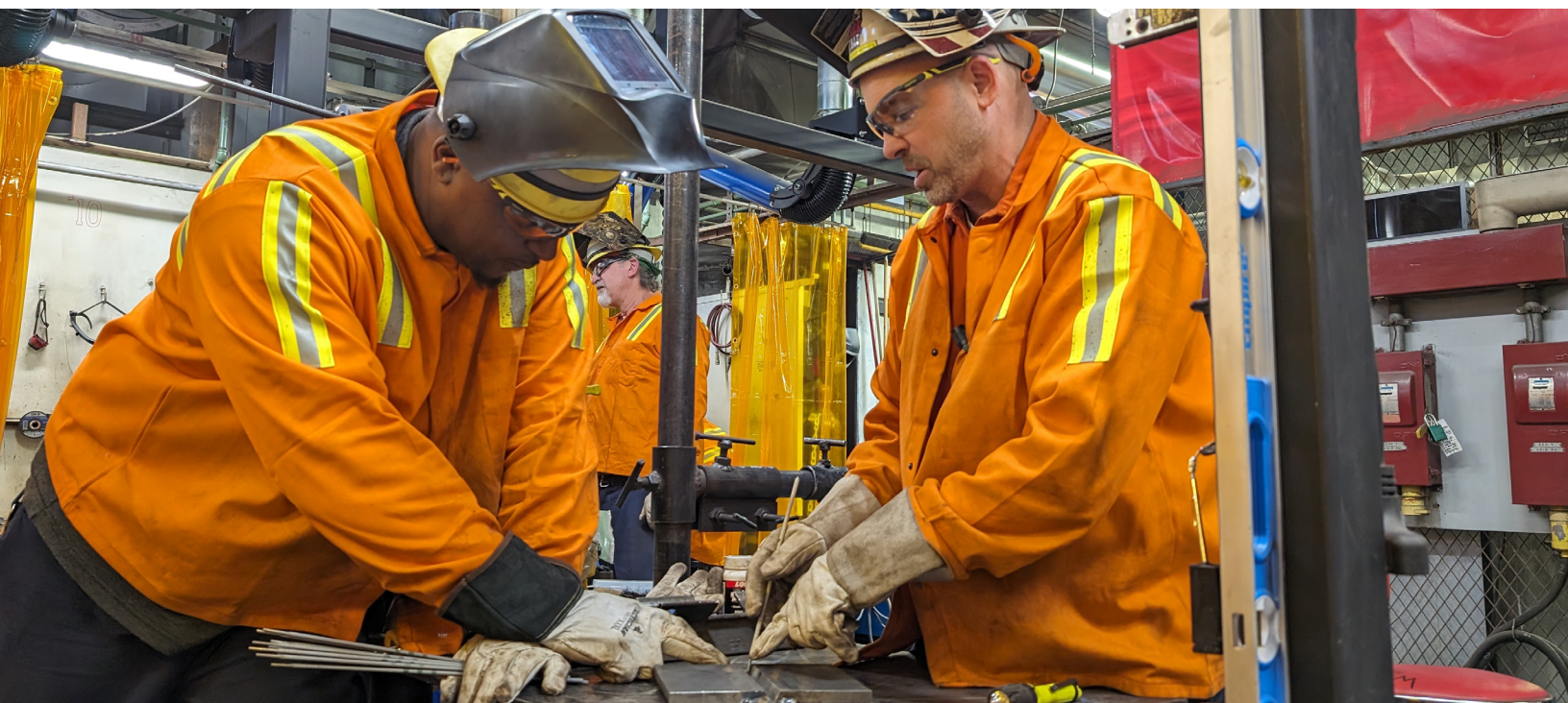




STEEL SLAB ELECTRIFIED INDUCTION REHEAT FURNACE UPGRADE

Community Benefits Commitments Summary



Two Cleveland-Cliffs welders examine task at hand

This Community Benefits Commitments fact sheet describes how OCED's Industrial Demonstrations Program's Steel Slab Electrified Induction Reheat Furnace Upgrade project award recipient, Cleveland-Cliffs Steel Corporation (Cleveland-Cliffs), plans to engage community and labor stakeholders during Phase 1 and develop plans for workforce development, quality jobs, maximizing project benefits, and minimizing or mitigating any potential negative impacts. These commitments will be updated at the end of each phase to reflect key learnings and developments as the project advances.

The Steel Slab Electrified Induction Reheat Furnace Upgrade project at the Cleveland-Cliffs Butler Works Steel Mill plans to electrify the only production facility for high-silicon grain oriented electrical steel (GOES) in the United States. GOES is a critical input used in the manufacturing of electric transformers. By implementing induction heating—a highly energy efficient heating method that minimizes energy losses and enables precise control over temperatures—this project aims to secure a crucial component of the U.S. domestic energy supply chain and could be widely replicable among the many iron and steel facilities that use reheat furnaces across the nation. Cleveland-Cliffs estimates the furnace installations could result in up to a 100% reduction in direct greenhouse gas emissions associated with the high-temperature reheat furnaces and improve air quality for the nearby communities.



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COMMUNITY AND LABOR ENGAGEMENT ACTIVITIES

Cleveland-Cliffs is committed to incorporating community input, support, and concerns into decision making to promote accountability and equitable distribution of benefits. During Phase 1, this includes gathering input on community interests, concerns and priorities for the project, job training, and local hiring.

WORKFORCE AND COMMUNITY AGREEMENTS

In an effort to support good jobs and community commitments, Cleveland-Cliffs is committed to the following actions associated with workforce and community agreements during Phase 1:

- Utilizing an existing Collective Bargaining Agreement with the United Auto Workers Local 3303, which covers hourly workers for this project at the Butler Works facility
- Engaging with local Building Trades Unions to support installation of the induction reheat furnaces
- Initiating discussions with stakeholders regarding a Community Benefits Agreement or alternative community investment plan

Cleveland-Cliffs is committed to:

- Soliciting input on local priorities for community benefits activities
- Hosting one or more public open houses to engage stakeholders and community members
- Meeting with unions to evaluate additional apprenticeship opportunities
- Utilizing the established Community Inquiry Program to enable stakeholder dialogue with Cleveland-Cliffs
- Pursuing formal partnerships with Butler County Chamber of Commerce, Butler County Center for Disease Control, Butler County Community College to continue their apprenticeship program with Cleveland-Cliffs, and Butler County Board of Commissioners to build on local government involvement



QUALITY JOBS AND WORKFORCE DEVELOPMENT

This project would sustain more than 1,000 existing union jobs at the Butler Works facility, support 160 union jobs at the Zanesville Works facility in Ohio, support more than 200 Building Trades Unions construction jobs, and provide training opportunities for the operation and maintenance of the new technology as well as other skills needed at Butler Works. During Phase 1, Cleveland-Cliffs plans to develop a detailed training and staffing plan that includes:

- Goals for quality workforce development for both operations and construction, and in accordance with existing labor agreements as applicable, including:
 - Share of hours worked filled by apprentices in state-certified apprenticeship programs
 - On-the-job training/workforce development hours
 - Funding for workforce development (e.g., preapprenticeship programs, paid internships, wrap-around services, etc.)
 - Recruitment, training, hiring, and retention goals for local residents, dislocated workers/workers from energy or industrial facilities, or workers from underrepresented or disadvantaged communities
- Documentation of impacts on the existing workforce and strategies to mitigate negative effects, with plans to engage hourly workers and unions in the design and implementation of workplace health and safety plans
- Engaging United Auto Workers (UAW) Local 3303 and the local Building Trades Unions in the development of training plans/apprenticeships necessary to meet the skills requirements for the project

EQUITABLE IMPACTS

Cleveland-Cliffs plans to improve business opportunities for Underrepresented groups and ensure benefits flow to local and Disadvantaged communities. During Phase 1, Cleveland-Cliffs plans to:

- Identify potential diversity, equity, inclusion, and accessibility (DEIA) goals for Cleveland-Cliffs' apprenticeship program, including by working with UAW Local 3303, local Building Trades Unions, and Butler Community College
- Incorporate DEIA objectives into supplier outreach process, including by conducting a baseline assessment of existing practices
- Provide an updated Justice40 assessment prior to end of the phase, including documentation of engagement from community stakeholders and broader community input
- Develop a Justice40 implementation strategy by end of Phase 1, which seeks to maximize project benefits (including, but not limited to, reduced air emissions from the facility and increased use of suppliers from underrepresented businesses) to local and disadvantaged communities while proactively eliminating, minimizing, mitigating, and monitoring any potential negative impacts



PUBLIC DATA REPORTING

Cleveland-Cliffs will share project information publicly to support engagement, accountability, and transparency. The project plans to keep community members apprised of project development through a dedicated project website to communicate project information and stakeholder engagement opportunities including:

- Engagement opportunities
- Project anticipated timelines and status updates
- Contact information for project team
- Progress towards community benefits commitments
- Anticipated project impacts
- Emergency response plans and safety protocols, if consistent with relevant regulatory requirements
- Environmental data (including air quality and emissions baseline monitoring)
- Monitoring and mitigation plans