plan to begin construction of the Toledo IronUnits Direct Reduced Iron facility. The 2017 base year includes consolidated Scope 1 and Scope 2 location-based emissions. If significant changes occur

in the configuration of Cliffs assets or if significant emission changes are found that make a material impact on our footprint, the base year will be recalculated to reflect those changes. These changes may include, but are not limited to, transfers of ownership that necessitate the merging of reduction targets or emissions, structural changes in the company that may impact base year emissions, the outsourcing and insourcing of emitting activities, significant adjustment of calculation methodologies, or the discovery of significant errors (individually or collectively) which Cliffs determines to have a material impact on the reported emissions footprint.

## Targets

For discussion of Cleveland-Cliffs' GHG emissions reduction targets see the Climate & GHG Emissions section of the Sustainability Report 2022.

## Boundary

Cleveland-Cliffs' organizational GHG boundary includes emissions from its production facilities under operational control. In the case where ownership is shared and Cliffs has operational control of the asset, reporting includes the entirety of emissions from this facility. Locations and emissions not included in the boundary definition are de minimis emissions sources that are expected to be insignificant compared the company's Scope 1 and 2 footprint such as stand-alone offices or shutdown legacy locations undergoing remediation, reclamation and/or redevelopment. Variable Interest Entities (VIE), where Cliffs does not have ownership and operational control, are excluded from the organizational GHG boundary. Cliffs reports consolidated Scope 1 and Scope 2 GHG emissions representing approximately 70 facilities.

## Calculation Methodologies

When calculating Scope 1 emissions, data is collected from facilities within multiple data systems following internal processes for corporate level consolidation. Calculation methodologies for site level stationary Scope 1 emissions are based upon the applicable regulatory requirements of individual facilities including **US EPA 40 CFR 98**. Regulatory-required emissions factors are prioritized and where these do not exist, other published factors and calculation methodologies are used, including **US EPA Factor Hub** and Canada's National Inventory Report. Cliffs consolidated Scope 1 emissions include emissions from Cliffs-operated mobile equipment. Mobile Scope 1 emissions are determined using facility fuel consumption volumes and US EPA emission factors from the aforementioned US EPA Factor Hub.

Consolidated Scope 2 emissions in the covered GHG Emissions statement are determined using location-based methodology for Scope 2 accounting. Emissions are calculated by multiplying the amount of company-purchased utilities consumed by the appropriate regional factors for that geographic location. The most recently published **US EPA eGRID** factors (eGrid2021) are used for US-based locations. Factors from Canada's National Inventory Report 1990-2020 are used for Canada-based locations. Scope 2 market-based emissions will be reported separately later this year once supplier emission factor data is fully available. Market-based emissions do not significantly differ from location-based emissions.

## Global Warming Potential (GWP)

Global Warming Potential (GWP) factors were developed to measure the amount of energy the emissions of one ton of gas will absorb relative to one ton of carbon dioxide. For both Scope 1 and Scope 2 emissions, Cleveland-Cliffs uses the IPCC Fourth Assessment Report (AR4) 100-year GWP values outlined in US EPA 40 CFR 98 for all data, including the base year, to maintain consistency between disclosures.

Gas	100-Year GWP
CH <sub>4</sub>	25
N <sub>2</sub> O	298

## GHG Emissions Report

Reported emissions are based on the calendar year January 1 to December 31, 2022. The following emissions statement includes three of the seven GHG emissions covered under UNFCCC/Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). Cliffs does not have emissions of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfurhexafluoride (SF<sub>6</sub>), or nitrogen trifluoride (NF<sub>3</sub>). Emissions are reported in metric tons and metric tons of carbon dioxide equivalents (CO<sub>2</sub>e). Emissions data for direct CO<sub>2</sub> emissions from biologically sequestered carbon (e.g., CO<sub>2</sub> from burning biomass/biofuels), are reported separately from the scopes. No biogenic emissions were applicable in CY2022.

Cleveland-Cliffs Consolidated GHG Emissions for CY2022 and Base Year (Million Metric Tons of CO <sub>2</sub> e)		
	Base Year 2017	CY2022
Scope 1	35.5	25.4
Scope 2 (Location-Based)	8.6	4.6
Gross Scope 1 and 2 (Location-Based)	44.1	30.0

Cleveland-Cliffs Consolidated Scope 1 Emissions by GHG for CY2022		
Greenhouse Gas	Million Metric Tons	Million Metric Tons of CO <sub>2</sub> e
Carbon Dioxide	25.3	25.3
Methane	0.0	0.1
Nitrous Oxide	0.0	0.0

Cleveland-Cliffs Consolidated Scope 2 Location-Based Emissions by GHG for CY2022		
Greenhouse Gas	Million Metric Tons	Million Metric Tons of CO <sub>2</sub> e
Carbon Dioxide	4.6	4.6
Methane	0.0	0.0
Nitrous Oxide	0.0	0.0

## LIMITED ASSURANCE REPORT

### Independent Accountant's Review Report

Management of Cleveland-Cliffs Inc.  
200 Public Square, Suite 3300  
Cleveland, OH 44114

We have reviewed management of Cleveland-Cliffs Inc.'s (the "Company") assertion that the accompanying Statement of Greenhouse Gas (GHG) Emissions for the year ended December 31, 2022 (the "Statement of GHG Emissions") is presented in accordance with the Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (Revised Edition)*, published by the World Resources Institute/World Business Council for Sustainable Development (the "GHG Protocol"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

## Deloitte.

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The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures and inquiries. For a selection of the disclosures within the Statement of GHG Emissions, we performed tests of mathematical accuracy of computations, compared amounts to underlying records, or observed the data collection process.

The preparation of the Statement of GHG Emissions requires management to interpret the GHG Protocol, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of Scope 1 and Scope 2 GHG emissions includes estimates and assumptions that are subject to inherent measurement uncertainty resulting, for example, from accuracy and precision of GHG emission conversion factors. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and disclosures. The selection by management of different but acceptable measurement methods, input data, or assumptions, may have resulted in materially different amounts or disclosures being reported.

Our review was limited to the disclosures in the Statement of GHG Emissions. All other information presented within the Company's Sustainability Report, including linked information, any information relating to periods prior to the year-ended December 31, 2022, or information relating to forward looking statements, targets, goals and progress against goals, was not subject to our review. Accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to management of Cleveland-Cliffs Inc.'s assertion that the accompanying Statement of GHG Emissions of Cleveland-Cliffs Inc. for the year ended December 31, 2022 is presented in accordance with the GHG Protocol, in order for it to be fairly stated.

*Deloitte + Touche LLP*

**April 3, 2023**

## CONTENT INDEX

The Cleveland-Cliffs 2022 Sustainability Report provides a comprehensive overview of the Company's ESG programs and performance. 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, and subsequent updates.

GRI Index

GRI Standard	Disclosure	#	Location of Content
<b>General Disclosures 2021</b>			
Organization and reporting practices	Organizational details	2-1	About Cleveland-Cliffs
	Entities included in the organizations' sustainability reporting	2-2	About Cleveland-Cliffs
	Reporting period, frequency and contact point	2-3	About This Report
	External Assurance	2-5	Statement of GHG Emissions
Activities and workers	Activities, value chain and other business relationships	2-6	Steel for a Sustainable Society; Value Chain Management
	Employees	2-7	Performance Metrics
Governance	Governance structure and composition	2-9	Corporate Governance
	Nomination and selection of the highest governance body	2-10	<b>Corporate Governance Guidelines</b>
	Chair of the highest governance body	2-11	Corporate Governance
	Role of the highest governance body in overseeing the management of impacts	2-12	<b>Strategy and Sustainability Committee Charter</b>
	Delegation of responsibility for managing impacts	2-13	<b>Corporate Governance Guidelines</b>
	Role of the highest governance body in sustainability reporting	2-14	<b>Strategy and Sustainability Committee Charter</b>
	Conflicts of interest	2-15	<b>Conflict of Interest Policy; Cleveland-Cliffs 2023 Proxy Statement</b>
	Communication of critical concerns	2-16	<b>Cleveland-Cliffs 2023 Proxy Statement; Performance Metrics</b>
	Collective knowledge of the highest governance body	2-17	<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Evaluation of the performance of the highest governance body	2-18	<b>Corporate Governance Guidelines</b>
	Remuneration policies	2-19	<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Process to determine remuneration	2-20	<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Annual total compensation ratio	2-21	<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Strategy, policies and practices	Statement on sustainable development strategy	2-22
Policy commitments		2-23	Core Values, Ethics & Compliance
Embedding policy commitments		2-24	Acting With Integrity
Process to remediate negative impacts		2-25	Community Engagement; Core Values, Ethics & Compliance
Mechanisms for seeking advice and raising concerns		2-26	Core Values, Ethics & Compliance
Compliance with laws and regulations		2-27	Performance Metrics
Membership associations		2-28	Public Policy & Advocacy
Stakeholder engagement		Approach to stakeholder engagement	2-29
	Collective bargaining agreements	2-30	Performance Metrics

GRI Standard	Disclosure	#	Location of Content
<b>Topic Standards</b>			
Economic Performance 2016	Direct economic value generated and distributed	201-1	<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Financial implications and other risks and opportunities due to climate change	201-2	<b>Cleveland-Cliffs 2022 Form 10-K; Climate &amp; GHG Emissions</b>
	Defined benefit plan obligation and other retirement plans	201-3	<b>Cleveland-Cliffs 2022 Form 10-K</b>
Indirect Economic Impacts 2016	Infrastructure investments and services supported	203-1	Community Engagement
Anti-Corruption 2016	Operations assessed for risks related to corruption	205-1	Enterprise Risk Management; Performance Metrics
	Communication and training about anti-corruption policies and procedures	205-2	Core Values, Ethics & Compliance; Performance Metrics
	Confirmed incidents of corruption and actions taken	205-3	Performance Metrics
Anti-competitive Behavior 2016	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1	Performance Metrics
Materials 2016	Recycled input materials used	301-2	Steel for a Sustainable Society
Energy 2016	Energy Consumption within the organization	302-1	Performance Metrics
	Energy consumption outside the organization	302-2	Performance Metrics
	Energy intensity	302-3	Performance Metrics
	Reduction of energy consumption	302-4	Energy
Water & Effluents 2018	Interactions with water as a shared resource	303-1	Water & Wastewater
	Management of water discharge-related impacts	303-2	Water & Wastewater
	Water withdrawal	303-3	Performance Metrics
	Water discharge	303-4	Performance Metrics
	Water consumption	303-5	Performance Metrics
Biodiversity 2016	Habitats protected or restored	304-3	Land Management & Biodiversity; Performance Metrics
Emissions 2016	Direct (Scope 1) GHG emissions	305-1	Performance Metrics; Statement of GHG Emissions
	Energy indirect (Scope 2) GHG emissions	305-2	Performance Metrics; Statement of GHG Emissions
	Other indirect (Scope 3) GHG emissions	305-3	<b>2022 CDP Climate Change</b>
	GHG emissions intensity	305-4	Performance Metrics
	Reduction of GHG emissions	305-5	Climate & GHG Emissions; Performance Metrics
	Nitrogen oxides, sulfur oxides, and other significant air emissions	305-7	Performance Metrics
	Waste 2020	Waste generation and significant waste-related impacts	306-1
Management of significant waste-related impacts		306-2	Steel for a Sustainable Society; Waste & Hazardous Materials
Waste generated		306-3	Performance Metrics
Waste diverted from disposal		306-4	Performance Metrics
Waste directed to disposal		306-5	Performance Metrics

GRI Standard	Disclosure	#	Location of Content
<b>Topic Standards</b>			
Supplier Environmental Assessment 2016	New suppliers that were screened using environmental criteria	308-1	Value Chain Engagement
Employment 2016	New employee hires and employee turnover	401-1	Performance Metrics
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	Talent Management
Labor/Management Relations 2016	Minimum notice periods regarding operational changes	402-1	Performance Metrics
Occupational Health and Safety 2018	Occupational health and safety management system	403-1	Health & Safety
	Hazard identification, risk assessment, and incident investigation	403-2	Health & Safety
	Occupational health services	403-3	Health & Safety
	Worker participation, consultation, and communication on occupational health and safety	403-4	Health & Safety
	Worker training on occupational health and safety	403-5	Health & Safety
	Promotion of worker health	403-6	Health & Safety
	Workers covered by an occupational health and safety management system	403-8	Performance Metrics
	Work-related injuries	403-9	Health & Safety; Performance Metrics
Training and Education 2016	Work-related ill health	403-10	Performance Metrics
	Average hours of training per year per employee	404-1	Performance Metrics
Diversity and Equal Opportunity 2016	Programs for upgrading employee skills and transition assistance programs	404-2	Talent Management; Performance Metrics
	Diversity of governance bodies and employees	405-1	Corporate Governance; Performance Metrics
Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	413-1	Community Engagement; Performance Metrics
Supplier Social Assessment 2016	New suppliers that were screened using social criteria	414-1	Value Chain Engagement
Customer Health and Safety 2016	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	Performance Metrics
Marketing and Labeling 2016	Incidents of non-compliance concerning product and service information and labeling	417-2	Performance Metrics
	Incidents of non-compliance concerning marketing communications	417-3	Performance Metrics
Customer Privacy 2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Performance Metrics

## 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	Performance Metrics
	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	Climate & GHG Emissions
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) (7) volatile organic compounds (VOCs) (8) manganese (MnO) (9) polycyclic aromatic hydrocarbons (PAHs)	EM-MM-120a.1 EM-IS-120a.1	Performance Metrics
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	EM-MM-130a.1 EM-IS-130a.1	Performance Metrics
	(1) Total fuel consumed (2) percentage coal (3) percentage natural gas (4) percentage renewable	EM-IS-130a.1	Performance Metrics
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	Water & Wastewater; Performance Metrics
Waste & Hazardous Materials	Total weight of tailings produced	EM-MM-150a.5	Performance Metrics
	Total weight of waste generated, amount and percentage hazardous, percentage recycled	EM-MM-150a.7 EM-IS-150a.1	Performance Metrics
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	Waste & Hazardous Materials
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	Environmental Management
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	Performance Metrics
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-MM-210a.2	Performance Metrics
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	Community Engagement
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	EM-MM-310a.1	Labor Relations; Performance Metrics
	Number and duration of strikes and lockouts	EM-MM-310a.2	Labor Relations; Performance Metrics
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	Health & Safety; Performance Metrics

Topic	Accounting Metric	Code	Secondary Entry	Location of Content
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1		Core Values, Ethics & Compliance
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-MM-510a.2		Performance Metrics
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		<b>Cleveland-Cliffs 2022 Form 10-K</b>
Activity Metrics	Production of (1) metal ores and (2) finished metal products	EM-MM-000.A		<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Total number of employees, percentage contractors	EM-MM-000.B		Performance Metrics
	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	EM-IS-000.A		<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Total iron ore production	EM-IS-000.B		<b>Cleveland-Cliffs 2022 Form 10-K</b>
	Total coking coal production	EM-IS-000.C		<b>Cleveland-Cliffs 2022 Form 10-K</b>

## FORWARD-LOOKING STATEMENTS

This report contains statements that constitute “forward-looking statements” within the meaning of the federal securities laws. All statements other than historical facts, including, without limitation, statements regarding our current expectations, estimates and projections about our industry or our businesses, are forward-looking statements. We caution investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following: 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 supply chain disruptions, such as the semiconductor shortage, and higher consumer interest rates, which could result in lower steel volumes being demanded; 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 inflationary pressures, the COVID-19 pandemic, conflicts or otherwise; severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges of one or more of our major customers, including customers in the automotive market, key suppliers or contractors, which, among other adverse effects, could disrupt our operations or 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 an infectious disease outbreak or the COVID-19 pandemic, including workforce challenges and the risk that novel variants will prove resistant to existing vaccines or that new or continuing lockdowns in China will impact our ability to source certain critical supplies in a timely and predictable manner; risks related to U.S. government actions with respect to Section 232 of the Trade Expansion Act of 1962 (as amended by the Trade Act of 1974), the United States-Mexico-Canada Agreement 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, and reclamation and remediation obligations; 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, including adverse impacts as a result of the Inflation Reduction Act of 2022; the outcome of, and costs incurred in connection with, lawsuits, claims, arbitrations or governmental proceedings relating to commercial and business disputes, antitrust claims, environmental matters, government investigations, occupational or personal injury claims, property damage, labor and employment matters, or suits involving legacy operations and other matters; uncertain availability or cost, due to inflation or otherwise, 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; the risk that the cost or time to implement a strategic or sustaining capital project may prove to be greater than originally anticipated; 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; cybersecurity incidents relating to, disruptions in, or failures of, information technology systems that are managed by us or third parties that host or have access to our data or systems, including the loss, theft or corruption of sensitive or essential business or personal information and the inability to access or control systems; 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 level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks; uncertainties associated with our ability to meet customers’ and suppliers’ decarbonization goals and reduce our greenhouse gas emissions in alignment with our own announced targets; 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 greenhouse gas emissions, and our ability to foster a consistent operational and safety track record; 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; 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; uncertain availability or cost of skilled workers to fill critical operational positions and potential labor shortages caused by experienced employee attrition or otherwise, as well as our ability to attract, hire, develop and retain key personnel; 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. Forward-looking and other statements in this report regarding our GHG reduction plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed. In addition, historical, current and forward-looking GHG-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. 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, 2022, and our other filings with the U.S. Securities and Exchange Commission.



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