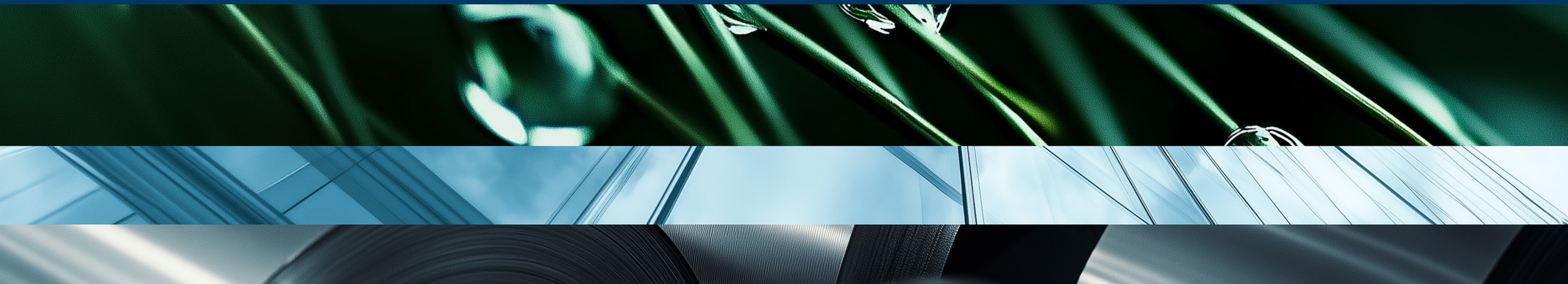
2024 Task Force on Climate-related Financial Disclosures Report



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Executive Summary

United States Steel Corporation (U. S. Steel) is a leading steel manufacturer that combines integrated and mini mill steel technologies to produce high-quality, value-added steel products that are essential building blocks for a sustainable future.

Through differentiated products and a focus on low-impact operations, we are transforming our company to reduce our impact to nature, which in turn reduces our risks related to the degradation of nature-related dependencies for our operations. 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 120-year history. We empower our people to innovate and utilize solutions that are low-carbon, use less freshwater and use less virgin raw materials, decreasing the impact on the ecosystems and communities we operate in. Our contributions to society go beyond the supply of steel, as we actively engage with communities and promote stewardship of the ecosystems where we live and work.

Building on our Task Force on Climate-related Financial Disclosures (TCFD) and aligning with the Taskforce on Nature-related Financial Disclosures (TNFD), we recognize the critical need to assess and manage both climate and nature-related risks. The interconnectedness of nature and climate means that addressing climate change without considering the health of ecosystems would be incomplete. This report incorporates the recommendations of the TNFD at a high level to clearly demonstrate our efforts in the areas of governance, strategy, risk management and metrics and targets for nature-related impacts, dependencies, risks and opportunities.

At U. S. Steel, nature is defined as the natural resources, ecosystems and biodiversity that provide the raw materials and environmental conditions essential for production processes. The TNFD defines biodiversity as the variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part.[1] Biodiversity is essential for ecosystem resilience, providing the natural resources and ecosystem services that support human well-being and economic activities. Natural resources include the air, water and soil quality that must be protected and preserved to support sustainable operations and minimize our ecological impact.

Governance

A strong governance program is essential to the development and implementation of our corporate strategy and oversight of sustainability. Our Board of Directors (Board) has oversight of sustainability matters, associated risks and strategic direction, and has delegated authority to its Corporate Governance & Sustainability Committee to review key sustainability initiatives, policies and practices related to sustainability performance. The Audit Committee of the Board has been delegated authority to oversee the Company's Enterprise Risk Management (ERM) program. The Board of Directors retains direct oversight of environmental performance, risks and compliance, which includes air, land and water-related impacts. Our management takes an active role in sustainability-related risk assessment and management through executive leadership and interdepartmental committees.

Strategy

We are focused on providing customers with profitable steel solutions for people and the planet, creating a more sustainable future for all our stakeholders. By implementing strategies to optimize the use and re-use of water and natural resources, while protecting air quality and surrounding ecosystems, we are positioned to enhance customer satisfaction and meet the evolving needs of our investors. This strategy is guided by this initial report that includes a qualitative assessment of potential nature-related impacts and dependencies, as well as an evaluation of key nature-related risks and opportunities across our direct operations. Through this qualitative assessment, we were able to identify key nature-related impacts, dependencies, risks and opportunities that will guide our prioritization of mitigation strategies and associated financial investments as we continue this journey.

Executive Summary (cont.)

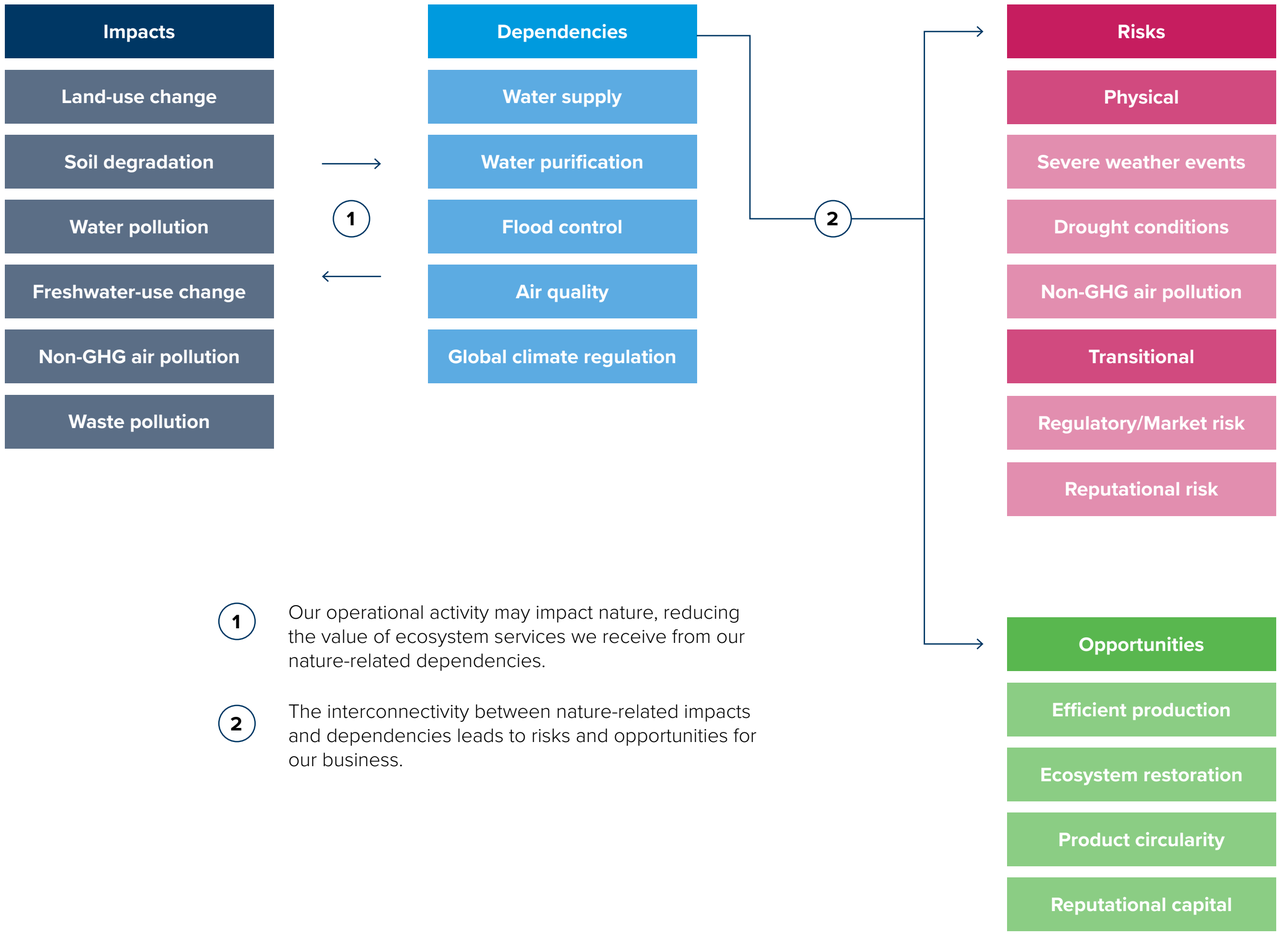
Risk and Impact Management

At U. S. Steel we have a robust Enterprise Risk Management (ERM) function focused on identifying, assessing and prioritizing risks to the enterprise. Environmental Department team members identify and manage nature-related risks and impacts at each site. When significant nature-related risks and opportunities are identified, their potential impact on U. S. Steel's operations is assessed and, if deemed significant through future assessments, will be escalated into our ERM framework. Many climate-related risks integrated into this ERM have overlap with relevant nature-related risks, such as ecosystem disruption from extreme weather events and costs to comply with applicable regulations. By integrating nature and biodiversity considerations into our ERM program, we will enable our future strategies and actions to support the protection and enhancement of the natural systems we rely on, driving sustainable growth and long-term resilience.

Metrics and Targets

Recognizing the critical importance of nature and biodiversity, we annually monitor and report nature-related metrics, including water, air and waste alongside conservation initiatives. For more details on our existing nature-related metrics and associated targets in relation to water, air, waste and key biodiversity initiatives, please see our annual Sustainability Report, and for our current key biodiversity initiatives, please reference pages 18–19 of this report. These metrics help us inform our strategies and initiatives to more efficiently manage our water use, reduce our air pollution, implement circular waste principles and steward the natural ecosystems we rely on. This approach aligns with our goal to support the long-term health of nature, leaving a positive legacy for future generations and a future of more sustainable steel production at U. S. Steel.

Overview of U. S. Steel's Identified Nature-related Impacts, Dependencies, Risks and Opportunities



1. Our operational activity may impact nature, reducing the value of ecosystem services we receive from our nature-related dependencies.
2. The interconnectivity between nature-related impacts and dependencies leads to risks and opportunities for our business.

Governance

Board's Oversight

Our Board monitors and guides U. S. Steel's environmental, social and governance (ESG) practices, reporting metrics and performance while retaining enterprise-level oversight of environmental and sustainability-related risk and strategic direction. The Board receives a quarterly report on environmental performance that includes nature-related topics such as water and air. It has delegated to certain committees oversight responsibilities as it may relate to nature-related matters.

The Corporate Governance & Sustainability Committee has accountability for overseeing the Company's sustainability program and mitigating sustainability risks. The Committee also assesses risks related to nature-related measures, including protection of neighboring ecosystems and sustainable use of natural resources such as air, water, land and minerals. The Committee meets at least quarterly. As part of their oversight, the committee reviews sustainability as a standing agenda item, including reports and discussions on sustainability strategic priorities that may be related to nature, such as natural resource management, biodiversity, conservation efforts, ecosystem impact mitigation across our operations and the use of nature-related reporting and disclosure frameworks.

The Audit 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 potential nature-related risks to also be included in the future as our assessment matures. The Audit Committee meets on a quarterly basis with the Chief Risk Officer (CRO) and other members of senior management as appropriate, to discuss risks that may have a material impact on U. S. Steel. The Audit Committee reports to the full Board regarding their discussions.

Management's Role

Our management takes an active role in managing and assessing nature-related risks and opportunities by integrating nature-related risks into our overall Enterprise Risk Management (ERM) framework if deemed significant through future assessments.

Our ERM Governance Committee includes the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Technology Officer (CTO), Chief Ethics & Compliance Officer (CECO) and General Counsel, and Chief Risk Officer (CRO). 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 may include nature-related risks. The CRO reports on these activities regularly to the Audit Committee.

Through both our Executive Sustainability Committee, composed of all of our C-suite executives, including our CEO, and Environmental Executive Committee, quarterly meetings are held to discuss environmental compliance, sustainability performance, risk management and strategy design, development and execution. These committees are responsible for setting and communicating sustainability metrics, goals and performance in addition to coordinating internal and external sustainability-related communications such as our annual Sustainability Report.

Upholding Human Rights Through Nature Protection

We are committed to safeguarding human rights in accordance with the Universal Declaration of Human Rights and the United Nations Declaration on the Rights of Indigenous Peoples. At U. S. Steel, we acknowledge the crucial role that indigenous peoples play in the global stewardship of natural resources and the preservation of biodiversity. None of our direct operational sites are on or near the land of indigenous peoples. Our commitment to human rights is embedded in our S.T.E.E.L. Principles: Safety First, Trust and Respect, Environmental Stewardship, Excellence and Accountability, and Lawful and Ethical Conduct. Our company's Code of Ethical Business Conduct and Human Rights and Indigenous Rights Policy outline expectations for human rights, labor conditions and workplace behavior—we prioritize safety, respect freedom of association and adhere to all laws on fair wages and child labor. Our company communicates its human rights commitments publicly and has joined ResponsibleSteel™ to certify adherence to industry standards. A grievance mechanism is established for reporting misconduct, with strict anti-retaliation policies in place to foster a safe environment for grievances to be reported.

Governance (cont.)

CORPORATE SUSTAINABILITY GOVERNANCE

Role	Responsibility
Board of Directors	Oversees sustainability, risk and strategic management. Direct oversight of environmental risks, performance and compliance.
Corporate Governance & Sustainability Committee	Reviews key sustainability initiatives and practices, sustainability performance and public reporting on sustainability topics, including the annual U. S. Steel Sustainability Report and any related standalone reports.
Audit Committee	Oversees the Company's ERM program, climate-related risks (that may overlap with potential nature-related risks) and future standalone nature-related risks.
CEO and Executive Sustainability Committee	Accountable for sustainability performance, risk management and strategy design, development and execution.
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.
Environmental Department	Oversees the monitoring and management of nature-related metrics and mitigation strategy at the site level.

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. As we continue to execute, this strategy will be in part informed by our first assessment of nature-related impacts, dependencies, risks and opportunities at our own operations. This assessment will guide our prioritization of mitigation strategies and associated financial investments.

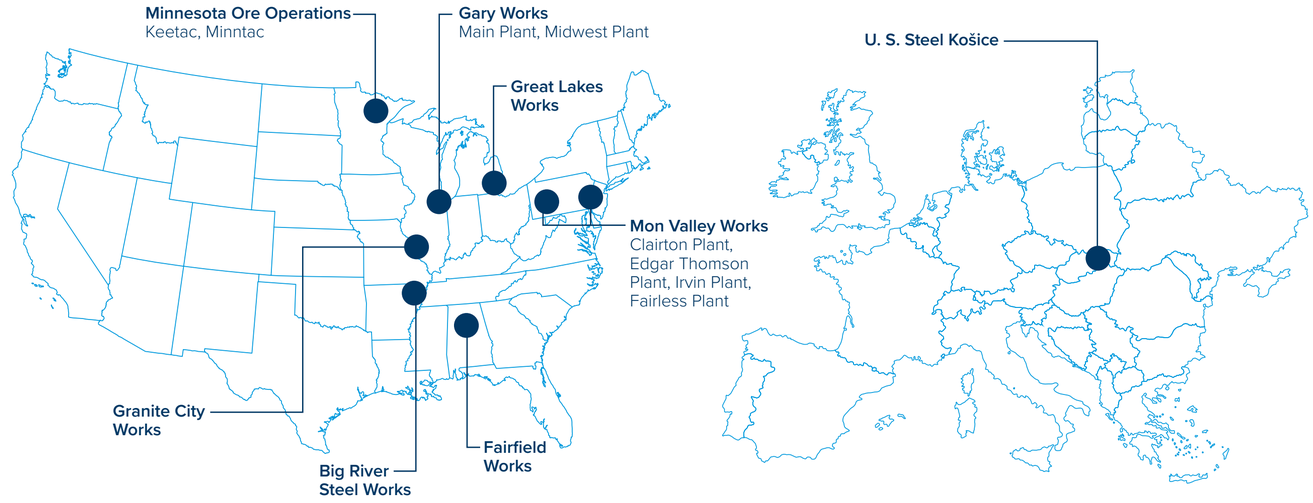
This marks the beginning of our company's journey to identify nature interfaces and align with TNFD reporting guidance. Our approach centered on identifying our nature-related impacts and dependencies at our operational sites based on their operational activity and locations, and subsequently identifying key related risks and opportunities at the enterprise level.

To achieve this, we conducted a qualitative assessment of potential nature-related impacts, dependencies, risks and opportunities leveraging publicly available nature and biodiversity tools and a series of six interviews covering 10 sites with our Environmental Department team members.

Nature-related impacts, dependencies, risks and opportunities were assessed considering long-term, medium-term and short-term time horizons.[2]

SHORT-TERM	MEDIUM-TERM	LONG-TERM
0–1 years	1–5 years	5–30 years

The following U. S. Steel sites were evaluated in the 2024 nature assessment:



Mining Operations	Minnesota Ore Operations: Keetac, Minntac
Steel Manufacturing	Electric Arc Furnaces (EAFs): Big River Steel, Big River Steel 2 and Fairfield Works Blast Furnaces (BFs): Gary Works; Mon Valley Works: Clairton Plant, Edgar Thomson Plant, Irvin Plant, Fairless Plant; and U. S. Steel Košice (USSK)
Finishing Facilities	Great Lakes Works, Granite City Works and Duluth Works (closed)

Strategy (cont.)

Nature-related Impacts

We are committed to identifying and implementing strategies to minimize our impact on nature and biodiversity across our organization.

Acknowledging these impacts and our current mitigation strategies is a crucial first step. By proactively addressing our impacts, we can lay the groundwork for reducing our impacts with nature and reaffirm our commitment to environmental and ecological stewardship. Our continued efforts aim to mitigate adverse impacts on nature and biodiversity and drive long-term positive change in the future.

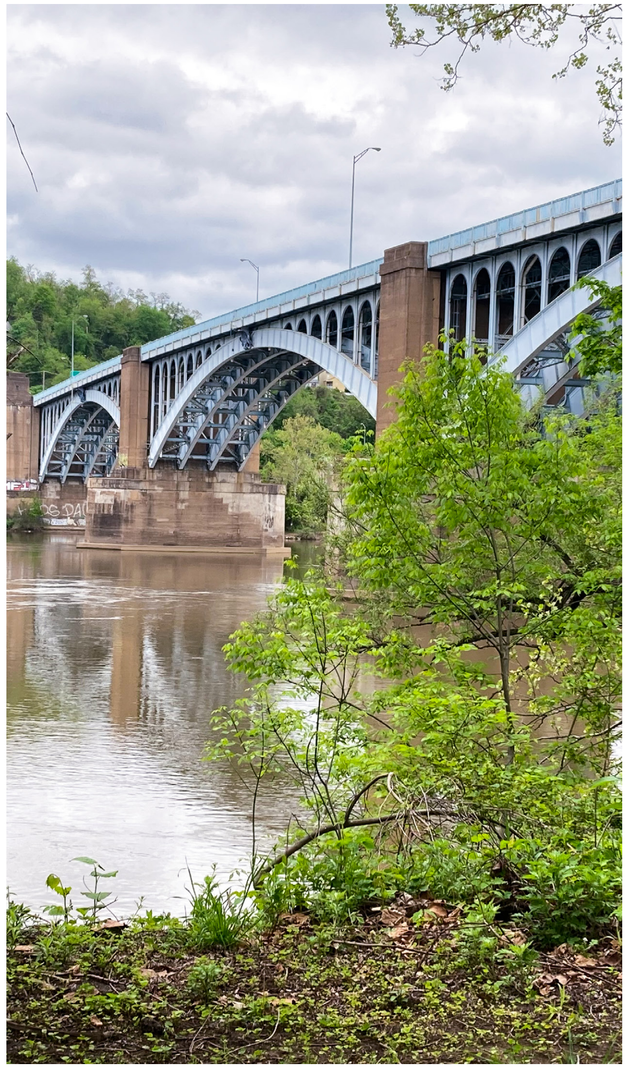
In line with our commitment to nature and the environment, we assessed our potential impacts to nature at the site level, factoring in the site's location, business activities and lifecycle stage. We considered 13 impact drivers identified by TNFD sector guidance for metals and mining for the site assessments, including: land ecosystem use, freshwater ecosystem use, ocean ecosystem use, greenhouse gas (GHG) emissions, non-GHG air pollutants, water pollutants, soil pollutants, solid waste, disturbances (visual and noise), water use, other resource use (including living and non-living resources), introduction of invasive alien species (including vertebrate pests) and protected and conserved areas.[3]

Additionally, the assessment factored in the following nature-related criteria:

- Proximity to protected ecosystems
- Proximity to bodies of water
- Presence of flood zones
- Water stress regions
- Presence of at-risk species populations
- Presence of invasive species populations

Both positive and negative nature-related impacts were identified. A positive impact is characterized by the enhancement, restoration or protection of natural ecosystems, whereas a negative impact is defined by the degradation of ecosystems and biodiversity, resulting from direct or indirect activities.[4]

The following summarizes the highest priority nature-related impacts identified for our direct operations and the associated mitigation strategies in place.



Strategy (cont.)

IMPACT DRIVER	DEFINITION	OPERATIONS*	POTENTIAL IMPACT OF U. S. STEEL ON NATURE	KEY MITIGATION STRATEGY
Land-use change: Protected/conserved areas and land ecosystem use	The alteration of the natural environment and protected/ conserved ecosystems due to operational activity.	Mining Operations Steel Manufacturing (EAFs only) Finishing Facilities	Operational activities may result in habitat loss and disrupt large mammal migration, decreasing biodiversity.	We monitor and protect local ecosystems against land-use change through conservation of ecosystems and stewardship to uphold environmental resiliency, cementing the ability of flora and fauna to thrive throughout the operational lifespan of our sites. Some strategies include: **Direct conservation** Designating specific areas around our facilities as mitigation areas where the needs of surrounding plants and animals can be monitored and addressed appropriately. **Ecosystem restoration** Strategic formation of organizational partnerships to support local wildlife and rehabilitate former U. S. Steel sites by removing impacted sediment and regrowing native vegetation, thus restoring important local habitats. For more details on our ongoing initiatives, please reference pages 18–19 of this report.
Pollution: Soil degradation	The disruption and reduction of soil quality and changes in soil chemistry from operational activity and emissions.	Mining Operations Steel Manufacturing (EAFs and BFs)	Operational activities may result in the erosion, pollution and contamination of soil, causing harmful forms of habitat loss and accumulation of heavy metals within the ecosystem.	We protect and restore local ecosystems from the effects of soil degradation to minimize our impact on the health of local ecosystems and the ecosystem services provided by healthy soil, such as the ability to support plant life for the community and ecosystem. Some of our strategies include: **Contamination prevention** Installing protective soil covers while removing, and replacing, already impacted sediments to support ecological recovery of the soil. **Erosion control** Propagating native vegetation to provide natural resilience from plant roots of differing depths holding soil, strengthening the lake and river-adjacent regions, which are often subject to erosion risk from hydraulic action.
Pollution: Water pollution	The spilling, leakage or improper discharge of wastewater that contaminates ecosystems and harms wildlife.	Mining Operations Steel Manufacturing (BFs only) Finishing Facilities	Accidental spills, undetected leaks or improper discharge of wastewater through our operation may contaminate local water bodies and species.	We operate water treatment and recycling facilities to minimize our impact on water bodies, reduce freshwater use, and maintain compliance with federal, state and local regulations. Some of our strategies include: **Monitoring and analysis** Rigorous monitoring, testing and analysis of water withdrawals and discharges. **Effluent control** Strict adherence to applicable effluent discharge limits. **Record-keeping and reporting** Detailed record-keeping and transparent reporting of water usage and impact. **Best Management Practices (BMPs)** Adhering to concrete protocol for handling stormwater discharge, including the establishment of basin filtration and runoff containment areas.

*The sites included in this nature assessment reflect our direct operations, with impact drivers analyzed based on location, activities and lifecycle stage. These results highlight the highest priority impacts.

Strategy (cont.)

IMPACT DRIVER	DEFINITION	OPERATIONS*	POTENTIAL IMPACT OF U. S. STEEL ON NATURE	KEY MITIGATION STRATEGY
Freshwater-use change: Water use/Water scarcity	The use of large volumes of natural water resources for cooling in operations.	Mining Operations Steel Manufacturing (EAFs) Finishing Facilities	None of our sites are in high water stress areas currently. However, operational water use over time may disrupt ecosystems and impact wildlife.	We operate water treatment and recycling facilities to minimize our impact on water bodies, reduce freshwater use, and maintain compliance with federal, state and local regulations. Some of our strategies include: **Effluent reclamation** Maximizing the water reclamation rate from tailings basins, reaching as high as 90%–95% in some facilities. **Water treatment** Effective operation of water treatment facilities, including closed-loop and water recycling systems.
Pollution: Non-GHG air pollution	The actual or potential impact to the respiratory health of native species, reduction in air quality, or contamination of aquatic ecosystems from particulate matter emissions.	Mining Operations Steel Manufacturing (EAFs and BFs)	Off-gas particulate matter pollution from operations may harm animal respiratory health, and noise pollution may affect wildlife behavior.	We employ various technologies to mitigate our emission of non-GHG air pollutants to uphold high standards of air quality for our local communities. Some of our strategies include: **Particulate pollution prevention** Upgrading locomotives from diesel to battery-powered, reducing the particulate matter emissions associated with fuel consumption. **Particulate pollution collection** Installed a diversity of fabric filters ("baghouses") and dry cartridge dust collectors to gather particulate matter from electric arc furnace (EAF) emissions across operations. **Noise pollution prevention** Proactively manage noise levels by ensuring machinery and equipment undergo regular maintenance to prevent excessive noise emissions. Conduct routine audiometric testing to systematically monitor and control noise exposure, maintaining compliance with local labor regulations and preventing levels from exceeding critical decibel thresholds.
Pollution: Waste pollution	The improper management or disposal of operational waste and byproducts leading to the contamination of ecosystems.	Mining Operations Steel Manufacturing (BFs only)	Accidental spills, leaks and improper waste disposal may contaminate and degrade ecosystems and harm wildlife.	We employ various technologies and strategies to mitigate our production and release of waste to uphold high standards of environmental stewardship for our local communities. Some of our strategies include: **Circular production** Recycling, reusing and selling several byproducts from cokemaking, ironmaking, steelmaking and steel finishing operations wherever possible. We capitalize bearing residuals and sludge byproducts to create sinter and briquettes, which are then sustainably re-incorporated as feedstock for future production and sale. **Responsible containment** Our mines practice in-pit stockpiling to minimize the land used to store waste. Additionally, our tailings basin dams are regulated and in compliance with the Minnesota Department of Natural Resources (MNDNR) for prevention of waste pollution. Routine inspections are performed on both our Minntac and Keetac dams to maintain compliance.

*The sites included in this nature assessment reflect our direct operations, with impact drivers analyzed based on location, activities and lifecycle stage. These results highlight the highest priority impacts.

Strategy (cont.)

Nature-related Dependencies

Based on our business activities and processes across our mining operations, steel manufacturing and finishing facilities, we have assessed our dependencies on 12 ecosystem services from TNFD guidance on the metals and mining sector, which are: water supply, soil and sediment retention, flood mitigation, water flow regulation, rainfall pattern regulation, local and global climate regulation, solid waste remediation, storm mitigation, water purification, air filtration, noise attenuation and cultural services.[5] Through this assessment, we have identified that our operations are mostly reliant on five key nature-related dependencies: water supply, water purification, flood control, air quality and global climate regulations. These nature-related dependencies encompass the essential environmental assets and ecosystem services that we depend on to operate effectively.

By recognizing these dependencies early, we can take proactive measures to strengthen our resilience, and with the aid of detailed scenario analysis in the future, better prepare for degrading natural resources — fostering a more sustainable future for our operations. We understand the critical role each of these nature-related dependencies play in our business operations, and we have deployed mitigation strategies to minimize and manage our reliance on them.

Water Supply

We utilized the World Resources Institute (WRI) Aqueduct Water Risk Atlas to best understand our dependencies on nature for water supply and assessed our plant locations.[6] We determined through this assessment that our plants are located in geographical areas that the WRI designates as having low to low-medium water scarcity impacts. Our steelmaking operations, however, are still dependent on a consistent and ample water supply. Water is essential for cooling heavy machinery, as well as for cleaning and waste management purposes. This dependency means that any reduction in water availability can directly impact our ability to maintain optimal operating conditions. Without sufficient water, equipment may overheat, leading to increased maintenance costs and potential production slowdowns or shutdowns. We expect our dependency on constant water supply will persist in the short, medium and long terms.

To minimize our dependency on natural water supply, several of our manufacturing sites have implemented water recycling systems to reduce the amount of fresh water needed for our manufacturing process. These efforts have led to increased operational efficiencies and water savings. By adopting water recycling systems, we limit our water consumption, safeguard community water resources and

Strategy (cont.)

promote sustainable water management across our operations. We continuously seek opportunities to improve water efficiency, address leakages and mitigate impacts in water-scarce regions. Recognizing water as an invaluable resource, we are committed to reducing consumption and increasing efficiency for the benefit of our business, stakeholders and communities.

Water Purification

Water quality is important for our processes, as high turbidity water may lead to equipment degradation, increased maintenance costs and product quality issues. Beyond our operations, water quality is vital for the well-being of the community and surrounding ecosystems. We expect our dependency on purified water will persist in the short, medium and long terms.

In addition to our measures to reduce our reliance on natural water sources, we have procedures in place to manage water intake quality. Our sites actively monitor, test and analyze water withdrawals before use, managing our dependency on natural water purification processes. We also maintain detailed records of water quality levels to inform future use and confirm ongoing compliance with operational standards. These proactive measures allow us to uphold the high quality of our products and operations while promoting sustainable water management practices.

Flood Control

We acknowledge that the natural ecosystems providing flood control services are critical to our operations, and we depend on their health and functionality especially for our sites that are situated within designated flood zones.[7] We proactively develop and execute flood protocol plans for sites located in high-risk flood-prone and coastal regions and verify ongoing adherence through site-level verification processes. Plans often include safety and security flood control protocol, actions for unloading equipment into emergency storage facilities, maintaining coastal biodiversity to combat soil erosion, critical contacts and information on fleet maintenance.

Efforts to positively impact one nature-related dependency often cascade to other dependencies; robust flood control measures help us maintain water quality by preventing an increase in particulate matter, thereby reducing the need for extensive water purification processes and associated costs. Effective flood control is also vital in preventing leakage from tailings or waste sites during heavy precipitation events, protecting water quality and ecosystems in nearby areas. We will continue to invest in flood control methods in the short, medium and long terms to safeguard our operations and minimize disruptions caused by extreme weather events.

Air Quality

We recognize that healthy natural ecosystems are essential for providing good air quality, which is crucial for the well-being of our employees and local communities, along with the resilience of our operations and assets. With the frequency of wildfires increasing, keeping our equipment clean is imperative to maintain operational efficiency and optimal working conditions.

Despite the challenges associated with mitigating our dependence on good air quality, we take proactive measures throughout our supply chain to manage emissions. Our mining operations have ongoing efforts to plant vegetation around tailings basins, while some of our manufacturing facilities incorporate modern, less intensive, battery-based locomotives. These initiatives not only help reduce the particulate matter emissions that impact our operations but also support the strength of our local ecosystems. By prioritizing air quality control, we can safeguard the health and well-being of our employees and the surrounding community, to sustain operational performance.

Global Climate Regulation

Steel manufacturing is intricately tied to the stability of the climate, as the industry depends not only on raw materials and energy but also on predictable environmental conditions. A stable climate upholds a consistent supply of resources such as water and iron ore, both essential for steel production processes. Extreme weather events, such as floods, droughts and temperature fluctuations, can disrupt mining operations, transportation networks and energy supplies—critical elements in the steelmaking process.

Addressing our dependency on stable climate conditions is a complex task, but we are committed to implementing effective strategies to manage this challenge. We have incorporated redundancy into our operations, enabling other sites to increase production if one site is affected by extreme weather events or regulatory disruptions. By diversifying our raw material sourcing and transportation routes across various geographical areas and ecosystems, we reduce the potential impact of localized weather events. Furthermore, we invest in resilient infrastructure and implement comprehensive emergency response plans to effectively manage unexpected weather changes. Through these efforts, we strive to maintain the resilience and sustainability of our operations in the face of evolving climate conditions and regulation.

Strategy (cont.)

Nature-related Risks and Opportunities

Understanding and managing nature-related risks and identifying opportunities that yield positive outcomes for both the Company and nature are crucial for both the sustainability of our operations and the preservation of ecosystem assets. Our commitment to nature stewardship goes beyond compliance with law or regulations, focusing on responsible actions to minimize environmental impacts and protect shared natural resources. This responsibility is embedded in our business operations and upheld by our employees.

Based on our impacts on nature and dependencies on environmental assets, we have identified the key nature-related risks and opportunities our company is likely to face across short-, medium- and long-term timeframes. We performed a qualitative assessment of physical and transition risks by performing a detailed review of industry practices, nature-related databases, models and regulatory landscape analysis to assess current and emerging risks that may potentially impact U. S. Steel operations. This approach enhances our understanding of immediate nature-related physical and transition risks and informs our long-term mitigation strategies.

RISK TYPE	RISK	RESILIENCE STRATEGY
Physical: Acute	Decline of natural services that protect against extreme weather events (e.g., storms, wind, wildfires, rain, floods and landslides) disrupting direct operations and damaging equipment.	We employ a variety of resiliency strategies in response to the risk of extreme weather events at our sites. These strategies include: **Emergency response** Developed emergency response training, such as Emergency Action Plans (EAPs), across facilities — special protocol plans for sites in high-risk areas. **Equipment maintenance** Routine maintenance of equipment to minimize failure under extreme weather events. **Flood protocol** Developed flood protocol plans in high-risk areas, confirming compliance through site-level verification processes — details critical contacts, emergency storage facilities and river fleet maintenance. **Weather monitoring** Proactively communicating imminent severe weather threats through the Emergency Services supervision team, using information from news reports, weather alerts and radio broadcasts to protect our people and equipment.
Physical: Chronic	Prolonged harsh, and dry, conditions leading to decreased water availability from ecosystem services, impacting the production and shipping processes leading to potential loss of revenue.	We continually update and implement best practices to prepare for the possibility of droughts near our sites. Some of our practices include: **Water management** Expanding our current water monitoring network, managing groundwater levels and reducing our consumption of water in our operations. **Wastewater reuse** Many of our facilities recycle or reuse water used for cooling to minimize our overall withdrawals. **Stormwater capture** Implementing stormwater Best Management Practices to establish catch basin filtration and stormwater containment areas, with some facilities treating the stormwater prior to discharge. **Water level mitigation** We have constructed a floating barge dock at our Big River Steel Works site that 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.

Strategy (cont.)

RISK TYPE	RISK	RESILIENCE STRATEGY
Physical: Acute	Air quality issues due to high levels of particulate matter pollution caused by wildfires can lead to reduced operational capabilities, as workers may face health risks and equipment performance may be compromised.	We employ various strategies and technologies at our sites for both our people and our equipment to protect against poor air quality and particulate matter pollution. This includes: **Providing personal protective equipment** Equipping our people with personal protective equipment for operational and environmental conditions on site to prevent harm. **Equipment retrofitting** Implementing air filtration systems and protective covers for sensitive equipment and machinery to prevent damage from dust and particulate matter. **Digital and analytical forecast model** We developed an internal U. S. Steel Digital and Analytical Forecast Model to predict the probability of exceeding PM2.5 thresholds to proactively control operational parameters in response to atmospheric conditions.
Transition: Regulatory/Market	Current and emerging nature-related regulations to protect biodiversity, ecosystems and natural resources such as Ambient Air Quality Standards (NAAQS) and European Union Deforestation Regulation (EUDR) can pose risks of regulatory non-compliance, with potential market access loss.	We are committed to complying with applicable federal, state and local agencies' rules, regulations and permit conditions. Key strategies we implement for compliance include: **Regulatory monitoring** Ongoing tracking of the external regulatory landscape by our environmental affairs and legal team to minimize nature-related non-compliance risks and avoid market-share loss. **Transparency and reporting** We regularly monitor our key ESG metrics and annually report on our performance and management of natural resources. Through this report we align with the TNFD recommendations to increase transparency and trust with regulators, customers and investors. **Internal accountability** Leveraging internal audits, environmental management systems, integration into ERM framework and our ESG Disclosures Committee to report to regulatory bodies such as the U.S. EPA and EU Member States' competent authorities (EUMS CAs). **Technological updates** Maintaining up-to-date testing technology and mitigation equipment for air, water and soil pollutants in response to changing regulations.
Transition: Reputational	Negative media attention and pressure from NGOs over the impacts on ecosystems, biodiversity and natural resources can impact our social license to operate, potentially leading to a loss of access to capital investments.	We are committed to fostering community relationships through stakeholder engagement programs and partnerships with NGOs. **Research partnerships** Conducting research on the impacts of biodiversity and ecosystem services through collaborative studies with partners, aimed at informing our Biodiversity Management Plan that factor in a hierarchy of impact mitigation strategies. **Community engagement** Several of our locations actively engage with our communities through environmental conservation efforts, such as our collaboration with Quail Forever to establish a 40-acre reserve at Big River Steel Works.

Strategy (cont.)

Nature-related Opportunities

Key opportunities to drive business growth by embracing nature-positive practices, innovating sustainable products and services and improving operational efficiency, to enhance brand reputation and attract new customers or markets.

OPPORTUNITY TYPE	OPPORTUNITY	CAPITALIZING ON OPPORTUNITIES
Resource use efficiency	Decrease cost of sourcing natural resources due to increasing efficiency of natural resource use.	Implementation of process optimization for more efficient use and re-use of natural resources at existing mining operations and steel manufacturing sites, reducing the need for virgin raw materials. Some of these strategies and initiatives to improve resource use efficiency include: • Water recycling systems at each of our facilities for water used in manufacturing processes to reduce water withdrawal and minimize environmental impacts • All steel plants with blast furnaces (BFs) reuse BF gas for heating stoves and power generation • Implementation of more efficient technologies such as advanced electric arc furnaces, reducing required input for production • Adopting mini mill technologies to manufacture steel using up to 90% recycled steel • Recycling 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
Ecosystem restoration and regeneration	Reduce operational costs by promoting the regeneration of nearby ecosystems.	Several of our sites have ongoing ecosystem restoration efforts, such as revegetation of native flora and removal of invasive species along coastal ecosystems, promoting biodiversity, protecting natural resources and supporting the health of pollinator species.
Circularity of products	Create new revenue streams and decreased costs of waste management due to incorporation of circular economy concepts such as reuse, recycling, repurposing and commercialization of byproducts.	Operational byproducts are currently refined, sold, recycled or sent downstream for more value-added processing where possible, reducing our need to source extracted virgin raw materials, such as coal for coke gas or iron ore from mines.
Reputational capital	Enhance reputation with stakeholders and strengthened compliance position through partnerships with governmental and non-governmental organizations focused on environmental stewardship and nature conservation.	Strategic partnerships with organizations that generate positive socio-environmental impacts, including the Gary Works partnership with Save the Dunes, the U. S. Steel partnership with the U.S. EPA Great Lakes National Program Office (GLNPO) and the Big River Steel Works partnership with Quail Forever.

Risk and Impact Management

U. S. Steel has a robust Enterprise Risk Management (ERM) function that identifies, assesses and prioritizes risks to the enterprise. These risks will be closely monitored at the site level and help us drive our strategy and investment decisions, factoring both physical and transition risks, as detailed on pages 13–15 of this report.

Physical nature-related risks are the consequences of environmental or ecological degradation, including biodiversity loss and impaired ecosystem services. These risks can be acute, such as extreme weather events, or chronic, like changing precipitation patterns. Transition risks arise from changes in regulations, technologies, markets and societal attitudes toward nature conservation.

Risk management is integral to our business operations, with clearly defined risk ownership. Our ERM framework, embedded across the organization, includes three lines of defense: operations, functional support and governance. The ERM Governance Committee revisits enterprise-level risks quarterly and reviews the results with the Board-level Audit Committee. By integrating nature and biodiversity considerations into our ERM program in the future, we seek to align our strategies and actions with the goal of protecting and enhancing the natural systems we depend on.

Impact, Dependency, Risk and Opportunity Identification, Assessment and Prioritization Process

Potential nature-related impacts and dependencies were identified through a qualitative assessment, which leveraged publicly available nature and biodiversity tools factoring in 13 industry-specific impact drivers and 12 ecosystem services.[8] We conducted six interviews with our Environmental Engineers team members to validate our direct operations (10 sites) site-specific nature-related impacts and dependencies.

Through the interviews, key risks and opportunities were identified and prioritized based on their potential to disrupt our business activities, damage assets, affect supply chains and create new regulatory challenges, requiring us to adapt our strategies to increase our resilience and sustainability.

Beyond this initial identification and assessment of nature-related impacts, dependencies, risks and opportunities, our Environmental Department throughout our various facilities maintains regular communication to manage nature-related risks and impacts. The team exchanges feedback to enhance mitigation strategies. This collaborative approach better aligns our ERM framework to the risks that arise from our on-the-ground experts, allowing us to effectively address and manage nature-related risks and opportunities across the organization. The ERM Governance Committee, which includes the CEO, CFO, CTO, General Counsel and CECO, meets quarterly to align risk management to strategy, identify emerging risks, re-evaluate risk prioritization and review action plans for top enterprise-level risks. While nature-related risks are not currently considered within that tier, the Chief Risk Officer reports on these activities regularly to the Audit Committee, when deemed significant.

Nature-related Risk and Impact Process and Integration Into Overall Risk Management

We identify and manage nature-related impacts at the site level. Environmental leads at each site work closely with the Environmental Department and plant's General Manager to assess, analyze and address nature-related impacts. This collaborative approach keeps our site-specific management practices both effective and adaptable, as detailed on pages 17–19 of this report. By tailoring strategies to the unique characteristics of each site, we can then more effectively mitigate risks and capitalize on opportunities at the enterprise level.

Nature-related risks and opportunities are assessed for their potential impact on U. S. Steel's operations and, if deemed significant, are escalated into our ERM framework. There are currently climate-related risks that are integrated into ERM and overlap with nature-related risks, such as ecosystem disruption from extreme weather events and compliance with applicable nature-related regulations. This integration enables us to prioritize and manage risks and opportunities systematically, aligning with our broader sustainability objectives.

We are unwavering in our commitment to identifying and implementing innovative strategies to minimize our key nature-related risks while striving to maximize our opportunities to enhance the health of ecosystems and biodiversity surrounding our locations, supporting healthy and thriving environments.

Metrics and Targets

At U. S. Steel, we are committed to being responsible stewards of the environment by integrating nature conservation into our operations. We strive to protect natural habitats and enhance the resilience of local ecosystems, collaborate with conservation organizations and engage with local communities. Our goal is to work in harmony with our surroundings, supporting the long-term health of nature while leaving a positive legacy for future generations.

This initial qualitative nature assessment for our direct operations supported our identification of key nature-related impacts, dependencies, risks and opportunities. The assessment results will help us expand our nature-related metrics to better reflect our performance and management of risks and opportunities. For more details on our existing nature-related metrics and associated targets in relation to water, air, waste and key biodiversity initiatives, please see our annual Sustainability Report.

In the future, we aim to build on this initial assessment by expanding the scope to include our supply chain and further quantify our assessment.

U. S. Steel's Current Nature and Biodiversity Stewardship Initiatives

We have implemented several initiatives aimed at protecting local ecosystems and biodiversity. Through these efforts, we are reducing our potential impact while creating a positive effect on nature, as part of our commitment to sustainable growth and environmental stewardship. Below are some key ongoing initiatives at Big River Steel Works and former U. S. Steel Duluth Works.

Biodiversity Protection

Protection of the world's biodiversity is an important societal need as natural ecosystems support our communities and economies through ecosystem services such as clean air and supplying freshwater resources. As part of our corporate strategy for an approach to sustainable growth and our core values, U. S. Steel strives to protect and conserve natural resources and biodiversity and work to limit potential negative impacts.

We regularly monitor significant changes to biodiversity metrics at select sites that will be used to inform updates to our management plan at Big River Steel Works. Appropriate actions responding to changes in biodiversity metrics will then be taken in accordance with our Biodiversity Management Plan, which we intend to have at each site to be informed by further future nature assessments. Through our initial qualitative monitoring of nine sites, we have identified that three of these sites operate within approximately 10 km of areas of notable biodiversity importance.[9, 10]

During site expansion construction, we identify, monitor and mitigate impacts on natural areas and resources. We prioritize avoiding and minimizing nature-related impacts during site selection. For sites in coastal regions such as Gary Works, we work to manage biodiversity of vegetation that protects against the risks and impacts of soil erosion through removal of invasive species and revegetation efforts. Furthermore, throughout a site's operational lifecycle, we will continue to assess and implement additional mitigation measures for our impacts on natural areas and resources through stewardship, conservation and effective re-use of operational outputs as input. Our continued environmental restoration efforts have played a vital role in restoring stream channels, establishing new wetland habitats and enhancing existing wetland ecosystems to offset any disturbances.

Spirit Lake Sediment Remediation Project at Former U. S. Steel Duluth Works

As part of our ongoing commitment to environmental stewardship, we are proud to highlight the successful completion of the Spirit Lake Sediment Remediation Project at the former Duluth Works site after stopping our operations at this site. This collaborative effort with the EPA has led to the restoration of 5,000 feet of upland creek, 75 acres of upland areas with native plants, 5,800 feet of shoreline and the treatment of 430 million gallons of water. The project also included dredging and capping over 450,000 cubic yards of sediment, creating a 42-acre shallow sheltered bay and installing extensive pedestrian trails and recreational features for the local community. This project underscores our dedication to enhancing local ecosystems, responsibly sourcing natural resources, promoting biodiversity and providing community benefits through environmental stewardship.

Big River Steel Works: Biodiversity Management Plan

At Big River Steel Works, we have implemented a comprehensive Biodiversity Management Plan designed to preserve the integrity of local biodiversity by guiding the monitoring of the facility's property and designated mitigation areas. This plan aims to identify any nature-related issues and track changes in environmental conditions that could impact biodiversity. It enables the Big River Steel Works environmental team to detect deteriorating habitat quality, assess potential causes of harm and implement corrective actions to mitigate negative effects. Each year Big River Steel Works conducts a biodiversity assessment and submits biodiversity compliance reports to the sustainability team and the Senior Leadership Committee, creating transparency and accountability.

The Biodiversity Management Plan outlines strategies to address material impacts on biodiversity resulting from land use and activities under the Company's direct management control or significant influence. In line with the Biodiversity Mitigation Hierarchy, the plan details the monitoring requirements for permitted mitigation areas owned and operated by Big River Steel Works, in accordance with approved permits. Additionally, it provides recommended guidance for monitoring activities at other locations on Big River Steel Works property. The plan identifies threatened and endangered species that may enter the site boundaries, allowing for appropriate measures to be in place to protect existing biodiversity and migration corridors for species such as migratory birds.

U. S. Steel's Current Nature and Biodiversity Stewardship Initiatives (cont.)

In 2023, Big River Steel Works undertook several initiatives in alignment with its Biodiversity Management Plan, which is a key component of the site's ResponsibleSteel™ certification. Notable actions included designating mitigation areas, monitoring the growth of vegetation and tracking wildlife populations around the facility. Specific efforts included:

- The creation of a 40-acre wildlife habitat on the west side of the property, featuring a pond utilized by migratory birds. U. S. Steel employees collaborated with Quail Forever specialists to select and plant native trees and plants.
- The continuation of the "Save the Bees" Pollinator Program, which relocated hives and educated employees on beekeeping. This program supports regional biodiversity in an area where ecosystems coincide with agricultural production. The program has saved more than 10,000 bees so far, rescued at least four hives from areas of the mill and added a wildflower bed by our cafeteria, along with providing beekeeping education.
- Additional actions included laying protective soil cover, digging a stormwater regulator ditch, planting warm-season grasses and constructing a stormwater pond to support local wildlife, including migratory birds. On Arbor Day, the Big River Steel Works Environmental Department partnered with the Osceola, Arkansas Parks and Recreation Department to plant trees, improving water conservation and providing habitat for pollinators.

We remain dedicated to respecting protected and conserved areas, and we will continue to manage potential impacts on biodiversity through effective monitoring and mitigation strategies. For more information, please click here.

Endnotes

1. Biodiversity definition aligns with the TNFD's recommendations for reporting, as seen in Annex 5.

2. Time horizons are in line with our most recent climate risk assessment (U. S. Steel 2023 TCFD Report) and were centered around assessing risk exposure in relation to prominent 2050 environmental deadlines.

3. Nature-related impact drivers are sourced from the TNFD Additional sector guidance – Metals and mining.

4. Positive and negative impacts definitions sourced from TNFD Recommendations.

5. TNFD Additional sector guidance – Metals and mining.

6. Water risk assessment performed with World Resources Institute (WRI) Aqueduct Water Risk Atlas.

7. Designated flood zones were identified with the Federal Emergency Management Agency (FEMA) Flood Map.

8. Sources leveraged in our assessment: World Wildlife Fund (WWF) Biodiversity Risk Filter, the Key Biodiversity Areas (KBA) Map Search, and the Federal Emergency Management Agency (FEMA) Flood Map.

9. Aligns with the data and terminology provided by the Key Biodiversity Areas (KBA) Map Search.

10. Duluth Works stopped its operations in 1981 and has since been remediated through the Spirit Lake Sediment Remediation Project.

Disclaimer

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, 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 on Form 10-K and those described from time to time in our reports filed with the Securities and Exchange Commission. References to "we," "us," "our," the "Company," and "U. S. Steel" refer to United States Steel Corporation and its consolidated subsidiaries and references to "Big River Steel Works" 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. For additional information regarding U. S. Steel, please see our current and periodic reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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