



# 2025 Task Force on Climate-related Financial Disclosures Report



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# Executive Summary

At United States Steel Corporation (U. S. Steel), we are a leading steel producer that combines integrated and mini mill steel technologies to produce high-quality, value-added steel products that serve as the building blocks of a sustainable future.

At U. S. Steel, we serve the automotive, construction, appliance, energy, containers and packaging industries with high-value-added steel products, such as our coated carbon flat rolled ZMAG™ steel, lower greenhouse gas (GHG) emissions verdeX® steel and InduX® electrical steel. We also maintain competitively advantaged iron ore production and have an annual raw steelmaking capability of 25.4 million net tons.

With differentiated products and a goal of low impact manufacturing, we are transforming our Company to reduce our capital and carbon intensity as core elements of our strategy. We are doing our part to realize a low carbon economy while continuing to supply the steel that is foundational to manufacturing—just as we have throughout our 124-year history. U. S. Steel is empowering our people to innovate new solutions that manufacture products with a low carbon footprint, all the while decreasing the impact on human health and the environment. Our contributions to society go beyond the supply of steel, as we engage with the communities in which we live and work to help build a sustainable future.

This report follows the latest recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) 2021 framework, with the exception of a limited subset of data that was excluded due to constraints in data availability or confidentiality considerations, to demonstrate our sustainability efforts in the areas of Governance, Strategy, Risk Management and Metrics and Targets.

## GOVERNANCE

A strong governance program is essential to the oversight of sustainability. While the Board of Directors of the Company (the Board) provides oversight, management is responsible for the day-to-day management of the Company’s sustainability-related and Environmental, Social and Governance (ESG) regulatory risk exposure, in a manner consistent with the strategic direction and objectives established by the Board. The Audit & Compensation Committee of the Board has been delegated authority to oversee the Company’s most significant risks<sup>1</sup> and Enterprise Risk Management (ERM) program. Our management takes an active role in climate-related risk assessment and management through executive leadership and interdepartmental committees.

## STRATEGY

Our strategy is focused on providing customers with profitable steel solutions for both people and the planet, creating a more sustainable future for all our stakeholders. By expanding our overall mill capabilities, leveraging our iron ore capabilities and expanding our best-in-class finishing assets, our corporate strategy is designed to provide us with operational resilience so that we may meet the needs of our customers, improve cash flow, reduce cost structure, reduce carbon intensity and produce differentiated steel products to meet the needs of our customers. This strategy is informed by an assessment of the climate-related risks and opportunities in our industry as well as potential climate impacts on our facilities, customers and suppliers.

## RISK MANAGEMENT

We have a robust and comprehensive risk function, which includes climate-related risks and an action plan to mitigate these risks. Our ERM framework is embedded across the organization and allows us to identify, assess and manage climate-related risks and opportunities.

## METRICS AND TARGETS

We disclose our Scope 1 and 2 GHG emissions in our annual Sustainability Report. In 2021, we announced our aim to achieve net-zero carbon emissions by 2050. This action supports the U.N. Paris Climate Agreement to limit global warming to below 1.5°C compared with pre-industrial levels. Our ambition builds on our 2030 goal to reduce our GHG emissions intensity by 20%, compared with a 2018 baseline. Both these targets are supported by measurable climate-related metrics.

1. Excluding compliance with the National Security Agreement, authority over which has been delegated to the Government Security Committee of the Board.



# Governance

## BOARD OVERSIGHT

The Audit & Compensation Committee assists the Board in overseeing the operational activities of the Company and reviewing risks that could have a material impact on U. S. Steel, including risks related to climate change. The Audit & Compensation Committee meets on a quarterly basis with the Chief Risk Officer and other members of senior management as appropriate, to discuss risks that could have a material impact on U. S. Steel. The Audit & Compensation Committee reports to the full Board with regard to its discussions.

## MANAGEMENT’S ROLE

Our management takes an active role in managing and assessing climate-related risks and opportunities by integrating climate-related risk into our overall ERM framework, as well as forming interdepartmental committees to drive our sustainability strategy.

Our ERM Governance Committee includes the Chief Executive Officer, Chief Financial Officer, the Senior Vice President of Sustainability & Chief Technology Officer, and General Counsel. This management committee meets quarterly to align risk management to strategy, identify emerging risks, evaluate risk prioritization and review action plans for top-tier risks, which include climate-related risks. The Chief Risk Officer reports on these activities regularly to the Audit & Compensation Committee.

Board of Directors	Oversees sustainability, risk and strategy direction.
Audit & Compensation Committee	Oversees the Company’s ERM program, which includes climate-related risks. Receives reports from the Company’s Chief Risk Officer on how enterprise risk is being managed across the Company.
CEO and Executive Sustainability Committee	Accountable for sustainability performance, risk management and strategy design, development and execution.
Senior Vice President of Sustainability & Chief Technology Officer	Executive sponsor of sustainability-related activities. Recommends for approval all sustainability-owned initiatives.
Sustainability Team	Evaluates and communicates the risks of current and potential sustainability-related megatrends and issues, coordinates data management of material topics, manages GHG emissions and is responsible for both external and internal sustainability communications.



Our Executive Sustainability Committee, composed of all our C-suite executives, including our CEO, meets at least quarterly to discuss environmental compliance, sustainability performance, risk management and strategy design, development and execution. 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. Our SVP of Sustainability reports on these activities regularly to the CEO.



# Strategy

Our corporate strategy is focused on providing customers with profitable steel solutions for people and the planet, creating a more sustainable future for all our stakeholders.



This strategy is informed by the assessment of the climate-related risks and opportunities in our industry, potential climate-related impacts on our facilities, customers and suppliers, and the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

In 2025, we conducted 10 TCFD workshop sessions to reassess existing and identify new climate-related transition risks and opportunities. This process included evaluating each relevant risk, its potential impact on our organization and its likelihood to manifest. The risks and opportunities were assessed over short-, medium- and/or long-term time horizons, as defined below:

Building upon our prior climate risk assessments conducted in 2021 and 2023, we undertook a subsequent climate risk assessment in 2025 to re-evaluate climate-related risks and opportunities across our business. In our 2023 assessment, we evaluated the physical impacts of climate-related risks on U. S. Steel facilities and critical suppliers within our value chain using climate modeling tools to assess site-specific vulnerabilities. The results of the assessment have since informed cross-functional teams in their decision-making processes, particularly in the implementation of resilience and mitigation measures. The 2025 assessment included a comprehensive review of

the regulatory and market landscape to qualitatively re-evaluate previously identified transition risks and opportunities, while also identifying new and emerging factors. We also performed stakeholder engagement to inform and align risk mitigation strategies with the physical and transition climate-related impacts identified. This enhanced our understanding of the physical and transition climate-related risks facing our business across short-, medium- and long-term horizons, enabling us to refine mitigation plans and identify opportunities for strategic advancement.

TIMELINE	SHORT-TERM	MEDIUM-TERM	LONG-TERM
Physical and transition risks and opportunities	0–1 years	1–5 years	5–30 years





This report outlines predominant physical and transition climate-related risks and opportunities identified across U. S. Steel operational sites. We are continuously monitoring these risks and opportunities to assess their potential materiality. These risks were evaluated using advanced climate modeling tools under two distinct scenarios: a carbon intensive pathway (SSP5-RCP 8.5; representing 4°–5°C of warming) and a low carbon economy trajectory (SSP1-RCP 2.6; less than 2°C of warming). Transition risks and opportunities were assessed under the low carbon economy trajectory (SSP1-RCP 2.6) framework to reflect a decarbonization-aligned future. These scenarios are defined by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6) and combine the IPCC’s Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). In our inaugural TCFD scenario analysis, we used RCP 1.9, which represents the most aggressive emissions mitigation pathway compatible with the 1.5°C warming limit adopted by the U.N. Paris Climate Agreement. According to the latest AR6 IPCC Climate Change report, global warming is likely to reach 1.5°C by 2052 if it continues to increase at the current rate, so SSP1-RCP 2.6 provides a reasonable estimation of what the future climate may look like.

- SSP1-RCP 2.6 represents aggressive mitigation against the impacts of climate change to limit global temperature rise

to less than 2°C by 2100 with strong intervention of international regulatory bodies and multinational corporations, a regulatory environment oriented toward sustainable development and market preferences rapidly shifting away from fossil fuels. Policy, market, technology and other transition risks are more pronounced in this scenario, whereas risk of long-term physical climate-related risks are less pronounced.

- SSP5-RCP 8.5 represents a business-as-usual scenario where environmental issues are generally low priority with weak international regulations. Under this scenario, our short-term transition risks would be mitigated, but long-term physical risks would be intensified as global temperatures continued to rise.

The assessment of both our physical and transition climate-related risks and opportunities aided the development of targeted strategies aligned to U. S. Steel enterprise risks, Enterprise Risk Management (ERM) procedures and industry risk mitigation practices. Climate-related risks and opportunities were assessed over three time horizons.

Climate risk assessments help us to understand how physical risks may directly impact our assets and operations and how transition risks may influence products’ value, costs of energy and raw materials,

and allocation of our resources. The results of climate risk assessments influence our decisions on raw material sourcing and our value chain engagement strategy, and create sustainable growth for our organization by prioritizing relevant climate-related opportunities and risk mitigation strategies that impact our operations and supply chain.

For each climate-related risk, U. S. Steel has defined specific mitigation strategies, which are described later in this section. These risk-specific mitigation strategies enhance our current business resilience strategy, which is aligned with ERM procedures and focuses on designing supply chains and products capable of withstanding challenges presented by climate change.

U. S. Steel’s proactive approach to identifying and mitigating climate-related risks enables operational resilience across our value chain. Through climate-adapted operations, strategic upgrades to existing facilities and the development of new, energy-efficient assets, we are positioned to manage any material climate-related risks and capitalize on opportunities. These efforts support continuity of operations and long-term value creation. Our strategy integrates climate resilience as a core element of our transformation, supporting us to continue to meet evolving customer demands while contributing to a more sustainable future.



The following U. S. Steel operational sites were evaluated in the 2023 physical climate risk assessment, in addition to critical supplier sites:



- 1 Minnesota Ore Operations: Keetac, Minntac
- 2 Gary Works: Main Plant, Midwest Plant
- 3 Great Lakes Works
- 4 Mon Valley Works: Clairton Plant, Edgar Thomson Plant, Irvin Plant, Fairless Plant
- 5 Fairfield Works
- 6 Big River Steel Works
- 7 Granite City Works
- 8 U. S. Steel Košice

CLIMATE-RELATED PHYSICAL RISKS

We leveraged climate risk modeling to conduct a quantitative physical risk assessment for priority U. S. Steel facilities and critical suppliers. This physical risk assessment informs our analysis of climate-related risk exposure under both carbon intensive and low carbon economy scenarios. By analyzing risk exposure across short-, medium- and long-term horizons, we have enhanced our understanding of the potential impacts of

physical climate hazards on our operations. We assessed physical risk exposure and potential impact, under a carbon intensive scenario for 2030, to gain a better understanding of the risks our business may face in the short, medium and long terms as detailed in the table on the following pages. This allows us to align risk mitigation measures to be prepared for the worst-case scenario. We have also assessed the physical climate-related

exposure and potential impact through 2050 and will continue to monitor developments as our business changes to update our plans as necessary to support our net-zero ambitions and maintain organizational adaptability and resilience.

The physical risks of climate change are also among our top-tier risks in our ERM program.

PHYSICAL RISK				POTENTIAL IMPACT ON U. S. STEEL			MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	IMPACT 2030: CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
Acute	Acute precipitation	Acute precipitation is measured by a 100-year daily total water equivalent.	Short-, Medium-, Long-term	The average number 100-year daily total water equivalent is projected to increase by ~0.5% from present day to 2030 and by ~2% from 2030 to 2050.	The average number 100-year daily total water equivalent is projected to increase by ~4% from present day to 2030 and increase by an additional ~4% from 2030 to 2050.	By 2030, in a carbon intensive scenario, the potential impacts resulting from extreme precipitation will likely be the most pronounced at our Mon Valley, Big River Steel and Fairfield Works facilities.  Extreme precipitation resulting in flooding may result in operational delays, supply chain disruption and production capacity concerns, highlighting the need for flood protocol measures. Extreme precipitation may also increase costs associated with property insurance premiums, climate adaptation measures, and depreciation of infrastructure and equipment.	We proactively develop and execute flood protocol plans for sites located in high-risk flood-prone regions and ensure ongoing adherence through site-level verification processes. Plans often include safety and security flood control protocol, actions for unloading equipment into emergency storage facilities, critical contacts and information on maintenance of river fleets.  To address increasing precipitation risks, Gary Works, Granite City Works and Great Lakes Works have implemented cost-effective infrastructure to mitigate heavy rainfall impacts, while the Mon Valley Works in the Northeast—where flooding exposure is significant—has tailored river flood control plans based on water level elevations to ensure site resilience. For particularly intense conditions, our operations also have access to specialized wreckers, heavy-duty vehicles designed for the recovery of stranded equipment and personnel. These wreckers have proven to be highly effective in the field, reliable enough for competitors to call upon the assistance of U. S. Steel during flood conditions.  At our Big River Steel facility we constructed a floating barge dock that is designed to adapt to changing water levels and mitigate risks associated with flooding. Its buoyancy allows the dock to rise and fall with changing water levels, preventing potential damage that may occur to fixed docks during flooding events and mitigating disruption to the business by enabling river accessibility.  We also proactively monitor groundwater levels to mitigate risks to water supply and operational continuity. Through containment ponds, diversion canals and pumping systems, we manage excess water and safeguard critical areas—ensuring resilience and stormwater pollution prevention.



PHYSICAL RISK			POTENTIAL IMPACT ON U. S. STEEL			MITIGATION STRATEGY	
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	IMPACT 2030: CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
Acute	Extreme weather	Extreme weather events refer to severe storms as well as drought, hail and wildfires. High wind speed is also considered in our analysis.	Short-, Medium-, Long-term	The average days per year where severe storms—our most prevalent extreme weather risk—are probable is expected to remain close to present-day levels, then increase by ~3% between 2030 and 2050.	The average days per year where severe storms—our most prevalent extreme weather risk—are probable is projected to increase by ~3% from present day to 2030, then increase by ~2% from 2030 to 2050.	Based off projections for a 2030 carbon intensive scenario, extreme weather events are projected to most impact our operations at Great Lakes, Gary and Granite City Works. These facilities may face increased risk of infrastructure loss and safety challenges in production.	<p>During severe weather events, Emergency Services supervision will monitor the situation through news reports, radio broadcasts and weather alert systems to proactively communicate imminent threats. Additionally, severe weather alert systems at our facilities are tested monthly, and any problems noted during the testing process are rectified within the appropriate U. S. Steel departments. Our planning and emergency response and recovery plans for extreme weather strengthen U. S. Steel’s resiliency and organizational preparedness against extreme weather events.</p> <p>Site-level integrated contingency plans include a hurricane notification system, equipment relocation and plans for moving generators into place, and are managed by environmental engineers and Health &amp; Safety personnel.</p> <p>We will continue to review and assess the impact on our sites from storms and other weather-related events relating to capital expenditure to target future risk prevention initiatives.</p>
						Extreme weather events and storms may impact on-site logistics such as water and energy management, resulting in energy insecurity, operational delays, shutdowns and potential revenue loss.	<p>We utilize stormwater Best Management Practices (BMPs), including raw material management, street sweeping, catch basin filtration and stormwater containment areas. Several facilities also use full-scale treatment for stormwater prior to discharge.</p> <p>At U. S. Steel Košice, we have a mitigation action plan for potential overflow from our wastewater treatment plant in the event of strong storms.</p> <p>Recent investments have strengthened our resilience to extreme weather across many facilities. At Mon Valley Works, we acquired a state-of-the-art fire engine that supports our 54-member Security and Fire Protection Services team. With advanced capabilities to pump water, foam and dry chemicals, this vehicle upgrade enhances emergency response and safeguards our plants against a broad range of threats.</p>
						U. S. Steel Košice, Gary Works and Big River Steel are at the biggest risk of drought, which may lead to water supply shortages and increased water costs.	<p>In the event of drought, U. S. Steel Košice also maintains emergency water sources that can be used when water shortages occur.</p> <p>Other sites, like Gary Works, leverage emergency response and recovery plans in the event of extreme droughts.</p> <p>In addition to mitigating flood risk, the floating barge dock we constructed at Big River Steel can adjust barge weights based on river conditions and adapt to changing water levels, which can mitigate the impacts associated with droughts. Diverse transportation routes, such as truck and rail, are also available when necessary.</p>



PHYSICAL RISK			POTENTIAL IMPACT ON U. S. STEEL			MITIGATION STRATEGY	
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	IMPACT 2030: CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
Chronic	Heat stress	Extreme heat is measured by the average days per year with temperatures over 35°C.	Medium-, Long-term	The average number of days per year of extreme heat events is projected to increase by ~2% by 2030 and ~4.5% by 2050.	The average number of days per year of extreme heat events is projected to increase by ~5% by 2030. Between 2030 and 2050, there is a projected ~23% increase in the average number of days.	The potential impacts associated with extreme heat in a carbon intensive scenario are projected most greatly to affect Big River Steel, Fairfield Works, Granite City Works and U. S. Steel Košice by 2030. An increased need for cooling would be required, which could lead to increased energy consumption, increased operational costs, depreciation of equipment and potential production interruptions.	Regarding heat stress on equipment, we implement cooling measures for our blast furnaces to maximize operational efficiency and water management during extreme heat days.  U. S. Steel Košice conducts regular equipment maintenance and climate control monitoring during hot months.  To mitigate the risk of heat stress on our equipment, our Health & Safety division performs maintenance across all our sites in order to improve operational resilience and prevent delays in our production during extreme heat events.
						Prolonged periods of extreme heat may lead to a higher risk of heat-related illnesses resulting in absences or reduced work capacity. High temperatures require an increase in breaks and adjusted work schedules that may potentially lead to delays in production schedules.	To ensure the well-being of our workforce during extreme heat events, we have developed a system to issue notification messages to alert our employees of potential danger associated with heat stress. Our sites have personnel safety response plans and operational procedures in the event of excessive heat. This includes incident response protocols for heat stress and dehydration, as well as proactive measures such as providing water and electrolyte drinks for employees, active reminders to stop and hydrate, and dehydration safety messages in common areas.  Operators of our coke oven batteries wear award-winning biometric monitoring bands on their wrists and arms to reduce the risk of heat stress in real time. At Big River Steel, this technology comes in combination with a customized air collection, filtration and cooling system that constantly works to regulate high-risk environments.  In the event of loss of air conditioning due to power utility loss, our sites have incidence response measures in place to ensure employee safety and report potential incidents.



PHYSICAL RISK			POTENTIAL IMPACT ON U. S. STEEL			MITIGATION STRATEGY	
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	IMPACT 2030: CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
Chronic	Extreme cold	Extreme cold is measured by the average days per year with temperatures less than 0°C.	Short-, Medium-, Long-term	The average number of days per year experiencing extreme cold events is projected to decrease by ~2% from present day to 2030 and decrease by ~5.5% between 2030 and 2050.	The average number of days per year experiencing extreme cold events is projected to decrease by ~2% until 2030 then decrease by ~14.5% between 2030 and 2050.	Extreme cold most greatly affects facilities within Minnesota Ore Operations, alongside Great Lakes Works and U. S. Steel Košice. Although the number of days with extreme cold temperatures may decrease in the long term, extreme cold temperatures may lead to frozen pipes and higher energy consumption at our most impacted sites, potentially resulting in higher operating costs and production delays.	<p>The Health &amp; Safety division routinely performs maintenance during cold events to prevent delays in our production. This includes utilizing industrial heaters to prevent pipe freezing at U. S. Steel Košice.</p> <p>We increase iron ore pellet inventory at Blast Furnace Operation locations during winter months to mitigate the risk of supply chain disruptions and raw material shortages during annual closure of the Soo Locks, which is a set of parallel locks that enable ships to travel between Lake Superior and the lower Great Lakes.</p>
						<p>The risk of extreme cold may threaten the safety of our employees when traveling to work and at our sites. To ensure safety measures, there may be a shortage of labor due to commuting delays or absences caused by extreme cold conditions, potentially impeding overall production.</p>	<p>Our sites have personnel safety response plans and operational procedures in the event of excessive cold, allowing our production to remain functional and resilient despite challenging conditions.</p> <p>We have also developed severe weather incident response plans to shut down equipment, seek shelter and report large icicles to Maintenance &amp; Services in the event of extreme cold.</p>



CLIMATE-RELATED TRANSITION RISKS

In 2025, we performed a qualitative reassessment of transition risks by undertaking a regulatory landscape analysis and a detailed review of industry practices. This process enabled us to re-evaluate both current and emerging transition risks and opportunities that may affect U. S. Steel business in the short, medium and long

terms under a low carbon economy scenario. The assessment was led by the Sustainability team and included engagement with plant representatives across U. S. Steel facilities in the United States and Slovakia, as well as collaboration with key functions such as Commercial, Procurement, Environmental, Finance and Risk. The qualitative assessment

evaluated each transition risk and opportunity by considering both the potential impact and the likelihood of occurrence. Our analysis indicates that transition risk impacts are expected to be more pronounced in the medium and long terms under a low carbon economy scenario. The reassessment considered policy, market, technology, legal

and reputational risks, and we will continue to monitor these factors and implement appropriate mitigation strategies. Transition risks related to climate change are classified among our top-tier risks within our Enterprise Risk Management (ERM) framework and are monitored and evaluated on a quarterly basis through our ERM process.

TRANSITION RISK				POTENTIAL IMPACT ON U. S. STEEL	MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6) CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5) IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	
Policy & Legal	Carbon pricing mechanisms	Actual and potential carbon pricing on operations and/or exported goods.	Medium-, Long-term	The global carbon market is evolving. Several U.S. states are considering a carbon price and our operations in Slovakia, through U. S. Steel Košice, are currently exposed to the European Union Emissions Trading System (EU ETS) and Carbon Border Adjustment Mechanism (CBAM). The EU ETS carbon price is projected to rise to about \$90–\$100 per metric ton of carbon dioxide in 2030 and up to \$200 per metric ton of carbon dioxide in 2050. As a result of our greenhouse gas (GHG) footprint, these escalating global carbon costs may significantly increase our operating costs and supply chain considerations.	We are continuing to update the efficiency of our operations to reduce carbon intensity and manufacture steel using up to 90% recycled steel through our recent construction of a \$3 billion steelmaking facility, Big River Steel 2. Featuring two electric arc furnaces (EAFs), with three million tons of annual advanced steelmaking capacity, we have seen our second, next-generation, sustainable mini mill operate with up to 70%–80% fewer Scope 1 and 2 GHG emissions compared to the traditional steelmaking approach and directly support our 2050 net-zero emissions target.
	Current regulation	Existing policies, frameworks or legislation that firms are already expected to be in alignment with.	Short-, Medium-, Long-term	Current climate-related regulations are mandating reporting of environmental topics like air, waste and water management, climate-related risks and impacts, GHG emissions and supply chain due diligence throughout the value chain. We face a risk of monetary fines, reputational damage with customers and investors and increased operational costs if we do not comply with current regulations such as relevant legislation from the U.S. Environmental Protection Agency (EPA) or Environmental Protection Act in the EU.	We have integrated environmental and regulatory compliance risks into our ERM framework and evaluate current regulations on an ongoing basis. Every U. S. Steel site has dedicated team members, such as Environmental managers, who are tasked with the implementation, monitoring and reporting for current regulations.  We leverage internal audits, environmental management systems, and our ESG Disclosures Committee and Compliance Teams to proactively monitor and report any potential issues to regulatory bodies such as the U.S. EPA and EU to mitigate inaccurate reporting and potential fines.



TRANSITION RISK				POTENTIAL IMPACT ON U. S. STEEL	MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6) CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
				IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	
Policy & Legal	Emerging regulation	Upcoming policies, frameworks or legislation that firms would need to align with.	Medium-, Long-term	Emerging climate-related regulations such as the Corporate Sustainability Reporting Directive (CSRD), International Sustainability Standards Board (ISSB), Corporate Sustainability Due Diligence Directive (CSDDD), EU Carbon Border Adjustment Mechanism (CBAM), and the increased reporting burden associated with them, could pose risks of potential fines, legal liabilities and reputational damage if we are not prepared or in compliance.	<p>We are actively taking measures to prepare for impending and potential regulations in the EU and the U.S. by planning for increased reporting capabilities and seeking nonfinancial assurance. U. S. Steel is making the investment needed to ensure timely compliance with emerging regulations.</p> <p>We regularly monitor our key sustainability metrics to improve the rigor of non-financial reporting and increase transparency for regulatory purposes and users of sustainability data. In 2023, our procurement team capitalized on the EcoVadis platform, onboarding suppliers to report data on their ESG policies, practices, performance and measurement to facilitate our team’s reporting on supplier risk. These efforts continued in 2024, as we launched our supplier analysis program in Slovakia and were able to onboard 47 suppliers onto the EcoVadis platform—affirming our commitment to climate-risk analysis across the supply chain.</p>
	Inconsistency in climate-related policy support	Lack of policy support in key operating regions to support low emission products and processes.	Medium-, Long-term	Insufficient policy support for transitioning to a low carbon economy may limit access to grants, incentives and subsidies from governmental bodies. For U. S. Steel, this could result in higher capital expenditures required to upgrade operations to high-efficiency and low carbon facilities.	<p>U. S. Steel continues to prioritize economic resiliency by investing in infrastructure that remains profitable with minimal reliance on government incentives. As we expand our production capacity, we are strategically focused on enhancing operational efficiency—both to support business performance and to reduce carbon emissions. This approach enables us to remain cost-effective and aligned with long-term climate goals.</p> <p>We are also actively considering broader public sentiment to ensure our strategy reflects the evolving expectations of our customers and communities. By integrating these perspectives, we aim to shape investment decisions and climate ambitions that are both achievable and responsive to stakeholder needs.</p>
	Compliance-related litigation	Litigation related to compliance with emerging climate-related regulations or community negotiations over land use and resources.	Short-, Medium-term	Risk of litigation from non-compliance could result in monetary fines, operational disruptions and reputational concerns.	<p>We maintain comprehensive environmental management systems across our operations, with several facilities certified to ISO 14001, underscoring our commitment to measuring and enhancing environmental performance. These systems support our overarching goal of achieving full compliance with applicable environmental regulations.</p> <p>Over the past three years, U. S. Steel has invested more than \$1 billion in environmental initiatives—averaging over \$330 million annually. These expenditures reflect both compliance-related costs and capital investments in projects aimed at improving environmental performance.</p> <p>In addition, we actively advocate for the development of effective air, water and waste regulations at the local, state, national and international levels, reinforcing our role as a responsible steel manufacturer.</p>



TRANSITION RISK				POTENTIAL IMPACT ON U. S. STEEL	MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6) CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
				IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	
Market	Increased cost of electricity	Additional operational expenditures associated with the rising costs of electricity.	Medium-, Long-term	As companies transition toward electrification, electricity prices are projected to increase due to heightened demand outstripping existing supply, even in low carbon scenarios where renewable energy mix is projected to increase. Moreover, these prices are susceptible to fluctuations due to various factors, including weather, geopolitical decisions, regulatory changes and economic conditions, which can introduce instability to the market. This may have a significant impact on our operating costs, especially for our EAF operations.	<p>We are continuing to explore and expand opportunities to reuse energy and utilize renewable energy across our operations, as seen in our advancements across the Northeast and Southern U.S.</p> <p>Through our partnership with Entergy Arkansas on the Driver Solar project, we have contributed to the development of a new 250 MW AC (or 312 MW DC) renewable energy plant—generating approximately 555,000 MWh annually. This solar facility, adjacent to Big River Steel Works, directly supplies our sustainable steel product lines, verdeX® and InduX®.</p> <p>We are recycling energy as a byproduct of our existing operations to reduce our dependency on externally purchased power, such as our coke oven gas recycling operations at Mon Valley Works, a Pennsylvania Department of Environmental Protection certified “Alternative Energy System,” which allows our Mon Valley Works facility to meet much of its own electricity demand from internal sources. Additionally, all our plants with blast furnaces (BF) reuse BF gas for heating stoves and for power generation.</p> <p>These investments come in addition to our firm-wide efforts to improve and verify reductions in our purchased power GHG emissions footprint, using Emission-Free Energy Certificates (EFECs) to support reliable and clean energy.</p>
	Access to raw materials	Shortages and increased cost of raw materials.	Medium-, Long-term	With the development of U. S. Steel’s mini mill capabilities to produce lower emissions steel, in addition to iron ore, scrap steel is projected to become another main raw material in the coming years. Potential shortages of necessary raw materials may result in higher sourcing costs and eroded margins—even loss of business and reputational damage should insufficient materials be secured to meet customer demand.	<p>As part of our 2023 climate risk assessment, we assessed climate-related physical risks for our key suppliers as a measure to better understand potential risks and ensure a diversified supplier portfolio for key raw materials to avoid shortages and reduce procurement challenges from a climate perspective.</p> <p>We recycle substantial quantities of scrap metal and steelmaking coproducts and byproducts in our operations to reduce the need to externally purchase raw materials and reduce waste.</p> <p>Many of our operations are integrated steel plants (ISPs), which allow us to directly mine iron ore for our operations, reducing the supply chain risks associated with depending on a supplier for materials such as iron ore.</p> <p>As operations shift toward high-efficiency production methods, the need for coking coal will be reduced.</p>



TRANSITION RISK				POTENTIAL IMPACT ON U. S. STEEL	MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6) CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
				IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	
Market	Customer demand	Change in customer demand for existing product portfolio.	Medium-, Long-term	As the needs of customers transition from conventionally produced steel products toward advanced, application-specific products, some existing products within U. S. Steel’s current portfolio may experience declining sales.	<p>At U. S. Steel, we are constantly developing and improving our innovative steel products to not only meet the needs of today’s customers, but to anticipate the needs of tomorrow as well.</p> <p>We consistently meet with industry leaders and customers to adapt to their business wants and needs, forging and refining our production strategies to stay ahead of large changes to market demand for existing products.</p> <p>We have been preparing for these future needs through the release of many advanced, low carbon products, including ZMAG™, verdeX® and InduX®. Each of these steels consists of a variety of desirable traits that position them well for any changes in demand.</p> <p>InduX® stands as a testament to this. As a wide, ultra-thin, lightweight and magnetic steel, it offers all properties necessary for electric vehicles (EVs)—empowering customers with increased EV motor efficiency, along with greater mileage and range. Through the continued development of offerings like InduX®, U. S. Steel is prepared to adapt our product portfolio to whatever demand may arise.</p>
Market & Technology	Affordability of sustainable technology	Cost and feasibility to scale lower emissions technologies.	Medium-, Long-term	Lower emissions technologies often require substantial upfront capital, presenting financial challenges for the sector. Moreover, reliance on emerging or pre-commercial technologies—such as hydrogen-based direct-reduced iron (DRI) or carbon capture systems—introduces significant risk. These technologies may not yet deliver consistent performance, reliable operations or the product quality required. Delays in development or deployment at scale across the sector could hinder decarbonization timelines and compromise the ability to fulfill market demand, while still incurring high transition costs.	<p>In our continued efforts to support our sustainability strategy, we are increasingly monetizing non-core assets within our portfolio. We are actively seeking public funding opportunities within the U.S. and EU to reduce financial barriers to investing in low emissions technology and support decarbonization.</p> <p>As part of our R&amp;D activities, we are collaborating with Carnegie Mellon University (CMU) where we are working to advance the technology surrounding the hydrogen-based direct reduction of iron oxide (DRI) through optical, electron and x-ray analysis.</p> <p>We have a Commercial Sustainability Task Force to increase collaboration with suppliers and customers to align on mutual efforts to promote value chain decarbonization.</p>



TRANSITION RISK				POTENTIAL IMPACT ON U. S. STEEL	MITIGATION STRATEGY
RISK TYPE	NAME	DEFINITION	TIME HORIZON	LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6) CARBON INTENSIVE SCENARIO (SSP5-RCP 8.5)	
				IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	
Technology	Failure to transition	Not transitioning to lower emissions technologies.	Medium-, Long-term	Failure to continue adopting lower emissions technology may compromise our competitive position by limiting our ability to meet evolving customer expectations for low carbon products. Additionally, as regulatory frameworks become more stringent, non-compliance could expose operations to penalties or restrictions, further impacting business continuity and market access.	<p>In 2024, we became the first steel producer in the world to sell products as ResponsibleSteel™ Certified Steel. ResponsibleSteel™ is a global multi-stakeholder initiative that establishes and certifies members’ conformance with human rights, safety and environmental standards developed for the steel industry.</p> <p>In 2024, we entered into a 20-year agreement with CarbonFree to support the pursuit of carbon capture at our Gary Works facility using CarbonFree’s SkyCycle™ technology. The project will capture and mineralize up to 50,000 metric tons of CO<sub>2</sub> per year, equivalent to the emissions of nearly 12,000 passenger cars.</p> <p>We have tested advanced membrane technology to capture carbon dioxide emissions generated by steelmaking operations. We are piloting this point source carbon capture technology at our Edgar Thomson Plant to advance our progress toward our net-zero goal. This project is a step toward commercial deployment of this technology and will shape GHG emissions reduction for the entire steel industry.</p>
Reputation	Conveying credibility of decarbonization progress and goals	Inability to demonstrate credible progress against established decarbonization goals and commitments.	Short-, Medium-term	Failing to present credible decarbonization strategy and transparently communicate progress may impact stakeholder confidence. Perceived greenwashing or lack of transparency can undermine employee engagement, restrict access to capital, erode trust among investors and customers, and risk an organization’s social license to operate.	<p>We continuously work on enhancing our reporting and transparency of our climate and sustainability data to engage stakeholders and investors on our plans to reach our net-zero ambition. We demonstrate our commitment to transparency through our annual sustainability reports and climate risk assessments, which offer an overview of our progress and initiatives each year. In addition, we regularly engage with customers and investors on these topics, providing them with the necessary data and insights to foster informed dialogue and shared accountability.</p> <p>Our capital investments mirror our commitment to sustainability; we have extended sustainability-linked financing agreements to align our climate-related targets to our Company’s financial goals and incentivize the meeting of our climate-related targets.</p> <p>We engage our community through partnerships, financial contributions and volunteering through our SteelSUSTAINABILITY Employee Resource Group (ERG) efforts to demonstrate our commitment to our communities, planet and future.</p>



CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY				POTENTIAL IMPACT ON U. S. STEEL	
RISK TYPE	NAME	DEFINITION	TIME HORIZON	IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	COMMERCIALIZATION OF OPPORTUNITIES
Markets	Expand low carbon products	Opportunity to expand low carbon products (sustainable steel) to meet the anticipated rise in market demand.	Medium-, Long-term	As green steel production continues to evolve, increased industry experience and economies of scale are expected to gradually offset the associated cost premiums. This progression may enhance U. S. Steel’s strategic positioning in emerging markets, strengthen its reputation among customers and investors, and contribute to reducing the environmental footprint of its products across the value chain.	We are committed to introducing low carbon products that provide sustainable and profitable solutions for our customers across sectors to meet their own decarbonization goals such as our green steel products, verdeX®, ZMAG™ and InduX®. With large capital investments into new facilities, U. S. Steel is well positioned to capitalize on the expansion of low carbon products.
	Expand specialized products	Opportunity to expand specialized products (e.g., electrical steel) to meet the anticipated rise in market demand.	Medium-, Long-term	Continuing to expand into specialized steel products, such as electrical steel, enables U. S. Steel to align with the global shift toward electrification and meet rising demand in sectors like electric vehicles and renewable energy. This can strengthen the company’s market relevance and open new opportunities for growth in high-performance materials.	Driven by the global transition toward electrification and renewable energy, electrical steel has emerged as a critical material due to its magnetic properties and performance advantages. By investing in advanced production capabilities like our InduX® product line, U. S. Steel is enhancing its product portfolio but also reinforcing domestic supply chain resilience and environmental stewardship. This move aligns with customer expectations for low carbon and high-performance materials.
	Increase steel consumption in renewables	Opportunity to increase consumption of steel used in production and distribution of renewable energy.	Medium-, Long-term	The growing adoption of renewable energy technologies is expected to drive increased demand for steel, creating market opportunities in the development of infrastructure for both energy generation and storage. As these technologies rely heavily on steel components, U. S. Steel is well positioned to support and benefit from this global transition.	Both our ZMAG™ and InduX® steels are engineered to support the full renewable energy value chain—from components used in energy generation like wind turbine blades, solar panel frames and transmission towers, to applications that consume renewable energy such as electric vehicles and data centers. As demand for clean energy infrastructure grows, our steel products are positioned to play a vital role in enabling both production and consumption.  These steels’ unique traits are making waves within the renewable energy market. The strength, and zinc-aluminum-magnesium coating, of ZMAG™ steel has already attracted the likes of Origami Solar, who will be enlisting this product line for the production of their new solar frames. Built domestically, ZMAG™ not only offers increased reliability, but also significantly decreased emissions.



OPPORTUNITY				POTENTIAL IMPACT ON U. S. STEEL	
RISK TYPE	NAME	DEFINITION	TIME HORIZON	IMPACT 2030: LOW CARBON ECONOMY SCENARIO (SSP1-RCP 2.6)	COMMERCIALIZATION OF OPPORTUNITIES
Resource efficiency	Reduce costs through high-efficiency facility upgrades	Opportunity to reduce operational costs through high-efficiency facilities and reduced energy consumption.	Short-, Medium-term	By integrating energy optimization and resource efficiency into new site developments and existing facility upgrades, U. S. Steel can reduce operating costs, enhance profitability and improve reliability across its operations.	<p>By focusing on high-efficiency designs for new site developments and facility upgrades, U. S. Steel is actively reducing energy intensity and carbon emissions across its operations. In 2024, we reduced our energy consumption by 9.51 million MWh in comparison to 2023.</p> <p>We are continuously modernizing our facilities and building new, more efficient mini mills and electric arc furnaces (EAFs) to enhance operational performance, including major upgrades at our Mon Valley Works, Gary Works and Minnesota Ore Operations facilities. Through optimized energy use and reduced resource consumption, these efforts help us lower operating costs and support our sustainability goals.</p>
Resilience	Improve operations through climate adaptation	Opportunity to improve operational resilience through the implementation of climate adaptation infrastructure.	Medium-, Long-term	The implementation of climate adaptation infrastructure may safeguard operations and protect the workforce from the increasing risks posed by extreme weather and climate events. By integrating resilience measures into site expansions and facility upgrades, we can enhance operational reliability, reduce potential downtime and mitigate financial impacts.	U. S. Steel is proactively addressing climate-related risks by implementing a range of adaptation measures across its sites. As outlined in our physical risk assessment, these include scenario-based risk evaluations and business continuity protocols designed to strengthen the resilience of our workforce and facilities over the short, medium and long terms. These efforts would not only help prevent operational disruptions and safeguard employee well-being but also support long-term cost avoidance and business continuity in the face of increasing climate volatility.
Products and services	Development of new revenue streams through innovation of new products or services	Opportunity to develop new products or services to add to our future portfolio through R&D and innovation.	Medium-, Long-term	Developing new and innovative products and services to add to our future portfolio may unlock new revenue growth and diversified offerings while preparing against the long-term risks associated with climate-related regulations and expectations from customers.	<p>Our existing array of low carbon products, such as ZMAG™, verdeX® and InduX®, demonstrates our capabilities needed to develop new advanced products to meet market demand. As new demand for advancement arises across a variety of industries and customers, our world-class scientists at our Research and Technology Center are prepared to continue their innovations.</p> <p>We partner with the energy industry to examine and support the development of hydrogen production and carbon capture and storage technologies in the tri-state region of Ohio, Pennsylvania and West Virginia.</p> <p>At U. S. Steel, we recognize that the environmental impacts of our products and services and need for new technology span beyond just carbon, as we actively investigate and innovate within the nexus of impacts that relate not only to carbon, but also water, other pollutants and impacts on nature and biodiversity.</p>



# Risk Management

**U. S. Steel has a robust and comprehensive Enterprise Risk Management (ERM) function, focused on identifying, assessing, prioritizing, monitoring and mitigating risks across the enterprise.**

At U. S. Steel, risk management is intrinsic to the business, with clearly defined risk ownership and accountability across the organization. Our ERM framework is embedded across the organization with three lines of defense—operations, functional support and governance.

We identify climate change as an enterprise risk, integrated into our top-tier risks through our annual risk assessment process. This includes both physical risks covering acute risks (e.g., extreme weather events, hurricanes and floods) and chronic risks (e.g., extreme

cold and heat stress), considering how they may directly impact our assets and operations, and transition risks, which reflect evolving policy, technology and market preference to address climate change and may influence products' value, costs of energy and raw materials and allocation of our resources. Climate-related risks and opportunities will influence our considerations for raw material sourcing, how we continue to engage and strategize with our value chain, and create sustainable growth for our organization through the prioritization of relevant climate-related opportunities and mitigation of risks



that impact our operations and supply chain. Climate risk also serves as a cross-cutting driver of other risk categories within our ERM framework, reinforcing its relevance across the broader risk landscape and ensuring it is systematically considered in decision-making and strategic planning.

## **RISK IDENTIFICATION AND ASSESSMENT PROCESS**

Leveraging insights gained from our 2025 qualitative reassessment of transition risks and the 2023 quantitative assessment of physical climate risks, we engaged with our risk function to integrate updated climate risk considerations into the latest ERM process, which informs risk mitigation plans and strengthens U. S. Steel's resilience against climate-related risks.

U. S. Steel conducts an annual enterprise risk survey to support risk identification and assessment, encompassing more than 23 risk categories including financial, human capital, customer and reputation, innovation, information technology, environmental, political, regulatory, operational and strategic. Climate-related risks are embedded across several of these categories, enabling risk owners to take targeted actions to address them within their respective domains. In 2025, 86 subject matter experts from across the organization, ranging from mid-level managers to executive leadership, ranked these aforementioned risks into two tiers: Tier 1 and Tier 2. The environmental risk was consistently prioritized as a top concern by a diverse representation of leaders from various locations and functions evaluating impact, likelihood and velocity; this demonstrates that

climate preparedness remains a central focus of our business. Risks are categorized into long-term, medium-term and short-term time horizons based on when the risk would most likely have an impact on the business.

The ERM Governance Committee revisits risks quarterly, and these results are reviewed with the Board-level Audit Committee on a regular basis.

We also track climate-related risks to our business as a stand-alone risk and opportunity to drive our strategy and investment decisions. Results from the survey are evaluated and then calibrated to create a risk prioritization list and heat map.





## TRANSITION RISK AND OPPORTUNITY ASSESSMENT

In 2025, we performed a qualitative reassessment of transition risks by performing a regulatory landscape analysis and a detailed review of industry practices to reassess current and emerging transition risks that may potentially impact U. S. Steel operations in the short, medium and long terms under a low carbon economy transition. This assessment was led by the Sustainability team and involved engagement with multiple plant representatives across U. S. Steel operations in the U.S. and Slovakia, as well as U. S. Steel functions including Commercial, Procurement, Environmental and Finance and Risk. While the impacts were assessed from a qualitative perspective, it is assumed that transition risk impacts are more pronounced in the medium and long terms in a low carbon economy. Policy, market, technology, legal and reputational transition risks were all considered in the reassessment, and we will continue to monitor these risks and implement appropriate strategies to mitigate impacts. The transition risks of climate change are also within the top tier of our ERM framework and are monitored and evaluated quarterly through our ERM process.

To evaluate the financial impacts of key transition climate-related risks and opportunities across our operations and value chain under the SSP1-RCP 2.6 climate scenario, we applied a structured evaluation framework aligned with our ERM criteria. This included assessing:

- **Impact:** The potential financial consequences, across financial performance, operational results, customer and reputational effects, and regulatory compliance, rated on a five-point scale.

- **Likelihood:** The probability of each risk or opportunity materializing, also evaluated on a five-point scale.

## PHYSICAL CLIMATE- RELATED RISK ASSESSMENT

In 2023, we leveraged leading climate risk modeling platforms to perform a quantitative climate-related physical risk assessment for priority U. S. Steel facilities and critical suppliers, providing us with tactical risk information and profiles for each of our priority facilities and critical suppliers. Physical risks assessed were quantified using location-specific asset profiles to guide and strengthen our corporate strategy and risk management approach. Our stakeholders were engaged to identify new strategies and align mitigation actions to the physical climate-related risks.

## RISK MANAGEMENT PROCESS AND INTEGRATION INTO OVERALL RISK MANAGEMENT

Each identified risk is assigned an owner who proactively manages risks with a comprehensive action plan. As with other enterprise risks, climate change risks are integrated into the Company's review of strategic investments and capital planning process, guiding the management of climate-related risks and opportunities. Our plants work to embed mitigation and adaptation measures into our operations. We have several initiatives dedicated to managing climate-related risk across the enterprise.

For example, U. S. Steel has:

- Established "Safety First" Hazard Recognition program, collecting environmental, health and safety (EHS) data through our advanced Safety Management System (SMS);
- Invested \$150 million in direct-reduced-grade (DR-grade) pellet capabilities at our Minnesota Ore Operations Keetac plant, which will provide us with the flexibility to feed a potential future direct-reduced iron (DRI) or hot briquetted iron (HBI) facility;
- Detailed plans for a \$4 billion investment in a new electric arc furnace mill in order to expand our production capacity and affirm our commitment toward decarbonization;
- Recently completed construction of our second mini mill, which has played a key part of U. S. Steel's net-zero strategy since it started production in October 2024. This mill has already aided us in meeting our 2030 greenhouse gas (GHG) emissions intensity reduction goal and 2050 net-zero ambition through its use of endless casting and rolling technology, which efficiently uses induction instead of natural gas for the heating of the intermediate product;
- Published a variety of environmental and climate-related disclosures, including our [2024 Sustainability Report](#) and [Climate Strategy Report](#), which collectively detail several methods and technologies U. S. Steel relies on to reduce its carbon emissions;
- Produced innovative steel lines such as ZMAG™, InduX® and verdeX®. verdeX® can be produced with 70%–80% lower Scope 1 and 2 GHG emissions than traditional, integrated-mill steels;

- Produced ultra-thin, lightweight electrical steel with magnetic properties (InduX®), which is a powerful facilitator for generators and EV motors;
- Disclosed climate-related content and figures through a series of reputable, third-party organizations such as the [Carbon Disclosure Project \(CDP\)](#) and [EcoVadis](#);
- Restated sustainability-linked financing arrangements, with climate-related KPIs to align the Company's financial goals with its sustainability goals;
- Assessed the climate-related risks from our suppliers to avoid negative impacts on our steel quality and timeliness of delivery;
- Continued to maintain ongoing engagement with our customers on sustainability topics to gain deeper insight into evolving demand trends that informs our strategic planning and helps us align our products and services with emerging sustainability expectations;
- Increased the durability and weatherization capability of existing plants and facilities to better withstand acute and chronic weather events; and
- Continued to integrate capital allocation considerations to prioritize projects that reduce GHG emissions to further improve our environmental footprint.



# Metrics and Targets

**At U. S. Steel, we are continuing our journey to lower greenhouse gas (GHG) emissions to reduce our exposure to climate-related risks.**

We recognize the importance of lowering our emissions and carbon intensity to reduce our exposure to policy and reputational climate risks. In 2019, U. S. Steel announced a goal to reduce GHG emissions intensity by 20% across our global footprint by 2030, compared with a 2018 baseline year. In 2021, we announced a goal to achieve net-zero GHG emissions by 2050. These targets are both based on Scope 1 and Scope 2 (market-based) emissions. As we expand our production capacities and operations, we will continue to prioritize the construction of efficient facilities and support the implementation of emissions reduction initiatives and climate resiliency measures across our operations.

We incorporate various metrics into our assessment of climate-related risks and opportunities. We measure and disclose our absolute GHG emissions across Scope 1, Scope 2 and Scope 3 (million metric tonne CO<sub>2</sub>e), as well as GHG emissions intensity (metric tonne CO<sub>2</sub>e / metric tonnes of raw steel produced). These disclosures are detailed in our annual Sustainability Report and help us evaluate and manage policy and reputational risks effectively. Our decisions are guided by an internal carbon price that aligns Scope 1 emissions with the cost of allowances under an emissions trading system (ETS). In planning, this functions as an added capital surcharge, encouraging investment in lower carbon activities and reducing climate-related policy and market risks.



▲ Big River Steel 2—Continuous Galvanizing Line 3 (CGL3)



# Disclaimer

This report contains information that may constitute “forward-looking statements.” 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, the construction or operation of new or existing facilities or operating capabilities, changes in the global economic environment, including supply and demand conditions, inflation, interest rates, supply chain disruptions and changes in prices for our products, international trade duties and other aspects of international trade policy, statements regarding our future strategies, products and innovations, statements regarding our greenhouse gas emissions reduction goals, statements regarding existing or new regulations, and statements about our market risk and our risk management, including climate-related risks and opportunities. 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 may differ, possibly materially, from the anticipated results 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.

References to “we,” “us,” “our,” the “Company,” and “U. S. Steel” refer to United States Steel Corporation and its consolidated subsidiaries and references to “Big River Steel” refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.

References throughout this document to “GHG emissions” refer to Scope 1 and 2 emissions.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information or confirmation or other expectation that the actions described in this report (or related capital investments) will be taken within the timeframe described, or at all.







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