



ArcelorMittal

news release

ArcelorMittal call for green border adjustment to address climate change while securing the competitiveness of European steel mills

Paris, 11th December 2018 - ArcelorMittal today called for Europe to introduce a green border adjustment whereby steel imported into Europe has the same standards applied on CO₂ as European-produced steel under the Emissions Trading System (ETS) regime. The adjustment would call for any shortfall in CO₂ emissions to be compensated by the importer. The green border adjustment would incentivise effective reduction in carbon emissions and prevent the competitiveness of the European steel industry being eroded.

Following the implementation of phase 4 of the ETS European steel producers will incur additional costs that companies producing in other regions of the world and importing into Europe are not obliged to pay.

Steel is a globally traded material with approximately one third consumed in a different country to where it was produced. Imports into Europe have increased in recent years as a result of global overcapacity with imports from countries without comparable climate policies in 2018 standing at approximately 26 million tonnes on an annualised basis.

Speaking at the company's annual media day, held in Paris, Aditya Mittal, President and CFO of ArcelorMittal, said:

“The introduction of a green border adjustment is critical to create a level playing field from which to drive genuine improvement. The current system will not change how steel is made only where steel is made. Europe will continue to need as much steel as ever, but the likelihood is more of this steel will come from countries that do not have comparable climate policies. That may enable Europe to claim the emissions of its production has reduced but that is meaningless when it doesn’t address the emissions of what it consumes. There are no continents in the sky and while the contributions of individual countries are important, there must be measures to prevent carbon leakage in globally traded materials like steel. I am convinced that we can help make a real and positive difference, but only if we have the right policies in place to support a level playing field and incentivise and support investments in potentially transformation technologies. I sincerely hope that Europe’s policy makers can see the logic and rationale for this and will give it serious consideration.”

During the media day, ArcelorMittal also said it is analysing the application of new technologies that can have significant impact over the longer-term, including carbon capture, storage and use; using renewable carbon such as renewable biomass; and replacing carbon with renewable sources of power. However, it also cautioned that investment from both public and private sources for the demonstration, scale-up and commercialisation of these breakthrough technologies will be required, as was the case in the European energy sector which on average has received government support equivalent to an annual subsidy of over EUR50/t of CO2 emissions avoided.

David Clarke, Vice President Strategy and CTO said:

“Steel is the world’s preferred material, nature friendly, supportive of a circular economy and at the heart of the sustainable future. Steel is superior to other materials in both its recyclability and intensity of CO2 emissions. Policy, energy and technology developments will be the key determinants of successful lower emissions pathways for steelmaking. Provided there is significant support for resourcing the technical challenge, we believe the steel industry can adapt its technology over the next decades to meet the carbon challenge. To enable this, however, it is critical that governments put in place policy that is sound, and this includes a level playing field and access to competitively priced, renewable energy.”

ArcelorMittal highlighted steel's natural advantage over other materials from the perspective of both recyclability and CO2. Steel's magnetic properties makes it the easiest material to recover from waste streams, and it is 100% recyclable to produce a new piece of steel. And even as it currently stands a product made from steel will have generated significantly less CO2 than one made from other materials, including glass or aluminium.

To access the presentations from the media day, please visit:

<https://corporate.arcelormittal.com/news-and-media/publications-and-reports>

ENDS

About ArcelorMittal

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 18 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2017, ArcelorMittal had revenues of \$68.7 billion and crude steel production of 93.1 million metric tonnes, while own iron ore production reached 57.4 million metric tonnes.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

For more information about ArcelorMittal please visit: <http://corporate.arcelormittal.com/>

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