OPPORTUNITY GREEN

SPECIFIC INSTANCE SUBMITTED TO THE LUXEMBOURG NATIONAL CONTACT POINT UNDER THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES ON RESPONSIBLE BUSINESS CONDUCT IN RELATION TO ARCELORMITTAL S.A.

Filed by Opportunity Green

1 December 2025

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1 Parties

Complainant:	**Opportunity Green** Registered UK charity number: 1199413 154-160 Fleet Street London EC4A 2DQ https://www.opportunitygreen.org/ (hereinafter referred to as Opportunity Green, and references to 'we' or 'our' in this document refer to Opportunity Green unless the context requires otherwise) Contact persons: Kirsty Mitchell, Legal Manager kirsty@opportunitygreen.org David Kay, Legal Director david@opportunitygreen.org
Entity against which the complaint is filed:	**ArcelorMittal S.A.** 24-26 Boulevard D'Avranches L-1160 Luxembourg Registration number: B 82.454. (hereinafter referred to as ArcelorMittal or the company)
National Contact Point:	**Luxembourg NCP** Ministry of the Economy L-2937 Luxembourg

2 Executive Summary

1. Multinational enterprise, ArcelorMittal, is one of the world's top three steelmakers by production volume. To produce iron and steel, the company relies heavily on coal-based, blast furnace technology. As a result, it has a major carbon footprint and climate impact, annually producing over 100 million tonnes of carbon dioxide equivalent (**CO_2e**).

2. Considering the scale of its emissions, ArcelorMittal has an important responsibility to address its climate impact in a way that, at a minimum, conforms to the expectations set out in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the **Guidelines**). This includes establishing and implementing science-based, 1.5°C aligned targets and strategies for climate mitigation, ensuring that its greenhouse gas emissions are consistent with the internationally agreed temperature goal of limiting global warming to 1.5°C, improving its environmental performance, and avoiding further adverse environmental impacts.

3. This complaint is brought to the Luxembourg NCP in respect of several contraventions of the Guidelines by ArcelorMittal. We contend that the targets, strategies and actions undertaken by ArcelorMittal to address its adverse impacts fall short of the expectations set out in the following Guidelines, as further detailed in each Chapter along with the associated commentary:[1]

    a. **Guideline A.12 of Chapter II (General Policies),** to avoid causing or contributing to adverse impacts on matters covered by the Guidelines.

    b. **Guideline 1(b) of Chapter VI (Environment),** to establish and implement measurable objectives, targets and strategies for addressing adverse environmental impacts that are science-based and consistent with international commitments.

    c. **Guideline 1(c) of Chapter VI (Environment),** to regularly verify and review the effectiveness and relevance of objectives, targets and strategies.

    d. **Guideline 1(d) of Chapter VI (Environment),** to provide stakeholders with adequate, measurable, verifiable and timely information on environmental impacts.

    e. **Guideline 5(b) of Chapter VI (Environment),** to develop and provide products that have no undue environmental impacts and minimise the generation of pollution and greenhouse gas emissions as far as possible.

    f. **Guideline 1 of Chapter IV (Human Rights),** to respect human rights, avoid infringing human rights, and address adverse human rights impacts.

    g. **Guideline 2 of Chapter IV (Human Rights),** to avoid contributing to adverse human rights impacts and address these when they occur.

4. We submit that ArcelorMittal has failed to comply with the Guidelines in the following principal ways:

[1] This complaint is filed under both the 2011 and 2023 versions of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. References to specific Guidelines, Chapters and paragraphs of Chapters are references to the 2023 version of the Guidelines as the most up to date expectations to be respected by ArcelorMittal today and going forward.

a. It has failed to **establish** targets and strategies for addressing its adverse environmental impacts that are verified as science-based and consistent with international commitments (see further Section 5.1 of this complaint);

b. It has failed to **implement** a science-based climate strategy and targets to address its adverse environmental impacts, and ensure that its greenhouse gas emissions are consistent with the internationally agreed 1.5°C temperature goal (see further Section 5.2 of this complaint); and

c. Its climate inaction contributes to **adverse human rights impacts** (see further Section 5.3 of this complaint).

5. This complaint is brought to the Luxembourg NCP in the context of:

   a. ArcelorMittal failing to release an updated 'Climate Action Report' outlining its climate strategy (which it indicated would be published in 2024);

   b. ArcelorMittal's existing (and current) climate strategy published in 2021 omitting key elements, such as climate mitigation targets that are verified as science-based and 1.5°C aligned, and that account for the company's full value chain;

   c. ArcelorMittal stating in its 2023 integrated annual review that it is not in a position to adopt a science-based, 1.5°C-aligned group target; clarifying during its 2024 AGM that this is due to unrealistic delivery; and elaborating further during its 2025 AGM that it only intends to publish revised decarbonisation forecasts 'when the policy environment becomes more settled';

   d. ArcelorMittal's Sustainability Report 2024 finding that the company is increasingly unlikely to achieve its 2030 carbon emissions intensity target;

   e. ArcelorMittal's plans to expand coal-based steel production by constructing new blast furnaces through its 60%-owned joint venture, AMNS India, and to extend the operational lifetime of existing coal-based infrastructure in Europe, without demonstrating a clear plan or timeline to phase out its use of coal; and

   f. ArcelorMittal's current climate strategy relying on the development of direct reduction of iron projects to reduce emissions, yet in November 2024 ArcelorMittal announced it was putting several European projects on hold and later cancelled its German projects.

6. Considering the urgency of climate threats society is facing, every delay to action is reducing our chances of limiting global temperature rise to 1.5°C and avoiding further irreversible damage to our climate, ecosystems and people. Opportunity Green consider it necessary to engage with the specific instance process with a view to reaching an agreement on the following actions (without limitation) that will ensure ArcelorMittal's climate impact is adequately addressed in conformity with the expectations in the Guidelines:

   a. Publish a revised climate action strategy within six months that will ensure its greenhouse gas emissions are consistent with the internationally agreed global temperature goal of a 1.5°C temperature limit.

   b. Within the revised climate strategy referred to in (a), adopt near-term (2030) and medium-term (2040) GHG reduction targets that:

      i. Are independently verified as science-based and 1.5°C aligned;

ii. Are absolute and intensity based;

iii. Cover scope 1, 2 and 3 greenhouse gas emissions, such that:

1. All joint venture emissions are included in scope 3 targets;

2. All emissions resulting from the extraction and processing of coal as a raw material for iron and steelmaking are assessed and included in the scope 3 targets; and

iv. Represent an overall increase of ambition compared to the company's existing targets to reflect the urgency of action required and lack of mitigation action implemented to date.

c. To ensure that the strategy referred to in (a) is implemented and the company's greenhouse gas emissions become consistent with a 1.5°C-aligned pathway:

i. Develop and publish a roadmap of interim measures and actions that the company will take in five-year intervals, from 2025, with a view to achieving its revised near, medium and long-term climate mitigation targets (under different policy scenarios, where necessary);

ii. Develop and publish plant-by-plant transition plans for all plants with coal-based blast furnace operations demonstrating how each plant will transition towards near zero emission steelmaking in line with a 1.5°C pathway (including details on how each plant will source near-zero emissions iron and phase-out coal consumption). These transition plans should be developed through timely and effective dialogue and consultations with affected communities, workers, and civil society organisations in consideration of a just transition.

7. ArcelorMittal is a multinational company that is headquartered and registered in Luxembourg, an OECD country that follows and implements the Guidelines. The company is therefore covered by the Guidelines and the Luxembourg NCP is accordingly the appropriate National Contact Point to address this specific instance. We kindly request the Luxembourg NCP's good offices to examine the issues we have raised in this specific instance and facilitate a dialogue in view of reaching an agreement on the above matters. If the complaint cannot be resolved by way of dialogue, we kindly request that the NCP expedite its investigation and determine whether the company has failed to observe the Guidelines as set out in this specific instance. **Full details of the initial assessment criteria relevant to this specific instance can be found in the Appendix.**

3 Background

3.1 Scientific and legal consensus for urgently limiting global temperature rise to 1.5°C

8. Addressing the urgent threat of climate change is a critical priority. Representing the global scientific consensus, the Intergovernmental Panel on Climate Change (**IPCC**) has warned about the rapidly closing window of opportunity to secure a liveable and sustainable future for all.

9. In 2023, the IPCC published a comprehensive report synthesising the state of knowledge on the climate crisis for policymakers.[2] It found that human activities, principally through emissions of greenhouse gases (**GHGs**), have unequivocally caused global warming.[3] It also observed that anthropogenic climate change has caused widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere, and is already affecting many weather and climate extremes in every region across the globe. This had led to widespread adverse impacts and related losses with unequal consequences: vulnerable communities who have historically contributed least to this crisis are disproportionately affected.[4] As global warming increases, so do the likelihood and impacts of abrupt and/or irreversible changes in the climate system. The risks of climate-related disasters, ecosystem collapse, and human suffering increase significantly with each increment of warming.[5]

10. To avoid the most dangerous impacts, the IPCC makes it clear that global warming must be limited to 1.5°C above pre-industrial levels. This ultimately requires net zero carbon dioxide (**CO_2**) emissions in the early 2050s.[6] However, simply aiming for net zero by 2050 is not enough: the pace at which the world decarbonises until 2050 will determine the degree to which the planet warms. Specifically, to have a greater than 50% chance of limiting warming to 1.5°C with no or limited overshoot, global emissions must peak by 2025 at the latest, fall by 43% by 2030 and then by 84% by 2050 compared to 2019 levels.[7] Cumulative carbon emissions until the time of reaching net zero CO_2 emissions, and the level of greenhouse gas emission reductions this decade, largely determine whether warming can be limited to 1.5°C.[8]

11. The IPCC emphasised with high confidence that all global modelled pathways that limit warming to 1.5°C involve rapid, deep and, in most cases, immediate GHG emissions reductions in all sectors this decade.[9] Such rapid and deep mitigation actions would reduce projected losses and damages for humans and ecosystems, and deliver many co-benefits, especially for air quality and health. On the contrary, delayed mitigation action would lock in high-emissions infrastructure, raise the risks of stranded assets and cost-escalation, reduce the feasibility of mitigation action, and increase losses and damages.[10]

12. More recently in January 2025, the EU's Copernicus Climate Change Service found that in 2024, the annual average global temperature exceeded 1.5°C above pre-industrial levels

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[2] IPCC, 2023: Summary for Policymakers. In: *Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34, doi: 10.59327/IPCC/AR6-9789291691647.001
[3] IPCC, 2023 (n 2), p.4
[4] IPCC, 2023 (n 2), p.5
[5] IPCC, 2023 (n 2), p.18
[6] IPCC, 2023 (n 2), p.19 and 20
[7] IPCC, 2023 (n 2), p.20 and 21
[8] IPCC, 2023 (n 2), p.19
[9] IPCC, 2023 (n 2), p.20
[10] IPCC, 2023 (n 2), p.25

for the first time.[11] As for reaching a multi-year average of 1.5°C, a recent scientific report revealed that – at current levels of CO_2 emissions – the remaining global carbon budget to limit warming to 1.5°C would be exhausted in two to three years from the beginning of 2025.[12] The necessity of near-term responses to avoid every fraction of warming could not be more urgent.

13. Scientific consensus on the necessity and urgency of limiting global temperature rise to 1.5°C through emissions reductions is reflected in international agreements, commitments and legal authority. Specifically:

    a. 195 signatories to the Paris Agreement, a legally binding international treaty on climate change, agreed to the aim of '*holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels*' in order to significantly reduce the risks and impacts of climate change.[13]

    b. The Glasgow Climate Pact concluded at COP26 recognised further that '*the impacts of climate change will be much lower at the temperature increase of 1.5°C compared with 2°C*', and the parties to the Paris Agreement resolved to *'pursue efforts to limit the temperature increase to 1.5°C'*.[14] This commitment to 1.5°C has been reiterated at COP27,[15] and underscored at COP28.[16]

    c. In July 2025, in response to a request from the United Nations General Assembly for an advisory opinion on States' obligations on climate change, the International Court of Justice found that the 1.5°C threshold has become the scientifically based consensus target under the Paris Agreement, and accordingly the parties' agreed primary temperature goal for limiting the global average temperature.[17]

14. It is clear from the above that immediate action is required in all sectors to limit global temperature increase to 1.5°C, and that this is an internationally agreed commitment and goal based on best available science.

3.2 The adverse climate impact of iron and steelmaking

15. The iron and steel industry is a significant contributor to greenhouse gas emissions and produces more carbon dioxide emissions than any other heavy industry.[18] The iron and

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[11] Copernicus is the European Union's Earth Observation Programme, looking at our planet and its environment for the ultimate benefit of all European citizens. See: Copernicus, 'Copernicus: 2024 is the first year to exceed 1.5C above pre-industrial level' (2025), available at: https://climate.copernicus.eu/copernicus-2024-first-year-exceed-15degc-above-pre-industrial-level

[12] Forster P. M. et al., 'Indicators of Global Climate Change 2024: annual update of key indicators of the state of the climate system and human influence'(2025), Earth Syst. Sci. Data, 17, 2641–2680, https://doi.org/10.5194/essd-17-2641-2025, available at https://essd.copernicus.org/articles/17/2641/2025/

[13] Signatories include Luxembourg and all OECD member countries. Article 2(1)(a) of the Paris Agreement (adopted 12 December 2015, entered into force 4 November 2016) 3156 UNTA 1, available at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf

[14] UNFCCC, Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), 'Decision 1/CP.26 Glasgow Climate Pact' (2022), p.4, available at: https://unfccc.int/sites/default/files/resource/cp2021_12_add1E.pdf

[15] UNFCCC, Conference of the Parties (COP), 'Decision 1/CP.27 Sharm el-Sheikh Implementation Plan' (2023), p.3, available at: https://unfccc.int/sites/default/files/resource/cp2022_10a01_E.pdf

[16] UNFCCC, Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), 'Decision 1/CMA.5 Outcome of the first global stocktake' (2024), p.2, available at: https://unfccc.int/sites/default/files/resource/cma2023_16a01E.pdf

[17] International Court of Justice, 'Obligations of States in respect of Climate Change' (2025), paragraph 224, available at: https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf

[18] Stefan Ellerbeck, World Economic Forum 'What is green steel and why does the world need more of it?' (2022), available at: https://www.weforum.org/agenda/2022/07/green-steel-emissions-net-zero/

steel sector accounts for around 7% of global anthropogenic greenhouse gas emissions and 11% of global CO_2 emissions.[19]

16. The climate impact of steel production is mainly due to its current reliance on coal. In primary steelmaking,[20] coal is used in blast furnaces to turn iron ore into iron, and also serves as an energy source. The resulting iron is then refined into steel in a basic oxygen furnace (which is typically co-located next to a blast furnace in an integrated plant, referred to as **BF-BOF** production).

17. BF-BOF steelmaking produces around 90% of the steel industry's direct emissions.[21] On average, producing one tonne of steel through the BF-BOF route requires 0.77 tonnes of coal, and emits 2.33 tonnes of CO_2.[22] The climate impacts of coal-based steelmaking may be even higher when considering the methane that is emitted during metallurgical coal mining. Estimates suggest that if methane emissions from metallurgical coal mining are accounted for in global assessments of steelmaking emissions, the footprint of the steel industry may be 27% higher than currently reported.[23]

18. At such high emissions levels, deep cuts in fossil fuel use across iron and steel production will be essential to address the sector's climate impact. According to the International Energy Agency's net zero emissions scenario, global demand for coking coal (the type of metallurgical coal used to make coke fuel for ironmaking) must drop by around 91% by 2050.[24] The IPCC has also described in its reports that coal consumption without carbon capture and storage must fall by 67-82% in 2030 in scenarios with a greater than 50% chance of limiting warming to 1.5°C with no or limited overshoot.[25]

19. To drive down emission levels at the scale required and stand a chance of meeting internationally agreed climate goals, steelmakers must urgently transition away from coal-based steel production. An alternative pathway to produce iron from iron ore without a coal-based blast furnace is the direct reduction of iron oxide (**DRI**) process. Currently, around 7% of iron is produced using fossil gas in the DRI process. If this fossil gas is replaced by hydrogen produced using renewable electricity ('green hydrogen'), near-zero-emissions iron can be formed. This iron can then be transformed into steel in an electric arc furnace (**EAF**). If the EAF is also powered by renewable electricity, the entire steelmaking process becomes near-zero emissions.[26] The hydrogen-based DRI

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[19] Based on emission levels in 2019. See: Ali Hasanbeigi, Global Efficiency Intelligence, 'Steel Climate Impact 2022: An International Benchmarking of Energy and CO2 Intensities' (2022), p.2, available at: https://www.globalefficiencyintel.com/steel-climate-impact-international-benchmarking-energy-co2-intensities

[20] Steel production is often divided into two categories, primary steelmaking (from raw materials) and secondary production (from recycled materials). Primary steelmaking consists of two steps: turning iron ore into pure iron and then processing that iron intro crude steel. In secondary production, scrap steel is re-melted into crude steel, usually in an electric arc furnace. For more details see: Global Energy Monitor, 'Pedal to the Metal Evaluating Progress Toward 2030 Iron and Steel Decarbonisation Goals' (2025), p.7, available at: https://globalenergymonitor.org/wp-content/uploads/2025/05/GEM-global-steel-report-May-2025.pdf

[21] Global Energy Monitor, 2025 (n 20)

[22] SteelWatch, 'Why steelmaking drives climate change – and why it doesn't have to be this way' (2025), available at https://steelwatch.org/steelwatch-explainers/climate/ and SteelWatch, 'Sunsetting Coal in Steel Production', (2023), p.10, available at: https://steelwatch.org/wp-content/uploads/2023/06/Nov23ver_Sunsetting_Coal_in_Steel_Final.pdf

[23] Using a 20-year global warming potential value (GWP20) for methane. For more details on this calculation, see: Campbell, Ember, 'Why the steel industry needs to tackle coal mine methane' (2023), available at: https://ember-climate.org/insights/research/why-the-steel-industry-needs-to-tackle-coal-mine-methane/ and Global Energy Monitor, 'Pedal to the Metal: It's not too late to abate emissions from the global iron and steel sector' (2022), p.19, available at: https://globalenergymonitor.org/report/pedal-to-the-metal-2022/.

[24] The International Energy Agency (IEA)'s net zero emissions (NZE) scenario outlines a pathway for the global energy sector to reach net zero CO_2 emissions by 2050 in order to limit global warming to 1.5°C. See: International Energy Agency, 'World Energy Outlook' (2024), p. 149, available at: https://iea.blob.core.windows.net/assets/140a0470-5b90-4922-a0e9-838b3ac6918c/WorldEnergyOutlook2024.pdf

[25] IPCC, 'Climate Change 2022, Mitigation of Climate Change, Working Group III Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change' (2022), p.615, available at: https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf

[26] For more explanation on this technology, see SteelWatch (n 22) and SteelWatch, 'Why smart use of green hydrogen is critical for steel decarbonisation' (2025), available at: https://steelwatch.org/steelwatch-explainers/hydrogen/

method (**H2-DRI**) is being installed in several large-scale steel plants that are due to enter production in 2026.[27]

20. Beyond carbon dioxide and methane emissions, it is important to note that the steel production process also releases harmful air pollutants, such as sulphur dioxide, nitrogen oxide and particulate matter, which pose significant public health risks.[28] Reports estimate that air pollution from the European iron and steel industry is responsible for around 2,570 deaths each year.[29]

3.3 Expectations for multinational enterprises on climate change under relevant law and guidelines

21. Multinational enterprises – particularly major producers or consumers of fossil fuels – have played a significant role in causing climate change through decades of greenhouse gas emissions.[30] As a result, these companies bear responsibility to address not only the historical damages caused, but also ongoing climate and environmental harm. This principle is reflected not only in the Guidelines, but also in national and international jurisprudence and legal principles.

22. The Guidelines contain several direct and indirect expectations for multinational enterprises with respect to avoiding, managing, and addressing adverse impacts on climate change and the environment (notably in Chapters II (General Policies), III (Disclosure), IV (Human Rights) and VI (Environment)). In 2023, the Guidelines were updated to remain 'fit for purpose' by including recommendations for enterprises to align with internationally agreed goals on climate change.

23. Chapter VI (Environment) specifically recognises the urgent threat of climate change, and the role of enterprises in delivering an effective and progressive response to this threat and in avoiding and addressing adverse environmental impacts.[31] In particular, Chapter VI provides that (emphasis added):

> *"Enterprises should:*
>
> 1. ***Establish and maintain a system of environmental management** appropriate to the enterprise associated with the operations, products and services of the enterprise **over their full life cycle**, including by carrying out risk-based due diligence, as described in Chapter II, for adverse environmental impacts, including through:*
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>   a. *identifying and assessing adverse environmental impacts associated with an enterprise's operations, products or services, including through collection and evaluation of adequate and timely information regarding the*

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[27] For example, Stegra's H2-DRI plant in Boden, Sweden or Salzgitter's SALCOS project in Germany. See: Stegra, 'Our Boden Plant', available at: https://stegra.com/the-boden-plant and Salzgitter AG, 'Further SALCOS® building block: Cornerstone laid for one of Europe's largest plants for the production of green hydrogen' (2025), available at: https://www.salzgitter-ag.com/en/newsroom/press-releases/details/further-salcos-building-block-cornerstone-laid-for-one-of-europes-largest-plants-for-the-production-of-green-hydrogen-23447.html#:~:text=Salzgitter%20Flachstahl%20GmbH%20will%20launch,to%20be%20completed%20by%202033.

[28] Ali Hasanbeigi and others, Global Efficiency Intelligence, 'Air Pollution from Global Steel Industry' (2022), available at: https://www.globalefficiencyintel.com/air-pollution-from-global-steel-industry

29 Lauri Myllyvirta and others, Centre for Research on Energy and Clean Air, 'Upgrading Europe's Air: How a strong Industrial Emissions Directive can save lives and money' (2023), p.12, available at: https://energyandcleanair.org/wp/wp-content/uploads/2023/04/CREA_Upgrading-Europes-Air.pdf,

[30] Research estimates that more than half of the world's CO_2 emissions in 2023 can be linked to just 36 companies. See: Carbon Majors: 2023 Data Update (2025), available at: https://carbonmajors.org/briefing/The-Carbon-Majors-Database-2023-Update-31397

[31] Environmental impacts include climate change, biodiversity loss, degradation of land, marine and freshwater ecosystems, deforestation, air, water and soil pollution and mismanagement of waster (Guidelines, p.33).

adverse impacts associated with their operations, products and services and where activities may have significant adverse environmental impacts, preparing an appropriate environmental impact assessment;

b. ***establishing and implementing measurable objectives, targets and strategies for addressing adverse environmental impacts*** *associated with their operations, products and services and for improving environmental performance.* ***Targets should be science-based, consistent with*** *relevant national policies* ***and international commitments, goals****, and informed by best practice;*

c. ***regularly verifying the effectiveness of strategies and monitoring progress toward environmental objectives and targets****, and periodically reviewing the continued relevance of objectives, targets and strategies;*

d. ***providing the public, workers, and other relevant stakeholders with adequate, measurable, verifiable (where applicable) and timely information on environmental impacts*** *associated with their operations, products and services based on best available information,* ***and progress against targets*** *and objectives as described in paragraph 1.b;*

e. *providing for, or co-operating in, remediation as necessary to address adverse environmental impacts the enterprise has caused or contributed to, and using leverage to influence other entities causing or contributing to adverse environmental impacts to remediate them.*

[…]

5. ***Continually seek to improve environmental performance****, at the level of the enterprise and, where appropriate****, entities with which they have a business relationship****, including by:*

a. *adopting technologies, where feasible best available technologies, to improve environmental performance;*

b. ***developing and providing products or services that have no undue environmental impacts****; are safe in their intended use; are durable, reparable and can be reused, recycled, or disposed of safely and that are* ***produced in an environmentally sound manner that uses natural resources sustainably, minimises as far as possible energy and material input as well as generation of pollution, greenhouse gas emissions*** *and waste, in particular hazardous waste; […]"*

Commentary in the Guidelines associated with Chapter VI provides:

> *"74. The basic premise of the Guidelines is that* ***enterprises should act as soon as possible, and in a proactive way****, to avoid adverse environmental impacts. […]*
>
> *76. Enterprises have an important role in contributing towards net-zero greenhouse gas emissions and a climate-resilient economy, necessary for achieving internationally agreed goals on climate change mitigation and adaptation. During the process of transitioning to net-zero greenhouse gas emissions, many business activities will involve some level of emissions of greenhouse gases or reduction of carbon sinks.* ***Enterprises should ensure that their greenhouse gas emissions and impact on carbon sinks are consistent***

with internationally agreed global temperature goals based on best available science, including as assessed by the Intergovernmental Panel on Climate Change (IPCC).

*77. This includes the **introduction and implementation of science-based policies, strategies and transition plans on climate change mitigation** and adaptation as well as **adopting, implementing,** monitoring and reporting on **short, medium and long-term mitigation targets**. These targets should be **science-based**, include **absolute** and also, where relevant, **intensity-based** GHG reduction targets and take into account **scope 1, 2,** and, to the extent possible based on best available information, **scope 3 GHG emissions**. It will be important to **report against, review and update targets regularly** in relation to their adequacy and relevance, based on the latest available scientific evidence and as different national or industry specific transition pathways are developed and updated. Enterprises should prioritise eliminating or reducing sources of emissions over offsetting, compensation, or neutralization measures. Carbon credits, or offsets may be considered as a means to address unabated emissions as a last resort. [...]*

24. Beyond the Guidelines, and building on the expectations contained therein, judgments by international, regional and national courts have further strengthened the case that corporate entities must address their climate impact and associated harms.

25. In May 2025, the Higher Regional Court in Hamm found that, under German civil law, a company could be found financially liable for the consequences of cross-border climate-related harms caused by its historic greenhouse gas emissions, using attribution science.[32]

26. In November 2024, in the case of *MilieuDefensie et al. vs. Shell*, the Court of Appeal of the Hague in the Netherlands found that (emphasis added):

> *"It is an established fact that fossil fuel consumption is largely responsible for creating the climate problem and that addressing climate change is something that cannot wait. To combat the danger posed by climate change, everyone has a responsibility. To fulfil that responsibility, the focus does not lie exclusively on states.*
>
> ***Especially companies whose products have contributed to the creation of the climate problem and have it in their power to contribute to combating it are obliged to do** so vis-à-vis other inhabitants of the earth, even when (public law) rules do not necessarily compel them to do so.*
>
> ***This follows from the instruments discussed above, including the OECD guidelines** and the UNGP, to which Shell has subscribed. Those instruments place responsibility for protection against dangerous climate change also on (large) companies and call on them to take appropriate measures themselves to counter dangerous climate change. In summary [...] **companies like Shell, which contribute significantly to the climate problem and have it within their power to contribute to combating it, have an obligation to limit CO_2 emissions [...] Companies like Shell thus have their own responsibility in achieving the targets of the Paris Agreement**."*[33]

[32] *Luciano Lliuya v. RWE AG* (2025), summary available at: https://climatecasechart.com/non-us-case/lliuya-v-rwe-ag/
[33] *MilieuDefensie v Shell* (2024), ECLI:NL:GHDHA:2024:2100, paragraphs 7.26 and 7.27, available at: https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:GHDHA:2024:2100

While based on Dutch law, these findings were informed by an interpretation of the Guidelines amongst other international cases and principles, and demonstrate that corporate entities – especially major players within high-emitting sectors – are obliged to address their climate impact and emissions in a manner that is consistent with the Paris Agreement goal of limiting global temperature rise to 1.5°C.

27. In developing the conclusion above, the Court of Appeal in *MilieuDefensie et al. vs Shell* identified a number of important judgments and reports establishing that protection against climate change is a fundamental human right.[34] Drawing on these cases, the court stated firmly that "*there can be no doubt that protection from dangerous climate change is a human right*", and recognised that (emphasis added):

> "*The threat posed by climate change is so great that it could be life-threatening in several places on earth and will start to have a profound and negative impact on human and animal existence in many other places.* ***Climate change damages the rights protected by Articles 2 and 8 ECHR****, both in the Netherlands and abroad, and will damage them even further*." [35]

The right to life (Article 2) and private life (Article 8) were seen as 'decisive' for answering the question of what could be required of Shell, as a large and international company, to address its climate impact and emissions under the Dutch social standard of care.

28. The inherent link between climate change and human rights protection has also been asserted by the International Court of Justice, the principal judicial organ of the United Nations, which affirmed in an advisory opinion regarding the obligation of states on climate change that "*the full enjoyment of human rights cannot be ensured without the protection of the climate system and other parts of the environment*".[36] To this end, states must take measures to protect the climate system, including regulating the activities of private actors. The Inter-American Court of Human Rights concluded in its own advisory opinion on the climate emergency that enterprises, as well as states, have obligations and responsibilities with respect to climate change and their impacts on human rights, and some businesses bear greater responsibility for their impacts on climate change due to the risk created by their activities.[37]

29. The Guidelines, as well as other instruments such as the United Nations Guiding Principles on Business and Human Rights, clearly set out that multinational corporate entities must respect human rights and avoid causing or contributing to adverse human rights impacts. The legal authorities in paragraphs 26 to 28 above clarify that addressing the effects of dangerous climate change due to global warming caused by greenhouse gas emissions forms a key part of these responsibilities.

30. In short, the Guidelines set minimum standards for multinational enterprises to manage and avoid adverse environment impacts, including greenhouse gas emissions responsible for driving climate change, as well as to respect human rights. National and international legal authorities have further interpreted these standards to oblige corporate actors to address these impacts and reduce their emissions: an act which forms an integral part of protecting human rights.

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[34] Including *Urgenda Foundation v. State of the Netherlands*, *Verein KlimaSeniorinnen Schweiz v. Switzerland*, other international case law and resolutions and reports (of bodies) of the United Nations. See paragraph 7.6 of *MilieuDefensie v Shell* (n 33).
[35] *MilieuDefensie v Shell* (n 33), paragraph 7.25
[36] International Court of Justice (n 17), paragraph 403.
[37] Inter-American Court of Human Rights, 'Advisory Opinion AO-32/25 of May 29, 2025' (2025), paragraphs 346 and 350, available at: https://www.corteidh.or.cr/docs/opiniones/seriea_32_en.pdf

4 ArcelorMittal: climate impact and strategy

31. ArcelorMittal is one of the world's top three steelmakers by production volume. Headquartered in Luxembourg, the company has a broad global footprint: it is the largest steel producer in Europe, among the largest in the Americas, and has a growing presence in Asia, including through its joint venture ArcelorMittal Nippon Steel India (**AMNS India**), in which it has a 60% holding. ArcelorMittal is publicly listed on US and European stock exchanges, with significant share ownership vested in the Mittal family.[38] In 2024, the company reported the production of 57.9 million tonnes of crude steel, and a global revenue of 62.4 billion USD.[39] As well as iron and steelmaking, the company has operations in iron ore mining.

32. To produce iron and steel, ArcelorMittal relies heavily on coal-based technology. The company operates a global fleet of 32 coal-based blast furnaces and 43 basic oxygen furnaces. In 2024, around 75% of the steel produced by the company was made through the coal-based, BF-BOF route.[40]

33. It is therefore not surprising that the company has a major carbon footprint, annually producing over 100 million tonnes of carbon dioxide equivalent (**CO_2e**).[41] This annual footprint is comparable to the entire country of Belgium, a highly developed European country with a population of around 11.7 million people.[42] A report by WWF and Carbon Market Watch in February 2025 found that, in 2023, ArcelorMittal was responsible for a third of the total EU steel sector emissions. The report identified it as the single most CO_2 polluting industrial company in Europe.[43] ArcelorMittal has also been listed on the 'Carbon Majors' database as responsible for 0.2% of historical global CO_2 emissions from 1854-2023, accounting only for the emissions associated with its historical production (and not consumption) of coal.[44]

34. As at the date of this complaint, ArcelorMittal has produced documentation in which it presents its strategy and plans for climate action. A summary of the documents and publications most relevant to this complaint are described below. Section 5 of this complaint details why the strategies and associated actions taken by ArcelorMittal fall short of the expectations in the Guidelines.

35. In May 2019, ArcelorMittal published its first Climate Action Report (**CAR 1**), outlining the company's initial strategy on climate action. CAR 1 recognised the need to '*significantly reduce the carbon footprint of steel'* as well as ArcelorMittal's commitment to the objectives of the Paris Agreement.[45] The company's stated ambition was to '*significantly reduce our CO_2 emissions by 2050 and, in Europe, to achieve carbon neutrality by this date, in line with the objectives of the Paris Agreement and the science-based trajectory*

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[38] See: ArcelorMittal, 'Shareholding structure' (2025), available here: https://corporate.arcelormittal.com/investors/corporate-governance/shareholding-structure and SteelWatch, 'ArcelorMittal Corporate Climate Assessment 2024' (2024), p.9, available at: https://steelwatch.org/wp-content/uploads/2024/05/SteelWatch_ArcelorMittal_MAY-2024.pdf

[39] ArcelorMittal, 'Annual Report 2024' (2024), p.3, available at: https://corporate-cm-prod.arcelormittal.com/media/if0baqyg/annual-report-2024.pdf

[40] ArcelorMittal, Annual Report 2024 (n 39), p.61. The company has 33 blast furnaces if accounting for the AMNS India joint venture; See SteelWatch, 'Backtracking on Climate Action ArcelorMittal Corporate Climate Assessment 2025 Update' (2025), p.6, available at: https://steelwatch.org/wp-content/uploads/2025/05/ArcelorMittal_Corporate_Climate_Assessment_2025.pdf

[41] ArcelorMittal, 'Sustainability Report 2024' (2024), p.37, available at: https://corporate.arcelormittal.com/media/3fwar2wu/2024-sustainability-report.pdf. Over 100 million tonnes of CO2e were reported each year between 2022-2024 for the company's absolute steel footprint.

[42] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38), p.12

[43] WWF, 'A clean industrial revolution in Europe' (2025), p.14, available at: https://wwfeu.awsassets.panda.org/downloads/cmw_wwf_a-clean-industrial-revolution-cor.pdf

[44] Carbon Majors, 'Carbon Majors 2023 Data Update' (2025), available at: https://carbonmajors.org/briefing/The-Carbon-Majors-Database-2023-Update-31397

[45] ArcelorMittal, 'Climate Action Report 1', (2019), p.5, available at: https://corporate-media.arcelormittal.com/media/hs4nmyya/am_climateactionreport_1.pdf

for our sector'.[46] CAR 1 noted that achieving the limit of 1.5°C '*will require a fundamental transition to low-emissions technologies*'.[47]

36. In 2020, ArcelorMittal published a 'Climate Action in Europe' report, outlining the company's strategy for reducing the intensity of scope 1 CO_2 emissions in European operations by 30%, and for carbon neutrality by 2050 'in line with the EU's Green Deal and the Paris Agreement'.[48] In 2020, the company also announced a group-wide commitment to becoming net zero by 2050.[49]

37. In July 2021, the company published its second Climate Action Report (**CAR 2**).[50] This revised the European emission reduction target to aim for a 35% reduction in CO2e emissions intensity by 2030 (scopes 1 and 2) and set a new equivalent global group reduction target of 25% (notably, the group target excludes any joint ventures). CAR 2 also set out ArcelorMittal's decarbonisation strategy, focusing on two technology pathways termed 'Smart Carbon' and 'Innovative DRI'. The former consists of a continuation of coal-based steelmaking combined with technologies that seek to reduce or capture CO_2 emissions during production; the latter primarily consists of transitioning plants towards hydrogen-based direct reduction of iron technology.

38. ArcelorMittal indicated on several occasions that a third Climate Action Report (**CAR 3**) would be released in 2024,[51] but, as of the date of this complaint, this has not materialised. Since the release of CAR 2 in July 2021, the company has published:

    a. Integrated annual reviews describing company progress and performance on safety and sustainability. The 2024 review, entitled 'Sustainability Report', provided an update that the company is increasingly unlikely to achieve its 2030 carbon emissions intensity target.[52]

    b. A Climate Action Report for the AMNS India joint venture, in which ArcelorMittal holds a 60% stake. The report sets a target for AMNS India to reduce its emissions intensity by 20% by 2030.[53] AMNS India is currently excluded from ArcelorMittal's group climate strategy and targets.

    c. Responses to concerns raised about its climate strategy within the written responses to its annual AGM questions.[54]

    d. Press releases, including: an announcement in November 2024 that the company is pausing - and therefore not taking any final investment decisions on - previously announced "hydrogen ready" DRI-EAF projects in Europe; and an announcement in June 2025 that it would no longer be progressing two DRI-EAF

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[46] ArcelorMittal, Climate Action Report 1 (n 45), p.4
[47] ArcelorMittal, Climate Action Report 1 (n 45), p.10
[48] ArcelorMittal, 'Climate Action in Europe', (2020), p.2, available at: https://corporate-media.arcelormittal.com/media/yw1gnzfo/climate-action-in-europe.pdf
[49] ArcelorMittal, 'Climate Action Report 2' (2021), p.8, available at: https://corporate-media.arcelormittal.com/media/ob3lpdom/car_2.pdf
[50] ArcelorMittal, Climate Action Report 2 (n 49)
[51] See: ArcelorMittal 'Minutes of the Annual General Meeting of Shareholders' (2024), pp.13 and 14, available at: https://corporate.arcelormittal.com/media/g2lbfjrh/agm-2024-minutes-24-may.pdf; ArcelorMittal, 'Integrated Annual Review 2023' (2023), p.10 available at: https://corporate.arcelormittal.com/media/vrqovnik/arcelor-mittal-integrated-annual-review-2023.pdf; ArcelorMittal, 'Annual Report 2024' (2024), p.36, which says that CAR3 is 'forthcoming', available at: https://corporate-cm-prod.arcelormittal.com/media/if0baqyg/annual-report-2024.pdf
[52] ArcelorMittal, Sustainability Report 2024, p.15 (n 41)
[53] AM/NS India, 'Climate Action Report 2024' (2024), available at: https://corporate.amns.in/storage/Reports/AMNS-Climate-Action-Report-2024.pdf
[54] See, for example, ArcelorMittal, Minutes of the Annual General Meeting of Shareholders 2024 (n 51) and ArcelorMittal, Minutes of the Annual General Meeting of Shareholders 2025, available at: https://corporate-cm-prod.arcelormittal.com/media/0nnbyqny/agm-2025-minutes.pdf

plants in Germany that were due to start construction in June 2025 with the financial support of the German government.[55]

39. Considering the scale of its emissions, geographical spread and global importance in the steel sector, ArcelorMittal has a responsibility to address its climate impact in a way that, at a minimum (see section 3.3 above), conforms to the expectations for multinational enterprises set out in the Guidelines. The analysis in section 5 below details why the targets, strategies, and associated actions by ArcelorMittal to reduce its adverse climate impact, introduced in section 4 above, fall short of the expectations in the Guidelines.

5 Analysis: ArcelorMittal's failures to meet the standards of the Guidelines

40. This section sets out why ArcelorMittal's current emissions reduction targets, climate strategy, and inadequate action to manage and address its adverse environmental impacts in a way that is consistent with the 1.5°C temperature goal contravenes the expectations for multinational enterprises in the Guidelines.

41. We submit that ArcelorMittal has not met the following standards of the 2023 Guidelines:

    a. **Guideline A.12 of Chapter II (General Policies),** to avoid causing or contributing to adverse impacts on matters covered by the Guidelines.

    b. **Guideline 1(b) of Chapter VI (Environment),** to establish and implement measurable objectives, targets and strategies for addressing adverse environmental impacts that are science-based and consistent with international commitments.

    c. **Guideline 1(c) of Chapter VI (Environment),** to regularly verify and review the effectiveness and relevance of objectives, targets and strategies.

    d. **Guideline 1(d) of Chapter VI (Environment),** to provide stakeholders with adequate, measurable, verifiable and timely information on environmental impacts.

    e. **Guideline 5(b) of Chapter VI (Environment),** to develop and provide products that have no undue environmental impacts and minimise the generation of pollution and greenhouse gas emissions as far as possible.

    f. **Guideline 1 of Chapter IV (Human Rights),** to respect human rights, avoid infringing human rights, and address adverse human rights impacts.

    g. **Guideline 2 of Chapter IV (Human Rights),** to avoid contributing to adverse human rights impacts and address these when they occur,

    as further detailed within the associated commentary contained within the relevant Chapter(s) (in particular, paragraphs 74, 76, and 77 of Chapter VI).

42. This complaint is filed under both the 2011 and 2023 OECD Guidelines. The standards set out in the 2011 Guidelines applied to the company prior to the update of the Guidelines on 8 June 2023. On and from that date, the standards set out in the 2023

[55] ArcelorMittal, 'ArcelorMittal provides update on its European decarbonization plans' (2024), available at: https://corporate.arcelormittal.com/media/press-releases/arcelormittal-provides-update-on-its-european-decarbonization-plans/ and ArcelorMittal, 'ArcelorMittal Europe urges faster implementation of Steel and Metals Action Plan' (2025), available at: https://corporate.arcelormittal.com/media/news-articles/arcelormittal-europe-urges-faster-implementation-of-steel-and-metals-action-plan

version of the Guidelines should have been observed. While ArcelorMittal's latest climate strategy, published in 2021, should have adhered to the 2011 Guidelines, its current strategy, targets and ongoing actions should adhere to the requirements of the 2023 Guidelines. This complaint refers to the 2023 Guidelines as the most up to date expectations to be respected by ArcelorMittal today and going forward.

5.1 Failure to establish climate mitigation targets and strategies that are verified as science-based and consistent with international commitments

5.1.1 Guideline Expectations

43. The first guideline of Chapter VI of the Guidelines expects an enterprise to establish and maintain an appropriate system of environmental management in relation to adverse environmental impacts.[56] This includes requirements to (emphasis added)[57]:

> "***Establish*** *and implement measurable* ***objectives, targets and strategies for addressing environmental impacts*** *associated with their operations, products and services and for improving environmental performance.* ***Targets should be science-based, consistent with*** *relevant national policies and* ***international commitments, goals*** *and informed by best practice*." (Guideline 1(b)).

44. Associated commentary in Chapter VI further elaborates that enterprises should:

> "*ensure that their* ***greenhouse gas emissions*** *and impact on carbon sinks are* ***consistent with internationally agreed global temperature goals*** *based on best available science, including as assessed by the Intergovernmental Panel on Climate Change*" (Chapter VI commentary, paragraph 76)

45. As demonstrated in section 3 above, there is scientific consensus by the IPCC on the necessity and urgency of limiting global temperature rise to 1.5°C, and this 1.5°C goal has been reflected in international agreements, commitments and legal authority. On this basis, it is evident that reference in the Guidelines to international commitments and agreed global temperature goals means the 1.5°C goal.

46. To ensure that emissions are consistent with the internationally agreed 1.5°C goal, enterprises should introduce and implement:

> "***science-based policies, strategies and transition plans*** *on climate change mitigation and adaptation as well as adopting, implementing, monitoring and reporting on* ***short, medium and long-term mitigation targets***" (Chapter VI commentary, paragraph 77)

47. On targets specifically, the commentary explains that these should be:

> "***science-based****, include* ***absolute*** *and also, where relevant, intensity-based GHG reduction targets and take into account* ***scope 1, 2,*** *and, to the extent possible based on best available information****, scope 3*** *GHG emissions*" (Chapter VI commentary, paragraph 77)

[56] According to paragraph 67 of the commentary in Chapter IV of the Guidelines, "environmental management" should be interpreted in its broadest sense, embodying activities aimed at understanding environmental impacts and risks, avoiding and addressing environmental impacts related to an enterprise's operations, products and services, taking into consideration the enterprise's share of cumulative impacts and continually seeking to improve an enterprise's environmental performance.
[57] Please note, all emphasis to extracts from the Guidelines within this specific instance has been added by the complainant.

48. A basic premise of the environmental Guidelines is that enterprises should '***act as soon as possible, and in a proactive way****, to avoid adverse environmental impacts*' (Chapter VI commentary, paragraph 74). Relatedly, with respect to climate mitigation planning, the Guidelines expect enterprises to:

    a. Regularly verify the effectiveness of strategies and review the continued relevance and adequacy of targets and strategies, based on the latest available scientific evidence (Chapter VI, Guideline 1c and commentary paragraph 77); and

    b. Provide relevant stakeholders with measurable, verifiable (where applicable) and timely information on environmental impacts and progress against targets (Chapter VI, Guideline 1d).

5.1.2 Contraventions of Chapter VI (Environment)

49. The analysis below demonstrates that ArcelorMittal is failing to meet the above standards. In summary, our assessment finds that the company has not:

    a. Established climate change mitigation targets that are verified as science-based and consistent with the internationally agreed 1.5°C temperature goal (contrary to Guideline 1b of Chapter VI, as elaborated on in paragraphs 76 and 77 of the commentary);

    b. Established climate change mitigation targets that include all material details expected by the Guidelines (contrary to Guideline 1b of Chapter VI, as elaborated on in paragraph 77 of the commentary);

    c. Regularly verified the effectiveness and continued relevance of its climate mitigation strategy, which is outdated and lacks detail to ensure the company's greenhouse gas emissions are consistent with the 1.5°C temperature goal (contrary to Guidelines 1b, 1c and 1d of Chapter VI, as elaborated on in paragraph 76 and 77 of the commentary).

We address these three issues in turn.

Climate mitigation targets not verified as science-based and consistent with the internationally agreed 1.5°C temperature goal

50. First, we submit that ArcelorMittal is not complying with Guideline 1b of Chapter VI (Environment), as elaborated on in paragraphs 76 and 77 of the commentary, with respect to the expectation to establish science-based targets, consistent with international commitments (in other words, the 1.5°C temperature goal), for addressing its adverse environmental impacts.

51. While ArcelorMittal has set group-wide and European targets to reduce its CO2e emissions intensity by 25% and 35% respectively by 2030 (with notable omissions – see paragraphs 55 - 61 below), as well as a target to be net zero by 2050, we have not identified any independent assessments verifying that these targets are science-based and consistent with the internationally agreed 1.5°C temperature goal.

52. Indeed, the absence of a science-based, 1.5°C aligned target has been confirmed by the company itself. Despite engaging with the Science Based Targets Initiative in 2021 to initiate a sectoral target-setting approach, which has now been published,[58] ArcelorMittal

[58] Science Based Targets Initiative, 'Steel Science-Based Target-Setting Guidance' (2023), available at: https://files.sciencebasedtargets.org/production/files/SBTi-Steel-Guidance.pdf

stated in its 2023 integrated annual review that it was not in a position to adopt a science-based, 1.5°C-aligned group target,[59] elaborating further during questions at its 2024 AGM that this is due to this target not being realistically achievable.[60] When questioned again at its 2025 AGM on whether it will set science-based decarbonisation targets, it stated that: "*there is simply too much uncertainty at the moment to be able to make useful projections about how rapidly we will be able to bring down our emissions in the next five years. We intend to publish revised decarbonisation forecasts when the policy environment becomes more settled*".[61] As further commented on in paragraph 67 below, waiting for a 'settled' policy environment should not justify a lack of action, or non-compliance with the Guidelines, in the face of an undeniable climate emergency that necessitates near-term, deep emissions reductions.

53. ArcelorMittal's positioning, that it has not set a 'science-based aligned group target', is supported by a number of independent external assessments, which further demonstrate that ArcelorMittal's emissions reductions targets are not verified as science-based or consistent with the 1.5°C goal. In particular:

    a. In October 2025, investor-led initiative Climate Action 100+ updated its evaluation of the company with respect to the key actions it could take to align with the initiative's and the Paris Agreement's goals. While the assessment recognised ArcelorMittal's ambition and long-term target to achieve net zero emissions by 2050, when assessing its short- and medium-term emissions reduction targets, it found that the company did not meet any criteria regarding 1.5°C alignment. It also found that the company lacked a short-term emissions reduction target in the period up to 2028.[62]

    b. A report by independent non-profits, NewClimate Institute and Carbon Market Watch, found in 2023 that the company's global 2030 target translated to a company-wide emissions intensity of 1.54 tonnes of CO2e per tonne of steel, which falls short of existing 1.5°C compatible benchmarks for the steel sector (1.13 to 1.35 tCO2e/tonne steel). It also found that the lack of a firm post-2030 emission reduction target alongside ArcelorMittal's 2050 net-zero pledge as highly insufficient.[63] An updated assessment in 2024 included ArcelorMittal in the group of companies having "*unsubstantiated net zero pledges (very poor integrity)*", based on the sufficiency of its 2030 targets compared to sector-specific 1.5°C aligned benchmarks, and the appropriateness of the terminology used in the pledge communication. It noted that the company neither explicitly specifies the extent to which it intends to reduce emissions nor commits to other quantitative decarbonisation milestones that would imply deep emission reductions.[64]

    c. International NGO SteelWatch has extensively reviewed the company's climate targets in its Corporate Climate Assessments,[65] finding in both 2024 and 2025

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[59] ArcelorMittal, Integrated Annual Review 2023 (n 51), p.7
[60] ArcelorMittal, Minutes of the Annual General Meeting of Shareholders 2024, p.17, available at: https://corporate.arcelormittal.com/media/g2lbfjrh/agm-2024-minutes-24-may.pdf
[61] ArcelorMittal, Minutes of the Annual General Meeting of Shareholders 2025 (n 54), p.30
[62] ClimateAction 100+ 'Company Assessment, ArcelorMittal S.A.' (2025), see sub-indicators 3.3, 4.1 and 4.3, available at: https://www.climateaction100.org/company/arcelormittal/
[63] NewClimate Institute and Carbon Market Watch, 'Corporate Climate Responsibility Monitor 2023' (2023), pp. 81 and 134, available at: https://newclimate.org/sites/default/files/2023-04/NewClimate_CorporateClimateResponsibilityMonitor2023_Feb23.pdf
[64] NewClimate Institute and Carbon Market Watch, 'Corporate Climate Responsibility Monitor 2024' (2024), p.20, available at: https://newclimate.org/sites/default/files/2024-08/NewClimate_CCRM2024.pdf
[65] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38) and SteelWatch, ArcelorMittal Corporate Climate Assessment 2025 Update (n 40)

that the company's 2030 targets lack science-based verification and alignment with a 1.5°C scenario.

54. For the reasons above, ArcelorMittal is not conforming to the requirements of Guideline 1b of Chapter VI in the Guidelines, as elaborated on in paragraphs 76 and 77 of the associated commentary in that Chapter, which sets out clear expectations for multinational enterprises to establish science-based climate mitigation targets that are consistent with the internationally agreed 1.5°C temperature goal.

Climate mitigation targets omit material details expected by the Guidelines

55. We further submit that ArcelorMittal is not complying with Guideline 1b of Chapter VI, as elaborated on in paragraph 77 of the associated commentary, with respect to the expectation for enterprises to establish near, medium and long-term climate mitigation targets that take into account scope 1, 2 and 3 emissions and include absolute targets, as part of ensuring that the enterprise's greenhouse gas emissions are consistent with 1.5°C.

56. The Guidelines expect scope 3 emissions to be included in climate mitigation targets '*to the extent possible based on best available information*'. In its 2024 sustainability report, following a comprehensive analysis of all scope 3 emissions categories using best available data, ArcelorMittal confirmed that its downstream scope 3 emissions categories include all indirect emissions resulting from material investments in joint ventures, based on the company's equity share.[66] However, these joint venture emissions have not been included in the company's climate targets. In other words, ArcelorMittal's 2030 emissions reduction targets do not cover its full value chain.

57. This is particularly concerning considering that the AMNS India joint venture, in which ArcelorMittal holds a 60% stake, is expanding its coal-based infrastructure. Two new blast furnaces are under construction and expected to start operating in 2025 and 2026, and plans are under development to further expand production capacity.[67] The AMNS India joint venture has a target to reduce its emission intensity by 20% by 2030 (compared to 2021 levels).[68] However, analysis by SteelWatch estimates that by 2030 AMNS India's total emissions will be higher than its baseline in 2021, even if the 2030 carbon intensity target is met (based only on the joint venture's confirmed expansion projects at the time of the analysis).[69] Not only is this projected rise in emissions concerning, it is not currently accounted for in ArcelorMittal's climate targets.

58. As for upstream scope 3 emissions, the company has also confirmed that these encompass cradle-to-gate emissions of purchased raw materials like metallurgical coal. In 2024, ArcelorMittal consumed around 27.6 million tonnes of coal.[70] However, the upstream emissions associated with this consumption have been excluded from the company's near-term mitigation targets. Estimates suggest that ArcelorMittal Europe's scope 3 emissions could increase by 50% if coal mine methane emissions were included, based on its 2024 emissions reporting.[71] Methane is a powerful greenhouse

[66] ArcelorMittal, Sustainability Report 2024, p.28 (n 41)
[67] ArcelorMittal, Annual Report 2024 (n 39), p.72.
[68] ArcelorMittal, 'ArcelorMittal Nippon Steel India targets a reduction in emissions intensity by 20% by 2030' (2024), available at: https://corporate.arcelormittal.com/media/news-articles/arcelormittal-nippon-steel-india-targets-a-reduction-in-emissions-intensity-by-20-by-2030
[69] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38), p.21
[70] ArcelorMittal, Annual Report 2024 (n 39), p.4.
[71] Ember, 'Hidden impact of Australian coking coal in steelmaking' (2025), p. 22, available at: https://ember-energy.org/app/uploads/2025/09/Report-Hidden-impact-of-Australian-coking-coal-in-steelmaking.pdf

gas, over 80 times more potent than carbon dioxide over a 20-year period.[72] Accounting for and addressing methane emissions within near-term climate targets and strategies is therefore critical.

59. Another omission within ArcelorMittal's current climate targets pertains to the Guidelines' expectation of adopting absolute and also, where relevant, intensity-based GHG reduction targets. ArcelorMittal has neither a near nor medium-term absolute emission reduction target; its 2030 targets are based on emissions intensity only. While intensity-based targets can be helpful to demonstrate decarbonisation efforts, absolute targets are essential to ensure that any decarbonisation efforts are not offset by increased production. Reports have indicated that this is not just a hypothetical risk but a likely outcome in light of AMNS India's planned developments of coal-based BF-BOF production facilities.[73] This provides yet another reason as to why this joint venture should be included in the company's revised climate targets.

60. Finally, paragraph 77 of the commentary in Chapter VI the Guidelines elaborates on the expectations for target setting as part of ensuring GHG emissions are consistent with 1.5°C, setting out that enterprises should adopt short, medium and long-term mitigation targets. As described above, ArcelorMittal currently has 2030 and 2050 targets. To ensure conformity with this expectation, and support the direction and implementation of its climate strategy, the company should also adopt a medium-term target (e.g. for 2040) that complies with all other expectations in the Guidelines (i.e. verified as science-based, 1.5°C-aligned, absolute and intensity-based, and accounts for scope 1, 2 and 3 emissions).

61. For the reasons above, ArcelorMittal is not conforming to Guideline 1b of Chapter VI, as elaborated on in paragraph 77 of the associated commentary in that Chapter, which sets clear expectations for multinational enterprises to establish near, medium and long term climate mitigation targets that take into account scope 1, 2 and 3 emissions and include absolute targets, as part of ensuring that the enterprise's greenhouse gas emissions are consistent with 1.5°C.

Existing climate strategy is outdated and lacks comprehensive detail for 1.5°C alignment

62. We additionally submit that ArcelorMittal is not complying with:

    a. Guidelines 1c and 1d of Chapter VI, as elaborated on in paragraphs 74 and 77 of the associated commentary, with respect to regularly verifying the effectiveness and continued relevance of climate mitigation strategies, and providing stakeholders with verifiable, timely information on environmental impacts; and

    b. Guideline 1b of Chapter VI in the Guidelines, as elaborated on in paragraphs 76 and 77 of the associated commentary, with respect to the expectation to establish science-based strategies and transition plans on climate mitigation as a key part of ensuring that GHG emissions are consistent with the internationally agreed temperature goal of 1.5°C.

63. ArcelorMittal published the latest version of its climate strategy, CAR 2, in July 2021. This strategy contains its global and European decarbonisation targets which, as above, do not conform with the expectations in the Guidelines as a standalone concern. Since then, the company has indicated on several occasions that a revised climate strategy

[72] IPCC (2021*). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change,* table 7.15 at p. 1017, doi: 10.1017/9781009157896
[73] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38), p.19

(CAR 3) was in the process of being written and would be published by the end of 2024.[74] However, as at the date of this complaint, CAR 3 has not been released. In the latest Sustainability Report 2024, the company stated that the strategy is "forthcoming", without a specific date.

64. A key part of the company's existing climate mitigation strategy is premised on the development of near-zero emissions steelmaking facilities, including a green hydrogen-powered plant in Spain, and other near-zero emissions plants in Germany, Belgium, France and Canada. However, since the adoption of CAR 2, the German plants have now been cancelled,[75] while others in Europe have been indefinitely postponed.[76] Furthermore, the company's latest Sustainability Report in 2024 identified slow emissions reduction efforts and stated that the company is increasingly unlikely to meet its 2030 targets; from 2018 levels, CO2e intensity has decreased by only 5.4% globally and 5.0% in Europe, against targets of 25% and 35% respectively.

65. Without an updated climate strategy, it is unclear what is guiding the company's strategic direction with regards to addressing these setbacks and its continued climate impact. While CAR 2 sets out a target for achieving net zero emissions by 2050, this target (and any interim targets) will be ineffectual unless the company has a clear, measurable plan as to how it will be achieved. Cumulative carbon emissions until the time of reaching net zero CO_2 emissions, and the level of greenhouse gas emission reductions this decade, largely determine whether warming can be limited to 1.5°C.[77] Accordingly, to ensure compatibility with a 1.5°C climate scenario, the company's aim to reach carbon neutrality by 2050 should be supported by a set of actions intended to be taken over near, medium and long term timeframes.

66. Furthermore, by not publishing an updated strategy and targets following a review of its continued effectiveness and relevance based on the latest scientific evidence (which, as described in section 3 above, demonstrates the increasing urgency for deep emissions cuts across all sectors), ArcelorMittal is not meeting the expectation in the Guidelines to provide the public, workers and other relevant stakeholders (such as civil society organisations) with adequate and timely information on its environmental impacts, and how these will be addressed.

67. ArcelorMittal bases its reasoning for not providing an updated strategy (or targets) on the premise of policy uncertainty.[78] However, this is not the 'proactive' approach expected by the Guidelines to avoid adverse environmental impacts, nor the approach required by the urgency and scientific certainty of the accelerating climate crisis. Favourable policy should be implemented concurrently with corporate climate action, rather than set as a precondition for it, and in any case stands separate to the expectations for multinational enterprises in the Guidelines. Furthermore, analysis by climate change think tank, InfluenceMap, has found that the company has engaged with key EU climate and industry decarbonisation policies with predominantly negative or ambiguous positions.[79]

68. For these reasons, without an updated, relevant climate strategy, that adopts verified science-based, 1.5°C-aligned targets and provides detailed measures, actions and timelines as to how these targets will be achieved in the near, medium and long-term,

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[74] See: ArcelorMittal 'Minutes of the Annual General Meeting of Shareholders' (2024), pp.13 and 14 and ArcelorMittal, 'Integrated Annual Review 2023' (2023), p.10 (n 51).
[75] ArcelorMittal, 'ArcelorMittal Europe urges faster implementation of Steel and Metals Action Plan (2025) (n 55)
[76] ArcelorMittal, 'ArcelorMittal provides update on its European decarbonization plans' (2024) (n 55)
[77] IPCC, 2023 (n 2), p.19
[78] See: ArcelorMittal, 'Minutes of the Annual General Meeting of Shareholders' (2025) (n 54), pp. 23 and 30, and ArcelorMittal, Sustainability Report 2024 (n 41), p.2
[79] InfluenceMap, 'LobbyMap Scores, ArcelorMittal – Climate Policy Engagement) (2025), available at: https://lobbymap.org/company/ArcelorMittal-c6dfbde97d6da50fe5027ac1534b42f6

ArcelorMittal is not conforming to the requirements of Guidelines 1b, 1c and 1d of Chapter VI, as elaborated on in paragraphs 74, 76 and 77 of the associated commentary in that Chapter.

5.2 Failure to implement science-based climate mitigation targets and strategy that ensures GHGs are consistent with international commitments

5.2.1 Guideline Expectations

69. One of the key overarching expectations in the Guidelines is for enterprises to "***avoid causing or contributing to adverse impacts*** *on matters covered by the Guidelines… and address such impacts when the occur*" (Guideline 12, Chapter II, General Policies). This is also a key part of environmental management, which is to be interpreted broadly and embody activities aimed at "***avoiding and addressing environmental impacts*** *related to an enterprise's operations, products and services, taking into consideration the enterprise's share of cumulative impacts and* ***continually seeking to improve an enterprise's environmental performance***".

70. With a view to managing and addressing adverse environmental impacts, the environmental guidelines not only expect enterprises to adopt science-based targets and strategies to mitigate climate change and address adverse impacts but also, fundamentally, to implement them (Guideline 1b, Chapter VI). This expectation is reiterated and elaborated on in the accompanying commentary of that Chapter at paragraphs 76 and 77:

> "*Enterprises should ensure that their* ***greenhouse gas emissions*** *and impact on carbon sinks are* ***consistent with internationally agreed global temperature goals*** *based on best available science, including as assessed by the Intergovernmental Panel on Climate Change (IPCC) […] This includes the introduction and* ***implementation of science-based policies, strategies and transition plans on climate change mitigation*** *and adaptation as well as adopting,* ***implementing,*** *monitoring and reporting on short, medium and long-term mitigation* ***targets.****"*

71. Moreover, pursuant to Guideline 5 of Chapter VI, enterprises are required to:

> "*continually seek to* ***improve environmental performance****, at the level of the enterprise and, where appropriate,* ***entities with which they have a business relationship****, including by […] developing and* ***providing products or services that have no undue environmental impacts*** *[…] and that are produced in an environmentally sound manner that uses natural resources sustainably,* ***minimises as far as possible*** *energy and material input as well as* ***generation of pollution, greenhouse gas emissions*** *and waste […]"*

5.2.2 Contraventions of Chapter VI (Environment) and Chapter II (General Policies)

72. The analysis below demonstrates that ArcelorMittal is failing to meet these standards. In particular, our assessment finds that the company has not taken adequate action to ensure that:

    a. Adverse environmental impacts are avoided (contrary to Guideline 12 of Chapter II and Guideline 1 of Chapter VI, as elaborated on in paragraphs 67, 76 and 77 of the commentary in Chapter VI);

    b. Science-based, 1.5°C-aligned climate mitigation targets and strategies are implemented (contrary to Guideline 1b as elaborated on in paragraphs 76 and 77 of the commentary in Chapter VI);

c. Greenhouse gas emissions are consistent with the internationally agreed temperature goal (1.5°C) (contrary to Guideline 1b as elaborated on in paragraphs 76 and 77 of the commentary in Chapter VI);

d. Environmental performance is improving by developing and providing products that have no undue environmental impacts and minimise greenhouse gas emissions as far as possible (contrary to Guideline 5b of Chapter VI).

73. This assessment is based on the company's planned expansions and lifetime extensions of coal-based infrastructure (without having time-bound plans to phase out coal consumption), the limited progress it has made to date on reducing its GHG emissions, and its indefinite delays with regards to formerly announced decarbonisation projects. We address each of these elements in turn to illustrate a lack of conformity to the expectations in the Guidelines' described in a-d of paragraph 72 above.

Continued investment in coal-based infrastructure without phase-out plans

74. We first submit that ArcelorMittal is not complying with:

a. Guideline 1b as elaborated on in paragraphs 76 and 77 of the commentary in Chapter VI, with respect to the expectations to implement a science-based climate mitigation strategy and targets, as part of ensuring that its greenhouse gas emissions are consistent with the 1.5°C goal.

b. Guideline 5b of Chapter VI with respect to the expectation to continually seek to improve environmental performance by developing products that have no undue environmental impacts and minimise the generation of greenhouse gas emissions.

c. Guideline 12 of Chapter II with respect to the expectation to avoid causing or contributing to adverse environmental impacts.

75. We make this submission as ArcelorMittal is expanding and extending the lifetime of coal-based steelmaking infrastructure. This is concerning, considering that coal-based steelmaking (using BF-BOF technology) produces around 90% of the steel industry's direct emissions.[80]

76. Firstly, through the AMNS India joint venture, in which ArcelorMittal has a 60% shareholding, two new blast furnaces are under construction and expected to complete in 2025 and 2026, together with three new basic oxygen furnaces, almost doubling the entity's production capacity to over 15 million tonnes per annum (Mtpa). The joint venture company has further plans to grow to 19 million tonnes (Mt) of capacity by 2028, 24Mt by 2030, and a long-term ambition to grow to 40Mt.[81] A large share of this additional capacity is expected to rely on highly emissions intensive, coal-fuelled BF-BOF equipment.[82] Even though the joint venture has a target to reduce its emissions intensity by 20% by 2030, analysis by SteelWatch shows that the benefit from this targeted cut in intensity is likely to be significantly outweighed by the increase in total emissions resulting from these expansions.[83]

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[80] Global Energy Monitor, 'Pedal to the Metal Evaluating Progress Toward 2030 Iron and Steel Decarbonisation Goals' (2025), (n 20)
[81] ArcelorMittal, 'AM/NS India investor and analyst trip Sept 2024' (2024), available at: https://corporate.arcelormittal.com/investors/equity-investors/shareholders-events/am-ns-india-investor-analyst-trip-sept-2024
[82] For further details, see SteelWatch, Corporate Climate Assessment 2025 (n 40), p.12
[83] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38), p.21

77. Secondly, in Europe, it has been reported that ArcelorMittal is maintaining and extending the lifetime of coal-based, blast furnace infrastructure, without a clear indication of when coal use will be phased out. At its plant in Dunkirk, France, ArcelorMittal is renovating one of the blast furnaces to ensure its continuity for at least 5 years, and potentially longer.[84] While the company previously signalled an intention to build an electric arc furnace in Dunkirk, to our knowledge, this has not yet been confirmed. At its plant in Fos-sur-mer, the company is also investing over 50 million EUR on refurbishing one of its blast furnaces.[85] These investments, which do not appear to come with a retirement date for the concerned blast furnaces, strengthen the uncertainty on the phase out of coal use at these plants, and risk compromising the achievement of ArcelorMittal's emissions reduction targets. With other European decarbonisation projects postponed or cancelled, it is uncertain whether further investments in extending the lifetime of existing blast furnaces will now form part of the company's near-term plans.

78. When questioned about these actions and phasing out coal use during its 2025 AGM, ArcelorMittal indicated that it believes blast furnaces with carbon capture and storage (CCS) will be part of its future decarbonised portfolio (albeit, noting that CCS is only likely to be economical after 2030).[86] However, considering the lack of progress demonstrating proven viability for CCS in the steel industry,[87] reliance on continued blast furnace operation with future CCS technology is problematic. There are currently no commercial scale carbon capture plants for blast furnace steelmaking in operation anywhere in the world.[88] A limited number of pilot projects are underway. However, even ArcelorMittal's own pilot carbon capture project in Belgium only has the potential to reduce the plant's annual emissions by 1.3%,[89] and in any case is at risk of being shut down.[90]

79. Investment decisions to build new or refurbish existing blast furnace assets can lock-in a substantial amount of emissions and future climate warming.[91] Without further certainty on the provability and effectiveness of CCS for steel, reliance on continued use or expansion of coal-based infrastructure with potential marginal reductions from CCS will not deliver the significant emissions reductions required for a 1.5°C-aligned trajectory.[92] Furthermore, continued use of blast furnace infrastructure with or without CCS

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[84] L'usine Nouvelle 'A Dunkerque, ArcelorMittal fait durer son usine d'acier en attendant des décisions de long terme' (2025), available at: https://www.usinenouvelle.com/article/a-dunkerque-arcelormittal-fait-durer-son-usine-d-acier-en-attendant-des-decisions-de-long-terme.N2233971

[85] GMK Centre, 'ArcelorMittal is investing €53 million in the modernization of blast furnace No. 1 in Fos-sur-Mer' (June 2025), available at: https://gmk.center/en/news/arcelormittal-is-investing-e53-million-in-the-modernization-of-blast-furnace-no-1-in-fos-sur-mer/

[86] ArcelorMittal, Minutes of the Annual General Meeting of Shareholders 2025 (n 54), p.19 and 32

[87] CCUS for the steel industry faces major drawbacks: some are specific to the steel sector; some affect CCUS across all sectors. The history of CCS in other sectors is not impressive. See: Institute for Energy Economics and Financial Analysis, 'ArcelorMittal: Green steel for Europe, blast furnaces for India' (2023) available at: https://ieefa.org/sites/default/files/2023-02/ArcelorMittal-Green-Steel-for-Europe-blast-furnaces-for-India_Feb2023_0.pdf and Institute for Energy Economics and Financial Analysis, 'Steel CCUS update: Carbon capture technology looks ever less convincing', (2024), available at: https://ieefa.org/sites/default/files/2024-11/BN_Steel%20CCUS%20update-%20Carbon%20capture%20technology%20looks%20ever%20less%20convincing_Nov24.pdf

[88] Institute for Energy Economics and Financial Analysis, 'Steel CCUS update: Carbon capture technology looks ever less convincing' (2024) (n 87), p.1

[89] SteelWatch, ArcelorMittal Corporate Climate Assessment 2024 (n 38), p.27

[90] Eurometal, ArcelorMittal Belgium faces Steelanol challenges amid regulatory constraints, (2025) available at: https://eurometal.net/arcelormittal-belgium-faces-steelanol-challenges-amid-regulatory-constraints/

[91] V. Vogl, O. Olsson, B. Nykvist, 'Phasing out the blast furnace to meet global climate targets', Joule Vol. 5, Issue 10 (2021), p.3, available at: https://doi.org/10.1016/j.joule.2021.09.007

[92] Institute for Energy Economics and Financial Analysis, 'ArcelorMittal: Green steel for Europe, blast furnaces for India' (2023) (n 87), notes at p.9: '*Given the lack of progress on the ground for carbon capture utilisation and storage (CCUS) in the steel industry (in common with other sectors), it is unclear how ArcelorMittal can meet its 2050 net zero emissions target while highly carbon-intensive capacity expansions are under development in India*.'

technology would not address the adverse environmental impacts associated with the potent methane emissions released during metallurgical coal mining.

80. Accordingly, by constructing new coal-based blast furnaces (through joint venture entities) and extending the life of other coal-based infrastructure without a clear plan or timeline to phase out its use of highly-emitting coal in line with a 1.5°C pathway, it is unlikely that ArcelorMittal will ensure that its GHGs are consistent with the internationally agreed 1.5°C temperature goal, nor will it be implementing a science-based, 1.5°C-aligned climate mitigation strategy or targets, in contravention of Guideline 1b, as elaborated on in paragraphs 76 and 77 of the commentary in Chapter VI.

81. In addition, investing in the expansion or continuation of coal-based steelmaking infrastructure cannot be considered an act that ensures adverse environmental impacts will be avoided, or that seeks to improve environmental performance (at the level of the enterprise and entities with which it has a joint venture business relationship), in particular as the company will not be providing steel products that minimise GHG emissions as far as possible. Instead, this conduct facilitates the contrary: increased GHG emissions and intensified adverse environmental and climate impacts. Accordingly, the company is also not conforming to the expectations set out in Guidelines 12 of Chapter II and Guideline 5b of Chapter VI.

Insufficient progress on implementation of actions to reduce emissions

82. For the reasons set out below, we further submit that ArcelorMittal is not complying with:

    a. Guideline 1b of Chapter VI, as elaborated on in paragraphs 76 and 77 of the commentary, with respect to the expectation to implement its climate mitigation strategy and targets, as part of ensuring that its greenhouse gas emissions are consistent with the 1.5°C goal; and

    b. Guideline 12 of Chapter II with respect to the expectation to avoid causing or contributing to adverse environmental impacts.

83. Following on from sections 3.3 and 4 above, considering the scale of its emissions and its contribution to the climate crisis, ArcelorMittal has an important responsibility to avoid further adverse climate impacts and follow a trajectory that will ensure its greenhouse gas emissions reduce in a manner consistent with achieving the 1.5°C temperature goal. However, against a backdrop of increasing climate urgency, the current speed and scale of the company's emissions reduction progress is unlikely to put it on a 1.5°C-aligned pathway (such doubt is exacerbated by the planned investments in coal-based infrastructure described above).

84. In terms of meeting its current 2030 targets of a 25% reduction in CO2e intensity globally, and 35% in Europe (scopes 1 and 2, excluding joint ventures), ArcelorMittal's 2024 sustainability report indicates that it is off track. Compared to 2018 levels, in 2024, CO2e intensity decreased by 5.4% globally and 5% in Europe. Indeed, the sustainability report pointed out that the company is increasingly unlikely to meet its 2030 targets.[93] While the company has highlighted that its emissions intensity is decreasing faster than the World Steel Association industry average,[94] this does not provide an explanation for its own slow progress. The global industry average emissions intensity is also unconnected to the 1.5°C limit; comparative progress against this average provides context, but does not

[93] ArcelorMittal, Sustainability Report 2024, p.15 (n 41)
[94] SteelWatch, ArcelorMittal Corporate Climate Assessment 2025 (n 40), p.25

demonstrate that the company is taking adequate action to meet the expectations in the Guidelines to ensure that its own emissions are consistent with the 1.5°C goal.

85. External reports and analyses have also identified slow progress:

    a. In 2024, the World Benchmarking Alliance found that the company had lowered its emissions intensity by 1.1% per year from 2018 to 2022, but this falls short of the 2.8% reduction required annually for the next five years for the company to align with a 1.5°C pathway.[95]

    b. Investor-led initiative Climate Action 100+ identified that the company had not met any criteria in its assessment of whether '*the company's GHG emissions intensity is currently aligned or converging with a credible 1.5°C pathway for its sector, based on its rate of reduction across the past three years'*.[96]

    c. An assessment in June 2025 by the Transition Pathway Initiative at the London School of Economics and Political Science found that in the short (2028) and medium (2035) term, Arcelor Mittal's carbon performance is not aligned with 1.5°C (or even a below 2°C) climate scenario.[97]

86. In addition, the company's reported reductions in CO2e intensity could be outweighed by an overall increase in absolute emissions. While ArcelorMittal announced in 2025 that it has reduced its absolute emissions (scope 1 and 2) by 46% since 2018, analysis by SteelWatch has found that most of this reduction came as a result of drop in production output, which itself mostly resulted from asset sales driven by political and legal factors, rather than from the decarbonisation of its operations.[98] Furthermore, this absolute reduction does not account for the company's planned expansion of coal-based assets through its joint venture AMNS India, and the projected emissions associated with these plans (see paragraphs 57 and 76).

87. To be consistent with a 1.5°C climate scenario, ArcelorMittal's aim to reach net zero emissions by 2050 must be supported by sufficient implementation action. The current lack of progress being made by the company on reducing its emissions (through decarbonisation action and accounting for its full value chain, including joint ventures) demonstrate that it is not taking adequate action towards implementing its net zero target, or 2030 targets, notwithstanding the concerns raised about these targets in paragraphs 50 - 61. In addition, without accelerated progress the company is unlikely to avoid further adverse environmental impacts or ensure that its GHGs are consistent with the internationally agreed temperature limit of 1.5°C. Accordingly, it is not adhering to Guideline 12 of Chapter II and Guideline 1b of Chapter VI, as elaborated on in paragraphs 67, 76 and 77 of the commentary of that Chapter.

Backtracking on strategic decarbonisation projects

88. For the reasons set out below, we further submit that ArcelorMittal is not complying with Guideline 1b of Chapter VI, as elaborated on in paragraphs 76 and 77 of the commentary, with respect to the expectation to implement its climate mitigation strategy and targets, as part of ensuring that its greenhouse gas emissions are consistent with the 1.5°C goal.

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[95] World Benchmarking Alliance, 'ArcelorMittal, Heavy Industries Benchmark', available at: https://www.worldbenchmarkingalliance.org/publication/heavy-industries/companies/arcelormittal-4/#:~:text=Summary,a%201.5%C2%B0C%20pathway.

[96] ClimateAction 100+ 'Company Assessment, ArcelorMittal S.A.' (2025), see section 11.1C (n 62).

[97] Transition Pathway Initiative, 'ArcelorMittal, Carbon Performance', available at: https://www.transitionpathwayinitiative.org/companies/arcelor-mittal

[98] For more details, see: SteelWatch, ArcelorMittal Corporate Climate Assessment 2025 (n 40), pp.9 and 10

89. A key component of ArcelorMittal's current climate strategy in which its targets would be pursued is the development of 'innovative direct reduction of iron' projects, where iron oxides are turned into iron in a direct reduction of iron (DRI) furnace using hydrogen, instead of using coal in a blast furnace (see paragraph 19 above for further explanation). ArcelorMittal previously announced plans for the development of five large-scale DRI projects aimed at replacing blast furnaces in Belgium, France, Germany, Spain and Canada. However, none of these plans have moved beyond an announcement towards a final investment decision.

90. In November 2024, ArcelorMittal announced that it was putting the European projects on hold. It explained that, before taking final investment decisions, it needed to "*have full visibility on the policy environment that will ensure higher cost steelmaking can be competitive in Europe without a global carbon price*".[99] It later announced that the German projects would not be going ahead at all; the 1.3 billion EUR of financial assistance to be provided by the German government required construction to commence by June 2025.[100] In its 2024 sustainability report, the company stated that "*there is currently little economic logic in most regions to support a technology switch*" and that it expects green hydrogen DRI technologies to only be economical post 2030, with policies addressing high capital and operational costs being required to make that happen.[101]

91. While it is acknowledged that investments in these plants are substantial and require transformative action, reports have indicated that there is a significant imbalance between the capital ArcelorMittal invests in decarbonisation as against capital returned to shareholders.[102] Since 2021, the company's decarbonisation capital expenditure has also been systematically lower than planned spend; analysis by SteelWatch has found that the company's "*decarbonisation-related capital expenditure from 2021 to 2024 barely exceeds 800 million USD — less than 2.5% of the total cash generated for the period — putting it far off the pace required to meet its own estimate of 5 billion USD in decarbonisation investment by 2030*".[103] Furthermore, ArcelorMittal had around 3 billion EUR in public funding earmarked to help it transition. Reports have also identified that the company received around 3.8 billion EUR worth of free allowances under the European emissions trading scheme in 2023, covering around 136% of its actual emissions.[104] Together, these numbers suggest that the postponement of decarbonisation projects is not necessarily due to an inability to meet the costs involved, but rather how the company elects to prioritise its financial resources. In any case, the expectations in the Guidelines to avoid and manage adverse environmental impacts by adopting and implementing science-based mitigation strategies and targets are not conditional upon an enterprise having an advantageous economic climate or political

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[99] ArcelorMittal, 'ArcelorMittal provides update on its European decarbonization plans' (2024) (n 55)
[100] ArcelorMittal, 'ArcelorMittal Europe urges faster implementation of Steel and Metals Action Plan' (2025) (n 55). In contrast, Germany's other blast furnace operators maintain that they will continue to pursue their transitions: South East Asia Iron and Steel Institute, 'German BF mills continue transition, defying ArcelorMittal suspension' (2025), available at: https://www.seaisi.org/details/26893?type=news-rooms
[101] ArcelorMittal, Sustainability Report 2024, p.3 (n 39)
[102] SteelWatch, ArcelorMittal Corporate Climate Assessment 2025 (n 40), p.20 and SOMO and Friends of the Earth Europe, 'Shareholders over solutions: how big industry favours payouts over the energy transition' (2025), p.7 available at: https://www.somo.nl/shareholders-over-solutions/#:~:text=Collective%20net%20profits%20reached%20%E2%82%AC,2010%20to%204.4%25%20in%202023.
[103] In response to this analysis, ArcelorMittal pointed to a range of its decarbonisation spending projects, but as noted by SteelWatch, these projects do not amount to the fundamental transformation that is required. See: SteelWatch, ArcelorMittal Corporate Climate Assessment 2025 (n 40), p.21
[104] WWF, 'A clean industrial revolution in Europe' (2025) (n 43), p.13. See also investigation by *Le Monde* which found that ArcelorMittal has always received more free allowance quotas than it has emitted in CO_2, and in trading these allowances between 2005 and 2019, it generated a profit margin of 1.9 billion EUR. The company was unable to confirm the figures: Le Monde, 'How Europe's polluting industries turned free CO_2 quotas into a market worth billions' (2023), available at: https://www.lemonde.fr/en/environment/article/2023/06/21/how-europe-s-polluting-industries-turned-free-co-quotas-into-a-market-worth-billions_6034589_114.html

certainty. Multinational enterprises like ArcelorMittal should take accountability for these impacts and act accordingly.

92. Guideline 1b of Chapter VI, as elaborated on in paragraphs 76 and 77 of the commentary of that Chapter, expects companies to implement science-based targets and strategies for addressing adverse environmental impacts and mitigating climate change, and to ensure that their GHG emissions are consistent with the 1.5°C temperature goal. ArcelorMittal will not observe these Guidelines if it indefinitely delays (or retreats from) the major decarbonisation projects that form a key part of its current strategy, or it does not present and urgently implement an alternative strategy that aligns its operations and emissions with the 1.5°C limit.

5.3 Failure to address adverse human rights impacts through climate inaction

5.3.1 Guideline Expectations

93. Chapter IV of the Guidelines sets out that enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

"*1. **Respect human rights**, which means they should **avoid infringing on the human rights of others** and should address adverse human rights impacts with which they are involved*.

*2. Within the context of their own activities, **avoid causing or contributing to adverse human rights impacts** and address such impacts when they occur."*

94. Paragraph 47 of the associated commentary in Chapter VI explains: "*Where an enterprise causes or may cause an adverse human rights impact**, it should take the necessary steps to cease or prevent the impact**. Where an enterprise contributes or may contribute to such an impact, it should **take the necessary steps to cease or prevent its contribution and use its leverage to mitigate any remaining impact to the greatest extent possible**. Leverage is considered to exist where the enterprise has the ability to effect change in the practices of an entity that cause adverse human rights impacts*."

5.3.2 Contraventions of Chapter IV (Human Rights)

95. As demonstrated throughout this complaint, ArcelorMittal is clearly contributing to the adverse impacts of climate change. As well as not meeting expectations in the Guidelines with regards to addressing these impacts (as shown in section 5), we submit that ArcelorMittal is also falling short of the standards in Guidelines 1 and 2 of Chapter VI in relation to respecting human rights and avoiding contributing to adverse human rights impacts for the following reasons.

96. As described in section 3.1 above, the significant adverse impacts of climate change – caused by greenhouse gas emissions – are well documented, and will accelerate without deep, rapid emissions reductions. The IPCC has reported with high confidence that climate change has caused widespread adverse impacts on nature and people, including adverse impacts on human health, livelihoods, food security, homes and key infrastructure.[105] The increasing frequency of extreme weather events, rising sea levels, floods, heatwaves, droughts and other phenomena caused by climate change directly and indirectly threaten the effective enjoyment of human rights, with particularly acute impacts borne disproportionately by persons and communities already in

[105] IPCC, 2023 (n 2), p.6

disadvantageous situations.[106] The United Nations Human Rights Council has adopted several resolutions recognising the intrinsic link between the adverse impacts of climate change on human rights.[107]

97. As explained in paragraphs 26 - 30 above, several legal authorities, including the International Court of Justice, have also confirmed that protection from the impacts of climate change is inherent in the protection of fundamental human rights, such as the rights to life and to private life. Domestic courts have found that major corporate entities have a legally binding duty to protect human rights against dangerous climate change by reducing their emissions.

98. ArcelorMittal annually produces over 100 million tonnes of CO_2e[108] and is significantly contributing to the adverse impacts of climate change. To limit and prevent further adverse human rights impacts caused by climate change, global greenhouse gas emissions must urgently be reduced. However, as demonstrated in section 5 of this complaint, the company is not conforming to several expectations in the Guidelines with respect to addressing the adverse climate impacts it contributes to. To summarise, our analysis above finds that the company is not adhering to expectations to:

    1. Establish near or medium-term climate change mitigation targets that are verified as science-based, consistent with the internationally agreed 1.5°C temperature goal, and account for scope 1, 2, 3 and absolute emissions;

    2. Establish an up-to-date, science-based strategy on climate change mitigation that will ensure the company's greenhouse gas emissions are consistent with the 1.5°C temperature goal;

    3. Take adequate action with regards to: (i) implementing science-based, 1.5°C-aligned climate mitigation targets and strategies; (ii) ensuring adverse environmental impacts are avoided; (iii) improving its environmental performance; and (iv) ensuring that its GHG emissions are consistent with the internationally agreed temperature goal (1.5°C). In particular, the company's plans to expand and extend the lifetime of coal-based infrastructure and limited progress on reducing its emissions (including backtracking on formerly announced decarbonisation projects) demonstrate this insufficient action.

99. Considering the inherent link between the adverse impacts of climate change and impacts on human rights described above, by failing to adhere to the above expectations on climate change, ArcelorMittal is also not meeting expectations to avoid contributing to adverse human rights impacts and to avoid infringing on the human rights of others, contrary to Guidelines 1 and 2 of Chapter IV.

100. While beyond the scope of this complaint, it is also worth noting that reports have identified significant direct adverse human rights impacts within ArcelorMittal's supply chain.[109]

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[106] United Nations Human Rights Office of the High Commissioner, 'The impacts of climate change on the effective enjoyment of human rights', available at: https://www.ohchr.org/en/climate-change/impacts-climate-change-effective-enjoyment-human-rights
[107] See: United Nations Human Rights Office of the High Commissioner, 'Resolutions on human rights and climate change' available at https://www.ohchr.org/en/climate-change/human-rights-council-resolutions-human-rights-and-climate-change
[108] ArcelorMittal, 'Sustainability Report 2024' (2024), p.37 (n 41). Over 100 million tonnes of CO2e were reported each year between 2022-2024 for the company's absolute steel footprint.
[109] Fair Steel Coalition, 'The Real Cost of Steel' (2024), available at: https://iidma.org/wp-content/uploads/2024/04/The-Real-Cost-of-Steel_Report_compressed.pdf

6 Requests

6.1 ArcelorMittal

101. Based on the analysis above, we request that ArcelorMittal agrees to undertake the following actions (without limitation) in order to address the identified non-conformances and meet the minimum standards contained with the Guidelines:

    a) Publish a revised climate action strategy within 6 months that will ensure its greenhouse gas emissions are consistent with the internationally agreed global temperature goal of a 1.5°C temperature limit.

    b) Within the revised climate strategy referred to in (a), adopt near-term (2030) and medium-term (2040) GHG reduction targets that:

        i. Are independently verified as science-based and 1.5°C aligned;

        ii. Are absolute and intensity based;

        iii. Cover scope 1, 2 and 3 greenhouse gas emissions, such that:

            1. All joint venture emissions are included in scope 3 targets;

            2. All emissions resulting from the extraction and processing of coal as a raw material for iron and steelmaking are assessed and included in the scope 3 targets; and

        iv. Represent an overall increase of ambition compared to the company's existing targets to reflect the urgency of action required and lack of mitigation action implemented to date.

    c) To ensure that the strategy referred to in (a) is implemented and the company's greenhouse gas emissions become consistent with a 1.5°C-aligned pathway:

        i. Develop and publish a roadmap of interim measures and actions that the company will take in five-year intervals, from 2025, with a view to achieving its revised near, medium and long-term mitigation targets (under different policy scenarios, where necessary);

        ii. Develop and publish transition plans for all plants with coal-based blast furnace operations demonstrating how each plant will transition towards near zero emission steelmaking in line with a 1.5°C pathway (including details on how each plant will source near-zero emissions iron and phase-out the use of coal). These plans should be developed through timely and effective dialogue and consultations with affected communities, workers, and civil society organisations in consideration of a just transition.

6.2 Luxembourg NCP

102. We kindly request that the Luxembourg NCP accept this specific instance and offer its good offices to support a dialogue that will enable the parties to work towards an agreement on the above matters. If the complaint cannot be resolved by way of dialogue, we kindly request that the NCP expedite its investigation and determine whether the company has failed to observe the Guidelines as set out in this specific instance.

103. To support the NCP with its initial assessment of this specific instance, each element of the initial assessment criteria set out in paragraph 33 of the section '*Commentaries on the Implementation Procedures in the Guidelines'* in the Guidelines has been addressed in the Appendix.

7 Appendix: criteria for the Luxembourg NCP's initial assessment

Identity of the party concerned and its interest in the matter

104. This specific instance is submitted by **Opportunity Green**. Opportunity Green is an environmental NGO with offices in the United Kingdom and Belgium. It is registered as a Charitable Incorporated Organisation in England and Wales (registered number 1199413) and as a ASBL in Belgium (registered number 1.019.805.639). Opportunity Green's vision is a world where we no longer need to fight for climate justice, and we're on a mission to close the gaps in global climate action using law, economics and policy. In particular, there are certain sectors, such as aviation, shipping, steel and buildings, where emissions are vast and not yet reducing. These are the sectors that Opportunity Green focuses on, using legal, economic and policy knowledge. Through our work, we seek bold and impactful climate solutions, focusing on equity, justice and accountability.

Whether the enterprise is covered by the Guidelines

105. **ArcelorMittal S.A.** is a multinational enterprise headquartered and registered in Luxembourg, an OECD country that follows and implements the Guidelines. The company operates in many other countries across the globe, such as France, Germany, Belgium, Spain, Canada, South Africa and India, amongst others. It is therefore covered by the Guidelines and the Luxembourg NCP is accordingly the appropriate National Contact Point to address this specific instance.

Whether the issues are material and substantiated

106. To summarise, this specific instance addresses the following issues:

    a. ArcelorMittal's failure to establish targets and strategies for addressing its adverse environmental impacts that are science-based and consistent with international commitments (Section 5.1). Specific issues associated with this failure include:

        1. The company's climate mitigation targets are not verified as science-based nor consistent with the internationally agreed 1.5°C temperature goal.

        2. The company's climate mitigation targets omit material details expected by the Guidelines (to account for scope 1, 2 and 3 emissions, absolute emissions and the near, medium and long-term).

        3. A review of the effectiveness, relevance and comprehensiveness of the company's climate strategy (with respect to ensuring consistency with 1.5°C) is long overdue, having not published a strategy since 2021.

    b. ArcelorMittal's failure to implement a science-based climate strategy and targets, address its adverse environmental impacts, and ensure that its GHGs are consistent with internationally agreed global temperature goal (1.5°C) (Section 5.2). Specific issues associated with this failure include:

        1. The company constructing new coal-based blast furnaces (through a joint venture entity) and extending the life of other coal-based infrastructure without a clear plan or timeline to phase out its consumption of highly emitting coal.

2. The lack of progress being made by the company to take action that reduces its emissions and implements a 1.5°C-aligned climate strategy and targets.

3. Backtracking on previously announced major decarbonisation projects that form a key part of its current climate strategy, without presenting and urgently implementing an alternative strategy that aligns its operations and emissions with the 1.5°C limit.

c. ArcelorMittal's adverse impacts on human rights due to its climate inaction, as demonstrated by failures (a) and (b) (Section 5.3).

107. These issues are material, as they concern non-compliance with the following Guidelines, as elaborated on in the accompanying commentary of each Chapter, and therefore are relevant to the Guidelines' implementation:

1. Guideline A.12 of Chapter II (General Policies)

2. Guideline 1(b) of Chapter VI (Environment)

3. Guideline 1(c) of Chapter VI (Environment)

4. Guideline 1(d) of Chapter VI (Environment)

5. Guideline 5(b) of Chapter VI (Environment)

6. Guideline 1 of Chapter IV (Human Rights)

7. Guideline 2 of Chapter IV (Human Rights)

108. Each of these issues have been analysed in Section 5, and are supported by extensive information, including documentation published by the company and external research and reports.

Whether there seems to be a link between the enterprise's activities and the issue raised in the specific instance

109. ArcelorMittal is the third largest producer of steel globally by production volume. Through its activities, it is a major greenhouse gas emitter and consequently contributing to climate change. To conform with the Guidelines, the company should address its adverse environmental impact and the climate harm it contributes to through its business activities, including by establishing and implementing science-based targets and strategies for climate mitigation. These targets and strategies should adhere to the standards in the Guidelines, and the company should ensure that its greenhouse gas emissions are consistent with the internationally agreed temperature goal of limiting global warming to 1.5°C.

110. This specific instance sets out why the company's existing climate mitigation targets and strategies fall short of these expectations. Beyond target setting and strategic direction, contrary to the expectations in the Guidelines, the company is not taking adequate implementing action to address its climate impact in a manner that conforms to the expectations in the Guidelines.

The extent to which applicable law and/or parallel proceedings limit the NCP's ability to contribute to the resolution of the issue and/or the implementation of the Guidelines

111. The specific instance outlines certain legal judgments and principles relevant to the issues raised in this complaint in section 3.3. The applicable law does not limit the NCP's ability to contribute to the resolution of the issues or the implementation of the Guidelines.

112. To our knowledge, there are no parallel proceedings against ArcelorMittal with respect to the issues raised in this specific instance.

Whether the examination of the issue would contribute to the purposes and effectiveness of the Guidelines

113. Examining the issues raised in this specific instance would contribute to the purpose and effectiveness of the Guidelines in at least three ways.

114. First, the 2023 update of the Guidelines presents an opportunity for the NCP to promote the updated environmental expectations in the Guidelines in the context of the accelerating climate crisis. The revised Guidelines made significant changes to the environmental expectations for multinationals, with a special focus on climate change and associated adverse impacts, to respond to the urgent environmental priorities facing business and society. The update was conducted by the 51 countries that adhere to the Guidelines, including both OECD members and non-members, and involved several OECD institutional stakeholders, demonstrating the importance of these environmental priorities for governments.[110] By accepting and examining the issued raised in this complaint, and at each stage of the complaint handling process, the NCP can provide clarity on responsible business expectations for companies operating in sectors with substantial climate impacts, reinforcing the relevance and effectiveness of the Guidelines and reflecting the importance of these updated priorities.

115. Second, prior to the submission of this complaint, several actors from civil society have engaged with ArcelorMittal with respect to the issues raised in this complaint. In particular:

    1. A number of organisations have published reports, some of which are referred to in this specific instance, assessing and highlighting concerns regarding the company's climate strategy and action, and calling on the company to address these concerns.

    2. During the Paris Olympics in 2024, which ArcelorMittal sponsored, an alliance of organisations launched a public campaign to hold the company accountable for claims made around its climate leadership.[111]

    3. Various civil society organisations have engaged directly with ArcelorMittal through meetings, letter writing and engagement by asking questions at the company's AGM to try to encourage more meaningful climate action.

    Despite this engagement to date, ArcelorMittal has made little meaningful progress with regards to strengthening and/or implementing its climate strategy. Instead, the company

[110] Organisation for Economic Co-operation and Development, 'Updated guidelines lift ambition on responsible business conduct' (2023), available at: https://www.oecd.org/en/about/news/press-releases/2023/06/updated-guidelines-lift-ambition-on-responsible-business-conduct.html
[111] More details are available at: https://shiny.claims/

has delayed and, in some cases, retreated (or signalled retreat) from its planned decarbonisation projects in Europe, while expanding coal-based steelmaking capacity in India. It has also indicated an increasing unlikelihood of achieving its emissions reduction targets. Considering the urgency of climate threats we are facing, every delay to action is reducing our chances of limiting global temperature rise to 1.5°C, and avoiding further irreversible damage to our climate, ecosystems and people. For this reason, it is now considered necessary to engage with the specific instance process and seek examination and resolution of the issues raised.

116. Third, and perhaps most fundamentally, by examining the issues raised in this specific instance and offering its good offices, the NCP would serve as a means to foster transparent and genuine dialogue that enables the parties to reach an agreement on actions that will ensure ArcelorMittal's climate impact is adequately addressed in conformity with the expectations in the Guidelines. This will ultimately contribute to improved corporate responsibility under the Guidelines, and positive outcomes for the planet and its inhabitants.