



ArcelorMittal

Steel:
the fabric of
sustainable
growth

Corporate responsibility 2012
summary report



2012 highlights

Corporate responsibility highlights

Lost time injury frequency rate
(per million hours worked)

1.0



CO₂ emissions per tonne of steel
produced (tonnes)

2.13



Research and development spend

\$285m



ArcelorMittal Foundation community projects
supported (number)

725



Business and financial overview

Sales

\$84,213m



Iron ore production (tonnes)

55.9m



Crude steel production (tonnes)

88,231k



Steel shipped (tonnes)

83.8m



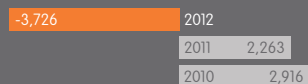
Coal production (tonnes)

8.2m



Net income

\$-3,726m



Number of employees

244,890



Number of employees by region



Market presence

170

ArcelorMittal shipped its products
to customers in 170 countries

ArcelorMittal is the world's leading steel and mining company. Our ambition is also to be the safest, as well as one of the most responsible and sustainable. In this report we share our progress towards this goal.

Front cover – Berlin Hauptbahnhof, one of Europe's largest train stations, contains a wide selection of our steels.



02 A conversation with the chairman and CEO



04 Steel: the fabric of life



06 Transparent governance



10 Investing in our people



14 Making steel more sustainable



18 Enriching our communities

22 About this report and stakeholder engagement

24 Data summary

Our online CR report

This corporate responsibility report is a summary of information that is expanded upon online. Our website, www.arcelormittal.com/corp/corporate-responsibility includes more information about our environmental, social and ethical performance – through additional data, commentary and case studies.

KPI

We report on our progress against the key performance indicators that monitor the four areas of our corporate responsibility strategy.

A conversation with the chairman and CEO



"I believe steel has a vital role to play in achieving a lower carbon economy, while ensuring that the world can continue to grow and prosper."

After another challenging year in the global steel market, with few signs as yet of a substantial economic recovery, we asked chairman and CEO Lakshmi Mittal about the issues the business is facing, the priorities for its corporate responsibility strategy, and the agenda for the coming year.

How does a responsible approach to business support the company's strategy?

Being responsible is vital to a company's long-term success. I have always believed this. Because being responsible not only has benefits for society, it has clear benefits for the business. Let me give you two examples. First, our success in reducing our own CO₂ emissions has cost benefits. Secondly, in developing new and innovative products to help our customers improve their environmental performance, we maintain our market leading position.

You have repeatedly said that health and safety is your number one priority, and that zero accidents, zero fatalities and zero occupational illnesses is your goal. How did the business perform in this respect in 2012?

We have made a lot of progress over the past five years. In 2012 we reached our lost time injury frequency target of 1.0 per million hours worked a year earlier than we were targeting. So this is a good result. But I will always be concerned about health and safety until we reach a place of zero accidents

and zero fatalities. There were a number of fatalities again in 2012 and this is not only tragic but not acceptable. We have to remain dedicated to addressing this problem. I want our senior leaders to lead by example. That's why I have asked my colleagues on the GMB (Group Management Board) and the MC (management committee) to spend more time on the shop floor and promote increased training and awareness for both our employees and our contractors. This is how we will drive further improvement.

In addition to this relentless management focus on implementing our fatality prevention standards, investments in safety improvement remain a priority.

Where do you think ArcelorMittal can make the most contribution to society as a whole?

I believe steel has a vital role to play in achieving a lower carbon economy, while ensuring that the world can continue to grow and prosper. The success of our business is directly linked to the advancement of society – steel is the fabric of modern life. We are supporting transport infrastructure, making cars lighter and more fuel efficient through innovative solutions such as S-in motion and iCARE™ for electric cars. Our steel makes construction and buildings more efficient and supports the domestic and industrial equipment that homes and businesses need (p4-5, p15).

"In 2012 we reached our lost time injury frequency target of 1.0 per million hours worked a year earlier than we were targeting. So this is a good result. But I will always be concerned about health and safety until we reach a place of zero accidents and zero fatalities."

Interview

Watch an interview with the chairman and CEO online at www.arcelormittal.com/corp/corporate-responsibility

ArcelorMittal is also the world's biggest recycler of steel. In 2012 we recycled around 29 million tonnes of steel, saving 36 million tonnes of CO₂.

It is not only through our products that we contribute to development. Our industrial presence spurs growth in local businesses and job opportunities. Through our responsible sourcing programme we engage and support our suppliers both big and small to adopt international standards, be it in health, safety, anti-corruption, human rights or environmental management.

We take our corporate responsibilities very seriously and contribute actively to the debate on issues such as human rights and climate change. We support the United Nations Global Compact and we reconfirmed our commitment to cut our global CO₂ emissions and to improve our health and safety at the Rio+20 UN Conference on Sustainable Development in June 2012.

What were your corporate responsibility highlights for 2012, and where would you have liked to see more progress?

We achieved our lowest ever lost time injury frequency rate, and supported community activities to the value of \$41 million through the ArcelorMittal Foundation. Also, by the end of 2012, over 85% of our employees had completed formal human rights training – this is more than 200,000 employees. In addition, I was very pleased we became the sector leader of the Dow Jones Sustainability Index.

However, 2012 was a challenging year for the steel industry with demand in Europe 30% lower than 2007, and we had to make some difficult restructuring decisions in units such as in Florange in France and Liège in Belgium. These were not made lightly, and we are engaging with trade unions and employee representatives to find common ground. Of course, sometimes these relationships and discussions are tense, but we are committed to continuing this important dialogue.

And as I mentioned before, workplace safety is the most obvious area where we still have a lot more to do.

What are your priorities for the future?

Our goal of zero accidents remains the highest priority. We have also set a target to cut our CO₂ emissions by 8% by 2020, compared to 2007 and we are making progress. We will continue our employee relations activities and human rights programme. We will also continue our community engagement activities. The progress and prosperity of our local communities is important to our success.

"ArcelorMittal is also the world's biggest recycler of steel. In 2012 we recycled around 29 million tonnes of steel, saving 36 million tonnes of CO₂."

Responding to change in the steel market

Corporate responsibility has been integral to the way we do business since the formation of ArcelorMittal. It makes us more resilient, more competitive and more efficient in our use of resources.



85%
of our employees have completed formal human rights training – this is more than 200,000 employees.

Steel: the fabric of life

The modern world relies on steel for its road, rail and energy infrastructure, its buildings, its household products, its packaging and its vehicles. Steel is a vital part of the world we live in, and it has an important role to play in helping us forge a more sustainable future.



Top left – We continue to research new ways of making vehicles more efficient by reducing weight without compromising safety.

Lower far left – Newly installed N2 safety barriers in Spain that are safer and half the weight of existing solutions.

Bottom left – The installation of our sheet piles as part of a quay wall for Copenhagen's new cruise terminal.



25%

weight reduction achieved with new safety barrier, saving resources and CO₂.

3.5m

tonnes of steel supplied for the energy infrastructure industry across the world.

Safety

Steel is a natural choice when it comes to safety. We have helped develop a new type of safety barrier which is up to 25% lighter than conventional versions, saving both money and CO₂ for our customers, and significantly reducing transportation and installation costs. Steel has also played a key role in a challenging construction project to build major new flood defences in Buenos Aires, and we have supplied around 164,000m² of steel for a state-of-the-art containment structure for the Chernobyl nuclear power plant site in Ukraine.

Energy

In 2012 we supplied over 3.5 million tonnes of steel to the energy infrastructure industry. This ranged from hot rolled coils, specialty plates, tubular products, and long steel products for the oil and gas sector to heavy plates for wind turbine towers, electrical steel for generators, and innovative coated steel for solar power plants. Using steel helps reach high safety and efficiency standards, thanks to its performance in strength, its ability to withstand tough and severe environments, and thanks to innovation. The future demand in this sector will be driven by sustained needs in mature markets and stronger growth in the emerging markets.



Centre – More than 600 tonnes of our steel was used to construct one of the largest solar power plants on Réunion Island in the Indian Ocean.

Top left – Our steel is enabling taller, lighter and more energy efficient wind turbines.

Top – Our HISTAR® steel was used to enhance road access to Gdansk, Poland ahead of it hosting the UEFA Euro 2012 football championship.

Lower right – Our Bourg-en-Bresse plant produced a 6km long steel rope which is now part of the world's fastest single-cable 10-person chairlift.

6,000 tonnes

Rebar supplied to build Venezuela's longest bridge.

Transport

Steel makes railways and bridges stronger and lighter, helping to reduce emissions during construction and provides durable weather-resistant infrastructure for many years to come. It is also a vital component in trains, ships and planes, and innovations like our iCARE™ range of electrical steels are enabling the automotive industry to develop light and efficient electrical motors which can run for longer on a single charge. Our 'S-in motion' solutions showcase our ultra high-strength and advanced high-strength steels, which are specifically designed to help car-producers reduce weight and cut emissions, while safeguarding both safety and performance.

Developing countries
will account for

73%

of global steel demand
in 2014 according to the
World Steel Association.



Fabric of life

Find out more how steel is shaping
the fabric of modern society –
<http://www.arcelormittal.com/corp/news-and-media/publications-and-reports/fabricoflife>

Transparent governance

Our governance framework underpins how our company is led, managed and structured, from the composition of our board of directors, to the way we expect each employee to behave. Good governance helps us to operate ethically, wherever we are in the world; it requires openness and integrity in our dealings with our stakeholders, and it supports our commitment to embed the principles of corporate responsibility into how we conduct our everyday business.



More information online

You can find an extended version of this section at:
www.arcelormittal.com > Corporate responsibility > Governance and ethics

Transparent governance – 2012 progress at a glance

	Our commitments	Our progress	Next steps
Business ethics	To have group policies and a code of business conduct that all employees understand and live by. To continuously improve and enhance our compliance programme.	 Over 80% of employees trained on the code of business conduct. Compliance governance charter and instruction on monitoring of political contributions adopted. Ethics and compliance workshops held in the CIS ¹ region.	Publish additional guidance on acceptance of gifts and entertainment and third party due diligence. Enhance regulatory risk assessments through development of specific tools. Start implementation of data protection procedure.
Human rights	To train all our employees on their rights and responsibilities. To integrate human rights into our everyday governance and business practices.	 85% of employees trained on human rights. Deployed an assessment tool to monitor implementation of our policy relating to the use of force and arms by our security personnel and contractors.	Publish guidance on good practice in community grievance mechanisms. Conduct two security and human rights assessments in high-priority locations.
Responsible sourcing	To set responsible sourcing standards. To collaborate, innovate and embed responsible sourcing into our business processes.	295 major suppliers assessed against ArcelorMittal's code for responsible sourcing. Approximately 400 buyers completed responsible sourcing online training.	Continue to develop our responsible sourcing approach through the annual supplier assessment and in collaboration with suppliers.

¹ Commonwealth of Independent States

Business ethics

We are present in more than 60 countries, which means that we work within many different cultures and business environments. This makes it all the more important that we are clear about the standards of behaviour we expect from our employees. We have embodied these principles in our code of business conduct and anti-corruption guidelines.

Compliance and ethics

By the end of 2012, more than 80% of our employees had completed code of business conduct training and 94% of those who require it for their day-to-day work had been through anti-corruption training. Employees who complete the training have a valid training certificate for three years, after which they repeat the training. We also held six internal ethics and compliance workshops in the Commonwealth of Independent States (CIS) countries for the purchasing, sales and logistics functions, an ethics and compliance day in Ukraine, and a compliance workshop in Algeria.

We developed a new compliance governance charter in 2012 which describes the overall governance structure in the compliance area and sets out the role and missions of compliance officers. We also developed a procedure for monitoring any political donations made or proposed to be made which builds on our existing compliance policies.

We are involved in a number of competition or anti-trust claims. More detail about these claims is provided in the 2012 annual report at www.arcelormittal.com in the Investors' section under Financial Reports – Annual Reports.

In 2011, Friends of the Earth filed a complaint against ArcelorMittal in relation to the OECD Guidelines for Multinational Enterprises, claiming mismanagement of the County Social Development Fund in Liberia. ArcelorMittal has expressed its support and is fully participating in the process as prescribed by the guidelines.

We continue our engagement with the Extractives Industry Transparency Initiative (EITI) in 2012. For more information see our full online corporate responsibility report.

Human rights

We published our human rights policy in 2010. It is inspired by the UN Universal Declaration of Human Rights, the Core Conventions of the International Labour Organisation, and the UN Global Compact. It was developed in collaboration with non-governmental organisations, investors, and academic experts with experience in business and human rights.

Training

As at the end of 2012, over 85% of our employees had completed formal human rights training – this is over 200,000 employees. Training is provided for all employees no matter what grade or location, either face-to-face or through an online training course. This training is valid for a three-year period and has to be repeated every three years.

Employee grievances

In 2012, 1,481 concerns relating to human rights, environmental or health and safety issues were reported either through employee whistle-blowing systems or local grievance mechanisms.

4th

We were ranked fourth of 105 companies surveyed, in the Transparency International study for transparency in reporting in 2012, in recognition of the progress we have made in external disclosures related to anti-corruption and bribery. The independent study assesses the disclosure programmes publicly listed companies have in place to fight corruption and the extent to which earnings and taxes in specific countries are made public.

Continued

Security and human rights

We developed a new tool this year to help us implement our security and human rights programme, including our policy for security personnel on the use of force, arms and firearms. We also started a security and human rights risk assessment in Algeria using this framework. Based on the findings, an action plan has been developed for implementation in 2013.

Employee rights

All our operations record the age of their employees and the minimum working age permitted in that country. We employ only people over the age of 18 with the exception of structured vocational training that is permitted by local laws. No cases of underage or forced labour among our employees were reported in 2012, and none of our operations have been identified to have actual instances or significant risks for incidents of child or forced or compulsory labour. For more information on labour rights, see p11-13.

Community rights

In ArcelorMittal Liberia's mining project there was no resettlement of community members, but 150 people were compensated for the loss of their crops. We have a mine resettlement coordination committee in Liberia and have set up a multi-stakeholder committee specifically to address and resolve local issues, which includes representatives from ArcelorMittal, local authorities, civil society and local communities.

In Baffin Island, in northern Canada, we are preparing for a future mining project and as part of this, and in compliance with local laws we undertook a comprehensive consultation process with stakeholders. These include Federal and Territorial government bodies as well as local indigenous Inuit groups. Public hearings, community workshops, focus groups, and community information sessions gave people the opportunity to discuss social and environmental impacts and issues relating to mitigation. The process was conducted in three languages: English, French and Inuktitut. We will now move to the regulatory approvals phase to obtain permits to allow construction to start.

Our site at Lazaro Cardenas in Mexico is located near an area which is home to traditional land-owners known as 'Ejidos'. The Ejidos have traditionally conducted small-scale mining on land we own, and in 2011 we came to an agreement with them that supports their livelihoods.

ArcelorMittal's mining operation at Omarska, near Prijedor, Bosnia and Herzegovina, includes some areas where well-documented war crimes took place in 1992, before ArcelorMittal acquired the mine. ArcelorMittal acknowledges the suffering of the victims of the conflict of the 1990s, and fully respects the feelings of survivors and relatives of those affected. Following an increase in requests for access to the Omarska mine complex in 2012, the 20th anniversary year of the tragic events in Bosnia and Herzegovina, after approval by the local municipality ArcelorMittal Prijedor announced a number of new dates when safe access was possible.

Responsible sourcing

We believe that by incorporating social, ethical and environmental considerations into our sourcing decisions, we can make a positive contribution to society and the planet, helping make steel more sustainable. With a supplier spend of more than \$50 billion in 2012, we have had a unique opportunity to promote sustainable business practices.

By the end of the year further progress had been made in distributing the code for responsible sourcing. More than 5,200 separate entities (representing between \$5.5 to \$6 billion of spend) were within the scope of this exercise, and 62% of them (by spend) have either acknowledged its requirements or already have an equivalent programme in place.

Human rights

205,000

By the end of 2012, ArcelorMittal trained 205,000 employees on the human rights policy.

Case study: Stakeholder engagement in Liberia

In 2012 ArcelorMittal Liberia established 52 local consultative forums to facilitate better dialogue with local communities. Each forum includes women, youth, elders, the local town or village chief and educators, and is run in a way that respects local customs. The forums engage regularly with communities on issues such as planned works, potential local disruption, employment opportunities and policies, community grievances, and resettlement and compensation issues. We support the work of the forums by providing training on facilitation techniques, mediation, and conflict resolution, as well as stationery and communication equipment to help them co-ordinate their activities.



Stakeholder engagement conference in Gbarnga, Bong County, Liberia.

We assessed 295 suppliers against our responsible sourcing requirements during the year, identifying areas for improvement in each case. As in 2011, these related to management of human rights and ethics. A new Centre of Excellence was created in our purchasing organisation at the end of 2012. One of its objectives is the consistent monitoring of responsible sourcing performance of our global suppliers.

We also launched an online training module for our buyers, which shows them what responsible sourcing means and how they are expected to apply these principles in their day-to-day activities. Around 400 employees completed the training in 2012. In 2013, we will continue this training, and will aim to make further progress in integrating responsible sourcing into our procurement processes.

We continue to participate in the UN Global Compact Supply Chain working group, and we co-lead the CSR Europe working group on sustainable supply chains, and business and human rights. These forums help us to share best practice with other industry leaders, and develop better standards for our industry as a whole.

Our responsible sourcing programme was ranked fifth in the VBDO Responsible Supply Chain Benchmark of 40 multinationals in the Netherlands, and was the highest scoring in the Metals and Mining industry. VBDO is the Dutch Association of Investors for Sustainable Development.

Conflict minerals

Some raw materials used in our industry are sourced from regions which are experiencing civil war or other conflicts. The international community is concerned that these conflicts are being financed by the trade of certain minerals.

The 'conflict minerals' targeted by the US Dodd-Frank Act's Section 1502 includes cassiterite, columbite-tantalite (coltan), gold and wolframite and three derivatives: tin, tantalum and tungsten (the '3 Ts'). Section 1502 requires companies such as ArcelorMittal that report to the US Securities Exchange Commission (SEC) to disclose if any of the minerals used in their products have been sourced from the Democratic Republic of Congo or any of the surrounding countries, and describe how they have verified this.

ArcelorMittal will have to report for the first time about its Section 1502 compliance in 2014. We have made a commitment in our code for responsible sourcing not to use conflict minerals.

Since early 2011, we have been active participants in the OECD working group on implementing the due diligence guidelines for responsible mineral supply chains. This group aims to define an approach to the management of tin supply chains for minerals in the Great Lakes region of Africa.

ArcelorMittal supports the Conflict Minerals Due Diligence Process as outlined in the OECD guidance, and we have requested our suppliers to apply the principles set out in ArcelorMittal's code for responsible sourcing. In 2012, we have asked our global tin suppliers to complete the 'Conflict Minerals Reporting Template' developed by Electronics Industry Citizenship Coalition (EICC)/ Global e-Sustainability Initiative (GeSI), identifying all the smelters used.

In 2013 ArcelorMittal will formalise its approach to meeting the requirements of Section 1502 of the Dodd-Frank Act.

Our responsible sourcing programme

5th

in the VBDO Responsible Supply Chain Benchmark and was the highest scoring in the Metals and Mining industry.



Raw materials processing at Port Cartier, Canada.

Case study: Working with Caterpillar

Caterpillar is a world-leading manufacturer of construction and mining equipment. They are also one of our key strategic suppliers, and one of the firms taking part in the next phase of our work on responsible sourcing. We had already been collaborating with them in relation to our responsible sourcing framework, and during 2012 we took this to the next stage with a series of discussions and a workshop attended by senior managers on both sides. We wanted to share good practice, and identify new projects we could undertake together. We discussed our own sustainability challenges and objectives, and how Caterpillar could help us address them. The particular areas we focused on were developing skills, especially in our mining operations around the world; health and safety on-site; water and land use; and energy efficiency. We are now exploring plans for collaborative projects in some of these areas.

"These events have been a real springboard in the relationship between Caterpillar and ArcelorMittal. We've gained a far deeper understanding of how we can work together for mutual benefit, and we're already looking at some promising new projects."

Timothy C. Lindsey
Global Director of Sustainable Development,
Caterpillar Inc



More information online



You can find an extended version of this section at:
www.arcelormittal.com > Corporate responsibility > Workplace

Employees in Gent, Belgium.

Investing in our people

We operate in an industry where workplace safety is an everyday focus and this continues to be our number one priority. Being a responsible employer goes further than workplace safety however. We want ArcelorMittal to be a place where people can fulfil their potential, and feel that their views are taken into account. When economic circumstances force us to make changes and reductions to our workforce, we make every effort to do this in a sensitive manner and offer support to those affected.

Investing in our people – 2012 progress at a glance

	Our commitments	Our progress	Next steps
Safety	A fatality and injury-free workplace.	29 fatalities ¹ (2011: 27).  Lost time injury frequency rate ² 1.0 (2011: 1.4) (target met). 95% of steel and mining operations certified to health and safety management system, OHSAS 18001.	A lost time injury frequency rate of 1.0 or less for 2013. Continue implementation of fatality prevention standards. 100% of operations to be certified to OHSAS 18001.
Health	Health programmes in all business units adapted to local needs.	Absenteeism rate ³ of 2.43 (2011: 2.97). Global health awareness programme involved more than 120,000 colleagues. Launch of occupational hygiene training scheme.	Four regional occupational health training programmes to be delivered.
Employee relations	Open and constructive dialogue with employees.	0.06 % man-days lost to strikes (2011: 0.08%).	Continue to review site level implementation of employee relations policy.
Training and leadership development	Develop a flexible, trained, and highly-motivated workforce.	 Over 200,000 man-hours of employee training delivered by the ArcelorMittal University (2011: 358,000). ArcelorMittal University CLIP accreditation (quality label by EFMD). ⁴	Implement a group-wide reporting system to capture a consolidated figure on employee training hours.
Diversity and inclusion	Build a thriving workforce where everybody is treated equally and respected for their contribution.	Launched 'Women in Leadership' programme.	Regional implementation of our gender and inclusion programme.

¹ 29 employee and contractor fatalities. In addition, one visitor fatality at our site.
² Lost time injury frequency rate is the number of fatal and lost time injuries per million hours worked, for both employees and contractors.
³ The absenteeism rate is measured as the total time taken off for illness (capped at six months per case) divided by hours to be worked.
⁴ CLIP is the Corporate Learning Improvement Process accreditation from the European Foundation of Management Development.

Safety

Our ambition is to be the safest company in our sector. The long-term goal is to have no fatalities or lost time injuries, and our company-wide safety programme, Journey to Zero, is designed to reach this goal.

Safety performance

Based on figures for both our own employees and our contractors, our lost time injury frequency (LTIFR) improved from 1.4 incidents per million hours worked in 2011, to our target of 1.0 in 2012 (our 2013 target, reached one year early). Our LTIFR has improved every year since 2007, when it was 3.3. However, tragically, we had 29 fatalities among our employees and contractors in 2012. Twenty-two of these were in steel and seven in mining operations. In addition, one visitor died at one of our sites. We are deeply saddened and concerned by these work-related deaths, and we know that however hard we have worked to improve safety, we must do more. No fatality is ever acceptable and each one of them is avoidable. We need to learn from each incident. This means intensifying our efforts to instil a culture of safety among our contractors as well as our employees, continue to implement our fatality prevention standards, demonstrate strong leadership and awareness of safety issues, and conduct even more proactive hazard identification and risk assessments. Making real progress in all of these areas is a priority for 2013, and our investments will reflect this.

Courageous Leadership

The Courageous Leadership health and safety programme has been introduced to a number of our mining sites including Brazil, Canada, Liberia, Mexico, Kuzbass in Russia, Kazakhstan, and the US. 13,000 employees have now been trained, and they are now sharing their knowledge with their team members. By starting the programme with senior managers and supervisors we aim to reach every employee and contractor at each site.

Joint global health and safety committee

We held a joint global health and safety committee workshop in Luxembourg in September, which brought together participants from 17 countries including members of the joint global health and safety committee, European Works Council, health and safety team, trade union and operational managers. The workshop studied the results of a survey of local health and safety committees, the management of our contractors, health and safety leadership, and our annual health and safety day. These results (of the survey and workshop) are being incorporated into new guidelines for the local joint health and safety committees.

Health and Safety Day

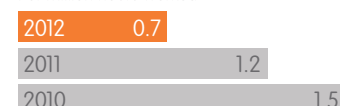
The 2012 Health and Safety Day was held on April 26, with the theme 'Stop, think and act safely'. The main health topics were: first aid and emergency response, the prevention of occupational diseases, and stress. The key safety issues were contractor safety and avoiding the repetition of accidents.

"We were all pleased with the cooperative spirit and positive energy of the participants, and look forward to building on the momentum to drive better results in 2013."

Rob Johnston
Trade union IndustriAll, union co-chair of the Joint Global Health and Safety Committee, commenting on the joint global health and safety committee

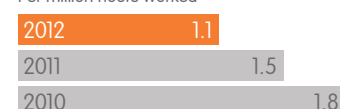
Lost time injury frequency rate – mining operations

Per million hours worked



Lost time injury frequency rate – steel operations

Per million hours worked



Investing in our people

Continued

About 175,000 employees and about 36,000 contractors took part, in total 12% more than in 2011.

While there is still much more to do in order to reach our goal of zero fatalities and LTIFR, some of our units are well on their way and are receiving external recognition for their safety performance. For example in 2012 ArcelorMittal Temirtau, Kazakhstan received a DuPont safety award, after reducing industrial accidents from 1,475 in 1996 to 34 in 2011.

Community safety in Liberia

We actively promote safety within our local communities. In 2012, ArcelorMittal Liberia ran its third road and rail safety campaign in partnership with the National Liberian Police. The rail safety campaign caravan stopped at villages along the rail route to engage 20,000 local people with drama and music events to raise awareness of the risks and promote railway safety.

Health

The health and wellbeing of our employees is vital. It is important in its own right, but it is also crucial in reducing absenteeism, sustaining employee morale and commitment, and ensuring the quality and consistency of our production.

One of our main objectives is to build a strong and skilled network of occupational health and hygiene professionals across the group. We have set up a training programme in Occupational Hygiene, recognised by the British Society of Occupational Hygiene. We ran a training session in the US and four more are planned for 2013.

In 2012, each site hosted its own Health Awareness Programme, organising activities ranging from medical examinations, to vaccination campaigns, as well as practical sessions on subjects such as cancer prevention and care, addiction, and occupational hygiene. Some sites used role plays to address the subject of stress, while others offered private

Case study: Contractor and supplier health and safety

Half of the fatalities in our group involve contractors, either suppliers delivering materials or carrying out works at our sites. In addition to going through rigorous procedures before any work commences on-site, we have modified our supplier approval process by adding questions about safety on-site. There are six new questions, and all contractors must respond positively to all of them to be eligible to be an ArcelorMittal supplier. We also assess our suppliers' health and safety record through our supplier performance management tool.

sessions with therapists. More than 120,000 employees and contractors joined in the activities this year. We also organised a running event at several of our sites across 17 countries to coincide with the London Olympic Games.

With the aim of a zero nicotine and tobacco workplace, the 'Quitting Works' project was launched at our unit in Vanderbijlpark, South Africa. 320 employees have joined the programme so far and has had an initial success rate of 50%. The project includes craving control technology and a social support network from quitting ambassadors, who previously quit smoking.

The health of our local communities is important too. Our Fighting Malaria programme in Liberia includes indoor spraying and the distribution of medicines and treated bed nets. It has protected around 10,500 people from the disease since it was launched in 2010. The programme was commended by the Global Business Coalition in 2012.

Employee relations

We believe in open and continuous dialogue with our employees and want to create a working environment based on mutual trust and respect.

In 2012 it became clear that the market environment we're facing is not just a short-term financial crisis, but a long-term structural change for our sector. Since 2006/7, steel demand has dropped almost 30% in Europe and 15% in the US. In addition, growth in Chinese demand for steel and iron ore has slowed. We've had to adjust our business to reflect this new environment. This is why we've taken the difficult decision to permanently close some parts of our facilities in Europe and focus primary steel production on a smaller number of more cost efficient sites.

These decisions are only made if they are unavoidable and because we need to protect the viability of the whole business. We know how very difficult this is for those concerned, and we actively engage with trade unions and employees to maintain dialogue and find the best solution possible in the circumstances. We also try to limit compulsory redundancies wherever we can, by redeploying employees elsewhere within the business or through social measures such as early retirement or voluntary separation schemes.

In 2012 we offered voluntary redundancy schemes to employees in several parts of Europe. Each scheme was approved by the respective local trade union. We announced our intention to permanently close parts of our operation in Florange, France, and in Liège, Belgium. 629 and 795 employees will be impacted at these plants, respectively. At our plant in Madrid, we have announced our intention to extend the idling of the electric arc furnace and

Performance review

Employer awards

2nd

Our Ostrava site in the Czech Republic came second in the 'Employer of the Region' award by Czech Employer Club, after being outright winner in 2010 and 2011. We also came second in a national poll to find the most attractive employer in Canada's Randstad Award 2012.

Absenteeism rate – mining operations

Percentage

2012	1.46
2011	3.42
2010	3.36

Absenteeism rate – steel operations

Percentage

2012	2.57
2011	2.94
2010	3.17

Our Andrade iron ore mine in Brazil reached a major milestone in September 2012 when it achieved an impressive 20 years of operation without a single lost time injury. The mine has also worked for 64 years without a fatality.



Spinning session as part of Health Week at ArcelorMittal Zaragoza.

associated steel section production which will impact 324 employees. The majority of the affected employees have been redeployed to other plants. We also announced that ArcelorMittal Rodange and Schifflange in Luxembourg were prolonging the idling of parts of the operation. 282 people are impacted of which 220 have already been deployed to other Luxembourg sites and the remaining people joined our redeployment programme.

We continue to make every effort to communicate openly and regularly with our employees, both formally and informally. We recognise the right to collective bargaining and around 85% of our employees are currently covered by these types of agreements. In 2012, we held nine formal meetings with our European Works Council. The key themes discussed included health and safety, adapting to market conditions, and restructuring projects. In addition, the United Steel Workers contract was agreed, which covers around 14,000 employees at 15 of our US sites.

In 2012, there were three employee strikes that lasted more than one week. All of these were in Algeria and related to employee wages and salaries discussions that have now been concluded.

To connect employees directly with ArcelorMittal's management team an online poll was set up. More than 2,300 employees took part in asking our leaders questions about the business. The most popular questions were about ArcelorMittal's strategy, and restructuring plans. We are addressing the questions raised in a series of intranet and magazine articles. We also conduct employee surveys, with the latest completed in 2011.

Training and development

We continue to make significant investments in training our employees. We want employees to fulfil their potential and have the opportunity to develop their skills, so they can make the best possible contribution to the success of the company.

The Global Employee Development Programme (GEDP) process is now widely used across the group and the number of people taking part in it has risen from 2,795 in 2008 to 4,687 in 2012. Employees not covered by the GEDP process follow local management processes. We launched a new strategic workforce planning process in 2012 to ensure we have the right people, with the right skills, in the right place, and at the right cost. This will help us respond more effectively to changes in our own sector.

The ArcelorMittal University continues to develop our workforce to meet the current and future demands of the industry. More than 27,000 people took part in its courses in 2012 – a total of more than 200,000 man-hours, compared to 358,000 in 2011. Although the number of people trained

at the ArcelorMittal University increased from 23,000 in 2011, the man-hours declined due to a change in the provider for online language training as trainees get accustomed to the provider.

There is also a significant training effort conducted at local units, such as health and safety, vocational and on-the-job training. Statistics for these programmes are not currently consolidated at group level.

Diversity and inclusion

We believe the diversity of our workforce brings fresh ideas, perspectives and experiences to our business. It makes ArcelorMittal a stimulating environment where we aim to ensure that everyone has the opportunity to participate fully. We are proud of the fact that we have an extraordinarily culturally diverse workforce, with operations in more than 60 countries, and employees from many more countries.

In 2012, 11% of our managers, 5% of our general managers, and 4% of vice presidents were female. This is a low percentage, but not unusual for the mining and metals industry. To achieve a more gender diverse workplace, we have engaged with companies that are at a more advanced stage than we are, and ran 16 focus groups in eight countries in the early months of 2012, with the aim of capturing the views of more than 600 female ArcelorMittal employees. These focus groups identified a number of issues that needed to be addressed as a priority, including but not limited to increasing the number of women in senior management positions, improving the support line managers give to female employees to help maximise their leadership skills, enable a better work-life balance, focus on diversity and inclusion training for everyone throughout the group, and offer specific leadership training for women.

Two of the 11 members of ArcelorMittal's board of directors were women in 2012. The board of directors has set an aspirational goal of increasing the number of women on the board of directors to at least three by the end of 2015, based upon a board size of 11 members.

We are now developing a three-year strategy and specific key performance indicators to measure our progress. As well as the specific measures listed above, this will include a mentoring and sponsoring programme, and support for internal networks such as the Women@ArcelorMittal network set up in 2012.

The Instituto de Empresa business school in Madrid, Spain, was chosen to work with the ArcelorMittal University to run the first 'Women in Leadership' course as part of ArcelorMittal University's leadership programme (35 women from across ArcelorMittal completed the first three-day course in 2012).

In 2012 the ArcelorMittal University achieved the prestigious 'Corporate Learning Improvement Process' accreditation from the European Foundation of Management Development. This recognised the quality of our training and development programmes.

Number of strikes

Exceeding one week in duration

2012	3
2011	8
2010	2

Training hours at the ArcelorMittal University

2012	203,096
2011	358,214
2010	403,280

"By understanding, respecting, supporting and sponsoring a more diverse and inclusive workplace, we are far more likely to have the best talent, the best organisation and the best performance."

Nicola Davidson
VP corporate communications and co-chair
of Global Diversity and Inclusion Council



'Women in Leadership' training programme at ArcelorMittal University campus, Luxembourg.

Making steel more sustainable

A full-page background image showing a steelworker in a dark, industrial setting. The worker is wearing a heavy, reflective protective suit and a helmet with a face shield. They are holding a long, thin rod or tool, and a bright, glowing pool of molten steel is visible in the background, creating a high-contrast scene with sparks and intense light.

Steel is at the heart of the modern world. It forms the infrastructure of modern life, from railways, to cars, to washing machines and pipes and tubes that enable anything from energy distribution to water management. It's a highly adaptable material, and infinitely recyclable, which means that its sustainability extends beyond the life of the original product. That said, we do recognise that steelmaking is resource-intensive. However, the steel industry in Europe has already cut its CO₂ emissions by half in the last 40 years and many of our sites have already done all that is currently possible. We continue to support a lower-carbon world through energy savings, and greener products and services.






More information online

You can find an extended version of this section at:
www.arcelormittal.com > Corporate responsibility > Environment

Worker at ArcelorMittal
Belval plant, Luxembourg.

Making steel more sustainable – 2012 progress at a glance

	Our commitments	Our progress	Next steps
Climate change	To develop products that support a low carbon and sustainable world. To reduce our CO ₂ emissions from steel production by 8% per tonne of steel by 2020, compared with 2007.	\$285 million spent on research and development, with \$53 million on 'green products' and 'green processes'. ¹  2.13 tonnes of CO ₂ per tonne of steel produced compared to 2.09 tonnes in 2011.	Continue to develop new steel products to help customers and end users reduce their CO ₂ emissions.
Environmental management	To have all our steel sites ISO 14001 certified. To improve the energy efficiency of our sites. To continue investment in air pollution control. To responsibly manage water use.	 ISO 14001 certification at 98% of our steel plants. Energy-efficient good practices deployed at 49 sites.  Environmental capital expenditure of \$321 million. Implementation of water guidelines at units in Brazil.	Certify 100% of our steel plants to ISO 14001. Review and update the group environment policy. Full deployment of key energy good practices.
Biodiversity	To support local biodiversity.	Published a biodiversity policy specific to Liberia. Completed ecosystems assessments in Baffin Island, Canada.	Implement biodiversity action plans.

¹ Green products and green processes are defined as those that generate environmental benefits such as CO₂ savings, environmental protection or reduction in hazardous waste.

Product innovation and design

In 2012 we invested \$285 million in research and development. We believe innovation will drive our future success, and support our customers in achieving their sustainability goals. We have 11 research centres in seven countries and about 1,300 researchers working with our customers and academics at leading universities specialising in metallurgy, metal-forming, and steel construction.

We invested \$285 million in research and development (R&D). More than half was spent on product and applications development, addressing or anticipating customer requirements and around 40% was dedicated to improving our own processes. A quarter of the total spend was invested in long-term projects such as the third generation of advanced high-strength steels.

We invested at least \$39 million in the development of 'green products' and \$14 million in 'green processes'. These bring environmental benefits such as lower CO₂ emissions when in use, or reducing hazardous waste. We invested in advanced high-strength steel, electrical steel products and solutions for the automotive market, and organic coatings and surface treatments for the packaging industry. Investments in green processes ranged from energy saving to breakthrough technologies such as air emission controls or ways to reuse by-products from steelmaking.

Product innovation

In addition to the products featured on pages 4–5, below are some other new products we are working on.

We are the world's leading supplier of steel to the automotive industry. As well as our iCARE™ range developed for electric vehicles and 'S-in motion' high-strength steels for conventional vehicles, we have also developed a range of products that can reduce the weight of vehicles such as trucks, agricultural, and construction machinery. More than \$60 million was invested in the production facilities of these products last year at Burns Harbor, Indiana, USA.

We are developing purpose-designed steels to meet the specific needs of the renewable energy sector. For example, we're working on steels that can reduce the weight of wind turbine towers, enabling them to be taller, therefore generating more power.

Our Nature range of organic coated steels is the result of more than 15 years of research and testing. The coating contains environmentally friendly corrosion-inhibiting pigments and is chromium and heavy metal-free.

Process innovation

We set up a 'WaterLab' at our Asturias research centre in Spain, to test new water treatment technologies. We're piloting a number of innovative treatments that could recover up to 98% of metals and 99% of organic pollutants from our waste water.

We are adapting the way we recover and recycle gas and steam. Our Avilés plant in Spain has saved around \$1 million in energy costs in 2012. We intend to roll this model out to other sites in 2013.

Automotive R&D

No.1
rated by every client in 2012 – without exception.



Product research at Maizières-lès-Metz, France.

Research and development spend

\$ (million)	
2012	285
2011	306
2010	322

Making steel more sustainable

Continued

Performance review

We have a new tool to assess the feasibility of recycling by-products within our own sites. Our aim is to cut waste-to-landfill and improve our resource efficiency, reducing emissions and lowering costs. Since 2009 we have recycled more than 600,000 tonnes of slag (a by-product of the steel making process) in Europe, each year, saving more than \$26 million in iron ore and limestone costs. We have also started to recycle what's known as oily mill sludge. Our plant at Fos-sur-Mer in France is disposing of this sludge by injecting it into a blast furnace. Savings so far have amounted to \$770,000 a year.

Our engineers in the US are exploring new ways to recycle dust from steel shop de-dusting systems. The aim is to remove zinc from the dust to make recycling easier. Our engineers received an environmental technology award from the Association of Iron and Steel Technology for their work in this complex area.

We are also using new 'Sicret' safety improvement technology to help eliminate human error from the process required to switch off and lock out equipment during maintenance. This technology will be rolled out across our Long Carbon North America plants during 2013.

Tackling climate change

Reducing CO₂ emissions to tackle climate change is an important challenge for ArcelorMittal and the steel industry. We are committed to cut our CO₂ emissions per tonne of steel produced by 8% by 2020.

Reducing emissions and increasing energy efficiency
In 2012, CO₂ emissions from our steel operations were 2.13 CO₂ per tonne of steel produced compared to 2.09 tonnes in 2011. The increase is mainly due to reduced energy efficiency at some of our larger sites, especially in the Africa and CIS¹ region, where steel production decreased due to a rapid drop in demand. Lower utilisation of steel plants typically leads to reduced energy efficiency performance. If steel demand rises sufficiently in 2013 to improve the utilisation of our plants, and especially of these Africa and CIS¹ sites, we expect our CO₂ emissions per tonne of steel to drop and to contribute to the long-term trend of reduced emissions. In 2012 we have started reporting CO₂ emissions from our mining business also. This was 2.7 million tonnes of CO₂. Our mining business represents about 1.4% of the group's total CO₂ footprint. Coal mines also emit methane and we are investigating how to accurately quantify this emission.

We systematically identify and implement energy efficiency projects, which reduce emissions both directly, at our plants, and indirectly by reducing the demand for electricity. In 2012, our energy consumption at steel plants was 23.5 gigajoules per tonne of crude steel, compared with 23.8 in 2011.²

Three of our sites are certified to the energy management standard ISO50001 (Hamburg, Eisenhüttenstadt, Bremen in Germany and Olaberia in Spain) and another three are in the certification process.

Our environmental and energy-related capital expenditure was \$321 million in 2012, compared with \$329 million in 2011. The reduction in spend is due to constraints in our expenditure and commitment to reduce cost. This level of investment is supported by sharing good practices across all our sites, expert input from our R&D teams, and a commitment to benchmarking our performance against the most energy-efficient companies, both in our sector and in the industry as a whole. We expect to achieve energy savings of \$200 million annually by 2020, compared to 2007, which is the equivalent of 1.6 million tonnes of CO₂ a year. For example, a team of experts in our Flat Carbon Europe business division is working to reduce their energy costs by 10% over the next four years. A key area will be the reuse of energy rich gas by-products to generate electricity which can either power our own plants, or be sold.

During 2012 our energy efficiency projects included two new investments in Poland, worth \$43 million; a \$63 million energy recovery and reuse project at Indiana Harbor, in Indiana, USA reducing CO₂ emissions by 211,000 tonnes a year; several new projects at ArcelorMittal Hamburg, and a methane capture project at our Lenina mine in Kazakhstan. The gas is captured and reused as feedstock to generate 1.4MW of electricity which is around 20% of the mine's total power needs, saving energy costs. The coal department in Kazakhstan plans to expand the programme in 2013 into other mines in the country.

Emissions trading and CO₂ regulation

ArcelorMittal Tubarão registered another clean development mechanism (CDM) project with the UN Framework Convention on Climate Change (UNFCCC) in 2012. This initiative generates electricity through heat recovery from energy rich coke plant gases (known as off gases). The project has the capacity for generating around 2.5 million tonnes of CO₂ carbon credits.

As in 2011, and in contrast to earlier predictions, European steel demand remained depressed in 2012. Our European production volumes have followed the same trend and our operations therefore emitted less total CO₂ than initially expected. In 2012, 21.8 million tonnes of EU CO₂ allowances were sold, generating \$220 million; the funds generated have been used to finance efficiency improvement projects in our plants having an impact on energy efficiency and a reduction in CO₂ emissions.

Reducing emissions

6th

ArcelorMittal USA awarded sixth energy star award by the US Environmental Protection Agency.



Top gas recovery turbines generates electricity through reusing exhaust gases and reduces energy consumption.

Environmental and energy capital expenditure

\$ (million)

2012	321
2011	329
2010	339

CO₂ emissions per tonne of steel

Tonnes

2012	2.13
2011	2.09
2010	2.15

¹ Commonwealth of Independent States.

² Perimeter for energy calculation was broadened in 2012 to match that of the CO₂ footprint calculation for steel. In previous years we reported energy use for the seven most energy intensive (steel) processes.

Environmental management

We are always looking for new ways to minimise our environmental impact, and make production processes more efficient by reducing resource use and residue generation.

In 2012 98% of our steel production and finishing facilities were certified to ISO 14001, the international standard for environmental management.

Air and particulate emissions

Our nitrogen oxide emissions decreased to 107,794 in 2012 from 108,754 tonnes in 2011. SO₂ (sulphur dioxide) emissions also dropped to 166,110 in 2012 from 193,724 tonnes in 2011. This is mainly due to improvements in process control and changes in the fuel mix.

As an example, dust emissions from our Ostrava facility in the Czech Republic have dropped 70% between 2007 and 2012, from 1,929 tonnes to 584 tonnes, due to several environmental projects, in particular a \$50 million investment in a new de-dusting system. Other environmental projects in Ostrava amounting to \$39 million will be completed in 2013.

Residues

More than 86% of our production residues were reused in 2012, either within our own business or by third parties. Less than 6% was sent to landfill. Our facility in Brazil, for instance, has pioneered new ways to reuse slag in road-building materials.

Water

In 2012 our overall water intake was 24.7 cubic metres per tonne of steel produced. Average water intake per tonne, however, is not a reliable indicator for comparison purposes as there is a large range of performance variation between our sites across the world. This is largely because of local infrastructure, local regulations and water costs.

In mining, water is mainly used for the concentration processes. Some of our mines, for example El Volcan mines in Mexico, are highly efficient in their use of water. The use of groundwater is minimised in the iron ore concentration process due to the production of thickened tailings, thereby increasing water recirculation. Also, since the process doesn't require tailing ponds to store the mineral waste, land disturbance is minimised.

In 2012 we continued implementing the guideline for assessing water use. All of our units in Brazil's long carbon business division implemented these guidelines, and developed process flow diagrams to allow detailed understanding of the water flows. This helped to detect and resolve water treatment and corrosion problems as well as increase our knowledge of water use. At ArcelorMittal Sabara, Brazil, inlet water use was cut by 50%. An upgrade of our wastewater treatment facilities at our

Berezovskaya and Pervomayskaya mines in Russia will be completed in 2014. We are also developing the conceptual design for mine water treatment at our Shakhtinskaya mine in Kazakhstan.

Land and groundwater remediation

We are committed to rehabilitating sites that have suffered soil or groundwater pollution in the past, when environmental standards were not as stringent as they are today. We set aside around \$863 million at the end of 2012 to cover this cost. We follow-up the compliance of the company's mine closure and land rehabilitation obligations in accordance with applicable legislation.

In 2012 an independent assessment of tailings facilities in our mining segment was initiated. These assessments are being undertaken by recognised experts in tailings management using internationally recognised practices.

Biodiversity

We recognise that we have a responsibility to protect local biodiversity and ecosystems in the environments where we work.

Our Liberian mines are situated close to both mountain and lowland rainforest. We take our commitment to protecting these environments seriously, and as part of this we have published a policy that sets out our approach to natural resources and ecosystems. This commits us to ensuring we understand the environments we are working in; take into account the needs of local communities; mitigate our impact on soils, forests, water and air quality; protect rare and endangered species; and return the area to a healthy state when we leave. In 2012 a case study on this work was presented at the International Union for Conservation of Nature (IUCN) 2012 World Conservation Congress.

Case study: Baffin Island

Our greenfield iron ore project in Baffin Island, Canada, has developed extensive baseline information for numerous ecosystems including terrestrial, marine and freshwater as part of the environmental assessment process. Management and monitoring plans have been developed to ensure our future operations avoid or minimise potential impacts on biodiversity and the environment. In the development of our research initiatives we have integrated the value Inuit and the territory of Nunavut place on the local ecosystems. For example, Baffinland Iron Mines has provided support for satellite tracking of Caribou and Eider Ducks in collaboration with territorial and federal government departments. Communities in the regions and government have been, and will continue to be, engaged at all stages of the project moving forward.

Environmental management systems

98%

of our steel production and finishing facilities were certified to ISO 14001.

Optimising recycling

We recycle more steel than anyone else. Each year we reuse almost 30 million tonnes of scrap steel at our plants, saving around 36 million tonnes of CO₂.



Workers testing water quality in Liberia.

Every ArcelorMittal site across the world is an integral part of its local community and its local environment. We provide much-needed jobs that offer training and other benefits, business opportunities for local companies, and in some instances also support vital infrastructure such as schools and basic healthcare. Our engagement with the local community is guided by the ArcelorMittal external stakeholder engagement procedure. This process aims to inform both our own management processes and our stakeholders on issues of common interest, such as employment and community investment practices. Additionally, the ArcelorMittal Foundation works with all our major operations to encourage community investments that are sustainable and support long-term economic and social growth.

Enriching our communities



More information online

You can find an extended version of this section at:
www.arcelormittal.com > Corporate responsibility > Community

Children at a care facility in South Africa supported by the ArcelorMittal Foundation.

Enriching our communities – 2012 progress at a glance

	Our commitments	Our progress	Next steps
External stakeholder engagement	All major operations will have community engagement plans in place, including a grievance procedure.	Revised and published the external stakeholder engagement procedure and guidance.  30 community engagement plans. 26 sites now have local community grievance mechanisms.	Review stakeholder engagement strategy and measures used to assess effectiveness. Improve the transparency of external stakeholder engagement at 10 sites.
Economic contribution	Make a sustainable contribution to the communities in which we operate.	\$71.3 billion economic contribution. ¹ \$41 million spent on community investment through 725 ArcelorMittal Foundation projects across the world.	Increase employee involvement in ArcelorMittal Foundation activities.

Economic contribution

Wherever we operate, we aim to contribute to the development of strong and sustainable communities. In 2012, we made an economic contribution¹ of around \$71 billion across the world including wages and salaries, payments to suppliers, tax payments, ArcelorMittal Foundation projects, and expenditure on research and development supporting the development of innovative products for our customers.

We made an economic contribution¹ of \$71.3 billion in 2012 to society. This figure includes \$51.6 billion paid to suppliers, \$12.5 billion to our employees, \$1.1 billion in taxes to governments and, \$1.2 billion to shareholders.

As one of the world's largest buyers of goods and services, we believe we can use that position to promote social, environmental and ethical standards throughout our supply chain. We are working directly with some of our strategic suppliers to invest in the developing countries where we operate.

We're currently working on a new initiative to explore how we can extend our business in developing markets, and with smaller-scale firms. In 2012, we commissioned a research study with the University of Louvain (Belgium) to study specific projects in India and Brazil, with the aim of developing a new approach that we could roll out more widely. We're also participating in a working group with CSR Europe on an initiative to encourage sustainable and inclusive economic growth at the 'base of the pyramid', in other words among people living on the very lowest incomes.



Microcredits project in Costa Rica, supported by the ArcelorMittal Foundation.

¹ Reported economic contribution is based on wages and salaries, supplier and contractor payments, corporate income tax and local taxes, capex, dividends, R&D and ArcelorMittal Foundation projects. It does not include all areas where ArcelorMittal contributes to the economy, such as through indirect job creation through the supply chain, and therefore is not exhaustive.

ArcelorMittal's 2012 economic contribution¹



Continued

External stakeholder engagement

Playing an active role in our communities means understanding what matters to local people and listening to their concerns. This is why we work with local groups to help us to prioritise the issues that matter most to them, and invest our time and resources in the best way. We also engage with other stakeholders as part of our overall engagement activities, including non-governmental and governmental organisations.

Our stakeholder engagement procedure was revised and relaunched in January 2012 to include international good practice in areas such as information disclosure and grievance procedures. It has also been extended to reference additional stakeholder groups such as local suppliers, local authorities, and local associations. The associated stakeholder engagement manual was updated at the same time, and a series of training sessions were held.

In 2012, 30 stakeholder engagement plans were developed, covering all our major operations. We involved internal cross-functional teams and local stakeholders in the development of these plans. For example, our unit in Ukraine distributed hard copies of their stakeholder engagement plan to key stakeholders and also published it online in response to external demand.

The group corporate responsibility team provided face-to-face stakeholder engagement support in Kazakhstan and Ukraine last year, as well as training sessions for participants from 20 units including those in the Czech Republic, Liberia, India, and South Africa.

Grievance mechanisms

Our grievance mechanisms at each major industrial site provide us with important information that help inform management decisions. For example, following complaints regarding noise from our plant in Zenica, Bosnia and Herzegovina, we installed silencers that help to reduce noise.

CSR Europe benchmarked our grievance mechanisms against the eight effectiveness criteria set out in the UN Guiding Principles, as well as against companies from a number of other sectors. The assessment showed that we do have comprehensive processes in place, but that these could be further strengthened – for example, by effectively communicating that complainants should not fear any reprisals if they raise an issue.

A key objective last year was to gather good practices on local community grievance mechanisms. Twenty-six of our units have a community grievance mechanism in place and, during 2012, 831 grievances were reported from external stakeholders that related to environmental, human rights or health and safety issues. This excludes employee grievances. We have developed draft guidance to help our sites set up or improve existing local grievance mechanisms. In May 2012 we held an expert round-table with external organisations in Washington D.C., USA to discuss and inform our guidance. Feedback highlighted the importance of an appeal process that is formalised and includes multiple stakeholders.

The ArcelorMittal Foundation

The ArcelorMittal Foundation was set up in 2007 to coordinate the company's community investment activities. It concentrates on the communities in 30 countries where ArcelorMittal has a major presence, with the aim of making a positive contribution to the social and economic development of the areas around our operating sites. While some of these projects are part of a worldwide programme covering many countries simultaneously, others are specific initiatives run at a local level.

In 2012 the ArcelorMittal Foundation invested \$41.17 million in communities surrounding our plants and mines, supporting 725 projects. Here are a selection of the most significant ones.

Education

In the field of education, the Foundation supports projects that strengthen communities and promote fair access to quality education, while respecting local customs and cultures. For example, in 2012, the Foundation opened its third Science Centre of Excellence in Newcastle, South Africa, to help improve maths and science performance at schools in the area. This project is being run in partnership with the South African Department of Education and the national department of Science and Technology.

Stakeholder engagement plans

30

plans were developed, covering all of our major operations.

Community grievance mechanisms

26

of our units now have a community grievance mechanism in place.



The Lagoa Juara Handicraft Centre in Brazil.



Newly opened Science Centre in South Africa.

The Foundation backed 'My Dream Interview' in Argentina. This is an international competition organised by the World Association of Newspapers and News Publishers, which invites 11 to 15-year-old students from around the world to interview a prominent person who epitomises their idea of success and hard work. In Brazil more than 260,000 students from 926 schools in 39 cities were involved in 'Ideas to sustain a world: How to build a sustainable planet together?'. The objective was to develop environmental awareness and citizenship by encouraging young people to think about the importance of sustainability.

Health

In the area of health, the Foundation continues to invest in the improvement of healthcare in our communities, either through providing medical equipment or refurbishing facilities. In Romania, for example, a new surgical table was provided for the local hospital in the city of Galati. The Foundation also supported the international organisation Operation Smile to carry out reconstructive surgery for around 150 children with facial deformities in Morocco.

Community development

Within community development, the Foundation carried out a wide range of projects focused on enabling communities to take control of their future through the skills of their residents. An example of this is the Handicraft Centre supported by the Foundation in Brazil. Around 15 groups now have a space to showcase their work and generate an income.

Case study: Courageous Leadership in Liberian schools

We want Courageous Leadership to benefit our communities as well as our employees and our business, and as part of this we started a project with over 200 students at Yekepa high school in Nimba county, Liberia. We know how much influence children can have as agents for positive change, and we aim to encourage them to seize these opportunities and become leaders in their own families and neighbourhoods. The areas we have worked on with them through locally offered trainings include safety, the environment, and personal hygiene. We have encouraged them to be role models in driving their bikes and motorbikes safely, disposing of waste, and preventing the spread of infection and disease. The students also made a commitment to work hard in their academic studies. We hope to extend the programme to schools in the towns of Saniquellie and Buchanan.

In addition to the projects managed by our local units, the Foundation also works with international organisations on a small number of global projects. One example is the partnership we set up with Habitat for Humanity in 2008, which provides affordable housing in our communities.

Other organisations that received the Foundation's support during 2012 included Ashoka, the International Baccalaureate, and Junior Achievement, all of which are focused on improving children's education. For example, thanks to our partnership with International Baccalaureate, around 90 teachers from four schools close to our plants in Kazakhstan took part in a professional development course in 'Teaching and Learning from an International Perspective'.

Since 2007, the Foundation has also helped to match people in need of a bone marrow transplant with suitable donors, supporting the International Research Group on Haematopoietic Cell Transplantation.

Initiatives for our employees

The Foundation offers ArcelorMittal employees the opportunity to spend part of their time volunteering in their own communities or overseas.

In 2012, 97 employees from 23 countries had the opportunity to become an ArcelorMittal international volunteer in one of our 'solidarity holidays'. This is the second year we have run this initiative, and it gives our employees the opportunity to work side-by-side with colleagues from other countries and local residents on a community project. Ten countries hosted solidarity holiday projects in 2012: Bosnia and Herzegovina, Brazil, China, the Czech Republic, India, Mexico, Senegal, South Africa, Spain, and Trinidad and Tobago.

On December 5 2012, around 5,000 employees joined in our international volunteer work day, participating in more than 220 activities in 28 countries. Activities included the collection and distribution of toys, food and clothes to those in need. Employees also renovated schools and other community facilities, planted trees, spent time with underprivileged children, and served meals in soup kitchens.

The Foundation also backed 82 community organisations supported by ArcelorMittal employees with 'mini-grants'. This initiative offers up to \$5,000 to each selected organisation in support of specific projects.

During 2012, the Foundation received four awards in recognition of its support for local communities and employee volunteering. These were the National Award for Socially Responsible Practices 2011 (Macedonia), the Citizens Award (Spain), the Corporate Engagement Award (United Kingdom), and the 2012 Civic Award (Venezuela).

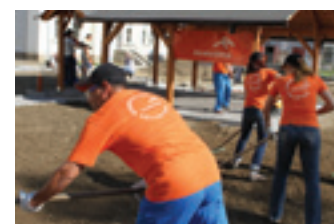
The Foundation received four awards in recognition of its support for local communities and employee volunteering. These were the National Award for Socially Responsible Practices 2011 (Macedonia), the Citizens Award (Spain), the Corporate Engagement Award (United Kingdom), and the 2012 Civic Award (Venezuela).

ArcelorMittal Foundation community projects

2012	725
2011	588
2010	585

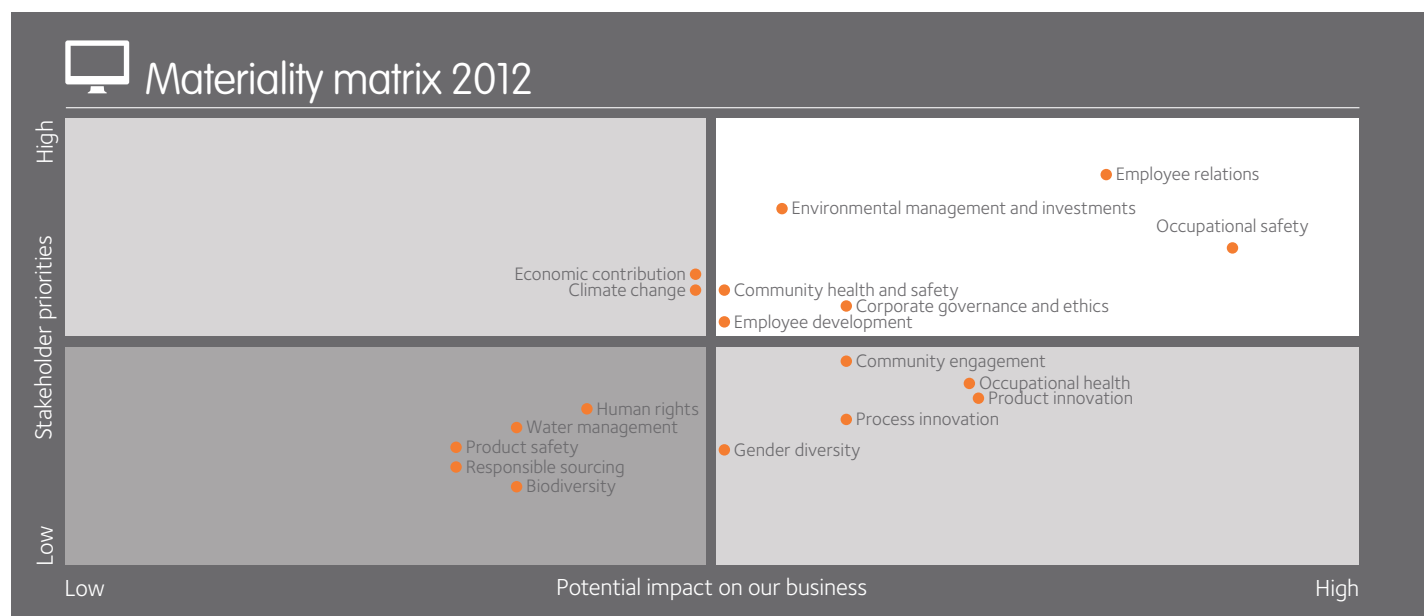


Courageous Leadership training in Yekepa high school, Nimba county, Liberia.



Solidarity holiday in the Czech Republic.

About this report



Our approach to corporate responsibility reporting

This summary report provides an overview of our activities in 2012 and details our future priorities. The full 2012 corporate responsibility report is provided on the website www.arcelormittal.com/corp/corporate-responsibility

Scope of the 2012 report

This report covers ArcelorMittal and its significant operating subsidiaries, excluding joint ventures and associates where we do not have operating control. Profiles of the subsidiaries can be found in the ArcelorMittal 2012 annual report. All financial figures refer to United States Dollars. The information refers to calendar year 2012. ArcelorMittal's reporting cycle is annual and the previous corporate responsibility report was published in May 2012.

Data collection

ArcelorMittal's corporate responsibility indicators are reported using company guidelines, referred to as the basis of reporting. This is available for download from ArcelorMittal's corporate website.

Reporting principles

We adhere to the AA1000 Accountability Principles Standard (AA1000 APS 2008) which is a principles-based framework for managing and reporting sustainability performance. This standard defines three principles that an organisation should adopt as a framework for sustainability management and reporting. These three principles are inclusivity,

materiality and responsiveness. We outline further our application of each of these principles in our full corporate responsibility report on the website.

GRI and UNGC

This report meets application level B+ of the Global Reporting Initiative (GRI) G3.1 guidelines, including the Mining and Metals sector supplement. An index containing the GRI indicators we report on can be found at www.arcelormittal.com/corp/corporate-responsibility.

The full corporate responsibility report also provides our communication on progress of ArcelorMittal's implementation of the United Nations Global Compact (UNGC) principles in 2012. Our 2011 corporate responsibility report achieved 'advanced level' reporting status by the UNGC.

Independent assurance

We believe that independent assurance leads to quality and process improvements and reassures readers and ArcelorMittal's management that the information we publish is accurate and material, and therefore contributes to building trust and credibility with key interest groups. Deloitte LLP has independently assured ArcelorMittal's reported application of GRI G3.1 guidelines, AA1000 APS principles and the indicators: CO₂ emissions per tonne of steel, energy use and lost time injury frequency rate. See the independent assurance statement on www.arcelormittal.com/corp/corporate-responsibility

Independent assurance statement

A copy of our online corporate responsibility (CR) report can be found on our website at www.arcelormittal.com/corp/corporate-responsibility. Within this report Deloitte LLP issued an unqualified opinion using ISAE 3000 limited level assurance on the following selected subject matters:

- 1. Application of the AA1000 Accountability Principles Standard (AA1000 APS 2008):** managing and reporting CR performance using the principles of inclusivity, materiality and responsiveness as set out in the AA1000 APS 2008.
- 2. Selected CR performance indicators:** for group wide lost time injury rate, primary energy consumption (steel only), total CO₂ emissions (steel only) and CO₂ emissions per tonne of steel.
- 3. Application of GRI G3.1 Guidelines:** ArcelorMittal's declaration that it has applied the GRI guidelines at level 'B+' in preparing the full corporate responsibility web-report.

Deloitte.

Stakeholder engagement

ArcelorMittal
Corporate responsibility 2012
summary report

We place a high priority on open, direct and proactive engagement with our stakeholders. This ranges from our work with international bodies like the Extractive Industries Transparency Initiative, to our ongoing programme of community engagement activities at each one of our sites of operations, to our commitment to publish corporate responsibility reports at both corporate and local levels.

Memberships

We are members of a number of global organisations, including the UN Global Compact, CSR Europe, the World Steel Association, the World Business Council for Sustainable Development, and the Extractive Industries Transparency Initiative (EITI). Memberships like these allow us to contribute to the debate about issues that affect our business, share good practice with others, learn from peer

companies and other expert groups, as well as promote good corporate governance and a responsible approach more widely.

Stakeholder engagement








We recognise that what we do has an impact on others, and that we have a responsibility to understand and manage those impacts responsibly, taking other people's rights and priorities into account. We believe that this engagement is not only the right thing to do, but that it also supports our business objectives. We have a stakeholder engagement procedure and operational guidance, and all our local operations are required to follow them. Our approach in this area is regularly updated to reflect evolving views and new trends. For more information see reporting on stakeholder engagement in our full online corporate responsibility report.

Our stakeholders

- Our relationship
- How we engage
- Stakeholder issues



Data table

	Indicator	Value	Progress		
			2010	2011	2012
Group	Sales	\$ (million)	78,025	93,973	84,213
	Net income	\$ (million)	2,916	2,263	-3,726
	Basic earnings per share	\$	1.93	1.46	-2.41
	Crude steel production	liquid steel in thousand tonnes	90,582	91,981	88,231
	Steel shipped	tonnes (million)	85.0	85.8	83.8
	Own coal production	tonnes (million)	7	8.3	8.2
	Own iron ore production	tonnes (million)	48.9	54.1	55.9
	Number of employees		262,832	260,523	244,890
Transparent governance	 % of employees completed code of business conduct training	%	90	80	80
	% of employees completed anti-corruption training	%	94	94	94
	% of employees completed human rights training	%	n/a	62	85
	 Number of operations with a local confidential whistleblowing system		21	21	21
	 Number of Board self-assessments		1	1	1
	Number of suppliers assessed against Code for Responsible Sourcing	number	n/a	263	295
Investing in our people	Fatalities – total	number	40	27	29
	Fatalities – steel	number	32	20	22
	Fatalities – mining	number	8	7	7
	 Lost time injury rate – total (employees and contractors)	per million hours worked	1.8	1.4	1.0
	Lost time injury rate – steel (employees and contractors)	per million hours worked	1.8	1.5	1.1
	Lost time injury rate – mining (employees and contractors)	per million hours worked	1.5	1.2	0.7
	 Industrial operations, including mines, certified to OHSAS 18001	%	63	89	95
	Absenteeism rate – total	%	3.16	2.97	2.43
	Absenteeism rate – steel	%	3.17	2.94	2.57
	Absenteeism rate – mining	%	3.36	3.42	1.46
	% of employees covered by collective bargaining agreements	%	85	85	85
	% of man-days lost to labour disputes	%	0.14	0.08	0.06
	 Number of formal consultations with the European Works Council		34	35	24
	Number of strikes exceeding one week in duration		2	8	3
	Number of employees participating in GEDP		3,941	4,117	4,687
	 Training hours at the ArcelorMittal University		403,280	358,214	203,096
	% Female manager	%	n/a	10	11

Data table

	Indicator	Value	Progress		
			2010	2011	2012
Making steel more sustainable	Research and development spend	\$ (million)	322	306	285
	Environmental and energy capital expenditure	\$ (million)	339	329	321
	Industrial operations certified to ISO 14001 (steel only)	%	95	98	98
	Primary energy consumption (steel only) ¹	GJ/t crude steel	24.3	23.8	23.5
	Total CO ₂ footprint (steel only)	million tonnes	199	193	189
	Total CO ₂ footprint (mining only)	million tonnes			3
	CO ₂ emissions per tonne of steel	tonnes	2.15	2.09	2.13
	NOx (steel only)	tonnes	120,300	108,754	107,794
	SOx (steel only)	tonnes	216,747	193,724	166,110
	Steel recycled	million tonnes	33	32	29
	CO ₂ saved from steel recycled	million tonnes	42	41	36
	Water intake per tonne of steel	m ³	26.1	24.1	24.7
	Residue reuse rate (steel only)	%	80	84	86
	Residue to landfill (steel only)	%	9	6	6
	Raw materials used by weight				
	Iron Ore	million tonnes	114.9	110.6	108.9
	Pulverised Coal Injection (PCI) and Coal	million tonnes	44.3	44.8	43.1
	Coke	million tonnes	29.3	29.1	28.1
	Scrap and Direct Reduced Iron (DRI)	million tonnes	38.7	38.9	36.0
Enriching our communities	Number of community engagement plans		10	30	30
	Number of local community projects supported by ArcelorMittal Foundation		585	588	725
	Employee volunteering	hours	12,000	37,311	30,000
	Community investment spend through ArcelorMittal Foundation	\$ (million)	37.7	35.0	41.2
	Estimated economic contribution	\$ (billion)	73.6	76.4	71.3

¹ Perimeter for energy calculation was broadened in 2012 to match that of the CO₂ footprint calculation for steel. In previous years we reported energy use for the seven most energy intensive (steel) processes.

ArcelorMittal's corporate responsibility indicators are reported using company guidelines, referred to as the basis of reporting. This is available for download from ArcelorMittal's corporate website.

This Corporate Responsibility Report contains forward-looking statements that represent the expectations, beliefs, plans and objectives of ArcelorMittal's management regarding its financial and operational performance in 2012 and beyond, and assumptions or judgements based on such performance. Future performance expectations are forward looking and accordingly involve estimates, assumptions, judgements and uncertainties. A number of factors may cause actual results or outcomes to differ materially from the expectations of our management. These risk factors are outlined in ArcelorMittal's Annual Report on Form 20-F filed each fiscal year with the US Securities and Exchange Commission and available at <http://www.arcelormittal.com> in 'Investors and Shareholders – Financial Reports – SEC Filings'.

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To review the full corporate responsibility 2012 report online:
www.arcelormittal.com/corp/corporate-responsibility

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Our memberships

