DOING WHAT’S BEST FOR
Our Most Demanding Customer

2020 SUSTAINABILITY REPORT
There is one customer above all others. The biggest. The most demanding. The most vital. Where the stakes are the highest. That customer is planet Earth. And what it needs from us is a cleaner environment, stronger communities, equity, and fairness.
The world’s modern history has been defined by setting bold goals — and then coming together to achieve them. These include the ones that have literally changed our world: the moon landing, the end of the First and Second World Wars, the fall of the Berlin Wall, and the development of the COVID vaccine. At U. S. Steel, we refer to this magnitude of transformational change as a BHAG. This same commitment is needed again to cut across companies, workers, communities, customers, competitors, countries, and ideologies to solve another big challenge: the climate crisis. And, while we are at it, let’s address some of the other pressing environmental, social, and governance (ESG) matters referenced in this Sustainability Report.

At U. S. Steel, we share that drive to dream big and solve monumental problems. Over our 120 years, there’s never been a challenge we didn’t embrace. We have delivered the steel that built our communities, connected our cities, and protected our country. As we look to the future, we know that the climate crisis requires us to set our most ambitious goal. If we achieve this newest goal, we will build a sustainable future — for our company, colleagues, customers, communities, and the planet. A future that is Best for All.

Before turning more fully to the future, I want to offer a few words of reflection on 2020. Our Best of BothSM integrated and mini mill world competitive innovative strategy quickly became our Best for All strategy, as the realities of 2020 accelerated our need to get to the future faster. This past year was like none in my memory. The resilience of our people throughout the COVID-19 pandemic was truly inspirational.

As an essential industry, our steel mills in the United States and Slovakia remained open throughout 2020, producing the steel needed for food and cleaning supply containers, appliances, vehicles, and the many other necessities of modern life. Our people adapted, improvised, and overcame historic challenges. The pandemic took both a human and economic toll on most businesses, including U. S. Steel, and individuals in 2020. While the fight to control and defeat COVID-19 is far from over, there has been meaningful progress. Consequently, we are seeing vibrant markets in 2021, and our people are working hard to ensure we meet customer demand.

A clear lesson from the pandemic was that a strong domestic supply chain, anchored on a strong domestic steel industry, is critical to national, regional, and economic security. We have quickly realized that we must take the steel industry to a greener future and that means prioritizing profitable solutions for our planet to the top of our agenda. This 2020 Sustainability Report explains our past actions and future direction in the sustainability journey. Sustainability at U. S. Steel is about ensuring that our company creates long-term value for all stakeholders — our investors, customers, employees, the communities where we live and work, and ultimately, the planet. A truly sustainable approach will be for us at U. S. Steel to provide profitable solutions that improve the environment while enriching our customers, investors,
employees, and communities. When we respect and value our differences, we can come together to meet any challenge. That spirit of cooperation and collaboration allows us to create an environment where our company, employees, customers, communities, and the planet reach their fullest potential. Together, anything is possible.

Looking forward, the urgency of addressing the climate change crisis requires bold goals and action. This is a global challenge, and one that requires a global solution. In the following pages, you can read more about U. S. Steel’s strategy to do our part. We know that steel production contributes to overall greenhouse gas (GHG) emissions, and so we have set industry-leading, ambitious goals to not only reduce our GHG emissions, but reduce them profitably. This spring, we announced our aim to achieve net-zero carbon by 2050. That means significant improvements and changes to our steelmaking facilities in the next 30 years, using new steel production methods, and new sources of renewable energy. While our sustainability path may be longer and harder than others, our sustainability goals are integral to our Best for All™ corporate strategy that enables profitable solutions for our stakeholders.

We have already begun executing on that strategy from our acquisition of Big River Steel earlier this year to the introduction of verdeX™ steel. Completing the acquisition of Big River Steel, the first LEED-certified steel mill, was a major step toward reducing GHG emissions by changing our technology mix to increase the use of electric arc furnaces that recycle scrap steel. With Big River, we’ve also innovated with the introduction of verdeX, our new line of advanced, high-performance, sustainable steels to help automotive manufacturers achieve their sustainability goals and those of consumers. We are investing in a new way to make steel, one with endless possibilities for our customers and us, and that’s just the start.

Tackling climate change profitably requires cooperation among countries, companies, and even competitors, so we are committed to engaging with our stakeholders and other organizations to achieve our common GHG and ESG goals. In April 2021, we became the first North American steel producer to join ResponsibleSteel™, a global organization that promotes standards, certification, and steel's contribution to a sustainable future across the steel supply chain. Beyond GHG emissions, we are committed to doing what's right for the environment with our robust environmental compliance program, detailed in this report.

We know that none of our goals will be achievable without the support and engagement of a talented, high-performing workforce. The safety of our people is always our top priority, and I am pleased that U. S. Steel continues to lead our industry in safety performance. The COVID-19 pandemic challenged us to quickly develop new safety measures to keep our employees and customers safe, even as we ensured continued production to serve our customers. As our record-setting safety statistics for 2020 show, our people rose to this challenge.

In addition to investing in technology, we are investing in our people and in our communities. We have robust benefits and flexible work environments to attract, retain, and develop a diverse, high-performing workforce. We also have a very well-funded defined benefit plan providing security and safety to our current/former employees and their families. Our seven Employee Resource Groups are teams where we come together to embrace and celebrate our uniqueness. They also help us widen opportunities for all diverse populations, including race and ethnicity, women, veterans, those with disabilities, new professionals, the LGBTQ+ community, and this year we added working parents.
Sustainability means taking the future into account when making decisions for today, so our support extends not just to our current workforce, but to our employees of the future. We do this by providing financial assistance for the education of the sons and daughters of our employees, buying computers for local schools during COVID to enable virtual learning, and providing both personnel and financial support to local STEM education programs in our schools. As you read the following report, I hope you’ll see how U. S. Steel is not only investing, but also transforming to provide sustainable, profitable solutions for all our stakeholders. In this 2020 Sustainability Report, we have made many enhancements, including more robust human capital management and innovation disclosure, as well as references to both SASB and GRI reporting standards.

As I pen this letter, we are increasingly bullish about our financial performance and strategic execution. In the first quarter of 2021, we completed our acquisition of Big River Steel and benefited from their industry leading EBITDA margin of 32%. This highly sustainable operation is evidence that we can and will develop profitable solutions to our customers’ and the world’s challenges.

Thank you for your interest in U. S. Steel. Together, we can realize a sustainable world that is truly Best for All®.

Now let’s get back to work ... safely and sustainably,

David B. Burritt  
President & Chief Executive Officer
Parallel bridges built in 1958 and 2003, with the latter span also known as the Alfred Zampa Memorial Bridge. U.S. Steel was used in the 1958 bridge that supports a critical direct route between San Francisco and Sacramento.
Corporate Profile and History

United States Steel Corporation is a Fortune 250 company and leading steel producer. With an unwavering focus on safety and innovation throughout our 120-year history, the company’s customer-centric Best for AllSM strategy combines competitive integrated and mini mill technologies to advance a more secure, sustainable future for U. S. Steel, our customers and stakeholders, and the biggest and most important “customer” of all – this shared planet we call Earth.

U. S. Steel serves the automotive, construction, appliance, energy, containers, and packaging industries with high-value-added steel products, such as U. S. Steel’s proprietary Generation 3 (XG3™) advanced high-strength steel. The company also maintains competitively advantaged iron ore production and has an annual raw steelmaking capability of 26.2 million net tons.

U. S. Steel is headquartered in Pittsburgh, Pennsylvania, with world-class operations across the United States, as well as in the Slovak Republic at U. S. Steel Košice (USSK). We also are engaged in several other business activities consisting primarily of railroad services and real estate operations.

Mills that would eventually become part of U. S. Steel have been making steel since at least 1875. U. S. Steel was created in 1901 through the merger of companies owned and operated by some of the most recognizable names in the history of business and finance: Andrew Carnegie, J.P. Morgan, Charles Schwab, John D. Rockefeller, Henry Clay Frick, and Judge Elbert Gary. Since our inception 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. During our first century, our industry leadership focused on products vital to national defense and the unparalleled, sustained economic growth in the United States. While we have long been an innovator in
many aspects of steelmaking, our highest achievement has been the work of countless U. S. Steel employees through the decades who have pioneered safety procedures, and we remain on the leading edge of safety in the industry.

Over time, our range of products and the footprint of our facilities has evolved to meet the needs of our customers and the country. Through the highs and lows of market conditions, U. S. Steel has maintained our global leadership in the steel industry, spanning decades of attrition that claimed numerous competitors.

Although our product lines have changed over the past 120 years, our purpose and motivation remain unchanged. Steel surrounds us. It makes daily life safer, easier, better, and more sustainable. And its possibilities for the future are endless. Which is why we tell our customers, “Together we can build anything.” And today, that customer is planet Earth.

**OUR BEST FOR ALL™ STRATEGY**

For the past several years, we have been reshaping U. S. Steel to transform the future for our company, our customers, and our planet. This Best for All strategy combines the capability advantages of integrated mills with the low-carbon footprint, high recycle rate, operational flexibility, and cost benefits of mini mills, which manufacture raw steel from recycled scrap using electric arc furnace (EAF) technology. But our transformation goes deeper than steelmaking methods. It’s about creating an environment where talented people grow

“Together with our customers we can build anything. And today, that customer is planet Earth.”
and thrive. It’s about an intensified focus on our customers that guides collaborative, cross-functional teams and drives game-changing solutions. It’s about innovating to lead the way to a sustainable future. And it all starts with the same top priority that has driven our business for 120 years: an unwavering commitment to safety for the people who drive our success.

With the Best for All℠ strategy, we seek to build long-term value by pursuing a business model that is resilient to market volatility and is profitable through business cycles. Doing what’s best for our employees, our customers, and doing what’s best for the planet. Our most demanding customer.

Through our Best for All strategy, we will continue to invest in both integrated and mini mill steelmaking technologies, raising the bar on our ability to provide high grades of steel through more sustainable practices. By transforming our business to drive sustainable steelmaking, we provide unmatched value and clear differentiation to our customers. Our sustainably produced steels will meet growing customer demand for solutions that support their own climate change and decarbonization targets. Our vision is expansive, guiding our efforts to lead the industry toward a lower-carbon, more sustainable model, even as we further strengthen a domestic manufacturing base that protects lives and livelihoods.

Foundational to our efforts is our commitment to operate as a principled company, guided by our Code of Ethical Business Conduct, strong corporate governance, and S.T.E.E.L. Principles. 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.
2020 was a year filled with challenges. As of publication, 2021 conditions are significantly improved.
2020 Steel Shipments by Market and Segment

(Thousands of Tons)

<table>
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<tr>
<th>Market</th>
<th>Flat-Rolled</th>
<th>USSE</th>
<th>Tubular</th>
<th>Total</th>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Steel Service Centers</td>
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<td>690</td>
<td>—</td>
<td>2,140</td>
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<tr>
<td>Further Conversion — Trade Customers</td>
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<td>202</td>
<td>—</td>
<td>2,265</td>
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<tr>
<td>— Joint Ventures (1)</td>
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<td>—</td>
<td>—</td>
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<tr>
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<td>—</td>
<td>2,529</td>
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<tr>
<td>Construction and Construction Products</td>
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<tr>
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<td>435</td>
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<td>1,348</td>
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<tr>
<td>Appliances and Electrical Equipment</td>
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<td>194</td>
<td>—</td>
<td>691</td>
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<tr>
<td>Oil, Gas, and Petrochemicals</td>
<td>—</td>
<td>5</td>
<td>430</td>
<td>435</td>
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<tr>
<td>All Other</td>
<td>100</td>
<td>223</td>
<td>—</td>
<td>323</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>3,041</strong></td>
<td><strong>464</strong></td>
<td><strong>12,216</strong></td>
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</table>

The above table, except where noted in Footnote 1 (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.
U. S. Steel’s Sustainability Framework

U. S. Steel is an integrated steel producer of high-quality, value-added steel products that serve as building blocks for a sustainable future. With differentiated products and continual progress toward reducing the environmental impact of manufacturing, we are doing our part to create a low-carbon, more circular economy. U. S. Steel empowers our people to innovate new solutions that manufacture products with a low-carbon footprint, all while minimizing the impact of operations on human health and the environment.

For more than 120 years, U. S. Steel has produced high-quality steels to serve the world’s needs. Long before the word “sustainability” came to refer to the relationship of a business with society, U. S. Steel was focused on corporate responsibility. Safety, ethics and corporate governance, community engagement, environmental stewardship, innovation, and building an inclusive and diverse workforce are a long-standing practice at U. S. Steel. We understand that our future depends both on making high-quality steel and doing what is right by all our stakeholders.

In our operations, we promote a culture of caring, where each of us accepts personal responsibility for our own safety, as well as that of our coworkers. Outside the organization, U. S. Steel continues to engage local communities and work with local leaders to develop better neighborhoods. Our sustainability program is integrated into every part of our business, directly aligned to our Best of BothSM strategy and overseen by the Corporate Governance & Sustainability Committee of our Board of Directors.
The Sustainable Development Goals (SDGs) are an issue-based agenda launched by the United Nations and adopted by all U.N. member states in 2015. As the world seeks to unite around these goals, the SDGs have gained significant traction from business organizations across the world. U. S. Steel recognizes the importance of and supports the SDGs through our corporate mission and sustainability program. We have aligned our sustainability pillars to the most applicable SDGs below.
Steel is foundational to human progress, but we recognize that many of our steel-manufacturing processes are energy-intensive, release substantial amounts of GHG, and also have other environmental impacts. The steel industry is also high performance and highly competitive. As customers seek high performance and more sustainable solutions, those steelmakers who can satisfy all these needs will be doing the right things as corporate citizens. Significantly, they will also have distinct competitive advantages. U. S. Steel aims to “do well by doing good.”

Our sustainability strategy guides us 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. We believe that this framework provides the right foundation for success, not only for our business, but also for our customers, the overall health of communities, and the planet.

The three pillars that support our overall sustainability mission include celebrating innovation, empowering our people, and protecting the environment. They connect our sustainability strategy to our overall corporate strategy.

Actions taken in 2020 and in early 2021 emphasize our commitment to this strategy. We invested in three electric arc
furnaces (EAFs) to significantly reduce GHG emissions and produce more sustainable steel products and solutions.

Just as we have led the industry in innovation for more than 120 years, we are now setting the standards required to lead steel manufacturing into a sustainable future. This includes expanding our portfolio of steelmaking technologies and exploring opportunities for procuring purchased power from green and carbon-free sources. Options being investigated include the construction of solar and wind power generation facilities and Emission-Free Energy Certificates (EFEC). Obtaining EFECs, which are term limited, provides a short-term opportunity to reduce indirect GHG and other pollutant emissions while green power-generating facilities are constructed and/or become commercially viable. Presently we have these certificates to cover the external power being purchased by the Mon Valley Works, the Research and Technology Center in Munhall, Pennsylvania, and the Business Service (Computer) Center in Pittsburgh, Pennsylvania, through December 2024, and certificates for the external power being purchased by our Granite City Works through December 2023.

SETTING A HIGHER BAR: REACHING NET-ZERO BY 2050

We are very serious about leading our industry to a more sustainable future. For years, we have worked to reduce emissions in our operations and acquire new, innovative ways to be part of the climate solution.

In April 2021, we set a new bar for the steel industry. U. S. Steel announced we aim to achieve net-zero carbon emissions by 2050. This action supports the U.N. Paris Climate Agreement to limit global warming to well below 2 degrees Celsius, compared to pre-industrial levels. Our bold commitment builds on our 2030 goal to reduce our GHG emissions intensity by 20%, compared to a 2018 baseline.

Efforts to reach carbon net-zero will focus on our own operations, as well as supporting customers and suppliers in reaching their targets. At Ceres 2021, we launched our sustainable steel product line – verdeXTM steel – which gives customers the advanced high-strength steel they need, produced with only one-quarter of the carbon intensity currently required for comparable products produced through integrated steelmaking. Leveraging this Best of BothSM approach delivers the low carbon, high recycle content steels via the new EAF facility, Big River Steel, while the traditional integrated operations of U. S. Steel brings with it the large automotive customer base and our engineering and research facilities used to design and test these new materials.
To help significantly lower our emissions, we are also growing our fleet of electric arc furnaces (EAFs) including through the 2021 acquisition of the remainder of Big River Steel. We are also exploring other technologies, including direct-reduced iron, carbon-free energy sources and carbon capture, sequestration, and utilization needed to achieve our 2050 ambition.

In 2021, we became the first North American steel manufacturer to join ResponsibleSteel™, the steel industry's first global multi-stakeholder standard and certificate initiative. ResponsibleSteel's goal is for members throughout the steel supply chain to work with the nonprofit to maximize steel's contribution to a sustainable society.

We look forward to continuing to share how our sustainability strategy drives the future of our business, our customers' and suppliers' businesses, and the steel industry.

OUR SUSTAINABILITY STRATEGY IS CORE TO OUR BUSINESS STRATEGY

We seek to build long-term value by pursuing a business model that is resilient to market volatility and is profitable through business cycles. We create this value not only for our investors, but also our customers, employees, and the planet.

We define this approach as our Best of Both™ model, which combines the capability advantages of integrated mills with the low-carbon footprint, high recycle rate, operational flexibility, and cost benefits of mini mills. Mini mill producers primarily manufacture raw steel from recycled scrap using EAF technology.

This directly aligns our sustainability strategy with our business strategy. As we deliver on our business objectives to move toward more mini mill capability, we will achieve our sustainability objectives because the two are tightly interwoven. Governance of both our business strategy, as well as our sustainability strategy, are based on our core values, our S.T.E.E.L Principles, and our Code of Ethical Business Conduct. You can read more about our sustainability governance on Page 81.

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 both create value and reduce environmental impacts. Examples of such efforts at U. S. Steel include:

• We recycle more than approximately 3 million tons of scrap steel annually in our processes to create new steel, without any loss in the material's mechanical properties. With our Best for All™ strategy, our three electric arc furnaces will produce steel having a recycled content of more than 80%, greatly increasing our corporate global recycling rate.
• 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 inject coke oven gas, containing significant amounts of hydrogen, into our blast furnaces to reduce GHG emissions and improve cost and operating efficiency.

S.T.E.E.L. PRINCIPLES

1. SAFETY FIRST
2. TRUST AND RESPECT
3. ENVIRONMENTAL STEWARDSHIP
4. EXCELLENCE AND ACCOUNTABILITY
5. LAWFUL AND ETHICAL CONDUCT
We recover byproducts from our cokemaking process to supply the chemical manufacturing and oil refining industries, and for use in the production of fertilizer.

We repurpose slag from our steelmaking process by selling it for use as aggregate in asphalt and highway construction and manufacturing of cement, glass, and mineral wool.

Key to our Best for AllSM strategy are several technological transformation initiatives. In 2019, we began construction of an EAF in Fairfield, Alabama. In late 2020, we began full operations of the Fairfield Works EAF to produce high-quality, more sustainable rounds for use in our seamless tubular pipe and coupling manufacturing operations. With a carbon footprint four times lower than the integrated facility that it replaced, and a high degree of steel recycling, we continue to produce the highest-performance tubular products while offering our customers a domestic source of low-GHG materials.

In early 2021, U. S. Steel completed the acquisition of Big River Steel in Osceola, Arkansas, a $3.3 billion investment in our sustainable future. Big River Steel is a technological leader, and through our acquisition, U. S. Steel as a whole is combining mini mill technology with aspects of the integrated model to leverage benefits of each type of technology.

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

- We have brought to market several grades of Generation 3 (XG3™) 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 by reducing vehicle weight while maintaining safety. Additional grades of XG3™ AHSS and UHSS continue to be developed to address customer needs.

- We have developed and transferred technology to produce 15 high-demand AHSS and UHSS automotive steels at Big River Steel. This will allow U. S. Steel to offer our customers a much more sustainable steel solution for their newest car and truck platforms, lowering the overall GHG footprint for our automotive customers.

- We have fully commissioned an innovative continuous-galvanizing line at our PRO-TEC Coating Company joint...
venture with Kobe Steel, Ltd., in Leipsic, Ohio. This line, which has a capacity of 500,000 tons per year, uses a proprietary process to coat our grades of XG3™ AHSS in a cost-efficient manner. We are shipping these most advanced, corrosion-protected AHSS steels to our customers today, including for use in the Jeep® Gladiator platform, General Motors large SUVs, and the brand new Jeep® Grand Cherokee.

- 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, U. S. Steel Košice 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. These electrical steels are also used for construction of wind turbines.
MATERIALITY

U. S. Steel conducted a materiality assessment in 2019 to determine the ESG priorities of the company's stakeholders. Distilling the different ESG topics into what is most important to U. S. Steel's operations was a critical component in the company's journey to develop an industry-leading sustainability program. The ESG materiality assessment served as a foundation on which U. S. Steel's sustainability strategy was built. It is:

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

Understanding the perspectives of a wide range of stakeholders is critical to identifying and managing our ESG priorities. Our materiality assessment methodology ensured that U. S. Steel, in developing our sustainability strategy, considered the expectations and requirements of our stakeholders (external and internal), our operations, our commitments, our way of doing business, and our core values. It requires us to engage with our stakeholders throughout the year, and we also have an obligation to report the messaging to relevant groups across our organization. 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.
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 toward 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 we impact, 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, relationships with unions, and talent management.

- **Protecting the Environment:** U. S. Steel strives to minimize our impact on the environment through implementation of our greenhouse gas emissions intensity reduction and strict adherence to strict environmental standards. It requires us to engage with our stakeholders throughout the year. We also have an obligation to report the messaging to relevant groups across our organization.

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 and Diversity
These goals will be public, tracked, and reported on an annual basis. Significant work has been undertaken to define each goal and begin the journey to accomplishment, the details of which can be found in later sections of this report. We anticipate refreshing our materiality assessment in 2022.

1. **Innovation**
   U. S. Steel is committed to leveraging our Best for All strategy to develop and commercialize low-carbon footprint and advanced high-strength steels for our current and future customers. In 2021, we commit to commercialize five additional grades of differentiated AHSS grades, coated and cold-rolled.

2. **Air Quality**
   In 2021, U. S. Steel will set a goal to reduce nitrogen oxides (NOx) emissions from our facilities. U. S. Steel is currently evaluating data to establish a baseline year and a reduction goal over a specific time period.

3. **Community Engagement**
   In 2021, U. S. Steel will further encourage employees’ volunteer contributions to our local communities through a volunteer program that provides full-time nonrepresented employees with paid time off to volunteer and initiate tracking of employees’ volunteer hours and benefiting organizations. This will provide a baseline for our plans to set a 2022 goal to increase volunteerism in 2022 when compared with 2021.

4. **Health and Safety**
   We have set a goal to achieve ISO 45001 certification at Big River Steel by the end of 2023 and the balance of our operating facilities starting in 2024.

5. **GHG Emissions**
   We are working to achieve a 20% reduction in GHG emissions intensity (Scope 1 plus Scope 2) by 2030, measuring against a 2018 baseline. We are committed to annual public reporting on progress against these goals, as well as measures being implemented to achieve them.

6. **Inclusion and Diversity**
   We committed to ensure overall Director-level and above candidate slates of at least 40% or more females and/or minorities, cumulatively and on an annual basis, to improve representation in leadership.
We have defined a process to ensure alignment, accountability, and progress to achieve our goals. This diagram outlines, at a high level, the roles and responsibilities of key functions and how they track progress against the company's material environmental, social, and governance goals and targets.
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE AT U. S. STEEL

U. S. Steel has a robust and comprehensive enterprise risk management (ERM) function, which includes ESG-related material risks such as Safety and Environmental. Our ERM framework aligns to our strategy with a practical, operational approach. At U. S. Steel, risk management is intrinsic to the business with clearly defined risk ownership. Our ERM framework is embedded across the organization with three lines of defense – operations, functional support, and governance.

U. S. Steel conducts an annual risk survey where both executive management and mid-level management vote on the perceived impact, likelihood, and velocity of key risks, which currently total 24. This data is used as the basis for our risk identification and prioritization. Typical risk categories include financial, human capital, customer and reputation, innovation, information technology, environmental, political, regulatory, operational, and strategic. Ownership is assigned and action plans are developed to mitigate risk. As core values, safety and environmental risks are always considered to be the highest-priority risks. Climate change impacts several of our enterprise risks, where our risk owners proactively manage the risk at an action plan level.

The ERM Governance Committee, which includes the Chief Executive Officer, Chief Financial Officer, Chief Strategy & Sustainability Officer, and General Counsel and Chief Ethics & Compliance Officer, meets quarterly to align risk management to strategy, identify emerging risks, evaluate risk prioritization, and review action plans for top-tier risks. The Chief Risk Officer reports on these activities at quarterly Audit Committee meetings.

The internal audit function, which is another component of the governance line of defense, has a long history of auditing ESG, including safety and environmental activities and reporting. While U. S. Steel works to reduce emissions within our operations, we also have a responsibility to understand how the overall impacts of climate change will affect our business. In 2021, we plan to conduct a climate risk analysis that aligns to the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework. Also, we will continue our efforts on CDP reporting. This will assist U. S. Steel and our stakeholders to understand the impact of climate change in future operations.

More information relating to our Oversight of Risk Management can be found in the 2021 Proxy Statement on our website.
Shaped from 900 tons of stainless steel from U. S. Steel and others, the Gateway Arch has stood since 1965 as a 630-foot architectural marvel celebrating the diverse voices and entrepreneurial spirits that shaped the nation.
Sustainable Innovation

Simply put, everyone benefits from sustainable steel. It provides the backbone of progress for our customers, enabling them to achieve their own sustainability goals as they produce the vehicles, appliances, buildings, infrastructure, and other products that we all depend on every day. It contributes to societal and economic growth in the communities where U. S. Steel employees live, work, and beyond. And it drives our business success as we innovate to meet the priorities that we share with our customers. Quality steel, produced sustainably, truly is a Best for All™ strategy.

Our innovation and investments to advance our Best for All strategy are enabling us to optimize operations, combining elements of mini mill and integrated processes to reduce GHG emissions without sacrificing product quality, availability, or profits. These innovations are focused in two key areas: products and processes.

When it comes to process innovation, U. S. Steel took tremendous steps forward in recent years by acquiring and establishing three electric arc furnaces (EAFs), one commissioned at our Fairfield Works in Fairfield, Alabama, and the other two at Big River Steel in Osceola, Arkansas. EAFs enable production with lower GHG emissions and increased recycling rates, without sacrificing product strength, quality, or profits.
These process innovations have enabled us to introduce a range of new, sustainably produced high-strength steel products that support customers in meeting their own sustainability targets. Over the next five years, U. S. Steel plans to develop and commercialize 20-30 differentiated grades of low-carbon footprint, high rate of recycled-content steels, providing compelling new options for customers in automotive, appliance, construction, and other markets to enhance sustainability of the products they produce. For example, in April 2021, we announced a new sustainable steel product line, verdeX™, which is produced with only one-quarter of the carbon intensity currently required for comparable products produced through integrated steelmaking.

Our innovation initiatives are supplemented by a range of key partnerships and research initiatives, where we collaborate with academic institutions and others in the industry to drive new technologies and techniques that could enable more efficient and sustainable processes.

The long history of innovation at U. S. Steel accelerated in 2020 despite the challenges presented by the pandemic. Our culture of innovation brought new profitable solutions to help us work together safely, resulting in the unimpeded introduction of many differentiated products and processes. These products and processes will continue to redefine and reshape how we do business while driving customer value.

Our culture of innovation brought new solutions to help us work together safely, resulting in the unimpeded introduction of many differentiated products and processes.
Process innovation is relentless in the pursuit of new and improved methods of manufacturing that focus on protecting the lives and livelihood of our employees, exceptional customer satisfaction, and delivering stockholder value. It has played a key role in the processing of steel since our beginning, over a century ago. Embracing change, we are using innovation to guide us along a path to be the Best for AllSM. Combining the solid foundation of integrated steel production with the most modern mini mill technologies, U. S. Steel’s commercial strategy and products aspire to be supported by the best, most efficient and sustainable steel production in the world.

Electric Arc Furnace at Fairfield

In October 2020, we successfully commissioned our first EAF, which is located at our Fairfield Works. Before, during, and after starting our Fairfield Works EAF, we leveraged our then-partial ownership of Big River Steel to accelerate our learning and building capabilities through knowledge sharing. Since October, our collaboration with Big River Steel accelerated production at Fairfield Works EAF of blooms for the seamless pipe delivered to customers.

Inaugural casting from our newly commissioned electric arc furnace at Fairfield Works.

Process innovation is not just about investment in new equipment – it also includes engineers developing operational tools to optimize performance. As an example, a comprehensive EAF model was designed, built, and has been running in parallel to validate the project and improve accuracy of the model. The model allows us to optimize the use of raw materials, power requirements, natural gas burner, and oxygen-injection systems to produce each unique steel grade with the greatest EBITDA impact. In 2021, we will focus on implementation of the new model at the Fairfield Works EAF, with implementation at the Big River Steel EAFs to follow.

Additional Key Process Innovations

In 2020, our Process and Product Innovation groups partnered to establish process parameters necessary to produce more than 15 AHSS grades at Big River Steel, resulting in the first-ever production of such grades using EAF facilities. This process included an intense study of peritectic solidification, a critical factor in producing steel grades on thin-slab casters. Published models do not adequately describe the influence of several different alloying elements over the anticipated ranges employed in AHSS grades. Solidification studies were performed on various grades of steel using a Differential Scanning Calorimeter, as well as analysis of continuous caster mold thermocouple traces. The combined results were used to develop an updated peritectic
predictive equation. The ability to predict solidification will reduce the cost of grade development and trials to enable U. S. Steel to develop grades that are proprietary to the thin-slab casting process. Ultimately thin-slab casting will be key in meeting investor sustainability demands.

Our innovation teams worked on continuous improvement projects at all of our steel mills, which resulted in improved reliability, reduction in fuel consumption, and improved productivity and quality. Several process models were developed during 2020, while existing models were enhanced to improve quality and reduce costs.

We enhanced the existing steel shop alloy model’s predictive chemistry accuracy by incorporating machine learning techniques. The accuracy of the model is such that we now tap heats from the vessel without taking a turndown chemistry sample or using a sublance. These innovations resulted in productivity improvements and improved efficiencies at the steel shop at Mon Valley Works – Edgar Thomson plant and will be expanded to other steel shops in 2021.

An Instantaneous Blast Furnace Thermal Control model was developed in 2020 and has been running at the No. 14 Blast Furnace at Gary Works. The model takes advantage of real-time
mass and energy balance calculations and gives operations more accurate fuel rate and material recommendations. This model enables reduced variability in the blast furnace thermal state, which leads to higher efficiency, stable operations, a reduction in fuel rate, lower hot metal silicon, and improved control of the slag and GHG emissions in iron compositions. This model will be expanded to other blast furnaces in 2021.

An internally developed Thermomechanical-Microstructural model is now used to simulate the average force, torque, and power along the entire length of the strip in both the roughing mills and finishing mills in our hot strip mills (HSM). The model can also predict the force, torque, and power for any selected point along the length of the strip. In 2020, the model was enhanced to provide more accurate prediction for use in operations; for example, the Gary Works HSM used the model to determine the maximum slab length that can be rolled without overloading the mill stands at the tail end of the strip. The model evaluates the electric motor heating in both the roughing mill and finishing mill and calculates the minimum gap time needed between sequential bars, which allows for maximizing mill productivity while avoiding motor overheating. The model also calculates microstructural development during laminar cooling on the run-out table, as well as air cooling of the coil in the coil yard, enabling improved mechanical property prediction.

U. S. Steel has also targeted development of new products and technologies to enable a low greenhouse-gas future. Ongoing work with industrial and academic partners has led to advances in materials for safely transporting and storing hydrogen, which could deliver tremendous benefits as an alternative fuel source. Hydrogen power could yield dramatic improvements in steelmaking energy efficiency and also could be used to power vehicles and devices. To support this transition to electrified powertrains, U. S. Steel has partnered with several of the leading electric vehicle companies to provide a range of products, including steel grades used in electric motors and AHSS grades that lower the vehicle weight while providing maximum safety.
With the introduction of our XG3™ series of third-generation AHSS, U. S. Steel has further enabled our customers to solve some of their most difficult challenges when designing vehicles. The XG3 grades from U. S. Steel were used in two major automotive platforms in 2020 and are being readily adopted in new vehicles launching over the next several years.

AHSS and XG3 from Big River Steel Substrate
Throughout 2020, U. S. Steel was able to demonstrate and prepare qualification packages for several advanced high-strength steels, including two of our proprietary XG3 grades, using substrate that was made by Big River Steel, then finished at PRO-TEC Coating Company. These 780 and 980 MPa strength level XG3 steels represent the first time third-generation advanced high-strength steel substrate has been made using mini mill technology. Our Best for AllSM strategy will allow U. S. Steel to offer our customers the products they need for producing high-performing vehicle architectures while also helping them meet their sustainability goals.

Actions to Enable a Low Carbon Emission Future
The transportation industry has begun to shift away from internal combustion (IC) engines toward low-emission alternatives such as hybrid and battery-electric vehicles. The challenge facing electrification of the passenger car fleet lies in extending the driving range to be competitive with IC engines. Automakers are making plans to increase the number of electrified vehicles and platforms and are meeting the challenges of extended range through mass reduction, motor efficiency, battery improvements, and introduction of newer energy solutions such as hydrogen fuel cells. U. S. Steel is developing and offering products to enable the widespread electrification of the automotive fleet.

In 2020, U. S. Steel worked closely with several auto manufacturers and original equipment manufacturers (OEMs) to provide steel grades that help them build the newest, most advanced battery-electric vehicle architectures. Our AHSS and XG3 grades are being used to help minimize vehicle weight while protecting the occupants (and batteries) from effects of a crash. These grades will make up a larger proportion of the vehicle frame than most vehicles on the road today. Designing automobiles with U. S. Steel products is helping the automakers achieve their sustainability goals in a cost-competitive manner.
PARTNERSHIPS AND COLLABORATIONS

U. S. Steel is involved in several different projects that have received funding from the U. S. Department of Energy (DOE). While these projects are being led by other organizations, our employees will be contributing their time and gaining knowledge and information that can be applied to areas of our operations. These important projects include:

Colorado School of Mines
Colorado School of Mines is leading a consortium including national laboratories, suppliers, and OEMs under the DOE H2@Scale program on “Microstructural Engineering and Accelerated Test Method Development to Achieve Low Cost, High Performance Solutions for Hydrogen Storage and Delivery.” The goal of this program is to develop lower-cost, non-stainless-steel-alloy designs for the transport and storage of hydrogen. U. S. Steel’s involvement includes overall guidance on alloy designs and production, producing laboratory steel for analysis by the university and evaluation of the manufacturability of proposed grades.

Oak Ridge National Laboratory
Oak Ridge National Laboratory is leading a project focused on the “Use of Novel Refractory Design and Installation Techniques for Improved Energy Efficiency in Iron and Steel and Other Energy Intensive Industries.” Project team members will work together over the next three years to improve the performance of current refractory materials used for iron and steel production. The team plans to investigate novel refractory aggregates, particle packing, and installation techniques. The project will also focus on recycling of spent refractory to develop more sustainable practices.

Purdue University Northwest
Purdue University Northwest is leading a project focused on the “Use of Novel Refractory Design and Installation Techniques for Improved Energy Efficiency in Iron and Steel and Other Energy Intensive Industries.” Project team members will work together over the next three years to improve the performance of current refractory materials used for iron and steel production. The team plans to investigate novel refractory aggregates, particle packing, and installation techniques. The project will also focus on recycling of spent refractory to develop more sustainable practices.

Peaslee Steel Manufacturing Research Center
Under direction from the Peaslee Steel Manufacturing Research Center at the Missouri University of Science and Technology, we will contribute to the “Intelligent Dynamic EAF Advisory System for Improving EAF Operating Efficiency” project. This project will utilize an integrated approach to optimize EAF operation by using novel sensors, innovative burner/injector systems, and advanced data analysis. Models will be developed that can provide guidance on real-time operational adjustments. The proposed platform will also provide tools to enhance early training of equipment operators and project engineers through enhanced analytics of the process. In addition, experiments utilizing novel sensor technology will provide a more effective method of monitoring water-cooled system integrity, which will also benefit our operations at the Fairfield Works EAF.

U. S. Steel’s involvement will potentially consist of Big River Steel serving as a test site for the technology. Project contributors also will assist with trials.

If the goals of the project are met, operating savings could be realized on the order of $2 per ton. The project may also result in 10% productivity savings, 5% less slag volume, two pounds per ton less EAF dust generation, and greenhouse gas emissions reduction of 30 pounds of carbon dioxide equivalents per ton.
Completed in 1973, this bridge provides the northernmost span between Louisiana and Mississippi, providing a key link to move people and products to power local economies in both states. It was constructed using U. S. Steel.
To turn our Best for AllSM strategy into reality, we know we need the best employees, and we need to empower them to be at their best every day. U. S. Steel is keenly focused on attracting and retaining the top talent needed to support our strategic transformation and meet our customers’ evolving needs as a sustainable steel solutions provider. We aim to maintain and build an engaged and diverse workforce to promote new ideas and innovation, reflect the communities where we operate, deliver exceptional customer service, and maintain an inclusive environment where people feel free to bring their whole selves to work.

When it comes to inclusion and diversity, we are committed to ensuring Director-level and above candidate slates are at least 40% female and/or minorities, cumulatively and on an annual basis. We have implemented a wide range of new benefits, engagement/affinity groups, and training programs to help ensure that employees from all backgrounds and walks of life are welcomed, supported, and positioned for success at U. S. Steel.

In the steel industry, safety must always be a top priority, and U. S. Steel is committed to continual improvement of our top-notch safety record. COVID-19 required us to implement new technologies and new protocols to help ensure employee safety, but despite these new challenges, we were able to continue a multiyear record of safety performance. For 2020, we had a corporate Occupational Safety and Health Administration (OSHA) Days Away From Work (DAFW) rate of 0.07, which is eight times better than the U. S. Bureau of Labor Statistics’ Iron and Steel benchmark DAFW rate of 0.60.
Our efforts to empower people start in the workplace, but they don’t end there. U. S. Steel also prioritizes support for the communities where our employees live and work. We contributed approximately $3 million in 2020 to community organizations, activities, and a range of important causes in the United States and Slovakia focusing on projects that enhance and improve quality of life and opportunities that advance safety, education, and environmental stewardship.

INCLUSION AND DIVERSITY
Attracting, developing, retaining, and rewarding a workforce of talented, diverse people is essential to having high-performing teams that drive results for U. S. Steel’s stakeholders. As part of our commitment to cultivating a culture of caring, we have inclusive benefits available for our U.S. nonrepresented workforce, including expanded parental leave, backup dependent care, infertility coverage, gender-reassignment coverage, and healthcare continuation for the families of employees who suffer work-related or military service fatalities. In each of 2020 and 2021, U. S. Steel earned a 100% score on the Human Rights Campaign annual Corporate Equality Index in recognition of our comprehensive and inclusive benefits.
EMPOWERING PEOPLE

BUILDING AN AWARD-WINNING CULTURE

100%

U. S. Steel has been recognized by leading organizations for our efforts to build an inclusive, diverse workplace that works for our employees. In 2020, U. S. Steel was awarded a perfect 100% score on the Human Rights Campaign Foundation Corporate Equality Index with designation as a Best Place to Work for LGBTQ Equality.

GRI 405, 406

I&D Goal: We commit to ensure overall Director-level and above candidate slates of at least 40% or more females and/or minorities, cumulatively and on an annual basis, to improve representation in leadership at U. S. Steel. In 2020, candidate slates for Director-level and above were 59% diverse and, as a result, 43% of these positions were filled with diverse hires.

We are also committed to fostering an inclusive work environment where every employee feels a sense of belonging and valued for their contributions. When this environment exists, people feel confident enough to be themselves, which helps them to excel. And when our employees thrive, they create a high-performance culture that generates results for our company and our stakeholders.

Being competitive today requires that inclusion and diversity be demonstrated in our company’s practices and programs and through the tangible actions of our employees at all levels of the organization. We recognize that when we respect and value our differences and engage our employees around common goals, we create an environment where our employees and our company can reach their fullest potential. And, if there is a substantiated violation of our Sexual and Discriminatory Harassment policy, we take appropriate disciplinary action, up to and including termination.

We seek to hire diverse individuals, and as part of those efforts, post open positions on more than 6,000 diversity-related websites and regularly explore new opportunities to expand our partnerships. In 2020, we added 11 new diversity-focused partnerships. We also search for diverse hiring events to attend and host outreach sessions. For example, in 2021 we rolled out a Women in Steel talent community, which provides women who are interested in working in the steel industry with job alerts, quarterly newsletters, tips for entering the steel industry, and insights and highlights from U. S. Steel and the broader steel industry. In the first week alone, we had nearly 50,000 interactions with prospective candidates.

INCLUSIVE EMPLOYEE BENEFIT PROGRAMS

In 2020, we’ve continued our commitment to cultivating a culture of caring and inclusivity by maintaining inclusive and family-focused benefit programs for our U. S. nonrepresented workforce.

Programs 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 confirmation procedure coverage:** Additional medical coverage for treatments and medications associated with gender confirmation.

In addition, we are fostering our culture of caring through benefit programs designed to 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 (FS A) match:** The company will match employee contributions up to 50% of the applicable IRS limit.

• **Bereavement leave:** Provides for up to 15 days for immediate family.

• **Vacation purchase program:** Employees are permitted 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.

• **Emergency backup care (New for 2021):** Provides emergency child or adult dependent care up to 10 times per year (available for both represented and nonrepresented employees).

• **Online tutoring (New for 2021):** Provides five hours of live online tutoring per family member per month, which can be used by employees and their spouse/children.

**EXECUTIVE COMMITMENT TO INCLUSION AND DIVERSITY**

At U. S. Steel, our dedication to inclusion and diversity begins at the top. Our President & CEO David Burritt has been part of CEO Action for Diversity & Inclusion®, the largest CEO-driven business group devoted to advancing inclusion and diversity in the workplace, since 2019. Membership in this coalition represents a serious commitment, with all CEO members signing a pledge to achieve four pillars of inclusion:
1. We will continue to make our workplaces trusting places to have complex, and sometimes difficult, conversations about inclusion and diversity.

2. We will implement and expand unconscious bias education.

3. We will share best – and unsuccessful – practices.

4. We will create and share strategic inclusion and diversity plans with our Boards of Directors.

In addition, we have committed two full-time minority fellows to the CEO Action for Racial Equity for the next two years (twice the number of our initial commitment), and we have committed to The Valuable 500 to ensure that disability inclusion is on our senior leadership agenda, to make at least one firm commitment to action, and to share our commitment with the business and the world.

In 2020, we implemented unconscious bias training as part of our Diversity in Management Series and held sessions on privilege, bias, and allyship.

Other members of the executive leadership team also play important roles in inclusion initiatives at U. S. Steel, serving on our Inclusion and Diversity Council, which is designed to ensure that we are continuously moving our I&D agenda forward within the organization. In addition, members of our executive leadership team also serve as executive sponsors for our Employee Resource Groups.

EMPLOYEE RESOURCE GROUPS

We support several Employee Resource Groups (ERGs) to enhance employee engagement, promote a culture of acceptance, foster diversity in the workplace, and raise awareness related to issues of identity and intersectionality. Collectively, our ERGs drive awareness, strengthen employee engagement, and create internal and external connections, including through charitable outreach. Additionally, ERGs provide leadership development, mentorship, and networking opportunities for their members.

Our ERGs have continued to grow, which has allowed us to further expand their involvement in attracting talent and engaging in our communities. In 2020, our ERGs held over 100 events designed to help recruit, develop, and engage both our workforce and local communities.
## OUR CURRENT ERGS AND 2020 ACTIVITY

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<tr>
<th>ERG</th>
<th>2020 Growth</th>
<th>Contributions</th>
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<tr>
<td><strong>LEAD (Leveraging and Enhancing All Diversity):</strong></td>
<td>50% membership growth (148 members, two new</td>
<td>Held 17 total events, including six development events (Diversity in Management Series on Unconscious Bias, Privilege, and Allyship) and four Business &amp; Community events</td>
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<td>location chairs)</td>
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<td><strong>WIN (Women’s Inclusion Network):</strong></td>
<td>29% membership growth (420 members, 25% male</td>
<td>Held 26 events, including two Recruiting &amp; Onboarding events, 13 Career &amp; Leadership Development events and six Business &amp; Community events</td>
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<td>allies)</td>
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<td><strong>SERVE (Strengthening and Enhancing Relationships of Veteran Employees):</strong></td>
<td>129% membership growth (109 members, seven new location chairs)</td>
<td>Held six events, including two Career &amp; Leadership Development events and four Business &amp; Community events</td>
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<td><strong>NextGen Steel:</strong></td>
<td>746% membership growth (296 members)</td>
<td>Held 32 events, including five Recruiting &amp; Onboarding events, 16 Career &amp; Leadership Development events and four Business &amp; Community events</td>
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<td><strong>SteelABILITY:</strong></td>
<td>2400% membership growth (48 members)</td>
<td>Held nine events, including one Recruiting &amp; Onboarding event and five Business &amp; Community events</td>
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<td><strong>SteelPRIDE:</strong></td>
<td>Launched new ERG, appointed leadership roles</td>
<td>Held 12 events, including two Recruiting &amp; Onboarding events and seven Career &amp; Leadership Development events</td>
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<td>(64 members, six location chairs)</td>
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<td><strong>SteelPARENTS:</strong></td>
<td>Launched new ERG in 2021</td>
<td>Events are currently being scheduled</td>
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EMPOWERING PEOPLE

MOVING UP THE TALENT CURVE
GRI 202, 401, 402, 403

Our human capital strategy, which we call “Moving Up the Talent Curve,” is a critical success factor to achieving our Best for AllSM strategy. We believe U. S. Steel will only be able to successfully execute on our strategic priorities with the full engagement of a talented workforce. We also know that the best way to engage our workforce is by creating an environment of innovation and creativity, then filling it with talented people who are empowered to do what they do best. Only then can we unlock value for our customers, our stockholders, and the communities in which we operate.

Our internal goal is to maintain a 5% or less voluntary attrition rate, which is well below the manufacturing industry average voluntary turnover rate of roughly 10%. In 2020, we experienced relatively low voluntary attrition levels of 3.6%. We recognize that, in an improved market, voluntary attrition levels could rise. Therefore, it is critical that we remain committed to executing our human capital strategy.

TALENT PHILOSOPHY
Our Talent Philosophy defines the overall expectations and treatment of our most precious resource. These factors create a thread that aligns behavior expectations with the various programs we offer our employees. Our 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-performance 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.

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. At the beginning of each year, senior leaders develop organizational goals that are aligned with our strategy and the goals of the broader enterprise. These goals are then cascaded to all nonrepresented employees in the organization so they can be tailored to each individual employee. This ensures that every nonrepresented employee has individual performance goals that strategically align with the enterprise. Executive as well as individual incentives are tied to performance metrics and include items such as safety and environmental key performance indicators (KPIs).

To ensure that employees provide timely coaching and feedback, managers hold quarterly “2+2 Coaching Conversations.” During these conversations, managers provide positive feedback on two areas of development and growth for their direct report, as well as two areas for constructive feedback to ensure further development. These routine coaching conversations help to develop a transparent relationship between managers and their employees with the goal of building and maintaining a high-performance organization.

At the end of each year, managers evaluate employee performance against individual performance goals established earlier in the year to determine an individual performance rating. Aligned with our Talent Philosophy, this rating is used to differentiate performance and influences an employee’s year-end bonus, as well as subsequent annual merit adjustments.

Only through the full engagement of our talented workforce will we achieve our strategic priorities.
TALENT DEVELOPMENT AND PERFORMANCE

All our employees at a Director-level and above have a formal professional development plan that is assessed at least annually. In addition, we proactively measure our attrition rates and take targeted actions to ensure our highest-potential and highest-performing employees are incentivized to remain with U. S. Steel.

U. S. Steel is committed to upskilling employees. In 2020, to ensure the health and safety of our employees during the height of the pandemic, we shifted to virtual training, and we delivered nearly 1,198 training courses to more than 12,500 employees for more than 407,000 hours of employee training.

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 planned potential development roles, discussing lateral and 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 benefit plans (including base pay, medical insurance, 401(k) savings, and variable-incentive opportunities for all employees) are among the best in our industry and in the communities in which we operate.

Base Wages and Salaries

While wage rates for represented employees are determined based on collective bargaining, base salaries for our nonrepresented employees are generally determined based on market data. Each year, we evaluate market trends to ensure that our salaries are competitive. We also analyze individual base salaries with the objective of having the majority of our employees within 10% of the midpoint for their job. Maintaining this level of rigor has helped to ensure pay equity by job level; for salaried positions in the organization, the average ratio of female to male salary by job level is 99%.
Variable Incentives

We believe that when the company performs well, our employees should be rewarded. All employees, both represented and nonrepresented, participate in variable-incentive programs tied to company performance. In addition, nonrepresented employees can further increase their annual incentive payout based on their individual performance.

LABOR RELATIONS

Approximately 80% of our employees in North America and Slovakia are covered by collective-bargaining agreements, guided by the National Labor Relations Act in the United States and the Law on Collective Bargaining in Slovakia. 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.

NAVIGATING COVID-19

The impact of COVID-19 on our business and the lives of our employees was unexpected and unprecedented. Our immediate and primary focus was to protect the lives and livelihoods of our employees, which required us to significantly change how we do business. We established COVID-19 task forces to implement a robust crisis response, including stringent COVID-19 protocols, to ensure the safety of employees and continuity of operations. Actions taken include:

- **Communications**: A microsite was developed with detailed COVID-19-related FAQs and contact information for employees. Routine pandemic-specific newsletters were also developed to keep our employees informed.
- **New Plant and Office Safety Protocols**: Disinfectant, masks, and cleaning supplies were widely distributed throughout plants and offices. Appropriate signage was posted throughout each facility to encourage physical distancing, sterilization of workspaces, etc.
- **COVID-19 Coordinators**: To quickly implement safety protocols at all of our locations, COVID-19 Coordinators were established for each floor/work area to place appropriate signage, conduct safety walk-throughs, and replenish disinfectant supplies.
- **COVID-19-Related Data Analytics**: A dashboard was established to track COVID-related absences, medical/disability claims, and pandemic-related healthcare usage for each location.
- **Flexible Work Arrangements**: Office employees whose work required them to be in the office were encouraged to limit their days in the office and/or adjust schedules to avoid peak commuting times.
- **Enhanced Telecommuting Capabilities**: Our IT department quickly expanded our capability to enable nearly all office workers to remotely access VPN and establish video conferencing.
- **Enhanced Benefit Programs**: Benefit programs were adjusted to help employees limit in-office doctor visits (e.g., waived telemedicine deductibles, expanded prescriptions, etc.)

“If our customers, suppliers, communities, families, friends, and coworkers look back on this time and remember that we were prepared, we helped make this better, and we’re still there for them, then we will have succeeded.” — David Burritt, President & CEO
COMMUNITY ENGAGEMENT

GRI 413

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 2020, U. S. Steel contributed approximately $3 million to community organizations, activities, and a range of important causes in the United States and Slovakia. The primary goals of our contributions are to positively impact the communities that U. S. Steel calls home, to enhance and improve quality of life, and to support projects and opportunities that advance safety, education, and environmental stewardship.

Supporting our communities took on even more importance during the COVID-19 pandemic. We took action to help community food banks address increased needs from our neighbors, making $100,000 in company contributions in the spring of 2020, and proudly supporting an employee-driven “virtual canned food drive” that raised $30,000. We also donated a total of $100,000 to four school districts to purchase 410 laptops to support remote learning. The impact of the pandemic can be seen in the shift in our 2020 contributions being dedicated to providing a Helping Hand (38%), Education (22%), Community Events & Programs (18%), Health & Safety (18%), and Parks & Public Spaces (4%).

In 2021, U. S. Steel will further encourage employees’ volunteer contributions to our local communities through a volunteer program that provides full-time nonrepresented employees with paid time off to volunteer. We plan to track employees’ volunteer hours and benefiting organizations to establish a baseline for our plan to set a 2022 goal to increase volunteerism in 2022 when compared with 2021.

U. S. Steel seeks to maintain open lines of communication with community leaders and interested citizens, to both share information on the company’s operations and to determine how we can best support priority community initiatives and programs. In addition to conversations with elected officials serving each of our communities, U. S. Steel has initiated two Citizen Advisory Panels (CAPs) for two plant locations at the Mon Valley Works in Pennsylvania.

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

Supporting the Fight Against COVID-19

Gary Works Plant Supports the Fight Against COVID-19

Employees from U. S. Steel’s Gary Works once again showed their support to members of the local community affected by the COVID-19 pandemic with a $10,000 gift to the Methodist Hospitals Foundation, supporting the hospitals’ COVID-19 Response Fund. This donation was used to provide the hospitals with the supplies, pharmaceuticals, and protective equipment needed to care for COVID-19 patients. Gary Works also donated more than 400 N95 face masks to the hospitals, helping frontline workers to stay safe at a time when supplies of personal protective equipment (PPE) and other essential equipment were seriously strained nationwide. This support helps our goal to keep our employees and our communities safe.

Food Bank Support for Neighbors in Need

As the COVID-19 pandemic impacted lives and livelihoods in every American community in the spring of 2020, food banks were suddenly inundated with new families and individuals seeking assistance. U. S. Steel recognized this need and provided financial support totaling $100,000 to food banks in every community that is home to a U. S. Steel facility. In addition, U. S. Steel employees initiated a “virtual canned food drive” that raised $30,000 to support neighbors in need during the pandemic.
USSK Leads COVID-19 Support Efforts

Similar to its impact in the U.S., COVID-19 radically altered philanthropic activities in Slovakia. In 2020 U. S. Steel Košice quickly responded to the pandemic by:

• Donating EUR 22,000 to the Technical University of Košice to buy 3D printers and produce protective face coverings.
• Contributing EUR 50,000 to Šaca Hospital for PPE and special medical equipment for diagnosis and treatment of the novel coronavirus.
• Donating new equipment with a value of more than EUR 65,000 to the Infectious Diseases and Travel Medicine Clinic, where patients suffering complications during treatment of COVID-19 were concentrated in the Košice region. The new equipment included ultrasonic and ECG devices, mobile systems for body temperature measurement, a ramp for wheelchair patients, a hospital ward camera system and more, helping paramedics at the clinic as they scrambled to treat patients.
• Assisting national screening efforts by setting up a testing location directly in the USSK Public Access Area. During the most critical period of the pandemic in Slovakia, this site was used by thousands of employees and others in the region.

Supporting Education

In 2019, U. S. Steel and the Pittsburgh Steelers announced a new multiyear partnership to unite two legendary Pittsburgh-based organizations to support education and community pride. The organizations teamed up to launch the first Steelers-themed STEM education program, with initiatives being integrated into schools in the Mon Valley area. In 2020, the program expanded, with 3,383 students from 27 schools completing 5,026 hours of learning.

As the COVID-19 pandemic closed in-school education in the spring of 2020, U. S. Steel contributed $100,000 across multiple school districts near our Mon Valley Works operations to allow for the purchase of laptops that students could use to learn from home. These contributions supported the acquisition of approximately 410 computers.

U. S. Steel employees initiated a “virtual canned food drive” that raised $30,000 to support neighbors in need during the pandemic.
Partnering to Combat Food Insecurity Through Summer Lunch Program

U. S. Steel partnered in 2020 with the American Heart Association, the Greater Pittsburgh Community Food Bank and the Clairton City School District for a two-year program to fight food insecurity among students on summer vacation. U. S. Steel’s contribution of $60,000 per year funds a summertime supply of meals for children 18 years old and younger who live in the city of Clairton. This was especially critical in 2020 as the resources of families and nonprofit organizations were stretched to meet community needs associated with COVID-19. In addition to the meals, the program provided activities and resources to promote physical activity, including yoga mats, jump ropes, mini vegetable growing kits, and more.

Overall, this program will improve the physical and mental health of children in communities where our employees live and work. The program will be offered again in summer 2021, thanks in part to U. S. Steel’s financial support.

Supporting Education with U. S. Steel Košice

Employees from USSK work actively with selected technical secondary schools and colleges in Košice to help advance education and encourage young people to consider a career in steel. In May 2020, USSK made a long-term commitment to invest in the development of technical talent in the region. Together with the faculty of Materials, Metallurgy and Recycling at the Technical University of Košice, USSK presented an innovative educational project called Technical Talents 2020+, which aimed at popularizing science and sustainability among students at high schools and universities. To support the program, USSK extended support for the faculty by EUR 50,000 per year and committed to allocate EUR 250,000 over the next five years to find, retain, and develop technical talent. Additionally, in cooperation with the Carpathian Foundation, USSK runs the annual Together for the Region grant program, which focuses on supporting leisure-time activities for children and teenagers, promoting environmental protection, and increasing safe behavior in all activities. In 2020, six community projects were supported in towns and villages around eastern Slovakia. Since its inception in 2008, the program has supported 113 developing initiatives, supported with a total of EUR 281,400.

Supporting Vulnerable Populations

U. S. Steel and Susquehanna Service Dogs Partnership

In July 2020, U. S. Steel announced a partnership with Susquehanna Service Dogs, a program of Keystone Human Services, to fully fund the cost of breeding, raising, training, and placing one assistance dog with a $30,000 contribution. The dog will allow someone with a disability to live more independently in their community. One dog in the litter we are supporting is Pebble, a female black Labrador retriever.

Each dog Susquehanna Service Dogs (SSD) places is individually trained to mitigate their partner’s disability and enhance their life. Dogs can assist people with physical disabilities that impact mobility or balance, as well as people with psychiatric disabilities, autism, PTSD, and seizure disorders. SSD also trains dogs to assist people with hearing impairments, as well as facility dogs.
Social Care in the USSK

USSK directs much of their assistance toward supporting foster homes. USSK also provides long-term support to the Autumn of Life Civic Association, whose members are retired USSK employees. USSK also supports the We Are with You at the Right Time project, which supports steelmaker families coping with difficult situations, providing EUR 2,000 in support for eight families over the course of 2020.

Supporting Those Who Serve

Volunteering to Honor Local Veterans

More than 30 Clairton plant employees and their families took time out of their weekends in May and July to give back to veterans in Pittsburgh’s Mon Valley area. The event was the first in a series organized by the Mon Valley Works’ chapter of the SERVE (Strengthening and Enhancing Relationships of Veteran Employees) ERG.

A Our volunteers worked with Clairton American Legion Post 75 to beautify the grounds at Clairton’s “Memorial Hill” Veterans Memorial. The group performed basic landscaping work, including cutting grass, cleaning up debris, clearing weeds, mulching, and more, to prepare the site for upcoming events.

In addition to these volunteer efforts, U. S. Steel committed $5,000 to assist American Legion Post 75 in repairing and installing new memorial markers.

Supporting Our Local Volunteer Fire and Rescue Workers

B With support from U. S. Steel’s Community Engagement Committee (CEC), the Mon Valley Works Clairton plant supported two local fire departments with over $60,000 in monetary donations.

In both cases, the funds will be used to support the purchase of new self-contained breathing apparatus (SCBAs) that the men and women of both volunteer fire departments use to protect themselves when they are fighting a fire or in a hazardous atmosphere.

B Above (left to right): Jim Beisler (Mayor of Lincoln and Assistant Chief of Lincoln Volunteer Fire & Rescue Co.), Mike Rhoads, Drew Martin, Tony Perazich (Chief of Lincoln Volunteer Fire & Rescue Co.) and George King (member of Lincoln Volunteer Fire & Rescue Co.).
Employee Health and Safety

Each year, U. S. Steel participates in the worldsteel Steel Safety Day program, where we share communications and best practices, not only with our employees, but also with other steel companies from around the world. On that worldsteel Steel Safety Day, we host meetings at each operating facility to share these ideas and insights with our employees and take their ideas and comments back to the other members of worldsteel. Here in the United States, our CEO is active on the Board of Directors of the National Safety Council, where once again we share our ideas for hazard eliminations and worker protection, as well as ideas for our own home safety with our families and friends. At U. S. Steel, we’ve been an industry safety leader since our company’s earliest days. In 1908, we coined the expression “Safety First,” and today, safety remains our primary core value. Every employee deserves to return home safely at the end of every day, and we are diligently working to make injury-free work environments a reality, combining physical and psychological safety to take a 360-degree view of our workplaces. By making safety and health a personal responsibility, our employees are making a daily commitment to follow safe work practices, look out for the safety of coworkers, and ensure safe working conditions for everyone. A “Safety First” mindset is as essential to our success as the tools and technologies we rely on to do business. In 2020, we relied on our strong safety culture to ensure the health and safety of our employees during the COVID-19 pandemic. 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 Safety Management System,
EMPOWERING PEOPLE

initiated new safety communication methods, and enhanced contractor safety processes.

One of our most important safety protocols is our fatality prevention audit program. These proactive assessments of the processes and protocols we have in place to avoid fatalities and severe injuries are conducted annually at the enterprise level and more frequently at each of our facilities. We assess our safety performance through a variety of lagging and leading indicators, including OSHA DAFW. This measurement allows us to evaluate the frequency of injuries sustained at our facilities requiring an employee to stay at home for more than one day. U. S. Steel has achieved record-safety performance in this measurement in the last several years, routinely achieving performance better than industry benchmarks.

For 2020, we had a corporate DAFW rate of 0.07, which is eight times better than the U.S. Bureau of Labor Statistics’ Iron and Steel benchmark DAFW rate of 0.60.

We are committed to continuous improvement of our United States Steel Safety Management System (USS SMS). In the first quarter of 2021, our operating facilities conducted SMS self-assessments against our USS SMS Maturity Model and are implementing actions to close identified gaps. Our

GOAL: TO ACHIEVE ISO 45001 CERTIFICATION AT BIG RIVER STEEL BY THE END OF 2023 AND THE BALANCE OF OUR OPERATING FACILITIES STARTING IN 2024

U. S. Steel Safety and Security Center of Excellence (COE) will be conducting follow-up audits, using the same maturity model, at each of these facilities in the second and third quarters of 2021. The combined results will establish a baseline USS SMS maturity score that will be utilized to measure expected year-over-year improvements going forward. In the fourth quarter of 2021, the COE will develop a report of these activities and report them to executive leadership, as well as applicable external partners.

Continuous improvement of the USS SMS will be integrated as a key leading indicator for all operating facilities in 2022, measured by the results of future COE SMS audits conducted annually. Annually, an SMS Performance Report will be generated to identify improvements made throughout the
SAFETY MANAGEMENT SYSTEM (SMS) DEVELOPMENT AND DEPLOYMENT

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

Define
Measure
Control
Analyze
Improve

Leadership
Employee Empowerment & Engagement
Continual Improvement

year, as well as opportunities for future growth. These results will be routinely communicated to executive leadership, as well as applicable external partners and stakeholders.

GRI 403-1: Occupational health and safety management system

Our USS SMS, which is built on the ISO 45001 framework, is the continuous improvement engine that guides our day-to-day decision-making, focusing on identifying and reducing risk. Unwavering commitment to and support for the Safety Management System from our executive and operational leadership has been the cornerstone to the success we have realized today and will help drive future successes.

Our Corporate Safety Steering Team (CSST) sets the strategic direction for the USS SMS and is the body that holds us accountable to meeting our objectives and ensuring that safety and health are fully integrated into the organization’s overall business processes. The CSST is chaired by a senior operating executive and comprised of representation from the President and CEO down to senior operational leaders at the plant level, corporate safety professionals, as well as representation from the United Steelworkers. In 2020, we took the next step toward world-class safety excellence with the continuing development and deployment of our USS SMS.
GRI 403-2: Hazard identification, risk assessment, and incident investigation

The driving force behind the USS SMS is our desire to be strategic and systematic in the way we focus our efforts on proactive and sustainable safety management. One major initiative in 2020 was the development of divisional risk registers at all our operating plants. We built objectives around our risk process that rolled up to the CEO level. By year’s end, we had identified more than 9,000 jobs, which were risk ranked and prioritized. This systematic approach to hazard identification and risk assessment will provide a road map to focus our attention, capital, and efforts on the highest safety risks around the company.

In the first quarter of 2021, an internally built, custom Hazard Identification and Risk Assessment (HIRA) module was developed in our safety data management system and implemented across the enterprise. Information on various leading risks is now at the fingertips of our front-line employees, allowing them to take action to prevent high-risk situations or activities. Every plant will continue to identify hazardous jobs, prioritize their risk, and set risk-based objectives that will further ingrain proactive safety and sustainable solutions into our overall business processes.

GRI 403-1: Occupational health and safety management system

In 2021, we established USS SMS objectives that roll up to the CEO level, driving the continuous improvements to our safety management system. In the first quarter of 2021, each plant will conduct a self-assessment against the requirements of our safety management system using an internally built audit tool, which will quantify our SMS maturity and allow us to measure our progress over time. After self-assessments are complete, a core group from our Corporate Safety & Security Center of Excellence team will perform baseline USS SMS audits and establish a maturity index score for each plant in the second and third quarters of 2021. We will then use the scores from our audits to help individual plant locations prioritize and act on their risks and opportunities for improvement.

The outcomes of our self-assessments, corporate audits, and management reviews will be summarized and communicated to key stakeholders in the form of an annual report in the final quarter of 2021. The USS SMS Annual Report will act as our mechanism for communicating the activities of our USS SMS and how we provide a safe working environment for all our employees, contractors, and other key stakeholders.

2022 targets will be built around year-over-year safety performance improvement, specific to each individual plant’s USS SMS maturity.

EMPLOYEE ENGAGEMENT ACTIVITIES

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

In unprecedented times, we fought to mitigate the unique...
Throughout the year, we captured and shared COVID-19 best practices between our plants to ensure we stayed at the forefront of keeping our employees safe at work.

challenges brought on by the COVID-19 pandemic in our essential industry. Throughout the year, we captured and shared COVID-19 best practices between our plants to ensure we stayed at the forefront of keeping our employees safe at work. Social-distancing controls established included physical work barriers, realignment of work schedules, and the modification of work practices. We took temperatures at our points of entry, added hand-washing stations throughout our plants, and provided employees with hand sanitizers and other essential PPE such as gloves, N95 masks, and other face coverings. In addition to physical distancing and personal protective equipment, we rigorously, proactively, and routinely disinfected and sanitized all of our work areas.

In an industry with a magnitude of diverse operations and hazards, we had to vigilantly practice pandemic protocols while remaining focused on the day-to-day hazards of our work. We leaned in on our worker engagement mechanisms and paired them with our new risk register process to ensure we were allocating resources efficiently and effectively. We saw promising indicators that our seasonal safety campaigns, leveraged with our safety conversation process and our “go look” initiatives, were driving safety improvement across U. S. Steel.

From 2019 to 2020, we saw a 30% improvement in OSHA-recordable cases during our spring campaign period and an 82% reduction in significant injury cases during our summer campaign period. During our fall/winter seasonal safety
campaign period, we had zero DAFW cases across the entire company. U. S. Steel also proudly participates each year in the worldsteel Steel Safety Day, where we continue to share best practices in health and safety, from steel companies around the world, with our employees.

360° Safety

GRI 403-6: Promotion of worker health

We enhanced our robust focus on physical and psychological safety in our facilities to help us take a more holistic approach to safety. We call this effort 360° Safety.

While physical hazards typically first come to mind when thinking of safety, subtler psychological, social, and emotional factors can cause employees to become distracted, which can lead to physical safety issues. Distractions can also be caused by other things that affect our psychological safety, such as how we treat each other in the workplace. The main barrier to psychological safety in the workplace is lack of awareness about how to create a welcoming, professional environment. That means an environment where every employee feels a sense of belonging, accepted and respected within their roles, and valued for their contributions. When this environment exists, people feel safe and confident enough to be themselves, allowing them to do their best work, and make our company better. We are working to improve psychological safety by taking a “See Something – Say Something – Do Something” approach.

Joint fatality prevention audits, joint union-management committee meetings, and working closely with our Union Safety Representatives are just a few examples of how we work together to keep people safe and stay fully committed to our culture of caring.
Recognition
GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

In 2012, our Corporate Safety Steering Team (CSST) established a Corporate Safety Recognition program known as the “Chief Executive Officer’s Safety Excellence Award.” This is an annual reward based on a scoring system that incorporates key performance indicators, aiming to recognize the most outstanding safety performance at our operating plants. The winning facility is announced at the first Corporate Quarterly Business Review meeting of the year, and a town hall presentation, attended by our President and CEO as well as other senior executives, is conducted at the winning facility. A personal congratulatory letter is sent to each employee’s home and the Chief Executive Officer’s Safety Cup is presented and remains at the winning facility for the duration of the calendar year. In 2019, Great Lakes Works won the award through hard work and dedication to safety, and in 2020, USSK took the trophy home.

Days Away From Work
GRI 403-10: Work-related ill health

In 2020, our Days Away From Work frequency was almost 50% improved over 2019, allowing us to finish the year at a 0.07 DAFW frequency. U. S. Steel believes that the Days Away From Work metric is the most consistent performance indicator across the globe and identifies the most significant injuries in manufacturing.

GRI 403-5: Worker training on occupational health and safety

U. S. Steel recognizes the importance of ensuring our employees have the education, qualification, and experience necessary to carry out their daily work duties in a manner that will keep them and their coworkers safe. All employees receive routine safety and health training in a multitude of formats to ensure we equip our employees with the skills and knowledge that will positively impact their safety performance. New employee orientation and annual safety awareness training are provided on an annual basis, and task-specific on-the-job training is performed and built into the job qualification requirements of every employee.
Anchored by steel from U. S. Steel and others, recently renamed 875 North Michigan Avenue is one of the top 15 tallest buildings in North America. The building offers views spanning four states from its 360-observation deck, and is one of the most recognized structures along Chicago’s skyline. Today, it contains offices, restaurants, and more than 700 condominiums.
Big Ambitions

At U. S. Steel, we believe part of being a good corporate citizen requires a dedicated focus on how our industry affects the environment. We are committed to recycling and reducing our emissions, as well as energy and resources required for our operations. As part of our Best for All℠ strategy, we are investigating, creating, and implementing innovative, best-practice solutions and processes throughout our operations.

In 2020 alone, U. S. Steel recycled approximately 3 million tons of purchased and produced steel scrap. Because of steel’s physical properties, our products can be recycled at the end of their useful life without loss of quality, contributing to steel’s high recycling rate and affordability. Additionally, in 2020, we recycled approximately 3.3 million tons of blast furnace slag and 0.4 million tons of steel slag by selling it for use as aggregate and in highway construction. And by using the blast furnace and coke oven gas generated in our cokemaking and steelmaking activities to power our facilities, we saved enough natural gas and other fuels from 2018 to 2020 to heat more than 3.4 million households for a year.

In 2019, as part of our Best for All strategy, U. S. Steel announced our commitment to reduce our greenhouse gas (GHG) emissions intensity by 20% across our global footprint. These reductions are equivalent to the amount of CO₂ generated by more than 850,000 average-sized homes each year. We continued full-speed ahead toward reaching this target in 2020. And in 2021, we announced an even more aggressive goal to achieve net-zero emissions by 2050, as measured by the rate of CO₂ equivalents emitted.

Through investment and innovation, we continually seek to reduce energy consumption throughout our operations, which helps us to both maximize efficiency and further reduce emissions. From transitioning facilities to cleaner-burning natural gas to installing highly efficient LED lighting, we are continually enhancing our overall environmental footprint every day.
Environmental stewardship is a core value at U. S. Steel, firmly embedded as one of our S.T.E.E.L. Principles. We know we must operate our facilities in an environmentally responsible manner and take steps to protect and preserve our shared natural resources.

As a company, U. S. Steel articulates our core value of environmental stewardship through three basic principles that are the responsibility of all our employees and our operations. These principles are:

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

With a focus on these principles, U. S. Steel collaborates with industrial organizations and in collaboration with 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.

We know we must operate our facilities in an environmentally responsible manner and take steps to protect and preserve our shared natural resources.
OUR COMMITMENT TO ENVIRONMENTAL COMPLIANCE

Our commitment to operating in an environmentally responsible manner begins with our policies, programs, and processes to ensure compliance with local, state, and federal environmental laws.

U.S. Steel has incorporated International Organization for Standardization (ISO) 14001 into our environmental management systems. 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, including: Mon Valley Works – Clairton, Edgar Thomson, Irvin and Fairless Plants; Great Lakes Works; Gary Works; Midwest Plant; Granite City Works; Lorain Tubular Operations; Offshore Operations Houston; UPI; and

ENVIRONMENTAL MANAGEMENT POLICY AND CODE OF ETHICAL BUSINESS CONDUCT

- Establish and maintain documented environmental programs that adhere to environmental laws and regulations and, where economically feasible, more stringent voluntary standards using technological options that satisfy financial, operational, and business requirements.

- Conduct operations in an environmentally sound manner, recognizing that the accountability and responsibility for environmental management extends from the individual employee through all levels of the organization.

- Communicate 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.

- A strong commitment to compliance with environmental laws, regulations, and other environmental requirements applicable to U.S. Steel.

- Participation with government authorities in the development of technically sound and financially responsible environmental laws, rules, and regulations.

COMMITMENT TO ENVIRONMENTAL COMPLIANCE

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U. S. Steel Košice; as well as our newest facility, Big River Steel, which is ISO 14001-certified and also the first LEED (Leadership in Energy and Environmental Design)-certified steel production facility in the United States.

At all our facilities, we prepare for and have a formal plan to promptly respond to environmental emergencies. These policies 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. Release incidents are investigated by plant management.

We support our environmental compliance efforts with significant funding, with environmental capital expenditures alone accounting for 6% of total enterprise capital expenditures in fiscal year 2020. In 2020, we spent more than $278 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 2020, environmental compliance expenditures represented approximately 2% of U. S. Steel’s total costs and expenses.

The steelmaking process is heavily regulated from an environmental standpoint. Across our corporation we have thousands of compliance requirements that we are committed to meeting. We are also committed to continuously improve in our environmental compliance.

We are committed to transparency and practice sharing regarding the company’s environmental performance throughout our organization. Each month, environmental metrics are monitored and reported to company executives. The plant locations also conduct monthly environmental walk-throughs, completing 611 walk-throughs in 2020, to proactively find and correct potential environmental issues to reduce risk of noncompliance. We also have a robust environmental audit program, which includes audits completed by third-party auditors and internal environmental experts, as well as workshops to educate our environmental engineers. Once per quarter, executives and the environmental department conduct an Executive Environmental meeting, where these metrics and other environmental topics are reported to the executive team. Significant environmental issues are also presented and discussed at Board of Directors meetings. We have increased our external transparency through the establishment of Community Advisory Panels in the Clairton and Braddock communities in southwestern Pennsylvania.
At U. S. Steel, we are continuing on our journey down the carbon curve and toward sustainable net-zero steel production through our Best for AllSM strategy. U. S. Steel is a historic innovator and leader in the energy-efficient production of steel. We use blast furnaces to generate the molten iron needed for the integrated steelmaking route, but recognize synergies between the integrated and EAF-based process routes that will allow us to reduce our carbon footprint and optimize operations.

In 2019 as part of our strategy, U. S. Steel announced our commitment to reduce our greenhouse gas emissions intensity by 20% across our global footprint by 2030, when compared to the 2018 baseline year. We continued full speed ahead toward reaching this target in 2020 by focusing on process optimization, as well as on the incorporation of EAFs into our footprint. And in 2021, we announced an even more aggressive goal to achieve net-zero emissions by 2050.

The greenhouse gas emission reduction target reflects our continued commitment to improvement in production efficiency and the manufacture of products that are environmentally friendly.

In addition to a commitment to reduce our own greenhouse gas emissions intensity, U. S. Steel is committed to helping customers and consumers achieve their environmental goals. Our industry-leading XG3™ advanced high-strength steel enables automakers to manufacture lighter-weight vehicles that meet federal Corporate Average Fuel Economy (CAFE) standards with reduced carbon emissions. Additionally, we released a new sustainable-steel product line in 2021, verdeXTM, which uses one-quarter of the carbon intensity required for comparable products through integrated steelmaking.

GRI 205, 302

Integrated steel production is a carbon-intensive process. 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. Alternative technologies exist that use natural gas for reduction, and while the carbon dioxide emissions are lower than the integrated steelmaking process, they still emit carbon dioxide. There are currently no commercially viable technological alternatives for reduction of iron ore without carbon, although research continues for such technologies. Alternatively, steel can be produced with a significantly smaller carbon footprint by melting recycled steel scrap using electricity in an EAF. However, there is an insufficient supply of steel scrap globally to meet the world’s demand for new steel. Based on information from the World Steel Association (worldsteel), the supply of scrap is currently enough to produce about 30% of the world’s steel. worldsteel projects that the supply of scrap is expected to grow to become about 50% of the world’s steel supply by 2050.

U. S. Steel plans to take advantage of the high availability of ferrous scrap in the United States and the growing availability of low- and no-carbon electricity to further reduce our carbon intensity. U. S. Steel is working with partner universities and other organizations pursuing breakthrough technologies for further reduction of the carbon intensity of both the integrated and EAF-based process routes, including technologies for increasing scrap usage, capturing carbon emissions at the source, hydrogen reduction of iron ore, and the generation and use of renewable energy.

Our carbon goals encompass Scope 1 and Scope 2 emissions from all of our facilities, including but not limited to mining, integrated steelmaking, EAF-based steelmaking, and finishing operations and are normalized by raw (crude) steel produced. These goals include not just CO2, but other greenhouse gases such as methane (CH4) and nitrous oxide (N2O), with the latter two gasses combined with CO2 in a CO2-equivalent (CO2e) measurement. This goal was set after considering various methodologies used to calculate GHG emissions, including the World Resources Institute 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 the selected goal was appropriate, aggressive, and achievable given the state of technology in 2019, as well as the expected future technological growth. In addition, U. S. Steel continues to work closely with worldsteel and its member companies to benchmark performance and share best practices on the data collection, analysis, and ultimately, the reductions in GHG emissions.

The graphs that follow show the absolute and intensity-based GHG emissions for U. S. Steel wholly owned facilities for 2015-2020. The results are broken out by Scope 1, Scope 2, and total GHG emissions for North America, Europe, and Total Global Operations. Absolute measurements are presented as metric tons of CO₂e, while intensity measurements are metric tons of CO₂e per metric ton of raw steel produced. Since the acquisition of Big River Steel was not completed until January 2021, the emissions from that facility are not included in these numbers.

In addition to our efforts to reduce the carbon footprint from our own production processes, we employ teams of marketing, research, and engineering employees to 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.

To reach net-zero, we will continue to evaluate opportunities to incorporate EAF-based steelmaking production into our footprint and pursue continuous improvement projects at all of our facilities, including mining, steel production, and finishing.
U. S. Steel Annual Scope 1
Greenhouse Gas Emissions for the North America Operations

GHG emissions are reported in metric tons of total carbon, methane, and nitrous oxide converted to carbon dioxide equivalents and excludes GHG emissions from on-site landfills. The annual amounts vary based on a variety of factors including facilities operating, production levels, and energy efficiency projects implementation.

U. S. Steel Annual Scope 2
Greenhouse Gas Emissions for the North America Operations

GHG emissions are reported in metric tons of total carbon, methane, and nitrous oxide converted to carbon dioxide equivalents. The annual amounts vary based on a variety of factors including the use of grid specific emissions factors, electricity generation, facilities operating, production levels, and energy efficiency projects implementation.

U. S. Steel Annual Scope 1
Greenhouse Gas Emissions for the European Union Operations

GHG emissions are reported in metric tons of total carbon, converted to carbon dioxide equivalents and excludes GHG emissions from on-site landfills. The annual amounts vary based on a variety of factors including facilities operating, production levels, and energy efficiency projects implementation.

U. S. Steel Annual Scope 2
Greenhouse Gas Emissions for the European Union Operations

GHG emissions are reported in metric tons of total carbon, converted to carbon dioxide equivalents. The annual amounts vary based on a variety of factors including the use of grid specific emissions factors, electricity generation, facilities operating, production levels, and energy efficiency projects implementation.

U. S. Steel Annual Total
Greenhouse Gas Emissions for the North America Operations

GHG emissions are reported in metric tons of total carbon, methane, and nitrous oxide converted to carbon dioxide equivalents. The annual amounts vary based on a variety of factors including the use of grid specific emissions factors, electricity generation, facilities operating, production levels, and energy efficiency projects implementation.

U. S. Steel Annual Total
Greenhouse Gas Emissions for the European Union Operations

GHG emissions are reported in metric tons of total carbon converted to carbon dioxide equivalents. The annual amounts vary based on a variety of factors including the use of grid specific emissions factors, electricity generation, facilities operating, production levels, and energy efficiency projects implementation.
### U. S. Steel Annual Scope 1 Greenhouse Gas Emissions Intensity for the North America Operations

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<thead>
<tr>
<th>Period Ending December 31</th>
<th>2016</th>
<th>2017</th>
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<tbody>
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<td>Metric Tons of CO2e</td>
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<td>2.10</td>
<td>2.12</td>
<td>2.17</td>
<td>2.16</td>
</tr>
</tbody>
</table>

The GHG emissions intensity is based on the total quantity in metric tons of GHG emissions calculated in accordance with GHG Protocol standards divided by the total quantity in metric tons of raw steel produced in North America as published in the U. S. Steel Annual Report and that are processed into finished steel products.

### U. S. Steel Annual Scope 2 Greenhouse Gas Emissions Intensity for the North America Operations

<table>
<thead>
<tr>
<th>Period Ending December 31</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Tons of CO2e</td>
<td>1.97</td>
<td>1.98</td>
<td>2.04</td>
<td>2.11</td>
<td>2.16</td>
</tr>
</tbody>
</table>

The GHG emissions intensity is based on the total quantity in metric tons of GHG emissions calculated in accordance with EU ETS standards divided by the total quantity in metric tons of raw steel produced in North America as published in the U. S. Steel Annual Report and that are processed into finished steel products.

### U. S. Steel Annual Scope 1 Greenhouse Gas Emissions Intensity for the European Union Operations

<table>
<thead>
<tr>
<th>Period Ending December 31</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Tons of CO2e</td>
<td>9.71</td>
<td>9.82</td>
<td>10.79</td>
<td>10.35</td>
<td>8.49</td>
</tr>
</tbody>
</table>

Intensity Units - Metric tons of CO2e per metric ton of raw steel produced
Raw Steel Produced Units - Million metric tons

The GHG emissions intensity is based on the total quantity in metric tons of GHG emissions calculated in accordance with EU ETS standards divided by the total quantity in metric tons of raw steel produced in North America as published in the U. S. Steel Annual Report and that are processed into finished steel products.

### U. S. Steel Annual Scope 2 Greenhouse Gas Emissions Intensity for the European Union Operations

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<thead>
<tr>
<th>Period Ending December 31</th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>Metric Tons of CO2e</td>
<td>9.91</td>
<td>9.92</td>
<td>10.82</td>
<td>10.43</td>
<td>8.53</td>
</tr>
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</table>

Intensity Units - Metric tons of CO2e per metric ton of raw steel produced
Raw Steel Produced Units - Million metric tons

The GHG emissions intensity is based on the total quantity in metric tons of GHG emissions calculated in accordance with EU ETS standards divided by the total quantity in metric tons of raw steel produced in North America as published in the U. S. Steel Annual Report and that are processed into finished steel products.

### U. S. Steel Annual Total Greenhouse Gas Emissions Intensity and Production for the North America Operations

<table>
<thead>
<tr>
<th>Period Ending December 31</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<td>1.03</td>
<td>1.04</td>
<td>1.11</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Intensity Units - Metric tons of CO2e per metric ton of raw steel produced
Raw Steel Produced Units - Million metric tons

The GHG emissions intensity is based on the total quantity in metric tons of GHG emissions calculated in accordance with GHG Protocol and EU ETS standards divided by the total quantity in metric tons of raw steel produced globally as published in the U. S. Steel Annual Report and that are processed into finished steel products.

### U. S. Steel Annual Total Greenhouse Gas Emissions Intensity and Production for the Global Operations

<table>
<thead>
<tr>
<th>Period Ending December 31</th>
<th>2016</th>
<th>2017</th>
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<th>2019</th>
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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) like our third generation XG3™ AHSS products, 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.
Energy Efficiency and 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 use 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 nonvalue-adding activities, defects, and waste to increase efficiencies and reduce energy use. Energy reduction projects are a key component of meeting our 2030 20% GHG emissions intensity reduction goal, especially at our mining, steelmaking, and finishing operations. Energy reductions can lead to Scope 1 emission reductions (less combustion of natural gas or carbon) as well as Scope 2 emission reductions (reduction in purchased electricity).

Besides capital improvements, we can also improve energy efficiency through process innovations, such as the Blast Furnace Thermal Control Model or hot strip mill Thermomechanical Control Model and our relationships with different university consortia and U.S. Department of Energy projects, as discussed in the Celebrate Innovation section. In 2020, we undertook a number of different energy-reduction projects, including at Gary Works, where we started a project to convert our No. 4 Boilerhouse to cleaner-burning natural gas. We also started a project to overhaul one of our steam turbine generators to enable on-site power generation instead of purchasing power from the local grid. In Europe, we undertook a project to replace fluorescent lighting with LED lighting, which saved more than 4,000 megawatt-hours upon completion. We are upgrading the No. 14 Stove on No. 1 Blast Furnace with an improved design to enable long-term fuel savings, which will reduce both energy consumption and greenhouse gas emissions.

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U. S. Steel Annual Total Energy Usage Intensity and Production for the North America Operations

Intensity Units - Megawatt-hours of energy per metric ton of raw steel produced
Raw Steel Produced Units - million metric tons

Energy intensity is based on the total energy consumption in megawatt-hours divided by the total quantity in metric tons of raw steel produced in North America as published in the U. S. Steel Annual Report and that are converted into finished steel products.

U. S. Steel Annual Total Energy Usage Intensity and Production for the European Union Operations

Intensity Units - Megawatt-hours of energy per metric ton of raw steel produced
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U. S. Steel Annual Total Energy Usage Intensity and Production for the Global Operations

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Energy usage is reported in megawatt-hours and includes all forms of energy consumed converted to megawatt-hours.
In order to protect air quality, the United States Environmental Protection Agency and state and local environmental agencies have enacted laws to regulate air emissions from various sources.

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 USEPA. The Title V permit is unique for each facility, is comprehensive, and is intended to include "all applicable requirements" under the Clean Air Act and underlying regulations that apply to the facility. The permits include emissions limits and standards and work-practice requirements, as well as air pollution control equipment, stack testing, monitoring, record-keeping, 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 operations and maintenance of air pollution control equipment, reporting of process conditions, and record-keeping 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.

The Clairton plant has 10 coke batteries and a byproduct facility that cleans the coke oven gas produced by coking process for reuse. The plant is subject to federal, state, and local air regulations. U. S. Steel continuously monitors many of our sources for environmental performance at the plant. These monitors include continuous opacity monitors (COMs),

Two new dust collectors were implemented in 2020. These units decrease the use of water for plant operations and increase mechanical reliability of the equipment. The addition of the dry-dust collectors also benefits the plant by providing the option to vent warm exhaust into the plant during cold-weather months, thus reducing use of natural gas.
Continuous emission monitors (CEMs), and various continuous parametric monitoring systems throughout the plant, which read and record thousands of compliance monitoring data values every day. In addition, there are two local agency inspectors at the facility five days a week.

Clairton plant’s 2020 performance of 99.87% compliance rate was the best ever recorded, surpassing 2019’s previous record-setting performance compliance rate of 99.67%. As a specific example, the Clairton plant achieved compliance records at 99.9% compliance in 2020 for battery stack performance, which is monitored with a continuous opacity monitor 24 hours a day, seven days a week.

On January 26, 2021, Allegheny County announced “that, for the first time in its history, all eight air quality monitors in Allegheny County have met federal air quality standards.” While many factors contribute to local and regional air quality, U. S. Steel has continuously invested in the Mon Valley to do our part to help reach this milestone. 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:

1. **Creation of an innovative adjustable door seal** with a third party to create better emission capture on nine batteries.

2. **Upgrades to the desulfurization process** that reduces hydrogen sulfide (H₂S) in the coke oven gas (COG) fuel. Reductions of H₂S in the COG result in a reduction of sulfur dioxide (SO₂) emissions from all of the combustion unit users of COG across the Mon Valley Works plants (Clairton, Edgar Thomson, and Irvin).

3. **Upgrades to Pushing Emission Control (PEC) baghouses’ particulate matter control efficiency**, which were completed in 2020. The high control efficiency bags are 92% efficient at removing particulate matter of 2.5 microns or less (PM2.5). The previous baghouse bags were approximately 80% efficient at removing PM2.5. This is a 15% increase in capture at all five baghouses, resulting in a significant emissions reduction of PM2.5.
PROTECTING THE ENVIRONMENT

USSK Performance
The most significant actions in 2020 were projects to reduce pollutants (mainly particulate matter) in emissions released from:

- Sinter Plant – Line numbers 1, 2, and 3
- No. 2 Steel Shop – Dedusting of hot metal desulfurization
- No. 3 Coke Battery – Quenching tower

In 2020, we also started other capital improvement projects, which are scheduled for completion in 2021:

- No. 2 Blast Furnace – Ore bridges emission control
- Nos. 1 and 3 Coke Battery – Coke handling dedusting

Since 2001, USSK has achieved a 98% reduction in particulate matter emissions. In 2020, specific particulate emissions were 1.9% of the level in 2001, in an amount of 0.083 tons per thousand tons of crude steel. Since 2001, we have reduced particulate emissions at USSK by a total of by 16,417 tons.

2021 Nitrogen Oxides Air Goals
In 2021, U. S. Steel will set a goal for nitrogen oxides (NOx) emission reduction from our facilities. NOx is produced from a variety of sources, such as car engines, agricultural activities, industrial operations, and even lightning. At our facilities, the primary source of NOx generation is from the combustion of fuels. NOx is a regulated pollutant but is also a precursor to ozone and PM2.5 (particulate matter of 2.5 microns or smaller).

We are evaluating our data and will establish a baseline year and a reduction goal over a specific time period.

WATER QUALITY AND CONSERVATION

U. S. Steel recognizes the importance of clean water and how scarcity of water can pose a risk to our operations. We are committed to continually striving to reduce, recycle, and reuse process water.

COMPARISON OF PARTICULATE MATTER SPECIFIC EMISSIONS AT USSK
Below are the locations of our facilities on water risk maps: U. S. Steel’s facilities use 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 water for reuse in operations, drastically reducing the amount of water brought into plants. Plants are located in areas with low to low-medium water scarcity impacts. Although drought conditions and water conservation regulations have not historically impacted operations, U. S. Steel is aware of our responsibility to continually update and implement best management practices to further environmental preservation. When recycling is not feasible, proper treatment and discharge to local waterways is utilized in compliance with all state and local regulations.
Permitting

U. S. Steel facilities include more than 20 locations with more than 100 outfalls regulated by the National Pollutant Discharge Elimination System (NPDES) program. We regularly sample for submission to the proper regulatory agencies in accordance with permit requirements. Prior to discharging to public waterways, process water is treated using both chemical and physical processes, such as pH control, precipitation, sedimentation, filtration, and solids removal and dewatering.

Stormwater

Stormwater is also regulated through the NPDES program. Each facility has its own stormwater management practices that it implements along with routine inspections and sampling. Methods to manage stormwater quality are referred to as Best Management Practices (BMPs). Some stormwater specific BMPs include raw material management, street sweeping, catch basin filtration, and stormwater containment areas. In addition to BMPs, several facilities also use full-scale treatment for stormwater prior to discharge.

Wastewater Treatment

U. S. Steel is responsible for the operation and maintenance of more than 40 wastewater treatment plants (WWTP). These plants are tasked with treating site-specific process water, ranging from waste oil to hazardous waste, before discharging from U. S. Steel property. Some properties also maintain their own sanitary plants. In 2020, Granite City Works won the Industrial Group’s “Best Operated Wastewater Treatment Works Award” for 2019 in Illinois. The award was given by the Illinois Association of Water Pollution Control Operators (IAWPCO). The purpose of the annual award is to emphasize the relationship between adequate wastewater treatment and clean receiving waters, and to give public recognition and encouragement to industries and their operating personnel who have operated their wastewater facilities in an especially effective manner. This is the third time Granite City Works has won this award.

Completed in 2020, the new chrome plant is one stop from treatment to discharge. All components are inside a building and are designed based on 200 plus preventative measures based on team experience.

Water Recycling

The tailings basin utilized at Minntac provides an example of water recycling, ensuring that 90-95% of effluent discharge is reclaimed to satisfy operational water demand. This equates to the reuse of 43,000 gallons per minute, or 62 million gallons per day. U. S. Steel is committed to reusing as much of our effluent as possible to reduce process water demands and potential downstream impacts.

Another water conservation measure is to use treated process water as a source of cooling water for the blast furnace slag pits. U. S. Steel also uses leak-detection measures and monitoring of processes, influent water, and effluent water to assist in conservation measures. An example of this is the addition of a seep collection and return system at the western portion of the Minntac plant.

WASTE MANAGEMENT, RECYCLING, AND 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.
PROTECTING THE ENVIRONMENT

Mineral Waste Management
At our Minnesota Ore Operations in the Mesabi Iron Range, we operate several highly efficient taconite mines — “Keetac” and “Minntac.” 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 noniron-bearing materials that are 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 features active interior tailings disposal basins (6,000 acres and 2,400 acres, respectively) with separate exterior perimeter dams. They utilize 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 the annual activities and monitoring are provided to MNDNR annually. MNDNR also conducts independent inspections of reclamation success and dam safety.

Steel Scrap
Recycling helps preserve landfills and improves sustainability through raw material and resource management. Every year, U. S. Steel recycles substantial quantities of scrap metal and other steelmaking coproducts and byproducts. In 2020, U. S. Steel recycled approximately 3 million tons of scrap steel in our integrated mills and at the Fairfield Works EAF, which will only increase with the addition of Big River Steel EAFs. Steel can be recycled over and over without any loss of quality in the material itself.

Blast Furnace and Steel Slag
Not only is steel recycled, but many of the byproducts in its production can be used in other processes or for other purposes. In 2020, U. S. Steel recycled approximately 3.4 million tons of blast furnace slag and 0.4 million 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 is 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 byproduct, cokemaking, ironmaking, steelmaking, and steel finishing operations. In 2020, 6,000 tons of process materials...
from the cokemaking byproducts plant were collected and returned directly to 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, which are then used as feedstocks for ironmaking and steelmaking, respectively. This included the production of approximately 3.5 million tons of sinter, which were used in the blast furnaces, along with 123,000 tons of briquettes that were used in the blast furnaces and Basic Oxygen Process (BOP) furnaces. An additional 67,700 tons of mill scale not used internally to make sinter or briquettes were sold to cement manufacturers, which 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 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 plants for reuse in pickling, or it is sold for beneficial use as a wastewater treatment chemical. In 2020, U. S. Steel reused 154,500 tons of regenerated hydrochloric acid in the pickling lines and sent 23,000 tons off-site for direct beneficial use in wastewater treatment.

**Coke Oven Gas and Blast Furnace Gas**

We reduce the amount of waste generated and emissions produced in steelmaking by reusing the byproduct gases produced in our blast furnaces and coke ovens because it is good for the environment and good for business. In Clairton alone, by using coke oven gas generated by our coke batteries (approximately 130 million MMBtu from 2016-2020), between 2018 and 2020 we have saved enough natural gas and other fuels to heat nearly 1 million households each year. U. S. Steel Mon Valley Works is one of the most energy-efficient integrated iron and steel facilities in the world. The Mon Valley Works reuses gases from blast furnaces and coke ovens to support combustion processes at U. S. Steel's Clairton, Edgar Thomson, and Irvin facilities, as well as to generate electricity at the Edgar Thomson and Clairton plants. The Mon Valley Works is a certified Alternative Energy System recognized by the Pennsylvania Department of Environmental Protection (PADEP). Companywide, by using the blast furnace 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 2018 to 2020 to heat more than 3.4 million households each year.

**Waste Management at USSK**

In the area of waste management, in 2020 we obtained approvals for new methods of handling two byproducts, iron-containing sludge from wet-level separators and abrasive sludges from metal machining, both of which are now fed back into the production process. By the end of 2020, we obtained approval for handling of 30 different byproducts. A project for briquetting sludge and dust, which started in December 2019, enables us to improve recycling of byproducts from the cold-rolling mills, hot rolling mill, and blast furnaces. The amount of blast furnace sludge and steel dust recycled external of our USSK operations increased from 35,654 tons in 2019 to 40,359 tons in 2020.

A total of 2,083,034 tons of materials were recycled externally to our USSK operations, of which in USSK a total of 841,414 tons and externally a total of 1,251,620 tons.
PROTECTING THE ENVIRONMENT

There was also a year-on-year increase in steel-fine sludge recycled externally from 26,760 tons to 32,145 tons in 2020. During 2020, there was a significant increase in the recycling of steel slag external to our USSK operations, from 82,081 tons in 2019 to 106,522 tons in 2020.

Our activities continued in landfill management. Since the start of our wastewater treatment plant sludge recovery process, we have reclaimed more than 143,000 tons of captured material and used this material to reduce dust as well as for greening of approximately 26,500 square meters heap slopes area.

In the area of nature and landscape protection, in 2020 we oversaw the care of 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. As part of the care for these plots, 190 tree seedlings were planted. In addition to this work, we supported maintenance of roads and fire belts in woodland, access roads, and full maintenance.

TAILINGS BASIN MANAGEMENT

At our Keetac and Minntac facilities, the ore mining process requires the beneficiation of taconite to produce high-grade iron ore pellets. The beneficiation process results in 28-30% of the crude ore that is mined becoming product, and 70-72% becoming waste tailings stored in on-site tailings basins.

In 2020, additional monitoring instrumentation was installed at various locations around both basins to help ensure the ongoing safety and stability of the facilities.

Tailings basin dams are regulated by the Minnesota Department of Natural Resources. Minnesota Rules 6130 lays out the requirements for metallic mineral mining in Minnesota, including the mine and tailings basin areas. This includes the requirement to obtain a Permit to Mine, which regulates the operation, maintenance, closure, and post-closure of the facilities. Minnesota Rules 6115 includes the requirements for dam safety, which is applicable to the tailings basin storage facilities in the state.

U. S. Steel is a member of the Mineland Vision Partnership (MVP), working with regulatory agencies, mining companies, and communities to plan and design future landscapes that benefit all. The MVP is a regional collaboration that develops opportunities for changing of dynamic minescapes, preserving lands to sustain current and future mining, and providing resources and education.

Both the Keetac and Minntac facilities conduct reclamation activities in compliance with Minnesota Rules 6130, planting vegetation to provide several benefits, including dust mitigation and stormwater controls, in addition to providing wildlife habitats. The facilities work with regulatory agencies to ensure the proper seed mixture is used to maximize growth with use of native species. In 2020 alone, Keetac completed 24.2 acres of stockpile reclamation in the mine. On the Keetac basin, 68 acres of mulch was applied to soft areas by helicopter, and 2,337.6 acres of additional mulch was applied by more traditional methods. Reclamation at Minntac consisted of 916.7 acres of tailings basin seeding and work on several stockpiles.

As part of reclamation efforts at Keetac, biosolids were distributed to support vegetation growth across 41.6 acres in 2020, using biosolids from the Western Lake Superior Sanitary District (WLSSD) wastewater treatment plant in Duluth. This beneficial reuse project uses remaining organic material from the municipal wastewater treatment plant to provide necessary nutrients to quickly grow healthy vegetation around the basin.
Whether within our plants or through our raw-material mining operations, U. S. Steel’s footprint stretches over a large portion of the countries 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 must consider the impacts on wildlife, such as the northern long-eared bat, the Karner blue butterfly, and other protected species.

Along with minimizing the negative effects of operations on biodiversity, U. S. Steel also takes steps to have a positive impact on surrounding areas. For example, a 55-acre parcel of land adjacent to Mon Valley Works was restored using natural reclamation. Similar contributions were made at Great Lakes Works, where a snake habitat was constructed by U. S. Steel to promote native biodiversity. Turtle nesting habitats have been placed along Lake Michigan at Gary Works as well.

A major remediation project was recently completed at our former Geneva Steel mill property. Approximately 180 acres were restored for future redevelopment at the site. To date, more than 90% of the site has been restored, with a large portion now home to new residential, commercial, and industrial buildings, warehouses, related manufacturing, and shipping facilities.

We were particularly pleased and excited to find that a pair of bald eagles were nesting at the Irvin plant along the Monongahela River in West Mifflin, Pennsylvania. This is the second year that the eagles have nested at the Irvin site – in 2019, they successfully reared one eaglet.
After the devastation of World War II, the United Nations rose to foster international cooperation and promote peace throughout the world. Its headquarters, built with 34,000 tons of steel, stands today as a testament to ethical practices and commitment to continual improvement.

The United Nations Building, New York
Assuring Excellence

GRI 102

Since our 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.

At U. S. Steel, we expect our employees and members of the Board of Directors to live our values. Our values in action, the S.T.E.E.L. Principles, effectively help our employees keep ethics and compliance top of mind in day-to-day business activities. We have also implemented a comprehensive ethics and compliance program with support from the Board and senior management to further ingrain our commitment to lawful and ethical business throughout the company. The program is administered by the General Counsel and Chief Ethics & Compliance Officer, with oversight and guidance from the Audit Committee.
Our ethics and compliance program is designed and implemented to focus on the particular compliance risks that we face. Importantly, U. S. Steel operates exclusively in countries with relatively strong human rights ratings based on the 2020 Freedom in the World report published by the nongovernmental research institute Freedom House. We do not have mining operations or mineral reserves — whether proved or probable — in or near areas of active conflict, as defined by the Uppsala Conflict Data Program. Likewise, our mining operations in Minnesota are located on ceded territory away from any reservations, and our proved and probable mining reserves in the United States are not located in or near land occupied by those who self-identify as Indigenous. In light of this footprint, human rights, Indigenous rights, and operation in areas of conflict are not significant risks for U. S. Steel. Of course, we continuously adapt and enhance our program as our footprint and operations change over time to ensure that all risk areas remain appropriately addressed.

The U. S. Steel Code of Ethical Business Conduct

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, political activity, child labor, and human trafficking.

Corporate Policies and Procedures

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. As one example, our Political Contributions policy mandates compliance with applicable campaign finance laws and transparency with respect to our political activities in the United States, including public disclosure of certain political contributions and expenditures on U. S. Steel’s website each year.

Another example of our comprehensive ethics and compliance program is our anti-corruption management system. Although our operations are located entirely in countries in the top third of Transparency International’s Corruption Perceptions Index, we may occasionally do business with customers and suppliers in higher-risk countries. Our management system is based on a comprehensive corruption risk assessment that is periodically updated and enables us to address the specific risks that we face.

Our Anti-Corruption policy is the foundation of our anti-corruption management system. It prohibits any form of corruption or bribery, broadly defined to encompass giving, offering, promising, requesting, or accepting anything of value to improperly influence the recipient. This prohibition encompasses facilitation payments, also known as “expediting” or “grease” payments, that are made to secure routine governmental action. Importantly, the policy also establishes documented approval procedures for certain activities that present compliance risks, including providing gifts and entertainment to foreign officials, making foreign political or charitable contributions, and hiring relatives of foreign officials.

Our procedure for risk-based due diligence reviews of business partners is designed to identify foreign government ties, prior corrupt behavior, and other corruption-related risk factors. Finally, we have developed an internal monitoring system consisting of periodic reviews of select business partners and transactions to ensure that our corruption risks are being mitigated. Of course, our compliance training program, whistleblower reporting mechanisms, and misconduct investigation process — all of which are described below — are integral components of our anti-corruption management system in that they ensure that employees understand what is expected of them and that any concerns are promptly raised and addressed.

Employee Training, Communication, and Compliance

To help ensure that employees understand the company’s expectations and all applicable rules, U. S. Steel provides ethics and compliance training to our employees, with all employees completing compliance training courses when they first join the company and then several additional training courses that are applicable to their jobs each year. Among the topics covered in these courses are our anti-corruption management system, antitrust compliance, and prevention of discrimination and harassment.

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 about the company’s expectations for all employees. In addition, through our annual policy certification process, employees certify in writing their ongoing compliance with the Code, our Anti-Corruption and Antitrust Compliance policies, and several other key compliance policies each year. All of these efforts help strengthen our culture of compliance and embed the S.T.E.E.L. Principles across our operations.

The U. S. Steel Ethics and Safety Line

In order 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 can also be raised anonymously through the U. S. Steel Ethics and Safety Line, which is managed by an outside provider.
service provider and available 24 hours a day, seven days a week. Importantly, the Ethics and Safety Line is available to the public, with contact information available through our website, so external stakeholders can 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 we will take appropriate action against anyone found to engage in such retaliation. We have adopted investigation protocols to ensure that all reports alleging misconduct are reviewed, processed, escalated if needed, and investigated thoroughly. They cover every step of the investigation process in great detail, from receiving and assigning each report to conducting and documenting an appropriate investigation. Notably, a cross-functional committee reviews the results of all investigations, including any remedial actions, before they are closed to further ensure that each report is handled appropriately.

In order to promote transparency and the efficacy of the Ethics and Safety Line, the number and types of reports alleging misconduct received, the types of actions taken in response to substantiated allegations, and anonymized summaries of select cases are provided to employees quarterly. The Audit Committee receives additional data about new reports and closed cases quarterly, as well as summaries of any significant allegations and investigations, to help facilitate its oversight of the ethics and compliance program.

Supplier Code of Conduct

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,

REPORTING MECHANISMS

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<tr>
<th>Report Intake</th>
<th>Review and Assignment</th>
<th>Investigation</th>
<th>Case Closure</th>
<th>Reporting Out</th>
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<tr>
<td>Reporter contacts Ethics Line (phone/online) or raises concern to an internal resource that enters report into case management system.</td>
<td>Legal Department reviews report, acknowledges receipt, and assigns it to appropriate investigator.</td>
<td>Investigator conducts appropriate investigation and prepares written report documenting findings and any remedial measures.</td>
<td>Cross-functional Case Closure Committee reviews investigation process, findings, and conclusions.</td>
<td>Employees receive quarterly overview of Ethics Line activity and sample cases.</td>
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<td>* Immediate safety issues and threads escalated to Safety &amp; Security.</td>
<td>* Significant issues escalated to Audit Committee; regular updates provided as necessary.</td>
<td>* Investigation may include document review, interviews, and other relevant steps.</td>
<td>* Committee consists of Legal, Human Resources, Safety &amp; Security, Internal Controls, and Internal Audit.</td>
<td>* Audit Committee receives detailed quarterly reports.</td>
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<tr>
<td>* Investigators include trained personnel in Human Resources, Safety &amp; Security, Internal Audit, and Legal.</td>
<td>* Investigation closed only if there is consensus by Case Closure Committee.</td>
<td>* Confidentiality maintained to the extent possible.</td>
<td>* Updates regarding significant reports and investigations.</td>
<td>* Dates and trends re: new reports (by location, issue, anonymity of reporter).</td>
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<td>* Internal Audit has access to all reports.</td>
<td>* Reporter advised that investigation is complete and that appropriate action has been taken, if applicable.</td>
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<td>* Data and trends re: closed cases (remedial actions, substantiation rates).</td>
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</table>
Supplier Code of Conduct, and Anti-Corruption Guidelines for Third Parties detail our expectations.

The Supplier Code of Conduct, which is 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 subsuppliers, 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 anonymously raise ethics and compliance concerns related to U. S. Steel through the U. S. Steel Safety and Ethics Line, as noted above. 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 or other compliance-related risks, such as alleged corruption or human rights abuses. 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 certain goods are not sourced from sanctioned parties and that any conflict minerals used in our products are not sourced from the Democratic Republic of Congo or its adjoining countries. Our efforts to prevent slavery and human trafficking in our supply chain are detailed in the California Transparency in Supply Chains Act of 2010 disclosures on our website. All of these steps help ensure that our business partners act in accordance with our values.

U. S. Steel takes great pride in our comprehensive ethics and compliance program, while recognizing the importance of continuous improvement. To that end, we 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.

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.
When Judge Elbert H. Gary, the first President and Chairman of the Board of Directors (the “Board”) of U. S. Steel, 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 not just stockholders but all of our stakeholders – stockholders, customers, employees, and society. It strengthens accountability of the Board and management and helps build public trust in the company.

The corporation is committed to good corporate governance, which promotes the long-term interests of stakeholders, strengthens Board and management accountability, and helps build public trust in the corporation. Our corporate governance program is described in detail in our proxy statement, available on our website. Key governance highlights include:

“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.”

– Judge Elbert H. Gary
• Annual election of Directors
• 9 of our 10 Directors are independent, including the Chairman of the Board
• Independent Audit, Compensation & Organization, and Corporate Governance & Sustainability Committees
• Regular executive sessions of independent Directors
• Robust risk oversight by full Board and committees
• Annual Board and committee self-evaluations
• Executive compensation driven by pay-for-performance philosophy
• Active Board refreshment approach to ensure Board composition aligns with corporate strategy
• Proxy access right in line with market standards
• Stock ownership and holding guidelines for Directors and executives
• A robust Code of Ethical Business Conduct that is based on the corporation’s S.T.E.E.L. Principles
• Annual stockholder engagement
• Best-in-class compliance commitment

• Regular review of CEO and senior management succession planning
• Ability of our Board and its committees, at their sole discretion, to hire independent advisors, including counsel, at the corporation’s expense

Corporate Governance and Sustainability

A strong governance program is essential to the oversight of sustainability. Each committee meets at least quarterly and is comprised of entirely independent Directors.

We have a formal sustainability steering team that meets monthly, an Executive Environmental and Sustainability Committee composed of all of our C-suite executives, including our CEO, and a formal Board of Directors Corporate Governance and Sustainability Committee that meets quarterly, at which time our progress on both sustainability and climate-related goals are presented and reviewed.

The Head of Sustainability and the Corporate Sustainability team drive the evolution of the corporate sustainability strategy throughout all business segments and lead the development of corporate and business-level sustainability plans with a particular focus on carbon-reduction strategies. This includes evaluating and monitoring stakeholder expectations and megatrends such as climate-related risks and opportunities.

The Head of Sustainability reports to the SVP, Chief Strategy and Sustainability Officer, who has responsibility for the sustainability program throughout the enterprise.

The Head of Sustainability chairs the Sustainability Steering Committee, which is comprised of key members from Sustainability, Strategy, Finance/Risk, Environmental Affairs, Procurement, Operations, Corporate Governance, Government Affairs, Human Resources, and Communications/Public Affairs. The committee meets on a monthly basis and drives the sustainability strategy throughout the company, taking a strategic view of the issues and reporting to the CEO and Executive Committee. The committee is responsible for setting and communicating sustainability metrics, goals, and performance in addition to coordinating internal and external sustainability-related communications such as the annual Sustainability Report.

The Board of Directors as a whole retains direct oversight for our safety and environmental programs, as two of our core values. Both safety and environmental performance are reported to the Board on a regular basis.
Has oversight of sustainability, risk, and strategic direction.

Reviews key sustainability initiatives, policies and practices, sustainability performance, and the U. S. Steel Sustainability Report.

Is accountable for sustainability performance, risk management and strategy design, development, and execution.

Executive sponsor and owner of sustainability-related activities. Recommends for approval all sustainability-owned initiatives.

Responsible for GHG emissions. The team evaluates and communicates the risks of current and potential sustainability-related megatrends and issues, coordinates data management of material topics, and is responsible for both external and internal sustainability communications.

Sets and drives the sustainability strategy throughout the company. Takes a strategic view of issues and reports to the CEO and Executive Committee. Includes senior managers from multiple corporate functions critical to sustainability performance. Functions as a decision-making body.

Responsible for select material topics, goals, and initiatives. Communicates material topic initiatives and performance with members of the core sustainability team and Sustainability Steering Committee.

Coordinates with plants on material topic performance and plant GHG data collection.
The Corporate Governance & Sustainability Committee:

- Retains oversight of the sustainability program generally and the risks associated with achieving certain sustainability-related measures.
- Considers risks associated with legislative, regulatory, and public policy issues affecting the company’s operations.
- Maintains corporate governance guidelines and procedures designed to ensure compliance with all applicable legal and regulatory requirements, governance standards, and the S.T.E.E.L. Principles.
- Reviews sustainability as a standing agenda item, including reports and discussions on sustainability strategic priorities, implementation of the greenhouse gas emissions intensity reduction target, and the use of reporting and disclosure frameworks.
- Makes recommendations to the Board and monitors compliance with the company's programs and practices regarding government relations, political contributions, and corporate philanthropy.

The Audit Committee:

- Oversees U. S. Steel’s enterprise risk management program and reporting compliance.
- Receives reports from our Chief Risk Officer on how enterprise risk is being addressed, mitigated, and managed across the company, including sustainability considerations that influence market, operational, reputational, and political risks within the ERM program.
- Ensures that our risk management processes are functioning properly.

The Compensation & Organization Committee:

- Oversees executive compensation and performance-based components and various human capital management issues.
- Ensures annual incentive programs promote achievement of strategic objectives that are essential to attaining strong environmental and social performance.

Board Composition and Diversity

The Board seeks candidates with experience and abilities relevant to serving as a Director of the corporation and who will represent the best interests of stockholders as a whole, and not any specific interest group or constituency. The Corporate Governance & Sustainability Committee, in making nomination recommendations to the Board, evaluates the qualifications of each Director candidate in accordance with the criteria described in the Director qualification standards section of our Corporate Governance Principles, which include a high level of integrity, sound business judgment, as well as diversity. The Board values inclusion and diversity, and emphasizes diversity in Board recruiting efforts. As of June 1, 2021, 30% of our Directors were diverse in terms of gender or ethnicity.
In April 2021, I was named U. S. Steel’s Chief Sustainability Officer. It is a privilege to serve in this capacity. My role demonstrates the company’s commitment to the essential linkages between sustainability and our business strategy. Sustainability is embedded in everything we do at U. S. Steel, and successful execution of our sustainability initiatives requires collaboration and innovation to help U. S. Steel lead the steel industry for another 120 years. The elevation of sustainability to a C-suite position illustrates the importance placed on everything described in this report.

There are a few questions most commonly asked that I’d like to share so you know how I’m thinking about my role and U. S. Steel’s Best for All™ strategy.

1. **As the Chief Strategy Officer and Chief Sustainability Officer, you have responsibility for both business strategy and the sustainability program. How does sustainability tie into strategy?**

   Sustainability is inextricably linked with our strategy to deliver long-term value. We know that in order to achieve our strategy, we have to execute on our sustainability goals as well. That includes ensuring we excel in safety, continuously reducing our impact on the environment, creating a workplace where our talented employees are empowered to achieve their potential, transitioning our operating footprint to one that is more flexible and resilient to industry cycles, supporting the development of the communities where we live and work, and focusing on the solutions of the future for our customers.

   The journey will not be easy, but we are taking significant steps now, because we believe that as we execute on these goals, we create value for our stakeholders. As one example, our incorporation of electric arc furnace steelmaking technology into our footprint through the acquisition of Big River Steel – the only LEED® certified steel mill in North America – has allowed our metallurgists and engineers to develop a line of low carbon emissions, high performance steels we call verdeX™ to be produced at Big River. These steels give automotive manufacturers the advanced high-strength steel they need, produced with only one-quarter of the carbon intensity currently required for comparable products produced through integrated steelmaking, to lightweight vehicles to meet federal Corporate Average Fuel Economy (CAFE) standards while preserving the safety benefits of steel on the vehicles we all drive.

2. **How does U. S. Steel engage with its stakeholders on sustainability, and how is the program viewed?**

   “Sustainability” covers so many aspects of our business, and engaging with our stakeholders has been crucial to prioritizing these issues and identifying their materiality. In our initial materiality assessment, completed in 2019, we engaged with internal stakeholders, as well as customers, suppliers, and
investors, to really get a sense of what is most important to U. S. Steel and our stakeholders in this arena. We also have regular and ad hoc engagements with various stakeholders on sustainability issues. As part of our regular off-season stockholder engagement program, we meet with our large institutional investors to discuss and get their feedback on a myriad of issues, including sustainability and greenhouse gas emissions. We also have incorporated sustainability reporting into our quarterly earnings materials to keep our investors informed and updated on our progress.

We know that many of these issues require a larger effort, and have partnered with leading organizations such as Ceres, ResponsibleSteel,™ and worldsteel to ensure that we are contributing to solutions within our industry. The feedback we receive is generally very positive, and most stakeholders understand our sustainability strategy and the significant steps, including industry-leading goals, we have taken toward progressing on these important matters.

3. How is U. S. Steel working with independent companies, universities, and the government for support of greenhouse gas emissions reduction goals?

Reducing greenhouse gas emissions is a global challenge, which will require unprecedented innovation and collaboration to help achieve the climate goal set forth in the Paris Agreement. This is why we are working with all our stakeholders across the value chain. For example, we actively participate in efforts by In2-Market, a regional nonprofit, to bring together manufacturing and energy companies, universities, and government agencies to find decarbonization solutions to manufacturing in western Pennsylvania. We actively engage with our suppliers to find mutually beneficial solutions like carbon free energy for our facilities. We work with our customers to reduce their carbon footprint through the products, like verdeX™, we can offer them. We partner with universities like the University of Michigan Global Initiatives to support funding by the federal government and others of research projects to discover innovative solutions to the climate challenge. We joined ResponsibleSteel – the first North American steel producer to do so – to demonstrate to the world that we are committed to building a better world. These are a few examples of the collaborations we know are key to creating a more sustainable world for the next generation.
This 350-ton icon in Flushing Meadows Corona Park was built as a centerpiece of the World’s Fair of 1964-65. Engineered and fabricated by U. S. Steel, the monument remains today to celebrate the Fair’s theme, “Peace Through Understanding.”
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<th>Title</th>
<th>Disclosure</th>
<th>GRI Standards Disclosure Title</th>
<th>2020 Location/Response</th>
<th>Related SASB Indicator</th>
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<td>102-06</td>
<td>Markets served</td>
<td>2020 Form 10-K, Item 1: Business (Segments)</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-07</td>
<td>Scale of the organization</td>
<td>2020 Form 10-K, 10-K Summary (Key Performance Indicators); Item 1: Business (Segments, Human Capital Management) 2020 Sustainability Report, About U. S. Steel, Page 11 (Company Snapshot)</td>
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<td>General Disclosures</td>
<td>102-09</td>
<td>Supply chain</td>
<td>2020 Sustainability Report, Ethics and Compliance, Our Foundation: Supplier Code of Conduct Pages 79-80</td>
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</tr>
<tr>
<td>General Disclosures</td>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>2020 Form 10-K, 10-K Summary Item 1: Business (Acquisitions, Capital Structure, and Liquidity)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 24 (Risk Management); Protecting the Environment, Page 56 (Environmental Stewardship)</td>
<td></td>
</tr>
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<td>Title</td>
<td>Disclosure</td>
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<td>2020 Location/Response</td>
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<td>102-12</td>
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<td>Agreement, ResponsibleSteel™, UN Sustainable Development Goals</td>
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<td>General Disclosures</td>
<td>102-13</td>
<td>Membership of associations</td>
<td>National Association of Manufacturers, ResponsibleSteel™</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-14</td>
<td>Statement from senior</td>
<td>2020 Sustainability Report, Executive Letter, Pages 4-6</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-15</td>
<td>Key impacts, risks, and</td>
<td>2020 Form 10-K, Item 1: Business; Item 1A: Risk Factors</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>opportunities</td>
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<td>Ethics and Integrity</td>
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<tr>
<td>General Disclosures</td>
<td>102-16</td>
<td>Values, principles, standards,</td>
<td>2020 Sustainability Report, Ethics and Compliance: Our Foundation, Pages 76-80</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>and norms of behavior</td>
<td>Code of Ethical Business Conduct</td>
<td></td>
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<td>General Disclosures</td>
<td>102-17</td>
<td>Mechanisms for advice and</td>
<td>2020 Sustainability Report, Ethics and Compliance: Our Foundation, Pages 78-79</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>concerns about ethics</td>
<td>(The U. S. Steel Ethics and Safety Line)</td>
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<tr>
<td>Governance</td>
<td></td>
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<td>General Disclosures</td>
<td>102-18</td>
<td>Governance structure</td>
<td>2020 Sustainability Report, Corporate Governance, Pages 81-84</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-19</td>
<td>Delegating authority</td>
<td>2021 Proxy Statement, Corporate Governance, Pages 18-19; (Our Governance Framework):</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pages 24-25 (Board Committees)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-20</td>
<td>Executive-level responsibility</td>
<td>2020 Sustainability Report, Corporate Governance, Page 82 (Corporate Governance and</td>
<td></td>
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<td></td>
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<td>Sustainability)</td>
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<td>and social topics</td>
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<tr>
<td>General Disclosures</td>
<td>102-21</td>
<td>Consulting stakeholders on</td>
<td>2021 Proxy Statement, Corporate Governance, Pages 30-31 (Commitment to Stockholder</td>
<td></td>
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<td>Engagement)</td>
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<td>General Disclosures</td>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
<td>2021 Proxy Statement, Proposal 1: Election of Directors, Pages 8-24</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td>2021 Proxy Statement, Corporate Governance, Page 20 (Board Leadership Structure)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>2021 Proxy Statement, Proposal 1: Election of Directors, Pages 8-10</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-25</td>
<td>Conflicts of interest</td>
<td>2021 Proxy Statement, Proposal 1: Election of Directors, Pages 8-10</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td>2020 Sustainability Report, Corporate Governance, Pages 82-83 (Corporate Governance and Sustainability)</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-27</td>
<td>Collective knowledge of highest governance body</td>
<td>2020 Sustainability Report, Corporate Governance, Page 82 (Corporate Governance and Sustainability)</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td>102-28</td>
<td>Evaluating the highest governance body's performance</td>
<td>2021 Proxy Statement, Corporate Governance, Pages 31-32 (Director Compensation)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>2020 Sustainability Report, Corporate Governance, Pages 82-83 (Corporate Governance and Sustainability)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 24 (Risk Management); Corporate Governance, Pages 82-83 (Corporate Governance and Sustainability)</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Disclosure</td>
<td>GRI Standards Disclosure Title</td>
<td>2020 Location/Response</td>
<td>Related SASB Indicator</td>
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<td>------------------------------------------------------------------------------------------------</td>
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<td>----------------------------------------------------------------</td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 24 (Risk Management); Protecting the Environment, Pages 57-58 (Environmental Management Policy and Code of Ethical Business Conduct); Pages 82-83 (Corporate Governance and Sustainability)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-32</td>
<td>Highest governance body’s role in sustainability reporting</td>
<td>The Corporate Governance &amp; Sustainability Committee of the Board of Directors reviews the U. S. Steel Sustainability Report.</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td>2021 Proxy Statement, Corporate Governance, Page 31 (Communications from Stockholders and Interested Parties)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-35</td>
<td>Remuneration policies</td>
<td>2021 Proxy Statement, Compensation Discussion and Analysis, Page 45 (Our Compensation Philosophy), Pages 54-60 (Elements of Compensation), Pages 61-62 (Compensation Policies and Other Considerations)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>2021 Proxy Statement, Compensation Discussion and Analysis, Pages 52-53 (Our Compensation Process)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-37</td>
<td>Stakeholders’ involvement in remuneration</td>
<td>2021 Proxy Statement, Proposal 2: Advisory Vote on Executive Compensation, Page 35</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-38</td>
<td>Annual total compensation ratio</td>
<td>2021 Proxy Statement, CEO Pay Ratio, Page 77</td>
<td></td>
</tr>
<tr>
<td><strong>Stakeholder Engagement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>U. S. Steel values all stakeholders both internal and external to the company. We consider our key stakeholders to be employees, communities in which we have an impact, investors, customers, suppliers, trade unions and NGOs.</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>2020 Sustainability Report, Empowering People, Page 42 (Labor Relations)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>2020 Sustainability Report, Pages 85-86 (Rich Fruehauf, U. S. Steel Chief Strategy and Sustainability Officer)</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Disclosure</td>
<td>GRI Standards Disclosure Title</td>
<td>2020 Location/Response</td>
<td>Related SASB Indicator</td>
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<tr>
<td>Reporting Practice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>2020 Form 10-K, Exhibit 21: Subsidiaries and Joint Ventures as of December 31, 2020</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-46</td>
<td>Defining report content and topic Boundaries</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 20 (About This Report)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-47</td>
<td>List of material topics</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 21 (ESG Materiality Assessment Results)</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-48</td>
<td>Restatements of information</td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-49</td>
<td>Changes in reporting</td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-50</td>
<td>Reporting period</td>
<td>For the fiscal year ended Dec. 31, 2020</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-51</td>
<td>Date of most recent report</td>
<td>2019 Sustainability Report</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Annually</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Kevin Zeik, Senior Research Fellow – Innovation &amp; Sustainability <a href="mailto:Sustainability@uss.com">Sustainability@uss.com</a></td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>This report references disclosures from the GRI Standards 2020.</td>
<td></td>
</tr>
<tr>
<td>General Disclosures</td>
<td>102-55</td>
<td>GRI content index</td>
<td>2020 Sustainability Report, Reporting Index, Pages 88–96</td>
<td></td>
</tr>
<tr>
<td>Management Approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Approach</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Page 22 (ESG Materiality Assessment Results)</td>
<td></td>
</tr>
</tbody>
</table>

U. S. STEEL Sustainability Report
<table>
<thead>
<tr>
<th>Title</th>
<th>Disclosure</th>
<th>GRI Standards Disclosure Title</th>
<th>2020 Location/Response</th>
<th>Related SASB Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Approach</td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>2020 Sustainability Report, ESG at U. S. Steel, Pages 22-23 (ESG Materiality Assessment Results)</td>
<td></td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Performance</td>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>2020 Form 10-K, 10-K Summary; Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations</td>
<td></td>
</tr>
<tr>
<td>Economic Performance</td>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>2020 Form 10-K, Item 1A: Risk Factors</td>
<td></td>
</tr>
<tr>
<td>Economic Performance</td>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>2020 Form 10-K, 10-K Summary (Pension and Other Post-employment Benefits, Net Periodic Benefit Costs, Funded Status of Pension/OPEB Plans); Note 18: Pensions and Other Benefits</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 203: Indirect Economic Impacts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Economic Impacts</td>
<td>203-2</td>
<td>Significant indirect economic impacts</td>
<td>2020 Sustainability Report, Empowering People, Pages 43-46 (Community Engagement)</td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 301: Materials</td>
<td>301-1</td>
<td>Materials used by weight or volume</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 55 (Big Ambitions); Protecting the Environment, Page 71 (Steel Scrap), Protecting the Environment, Page 72 (2020 Global Recycled Materials)</td>
<td>EM-IS-130a.1 EM-IS-130a.2</td>
</tr>
<tr>
<td>GRI 302: Energy</td>
<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 65 (Energy Efficiency and Reduction)</td>
<td>EM-IS-130a.1 EM-IS-130a.2</td>
</tr>
<tr>
<td>Title</td>
<td>Disclosure</td>
<td>GRI Standards Disclosure Title</td>
<td>2020 Location/Response</td>
<td>Related SASB Indicator</td>
</tr>
<tr>
<td>---------------------</td>
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<td>---------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Energy</td>
<td>302-2</td>
<td>Energy consumption outside of the organization</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 65 (Energy Efficiency and Reduction)</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>302-3</td>
<td>Energy intensity</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 65 (Energy Efficiency and Reduction)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 303: Water</strong></td>
<td></td>
<td></td>
<td></td>
<td>EM-IS-140a.1</td>
</tr>
<tr>
<td>Water</td>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>2020 Sustainability Report, Protecting the Environment, Pages 68-69 (Water Quality and Conservation)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 305: Emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td>EM-IS-110a.1 EM-IS-110a.2</td>
</tr>
<tr>
<td>Emissions</td>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 62 (Reduction of Greenhouse Gas Emissions)</td>
<td></td>
</tr>
<tr>
<td>Emissions</td>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>2020 Sustainability Report, Protecting the Environment, Page 62 (Reduction of Greenhouse Gas Emissions)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 306: Waste</strong></td>
<td></td>
<td></td>
<td></td>
<td>EM-IS-150a.1</td>
</tr>
<tr>
<td><strong>GRI 307: Environmental Compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Compliance</td>
<td>307-1</td>
<td>Noncompliance with environmental laws and regulations</td>
<td>2020 Form 10-K, Item 1: Business (Environmental Matters, Litigation and Contingencies); Item 3: Legal Proceedings</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Disclosure</td>
<td>GRI Standards Disclosure Title</td>
<td>2020 Location/Response</td>
<td>Related SASB Indicator</td>
</tr>
<tr>
<td>-------</td>
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<td>-----------------------</td>
</tr>
<tr>
<td>Social</td>
<td>Labor/Management Relations</td>
<td>402-1</td>
<td>Minimum notice periods regarding operational changes</td>
<td>U. S. Steel follows all applicable laws, rules and regulations regarding notification to employees prior to operational changes that may affect them. Advance notification and/or consultation of certain operational changes is provided for in certain labor agreements that cover represented U. S. Steel employees.</td>
</tr>
<tr>
<td></td>
<td>GRI 403: Occupational Health and Safety</td>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>2020 Sustainability Report, Empowering People, Pages 49-50 (Safety Management System (SMS) Development and Deployment)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>2020 Sustainability Report, Empowering People, Page 50 (Safety Management System (SMS) Development and Deployment)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>2020 Sustainability Report, Empowering People, Pages 50-52 (Employee Engagement Activities); Page 52 (Recognition)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>2020 Sustainability Report, Empowering People, Page 53 (Days Away From Work)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-6</td>
<td>Promotion of worker health</td>
<td>2020 Sustainability Report, Empowering People, Pages 36-37 (Inclusive Employee Benefit Programs); Page 52 (Employee Engagement Activities)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-9</td>
<td>Work-related injuries</td>
<td>2020 Sustainability Report, Empowering People, Page 53 (Days Away From Work) EM-IS-320a.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403-10</td>
<td>Work-related ill health</td>
<td>2020 Sustainability Report, Empowering People, Page 53 (Days Away From Work)</td>
</tr>
<tr>
<td>Title</td>
<td>Disclosure</td>
<td>GRI Standards Disclosure Title</td>
<td>2020 Location/Response</td>
<td>Related SASB Indicator</td>
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<td>--------------------------------------------</td>
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<td>-----------------------------------------------------------------------------------------------</td>
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<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Diversity and Equal Opportunity</td>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>2020 Sustainability Report, Empowering People, Page 41 (Talent Development and Performance)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 407: Freedom of Association and Collective Bargaining</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom of Association and Collective Bargaining</td>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>2020 Sustainability Report, Empowering People, Page 42 (Labor Relations)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 413: Local Communities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>2020 Sustainability Report, Empowering People, Page 43 (Community Engagement)</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 415: Public Policy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Policy</td>
<td>415-1</td>
<td>Political contributions</td>
<td>Political Contributions Policy</td>
<td>2019 Political Contributions and Expenditures Report</td>
</tr>
<tr>
<td><strong>GRI 416: Customer Health and Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Website: Safety Data Sheets</td>
<td></td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>416-2</td>
<td>Incidents of noncompliance concerning the health and safety impacts of products and services</td>
<td>2020 Form 10-K, Item 1: Business (Environmental Matters, Litigation and Contingencies); Item 3: Legal Proceedings</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 419: Socioeconomic Compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socioeconomic Compliance</td>
<td>419-1</td>
<td>Noncompliance with laws and regulations in the social and economic area</td>
<td>2020 Form 10-K, Item 3: Legal Proceedings; Exhibit 95: Mine Safety Disclosure</td>
<td></td>
</tr>
</tbody>
</table>
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,” “may” 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, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, anticipated disruptions to our operations and industry due to the COVID-19 pandemic, changes in global supply and demand conditions and prices for our products, international trade duties and other aspects of international trade policy, the integration of Big River Steel in our existing business, business strategies related to the combined business, 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. Our 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 our 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 this report and in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, our Quarterly Reports on Form 10-Q, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References in this report to (i) “U. S. Steel,” “the company,” “we,” “us,” and “our” refer to United States Steel Corporation and its consolidated subsidiaries unless otherwise indicated by the context, and (ii) “Big River Steel” refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.
This report contains certain non-GAAP financial measures such as earnings (loss) before interest, income taxes, depreciation, depletion, and amortization (EBITDA), adjusted EBITDA, adjusted net earnings (loss), and net debt.

We believe that EBITDA, considered along with net earnings (loss), is a relevant indicator of trends relating to cash-generating activity and provides management and investors with additional information for comparison of our operating results to the operating results of other companies.

Adjusted net earnings (loss) is a non-GAAP measure that excludes the effects of events that can obscure underlying trends. U.S. Steel's management considers adjusted net earnings (loss) 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) 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) 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.

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.