

MAY
2026



Unmasking a deliberate retreat

ArcelorMittal Corporate Climate Assessment
2026 Update



STEELWATCH

Bringing climate urgency to steel

Acknowledgements

Note: this is an update of the “ArcelorMittal Corporate Climate Assessment Update 2025: Backtracking on climate action” that SteelWatch published in May 2025.

This report was authored by the SteelWatch team.

A draft version of the report was shared with the representatives of ArcelorMittal on 15 April 2026 through email correspondence. While we did not receive specific comments on the draft, we received the Sustainability Report 2025 from the company on 23 April 2026. SteelWatch then updated the draft with an inclusion of the Prologue and ‘Update: Repositioning by ArcelorMittal’ highlights through the report, in response to what has been presented in the Sustainability Report 2025.

Copyright: This publication may be reproduced in whole or in part and in any form for educational or nonprofit purposes without special permission from the copyright holders, provided that acknowledgement of the source is made. No use of this publication may be made for resale or other commercial purpose without the written permission of the copyright holders.

Copyright © May 2026 SteelWatch.

Any enquiries can be directed to info@steelwatch.org

Cover photo: ArcelorMittal steel production plant in Fos-Sur-Mer, France, on 7 May 2024. Credit: Jeremy Sutton-Hibbert/SteelWatch

Credit: ArcelorMittal Corporate Climate Assessment 2026 Update



*Eisenhüttenstadt, ArcelorMittal Eisenhüttenstadt, Luftaufnahme (2017)
Wolkenkratzer, CC BY-SA 4.0, via Wikimedia Commons*

Table of Contents

List of acronyms	4
List of tables, figures and boxes	4
Prologue: A turning point	5
On climate targets.....	5
On decarbonisation strategy	6
On decarbonisation investment.....	6
On climate policy	7
Note to the readers	7
1. ArcelorMittal; the company during 2025-26	8
Operating context: tailwinds for transition, limited response.....	8
Company assets, strategic divestments and acquisitions.....	8
India: the unconsolidated core.....	9
Company structure and operating model.....	10
A structural bias toward short-termism	10
Financial performance	11
Capital allocation: returns first, transition later.....	11
Paying out, instead of phasing out.....	12
2. Assessment of ArcelorMittal climate targets	13
3. Assessment of technological choices and decarbonisation pathways	16
EAF expansion without green iron is an incomplete transition.....	16
Expanding its iron ore value chain	20
4. Europe's policy reset — a moment of truth for ArcelorMittal	22
ArcelorMittal's years of wait-and-see continue in the EU	22
EU policy framework for steel: 2025 – early 2026	23
Climate policy	23
Trade instruments.....	23
ArcelorMittal's response: profitability first, transformation later.....	24
Announcements, delays and selective investment decisions.....	26
Germany.....	26
France	26
Blast furnaces: ramp-up under protection.....	27
Free allowances - the real test of commitment	28
Conclusion	30
Annex	31
Annex 1: Table 6 ArcelorMittal ironmaking and steelmaking assets per plant and country	31
Annex 2: Assessing ArcelorMittal's justifications for strategic shift	32

List of acronyms

AM/NS India	ArcelorMittal/Nippon Steel India	EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
BF	blast furnace	H2	hydrogen
BF-BOF	blast furnace-basic oxygen furnace	H2-DRI	hydrogen-based direct reduced iron
CO2	carbon dioxide	Mt	million tonnes
CO2e	carbon dioxide equivalent	Mtpa	million tonnes per annum
DRI	direct reduction of iron ore	t	tonne
EAF	electric arc furnace	tCO2	tonnes of carbon dioxide

List of tables, figures and boxes

Figures

Figure 1	ArcelorMittal ironmaking and steelmaking assets
Figure 2	Adjusted CO2e intensity covering Scope 1 and 2
Figure 3	ArcelorMittal's crude steel production capacity, actual output, and reported CO2e emissions
Figure 4	ArcelorMittal's iron ore production in 2025
Figure 5	Timelines for the EU Emissions Trading System (EU ETS), Carbon Border Adjustment Mechanism (CBAM), and Tariff-rate Quotas (TRQ).
Figure 6	Map of ArcelorMittal's assets in Belgium, France, Germany and Spain
Figure 7	Timeline of investment announcements by ArcelorMittal between 2020 and 2026 in Germany
Figure 8	Timeline of investment announcements by ArcelorMittal between 2020 and 2026 in France

Tables

Table 1	ArcelorMittal – capital allocation (2021–2025)
Table 2	Difference in ArcelorMittal's CO2e footprint between 2018 and 2025
Table 3	Summary of hydrogen-ready DRI and EAF projects.
Table 4	Comparison of ironmaking capacity and production output by technology route, ArcelorMittal
Table 5	Comparison of steelmaking capacity and production output by technology route, ArcelorMittal
Table 6	ArcelorMittal ironmaking and steelmaking assets per plant and country

Boxes

Box 1	ArcelorMittal in Canada
-------	-------------------------

Prologue: A turning point

For three consecutive years, SteelWatch has analysed and scrutinised ArcelorMittal through its annual Corporate Climate Assessment, examining its reporting, its leadership statements, its earnings calls, its investor communications, and its interventions in public debates across the global steel sector. We engaged directly with the company, in good faith, on the assumption that it was willing to engage with civil society and respond to the urgency of the climate challenge.

Over those three years, our conclusions were consistent. The company was not delivering on its own strategy, set out in 2021¹. Progress was limited, uneven, and often delayed.

This is not just any steelmaker. It is a company whose roots stretch back over a century — to 1902, 1911 and 1948² — and whose global reach and influence remain unmatched. We assumed that such a company would recognise the weight of that history, and the responsibility that comes with it: to help lead the steel industry into its only viable future — a decarbonised one ‘for people and planet’, in the company’s own words.

Following the release of its Sustainability Report 2025 on 23 April 2026³, we are forced to confront a far more profound reality. The direction outlined in that report is not a delay, not a recalibration, not even a step back. It is a decisive and deeply regressive shift. The report does not merely depart from the trajectory set in 2021 — it abandons it. More fundamentally, it removes the premise that the company itself has a responsibility to drive the transition.

The transition is no longer framed as something to be led, but as a risk to be managed; no longer as a pathway to be built, but as a set of conditions to be awaited.

In the footnotes of this report the readers may find links to the full version of the Sustainability Report 2025, which contains the complete viewpoint of ArcelorMittal⁴.

On climate targets

ArcelorMittal has cut its near-term climate ambition at the root. The company has revised its group-level emissions intensity reduction target for 2030 from 25% to 10%, while the previously stated Europe-specific target of a 35% reduction has disappeared altogether⁵. This is not a revision. It is a dismantling of its own framework.

In its 2021 Climate Action Report 2 (CAR 2), the company was explicit about the role of these targets: “These targets create the milestones we need to achieve in order to meet our long-term target of net-zero by 2050⁶.”

Those milestones have now been cut by more than half. No replacement trajectory has been provided. No new intermediate targets have been set. No explanation is given as to how the gap will be closed.

The CEO continues to state that “our ambition to achieving net zero by 2050 remains in place⁷.” However, net zero by 2050, once stated as a commitment is now merely presented as an aspiration. This is not a semantic detail. The statement now stands without operational meaning — a claim without a pathway, a target without milestones, a commitment stripped of any delivery mechanism.

At the same time, this position stands in direct contradiction with the direction set by the European Union, where ArcelorMittal is headquartered and operates core assets. The EU has committed to a legally binding 90% emissions reduction by 2040⁸. Against this backdrop, **ArcelorMittal is not merely falling short — it is stepping outside the trajectory set by policymakers.**

1 [ArcelorMittal Climate Action Report 2](#)

2 [ArcelorMittal Luxembourg History](#)

3 [ArcelorMittal Sustainability Report 2025](#)

4 See [Annex 2](#) for a detailed assessment of the explanations provided by ArcelorMittal in its Sustainability Report 2025 to justify the shift in its climate strategy, and SteelWatch’s analysis of these claims against the company’s prior commitments and investment record.

5 [ArcelorMittal Sustainability Report 2025](#), Page 4

6 [ArcelorMittal Climate Action Report 2](#), Page 11

7 [ArcelorMittal Sustainability Report 2025](#), Page 3

8 [EU Commission - 2040 Climate Target](#)

On decarbonisation strategy

Any notion of a structured decarbonisation pathway has dissolved in the 2025 Sustainability Report. The previous strategy, built on defined technological levers and quantified contributions, has been replaced by language of “flexibility”, “optionality” and “value pools”. Investment is now framed as contingent on external conditions, to be made at “economic tipping points”⁹.

This marks a fundamental repositioning. The transition is no longer something the company intends to drive, but something it intends to wait for. Nowhere is this clearer than in the company’s own assessment of ironmaking: “Realistically, given where we stand today, conditions for the economic decarbonisation of iron-making (crucial to achieve net-zero) are likely to remain challenging in the next decade¹⁰.”

This is not a technical caveat. It is a strategic statement. It pushes meaningful decarbonisation of the most emissions-intensive part of steel production beyond the 2030s.

In practice, this amounts to a withdrawal from the only scalable pathway currently available. The hydrogen-based DRI projects that formed the core of the company’s previous strategy have disappeared from the investment horizon altogether.

On decarbonisation investment

The company now explicitly states that it will “sequence capital-intensive decarbonisation projects to maintain financial discipline, remaining within the group’s existing USD 4.5–5 billion annual capital envelope¹¹.”

This single sentence defines the pace of transition.

By fixing the overall capex envelope and sequencing projects one after the other, ArcelorMittal structurally limits how many transformation projects can happen in parallel. The Dunkirk project — presented as a reference model — illustrates the consequences: nearly a decade from early planning to full ramp-up¹².

The company further clarifies that “the next investment [will be] announced when Dunkirk is closer to completion¹³.”

Taken at face value, this means that no additional large-scale projects will move forward in the near term. Other major sites remain in a holding pattern, awaiting their place in a queue that stretches well into the 2030s.

While an EAF-led decarbonisation strategy has its own fundamental limitations — most notably that it leaves the core challenge of ironmaking largely unaddressed — the investment rhythm outlined in the Sustainability Report 2025 raises a far more consequential issue.

By committing to a strictly sequenced approach within a fixed capex envelope, ArcelorMittal is effectively setting the pace at which blast furnace capacity can be replaced. Applied across the company’s asset base, this model implies a transition timeline extending well beyond mid-century.

In practical terms, this positions ArcelorMittal to remain, far beyond 2050, one of the world’s largest operators of blast furnace-based steelmaking.

This is not a transitional delay. It is a structural outcome of the company’s chosen investment framework. In that context, the implications are stark. Overshooting the carbon budget compatible with avoiding catastrophic climate change is no longer treated as a risk to be mitigated. It is now embedded in the trajectory the company is setting for itself.

9 [ArcelorMittal Sustainability Report 2025](#), Page 23, 26

10 [ArcelorMittal Sustainability Report 2025](#), Page 26

11 [ArcelorMittal Sustainability Report 2025](#), Page 20

12 [ArcelorMittal Sustainability Report 2025](#), Page 21

13 [ArcelorMittal Sustainability Report 2025](#), Page 20

On climate policy

ArcelorMittal's evolving position on climate policy, in particular in Europe, cannot be understood in isolation from its industrial strategy. The company's recent decisions — including investments in blast furnace life extension, the reactivation of idled capacity and the absence of near-term replacement by low-emissions ironmaking — **point to a growing structural reliance on continued blast furnace production in Europe.**

This has direct implications for its stance on the EU ETS. As blast furnace utilisation continues or even increases, so does exposure to carbon costs. In that context, ArcelorMittal's stated "active engagement" with policymakers on both the trajectory and the cap of the EU ETS¹⁴ phase-out moves beyond a policy position — it becomes economically central to its business model.

The framing of the EU ETS as "an economic policy tool" signals this shift¹⁵. It reflects a position in which carbon pricing is no longer accepted as a driver of transformation, but treated as a cost to be mitigated or delayed. The objective is clear: to shield an emissions-intensive production model from the carbon cost that would otherwise apply as free allowances are phased out.

At the same time, the company continues to emphasise shareholder returns and capital discipline. Taken together, these elements form a coherent picture: maintaining profitability under a blast furnace-based production model requires both limiting decarbonisation investment and reducing exposure to carbon pricing.

In that sense, ArcelorMittal's policy positioning is not separate from its industrial strategy. It is part of a broader repositioning in which the company is no longer organising for transition, but for the managed continuation of emissions-intensive production.

Note to the readers

Despite the profound shift signalled by the Sustainability Report 2025, SteelWatch has chosen to proceed with the publication of its Corporate Climate Assessment Update of 2026.

This report — Chapter 1 to 4 — is based primarily on the analysis of ArcelorMittal's strategy, decisions and disclosures over the year preceding the release of the Sustainability Report 2025 on 23 April 2025. Where necessary, we have made targeted adjustments to reflect the most recent developments and supplemented with specific indications of shifts picked up from the Sustainability Report. We have replaced our summary with this Prologue, to respond to the company's significant shift at the dawn of publishing this assessment. However, the core findings of this assessment remain unchanged. If anything, the Sustainability Report 2025 does not contradict our analysis — it confirms and, in several respects, sharpens it.

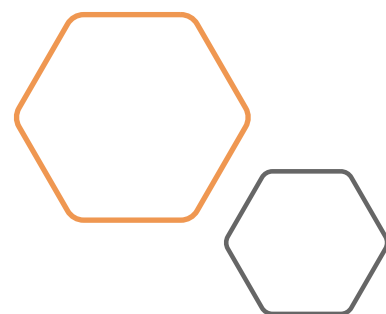
Publishing this assessment is therefore not an exercise in continuity, but one of accountability. It documents the trajectory the company has followed up to this point — and the shift it is now making explicit.

At the same time, the repositioning set out in the Sustainability Report 2025 marks a turning point. It changes the basis on which ArcelorMittal must be assessed.

SteelWatch will take this shift with the seriousness it demands. From this point forward, the company will be assessed not against its stated ambitions, but against the consequences of the strategy it is now pursuing.

¹⁴ [ArcelorMittal Sustainability Report 2025](#), Page 26

¹⁵ [ArcelorMittal Sustainability Report 2025](#), Page 26



1. ArcelorMittal; the company during 2025-26

ArcelorMittal remains one of the most influential companies in the global steel industry. As the sector's most globally spread¹⁶ steelmaker, the company's industrial system spans mining, ironmaking and steel production across multiple continents. The company's investment decisions will therefore play a defining role in shaping the pace and direction of decarbonisation across the global steel sector.

Understanding how ArcelorMittal allocates capital, manages its asset base and responds to changing market and policy conditions is central to assessing the credibility of its climate transition strategy.

Operating context: tailwinds for transition, limited response

In 2025-26, ArcelorMittal operated in an industrial sector shaped by a combination of structural headwinds and emerging policy tailwinds. Globally, weak demand and persistent overcapacity, particularly in China, continued to put downward pressure on steel prices. At the same time, geopolitical tensions and the increasing use of trade defence measures reshaped competitive conditions across major steel-producing regions.

In Europe, however, the policy environment has evolved in ways that are intended to support both industrial competitiveness and decarbonisation. On the climate side, the gradual phase-out of free allowances under the EU Emissions Trading System (ETS) and the introduction of the Carbon Border Adjustment Mechanism (CBAM) are designed to strengthen the carbon price signal while reducing carbon leakage risks. In parallel, trade measures — including the EU's tariff rate quota (TRQ) system — aim to limit import pressure and support the competitiveness of European producers.

Taken together, these developments amount to a significant shift in the operating environment — one that combines stronger climate policy signals with increased trade protection. This raises expectations that companies such as ArcelorMittal will accelerate investment in low-emissions steel production.

ArcelorMittal's response to this evolving context has remained cautious and non-committal. During 2025, the company has stepped back from, scaled down or delayed several major decarbonisation projects, including planned DRI facilities in Belgium, France, Germany, Spain and Canada, while communication on some projects has remained limited. These developments have slowed key emissions reduction pathways and resulted in the loss of significant public subsidies earmarked for industrial decarbonisation.

Rather than moving decisively in response to more favourable policy conditions, **ArcelorMittal has largely adopted a wait-and-see posture — prioritising flexibility and short-term market positioning over timely structural transformation. In essence, the response has been that of a market-taker, not a market-maker.**

Update: Repositioning by ArcelorMittal

ArcelorMittal's wait-and-see attitude is now cemented further in its language, fundamentally, removing the company's own agency and responsibility to drive the transformation of its own fleet.

➔ *"...the pace of transition will be shaped by economic tipping points driven by technology, policy and market developments, with timings remaining uncertain." - p7 SR2025*

Company assets, strategic divestments and acquisitions

Headquartered in Luxembourg, the company operated steelmaking facilities in 18 countries at the start of 2025, declining to 16 countries by the year end. At the end of 2025 the company comprised of 34 integrated and mini-mill sites across Europe, the Americas, Asia and Africa. It served customers in around 126 countries and employed approximately 125,500 people worldwide at the end of 2025.

ArcelorMittal reported crude steel production of 55.6 million tonnes in 2025, down 4% from 57.9 million tonnes in 2024. Europe remained the largest segment at 29.2 million tonnes (2024: 31.2 million tonnes), or 56% of its

16 [World Steel in Figures 2025](#) - ArcelorMittal is the world's third largest steelmaker. When 60% share of the joint venture, ArcelorMittal Nippon Steel India is included, it ranks as the second largest in the world.

output. In Brazil, the company's largest single production country, it produced 14.3 million tonnes (≈26% of output) in 2025, broadly stable year-on-year. ArcelorMittal North America (Canada, Mexico and the US) produced 7.8 million tonnes, up slightly from 7.5 million tonnes in 2024. Crude steel production at ArcelorMittal's joint venture, ArcelorMittal Nippon Steel India (AM/NS India), declined by 4.5%, from 7.5 million tonnes in 2024 to 7.2 million tonnes in 2025 (100% basis).

ArcelorMittal's recent restructuring reflects a pattern of strategic divestment and asset closure that lowers the company's reported emissions through portfolio reconfiguration rather than through substantive operational decarbonisation. Such measures are consistently framed as the removal of "inefficient capacity" or as responses to "economic inoperability," thereby minimising the climate-driven imperative to transform these assets.

- **Central and Eastern Europe:** The completed sale of the integrated steel plant and iron ore mine in Bosnia and Herzegovina in October 2025¹⁷ explicitly lowered reported emissions via portfolio restructuring. This move allowed the company to lower emissions by transferring high-emitting assets to another operator, rather than investing in decarbonisation. Other closures, similarly framed as economic necessities, include the sale of Romanian operations at Hunedoara in January 2026¹⁸, the shutdown of the Huta Krolewska plant in Poland in Q4 2025¹⁹. In Ukraine, the decision to close the subsidiary²⁰ Casting and Mechanical Plant and two rolling mills was attributed to market pressures like the Carbon Border Adjustment Mechanism (CBAM) and high electricity tariffs. By shifting the blame for closures onto external economic pressures, ArcelorMittal avoids accountability for deep investments in these assets.
- **South Africa:** The cessation of operations at the Newcastle plant in South Africa in the fourth quarter of 2025 specifically removed 2 Mtpa of blast furnace capacity, largely motivated by an effort to stem previous financial losses.

In contrast to its divestment of older, high-cost assets, ArcelorMittal consolidated its portfolio through strategic acquisitions, such as acquiring full ownership of its Calvert operations in the US from Nippon Steel Corporation in June 2025²¹. This simultaneous shedding of liabilities and strategic consolidation reinforces the conclusion that financial optimisation, rather than climate leadership, remains the primary driver of ArcelorMittal's asset shifts.

India: the unconsolidated core

ArcelorMittal's operations in India continue to stand out as a structural outlier within the group. AM/NS India is the major growth platform for ArcelorMittal. The expansion at Hazira highlights continued growth in carbon-intensive primary steelmaking capacity. In March 2026, ArcelorMittal announced the foundation stone laying ceremony for a greenfield project of AM/NS India at Rajayyapeta in Andhra Pradesh, India, consisting of an 8.2 Mtpa integrated BF-BOF steel plant.

Despite ArcelorMittal holding a 60% stake, the joint venture is not fully consolidated and is accounted for under the equity method. As a result, a significant and expanding part of the business sits largely outside ArcelorMittal's headline financial and operational metrics. Through the use of equity accounting²², a majority-owned and strategically important operation is not reflected in the company's consolidated reporting in the same way as its other core activities. This creates a material disconnect between where the company is growing and how it presents its overall business profile.

17 [ArcelorMittal Press Release](#), 30 October 2025

18 Eurometal, 5 January 2026 - ArcelorMittal Hunedoara approves sale of all assets to UBM Steel for Euro 12.5 million <https://eurometal.net/arcelormittal-hunedoara-approves-sale-of-all-assets-to-umb-steel-for-e12-5-million/> (Accessed 28 April 2026)

19 [ArcelorMittal Poland Press Release](#), 25 November 2025

20 Reuters, 16 March 2026 - Steelmaker ArcelorMittal to close more Ukraine units, <https://www.reuters.com/business/energy/steelmaker-arcelormittal-close-more-ukraine-units-2026-03-16/> (Accessed 28 April 2026)

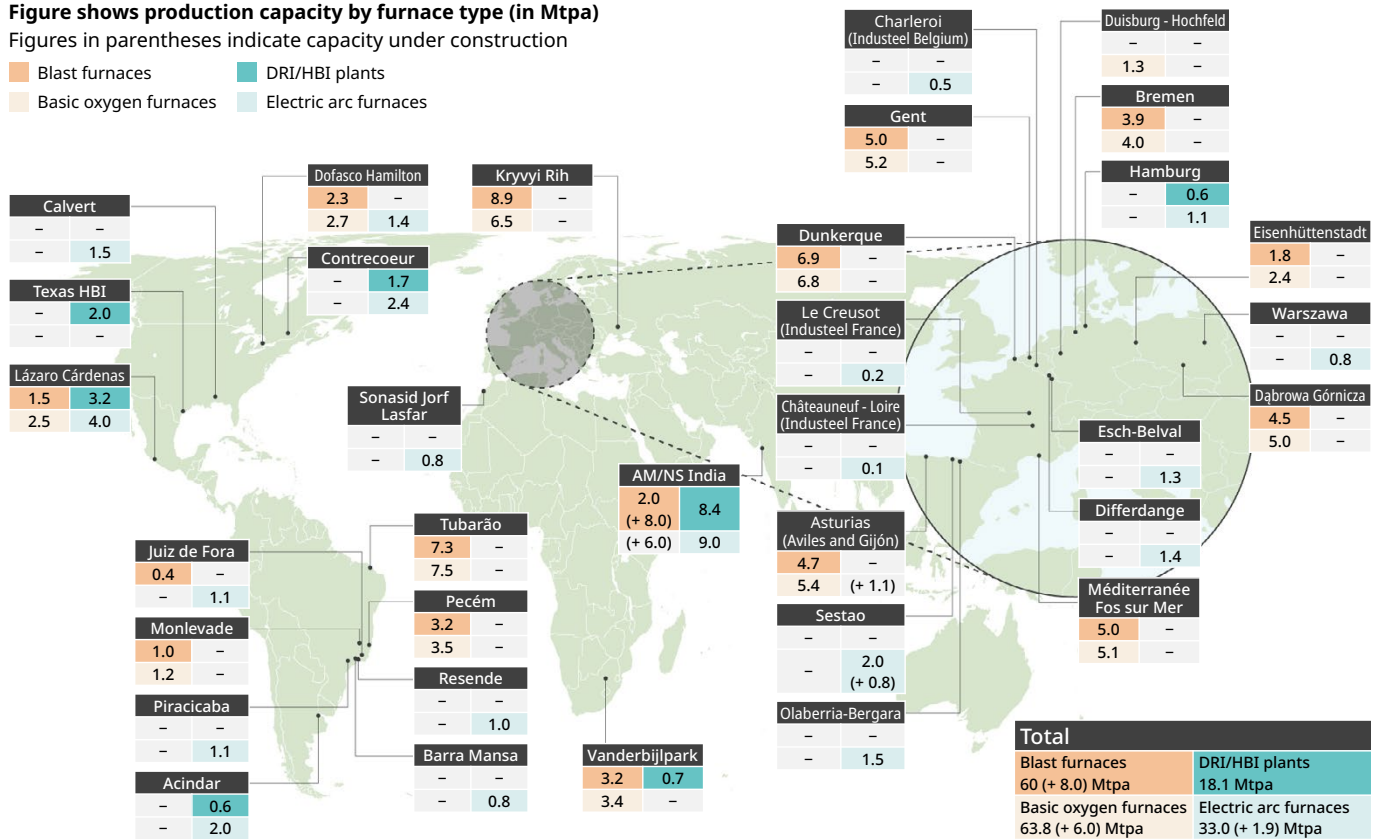
21 [ArcelorMittal Press Release](#), 18 June 2025

22 In ArcelorMittal's financial reporting, the AM/NS India joint venture is accounted for using the equity method, with its results consolidated into a single line item — "Income from investments in associates, joint ventures and other investments" — rather than disclosed with the same level of detail as other operating segments.

Figure shows production capacity by furnace type (in Mtpa)

Figures in parentheses indicate capacity under construction

■ Blast furnaces ■ DRI/HBI plants
■ Basic oxygen furnaces ■ Electric arc furnaces



Note: The boundaries shown on this map are based on data from the United Nations website and do not imply official endorsement or recognition by SteelWatch. Aggregate numbers for ArcelorMittal Group come from ArcelorMittal Annual Report 2025. In the absence of disaggregate numbers at plant level, plant-level data, along with data for the joint venture in India, were taken from Global Energy Monitor Global Steel Plant Tracker 2025 and from Eurofer. The use of these different data sources explains why the aggregate numbers are not the exact sum of plant-level data.

Figure 1: ArcelorMittal ironmaking and steelmaking assets. By location go [here](#) for details.

Company structure and operating model

Although the company is listed on stock exchanges, ArcelorMittal retains many characteristics of a family-controlled company. Mr. Lakshmi N. Mittal serves as Executive Chairman of the Board of Directors; his son, Mr. Aditya Mittal, serves as Director and Chief Executive Officer; and his daughter, Ms. Vanisha Mittal Bhatia, also sits on the board. According to the company's disclosed shareholding structure, the Mittal family, specifically Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, hold 43.88% of ArcelorMittal's shares and 44.68% of the voting rights²³. Under the provisions of the 2006 Memorandum of Understanding relative to the merger of Mittal Steel and Arcelor, the so-called Significant Shareholder's voting rights must not exceed 45% of the company's issued shares.

A structural bias toward short-termism

ArcelorMittal's operating model is not designed for company-wide transformation. The company recognises this itself. In its 2025 Annual Report, the company describes its "decentralized organizational structure" as a way to manage the complexity associated with its scale, noting that "the responsibility for profit and loss is focused on business units aligned with markets²⁴."

This operating model appears to have important implications for the company's strategic evolution. The pattern of investment decisions and project-level announcements suggests a high degree of decentralised decision-making across production sites. Such an approach aims to enhance cost discipline; however, it also complicates the implementation of coordinated, group-wide investment strategies.

²³ ArcelorMittal Annual Report 2025, Page 144

²⁴ ArcelorMittal Annual Report 2025, Page 26

This is particularly relevant for capital-intensive, long-term investments. Technologies such as hydrogen-based direct reduction of iron ore (DRI) or electric arc furnace (EAF) conversions require significant upfront capital expenditure and extended payback periods. Where investment decisions are closely tied to short-term site-level profitability, delay or deprioritisation becomes the norm.

This dynamic is consistent with the repeated postponement of several large-scale projects, despite the availability of substantial public funding. **In effect, the company's operating model appears to favour short-term optimisation at site level over system-wide transformation.**

Taken together, these elements point to a company whose global scale and reach remain considerable, but whose structural evolution is uneven. While ArcelorMittal continues to rely heavily on its European production base, output in the region is declining, and its most significant growth is taking place outside its core reporting perimeter. **This results in a footprint being reshaped in a way that is coherent on its own terms — driven by site-level profitability — but fundamentally at odds with the coordinated transformation required for decarbonisation.**

Financial performance

ArcelorMittal's global sales in 2025 were USD 61.4 billion, a 1.7% decrease compared to USD 62.4 billion in 2024. The company attributes the decline primarily to a 2.3% reduction in average steel selling prices.

Despite lower revenues, operating income increased to USD 3.628 billion, up from USD 3.310 billion in 2024, and net income rose by USD 1.8 billion, from USD 1.339 billion in 2024 to USD 3.152 billion in 2025. However, this increase in net income was largely driven by exceptional items totalling USD 871 million (2024: USD 216 million), including a USD 1.6 billion accounting gain associated with the acquisition of Nippon Steel's 50% stake in ArcelorMittal Nippon Steel Calvert²⁵.

EBITDA for 2025 amounted to USD 6.541 billion, down 7.3% from USD 7.053 billion in 2024. ArcelorMittal attributed this decline to weaker results in North America due to tariffs, as well as maintenance in Mexico. According to the company, this was further exacerbated by lower contributions from AM/NS India joint venture, and from Brazil, due to weaker prices.

Net debt increased by 55% over the course of the year, from USD 5.1 billion in 2024 to USD 7.9 billion in 2025, although the net debt-to-EBITDA ratio remains well below 1.5, allowing the company to continue its share repurchase programme.

While ArcelorMittal points to the resilience of its financial performance, a closer reading suggests a more mixed picture. Core indicators, including revenues and EBITDA, reflect continued pressure on the business, while the increase in net income is largely driven by one-off accounting gains rather than underlying operational strength. At the same time, rising net debt points to a greater reliance on balance sheet flexibility.

The picture that emerges is one of a company managing short-term pressures, rather than building the financial foundations for a capital-intensive transition to low-emissions steel.

Capital allocation: returns first, transition later

Figures for 2025 do not materially alter the assessment — 'Doing less and spending less' — made in last year's analysis²⁶. ArcelorMittal reported total capital expenditure of USD 4.3 billion in 2025, of which USD 1.1 billion was allocated to strategic growth projects, while only USD 0.3 billion was directed toward decarbonisation. This implies that roughly 7% of total capital expenditure was specifically dedicated to decarbonisation-related investments.

This allocation remains broadly consistent with the company's multi-year capital expenditure guidance, indicating no significant acceleration in decarbonisation spending. Guidance for 2026 similarly suggests that decarbonisation capex will remain at comparatively low levels.

²⁵ [ArcelorMittal Press Release](#), 18 June 2025 - ArcelorMittal acquired 50% share of the AM/NS Calvert joint venture from Nippon Steel, for a nominal amount of USD 1, due to national security concerns when Nippon Steel was closing the U. S. Steel acquisition deal.

²⁶ [SteelWatch's ArcelorMittal Corporate Climate Assessment 2025](#), Page 17

At the same time, free cash flow remains stable, suggesting that limited decarbonisation investment is not primarily driven by financial constraints, but rather reflects continued capital allocation priorities. As in previous years, the gap between stated climate ambitions and actual spending is not closing — it is becoming structural.

Paying out, instead of phasing out

During 2025, ArcelorMittal continued to return capital to shareholders under what was described in last year’s report as a “generous” capital return policy. As the company states, it aims to “continue delivering on [its] long-term commitment to achieve consistent returns for shareholders.” The policy combines a progressively increasing base annual dividend with a commitment to allocate a minimum of 50% of post-dividend free cash flow to share buyback programmes.

According to its 2025 year-end report, ArcelorMittal returned a striking USD 14.4 billion to shareholders between 2020 and 2025 under this policy. The company announced an increase in the base annual dividend to USD 0.60 per share, representing a 57% increase compared to 2020. This increase reflects both a reduction in the total share count and a compound annual growth rate of approximately 15% in dividends per share. After completing its 2023 share buyback programme in April 2025, ArcelorMittal immediately launched a new programme, “2025 buyback programme,” which may run until May 2030. In 2025 alone, the company repurchased shares worth USD 262 million, bringing total shareholder returns (including dividends) to USD 683 million — a five-year low.

ArcelorMittal introduced a notable change in March 2026, when the Significant Shareholder, Mr Lakshmi Mittal and Mrs Usha Mittal, began participating in the 2025 buyback programme, having not taken part in buybacks since February 2022. Under this arrangement, the Significant Shareholder will sell shares in proportion to its holding (44.68% at 31 December 2025) as part of the programme. While this change is linked to the 45% voting rights threshold established at the time of the 2006 merger, it also ensures that the Mittal family — already major beneficiaries of dividend payments — once again directly captures value from share buybacks as well.

ArcelorMittal has not commented on the comparatively lower level of shareholder returns in 2025, and the issue has not been raised in recent earnings calls. Yet even this relative dip in payouts has not translated into a meaningful reallocation of capital toward decarbonisation.

In other words, when shareholder returns slow, the transition does not accelerate — reinforcing that capital allocation is a matter of priority. ArcelorMittal is not financially constrained — it is strategically choosing not to invest at the pace required for transition.

Table 1: ArcelorMittal – capital allocation (2021–2025)

in billion \$	2021 ²⁷	2022 ²⁸	2023 ²⁹	2024 ³⁰	2025 ³¹	Total 2021-2025 ³²
Generated Net Cash	9.9	10.2	7.6	4.9	4.8	37.35
Shareholder return ³³	5.5	3.3	1.6	1.7	0.7	12.8
Capex	3.0	3.5	4.6	4.4	4.3	19.8
of which Strategic Projects / Strategic Growth Capex	0.2	0.7	1.4	1.3	1.1	4.7
of which Decarbonisation Expenditure	0.1	0.2	0.2	0.3	0.3	1.1

Sources: [ArcelorMittal](#), ArcelorMittal reports fourth quarter and full year 2021 results, 10 February 2022; [ArcelorMittal](#), ArcelorMittal annual report 2022, p. 191; [ArcelorMittal](#), Q2 and 1H 2023 financial results Leadership presentation 4Q 2024 and FY 2024 Financial Results, 6 February 2025; [ArcelorMittal](#), annual report 2025, p.101; [ArcelorMittal](#), 4Q 2025 and FY 2025 Financial Results February 5, 2026.

27 [ArcelorMittal Press Release](#), 4Q 2021 & FY2021, 10 February 2022

28 [ArcelorMittal Annual Report 2022](#), Page 191

29 [ArcelorMittal Interim Financial Report 2023](#)

30 [ArcelorMittal Annual Report 2024](#)

31 [ArcelorMittal Annual Report 2025](#)

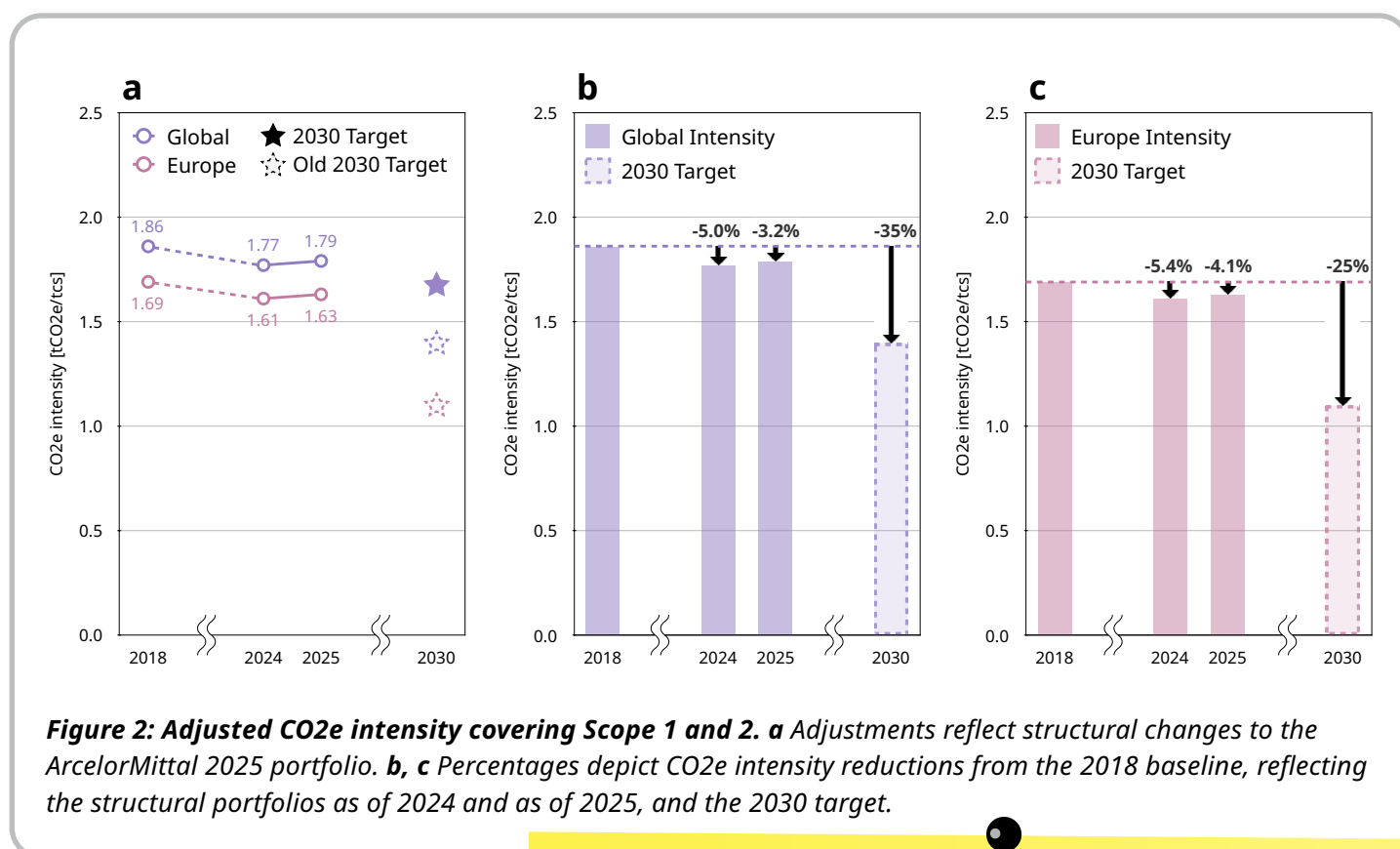
32 [ArcelorMittal 4Q 2024 & FY 2025 Financial Results](#)

33 Total of dividend payments and share buybacks

2. Assessment of ArcelorMittal climate targets

In its second Climate Action Report (CAR2), published in July 2021, ArcelorMittal stated a corporate-level commitment to reaching net zero by 2050. This commitment is complemented by interim CO₂e emissions intensity reduction targets for 2030 of 25% globally and 35% in Europe, compared to the 2018 baseline, covering Scope 1 and Scope 2 emissions³⁴ across its steel and mining operations.

However, as of the end of 2025, the CO₂e emissions intensities of both the company's global and European operations have not improved at the pace required to meet the targets (see Figure 2a). In fact, the reduction of the CO₂e emissions intensities has decreased from 5.0% in 2024 to 3.2% in 2025 globally (see Figure 2b) and 5.4% to 4.1% in Europe (see Figure 2c), moving further away from the company's targets.



ArcelorMittal attributes the increase in group CO₂e intensity to a combination of: changes in the site mix within the portfolio, increase in emissions from purchased electricity, and declining integrated crude steel production “where a significant proportion of emissions is fixed and does not decrease in line with output”. Consequently, **the CO₂e intensity increased even though the absolute CO₂ emissions decreased slightly by 3.1% compared to 2024³⁶.**

Update: Repositioning by ArcelorMittal

Not only has ArcelorMittal been moving further away from the stated climate targets set in 2021, it is now abandoning these targets altogether. And, erasing a Europe-specific target means that the new target for its entire operations (1.67 tCO₂e/t steel³⁵) is actually higher than the current emissions intensity for its European operations (1.63 tCO₂e/tSteel), shielding its carbon-intensive global assets from emissions reductions outside Europe.



“Based on decisions taken to date and expected production levels, we now expect to achieve up to a 10% reduction in Scope 1 and 2 emissions intensity by 2030, reflecting updated market and policy conditions since the 25% target was set in 2021.” - p23 SR2025

³⁴ ArcelorMittal Climate Action Report 2, Page 10

³⁵ Extrapolated based on 2025 portfolio

³⁶ ArcelorMittal Annual Report 2025, Page 40

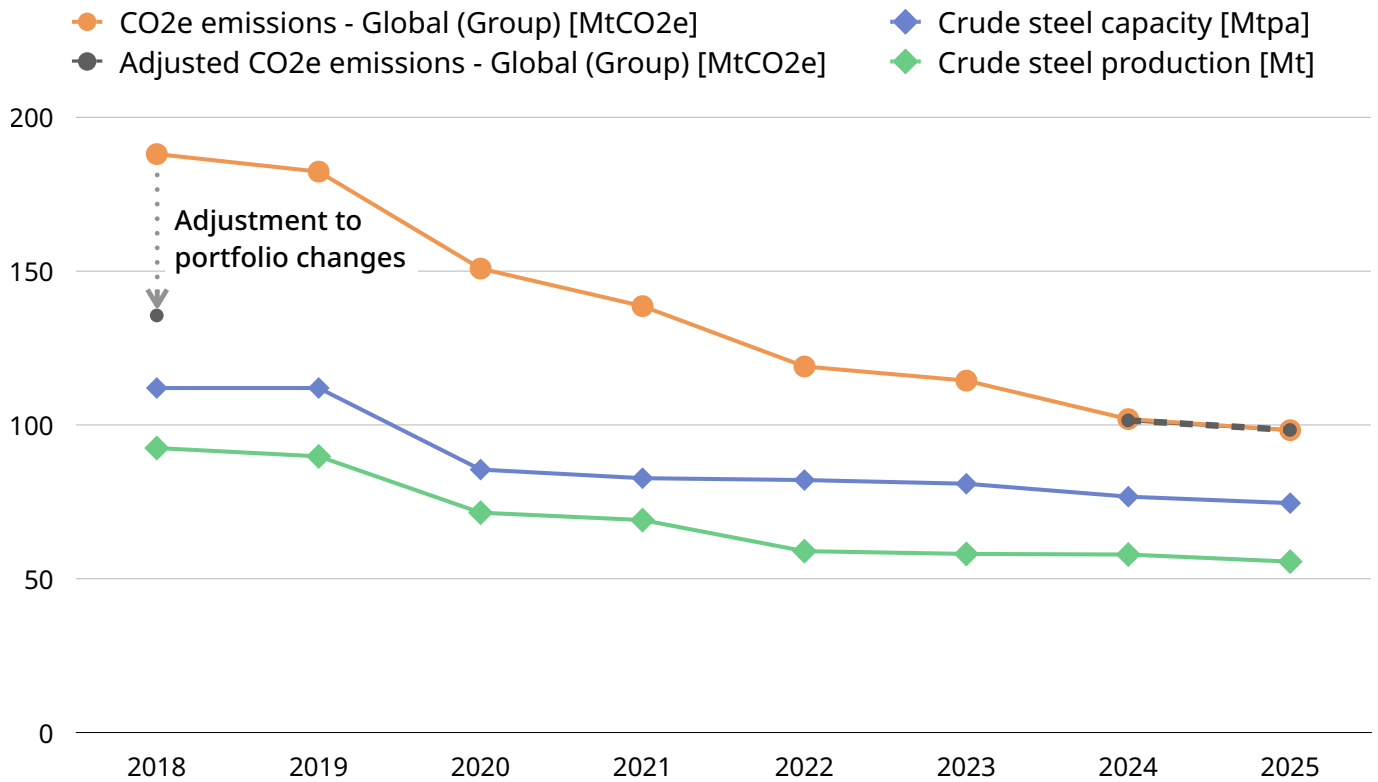


Figure 3: ArcelorMittal's crude steel production capacity, actual output, and reported CO2e emissions. Emissions cover Scope 1 and 2 emissions (market-based). Adjustments reflect structural changes to the ArcelorMittal 2025 portfolio.

In its efforts to create a more competitively positioned portfolio, ArcelorMittal has divested and idled inefficient assets of carbon-intensive nature. These asset changes materially shape reported emissions — allowing reductions to be achieved on paper without corresponding transformation at source.

While ArcelorMittal reports 47.71% less emissions in 2025 than in 2018 for its group, the reduction only amounts to 27% when reflecting portfolio changes (see Table 2). However, the company explicitly notes that “this asset optimization strategy is not positioned as an emission-reduction measure in itself³⁷.”

Similarly, EAF steelmaking reached 26% of the group's production in 2025, up from 19% in 2018³⁸. However, this increase is not driven by the build-out of low-emissions capacity, but by the downsizing of traditional blast furnace capacity through asset sales and idling rather than newly adding significant volume of low-emissions capacity.

Table 2: Difference in ArcelorMittal's CO2e footprint between 2018 and 2025, covering Scope 1 and 2, including mining for its global operations (market-based). Adjustments reflect structural changes to the ArcelorMittal 2025 portfolio.

	In absolute terms	In absolute terms (adjusted)	In percentage	In percentage (adjusted)
Global	89.7 Mt CO2e	37.2 Mt CO2e	47.71%	27%
Europe	-	18.1 Mt CO2e	-	28%

³⁷ ArcelorMittal Annual Report 2025, Page 39

Additionally, the emissions reductions reported depend heavily on the system boundaries of what is included. For

example, while the company accounts for its 60% stake in AM/NS India joint venture using the equity method, it excludes the venture's absolute emissions from the group's consolidated emissions footprint and intensity metrics³⁹. This reporting structure presents a significant transparency gap between financial growth and climate accountability. This perimeter definition allows the company to report a 27% reduction in its adjusted absolute CO2e footprint in 2025 compared to 2018 - entirely omitting the 7.219 Mt of crude steel produced by the India venture. This omission is particularly problematic because AM/NS India is actively expanding its capacity, with plans for an 8.2 Mtpa greenfield integrated steel plant and an objective to scale AM/NS India's total steelmaking capacity to 40 Mtpa⁴⁰.

By isolating these developments, the group's emissions reporting masks the emissions growth occurring within its wider corporate interests.



*Essar Steel Plant (now ArcelorMittal Nippon Steel India)
Kalish Giri via Flickr (CC 2.0)*

39 [ArcelorMittal Annual Report 2025](#), Page 97

40 [ArcelorMittal Annual Report 2025](#), Page 66, 69

3. Assessment of technological choices and decarbonisation pathways

While the company maintained a public commitment to net zero by 2050, its decisions over the past year reveal a strategy of halting transformational ironmaking in favour of a metallics blending strategy that relies on emissions-intensive inputs. Together with emissions reporting boundaries and growing emissions-intensive assets in its wider corporate structure, ArcelorMittal is well off-track from a credible decarbonisation pathway.

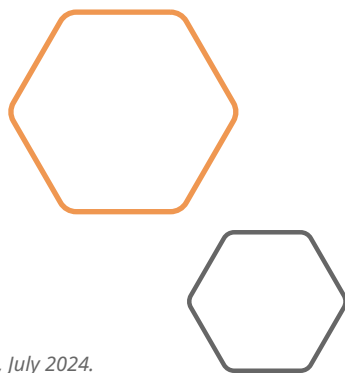
EAF expansion without green iron is an incomplete transition

In the CAR2, ArcelorMittal outlined two primary decarbonisation pathways: “Smart Carbon” and “Innovative DRI”⁴¹. The “Smart Carbon” pathway uses circular carbon and limited carbon capture to adapt legacy furnaces⁴². Meanwhile, the “Innovative DRI” route aims to replace coal-dependent blast furnaces with fossil gas-based production as a first step before replacing the fossil gas with green hydrogen for low-emissions ironmaking. By 2025, this vision was already in question.

While the company has 18 DRI plants across its global operations, including its joint venture in India, they use fossil gas or coal-derived gases without clear plans to transition to green hydrogen. All of the previously announced large-scale hydrogen-ready DRI projects, the primary vehicle for deep steel decarbonisation, have all been stalled or cancelled across ArcelorMittal’s operations.

Despite previously securing more than EUR 3.6 billion in public subsidies for decarbonisation⁴³, the company has failed to reach a final investment decision on any of its five large-scale hydrogen-ready DRI projects globally (see Table 3).

In June 2025, ArcelorMittal officially notified the German government that it could not proceed with its planned H2-DRI-EAF transition in Bremen and Eisenhüttenstadt, effectively forfeiting EUR 1.3 billion in financial assistance. The company cited the lack of green hydrogen at scale and uncompetitive energy prices as the primary justifications for this withdrawal. Plans for a greenfield H2-DRI plant in Dunkirk, France have been suspended, following a similar pattern in Gijón, Spain, where the H2-DRI unit announced in 2021⁴⁴ has failed to materialise. Similarly, the greenfield H2-DRI plans in Ghent, Belgium have been placed on indefinite hold, despite support of EUR 280 million in state aid from Belgium⁴⁵.



Headquarters of ArcelorMittal, Luxembourg, July 2024.
SteelWatch/Jeremy Sutton-Hibbert

41 [ArcelorMittal Climate Action Report 2](#), Page 15, 51

42 [ArcelorMittal Climate Action Report 2](#), Page 12, 52

43 [SteelWatch’s ArcelorMittal Corporate Climate Assessment 2025](#), Page 5

44 [ArcelorMittal Europe Press Release](#), 2021

45 [European Commission, Press Release](#), 22 June 2023

Table 3: Summary of hydrogen-ready DRI and EAF projects.

Location	Technology	Capacity [Mtpa]	Status
Bremen, Germany	DRI	2-3 ⁴⁶	Cancelled ⁴⁷
	EAF	1.7 ⁴⁸	Suspended ⁴⁹
Dunkirk, France	DRI	2.5 ⁵⁰	Suspended ⁵¹
	EAF	2 ⁵²	Announced ⁵³
Ghent, Belgium	DRI	2.5 ⁵⁴	Postponed ⁵⁵
	EAF	2.5	Postponed ⁵⁶
Gijon, Spain	DRI	2.3 ⁵⁷	Suspended ⁵⁸
	EAF	1.1 ⁵⁹	Construction ⁶⁰
Dofasco, Canada	DRI	2.5 ⁶¹	(unknown) ⁶²
Eisenhüttenstadt, Germany	EAF	2.1 ⁶³	Suspended ⁶⁴
Sestao, Spain	EAF	Expanding from 0.8 to 1.6 ⁶⁵	Construction ⁶⁶
Calvert, USA	EAF	1.5 ⁶⁷	Commissioned ⁶⁸

Update: Repositioning by ArcelorMittal

The updated investment approach in the Sustainability Report 2025 implies that no additional large-scale decarbonisation projects are likely to proceed in the near term. The company has not committed to investing in DRI, leaving the core challenge of decarbonising ironmaking unaddressed. By sequencing projects within a fixed capex envelope, it is structurally limiting the pace at which blast furnace capacity can be replaced. In practice, this sets a transition timeline that extends well beyond mid-century.



“The intention is that ArcelorMittal’s investments in EAFs will be sequential – with the next investment expected to be announced when Dunkirk is closer to completion.” - p20 SR2025



“Realistically, given where we stand today, conditions for the economic decarbonisation of iron-making (crucial to achieve net-zero) are likely to remain challenging in the next decade.” - p26 SR 2025

46 [State Aid SA.104898 \(2024/N\) – Germany RRF – Aid to ArcelorMittal Bremen and ArcelorMittal Eisenhüttenstadt for project DRIBE](#), Page 7

47 [ArcelorMittal Press Release](#), 19 June 2025

48 [State Aid SA.104898 \(2024/N\) – Germany RRF – Aid to ArcelorMittal Bremen and ArcelorMittal Eisenhüttenstadt for project DRIBE](#), Page 7

49 [ArcelorMittal Press Release](#), 19 June 2025

50 [ArcelorMittal Press Release](#), 4 February 2022

51 GMK Center (2025), 23 July 2025 - ArcelorMittal confirms suspension of plans for DRI plant in Dunkirk <https://gmk.center/en/news/arcelormittal-confirms-suspension-of-plans-for-dri-plant-in-dunkirk/> (Accessed 28 April 2026)

52 [ArcelorMittal Press Release](#), 10 February 2026

53 [ArcelorMittal Press Release](#), 10 February 2026

54 [ArcelorMittal Press Release](#), 29 September 2021

55 GMK Center (2025), 6 November 2025 - ArcelorMittal Belgium postpones climate project due to weak market <https://gmk.center/en/news/arcelormittal-belgium-postpones-climate-project-due-to-weak-market/> (Accessed 15 April 2026)

56 Belga News Agency (2025), 4 November 2025 - ArcelorMittal Belgium not ready for green steel investment due to weak market, CEO says <https://www.belganewsagency.eu/arcelormittal-belgium-not-ready-for-green-steel-investment-due-to-weak-market-ceo-says> (Accessed 28 April 2026)

57 [SteelWatch’s ArcelorMittal Corporate Climate Assessment 2025](#), Page 16

58 Eurometal (2024) 27 November 2024 - ArcelorMittal suspends final investment decision on Spanish DRI <https://eurometal.net/arcelormittal-suspends-final-investment-decision-on-spanish-dri/> (Accessed 28 April 2026)

59 [SteelWatch’s ArcelorMittal Corporate Climate Assessment 2025](#), Page 8

60 [ArcelorMittal Annual Report 2025](#), Page 38

61 [ArcelorMittal Press Release](#), 13 October 2022

62 CBC News Hamilton (2026), 21 January 2026 - ArcelorMittal Dofasco refuses to tell public when its \$2B decarbonisation plan will happen. Insights from the ArcelorMittal Dofasco Community Liaison meeting <https://www.cbc.ca/news/canada/hamilton/dofasco-green-steel-project-9.7054330> (Accessed 28 April 2026)

63 [State Aid SA.104898 \(2024/N\) – Germany RRF – Aid to ArcelorMittal Bremen and ArcelorMittal Eisenhüttenstadt for project DRIBE](#), Page 7

64 [ArcelorMittal Press Release](#), 19 June 2025

65 [ArcelorMittal Annual Report 2025](#), Page 68

66 [ArcelorMittal Annual Report 2025](#), Page 30

67 [ArcelorMittal Annual Report 2025](#), Page 39

68 [ArcelorMittal Annual Report 2025](#), Page 39

These decisions reflect ArcelorMittal's recent projection that transformational ironmaking technologies such as H2-DRI will only be economically viable post 2030⁶⁹. This effectively pushes the most critical decarbonisation milestones beyond 2030 — delaying meaningful emissions reductions within this decade.

While much of public attention has been on ArcelorMittal Europe's backtracking on H2-DRI projects, there is a similar pattern of backtracking emerging from Canada. In 2021, ArcelorMittal announced plans to invest in a hydrogen-ready DRI and EAF at ArcelorMittal Dofasco in Hamilton, Ontario, with an aim of replacing the existing BF-BOF facility. The project was presented as a cornerstone decarbonisation investment, supported with CAD 400 million from the Canadian federal government and CAD 500 million from the Government of Ontario.

However, the project's scope has since been significantly revised. In March 2025, the Canadian government amended its funding agreement⁷⁰, increasing its contribution by CAD 50 million but altering the project description, and the revised agreement no longer explicitly refers to the construction of a DRI facility. While the government continues to refer to emissions reductions of up to 3 Mt per year by 2030, the technological pathway to achieve these reductions is no longer clearly specified.

Rather than pursuing the previous DRI plans, ArcelorMittal is shifting investments to EAF steelmaking, reflected by 3.4 Mt of additional EAF capacity coming online by the end of 2026 in Spain and the USA⁷¹.

In Calvert, Alabama, the new 1.5 Mt EAF began operations in June 2025. The company claims its integration with Texas-produced HBI offers the automotive sector "lower CO₂" steel⁷². While the adoption of transportable iron (HBI) is welcome, the current position remains an incremental "phased approach" rather than a transformational shift as the site relies on existing fossil gas-based feedstock. While ArcelorMittal evaluates adding a second EAF to entrench this production model, there is no evident sign of making DR iron with green hydrogen.

In February 2026, ArcelorMittal confirmed construction of an EAF in Dunkirk, France to start operating in 2029. For this project, ArcelorMittal estimates an emissions intensity of 0.6 tCO₂/t steel, by blending scrap, hot metal and DR iron⁷³, however, without detailing how the DR iron is sourced or produced.

This shift in investment strategy from transformational green ironmaking to flexible EAF steelmaking confirms a retreat into incrementalism. Without a clear plan for sourcing low-emissions iron, there is a substantial risk that ArcelorMittal's EAF fleet will remain tethered to emissions-intensive pig iron inputs sourced from its own blast furnaces or external suppliers.

This risk is compounded by the company's decision to exclude full Scope 3 emissions from the metrics in its annual report, and its coal-intensive joint venture in India from its group climate reporting (see '[Chapter 2 - Assessment of climate targets](#)'). As ArcelorMittal shifts toward EAF-based steel production without a plan for producing or procuring low-emissions iron, and with limited high-quality scrap available to meet demand, the company risks sourcing emissions-intensive iron from its own global operations.

By pushing a transition to near-zero-emissions ironmaking beyond 2030, ArcelorMittal is avoiding the scale of capital reallocation required for genuine transformation, opting instead to manage immediate profit margins through an incremental approach that risks locking the company into emissions-intensive and coal-dependent ironmaking infrastructure for decades to come.

69 [ArcelorMittal Sustainability Report 2024](#), Page 15

70 [Government of Canada, Grants and Contributions](#), Amendments (Accessed 28 April 2026)

71 [ArcelorMittal Annual Report 2025](#), Page 38

72 [ArcelorMittal Annual Report 2025](#), Page 39

73 [ArcelorMittal Annual Report 2025](#), Page 9

Table 4: Comparison of ironmaking capacity and production output by technology route, ArcelorMittal

	Blast furnaces			DRI/HBI plants			Total 2025
	2024	2025	Difference	2024	2025	Difference	
Number of facilities	32	30	-2	11	10	-1	
Capacity (in million tonnes per year)	60.9	57.9	-3	10.3	9.7	-0.6	67.6
Production (in million tonnes)	41.6	39.8	-1.8	6.2	6	-0.2	45.8
Percentage of total iron production	87%	86.90%	-0.10%	13%	13.10%	0.10%	

Sources: [ArcelorMittal Annual Report 2024](#) (p. 61) and [ArcelorMittal Annual Report 2025](#) (p. 60). Following ArcelorMittal's reporting practices, these numbers do not include ArcelorMittal Nippon Steel India (AM/NS India). Percentages are SteelWatch's addition.

Table 5: Comparison of steelmaking capacity and production output by technology route, ArcelorMittal

	Basic oxygen furnaces			Electric arc furnaces			Total 2025
	2024	2025	Difference	2024	2025	Difference	
Number of facilities	43	38	-5	28	27	-1	
Capacity (in million tonnes per year)	67.2	63.8	-3.4	24.0	24.0	0.0	87.8
Production (in million tonnes)	44.2	44.8	0.6	14.7	14.6	-0.1	59.4
Percentage of total iron production	75%	75%	0.0	25%	25%	0.0	

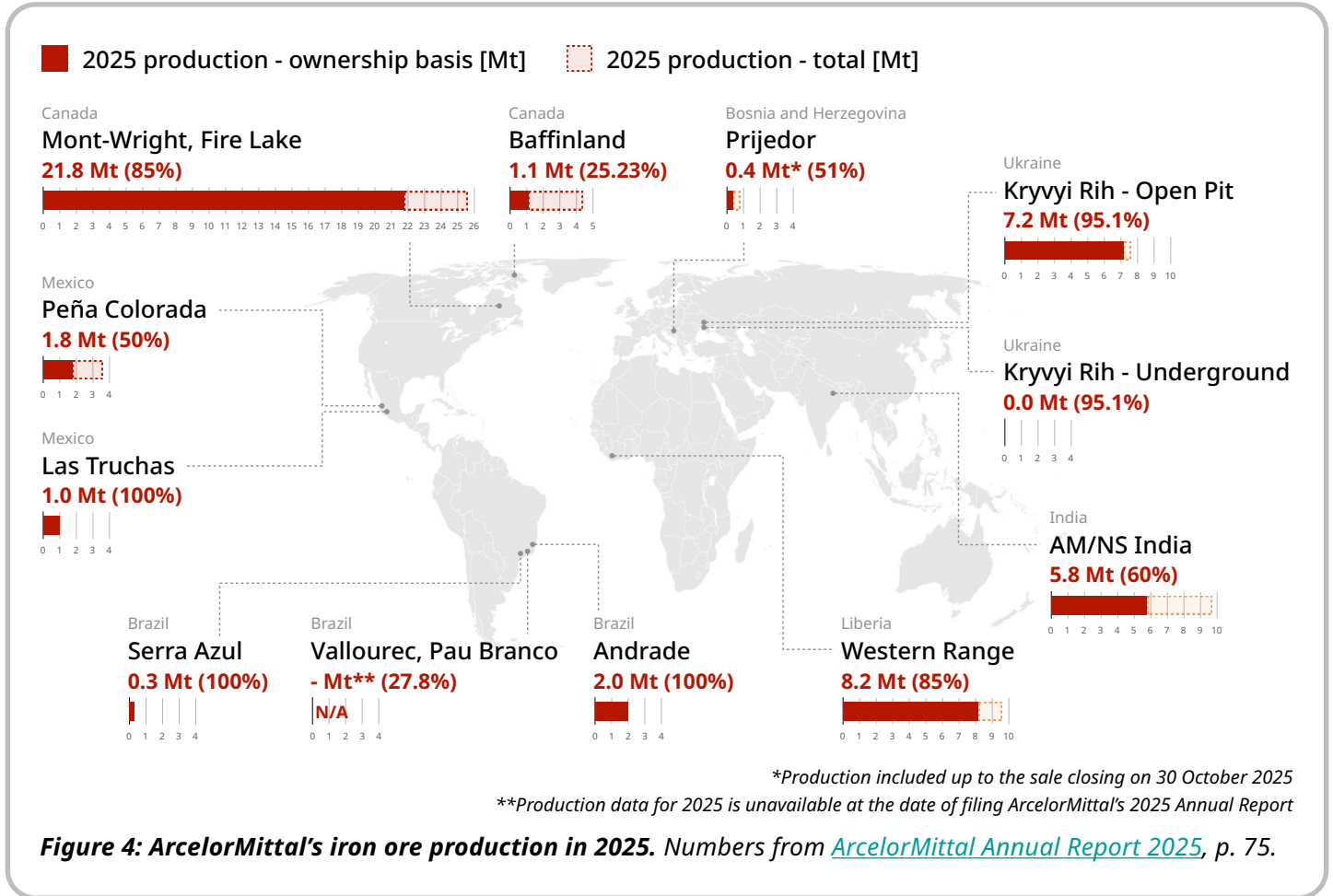
Sources: [ArcelorMittal Annual Report 2024](#) (p. 61) and [ArcelorMittal Annual Report 2025](#) (p. 60). Following ArcelorMittal's reporting practices, these numbers do not include ArcelorMittal Nippon Steel India (AM/NS India). Percentages are SteelWatch's addition.



Blast furnace slag and pig iron tapping.
Licensed stock photo

Expanding its iron ore value chain

ArcelorMittal is a vertically integrated producer, meaning the company does not only produce crude iron and steel, but also controls upstream and downstream processes in its supply chain. ArcelorMittal sources a significant share of its iron ore needs from its own mines in Ukraine, Canada, Mexico, Liberia and Brazil, and some of ArcelorMittal's steel plants also source from local external suppliers⁷⁴. In 2025, ArcelorMittal sourced approximately 72% of its iron ore requirements from its own mining operations⁷⁵. Additionally, ArcelorMittal supplies iron ore to external customers⁷⁶.



In 2025, ArcelorMittal reported a substantial increase in iron ore production, reaching 48.8 million tonnes, compared to 42.4 million tonnes in 2024⁷⁷. This 15% increase is most notably contributed to by ArcelorMittal's iron ore mining operations in Liberia, with an increase in production from 3.8 million tonnes in 2024 to 9.7 million tonnes in 2025⁷⁸. Furthermore, commissioning is underway for a phase 2 production capacity expansion to 20 million tonnes per annum, and feasibility studies for further expansion beyond 20 million tonnes per annum are being carried out. The railway capacity is being expanded so it can transport up to 30 million tonnes annually and is reserved for ArcelorMittal's use⁷⁹. ArcelorMittal claims that these developments have positioned Liberia as one of its top global investment priorities⁸⁰.

74 ArcelorMittal Annual Report 2025, Page 26, 42

75 ArcelorMittal Annual Report 2025, Page 9

76 ArcelorMittal Annual Report 2025, Page 9

77 ArcelorMittal Q42025 Earnings Release, Page 3

78 ArcelorMittal Annual Report 2025, Page 71

79 ArcelorMittal Annual Report 2025, Page 8

80 ArcelorMittal Annual Report 2025, Page 49

Contrary to ArcelorMittal's ironmaking investments, its iron ore production investments do not solely reflect an emissions-intensive business as usual approach. Compared to a traditional blast furnace, the near-zero-emissions capable direct reduction route requires a higher iron ore quality of at least 67% iron content. It is in this context that ArcelorMittal expands its future iron ore production capabilities, with investments that could be increasingly aligned with a near-zero-emissions compatible steel industry.

"The mining business should also support the decarbonisation of the steel footprint through optimization of mining product mix by supplying raw materials needed for the low emissions footprints" - ArcelorMittal⁸¹

For example, the expansion in Liberia is supported by the commissioning of a concentrator designed to increase iron content to above 62%⁸². Similarly, in Brazil, the Serra Azul mine is being expanded to produce 4.5 million tonnes per year of DRI-quality pellet feed, with commissioning and first shipments expected in 2026⁸³. In Mexico, the Las Truchas mine is undergoing a revamping project that will increase pellet feed capacity to 2.3 million tonnes per year and enable the production of DR-grade concentrate by the first half of 2027⁸⁴.

This is where ArcelorMittal's decarbonisation strategy in ironmaking and business strategies in iron ore supply diverge. While investments in iron ore signal preparation for a low-emissions future, the absence of corresponding investment in green ironmaking leaves this potential stalled at the starting line.

While ArcelorMittal is moving on DR-grade iron ore supply, selected EAF investments, and renewable energy expansion, the company does not have a clear plan for decarbonising its ironmaking assets — leaving the largest source of emissions and core responsibility of decarbonising to others. As ironmaking is the emissions-intensive step of steelmaking⁸⁵, the company's plans are fundamentally limited in emissions reductions.

Update: Repositioning by ArcelorMittal

ArcelorMittal, with every conceivable possibility to reconfigure its value chains to make use of globally distributed comparative advantages is extending the timeframe of transforming its carbon-intensive ironmaking technology, while other companies are already investing in and constructing near-zero-emissions capable ironmaking capacity.



"Realistically, given where we stand today, conditions for the economic decarbonisation of iron-making (crucial to achieve net-zero) are likely to remain challenging in the next decade." - p26 SR 2025

Box 1: ArcelorMittal in Canada

ArcelorMittal is well positioned to capitalise on a significant strategic opportunity in Canada. According to recent Lund University research⁸⁶, the conditions required for the shift away from coal-based steelmaking to low-emissions technology, including access to DR-grade iron ore, renewable energy hotspots and a skilled industrial workforce, are all found within reach of ArcelorMittal's operations in Canada.

By investing in green hydrogen-based DRI production, ArcelorMittal could build on its existing high-grade iron ore mining assets, such as Fire Lake, Mont Wright and Baffinland, and steelmaking facilities in Contrecoeur and Hamilton to produce green iron, and supply its Canadian or other operations, transporting green iron as hot briquetted iron (HBI).

This would position the company as a potential early mover in the emerging market for transportable green iron, providing a low-emissions feedstock to accelerate decarbonisation in Canada and elsewhere such as in Europe. In Canada alone, a green-hydrogen based transportable iron market is estimated to be worth up to CAD 25 billion market per year and could support up to 14,000 jobs.

81 [ArcelorMittal Annual Report 2025](#), Page 25

82 [ArcelorMittal Annual Report 2025](#), Page 49

83 [ArcelorMittal Annual Report 2025](#), Page 67

84 [ArcelorMittal Annual Report 2025](#), Page 68

85 [SteelWatch Explainer, Steel and Climate](#)

86 [Algers, J., & Bataille, C. \(2025\)](#). Strategic decarbonisation of the Canadian iron and steel industry: A workercentered path to cut emissions, increase value added and strengthen global supply chains. (IMES/EESS Report series; No. 139). Miljö- och energisystem, LTH, Lunds universitet.

4. Europe's policy reset — a moment of truth for ArcelorMittal

This chapter turns to Europe, where the policy environment for the steel sector has shifted significantly over the past year. Having long framed European policy as a constraint on investment, ArcelorMittal now operates in a context it has itself described as more favourable. This makes Europe a critical test case for assessing how the company responds when its core policy demands are, at least in part, met.

ArcelorMittal's years of wait-and-see continue in the EU

More than in its formal reporting, ArcelorMittal's investor calls usually offer direct insight into the company's strategic thinking — and into its CEO's own assessment of the policy and market environment. In these exchanges, CEO Aditya Mittal often speaks the language of investors, particularly when responding to questions about policy changes and what they mean for the company.

In February 2025, during the Q4 2024 earnings call, Mr. Aditya Mittal issued what amounted to a barely veiled warning, should the European Commission fail to deliver the policy changes sought by the company:

"To the extent that those actions [by the European Commission] don't pan out, then clearly, we will need to act to restore competitiveness to our [European] business. We know how to do it. We've done it in the past. And then we've been embarking on such a strategy."⁸⁷

The message was clear: without stronger trade protection and policy support, ArcelorMittal would reconsider its European footprint.

One year later, during the Q4 2025 call, the tone had changed markedly. This time, Mr. Mittal welcomed the policy direction taken by the EU:

"It is encouraging to see the European Commission recognize and address this over the past 12 months. With the new carbon border adjustment mechanism in place, we are now competing on a more level playing field, and the new tariff rate quota trade measure will significantly limit the amount of steel that can be dumped into the European market. Together, this fundamentally resets the outlook for the European steel industry and creates the conditions for a balanced market structure that will restore profitability and returns on capital to healthy levels."⁸⁸

The contrast is striking. In early 2025, Europe was presented as a policy problem. By early 2026, it had become a policy success story — from the company's perspective, with developments portrayed as significantly improving the outlook for the company's European business.

What changed over those 12 months in terms of EU policy? And more importantly, how has ArcelorMittal responded, in practice, to this more favourable policy environment, according to its own words? If recent policy changes mark a turning point for steel markets in Europe, they also mark a moment of truth for the company: whether it will move from demanding support and protection to actually delivering industrial transformation.

Update: Repositioning by ArcelorMittal

ArcelorMittal now frames the EU ETS as "an economic policy tool," signaling a shift of its position where carbon pricing is no longer accepted as a driver of transformation, but treated as a cost to be mitigated or delayed.

➔ *"Concerns around competitiveness, regarding industrialisation, inflation and energy security have moved to the centre of the debate, leading to increasing scrutiny of the EU ETS, not just as a climate tool, but also as an economic policy tool." - p26 SR2025*

⁸⁷ Seeking Alpha (2026), 6 February 2026 - ArcelorMittal S.A. (MT) Q4 2024 Earnings Call Transcript <https://seekingalpha.com/article/4755647-arcelormittal-s-a-mt-q4-2024-earnings-call-transcript> (Accessed 28 April 2026)

⁸⁸ Investing (2026), ArcelorMittal Earnings Call Transcript Q4 2025, 5 February 2026 <https://www.investing.com/news/transcripts/earnings-call-transcript-arcelormittal-q4-2025-beats-eps-estimates-stock-edges-up-93CH-4488366> (Accessed 28 April 2026)

EU policy framework for steel: 2025 – early 2026

Over the course of 2025 and into early 2026, the European policy framework affecting the steel market evolved significantly. Taken together, these developments have reshaped the operating environment for European steel producers. The policy changes can broadly be grouped into two categories: climate policy and trade instruments.

Climate policy

On the climate side, the core framework remains the EU Emissions Trading System (ETS), including the gradual phase-out of free emissions allowances starting in 2026, and the concurrent phase-in of the Carbon Border Adjustment Mechanism (CBAM).

The phase-out of free allowances and the introduction of CBAM are designed to work together: the reduction of free allowances increases the carbon cost for European polluters, while CBAM is intended to level the playing field by applying an equivalent carbon cost to imported steel. During 2025, discussions at EU level focused on their implementation, timelines and potential adjustments. For the European steel sector, the combination of ETS and CBAM provides a carbon price signal, while preventing carbon leakage.

Trade instruments

At the same time, the EU strengthened trade protection for the steel sector. In early 2025, the European Commission presented the Clean Industrial Deal⁸⁹ and the Steel and Metals Action Plan⁹⁰, both of which emphasise the strategic importance of maintaining steel production inside the EU and improving the competitiveness of energy-intensive industries.

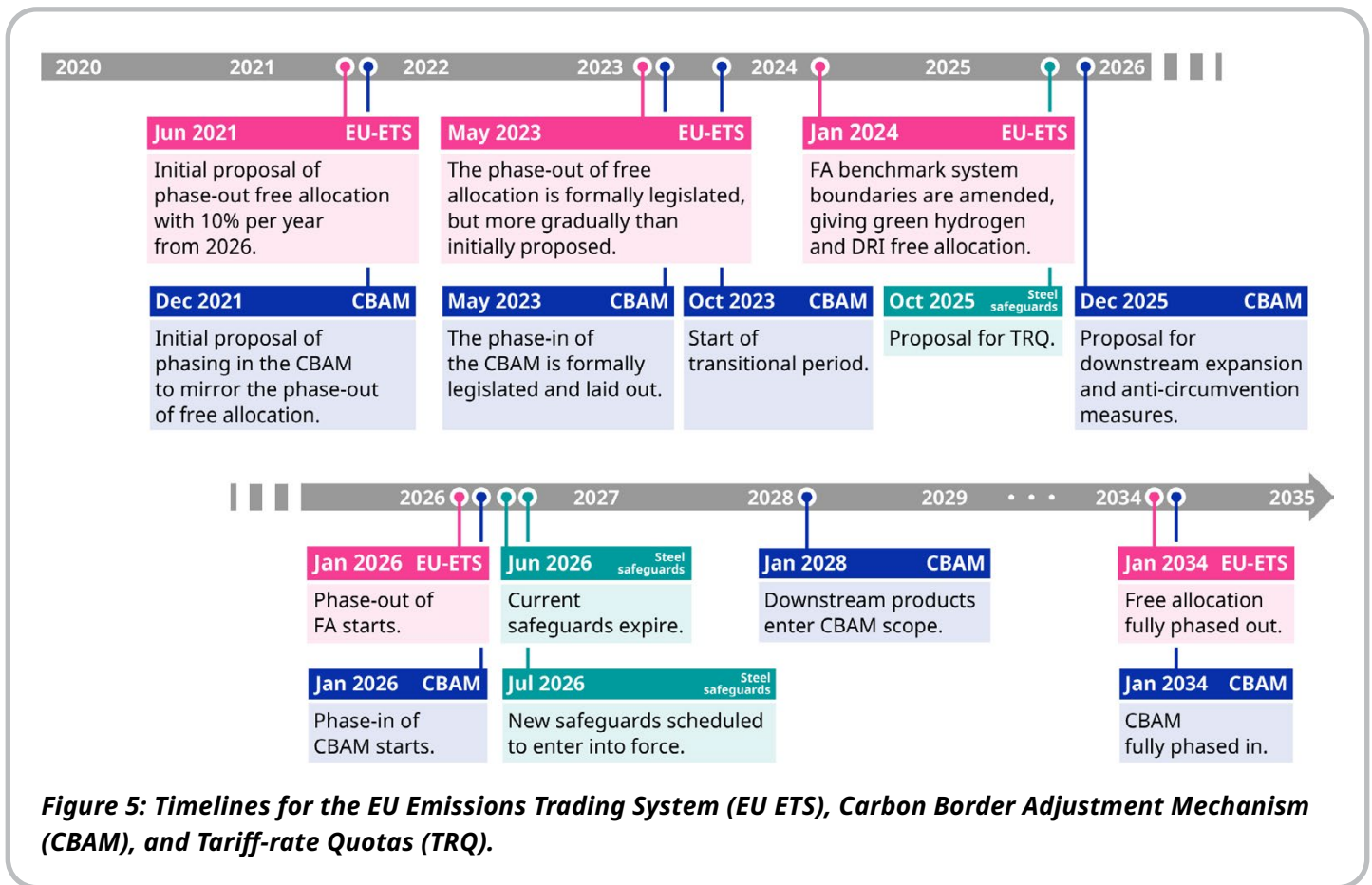


Figure 5: Timelines for the EU Emissions Trading System (EU ETS), Carbon Border Adjustment Mechanism (CBAM), and Tariff-rate Quotas (TRQ).

⁸⁹ [European Commission](#) The Clean Industrial Deal - A joint roadmap for competitiveness and decarbonisation, 26 February 2025
⁹⁰ [European Commission](#) A European Steel and Metals Action Plan, 19 March 2025

Throughout 2025, the EU also reinforced trade defence measures in response to industry raising concerns about global overcapacity and low-priced imports. Trade defence includes anti-dumping measures and, most importantly for the steel sector, the tightening of safeguard measures through tariff-rate quotas (TRQ), limiting the tariff-free import volumes to 18.3 million tonnes per year and applying a 50% duty on imports above the quota. Once fully implemented, these measures will significantly shield European steel producers against competitive imports.

Taken together, these developments amount to a significant shift in the policy environment for European steel producers. Climate policy continues to push the sector toward decarbonisation through the EU ETS and CBAM framework, while trade instruments increasingly aim to protect domestic steel production volumes and maintain industrial capacity in Europe. In other words, the policy framework that Europe's steel industry has long called for — combining carbon pricing with border measures and stronger trade protection — is now largely in place.

The key question therefore is no longer whether the policy framework is favourable. **The key question is how companies, and in particular Europe's largest steel producer, ArcelorMittal, respond to it.**

ArcelorMittal's response: profitability first, transformation later

Despite years of waiting, ArcelorMittal is not seizing this policy momentum in Europe to move forward with transformative decarbonisation projects. Instead, the company's messaging — and its limited investment decisions — remain inconsistent with the scale and urgency of the transition required, prioritising **profitability, capital discipline and the optimisation of existing assets.**

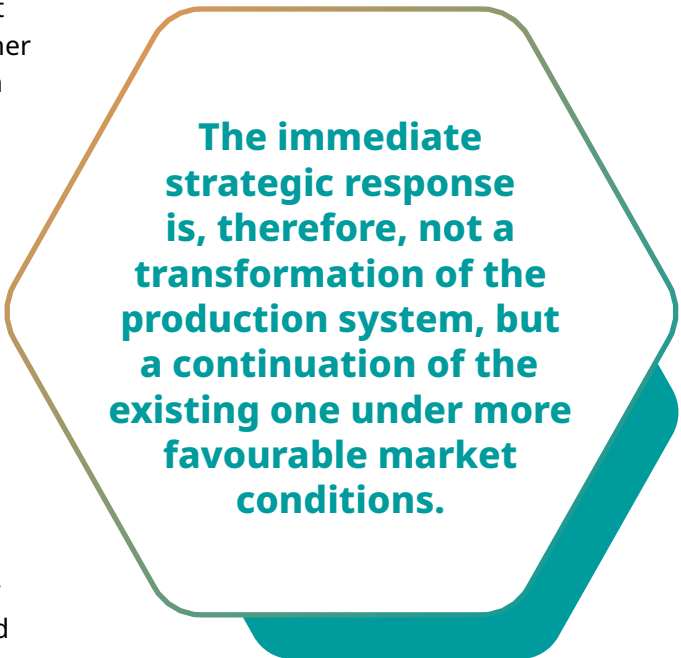
In the Q4 2025 earnings call in February 2026, a central message from the management was clear — investment decisions including decarbonisation investments will only proceed where they meet the company's return thresholds.

The company's capital expenditure guidance remains capped at around USD 4.5–5 billion per year, indicating that decarbonisation investments will need to compete with other investment priorities within a constrained capital allocation framework. No indication was given that the low level of decarbonisation capital expenditure in recent years, approximately USD 0.3 billion in 2025, would increase significantly in the near term. The only concrete decarbonisation investment recently mentioned for Europe was the EAF project in Dunkirk, France.

At the same time, a central theme of the same Q4 2025 earnings call was the company's ability to quickly increase its Europe-based production capacity, in response to strengthened trade protection and expected import decline under the new tariff-rate quota system. The management stated that ArcelorMittal would bring back idled or underutilised production capacity relatively quickly with limited capital investments, including spare coal-based blast furnace capacity — “be it France or Poland”, and the ramp-up of the Sestao mini-mill and a new EAF in Gijón.

The management referred to an expected reduction in imports of around 10 million tonnes and indicated that ArcelorMittal, with a market share of around 30% of domestic supply, is well positioned to capture a significant share of this reshoring of production.

The immediate strategic response is, therefore, not a transformation of the production system, but a continuation of the existing one under more favourable market conditions.



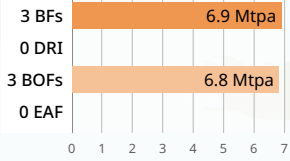
The immediate strategic response is, therefore, not a transformation of the production system, but a continuation of the existing one under more favourable market conditions.

Figure shows number and production capacity by furnace type (in Mtpa)

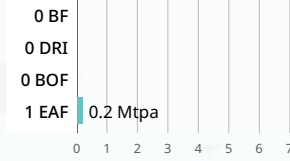
Figures in parentheses indicate number and capacity under construction

France

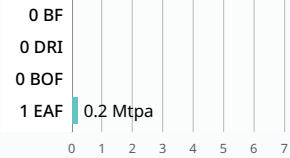
Dunkerque ①



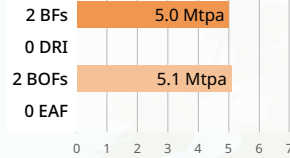
Le Creusot (Industeel France) ②



Le Creusot (Industeel France) ③

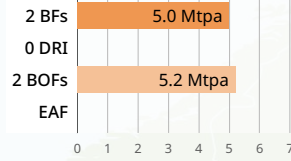


Méditerranée Fos sur Mer ④

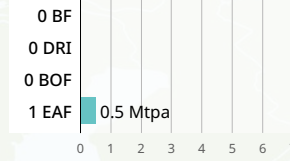


Belgium

Gent ⑤

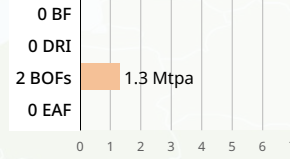


Charleroi (Industeel Belgium) ⑥

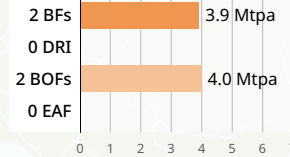


Germany

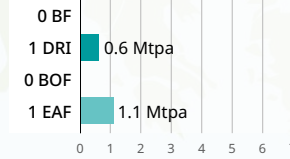
Duisburg - Hochfeld ⑦



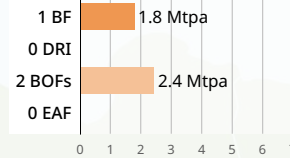
Bremen ⑧



Hamburg ⑨

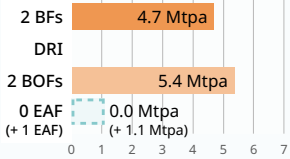


Eisenhüttenstadt ⑩

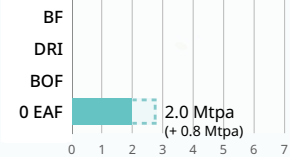


Spain

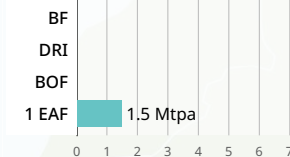
Asturias (Aviles and Gijón) ⑪



Sestao ⑫

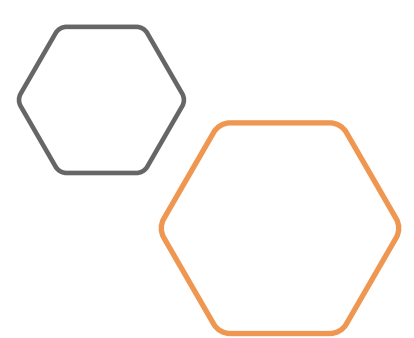


Olaberria-Bergara ⑬



Note: The boundaries shown on this map are based on data from the United Nations website and do not imply official endorsement or recognition by SteelWatch. Aggregate numbers for ArcelorMittal Group come from ArcelorMittal Annual Report 2025. In the absence of disaggregate numbers at plant level, plant-level data were taken from Global Energy Monitor Global Steel Plant Tracker 2025 and from Eurofer. The use of these different data sources explains why the aggregate numbers are not the exact sum of plant-level data.

Figure 6: Map of ArcelorMittal's assets in Belgium, France, Germany and Spain

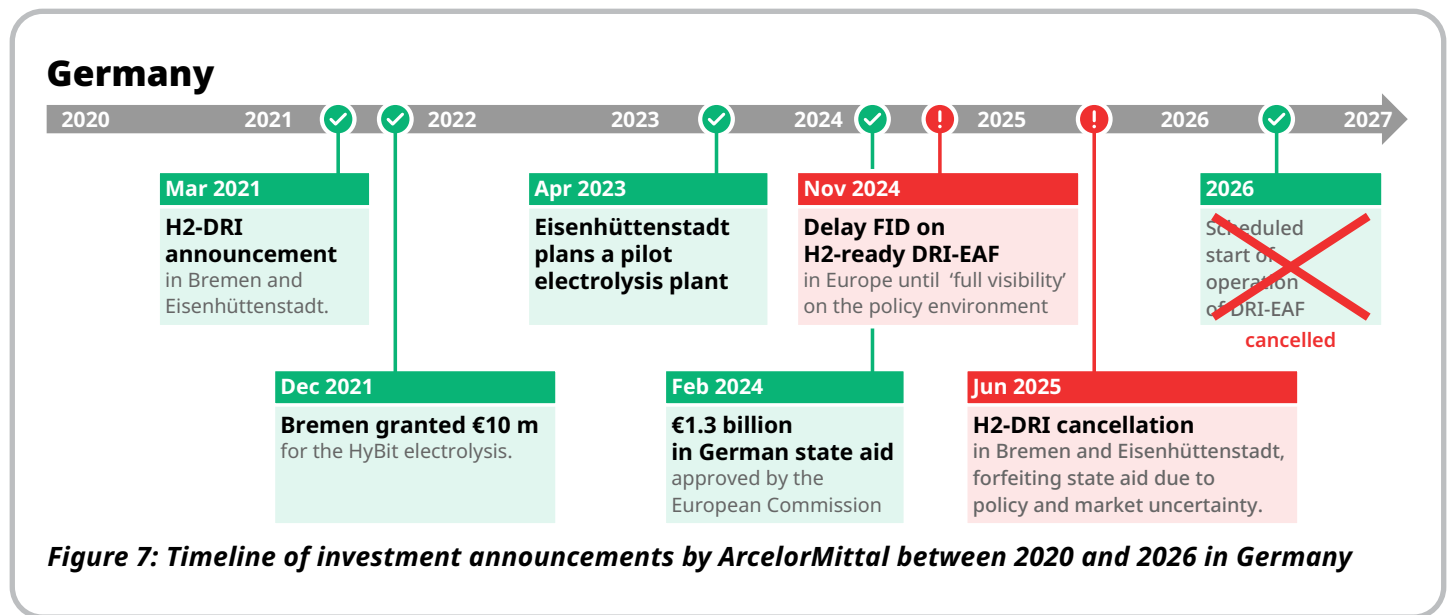


Announcements, delays and selective investment decisions

ArcelorMittal's project-level decisions across its European sites reveal a clear pattern of announcements, delays, cancellations and selective investment. This pattern becomes evident when looking more closely at developments in Germany and France.

Germany

In Germany, ArcelorMittal formally notified the federal government in June 2025 that it could not proceed with the previously announced DRI and EAF projects in Bremen and Eisenhüttenstadt, resulting in the forfeiture of EUR 1.3 billion in public funding tied to project timelines. (also see '[Chapter 3 - EAF expansion without green iron is an incomplete transition](#)'). The company indicated that it would instead focus on planning electric arc furnaces at these sites, to be ready in the event that a strong business case emerges⁹¹.

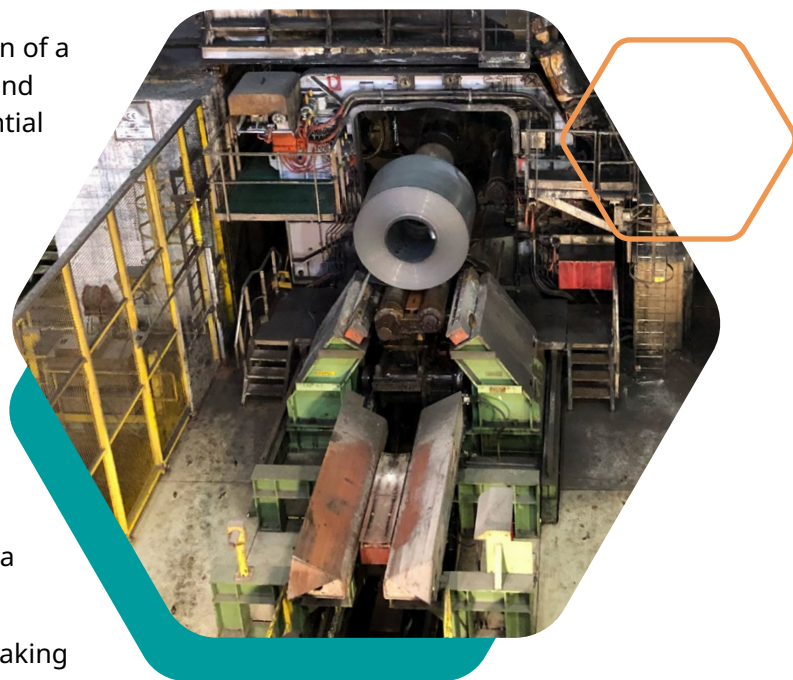


France

In Dunkirk, the company has confirmed the construction of a 2 Mt electric arc furnace, a project that has moved beyond the final investment decision and benefits from substantial public support, covering approximately 50% of the EUR 1.3 billion investment. However, there is still no clear indication that the previously announced large-scale DRI project at Dunkirk — originally presented as a central element of the site's decarbonisation pathway — is moving forward.

At Fos-sur-Mer, ArcelorMittal has indicated that the next step in the site's decarbonisation would be the installation of an EAF replacing one blast furnace, with a possible final investment decision around 2027. This remains a project under consideration rather than a confirmed investment decision⁹².

At this stage, only one major new low-emissions steelmaking investment in Europe — the Dunkirk EAF — has moved.



At ArcelorMittal's Fos-sur-Mer site in France
Jeremy Sutton Hibbert / SteelWatch.

⁹¹ ArcelorMittal Annual Report 2025, Page 9

⁹² ArcelorMittal France Press Release, 15 December 2025

France

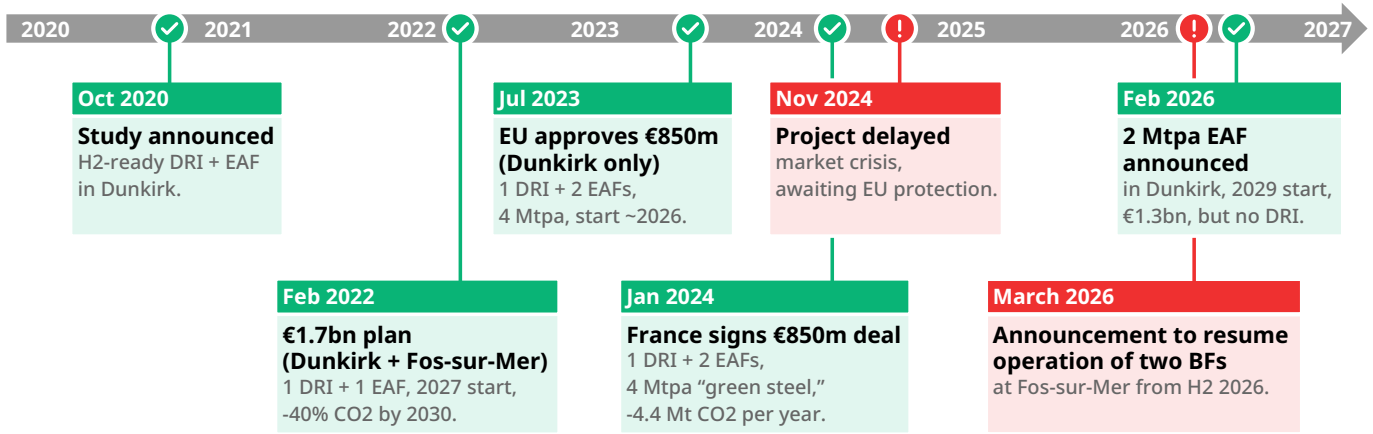


Figure 8: Timeline of investment announcements by ArcelorMittal between 2020 and 2026 in France

Other projects remain at the planning stage, have been delayed, or have been cancelled. This suggests that ArcelorMittal's response to the new policy environment is not a rapid transformation of its European production system, but a combination of selective investment, project postponements and short-term optimisation of existing assets.

Update: Repositioning by ArcelorMittal

With the Sustainability Report 2025, ArcelorMittal has effectively closed the chapter on its five previously announced major DRI-EAF projects. Aside from an EAF in Dunkirk, no further progress is expected before the early 2030s. This signals not just postponement, but a retreat from advancing low-emissions iron and steelmaking in this decade.



"The intention is that ArcelorMittal's investments in EAFs will be sequential – with the next investment expected to be announced when Dunkirk is closer to completion." - p21 SR 2025

Blast furnaces: ramp-up under protection

The most consequential signals about ArcelorMittal's European strategy do not come from its selective EAF announcements, but from its decisions regarding its blast furnace fleet.

The more favourable market conditions created by European trade protection — designed to shield domestic producers from import pressure — are also creating the conditions for increased utilisation and life extension of existing blast furnace assets.

On 13 March 2026, regarding Fos-sur-Mer, ArcelorMittal stated that the site was preparing to return to operation with two blast furnaces in the second half of 2026⁹³. Blast Furnace 1, currently undergoing works to extend its operating life, is expected to restart in June 2026, while Blast Furnace 2 will remain in operation. The company explicitly linked this decision to the expected implementation of EU policies, including the Carbon Border Adjustment Mechanism (CBAM) and the tariff-rate quota (TRQ) system.

Earlier communications had suggested that one blast furnace at Fos-sur-Mer would be retired once the other came back online. The March 2026 announcement instead points to a return to dual blast furnace operation — enabled, in the company's own words, by the new European trade and industrial policy framework.

The same logic could be applied elsewhere in the company's European portfolio, where idled or underutilised blast furnace capacity exists.

In the short term, policy designed to protect domestic production may therefore also enable a new cycle of blast furnace utilisation and life extension — directly at odds with decarbonisation goals.

93 ArcelorMittal France Press Release, 13 March 2026

These developments illustrate the strategic fork in the road now facing ArcelorMittal in Europe. The company can use the revenue from increased market prices to accelerate the retirements of blast furnaces and secure access to low-emissions iron for newly committed EAFs — or it can use it to maximise the profitability and extend the life of its existing blast furnace fleet.

ArcelorMittal's current strategy — sequential, tightly constrained by return thresholds and accompanied by continued high shareholder returns — falls short of the scale and direction of the transition required. Its decisions continue to favour extending the life of blast furnaces rather than replacing them. This risks delaying decarbonisation and weakening its European industrial base, as others move more decisively toward low-emissions steel production.

Free allowances - the real test of commitment

An indication of which path the company intends to follow will likely emerge in one of the most important policy debates currently underway in Europe: the phase-out of free emissions allowances under the EU Emissions Trading System.

For the steel sector, the phase-out of free allowances is not a technical detail. It is the central mechanism that creates the investment case for low-emissions steel production in Europe. A clear and credible phase-out trajectory provides the carbon price signal and investment certainty needed to justify investments in EAFs, low-emissions iron and new production routes. Weakening or delaying that trajectory would primarily benefit the continued operation of existing blast furnace assets.

In that sense, the debate around free allowances has become a strategic dividing line within the European steel industry: between companies positioning themselves for the future production system and those seeking to prolong the economics of the existing one.

Several major European industrial companies have recently warned publicly that weakening the EU ETS would undermine investment certainty and slow the scale-up of clean industrial technologies. ArcelorMittal has, so far, not taken a clear public position in support of maintaining the legislated phase-out trajectory. At the same time, the company has emphasised that trade protection and CBAM now provide a level playing field for its European operations and has indicated that the continuation of free allowances is not necessarily a precondition for its European business.

ArcelorMittal AGM in May 2025, at Luxembourg headquarters
Jeremy Sutton Hibbert / SteelWatch.

Update: Repositioning by ArcelorMittal

As blast furnace utilisation continues or even increases, so does exposure to carbon costs. ArcelorMittal's stated "active engagement" with policymakers on the trajectories of both the cap of the EU ETS⁹⁴ and the phase-out of free allowances is not a principled policy position. It is a defense of its business model.



"Concerns around competitiveness, regarding industrialisation, inflation and energy security have moved to the centre of the debate, leading to increasing scrutiny of the EU ETS, not just as a climate tool, but also as an economic policy tool."
- p26 SR2025



94 ArcelorMittal Sustainability Report 2025, Page 26

If that is indeed the case, the logical conclusion would be clear support for the agreed phase-out trajectory.

ArcelorMittal's position on this issue is therefore more than a policy preference. It is a strategic signal. It will indicate whether the company intends to align its European business with the transition to low-emissions steel — or whether it intends to continue relying, for as long as possible, on a production system based on blast furnaces and free emissions allowances.

In this sense, the debate on the phase-out of free allowances under the EU ETS has become a litmus test for ArcelorMittal's European strategy. The position the company takes now will reveal whether ArcelorMittal intends to align with the transition — or continue to delay it. In this sense, ArcelorMittal's position on the EU ETS is not a policy detail — it is a test of whether the company is prepared to deliver the transition it has long claimed to support.

Update: Repositioning by ArcelorMittal

ArcelorMittal now openly calls for revisiting both the phase-out of free allowances and the overall ETS cap, and commits to lobbying policymakers to that end. This is an attempt to weaken the core mechanism driving industrial decarbonisation in the EU. It is directly targeting the carbon price signal that underpins investment in low-emissions steelmaking. The position is also at odds with its support for CBAM, which relies on the phase-out of free allowances to function.



“Two distinct but related issues are apparently under discussion in advance of the upcoming review. First, the phase-out of free allowances, currently scheduled to be completed by 2034, alongside the CBAM transition. Second, the ETS cap itself, which under current legislation is set to reach zero by 2039, meaning no allowances would remain, whether free or purchased.

ArcelorMittal is supportive of these trajectories being revisited, as even with the strengthened TRQ and CBAM, it will be difficult for the industry to transition at scale within this timeframe. We will engage actively with Member States, the European Parliament, and the Commission to provide our view on how the ETS can be reformed and made fit for purpose.” - p26 SR 2025



Blast furnaces and steel plant of Ghent, Belgium.
Blast furnace chip worker, CC BY-SA 3.0, via Wikimedia Commons

Conclusion

SteelWatch's ArcelorMittal Corporate Climate Assessment 2026 Update,, including the evaluation of the structural repositioning set out in the company's Sustainability Report 2025, unveils an inconvenient truth: ArcelorMittal, one of the world's largest steelmakers, strips itself of any responsibility for its climate transition.

This conclusion must be understood in the context of the climate urgency. Steel accounts for around 10% of global CO2 emissions. Decisions taken by a company of ArcelorMittal's scale do not only affect its own trajectory — they shape the pace and credibility of industrial decarbonisation worldwide.

ArcelorMittal has cut its 2030 target, removed its Europe-specific ambition, deferred low-emissions ironmaking beyond this decade and adopted an investment model that pushes meaningful transformation well into the future. This is not a delay. It is a calculated choice of inaction by a major actor in one of the most emissions-intensive sectors of the global economy.

The consequences are direct. Continued reliance on blast furnace-based production locks in emissions at a time when rapid reductions are essential. By framing transition as dependent on future "economic tipping points", ArcelorMittal shifts responsibility away from itself — despite having the capacity and influence to create those conditions.

This is too serious to be treated as a matter of internal corporate strategy. The direction taken by ArcelorMittal affects the global carbon budget and the feasibility of meeting climate goals. Policymakers, investors, workers, communities and civil society all have a stake in whether ArcelorMittal transitions — or locks in emissions for decades. It cannot be left to a small circle of executives — or to a family-controlled governance structure — to determine the pace of change.

From this point forward, ArcelorMittal should be judged not by its stated ambitions, but by what it actually invests in, what it decides to keep running and what policies it seeks to influence.



*Coal mining at an open pit
Licensed stock photo*

Annex

Annex 1: Table 6 ArcelorMittal ironmaking and steelmaking assets per plant and country

Aggregate numbers for ArcelorMittal Group come from ArcelorMittal Annual Report 2025, p. 60. In the absence of disaggregate numbers at plant level, plant-level data were taken from Global Energy Monitor Global Steel Plant Tracker 2025 and from [Eurofer](#), Map of EU steel production sites. The use of these different data sources explains why the aggregate numbers are not the exact sum of plant-level data. Information specific to ArcelorMittal Nippon Steel India come from AM/NS India, India investor event, September 2024 - p. 11. COREX capacity has been counted together with DRI/HBI capacity.

Plant	Country	Ironmaking equipment and production capacity (in Mtpa) - operational and under construction				Steelmaking equipment and production capacity (in Mtpa) - operational and under construction			
		Blast furnaces		DRI/HBI plants		Basic oxygen furnaces		Electric arc furnaces	
		Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity
ArcelorMittal S.A. ("Company" or "Group")									
Acindar	Argentina			1	0.6			2	2.0
Charleroi (Industeel Belgium)	Belgium							1	0.5
Gent	Belgium	2	5.0			2	5.2		
Barra Mansa	Brazil							2	0.8
Juiz de Fora	Brazil	2	0.4					1	1.1
Monlevade	Brazil	1	1.0			2	1.2		
Pecém	Brazil	1	3.2			2	3.5		
Piracicaba	Brazil							1	1.1
Resende	Brazil							1	1.0
Tubarão	Brazil	3	7.3			3	7.5		
Dofasco Hamilton	Canada	2	2.3			1	2.7	1	1.4
Contrecoeur	Canada			2	1.7			3	2.4
Le Creusot (Industeel France)	France							1	0.2
Châteauneuf - Loire (Industeel France)	France							1	0.1
Dunkerque	France	3	6.9			3	6.8		
Méditerranée Fos sur Mer	France	2	5.0			2	5.1		
Bremen	Germany	2	3.9			2	4.0		
Duisburg - Hochfeld	Germany					2	1.3		
Eisenhüttenstadt	Germany	1	1.8			2	2.4		
Hamburg	Germany			1	0.6			1	1.1
Differdange	Luxembourg							1	1.4
Esch-Belval	Luxembourg							1	1.3
Lázaro Cárdenas	Mexico	1	1.5	3	3.2	2	2.5	4	4.0
Sonasad Jorf Lasfar	Morocco							1	0.8
Dąbrowa Górnicza	Poland	2	4.5			3	5.0		
Warszawa	Poland							1	0.8
Vanderbijlpark	South Africa	2	3.2	1	0.7	3	3.4		
Asturias (Aviles and Gijón)	Spain	2	4.7			2	5.4	1 under construction	1.1 under construction

Olaberria-Bergara	Spain							1	1.5
Sestao	Spain							2	2.0 + 0.8 under construction
Kryvyi Rih	Ukraine	4	8.9			6	6.5		
Calvert	United States							1	1.5
Texas HBI	United States			1	2.0				
Total without joint ventures	14 countries	30	58	10	9.7	38	63.8	27 + 1 under construction	24.0 + 1.9 under construction
Joint ventures with ArcelorMittal ≥ 50% interest									
AM/NS India	India	1 + 2 under construction	2.4 + 7.0 under construction	8	8.4	3 under construction	6.0 under construction	8	9.0
AM/NS Calvert	USA							1 under construction	1.5 under construction
Total with joint ventures	17 countries	33 + 2 under construction	63.3 + 7.0 under construction	19	18.7	43 + 3 under construction	67.2 + 6.0 under construction	36 + 2 under construction	33.0 + 2.6 under construction

Annex 2: Assessing ArcelorMittal’s justifications for strategic shift

This note reviews the principal arguments advanced by ArcelorMittal in the Sustainability Report 2025 to explain the shift in its climate strategy. SteelWatch assesses each of these claims against the company’s own decisions, past commitments and demonstrated capacity to influence markets and policy. The analysis shows that the drivers of this shift are not external constraints, but internal prioritisation.

- Responding to ArcelorMittal, Sustainability Report 2025, page 20 states: *“The pace of the transition has proven more complex and challenging than anticipated, as economic, technological and geopolitical factors have shifted many of the assumptions our earlier plans were based on. It is now widely accepted, including by the International Energy Agency (IEA) in its World Energy Outlook 2025, that limiting the global average temperature increase to 1.5°C, with a limited overshoot, will be hard to guarantee, reflecting a challenge not specific to the steel sector, but shared across all areas of the economy.”*

The IEA’s assessment of a narrowing 1.5C pathway reflects, in part, the failure of major industrial actors, including ArcelorMittal, to act on their own commitments. In that sense, ArcelorMittal is not merely responding to a changing reality — it is contributing to it.

- Responding to ArcelorMittal, Sustainability Report 2025, page 20 states: *“Based on final investment decisions taken to date, the group is now expecting to reduce its carbon emissions intensity by up to 10% by 2030 versus 2018 (Scopes 1 and 2).”*

This outcome is self-inflicted. ArcelorMittal has not followed through with the final investment decisions (FIDs) set out in its 2021 roadmap, despite having secured the public support it had presented as a prerequisite.

A clear example of this dynamic is the Sestao project. In its 2021 CAR2, ArcelorMittal announced “detailed plans to develop a zero carbon-emissions steel plant in Sestao, Spain⁹⁵,” stating that it would produce zero Scope 1 and 2 emissions steel by 2025. Despite having secured the public support — including EUR 460 million in state aid from the Spanish government - ArcelorMittal has not followed through on the FIDs set out in its 2021 roadmap.

The project’s trajectory since then illustrates the pattern. Following initial engagement in the Hydrodeal consortium, which reportedly disintegrated in early 2024 over pricing disagreements involving ArcelorMittal, the company publicly shifted its position. In February 2024, ArcelorMittal stated that “green hydrogen is too expensive to use in our EU steel mills, even though we’ve secured billions in subsidies”, suggesting instead that

95 [ArcelorMittal Climate Action Report 2](#), Page 15

decarbonised steel could rely on imported DRI⁹⁶. Since then, the Sestao decarbonisation project has effectively stalled. At the same time, the company has not taken meaningful steps to secure low-emissions iron from alternative sources or to adapt its infrastructure in Brazil and Canada to produce low-emissions iron despite potential in both.

- Responding to ArcelorMittal, Sustainability Report 2025, page 20 states: *“The company intends to sequence capital-intensive decarbonisation projects to maintain financial discipline, remaining within the group’s existing total \$4.5–5 billion annual capital envelope.”*

The reference to “financial discipline” masks a clear pattern of prioritisation. ArcelorMittal has not followed through on the USD 5 billion decarbonisation investment it committed to in this decade. Of USD 19.8 billion in total capex between 2021 and 2025, only USD 1.1 billion has been directed toward decarbonisation. The decision to scale back 2030 climate targets is a direct consequence of this gap. By contrast, the company has demonstrated consistent discipline in delivering shareholder returns, meeting its own commitments in that area year after year.

- Responding to ArcelorMittal, Sustainability Report 2025, page 20 states: *“Post-2030, the pace of transition will be shaped by economic tipping points driven by technology, policy and market developments, with timings remaining uncertain. Effective policy has a critical role in bringing these forward, enabling decarbonisation investment at scale without undermining competitiveness.”*

ArcelorMittal presents itself as subject to external ‘economic tipping points’, driven by technology, policy and market developments. This framing suggests a largely passive role. Yet as the most globally diversified steel producer, ArcelorMittal is not a market-taker. It is a market-shaper.

The company has demonstrated its ability to influence policy outcomes — most notably in the European context — and explicitly welcomes recent developments that, in its own words, “mean that steelmakers start 2026 with a new level of confidence about the long-term health of the industry⁹⁷.” At the same time, it continues to emphasise its technological capabilities, even as investment decisions favour the continuation and reinvestment in blast furnace-based production.

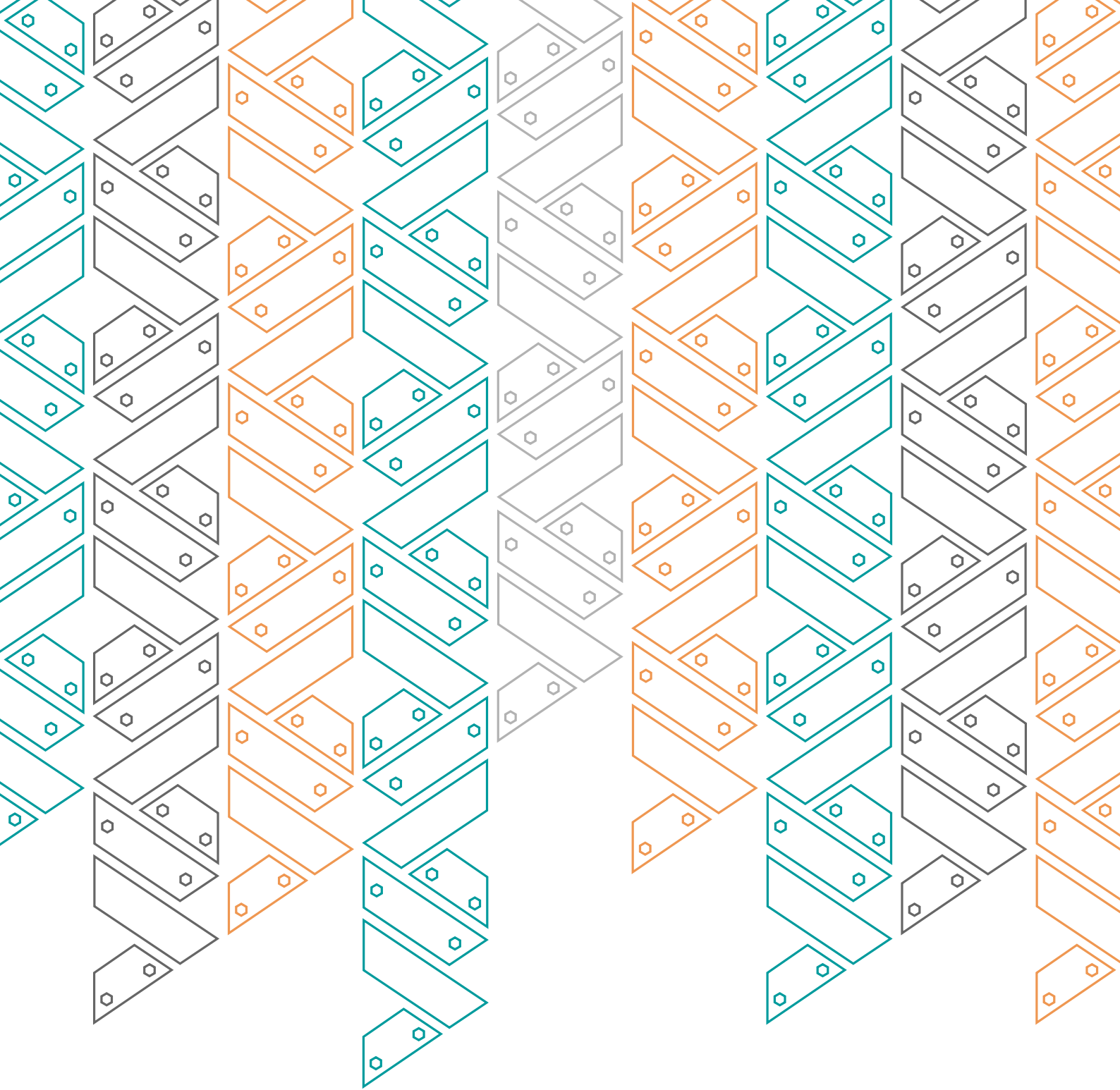
Taken together, this points to a fundamental inconsistency. If ArcelorMittal is actively shaping the policy and market environment, and if it recognises the role of policy in accelerating transition, then the absence of clear, forward-looking targets cannot be attributed to external uncertainty alone. The question therefore is not whether the conditions for transition are uncertain, but why the company has stepped back from defining the trajectory it intends to follow toward its stated 2050 net-zero ambition.

- Responding to ArcelorMittal, Sustainability Report 2025, page 20 states: *“We are supportive of reviewing the ETS to ensure it does not undermine actions to strengthen European competitiveness which has understandably moved to the centre of the debate.”*

ArcelorMittal’s support for reviewing the EU ETS, including the trajectory and cap of free allowance phase-out, goes beyond a technical policy adjustment. It directly concerns the integrity of the EU’s core decarbonisation instrument. The phase-out of free allowances is the mechanism that creates the economic incentive to shift away from carbon-intensive production. Revisiting it weakens that signal. As such, the company’s position contradicts its stated support for industrial decarbonisation in Europe.

96 Hydrogen Insight, 21 February 2024 - Green hydrogen is too expensive to use in our EU steel mills, even though we’ve secured billions in subsidies <https://www.hydrogeninsight.com/industrial/green-hydrogen-is-too-expensive-to-use-in-our-eu-steel-mills-even-though-weve-secured-billions-in-subsidies/2-1-1601199?zephrossoott=faHb0h> (Accessed 1 May 2026)

97 ArcelorMittal Sustainability Report 2025, Page 25



SteelWatch is a civil society organisation with a vision for a steel industry that underpins a thriving zero-emissions economy. Our mission is to turbo-charge the transformation to a decarbonised steel sector that enables the environment, communities and workers to thrive. We challenge the prevailing complacency, support civil society impact, and campaign for greater ambition and speedier climate action by steel companies internationally.

Any inquiries can be directed to info@steelwatch.org