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Contents

- Our activities
- Role of steel in the global economy
- worldsteel Short Range outlook
- Our sustainability challenge
Our activities
Initiatives and Activities

worldsteel is active in key areas of interest to the steel industry:

- Safety and health
- Communications
- Economics and steel market analysis
- Education and training
- Life cycle assessment
- Climate change and environment
- Sustainability
- Raw materials
- Technology
- Automotive
- Construction
Role of steel in the global economy
Steel industry enables economic activity

2017 data

- 3.8% of Global GDP
- 3.0% of Global employment

Source: Oxford Economics
worldsteel Short Range outlook
## Regional overview

Steel demand, finished steel (SRO October 2020)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>19/18</th>
<th>20/19</th>
<th>21/20</th>
<th>2021 as % of 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World</strong></td>
<td>1 766.7</td>
<td>1 725.1</td>
<td>1 795.1</td>
<td>3.5/1.3*</td>
<td>-2.4</td>
<td>4.1</td>
<td>146.5</td>
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<tr>
<td>European Union (28)</td>
<td>158.3</td>
<td>134.3</td>
<td>149.0</td>
<td>-5.5</td>
<td>-15.2</td>
<td>11.0</td>
<td>73.4</td>
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<tr>
<td>Other Europe</td>
<td>33.8</td>
<td>35.2</td>
<td>39.3</td>
<td>-10.0</td>
<td>4.0</td>
<td>11.9</td>
<td>130.0</td>
</tr>
<tr>
<td>CIS</td>
<td>58.9</td>
<td>53.6</td>
<td>56.5</td>
<td>5.9</td>
<td>-9.0</td>
<td>5.5</td>
<td>99.1</td>
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<tr>
<td>USMCA</td>
<td>135.3</td>
<td>114.6</td>
<td>122.2</td>
<td>-4.0</td>
<td>-15.3</td>
<td>6.7</td>
<td>86.7</td>
</tr>
<tr>
<td>Central &amp; South America</td>
<td>41.6</td>
<td>37.4</td>
<td>40.5</td>
<td>-3.0</td>
<td>-10.1</td>
<td>8.2</td>
<td>95.0</td>
</tr>
<tr>
<td>Africa</td>
<td>36.4</td>
<td>30.6</td>
<td>33.4</td>
<td>0.4</td>
<td>-16.0</td>
<td>9.3</td>
<td>146.5</td>
</tr>
<tr>
<td>Middle East</td>
<td>47.9</td>
<td>38.5</td>
<td>40.9</td>
<td>-3.5</td>
<td>-19.5</td>
<td>6.2</td>
<td>93.8</td>
</tr>
<tr>
<td>Asia &amp; Oceania</td>
<td>1 254.5</td>
<td>1 280.9</td>
<td>1 313.1</td>
<td>6.6/3.4*</td>
<td>2.1</td>
<td>2.5</td>
<td>191.8</td>
</tr>
<tr>
<td>China</td>
<td>907.5</td>
<td>980.1</td>
<td>980.1</td>
<td>8.5/4.0*</td>
<td>8.0</td>
<td>0.0</td>
<td>234.2</td>
</tr>
<tr>
<td>Developing Asia excl. China</td>
<td>201.7</td>
<td>173.2</td>
<td>198.7</td>
<td>5.1</td>
<td>-14.1</td>
<td>14.7</td>
<td>202.8</td>
</tr>
<tr>
<td>Developed Asia</td>
<td>138.7</td>
<td>121.5</td>
<td>127.9</td>
<td>-2.4</td>
<td>-12.4</td>
<td>5.3</td>
<td>80.0</td>
</tr>
<tr>
<td>World excl. China</td>
<td>859.2</td>
<td>745.0</td>
<td>815.0</td>
<td>-1.4</td>
<td>-13.3</td>
<td>9.4</td>
<td>101.0</td>
</tr>
</tbody>
</table>

* World growth rates based on adjusted Chinese growth rates
Among advanced economies, the US is expected to be first in reaching of Q4 2019 level

Asia is leading the recovery lead by China and followed by ASEAN and India

Latin American economies are expected to show recovery

Source: IHSMarkit
Automotive

Despite the post-lockdown recovery, production is still lower than the pre-pandemic level, except for in China.

Structural shift with change in urban mobility patterns, realignment of supply chains and transition to EV.

Source: CEIC

Source: IHS Markit
Since easing of lockdown, construction recovery is being helped by pent-up demand, easy access to credit, infrastructure investment.

Recovery will be subdued due to low profit, high unemployment, uncertainty. Infrastructure will drive recovery.

A structural shift in construction demand is expected due to change in behaviour and work arrangements.

Construction trend 2020: selected countries

Construction outlook, % (y-o-y)
Automation, infrastructure and green recovery programs will drive recovery

In many regions, the sector is still contracting. Recovery will be constrained by weak prospects of investment

Following a severe contraction in Q2, an uneven recovery across regions is taking place.

Source: CEIC

Source: IHS Markit
Our sustainability challenge
Sustainability Indicators

- Environmental focus continues to be on energy and CO₂ intensity
- Improved safety performance and continued investment in workforce training
- Improved investment and distribution of economic value

<table>
<thead>
<tr>
<th>Environmental Performance</th>
<th>Year/Metric</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. C0₂ intensity (tonnes C0₂ / tonne)</td>
<td></td>
<td>1.87</td>
<td>1.87</td>
<td>1.84</td>
<td>1.81</td>
<td>1.83</td>
</tr>
<tr>
<td>2. Energy intensity (GJ / tonnes of steel cast)</td>
<td></td>
<td>20.25</td>
<td>20.26</td>
<td>19.85</td>
<td>19.54</td>
<td>19.84</td>
</tr>
<tr>
<td>3. Material efficiency (% of solid materials converted in products &amp; co-products)</td>
<td></td>
<td>97.36</td>
<td>96.92</td>
<td>96.49</td>
<td>96.33</td>
<td>97.49</td>
</tr>
<tr>
<td>4. Environmental Management System (EMS) (% of employees and contractors working in registered production facilities)</td>
<td></td>
<td>93.59</td>
<td>96.89</td>
<td>96.55</td>
<td>97.08</td>
<td>97.15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Lost-Time-Injury-Frequency-Rate (injuries / million hours worked)</td>
</tr>
<tr>
<td>6. Employee Training (training days / employee)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Investment in new products and processes (% of revenue)</td>
</tr>
<tr>
<td>7. Economic Value Distributed (% of revenue)</td>
</tr>
</tbody>
</table>
A focus on environmental performance

The steel industry has 97% material efficiency

New steels make vehicles lighter, conserve energy and materials in buildings, and emits less CO₂

More than 84% of steel is recycled at the end of its useful life
Three waves of progress

Steel production, CO2 emissions and CO2 intensity, 2019 - 2050 under the International Energy Agency (IEA) Sustainable Development Scenario (SDS)

Demand Increase

1. Step-up

2. Increased Scrap Availability

3. Breakthrough Technology (R&D Phase) | Breakthrough Technology (Deployment)

Based on data provided in the IEA Iron and Steel Technology Roadmap, October 2020
Our strategy

The steel industry is taking a three-track parallel approach to enable industrial and societal transformation: reduce our impact, advanced products, and the circular economy.

01 step up

The steel industry is taking a three-phased approach to reduce emissions: step up, maximising scrap use, and developing breakthrough technologies.

02

The steel industry will mitigate its CO₂ emissions.

03

The steel industry will create partnerships to enable transformation.

The steel industry will be open and transparent.