



ArcelorMittal

# Where do we stand?

Corporate Social Responsibility Review | 2007

President and CEO's Overview	1
Message from the Group Management Board	3
Corporate Profile	5
Sector Context	10
UN Global Compact	12
CSR Management	14
Stakeholder Dialogue	20
Health and Safety	24
Human Resources	27
Environment	32
Research and Development	39
Local Communities	42
ArcelorMittal Foundation	46

---



Packs of steel scrap ready to be re-used in Electric Arc Furnaces: steel is one of the most recyclable products in the world and can be indefinitely melted.



# About This Review

This is the first interim review of ArcelorMittal's Corporate Social Responsibility (CSR) activities. This publication is aimed primarily at our investors and our employees, but it may also provide useful information to other stakeholders with a particular interest in our company or with a professional involvement in CSR.

This CSR review supplements our other periodic reports, namely the Activity Report. We aim to provide an overview of ArcelorMittal's economic, environmental and social achievements while also examining the challenges we currently face. It is also our *United Nations Global Compact Communication on Progress*.

Our purpose for writing this review is to provide information on our initiatives in preparation for more complete disclosure to be published during 2008. This review focuses on the transition period between the merger of Arcelor and Mittal Steel in July 2006 and November 2007. As such, many of the systems described in this review are in progress and we look forward to more robust descriptions of metrics and targets in our full CSR report later in 2008.

This report is developed in reference to the ten principles of the United Nations Global Compact - a voluntary initiative addressing human rights, labour standards, environment and anti-corruption. We have also made reference to the Global Reporting Initiative (GRI) sustainability reporting guidelines. As one of the world's leading companies we recognise that we must continuously improve our CSR management, performance and reporting. Our goal is to introduce systematic, comprehensive, transparent and innovative reporting processes.

## Scope of the Review

As part of our process for determining the scope of this review we undertook an internal assessment of important issues for the company. The assessment was based on our understanding of matters affecting the sustainability of our business and stakeholder priorities. We acknowledge that we have not yet engaged with a broad range of stakeholders specifically concerning our process for identifying key issues. However, the list of issues is under discussion by the internal, senior-level CSR Orientation Committee and we expect to have more formal stakeholder engagement in the future.

This review covers all operations over which we exercise management control and where actual or potential sustainability issues are likely to occur. The information covers 28 countries of operation. These are referred to as our *regional operations*.

A number of our regional operations produce separate sustainability and CSR publications namely: Argentina, Brazil and South Africa. These regional reports can be found at:

[www.acindar.com.ar](http://www.acindar.com.ar)

[www.arcelor.com/br](http://www.arcelor.com/br)

[www.iscor.co.za](http://www.iscor.co.za)

Additional information on the ArcelorMittal Group can be found at:

[www.arcelormittal.com](http://www.arcelormittal.com)



## President and CEO's Overview

The merger of Arcelor and Mittal Steel was an enormous step change and the journey did not end there. There are many new challenges and opportunities that we have to face. We have introduced the new ArcelorMittal brand and a new corporate identity that is a significant example of global integration.

*Transforming tomorrow* is our company's new slogan that describes clearly where our ambitions lie.

---

**We are committed to setting globally recognised standards with the needs of future generations in mind.**

---

To achieve the bold goals that we have set ourselves and to be a force in transforming our tomorrow we have decided to focus on *leadership, quality and sustainability*. When people hear the name - ArcelorMittal - I want them to immediately think of these critical values.

We know that our position in the steel industry brings unique responsibilities. We are committed to setting globally recognised standards with the needs of future generations in mind. Our goal is

to provide the leadership that will transform the future of the steel industry.

Our commitment to the world around us extends beyond the bottom line, to include the people in which we invest, the communities we support and the world in which we operate. This long-term approach is central to our business philosophy. But what does it mean to create a truly sustainable business?

It means being in a position to fulfil and outperform the expectations of our customers and deliver optimum product solutions. It means being in a position where we can consistently deliver a good return on investment to our shareholders. It means being able to provide long-term career prospects for our employees; being a responsible corporate citizen; and helping to develop and transform the long-term prospects of the communities in which we operate.

We must also ensure that we act responsibly as an industry. In today's world, business is expected – and rightly so – to play a meaningful role in improving the prosperity of the world, both directly and indirectly. There are many examples of this but the most high profile at present relates to business' commitment to environment and climate change.

The steel industry clearly has a responsibility in this area. This is a global problem which requires a global solution. Any company with a social conscience should be committing attention and resources to this issue.

Some of the most important stakeholders in a business are its employees. Without our employees, we have no product, no sales and no profits. Employees are critical to the success of any company.

---

**I would like ArcelorMittal to achieve the levels of performance in CSR that will position us among the world's most admired companies.**

---

Because quality outcomes depend on quality people, we seek to attract and nurture the best talent to deliver superior solutions to our customers.

At ArcelorMittal we are visionary thinkers, creating opportunities for growth every day. This entrepreneurial spirit brought us to the forefront of the steel industry. Now, we are moving beyond what the world expects of steel.

Living our values, and demonstrating effective CSR has always been absolutely central to the success of our business. Over time, I would like ArcelorMittal to achieve the levels of performance in CSR that will position us among the world's most admired companies. This journey has already begun.

लक्ष्मी - मिता

Lakshmi N. Mittal  
18 January 2008



## Message from the Group Management Board

On behalf of the Group Management Board, I am proud to present this document as an interim review of our CSR activities. This is the first step towards publishing a stand-alone CSR report for ArcelorMittal. In 2008, we plan to publish a report that includes additional performance data and more information on issues of interest to our stakeholders.

We are aware of the high demands expected of us being the market leader in the steel industry. CSR is not a new concept to ArcelorMittal. We have many examples of good practice in CSR across the Group, but we recognise that we still have a long way to go. We believe CSR is absolutely fundamental to the success of our company. It is a vital element of our long term strategy: to demonstrate leadership, to ensure the sustainability of our operations and to achieve satisfaction among our stakeholders. This is in addition to the tremendous economic contribution, through taxes, facilities development, employment and sub-contracting that we make in each of our locations that in turn multiply local economic activity and regeneration.

We are a large company, with a global footprint, operating in 28 countries with nearly 320,000 employees. We operate within a diversity of cultures and CSR contexts; and we must achieve the appropriate balance between our CSR ambitions and the rapid growth we continue to see in our business operations.

During the first year of ArcelorMittal, we focused merging our business activities while successfully growing our business. Now we need to sustain our performance and shape the new ArcelorMittal culture. CSR will be an important contribution to achieving this goal. The CSR landscape within the Group shows contrasting pictures, some operations are advanced while others are at the very beginning of the CSR journey. Our various greenfield projects also require specific attention. The new Liberia mining development project and the

---

**We believe CSR is absolutely fundamental to the success of our company.**

---

Indian integrated project are both significant in terms of CSR risks, but also opportunities to demonstrate leading CSR practices.

To focus our global CSR ambition - building on an internal benchmarking exercise carried out in the past year - we have defined our '12 commitments to CSR'. You will find them described in this review.

Health and Safety is a core activity and critical for ArcelorMittal. While results are improving our operations continue to experience an unacceptable number of accidents and fatalities. In October 2006, a severe mining accident at Kazakhstan Lenina took place. It was an impetus to review all our safety processes and policies. The Group Management Board is determined to reach top standards in safety.

Our operations have a considerable impact on the environment. Complying with local regulations is not enough and we aim to implement superior standards across our global operations. We recognise the significance of climate change. We recently signed the 'Care for Climate' declaration of the UN Global Compact and have demonstrated significant reductions in CO<sub>2</sub> emissions in the past 20 years.

For the long term, we are investing in Research and Development (R&D) which will include research into carbon capture and storage. We are investing in technologies to further reduce our own CO<sub>2</sub> emissions. In addition we are leading an EU sponsored R&D program aimed at finding breakthrough technologies to combat emissions. We are also the largest recycler of steel in the world and take pride in providing environmentally beneficial solutions to some of our customer segments.

During 2007, we introduced a Code of Business Conduct that sets out the ethics and behaviour that we expect from all our employees. We are also determined to reach best in class standards

in terms of shareholder dialogue.

We have strong foundations of CSR activity, as this review reveals, to build our future commitments on. We have devoted employees and a long-lasting tradition of social dialogue. We can also count on our product *steel* – a fully recyclable material – to contribute to global wealth creation. Furthermore, we have a technology academy inside our Group, allowing continuous improvement and exchange of best practices.

We have established a strong ambition and a clear roadmap for CSR that we are now ready to implement. We have put in place a new CSR organisation with a fully dedicated team and clear governance structure. This review is a first opportunity to communicate our intentions and goals.

There is no 'end-point' to CSR, stakeholder demands and regulations will continue to evolve and become stricter. Establishing and sustaining ongoing leadership requires us to exceed stakeholder expectations and act responsibly through living our values. I hope you will enjoy reading this CSR review, and I look forward to keeping you regularly updated on our progress.



Gonzalo Urquijo,  
Senior Executive Vice President  
Member of the Group Management Board  
18 January 2008



# Corporate Profile

## Corporate Profile ▣

Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation



ArcelorMittal is the number one steel company in the world, with 320,000 employees in more than 60 countries. We have steel plants on four continents, enjoying regional leadership in North and South America, Western Europe, Eastern Europe, the Commonwealth of Independent States and Africa. Created from the merger between Arcelor and Mittal Steel, the Group is the leader in all major global customer segments on steel, including automotive, construction, household appliances and packaging.

## Corporate Profile

With an industrial presence in 28 European, Asian, African and American countries, the Group has a substantial activity in all the key steel markets providing geographic as well as product diversity. The merger has also boosted financial strength and sustainability. ArcelorMittal's financial results for 2006 show combined revenues of US\$ 88.6 billion and our production was equivalent to around 10% of world steel production. The Group has now reported EBITDA of approximately US\$ 15.0 billion for the past three years, demonstrating how the newly diversified geographic and product profile is helping us to deliver sustainable results. EBITDA for the first nine months of 2007 was US\$ 14.6 billion, 30% higher than in 2006. ArcelorMittal is on track to deliver a record year for 2007 (EBITDA of US\$ 19.2 – US\$ 19.4 billion).



### Key Pro-forma Financials and Statistics

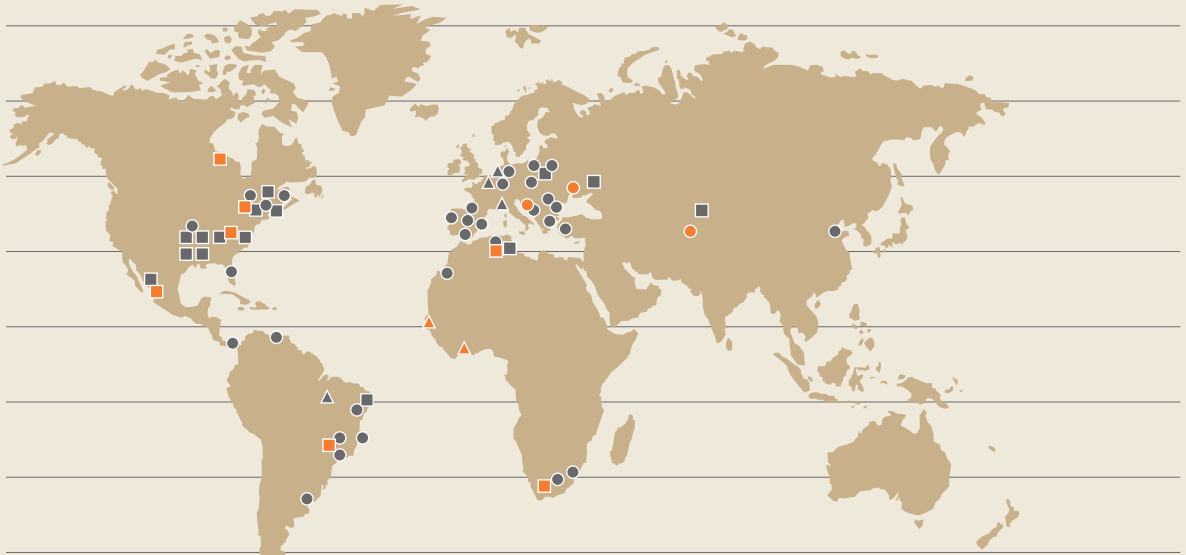
	2006	2005
Revenue (US\$)	88.6 billion	80.2 billion
EBITDA (US\$)	15.2 billion	15.0 billion
Operating Income (US\$)	11.8 billion	11.7 billion
Basic Earnings Per Share (US\$)	5.76	5.97
Crude Steel Production (metric tonnes)	118.0 million	112.4 million
Steel Shipments (metric tonnes)	110.5 million	102.9 million
Employees (Full-time equivalent)	319,578	334,259

ArcelorMittal produces a broad range of high-quality finished and semi-finished carbon steel products, specifically flat products, including sheet and plate, long products, including bars, rods and structural shapes, and stainless steel products. We sell our products primarily in local markets and through our centralised marketing organisation to a diverse range of customers in approximately 187 countries, including the automotive, appliance, engineering, construction and machinery industries. ArcelorMittal's steelmaking operations have a

high degree of geographic diversification. 35% of our steel is produced in the Americas, 48% in Europe, and 17% in other countries, such as Kazakhstan, Algeria and South Africa. In addition, ArcelorMittal's sales are balanced both geographically and between developed and developing markets, all which have different characteristics.

Furthermore, we source a significant proportion of our iron ore demand from our own mines.

## Mining Operations and Main Industrial Assets



### Mining Operations

- Existing mines
- Existing mines with expansion project
- ▲ New projects

### Main Industrial Assets

- Basic Oxygen Furnace (BOF)
- Electric Arc Furnace (EAF)
- ▲ Stainless

## Governance Structure

### Board of Directors

ArcelorMittal's Board of Directors constitutes 18 members that is responsible for the overall supervision of the company. Twelve of its members were appointed in unison by Arcelor and Mittal Steel. The Board includes three shareholder representatives and three employee representatives. Thirteen Directors are considered independent. There are two board committees comprising solely of independent directors: Audit and Appointments, Remuneration & Corporate Governance. Directors are elected by the General Meeting of Shareholders for three-year terms. Mr Joseph Kinsch is the current Chairman of the Board of Directors.

### Group Management Board

The strategic direction and day-to-day management of the business is the responsibility of a five-strong Group Management Board (GMB), formed in August 2006 and chaired by Mr Lakshmi N. Mittal as President and Chief Executive. Members of the GMB are appointed by the Board of Directors and its composition reflects the Group's new structure.

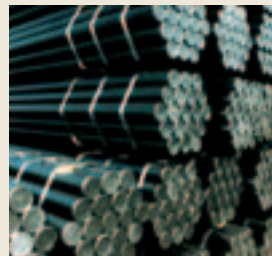
### Management Committee

The Management Committee, active since early September 2006, comprises heads of regional or sector operations and Group-level functions i.e. Purchasing, Marketing, Commercial Coordination, Human Resources and Technology. All GMB members sit on the Management Committee.

For additional information on our governance arrangements, see the ArcelorMittal Factbook 2006.

### Business Areas

ArcelorMittal is the only producer offering the full range of steel products and services supported by continuous



investment in process and product research: commodity steel to value-added products; long to flat products; standard to specialty products; carbon steel to stainless steel and alloys. For additional information on our products

and services, see the ArcelorMittal Factbook 2006.

# Corporate Profile

---

## Business Areas

### Business Segment Overview

#### Flat Carbon Americas

■ Products are *sheet*, *strip* and *steel plate* made from slabs. Used in the automotive sector, as well as industrial applications such as construction, civil engineering, mechanical engineering, processing industries, domestic appliances and packaging.

■ The Americas division comprises substantial operations in Brazil, Mexico, the US and Canada. Combined, they represent the largest and most diverse flat-rolled supplier in the hemisphere, spanning a mix of mature and developing markets. These operations share markets and technologies, thus offering significant opportunities for synergies and performance improvements.

#### Flat Carbon Europe

■ ArcelorMittal is the largest flat steel producer in Europe with operations that range from Spain in the West to Romania in the East and cover the complete Flat Carbon Steel product portfolio.

#### Long Carbon Americas and Europe

■ Production consists of blooms and billets, bars and rebars, wire rod and wire products, sections, sheet piles and rails. Rolled long products are used chiefly in the construction industry, infrastructure developments and in the equipment industry.

■ Operates in 36 countries in Europe and the Americas, and enjoys a particularly strong footprint in the growing markets of Eastern Europe and South America. A stable business with a history of sustained profitability, it offers the broadest product mix in the marketplace.

### Business Lines

#### Automotive

■ With 17 million tonnes of steel sheet shipped in 2007, and a worldwide market share of 23%, ArcelorMittal is the world leader in steel sheets and steel solutions for the automotive industry.

#### Plates

■ Covers 13 plate mills located in Europe, the US and South Africa. ArcelorMittal is nevertheless the undisputed leader in the specialty segment, *cryogeny*, *alloyed plates*, *special stainless plates*, and *heat treated plates*. Global Plates coordinates sales of all ArcelorMittal specialty plates worldwide.

#### Research and Development (R&D)

■ ArcelorMittal operates 13 major research centres in Europe, the US and Canada. Between them, they employ around 1,300 researchers. The size of the merged Group's has helped to increase the number of research partnerships throughout the world. Collaboration with scientific and technical universities has been extended and has led to strengthened relationships.

#### Wire Solutions

■ ArcelorMittal Wire Solutions is the most important and diversified steel wire drawer in the world with a production capacity close to three million tonnes in the Americas, Europe, Asia and Africa. Its strategy is to pursue the consolidation that has started in Europe and to grow in Asia, focusing on projects that reinforce its position as a global solution provider with superior R&D and innovation capability.

## Business Segment Overview

## Business Lines

### Asia, Africa, Commonwealth of Independent States (AACIS)

■ As the number one steel producer in Africa, and with plants in Macedonia, Bosnia, Ukraine and Kazakhstan, ArcelorMittal enjoys the twin benefits of a large, low-cost production base with a strong footprint in some of the world's fastest growing steel markets. The main destinations for AACIS shipments are Africa (43%) and CIS and Middle East (15% each).

### Pipes and Tubes

■ Small and large diameter *welded pipes* and *seamless tubes* are produced at 11 sites around the world. Used in civil engineering projects – tubes for combined walls, mooring posts, foundation piles, struts for the support of sheet pile walls, and pillars for bridges.

### Mining

■ ArcelorMittal operates its own iron ore and coal mines in nine countries. Together with a long-term strategic supply contract in South Africa and a major iron ore project under development in Liberia, this provides it with a valuable hedge against raw material price increases.

### Stainless Steel

■ Produced in Brazil, Belgium and France, ArcelorMittal is the world leader in *stainless steel* and *nickel alloys*. Used in four major markets: domestic appliances and household equipment (e.g. cutlery); automotive (mainly exhaust systems); construction and street furniture (facades and building products) and industry (especially the food, chemical and oil industries).

### Steel Solutions and Services

■ Operations span a worldwide network of distribution centres, steel service centres, construction and foundation solutions for infrastructure projects. It offers extensive innovative solutions and focuses on customer loyalty by providing high quality services to meet increasingly high expectations of key markets (automotive, general industry, civil engineering, construction, and domestic appliances).

# Sector Context

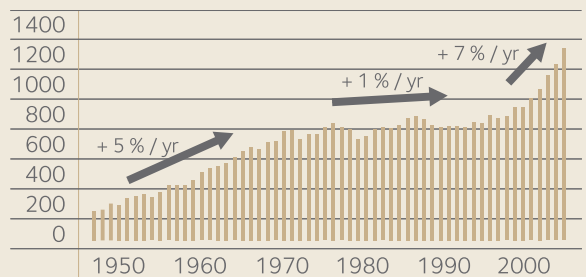
Corporate Profile  
**Sector Context** ■  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation



## The Market

The economic outlook for the sector continues to look positive with predicted growth of 3-6% per year for the foreseeable future. This growth is fuelled by strong markets in the construction, automotive and mechanical sectors, particularly in China, India, North America and the European Union. The most significant growth in the sector has come from the Chinese market and there are some indications that this fragmented market is beginning to consolidate, which will enable better management of supply and demand. In the light of this continued growth, the steel sector will continue to play a significant role in the economies of emerging countries and in international discussions of climate change and resource usage.

World steel apparent demand from 1950 to 2006 (millions of tonnes)



## Climate Change

The steel industry is a major contributor to carbon emissions in an increasingly carbon-constrained world. Steel production contributes approximately 5-6% of man-made carbon emissions, primarily from blast furnace methods (see page 49 How To Make Steel). Unlike the power generation sector, steel making is currently constrained by available technologies in its ability to reduce carbon emissions beyond process efficiency measures. This presents real challenges for the sector as a whole to set carbon reduction targets and particularly for operations in the European Union and other Kyoto Annex 1 countries (<http://unfccc.int/resource/kpco2.pdf>) where government-led carbon limits or trading schemes are being set.

The solutions to climate change challenges in the sector will require strong leadership and is likely to comprise technological improvements, carbon capture techniques, and government and market incentives. Sector initiatives such as the Ultra Low CO<sub>2</sub> Steelmaking (ULCOS), hold great promise for the sector. As these initiatives develop, there will be a real and continuing role for the steel sector to openly discuss the climate change challenge with governments and other stakeholders.

## Health and Safety

Mining and steel production are both heavy industrial processes and carry significant Health and Safety hazards.

Companies and industry bodies continue to work towards the goal of 'zero harm'. Additionally, the nature of exposure to certain primary materials and processing operations carries a risk to the longer term health of employees. Increasingly infectious disease such as HIV/AIDS within company workforces are part of Health and Safety wellness programmes. Significant improvements in standards and performance within the industry have been realised over recent years but companies and industry bodies continue to work towards the goal of 'zero harm'.



Key challenges when operating in numerous countries across the globe arise from variations in regulatory standards and cultures between countries and regions. Leading companies need to exceed these local standards and

apply best practice. Historically, performance levels have also varied between employees and contractors.

It is an ongoing challenge to apply standards and initiatives equally both to our employees and to contracted workforce. Every employee and contractor has the right to a safe working environment. Improving levels of safety performance are also important for reputation, avoiding regulatory attention, minimising work stoppages, and good industrial relations. Increasingly, Health and Safety is considered in a company's ability to attract and retain staff and maintain a competitive advantage.

## Establishing Stability in the Markets

Steel prices have historically shown dramatic fluctuations in price. Significant price volatility does not only impact the companies and investors involved in the production of steel. Production facilities require large scale investments in terms of infrastructure, suppliers, employees and community investment, all of which are dependent on a stable price for steel. Loss of operations can be a disruptive force on the lives and well-being of employees and the communities in which we operate.

Consolidation within the global steel sector has led to a more consistent product offering, adjusting supply to demand and a stable price assessment. Profit sustainability through production flexibility and controlled costs and growth is the major objective of ArcelorMittal's management.

## Emerging Markets

The role of emerging markets in the steel sector has become increasingly significant over the last five years. In particular, there has been strong growth in steel production capacity in China. ArcelorMittal has invested heavily in integrated steelworks in a number of emerging markets. With this growing capacity, it is incumbent on the industry to maintain the highest standards of labour, human rights, environmental, ethical and safety standards, even in those locations where the presence or application of regulations do not meet these expectations.

In addition to promoting improved standards of behaviour in the sector, we have noted the increasing prominence of trade bodies in developing these standards, such as the International Iron and Steel Institute (IISI), or regulating bodies like the ICMM (International Council on Mining & Metals) and the EITI (Extractive Industries Transparency Initiative). Driving real progress on these challenges in emerging markets will require an integrated approach, drawing on the strength of governments, NGOs, companies and communities. We welcome this collaboration.

# UN Global Compact: Communication on Progress - Summary

Corporate Profile  
Sector Context  
**UN Global Compact** ■  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation



Following the merger of Arcelor and Mittal Steel in 2006, ArcelorMittal has continued the commitment of Arcelor to the United Nations Global Compact (UNGC). This is a summary of our Communication On Progress (COP),

which describes our actions concerning the UNGC principles on Human and Labour Rights, environment and anti-corruption in 2006 and 2007. The full account on progress with a statement of commitment, and more detailed descriptions of many of the projects referred to below has been submitted to UNGC and is available at [www.unglobalcompact.org](http://www.unglobalcompact.org)

## Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed Human Rights within their sphere of influence.
- **Principle 2:** Businesses should ensure that they are not complicit in Human Rights abuses.

ArcelorMittal respects all fundamental Human Rights and will be guided in the conduct of its business by the provisions of the United Nations Universal Declaration of Human Rights (UNUDHR).

**Key progress in 2006/2007 (for further details see page 27, Human Resources):**

Introduction of a Code of Business Conduct

## Labour Rights

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** Businesses should support the elimination of all forms of forced and compulsory labour.
- **Principle 5:** Businesses should support the effective abolition of child labour.
- **Principle 6:** Businesses should work to eliminate discrimination in respect of employment and occupation.

At ArcelorMittal we have recently adopted a new Group Code of Business Conduct which prohibits discrimination based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The Code was completed in reference to the ILO Conventions on International Labour Standards. Due to the diverse nature of our operations, our practices with regard to freedom of association are generally defined by specific legislation or contracts with governments of countries in which we operate.

**Key progress in 2006/2007 (for further details see page 27, Human Resources):**

- A European Works Council was established in July 2007;
- Regional operations are active participants of National Works Councils;
- Operations in South Africa and Kazakhstan have HIV/AIDS programmes which include anti-discriminatory initiatives.



## Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
- **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

The Environmental Policy for ArcelorMittal has been formally adopted by the Group Management Board. The Environmental Policy underscores our commitment to meeting regulatory requirements, promoting environmentally friendly products and processes and extending our commitment to our employees, suppliers and other stakeholders.

### Key Progress in 2006/2007 (for further details see page 32, Environment):

- Issued mandatory requirements to production facilities to obtain certification to ISO 14001; Currently, 78% of facilities are certified and we are aiming for 100% by the end of 2008;
- Entered the second phase of the Ultra Low CO<sub>2</sub> Steelmaking (ULCOS) programme;
- Supported the *sectoral approach* developed by the International Iron and Steel Institute and the Eurofer Association, to better address Climate Change objectives;
- By-products and recycling management has been improved and systematised throughout the Group;
- Dedicated energy efficiency department has identified potential energy gains;
- Participation in the International Iron and Steel Institute (IISI) 'Living Steel' initiative aimed at promoting 'green' building design and structure.

## Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

The ArcelorMittal Code of Business Conduct sets out our policy and procedures to combat all forms of bribery and corruption in our business dealings. Specific aspects concerning gifts, donations, business conduct and business ethics are detailed in the Code. The Code is based on the existing approaches of the two pre-merger companies and was developed in line with Sarbanes-Oxley requirements.

### Key Progress in 2006/2007

- Initiated a Group-wide training initiative for all managers and employees on the requirements of the Code of Business Conduct;
- Established a confidential helpline for employees to report violations or complaints with regard to business ethics without threat of retribution to the Legal Department or Head of Internal Assurance. For accounting or audit issues, reporting is directly to the Audit Committee of the Board of Directors.

# CSR Management

Corporate Profile  
Sector Context  
UN Global Compact  
**CSR Management** ■  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation



## Governance

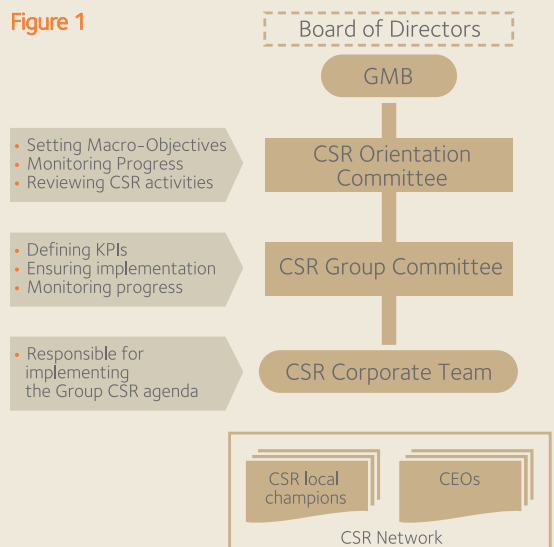
The concepts of Corporate Social Responsibility (CSR) and Sustainable Development have the full support of the ArcelorMittal Group Board of Directors and Management Board that also chose *Sustainability* as one of the Company's three core values. As a result, the Board has approved the appointment of a new CSR governance structure at Group level to address our responsibilities to our communities, to society and to other external stakeholders. This structure was established in 2007 (see Figure 1) and is described briefly in this section. Additional information on application and development of this structure will be provided in future reports.

### CSR Orientation Committee

The CSR Orientation Committee (CSROC) is ultimately responsible for CSR activities and performance in the Group. The CSROC sets the direction and strategy, prioritises actions within the CSR management team, approves policies and reviews performance. The CSROC comprises Group-level senior managers. This is in recognition of the multi-disciplinary nature of CSR within ArcelorMittal. The Orientation Committee is chaired by Gonzalo Urquijo, Member of the ArcelorMittal Group Management Board

(GMB) and responsible for Long Products, Distribution, Wire Solutions, and CSR and the ArcelorMittal Foundation. Mr Urquijo reports regularly to the GMB and the Board of Directors on CSR activities and performance. The Orientation Committee meets at least bi-annually.

Figure 1



## CSR Group Committee

The CSR Group Committee (CSRGC) is responsible for implementation of the CSROC directives. The CSRGC implements CSR policies by adopting appropriate CSR management systems. The CSRGC also evaluates CSR risks and opportunities within the Group and decides on appropriate actions.

The CSRGC is chaired by the Vice President for CSR and reports on performance to the CSR Orientation Committee. In addition, the VP CSR leads the Group CSR team responsible for coordinating and informing the regional operations on best practice through the CSR Management System.

The CSRGC comprises representatives from Health and Safety, Climate Change and Energy Efficiency, Compliance, Product Sustainability, Supply Chain, Social Dialogue, Risk Management, and the ArcelorMittal Foundation. From 2008, the Group Committee will meet at least four times a year.

## Risk Management and Internal Assurance

ArcelorMittal has recently introduced a new risk management process and organisational structure for all risks including those relating to CSR (see Figure 2). Management for each Business Segment is responsible for managing risks related to their operations. The GMB and Management Committee are responsible for risk mitigation at Group-level. The CEO is ultimately responsible for and has full ownership of the risk management process. Major risks of the segments and the Group are regularly reported to the GMB and the Audit Committee to allow the monitoring of the Group's risk portfolio. The Board of Directors is informed twice a year about the progress risk management efforts. The Internal Assurance team, reporting to the Audit Committee of the ArcelorMittal Board of Directors, apply internal controls to ensure accurate reporting.

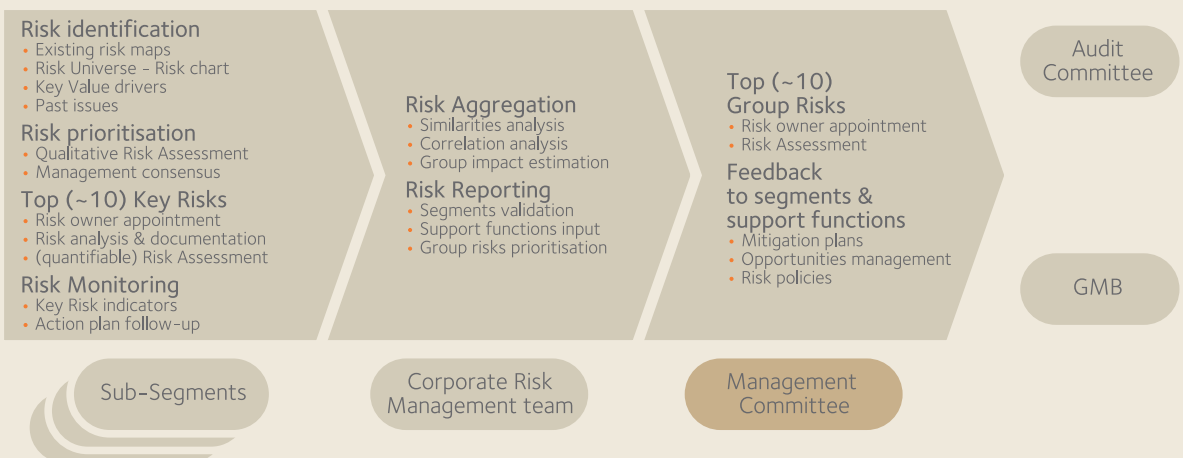
The Group's Asset Risk Management policy was finalised in October 2007. The goal is: "to ensure and demonstrate that assets deliver the required function and level of performance in terms of service or production in a sustainable manner at an optimum whole life cost without compromising health, safety, environment or reputation". This is supported by a number of principles encompassing open communication within the Group to create risk transparency and awareness, employee commitment in asset risk management, and the development of guidelines and best practices to share across the Group.

## Bribery and Corruption

We operate in a number of countries where the rule of law may not be strictly enforced. There is a risk under these circumstances that individuals may subvert responsible practices and engage in unethical and illegal practices to facilitate the conduct of business. At ArcelorMittal, we have no tolerance for such practices. We have made this position clear in our Code of Business Conduct. We endeavour to act ethically and with integrity in all of our business dealings, be it with customers, suppliers or governments. To support this position, we have established a confidential helpline for breaches of the Code to the Head of the Legal Department or the Head of Internal Audit Department. Violations against accounting, internal control and auditing regulations may also be reported to the Audit Committee of the Board of Directors of ArcelorMittal.

Internal Assurance has developed a full training programme on fraud awareness that has already been presented to managers in Europe, South America and North America. Reported offences and sensitive cases are recorded and monitored through an internal fraud database.

Figure 2



# CSR Management

## Systems and Objectives

### CSR Management System

Our CSR management system has been developed with the recognition that social and economic circumstances are unique for each of the communities in which we operate. For instance, the priorities of our stakeholders in Cleveland, USA vary considerably from those in Temirtau, Kazakhstan. To address this diversity, the CSR approach is designed to:

- provide a business framework for responsible behaviour;
- empower regional operations to address CSR challenges;
- provide the knowledge and tools to support the regions.

We recognise that the continued success of our operations depends on maintaining our 'licence to operate' within our regions of operation. Through our management systems we seek to minimise social risks and maximise opportunities for social development, building support for our operations throughout society, and also to improving our competitive advantage.

### 12 CSR Commitments

In recognition of the significance that ArcelorMittal places on CSR as an element of core business strategy, 12 broad commitments have been developed and communicated to employees and investors (see Figure 1). These commitments address specific areas of performance, such as reducing

greenhouse gas emissions and improving Health and Safety, they also underline the company's commitment to excellence in areas such as corporate governance, social dialogue and labour standards.

### Framework for Responsible Behaviour

We have defined our expectations for responsible behaviour through the values and our policies set by the ArcelorMittal Group. We endeavour to be the most admired steel company in the world. To accomplish this, we have selected Sustainability as one of our core values. We have also adopted the Code of Business Conduct addressing issues related to business ethics and corporate accountability. These issues include bribery and corruption, political involvement, discrimination, Health and Safety and environmental commitment. To support compliance, the Code of Business Conduct explicitly requires reporting of any violations of the Code to the Legal Department or Head of Internal Assurance without fear of retaliation. We have prioritised the formulation of Group policies on other aspects of CSR within the Orientation Committee and expect to have these formalised in the near future. These include Group policies on Human and Labour Rights, Resettlement and Community Engagement. Together, our values and our series of policies define the expectations for responsible behaviour. Although Group policies set a minimum standard, many of our regional operations will have already or will adopt specific policies that acknowledge cultural conditions but also meet or exceed the expectations of the Group.

Figure 1



## Empowering Regional Operations to Address CSR Challenges

To develop capacity in our regional operations, we have begun our second year of internal benchmarking. This benchmarking plays a central role in our understanding of the strengths and weaknesses in responsible practice following the merger of Arcelor and Mittal Steel (see Figure 2). The objective of this exercise is to understand the socio-economic challenges faced by our regional operations, and to assess our capacity to respond to these challenges. The benchmarking evaluates regional CSR policies, our systems for forward planning and management of risks, our internal and external communications, regional CSR management systems and auditing. To date, we have focused our efforts on our steel production facilities and have now benchmarked operations in a number of countries including Algeria, Canada, Kazakhstan, Mexico, Poland, Romania, Spain, Ukraine and the USA. Looking forward, we will seek to complete the benchmarking of our major production facilities and will then increase our focus to our largest mining operations.

Following on from the benchmarking, we are rolling out tailored action plans in partnership with regional management. These action plans make reference to the Group CSR framework for responsible behaviour and specify actions including regional CSR governance structures, policy development, stakeholder engagement programmes, audit protocols, training and selection of metrics and targets to assess performance.

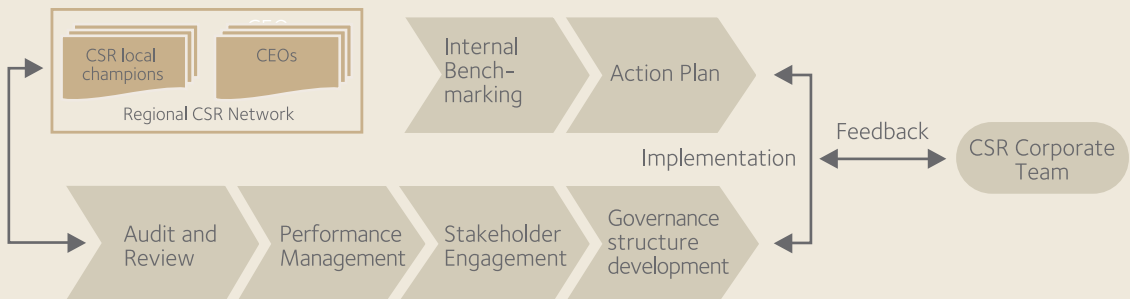
Although we are in the early stages of the action plan roll-out, all of our regional operations have initiated proactive initiatives to engage and support the communities in which they operate. Some of these case studies are described in the Local Communities section, see page 42 (or Foundation section, page 46).



Social project in 2006 in Serra, Brazil

Acesita, our stainless steel producer in Brazil was chosen as the top company in Sustainable performance by Brazilian Exame Magazine yearbook 2007. The yearbook evaluated strategies, commitments and corporate practices of 204 companies in the three dimensions of sustainability: environmental, economical-financial and social.

Figure 2 – Supporting Regional Development



# CSR Management

## Regional Support Tools

The final aspect of the CSR Management System involves the development and communication of CSR knowledge across our operations to drive the implementation of regional CSR programmes.

To accomplish this, we have developed a wide variety of initiatives focused on internal communication, sharing of best practice and establishing a common understanding of CSR within ArcelorMittal.

### Regional Support Tools

#### Internal CSR Network

■ Network of global and regional managers responsible for aspects of CSR performance. Communication within the network focuses on best practice, problem solving and identification of opportunities.

#### Toolkits

■ Information and implementation guidelines for specific aspects of CSR programmes such as stakeholder engagement, resettlement, internal communication, etc.

#### CSR KMP

■ The CSR Knowledge Management Programme (KMP) is an internal conference for CSR managers to discuss progress and performance. We seek to invite external experts and partners to speak on key topics to our company and sector as well.

#### Stakeholder Maps

■ Sharing stakeholder feedback between the Group and regions detailing stakeholder groups, issues, engagement mechanisms and responses from the company.

#### ArcelorMittal Foundation

■ The ArcelorMittal Foundation (AMF) provides funds and guidance on social development projects in the communities in which we operate. The AMF strategy is aligned with our overall CSR strategy to enhance synergies between the needs of our communities and charitable projects.

These tools are in various stages of development and the prioritisation depends on the most significant needs of the regions and the directives from the CSROC.

## CSR Programme Objectives

2006 Fact Book Objectives	Progress in 2007	Activities for 2008
<ul style="list-style-type: none"> <li>Continue to support and develop responsible social and environmental practices within our country operations.</li> </ul>	<ul style="list-style-type: none"> <li>Continued regional benchmarking of CSR systems and charitable projects, roll-out of regional action plans.</li> </ul>	<ul style="list-style-type: none"> <li>Complete regional benchmarking and roll-out of regional action plans. Identify and disseminate best practice examples. Initiate similar benchmarking for mining operations.</li> </ul>
<ul style="list-style-type: none"> <li>Draft our CSR policies and integrate these with our existing Health and Safety, Environment and Human Resources Policies to develop the Sustainable Development Policy Series.</li> </ul>	<ul style="list-style-type: none"> <li>In development and due for approval by the CSR Orientation Committee. A CSR policy has been drafted and is being circulated internally for comment and approval by the GMB. The final text will be published on our website in 2008.</li> </ul>	<ul style="list-style-type: none"> <li>Communicate CSR policies throughout the Group.</li> </ul>
<ul style="list-style-type: none"> <li>Continue to develop specific mechanisms, tools and communication networks to enhance the sharing of best practice and to improve performance.</li> </ul>	<ul style="list-style-type: none"> <li>Continued communication with regional managers, appointment of VP CSR and CSR Manager to coordinate communication activities, appointment of CSR Group Committee to facilitate cross-functional dialogue.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake an internal survey of senior management to gauge current status of understanding of CSR within Group. Further develop CSR Roadmap of key activities, and agree new KPIs to track progress against objectives.</li> </ul>
<ul style="list-style-type: none"> <li>Identify our top CSR issues and use these to agree and draft our Sustainable Development strategy in line with the overall business strategy.</li> </ul>	<ul style="list-style-type: none"> <li>An interim list of issues and CSR commitments are published in this report. Feedback from internal stakeholders and presentation to the top management.</li> </ul>	<ul style="list-style-type: none"> <li>The final list of issues will be reviewed and approved by the CSR Orientation Committee and reviewed regularly.</li> </ul>
<ul style="list-style-type: none"> <li>Continue to focus on communication with key stakeholders such as Socially Responsible Investment (SRI) Funds whilst expanding our stakeholder engagement practices at Group and country levels.</li> </ul>	<ul style="list-style-type: none"> <li>Appointed new Socially Responsible Investment (SRI) Manager with responsibilities for promoting dialogue with relevant investors, and other interested parties.</li> </ul>	<ul style="list-style-type: none"> <li>Analyse stakeholder expectations and concerns regarding CSR amongst key investors and other interested parties.</li> </ul>
<ul style="list-style-type: none"> <li>Publicly report on our Sustainable Development performance by the end of the year.</li> </ul>	<ul style="list-style-type: none"> <li>Interim reporting through this CSR Review.</li> </ul>	<ul style="list-style-type: none"> <li>More detailed and complete reporting to be published during 2008.</li> </ul>
<ul style="list-style-type: none"> <li>Develop more responsive products that address the needs of current and future society.</li> </ul>	<ul style="list-style-type: none"> <li>Significant investment in Research and Development, with emphasised efforts in product sustainability – see Research and Development page 39.</li> </ul>	<ul style="list-style-type: none"> <li>Continue existing activity, and develop life cycle analyses of selected products.</li> </ul>
<ul style="list-style-type: none"> <li>New Objective for 2008.</li> </ul>		<ul style="list-style-type: none"> <li>Develop and implement stakeholder issue tracking tool for use within our country operations, to support Group CSR and risk management arrangements.</li> </ul>

# Stakeholder Dialogue

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
**Stakeholder Dialogue** ■  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation

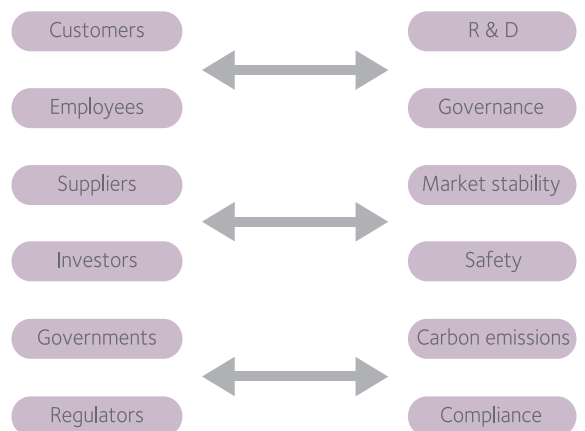


We understand that to build and maintain our 'licence to operate', we need to develop good relationships with our stakeholders. At Group level, we consider it particularly important to establish and engage in dialogue on CSR issues with the following stakeholder groups:

- Customers,
- Employees,
- Suppliers,
- Investors,
- Non-governmental organisations (NGOs),
- Governments,
- Regulators.

We recognise that within these stakeholder groups there will be a wide variety of expectations and concerns regarding ArcelorMittal's approach and performance on CSR. From our dialogue with these stakeholder groups,

we have identified the following issues as priorities for further dialogue and communications, including through future CSR reporting:





Our objective is to ensure that the Group Management Board, notably via the Group CSR Orientation Committee, understands the views and expectations of our stakeholders on CSR. This understanding will be used to inform our strategy, management arrangements and decision-making processes.



Dialogue at Group level involves understanding the expectations and concerns of our stakeholders and explaining our position on issues, management actions, performance and future objectives. Dialogue should be an ongoing part of everyday business, and we should supplement this with engagement on specific issues. We appreciate that some of

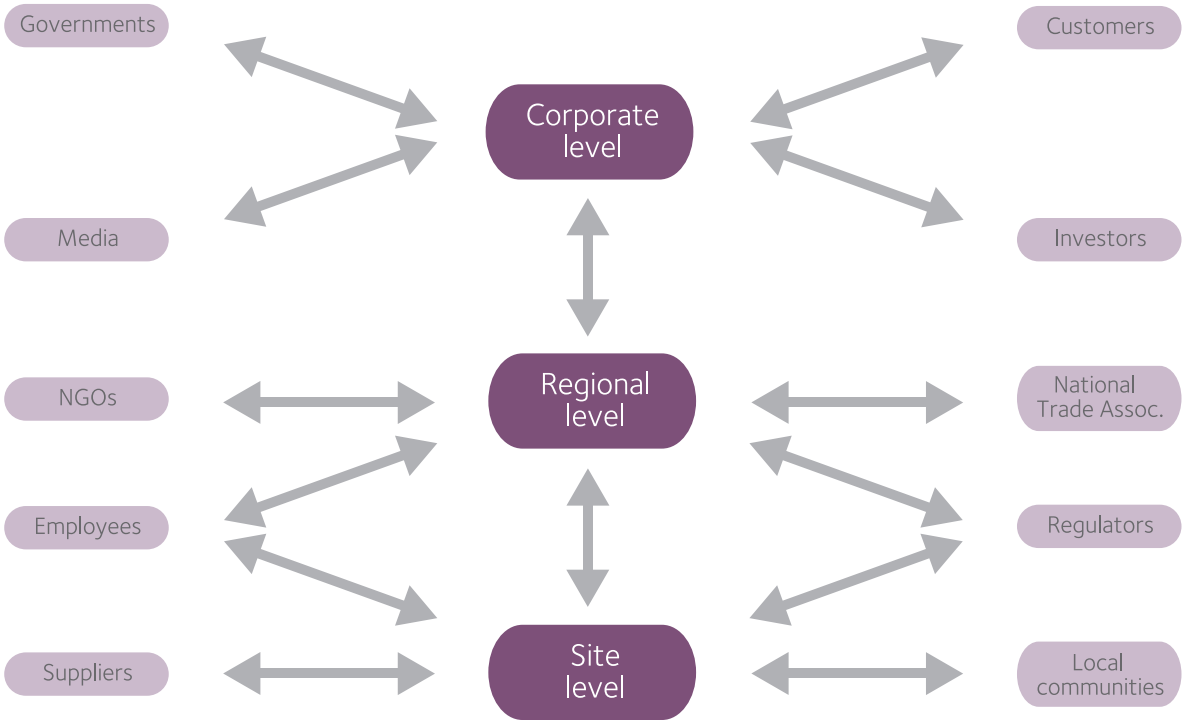
the issues may be contentious, and we are committed to working to achieve consensus with our stakeholders on the most appropriate course of action.

We aim to explain our management approach and performance honestly and transparently. Where there is a gap between the expectations of stakeholders and our current position, we seek to understand the reasons and develop an appropriate management response. Where the views of stakeholders differ from those of the company, we will seek opportunities for further dialogue to explain our position.

Our regional and local operations have formed significant relationships with local stakeholders, and are increasingly applying a systematic approach to dialogue. As a Group, we must be respectful of cultural variances and understand the differing priorities of local stakeholder groups.

In addition to our membership of the World Business Council for Sustainable Development (WBCSD), ArcelorMittal's regional operations participate in local business networks on sustainable development, e.g. CEBDS in Brazil. ArcelorMittal Group also participated in local networks by the UN Global Compact.

**ArcelorMittal CSR Stakeholder Map**





# Stakeholder Dialogue



## Examples of Corporate Level Dialogue

ArcelorMittal participates in a wide range of events and initiatives that are focused on aspects of stakeholder engagement-processes and issues. Below is a summary of some key examples (other examples of dialogue can be found in the Environment and Local Communities sections).

Organisation	Events/Topics
 <p data-bbox="198 1096 404 1140">World Business Council for Sustainable Development (<a href="http://www.wbcscd.org">www.wbcscd.org</a>)</p>	<p data-bbox="448 877 1251 1205">Following ArcelorMittal's recent involvement in the WBCSD's Energy Efficiency in Buildings (EEB) project we were formally invited to attain full membership to the WBCSD – a widely recognised business voice on sustainability issues. Given our footprint relating to emerging markets, climate change and mining our own CSR and sustainability key issues and objectives are aligned with a number of the focus areas of the WBCSD's current work programme. In November 2007, we initiated the next step towards formal membership through the personal commitment of Lakshmi N. Mittal, President and CEO of ArcelorMittal. Our WBCSD membership was officially accepted in December 2007. We believe the WBCSD will provide a forum to learn from peers and share experiences. We will be able to report on progress and the value of membership more fully in 2008.</p>
<p data-bbox="198 1273 404 1328">CSR Europe (<a href="http://www.csreurope.org">www.csreurope.org</a>)</p>  <p data-bbox="209 1443 297 1496">CSR EUROPE</p>	<p data-bbox="448 1273 1244 1481">ArcelorMittal is participating in a regular series of multi-stakeholder meetings, organised under the 'Stakeholder Laboratory' initiative. The Stakeholder Laboratory aims to increase the understanding of various innovative approaches towards stakeholder engagement. The lab has the ambition to map out and better understand proactive ways in which companies can engage with stakeholders (e.g. government(s) at various levels, NGOs, employees and Trade Unions); and to explore opportunities for joint action.</p>

## Examples of Regional Level Dialogue

Initiatives	
<p>Hamilton Industrial Environmental Association (HIEA), Canada</p>	<p>Our Canadian operations are one of the founding members of the Hamilton Industrial Environmental Association (HIEA). The HIEA is guided by the mandate to improve the local environment through joint and individual activities, and by partnering with the local community to enhance future understanding of environmental issues and establish priorities for action.</p> <p>HIEA and its member companies build relationships within the community by proactively informing the public before undertaking activities that may affect residents. This is through face-to-face meetings or working with the public through the Association's Community Advisory Panel (CAP). This group has been important in establishing the priorities to help the HIEA achieve its mandate. CAP members meet monthly with member company representatives to learn from experts, raise concerns and discuss issues. These meetings provide an opportunity for CAP members to help HIEA member companies establish priorities for their own environmental programmes.</p>
<p>SRE Programme at ArcelorMittal Brazil</p>	<p>For a number of years our Brazilian operations have had in place a social-transformation vision and a policy to disseminate sustainability concept and practices.</p> <p>This has culminated in the SRE Programme – Sustainability and Corporate Responsibility – which encourages participation of suppliers in the production chain to adopt responsible social and environmental practices: all our companies in Brazil have received several awards for their achievements in corporate social responsibility and are ranked amongst the most admired companies locally.</p>
<p>Community and Industry Dialogue Programmes, Ukraine</p>	<p>ArcelorMittal's Ukrainian operations provide extensive support to local communities. This includes construction of an Orthodox church in Krivih Rih to foster social and religious lives in the city.</p> <p>Our business is an active member of Ukrainian associations including the employers association, metal and mining association, European business association and the Chamber of Commerce.</p>

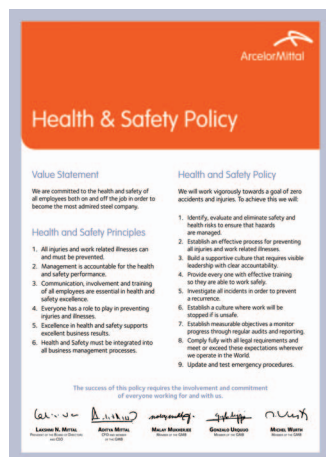
# Health and Safety

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
**Health and Safety** ■  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation



## Policy and Management

Ensuring Health and Safety of the highest standard is a top priority of ArcelorMittal's business strategy. In March 2007, we launched the company's revised Health and Safety policy aimed at reducing the rate and frequency of accidents on a continuing basis. The policy outlines the commitment ArcelorMittal has made to the Health and Safety of all employees, both on and off the job, in order to meet our objective of becoming the safest steel company in the world.



The Corporate Health and Safety department, reporting to the Group's Chief Technology Officer, advises and assists the Group Management Board and the various business units in achieving a safe and healthy workplace. Since the initial integration phase of the merger, a common Health and Safety model has been implemented across

the entire organisation which permits the department to define and follow-up performance targets and monitor results from every business unit.

An Integration Task Force for Health and Safety, comprising managers from both predecessor companies, defined a common road map, strategy and organisation for Health and Safety – drawing on the best systems and reporting standards of the two companies.

These were presented and discussed at a special Health and Safety convention held in Paris in January 2007 and attended by around 100 Health and Safety managers across the Group.

An injury tracking and reporting database is being put in place to track all information on injuries, lost man days and other significant events. It incorporates a return-of-experience system for disseminating lessons learned from individual incidents. The aim is to achieve faster and more accurate feedback on the cause of accidents in order to improve prevention and prevent recurrence.

All ArcelorMittal managers need to demonstrate, with words and actions, a clear commitment towards Health and Safety, and to raise awareness among all employees. The Group Management Board aims to lead by example: from November 2006 onwards, Health and Safety performance is discussed at each of its meetings.

Each and every accident can be avoided. We recognise that it is not enough for us only to work towards internal performance improvements. We must also establish standards that are adopted by the contractors with whom we work. Approximately half the total number of severe accidents and fatalities within ArcelorMittal affect contractors.

In the long term, there is just one performance objective – zero injuries. In the short term, our management objectives are as follows:

- 1 Implementing world-class standards for addressing the key causes of fatalities.
- 2 Extension to all sites of manager-led safety auditing.
- 3 Distribution of roles and responsibilities for safety practices amongst all managers.
- 4 Improving the root cause analysis of incidents.
- 5 Implementing the requirements of new chemicals regulations; the REACH directive (Registration, Evaluation, Authorisation and Restriction of Chemicals) in Europe and the UN GHS (Globally Harmonised System) of classification and labelling of chemicals worldwide.
- 6 Holding the Corporate Health and Safety Day in each facility.
- 7 Developing guidelines and appropriate standards for Occupational Health.

## Performance

Overall injury rates in ArcelorMittal have reduced in the last year; on average across ArcelorMittal, an accident with lost time as consequence occurs 3.2 times for every million working hours in 2007 compared to 3.9 per million hours worked in 2006.

There is an urgent need to establish systems of work which will eliminate all fatalities from our organisation. In addition, although we have some sites and areas with good safety records, the injury rates are on average above our acceptance levels and need to be improved rapidly. We believe exchange of best practices is the key to ensuring progress in all units. At ArcelorMittal we can build on already existing excellent results in some locations like Brazil and Western Europe, where the safety culture is already strongly developed. An information circulation system has been put in place to ensure quick and efficient dissemination of key measures and action plans.

In September 2006, a methane gas explosion occurred at the ArcelorMittal Lenina mine in Kazakhstan, killing 41 miners. For further details on this event, see our 2006 Activity Report. The response to this event continued during 2007, including further investment in our mining operations to simultaneously

improve both safety and productivity. Safety-related capital investment includes upgrading of methane degassing and mine ventilation systems, and the installation of electrical and gas detection telemetry systems. The programme will cost around US\$ 100.0 million over four years. In 2007, we also contracted a US\$ 100.0 million loan with the European Bank for Reconstruction and Development (EBRD) to improve Health and Safety and productivity of mining operations.

Although awareness is a key element in any programme, it is insufficient to bring about the step change in safety that we require. These improvements will only be obtained by focusing on key items that, when implemented, will make a significant and lasting difference to the way people work.

We recognise that across the Group, cultures, relative performance and local regulations are often different. Whilst respecting these differences, we will set a common strategy including standards, metrics and an audit programme to extend across the Group. In future reports we will provide further details of our performance metrics and progress towards management objectives.

## ArcelorMittal Health and Safety Day

The ArcelorMittal Health and Safety Day was held on the 6<sup>th</sup> of March 2007 in all worldwide operations. This event is used internally as a tangible sign of ArcelorMittal's commitment to improve Health and Safety in a continuous way, by exchanging and sharing good practices and experiences at all our plants. This day is an occasion to involve staff in discussing improvements, new targets and associated programmes at Group level as well as at plant level.



# Health and Safety

The Day involved all 320,000 employees and 140,000 contractors. At all sites, a corporate campaign video was played, together with a series of short films. They included a personal message from President and CEO Lakshmi N. Mittal, subtitled into 13 languages, stressing the critical role Health and Safety plays within the Group. He and other members of the General Management Board, together with members of the Management Committee, spent the day visiting as many ArcelorMittal plants as possible to communicate the message in person and to take part in discussions aimed at further improving Health and Safety performance. A similar Health and Safety Day is planned for the 6<sup>th</sup> of March 2008.



## Examples of Regional Initiatives

### Dofasco, Canada, Journey to Zero

Dofasco reaffirmed its commitment to Health and Safety leadership when it

initiated its *Journey to Zero* initiative in 2003.

The intent of this project is to focus the entire organisation on the company's overall goal of achieving world-class Health and Safety performance. 'Journey to Zero' encourages employees to engage in Health and Safety and to strive for sustainable improvement. Since it was implemented, Dofasco's performance has improved significantly. In August of 2007, the entire company

*Journey to Zero* encourages employees to engage in Health and Safety and strive for sustainable improvement.

achieved 100 days without a Lost-time Injury.

Journey to Zero is a good example of how Dofasco is maintaining its focus on Health and Safety leadership, but the reason projects like this

succeed is Dofasco's underlying culture of safety. Dofasco believes that "nothing is more important than Health and Safety."

Every employee understands the message and expects management to demonstrate leadership by placing Health and Safety on an equal footing with other priorities, including production and throughput.

## ArcelorMittal South Africa, Tackling the Challenge of HIV and AIDS

We have recognised that the HIV epidemic poses one of the greatest risks to the sustainability of our South African operations.

A strategy has been developed based on a behavioural change policy.

To reduce the impact of the epidemic on the organisation, a strategy has been developed based on a behavioural change policy

driven by the following three elements of the support programme:

- **Promoting personal knowledge** of HIV status by employees;
- **Facilitating access** of HIV-positive employees to a support programme which monitors consistent compliance with treatment procedures as offered by external networks;
- **Institutionalising effective governance structures** to enhance visible leadership and advocacy at all organisational levels.

Educational and awareness programmes are running on an ongoing basis. The following methods and media are being used:

- **Poster campaigns** to sensitise employees on their rights importance of knowing their status and HIV and AIDS prevention;
- **Articles** in the company or business unit specific house journals;
- **Industrial theatre** as part of special events;
- **Personal testimonies** by HIV-positive individuals with a public profile;
- **Voluntary counselling** and testing (VCT) events;
- **The availability of free condoms.**

The results of a 'Know-Your-Status' campaign in 2006 suggests that there are still high levels of distrust and fear of discrimination. A behavioural change programme is underway for 2007-2008 to target the vulnerable group of employees and address stigmatisation and perceptions in order to improve their access to VCT and support programmes.

# Human Resources

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
**Human Resources** ■  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation

The primary focus areas for the Human Resources function in ArcelorMittal are:

- Ensuring there is sufficient talent for the future leadership needs of the company;
- Enabling employees at all levels to contribute to the best of their ability, attracting and developing new talents and making careers in the resurgent steel industry attractive;
- Building and maintaining good relations with employees and their representatives.



# Human Resources

## Social Dialogue and Partnership with our Trade Unions and Employees

2006 and 2007 have seen ArcelorMittal establish a clear partnership approach with the Trade Unions and employee representatives at all operating levels. The acknowledgement of working together with all stakeholders to develop a successful and sustainable business is fundamental to both the short term and long term success. By working together we have continued to achieve efficiency improvements in our operations through voluntary agreements.

We have been successful in renewing Collective Labour Agreements within the normal negotiating framework. We have been operating a European Works Council (EWC) since the formation of the Group (successfully combining the Works Councils of the merging companies). Currently operations in Germany, France, Belgium, Luxembourg, Poland, Italy, Czech Republic and Romania are members of the council.



ArcelorMittal EWC

After three months of negotiations, the agreement on the ArcelorMittal European Works Council was signed and the EWC was installed on the 9<sup>th</sup> of July 2007 in Luxembourg.

In line with the Group's top priorities, Health and Safety is a key focus, which led to the creation of a worldwide Health and Safety Committee constituting a global partnership between the company and the Trade Unions. This partnership is also deployed through the Health and Safety workshop of the EWC and through initiatives at local level.

We believe in a continuous dialogue at different management levels with Trade Unions in an open and structured manner, based on mutual respect, with a free flow of information. ArcelorMittal subscribes to the process of collective bargaining and will enter into discussions with the Trade Unions to conclude any new agreements, as and when required.

The ArcelorMittal approach goes beyond the use of words like *cooperation*, *constructive dialogue* and *partnership*. We regard employees as key stakeholders within the business. As a result of this vision it is essential that employees and their representatives are aware of the

We believe in a continuous dialogue at different management levels with Trade Unions in an open and structured manner.

business environment, the financial performance of their business unit, the competitive challenges and the need to respond to the rapidly changing consolidation in the steel industry.

During a worldwide trade union convention in Montreal in September 2007, Mr Mittal shared his vision of the future of ArcelorMittal with the Trade Unions.

### Composition of the ArcelorMittal European Works Council

Agreement was signed in Luxembourg the 9<sup>th</sup> of July 2007.

<b>Secretary</b>	Jacques LAPLANCHE (France)
<b>Deputy Secretary</b>	Wladyslaw KIELIAN (Poland)
<b>Vice-President</b>	Luigi FARINA (Belgium)
<b>EMF Coordinator</b>	Luis COLUNGA (Spain)

The EWC is composed of a Plenary Assembly of 54 members and a Select Committee of 25 members.

Number of representatives, per country:

Country	Plenary Assembly	Select Committee
Belgium	8	4
Czech Republic	5	2
France	9	4
Germany	5	2
Italy	2	1
Luxembourg	3	2
Poland	9	4
Romania	8	3



He emphasised the importance of working closely together on topics such as Health and Safety, and highlighting the opportunity and responsibility to keep on shaping and changing together the future of the steel industry, as well as improving the communities and societies in which we operate.

These principles of providing relevant information and dialogue are being implemented throughout the Group.

### Workforce Planning

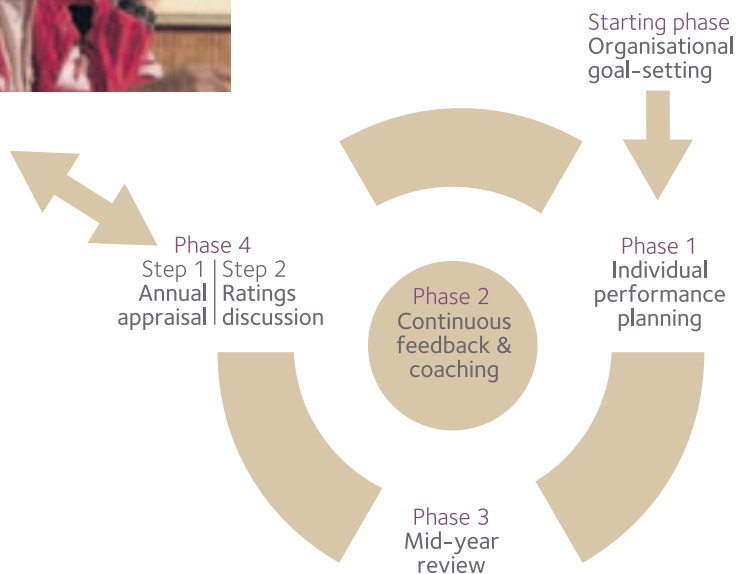
In 2007, a workforce planning process commenced in all operations of ArcelorMittal. The objective is to provide the operations with a reference framework and follow up tools regarding organisation, workforce evolution and required skills and competences for each key process areas. This will enable profitability, sustainability and further development of know-how, allowing permanent productivity gains and break through productivity gains. This workforce planning process is aligned with the Group's mission, included in the budget cycle and will be maintained as a continuous improvement initiative.

### Performance Management

The Performance Management process creates alignment between performance objectives and the Group's vision,



**Figure 1** Organisation development Annual Performance Management analysis & moderation linked to other HR processes reward, succession



mission, values and business strategy including CSR; it provides support for individual developmental needs in all locations, ensuring ongoing dialogue between employees and managers.

The Performance Management process provides the opportunity to align an individual's behaviour towards company values and competencies, including the opportunity to recognise the contributions, strengths and development needs of our employees in all locations.

Performance is managed transparently, providing feedback and coaching to support growth of performance of individuals and to increase motivation, in all locations (see Figure 1).

Performance Management is aligned with a *reward for performance* system: a renewed Group bonus scheme applicable to the top 500 executives. It was set up in 2007 and will be extended to designated Managers in 2008 (covering more than 2,000 people in total); the Group bonus scheme is completed by local rewarding systems that cover the wider employee population.

In April 2007, ArcelorMittal was named "Most Admired Company" in the steel industry for 2006, by the Hay Group.

### Training and Development of People

Since its launch in 2007, the Corporate University has been the primary source of development opportunities in ArcelorMittal. In 2008, it is envisaged to offer, together with local training centres, training that suits all ArcelorMittal employees.

# Human Resources

---

All Corporate University programmes are customised to the ArcelorMittal vision, mission and brand values, and are designed to be delivered through local training centres.

Main actions include:

- **Focus on Health & Safety:** H&S Academy and H&S training for all our employees and sub-contractors (e.g. Romania: 8,000 people being trained in safety);
- **Intensive language training**, in English as well as in local languages to facilitate integration (example of *Global English*: online training opened to 2,500 users in 2007, to be extended to 4,000 users in 2008);
- **Training days** on specific topics opened to all employees and to local community;
- **Programmes** to facilitate skills development within the company; (e.g. 2 year course on metallurgy for employees in ArcelorMittal Gent); focus on previously disadvantaged technicians in South Africa;
- **Promotion** of life-long learning;
- **Training projects** to improve employability and job mobility Eurofer's ESTEP (European Steel Technology Platform): ArcelorMittal supports this initiative and carries out specific actions to attract and retain employees and promote lifelong learning. Other working groups include energy and environmental topics;
- **Support** for graduate students in Germany by offering dissertation projects with ArcelorMittal, and holiday internship opportunities;
- **Technical and functional academies:** more than 1,000 people are registered to attend Steel, Mining and Functional academies in 2008; Science and Technology academy in South Africa;
- **Talent pipeline programmes** to grow our future leaders: 73 attendees in 2007, more than 400 people to attend revised programmes in 2008;
- **Thematic conference** organised on a regular basis in ArcelorMittal, made available to many locations through web casting.

## Proactive management of jobs & skills: the example of GPEC in France

In a constantly changing environment, it remains a key challenge for ArcelorMittal to anticipate the transformation of its skills requirements. This is an absolute necessity for the Group in order to maintain its leadership position and adapt to the rapid evolution of technical and technological innovations, and the development of new products and services.

Similarly, employees are faced with the changing skills requirements of the job market and its increasingly international dimension.

A pro-active, shared approach to deal with these challenges is one of the ways to reduce both frequency and intensity of social risks.

In France, an unlimited term agreement is shared with the CFE/CGC, CFDT, CFTC, and CGT/FO Trade Unions, regarding the "Proactive management of jobs and skills throughout professional life" (Job and Skills Forecast Management).

The objective is to provide employees with a global insight into the company's strategy and the evolving need for new skills. This will enable each employee to have an improved opportunity to build his personal career plan in a pro-active way. The Company supports the initiative by providing employees with the necessary means to maintain and develop their skills in accordance with forecasted changes in the Company and in the job market.

This goal will be supported by key Human Resources tools such as annual interviews, training initiatives, mobility opportunities, as well as re-enforced rights to individual training, validation of professional experience, and information of the employee's representatives. A shared depository of jobs and skills will be created to ensure that employees will be offered relevant job opportunities.

## Communication

Communication of Human Resource achievements and ambitions is always local, to ensure that an open dialogue



takes place with the different plants in which ArcelorMittal is operating. During the months of September, October and November 2007, 20 local meetings

were organised to operations worldwide to raise awareness and to seek input into Human Resource policies.

## Resourcing

ArcelorMittal is committed to give priority to internal candidates whenever job vacancies arise. To create greater transparency of job opportunities worldwide and to encourage internal recruitment "Job Market Online" (JMO) was launched in March 2007. The online tool advertises vacancies on the Intranet. Employees can apply for jobs and be notified of vacancies. More than 10,000 employees have already visited the site and there are typically more than 450 jobs available each day. More than 3,000 employees have submitted their profile and preferences on the system. JMO is available in eight languages: English, French, Spanish, Polish, German, Dutch, Czech, and Portuguese with two additional languages Russian and Romanian to be added in January 2008. An external version of JMO is being launched at the end 2007 to attract and recruit external talents.

Through the Business Leaders Resourcing Program, 58 MBA and 15 Masters in Finance graduates have been recruited in 2007. The programme was reviewed and relaunched in 2007 to include an Executive Career Panel to manage development needs and a mentoring programme.



A Group Engineering and Technical Programme was introduced in 2007 with the aim of creating a global pool of engineers and technical specialists for our worldwide operations. The goal is to recruit up to 300 high achievers every year (in addition to local recruitment requirements) from key institutions in at least five countries: Romania, Brazil, Ukraine, Poland and the Czech Republic. The first assignment for the new recruits will be in their home country for 6 to 18 months, with a strong emphasis on training and development. An evaluation of their performance and potential will assess their suitability and readiness for international assignments. The programme offers individuals an international career path, challenging and stretching jobs, as well as the opportunity to learn, develop, and benefit from a strong performance management culture.

An Employer Branding campaign is being developed, to strengthen our brand image as a leading employer in the industrial sector. The campaign will increase awareness

The campaign will increase awareness about job opportunities in ArcelorMittal as well as support greater brand awareness.

about job opportunities in ArcelorMittal as well as support greater brand awareness. It will explain the attributes of our new company such as global mobility, international opportunities, and continuous

personal development. Initial focus areas will include: Group Engineering and Technical Programme, Business Leaders Resourcing Programme and globally mobile professionals and managers from India, Central & Eastern Europe and South America.

# Environment

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
**Environment** ■  
Research and Development  
Local Communities  
ArcelorMittal Foundation



## Policy and Management

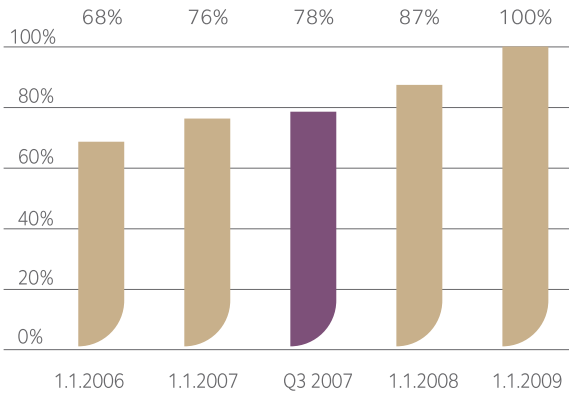


In July 2007, ArcelorMittal launched its environmental policy; an important step towards honouring the Group's commitment to the brand value of *Sustainability*. The policy sets out our approach towards the environment through the definition of the ten main principles that will guide ArcelorMittal practices worldwide.

The policy was approved by the Group Management Board. ISO 14001, the internationally recognised standard for Environmental Management Systems (EMS) forms the basis for our management arrangements. ISO 14001 certification is a mandatory objective for ArcelorMittal production facilities. Furthermore, a number of our non-production plants have gained certification. ISO 14001 includes an independent compliance audit cycle. Non-compliance is reported and resolved. Internally, compliance is monitored quarterly to ensure that all relevant procedures are applied. Furthermore, the ArcelorMittal Board of Directors and Group Management Board are kept regularly informed on a quarterly basis.

Overall, our target is to achieve certification of 162 sites, including both production and non-production facilities. By the end of 2007, 141 ArcelorMittal are expected to attain certification, with the remaining sites planned to be certified by the end of 2008.

### ISO 14001 evolution - 162 sites



We have also created an online information exchange tool which will provide up-to-date information to environmental managers across global operations on the environmental legal framework; measurements; best practice techniques; cleaner production processes; biodiversity management and relevant research studies.

### Performance

We are committed to develop comprehensive reporting arrangements for environmental performance, and will provide additional performance data in 2008. We know that no improvement is possible without knowing our environmental performance baseline. For this purpose a database, 'OpsEnvironmental' has been set up which compiles air, water, energy and residues data of all facilities worldwide.

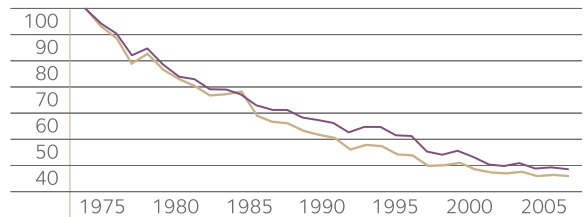
The Environment Department reports to the Group's Chief Technology Officer (CTO), whose mission is to align performance across the Group, and to prepare future ArcelorMittal systems through formal exchange of best practices, a global technical database and continuous improvement processes.

To meet our commitments to minimise our environmental impacts, four major areas have been identified for specific management focus: atmospheric emissions, water flows, residues management and contribution to combat climate change.

### Atmospheric emissions

Continuous improvement of processes through reduction of energy consumption, increased steel recycling and increased material efficiency has resulted in significant reduction of the CO<sub>2</sub> impact of final steel products. Today, technical achievements in the blast furnace route in Europe are very close to the theoretical minimum CO<sub>2</sub> in many sites and further reductions will come from developing recycling or from technology changes. Worldwide, many sites are far from this level of performance and the path followed in Europe offers the prospect of large CO<sub>2</sub> emission reductions. ArcelorMittal is working with the International Iron and Steel Institute (IISI) to develop a sector approach to CO<sub>2</sub> monitoring and reduction, to be supported by all major steel producing countries, which would assess the actual reduction potential through a reliable measurement of current CO<sub>2</sub> emissions and performance analysis. ArcelorMittal has developed an internal monitoring system and database on CO<sub>2</sub> emissions which allows building consistent benchmarking and gap analysis.

### Energy use and CO<sub>2</sub> emission per tonne of finished product index 100 in the EU steel industry (1975 - 2005)



1 / Energy 2 / CO<sub>2</sub>

Source: Eurostat - Eurofer

CO<sub>2</sub> emissions related to the steel industry are complex to determine and to compare due to the multiple processes involved and variables such as power generation or raw material preparation. Furthermore, plant structures are very different and simple indicators are not able to show the real margin available for progress by plants. The principle of the performance-based system proposed by ArcelorMittal is to determine the CO<sub>2</sub> intensity of every product in each site and compare it to a baseline which is a weighted average of the participating sites for that product. Depending on their position compared to the baseline it is possible to roughly determine how much CO<sub>2</sub> the operator needs for each of their intermediate products. These bonus and penalty points accumulate along the production path to give each site a performance rank.

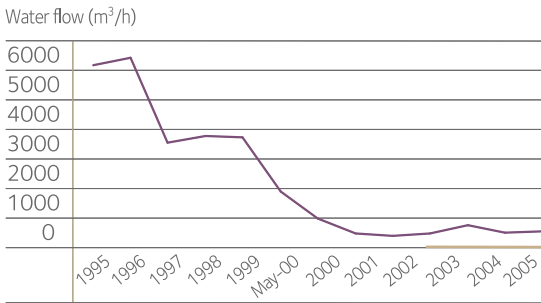
# Environment

One of the benefits of this approach is that it includes all the CO<sub>2</sub> impact of the activity; accounting for direct emissions of the processes but also for upstream emissions resulting from purchase of pre-processed materials or energies (pellets, power, industrial gas) and for credits for delivered by-products. This kind of evaluation also promotes innovation and is compatible with growth of regional economies.

Improvements achieved in energy use have also influenced mostly the emissions of the most important macro-pollutants. The steel industry is a coal-based industry and any reduction of primary coal usage will result in lower sulphur inputs. Coke oven gas desulphurization has given some improvement but the sintering process accounts nowadays for over 40% of sulphur dioxide (SO<sub>2</sub>) and 30% nitrogen oxide (NOx) emissions. Solutions have been studied and some achievements have been obtained with the use of bag filters together with slaked lime injection which is able to catch almost 90% of this SO<sub>2</sub>. This technology has been introduced at some of our production facilities, such as Fos-sur-Mer, France.

## Resource use

### Evolution of Water Flows in Monlevade (Brazil)



1 / Water Intake      2 / Water Discharge

**Fresh water** is in many places a very limited resource and many sites have made large efforts to reduce their consumption, particularly in countries where water resource is critical. Electric Arc Furnace (EAF) plants normally have low needs, mainly for hot rolling, and they have shown the way to zero effluent operation. Integrated plants are larger water consumers but the examples of Monlevade (Brazil), Saldanha and Vanderbijlpark (South Africa) show the potential for high recirculation rates of water.

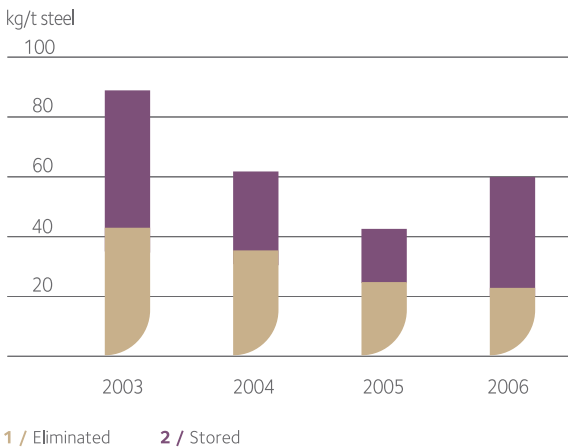
The steel industry produces high amounts of **residues** (575 kg/t steel for ArcelorMittal in 2006). Some of these residues can be used efficiently in other industries thereby reducing the use of natural resources, for example steelmaking slags can be used in civil works for road basements or embankments. When granulated, blast furnace slag residue can be used for cement production replacing clinker. Use of blast furnace slag in this way also avoids CO<sub>2</sub> emissions inherent to clinker production (approximately 900 kg/t).

**Recycling** of scrap in EAF has developed greatly worldwide during the last 20 years with an average growth of production of 3.7% per year. Scrap based EAF production represents 12% of ArcelorMittal total production. Emissions from EAF production are approximately 0.5t CO<sub>2</sub>/t steel, compared to emissions from primary steel of approximately 2t CO<sub>2</sub>/t.

The production of Direct Reduced Iron (DRI) is a way to generate primary iron for use in EAF plants. In 2006, 60 Mt of DRI were produced worldwide. The growing constraints on CO<sub>2</sub> emissions in developed countries have given a new interest to DRI production as a substitute to pig iron in the blast furnace route. ArcelorMittal is the biggest DRI producer in the world and produces 9 Mt of natural gas based DRI, representing 18.5% of world production. Steel from natural gas based DRI is up to 20% less CO<sub>2</sub> intensive than steel from blast furnace processes.

## Management of Waste Residues

ArcelorMittal sites have undertaken intensive efforts over recent years to reduce the amounts of final residues which have to be disposed of by landfilling or incineration. Use of residues by third parties (recycling) is often dependent on local market situations, and residues can be stored temporarily whilst market conditions evolve. Our focus is now on the identification of new markets for recycling residues.



## Land Management

Adjacent to the active sites in operation, ArcelorMittal owns a significant amount of land for future expansion on which industrial activities have taken place in the



The building of Dexia Bank in Belval, Luxembourg

past. ArcelorMittal systematically reviews land rehabilitation when site restructuring is concerned and has undertaken a number of biodiversity studies.

Furthermore, in Brazil we grow forests of eucalyptus trees. The forest growth

is the highest in the world with 3,000 m<sup>3</sup> per km<sup>2</sup> per year. Wood from these forests is used to produce charcoal for the production of pig iron. Through this process, metallurgical coke is substituted by charcoal giving rise to net CO<sub>2</sub> savings.

## Product Sustainability

In addition to our initiatives to improve energy efficiency, ArcelorMittal's contribution to environmental protection is also exemplified through our products such as high-strength lightweight steel that can reduce car weight by 20–30%, raising the fuel efficiency of automobiles, and reducing energy consumption and CO<sub>2</sub> emissions.

ArcelorMittal is one of the leading contributors to the Living Steel project. The five-year global programme, managed by the International Iron and Steel Institute (IISI), was developed to address social, economic and environmental pressures stemming from rapidly increasing urban population, by stimulating innovation in the design and construction of housing through steel based solutions. Beyond financial support, members offer significant know-how and specialised resources.

Central to the Living Steel initiative are its international competitions, which present architects with the opportunity to bring their vision for effective and affordable housing to life. Five competitions were held in 2006 and 2007 for sites in India, Poland, Brazil, China and the UK. This is an exceptional competition as projects will actually be constructed. ArcelorMittal is specifically responsible for the projects in Poland and Brazil. Other key results of Living Steel include a growing knowledge base including case studies, tutorials and a portal to relevant documentation, all available through its website: [www.livingsteel.org](http://www.livingsteel.org).

Steel is one of the most recycled materials in the world. The IISI estimates that the world recycling rate of steel for packaging is over 65%. For a number of years ArcelorMittal has been involved with local and national authorities in promoting and developing the recovery systems for household waste. It is estimated that more than two million tonnes of ArcelorMittal products are recovered and recycled in this way every year. This contributes to emissions savings of around 3.8 million tonnes CO<sub>2</sub>.

ArcelorMittal is also developing environmentally friendly steel solutions for its customers in household appliances and the construction sectors. Reduction of consumption on non renewable resources and minimisation of energy and materials use is systematically studied in developing and implementing new products and solutions for our customers. We are committed to systematically develop product cycle and impact analysis studies. For more information see the Research and Development section on page 39.

## Examples of Environmental Investments

In accordance with our Environmental Policy, ArcelorMittal is committed to compliance with all relevant environmental laws and regulations, and in many places, we go beyond local regulations.

# Environment

During 2007, the estimated capital expenditure on Health & Safety and environment-related projects was approximately US\$ 500.0 million. For future reporting, we intended to provide further analysis of spend in this area. Some recent significant environmental investments decided in 2007 include:

- US\$ 50.0 million investment for coke oven gas desulphurization in Ukraine Kriviy Rih plant; and a US\$ 100.0 million investment for a blast furnace which includes dust collection and treatment facilities;
- US\$ 42.0 million for coke oven gas cleaning in Vanderbijlpark in South Africa, part of more than US\$ 100.0 million environment investment programme over the next three years;
- US\$ 11.0 million investment for blast furnace new dust collection and cleaning in Temirtau (Kazakhstan) plant;
- US\$ 32.0 million investment for secondary de-dusting system in the Galati (Romania) steel plant;
- €18.5 million investment in revamping of primary de-dusting (Basic Oxygen Furnace) BOF plant and Blast Furnace gas recovery in Bremen (Germany);
- € 20.0 million investment in de-dusting coke oven in Avilés (Spain);
- € 1.9 million investment in air emissions of sinter plant in Dunkirk (France);
- US\$ 10.0 million investment for the completion of dust emission standard technology in USA plants.

## Examples of Regional Initiatives

### China

In an effort to harness the role of public-private partnerships (PPPs) to achieve China's sustainable development goals, the United Nations Development Programme (UNDP) and ArcelorMittal launched a landmark



partnership in China. In 2006, we announced our sponsorship of the China Environmental Awareness Programme (CEAP), launched in Beijing by the

UNDP and the Chinese government.

According to the co-operation framework and following agreements, ArcelorMittal will contribute US\$ 5.0 million over a three-year period to a number of programmes, including

MDG (Millennium Development Goals) Energy Efficiency, Carbon, China Environment Awareness Programme (CEAP) and the Energy Conservation Law Revision and Shanghai Environmentally-Friendly City Initiative.

The project aims to achieve the MDGs in China by protecting environment and biodiversity, improving energy-efficiency performance of the industry sector, strengthening management capacity of the Chinese Government as well as enhancing environmental awareness of civil society from 2006 to 2010. Strategic partnerships with Chinese media to raise awareness include links with the 2008 Beijing Olympics. With the support from ArcelorMittal, the MDG Carbon Programme will assist 12 provinces in China to embrace the Clean Development Mechanism (CDM), helping them reduce CO<sub>2</sub> emissions through leading technologies and overall solutions provided by ArcelorMittal.

We are also implementing environmental awareness and urban environment management projects with the State Environmental Protection Administration in China.

### USA



Research Centre, East Chicago, USA

ArcelorMittal USA is a founding member of the Chicago Waste to Profit Network. The Network's primary goal is to facilitate the transformation of one company's waste, or by-product, into an industrial input for another company. This process is known as by-product synergy.

In April 2007, a member of the Network, Abbott Laboratories, indicated they had sodium hypochlorite that they were not able to use and that it was destined for disposal. We surveyed our facilities in the Chicago area and determined that both Burns Harbor and Indiana Harbor used similar material in their water treatment plants. Arrangements were made to deliver 4,600 gallons of material to Burns Harbor, where it was used for water treatment purposes. For more information see the Chicago Waste to Profit Network website [www.wastetoprofit.org](http://www.wastetoprofit.org).

### Canada

Quebec Cartier Mining is a founding member of the Towards Sustainable Mining (TSM), a multi-stakeholder project organised by the Mining Association of Canada



(MAC). TSM encompasses environmental management and stakeholder inclusion practices.

Initially, TSM was focused on four key areas:

- Tailings management,
- Energy management,
- External outreach to stakeholders,
- Crisis communications and crisis management preparedness.

TSM is now being expanded to include other elements dealing with such issues as Aboriginal relations, closure planning and reclamation, and community development. TSM is the culmination of considerable dialogue within the mining industry and represents input from various communities of interest, including government, mining communities, Aboriginal and non-government organisations. To advise the MAC Board on the implementation of TSM, a Community of Interest Advisory Panel meets biannually, and includes representatives from labour unions, Aboriginal organisations, environmental and social NGOs, the investment and mining communities.

Over 2008, Quebec Cartier Mining aims to increase its participation in the project through extending dialogue with local communities and other interested parties and by inviting third party verification of its actions and performance under selected key TSM areas.

### Addressing the climate change challenge

We are aware of this impact and determined to improve our performance, although it should also be recognised that primary steel will often be recycled many times.

best technologies available today. Steelmaking accounts for 5–6% of man-made (anthropogenic) CO<sub>2</sub> emissions, and 27% of the total emissions from all manufacturing. Around 90% of the sector emissions come directly from the primary blast furnace method, which accounts for 60–65% of steelmaking. The main alternative process, the electric arc furnace (EAF), indirectly contributes 10% per cent of emissions, but is limited by the availability of scrap and scrap substitutes. The growth of China's blast-furnace-based steel industry now accounts for half the sector's global emissions.

Steelmaking is very energy intensive and emits a significant amount of carbon dioxide (CO<sub>2</sub>). The production of every tonne of primary steel results in emissions of approximately two tonnes of CO<sub>2</sub> using the

ArcelorMittal has a significant responsibility in the CO<sub>2</sub> debate. ArcelorMittal currently emits about 230 million tonnes CO<sub>2</sub> per year. This is approximately 0.6% of the world's anthropogenic emissions. We are aware of this impact and determined to improve our performance, although it should also be recognised that primary steel will often be recycled many times, resulting in lower additional CO<sub>2</sub> emissions.

ArcelorMittal has a strong record in reducing CO<sub>2</sub> emissions. In Europe for example we have reduced the CO<sub>2</sub> footprint of our steelmaking by more than 20% since 1990. See box on ULCOS (page 38) for more information.

As described in the Performance section, we have developed a tool to identify, in a comparable way, the footprint of each individual plant. This gives us the ability to detect and target additional improvements.

We believe that climate change is best addressed through a global approach. For a global product such as steel, it is very important not to introduce competition distortions. We need policies that are acceptable to developed as well as developing countries, hold the promise of reward for innovation, and drive the sector to improve its global CO<sub>2</sub> footprint.

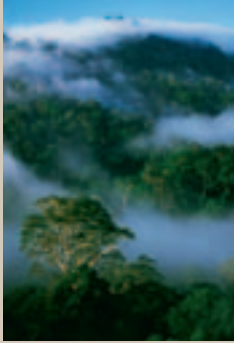
Currently EU commitments are the only mandatory emissions reduction schemes worldwide decided as part of the post-Kyoto regime. As an industry, we are asking governments to consider negotiating a worldwide framework associating all major steel producing countries with a focus on improving emissions per unit of production. Otherwise, there is a risk that production will be relocated to countries that are not subject to emission reduction mechanisms. It is also important that policymakers recognise efforts undertaken so far to reduce emissions.

In our view, the aggressive targets set by governments will not be achieved unless adequate CO<sub>2</sub> capture and storage solutions are available for steel as for other major emitters. Most of the industrial processes we are looking at in our ULCOS research programme for the medium-term suppose a contribution in terms of carbon capture and sequestration.

# Environment

## Ultra Low CO<sub>2</sub> Steelmaking (ULCOS)

Our environmental policy includes commitments to the management and reduction, where technically and economically feasible, of the CO<sub>2</sub> footprint of steel production.



As part of our commitment we are one of the leading companies of the EU-sponsored 'Ultra Low CO<sub>2</sub> Steelmaking' (ULCOS) project. The objective of this ambitious initiative is to develop breakthrough technology in the next 20 to 30 years to reduce CO<sub>2</sub> emissions in the steel industry by more than 50%.

There are nearly 50 steel companies, universities, R&D labs and other industrial partners participating in the project, which is headed by the Research unit of ArcelorMittal. During the first exploratory phase of the initiative, nine project teams evaluated a number of feasible techniques such as gas recycling in blast furnaces, direct electrolysis of iron ore, the use of hydrogen and biomass, and carbon capture and storage.

The second phase, which looks in depth at the selected candidate processes, is now underway. Upon completion, a five-year long pilot phase will confirm the technical and economic viability of the project.

Outside of the EU, ArcelorMittal is also active in other equivalent programmes for example with the American Iron and Steel Institute (AISI) and worldwide with the International Iron and Steel Institute (IISI).

## Energy efficiency

ArcelorMittal believes energy efficiency and optimisation is an effective lever for minimising impacts on the environment and improving our operational processes and consumption. The total potential for consumption reduction, based on all our plants reaching benchmark performance, represents 10% of the specific consumption i.e. 2 MBTUs (million British Thermal Units) per ton of liquid steel.

A fully dedicated team within the Shared Services organisation has developed energy efficiency assessments in 22 major plants, enabling the identification and validation of the key actions to be implemented, mainly to reduce natural gas and electricity consumption.

Main areas of action are gas reallocation and optimisation through the management of power plants and energy flows. In Krivih Rih, Ukraine, for example the status of gas available from the process (coke oven gas, blast furnace gas and basic oxygen furnace (BOF) gas) was examined alongside its usage in the plant. After some discussions, an important stake was validated in coke oven gas reallocation to the hot strip mill, and also in the regulation of power plant burners. In total, 12 key actions were identified, of which nine have already been launched or about to be launched by the plant. For instance, the ArcelorMittal Tubarao plant in Brazil is self-sufficient in electric power generated by gas recovery.

Benchmark analysis of coke usage between plants is also being undertaken and will allow the reduction on coke specific consumption at blast furnaces.

Most of these projects will also contribute to the reduction of our CO<sub>2</sub> emissions and are an important element of our longer-term CO<sub>2</sub> strategy.

# Research and Development

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
**Research and Development** ■  
Local Communities  
ArcelorMittal Foundation



Steel products are essential elements in social structures worldwide, enabling infrastructure development and forming the backbone of a number of markets such as construction, automotive, shipbuilding, packaging and the industrial machinery sector.

# Research and Development

---

In a world where environmental regulations and stakeholder demands are becoming increasingly strict, an intrinsic feature of steel, which is often overlooked, is its recyclability. Steel can be recycled throughout a long lasting industrial life and in some sectors, such as the automotive industry, 90% of the steel used is recycled. Globally, recycling steel brings about 600 million tonnes of CO<sub>2</sub> savings annually.

Furthermore, life cycle analysis (LCA) of functional units such as bridges, crash barriers, automotive parts, and buildings demonstrate significant environmental gains. The advantages of the steel products shown in the use and end-of-life part of the analysis outweigh the environmental footprint arising from the production process, resulting in a considerable overall gain for the environment.

At ArcelorMittal we have leading Research and Development (R&D) facilities, playing a key part in our integrated business model and our strategic decision to be at the forefront of innovation in the steel industry. The Group employs around 1,300 researchers in 13 research centres around the world. Representatives for Product Sustainability are also members of the CSR Orientation Committee.

In 2006, US\$ 185.0 million was spent on research, of which two-thirds was focused on the development of new products and solutions for our customers. Since the merger process has progressed this level of investment has increased to nearly US\$ 234.0 million.

The merger has added a new dimension to the R&D effort by widening the range of potential applications for existing technical know-how and permitting the better use of this expanded R&D resource in order to accelerating project work.

Research has focused on the development of models for optimising the use of raw materials and energy; process modelling to improve industrial performance, improved recycling of by-products such as sludges, dust and steel slag; and our involvement in the ULCOS (Ultra Low CO<sub>2</sub> Steelmaking) programme.



We have also focused our efforts on developing new products for our customers that significantly reduce the environmental footprint of our industrial products. Upon the merger the R&D taskforce set up 14 working groups to integrate the two companies' impressive R&D capabilities. These working groups have already produced a significant number of successful outcomes encompassing process and quality improvements as well as corrosion-resistance and safety-critical applications.

The transport industry in particular is constantly seeking to reduce cost, improve safety, reduce vehicle weight and increase durability through

We collaborate closely with our customers to create vehicles that are lighter, stronger, safer.

even better corrosion resistance. ArcelorMittal has led the way with advanced high-strength and high-deformability steels. We collaborate closely with our customers and have engineering teams resident

in customers' plants, working with them at the design stage of new product launches, helping to create vehicles that are lighter, stronger, safer and more attractive to the end-purchaser.

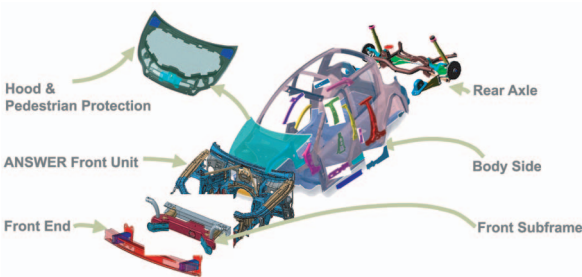
In construction and civil engineering, we have developed a range of advanced products that provide new and more cost-effective solutions for our customers. For instance,

The use of ultra high strength steel (UHSS) instead of conventional steel in the transport industry leads to a comparative weight decrease of up to 40%. For instance, light steel solutions reduce the weight of new buildings compared with other materials. This makes development possible in areas with poor or water-logged soils as well as being an

important element in the growing trend towards 'green', high environmental performance buildings and carbon-neutral housing.

There are a number of projects focused on the development of new steel grades and coatings that have specific ecological benefits both for customers, and for wider society.

The use of ultra high strength steel (UHSS) instead of conventional steel in the transport industry leads to a comparative weight decrease of up to 40%. For heavy industrial vehicles this allows for a higher payload per journey which ultimately leads to less fuel consumption. At the same time UHSS offers better wear resistance and, hence, extends the lifetime of vehicles.



Nearly half of Body In White (BIW) and chassis in mass were recently designed at ArcelorMittal. An average of 23% weight reduction was achieved.

In the power station market, we continue to meet demands for steel with improved performance at high temperatures. This increase in efficiency will lead to significant CO<sub>2</sub> reductions. Our R&D departments have also developed and improved products with electro-magnetic shielding for the utilities sector. This improves energy savings by reducing losses in generators, transformers and motors.

ArcelorMittal's steel is achieving a growing presence in the wind energy sector worldwide contributing to the generation of renewable energy. For instance, our factory in Gijón (Asturias, Spain) produces approximately 120,000 tonnes a year of heavy plate for wind generator towers. Driven by the current boom in this sector – the wind energy market in Europe expanded by 32% in 2006 – the Gijón factory production of plate for wind generator towers is expected to reach 200,000 tonnes in 2007.

The current trend within the sector is to install higher capacity generators on higher towers to maximise performance. Our research centre in Gent, Belgium, is undertaking a number of projects focused on developing steel grades that will allow wind turbines to be installed on towers over 100 metres high.

## Supply Chain Management

ArcelorMittal recognises that CSR extends beyond our own immediate operations, and that have a degree of accountability for the performance of our supply chain. Presently, issues of sustainable development have been incorporated into our general contractual conditions. We specify our expectations in terms of safety, health, social dialogue and environment, and require all relevant laws and regulations to be met. Furthermore, as part of our endorsement of the UN Global Compact we invite all contractors to take steps to support relevant principles.



Our supply chain is significant, extending from mining and raw materials to the most sophisticated products and downstream activities linked with customers' own development; at any one time our Purchasing department oversees 60,000 suppliers and contractors. To incorporate and effectively enforce CSR standards throughout our supply chain is a challenge for us and we are making steps to formalise the process further.

# Local Communities

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
**Local Communities**   
ArcelorMittal Foundation



## Addressing the Needs of our Communities

For ArcelorMittal, the communities in which we operate are essential to delivering our business strategy. Acting responsibly does not simply mean donating goods and services, or our time, to specific projects – although this is important. It also implies that we have a wider duty to ensure that the neighbourhoods in which we operate are thriving – not least so that we can attract and retain a healthy and well educated workforce.

The result is that we must not only contribute to the economic prosperity of local communities, but we must also ensure that there is adequate infrastructure, health care and education – all of which have significant impacts on the sustainability and wellbeing of society.

In the following pages we discuss some of the more pressing needs of the communities local to our operations and present examples of how our operations and employees are responding to these needs.



## Human Rights

ArcelorMittal supports the United Nation Declaration of Human Rights and the Core Conventions of the International Labour Organisation (ILO) in line with our own principles for social responsibility. Furthermore, we are a signatory to the United Nations Global Compact (UNGC). Among the duties of the CSR Orientation Committee will be the approval of a Group-wide policy on human and labour rights conforming to these international principles.

We have already integrated some of these principles into our Code of Business Conduct. Specifically, the Code explains that the ArcelorMittal workplace will be free of discrimination or harassment. We will seek to expand our declaration of Human Rights to include those who work with us and alongside us, as well as implementing the ILO initiative on 'Decent Work' in line with our social dialogue practices. Although our policies will apply to the entire Group, we will in particular target sensitive regions by integrating Human Rights support into the action plans for relevant operations.

### Community Health and Infrastructure Development

Given the specific geographical footprint of ArcelorMittal in emerging markets, many of the communities in which we work have needs for improved health and education facilities, as well as basic infrastructure such as roads, clean water, heating, cultural centres, and housing. In many instances, we have committed to providing infrastructure and health services around our facilities. Moreover, we also go beyond our contract obligations to offer additional support based on the most pressing needs of the communities.

Following the merger of Arcelor and Mittal Steel, we have been able to map the extensive commitment and wide-ranging community initiatives supporting community health and infrastructure development. The projects we support

range from an innovative family health programme in Brazil to an emergency services shelter in Canada. We are working to support these initiatives and to drive long-term, community partnerships around them.



As part of this support, we have established the ArcelorMittal Foundation (AMF). The AMF was created to promote our commitment to the local communities where we are present and to contribute to their development in a sustainable way.

We are extremely proud of our activity so far, but are constantly seeking to improve our approach. Together, the ArcelorMittal regions, under the CSR Management System, and the AMF are working to transition our activity to a coordinated and strategic approach. This should identify and address the greatest needs of our communities. Our goal is to prioritise future initiatives in a systematic manner, based on dialogue with our communities and the strategy and needs of our regional operations.

### Education and Professional Skills Development

In addition to health and infrastructure, the AMF and our regional operations have been involved in a large number of initiatives to promote social and economic community development. Much of our effort has focused on developing skilled professionals and supporting small and medium sized enterprises in our communities.

We have had a great deal of success around these projects and have seen benefits that go well beyond the initial investment from ArcelorMittal. We have also seen critical benefits to our own operations from the availability of skilled workers to improved local supply chain development.



These projects have acted as an economic multipliers, generating investment and income, creating jobs and investment in human capital, and the establishment of local business networks.

As with our infrastructure and health projects, our initiatives for economic development are extensive and wide-ranging. We have concluded a mining development agreement with the Government of Liberia that is expected to generate 15,000 to 20,000 indirect jobs within the country. In Brazil, we have invested in people's potentials and in local needs, and have transformed the lives of more than 5,700 people. This has been realised through job and income generation by encouraging residents, traders and suppliers to interact,

As with our infrastructure and health projects, our initiatives for economic development are extensive and wide-ranging.

communicate and develop new business ideas. In November 2007, we announced the signing of a Memorandum of Cooperation with the Republic of Mozambique.

The Memorandum aims to strengthen cooperation between the Government

through further investment in the primary and downstream steel industries, as well as the mining of raw materials. Representatives of the Mozambique Ministry of Industry and Commerce highlighted ArcelorMittal's strong record of financial and social investments in various businesses around the world as a key element of the Memorandum.

### Community Resettlement

Our Group has a strong history of consolidation and therefore most of our new or recently acquired operations have actually existed for a number of years. However, on occasion, we are involved in the establishment of new operations or so called *Greenfield sites* that necessitates the relocation of people and communities. Resettlement is, inherently, a sensitive process that requires careful consideration of the needs of a large number of stakeholders. We recognise that there are a variety of important matters to regard, including access to resources such as water and fuel, access to cultural heritage sites and activities, development of new infrastructure and continuation of livelihoods.

# Local Communities

Generally, resettlements are conducted by the local and national governments. However, at ArcelorMittal we understand that we need to operate as an integral part of the communities in which we are investing and therefore we make it a priority to engage in the resettlement process. When we are involved in such projects, we encourage reference to international standards, particularly with regard to community engagement and compensation. At Group level, we will maintain, and endeavour to exceed, minimum practice standards by developing regional action plans and toolkits. Our regional operations will lead our resettlement activities on the ground in line with international best practice and government expectations. We believe that this approach leads to a least disruptive resettlement process.

## Examples of Regional Initiatives

### Kazakhstan

Investments in our steel plant since the acquisitions include commissioning two galvanizing lines and reconstructing the blast furnace, as well as installing a continuous caster to improve the quality of steel. We continue to evaluate and make plans for future technological investments.

We provide the city of Temirtau with electricity and heating at the lowest prices in Kazakhstan. We run the tramways and help manage and support local health services, a local newspaper and television station.

We have promoted urban development projects in Temirtau, in Karaganda and the new Kazakh capital, Astana including the University of Astana. Projects include an aqua park and a US\$ 2.0 million tennis complex – one of the finest sporting facilities in Kazakhstan – and the rebuilding of the Temirtau stadium.

We partnered with a local organisation to build state-of-the-art facilities for the Karaganda Metallurgical Institute, Kazakhstan's centre for education in ferrous metallurgy.

### Liberia

ArcelorMittal's involvement in Liberia represents a US\$ 1 billion investment to operate an iron ore mine, a railway to the coast and a port development near Monrovia. This new investment, part of the mining development strategy of ArcelorMittal, will create around 3,000 direct jobs.

Liberia is recovering from a long and hard civil war, with a strong push from the new Government to attract business and re-launch the economy. The country has been devastated from the civil war with poor infrastructure and high levels of poverty and unemployment.

ArcelorMittal is the first major company to enter the country since the end of the conflicts. This creates high expectations from our stakeholders, especially in terms of CSR. We are aware of this unique responsibility to the country and we are committed, through the Mining Development Agreement (MDA), to develop social promotion and community development in addition to business growth. ArcelorMittal has decided to focus on three core areas of CSR development: economic development, environmental protection, and Health and Safety programmes.



At ArcelorMittal we also believe that transparency in our actions and procedures is the key to our success and CSR credibility, for instance in the employment process and in dialogue with local communities.



ArcelorMittal Liberia has already started significant programmes and actions. The AMF (hospitals and schools rehabilitation in Yekepah and Buchanan), complements the progress made by the MDA that includes rehabilitation of roads and infrastructures, the construction of some 250 houses for the workforce, Environmental Impact Assessment studies, and local community dialogue. We will engage in further dialogue with local and international stakeholders and NGOs, including United Nations' agencies, the International Finance Corporation (IFC), US Africa Development Foundation, and the Liberia Agency for Community Empowerment. The company has already taken part in international events to promote the Liberian economy by attracting other investors and by inviting Liberian expatriates to return to their home country to contribute to development of the economy.

## India

The proposed ArcelorMittal investments in India represent approximately \$US 24.0 billion in two Indian states. It means setting up operations in iron ore mines, power and steel plants representing a total steelmaking capacity of 24 million tonnes. This will be one of the largest industrial investments in India and, in fact, one of the largest in the steel industry worldwide.

The projects will be located in the states of Jharkhand and Orissa. These are less industrially developed than many other Indian states but have iron ore resources with strong market development perspectives.

ArcelorMittal India has already started a significant R&R study in the State of Orissa, which will be the basis of an ambitious CSR policy.

For many reasons, the arrival of ArcelorMittal in India creates high expectations for our Group, especially in terms of CSR. Our approach to business activities in India reflects our global commitment to sustainable development. Delivery of this

commitment is guided by our corporate vision to create sustainable value for all our stakeholders, including employees, suppliers, customers, government, investors and the communities in which we operate.

ArcelorMittal also believes that transparency on our actions

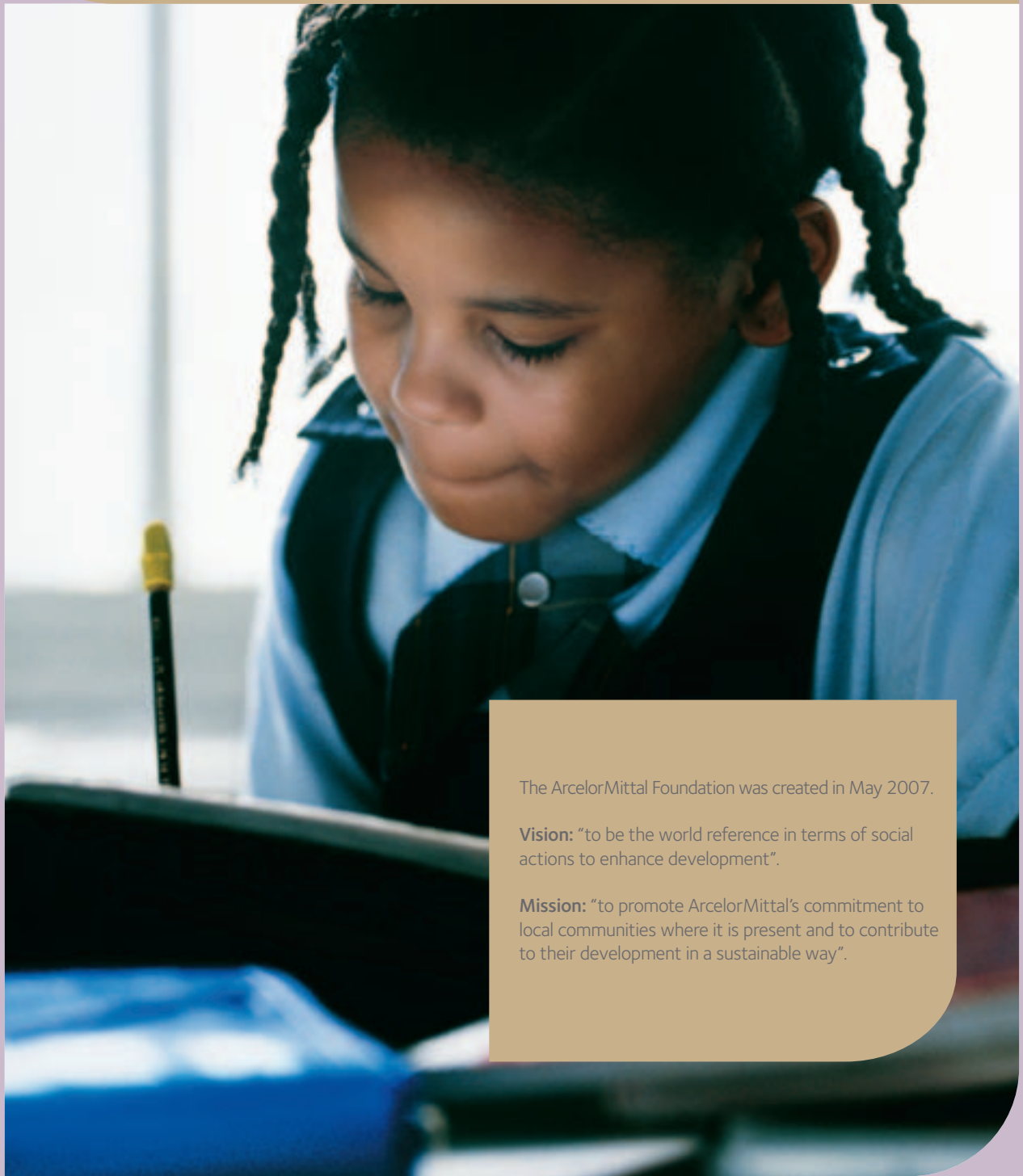
and process is key for our success and CSR credibility; in particular resettlement and rehabilitation (R&R) related issues will have to be addressed thoroughly and sensitively. In this context, ArcelorMittal India has already started a significant R&R study in the State of Orissa, which will be the basis of an ambitious local CSR policy. This study will address relocation and resettlement issues, and will propose an action plan, conforming to the Orissa R&R State policy.

Furthermore, the aim of the study is to evaluate and propose a comprehensive action plan that, over a longer time frame, will lessen the impact on local tribal populations.

At ArcelorMittal we will further engage with local stakeholders and develop our dialogue processes with local and international NGOs or international institutions.

# ArcelorMittal Foundation

Corporate Profile  
Sector Context  
UN Global Compact  
CSR Management  
Stakeholder Dialogue  
Health and Safety  
Human Resources  
Environment  
Research and Development  
Local Communities  
ArcelorMittal Foundation 



The ArcelorMittal Foundation was created in May 2007.

**Vision:** “to be the world reference in terms of social actions to enhance development”.

**Mission:** “to promote ArcelorMittal’s commitment to local communities where it is present and to contribute to their development in a sustainable way”.

The Foundation has identified health, safety, social inclusion and economic development as all necessary factors in building sustainable communities, recognising education as the most efficient way to reach this objective.

In addition to the management of its own projects, ArcelorMittal Foundation's responsibilities include the coordination and supervision of all social programmes and projects of ArcelorMittal's facilities around the world aimed at the wellbeing of the communities where the company is present.

The ArcelorMittal Foundation contributes to ArcelorMittal's CSR reputation, through the promotion of ArcelorMittal's values: Sustainability, Quality and Leadership.

The Foundation has developed a network of champions within ArcelorMittal's facilities. We apply common guidelines and selection criteria, methodologies, and share experience in all projects to spread best practices.

We believe that the growth of the ArcelorMittal Group is directly related to the wellbeing of communities.

Working both in developed and emerging countries, the ArcelorMittal Foundation's strategy seeks to strengthen our

engagement in all communities where we are present. We believe that the company and society are mutually dependent, and that the growth of the ArcelorMittal Group is directly related to the wellbeing of communities.

One of the ArcelorMittal Foundation's levers is the involvement of ArcelorMittal's employees, through the promotion of volunteering opportunities. Another lever to enhance the efficiency of social projects is the Foundation's partnership with selected local and global NGOs.

In 2007, ArcelorMittal Foundation supported 587 social projects to a total value of approximately US\$ 50.0 million, giving thousands of people representing different cultures, genders and social backgrounds, a healthier, safer and more dignified life.

## Sustainable and Integrated Local Development

The company's Sustainable and Integrated Local Development strategy is an innovative one; a feasible way of improving people's life standards in a sustainable way. It seeks to promote communities' capacities, helping them to become the main actor of their own development.

- It is **Sustainable** because it enables each community to achieve independence in the medium to long term meeting local needs and promoting human, social and economic development, in balance with the environment.

- It is **Local** because it takes into account the potential of each locality, respecting its reality and its culture. Community representatives identify major obstacles to development, proposing a set of possible solutions, and define priorities for action.

- It is **Integrated** because it involves the participation of the community, local authority, NGOs and private partners.

In Brazil, the methodology has been successfully implemented in several business units.

In ArcelorMittal Tubarão, this approach has been implemented in the Gerar Project, which is a community development bank providing micro credit to start small businesses after a short training exercise. This project is carried out through a partnership between the NGO Move and ArcelorMittal Tubarão in the Terra Vermelha community. In ArcelorMittal Belgo, the Sabará Collaborative Network promotes the development of small enterprises in the Sabará community. This project is carried out through the partnership of more than 50 institutions with ArcelorMittal Belgo. In ArcelorMittal Timoteo, the Vale do Jequitinhonha project, also promotes income generation through small businesses in one of the poorest regions of the Minas Gerais State.

These three projects have directly helped nearly 20,000 people.

Other examples of work undertaken with the support of the AMF include:

### Education & Health – "Bel Porto", Support of AIDS Orphans in South Africa

The aim of this project is to provide financial assistance to 500 children in a home for disabled and HIV/AIDS orphans in Cape Town. The initiative assists them with specialised training and the development of employment-oriented skills.

### Safety – "Sumemos Seguridad", Argentina

The aim of this project is to promote safe behaviour among children. The programme encourages teachers to incorporate safety issues in their classes, to generate awareness of the importance of safety, in addition to spreading basic concepts of disease prevention among children.

Actions so far include the distribution of teaching material, workshops, visits from safety specialists of Acindar and the organisation of an annual safety competition. Over 95% of the invited schools decided to participate.

# ArcelorMittal Foundation

---

## Social Infrastructure – Rebuilding Long Beach, USA

In August 2007, the city of Long Beach, Mississippi, was devastated by the winds and flood water caused by Hurricane Katrina. The AMF has made a series of grants

The AMF has made a series of grants and donations to assist in the recovery of the area.

and donations to assist in the recovery of the area. Following an initial grant of US\$ 1.0 million to support reconstruction efforts in Long Beach, the AMF has pledged

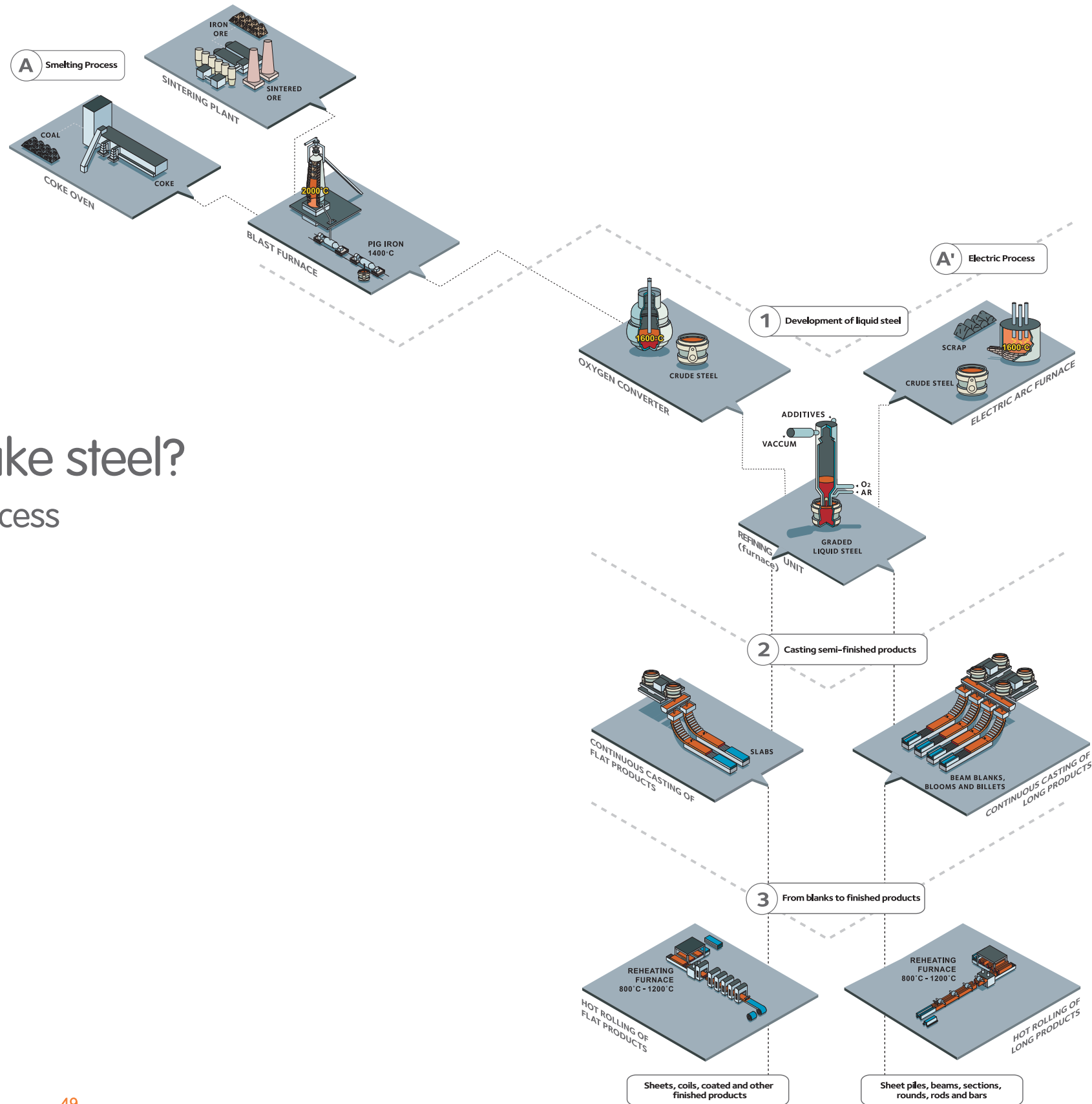
additional grants: US\$ 250,000 (2007) towards the initial construction of a Senior Center; US\$ 250,000 for the construction of a new fire brigade headquarters and another US\$ 250,000 (2008) for the completion of the Senior Center.

We are proud to say that AMF has provided Long Beach with a total of US\$ 1.75 million in grants which provided the necessary seed funding for an additional US\$ 20.0 million in subsequent capital improvement projects that were required in Long Beach as a result of Hurricane Katrina.



# How to make steel?

A three-step process



For further information on ArcelorMittal's business and operations please visit the corporate website:  
[www.arcelormittal.com](http://www.arcelormittal.com)

We welcome feedback on this CSR Review and our wider CSR and Sustainability approach. Please email [sustainability@arcelormittal.com](mailto:sustainability@arcelormittal.com) with your views. Investors are encouraged to email [sri@arcelormittal.com](mailto:sri@arcelormittal.com)



ArcelorMittal

Luxembourg:  
19, Avenue de la Liberté  
L – 2930 Luxembourg  
Tel: +352 4792 2360

London:  
7th Floor, Berkeley Square House  
Berkeley Square  
London W1J 6DA  
United Kingdom  
Tel: +44 (0)20 7629 7988

[www.arcelormittal.com](http://www.arcelormittal.com)



**100%**  
From well-managed forests.  
[www.fsc.org](http://www.fsc.org) Cert no. CTBA-COC-000032  
© 1996 Forest Stewardship Council