



United States Steel



# SUSTAINABILITY REPORT 2019

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## Cautionary Note Regarding Forward-Looking Statements

This report contains information that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “will” and similar expressions or by using future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements, statements about proposed investments, U. S. Steel’s future ability or plans to take ownership of the Big River Steel joint venture as a wholly owned subsidiary, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the company’s control. It is possible that the company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the company’s historical experience and our present expectations or projections. These risks and uncertainties include but are not limited to the risks and uncertainties described in “Item 1A. Risk Factors” in the company’s Annual Report on Form 10-K for the year ended December 31, 2019, and those described from time to time in the company’s future reports filed with the Securities and Exchange Commission. References to “we,” “us,” “our,” the “company,” and “U. S. Steel,” refer to United States Steel Corporation and its consolidated subsidiaries.

## Explanation of Use of Non-Generally Accepted Accounting Principles (non-GAAP)

We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA, which are non-GAAP measures, as additional measurements to enhance the understanding of our operating performance.

We believe that EBITDA and segment EBITDA, considered along with net earnings (loss) and segment earnings (loss) before interest and income taxes, are relevant indicators of trends relating to our operating performance and provide management and investors with additional information for comparison of our operating results to the operating results of other companies. Net debt is a non-GAAP measure calculated as total debt less cash and cash equivalents. We believe net debt is a useful measure in calculating enterprise value. Both EBITDA and net debt are used by analysts to refine and improve the accuracy of their financial models which utilize enterprise value.

We believe the cash conversion cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. The cash conversion cycle should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

Adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share are non-GAAP measures that exclude the effects of items such as restructuring charges, the December 24, 2018 Clairton coke making facility fire, the Big River Steel option mark to market, the impact of the tax valuation allowance, the United Steelworkers (USW) labor agreement signing bonus and related costs, gains (losses) on the sale of ownership interests in equity investees, restart and related costs associated with Granite City Works, and debt extinguishment and other related costs that are not part of the company’s core operations (Adjustment Items). Adjusted EBITDA also is a non-GAAP measure that excludes certain Adjustment Items. We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA to enhance the understanding of our ongoing operating performance and established trends affecting our core operations, by excluding the adjustment items that can obscure underlying trends. U. S. Steel’s management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA as alternative measures of operating performance and not alternative measures of the company’s liquidity. U. S. Steel’s management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA useful to investors by facilitating a comparison of our operating performance to the operating performance of our competitors. Additionally, the presentation of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA provides insight into management’s view and assessment of the company’s ongoing operating performance, because management does not consider the adjustment items when evaluating the company’s financial performance. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA should not be considered a substitute for net earnings (loss), earnings (loss) per diluted share or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies.



## A MESSAGE FROM OUR PRESIDENT & CEO

As I write this message, the world remains in the grip of the COVID-19 pandemic, with much of the United States and all of Slovakia in a “shelter in place” status. As an “essential business,” U. S. Steel continues to operate during shelter in place orders so we can provide the critical infrastructure needed for our national security and economy. Our employees are rising to the challenge of producing the steel needed for society’s function, just as their predecessors did over 100 years ago during the 1918 Spanish flu pandemic. During the current pandemic, we are making it our mission to protect lives and livelihoods. We know this is critical to our employees, customers, suppliers, stockholders, and the communities where we live and work.

While the fight against the COVID-19 pandemic is far from over, people, companies, and governments are recognizing important truths. These truths go to the core of what it means for a business, an economy, and a society to be sustainable. First, manufacturing is critical to a country’s ability to provide for its national, economic, and health security. No industry is more foundational to manufacturing than steel. Steel is fundamental to necessary items such as cans for food and cleaning supplies, and sheet products for hospital bed frames, as well as automobiles, refrigerators, and buildings. Second, regional supply chains are critical to sustainable production and delivery of many products required for a country’s national, economic, and health security. Regional supply chains also reduce logistics costs and limit greenhouse gas emissions (GHG) by shortening transport distances.

For more than a century, U. S. Steel has delivered the steel that has sustained lives and livelihoods. We have sustained our business for nearly 120 years through wars, pandemics, and economic expansion and collapse. U. S. Steel will be there to sustainably produce the next generation of steel for the next generation of people.

This report documents our sustainability journey since our last Sustainability Report was issued two years ago. It also outlines our “best of both” strategy to transform our company into a sustainable, competitive business that will continue to contribute to the well-being of our stakeholders for generations to come. We delve deep into the many aspects that define sustainability at U. S. Steel: safety, governance, ethics, innovation, environment, people, and community.

As promised in our previous Sustainability Report, U. S. Steel has made a commitment to achieve a significant reduction in our global GHG emissions. Our commitment is challenging, as we have committed to a 20% reduction in our global GHG emissions intensity by 2030 based on 2018 baseline levels. Critical to achieving this goal is our “best of both” strategy. It combines the capability advantages of integrated mills, which currently dominate our footprint, with the flexibility and cost benefits of mini mills.

Mini mill producers primarily manufacture steel from recycled scrap using electric arc furnace (EAF) technology. While EAF technology is not new to U. S. Steel, as we have utilized EAFs in our operations at times during our long history, use of EAF technology in a mini mill configuration will be new to U. S. Steel. This move to the “best of both” is important because our engineers recognize that there are synergies between integrated and EAF technology that must be capitalized upon if steel production is to achieve truly meaningful carbon reduction.

What is not new at U. S. Steel, however, is our recognition of the tremendous role our iconic company has played in society and our responsibility to ensure that it endures for future generations. To realize this future, U. S. Steel will continue to adapt and transform so it remains a pillar of our communities, a source of pride for our employees, and the bedrock of sustainable manufacturing. Our commitments rely on a high-performance culture characterized by accountability, fairness, and respect. That culture demands the highest ethical standards, a “culture of caring” embodied by safety first, a commitment to environmental stewardship, strong relationships with all our stakeholders, and the discipline and focus to stay the course in good times and bad.

We are proud of the progress we have made, look forward to reaching the goals we have set, and remain committed to sharing updates on our efforts to create a more sustainable future for all U. S. Steel stakeholders. Now, as we like to say ...

Let’s get back to work ... **safely**,

A handwritten signature in black ink that reads "D B B A".

**David B. Burritt**  
*President & Chief Executive Officer*

May 2020

## ABOUT THIS REPORT

In 2018, U. S. Steel released its first Sustainability Report in over a decade. That report reintroduced many of the company's sustainability initiatives and priorities. Since then, the company has intensified its efforts on developing a more robust sustainability program, including using this report to increase the disclosure of our goals and achievements to our stakeholders. In developing the areas of focus for our program, we conducted a materiality assessment, in line with best practices and Global Reporting Initiative (GRI) standards. This analysis confirmed the issues and areas that matter most to our stakeholders and form the basis for where we will devote our efforts and investments. They are highlighted in this report so that all of our stakeholders may better understand who we are as an organization and the objectives and goals that guide our decision making. Information contained in this report relates to the 2019 calendar year unless otherwise noted.

Of special note, U. S. Steel wishes to acknowledge Duquesne University's Palumbo-Donahue School of Business for assistance received in the production of this report. U. S. Steel entered into a collaborative partnership with Duquesne University that allowed students in the Master of Business Administration Sustainable Business Practices program to critique our sustainability program and initiatives.

The students interacted with our executive management and sustainability project team members to obtain valued experience in a real-life business setting. In turn, the students and their faculty advisers provided a broad range of insights to U. S. Steel that could not have been obtained in the absence of this collaboration.

## CORPORATE PROFILE & HISTORY



United States Steel Corporation (“U. S. Steel,” “the Corporation,” “the company,” “we,” “our,” or “us”) is a leading manufacturer of value-added flat-rolled (sheet) and tubular steel products that primarily serve the automotive, appliance, container, construction, and energy industries. We are headquartered in Pittsburgh, Pennsylvania, and operate major production facilities in the United States as well as one in the Slovak Republic (U. S. Steel Košice, “USSK”). We also are engaged in several other business activities, including coke and iron ore pellet production, primarily to support our flat-rolled operations, railroad services, and real estate.

U. S. Steel has been making steel since 1901, when we were incorporated after the merger of companies owned and operated by some of the most recognizable names in business and finance: Andrew Carnegie, J.P. Morgan, Charles Schwab, John D. Rockefeller, Henry Clay Frick, and Judge Elbert Gary. Since the day we were born as the world’s first billion-dollar enterprise, our focus has always been the same: be an industry leader in all aspects of our business.

The products we made in our first century were critical to national defense and the unprecedented explosive economic growth in the United States. Our portfolio of products and the footprint of our facilities have grown and contracted over time in tandem with the needs of our customers and the country. Regardless of business conditions, U. S. Steel has endured as a leader in the global steel industry throughout decades of change that claimed numerous competitors. While the specific products we make have evolved over the past 119 years, what we make and why we do it are no less important. Steel surrounds us. It makes daily life safer, easier, better, and sustainable. And its possibilities for the future are endless.

Today, we continue to transform our company with a vision that strategically positions us for the future. We aim to achieve this vision by successfully executing our world-competitive “best of both” strategy. By bringing together the best of the integrated and mini mill steelmaking models, we will transform our business to drive sustainable steelmaking and value for our stakeholders. Our vision is

about more than our company; it is about the critical role steel plays in ensuring a strong domestic manufacturing base, which in turn protects lives and livelihoods.

In all our efforts we ask ourselves what Judge Elbert Gary asked—“Is it right?”—because we know that we must operate as a principled company. Judge Gary served as U. S. Steel’s first chairman and created



for our company in the early twentieth century what is widely considered to be the first code of business ethics in corporate America. We remain committed to a code of conduct, strong corporate governance, and our core values and S.T.E.E.L. Principles, including the most important—the safety of our employees, our shared environment, and our communities. These core beliefs have served us well throughout our history, and our commitment to them remains as strong as the products we make every day.



# MATERIALITY

U. S. Steel conducted a materiality assessment to contextualize the existing universe of environmental, social, and governance (ESG) topics to its own business environment and determine what is most important to all of the company's stakeholders. Distilling the different ESG topics into what is important to U. S. Steel's operations was the first step in the company's journey to develop a market-leading sustainability program. The ESG materiality assessment served as a foundation on which to build U. S. Steel's sustainability strategy, which is:

- Aligned with U. S. Steel's corporate strategy;
- Appropriate for external and internal disclosures; and
- Well-suited for engagement with our stakeholders.

- Principle 1: **S**afety First
- Principle 2: **T**rust and Respect
- Principle 3: **E**nvironmentally Friendly Activities
- Principle 4: **E**thical Behavior
- Principle 5: **L**awful Business Conduct

Our materiality assessment methodology ensures that U. S. Steel, in developing its sustainability strategy, considers the expectations and requirements of our stakeholders (external and internal), our operations, our commitments, our way of doing

business, and our core values. The material topics that were identified inform our sustainability program, represent our core values and S.T.E.E.L. Principles, guide our interactions with the community, and are integral to how we do business.



# OUR ASSESSMENT METHODOLOGY

Develop a universe of ESG topics relevant to U. S. Steel's value chain based on peer benchmarking and publicly available information

Filter the universe based on the guidance available from SASB, TCFD, GRI\* and other related standards and guidance

Further refine through the lens of voice-of-business interviews, customer and supplier input, peer benchmarking, NGO expectations and regulatory requirements

*\*Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI)*

## ESG MATERIALITY ASSESSMENT RESULTS

The material topics identified by our assessment and included in this report are organized around three pillars:

- **Celebrating innovation:** U. S. Steel innovates for future sustainable solutions that bring positive outcomes for all stakeholders. This pillar includes material efficiency, energy management, and innovation.

- **Empowering our people:** U. S. Steel maximizes the potential of the people it impacts, both internal and external to the organization, through community outreach and internal development. This pillar includes community engagement, corporate governance, inclusion and diversity, health and safety, relationship with unions, and talent management.
- **Protecting the environment:** U. S. Steel strives to minimize its impact on the environment through implementation of its greenhouse gas (GHG) emissions intensity reduction goal and adherence to strict environmental standards.

Our assessment identified 13 topics that are significant to us, of which the following six are critical:

- Air Quality
- Innovation
- Community Engagement
- Health and Safety
- GHG Emissions
- Inclusion & Diversity

IMPORTANCE TO STAKEHOLDERS

### U. S. STEEL MATERIALITY MATRIX



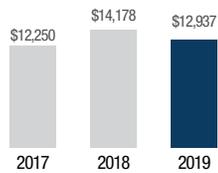
IMPACT ON BUSINESS

Beginning in 2020, U. S. Steel will develop measurable goals for each of our ESG areas of focus and provide regular updates on our progress in achieving these targets. We will continue working to maintain the trust of our stakeholders through straightforward communications and an unwavering commitment to transparency and accountability.

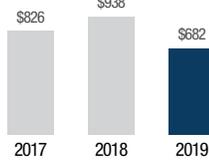
## AT A GLANCE

U. S. Steel is an integrated manufacturer of flat-rolled (sheet) and tubular steel products with major production operations in the United States and Europe. An integrated steel producer uses iron ore and coke as primary raw materials for steel production. U. S. Steel has annual raw steel production capability of 22 million net tons (17 million tons in the United States and 5 million tons in Europe). U. S. Steel supplies customers throughout the world, primarily in the automotive, consumer, industrial, and oil country tubular goods (OCTG) markets. U. S. Steel also is engaged in other business activities consisting primarily of railroad services and real estate operations.

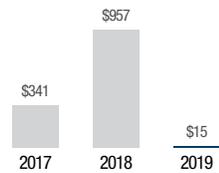
Net Sales – \$M



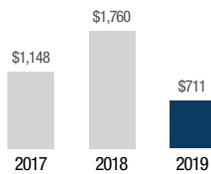
Cash Flow from Operations – \$M



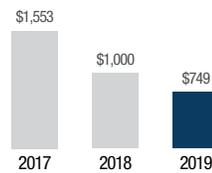
Adjusted Net Earnings – \$M



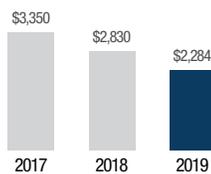
Adjusted EBITDA – \$M



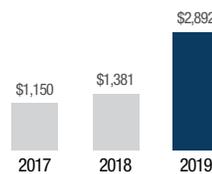
Cash on Hand – \$M



Total Liquidity – \$M



Net Debt – \$M



## 2019 STEEL SHIPMENTS BY MARKET AND SEGMENT (Thousands of tons)

Major Market	Flat-Rolled	U. S. Steel Europe	Tubular	Total
Steel Service Centers	1,902	740	—	2,642
Further Conversion — Trade Customers	2,823	214	—	3,037
Further Conversion — Joint Ventures <sup>(1)</sup>	819	—	—	819
Transportation and Automotive <sup>(1)</sup>	2,620	676	—	3,296
Construction and Construction Products	1,076	1,048	44	2,168
Containers and Packaging	652	440	—	1,092
Appliances and Electrical Equipment	570	220	—	790
Oil, Gas and Petrochemicals	—	—	725	725
All Other	238	252	—	490
<b>Totals</b>	<b>10,700</b>	<b>3,590</b>	<b>769</b>	<b>15,059</b>

Source: U. S. Steel 2019 Annual Report on Form 10-K

<sup>(1)</sup> This table except where noted in (1) above does not include shipments to end customers by joint ventures and other equity investees of U. S. Steel. Shipments of materials to these entities are included in the "Further Conversion – Joint Ventures" market classification. No single customer accounted for more than 10% of gross annual revenue.

## 2019 RAW MATERIALS PRODUCTION (Thousands of tons)

Iron ore (taconite pellets) <sup>(a)</sup>	21,450
Coke	4,813

Source: U. S. Steel 2019 Annual Report on Form 10-K

<sup>(a)</sup> Includes our share of production from Hibbing through December 31, 2019.

## COMMON STOCK INFORMATION

High	\$24.74
Low	\$9.93
Dividend	\$0.20

Source: Yahoo Finance; intraday prices; U. S. Steel 2019 Annual Report on Form 10-K.

## 2019 EMPLOYEES (Average number for calendar year)

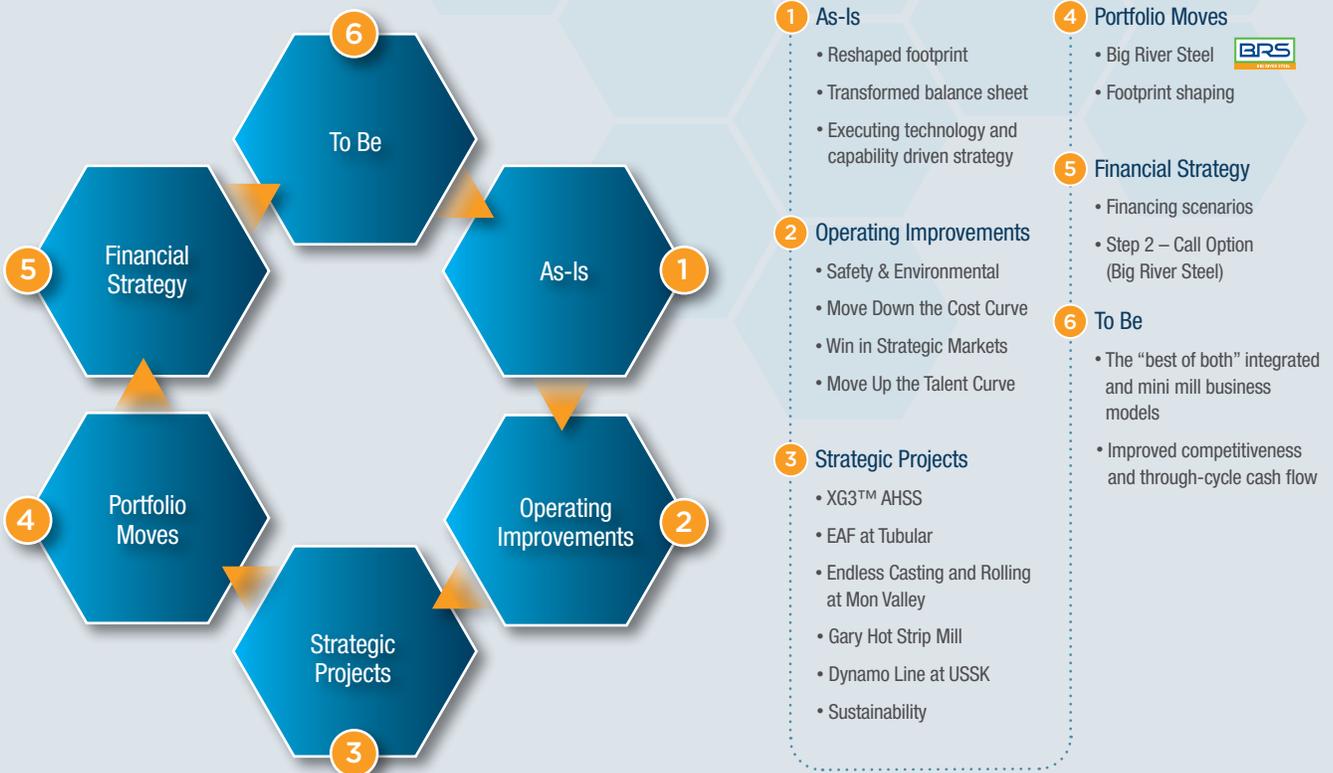
North America	Europe	Total
<b>16,633</b>	<b>11,314</b>	<b>27,947</b>

Source: U. S. Steel 2019 Annual Report on Form 10-K

OUR SUSTAINABILITY STRATEGY DIRECTLY ALIGNS WITH OUR BUSINESS STRATEGY, AND AS WE DELIVER ON OUR BUSINESS OBJECTIVES, **WE WILL ACHIEVE OUR SUSTAINABILITY OBJECTIVES.**

Our strategy is to create long-term stockholder value by pursuing a business model that is resilient to market volatility and is profitable through business cycles. We define this approach as our “best of both” model, which combines the capability advantages of integrated mills with the flexibility and cost benefits of mini mills. Mini mill producers primarily manufacture raw steel from recycled scrap using electric arc furnace (EAF) technology.

Our sustainability strategy directly aligns with our business strategy, and as we deliver on our business objectives, we will achieve our sustainability objectives because the two are tightly interwoven. The diagram below illustrates our world-competitive “best of both” strategic framework and highlights the key actions that will transform our business.



## WHY SUSTAINABILITY MATTERS TO U. S. STEEL

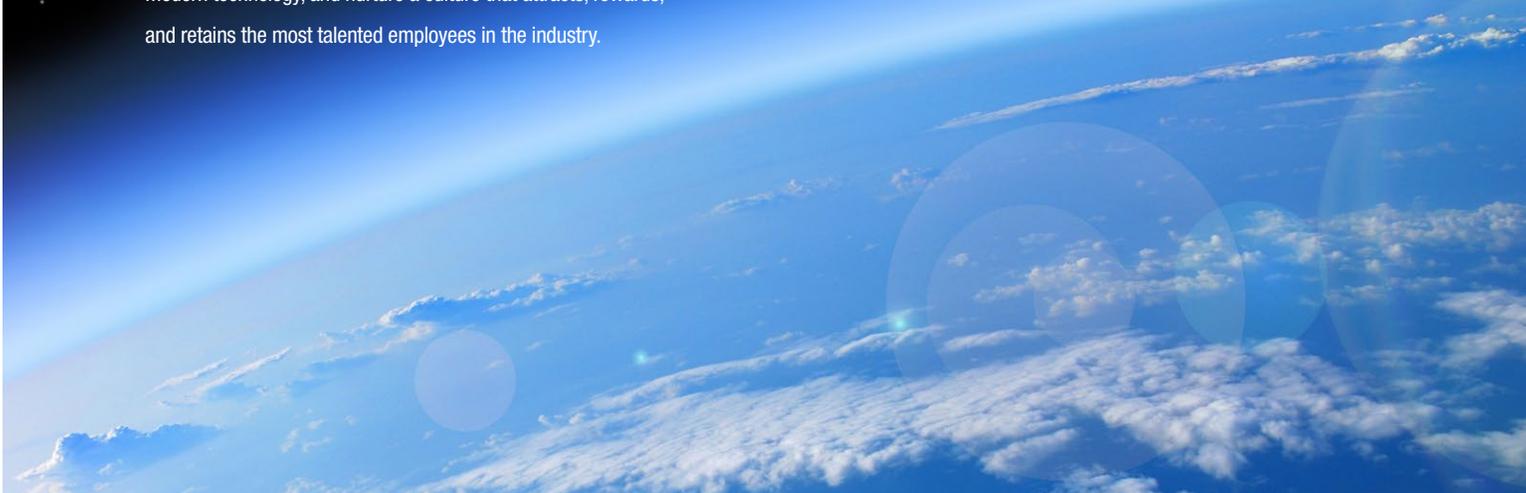
For well over a century, U. S. Steel has focused on its core mission of producing the highest quality steels in the world. Long before the word “sustainability” had come to refer to the relationship of a business with society, U. S. Steel was focused on safety, ethics and corporate governance, community engagement, environmental stewardship, innovation, and building an inclusive and diverse workforce. We understand that the long-term prospects of our business are dependent not only on making high-quality steel, but also on doing what is right by all of our stakeholders.

With differentiated, value-added steel products and a goal of low-impact manufacturing, U. S. Steel is doing our part to realize a low-carbon and circular economy. Our company is empowering our people to innovate novel solutions for manufacturing products with a low-carbon footprint, all while decreasing the impact on the environment. At our operations, we promote a culture of caring, where every person in the organization accepts personal responsibility for their safety as well as that of their co-workers. Outside the organization, U. S. Steel is engaging the community and working with local leaders to develop better neighborhoods for the communities where we operate. Our sustainability program is integrated into every part of our business, directly aligned to our “best of both” strategy, and overseen by the Corporate Governance & Sustainability Committee of our Board of Directors.

The steel industry is highly competitive, requiring companies to maintain a constant focus on the future. Our sustainability strategy addresses how we intend to leverage innovation, develop and utilize increasingly modern technology, and nurture a culture that attracts, rewards, and retains the most talented employees in the industry.

The current process of manufacturing steel is energy-intensive, releases substantial amounts of GHG, and has other environmental impacts. What is often overlooked, though, is that the highly competitive nature of our industry drives us to continuously improve and seek opportunities to reduce our emissions and recycle, reuse, and repurpose to maximize value for our stakeholders. **Recognizing the need to move down the carbon curve, in 2019 U. S. Steel announced an aggressive commitment to reduce the GHG emissions intensity across our global footprint. We have set a goal to reduce our GHG emissions intensity by 20%,** as measured by the rate of carbon dioxide equivalents emitted per ton of raw steel produced, by 2030 based on 2018 baseline levels.

Just as we have led the industry with development of innovations for more than 100 years, we are now setting standards required to lead steel manufacturing into a sustainable future. This includes not only changing our portfolio of steelmaking technologies, but also exploring opportunities for procuring purchased power from green and carbon-free sources. Options being investigated include the construction of solar power generation facilities and Emission-Free Energy Certificates (EFEC). Obtaining EFEC, which are term limited, provides an opportunity to reduce indirect GHG and other pollutant emissions while green power generating facilities are constructed or become commercially viable.



Sustainability at U. S. Steel certainly does not stop with our efforts to reduce GHG emissions. Throughout the steelmaking process there are opportunities that allow us to create value and reduce environmental impacts. Examples of such efforts at U. S. Steel include:

- We recycle approximately 3 million tons annually of scrap steel in our processes to create new steel, without any loss in the material's mechanical properties because of the use of recycled steel.
- We reuse blast furnace and coke oven gases created in the steelmaking and cokemaking processes to generate steam and electricity to power our facilities.
- We reuse by-products from our cokemaking process, selling them for use in treating wood products such as railroad ties and feedstocks, to the chemical manufacturing and oil refining industries, and for use in the production of fertilizer.
- We repurpose slag from our steelmaking process for use as aggregate in asphalt and highway construction, cement manufacturing, glass manufacturing, and mineral wool.

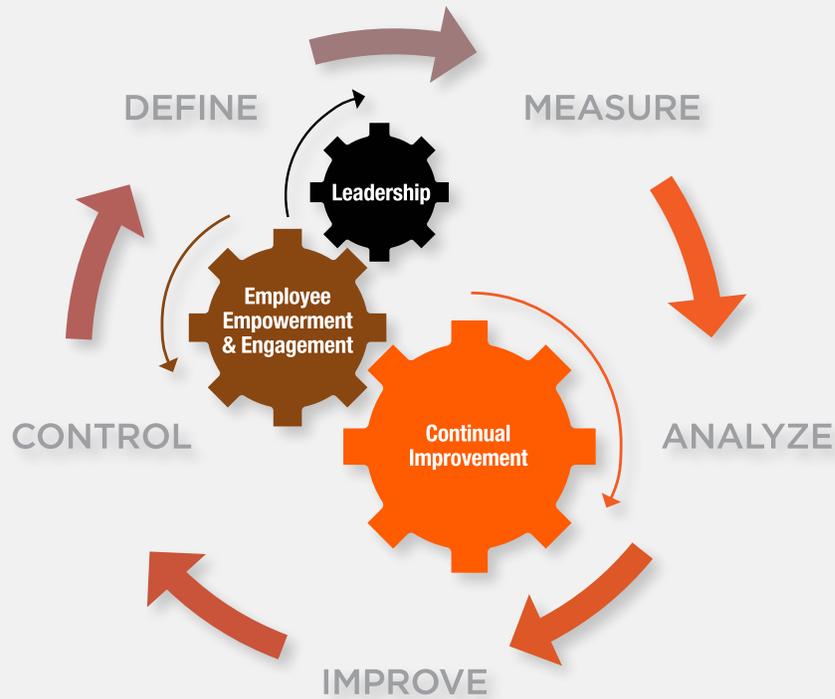
In 2019, we announced several technological transformation initiatives that are key to our “best of both” strategy. At the forefront of this transformation is our acquisition of 49.9% of Big River Steel (BRS) with the option to fully acquire the remainder within the next four years. Our investment in BRS will add sustainable steelmaking technology to our footprint and improve our competitive positioning. Big River Steel is a technological leader combining mini mill technology with aspects of the integrated model to achieve the benefits of each. Other strategic initiatives announced include endless casting and rolling at Mon Valley Works, Gary Works hot strip mill upgrades, and the dynamo line at our U. S. Steel Košice facility.

We also strive to create value for our customers, stockholders, and the public through the development of innovative steel products. Some of our most recent innovations, which are discussed in detail in the Innovation section, are already contributing to efforts to create a more sustainable world:

- We have brought to market several grades of Generation 3 (Gen 3) advanced high-strength steels (AHSS) and ultra high-strength steels (UHSS) to provide automobile design engineers with the ability to achieve Federal Corporate Average Fuel Economy (CAFE) fuel efficiency standards through vehicle lightweighting while also meeting increasing safety standards for vehicles. Additional grades of Gen 3 AHSS and UHSS continue to be developed for addressing customer needs.
- Our suite of large diameter seamless casing and proprietary premium tubular connections have given our energy industry customers the ability to reach deposits through horizontal and other innovative drilling techniques, reducing the number of wells needed. America's energy independence is supported by these products while impacts to the surface are reduced by a smaller number of operating wells.
- In Europe, USSK has developed and continues to develop and commercialize a new generation of high-efficiency electrical steel that allows our customers to meet increasingly stringent standards for electric motor efficiencies and the construction of wind turbines.

Finally, our efforts to build a sustainable competitive advantage for our company includes the development of finishing process technologies for the future. Commissioning a new and innovative continuous galvanizing line at our PRO-TEC Coating Company joint venture with Kobe Steel, Ltd. in Leipsic, Ohio, started in 2019 and the first commercial coils will soon be shipped to our customers. This new line, which will have a capacity of 500,000 tons per year, will utilize a proprietary process to coat our grades of Gen 3 AHSS in a cost-efficient manner. The galvanized Gen 3 AHSS products to be made on this advanced line will supply automotive manufacturers with the materials they need to meet automobile passenger safety requirements while significantly reducing weight to meet future vehicle fuel efficiency standards. To assist automakers on the use of these Gen 3 steels, we have embedded application engineers at their manufacturing facilities to aid with automobile body design. Our collaboration with automakers continues to bear fruit as demonstrated by the innovative use of our Gen3 AHSS in the Jeep® Gladiator.

## RELATIONSHIPS TO INSPIRE SAFETY & HEALTH



Visualization of U. S. Steel's Safety Management System (SMS)

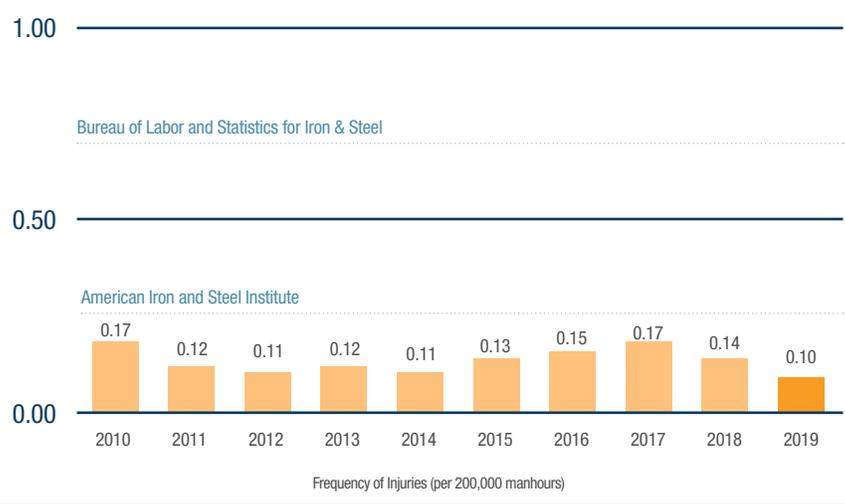
At U. S. Steel, good corporate citizenship begins with putting the safety of our workforce first. Safety has always been and will continue to be our primary core value and our company's top priority. In 1906, we adopted the expression "Safety First," and as early as 1908, we had established a company-wide Safety Committee to discuss how to prevent injuries, conduct plant safety inspections, and safeguard employee health. Today, we still believe every person who enters our facilities should return home safely, and we are working jointly with our partners from the United Steelworkers to eliminate or safeguard against all hazards and risks. We firmly believe that safe companies are successful and sustainable companies, a belief that drives our quest for world-class safety performance.

Our Corporate Safety Steering Team leads our journey. Executive leadership, safety professionals, line managers, and United Steelworkers representatives drive a determined effort to reach our ultimate goal: that all employees return home in the same condition they arrived. This committee provides oversight to our Safety Management System (SMS) to set strategic direction, establish goals and objectives, and evaluate trends for appropriate corrective action.

Managers up and down the line are directly accountable for the implementation of the safety process and achieving desired results. Safety professionals are among U. S. Steel's most high-profile employees. They see every part of the workplace through critical eyes, looking for opportunities to eliminate risk, prevent incidents, and ensure all employees are engaged. At all our operations, supervisors involve the workforce in both formal and informal interactions every day to ensure safety remains in the forefront prior to starting, as well as during, every task they perform.

Our objective is to attain a sustainable zero-harm culture supported by leadership and owned by an engaged and highly skilled workforce, empowered with the capabilities and resources needed to assess, reduce, and eliminate workplace risks and hazards. In support of these objectives, we have developed an enhanced SMS designed as a continuous improvement engine to ensure a systematic and proactive approach to managing safety and industrial hygiene risk consistently across the company. Additionally, the SMS integrates safety and industrial hygiene into our day-to-day business activities, ensuring key business decisions safeguard the well-being of our employees and the communities in which we operate.

## Global Days Away From Work Incidence Rates January 2010 through December 2019



**0.10**  
NEW COMPANY RECORD  
IN THIS MEASURE AND  
INCLUDES TWO BUSINESS  
SEGMENTS (TUBULAR  
AND U. S. STEEL KOŠICE)  
WITH **0.00** RATES IN 2019

Data for 2010 forward include Lone Star Tubular Operations, Rig Site Services, Offshore Operations Houston, and Wheeling Machine Products. Data for 2009 through 2014 includes Belville Tubular Operations. Data for 2009 through 2017 includes Tubular Processing Houston. Data for 2011 forward includes Transtar. Data for 2009 through 2011 includes U. S. Steel Serbia. Data from 2009 through the end of the day on September 15, 2014, includes U. S. Steel Canada.

Bureau of Labor Statistics for Iron & Steel and American Iron and Steel Institute comparisons were held constant for all periods presented and were based on the most recent publicly available information as of December 31, 2019. We believe this provides a reasonable point of comparison to U. S. Steel's performance across all periods presented.





We see positive results every day, which demonstrate significant accomplishments in safety performance across the organization.

U. S. Steel finished 2019 with a Days Away from Work Rate of 0.10 —which is 86% better than the Bureau of Labor Statistics for Iron & Steel rate of 0.70, and 68% better than the American Iron and Steel Institute rate of 0.31. Two of our business segments finished the year with zero days away from work injuries. Notably, 0.10 is a new record that could not have been accomplished without the dedication of our employees and strong partnership with the United Steelworkers.

We are working to foster a culture of caring, where every person in the organization accepts personal responsibility for their safety as well as that of their co-workers. We ask that our employees never walk

by or pass up an opportunity to stop unsafe work or an action that puts themselves or others at risk—no matter who it is. In turn, we all must be open to and willing to accept direction from others if we find ourselves in an unsafe situation.

Every day there are operations, plants, divisions, departments, and employees setting records in injury-free work. This is not achieved through chance or luck. It is due to the tireless efforts of our employees, who always put “Safety First.” U. S. Steel understands that achieving excellence in safety is an ongoing quest. It is also part of doing business as a responsible corporate citizen, at home and around the world.

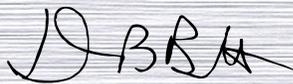


U. S. Steel engages with third-party organizations such as the National Safety Council (NSC), both to share and to learn new best practices. Our company's NSC involvement is led by President & CEO Dave Burritt, who is a member of the NSC's Board of Directors. Employees also attend NSC conferences and events, such as the annual Green Cross for Safety Awards dinner, shown below.

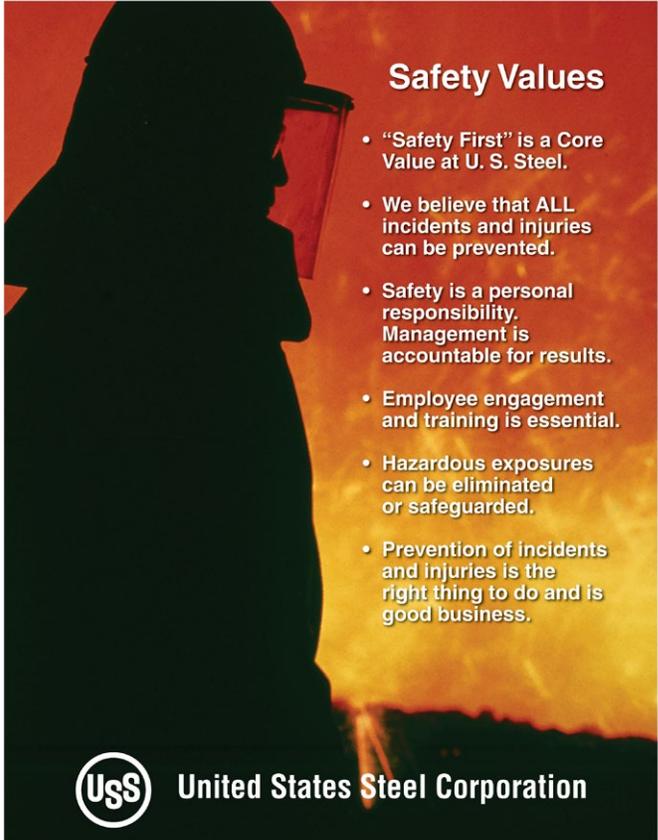



**I WILL STOP...**  
USS

All employees are empowered to STOP work for conditions that endanger individuals, equipment or our work environment. Please engage, STOP, and involve others when you have concerns. Employees and supervisors must work in partnership and resolve any STOP work issues that arise.



DAVID B. BURRITT  
President & Chief Executive Officer



### Safety Values

- "Safety First" is a Core Value at U. S. Steel.
- We believe that ALL incidents and injuries can be prevented.
- Safety is a personal responsibility. Management is accountable for results.
- Employee engagement and training is essential.
- Hazardous exposures can be eliminated or safeguarded.
- Prevention of incidents and injuries is the right thing to do and is good business.



**United States Steel Corporation**

## CORPORATE GOVERNANCE

**“PEOPLE WHO HAVE A STAKE IN A COMPANY’S SUCCESS SHOULD KNOW WHAT THE COMPANY IS DOING, ESPECIALLY SHAREHOLDERS SINCE THE COMPANY IS USING THEIR MONEY.”**

When the first President and Chairman of the Board of Directors (the “Board”) of U. S. Steel, Judge Elbert H. Gary, initially made that argument in the formative years of the company, it hit big business like a bombshell. In those days, revealing the inner workings of a corporation to public scrutiny was far from common practice. For our company, transparency and sound corporate governance are foundational to everything we do. We believe that fundamentally good corporate governance promotes the long-term interests

of stockholders, strengthens accountability of the Board and management, and helps build public trust in the company.

U. S. Steel has a long and rich tradition of leadership and best practices in corporate governance and public company disclosure, including as one of the first publicly traded companies in the United States to hold an annual meeting of stockholders, publish an annual report, and have its financial results audited by an independent outside auditor.



Our governance program is rooted in independence and robust oversight by our Board and includes:

- ✓ Annual election of each director;
- ✓ Fully independent Board, other than our CEO;
- ✓ Independent Audit, Compensation & Organization, and Corporate Governance & Sustainability Committees;
- ✓ Regular executive sessions of independent directors;
- ✓ Active risk oversight by the full Board and its committees;
- ✓ Annual Board and committee self-evaluations;
- ✓ Executive compensation driven by pay-for-performance philosophy;
- ✓ Stock ownership and holding guidelines for directors and executives;
- ✓ Best-in-class compliance commitment;
- ✓ Annual stockholder engagement;
- ✓ Robust Code of Ethical Business Conduct that is based on the Corporation's S.T.E.E.L. Principles;
- ✓ Ability of our Board and its committees, at their sole discretion, to hire independent advisors, including counsel, at the company's expense;
- ✓ Active Board refreshment approach to ensure Board composition aligns with corporate strategy; and
- ✓ Proxy access in line with market standards.

U. S. Steel is committed to maintaining the highest standards of corporate governance and ethical conduct, which we believe are essential for sustained success and long-term stockholder value. In pursuit of this goal, the Board oversees, counsels, and directs management in the long-term interests of the company, its stockholders, and its customers. Our governance framework gives our highly experienced directors the structure necessary to provide oversight, advice, and counsel to U. S. Steel.

Our long-standing commitment and best practices in corporate governance have been directly applied to the U. S. Steel sustainability program. Our sustainability efforts are driven by leadership from our Board and executive management and are directly aligned with our world-competitive “best of both” strategy. Our Board provides oversight and guidance regarding our sustainability efforts, primarily through the Corporate Governance & Sustainability Committee. This committee is tasked in its charter with monitoring the Corporation's initiatives, policies, and practices for consistency with the values of good corporate citizenship such as those relating to sustainability, environmental stewardship, and corporate social responsibility. In addition, the committee monitors the Corporation's position regarding identified public policy issues including employee health and safety, and environmental and energy matters. The committee discharges these duties by receiving regular updates on sustainability matters at each regular meeting and reporting to the Board on these issues.



## ETHICS & COMPLIANCE

Since its founding, U. S. Steel has demonstrated an unwavering commitment to doing business ethically, with integrity, and in compliance with applicable laws and regulations. In the early 1900s, our co-founder and first chairman Judge Elbert Gary developed what is widely considered to be the first-ever corporate code of ethics, known as the Gary Principles. The values set forth in those nine simple statements emphasizing integrity, fairness, and accountability underlie the S.T.E.E.L. Principles that we use today to state our long-held core values in a meaningful and memorable way:

- **S**afety First
- **T**rust and Respect
- **E**Environmentally Friendly Activities
- **E**thical Behavior
- **L**awful Business Conduct

By conveying our values in this actionable manner, the S.T.E.E.L. Principles ensure our employees keep ethics and compliance top of mind in day-to-day business operations. We also have implemented a comprehensive ethics and compliance program with support from our Board and senior management to further ingrain our commitment to lawful and ethical business throughout the company. Our General Counsel and Chief Ethics & Compliance Officer administers the program, with oversight and guidance from the Board Audit Committee.

Organized around the S.T.E.E.L. Principles, the U. S. Steel Code of Ethical Business Conduct (the “Code”) stands at the center of our ethics and compliance program. The Code is the primary document that describes the company’s expectations for employee behavior and compliance with applicable rules. To that end, the Code provides guidance on safety, environmental stewardship, respect for others, conflicts of interest, appropriate use of company resources, and

compliance with applicable laws and regulations, such as those pertaining to free and fair competition, bribery and corruption, child labor, and human trafficking. Beyond the Code, the company has adopted corporate policies and procedures that address topics such as discrimination and harassment, gifts and entertainment, anti-corruption compliance, political and charitable contributions, conflicts of interest, and workplace safety. The policies set forth requirements and guidance to help ensure compliance with applicable laws and conduct consistent with the S.T.E.E.L. Principles. For example, our comprehensive Anti-Corruption policy prohibits any form of bribery and corruption and establishes approval procedures for certain activities

that present compliance risks, including risk-based anti-corruption due diligence reviews of business partners. Likewise, the Political and Charitable Contributions policy mandates compliance with applicable campaign finance laws and transparency with respect to our political activities, including public disclosure of certain political contributions and expenditures on U. S. Steel’s website each year.

To further ensure that employees understand the company’s expectations and all applicable rules, U. S. Steel provides formal online and in-person ethics and compliance training to its employees, featuring several training courses per year that are applicable to employees’ respective jobs. Monthly communications with information about key compliance topics, messages from senior management underscoring the importance of doing business with integrity, and summaries of current events that demonstrate the need to do business lawfully provide regular reminders of the company’s expectations for all employees. In addition, through our annual policy certification process, employees certify their ongoing compliance with the Code and key compliance policies each year in writing. These efforts help strengthen our culture of compliance and embed the S.T.E.E.L. Principles across our operations.



To further foster a strong ethical culture characterized by transparency, responsibility, and accountability, U. S. Steel encourages all employees to seek guidance, raise concerns, and report suspected wrongdoing without fear of retaliation. Employees may do so by contacting their manager, a Human Resources representative, any member of the Legal Department, or another appropriate company resource. Concerns also can be raised anonymously through the U. S. Steel Ethics Line, which is managed by an outside service provider and available 24 hours a day, 7 days a week. Importantly, the Ethics Line is available to the public, with contact information available through our website, so external stakeholders may also use it to raise concerns related to our business. U. S. Steel strictly prohibits retaliation of any kind—including termination, demotion, discipline, or harassment—against anyone who raises a concern in good faith and will take appropriate action against anyone found to engage in such retaliation. We have adopted detailed protocols to ensure that all reports alleging misconduct are reviewed and investigated thoroughly. A cross-

functional committee reviews the results of all investigations, including any remedial actions, before they are closed to further ensure that each report was handled appropriately.

Beyond our employees, we expect our business partners to share our values and act in accordance with the S.T.E.E.L. Principles.

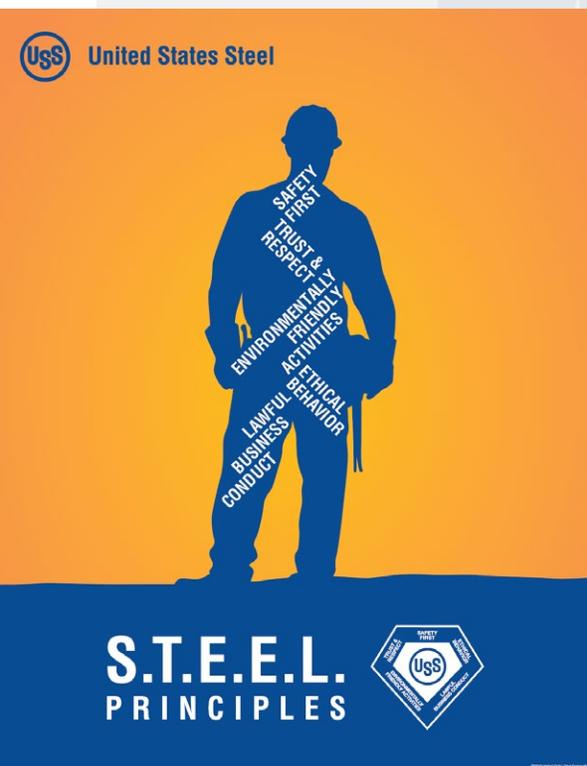
Our standard contractual terms and conditions, Supplier Code of Conduct, and Anti-Corruption Guidelines for Third Parties detail

our expectations. The Supplier Code of Conduct, published on our website and distributed to suppliers, establishes minimum requirements for ethical and lawful business practices, human rights

and working conditions, and environmental stewardship that apply throughout the supply chain. Suppliers are required to cascade our standards to others that support U. S. Steel's business, such as subcontractors and sub-suppliers, and implement an appropriate ethics and compliance program. Suppliers must promptly inform U. S. Steel of any violations or suspected violations of the Supplier Code of Conduct and may also anonymously raise ethics and compliance concerns related to U. S. Steel through the U. S. Steel Ethics Line. A supplier's failure to comply with these standards or promptly take appropriate corrective actions to remediate violations may jeopardize its relationship with U. S. Steel.

In addition to communicating our expectations, we actively vet and monitor our business partners to identify and address any issues. We screen them against lists of sanctioned and denied parties and conduct additional reviews of higher-risk counterparties to identify, among other things, any past misconduct and other compliance-related risks. These reviews are updated periodically throughout the relationship, as warranted. Suppliers affirm their compliance with applicable rules when they deliver goods or perform services and are required to maintain documentation demonstrating their compliance with our standards, provide such documentation to us upon request, and honor our requests to formally audit them, which we have done in the past. We also regularly ask our supply chain for country of origin information to verify that any conflict minerals used in our products are not sourced from the Democratic Republic of Congo or its adjoining countries and have made efforts to prevent slavery and human trafficking in our supply chain, as described in the California Transparency in Supply Chains Act of 2010 Disclosures on our website.

U. S. Steel takes great pride in its comprehensive ethics and compliance program, while recognizing the importance of continuous improvement. To that end, we conduct risk assessments to ensure that our ethics and compliance program is appropriately designed to address the risks that we face as our strategy, activities, and footprint evolve over time. We also regularly benchmark our program against leading compliance practices and conduct other assessments, such as employee surveys, to identify ways to continue strengthening our culture and further enhance our ethics and compliance program.



## INNOVATION

Innovation has played a starring role at U. S. Steel for more than a century, starting with one of our founders, Andrew Carnegie, and his drive for increased productivity in steel manufacturing at the onset of the Industrial Revolution. Since then, our pursuit of new, cutting-edge products, as well as process advancements and efficiencies, have contributed to significant societal and economic advancements. Today, U. S. Steel is also focusing on innovations that are moving steel products and manufacturing processes down the carbon curve. Our research and development work is global in nature as employees in the United States and Slovakia work cooperatively to create solutions that delight our customers and support our sustainability efforts.

### Product Development Innovations at U. S. Steel in North America

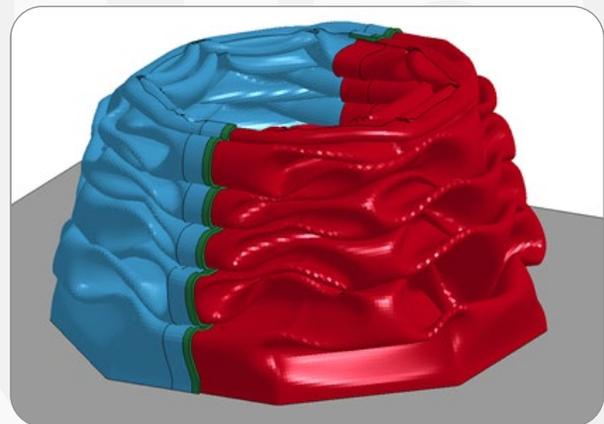
Innovation is key to product development. Employees at our Munhall, Pennsylvania, and Troy, Michigan, research and development facilities work together with our application engineers to create new products and solutions. Extensive use of computer simulations, including crash, crush, and forming, coupled with our own product testing and structural design assistance, aid our efforts to respond to the voices of our valued customers.

Our product development innovation has achieved great results for automakers to help them—and all of us—improve the environmental performance of vehicles. High-strength, highly formable sheet steels, known as advanced high-strength steels (AHSS), provide the automotive industry with a cost-effective, lightweight material option to help them meet the 2025 Corporate Average Fuel Economy (CAFE) standards established by the U.S. Environmental Protection Agency. These steels are considered “lightweight” materials because their superior strength permits them to be used in thinner gauges while providing the same, if not better, crash protection for vehicle occupants.

With recent investments in state-of-the-art industrial process simulators at our research facilities, including advanced heat treatment and advanced zinc and alloy coating simulators, we have already developed and are supplying true third generation (Gen 3) AHSS steels with our 780 and 980 XG3™<sup>(1)</sup> steel products. We are also continuing work to develop grades with tensile strengths of 590 megapascals (MPa), 1180 MPa and 1470 MPa.



Crush Test



Crush Simulation

<sup>1</sup>XG3™ is a U. S. Steel owned trademark used in connection with U. S. Steel's 3rd Generation AHSS steel grades—currently at strength levels 590, 780, 980 & 1180 MPa.

<sup>2</sup>Mart-Ten™ is a U. S. Steel owned trademark used in connection with U. S. Steel's martensitic steel grades—currently at strength levels 900, 1100, 1300, 1500 & 1700 MPa.

## XG3™ AHSS GREEN MATERIAL FOR BATTERY ENCLOSURES

Lowest Greenhouse Gas Emissions (GHG) compared  
with competing materials for battery enclosure structure

Battery Enclosure Production Material	kg of CO <sub>2</sub> e per kg of Material Production	Battery Enclosure Weight kg	kg of CO <sub>2</sub> e for Battery Enclosure Production
Mild Steel	2.3	115	265
AHSS	2.3	92	212
USS XG3™ Steel	2.3	83*	191
Aluminum	16.5	70**	1155
Carbon FRP	22	52	1144
780 XG3™ and 980 XG3™ – USS GEN 3 AHSS			

\* USS preliminary design IABC 2019  
\*\* Novelis aluminum design IABC 2019

U. S. Steel's XG3™ steels feature revolutionary engineering that make them not only high strength, but also highly formable and weldable while also enabling superior corrosion protection. The key: a proprietary "lean" chemistry design. This design leads to highly formable grades that are compatible with our customers' existing tooling, which assists in keeping their manufacturing costs down. The chemistry also prevents the formation of undesirable, brittle phases during welding at assembly plants. Finally, the lean chemistry also promotes greater adhesion of zinc coatings, leading to better corrosion protection. As a result, our XG3™ steels offer significant advantages compared to the quench and partitioning (Q&P) and press hardened (PHS) steel grades offered by our competitors.

Our customers are responding to these advancements with positive feedback. The XG3™ steels are qualified at multiple original equipment manufacturers (OEMs) with several coating options. The first production application of our XG3™ steel is in the 2020 Truck of Year – the Jeep® Gladiator – and additional vehicles featuring XG3™ steels will be launching in 2020 and 2021.

As previously stated, AHSS products also help automakers reduce vehicle weights. Lighter weight vehicles are more fuel efficient and emit less carbon dioxide. When assessing the environmental impact of vehicles, fuel consumption and greenhouse gas emissions, both of which occur in the use phase (driving phase) of a vehicle's life cycle, are the most common measurements. It's easy for customers to shop based on miles per gallon, and for governmental bodies to specify a minimum average fuel economy for automakers. However, there's more to a vehicle's environmental impact than what is published on a window sticker. Studies show that steel-intensive vehicles, especially those using AHSS products, have reduced environmental impact over the vehicle's entire life cycle. This is because

steel requires less energy to produce and is infinitely recyclable without losing any desirable properties, when compared to other materials. And as noted above, AHSS products lower vehicle weights, which leads to higher fuel efficiency and lower emissions.

### BEV Body Architecture Mart-Ten™(2) & XG3™ Steel — Advantage/Opportunity

**1. Crash Protection Front & Rear of Vehicle**

Larger/efficient front & rear rails 980 XG3™ steel

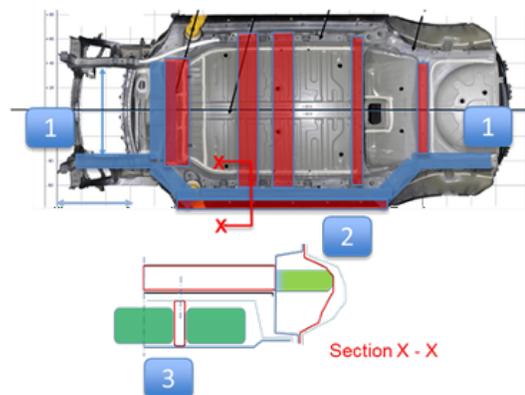
**2. Side Impact Protection**

Rocker section – Mart-Ten™ steel roll form,  
980 XG3™ steel or 1180SHF steel stampings  
Floor cross members – Mart-Ten™ steel roll form

**3. Battery Enclosure**

Bottom tray – 980 XG3™/1180SHF steel stamping  
Support members – Mart-Ten™ 1700 steel roll form  
Cover tray – CR5 steel stamping

780 XG3™, 980 XG3™, 1180SHF – USS GEN 3 AHSS  
Mart-Ten™ 1700 – USS 1700 MPa Martenistic UHSS



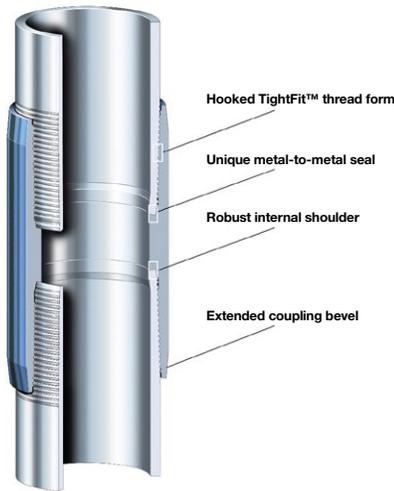
As consumers increasingly turn to even “greener” options such as Battery Electric Vehicles (BEV), there is increased focus on affordability, safety, and sustainability. U. S. Steel’s innovative XG3™ and Mart-Ten™ steels offer automakers compelling solutions to manage all three of these challenges. On the BEV body structure, AHSS is an ideal solution for the newly added load paths to protect the vehicle occupants and the high-voltage battery. The floor cross members are straight and thus can use very high-strength martensitic roll-formed sections. Certain cross members can also be stamped from our XG3™ AHSS, which offers a superior combination of strength and formability for this application. For frontal crash load management and to minimize passenger/battery compartment intrusions for increased safety, our AHSS grades offer the most mass/cost efficient solutions.

drill pad. Known as pad drilling, this allows minimal surface disruption by reducing the number of active wells and required support infrastructure. Paired with advancements in technology, producers utilizing pad drilling are able to recover greater quantities of oil and gas than ever before from fewer wells. All of this combines to support energy independence.

Our tubular steels start with iron ore mined in the United States and scrap procured from domestic sources. These raw materials are converted into high-performance grades of both flat-rolled product and solid steel rounds using state-of-the-art domestic pneumatic and electric arc steelmaking facilities before being finished into seamless or electric-welded pipe. Our high-performance connections, known as premium connections, began with extensive modeling and engineering, followed by laboratory and subsequent field testing. Our large diameter seamless casing grades, XHP/UHP, have been developed to provide industry-leading collapse performance to optimize deepwater Gulf of Mexico well designs, while the C110 Grade pipe we supply resists environmental degradation in sour service applications. In addition, our USS-LIBERTY TC®, USS-EAGLE SFH®, and USS-EAGLE SFM® premium connections have been developed to address our customers’ concerns for safety and integrity of both down-hole and deepwater applications, adding significant value to our tubular offerings. This combination of high-quality tubular products and high-performance connections ensures that wells are stronger, safer, and more economical over their lifetime.

Innovation has been a key driver in our U.S. product development efforts for more than a century, and it will remain central to our efforts to create a sustainable future for our company, our stakeholders, and our shared environment.

**USS-LIBERTY TC®**



Turning to our tubular products, U. S. Steel’s customers in the energy industry continue to benefit from the investments we make in steel alloy design and premium thread connection design, both of which address safety, integrity, and cost effectiveness of well design, installation, and operations. Today’s wells use innovative designs that involve multiple strings extending much deeper and further away from a single



“INVENTING NEW PROCESSES AND IMPROVING EXISTING ONES WITHIN OUR OVERALL METHOD OF STEELMAKING MEANS QUICKLY DELIVERING COST, QUALITY, AND DELIVERY IMPROVEMENTS, AS WELL AS **IMPROVING THE SAFETY AND RELIABILITY OF OUR OPERATIONS.**”

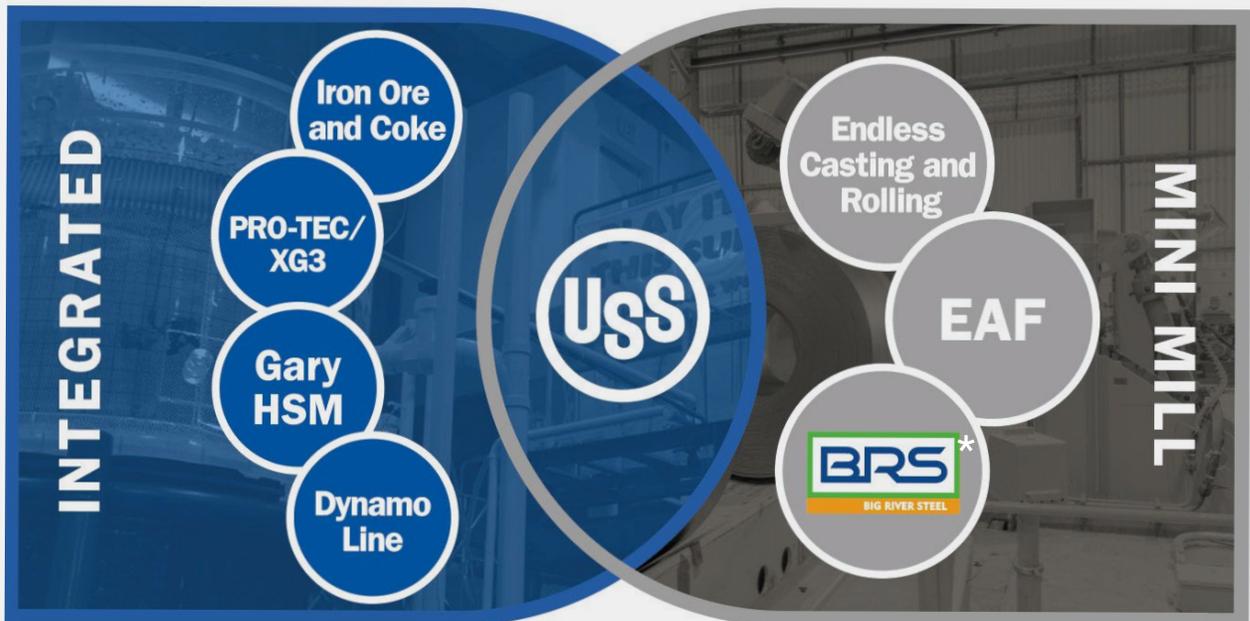
Kevin Zeik, Ph.D.

U. S. Steel Senior Research Fellow

**Process Innovations—New and Improved Processes for our North American Manufacturing Facilities**

At U. S. Steel, innovation has also played a key role in the processing of steel since our founding more than a century ago. Embracing change, we use innovation to guide us along a path to be the “best of both.” Combining the solid foundation of integrated steel production with the most modern mini mill technologies, U. S. Steel’s commercial strategy and products will be supported by the best, most efficient, and sustainable steel production in the world.

In the second half of 2020, we expect to begin operating a new state-of-the-art electric arc furnace (EAF) currently under construction at our Fairfield Works in Alabama, to produce several grades of tubular steel. These steels will be cast into blooms, also known as rounds, and subsequently pierced and heat treated at the facility’s tubular finishing operations.



\* Following U. S. Steel’s acquisition of the remaining 50.1% interest in Big River Steel within the next several years



In the second half of 2020, we expect to begin operating a new state-of-the-art electric arc furnace (EAF) currently under construction at our Fairfield Works in Alabama, to produce several grades of tubular steel. These steels will be cast into blooms, also known as rounds, and subsequently pierced and heat treated at the facility's tubular finishing operations.

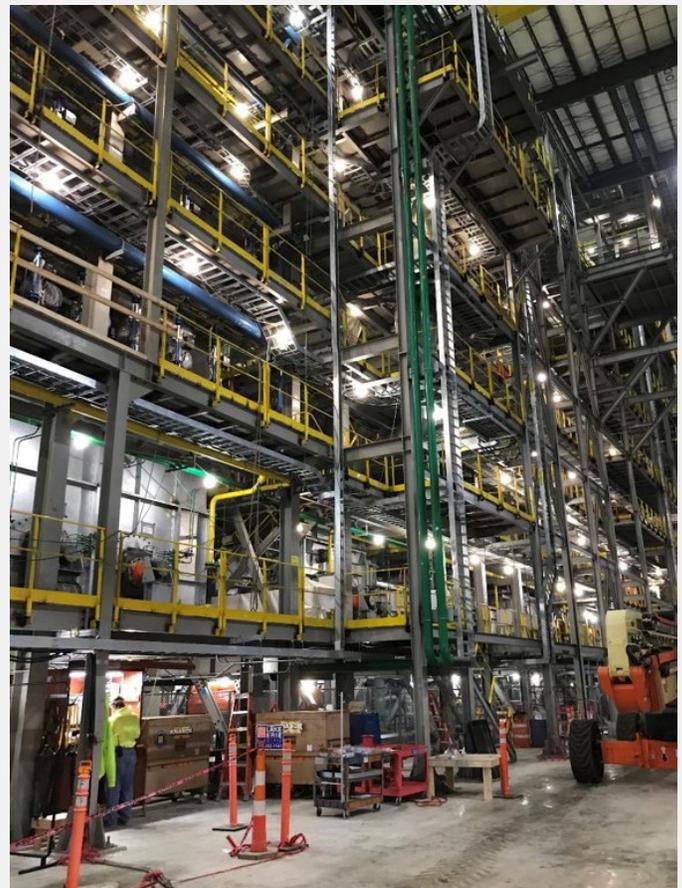


In 2019, we also committed to incorporating mini mills directly into our overall production footprint with the acquisition of 49.9% of Big River Steel, with the option to acquire the remaining 50.1% within the next several years. Big River Steel, the first LEED certified steel mill in the world, is a technological leader, combining mini mill technology with aspects of the integrated model to achieve the benefits of each. Incorporating Big River Steel's advanced manufacturing capabilities in the areas of artificial intelligence and automation integration will lead to higher productivity and improved operational efficiency and control, while U. S. Steel's research and innovation activities will contribute to Big River Steel's product development. This joint venture partnership in mini mill technology will allow U. S. Steel to take full advantage of available scrap and carbon-free electricity to make reductions in our carbon intensity once our acquisition is complete.



However, when it comes to being the “best of both,” our efforts extend well beyond EAF technology. We also are pursuing the first endless slab processing (ESP) facility in the western hemisphere. As we announced in May 2019, this innovative technology will allow us to transform 3,000°F liquid steel into solid, hot-rolled steel coils, all within 600 feet, at Mon Valley Works' Edgar Thomson Plant in Braddock, Pennsylvania. This technology, which will transform how we produce our most critical automotive, construction, and appliance grades of steel, will accelerate U. S. Steel's efforts to further reduce its carbon footprint and delight our customers with high-quality products and on-time delivery.

In 2020, U. S. Steel will also begin operations at a new zinc and zinc alloy coating line located at our PRO-TEC Coating Company joint venture in Leipsic, Ohio. This new continuous galvanizing line (CGL), which will have a yearly capacity of 500,000 tons, will be capable of producing the most critical, corrosion-protected AHSS in the world. It will utilize a proprietary process and be capable of coating steel that will help automakers manufacture economically lightweight vehicles to meet increasing fuel efficiency requirements while maintaining exceptionally high safety standards.



**AT U. S. STEEL, WE CONTINUE TO FOCUS INNOVATIONS TOWARD OUR MANUFACTURING PROCESSES TO REMAIN WORLD COMPETITIVE. OUR FUTURE DEPENDS ON SUSTAINABILITY, AND ON THAT FOUNDATION WE WILL CONTINUE TO BUILD SUCCESS.**



#### Research and Development at U. S. Steel Košice

Innovation at U. S. Steel does not stop at our North American facilities. It also abounds in Europe at our U. S. Steel Košice (USSK) operations. USSK, located in the Slovak Republic, recognizes the significance and importance of research and development for maintaining our competitiveness and success among the customers we serve. These include the automotive, electrical engineering, power generation and distribution, packaging, construction, and household consumer appliances industries. Research and development efforts focus both on process and product innovations, with a considerable number of highly educated and skilled personnel and resources devoted to these efforts.

#### Pilot Scale Equipment and Laboratory Upgrades at USSK

Investments in equipment upgrades and the expansion of laboratories have been key to product innovations at USSK. In 2019, more than \$2 million was invested in facilities used in the development of new steel grades, coatings, and surface treatments. Completed upgrades include the following:

- A pilot scale hot rolling facility was upgraded from a single-stand to a two-stand mill. Concurrently, a new pilot line for cold rolling also

was installed. Both lines are designed for the development of high-strength, high-alloyed automotive and electrical steels.

- A laboratory-scale continuous annealing simulator was upgraded by adding a liquid metal pot for the application of metal coatings. It is designed to test the conditions affecting the quality of metal coatings.
- Stamping equipment in the metalworking laboratory was upgraded with new optical sensors. New software also was installed to enable comprehensive testing of stamping performance of various steel grades using experimental forming limit curves and stress-strain analysis.
- Metallographic laboratories were equipped with new sample preparation equipment.

These investments will allow for the research and development of new steel grades to be accelerated and streamlined by simulating actual processing and production of small volumes of materials in a short period of time.

#### Product Development Innovations at USSK

Production of innovative hot-rolled and hot-dip galvanized flat-rolled, or sheet, products has been a staple of USSK's operations. Our product mix has been expanded through the optimization of advanced high-



strength steels (AHSS) with increased strength and formability for the automotive industry. This has allowed new AHSS dual phase (DP) highly formable (HF) grades with an ultimate tensile strength of 800 MPa (DP800HF and DP1000) to be added to the USSK product portfolio. In addition, through the innovative application of new technology, USSK has expanded its product mix to include thinner and wider coils.

Another sheet steel product innovation is the development of a model that allows USSK Research team members to determine the mechanical properties of hot-rolled and pickled sheets by calculation instead of destructive testing. This has allowed USSK to expand the range of steel grades that can be evaluated and certified, while also reducing workplace hazards and generating cost savings.

In response to requests from customers that are pursuing green and environmentally friendly projects, USSK is conducting intensive research to develop a new suite of electrical steels that can be used in alternative and renewable energy systems. These research activities are already paying dividends, with new grades of non-grain-oriented electrical steels being added to the USSK product portfolio. We believe the availability of these new electrical steel grades will play a key role in the decarbonization of electric power generation.

In response to the rapid progress being made by automakers in the area of electromobility, USSK has expedited research and development

of the newest generation of electrical steels—dynamo steels for e-cars and hybrid vehicle motors. Dynamo steels have very demanding electromagnetic and mechanical properties, requiring significant changes in production technology and a completely new approach to material properties control. Several new grades have been developed, demonstrated, and qualified with our valued customers. We continue to work collaboratively with them on trials and qualification processes for additional grades.

Innovative new types of paints also have been successfully tested in production applications for pre-painted sheet steels. Properties of the paints tested include higher reflectance of solar radiation and high coverage. The use of high-reflectance paints, generally known as “cool roof paints,” allow buildings to remain cooler and are particularly useful in warmer climates. This results in reduced electricity consumption and increased resource conservation.

Turning to packaging applications, USSK is one of the leading European manufacturers of tinplate steel and has long been a member of the Association of European Producers of Steel for Packaging (APEAL). Based on customer requirements, the development of high-strength grades of tinplate steel with improved formability has been ongoing. Additionally, the use of ultra-thin tin coated steel, or Low Tin Steel (LTS), is being studied as a possible alternative to Tin Free Steel (TFS).

In accordance with the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) legislation, the testing and optimization of the new chromium-free (Cr-free) passivation technology for the production of tinplate steel has been ongoing with positive results. The Cr-free passivation technology is considered a green solution as it provides for the elimination of hexavalent chromium (Cr<sup>+6</sup>) from the tinplate production process. Use of Cr<sup>+6</sup> is being phased out due to its potential impact on human health and the environment.

Implementing the Cr-free passivation technology poses unique challenges because the process is new within the industry. No market-ready production solutions are currently available. Research began in laboratory conditions more than 10 years ago. After thousands of tests, a titanium (Ti) based passivation alternative has been chosen, and development has moved to full-scale production. Adjustment and optimization of Cr-free technology requires close cooperation with all European tinplate producers, chemical suppliers, and can producing customers.

Intense testing of USSK Cr-free tinplate by customers has resulted in successful qualifications. Currently, Cr-free tinplate is commercially available for technical applications, while work on Cr-free tinplate for food storage applications continues.

#### Process Development Innovations at USSK

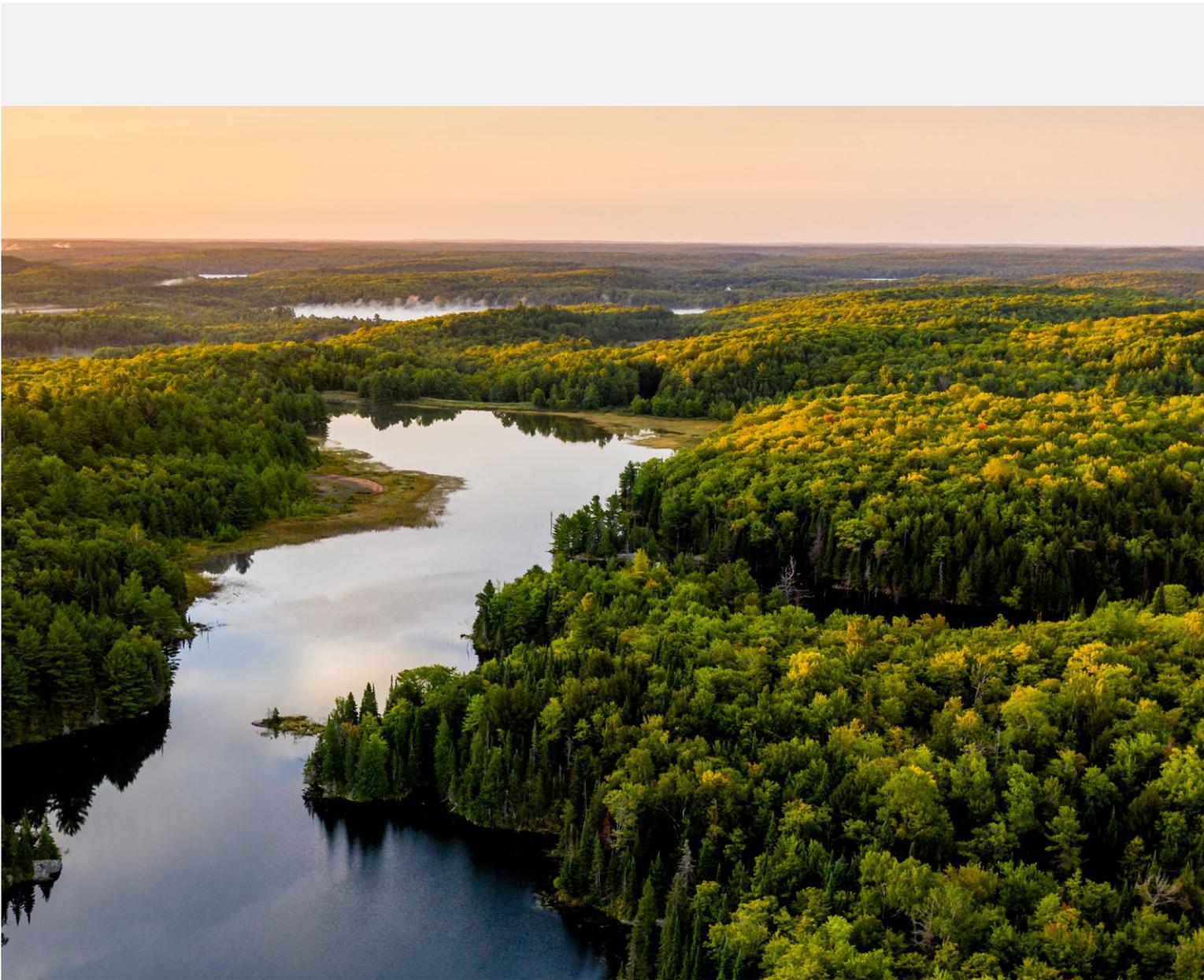
In the area of primary steel production, which encompasses cokemaking, sintering, ironmaking, and basic oxygen furnace steel production at USSK, our employees are proving to be innovation stalwarts, whether working

independently or with outside organizations. Our partnership with the University of Košice Faculty of Materials, Metallurgy and Recycling is just one example of our collaborative success. The partnership has focused on the use of advanced analytical methods and artificial intelligence in the modeling of metallurgical processes. Using a full-scale physical model of a continuous caster mold, the flow of liquid steel in the mold under various casting conditions has been evaluated, allowing for the development of a numerical flow model. Other focus areas in primary steel production have included:

- Extending the life of refractory materials used in process equipment.
- Reduction of carbon dioxide emissions by optimizing the charge composition. An optimization model of the sinter and blast furnace charge was developed for this purpose.
- Successful development of a technology for producing cold-pressed blast furnace briquettes, which contributes to USSK's waste and by-product recycling efforts.
- Development of technology for the production and casting of electrical steels with ultra-low carbon, sulfur, and nitrogen contents.
- Optimizing the production and casting processes for steel grades that require a high internal purity and homogeneity while minimizing nonmetallic inclusions.

Overall, our investments in research capabilities and the product and process innovations developed at USSK have played a key role in maintaining our competitiveness and success, and thanks to the talented team there, we expect those efforts to continue.





## ENVIRONMENT

Environmental stewardship is a core value at U. S. Steel, stemming from the Gary Principles created in the early 1900s and continuing today in our S.T.E.E.L. Principles.

As a company, U. S. Steel lives its core value of environmental stewardship through three basic principles that all our employees are responsible for following. These principles are:

- Compliance with environmental laws and regulations;
- Continuous improvement in environmental and resource management; and
- Continued reduction of emissions through innovation.

With a focus on these principles, U. S. Steel collaborates with industry trade organizations and our peer companies to promote sustainable and cost-effective environmental strategies through the development of appropriate air, water, waste, and climate change laws and regulations at the local, state, national, and international levels.



### Environmental Management Policy

U. S. Steel's Environmental Management Policy is founded upon:

- A strong commitment to compliance with all environmental laws, regulations, and other environmental requirements applicable to U. S. Steel;
- Establishing and maintaining documented environmental programs that adhere to environmental laws and regulations and, where economically feasible, more stringent voluntary standards utilizing technological options that satisfy financial, operational, and business requirements;
- Conducting operations in an environmentally sound manner, recognizing that accountability and responsibility for environmental management extends from the individual employee through all levels of the organization;
- Communicating to employees the importance of U. S. Steel's Environmental Management Policy and the significant environmental concerns with potential hazards and impacts of their work, training and motivating employees to conduct their activities in an environmentally sound manner, and providing an opportunity for open communication and dialogue with employees by responding to their environmental concerns. Methods used to create environmental awareness include in-person training for new hires, refresher training, monthly environmental flash newsletters, and other mechanisms; and
- Participation with government authorities in the development of technically sound and financially responsible environmental laws, rules, and regulations.



**U. S. STEEL HAS BEEN AN INDUSTRY LEADER IN ENVIRONMENTAL COMPLIANCE,** BEGINNING WITH THE INCORPORATION OF INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO) 14001 INTO OUR ENVIRONMENTAL MANAGEMENT SYSTEMS.

#### Commitment to Environmental Compliance

Our approach to environmental stewardship is built upon the foundation of compliance with all local, state, and federal environmental laws.

U. S. Steel's framework for environmental compliance is structured around International Organization for Standardization (ISO) 14001. ISO 14001 standards seek to assist a company or an organization to "minimize harmful effects on the environment caused by its activities, and to achieve continual improvement of its environmental performance." These standards provide a framework for achieving more consistent and reliable environmental management and are an indicator of a company's desire and commitment to foster environmental protection.

Today, many of U. S. Steel's major facilities have achieved and maintain ISO 14001 certification. U. S. Steel facilities implementing ISO 14001 include the following: Mon Valley Works – Clairton, Edgar Thomson, Irvin, and Fairless Plants; Great Lakes Works; Gary Works; Midwest Plant; East Chicago Tin; Granite City Works; Lorain Tubular Operations; Offshore Operations Houston; PRO-TEC Coating Company joint venture; and U. S. Steel Košice.

Our commitment to environmental performance begins at the top, with regular oversight of our company's environmental performance by senior leadership. Each month, environmental metrics are monitored and reported to company executives. Each quarter, the executives and environmental department have an Executive Environmental Meeting where these metrics and other environmental topics are reviewed

with executives. Environmental topics are also presented for review at meetings of the Board of Directors.

At all of our facilities, we prepare for and have procedures to respond to environmental emergencies. These procedures include managerial responsibility for emergency preparedness, response, and investigation and to ensure we have regional, site, or unit-level emergency response teams in place. Our major facilities have on-site emergency response capabilities and detailed contingency plans for site-specific emergencies. All release incidents are investigated by plant management.

We support our environmental compliance efforts with significant funding, with environmental capital expenditures alone accounting for **11%** of total capital expenditures in fiscal years 2019 and 2018. In 2019, we spent more than **\$376 million** on capital and other expenditures directly related to environmental compliance, including environmental control equipment, facilities improvements, environmental expert personnel costs, and monitoring expenses. Overall in 2019, environmental compliance expenditures represented approximately **2%** of U. S. Steel's total costs and expenses.

The steelmaking process must adhere to stringent environmental regulations. Across our corporation, we meet thousands of compliance requirements each year and are committed to continuously improving our environmental compliance.

### Air Quality

Many of our facilities have Title V operating permits that are required by the Clean Air Act. These permits are enforceable by the issuing agency, usually the state, as well as the United States Environmental Protection Agency (USEPA). The Title V permit is unique for each facility, comprehensive, and intended to include “all applicable requirements” under the Clean Air Act and underlying regulations that apply to the facility. The permits can be voluminous and include emissions limits and standards and work practice requirements, as well as air pollution control equipment, stack testing, monitoring, recordkeeping, and reporting requirements. U. S. Steel is required to provide periodic monitoring reports to the regulatory authorities and certify compliance at least annually, identifying any deviations from the applicable requirements.

Some of our facilities are not required to have a Title V permit. These facilities are typically regulated by installation permits, construction permits, minor source operating permits, permit-by-rules, or a combination of these regulatory and permitting mechanisms. Included in the various permit or rule types are: conditions that limit the amount of air emissions; applicable federal, state, and local authority regulations; work practice standards; and monitoring related to the operation and maintenance of air pollution control equipment, reporting of process conditions, and recordkeeping requirements.

U. S. Steel is committed to environmental progress and strives for 100% compliance with all federal, state, and local agencies’ rules, regulations, and permit conditions, even as the regulations become more stringent.

For example, as part of our commitment to environmental progress, we have implemented several innovative projects at the Clairton Plant to improve our environmental impact. These include:

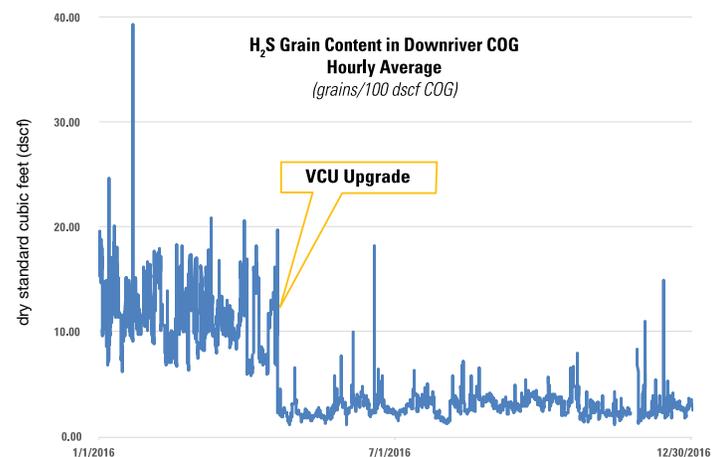
- Upgrades to the desulfurization process that reduce hydrogen sulfide (H<sub>2</sub>S) in the coke oven gas (COG) fuel. Reductions of H<sub>2</sub>S in the COG result in a reduction of sulfur dioxide (SO<sub>2</sub>) emissions from all of the combustion unit users of COG across the Mon Valley Works plants (Clairton, Edgar Thomson, and Irvin Plants).
- Upgrades to Pushing Emission Control (PEC) baghouses’ particulate matter control efficiency at the Clairton Plant to reduce emissions of particulate matter 2.5 microns or less (PM<sub>2.5</sub>).

## Innovative Emissions Control Projects— Spotlight on Clairton Plant

### VCU Project—*Reducing Sulfur in Coke Oven Gas*

Recently, we made upgrades to Clairton Plant’s coke oven gas (COG) desulfurization process, specifically an innovation at the Vacuum Carbonate Unit (VCU) that reduces the concentration of hydrogen sulfide (H<sub>2</sub>S) in the COG. Within the VCU, the COG passes through a soda ash solution in a trayed absorber column. The H<sub>2</sub>S is absorbed by the soda ash, and the desulfurized gas exits the absorber column as a desulfurized fuel. The COG processed through the desulfurization process is combusted across multiple units throughout the Mon Valley Works plants (Clairton, Edgar Thomson, and Irvin Plants).

The following figure, adapted from the September 2017 Allegheny County Health Department (ACHD) State Implementation Plan (SIP) Revision, shows hourly H<sub>2</sub>S grain content in COG in 2016, before and after the desulfurization process upgrades. The upgrades were completed on April 20, 2016, leading to significant decreases in sulfur content in COG. We continuously monitor the results to demonstrate continuous efficient operation of the desulfurization process.



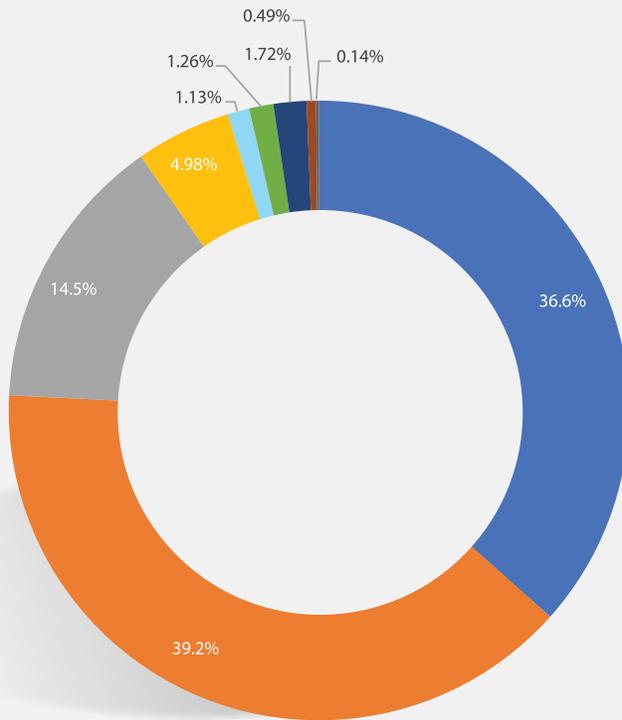
### Pushing Emissions Control Baghouses—*High Control Efficiency Bags*

Clairton Plant has five Pushing Emissions Control (PEC) baghouses to capture and control particulate matter emissions from “pushing” the coke out of the battery ovens after the coal-to-coke oven cycle is complete. These five baghouses capture and control the pushing emissions from all 10 batteries.

Clairton Plant has committed to improving the emission control performance of all five PEC baghouses by installing new cages and upgrading the systems by using high control efficiency bags. We expect to complete these upgrades in 2020. The high control efficiency bags are expected to be at least 92% efficient at removing the particulate matter 2.5 microns or less (PM<sub>2.5</sub>). The existing baghouse bags are approximately 80% efficient at removing PM<sub>2.5</sub>. This is a 12% increase in control at all five baghouses resulting in a significant reduction of PM<sub>2.5</sub> emissions.

# 8,311,764 tons

Recycled Materials in 2019—North American Facilities



- Scrap Steel
- Blast Furnace Slag Off-Site Use
- Sinter
- Steel Slag Off-Site Use
- Mill Scale Off-Site Use
- Briquettes
- Spent Pickle Liquor Regeneration
- Spent Pickle Liquor Off-Site Use
- By-product Coke Plant Process Residues

### Waste Management, Recycling, & Reuse

U. S. Steel’s commitment to environmental compliance includes responsible management of wastes generated at our facilities. At U. S. Steel, recycling is not just good for the environment, it’s good for business.

#### Mineral Waste Management

U. S. Steel’s mining facilities in Minnesota, Minntac and Keetac, mine and process taconite to produce iron ore pellets. The stockpiling of wastes generated by these processes is regulated by the Minnesota Department of Natural Resources (MNDNR).

Waste rock and surface material must be removed to uncover the taconite that will be processed. Waste rock and surface overburden are stockpiled around the active mining area. U. S. Steel complies with MNDNR design and construction standards for stockpiles, as well as reclamation standards. Annual reports are sent to MNDNR that address both completed and planned reclamation activities.

Approximately 70% of the processed taconite is non-iron bearing material that is generated as tailings. Minntac and Keetac both operate tailings basins for the storage of tailings that are approximately 8,000 and 6,000 acres, respectively. Each of the tailings basins feature active interior tailings disposal basins with separate exterior perimeter dams. Keetac utilizes an instrumentation network around the tailings impoundment to routinely monitor the dam. Routine inspections are performed at both facilities, including observing for dam seepage.

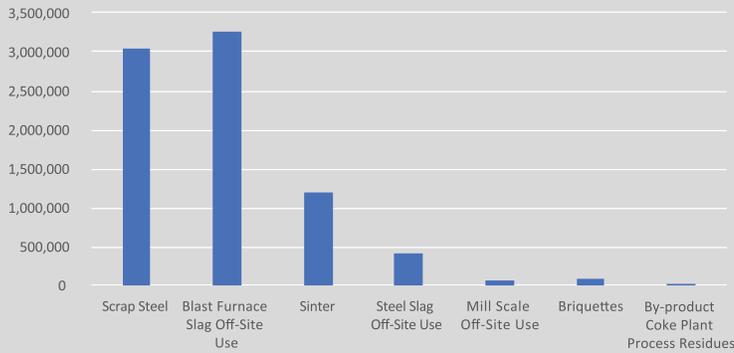
Inspections are performed by knowledgeable personnel or third-party engineers. Inactive areas of the tailings basins are reclaimed. Dam Safety reports that review our activities and monitoring are provided annually to MNDNR. MNDNR also conducts independent inspections of reclamation success and dam safety.

#### Steel Scrap

Every year, U. S. Steel recycles substantial quantities of scrap metal and other steelmaking co-products and by-products. In 2019 alone, U. S. Steel recycled approximately three million tons of scrap steel, including disposal of weapons and metal currency confiscated by law enforcement agencies. Steel can be recycled over and over without any loss of quality in the material itself.

Recycling helps slow the filling of landfills and improves sustainability through raw material and resource management. Research conducted by the Steel Recycling Institute (SRI) indicates that steel is the most highly recycled material in the world, more than all other recyclable materials (glass, paper, plastic, and aluminum) combined. Steel has an overall recycling rate of 86%, with rates as high as 88% for appliances and near 100% for automobiles. Rates of recycling for other materials do not approach rates being achieved for steel products. In the United States, plastic has a recycling rate of under 10% with plastic bottles at about 30%. Glass has a recycling rate of about 33%, with glass containers under 30%. Paper and aluminum have recycling rates under 70%, and the rate for aluminum cans is approximately 50%.

### 2019 Recycled Materials (tons)



#### Blast Furnace & Steel Slag

In 2019, U. S. Steel recycled approximately 3.3 million tons of blast furnace slag and 414,000 tons of steel slag. Blast furnace (iron) slag and basic oxygen furnace (steel) slag are highly sustainable products that are used in place of natural aggregates such as limestone and gravel in numerous construction and product applications. Blast furnace slag is used in cement manufacturing, asphalt mixes, glass manufacturing, precast concrete, wallboard, mineral wool, and sub-base for road and interstate highway construction. Steel slag, which like blast furnace slag can be used in cement manufacturing and asphalt mixes, is also recycled



in applications such as landfill daily cover and internal haul roads, phosphorus removal in wastewater treatment, ground water remediation reactive barrier walls, and

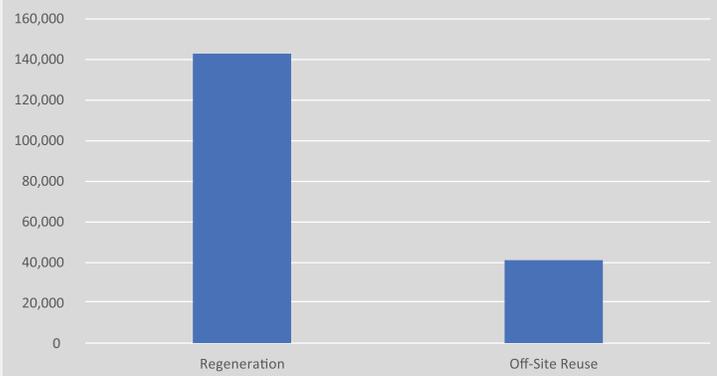
agricultural applications, including as a liming agent and micronutrient in fertilizer. Use of iron and steel slag in place of mined and quarried rock and mineral aggregates saves these natural resources and reduces the impact to the environment.

U. S. Steel also works with partners to repurpose our used equipment. Examples include transforming used conveyor belts into rubber mats and used tires from our mining mobile equipment into feed and water troughs for livestock. At USSK, construction waste like concrete, debris, and ceramics from reconstruction and modernization projects are reused by third parties, a recycling effort that has continuously minimized the use of landfills.

#### Other Cokemaking and Steelmaking Recyclable Materials

U. S. Steel recycles several other materials from the by-products of our cokemaking, ironmaking, steelmaking, and steel finishing operations.

### 2019 Spent Pickle Liquor Recycled (tons)



In 2019, 11,500 tons of process materials from the cokemaking by-products plant were collected and returned directly to the coke ovens. Carbon, iron, and steel bearing residuals such as coal and coke fines, taconite pellet fines, blast furnace and steel furnace air pollution control dusts, and sludges are used to produce sinter and briquettes that are then used as feedstocks for ironmaking and steelmaking, respectively. This included the production of 1.2 million tons of sinter that was used in the blast furnaces, along with 123,000 tons of briquettes that were used in both the blast furnaces and in the Basic Oxygen Process (BOP) furnaces.

An additional 98,000 tons of mill scale not used internally to make sinter or briquettes was sold to cement manufacturers that use the mill scale for its iron content, a critical ingredient in cement. Hydrochloric acid, which is used in steel pickling operations to remove heavy iron oxide rust from the surface of steel coils in order to prepare the coils for surface coating, results in an iron oxide rich material called spent pickle liquor. The spent pickle liquor is recycled by being sent to a recycling plant to regenerate the hydrochloric acid and return it to the plants for reuse in pickling or it is sold for beneficial use as a wastewater treatment chemical. In 2019, U. S. Steel reused 143,000 tons of regenerated hydrochloric acid in the pickling lines and sent 41,000 tons off-site for direct beneficial use in wastewater treatment.

#### Coke Oven Gas & Blast Furnace Gas

We reduce the amount of waste generated and emissions produced in steelmaking by reusing the by-product gases produced in our blast furnaces and coke ovens because it is good for the environment and good for business.

By using the blast furnace gas and coke oven gas generated in our cokemaking and steelmaking activities to power our facilities, we avoided consuming enough natural gas and other fuels from 2017 to 2019 to heat more than 3.6 million households each year.



### Water

U. S. Steel's facilities utilize an abundance of water for both cooling and process purposes. U. S. Steel is committed to reducing our water consumption and implements conservation practices to meet the goal. Numerous processes use water recycle systems that return the water for reuse in the operations, which drastically reduces the amount of water brought into the plants. The Minntac tailings basin provides an example of water recycling, ensuring 90–95% of the effluent discharge is reclaimed to satisfy operations water demand. U. S. Steel is committed to reusing as much of its effluent as possible to reduce process makeup water demands and potential downstream impacts.

Another water conservation measure is to utilize treated process water as a source of cooling water for the blast furnace slag pits. U. S. Steel also employs leak detection measures and monitoring of processes, influent water, and effluent water to assist in conservation measures.

Wastewater treatment is another important part of our recycling and reuse efforts, and employees at Granite City Works were honored in 2019 for their work in this area. The Illinois Association of Water Pollution Control Operators (IAWPCO) named the plant the winner of the "Industrial" category for its "Best Operated Wastewater Treatment Works Awards." This is the third time Granite City Works has received this award, which aims to emphasize the relationship between adequate wastewater treatment and clean receiving waters.

### Biodiversity

Whether within our plants or through our raw material mining operations, U. S. Steel's footprint stretches over a large portion of the countries where we operate. Within that expanse, we operate in a variety of environments that each have different climates, flora, and fauna. It is our responsibility to respect the environments surrounding

our operations and maintain their biodiversity. Because each site is unique, we tailor operating procedures and protection plans to minimize the impacts to biodiversity.

Before receiving construction or operating permits, we consider the impacts on wildlife such as the Northern Long Eared Bat, the Karner Blue Butterfly, and other protected species. Similar considerations were made at Great Lakes Works in Michigan, where a snake habitat was constructed by U. S. Steel to promote native biodiversity. Some of our sites, such as Minntac in Minnesota, have completed biodiversity studies to ensure minimal effects on the biodiversity of their surrounding biomes.

Along with minimizing the negative effects of operations on biodiversity, U. S. Steel also takes steps to have a positive impact on the surrounding areas. For example, a 55-acre parcel of land adjacent to Mon Valley Works' Clairton Plant was restored using natural reclamation to become a wildlife habitat.

In 2007, U. S. Steel's Keetac facility enrolled 10,420 acres of its property in a Minnesota program created by the Sustainable Forest Incentive Act. This allows the general public to have year-round, non-motorized access to the property for purposes of hunting, trapping, and other outdoor activities. The availability of this property to the general public is a significant contribution to the region, providing local residents access to an area that is rich in wildlife and natural resources.

Currently, a large-scale restoration project is underway at the former Geneva Steel mill property in Utah. Approximately 70% of the full site restoration has been completed, and this restored area is now home to new residential housing, retail shops, commercial/industrial buildings, warehouses, and related facilities.



SINCE 2000, **USSK HAS INVESTED MORE THAN \$665 MILLION** IN DOZENS OF ENVIRONMENTAL PROJECTS.

**Environmental Protection at U. S. Steel Košice**

Environmental protection is a principal strategic goal for U. S. Steel Košice (USSK) and its subsidiaries. One of our most significant achievements involves our environmental performance. Since 2008, there have been zero environmental incidents or excursions at our facilities in Slovakia. This has been verified through frequent regulatory environmental compliance inspections conducted by the Slovak Environmental Inspection Office. During 2019, a total of 18 inspections were completed.

We outline our commitments to environmental protection in the USSK Quality, Environmental and Energy Policy. In October 2019, TÜV SÜD Slovakia s.r.o. completed a compliance audit of the USSK Environmental Management System, in accordance with standard STN EN ISO 14001:2016. The findings verified both the high performance and continuous improvement of USSK's environmental processes, ensuring the renewal of the facility's Environmental Management System certificate.

USSK supports its environmental performance objectives with financial investments. Since 2000, those investments have totaled more than \$665 million and encompassed dozens of environmentally focused projects. In 2019, USSK continued to make significant investments in projects designed to maintain or exceed compliance with European Union (EU) environmental regulatory requirements. Completed projects have proven to be highly effective in reducing our environmental impact. For example, the modernization of the boiler room at our Ferroenergy s. r. o. subsidiary, completed between 2016 and 2018, has resulted in

a 43.5% year-over-year reduction in emissions per metric ton of steel produced in 2019 versus 2018.



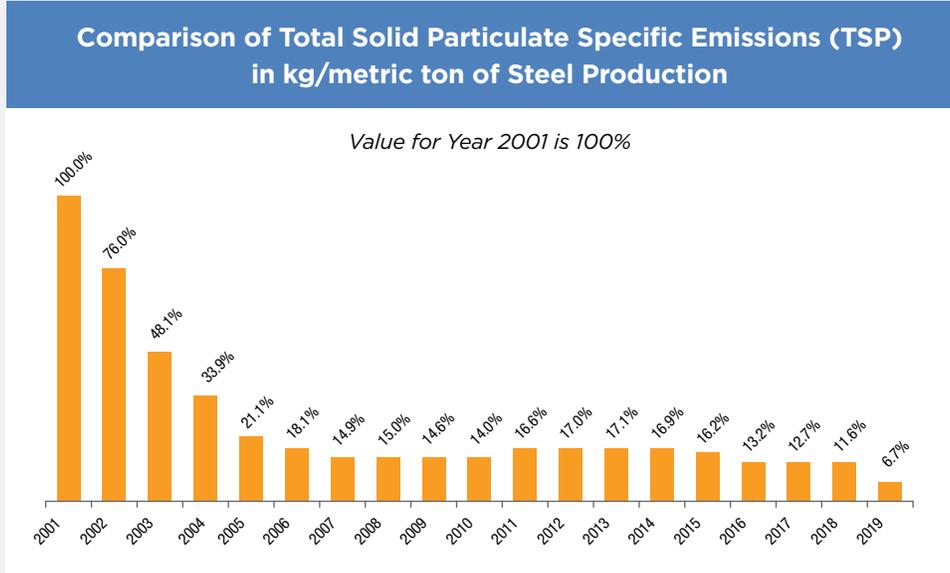
Utilizing a co-funding opportunity with the EU, several air quality improvement projects were also initiated in 2019, and some are already delivering important improvements. Areas targeted by these projects included steel production at Steel Shop #1, steel desulfurization at Steel Shop #2, blast furnace ore bridges, the coal preparation plant, and the sinter plant. In one key project, a new program implemented at the blast furnaces to optimize the emissions control system at the cast houses has resulted in a 52.3% reduction of solid particulate emissions per metric ton of steel produced in 2019 compared to 2018.

Because of our investments and compliance efforts, specific solid particulate air emissions at USSK have decreased by 93% compared to 2001, down to 0.297 metric tons per 1,000 metric tons of steel produced. That equates to a 15,600 metric ton reduction in solid particulate air emissions in the vicinity of USSK since 2001.

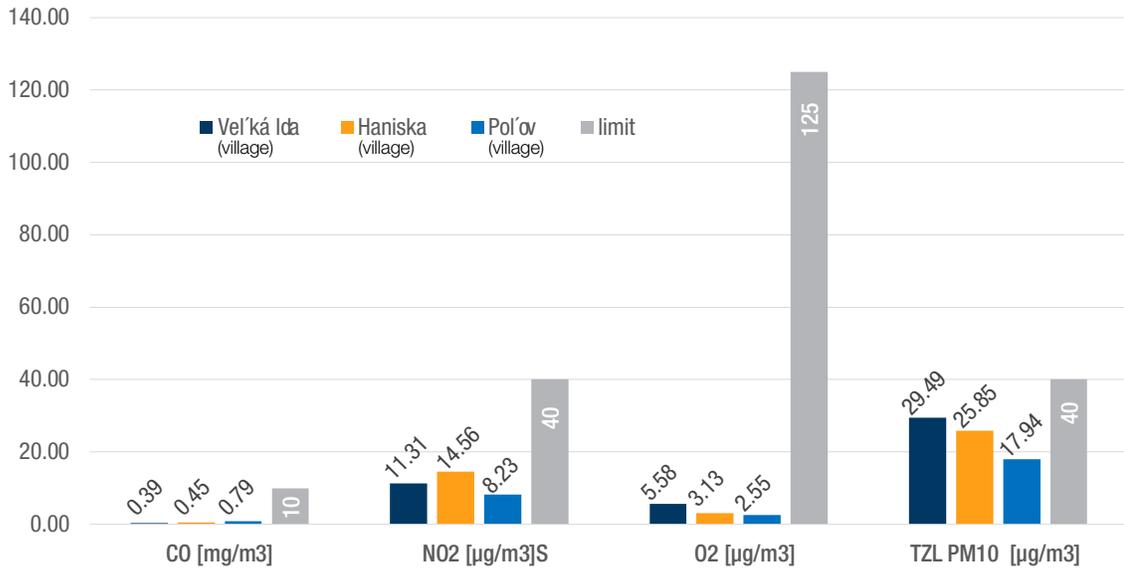
In addition to monitoring solid particulate air emissions at the plant, USSK also monitors the air quality in nearby villages, and data from three automatic monitoring systems are sent to the Slovak Hydrometeorological Institute. The limits and results for 2019 are shown in the related graph on the next page.



**93%**  
REDUCTION  
IN SOLID  
PARTICULATE  
EMISSIONS IN  
18 YEARS

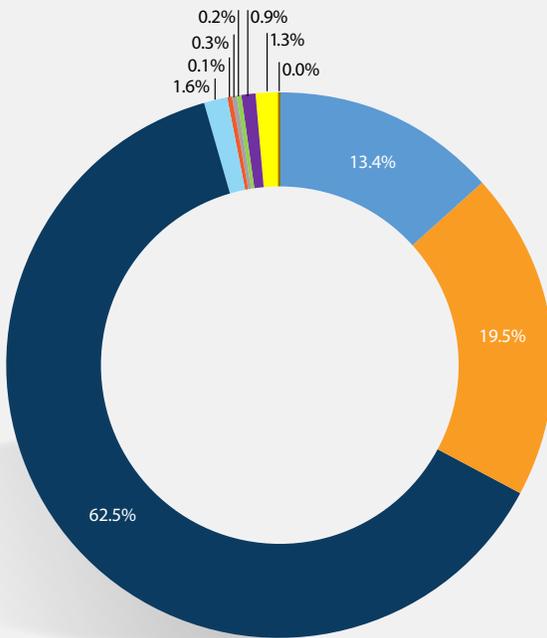


### Nearby Village Emissions Monitoring



Water use and protection also are closely monitored at USSK, with significant efforts to recycle treated wastewater from the Sokol'any Wastewater Treatment Plant back to process operations. In 2019, the quantity of treated wastewater returned to process operations accounted for 22.5% of the total quantity of wastewater generated, an increase of 12.9% compared with 2018.

In the area of waste management, USSK personnel have achieved remarkable results thanks to our marketing, research, and development programs. Through the marketing and sale of by-products as a raw material substitute, the amount of externally recycled blast furnace sludges and steel dusts has increased from 7,341 metric tons in 2018 to 9,829 metric tons in 2019. This increase means less material is going into landfills. USSK also



**5,548,666 metric tons**

Recycled Materials in 2019 – U. S. Steel Košice

- Scrap Steel
- Blast Furnace Slag Off-Site Use
- Sinter
- Steel Slag Off-Site Use
- Mill Scale Off-Site Use
- Briquettes
- Phenolammonia Water
- Tar Off-Site Use
- Spent Pickle Liquor Regeneration
- Spent Pickle Liquor Off-Site Use

IN THE AREA OF NATURE AND LANDSCAPE PROTECTION, IN 2019 **WE PROVIDED CARE FOR 205,191 SQUARE METERS OF FORESTRY LAND, 545,593 SQUARE METERS OF OTHER WOODLAND, AND 28,432 SQUARE METERS OF OTHER LAND IN THE VICINITY OF USSK.**

is exploring opportunities to increase the internal recycling of sludges and dusts. One project at our blast furnace operations involves a briquetting project that was completed in December 2019. This project will allow for increased recycling rates of by-products generated at the cold rolling mill, hot rolling mill, and blast furnaces.

Although we continue to increase our by-product recycling rates, we still need to send materials to our on-site landfill, and those activities are highly managed to minimize environmental impact. In 2019, we successfully closed and re-cultivated the initial cell of a new non-hazardous waste landfill. For this purpose, we utilized more than 95,000 metric tons of a soil substitute produced at our own wastewater treatment sludge recovery operations. This effort allowed us to achieve reductions in fugitive dust emissions and green the landfill slopes with an alternative to borrowed soil.

Forestry management is another activity that is part of USSK's environmental protection efforts. We care for 205,191 square meters of forestry land, 545,593 square meters of other woodland, and 28,432 square meters of other land in the vicinity of our facility. We also planted 3,000 tree seedlings within the boundaries of those same areas in 2019. In addition to these activities, we completed maintenance of fire control belts, access roads, and mowing and cutting.

In line with legislative requirements, USSK continuously monitors and regularly updates its employees, regulators, and the general public regarding its environmental performance through the company newspaper Ocel' Východu and on its website [www.usske.sk](http://www.usske.sk).



**“COMMITTING TO A GLOBAL GREENHOUSE GAS INTENSITY REDUCTION TARGET IS CENTRAL TO U. S. STEEL’S STRATEGY TO BECOME A WORLD-COMPETITIVE ‘BEST OF BOTH’ INTEGRATED AND MINI MILL STEEL COMPANY. BY CREATING TARGETED CARBON REDUCTION INITIATIVES TO ACCELERATE OUR TRANSFORMATION TOWARD A FUTURE OF SUSTAINABLE STEEL, WE ALSO CREATE VALUE FOR ALL STAKEHOLDERS.”**

**David B. Burritt**  
*U. S. Steel President and Chief Executive Officer*

## GREENHOUSE GAS (GHG) AND ENERGY

Steel production is a carbon intensive process, particularly steel made through the integrated route. Approximately 75% of the carbon dioxide emissions from integrated steelmaking are associated with the use of carbon, in the form of coke and coal, to reduce iron ore into metallic iron. There are currently no viable technological alternatives for the reduction of iron ore. Alternatively, steel can be produced with a significantly smaller carbon footprint by melting recycled scrap using electricity in an electric arc furnace (EAF) through what is referred to as the mini mill method. However, there is an insufficient supply of steel scrap to meet the world’s demand for new steel. Based on data from the World Steel Association (worldsteel), the supply of scrap is currently enough to produce 30% of the world’s steel. The scrap supply is projected to grow to about 50% by 2050.

At U. S. Steel, we have started our journey down the carbon curve and toward sustainable carbon-free steel production by making a pledge to be the “best of both.” U. S. Steel is an historic innovator and leader in the energy efficient production of steel using blast furnaces to generate the molten iron needed for the integrated steelmaking route. Recognizing synergies between the integrated and mini mill steelmaking routes that will allow us to reduce our carbon footprint, U. S. Steel has committed to incorporating mini mills into our production footprint. In addition to these synergies, U. S. Steel will be able to take advantage of available scrap and carbon-free electricity to further reduce our carbon intensity. This strategy also includes pursuing breakthrough technology innovations that will allow us to drive down the carbon emissions produced at our blast furnaces toward zero. Our engineers are at the forefront of investigating breakthroughs associated with circular carbon technologies and the use of hydrogen as a reductant. U. S. Steel is prepared to invest and capitalize on these developments.

With a vision of becoming the best of both and a leader in sustainable steelmaking, U. S. Steel established a global GHG reduction goal in 2019 that recognizes the need to achieve GHG emissions reductions using mini mills, energy-efficiency initiatives, and through continuous improvement to our integrated steelmaking facilities.

To establish our GHG reduction goal, we evaluated our Scope 1 direct and Scope 2 indirect GHG emissions at each of our production operations, from the mining of iron ore through the production of finished steel products, on both an absolute and intensity basis dating back to 2005. In addition, we considered various methodologies used to calculate GHG emissions, including the World Resources Council GHG Protocol (GHG Protocol), United States Environmental Protection Agency Mandatory Reporting Rule for GHG (USEPA MRR), European Union Emissions Trading System (EU ETS), and worldsteel CO2 International Standard ISO 14404:2013. A leading sustainability consulting firm was retained for technical oversight and to ensure that an appropriate, aggressive, and achievable GHG reduction strategy and goal would be developed.

Based on our evaluations, U. S. Steel elected to take a progressive approach in establishing its GHG reduction goal. Rather than establishing a goal based on the year with our greatest total absolute or intensity-based GHG emissions, we chose to base our goal on the most recent year of operation. In addition, we have chosen an intensity-based goal, which allows for including overall production efficiency in the goal. Finally, we have chosen a global goal that includes all our production operations and thus is not limited to a specific sector or region. In other words, ours is an “all in” goal.

Specifically, U. S. Steel has set a goal to reduce its global GHG emissions intensity by 20%, as measured by the rate of carbon dioxide equivalents (CO<sub>2</sub>e) emitted per ton of raw steel production, by 2030 based on 2018 baseline levels. Initially, the goal was set on a finished steel shipped intensity basis. However, through further investigation, we have identified raw steel production as a more appropriate denominator for the intensity measurement. Both measures are provided for clarity.

The graphs that follow provide the absolute and intensity-based GHG emissions estimates for U. S. Steel operations for the period of 2015 through 2019. The results are broken out by Scope 1, Scope 2, and total GHG emissions for the North American, European Union, and total Global operations. For the absolute measurements, the results are presented in metric tons of CO<sub>2</sub>e, and for the intensity measurements, the results are presented in metric tons of CO<sub>2</sub>e per metric ton of raw steel produced and finished shipped steel. These tables demonstrate the level of analyses being completed by U. S. Steel engineers to quantify and evaluate the corporatewide GHG emissions and reduction initiatives.

In addition to our efforts to reduce the carbon footprint from our own production processes, we employ teams of marketing, research, and engineering talent that interact with our customers, government institutions, academia, and trade organizations to find ways to reduce the environmental impact from the manufacturing and use of products produced with steel. These interactions have played a significant role

in the development, production, and use of advanced high-strength steels (AHSS) and ultra high-strength steels (UHSS) thus helping society to move down the carbon curve. For example, a primary use of AHSS and UHSS is in the lightweighting of automobiles, which in addition to improving crash safety, allows automobile manufacturers to meet fuel efficiency targets through lowering the overall weight of a vehicle.

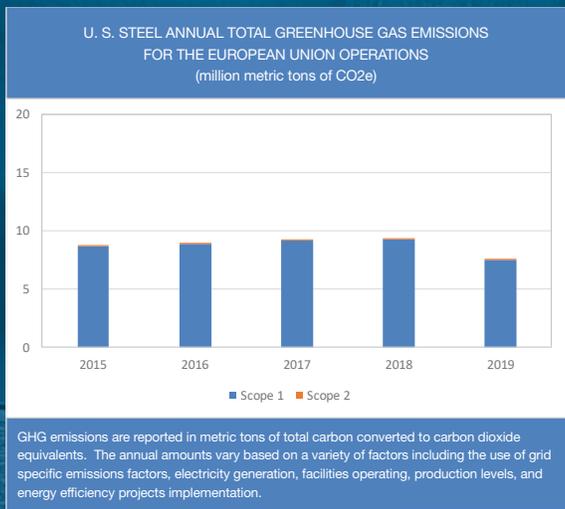
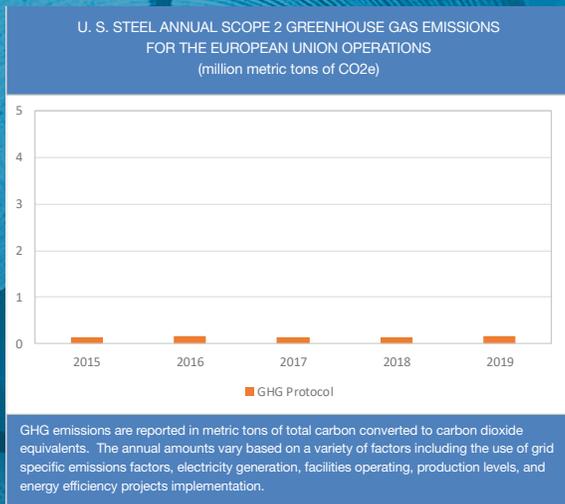
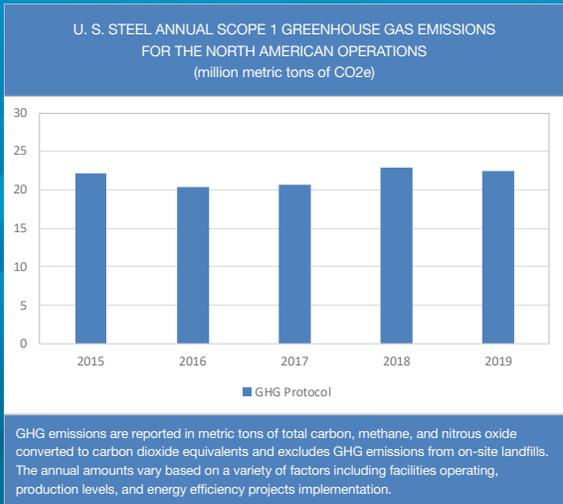
Regardless of the application, the higher strength of these steels provides the same or improved performance compared to other grades of steel while using less material. And based on life cycle analyses research completed by independent organizations, in many applications steel is a superior material in terms of sustainability when compared to other materials such as aluminum, wood, and concrete.

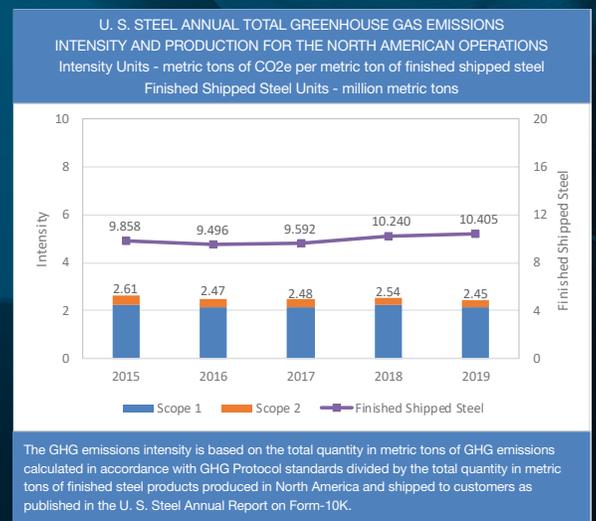
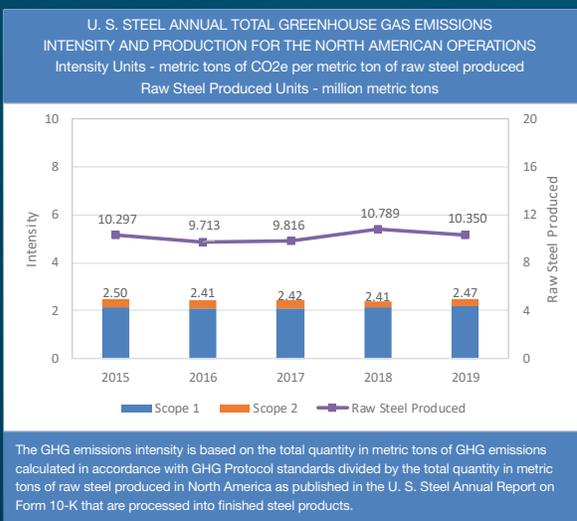
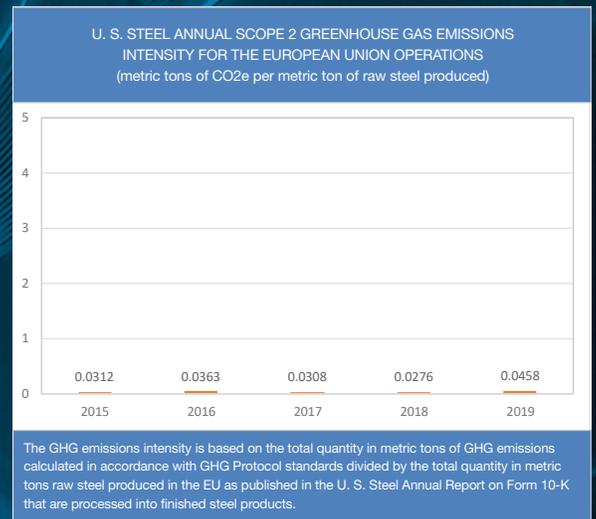
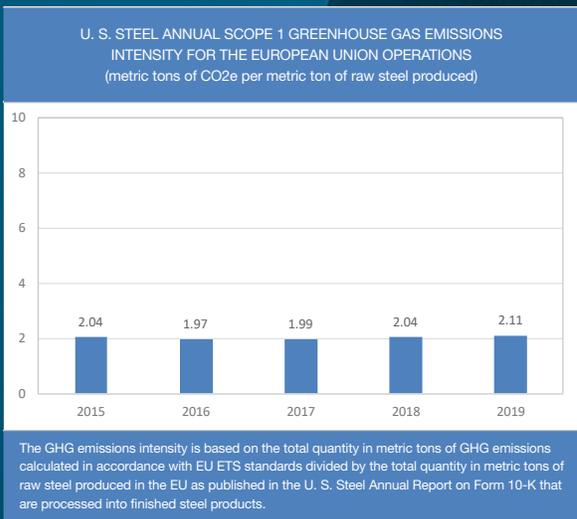
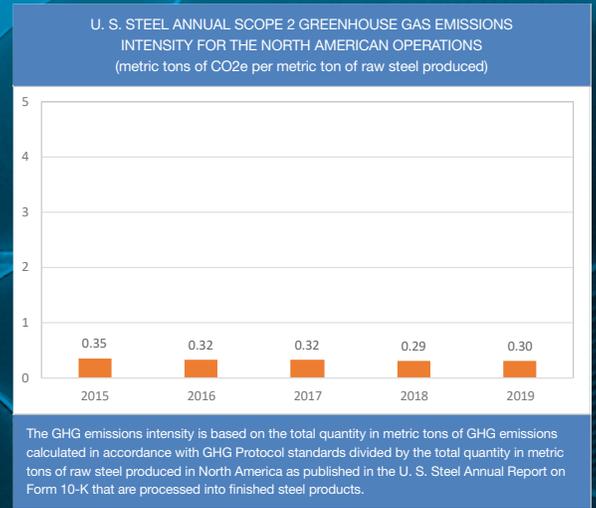
### Energy Efficiency & Reduction

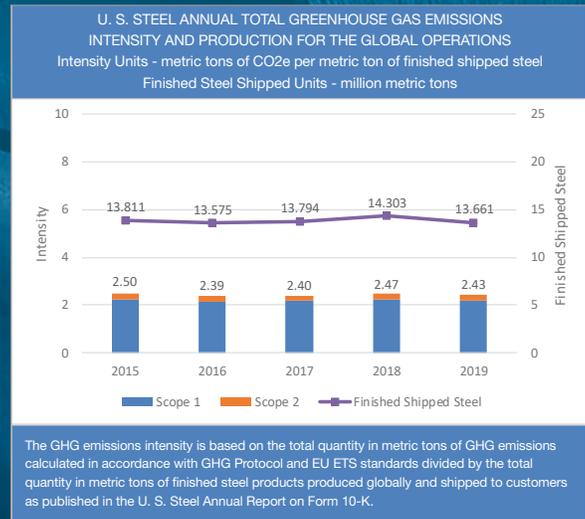
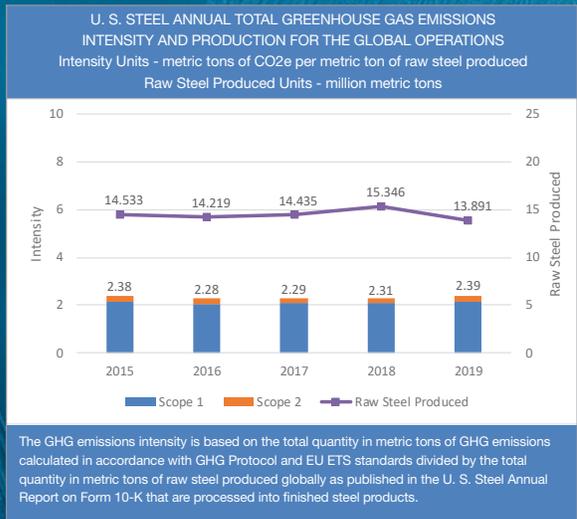
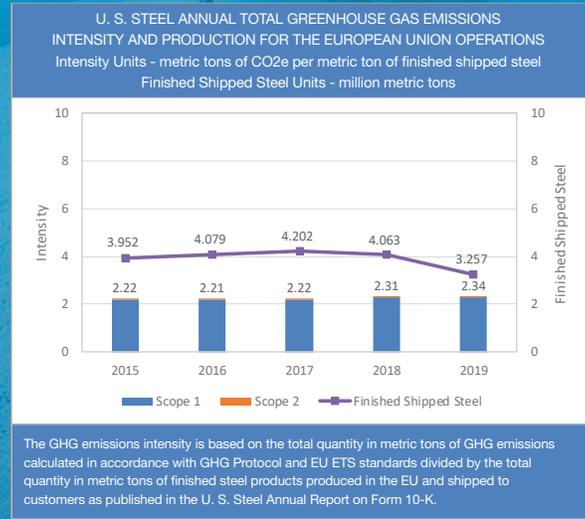
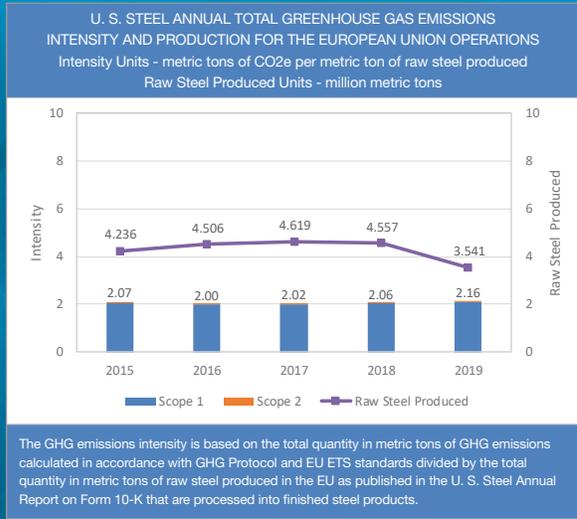
All companies, particularly those in the business of manufacturing, require energy to keep the lights on and plants running. At U. S. Steel, we are committed to reducing our energy usage because it is good for the environment and good for business. Using empirical data, we continually seek to identify opportunities to improve our energy efficiency and develop and implement energy-efficiency projects. Our employees apply innovative cost savings methodologies to our energy-efficiency projects to pinpoint non-value adding activities, defects, and waste in order to increase efficiencies and reduce energy usage. The following projects are examples of our energy-reduction efforts.

### SELECT REPRESENTATIVE ENERGY CONSERVATION PROJECTS AT U. S. STEEL

- Variable frequency drive installation on a 3,500-horsepower compressor, resulting in an annual reduction of 1.2 megawatts (MW) of electricity consumption.
- Variable frequency drive installation on water supply pumps, resulting in an annual reduction of 0.55 MW of electricity consumption.
- Conservation of approximately 130,000 gallons of diesel fuel per year through the installation of a hot start system on each diesel-powered locomotive operated within the transportation fleet at an integrated steelmaking facility.
- Completed a refurbishment and replacement of power generation equipment that allowed the facility to increase electricity generation by approximately 170,000 kilowatt hours (kWh) in 2019. Much of the power was generated with steel production off-gases that would have otherwise been flared without any benefits.
- An expert control system was commissioned to reduce variations in an iron production furnace operation, resulting in reduced natural gas consumption of approximately 2%.







## PEOPLE, INCLUSION & DIVERSITY

“OUR COMPANY AND OUR FUTURE ARE STRONGER WHEN **OUR WORKPLACES ARE INCLUSIVE, DIVERSE, AND HIGH-PERFORMING.**”

**David B. Burritt**

*U. S. Steel President and Chief Executive Officer*

We know that none of our goals are achievable without a talented, dedicated, and motivated workforce. U. S. Steel remains committed to Moving up the Talent Curve. This means attracting, developing, and retaining a workforce of talented, diverse people dedicated to the highest ethical conduct, accountability, fairness, and respect. We also are committed to creating an environment where employees work together to excel professionally and personally while contributing

to high-performing teams that drive results for all of our company's stakeholders. We believe that to compete in today's marketplace, inclusion and diversity must be demonstrated in our company's practices and programs and through the tangible actions of our employees at all levels of the organization.

Evidence of this commitment to our employees is found in many of our existing programs.



The graphic features a stylized globe on the left side. To its right, the text reads: "Forbes 2019" in white, "GLOBAL" in large white letters, "WORLD'S BEST EMPLOYERS" in yellow, and "2000" in large white letters. A vertical copyright notice on the left edge of the graphic reads: "© 2019 FORBES MEDIA LLC. USED WITH PERMISSION". The entire graphic is set against a dark red background with a reflection effect below it.

U. S. Steel was named to the Forbes Global 2000 World's Best Employers list for 2019.

The Forbes selection is based on global polls and regional surveys. Respondents were encouraged to rate not only their own companies, but others in their industries. We're honored to be included on the list, but the recognition really belongs to our amazing employees around the world. They are the ones who make U. S. Steel such a great place to work.



*Offshore Operations Houston employee Patricia Smith joined colleagues in wearing a “Pride as Strong as Steel” shirt to support inclusion and diversity efforts at the facility.*



*John Michaud speaks to Steelmaking Academy attendees.*

### Performance Management

U. S. Steel is driven to deliver superior performance in everything we do. We believe that the key to our success is the development and cultivation of a high-performance culture. To ensure understanding and alignment of company objectives and individual contributions, non-union employees establish work and professional development goals at the beginning of the year and participate in an annual performance review at the end of each year. Executive as well as individual incentives are tied to performance metrics and include items such as safety and environmental key performance indicators (KPIs).

We are focused on the need to prepare our leaders of the future at all levels. In 2018, we introduced a new concept for the non-represented organization called the “2+2 Coaching Conversation.” These conversations were intended to ensure that managers and employees are partnering in a meaningful way around feedback and development. Throughout 2019, these conversations introduced a new level of transparency between employees and managers and are helping both the individual and our organization continue to deliver high performance.

### Labor Relations

Approximately 80% of our employees are covered by collective bargaining agreements and contribute to our success every day. We pride ourselves on being a good corporate citizen and we respect the rights of our employees, including their rights to exercise freedom of association and engage in collective bargaining under the National Labor Relations Act. We work closely with union representatives to provide safe and productive workplaces that enable our employees to deliver high-quality products and meet the needs of our customers. Our partnership with the United Steelworkers includes not only a commitment to safety programs, but also a common approach to

combating the unfairly traded imports that threaten our industry, our company, and ultimately the jobs of our employees.

### Talent Development

In 2018, various leaders partnered to review and refresh our overall Talent Philosophy to ensure we align on the overall expectations and treatment of our most precious resource: our talent. These factors create a thread that aligns behavior expectations with the various programs we offer our employees. The four Talent Philosophy factors are:

- **Performance Differentiation:** We enable and expect everyone to deliver continual high performance. Our strongest performers will receive the largest rewards.
- **Inclusive Behaviors:** We demonstrate the inclusive, ethical, and high-performing behaviors that differentiate U. S. Steel’s success and promote these behaviors in our teams.
- **Accountability:** We are accountable for continuously improving our performance and the performance and quality of our teams.
- **Transparency:** Everyone receives candid, timely feedback on their performance and how they can influence their career at U. S. Steel.

U. S. Steel is committed to upskilling its employees. The development opportunities at U. S. Steel leverage the inherent skills of our employees and supplement them with key leadership and professional skills needed to execute our strategy. In 2019, we delivered nearly 1,400 training courses to more than 17,000 employees for more than 546,000 hours of employee training. This equates to an average 32 hours of training per employee. Our programs cover everything from safety and job skills to coaching and leadership. Recent highlights and foundational programs include the following:

"There is a different level of trust being developed right now ..."

"My team members ... are getting more and more engaged ... It's starting to show in our KPIs and our bottom line."

#### Carnegie Way Method Training

Our three-tiered Carnegie Way Method training is designed to provide employees with the knowledge and tools to lead and participate in a variety of improvement projects that drive meaningful, value-added change across our company.

#### Technical Academies

The success of our long-running Safety Academy and our reinvigorated Blast Furnace Academy led to the development and implementation of several other best practice sharing academies. These new academies leverage technical experts at various locations aligning to collaborate and share best practices to nurture collaboration and continuous improvement relative to operational optimization. The new academies include the Steelmaking Academy, Tubular Quality Academy, and Continuous Casting Academy. These technical academies graduated a total of 165 technical specialists throughout the organization, demonstrating our commitment to moving up the talent curve.

#### Leadership Academy

In 2018, we placed a particular focus on redesigning some of our leadership academy training activities to better meet the needs of our employees. The programs were deployed in 2019 and were extremely well received internally, but we wanted external validation. We facilitated a benchmark evaluation of these development programs utilizing an external executive consultant. The consultant partnered with multiple leaders to assess and compare our leadership and development approach with that of best practice. We were compared to two very strong benchmarks including another publicly traded manufacturing company and a U.S. military academy. Given a side-by-side comparison, our approaches were found to be competitive, identifying no material gaps. Though we appreciate this result, we will maintain our continuous improvement mentality and leverage opportunities to enhance our programs going forward. In 2019, the Leadership Academy graduated a total of 302 leaders; 25% of the leaders throughout the organization. We are encouraged by some of the direct employee feedback shown at the top of this page.



*Pictured left to right: Senior Vice President & Chief Financial Officer Christie Breves, Senior Vice President & Chief Human Resources Officer Barry Melnkovic, President & Chief Executive Officer Dave Burritt, and Training Specialist Tom Harvey congratulate Blast Furnace Academy graduates.*

WE BELIEVE OUR BENEFIT PROGRAMS REFLECT **OUR COMMITMENT TO A WORKFORCE DEDICATED TO THE OPERATIONAL EXCELLENCE OF FACILITIES** THAT RUN 24 HOURS A DAY, 7 DAYS A WEEK, AND 365 DAYS A YEAR.

Another component of talent development is the preparation of future leaders of U. S. Steel. We take great pride in our comprehensive succession planning cycle, where leaders not only discuss our future talent, but also create individual development plans that include a combination of planning potential development roles, discussing lateral or upward opportunities, educational interventions, and mentoring partnerships. Our goal is to ensure we have the right talent prepared and engaged to drive a successful future for U. S. Steel.

#### Total Rewards

At U. S. Steel, we believe that rewarding employees for superior performance is critical to driving a high-performance culture. We seek to attract and retain the best talent to deliver our company's goals and to execute our long-term strategy. Our compensation and benefits plans (including base pay, medical insurance, 401(k) savings, and variable incentive opportunities for all employees) are among the best in our industry and the communities in which we operate.

We believe that when the company performs well, our employees should be rewarded. All employees, both represented and non-represented, participate in variable incentive programs tied to company performance. In addition, we believe in rewarding high performance by differentiating individual pay for top contributors and by financially incenting both represented and non-represented employees on metrics that are largely in their control.

#### Inclusive Employee Benefit Programs

In 2019, we backed up our commitment to cultivating a culture of caring and inclusivity by rolling out several new benefit changes for our U.S. non-represented workforce. We believe our program changes have made a difference, as two out of five eligible employees have used one or more of our new benefits in the first year alone. In 2020, we announced that our industry-leading benefit package helped U. S. Steel earn a 100% score on the Human Rights Campaign's annual Corporate Equality Index.

Program changes designed to support an inclusive workplace culture and to attract and retain a diverse workforce include:

- **Domestic partner coverage:** The allowance of eligible domestic partners and eligible children to receive coverage under U. S. Steel's health and welfare programs.
- **Healthcare continuation for work-related or military service fatalities:** Healthcare continuation for surviving eligible family members of employees who are fatally injured at work or in the line of duty while on military leave.
- **Gender reassignment procedure coverage:** Additional medical coverage for treatments and medications associated with gender reassignment.

In addition, we are fostering our culture of caring through new benefits that further support our employees and their families with new programs, such as:

- **Parental leave:** Up to eight weeks paid time off for either parent following the birth of a child, the birth of a child of a domestic partner, or the placement of a child for foster care or adoption. For birth mothers, this new parental leave is in addition to the available short-term disability period of six or eight weeks depending on the type of delivery.
- **Infertility coverage:** Additional medical coverage for infertility treatments and medications.
- **Dependent care flexible spending account (FSA) match:** The company will match employee contributions up to 50% of the applicable IRS limit.
- **Bereavement leave** has been extended for up to 15 days for immediate family.
- **Vacation purchase program** allows employees to purchase a certain number of additional vacation days to be used within the calendar year.
- **Adoption assistance:** The company will reimburse up to \$4,000 for eligible expenses related to the adoption of a child.

“STEEL. IT DOES NOT EXIST IN NATURE. IT ONLY EXISTS WHEN DIVERSE RAW MATERIALS ARE UNIFIED BY DIVERSE PROCESSES THAT INCLUDE THEM. JUST **AS STEEL IS FAR STRONGER THAN THE SEPARATE INGREDIENTS THAT COMPOSE IT, OUR COMPANY IS STRONGER BECAUSE OF OUR DIVERSE PEOPLE WHO COME TOGETHER AS ONE TO IMPROVE OUR PRODUCTS, SERVICES, COMPANY, COMMUNITIES, AND WORLD.**”

**Barry Melnkovic**

*U. S. Steel Senior Vice President & Chief Human Resources Officer*



*Pictured left to right: Andrew Stanley, Aaron LaGorga, Santos Reyes-Jacamo, Michelle Weaver, Ulysses Galindo, Noor-Hal Cuellar and Jeremy Montgomery proudly pose with Offshore Operations Houston's DiversityFIRST™ Leadership Award.*

**Diversity**

U. S. Steel recognizes the need for a well-rounded team whose members have a mix of backgrounds, experiences, and perspectives. Our overall diversity profile aligns with national labor force statistics where we operate. We are also constantly working to expand our recruiting outreach because we believe companies with the best talent win, and finding the best talent means casting a wide net. We currently post open positions on more than 6,000 diversity-related websites and regularly explore new opportunities to expand that list. We have begun the transformation of our talent acquisition processes, not only by attending diverse hiring events, but also by hosting our own outreach sessions.

Knowing how you compare to available benchmarking is important, and U. S. Steel has worked to develop diversity dashboards to provide human resources personnel and managers with the transparency needed to review trends and ensure progress. Focused commitment has generated results with an increase in our overall People of Color diversity by 7.1% over the past three years. Additionally, we are

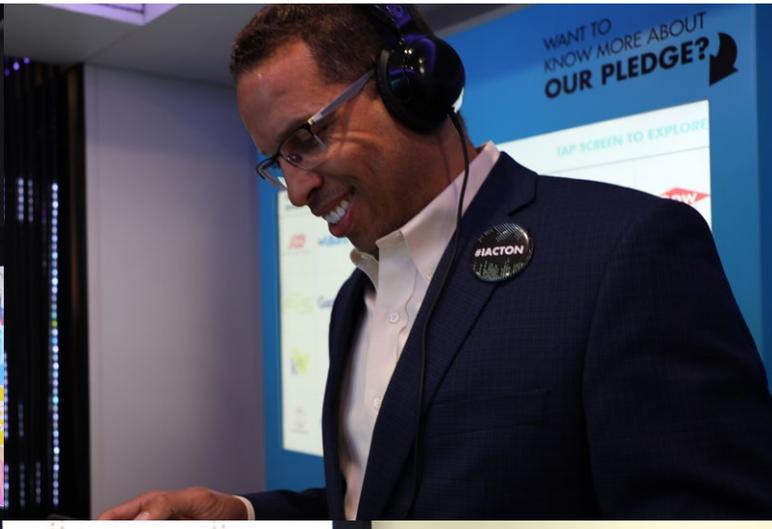
dedicated to growing and developing our diverse talent, demonstrated by equal promotion rates between diverse and non-diverse employees.

The behaviors modeled by our committed leadership team are cascading throughout the organization and creating a cultural transformation. Five of our Senior Vice Presidents volunteered to serve the organization as the Inclusion and Diversity Council and are committed to operationalize both inclusion and diversity to become as effortless as the company's commitment to safety.

**Inclusion**

At U. S. Steel, inclusion is about creating an environment where our mix of talented, diverse people can effectively connect, communicate, and collaborate, all for the purpose of contributing to the success of our customers, company, and individual employees. This begins by ensuring our employees feel supported and that their voices are heard.





Top left photo: Executive Assistant Jill Chadwick, President & Chief Executive Officer Dave Burritt, and Senior Vice President, General Counsel and Chief Ethics & Compliance Officer Duane Holloway took the “I Act On” pledge at the CEO Action for Diversity & Inclusion™ “Check Your Blind Spots Unconscious Bias Tour” stop.

Top right photo: Duane Holloway viewing an interactive display on the at the CEO Action for Diversity & Inclusion™ “Check Your Blind Spots Unconscious Bias Tour” bus.

Bottom photo: Vice President & Chief Information Officer Steve Bugajski (center) poses with attendees at the annual celebration of Diwali and Tihar at the Pittsburgh Service Center.

U. S. Steel is focused on creating an inclusive workforce. Some notable accomplishment and events include:

- U. S. Steel President and CEO Dave Burritt joined more than 900 CEOs in signing the CEO Action for Diversity & Inclusion™ pledge.
- We joined more than 150 companies in hosting a CEO Action Day of Understanding. More than 220 employees participated in an open discussion, sharing their experiences and engaging with colleagues in candid dialogue about equality and inclusion.
- In 2019 U. S. Steel submitted our first application for evaluation against the Corporate Equality Index (CEI), a national benchmarking survey and report on corporate policies and practices related to

LGBTQ workplace equality, administered by the Human Rights Campaign Foundation. We received a perfect score of 100, earning the designation of a Best Place to Work for LGBTQ Equality.



- Our Offshore Operations Houston facility won the Texas Diversity Council’s 2019 DiversityFIRST™ Corporate Leadership Award. The award recognizes businesses in the community that demonstrate outstanding achievement and commitment to cultural diversity and inclusion in the workplace.
- We believe in creating a culture where people can authentically be themselves. Through discussions and programs, including our Day of Understanding, we validated that employees value an environment where they can be vulnerable and true to their personal, cultural, or racial identity. One way we support our increasingly diverse workforce and embrace its differences is through our Employee Resource Groups (ERGs). Collectively, our employee resource groups drive awareness, strengthen employee engagement, and create internal and external connections. Current ERGs focus on women, minorities, new professionals, and veterans. In 2019, we were happy to announce the creation of two additional ERGs: SteelPRIDE and SteelABILITY.

<sup>1</sup> CEO Action for Diversity & Inclusion is a trademark of PricewaterhouseCoopers LLP. Used with permission.

## U. S. STEEL'S ERGS



**LEAD**  
Leveraging and  
Enhancing All Diversity

To promote an inclusive environment that embraces the vision, furthers the value, and aligns with the Inclusion and Diversity strategy of U. S. Steel. This will be accomplished by leveraging the mix of diverse thought, personal background, and professional education in order to enhance employee engagement and positively impact business goals.



**WIN**  
Women's Inclusion  
Network

To cultivate an inclusive environment that enables women to maximize their professional success at U. S. Steel through networking, education, recruitment, leadership opportunities, and community involvement.



**SERVE**  
Strengthening and  
Enhancing Relationships  
of Veteran Employees

Ensuring we reach, honor, and support all employees (current and prospective) who have served.



**NextGen Steel**  
Empowering the Next  
Generation of Leaders in Steel

To engage and empower the next generation of leaders in steel by connecting U. S. Steel employees of all generations across the company to strengthen the future of our industry.



**SteelABILITY**  
Serving Employees with Disabilities  
and their Caregivers

To foster an environment that supports employees with disabilities and their caregivers in bringing 100% of themselves to work by advocating for and empowering the individual, increasing awareness and understanding of disability-related issues, and promoting inclusion, trust, and respect throughout the organization and in our communities.



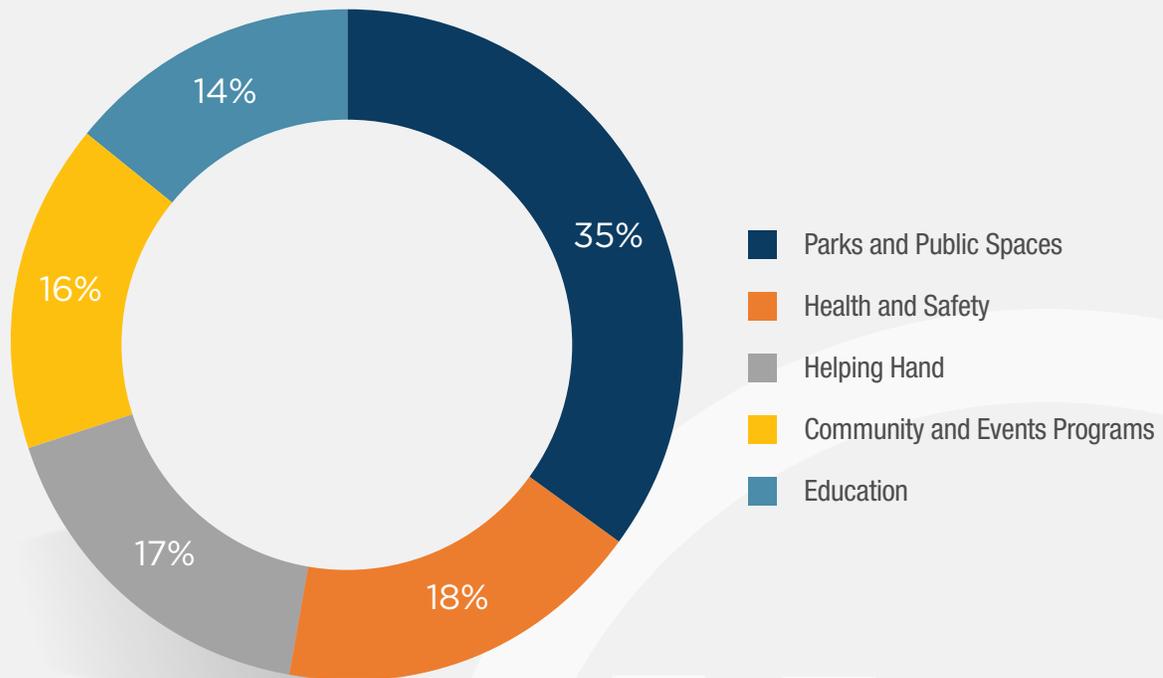
**SteelPRIDE**  
Celebrating our LGBTQ  
Employees and their Allies

To create awareness and promote a work environment that is inclusive and safe, where people feel they can reach their maximum potential and have confidence in a work environment where they will be fairly evaluated.

In addition to helping support our diverse workforce, the ERGs help U. S. Steel build a more inclusive culture of caring. By focusing on creating an inclusive team and building a culture of caring through our ERGs, we are strengthening our commitments to our business, our customers, and to each other.

Our success starts with our ability to attract, engage, and retain the most talented and highest-performing employees. At the same time, ensuring the safety and health of our employees is a top priority, and we recognize the benefits of a supportive workplace for employee well-being. We recognize that when we respect and value our differences and engage our employees around common goals, we create an environment that encourages employees to reach their fullest potential, contribute their best work, and build on our belief that **“Together We Are One.”**

## COMMUNITY ENGAGEMENT



We believe our business thrives when we are engaged and involved in the communities where we make steel. We take pride in the communities that are home to our operations. From employees' volunteer work to corporate contributions to partnering in support of science, technology, engineering, and math (STEM) education to awarding scholarships, U. S. Steel is engaging and supporting our neighbors and employees in strengthening our communities.

In 2019, U. S. Steel's contributions to community organizations and activities supported a range of causes. The primary goals of our contributions are to positively impact the communities that U. S. Steel calls home, to enhance and improve the quality of life, and to support projects and opportunities that advance safety, education, and environmental stewardship. The majority of funds (35%) were dedicated to Parks & Public Spaces, with further contributions to promote Health & Safety (18%), provide a Helping Hand (17%) to those in need, support Community Events & Programs (16%), and increase Education (14%) opportunities.

In addition, U. S. Steel and the Pittsburgh Steelers announced a new multi-year partnership agreement to unite two legendary Pittsburgh-based organizations in an effort to support education and community pride.

The 'Sons and Daughters Scholarships' program is another meaningful initiative through which U. S. Steel promotes and advances education. This competitive scholarship program supports the higher education and career goals of U. S. Steel employees' children who attend a two- or four-year college or university or vocational-technical school in the United States. Scholarships are awarded by a third-party administrator, based on applications submitted.

Just as U. S. Steel is strategically focused on the company's future, we are committed to strengthening the future and livability of communities that it calls home, some for more than a century. The following are just a few examples of our recent efforts.



Former Pittsburgh Steelers Quarterback Charlie Batch, U. S. Steel Clairton Plant Manager Mike Rhoads and Pittsburgh Steelers mascot Steely McBeam attend a STEM event at Clairton High School in Clairton, Pennsylvania.

### PITTSBURGH PROUD — SUPPORTING STEM EDUCATION IN THE MON VALLEY

In 2019, U. S. Steel and the Pittsburgh Steelers announced a new multi-year partnership agreement to unite two legendary Pittsburgh-based organizations in an effort to support education and community pride. The organizations teamed to launch the first Steelers-themed STEM education program, with initiatives being integrated into schools in the Mon Valley area. The program achieved its goal of 20 active schools well before the end of the 2019-2020 school year. As of April 2020, more than 3,200 students in grades 6-8 at 26 schools have participated in the program and completed more than 10,400 training modules.



Pictured left to right: Former Gary Mayor Karen Freeman Wilson; Latonya Woodson, YWCA Board Member; Paul Vercher, U. S. Steel Governmental Affairs; Caren Jones, CEO, YWCA of NWI; Dan Killeen, General Manager, Gary Works, U. S. Steel; Michelle Johnson, YWCA Board Chairperson.

### GIVING BACK — GARY YWCA

U. S. Steel donated \$75,000 to fund the repair of the women's locker room at the YWCA of Northwest Indiana, a facility in Gary, Indiana, that is used by local school teams and members of the community.



*Pictured left to right: David Braun, Plant Manager, U. S. Steel Fairfield Works; Paul Vercher, U. S. Steel Governmental Affairs; and Dr. Regina Thompson, Fairfield School Superintendent.*

## IN THE CLASSROOM—FAIRFIELD CITY SCHOOLS

U. S. Steel contributed \$26,800 to Fairfield City Schools in Alabama to enable the purchase of tablet computers to equip one classroom for each school in the district, along with a special charging cart that enables the set of computers to be transported to different classrooms at the school.



*Don German, Plant Manager of U. S. Steel Mon Valley Works' Irvin Plant, presents a check for \$20,000 to Nick Pisciotano, President of the West Mifflin Community Foundation.*

## NEW PARK—FOR THE DOGS AND COMMUNITY OF WEST MIFFLIN

U. S. Steel supports local parks and this contribution of \$20,000 will fund the construction of fencing for a new community dog park in West Mifflin, Pennsylvania. Local citizens and the Foundation identified this as the top priority, and it has the support of the Mayor and local Borough Council.

## SAFETY FIRST — “SOUND THE ALARM. SAVE A LIFE.®” WITH THE AMERICAN RED CROSS

U. S. Steel contributed to support American Red Cross home fire safety and smoke alarm installation events, helping communities to “Sound the Alarm. Save A Life.®” This program supports the installation of home smoke alarms based on the reality that working smoke alarms can cut the risk of death in a home fire by half. U. S. Steel originated the mantra “Safety First” in 1906 and this support for the Red Cross is one of the ways the company is bringing this core value into the communities that U. S. Steel calls home.



<sup>1</sup> Sound the Alarm is a registered trademark of The American National Red Cross. Used with permission.



*U. S. Steel employees pictured left to right: Eric Linn, Anthony Vannelli, Nicholas Yeanuzzi, Victoria Clark, Lindsay Coughlin, Jason Kephart, Kyndra Szymanski, Rich Fruehauf, Bethany Gualtieri, Tamaira Ridgely, Roshan Sharma, Anusha Chaudhry, Taylor St. Clair, Heidi Lagares-Greenblatt, Chris Masciantonio, and Matt Wilding. Not pictured but in attendance: Jeff Singleton.*

## LOOKING TO THE FUTURE — “OUR NEXT 75” ALLEGHENY CONFERENCE ON COMMUNITY DEVELOPMENT

U. S. Steel was a Gold sponsor of the Allegheny Conference on Community Development’s (ACCD) “Our Next 75” regional initiative, which is fitting as the company was a founding member of the ACCD. The ACCD was formed at the start of what is known in Western Pennsylvania as Renaissance I. The purpose: unite the resources of public, private, non-profit, and educational institutions to reinvent the local economy, improve air and water quality, transform the region’s image, and improve the quality of life for residents. A diverse group of U. S. Steel employees who symbolize the company’s future helped launch the Our Next 75 event, which was designed to recognize the ACCD’s 75th anniversary and spur an exciting new wave of growth and change across the region in the decades ahead. Our Next 75 aimed to “rededicate today’s and tomorrow’s leaders to the ‘Pittsburgh Values’ of citizen leadership, commitment to community, and collaboration toward the next generation of regional transformation.”

# U. S. STEEL FOOTPRINT

(INCLUDING JOINT VENTURES)

## Flat-Rolled Segment

- 1 Gary Works
- 2 Great Lakes Works
- 3 4 Mon Valley Works
- 5 Granite City Works
- 6 Fairfield Sheet
- 7 Minntac
- 7 Keetac
- 7 Hibbing Taconite
- 8 USS-POSCO Industries
- 9 PRO-TEC Coating Company
- 10 Double G Coatings Company
- 2 11 Worthington Specialty Processing
- 1 Feralloy Processing Company
- 1 Chrome Deposit\*
- 2 Automotive Center

## Tubular Segment

- 6 Fairfield Tubular
- 15 Lorain Tubular
- 16 Oshore Operations Houston
- 17 Lone Star Tubular
- 17 12 Wheeling Machine Products
- 13 Patriot Premium Threading Services

## USSE Segment

- 14 U. S. Steel Košice

## Other Businesses

- 18 Big River Steel
- 3 Transtar\*

## Administrative and Research

- 3 Corporate Headquarters
- 3 Research and Technology Center
- 16 U. S. Steel Tubular Products Innovation
- 14 USSE Research



\*Chrome Deposit and Transtar locations are near major steel mills and are not all reflected on the map above.

Map of Europe not drawn to scale

# CONTENT INDEX (General Disclosures)

STANDARD	DISCLOSURE	LOCATION
ORGANIZATIONAL PROFILE	Name of the organization	United States Steel Corporation
	Activities, brands, products, and services	Website: Products and Solutions
	Location of headquarters	600 Grant Street, Pittsburgh, PA 15219-2800
	Location of operations	Website: Locations
	Ownership and legal form	Corporation formed under the laws of the State of Delaware, United States Steel Corporation is a publicly traded company listed on the New York Stock Exchange (NYSE: X)
	Markets served	2019 Annual Report (p. 22–23)
	Scale of the organization	At a Glance
	Information on employees and other workers	2019 Annual Report (p. 43)
	Supply chain	2019 Annual Report (p. 37–40)
	Significant changes to the organization and its supply chain	2019 Annual Report (p. 37–40)
	Precautionary principle or approach	2020 Proxy Statement (p. 12)
	Membership of associations	—
STRATEGY	Statement from senior decision maker	A Message from our President & CEO
	Key impacts, risks, and opportunities	2019 Annual Report (p.45–52)
ETHICS & INTEGRITY	Values, principles, standards, and norms of behavior	S.T.E.E.L. Principles, Code of Ethical Business Conduct, Ethics & Compliance, Supplier Code of Conduct
	Mechanisms for advice and concerns about ethics	Governance
GOVERNANCE	Governance structure	Governance, 2020 Proxy Statement (p. 10–20)
	Delegating authority	Governance
	Executive-level responsibility for economic, environmental, and social topics	Governance
	Consulting stakeholders for economic, environmental, and social topics	2020 Proxy Statement (p. 17)
	Composition of the highest governance body and its committees	2020 Proxy Statement (p. 15)
	Chair of the highest governance body	2020 Proxy Statement (p. 11)
	Nominating and selecting the highest governance body	2020 Proxy Statement (p. 1–2)
	Conflicts of interest	2020 Proxy Statement (p. 14–15)
	Role of highest governance body in setting purpose, values, and strategy	2020 Proxy Statement (p. 12–13)
	Collective knowledge of highest governance body	2020 Proxy Statement (p. v, 3–9)
	Evaluating the highest governance body's performance	2020 Proxy Statement (p. 18–19)
	Identifying and managing economic, environmental, and social impacts	2020 Proxy Statement (p. 12, 18–19)
	Effectiveness of risk management process	2020 Proxy Statement (p. 12)
	Review of economic, environmental, and social impacts	2020 Proxy Statement (p. 18–19)
	Highest governance body's role in sustainability reporting	Governance
	Communicating critical concerns	2020 Proxy Statement (p. ii)
	Remuneration policies	2020 Proxy Statement (p. 24–44)
	Process for determining remuneration	2020 Proxy Statement (p. 24–44)
	Stakeholders' involvement in remuneration	2020 Proxy Statement (p. 30)
Annual total compensation ratio	2020 Proxy Statement (p. 61)	
STAKEHOLDER ENGAGEMENT	Collective bargaining agreements	2019 Annual Report (p.43)
	Identifying and selecting stakeholders	—
REPORTING PRACTICE	Entities included in the consolidated financial statements	2019 Annual Report (See exhibit 21 for a list of subsidiaries and joint ventures)
	Defining report content and topic boundaries	Materiality
	List of material topics	Materiality
	Restatements of information	—
	Changes in reporting	2019 Annual Report (p. F-13 – F-18)
	Reporting period	For the fiscal year ended December 31, 2019
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