

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS

September 2010 - August 2011

ArcelorMittal India Limited

Statement of continued support



ArcelorMittal India signed the ten UNGC principles in 2010. We remain fully committed to continue our support to UNGC and embed the UNGC principles in our day-to-day functions. UNGC principles are indeed one of the important guidelines for us to operate our business.

It is a matter of pride for us to be a member of UNGC as I believe that the UNGC principles can lead the world towards sustainability.

During the reporting year, it was important for us to create a management system to effectively manage the entire process of our responses to the ten principles. I am happy to share that we have formed a Global Compact Management Board (GCMB) at ArcelorMittal India directly under my supervision and having leaders from business verticals. The GCMB will take complete charge of our responses to UNGC principles.

We have made some progresses on the principles during the last one year on the indicators and it is a pleasure for me to present our first communication of progress.

10/10/2011



Vijay Bhatnagar
CEO - India & China



ArcelorMittal India Limited is a wholly owned subsidiary of ArcelorMittal, world's leading steel company, with operations in more than 60 countries.

In India, ArcelorMittal has a proposed investment of over \$30 billion for its Greenfield projects, an existing joint venture with Uttam Galva Limited, and significant market presence.

Through its various Indian subsidiaries and joint ventures, the company services customers in all major product segments. Our strategy is to build a sustainable and stable business, creating value through scale and diversification. Together with its Indian partners, ArcelorMittal shares a vision of long term and mutually beneficial success.



Management approach

Commitment:

As a group corporation, ArcelorMittal is committed to uphold the highest standards of doing responsible business. ArcelorMittal India Limited therefore remains aligned and committed to the group's commitment of doing responsible business.

Being responsible corporate citizen is fundamental to our global aim of being the world's most admired company. While remaining adhered to the corporate goal, ArcelorMittal India shall make every effort to contribute to achieve it by integrating the highest standards of ethics, accountability and transparency into its business conduct.

As a signatory of the United Nations Global Compact (UNGC), ArcelorMittal India reaffirms its commitment to integrate all '10 principles' of UNGC into its business approach to doing business with greater responsibility. We, at ArcelorMittal India, shall work towards making seamless integration of the 10 principles of UNGC into all our business responses and activities that we will undertake and do for the environment, the communities in which we work and society at large.

Policies:

In order to translate the above commitments into action, ArcelorMittal India aligns itself to the group level policies which help the organization perform with the highest standards of the business practices in whatsoever condition. Although India operation has not yet started, the company is committed to execute 10 principles of UNGC in all its activities - wherever is applicable- regardless of size and scale of activities. Some of the group policies are therefore important and being followed by India unit of ArcelorMittal in advancing the agenda of responsible business under UNGC principles.



Important group policies addressing our commitment in India to 10 principles of UNGC:

1. Code of business conduct - <http://www.arcelormittal.com/index.php?lang=en&page=701>
2. Anti-corruption guidelines - <http://www.arcelormittal.com/index.php?lang=en&page=724>
3. Whistle blowing policy - <http://www.arcelormittal.com/index.php?lang=en&page=566>
4. Code for responsible sourcing - http://www.arcelormittal.com/rls/data/pages/808/CodeForResponsibleSourcing2010_en.pdf
5. Human rights policy - <http://www.arcelormittal.com/index.php?lang=en&page=709>
6. Health & safety policy - <http://www.arcelormittal.com/index.php?lang=en&page=679>
7. Environment policy - <http://www.arcelormittal.com/index.php?lang=en&page=684>
8. Product stewardship and R&D - <http://www.arcelormittal.com/index.php?lang=en&page=686>
9. Climate change - <http://www.arcelormittal.com/index.php?lang=en&page=687>
10. Bio-diversity - <http://www.arcelormittal.com/index.php?lang=en&page=688>
11. Water - <http://www.arcelormittal.com/index.php?lang=en&page=690>
12. Energy - <http://www.arcelormittal.com/index.php?lang=en&page=689>
13. Waste management - <http://www.arcelormittal.com/index.php?lang=en&page=691>
14. Community engagement standard - <http://www.arcelormittal.com/rls/data/pages/706//communityengagementstandard.pdf>
15. Risk management policy - <http://www.arcelormittal.com/rls/data/upl/720-0-4-RiskManagementPolicy.pdf>
16. Insider dealing regulations - <http://www.arcelormittal.com/rls/data/pages/609//Insiderdealingregulations.pdf>

Governance:

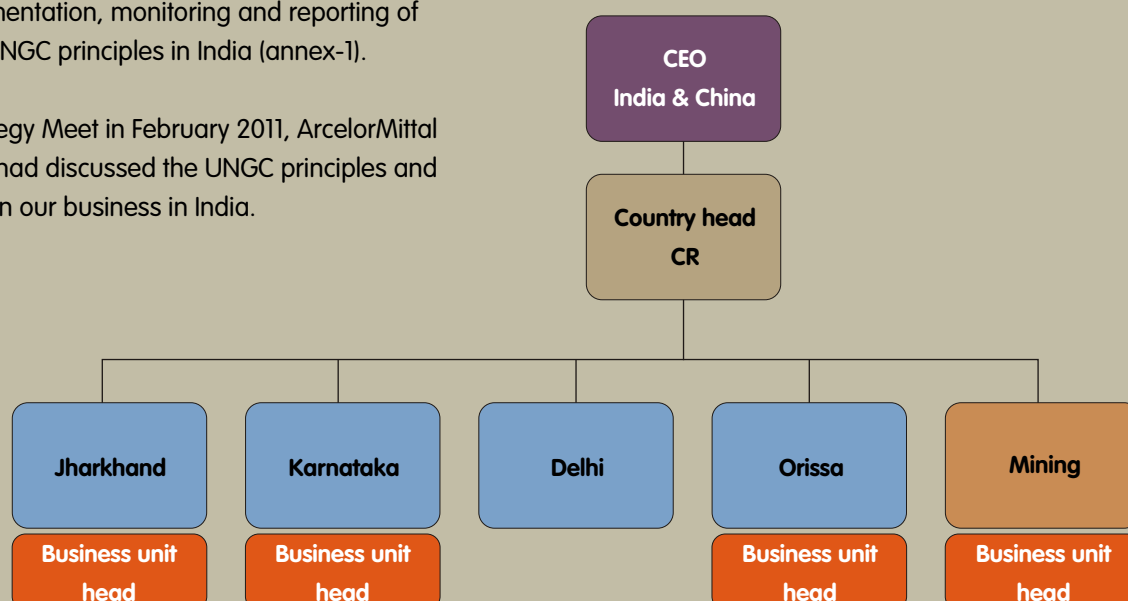
A. Strategic organization

We have formed a Global Compact Management Board (GCMB) which is headed by the CEO- India and represented by some key senior management functions who are inducted as members to it. The GCMB is responsible for developing strategies, plans, implementation, monitoring and reporting of practices of UNGC principles in India (annex-1).

At its CR Strategy Meet in February 2011, ArcelorMittal India Limited had discussed the UNGC principles and its relevance in our business in India.

B. Operational organization

Operational organization will be under the stewardship of the CEO and the Country Head, CSR will be responsible for co-ordination across business units. It will work in tandem with other line departments to implement the ten principles.



Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

Our guiding principle:

In consistence with the corporate policy on human rights, ArcelorMittal India is committed to respect human rights of employees and community. ArcelorMittal India pledges to remain adhered to the principles of Indian constitution, UNUDHR and UNGC on human rights. We will promote the content of the "human rights policy" to our suppliers and other business partners also, through our "responsible sourcing programme".

Actions:

1. Human rights policy: We at ArcelorMittal India follow the Group policy on human rights and remain committed for implementation of it locally in India. ArcelorMittal supports the United Nations Universal Declaration of Human Rights, the Core Conventions of the International Labour Organisation (or ILO) and the United Nations Global Compact. We recognize the likely impacts of the nature of our business that often encounter with human rights of employees and communities in which we work.

2. We have developed and adopted a community engagement code of practice which too covers concerns of human rights of communities such as right to work, right to freedom of expression, right to education, right to health etc. (Corporate Responsibility Report 2009, India; <http://www.arcelormittal.com/rls/data/upl/720-1-7-CRreportIndia.pdf>)

3. ArcelorMittal India has developed and adopted a development strategy manual which is called "ArcelorMittal India Development Goals". There are 5 goals, 20 objectives and 31 targets which ensure delivery on Action # 2 (above mentioned).

4. Health and safety policy of the company protects employees' right to safe work place and right to health (<http://www.arcelormittal.com/index.php?lang=en&page=679>). At ArcelorMittal, health & safety is non-negotiable at any given circumstances or conditions. ArcelorMittal India observed health & safety week in 2011 during which several awareness programmes were organized on workplace safety, road safety and domestic safety.

Action plan for 2012:

1. Reinforcement of human rights policy by taking into account the feedback of stakeholders on the existing policy.
2. We will support at least one initiative on human rights at national or regional level .



Principle 2:

Businesses should make sure they are not complicit in human rights abuses

Our guiding principle:

ArcelorMittal India will examine the impact of its business from the perspective of human rights and accordingly undertake initiatives that not only respect and protect but also take remedial measures to mitigate the impact on employees and the community in which it works.

Actions:

1. Training of all employees on human rights policy - The first activity taken was to familiarize our own employees with the human rights policy. As a result, 73% of employees of ArcelorMittal India have undergone online training on human rights policy of the company against the target of 100% to be achieved by December 2011.

2. Human rights risk assessment: We have conducted an internal risk assessment which will be reconciled with the social impact assessment of proposed business sites in the states of Karnataka and Jharkhand. However, we are committed to engage a third party human rights expert agency to get the human rights risk assessment done for the proposed business locations/sites- committed to do for at least one of the identified locations by December 2011.

3. Identification of key personnel & departments and special orientation on risk mitigation: We, at ArcelorMittal India, believe that the frontline managers of the business such as Heads of mining, plant, human resources, security, materials and communications & branding etc.

must be given a special orientation on identification of the potential risks of human rights in their spheres of influence and accordingly deal with them as per the policy and guidelines.

4. The 10-point principles of the community engagement plan strategy provide specific operating guidelines to CSR practitioners at ArcelorMittal India on mitigation of those externalities of our business activities that have/may have impacts on the rights of people.

5. ArcelorMittal India commits to work towards reducing the potential human rights abuse in its supply chain by implementing the group policy on responsible sourcing (http://www.arcelormittal.com/rls/data/pages/808/CodeForResponsibleSourcing2010_en.pdf).

Action plan for 2012:

1. Human rights risk assessment will be conducted for at least one site.

2. Formation of a core team on human rights comprising of representatives from human resources, technical, environment, internal auditor, security and corporate responsibility.

3. Specialized training of the core team on Human rights.



Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Our guiding principle:

Our global policy is committed to continuous dialogue at all levels of the business, and we do this in an open and structured manner, based on mutual respect, and with a free flow of information. We believe in the process of collective bargaining and have established productive partnerships with trade unions and employee representatives.

In line with the global policy, ArcelorMittal India is committed to being a responsible, highly respected institution. We respect employees' legal rights to freedom of association, third party consultation, collective bargaining and employee participation. We believe in a high quality and high level social dialogue with trade unions, employee representatives and other relevant stakeholders.

Actions:

1. Human resources policy manual : ArcelorMittal India in sync with the group policy has formulated a customized human resources policy manual for India operations. The HR manual takes care of concerns, aspirations and rights of its employees.

2. Employee engagement: "Whether it is keeping employees safe, promoting their well being, or developing their talent, our people are and remain our most important asset." Employees are one of the important stakeholders to ArcelorMittal India and therefore the top management of the company engages with employees regularly. 'Proximity meeting' is a forum where employees interact directly with the CEO and Sr. management of the company.

3. Feedback and grievance redressal mechanism for employees: Employees at ArcelorMittal India are encouraged to freely send their feedback directly to the top management without any fear; in case they have grievance either against the system or the line manager, they can register their complaints with the Head-HR or directly with the CEO and can expect the management response within a week time.

Action plan for 2012:

1. Initiatives to be taken for proximity meetings to be held at regular intervals; frequency will be increased from current level of one per year to two per year.

2. All Heads of department will be trained on grievance management.

3. Develop and implement an MIS for grievance management.



Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour

Our guiding principle:

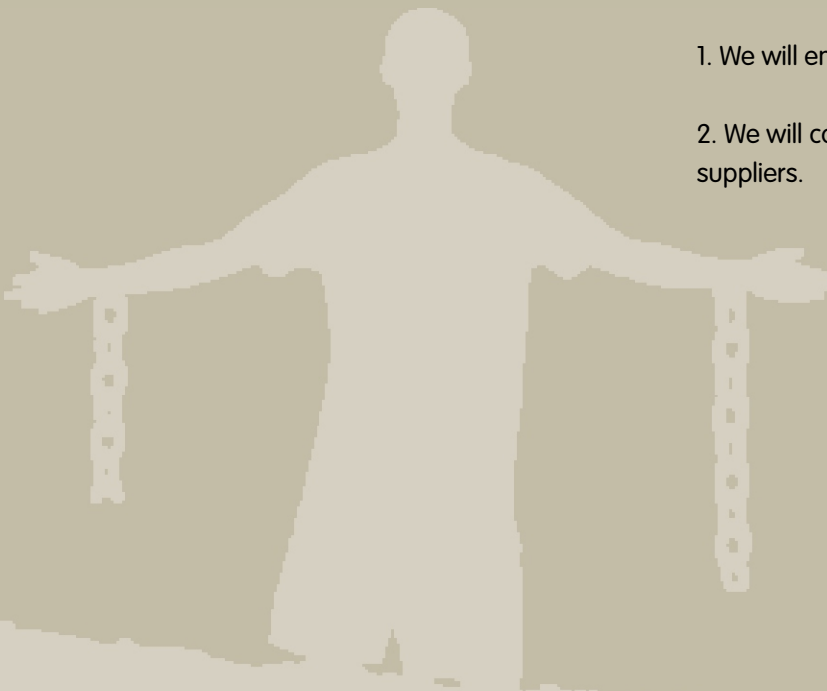
ArcelorMittal India necessarily conducts business in full compliance with all applicable local laws and regulations. We ensure that our employees work in an environment which is free from prejudice and malice and is also one where equal opportunities are open to all. We will ensure that our work environment is free of any form of harassment or discrimination and that each person is treated with fairness and dignity.

Actions:

1. Our global as well as India policies on employment commit us to not accept any inhumane treatment of people working for us, including any form of forced labour, physical punishment or other abuse.
2. We oppose the use of forced labor or compulsory labour. We will also work with our contractors and suppliers to avoid indirectly benefiting from such illegal practices (<http://www.arcelormittal.com/index.php?lang=en&page=709>).

Action plan for 2012:

1. We will ensure that we adhere to our policies
2. We will conduct random audit of minimum two suppliers.



Principle 5:

Businesses should uphold the effective abolition of child labour

Our guiding principle:

ArcelorMittal India necessarily conducts business in full compliance with all applicable laws and regulations. We ensure that all our employees attain the prescribed age limit as per law to work with us. The company shall refuse to employ children in our work; we will not associate with suppliers, partners and associates which don't follow the same norms.

Actions:

1. ArcelorMittal opposes the use of child labour. We will work in collaboration with subcontractors and suppliers to prevent and remove any instances of child labour in a manner that is consistent with the best interests of the child.
(<http://www.arcelormittal.com/index.php?lang=en&page=709>).

Action plan for 2012:

1. We will ensure that we adhere to our policies
2. We will conduct random audit of minimum two suppliers.



Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation

Our guiding principle:

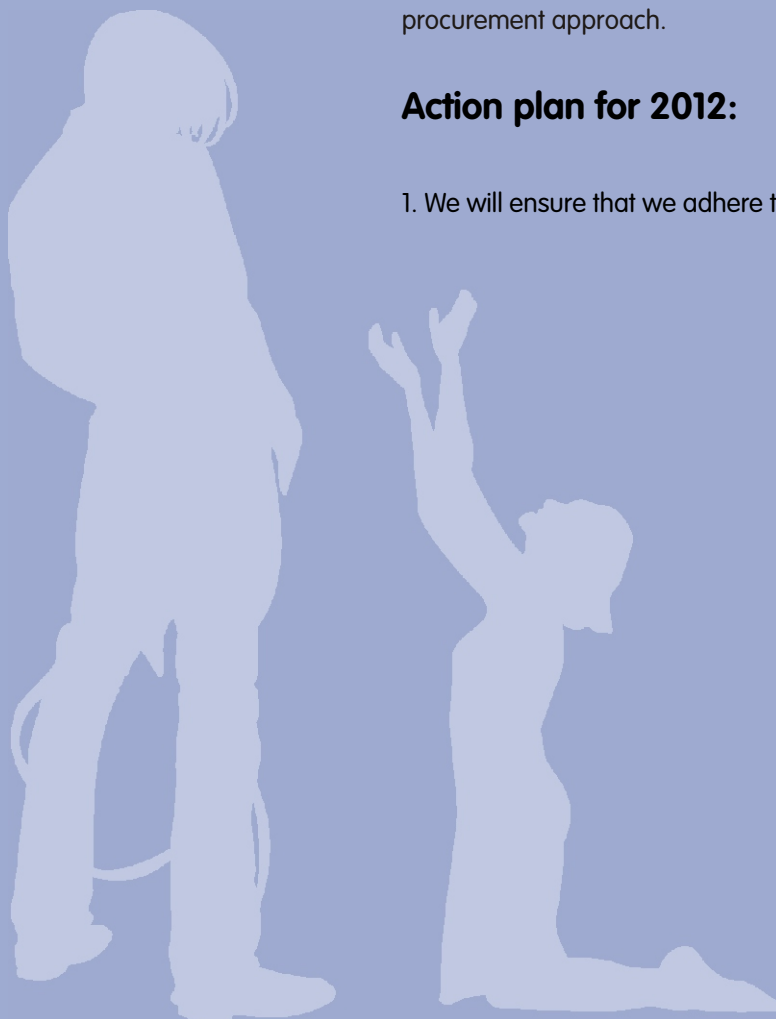
ArcelorMittal India is committed to ensuring that each applicant & employee is treated with fairness and dignity and supports diversity. Accordingly, any unlawful discriminatory practice based on race, color, sex, age, religion, ethnic or national origin, relationship with existing employees, disability or any other unlawful basis will not be tolerated.

Actions:

1. We at ArcelorMittal India remain adhered to the global resourcing policy of the group. Supply chain footprint that ArcelorMittal represents provides unique opportunities for promoting sustainable business practices in our extended supply chain. In order to formalise this commitment, ArcelorMittal has put in place its responsible sourcing programme, which incorporates health and safety, human rights, ethical and environmental principles into ArcelorMittal's procurement approach.

Action plan for 2012:

1. We will ensure that we adhere to our policies.



Principle 7:

Businesses should support a precautionary approach to environmental challenge

Our guiding principle:

ArcelorMittal India will be guided by the 10-principles of the group policy on environment (<http://www.arcelormittal.com/index.php?lang=en&page=684>). We will make sure that regulatory compliances with regard to environmental standards are always met; this will be achieved by integrating environmental management systems into business strategies.

Actions:

1. Although the business in India is in early stages and therefore operation has not started, we are conscious of likely environmental impacts of our business. Therefore, we are giving topmost consideration to environmental management in our business strategies and planning. Each and every activity being planned is evaluated against environmental parameters.
2. We believe that each person has responsibility to act responsibly. We therefore want each employee be knowledgeable enough to tackle the environmental challenges in his/her spheres of influence. We observed the 'world environment week' starting June 5, 2011 this year. We involved all our employees and sensitized them on environmental challenges of our business. A CO₂ calculator kiosk was placed which helped our employees know their personal CO₂ footprint.
3. The CR convention, an annual event organized in February 2011 was made a carbon neutral event.

Action plan for 2012:

1. We will ensure that environmental compliances at all stages of our business are met.
2. We will conduct energy audit for at least one of our facilities.



Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility

Our guiding principle:

The company also aims at going beyond compliances, and thereby, commits to undertake, promote, sponsor, assist or aid initiatives that help conservation, reduction and mitigation of GHGs emission and climate change.

Actions:

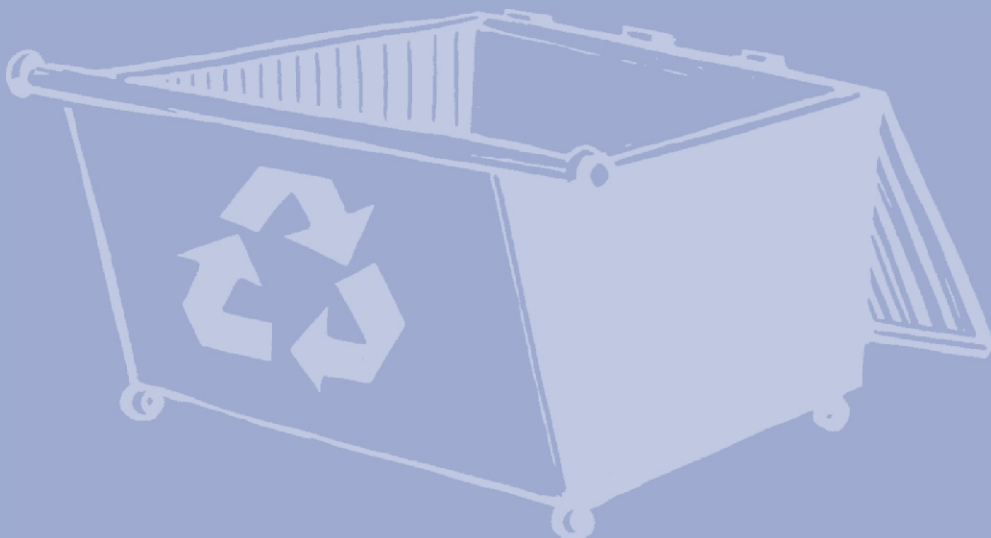
1. ArcelorMittal is a principal partner of an environmental education program 'paryavaran mitra' (friends of environment), probably the world's largest sustainability and climate change education programme, committed to prepare 20 million children from 200,000 schools in India become green leaders in three years time. ArcelorMittal India has committed a special budget of USD two million for the program. www.paryavaranmitra.in

2. We participated as knowledge partner to CII for the 12th five year plan of Government of India in formulating a national proposal on promotion of new and renewable energy under corporate social responsibility.

We promoted solar technologies among our employees by arranging a talk on use of solar energy and demonstration of some products such as solar lamp.

Action plan for 2012:

1. We will continue to be a partner for the paryavaran mitra project.
2. We will encourage our employees to voluntarily undertake initiatives in their own spheres of influence on reduction of CO₂.
3. We will take initiatives for plantation of one million trees under paryavaran mitra project.



Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies

Our guiding principle:

We shall invest appropriately in taking industry leading research & development to decrease the negative footprints of the products. More effective processes today, new technologies tomorrow shall be the mantra to be a leader in eco-friendly steel production.

Actions:

At this juncture when our operations have not begun, we take this as an opportunity for us to take help of R&D innovations to go for environment friendly technologies while installing our new plant in India. We will adhere to our group policies in order to take product stewardship by introducing path breaking technologies to produce an eco-friendly product without compromising on the quality, bringing improvement in production processes through decreased resource and energy use and through a continuous investment in research & development that help bring improvement in process and technology.

Action plan for 2012:

1. We will take every possible step towards environment friendly constructions.



Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

Our guiding principle:

ArcelorMittal does not tolerate bribery and corruption in any form, whether direct or indirect. This extends to all business dealings and transactions in all countries where ArcelorMittal operates. Our anti-corruption guidelines aim at ensuring that our employees and any third parties acting on our behalf observe the highest standards of integrity and are not involved in corrupt activities. They clearly reflect our commitment to zero-tolerance towards corruption and comply with all applicable anti-corruption laws.

(<http://www.arcelormittal.com/index.php?lang=en&page=724>).

Our reputation for honesty and integrity in business is very important to us. The Group code of business Conduct which applies to all our employees is publicly available on company's website describes our commitment to uphold.

(<http://www.arcelormittal.com/index.php?lang=en&page=701>).

We also have a number of policies in place to address specific issues, which match best international practice in these areas. But we also expect our people to observe the spirit as well as the letter of these policies in their day-to-day dealings.

Actions:

1. Anti corruption compliance training is mandatory for all employees. 100% employees have undergone the online training on anti-corruption.

2. Code of conduct essentially guides all of us to remain ethical in all our dealings and actions. 100% employees have signed onto the CoC. According to the Group's policy, employees who violate the code of conduct may be subject to disciplinary action, up to and including dismissal, depending on the facts and circumstances.

3. Transparency in business transactions and communications: ArcelorMittal India remains committed to make sure that its business does only 'right things' and therefore to do so it follows rigorous ethical, professional and legal standards.

4. Disclosure and reporting; We are committed to disclose all our business activities and conduct by bringing out an annual corporate responsibility report.

Action plan for 2012:

1. All new employees will undergo mandatory training on anti-corruption and code of business conduct.



Contact us:

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