



ArcelorMittal

## 2010 Sustainability Report **ArcelorMittal Brasil**


LOOKING FORWARD  
TO TOMORROW'S STEEL





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With a people-oriented corporate culture, ArcelorMittal Brasil operates in all dimensions of sustainability in order to meet the company's strategy of ongoing growth.

# VISION OF SUSTAINABILITY

## IN THIS CHAPTER

- >> About this Report
- >> Message from the President
- >> Organization Profile
- >> Our identity and activity





The ArcelorMittal Brasil sustainability reports are written on the basis of the Global Reporting Initiative (GRI) guidelines. The G3 is the updated version with more advanced guidelines, which follows the world standard. The presentation of indicators defined by the GRI reflects the process of ongoing learning and the degree of maturity achieved by the areas and units comprising ArcelorMittal Brasil.

### Scope

The 2010 Report presents the results of the Brazilian units in the flat and long steel segments. Data refers to the economic, environmental and

social areas, as well as corporate governance practices, strategic vision and relationship actions oriented to company's stakeholders. The information provided is under the responsibility of the managers of the Company's different areas.

The photos used in the publication depict the reality and represent the daily activities of the Company and its stakeholders. Similarly, the stories chosen for the opening of each chapter show the impact on the stakeholders of the actions and programs developed by ArcelorMittal Brasil in 2010.

# ABOUT THE REPORT

## Evaluation

ArcelorMittal Brasil believes that the engagement of all publics that relates to the company is extremely important both for the construction of corporate strategy, as to the achievement of market leadership. By this reason, the company doesn't make only systematic engagement meetings with its stakeholders, but also does many actions which includes since punctual meetings, conduction or participation in engagement events, until the use of management tools. An example is the Organizational Climate Survey, which involves all the employees of ArcelorMittal Brasil.

The Climate Survey is an important tool for the construction of a healthy and exciting work environment. The collected information works as a thermometer of the satisfaction of one of its main stakeholders, the employees. The results of this type of

survey, conducted every two years, enable the Company to outline strategies and action plans in order to improve the relationship with this type of stakeholder.

## Distribution

As in the previous editions, the 2010 Sustainability Report is presented in electronic version only, available to all interested parties on the Company webpage ([www.arcelormittal.com.br](http://www.arcelormittal.com.br)). Such practice, in addition to being in accordance with its policy of rational use of resources, increases the scope and ease of access to information.

## Message from Management

A Company that is a part of the largest steelmaking group in the world, responsible for leading the major transformations that the steel industry is undergoing, has the mission to balance the economic, social and environmental dimensions of its activities. An organization like ArcelorMittal Brasil is not just a steelmaker; its product distributes wealth to its stakeholders, contributes to preserving our ecosystems, generates investments in people and in their talent, and values diversity.

A synthesis of the efforts that the Company made in 2010 to stay on the route of sustainable development can be read in the pages of this Report. The international economic scenario brought some adversities, but they were overcome with creativity and coordinated activity. Once again, we are working sustained by the values that characterize our Company and that make a differentiated organization: strong internal leadership, quality in all management areas and sustainability in its multiple aspects, including priority for the health and safety of collaborators, environmental controls and the development of people and communities.

Confirming this conduct are the results obtained in the safety area, like the 10 years without lost time accidents at the BMB unit in Itaúna and the five years without a similar event at the Guilman-Amorim Hydroelectric Plant. The flat steel sector also stood out due for a year without lost time accidents in Tubarão and three years without similar accidents in Vega. This increases our conviction that the goal of Zero Accidents is not a utopia, but a possibility, one that can be achieved. A guideline now reinforced by the Golden Health and Safety Rules launches worldwide and enthusiastically embraced by the Brazilian units.

In the environmental area, the Company did not fail to invest to improve its management: R\$ 81.5 million, 28% more than the previous year. This investment was used

to maintain and improve our main control indicators, like the 98% rate of industrial water recirculation recorded at the largest of our units. This rate reached the level of 99% in Monlevade and Juiz de Fora, a highlight in the Brazilian steelmaking industry.

We are also a reference in industrial waste management, for which reuse reached the rate of 93%, well above the industry average, which is about 80%. In 2010, ArcelorMittal Juiz de Fora became the first unit in the Group throughout the world to standardize the operation of the solid waste and byproduct industrial management processes through the use of SAP. At ArcelorMittal Tubarão, management of this area has strategic importance not just in the development of studies, research and new markets, but also in the use of co-products in a socio-environmental cooperation program. This is the case of Revsol®, used in covering 257 kilometers of urban and rural roads in 11 municipalities in the state of Espírito Santo, in 2010.

Today we have a mature environmental management system that is recognized outside the Company, as shown by our obtaining the Ecological Seal of the Falcão Bauer Institute of Quality – another important achievement in 2010, for long steel from five units, which proves that our product has a high recycling rate.

Also worthy of mention are the initiatives adopted to reduce energy consumption and pollution emissions, like the replacement in Monlevade, of Liquefied Petroleum Gas (LPG), petroleum based fuel oil and compressed natural gas, by natural gas (NG), and a significant reduction in methane generation at the Coal Production Units (UPCs) of ArcelorMittal BioFlorestas, as well as the inventory of emissions of Greenhouse Gases (GHG), prepared to identify all sources of gas emissions that compromise the environment.

Last but not least, we should emphasize the launch in 2010 of the ArcelorMittal Human Rights Policy, which

is applicable to all the companies in the Group, and which seeks to offer our employees a uniform guide on how to respect, protect and promote human rights in operations and negotiations. Therefore, the path taken by ArcelorMittal Brasil throughout 2010 showed a continuity of good practices and initiatives, with excellent results and a growing trend in recent months, which allows us to forecast a more encouraging outlook for the coming years, whether based on the solid macroeconomic foundation that Brazil offers us, or the perspective of a rhythm of sustainable economic growth, or as a result of favorable factors like the investments related to the World Cup in 2014 and the Olympic Games in Rio de Janeiro in 2016.

We already have overcome another stage in the process of building a sustainable steelmaking process, but we know that this is a commitment that must be permanently renewed with the support of all our stakeholders, specially, the shareholders and clients, whom we thank for the trust they have placed in us, and with the effort and dedication of our employees, the most valuable asset we have.

The Management

# Our identity and operation

ArcelorMittal Brasil is one of the main companies of the ArcelorMittal Group in the world. The Company operates in the markets of long and flat steel products, wire drawing, reforestation and production of renewable solid bio-reducer (charcoal), services and energy generation, in addition to having its own organizations in the fields of information technology and social responsibility. Its corporate headquarters are located in Belo Horizonte (MG).

With 29 industrial units and operations in five countries of Central and South Americas: Brazil, Argentina, Costa Rica, Trinidad & Tobago and Venezuela, the company stands out in all markets where it operates, and is governed by the commitment to investing in innovation, knowledge and technology to find proper solutions to sustainability challenges.

ArcelorMittal Brasil has the units of ArcelorMittal Long Steel and ArcelorMittal Flat Steel. The presence of the Company is significant in the market of long (rolled and drawn) and flat (steel slabs and rolled) products, producing steels of unique quality for a number of applications — automotive, appliances, packaging, civil construction and shipbuilding, among others. ArcelorMittal Brasil is the greatest steel producer in Latin America, with installed capacity for 15 million tons/year.

The long steel segment maintains a set of steelmaking and wire drawing mills in Brazil (Minas Gerais, São Paulo, Espírito Santo and Bahia), Argentina (Acindar) and Costa Rica (ArcelorMittal Costa Rica), and is also responsible for ArcelorMittal Point Lisas, in Trinidad and Tobago. With a 6.5 million tons/year installed capacity of rolled steel and 1.55 million tons of drawn products, the Company stands out with the most complete line of products for civil construction. It is amongst the top three global producers of wire rod for steel cord, a product used in tire reinforcement, and a leading producer of wire for application in industry and agribusiness.

The flat steel segment brings together the following units: Tubarão in Espírito Santo and Vega in Santa Catarina. The former is a producer of flat steels, specialized in high-quality products applied in the manufacture of consumer goods used in people's day-to-day lives. It produces plates and hot-rolled coils at its Serra unit, in Espírito Santo, with capacity for 7.5 million tons/

year. The unit has a distinctive infrastructure, which provides advantageous conditions both for the production and its customers supply in Brazil and abroad. With a view to meeting the market, ArcelorMittal Tubarão has an excellent port complex, which comprises the Praia Mole Steel Product Terminal, only eight kilometers from the industrial plant, a barge terminal for shipment of rolled products, and a well equipped rail/road network.

ArcelorMittal Vega is an industrial unit specialized in processing flat steel. This unit is provided with the latest equipment and cutting-edge technology for pickling, cold rolling and galvanizing of steel coils. The unit is the result of greater private investments in Santa Catarina: US\$ 580 million. Its production capacity is 1.4 million tons per year of products. In operation since July 2003, the plant processes hot-rolled coils supplied by ArcelorMittal Tubarão and transported by river barges, turning them into galvanized and cold-rolled coils for the following segments: automotive, household appliances, civil construction, tubes and profiles, distribution, packaging, among others.

## Performance of the sector

After world crisis, a recovery of the steelmaking industry was expected to take place in 2010. While this did in fact occur, it was in a slow and uncertain manner. Global economic growth is driven by the emerging markets. In the United States, some degree of recovery took place after the extension of tax cuts and additional stimulus, introduced late in 2009. In Europe, recovery followed the lead of Germany's performance, which has positively impacted neighboring countries.

According to the World Steel Association, total global production of crude steel reached a record of 1.4 billion tons in 2010, but upon a closer look at the statistics, all the demand growth is coming mainly from China. Over there, the demand was 37% above 2007 (pre-crisis levels), while the rest of world was still 10% below 2007.

In Brazil, the results were positive. Data from the Brazilian Steel Institute (Instituto Aço Brasil - IABR) shows that the production of crude steel achieved the level of 32.8 million tons, which represented an increase of 23.8% in relation to the previous

year. The production of rolled products also registered a growth, reaching 25.8 million tons, an increase of 27.7% as compared to 2009 figures. Brazil's figures for apparent steel consumption achieved the record of 26.6 million tons, a record in the history of the country and a direct result of the good performance of Gross Domestic Product (GDP), which increased 7.5% in 2010.

With regard to domestic sales, the accumulated result in 2010 was 21.1 million tons, a growth of 29.2% in relation to 2009. The exports of steel products in 2010 totaled 9 million tons and US\$ 5.8 billion in revenue, representing an increase of 4.1% in volume and 22.8% in value as compared to 2009.

On the other hand, the Brazilian steelmaking segment faced strong competition from imported goods, caused mainly by Real devaluation against Dollar. A total of 5.9 million tons of steel (US\$ 5.5 billion) were imported in 2010, 154.2% above the volume imported last year. However, the increase in prices abroad and the maintenance of steel prices in the domestic market indicate a reversion of this scenario in 2011.

The market is expected to maintain its evolution in 2011, following the growth of sectors that use steel as raw material, namely: the automotive industry – which projects a new production record – the household appliance sector and civil construction. Infrastructure works related to the 2014 World Cup and 2016 Olympic Games shall also boost the sector.





# Profile of organization in Brazil

**Belgo Bekaert Arames (BBA), Belgo Bekaert Artefatos de Arames (B/MB) and Belgo Bekaert Nordeste (BBN)**  
Location: Contagem, Sabará, Vespasiano e Itaúna, in Minas Gerais; Osasco and Hortolândia, in São Paulo; and Feira de Santana, in Bahia.

**ArcelorMittal Itaúna**  
Location: Itaúna (MG)

**ArcelorMittal Piracicaba**  
Location: Piracicaba (SP)

**ArcelorMittal Gonvarri**  
Location: Hortolândia/Campinas (SP) and Araucária (PR)

**ArcelorMittal Manchester**  
Location: Contagem (MG) and Guarulhos (SP)

**ArcelorMittal Vega**  
Location: São Francisco do Sul (SC)

**ArcelorMittal Serra Azul**  
Location: Itatiaiuçu (MG)

**ArcelorMittal Perfilor**  
Location: Contagem (MG), Lorena and São Paulo (SP)

**ArcelorMittal São Paulo**  
Location: São Paulo (SP)

**ArcelorMittal Sabará**  
Location: Sabará (MG)

**ArcelorMittal Juiz de Fora**  
Location: Juiz de Fora (MG)

**ArcelorMittal BioFlorestas**  
Location: Zona da Mata, Centro-Oeste, Vale do Rio Doce, Vale do Jequitinhonha, in Minas Gerais, and Sul da Bahia

**Corporate Center**  
Main Offices of ArcelorMittal Brasil, ArcelorMittal Aços Longos and ArcelorMittal BioFlorestas  
Location: Belo Horizonte

**ArcelorMittal Systems**  
Location: Belo Horizonte (MG)

**ArcelorMittal Brasil Foundation**  
Location: Belo Horizonte (MG)

**ArcelorMittal Monlevade**  
Location: João Monlevade (MG)

**Andrade Mine**  
Location: Bela Vista de Minas (MG)

**Guilman-Amorim Hydroelectric Plant**  
Location: Antônio Dias

**ArcelorMittal Tubarão**  
Location: Serra (ES)

**ArcelorMittal Cariacica**  
Location: Cariacica (ES)

Long  
Flat  
Mining, Services, Energy, Social Responsibility, and Corporate

Ethics, quality and transparency of its management are the principles which govern the ArcelorMittal Brasil governance model, which is structured in such a way to understand the impacts, anticipate their consequences, and manage risks in all operations.

# TRANSPARENT GOVERNANCE

## IN THIS CHAPTER

- >> Up to date with good conduct
- >> Mission, Vision, Values
- >> Corporate governance
- >> Commitments and relations



## Our good conduct policy

ArcelorMittal Brasil seeks to conduct its commercial operations on the basis of values such as honesty and integrity. The Company has a Code of Conduct to provide guidance and assistance to its employees in the sense to help them to understand the ethical and legal obligations in the conduct of business. The document is applicable to all directors, officers and professionals of ArcelorMittal and those of its subsidiaries.

Training in the Code of Conduct is one of the modules of the Corporate Integration Program of the Company oriented to recently hired employees. In 2010, 19,699 people around the world participated in the course.

For the first time, the activity was made available through e-learning, by means of which the participants access the contents online. Approximately 50% have chosen the e-learning tool, which provides greater advantages, flexibility, dexterity and autonomy, being also well suited to manage the participations.

Other training activities in connection with the ArcelorMittal Group's corporate policies have also taken place in the period, such as those referring to the Guidelines for the Defense of Competition (Antitrust), Insider Information Policies and Anticorruption Policy, this latter offered for the first time. In 2010, 6,254 participations were registered in the three modules.

Thus, the Company seeks to meet the requirements of the corporate laws to which the Group is subject, and also reduce the risk of exposing the Company and its employees to civil and criminal penalties.



All employees are trained in the guidelines of the Code of Conduct

## Mission, Vision, Values

Established in 2007, the Mission, Vision and Values of ArcelorMittal Brasil are the same as those of the ArcelorMittal Group, with activities in more than 60 countries. They were defined during the Arcelor - Mittal Steel integration process, which is today one of the greatest steelmaking conglomerate in the world. They resulted from the contributions of employees, consolidated by the main executives.

### Mission

"To be an unquestionable leader in the steel sector".

### Vision

"To be the most admired Steelmaking Company worldwide - the reference in global steelmaking."

### Values

#### Sustainability

"We are guiding the evolution of steel so as to ensure the best future for the industry and the generations to come. Our commitment to the world around us goes beyond the basics, including the people in which we invest, the communities we support and the world we operate in. This long-term approach is crucial for our business philosophy."

#### Quality

"We look forward to tomorrow's steel. This entrepreneurial spirit has brought us to the forefront of the steel industry. We are going beyond the world's expectations towards steel."

#### Leadership

"We are visionaries, creating opportunities every day. Because quality's final result depends on people's quality. We try to attract and feed the best people to develop the best solutions to our customers."

## Corporate Governance

The Board of Directors is the highest structure in the hierarchy of ArcelorMittal global management, being responsible for the last saying in the decision-making processes. Below the Board of Directors, the Group Management Board (GMB), which is composed of eight (8) executives under the leadership of the CEO, Lakshmi Mittal, conducts business and defines the global strategies of the parent company, in addition to establishing and following the administrative actions in the countries where the company operates.

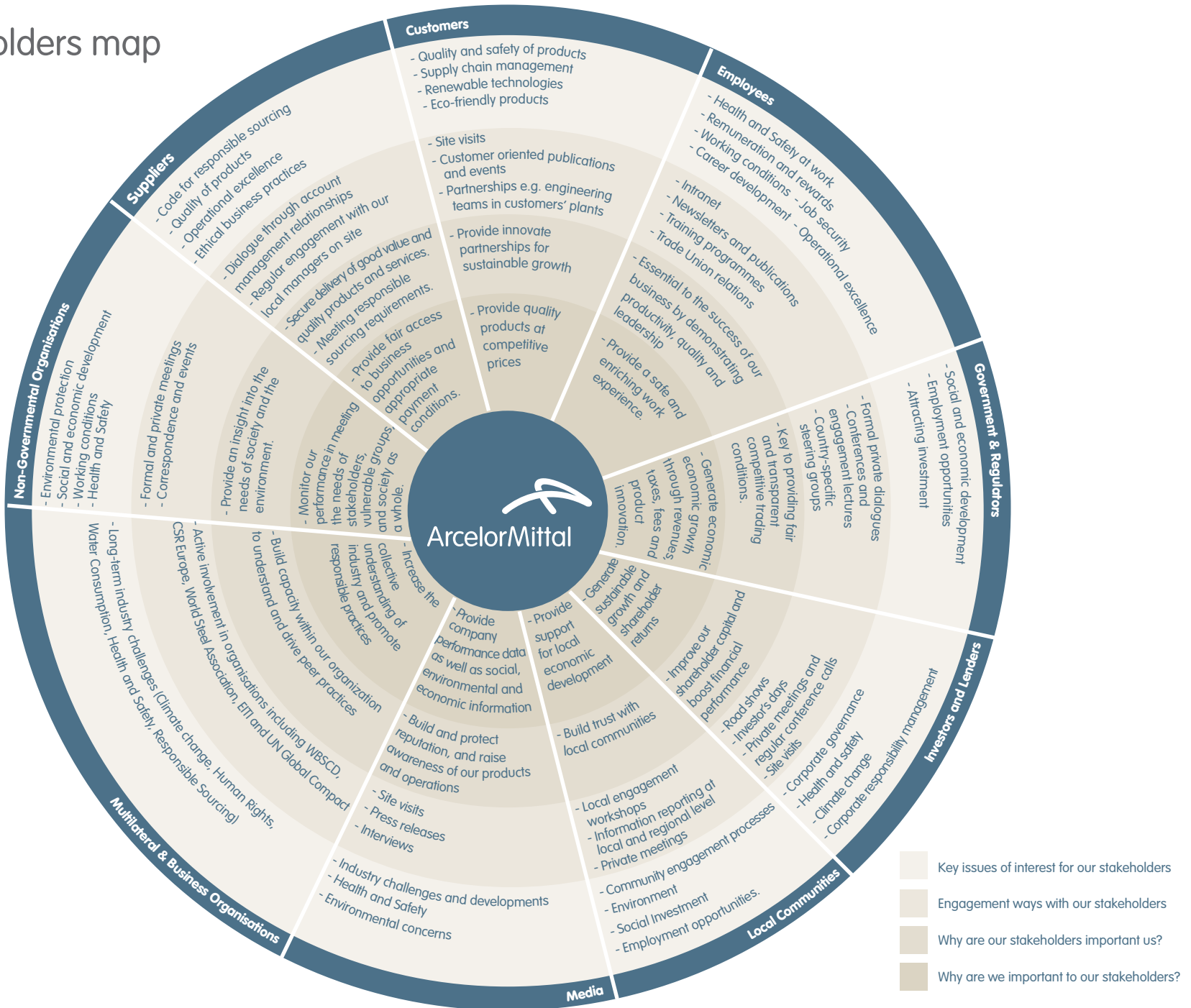
ArcelorMittal Brasil has a corporate governance framework based on the same principles which govern the model adopted by the controlling group worldwide. The Board of Directors, which is currently composed of eight members that are elected at the Annual General Meeting (AGO) held every two years, establishes the strategic directions and follows the development of business. The directors have the powers to elect officers, appoint or dismiss independent auditors and supervise the Company management.

ArcelorMittal Brasil non-permanent Audit Committee can be composed of three to five members, chosen at the Annual General Meeting (AGO).

The Executive Board is currently composed of six members (the number may range from two to nine), elected by the Board of Directors. It is responsible for the management of the Group's businesses in the Country, acting on any matter not subject to the exclusive jurisdiction of the Annual General Meeting or the jurisdiction of the Board of Directors.

Corporate governance is anchored to the basic guidelines of developing strategies to supply the market with quality steel, stimulating socioeconomic growth of the regions it operates, and reducing as much as possible the environmental impacts on all links of the production chain.

## Stakeholders map





## Commitments and relationships

ArcelorMittal Brasil's activities are guided by sustainable development principles and a respectful relationship with its stakeholders. In the end of 2010 the company had 21.018 employees in Brazil, Argentina, Costa Rica and Venezuela, and was considered as benchmark in organizational climate, placing between the best companies to work in Brazil and was also classified in the [third quartile](#) of Hay Group, which is composed only by companies with the best organizational climate.

The Company reinforces its principles of corporate responsibility by actively participating in business and civil organizations, in Brazil and abroad, always with the purpose

of contributing to the search for sustainable ways for the development of business, particularly in the steel sector. It is a signatory of the United Nations (UN) Global Compact and it complies with the UN's Millennium Development Goals.

ArcelorMittal Brasil was one of the first companies to commit to the Business Pact for Integrity and against Corruption, an initiative of the Ethos Institute for Business and Social Responsibility and of the United Nations Development Program (UNDP), among other entities. The Pact sets forth the guidelines to be followed by the institutions with a view to ensuring an ethical relationship with Public Authorities.

In addition to following the principles set forth by the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, the Company repudiates child and forced labor and extends such behavior to its business partners and the communities.

It refers to the fact that ArcelorMittal Brasil is in the group of 25% companies which are best positioned in the market. It also means that all of the other 75% companies surveyed had lower results in relation to our company.



Providing a safe and healthy workplace is one of the principles of the Company's Human Rights Policy

## Human Rights

In 2010 ArcelorMittal launched on a worldwide basis its Human Rights Policy, which is applicable to all group companies and complements the existing Code of Conduct, Anti-Corruption Policy, and the Health, Safety and Environment Policy. The purpose is to offer a guide on how to respect, protect and promote human rights in the operations and negotiations. In 2011, all employees will be trained.

### The Human Rights Policy focuses on 12 areas that have been identified as priorities by the Group:

**1 – Promoting Health and Safety**  
ArcelorMittal is committed to work towards a goal of zero accidents, injuries and general wellbeing in the workplace. This is endorsed by the Health and Safety Policies and Procedures that promote our philosophy of Safe Sustainable Steel.

**2 – Promoting Freedom of Association**  
ArcelorMittal upholds freedom of association and the effective recognition of the right to collective bargaining. We also work with our subcontractors and suppliers to promote the achievement of this principle.

**3 – Eliminating Forced or Compulsory Labor**  
ArcelorMittal opposes the use of forced or compulsory labor. We will also work with our subcontractors and suppliers to avoid indirectly benefiting from or promoting such illegal practices.

**4 – Abolishing Child Labor**  
ArcelorMittal opposes the use of child labor. We will work in

collaboration with subcontractors and suppliers to prevent and remove any instances of child labor in a manner that is consistent with the best interests of the child.

**5 – Eliminating Unlawful Discrimination in the Workplace**  
ArcelorMittal is committed to ensure that each employee and potential employee is treated with fairness and dignity. Accordingly, any unlawful discriminatory practice based on race, color, gender, sexual orientation, age, religion, ethnicity, national or social origin, property, political or other opinion, disability, birth or any other basis will not be tolerated. The Company seeks to provide each employee with equal opportunity for advancement without discrimination.

**6 – Eliminating Harassment and Violence**  
ArcelorMittal is committed to promote a work environment free of any form of harassment, exploitation, abuse or violence as defined by the laws of each country in which we operate.

**7 – Providing Competitive Compensation and Remuneration**  
ArcelorMittal aims to pay competitive wages based on local market assessments and at a minimum seeks to provide a commensurate compensation for each employee.

**8 – Upholding Conditions of Employment**  
ArcelorMittal complies with all laws regarding conditions of employment including basic and over-time working hours, and will abide by agreements negotiated with our employee representatives.

**9 – Avoiding Involuntary Resettlements**  
ArcelorMittal seeks to avoid involuntary resettlements. In situations where it is unavoidable, we commit to comply with the national government's or regional authorities' guidelines on resettlement and rehabilitation and also act in line with international human rights norms on this subject.

**10 – Respecting Indigenous Peoples' Rights**  
ArcelorMittal respects the rights of Indigenous Peoples as defined by applicable national and emerging international standards.

**11 – Adopting Proportionate Security Arrangements**  
ArcelorMittal aims to ensure that the provision of security to our operations and our engagement with public and private security forces is consistent with the laws of the relevant country and relevant international standards and guidelines, such as the Voluntary Principles on Security and Human Rights. We will adapt our security arrangements to balance the need for safety while respecting human rights.

**12 – Developing practices for Land and Water use**  
ArcelorMittal works towards understanding and applying sound practices for land and water use consistent with emerging international practices while respecting human rights, and in support of our Environment Policy.



ArcelorMittal Brasil wants to attract and maintain the best professionals, offering not only opportunities for professional development, but also for personal growth as active citizens who are aware of their role in the construction of sustainability.

# INVESTING IN OUR PEOPLE

## IN THIS CHAPTER

- >> Much better to work this way (case)
- >> Personnel management
- >> Professional development
- >> Remuneration policy
- >> Inclusion
- >> Health and safety



## Working this way is much better

Some of the highlights of Organizational Climate Survey conducted in 2010, includes that work safety is a priority to 89% of ArcelorMittal Brasil's employees, while 90% consider that the company is concerned about the environment, and 84% understand that the company cares for the communities where it operates. Moreover, 86% of employees are proud to work at ArcelorMittal Brasil.

Repeated every two years, the survey provides the Company with proper instruments to know the perception of its employees in relation to the work environment, identifying aspects of satisfaction and points to be improved.

The Organizational Climate Survey conducted in 2010 was the most comprehensive to date, and comprised for the first time the Central and South America

units, totaling 19,250 employees. They answered questionnaires covering four dimensions: managerial style, corporate processes, Company management, and motivation and credibility. The work was conducted by Hay do Brasil, an organization specialized in climate advisory.

Within the scope of ArcelorMittal Brasil (Flat Steels, Long Steels and Shared Services), the survey had a compliance rate of 95%

of all employees. The result indicated a general favorability index of 69%, which placed ArcelorMittal Brasil 8% above market average. The comparison takes into account data from 112 companies - Hay do Brasil clients - gathered during the last five years.

Based on the results, team challenges are outlined, which become goals and action plans. The next Climate Survey shall be held in 2012.

### Overall results of ArcelorMittal in Brazil by dimension (% favorability/2010)



## People Management

Continuous investments in qualification and professional competence; career, compensation and benefit plans considered a reference in the country; excellence in terms of organizational climate, with focus on the health and safety of its personnel, represent the three pillars which support the ArcelorMittal Brasil People Management Policy. Employees and contractors are treated with dignity and respect and are provided with a safe and healthy environment for their activities. All employees are covered by collective bargaining agreements.

At the end of 2010, ArcelorMittal had 13,474 direct employees in the flat and long steel segments (except for the Wire Sector) in Brazil. Moreover, the Company added to its staff 279 apprentices and 849 trainees.

When openings are available, those are occupied mainly through internal recruiting. This practice works on a global scale and the opportunities are disclosed in the Group Newsletters, with all the requirements to fill the vacancies, and also career and compensation conditions. In order to enhance the good use of opportunities, ArcelorMittal has an internal recruiting tool called JobMarket Online (JMO), made available to all units in all countries where the Group operates.

**Company closed  
the year with 13,474  
employees in Brazil**

Year/month	Group of employees per functional level	Direct employees
Dec/2010	Officer	16
	Supervisor	567
	Higher education level	2,213
	Mid-level technician	2,399
	Monthly operator	3,684
	Hourly operator	4,180
	General manager	61
	Manager	174
	Area manager	180
	Total	13,474

DISMISSALS PER GENDER			
	2010	2009	2008
Male	978	1,711	1,051
Female	123	268	189
TOTAL	1,101	1,979	1,240

DISMISSALS PER AGE			
	2010	2009	2008
Up to 30 Years	548	754	653
From 30 to 50 Years	397	819	435
Over 50 Years	156	406	152
TOTAL	1,101	1,979	1,240

TURNOVER PER GENDER			
	2010	2009	2008
Male	8.20	14.54	9.07
Female	8.97	19.82	14.59
TOTAL	8.27	15.09	10.38

## Professional Development

ArcelorMittal Brasil has a set of practices and programs designed to ensure the professional development of its employees, ranging from trainee hiring policies to the preparation of future leaderships for the Group.

The axis of ArcelorMittal's development policy is the Global Executive Development Programme (GEDP) - adopted by the Company on a worldwide basis – which identifies talents with potential for managerial career; recommends actions to raise the competence level of the organization; works as a tool for career and succession planning, and focuses on the development of current and future leaders for the organization. In 2010, another GEDP cycle was conducted in which 2,985 employees participated.

In ArcelorMittal Brasil, employees are also provided with qualification programs, consisting in technical training and incentives to complement their formation, such as subsidies for foreign language, university and specialization courses.

Since 2007, the Company maintains the Transforma Programme, which offers training, courses, lectures and coaching, focused on the preparation and improvement of leaderships aligned with the culture and strategic orientation of ArcelorMittal. Training is provided to already established leaderships and professionals identified as potential successors. All employees receive regular performance appraisals and orientations for career development.

Transforma Programme		
Year	Participating employees*	Training hours
2010	430	26,325
2009	173	5,932
2008	753	Not ascertained

\*From all the Company's Brazilian units

Training hour average/year/employee per functional category			
Occupational categ.	Hours/ Training	Average number of employees	Hours/Training per employees (average)
Executive Board	310.07	17	18.24
Managerial	25,510.38	413	61.76
Higher level	135,035.96	2,161	62.50
Technical level	249,932.27	3,017	82.84
Mid level	42,956.79	537	79.97
Supervision	45,522.40	646	70.40
Operator	342,772.38	6,551	52.33
TOTAL	842,040.25	13,342	63.11

Note: The number of employees is calculated on the basis of the staff annual average



Transform Program involves leaders and potential successors

## Preparation for retirement

ArcelorMittal Tubarão and ArcelorMittal Piracicaba maintain a retirement preparation program. The purpose is to present information on

the legislation referring to retirement, health and aging process, and guidelines to minimize negative reactions in this phase.



## Compensation policy

The Company compensation policy is based on the Total Compensation concept, which considers three pillars: fixed salary, variable wage and benefits. For the composition of wages, the Company adopts the approach of maintaining a competitive policy aligned with its market of reference, aiming at people attractiveness and retention.

The model of the Profit Sharing Plan (PLR) is among the most modern and competitive in the market, as it is based on business goals and employees' individual goals, having as average target the payment of 3.5 salaries per year.

Moreover, ArcelorMittal Brasil offers a package of benefits to its employees and their dependents, which is one of the most comprehensive in the country. Among others, the benefits range from meal voucher, medical assistance, sickness allowance, financing and loans, daycare reimbursement, school kit, uniform and recreational club.

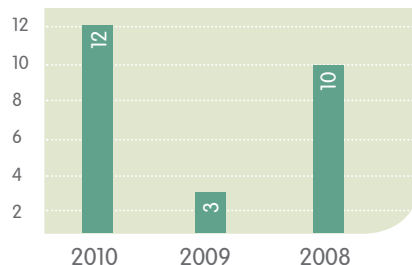
### Inclusion

Since 2009, the ArcelorMittal Group has a Diversity and Social Inclusion Policy, whose objective is to ensure a work environment that offers opportunities for each one in its own way to contribute to business development and be valued in their different skills, experiences and perspectives.

Three programs can be mentioned as examples of this policy:

a) Somar, which is developed by ArcelorMittal Tubarão and fosters the inclusion of people with special needs in the job market by means of qualification courses, hiring of qualified people, creation of a database of resumes, and inclusion in trainee programs. In 2010, the program benefitted 61 people, and 12 of them were admitted by the Company.

Professionals with disabilities hired for the flat steel segment



b) Industrial Learning Project, conducted in partnership with the National Service for Industrial Learning - SENAI and the Labor and Employment Ministry - MTE, addressed to people with special needs in Belo Horizonte, Juiz de Fora and João Monlevade. This project trained 76 apprentices in administrative and mechanical maintenance courses.

c) These training courses were structured on the basis of theoretical and practical phases. At the beginning of the practical part, each apprentice with special needs was sponsored by an employee for the purpose of facilitating the inclusion and integration to the team. The sponsor is also a technical reference, easing the access to information on the area and offering feedback on the work developed. Each apprentice received a scholarship, transportation ticket and medical assistance, being hired soon after the conclusion of the courses.

The project receives a positive evaluation by the beneficiaries: 94% would indicate it to family members and friends; 81% are proud to work at ArcelorMittal Brasil and want to have a career at the company; 88% declared that their expectations were met, the same rate was found among those that believe in the ArcelorMittal Brasil inclusion process.

With the idea of rehabilitation in mind, the proposal is to reallocate to another function any employee who has sustained any type of accident or chronic disease. In partnership with INSS, such program rehabilitated in 2010 21 employees, who were trained to perform functions suitable to their new capacity.

### Somar Program benefitted 61 people in Tubarão in 2010

## Health and Safety

All ArcelorMittal Brasil units have occupational health and safety management systems and are certified according to the Occupational Health and Safety Assessment Series (OHSAS) standard.

The Company's priority is to maintain the health of its employees, encouraging them to take part in the commitment Journey to Zero. To reinforce the culture of prevention, the Company conducts training activities, behavioral workshops, daily safety chats and monthly meetings of the Internal Commission for Accident Prevention (Cipa). Currently, 100% of the Company's employees are represented in the Cipas, which operate at the following levels: primary and secondary prevention, early recognition of risks, and suggestion of corrective actions.

All units participate in the Journey to Zero Project that seeks to reduce in a significant manner workplace accident indexes, involving the employees in the goal for zero accidents. In 2010, the Itaúna (MG) unit of BMB, a joint venture between ArcelorMittal and the Bekaert group, celebrated 10 years with no record of accidents with lost time (LTI). The result is consequence of the commitment

of the team and the adoption of a set of control and management tools and methods, based on the **Safety Tree** model. Today, the BMB of Itaúna is a benchmark in the Safety management area between companies ArcelorMittal and Bekaert. Another unit that stood out in the Journey to Zero Project is the Guilman-Amorim Hydropower Plant, which in 2010 celebrated 5 years with no record of accidents with lost time.

The flat steel segment also registered expressive results in terms of safety in 2010. ArcelorMittal Tubarão completed 1 year with no accidents with lost time while Vega registered 3 years with no lost-time accidents.

In 2010, the Golden Rules of Health and Safety were launched on a worldwide basis, one more initiative linked to the Company's commitment to the Journey to Zero project. The 10 Golden Rules seek to reinforce the fundamentals of safety at work related to the main causes of fatalities. The Golden Rules are the same for all Company units and shall be followed by all. In the first year, a broad dissemination has been launched with basic information about each of the determinations. In 2011, the sequence will work to reinforce the

topic importance. Safety related issues are also considered in collective bargaining agreement sponsored by the Company with the records of the locations where it operates.

Developed at the Bekaert plant in Ubiza, Spain, it establishes a tree with four "major roots", considered to be the main factors to maintain an accident free and safe environment: involvement of top management and all its levels, risk management, training for employees, third parties and visitors, and people participation and communication).

In 2010, the Company launched on a worldwide basis the **Golden Rules of Health and Safety**



Employees at Itaúna conduct a campaign to commemorate ten years without lost time accidents at the Unit

## ArcelorMittal Brasil's Golden Rules of Health and Safety



Rule 1 - I will come to work in a 'fit and able' condition



Rule 2 - I will use fall protection or prevention equipment whenever and wherever required according to our standards



Rule 3 - I will follow the lockout/isolation procedure when working on equipment



Rule 4 - I will follow the confined space entry procedure before entering, as well as during the full duration of the task



Rule 5 - I will respect all the rules of load handling at all times and never stand under a suspended load



Rule 6 - I will respect all the traffic rules



Rule 7 - I will respect rail priority and stay out of the close clearance area without proper precautions being taken



Rule 8 - I will respect the rules for entering and working in hazardous gas areas



Rule 9 - I will not disable safety devices



Rule 10 - I will respect all the Health and Safety basic rules, standards and signals and I will wear the required Personal Protection Equipment (PPE)

Compliance with safety standards is verified periodically by means of audits. At ArcelorMittal Tubarão, for example, a featured was the third-part audit of interface and critical activities conducted in 2010. The work sought to verify conformities, improvements and compliance with business, technical and operational standards in activities with contractors' participation, and also to ensure proper risk control, disclose and implement the improvements identified. The work focused on risk control, with special attention to potential for occurrence.

The audit – developed for the period of six months – identified a considerable number of opportunities for improvement in maintenance and operation processes of direct employees

and contractors, enabling effective control of risks through the implementation of action plans.

In March 2010, the ArcelorMittal Vega's Health and Safety Management System was subject to another recertification audit, which decided for the maintenance of the certificate of conformity with OHSAS 18001/2007 requirements. Another important factor was the re-training of all plant managers and supervisors, under the anomaly and accident analysis methodology.

One of the highlights at ArcelorMittal Tubarão was the audit of third-party interface and critical activities

### Occupational Health and Safety metrics in 2010 (per segment)

Indicator	Flat	Long
Injury Rate (IR)*	0.04	0.12
Lost Time Rate (LTR)**	9.43	5.86
Absenteeism Rate (AR)***	1.76	2.21

\*Statistics take into account only occurrences involving company employees.

\*IR – Injury Rate

\*\* LTR – Lost Time Rate

\*\*\*AR – Absenteeism Rate



In 2010, the ArcelorMittal Brasil long and flat steel segments registered four fatalities (three with third parties and one with its own employee). The Company treats these occurrences with austerity. The first action to be taken within four hours after the occurrence is the submittal of a communication to the CEO, with a brief description. Within the following 24 hours, the Company issues a more detailed report. In two weeks, a detailed analysis is submitted to the Group Management Board (GMB), the main executive panel of the Company, with headquarters in Luxembourg.

Throughout 2010, the Long Steel segment invested in the development of the Health and Safety Maturity project, which seeks to identify the aspects which directly or indirectly make it difficult to consolidate a health and safety culture. On the basis of questionnaires answered by the units' top management, supervisors, health and safety area representatives, and in some cases operational level employees, existing opportunities for improvement were identified, which prevent a change in the Health and Safety maturity level.

A detailed report of this work was developed containing not only such opportunities for improvement, but also suggestions of actions designed to capture those opportunities and as a result conduct the company towards a category change. In 2011, the second phase of the project shall consist in the review of specific plans for each unit so as to ensure not only their operability, but also the execution of required adjustments so that, by the end of 2012, the Company may achieve a more advanced stage of maturity, in which "zero accident" with lost time becomes a feasible reality.

program, allowing the management of a health profile in search for zero risk.

The long steel units are provided with the Health Management System, purpose of which is to develop prevention actions focused on the wellbeing of employees and contractors. The actions are implemented through continued education, monitoring of employee's health and campaigns designed to risks related to professional situations and inadequate life style.

Those actions significantly contribute to improve the healthy of employees and reduce absenteeism. The Cariacica unit for instance adopts a methodology called Life Quality Index (IQV), with the purpose of measuring risks to which the employees are exposed. They range from a scale of 0 (potentially nonexistent) to 3 (potentially high); 1 and 2 are classified as low and moderate risk, respectively. This measurement started to be made in June 2010. In December, 95% of employees presented potentially nonexistent or low risk; the remaining 5% were in the moderate risk category. There were no employees classified in the potentially high risk category.



Health promotion activities seek to reduce the risk of disease as much as possible

## Health promotion

Employees, including retirees, and family members are provided with the following programs: education, training, counseling, disease prevention, risk control and serious disease treatment. There are also preventive health actions that seek to reduce risk factors (cholesterol, obesity and smoking). For each risk identified, there is a specific

A similar program was adopted by ArcelorMittal Sabará. Referred to as Health Risk Factor Management, its objective is to optimize invested resources and improve the employees' life quality. Information on family history and habits is inserted into a system and, based on data analysis it is possible to identify employees in need for periodical control. Thus, the Company sets out priorities for actions in the occupational medicine area, and also classifies and compares workers' health risks.

ArcelorMittal Vega implemented in 2010 the Individual Daily Readiness (PDI) test for employees and direct partners in charge of the most critical activities. The purpose of this test is to identify the employees' level of attention, thus preventing those with altered level of attention from performing greater risk functions. In the same period, the Zero Tobacco and Buccal Health programs were implemented at the unit.

After restructuring the Pro-Life program, Vega closed 2010 with no employee classified as level 3 (critical risk factors). During the year, the unit conducted its first health week, which addressed themes such as fight against cancer, visual acuity, physical fitness, blood donation awareness, life quality, postural orientation and fight against stress.

## Care with the heart

Since 2008, ArcelorMittal Monlevade develops the Cardiovascular Health Management program oriented to monitoring of risk factors which impact the heart of its employees. The employees are divided into groups according to each factor: obesity, hypertension, diabetes, smoking and dyslipidemia, which comprises people with changes to cholesterol and triglyceride levels.

Follow-up is made by multidisciplinary teams that when necessary suggest or refer the employees to specialized activities or treatments. For example, overweight employees after filling out a questionnaire on their food habits have the option of entering the Emagrecer em Família (Lose Weight with your Family) and Academia (Fitness Center) programs. Every three months, they are called for a clinical analysis.

### HEALTH PROMOTION PROGRAMS

PROGRAMS	FACTORS
Employee Monitoring	Multiple factors
Food, movement and attitude	Life style
Anti-smoking	Tobacco
With – science	Life style
Life quality course	Multiple factors
Chemical addiction	Drugs / Alcohol
STD (Sexually Transmittable Diseases) and aids Continued Education	Multiple factors
Ergonomics	Ergonomic Risk
Stress	Attitude
Health Management for Leaders	Life Style
GPH – Hypertension Prevention Group	Multiple factors
Special medical monitoring group (game)	Multiple factors
The 7 risk game	Multiple factors
Over thirty*	Life style
Health profile	Multiple factors
Biophysical control program – managers*	Sedentary life
Dishes**	Food reeducation, obesity and sedentary life
Adolescent Full Assistance Program (Paia)	Multiple factors
Metabolic Risk	Incorrect food
Sedentary life	Inactivity

\*Flat Steel Segment only

\*\* Long Steel Segment only

## Campaigns

The ArcelorMittal Brasil's campaigns address a number of topics which directly interfere with employee health: food reeducation; drug and alcohol use prevention; prostate, breast and cervical cancer prevention; fight against dengue; flu, tetanus and hepatitis B vaccination.

Other modalities go beyond company walls and benefit the communities affected by Company activities, as the case of blood and bone marrow donation actions. For example, since 2006 Tubarão conducts initiatives oriented to obtain volunteers, and donated a mobile unit to the Espírito Santo's Hemotherapy and Hematology Center (Hemoes) for registration of donors by the State. In 2010, the Hemoes database registered 864 volunteers as a result of the Tubarão campaign.

The unit is also used to collect blood, thus contributing to maintain blood stock at balanced levels. The long steel sector has also a tradition in this type of campaign, having

contributed to increase in the last years the number of potential donors in the National Cancer Institute (INCA) database, a Brazilian reference in bone marrow transplant.

Tubarão has also concentrated its efforts in dengue prevention actions. In addition to maintaining a permanent program of surveillance against the disease, it promoted the "D" Day of Fight Against Dengue, in which inspections, lectures and children theatre made attendees aware of the importance of preventing and eliminating focus of the disease transmitting mosquito.

## Integrated Management

Defining operation priorities in the health and safety area is also an objective of the SAP EH&S (Environment, Health and Safety) project, developed four years ago, whose result is the implementation of an integrated health and safety system for the whole group in Brazil. The tool is already in use at the Long Steel and Flat Steel segment units and is under development

at the ArcelorMittal Manchester, ArcelorMittal BioFlorestas, mining and commercial plants.

The integrated system allows the development of managerial reports, helping in strategic planning and anticipation of needs. It will also facilitate the dissemination of best practices and allow faster responses to legal demands.

In the future, it will be possible to create employee monitoring profiles in the health and safety areas, compare groups within the actual unit, and then make a more accurate diagnosis and adopt effective prevention measures.

ArcelorMittal Tubarão registered 864 candidates in the Espírito Santo's Hemotherapy and Hematology Center database.



Vaccination campaigns are frequent at ArcelorMittal Brasil units



ArcelorMittal invests in innovation and works with cutting-edge technologies, which ensures a more efficient operation and the development of pioneer processes that help redefine the steel industry and face global climate and sustainability challenges.

# MAKING STEEL MORE SUSTAINABLE

## IN THIS CHAPTER

- >> Efficient waste management (case)
- >> Environmental management
- >> Materials
- >> Waste
- >> Water resources
- >> Effluents
- >> Energy management
- >> Emissions
- >> Biodiversity
- >> Environmental Education
- >> Responsibility for product

## Efficient waste management

In 2010, ArcelorMittal Juiz de Fora became the first unit of the ArcelorMittal Group in the world to standardize the operation of byproduct and solid waste management industrial processes by using the Integrated SAP Environmental, Health and Safety (EH&S) System.

The project was born from the need to standardize processes relative to Company environmental management in the industrial area. Thanks to the system, management started to be shared between the industrial and environmental areas.

Approximately 70 employees, divided into teams, participated in the development of the module. They monitored the whole material management chain, from generation

to final disposal (recycling, reuse, industrial landfills, incineration and stock control). At the same time, information was submitted to technical, legal, tax, supply and logistics analyses, decreasing business risks and ensuring the feasibility of the Integrated System.

Some of the results were improved tax management, time optimization in the operations, and a special regime for waste management in the Minas Gerais. Moreover, waste control nomenclatures, descriptions, reports and concepts were standardized, allowing better domestic waste consumption monitoring.

The project will be extended to other companies from the long steel segment, at first in Brazil and then in South and Central Americas.

## Environmental management

ArcelorMittal Brasil strategic planning systematically pursues the construction of a balanced relation among the economic, social and environmental dimensions in the conduct of business, in line with sustainable development principles. With this commitment, Company units have invested in environmental control systems and equipment, as well as education and training, environmental management services, certification, personnel for general activities focused on environmental management, research & development, among others. In 2010, the environmental investment made by ArcelorMittal Brasil's industrial units was R\$ 81.5 million, 28% more than the 2009 figures.

The Company is not limited to compliance with the applicable legislation, and it permanently invests in process improvement, continuous modernization of industrial facilities and preservation of biodiversity. All units have in common a history of intensive investments in the environmental area, with actions recognized by their pioneering nature and efficiency.

**At ArcelorMittal Tubarão, investments in environmental equipment refurbishment and maintenance were 90% higher in 2010 as compared to 2009**

At ArcelorMittal Tubarão, investments in environmental equipment refurbishment and maintenance (sleeve filters) were 90% higher in 2010, from US\$ 4 million in 2009 to US\$ 7.6 million. Investments to install modern technologies at ArcelorMittal Tubarão also registered a growth greater than US\$ 16.3 million, with highlight for the Desulfurization of Ammonia Vapors of the Coke Plant. The total designed to environmental management at the unit (training, awareness, certifications, research and development) was 70% greater than 2009.

All ArcelorMittal Brasil units are certified according to the international standard ISO 14001, assuming the commitment to eliminate or minimize main environmental impacts, with a more rational use of water, electric

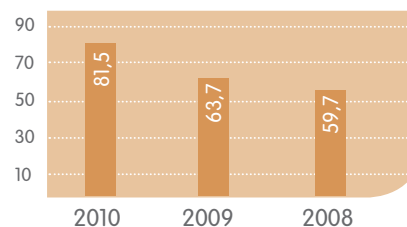
power and natural resources. Also, the units systematically monitor environmental impacts and act to promote the reduction, reuse and recycling of waste arising from their activities.

### Environmental investments per type in 2010

Type	Amount (R\$ millions)
Waste management	44.2
Environmental management and prevention	10.0
Environmental protection	27.3
Total	81.5

### Evolution of environmental investments

Value (in millions of R\$)





## Materials

ArcelorMittal Brasil works to optimize the consumption of materials in its production processes, systematically seeking to improve the use of raw material and to increase the recycling of industrial waste. In 2010, the Company consumed 20.2 million tons of material, in a list including acids, coal (mineral and charcoal), ores and scraps. Approximately 2.7 million tons were composed by recyclable materials, 13% of the total.

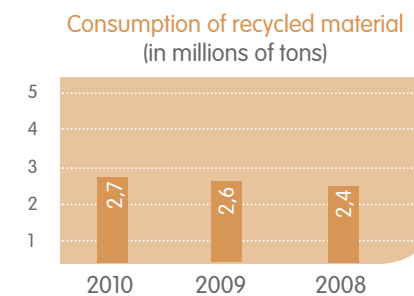
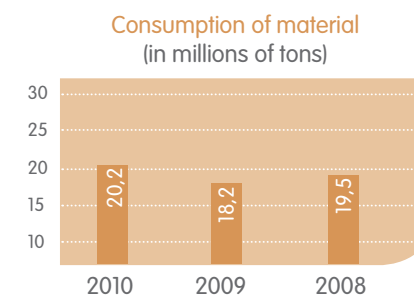


Eucalyptus forest of ArcelorMittal BioFlorestas, which produce the wood used to produce charcoal

Consumption of material per type in 2010 (t)	
Input	Volume
Hydrochloric acid	4,344
Chromic acid	4
Sulphuric Acid	1,917
Anti-foaming	3
Blind coal	94,984
Lime	382,735
Limestone/dolomen	1,756,904
Scale	90,381
Mineral coal	1,842,855
Mineral coal for PCI	701,904
Charcoal	223,786
Charcoal for PCI	35,621
Lead	506
Copper	125
Coke	2,899,738
Breeze coke	44,992
FEA electrode	2,786
Ferroalloy and other materials*	73,395
Corrosion inhibitor	12
Iron ore	5,629,694
Heavy oil	1,769
Pellets	4,424,401
Soap	702
Caustic soda	149
Metal scrap	2,053,462
Zinc	15,644
Total	20,282,813

Use of recyclable material*	
Type of material used	2010
Scale acquired	32,957.50
Blast furnace post-material (acquired)	164,194.20
Briquette	131,034
Steel scrap (acquired)	1,996,881
Steel scrap: internal recycling	403,943.13
Total	2,729,009.83

\* Numbers referring to ArcelorMittal Long Steel and ArcelorMittal Tubarão. ArcelorMittal Vega uses no recycled material in its production process.



## Waste

ArcelorMittal Brasil is considered a benchmark in the steel sector for its management of industrial waste. The rate of waste recycling achieves an index 93%, above sector average – approximately 80%. But recycling is not the only guidelines: employees from all units are committed to reduce generation and properly segregate/store these materials.

Critical waste - such as slag – deserves special attention.

From the total volume of waste generated at the unit in 2010, 26.1% were forwarded to reuse and internal recycling. The trade index was 69.5% and internal stocking percentage was 4.3%

For example, in 2010 ArcelorMittal Juiz de Fora developed and had approved by the Zona da Mata Regional Superintendence of Environmental and Sustainable Development (Supram) for production at industrial scale ecological hexagonal small concrete blocks for urban pavement. Produced from Shredder land (generated in the beneficiation of metal scrap), electrical furnace and blast furnace slags, the material offers many advantages, namely: 25% cheaper than traditional small concrete blocks, prevents the use of non-renewable natural resources (sand and crushed stone), greater permeability,

flexibility, resistance to compression and nonskid capacity. Forty-one thousand units have been used for the pavement of five thousand square meters of lanes near the blast furnace of the Juiz de Fora unit. The ecological hexagonal small concrete blocks won the award for technological innovation of the 17th Concurso Falcão Bauer, granted by the Brazilian Chamber of Construction Industry (CBIC).

At **ArcelorMittal Tubarão** waste management is strategic, as it develops a number of studies, researches and new markets in order to turn waste into byproducts and innovating solutions. The objective is to eliminate or reduce waste generation, encourage reuse, recycling, trade and donation. On some occasions waste is forwarded to temporary disposal seeking new applications and ultimately to final disposal in controlled landfills. In 2010, the unit invested approximately R\$ 2 million in processes oriented to environmental research, development and classification of waste, and team qualification.

It is extensive the list of



Ecological blocks produced from slag are used for urban paving

applications of byproducts generated in Tubarão. For example, slags are turned into hydraulic structures of protection against the action of sea waves (tetrapods), railway ballast, high performance concrete, concrete artifacts for use in civil construction, such as fence stakes and pressed bricks. The material is also used as a corrective tool for soil acidity in case of farming activities of economic significance, with assessment of environmental risks.

One important application is the transformation of LD slag (generated in the process of turning liquid pig iron into steel) into a byproduct to be used in unpaved rural, service and

urban roads, yards, parking lots, warehouses, and also places with high concentration of water. The product resulting from this beneficiation, which is referred to as Revsol®, replaces natural resources (clay, gravel and crushed stone), providing greater durability and low cost, 25% below the traditional materials. One of the benefits is also the improvement of traffic conditions, allowing the flow of agricultural production and easy access to public services, such as garbage collection and circulation of ambulances.

Created in 2005 for the purpose of decreasing solid waste generated in the industry based on its reuse as raw material for other activities

The use of Revsol® is part of **Novos Caminhos (New Ways)**, a socio-environmental cooperation program maintained between ArcelorMittal Tubarão and public authorities and private initiative, which provides benefits to communities, particularly rural communities. In 2010 alone, 257 kilometers of urban and rural roads were paved in 11 Espírito Santo municipalities with the product.

Per year, the process of production of plates and coils by ArcelorMittal Tubarão results in the generation of approximately 250 thousand tons of Revsol®, with around 40% of this volume going to the municipalities' City Halls. The remaining is directed to road construction companies and industries, which use the material for pavement of yards and internal circulation areas. The Tubarão unit provides the city halls with technical support for the application, training of personnel, and monitoring of performance of the material used.

Another byproduct generated in Tubarão with similar use is the Acerita®, which in 2010 achieved the mark of one

million tons of production and application. The material arising from steelwork slag has been used in dozens of asphaltic pavement works. The Acerita® is present on streets and avenues of a number of Great Vitória municipalities, and also highways in the State's countryside, such as ES-248, which interconnects the municipalities of Colatina and Linhares.

The long steel unit of João Monlevade (MG) invests permanently in the reduction of the volume of non-recovered waste per ton of crude steel, which means greater reuse in the industrial process. In 2010, 21 types of waste were identified which could be reused in the industrial process. With the work, the unit managed to decrease the generation of non-recyclable waste by more than 40% in four years, achieving only 12 kg per ton of crude steel produced last year. At the ArcelorMittal Brazilian units, the average index is 37 kilograms of non-recyclable waste per ton crude steel produced. The world goal of the ArcelorMittal Group is 50 kilograms of non-recyclable waste per ton of crude steel produced.

The Itaúna (MG) unit was focused on the reuse of oily waste. A group assessed solutions to reduce the generation of these byproducts and observed it was connected to the use of sawdust to contain oil leakages. The alternative was to replace sawdust with mica, which has greater capacity of absorption. As a result, the unit achieved 66% of reduction of waste generated between 2009 and 2010.

At ArcelorMittal Vega, the disposal methods are determined in accordance with the classification of waste and taking into account the

technology used and cost. The solid materials used in the production process are stowed in appropriate containers in the production lines and sent for final disposal and treatment with external specialized companies, as the unit has no final waste disposal system inside the facilities.

**The Itaúna unit reduced by 66% the waste generated between 2009 and 2010**



Road in Espírito Santo paved with Revsol®, produced from plate and spool manufacturing process at Tubarão



The Itaúna unit has been working hard to reduce sending of waste to landfills. Metal scrap, main residue generated in the process, is totally directed to recycling in the steelmaking industry. Same occurs with zinc sludge resulting from the galvanization process, which returns to the zinc ingot supplier. The iron oxide produced at the Acid Regeneration Unit is sold as input in the magnet industry. Part of the oxide not sold is dumped into industrial landfills.

In 2010, the ArcelorMittal Brasil units of the long steel and flat steel segment generated approximately 4.3 million tons of waste, with 4.1 million tons being non-hazardous material.

ArcelorMittal Tubarão has a contract with a company specialized in response to emergency situations

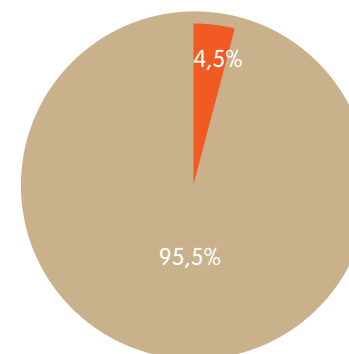
#### Waste generation at ArcelorMittal Brasil (in tons)

	Non-hazardous waste	Hazardous waste	Total
Reuse (does not change the properties for use in other process)	701,030.74	22,322	723,352.70
Recycling (changes the properties and use as product)	3,304,551.95	122,582.69	3,427,134.64
Co-processing	2,002.27	818.1	2,820.37
Incineration (or use as fuel)	3,114.68	256.94	3,371.62
Landfill	3,243.62	34.49	3,278.11
Storage on site	80,536.95	19,706.57	100,243.52
Industrial landfill	32,198.39	26,283.02	58,481.41
Total	4,126,678.60	192,003.77	4,318,682.37

**Hazardous waste** deserves special attention at ArcelorMittal Brasil companies in the sense to minimize its generation and transportation. No Brazilian unit imports or exports hazardous and non-hazardous solid waste.

Oily waste, lamps, batteries, residues contaminated with oil, paint and varnish

Waste generated in 2010 (in %)



■ Hazardous  
■ Non Hazardous

	ArcelorMittal Long Steels (thousand tons)	ArcelorMittal Tubarão (thousand tons)	ArcelorMittal Vega (thousand tons)
Total weight of hazardous waste transported	27.9	63.7	2.2
Total weight of hazardous waste transported outside the organization	27.9	42.1	2.2



Acerita® Yard, in Tubarão

## Revenue source

The successful management of waste and byproduct at ArcelorMittal Brasil units turned those materials into a source of revenue. In 2010 alone, the long steel and flat steel segments generated approximately R\$ 100 million with the sale of a number of byproduct modalities, a result of the beneficiation of waste arising from steel production.

ArcelorMittal Tubarão is considered a benchmark in the ArcelorMittal Group on account of industrial byproduct and waste management. The company has a management division designed for technical development of this type of material, which is responsible for the sale and development of new markets, and also actions ranging from beneficiation to final application. The unit sold in 2010, 2.2 million tons of byproducts, a revenue of R\$ 69 million.

In 2010, the long steel units in Brazil, Argentina and Costa Rica obtained an approximate revenue of R\$ 30 million, around R\$ 8 million more than 2009. Only the Brazilian units (particularly ArcelorMittal Monlevade and ArcelorMittal Juiz de Fora) were responsible for R\$ 20 million, mainly with the sale of blast furnace slag to domestic cement industry. The material has been used in replacement to clinker, which provides significant reduction in CO<sub>2</sub> emissions in the manufacture of cement.

## Spillages

No significant leakages or spillages of hazardous products were registered at ArcelorMittal Brasil units in 2010. However, the company is also prepared to deal with emergency situations such as these. For example, the industrial unit of Tubarão has a contract with a company specialized in the provision of services oriented to situations involving products classified as hazardous or non-hazardous, inside or outside company facilities, throughout the national territory.

The same behavior is required of suppliers of hazardous products and shared with clients of alienable byproducts or waste (hazardous or not), as they should also be able to respond to possible emergency situations. This requirement is expressed under contract and within corporate standards.

## Water resources

In 2010, the programs to reduce effluent disposal implemented at ArcelorMittal Brazilian units ensured a water industrial recirculation index greater than 97%, one of the highest in the Brazilian steelmaking industry. This performance is a result of the Group's commitment to sustainability and the preservation of a resource essential to life itself and also the steelmaking process. Water management is a strategic priority designed to minimize water intake volume. So much so that in 2010 the volume obtained was 5% below the 2009 figures.

ArcelorMittal Brasil also invests in sewage treatment projects, so that effluents may be reused in industrial process; rain water intake on the industrial warehouses' rooftops, to be used in machine and equipment cooling systems (where the greatest losses take place through evaporation); and campaigns with the company's staff for a rational use of natural resources.

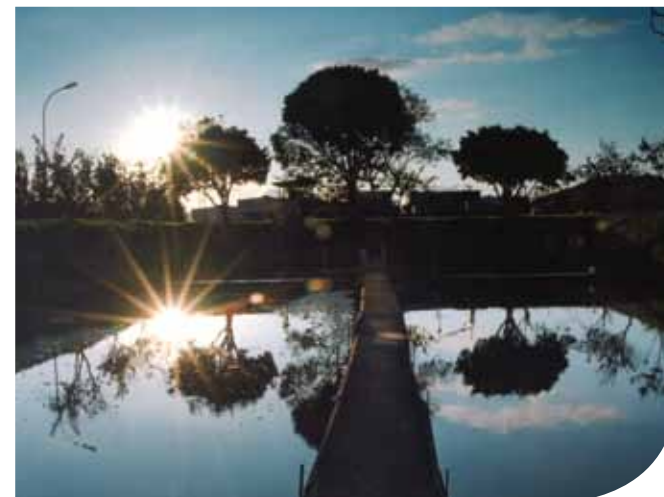
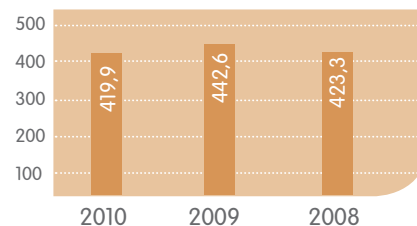
The long steel segment stands out in this sense. In João Monlevade (MG), the Zero Disposal project allowed the unit to obtain in 2010 a water recirculation index of 99%.

The project - developed since 2000 - seeks to eliminate the discharge of industrial effluents into rivers in the region through reuse in processes. In addition to environmental benefits, the result is also a general reduction in costs, namely: sewage and water treatment, electricity consumption and maintenance, as well as increase in the availability of water for steel production.

In another project developed in the city, the company seeks to recover the ciliary forest and wellsprings of the Piracicaba River. Twenty-eight (28) wellsprings were chosen

2010	in m <sup>3</sup>
Surface water, including humid areas, rivers, lakes and oceans	417,832,315
Municipal or concessionaire supply	1,191,586
Groundwater	854,798
Rain water collected or stored	73
Total	419,878,772

Evolution of water removal  
(in million m<sup>3</sup>)



Treatment plants allow ArcelorMittal to maintain the quality of effluents used in industrial processes

and diagnoses were made for each of them. The recovery actions conducted in partnership with the community and public agencies included fencing, reforestation, cleaning and signage.

In Itaúna (MG), the highlight is a project to reduce water intake for use in industrial processes, which generated cost reduction, improved management and lower consumption. With some adjustments in the process, the Company decreased by half its water consumption in 2010. Moreover, during the rainy season (from November to March) there is no need to use water obtained from the river. Also in Itaúna, a project that reduced the consumption of potable water by 65% has been developed in 2010, through the installation of gauges, network inspections for possible leakages, and employee awareness.

ArcelorMittal Tubarão obtains approximately 95% of the water it uses from the ocean by means of its own pumping station. After the water is used in the production process, it returns to the sea through a

long pipeline in observance of the statutory limits for discharge of effluents. The water is used as refrigerant, with no direct contact with the equipment in which it is used.

Fresh water represents only 5% of the unit's total consumption and is obtained from the Santa Maria da Vitória River. In 2010, water intake - performed by the State Sanitation Company (Cesan) - was 2,555 m<sup>3</sup>/h, approximately 10% greater than 2009. Specific consumption remained in 3.8 m<sup>3</sup>/t, above the goal proposed for the year (3.5 m<sup>3</sup>/t), impacted by the recovery of steel production levels.

With regard to ArcelorMittal Vega, the water used by the unit is provided by the local concessionaire, the Santa Catarina's Water and Sanitation Company (Casan), obtained from an affluent of Saí Mirinzinho River, located in the continental part of the Municipality of São Francisco do Sul. The wellspring does not serve the cities from the region, and for this reason was chosen by Casan to feed ArcelorMittal Vega.

### ArcelorMittal Tubarão captures 95% of the water it uses from the ocean.

After its use the water is submitted to treatment and made available to the Vega's Utility Center, which is responsible for the provision of all water related utilities and inputs required for the industrial process, such as

potable, demineralized, overheated, industrial and fire fight water. Thanks to the optimization of unit processes, the current intake index remains in 12 liters/s, significantly below the maximum pumping capacity, up to 60 liters/s during drought periods.

Both at ArcelorMittal Vega and ArcelorMittal Long Steel there are no sources significantly affected by water intake and all licenses

are established on the basis of waterway support capacity (surface water or groundwater).





## Effluents

Proper treatment and reduction of the volume disposed are part of ArcelorMittal Brasil's goals to minimize the impacts of industrial effluents – and also sanitation effluents – on the environment. Prior to returning to the waterways, the water is treated according to its characteristics at the actual unit or specialized companies. Quality parameters are strictly monitored, and in case of deviation corrective actions are taken.

In 2010, a small alteration was detected in Ammoniacal Nitrogen at the ArcelorMittal Tubarão's Biological Treatment Station (ETB) in the period from September 4th to 17th. The deviation triggered immediate actions to return to levels acceptable by the legislation. Monitoring reports were forwarded to the Espírito Santo environment agency, which monitored all the actions taken by the company.

ArcelorMittal Vega also concentrates efforts to study the impacts of effluents on local fauna and flora, both fresh and sea

water. Tests with sensitive aquatic organisms, which are cultivated specifically to such end, reveal the potential toxicity of effluents at different concentrations. In addition to treatment and control of liquid effluents, ArcelorMittal Vega conducts preventive monitoring of surface waters (Palha River and Acaraí River) and groundwater, within company land.

Reuse is an alternative that has been successfully used by steelmaking units of the Long Steel segment, considered a benchmark in water management by the Group. And this is proved by the fact that the Long Steel Segment got the second place, in the Furnas Ouro Azul Award, on Companies Class, which was sponsored by the Estado de Minas newspaper.

In 2010, ArcelorMittal Brasil was recognition on a national basis by achieving a position among the finalists in the National Water Agency (ANA) Award.

In Cariacica (ES), a study indicated the possibility of reusing rain water in bathrooms. Treatment

shall be made at a small station built at the unit. The expectation is to achieve a reduction in water consumption of approximately 156 thousand m<sup>3</sup>/year, which represents 26% of the volume captured at the unit. The project shall be completed by 2012.

The Juiz de Fora (MG) unit reuses sanitation effluent, which after treatment returns to the production process to be used for cooling equipment and products. Added to other initiatives, the project led ArcelorMittal Juiz de Fora to achieve circulation levels of 99% in 2010.

The Wire Drawing units, which dispose of liquid effluents, have innovated in water management and invested in new forms of use, such as rain water use for system make-up, mainly at the Belgo Bekaert Arames (BBA) plant in Contagem (MG), where the recirculation index has been increasing and already achieves 98%.



### Monitoring of waterways

ArcelorMittal Tubarão has within the limits of its property a well field composed by 8 lagoons and 1 creek, supplied by precipitation, groundwater and external sources, such as Jacaré Creek. Since 2004, the unit conducts the hydro-biological monitoring of its lagoons, with the follow-up and assessment of a number of physical, chemical, biological and eco-toxicological parameters. The results indicate strong commitment to the water quality of two of these lagoons.

Contamination is caused by external sources, in this case domestic water generated by the community of the Novo Horizonte district. For the purpose of understanding the situation, ArcelorMittal Tubarão -, in addition to periodically assessing the quality of water and sediments of surrounding creeks and waterways – has searched solutions with the appropriate parties to eliminate such sources and operated aligned with public authorities for mitigation of problems.

## Infraction notices and fines

Throughout the year, ArcelorMittal Tubarão received two notices of infraction in the amount of R\$ 724 thousand. One of them refers to the discharge of liquid effluents into lagoon 4, not in compliance with conditions and standards set out in Conama Resolution 357. The other one refers to

impacts caused by the discharge of sediments into the region adjacent to the Barge Terminal, during the dredging of the intake channel. The company has taken containment measures and filed an appeal against the infraction notices, which by the time of the closing of this report were under analysis.

## Energy management

ArcelorMittal Brasil invests in the reuse of process gases for energy generation. For instance, ArcelorMittal Tubarão is self-sufficient in electrical power and it sells eventual surplus. In 2010, the quantity sold in the energy market was 2.8 million Gigajoules (GJ).

The ArcelorMittal Brasil units also develop initiatives focused on the reduction and rationalization of consumption, as well as replacement of fuels with less pollutant alternatives. An example is the replacement in Monlevade of Liquefied Petroleum Gas (LPG), petroleum fuel oil and compressed natural gas with natural gas (NG). The change was possible after the construction of a pipeline of around 330 kilometers of extension by Gasmig, a company from the Government of Minas Gerais. The unit invested R\$ 4.5 million to prepare its facilities to operate with natural gas.

The supply with NG started in Q1 2010. The

Company temporarily used compressed natural gas to adjust the plant to operations with the fuel, and built a natural gas internal control and distribution system. ArcelorMittal Monlevade already consumes approximately 50 thousand m<sup>3</sup>/day of the gas it needs as a replacement for LPG. The project allowed savings of approximately R\$ 300 thousand per month in the unit's operational cost, in addition to decreasing the emissions of combustion particulates.

Other units have managed to reduce fuel consumption thanks to eco-efficiency measures. In Juiz de Fora, average energy consumption dropped 20% in the last years thanks to the use of liquid pig iron – produced from charcoal – as raw material for steel production. The use of liquid pig iron as input also helped to reduce in 2010 average energy consumption in the electrical furnace at the Cariacica unit by 12%, from 413.15 kWh/

ton to 363.28 kWh/ton. In addition to pig iron, other factors contributed to this result such as reduction in the volume of slag, gas injection into the furnace, optimization of the metallic mix and O<sub>2</sub> consumption.

With regard to ArcelorMittal Tubarão, energy savings arising from eco-efficiency measures achieved 403.9

GJ per month. Among them, replacement of original fan coils with others of higher capacity, entailing an increase in equipment performance in relation to the temperatures of the electrical rooms of the Finishing Train and Cogging Mill in the LTQ, and also actions to improve air-conditioning equipment control and operation at

the Porto de Praia Mole restaurant.

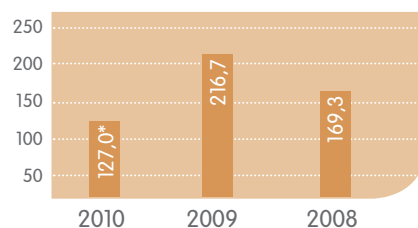
Reduction of energy costs is also a concern of support areas, such as employee transportation, which at ArcelorMittal Tubarão achieved the mark of 7.64 GJ in 2010.



Gas meter in Tubarão: reuse of gases guarantees energy self-sufficiency

## Direct energy consumption (GJ)

Source	2010
Compressed Air	128,367
Argon	-17,961
Mineral coal	103,784,749
Charcoal	433,683
Biological fuel (biodiesel)	106,487
Diesel	658,787
Electricity	16,969,644
Natural gas	3,635,146
Gasoline	32,088
Hydrogen	21,155
Nitrogen	123,981
Fuel oil	0
High Purity Oxygen	1,144,174
Low Purity Oxygen	5,341
Total	127,025,641

Evolution of direct energy consumption  
(in million GJ)

\* Drop in consumption compared to previous years was caused by stop for maintenance at energy generation units (thermoelectric plants) in Tubarão

## Indirect consumption

Companies hired for transportation – of employees and products – by ArcelorMittal Tubarão strictly follow the unit's and Group's guidelines to minimize the impacts of their activities. In 2010, there was a reduction in the consumption of diesel oil (approximately 8 thousand liters) and gasoline (more than 7 thousand liters) in the employee transportation area in relation to the previous year. Such figures are a result of demand adjustment and fleet reduction measures for activity optimization.

To ensure compliance with legal requirements and in order to preserve air quality, the companies responsible for transportation, VIX Transportes (light transportation) and Viação Satélite (collective transportation), conduct periodic monitoring of black smoke in their vehicles. The commitment to ongoing improvement resulted in the Qualiar award, in 2010, offered by the Espírito Santo Transportation Federation (Fetransportes) by means of the Programa Despoluir (Pollution Prevention Program).

Other company that provides logistic services in Tubarão - Vix Logística – also follows the same guidelines. The company is certified by ISO 14001 and in 2010 adhered to the program GHG Protocol Brasil to make an inventory of its greenhouse gas emissions.

The transportation of products and other goods and materials, made by four companies

(Águia Branca Logística, Transportadora ANR, Transportadora Mila and Transportadora Logus) is also governed by the same principles and the choice of partners takes into account criteria in connection with environmental responsibility. The companies use biodegradable detergents in the vehicle washing process. The industrial effluents remain on a watertight floor, with trenches, sand box, water/oil box, in addition to being submitted to periodical laboratory analyses that evaluate the most stringent legislation parameters. The waste generated by transportation companies providing services to ArcelorMittal Tubarão is segregated through a selective collection process and disposed in accordance with a waste plan. On an annual basis, environmental noise analyses are conducted for purposes of compliance with legal requirements, in which process improvements are evaluated so as to reduce noise pollution levels.

For instance, Company Águia Branca - responsible for internal transportation of coils and barge loading – uses a fuel developed to increase operational efficiency, generate higher savings, protect the engine, improve and reduce emission levels. The black smoke of its vehicles is monitored on a quarterly basis, having achieved optimal indexes in 2010. For its results, the company received for the third consecutive year the Fetransportes Air Quality Award.

This indicator has become an increasing concern for ArcelorMittal Long Steel and ArcelorMittal Vega, and they are focused on the development of a calculation basis for reporting purposes in future years.



## Emissions

The steel industry is energy intensive and its activities are responsible for Greenhouse Gas (GHG) emissions, particularly carbon dioxide (CO<sub>2</sub>). To face this reality and in line with its commitment to environmental protection, ArcelorMittal Brasil has an Environmental Management Policy in place, which contemplates among other aspects the development of Clean Development Mechanism (MDL) programs, in compliance with the Kyoto Protocol recommendations. Moreover, the Company develops specific actions focused on the physical risks of climate changes through the adoption of managerial practices to efficiently use natural resources, reduce air emissions and liquid effluents, and recycle/reuse industrial waste.

The ArcelorMittal units also dedicate time and effort to the implementation of programs and to the use of technologies with

greater energy efficiency in production processes and co-generation of energy. They seek to expand sustainable use of fuels deriving from renewable sources; optimize the consumption of natural resources, by means of water recirculation and reuse in the process; and also use byproducts as inputs in other industries, such as blast furnace slag in the manufacture of cement as a replacement for clinker. At the same time, they work to maximize the recycling of steel internally; and also participate in the Ulcos Project (Ultra Low CO<sub>2</sub> Steelmaking), of which ArcelorMittal is coordinator.

All ArcelorMittal Brasil units control fixed source air emissions by means of periodical measurements made by specialized companies. Moreover, the Company monitors air quality by evaluating dust levels (total particles in suspension), nitrogen oxide and sulfur oxide. The

measurements indicate that the indexes of particulates, NO<sub>x</sub> and SO<sub>x</sub> are below the limits established by the environmental legislation.

**The Environmental Management Policy addresses the development of MDL projects**

### Greenhouse gas emissions in 2010 (in tons)

Direct	
Electricity, heat or vapor generation	68,526.00
Physical-chemical beneficiation	15,081,063.54
Indirect emissions	1,596,234.80
Total emissions (direct and indirect)	16,745,824.34



Charcoal blast furnaces in Juiz de Fora: fewer emissions and more energy efficiency



## NOx, SOx and other air emissions (in tons)

2010	
NOx	6,850.49
SOx	14,962.46
Persistent organic pollutants (POP)	3.91
Volatile Organic Compounds (VOC)	63.03
Fugitive emissions	444.78
Hazardous Air Pollutants (HAP)	1.13
Particulates released by specific sources	2,233.66



Ocean barge used by ArcelorMittal Tubarão was considered Clean Development Mechanism

## Actions taken in 2010 expressively contributed to the reduction of greenhouse gas emissions:

- Inventory of Greenhouse Gas Emissions at industrial units: identifies all sources of greenhouse gas emissions associated to each production process.
- Methane Generation Reduction (gas 21 times more pollutant than CO<sub>2</sub>) at its Coal Production Units: enabled by the use of circular type gas burners. By operating with availability of 75%, the equipment is capable of reducing by up to 80% the methane gas generated in carbonization.
- Reuse of gases in industrial equipment and for energy production: some ArcelorMittal Brasil units turn the gases generated in steel processes into energy. ArcelorMittal Tubarão, with its coke plant and thermal power stations uses 96% of all gas generated at its industrial facilities. Part of these gases are used to heat the blast furnaces, at the actual coke plant or as energy for rolling mills. Another part goes to thermal power stations, where it is transformed into mechanical and electrical energy. Thanks to the reuse of gases, the unit does not depend on petroleum derivatives as power source and it uses natural gas at reduced levels. Other experience is developed by ArcelorMittal Juiz de Fora, which reuses blast furnace gas (BFG) in the reheating of billets in rolling processes, in two ladle heaters, and in the heater of the melt shop's liquid steel distributors.
- At ArcelorMittal Tubarão, the change of mode of transportation of steel coils is also contributing to the reduction of greenhouse gas emissions. The methodology of the project implemented in 2007 proposes the use of oceanic barges instead of trucks and was approved in 2010. With the maritime route (1,170 km), costs are reduced by approximately 60%. Each of the four barges has capacity to carry 9.8 thousand tons of coils. In order to carry the same quantity of steel along highways, 300 carryalls would be required. The system was classified as Clean Development Mechanism (MDL) and it has potential to prevent the emission of 800 thousand tons of CO<sub>2</sub> during seven years.



Facilities of Claus De-Sulfur System in Tubarão

ArcelorMittal Tubarão implemented the Claus System for Desulfurization of Coke Plant Gas, which performs the desulfurization of vapors of the ammonia distillation columns (NH<sub>3</sub>), reducing gas emissions such as sulfur dioxide (SO<sub>2</sub>). It was the main investment in environmental control equipment in 2010.

The system allows the reduction of up to 88% of sulfur emissions in the coke production process at the company and 25% at its whole industrial plant. Unprecedented in South America, it also ensures that all waste generated by the equipment may be reused by the chemical industry.

Indirect emissions of greenhouse gases were not accounted for at ArcelorMittal Brasil companies. ArcelorMittal Tubarão does not register its indirect emissions resulting from business travels and employee transportation, as they do not represent 1% of the company's direct emissions.

No ArcelorMittal Brasil company releases ozone depletion gases, including CFC-11.

## Biodiversity

The preservation of biodiversity - inside or surrounding its industrial units - is a commitment to ArcelorMittal Brasil. The Company invests in the identification and monitoring of areas and, based on studies that comprise risk scenarios, corrective and preventive actions are taken in relation to environmental impacts.

In addition to the programs developed by the units, ArcelorMittal Brasil has Private Natural Heritage Reserves (RPPNs) in the municipalities where it operates. The Company undertakes natural resource protection projects in partnership with public entities, always with a view to protecting and preserving the biodiversity.

ArcelorMittal BioFlorestas develops the Biodiversity Monitoring Program, which provides for the assessment

of flora and fauna during the drought season, particularly of **endangered species**.

The initiative dedicates special attention to birds and mammals. In case of birds, observation points are used, and the animals are captured and marked. The work also comprises vegetal species, with the collection of samples in specific points in these two biomes. On the basis of the data obtained, the company has taken actions to reduce the impacts of its activities, such as prevent work operations during the night; post signs in low visibility areas (curves and hills); and avoid activities near inhabited bird nests.

Another fauna monitoring program is developed by ArcelorMittal Vega. In the 220 hectares where its São Francisco do Sul (SC) unit is located, surveys conducted by biologists and other experts show that the

creation and maintenance of RPPNs have contributed to protect and preserve the biodiversity. The study which embodies the Company's commitment to environment was responsible at the beginning of 2011 for the Company being granted the Expressão de Ecologia Award, in the Wild Life

Conservation category, which is considered the main environmental recognition in the Southern region.

Found in aquatic environments, rural areas in the Cerrado region and forest environments, such as riparian, ciliary or gallery forests located in Legal Reserves and permanent preservation areas (APPs - Cerrado and Atlantic Forest).



Monitoring at ArcelorMittal Vega has contributed to protecting local biodiversity



Composed by a number of species, from exotic species such as acacia and flamboyant to Atlantic Forest species such as yellow and purple ipe. It is approximately 18 meters high and started to be 'mounted' in the 80's. It reduces by up to 85% the effect of winds on the raw material piles, preventing the propagation of dust to the atmosphere.

The preservation of biodiversity is also inserted in the list of main priorities of ArcelorMittal Tubarão. Currently, approximately 2.6 million trees planted around the unit form a **green belt**. The result was proven in 2010 by a test of the Midwest Research

Institute (MRI), in the United States, which had already made these measurements in 1998 and 2005, with similar conclusions. The test has proven that the natural barrier is as efficient as the wind fence, a metal structure closed by polypropylene screens.

In 2010 all maintenance services in the Tubarão green belt such as tree trimming, fertilization and new planting were performed in order to increase the forest diversity and efficacy of the belt to reduce wind velocity and as a result the suspension of particulates.

The unit also has a plant nursery with Atlantic Forest species, which once is fully developed will serve the reforestation program in the areas of new operational units, and it has also implemented initiatives for the awareness of neighboring communities. In the following years, efforts shall be concentrated on the enrichment of forests located at the unit, favoring the increment of biodiversity.

As to ArcelorMittal Monlevade, it started in 2010 the development of a stewardship plan for its Private Natural Heritage Reserve (RPPN). The work shall be completed in 2011, with a boost of biodiversity management in the area.



Green belt at Tubarão keeps dust out of atmosphere



### Protected areas with a high index of biodiversity

Unit	Characteristic of the protected area
BioFlorestas	<ul style="list-style-type: none"> <li>• Location: Southern region of Bahia (Prado, Caravelas and Alcobaça)</li> <li>• Own land</li> <li>• Region protected by Decree 750/93</li> <li>• Activities: forestry and production of charcoal (bio-reducer)</li> <li>• Total area: 63,614 Km<sup>2</sup></li> <li>• Atlantic Forest Unit, with 46% of its area composed by native vegetation</li> </ul>
BioFlorestas	<ul style="list-style-type: none"> <li>• Location: Vale do Rio Doce region, in Minas Gerais (Dionísio, São José do Goiabal, Marliéria and São Pedro dos Ferros)</li> <li>• Own land</li> <li>• Protected by Decree 750/93, the region shelters the third greatest lake complex of Latin America. The areas are limited by the State Park of Rio Doce.</li> <li>• Activities: forestry and production o bio-reducer (charcoal)</li> <li>• Total area: 84,922 Km<sup>2</sup></li> <li>• Unit located in the Atlantic Forest Biome, with 27% of its area composed by native vegetation. The fauna and flora monitoring activity conducted in some native reserves indicates that the area has an index of species compatible with the Rio Doce Park.</li> </ul>
BioFlorestas	<ul style="list-style-type: none"> <li>• Location: Northern region (Carbonita, Senador Modestino Gonçalves and Diamantina).</li> <li>• Own land.</li> <li>• * 6,700 ha of Private Natural Heritage Reserve inside the areas of this regional unit.</li> <li>• Activities: forestry and charcoal production</li> <li>• Total area: 134,800 Km<sup>2</sup></li> <li>• Unit located in the Cerrado biome, with 33% of its area composed by native vegetation. The fauna and flora monitoring activities conducted in some native reserves indicate indexes of richness of species compatible with existing conservation units in the region.</li> </ul>

Unit	Characteristic of the protected area
BioFlorestas	<ul style="list-style-type: none"> <li>• Location: Mid-West region of Minas Gerais (Abaeté, Bom Despacho, Dolores do Indaiá, Martinho Campos and Quartel Geral)</li> <li>• Own land.</li> <li>• Activities: production of seedlings, forestry and bio-reducer production</li> <li>• Total area: 70,000 Km<sup>2</sup></li> <li>• Unit located in the Cerrado biome, with 20% of its area composed by native vegetation.</li> </ul>
Guilman-Amorim	<ul style="list-style-type: none"> <li>• Location: mid-course of Piracicaba River near the Municipalities of Nova Era and Antônio Dias</li> <li>• RPPN located in area belonging to the hydropower station.</li> <li>• Activities: energy generation and transmission.</li> <li>• Operational unit area: 1,640 Km<sup>2</sup></li> <li>• Biodiversity characteristics: RPPN, Legal Reserve, APP; Classification of the Piracicaba River Class 2 (MG Legislation), Atlantic Forest Biome.</li> <li>• Scenarios of current environmental fragility of the Piracicaba River Basin: aquatic ecosystems (medium); and onshore ecosystem (from medium to high), according to the Ministry of Environment.</li> </ul>
ArcelorMittal Juiz de Fora	<ul style="list-style-type: none"> <li>• Location: Juiz de Fora – MG</li> <li>• Own area managed by the organization.</li> <li>• Activities: administrative offices and production area.</li> <li>• Total area of 2000 ha, where 13.5 ha of built area, 382 ha of Permanent Preservation Area and 400 ha of Legal Reserve Area</li> </ul>
ArcelorMittal Monlevade	<ul style="list-style-type: none"> <li>• Location: João Monlevade – MG</li> <li>• Own area managed by the organization.</li> <li>• Activities: administrative offices and production area.</li> <li>• Total area of 578.2 ha, where 60.2 ha of built area and 518 ha of RPPN.</li> </ul>

Unit	Characteristic of the protected area
ArcelorMittal Cariacica	<ul style="list-style-type: none"> <li>• Location: Cariacica (ES)</li> <li>• Own area managed by the company.</li> <li>• Activities: administrative offices and production area.</li> <li>• Operational unit area: 113 hectares, where 0.78 hectares of built area and 59.81 hectares of protected green area.</li> <li>• Biodiversity characteristics: fragments of vegetation cover at early, medium and advanced stage.</li> </ul>
ArcelorMittal Sabará	<ul style="list-style-type: none"> <li>• Location: Sabará (MG)</li> <li>• Own area managed by the company</li> <li>• Activities: administrative offices and production area.</li> <li>• Operational unit area: 105.6 hectares, where 28.4 hectares of built area and of industrial use, and 77.2 hectares of green area.</li> </ul>
ArcelorMittal Tubarão	<ul style="list-style-type: none"> <li>• Location: Serra (ES)</li> <li>• Area belongs to the company: 1,338 ha</li> <li>• Permanent Preservation Area (APP) inside company site: 122 ha</li> <li>• Activity: administrative offices and industrial production in 13.38 Km<sup>2</sup></li> <li>• Biodiversity richness: the company has on its site eight lagoons, with six of them interconnected forming the Praia Mole Creek.</li> </ul>
ArcelorMittal Vega	<ul style="list-style-type: none"> <li>• Location: São Francisco do Sul (SC)</li> <li>• Total area belongs to the company: 2.2 km<sup>2</sup></li> <li>• Area of the Private Natural Heritage Reserve (RPPN) inside company site: 0.76 km<sup>2</sup></li> <li>• Restinga preservation area near the pipeline: 0.75 km<sup>2</sup></li> <li>• Activities: administrative and industrial</li> <li>• Operational unit area: 0.1 km<sup>2</sup></li> <li>• Biodiversity richness: the unit area shelters a Private Natural Heritage Reserve (RPPN) covered by Atlantic Forest vegetation. The area maintains a plant nursery for the production of native species of the Atlantic Forest, condiments, vegetables and flowers, with annual average production of 500 thousand seedlings.</li> <li>• ArcelorMittal Vega also has another area not adjacent to the site where the industrial plant is located, of 0.75 km<sup>2</sup>, characterized as restinga and inserted into the State Acaraí Park. Considered the last intact restinga area of Santa Catarina.</li> </ul>



RPPN of Monlevade is in an area of 518 hectares



ArcelorMittal Sabará has 72 hectares of green area

## Protected or restored habitats

### Number of endangered species per risk level:

Critically endangered	Guilman-Amorim - 1 BioFlorestas – 1
Endangered	Guilman-Amorim - 4 BioFlorestas -2
Vulnerable	Guilman-Amorim – 8 BioFlorestas -16
Almost threatened	BioFlorestas – 14

At all of its units with RPPNs, legal reserve, permanent preservation or forest stewardship areas, the long steel segment of ArcelorMittal Brasil maintains private security, fire brigade and agreements with the Environmental Police to prevent and fight

incidents, if required. When required, the Company also develops emergency action plans and recovery plans for areas degraded by its industrial activities.

Area	Size	Location	Partnerships
Guilman-Amorim (RPPN)	253.50 ha	Antônio Dias (MG)	Environmental Police
Guilman-Amorim (Legal Reserva)	182.6 ha	Antônio Dias and Nova Era (MG)	Environmental Police
Belgo Distribution Center - Belo Horizonte	7 ha	Belo Horizonte (MG)	None
ArcelorMittal Tubarão (Permanente Preservation Area)	102 ha	Serra (ES)	None
Arcelor Mittal Tubarão (Environmental Education Center)	35 ha	Serra (ES)	None
ArcelorMittal Tubarão (Green Belt)	27 ha	Serra (ES)	None
ArcelorMittal Vega (RPPN)	76 ha	São Francisco do Sul (SC)	None

**Description of impacts**

Significant impacts	Nature of impacts	Description of impacts
Guilman Amorim Hydro-Power Station		<ul style="list-style-type: none"> <li>• The mainly affected species are aquatic microbiological and fish species of medium Piracicaba river.</li> <li>• Affects stretch of approx. 20 kilometers with changed flow rate in relation to natural flow.</li> <li>• The irreversible impacts last the whole extent of the Plant's life cycle.</li> </ul>
BioFlorestas	<ul style="list-style-type: none"> <li>• Reduction of species</li> <li>• Changes to ecological processes out of endemic, the natural level of variation, such as salinity, changes to groundwater level.</li> </ul>	<p>Affected species: threatened, rare migratory and forest reserve dependent species.</p> <ul style="list-style-type: none"> <li>• Impacts on local fauna occurred in native reserve areas, adjacent to the location under forest stewardship. The most sensitive areas are aquatic environments, riparian, ciliary or gallery forests and old threads with native woodlands colonized by the fauna.</li> <li>• The duration of the impact depends on its extension in the area or region, but usually recedes when the activities are over.</li> </ul> <p>The fauna impacts identified to date are reversible, as their magnitude generates no imminent risk of local extinctions.</p>
ArcelorMittal Cariacica	Construction of new landfill for class type waste cover composed among	Suppression of vegetation other things by brachiaria, eucalyptus, chestnut and oiti.



## Environmental impact management

ArcelorMittal Brasil's strategic planning incorporates the business decision to build a balanced relation among the sustainability dimensions in its conduct of business.

Therefore, the Group units have tried to improve their strategies to manage and prevent any impacts on the environment. See below some actions:



ArcelorMittal BioFlorestas has been reducing the use of agricultural chemicals in planting of its areas

Unit	Action	Results
ArcelorMittal BioFlorestas	Tests for replacement of agrototoxic with organic products when planting forests	Reduction of 15% in the purchase of inputs and disbursements with manpower for application; reduction of the area applied with chemicals and specific consumption of agrototoxic products in forest planting
ArcelorMittal Cariacica	Change of the dust removal system's sleeve filters	Reduction of 50% in the emission of particulates
ArcelorMittal Monlevade	Implementation of a Waste Directive Plan (PDR), which provides for proper disposal of waste generated by the operations	Recycling index greater than 98%
ArcelorMittal São Paulo	Implementation of collector by Sabesp, São Paulo water and sewage treatment company	100% of treated sewage
ArcelorMittal Tubarão	Deployment of specific plan during the summer to minimize fugitive emissions of particulates and installation of equipment and improvements in the environmental control systems	Reduction in the levels of emission of particulates by 19%
ArcelorMittal Vega	Reduction in the generation of effluents generated in industrial and sanitation processes.	Between 2008 and 2010, specific generation of treated liquid effluents dropped from 0.21 to 0.18 cubic meters/ton of rolled steel.

## Environmental education

The Company develops a series of actions to promote the diffusion of knowledge and awareness on sustainable attitudes. Internally, the environmental education programs comprise the set of employee capacity building and qualification training activities and are extended to Contractors' employees operating at the units. In the communities where it operates, the Company invests in environmental education programs in partnership with public and private education institutions.

A traditional initiative is the ArcelorMittal Environment Award that in 2010 celebrated its 19th edition. Sponsored by the ArcelorMittal Brasil Foundation, it contributes to the environmental awareness of children and adolescents, highlighting relevant themes for their ethical formation. The initiative proposes the inclusion of environmental education in the schools' pedagogical guidelines, and

to award students who better express their environmental awareness, helping in the formation of citizens well prepared to preserve and value the environment.

In 19 years, the Award managed to incorporate themes linked to

environmental preservation into the academic framework of hundreds of schools in Brazil, and more than 500 educational institutions created the ArcelorMittal Environment Award Day in their academic calendar.

### ArcelorMittal Environment Award 2010

Municipalities:	46
Participating schools:	795
Educators involved:	8,055
Participating employees' children and students:	303,258



Children in activity in green area at ArcelorMittal Vega

## Responsibility on the product

The Group adopts a number of measures to ensure safety and prevent incidents related to its products. All of them are identified and can be tracked in the production chain. There are procedures to prevent the change of material delivered to the client; transportation is made by trucks, carryalls and barges especially developed to carry Company products. Moreover, product information is ensured by trials in certified equipment, calibrated according to internationally recognized standards, and complies with domestic and international standards.

The identification of products is made by adhesive labels (in case of hot rolled, pickled, cold rolled and galvanized coils). Label contents may be custom-made according to each client's needs.

The product also receives the Quality Inspection Certificate, with information on chemical composition, mechanical properties, dimensions, weight and radioactivity absence certificate. Coil

packages are made with steel strapping, which may be reused. Information on handling and stocking of rolled products is supplied in product catalogues published by the Company.

Products receive  
Quality Inspection  
Certificate



Identification allows ArcelorMittal steel to be tracked in its production chain





## Ecological steel

At the end of 2010, products of the long steel units added another certificate to their portfolio: the Ecological Stamp of the Falcão Bauer Quality Institute granted after analyses and audits at the plants. It is an environmental labeling program (ecolabelling), a voluntary methodology of environmental performance certification granted to civil construction products manufactured at ArcelorMittal de Juiz de Fora

(MG), Itaúna (MG), Piracicaba (SP), São Paulo (SP) and Cariacica (ES) plants.

Valid until 2013, the Falcão Bauer Institute certificate of conformity contemplates bars, welded screens, lattices, nails, wiring, light profiles and rolled bars for use in civil construction. In practical terms, the certification attests to the products' recycling index between 51% and 73%.

## Customer satisfaction

The Company's flat and long steel segments develop consolidated methodologies to measure customer satisfaction in relation to product quality, compliance with delivery time and customer service, among other indicators. ArcelorMittal Tubarão and ArcelorMittal Vega have a methodology for assessment of customer satisfaction by means of a questionnaire with the characteristics of products/services supplied. The questionnaire is formally delivered to the customer's representative during visits previously scheduled or sent by e-mail. Moreover, systematic follow-up is made of the Level of Evolution of Customer Satisfaction through biannual surveys.

This work is performed with Company's regular customers and the results are compiled per product line: steel plates, hot rolled coils (ArcelorMittal Tubarão), galvanized and cold rolled coils (ArcelorMittal Vega). Customers are encouraged to give grades (from 1 to 10) for the quality of products and services, and make an evaluation in relation to competitors (similar, better or worse).

In 2010, the accumulated result of the survey for all supplied products and services achieved the goals, which means it was considered. When an item receives scores below the goal – or when its evaluation is below that of competitors – the Company makes an analysis of the results and develops

actions to correct failures and improve customers' perception. The ascertainment is made on a monthly basis and the result submitted jointly with client specific and general improvement plans.

By means of the Customer Complaint Index, ArcelorMittal Tubarão and ArcelorMittal Vega control their products' non-conformities. In 2010, the flat steel segment registered 0.07% of complaints, an index obtained by the Reclaimed volume / shipped volume ratio.

## Package reuse

Within the scope of the Waste and Byproduct Management Model, ArcelorMittal Tubarão develops techniques of application and reuse of packages used in the manufacture process and transportation of its products to Vega plant. In this case

the highlight is the use of steel strapping and seals 100% reused as scrap in the Piracicaba and ArcelorMittal Tubarão plants (2,362 tape rolls and 181,946 units of reused metallic seals in 2010). As to the use of wood in Tubarão, pallets – structures used in

the transportation of loads in forklifts – are sold for reuse, and wedges and boards (33,918 units and 320 m³ in 2010, respectively) are sold for use as boiler fuel.



## Innovation in transportation

The responsibility for the delivery of products to customers also involves investments in innovation to ensure greater efficiency, safety and productivity. An example is the special railroad car for wire rod transportation, which made its first trip in November 2010, covering the stretch between João Monlevade, where the material is produced, and the Belgo Bekaert Arames (BBA) unit, in Contagem (MG), where it is turned into wire.

Developed in partnership with the Ferrovia Centro-Atlântica (FCA), the special car was designed so that wire rod coils are laid down without overlapping and secured with a strap, which ensures cargo integrity. Another advantage is the reduction of loading time: the common car with 45 tons is loaded within approximately 40 minutes; the special car with 39 tons takes only 20 minutes. Forty (40) special railroad cars are already in operation. The projection is for them to replace 150 carryalls, which will no longer cross the highways.

Another project - developed by the Sabará (MG) unit in partnership with the ArcelorMittal Brasil's logistic cell -, is focused on the transportation of drawn bars, a material employed in the


automotive industry. The new system is composed by nine vehicles: carryalls with capacity between 25 and 35 tons, trucks with capacity to carry 12 to 14 tons, and tocos, with capacity between 8 and 10 tons, all of them developed to carry bundles of drawn bars.

The innovation is in the stowing method. Until then, wooden platforms put together with nails were used, which represented a risk of accidents and

contributed to waste generation. The new system uses metallic berths with capacity to safely stow 20 to 30 bundles of bars of varied lengths. In addition to reducing possible cargo damage and loading time, it decreases the risk of accidents and incidents with those responsible for the operation.



Special machine-thread car developed at Monlevade: guarantee of integrity of cargo



More than neighbors, communities located in the vicinity of ArcelorMittal Brasil units are considered partners of its corporate responsibility actions. Initiatives focused on programs in the areas of education, health and culture are planned in observance of demands and local particularities, so as to contribute to the formation of aware and participative citizens.

# ENRICHING OUR COMMUNITIES

## IN THIS CHAPTER

- >> ArcelorMittal Foundation
- >> Community relations
- >> Suppliers
- >> Commitment to society



## Top priority

ArcelorMittal invests in long-term actions, considered to be relevant for local development. One of the priorities is education, seen as the main factor for the sustainability of any community. In this sense, some initiatives stand out, such as the School Success project, developed in Cariacica (ES) since 2009.

Thirty-two ArcelorMittal volunteers dedicate two hours a week to assist students at the Professor José Leão Nunes State Elementary School with their Portuguese and Mathematics schools works. Moreover, they administer lectures for the purpose of contributing to the improvement of students' school performance and self-esteem. These lectures, referred to as "Transformando o amanhã" (Changing tomorrow), take place on unit premises and also show the ArcelorMittal employees' day-to-day.

The initiative was recognized in 2010 with the "Good Practices in Education Award", granted by the Education Department (Sedu) of Espírito Santo. The project won in the category "School Management Good Practices – Reduction of Abandonment/ Dropout" and as a result the school received the amount of R\$ 25 mil. The funds were applied in betterments at the school such as auditorium sound system, educational excursions and data show device.

A decrease in dropout rates was also one of the results achieved with the project "Education in Human Values", led by the mayor of Serra Municipality (ES), ArcelorMittal Brasil Foundation and ArcelorMittal Tubarão. Solidarity, respect and love were the main topics addressed in an interdisciplinary manner at municipal schools. The proposal is to contribute to the formation of children's and adolescents' character, taking to the classroom values such as peace, non-violence and love.

In 2010, seven educational institutions entered the project, with support from ArcelorMittal Brasil Foundation and ArcelorMittal Tubarão, adding to three institutions which had the project implemented, on an experimental basis, in the previous year by public authorities. In its first year of execution, the Program registered a decrease of 20% in dropout rates and 10% in flunk rates at schools. In 2011, additional 10 schools will adhere to the initiative, incorporating seven thousand students.



Volunteer and student benefitted from School Success Program, awarded by the Education Office of Espírito Santo

### Education in Human Values in 2010

Educators involved:	269
Schools participating:	10
Students benefitted:	5,300

## Social responsibility

The ArcelorMittal Brasil's social programs are managed by different structures in the flat and long steel segments. In the flat steel area (Tubarão and Vega), the actions are coordinated by teams of the companies themselves, and in response to actions of dialogue with the local community, which is directly impacted by Company business.

Tubarão and Vega also develop initiatives in partnership with ArcelorMittal Brasil Foundation, an institution which was created at first to manage social projects in the long steel segment, and in time extended its activities to the flat steel, distribution and mining segments. The local coordinators, professionals who work at plants and offices help in the development of community actions.

In 2010, some initiatives originally developed in the long steel segment such as the Sexual Affective Education Program (Peas - Educação Afetivo-Sexual), See and Live (Ver e Viver), Welding Cities (Cidades da Solda) and Listen Well to Learn Better (Ouvir Bem para Aprender Melhor) were extended to the municipalities of influence of ArcelorMittal Tubarão (ES), while the ArcelorMittal Environment Award was incorporated by ArcelorMittal Vega (SC). The mining and distribution areas have also started to develop social programs.

**In 2010, R\$ 6.5 million were invested in socio-cultural projects**

## ArcelorMittal Brasil Foundation

Created in 1988, it is a non-profit organization focused on developing permanent projects in the communities where ArcelorMittal operates.

Every year, approximately 500 thousand people benefit from initiatives focused on the formation of children and adolescents so that they become citizens who are more aware, productive and participative. The Foundation's programs comprise the areas of education, health, environment, culture and

social promotion. To identify the interests and needs of the communities where the Company operates, the Foundation team conducts annual visits to the municipalities and meets with public authorities and ArcelorMittal's local representatives. During these meetings, the objectives of each of the parties in relation to social investments in the region are discussed and the best option for each reality is defined.

The activities of the Foundation consist in

the transfer of program methodologies to the communities served, which ensures the sustainability of the initiative. Thus, it achieves long-term and truly effective results.

For the development of social programs, the institution receives ArcelorMittal financial support. Moreover, it invests in partnerships designed to enable the deployment of programs and projects enrolled in tax incentive laws. In 2010, R\$ 6.5 million were invested in a number of projects.

### Investments of ArcelorMittal Brasil Foundation in 2010

Own resources:	R\$ 1.4 million
Funds from incentives (ICMS, Cultural Action Program (SP), Rouanet Law, Sport Law, ISSQN):	R\$ 5.1 million
<b>TOTAL:</b>	<b>R\$ 6.5 million</b>



## Sexual Affective Education Program (Peas)

The Sexual Affective Education Program (Peas) celebrated 10 years in 2010. The initiative is consolidated in eight municipalities where the Company operates, and in some of them it was raised to the status of public policy. The program gives to adolescents from 4th to 8th grades of public schools the opportunity to discuss and reflect on themes related to sexuality and health. Thus, it

contributes to the formation of youngsters who are more aware, participative and with safe behavior.

**Every year,  
approximately  
500 thousand  
people benefit from  
ArcelorMittal Brasil  
Foundation actions**

### Peas 2010 - Results

Municipalities:	11
Qualified teachers:	180
Benefitted students:	7,000



Mobilization of Peas in Juiz de Fora: training aware and safe young people



Youth Entrepreneurship with children and young people from elementary and middle school

## Programs developed by ArcelorMittal Brasil Foundation in 2010

Program for	Objectives	People served
Teaching Quality – PEQ	Helps public schools to perfect their pedagogic and management processes in order for them to provide a more efficient, education with better school performance among students and lower dropout and repetition rates.	Municipalities: 4 Schools: 23 Teachers involved: 1,050 Students benefitted: 15,389
See and Live	Focused on the diagnosis and treatment of visual problems.	Municipalities: 21 Students screened: 18,160 Glasses donated: 1,687
Listen well to learn better	Focused on the diagnosis and treatment of hearing problems.	Municipalities: 17 Students screened: 8,164 Prosthesis: 16
Always smiling	Focused on the diagnosis and treatment of dental problems.	Municipalities: 1 Students served (preventive): 4,967 Students served – healing: 822
Welding Cities	Qualifies youngsters in situation of social risk to work as welders and welding torch operators.	Municipalities: 1 Adolescents qualified: 39
Young entrepreneurship	Fosters the entrepreneur spirit of youngsters still at school, by means of theoretical-practical educational programs, applied by Company volunteers.	Municipalities: 5 Schools served: 6 Participating students: 1,534 Volunteers: 118

Program for	Objectives	People served
Education with Diversity Program	Qualifies teachers for proper inclusion of students mentally handicapped at public schools.	Municipalities: 3 Qualified teachers (120-hour course): 113 Qualified teachers (continued formation): 46
Digital citizenship	Proposes the implementation of Computer and Citizenship Schools, for the purpose of promoting citizenship through digital inclusion.	Municipalities: 3 Graduates: 1,443
Pro-Volunteer	Fosters and creates conditions for employees and their family members to make volunteer work in the communities where they are inserted.	Municipalities: 13 Committees created: 10 Beneficiaries: 36,127 Volunteers: 8,830
Citizens of Tomorrow Program	Mobilizes employees, suppliers and clients to allocate part of the Income Tax annually due to the Fund of Children and Adolescents.	Municipalities: 27 Funds obtained: R\$ 1,173,608.79 Participants: 8,760 Institutions benefitted: 63 Youngsters benefitted: 10,301
Sabar Collaborative Network	Articulates actions focused on local development through the joint efforts of public, private agents and communities.	Municipality: 1 (in Sabar, in the districts of Castanheiras and Nossa Senhora de Ftima) Beneficiaries: approximately 550 families.

## Community Relations

ArcelorMittal Brasil makes a permanent work of relationship with the communities where it operates, so as to contribute to their development and strengthening on the basis of perennial and sustainable projects. The actions comprise a number of programs of incentive to culture, improved education, and promotion of health and life quality. All of them take into consideration the problems and demands of each region and they are developed in partnership with local organizations, so as to magnify the results around a common objective of improving the life quality of the communities.

An example is the Community Art Project, which includes the "Programa Somos Vizinhos" (We Are Neighbors), developed by ArcelorMittal Piracicaba (SP). The project was created in 2005 and offers to the inhabitants of four neighboring communities craft technique courses. The initiative was developed as a result of the demands presented by the inhabitants themselves.

A number of workshops have been conducted, such as wood decoupage, fabric painting, ecological costume jewel and sewing techniques, among others. They are offered by the Sesi of Piracicaba. In 2010, more than one thousand people participated in the activities. A survey performed by the Company indicated a 98% index of satisfaction of those involved.

For the purpose of contributing to the promotion of the handicraft produced in the Serra municipality, in Espírito Santo, ArcelorMittal Tubarão in partnership with the local authorities, invested in the construction of the Lagoa do Juara Handicraft Center. The location will shelter the production of 22 artisans, who work with pieces made of "capim-taboa", a raw material largely used in the traditional handicraft production of the municipality. The project has great potential to become self-sustainable and be responsible for the creation of job positions and the generation of income. In 2010, the average income per artisan obtained with the sale

of products increased R\$ 300 as compared to 2009. In Cariacica (ES), ArcelorMittal has contributed to the wellbeing of neighboring communities through the "Projeto Digna Idade" (The Worthy Age Project). Every Thursday, 45 elderly inhabitants go to the Jardim América Health Center, which is managed by the local authorities, to participate in handicraft classes and leisure activities. The objective is to create a space for socialization and reflection, contributing to improve self-esteem and life quality. With five years of existence, the project won in 2010 the ArcelorMittal Performance Excellence Award, in the Environment and Social Responsibility category.

**The investment made in handicraft in the Serra municipality contributed to increase the income of artisans.**



Art in the Community Project offers courses in artisanal techniques to residents of communities surrounding ArcelorMittal Piracicaba





ArcelorMittal Tubarão supports artisans in the municipality of Serra (ES)

#### People who benefitted from social actions developed by ArcelorMittal Tubarão in 2010

Direct beneficiaries	23,440
Indirect beneficiaries	96,293
Total	119,733

In 2010, ArcelorMittal Vega invested approximately R\$ 2.6 million in social responsibility initiatives, benefitting more than 20 thousand people. Every two years, the unit conducts a image survey to

know the impact of the actions implemented and evaluate the perception of the communities on the investments made. In the 2010 survey, the favorability index was 89%.

## In partnership with the community

In 2010, ArcelorMittal Tubarão deployed a unique strategy of involvement with inhabitants' associations from neighboring communities, for the purpose of meeting their demands. Thirty (30) meetings were held between the company's social responsibility team and leaderships from the districts of the Serra and Vitória municipalities, where the company is located.

As a result of this approach, the company implemented

improvements in its communication tools – Fale Conosco (Contact Us) and Portal do Solicitante (Customer Portal) – seeking to expedite answers to doubts and questions from the communities and formalize a specific channel to receive local social development support proposals. Also as a result of the community meetings, it was possible to develop – in partnership with Sesi Estadual – sport and leisure projects for children

of five different neighboring communities, starting February 2011. The practice of sports by children was one of the main needs indicated by community representatives interviewed during the visits made.

To enhance monitoring and strengthen the management of the actions the company regularly supports, it was created with support from the Fundação Itaú Social a specific methodology to measure the social impact of the projects.

Throughout 2009 and 2010 this methodology was applied allowing the NGOs to develop such projects, perfect their information control and assessment tools.

It is a pioneer initiative in the ArcelorMittal Group, which is being replicated at ArcelorMittal Vega. The objective is to provide parameters to identify the effective social transformation generated at the communities served by the projects, thus

contributing to promote a deeper reflection with social managers and those who benefit from the initiatives.

The work indicated that 30% of the social projects had a relevant social impact, according to the methodology applied. The index coincides with company's expectations established in the Balanced Score Card (BSC).



## Art and culture

The cultural initiatives developed in the long steel segment are sheltered in the program ArcelorMittal Cultural and seek to expand the access of the communities to a number of manifestations, encouraging and fostering the formation of audiences, artists and managers. The ArcelorMittal Cultural program is based on the guidelines of the Group Cultural Investment Policy, which guides and standardizes the procedures for sponsorship of projects in the area.

The selection and approval of sponsored projects are the responsibility of the Culture Committee, composed by managers from different areas of the Company and ArcelorMittal Brasil Foundation. Each business unit is responsible for monitoring the progress and evaluating the results of the supported projects.

**Activities of the ArcelorMittal Cultural Program benefitted 105 thousand people in 2010**



Adriana Focas

Fun activities in Belo Horizonte: ongoing programming for children and young people

## Main selection criteria of cultural projects:

- Scope: it should include the communities where ArcelorMittal operates.
- Adjustment to the relationship strategies of ArcelorMittal units.
- Enhancement ArcelorMittal social responsibility practices.
- Priority to the use of tax benefits.
- Proven experience and competence of the party responsible for the undertaking in the execution of the objectives proposed.
- Access to cultural goods and services.
- A communication plan suitable to the disclosure of the activities scheduled and the diffusion of goods and services resulting from the project.
- Pedagogical plan, in case of projects comprising educational actions.
- Idoneity of the party responsible for the undertaking.
- Approval of the unit involved and ArcelorMittal Brasil Foundation.

In 2010, the focus of the Company cultural investment was "education allied to culture". As a result, 57 projects were sponsored by ArcelorMittal. The activities benefitted 105,533 people, by means of 502 events, among courses, workshops, performances and shows. The actions comprised 32 cities under the influence of the long steel, flat steel, wire and forest segments.

One of the highlights was the "Diversão em Cena" (Fun on Stage), created in 2010 and a result of the partnership between the ArcelorMittal Brasil's corporate communication

area and the Foundation. Its objective is to contribute to the dissemination of the Company brand in Belo Horizonte, by means of ongoing cultural presentations for infant-youth audiences. Over nine months of project, 27 theater groups performed 31 plays, in a total of 108 presentations to a crowd of 27,345 spectators, which corresponds to 253 people per performance.

All performances are approved by the ArcelorMittal Culture Committee, according to the ArcelorMittal Brasil's Cultural Investment Policy. The Fun on Stage program

- which was made feasible by the benefits of the State Culture Incentive Law and Company's own resources - will continue in 2011.

In Espírito Santo, a traditional activity is the ArcelorMittal Christmas Concert, organized by the Tubarão unit in partnership with the Vitória Mayor's Office. It is a musical show presented every year in the month of December, in Camburi Beach. Free of charge, it provides a humanistic and social reflection. The 2010 edition, the 16th in the history of the event received 30 thousand spectators.

## Social Promotion

The purpose of the programs developed in the Company's social promotion area is to incentive cooperation among private enterprises, civil society and public authorities. The projects provide the employees with an opportunity to especially in volunteer initiatives. An example is V Day (Volunteer's Day) when the ArcelorMittal units in Brazil are mobilized to carry out activities to the benefit of neighboring communities.

At the long steel segment units, 466 employees got involved in 2010 in the most varied activities, which consisted among other things in the donation of toys, community lunch, and electrical and hydraulic repairs at daycares. In all, 1,690 people were benefitted.



Blood donation in Monlevade, initiative encouraged by the volunteering program

### Other actions performed in 2010

Project	Unit	Results
Partnership with the Social-Educational Assistance Institute of Espírito Santo (IASSES)	ArcelorMittal Tubarão	- Funds for the CD "Liberdade para cantar" (Freedom to Sing), produced by adolescents of the Social-Educational Internment Unit (Unis) and Female Internment Unit (UFI) during music workshops sponsored by the company. - Holding of the II State Seminar of the Project Adolescence Without Bars - "Restoration Justice", with participation of more than 200 Brazilian experts in social-educational issues.
Construction of hospital in São Francisco do Sul (SC)	ArcelorMittal Vega	Company is the leader of a group of companies that is helping to provide equipment to the hospital under construction in the city. In 2010, the donation of equipment amounted to R\$ 1.4 million.
Construction of family health unit	ArcelorMittal Vega	Erected in the district of Paulas with investment of R\$ 500 thousand, it benefits more than one thousand families in São Francisco Do Sul, totaling 4.3 thousand people.
Project Schoolhouse	ArcelorMittal Vega	- Partnership with Sesi, which consists in structuring a daycare unit for poverty-stricken families. It benefitted 60 children from 2 to 5 years old.
Joahna Stammerjohann Fischer Transition House	ArcelorMittal Vega	Company invested R\$ 548 thousand in institution which shelters children in a situation of social vulnerability.
"Education and Employability" Program	ArcelorMittal Vega	It offers training to the community. In 2010, 30 students graduated in Tourism Agency Services and Restaurant Services qualification courses.
"São Francisco in Cinema" Program	ArcelorMittal Vega	Promotion of movie sessions where the ticket is equal to 1 kg of food, which is donated to charitable entities. In 2010, 8,894 spectators attended and 6,145 kg of food were collected.
"Green with Life" Program	ArcelorMittal Vega	Environmental education program which fosters direct experiences and contact with nature. Record of attendance in 2010: 3,690 visitors enjoyed educational activities at the Environmental Training Center (Ceta) and in the Private Natural Heritage Reserve (RPPN).

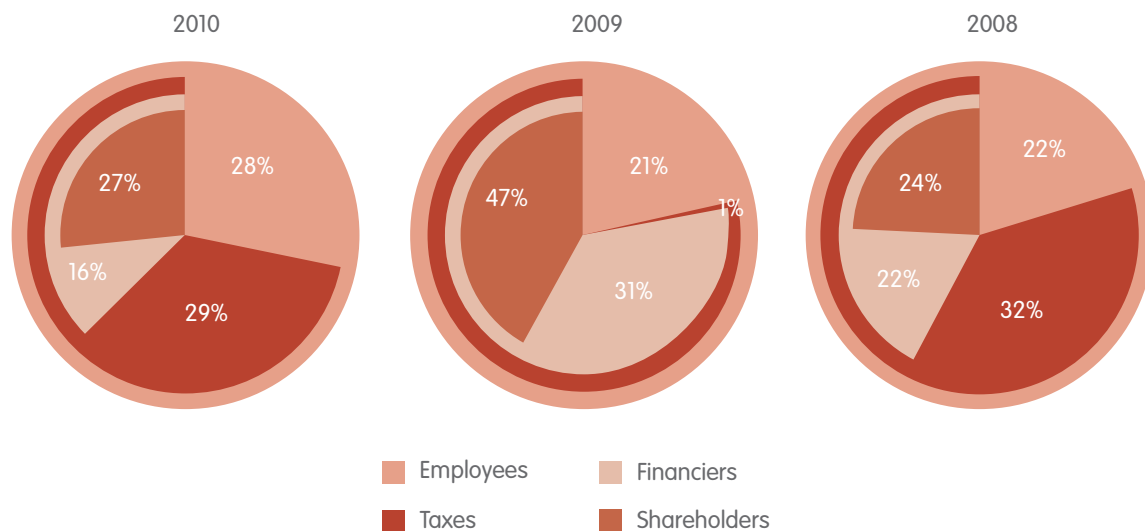
## Value generation

ArcelorMittal Brasil generated in 2010 added value of R\$ 5.9 billion. This amount was designed to the compensation of employees, payment of taxes, compensation

of shareholders and investors, and also to feed a vast production chain, contributing to boost the development of the Country and the locations where it operates.

Distribution of Added Value (In R\$ millions)

	2010	2009	2008
Empregados	1,656	1,483	1,520
Tributos	1,724	59	2,224
Financiadores	953	2,234	1,484
Acionistas	1,590	3,321	1,630
<b>Total do Valor Adicionado</b>	<b>5,923</b>	<b>7,097</b>	<b>6,858</b>



Part of the added value generated by the Company goes to employee remuneration

## Suppliers

Since 2009, ArcelorMittal is a signatory of the National Compact for the Eradication of Slave Labor, an initiative of the Ethos Institute for Business and Social Responsibility, Instituto Observatório Social, NGO Repórter Brasil and International Labor Organization (ILO). The pact reunites Brazilian and foreign companies which are committed to maintaining their product chains away from agents that use slave workforce.

With that in mind, the Company started in 2010 a work with its suppliers of pig iron, which use charcoal as one of the main inputs. The

Company inserted specific mechanisms in its contracts to allow the assessment and tracking of sources and inputs used in the production of raw material.

Just to mention a few, regular and systematic reference to sites indicated by the National Compact, invoice sampling and monitoring of charcoal suppliers. Moreover, ArcelorMittal Brasil will incentive its suppliers to join the group of signatories of the Compact.

The partnership with its suppliers shall be executed in 2011. The initiative complies with the ArcelorMittal Human Rights Policy which reaffirms among others the commitment to the eradication



of forced or compulsory labor: "ArcelorMittal opposes the use of forced or compulsory labor. We will also work with our subcontractors and suppliers to avoid indirectly benefiting from or promoting such illegal practices".

### Qualification

The Company also works towards the qualification of its suppliers in the management area. One of the initiatives in progress is the "Integrated Program of Suppliers' Development and Qualification" (Prodfor). The program is developed in Espírito Santo and has ArcelorMittal Cariacica and ArcelorMittal Tubarão as major players. The purpose of the program is to help small and mid-sized companies implement a quality management system, so that they can achieve the required supply standards.

Prodfor also comprises certifications in occupational health, safety and environment management systems and an unprecedented certification in financial, tax and labor management systems. The program gathered 21 suppliers in 2010, out of which 10 were certified in health, safety, environment management systems by indication of the Tubarão unit. As to financial certification, it achieved a group of seven suppliers, that is, five in 2009 and two in 2010. Since its deployment in 1998, Prodfor already certified 429 companies, and 277 are still active.



## Sustainable business

The long steel segment develops an initiative with companies that are part of its business chain, in order to create and incorporate into these organizations' management system a sound sustainability and corporate responsibility policy. The initiative is the Sustainability and Corporate Responsibility Program (SRE), launched in 2004. In 2010 the program had the participation of 30 suppliers, being 21 of the Piracicaba unit and 09 lime suppliers.

The program is structured in the form of meetings among suppliers' and ArcelorMittal Long Steel's representatives, in which good practices of sustainability are discussed and shared. The suppliers are submitted to a self-evaluation at the beginning and end of the Program, based on the seven themes of the Ethos Institute: Values and Transparency, Community, Government and Society, Internal Public, Environment, Consumers and Clients and Suppliers.

Sixteen (16) meetings were held in 2010. The work with suppliers allowed the Piracicaba unit to maintain in 2010 the certification with standard SA 8000 (social responsibility). With regard to lime suppliers, a dissemination of sustainability practices in their production chains was observed.

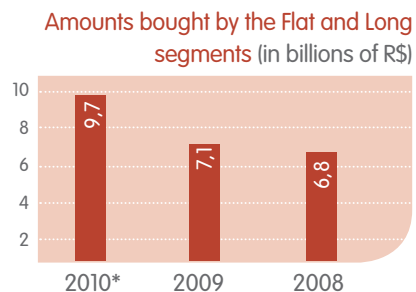
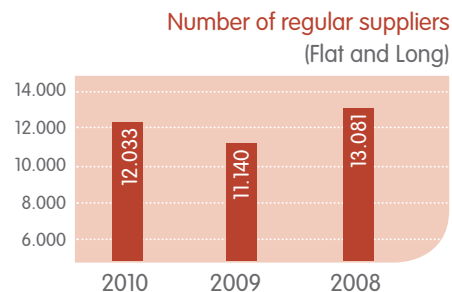


## Audits

In order to ensure a sustainable relationship with third-party suppliers that work at its industrial units, ArcelorMittal Long Steel maintains an in-house audit program. The purpose of the program is to ensure suppliers' compliance with their obligations, by means of regular visits to companies and accounting firms, so as to verify the services at the workplace, interviewing suppliers' employees, and to check tax, labor, social security aspects and occupational health and safety conditions.

In 2010, 43 companies that work on the premises of 05 units of the long steel segment were audited by the ArcelorMittal's Human Resources and Supplies teams. One hundred employees were interviewed and more than two thousand items verified within the scope of the companies and more than seven thousand among the employees. The number of non-conformities achieved 198; approximately 90% were corrected.

**Audit program seeks to ensure compliance by suppliers with their obligations**



Of the total purchased in 2010, the flat segment spent 30% on local suppliers, for the long segment, it was 32%

## Commitment to society

In 2010, ArcelorMittal Brasil made financial donations to political parties and candidates, which ran in the Brazilian elections for state representative, congressman, senator, governor and president. All donations were made in accordance with the Brazilian election legislation. They were registered with the Regional Electoral Court (TRE), which make them public and accessible to any citizen.

The donations are governed by the Code of Conduct. Thus, in the 2010 elections almost the totality of political parties

was contemplated. Company units are free to work in conjunction with the local candidates they believe to be representing the community's best interests.

The choice of donation to a certain political party also takes into account the proposals submitted and if they are in accordance with the democratic principles and the core values practiced by the Company. Moreover, before the donation is made the candidates have their political past analyzed and those with court convictions have their requests disregarded.

## REPORT PROFILE

This report was developed from own parameters defined by a transversal workgroup of ArcelorMittal Brasil and based on indicators of GRI (Global Reporting Initiative). The answers to the indicators comprise the period between January 1st and December 31st of 2010, including the results regarding the flat and long steel segments of the Brazilian units of the Company.

ArcelorMittal Brasil considers itself at level B of GRI's guidelines application.

Profile Indicators	Pages
<b>1. Strategy and Analysis</b>	
1.1 Statement from the most senior decision-maker of the Organization on the relevance of sustainability for the Company.	5
1.2 Description of main impacts, risks and Opportunities.	5-6
<b>2. Organizational Profile</b>	
2.1. Name of the Organization	Cover
2.2. Primary brands, products and/or services.	6-7
2.3. Operational structure of organization	7
2.4 Location of organization headquarters	6
2.5 Number of countries where organization operates	6
2.6 Nature of ownership and legal form	6
2.7 Markets served by organization	6
2.8 Scale of Organization	6-7; 12;16
2.9 Significant changes during reporting period with regards to size, structure or ownership	N/R*
2.10 Awards received during reporting period	70
<b>3. Report Parameters</b>	
3. Reporting period for the information provided	2010
3.2 Date of most recent previous report	2009
3.3 Reporting cycle	Annual
3.4 Contact point for questions on Report content	71
3.5 Process for defining report content	4;63
3.6 Boundary of the Report	6-7;63
3.7 Statement of any specific limitations on report scope or boundaries	63

Profile Indicators	Pages
3.8 Base for Reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that could significantly affect the comparability of one period to another and/or among organizations	N/R
3.9 Data measurement techniques and basis for calculation	N/R
3.10 Explanation of effects of any restatement of information from previous reports and reasons therefore	N/R
3.11 Significant changes compared to previous years in terms of scope, boundaries or measurement methods applied in the Report	N/R
3.12 GRI table which identifies the location of the information in the report	63
3.13 Policy and current practice for outside auditing and assurance.	None
<b>4. Governance, commitments and engagement</b>	
4.1 Governance structure	10
4.2 Identification if president of highest governance body is also an executive officer	N/A**
4.3 Number of independent or non-executive members of the highest governance body, for organizations with a unitary executive structure	N/R
4.4 Mechanisms for shareholders and employees to provide recommendations to highest governance body	N/R
4.5 Linkage between compensation of members of the highest governance body, executive board and other executives, and organization's performance including social and environmental	N/R
4.6 Processes in place in highest governance body to assure avoidance of conflicts of interest.	N/R
4.7 Process of determining qualification and knowledge of members of highest governance body to define issues related to economic, environmental and social aspects.	N/R

Profile Indicators	Pages
4.8 Internally prepared statements on the mission or Values, code of conduct and principles of organization relevant for economic, environmental and social performance and the status of their implementation	10; 12-13
4.9 Procedures for the highest governance body to oversee economic, environmental and social performance by the Organization	N/R
4.10 Processes for the self-evaluation of the highest governance body	N/R
4.11 Precautionary principle.	N/R
4.12 Statutes, charters, principles, and other voluntary initiatives developed externally of a social, environmental and economic nature which the organization adheres to or endorses	12, 60
4.13 Membership in domestic / international associations	N/R
<b>Engagement of stakeholders</b>	
4.14 List of stakeholder groups engaged by Organization	N/R
4.15 Basis for identification and selection of stakeholders for engagement.	11

Indicator		Pages
Economic performance indicators		
EC1	Direct economic value created and distributed	60
EC2	Financial implications, risks and opportunities for organization activities related to climate change	N/R
EC3	Coverage of organization's benefit/ pension plan offered by the Organization	N/R
EC4	Significant financial assistance from government	N/R
EC6	Policies, practices and ratio of spending on locally-based suppliers.	60-62
EC7	Procedures for local hiring and proportion of members of upper management recruited in the local community	N/R
EC8	Development and impact of investments in infrastructure and services offered principally for the public benefit	52-59
Environmental performance indicators		
EN1	Materials used.	27
EN2	Percentage of recycled input materials	27
EN3	Direct energy consumption	36
EN4	Indirect energy consumption	36
EN5	Energy saved	35
EN6	Initiatives to supply products and services with low energy consumption	N/R
EN7	Initiatives to reduce indirect energy consumed and the reductions obtained	36
EN8	Total water withdrawal by source	32
EN9	Water sources significantly affected by water withdrawal.	32-33
EN10	Percentage and total volume of recycled and reused water.	32
EN11	Location and size of area owned, leased or managed within protected areas or next to them	42-44
EN12	Description of significant impacts on biodiversity caused by activities, products and services in protected areas	44-46
EN13	Habitats protected or restored.	44
EN14	Strategies for management of impacts on Biodiversity	40-41
EN15	Number of species included on IUCN's Red List	N/R
EN16	Total direct and indirect greenhouse gas emissions.	37
EN17	Other relevant indirect greenhouse gas emissions.	38
EN18	Initiatives to reduce emission of greenhouse gases and reductions achieved	38

Indicator		Pages
EN19	Emissions of ozone-depleting substances by weight	39
EN20	NOx, SOx, and other significant atmospheric emissions	38
EN21	Total disposal of water	N/R
EN22	Total weight of waste	30
EN23	Number and total volume of significant spills	31
EN24	Weight of waste transported, imported, exported or treated, deemed hazardous in accordance with the Bâle Convention <sup>13</sup>	31
EN25	Description of protection and biodiversity index of bodies of water and associated habitats that are significantly affected by disposal of water	N/R
EN26	Initiatives to mitigate environmental impacts of products and services and the extent of impact mitigation	48-49
EN27	Percentage of products and packaging material reclaimed	N/R
EN28	Monetary value of significant fines and number of non-monetary sanctions	34
EN29	Significant environmental impact associated with transportation of products and other goods and materials used in the Organization's operations and transport of workers	36
EN30	Total investments and outlays related to environmental protection, per type	26
Social Performance Indicators		
LA1	Total workforce	16
LA2	Total number and turnover rate, by age bracket, gender and region	16
LA3	Comparison of benefits offered to full time employees and those offered to part time or temporary employees, broken down by principal operations	N/R
LA4	Percentage of employees covered by collective bargaining agreements	16
LA5	Minimum period for notice on operating changes and whether this procedure is specified in collective bargaining agreements.	After meetings with unions, significant changes are announced and discussed.
LA6	Percentage of employees represented on formal health and safety committees	19
LA7	Rates of work-related injuries, diseases, lost days, absenteeism and work-related deaths, by region	20
LA8	Education, training, prevention and risk control programs	21-23
LA9	Health and safety topics covered by formal agreements with labor unions	19
LA10	Average of hours of training, by year	17



Indicator	Pages
LA11 Programs for competency management and continuous learning that contribute to continuing employability of employees and to assist them in conducting the end of their careers	17
LA12 Percentage of employees who regularly undergo performance analysis	17
LA13 Composition of groups responsible for corporate governance and proportion of employees by category and gender, age bracket, minorities and other indicators of diversity	N/R
LA14 Ratio of basic salary of men to women, by professional category.	N/R
HR1 Percentage and total number of significant investment contracts that include clauses referring to human rights	N/R
HR2 Percentage of Contractors and suppliers evaluated for compliance with human rights laws and regulations and measures taken	62
HR3 Number of employee training hours on policies and procedures relative to aspects of human rights that are relevant for operations	N/R
HR4 Total number of incidents of discrimination and measures taken.	N/R
HR5 Operations identified in which the right to exercise the freedom to associate and engage in collective bargaining may run a significant risk	13
HR6 Child labor	13
HR7 Slave labor	13, 60-61
HR8 Percentage of security personnel trained on policies or procedures of the Organization relative to human rights considered relevant for operations	N/R
HR9 Total number of violations involving rights of indigenous people and measures taken	13
SO1 Nature, scope and effectiveness of programs and practices to evaluate and manage impacts of operations on communities	N/R
SO2 Percentage and total number of business units submitted to evaluation of risks involving corruption	N/R
SO3 Percentage of employees trained in Organization anti-corruption policies and procedures	9
SO4 Measures taken in response to incidents of Corruption.	N/R

Indicator	Pages
SO5 Position taken with regard to public policies and participation in preparation of public policies and lobbies	62
SO6 Total value of financial contributions and cash to political parties	N/R
SO7 Total number of lawsuits due to anticompetitive behavior, anti-trust practices and monopolies and their results	N/R
SO8 Monetary value of significant fines and total number of non-monetary sanctions resulting from non-compliance with laws and regulations	N/R
PR1 Phases of useful life of products and services in which health and safety impacts are evaluated	N/R
PR2 Total number of cases of non-compliance with regulations and voluntary codes related to the impacts caused by products and services in health and safety during their useful life	N/R
PR3 Type of information on products and services required by labeling procedures	48
PR4 Total number of cases of non-conformity with voluntary codes and regulations on product and service labeling	N/R
PR5 Customer satisfaction practices, including results of measurement surveys	49
PR6 Programs for compliance with laws, standards and voluntary codes related to communication and marketing	N/A
PR7 Total number of cases of non-compliance associated with regulations and voluntary codes related to communications and marketing	N/A
PR8 Total number of proven complaints related to violation of privacy and loss of client data	N/R
PR9 Monetary value of significant fines for non-conformity with laws and regulations related to the supply and use of products and services	N/R

\*N/R: No answer

\*\*N/A: No applicable

## GLOSSARY

**Lost time accidents (LTA):** work accidents which require temporary leave of the employee from their activities at the Company.

**No lost time accidents (NLTA):** work accidents which do not require a leave of the employee from their activities.

**Balanced Score Card (BSC):** performance measurement system, used as methodology for strategic management. It is based on four perspectives: financial, client-oriented, learning and internal processes. It seeks to establish goals and align strategic initiatives, plan and translate the company's vision and balance the long- and short-term objectives.

**Benchmark:** a reference in excellence, it is part of benchmarking, a management tool which looks for the best practices in the industry in order to improve performance and achieve superiority in relation to competitors.

**CEO:** Chief Executive Officer, means the person with the highest responsibility or authority in a company.

**Internal Commission for Accident Prevention (Cipa):** group composed by representatives appointed by the Company e members elected by the workers in an equitable manner for the purpose of preventing work related accidents and diseases.

**Carbon Credits:** or Certified Emission Reduction (CER). These certificates are issued to a company which has reduced greenhouse gas emissions by means of a carbon credit project within the scope of the Clean Development Mechanism (MDL), under the Kyoto Protocol. A ton of carbon dioxide (CO<sub>2</sub>) equals a carbon credit or CER. These credits can be negotiated at the international market.

**V Day:** a day dedicated to volunteering. In Brazil, it takes place every first Saturday of December. The participants carry out solidarity actions, which involve non-governmental organizations, private companies and the government.

**Added Value Statement (DVA):** accounting statement which highlights in a brief manner the values related to the generation of income generated by the company at a certain period of time, and its respective distribution to agents which contributed to its generation, such as employees, investors and shareholders.

**Human Rights:** defined as the core rights which allow individuals to have a decent life. They include the right of opinion and freedom of expression, the individuals' right to have a salary compatible with the work they perform, and right to education.

**Ecolabelling:** kind of certification which classifies products and companies according to the measures taken for environmental and sustainability preservation. It works as a reference for consumers.

**Slag:** byproduct from the transformation of iron ore into metal, through the melting of impurities, jointly with the addition of dissolvents and coke ashes.

**Effluent Treatment Station (ETE):** unit for the recovery and treatment of effluent water for reuse.

**Liquefied Petroleum Gas (LPG):** the popular kitchen gas is a mixture of hydrocarbon gases used as fuel for heating. Since it is an odorless product by nature, it receives a sulfur based compound to provide it with a unique smell in order to facilitate leaking detection.

**Natural Gas (GN):** fossil fuel found in spongy rocks underground. It has a number of applications, such as replacing diesel oil, alcohol, gasoline and LPG and it can be used or not in association with oil. Composed by inorganic gases and saturated hydrocarbons, with prevalence of methane gas, and in lower quantities, propane and butane.

**GHG Protocol Brazil:** named after the initials for Greenhouse Gas, it is an international tool also adopted in Brazil for the purpose of understanding and quantifying greenhouse gas emissions. It was developed in partnership with World Resources Institute and World Business Council for Sustainable Development, which provide structure to companies, governments and environmental groups worldwide to build a new generation of programs to fight climate changes.

**Global Executive Development Programme (GEDP):**

corporate program for the development of Company employees, involving among other attributions, potential and performance appraisals, individual development plans, consultation on career perspectives, identification of talents and succession planning for strategic positions and functions.

**Global Reporting Initiative (GRI):** international agreement oriented to the improvement and standardization of the Companies' accounting by means of the following indicators: organizational profiles, social, environmental and economic. They are applicable on a global and voluntary basis by companies willing to disclose their activities, products and services. The G3 version establishes more advanced guidelines, following a world standard for the development of sustainability reports.

**Corporate governance:** it refers to how the companies are managed and the decision-making models, in order to increase company value and contribute to its continuity.

**Group Management Board (GMB):** committee in charge of making the main strategic and investment decisions at ArcelorMittal on a worldwide basis. Under the leadership of the Company's CEO, the committee consists of executives who represent all business segments of the company.

**Hay Group:** global consulting company focused on

business management. It works with company leaders helping them turn their established goals into positive results.

**Instituto Aço Brasil (IABr):** organization which integrates and represents steel producing companies, working in their best interests and for their development.

**Instituto Ethos de Empresas e Responsabilidade Empresarial:** it is a non-profit organization created in 1988 by a group of businessmen and executives from private companies. It is a center of knowledge organization, experience exchange and development of tools to help companies to review their management practices and deepen their commitment to social responsibility and sustainable development.

**ISO 14001:** certification of the International Organization for Standardization (ISO), which establishes guidelines for environmental management of the companies.

**Clean Development Mechanism:** one of the flexibilization processes created by the Kyoto Protocol in order to help in the reduction of greenhouse gas emissions (GHG) or carbon sequestration by industrialized countries which signed the Kyoto Protocol. Countries which for any reason fail to meet the goals of reduction may acquire carbon credits arising from clean technology projects – based mainly on alternative and renewable energy sources – developed in countries that have not signed the Protocol.

**Millennium Development Goals:** a series of commitments listed in the United Nations Millennium Declaration (ONU) of 2000, and adopted by the 191 country-members of the Organization. The commitments, if complied with within the established deadlines, according to quantitative indicators shall improve mankind destiny in this century.

**OHSAS 18001:** standard managed by the British Standard Institution (BSI), oriented to occupational health and safety. It certifies occupational health, safety and hygiene management systems, which strive to improve their performance in compliance with the standard requirements, with focus on accident prevention, risk reduction and people's wellbeing.

**Opacimeter:** instrument used to measure the quantity of black smoke emissions in automobiles.

**United Nations Organization (ONU):** international organization created with the mission of facilitating worldwide cooperation in matters such as security, rights, development, human rights and social development. Founded in 1945 to replace the League of Nations, it consists of 192 countries and has a number of associated organizations to carry out its missions.

**Global Compact:** initiative of free participation suggested by the United Nations Organization (ONU) to stimulate companies to adopt corporate social responsibility and sustainability policies, providing guidelines for the adoption of ten principles related to human rights, labor, environment and corruption.

**National Compact for the Eradication of Slave Labor:** a document signed by companies and associations, which takes the commitment of terminating commercial relations with institutions involved in cases of slave labor.

**Profit Sharing Policy (PLR):** managerial policy in which a company shares among its employees a previously defined portion of its profit. The amount disbursed is calculated on the basis of net revenue.

**Performance Excellence Awards:** award granted to ArcelorMittal in recognition for the best initiatives developed globally within the Group in the areas of Health and Safety, Operational Excellence, Innovation, Client Satisfaction, Margin Generation and Environment and Corporate Responsibility.

**Climate Survey:** survey which measures employees' satisfaction regarding their work environment. It is based on the submittal of information which supports the identification of opportunities for improvement and the development of action plans.

**Gross Domestic Product (GDP):** methodology used to measure the economic activity of a region. It represents the sum of all final goods and services produced in a certain region (country, States, cities) during a determined period of time.

**Kyoto Protocol:** international treaty with commitments towards the reduction of greenhouse gas emissions, with a view to preventing global warming.

**SAP:** management software which facilitates the automation of information that company creates or manages, comprising a number of processes.

**Stakeholders:** people, groups or organizations which are or may be, directly or indirectly, affected by a company's objectives and policies. They are also called relationship groups or stakeholders.

**World Steel Association:** international organization which consists of 180 steel producers worldwide, responsible for 85% of world production.



## Awards and Recognition

Award	Granted by	Awarded Project	Merit
Performance Excellence Awards – PEA,	ArcelorMittal Group	ArcelorMittal Tubarão	Time of operation above blast furnace average, Operational Excellence Category
Performance Excellence Awards – PEA	ArcelorMittal Group	Project “Worthy Age” of ArcelorMittal Cariacica	Space for socialization and reflection, focused on the improvement of self-esteem and life quality, Environment and Social Responsibility category
Falcão Bauer Ecological Seal	Instituto Falcão Bauer da Qualidade (IFBQ) and Instituto para o Desenvolvimento da Habitação Ecológica	ArcelorMittal Long Steel	Environmental labeling program (ecolabelling), which attests to the environmental performance of civil construction products. It indicates that the steel manufactured at the company has a high recycling rate
Second place in the Furnas Ouro Azul award	Diários Associados	ArcelorMittal João Monlevade	Water conservation projects
Award “Good Practices in Education”, category Good Practice of School Management– Reduction of Abandonment/ Dropout	Education Secretariat (Sedu) of Espírito Santo State	Project “School Success” of ArcelorMittal Cariacica	Tutoring and lectures offered by ArcelorMittal volunteers which help decrease dropout rates and increase school performance
Social-environmental management initiatives	Honorable Mention in the Brazilian Environmental Benchmarking Program	Novos Caminhos (ArcelorMittal Tubarão) and ArcelorMittal Brasil Sustainability Program	The seal identifies best practices of sustainability adopted by companies throughout the country.
Presentation in the World Congress (Tokyo)	World Steel Association (WSA)	ArcelorMittal Brasil Sustainability Program	Best practices of sustainability
Third “most sustainable company”, according to the media, of the steelmaking and metallurgy sector	Revista Imprensa	ArcelorMittal Brasil	Development of sustainability practices
(Top 150 Companies to Work With”	Revista Você S/A	ArcelorMittal Brasil	Management of people and benefits offered to employees and dependants
Second place in the Contest Water: the Challenge of Sustainable Development.	Agência Nacional de Águas (ANA)	ArcelorMittal João Monlevade	Water resource management initiatives
Q1 Award	Ford Motor Company	ArcelorMittal Vega	Granted to suppliers with high level of quality of their products and services
18th Award of Ecology Expression (Wild Life Preservation)	Editora Expressão	Biodiversity indicators in the area of ArcelorMittal Vega industrial unit	The Project identified species of wild birds, mammals and plants native from the region.

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