



## Communication on Progress

Year: 2012

### STATEMENT OF CONTINUED SUPPORT

ArcelorMittal India committed to the ten UNGC principles in 2010 and is fully committed to continue its support to UNGC and embed the UNGC principles in our day-to-day functions. UNGC principles are indeed important driving factors for us to operate our business.

It is a matter of pride for us to be a member of UNGC as I believe that the UNGC principles can lead the world towards sustainability where businesses are an integral part of society.

During the reporting year, we have made progress across all the principles of UNGC and I would like to highlight that we have published our first sustainability report at the pre-project itself. The report contains our responses across the UNGC principles and also our commitments for the future. I am directly supervising the progress and am happy to to present a communication of progress.

24/11/2012, Vijay Bhatnagar, CEO,  
ArcelorMittal India

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## Reference of UNGC principles

Principle No.	Principle	Reference page no.
1	Businesses should support and respect the protection of internationally proclaimed human rights	37
2	Businesses should make sure that they are not complicit in human rights abuses	37
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	21
4	Businesses should uphold the elimination of all forms of forced and compulsory labour	19
5	Businesses should uphold the effective abolition of child labour	19
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	18
7	Businesses should support a precautionary approach to environmental challenges	23
8	Businesses should undertake initiatives to promote greater environmental responsibility	24-27
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	27
10	Businesses should work against corruption in all its forms, including extortion and bribery.	42-44



ArcelorMittal

Building foundations  
Corporate Sustainability Report 2011

ArcelorMittal India Limited



## ArcelorMittal Orbit

The ArcelorMittal Orbit is a landmark sculpture, showcasing the versatility and strength of steel. Designed by Anish Kapoor and Cecil Balmond, it is currently being built on the site of the London 2012 Olympic and Paralympic Games, of which ArcelorMittal is a tier two supporter. The ArcelorMittal Orbit will be 114.5 metres tall, with two observation decks, at 80m and 76m. At least 60% of the steel used in the Orbit, which comes from ArcelorMittal's facilities around the world, is recycled from scrap. There are lifts to go up for everyone, and down too for those that need them, although visitors are encouraged to walk down, using the spiral staircase. Situated on the Olympic Park between the Stadium and the Aquatics Centre, the Orbit will be the UK's tallest sculpture.







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## About this report

This is our first corporate sustainability report. The report is in accordance with GRI framework and fulfills the criteria for application level “C” which is third party verified. The report conforms to GRI G3.1 guidelines. This report is for calendar year 2011. Sustainability reporting process will be conducted annually.

**Report content:** The report covers issues pertinent to the pre-project phase of our business and is aligned to the material issues identified at this stage. (pg. 17)

**Report boundary:** The report covers the operations of ArcelorMittal India Limited in India. In this report, we have decided not to report on the joint ventures of the company “Seregarha Mines Limited” and “Rampia Coal Mines Energy Pvt. Ltd.” as the operations of the joint ventures are in preliminary phases. From the next reporting cycle, we shall include them in the report boundary.

**Scope of the report:** The report includes the performance of ArcelorMittal India Limited on economic, social and environmental indicators.

To know more about this report, mail to: [india.sustainability@arcelormittal.com](mailto:india.sustainability@arcelormittal.com)



## Building foundations towards sustainability

Long distance runners, no matter how many marathons they have run, always prepare for a new race from scratch. They stay focused on the basics - diet, nutrition and training - the building blocks of strength, stamina and staying power. It is the same with enterprise.

Businesses too have to build strength and shore up stamina to run every new mile. ArcelorMittal India Limited is in preparation for that long run.

Steel consumption per capita has always been a measure of a country's growth. Brazil's per capita consumption is 123 kg, China 459.8 kg, Russia 292.2 kg, United States 284.5 kg and India's is 57 kg. This is poised to change as the country is moving towards meeting its growing construction and infrastructure needs. To help the nation expand its steel making capacities, ArcelorMittal brings its expertise as one of the world's leading mining and steel company to India.

To produce world class steel for the country's growing needs we are in the process of building foundations. We have invested our initial years in studying the lay of the land and negotiating the unique opportunities & challenges that the nation offers. We have been continuously working on engaging with the stakeholders to understand their expectations as well as perceptions that are inevitably linked to the business of mining and steel production.



2011 has been a defining year for us in many ways. The efforts initiated in the earlier years to enrich our understanding on initiating and operating business in India got strengthened further. The current global market challenges which became louder in the 4th quarter, hasn't been able to impact our growth strategies in a major way.

Our priorities remains unchanged and we are focused to doing business responsibly. As a strategy, we have set out on sustainability as a process and not as a goal. Our long term vision is to be recognized and acknowledged as a responsible company and generate value for the stakeholders. The success of the business will lie on innovation and adaptability to the rapidly changing and ever evolving business paradigms. We will respect the prevalent international sustainability standards to keep ourselves at pace with the change. Our short and medium term priorities are enumerated below:

- Identifying land for industrial purpose which, as far as practically possible, doesn't induce displacement and are uncultivable.
- Give special attention on our engagement with the stakeholders at all levels in a responsible way.
- Understanding the importance of human rights in operating business, we have trained each individual of the organization so that they are prepared to act in accordance with the nationally and internationally accepted norms.
- On the environmental front, since we are not into production, most of such issues are not material as of now, but we are aware of our responsibility and have taken initiatives towards the same. Proactively, we have partnered with Center for Environment Education, Ahmedabad for Ministry of Environment and Forests, Govt. of India for 'Paryavaran Mitra' programme which aims to create 20 million green leaders from schools across India to help the country achieve its commitments on

climate change impacts. This is perhaps the world's largest environment and climate change education programme. Further, we will bring in the best technology available with the ArcelorMittal group to India to have the minimum environmental impacts, along with initiating mitigation measures.

I am happy to share that we have been able to identify and gain partial access to land for the industry in Karnataka, where there is no displacement. A public hearing was conducted at our mining site in Karampada, Jharkhand in which the community welcomed the project. Environmental and social impact assessment studies have started in the reporting year which will lead us to define our future engagement and mitigation plans.

The community development activities carried out during the reporting year are aligned to the Millennium Development Goals and we remain committed to pursue these goals within our defined geographies in the years to come.

Our employees are most critical to the success of business and we are committed to offer good working conditions and career progression to them. Health and safety of our employees and contract workmen is the topmost priority. Since we are not into production, the focus under health & safety issues are related to office working environment. We are committed to work with our suppliers and contractors as well on these issues as and when we get into the construction phases.

We are committed to respect human rights in accordance with our corporate policy. Human rights will remain a very important priority and will define our ways of engagement with our stakeholders. We are already a signatory to United Nations Global Compact principles and remain committed to the ten principles.

We remain committed to adhere to our principles and consolidate our relationships with the stakeholders based on mutual trust and transparency. This shall remain supreme and shall guide all decisions we take towards realizing our vision of 'safe sustainable steel'.

We know that we have to demonstrate our intentions and commitments and walk every step of that last mile towards people with whom we would be neighbours and partners. Along with our word, instances of our conduct too are being shared so that people who want to know more about our way of doing business can see for themselves how we have built our reputation as one of the most responsible mining and steel manufacturing companies of the world. Towards this, as with all our other engagement efforts, we have included in this report not only the work ArcelorMittal India has done in 2011, but also snapshots of what ArcelorMittal group does in other parts of the world to meet its commitments to stakeholders.

This is our first sustainability report and it stands testimony to our commitment to sustainability as we have started to report from the pre-project phase itself. We shall continue to report annually in future every calendar year. This report has been provided independent assurance by DNV; the assurance statement is included in the report.

Our beginnings have been modest but our intent and goals are clear on our approach to conducting business. For us, doing right is the only way to doing well.



Vijay Bhatnagar  
CEO - India

## Integrating with stakeholders

Business is an integral part of society. Both must progress in tandem to achieve the goals of sustainability. Towards this, we take cognizance of our responsibility towards the society and the environment arising out of our nature of business. We understand that an ore is a resource only because of it being put to productive use for the advancement of the society, and acknowledge that there are impacts created as a consequence of business activities which needs to be mitigated by all ways and means.

It is therefore very important for us to continuously engage with our stakeholders to understand issues and concerns and draw our plans taking inputs from them. A stakeholder engagement framework was developed to strengthen our approach in addressing material issues and managing relationships with a range of stakeholders. We have also evolved a localized version of materiality matrix to be more specific in our approach locally.

We also realized the need to be prepared in addressing human rights related concerns particularly associated with the phase of getting access to land and thereafter as well. All our employees have thus been mandated to be trained on human rights starting from 2011.

On the environment front, while the stipulated processes of getting clearances are at various stages, the pan-India programme on climate change education for school students being implemented in partnership with Center for Environment Education for the Ministry of Environment & Forests, Govt. of India, has progressed remarkably. This is our modest attempt to contribute to this global agenda.

Our efforts on community development, though very local specific, are aligned to the Millennium Development Goals. In addition to our Peripheral Area Development Programme, essentially focusing on the areas around our proposed sites, we have a specific programme on Tribal Development in Jharkhand state addressing the need for affirmative action in the state.

Our employees' contribution to volunteering is really inspiring with 43% of our employees contributing through payroll giving and many more contributing by donating time, skills and resources.

We organized a 'CR convention' at the beginning of the year to set-up the sustainability agenda where we received inputs from internal as well as external stakeholders including industry peers, NGOs, environmental organizations etc. The convention culminated into drafting of "India CR Policy" as well as a separate "Community Development Five Year Plan", that includes unique ArcelorMittal India Development Goals which are in line with the Millenium Development Goals as well as Country Development Goals.

The year has been spent on concretizing our understanding and setting forth the future action plans; but more importantly, our modest interventions on the community front have been able to add a few more smiles which is very satisfying.

### India CR core team



Dr. Sumana C. Datta  
Jharkhand



Nilam Lakra  
Jharkhand



Akhouri Mahesh Jee  
Jharkhand



A. R. Chowdhury  
Jharkhand



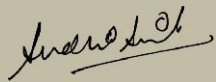
Nagaraju U.  
Karnataka



Ritesh Sinha  
New Delhi



I am particularly happy to be able to develop and present to you our first sustainability report documented at the pre-project phase itself and we are committed to report in future as well.



Sudhir K. Sinha  
Country Head, CSR and R&R



## About ArcelorMittal India Limited

ArcelorMittal India Limited is a wholly owned subsidiary of ArcelorMittal - the world's leading steel company, with operations in more than 60 countries. The company intends to set up integrated steel production facilities in India with a proposed investment of \$ 30 billion. We are in the initial stages of setting up of our business in India. Currently, we have our presence in the states of Jharkhand, Karnataka and Odisha. We have two joint ventures "Seregarha Mines Limited" and "Rampia Coal Mines Energy Pvt. Ltd." which are in a nascent stage of starting operations. The company is privately owned, registered under The Companies Act, 1956 and is not registered in any stock exchange in India.

Through our core values of sustainability, quality and leadership, we are committed to operating in a responsible way with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate. We are also committed to the responsible management of the environment and of the natural resources. We recognize that we have a significant responsibility to tackle the climate change challenge; and we will take proactive measures towards addressing the same.



Map indicative and not to scale

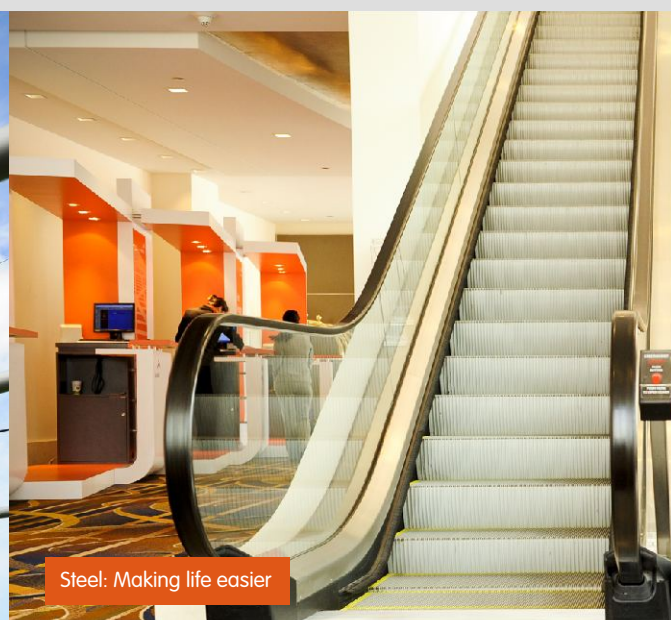
## Performance highlights

Parameters	Five year target (2011 - 2016)	Target 2011	Achievement	Target 2012
<b>Investing in our people</b>				
Human resource policy	Policy to be made & deployed.	Policy to be launched.	Achieved	100% employees to be trained.
Health & safety policy	Policy to be made & deployed.	General health & safety instructions for contractors for proposed plant sites.	Achieved	Stockyard safety procedures to be made.
Training of employees based on skill needs assessment	Regular online and/or classroom trainings to each members of the workforce on direct company payroll as well as on contract.	50% of the workforce on direct company payroll.	Achieved 56% of the workforce on direct company payroll.	1. 60% of the workforce on direct company payroll. 2. Extension of training to workforce on contract.
<b>Making steel more sustainable</b>				
Environment impact assessment	Jharkhand and Karnataka.	Karnataka	Initiated, not completed.	Completing EIA in Karnataka.
Energy audit	New Delhi, Jharkhand and Karnataka.	Maintenance of records for indirect energy consumption.	Achieved	10% reduction from 2011 base on indirect energy consumption; energy audit to be conducted in New Delhi, Jharkhand and Karnataka.
Environment and climate change education to school children	Prepare 20 million children as green leaders from 200,000 schools having knowledge, skills and commitment towards environment.	Reach out to 150,000 schools across all states of India.	156,000 schools reached out; all states covered.	Reach out to 200,000 schools, 20 million children.
Responsible mining	Policy & guidelines; responsible operations.	Conduct public hearing in Jharkhand.	Achieved	Framework for responsible mining to be developed.

Photo credit : wide.lu



Steel: Supporting infrastructure development



Steel: Making life easier



Parameters	Five year target (2011 - 2016)	Target 2011	Achievement	Target 2012
<b>Enriching communities</b>				
Community development plan	Plan to be made and deployed.	Plan to be prepared.	Five year community development plan prepared.	1. Execution of the plan in villages around mining site in Jharkhand. 2. Community development plan for subsidiaries of ArcelorMittal India Ltd.
Capability building	To reach out to 2000 youths; at least 60% engaged in jobs.	Cumulative target to reach out to 650 youths. 60% of the trainees to be engaged in jobs.	Total reached out: 682 youths. 66% of trained youth are engaged in jobs.	Take cumulative reached out to 800 youths. Ensure 60% trained to be engaged in jobs.
<b>Human rights</b>				
Training of employees on human rights	100%	100% of employees on direct payroll.	100% of employees on direct payroll.	1. All new joiners on direct payroll. 2. Extension of training to workforce on contract
Human rights risk assessment	Jharkhand and Karnataka.	NIL		To be conducted in Karampada, Jharkhand.
<b>Employee volunteering</b>				
Employee volunteering	2/3rd of the workforce to be engaged.	40% employees.	Achieved 43%.	55% employees to be engaged.
<b>Transparent governance</b>				
Training on anti-corruption and code of business conduct	100%	100% of employees on direct payroll.	98% of employees on direct payroll.	1. 100% on direct payroll 2. Extension of training to workforce on contract.
Compliances	No incident of non-compliance.	No incident of non-compliance.	Achieved, no incident of non-compliance. identified	No incident of non-compliance.
Disclosure	Annual, in GRI framework & UNGC reporting guidelines.	UNGC Communication on Progress.	UNGC Communication on Progress submitted.	First sustainability report will be published.

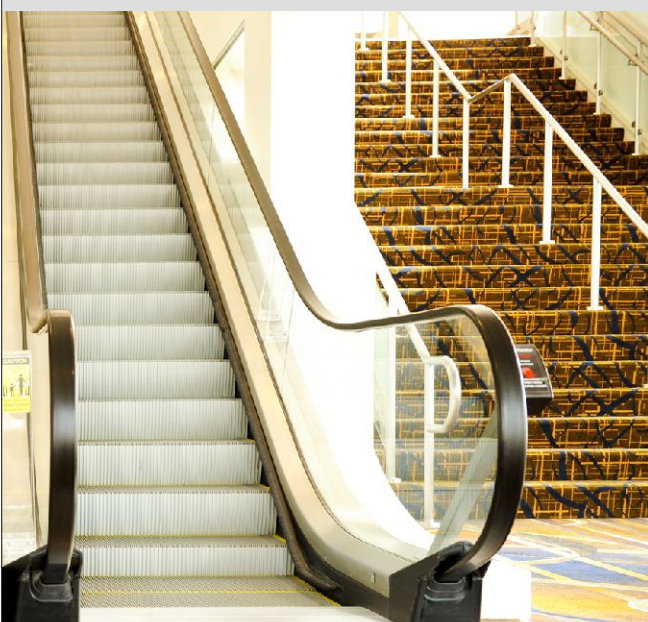
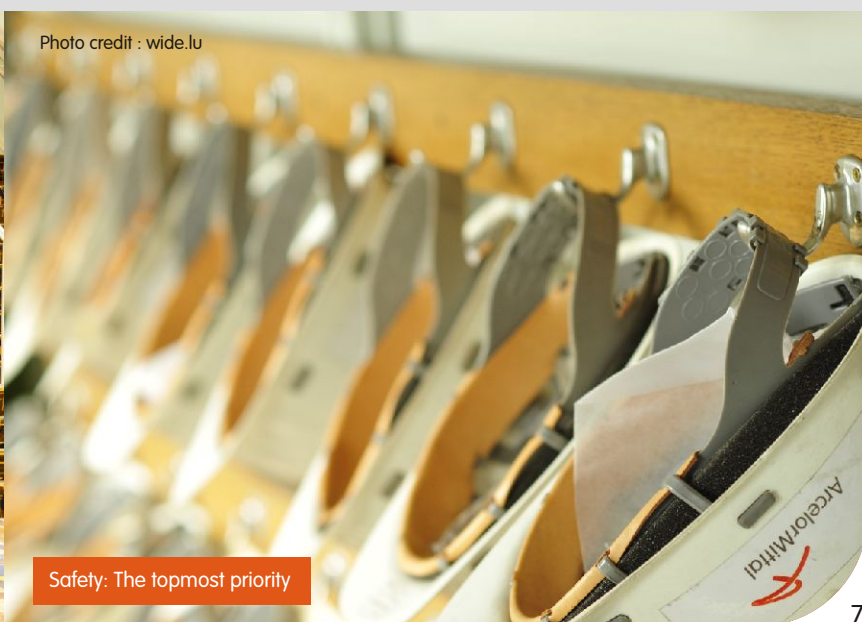
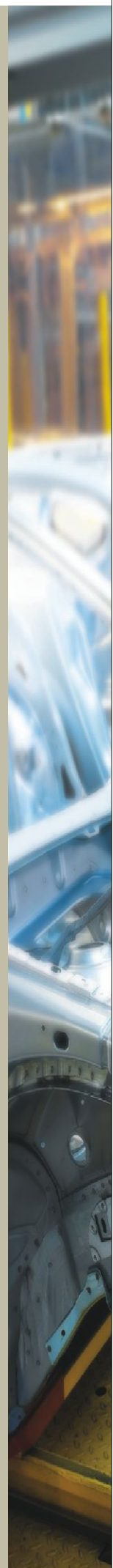


Photo credit : wide.lu



Safety: The topmost priority





Steel: Telling the growth story



## Steel to grow

### The industry of the future

To build bridges across divides and to make highways to progress, the world continues to demand huge quantities of steel.

Today, there is a significant surge in the demand for steel especially in developing countries that are focused on building social and economic infrastructure to usher in better growth and more widespread development.

"Steel is a symbol of progress. In the past 100 years the production and consumption of steel has increased significantly. However, the consumption of steel in India is still below that of many newly industrializing nations. Therefore, steel is as much an industry of the future as it is an industry of the past."

Dr Manmohan Singh  
Prime Minister of India

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aG3t5FE178lo>  
Accessed on 21<sup>st</sup> March, 2012

Steel consumption per capita has always been a measure of a country's growth. Brazil's per capita consumption is 123 kg, China 459.8 kg, Russia 292.2 kg, United States 284.5 kg and India's is 57 kg. This is poised to change as the country is moving towards meeting its growing construction and infrastructure needs.

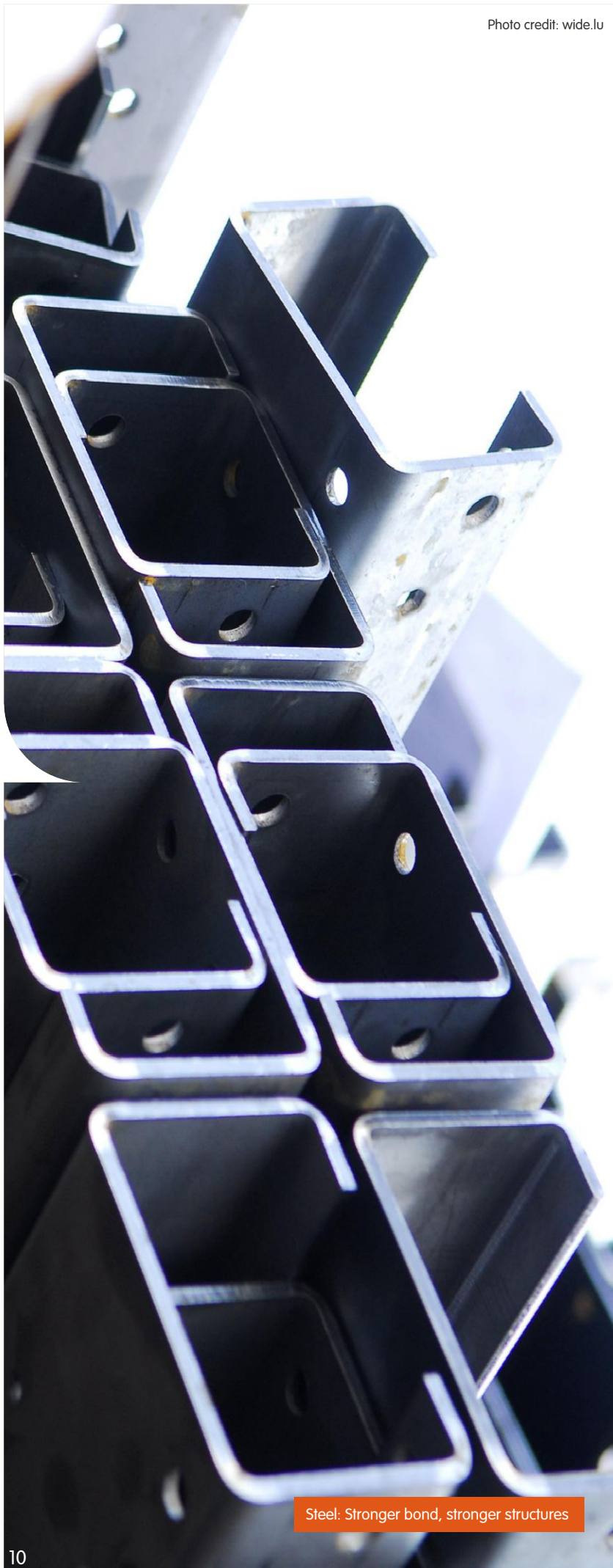
"Currently, steel demand in the country is growing at an average rate of 10%, which may exceed even 12% in near future. In order to meet the demand from domestic consumers, steel production capacity in India must increase at an average rate of 10 to 15%. We have, therefore, a challenging task ahead of us in setting up the desired capacities, within the shortest possible time."

Shri Beni Prasad Verma  
Minister of Steel, at the 5<sup>th</sup> India Steel Summit, New Delhi, July 2011

#### A quick view of ArcelorMittal Global performance in 2011

Crude steel production (tonnes)	91.9 million
Iron ore production (tonnes)	54.1 million
Sales (USD)	\$93,973 million
Net income (USD)	\$2,263 million
Shipments (tonnes)	85.8 million
Investments in research & development	\$306 million

ArcelorMittal is the largest recycler of scrap steel in the world. Each year, it recovers and recycles more than 30 million tonnes of scrap, saving approximately 40 million tonnes of CO<sub>2</sub>.



Steel: Stronger bond, stronger structures

## Safe sustainable steel

### Our mission

Safe sustainable steel sums up everything we are trying to achieve at ArcelorMittal. We want our business to be sustainable in every sense of the word - a business that is profitable and responsible.

ArcelorMittal Global Corporate Responsibility Report, 2010

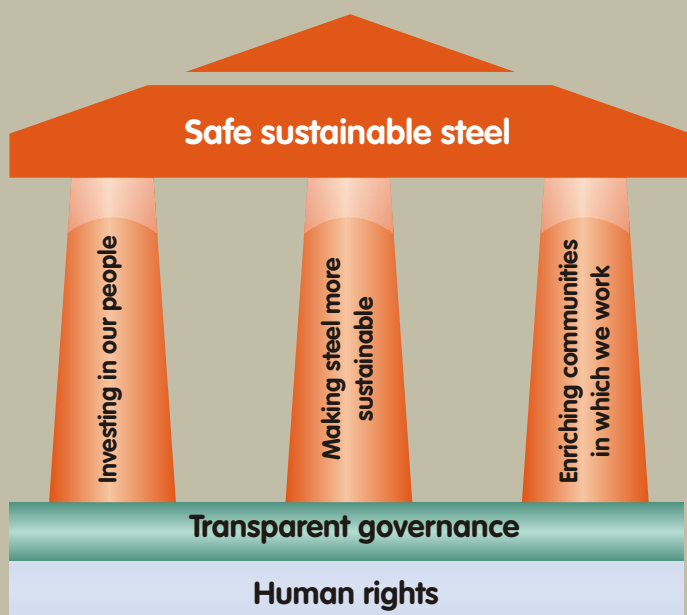
It is well recognised that the quality of the practices and the processes used to produce steel are as important, if not more, as producing quality steel. And it is from this that we derive our mission to produce safe sustainable steel.

ArcelorMittal India Limited inherits this philosophy from the parent company and is committed to following its defined practices for all its operations. To enable this, we have embedded within our operations and governance a full complement of actions that will enhance the positives of steel making and mitigate, as much as possible, the associated negatives.

### Safe sustainable steel for us underlines many responsibilities

Our operations are governed by national and globally accredited norms to ensure the health, safety and well-being of our employees, contractors and the communities in which we work. We acknowledge that mining and steel manufacturing has a fundamental relationship with the planet and it is our responsibility to manage its resources in a responsible way and look after its environment. Towards this, research and development efforts are ongoing at the Group level, to develop breakthrough steelmaking technologies that are creating new products and more efficient processes.





The process of making safe sustainable steel functions at multiple levels and with multi-pronged drivers such as relentless innovation, product & process leadership, and uncompromised quality. A set of policies and guidelines steer our endeavour towards a zero-error performance.

### Norms we are guided by

**Indian laws:** The constitution of India and the laws of the land are the first set of mandates to comply with while making country plans. These include labour laws, environmental laws, forest rights, constitutional provisions on human rights and other regulations of operating in the country.

#### Corporate governance norms:

Guidelines and policies such as the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business, the National Action Plan on Climate Change, Corporate Environment Responsibility guidelines with a special focus on common property resources of forest, land and water, and the national and state Resettlement & Rehabilitation policies are part of our guiding norms in developing our strategies.

#### Global corporate responsibility

**benchmarks:** ArcelorMittal India limited is a member of the TERI Business Council for Sustainable Development, which is a member of the World Business Council for Sustainable Development. We are a signatory to the UN Global Compact, and we discharge our responsibilities as a corporate citizen in compliance with its standards.

#### Community development:

Social development plans made together with local communities are at a strategic level aligned to enable the efforts of the region to achieve its Millennium Development Goals and Country Development Goals. A five-year community development action plan has been formulated which clearly identifies the specific indicators and targets compiled as unique ArcelorMittal India development goals.

#### ArcelorMittal policies and guidelines:

ArcelorMittal India Limited's policies and practices are aligned to a set of Group level policies, codes and guidelines which include a wide range of issues associated with corporate responsibility. (Pg. 42)



"Safe sustainable steel, to us, is our technical, managerial and social capabilities to sustainably grow in business through a transformative process. The cross-generational way of thinking helps us continuously improve on our safety targets and excel in our social and environmental performance. In order to deliver safe sustainable steel, we uphold our commitment to constantly benchmark with the best practices and knowledge available within or outside the company and the sector, and set increased targets in order to raise the bar of sustainability performance each and every time."

Dr. Sanak Mishra  
CEO, Greenfield Projects  
ArcelorMittal India Limited



Steel: Small is critical





## Building and managing relationships

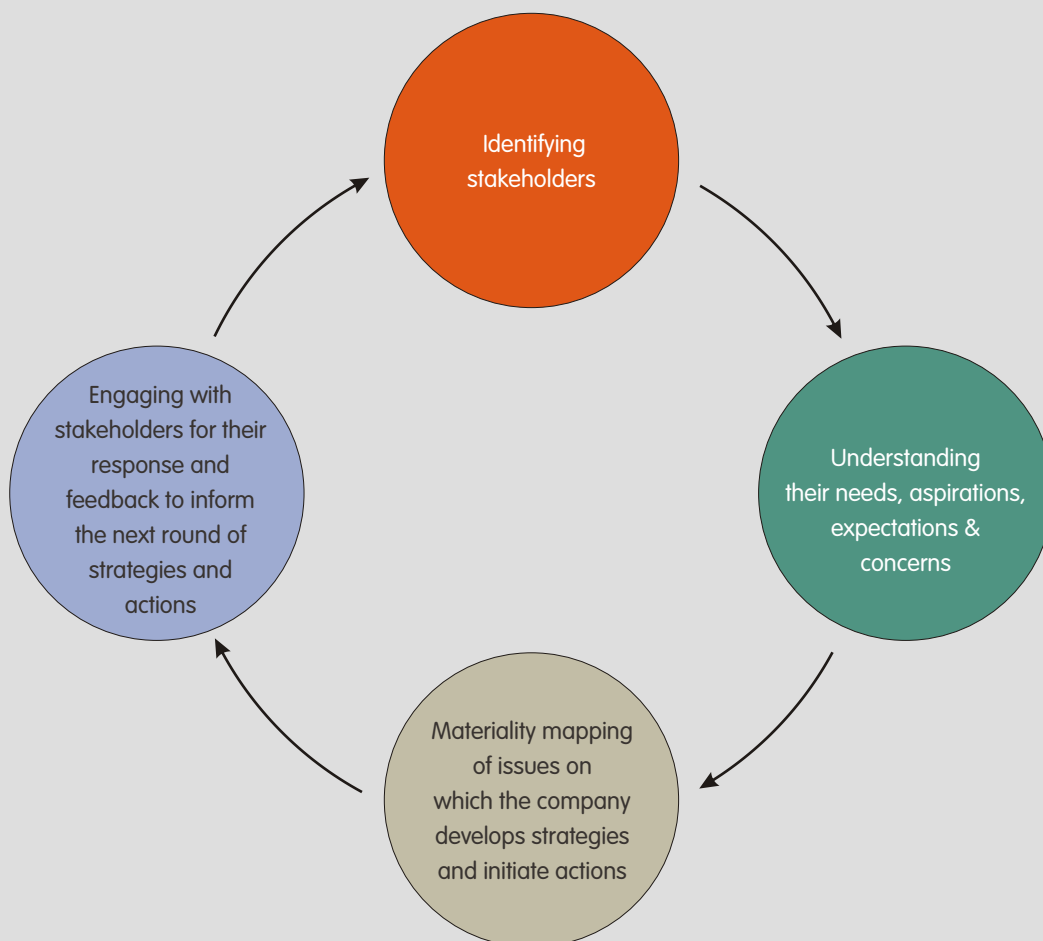
### From stakeholder mapping to action plan

The process of making safe, sustainable steel is a well coordinated mechanism, which is driven by the practice of engaging with our stakeholders - people who are directly or indirectly affected by

or interested in what we do. Understanding the expectations different stakeholders have from the company enables us to set goals and draw up plans that align enterprise needs with

local and regional needs and help to build a responsible and resourceful business.

### The stakeholder engagement cycle



### Process of stakeholder engagement

Stakeholders were identified at each location through consultative workshops with employees and the heads of departments. This was followed by continuous formal and informal interactions with the stakeholders through various

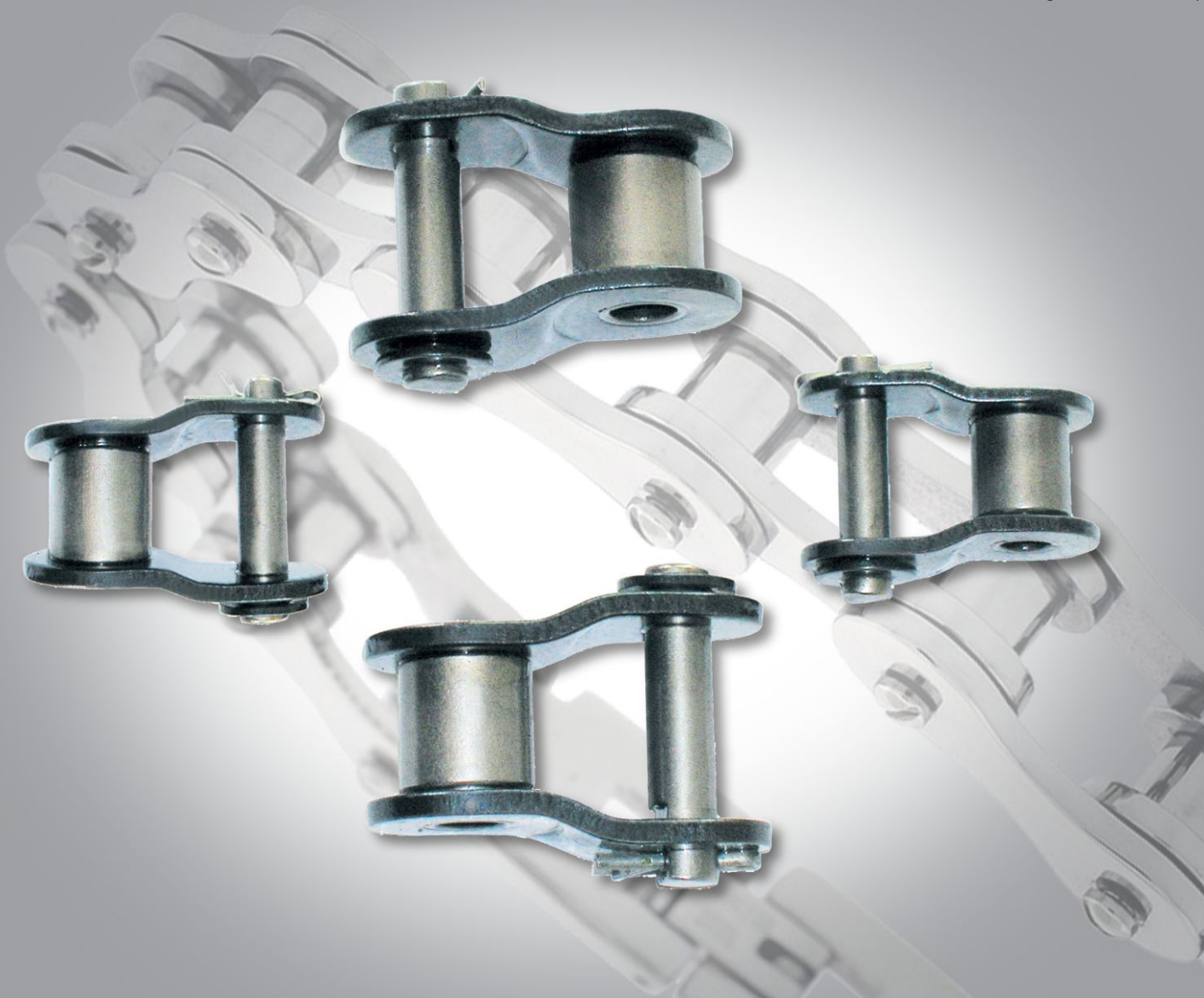
forums to understand their needs, aspirations, expectations and priorities. The engagement activities continued during the year through organizing and participating in various platforms and actions taken up by the company.

## Stakeholder matrix 2011

Parameter/Stakeholder	Local communities	Civil society organizations	Employees
Why are they important to us	Provide essential consensus and social license to operate. Potential workforce and labour supply. Access to local goods and services.	Building community opinion. Have specialized skills and the ability to map community needs. Have existing networks and acceptance within communities for implementation of social projects.	Central to the success of our business by demonstrating responsibility, productivity, quality and leadership.
Why are we important to them	Source of income and livelihood generating opportunities. Support for socio-economic development initiatives.	Partner in development interventions. Support in increased access to vulnerable groups.	Provide a fair, engaging and enriching work experience.
Issues of mutual interest	Resettlement and rehabilitation. Compensation and employment. Change in livelihood pattern. Community development. Pollution control. Access to resources. Increase in income levels.	Managerial and financial support for community development interventions. Social and environmental impact of business. Human rights and sustainability. Indigenous people's rights. Poverty and unemployment. Water and biodiversity.	Workplace health and safety. Remuneration and rewards. Working conditions. Job security. Operational excellence. Attracting employees and talent development.
Mode of engagement	Social action dialogues through community meetings. Socio-economic development projects. Socio-economic impact studies.	Joint site visits for needs assessment. Information sharing through correspondence and responses to queries. Regular one-on-one meetings to review progress and challenges. Forging partnerships for delivery of social projects.	Capability building for continuous improvement. Volunteering opportunities. Newsletters, communiqués and online forums. Proximity meetings with the senior management.
Frequency of engagement	Weekly; as per requirement	Activity/programme based; monthly	Monthly
Outcomes of engagement	Development of communities. Provide and receive feedback. Understanding of needs and expectations.	Effective and efficient implementation of community development programmes. Provide and receive feedback. Positive perceptions for the company. Enhanced reputation.	Employee satisfaction. Well trained employees.



Suppliers	Government & regulators	Media	Multilateral & business organizations
Secure delivery of good value and quality products and services.	Key to providing fair and competitive trading conditions. Licenses and approvals as per legal requirements.	Build and protect our reputation. Raise awareness. Give right information to stakeholders.	Respect and recognition in business domain. Build capacity and drive approaches. Sharing of good practices. Peer learning.
Provide fair access to business opportunities with appropriate service and payment conditions.	Increase steel availability. Generate economic growth through revenues, taxes, fees and product innovation. Job creation. Making investments in social development.	Provide industry trends as well as social, environmental and economic information.	Add to the collective understanding of the steel industry. Promote best practices in responsible and transparent business conduct.
Code of business conduct. Compliance with ArcelorMittal code for responsible sourcing. Quality of product and services. Timeline of products, services and payments. Operational excellence. Sustainability of supply chain.	Social and economic development. Employment opportunities. Attracting investments. Corporate governance. Cleaner and greener activities.	Industry challenges and development. Employment opportunities for locals. Environmental concerns.	Industry challenges. Climate change. Biodiversity conservation. Water consumption. Sustainable development. Health and safety. Human rights, including indigenous peoples' rights.
Awareness meetings on ArcelorMittal standards. Regular dialogues on responsible sourcing and human rights compliances in their units.	Periodic meetings to share information at all levels. On time compliance with all regulatory provisions. Contributing at government knowledge sharing and information forums.	Press releases. Interviews and talks.	Reporting and communication as per guidelines and commitments. Participation in seminars, workshops and other forums. Assisting in development of standards, code of practices, etc.
During signing of contracts; regularly	Regularly; as per requirement	As per requirement	Regularly; as per requirement
Improvement in operational performance. More responsible suppliers.	No issues of non-compliance. Receive stage wise approvals.	Appreciation for the company. Enhance reputation and branding.	Mutual knowledge enhancement. Strong positive perception for the company.



### Materiality mapping

The company has faced and handled different types of challenges typically associated with pre-project phase of industrial development in India. Each matter is of significance and has value in the context of immediate, short-term and long-term impact both to ourselves as well as to our stakeholders. What enabled our decision making was a strategic prioritisation of issues, based on stakeholders concerns & business impacts and assign resources for the year accordingly. The ranking was done through a

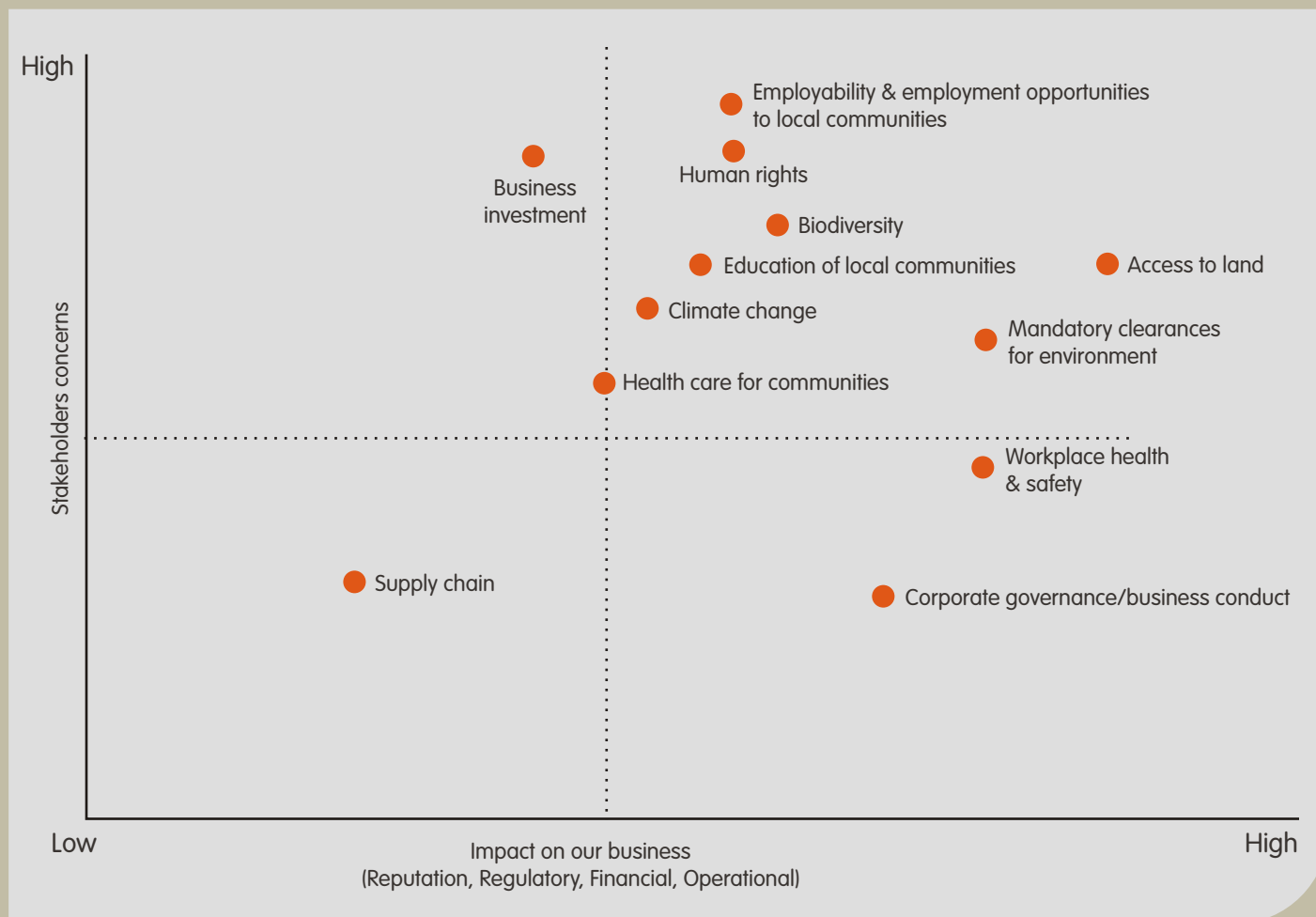
materiality mapping. It identified key issues along with new and emerging ones that need to be addressed on weightage of high to low priority. This was done by taking into consideration:

- The evidences collected and recommendations made by a third party assessment of the potential and the impact of mining and steel making operations.
- The needs assessment meetings with civil society organizations and key opinion leaders in villages.

- The recommendations from local and regional Government officials.
- The experiences and insights of the company's teams on site.
- The laws of the land and corporate responsibility norms.
- The global norms of ArcelorMittal.

Localized versions of the materiality map was also developed to effectively address the stakeholders' concerns locally.

## Issues Materiality Matrix - 2011



The prioritization of materiality reflected a combination of initiatives strategic for the company alongside those addressing key concerns of stakeholders in Jharkhand, Odisha, Karnataka and nationally as well.

As indicated in the materiality matrix, supply chain is of low priority because the company is not into the stage of operations and thus have very limited number of suppliers who are providing goods and services not having high significance. However they will move up in the matrix as soon as the company gets into the stage of construction, for which we are committed to engage with

them. As a proactive measure, health and safety instruction manual for contractors has already been made and will be deployed in future. Guided by materiality priorities, the strategies of the company and the activities designed were underscored by three corporate essentials: They upheld the company's human rights policy, they were in line with the company's transparent governance norms and they were designed to address and mitigate, as far as possible, the impact the business of mining and manufacturing would bring.



"Hundreds of questions were raised by more than 750 farmers who attended the community meeting and the questions were largely about employability of local people and the

compensation they would receive. The people there gave us a clear welcome, but they were also clear that they expected complete transparency from the company."

Narasimha G Hegde  
Country Head - Corporate Affairs &  
Project Leader - Karnataka  
ArcelorMittal India Limited



# Investing in our people

## The commitment

Make every person working with us feel valued and stay safe.

## The way

Fostering productive relations with teams through building their capabilities, initiating dialogue for greater inclusion & representation, ensuring the observance of the ten golden rules of safety, the code of business conduct, and through creating a work environment that assures safety and acknowledges the importance of every employee's quality of life by reconciling the economic objectives of the business with professional and personal interests of the individual.

## Actions taken

### Launch of the India Human Resources policy manual

To institutionalise HR processes across the business, an HR policy manual was developed and launched in 2011. The policies were formulated after benchmarking best HR practices in the industry & in large scale manufacturing organisations, and ensuring their alignment with Group HR policies. The policies were developed through a consultative process that involved all division heads in order to harvest their inputs and feedback. Discussions between key stakeholders and HR helped to understand the business imperatives and people priorities of the leaders which led to a more representative formulation of the policy.

The human resource policy aims to attract, recruit, retain and motivate talented individuals through a rewarding value proposition.

The policy promotes equal opportunities and fair reward system irrespective of gender. The ratio of basic salary and remuneration between gender for members of the workforce on direct company payroll is as under:

Ratio of basic salary & remuneration		
	Female	Male
GMs & above	1.00	1.54
Dy. Mgrs to Sr. Mgrs	1.00	0.99
Officers to Asst. Mgrs	1.00	1.03

The difference in basic salary & remuneration at GMs & above level between gender is because it includes the salaries of Directors. There is no woman Director at present. Difference at other levels is due to factors like qualification, experience, location of posting, etc.

The components of remuneration are basic salary, house rent allowance, conveyance allowance, child education, allowance in lieu of superannuation, special allowance, leave travel allowance, meal vouchers, medical reimbursement and statutory contributions.

In case of the members of the workforce on contract, there is no variation based on gender - all statutory wages are provided.

### Total workforce by employment type as on 31. 12. 2011

	Total no. of employees			Permanent			On contract		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
New Delhi	22	6	28	21	6	27	1	0	1
Jharkhand	26	3	29	19	3	22	7	0	7
Odisha	5	0	5	5	0	5	0	0	0
Karnataka	7	1	8	3	0	3	4	1	5
Total	60	10	70	48	9	57	12	1	13

### Total number and rate of new employee hires and employee turnover

Description		
Total no. of employees (as on 31. 12. 2011)		70
Total no. of new employees hired between 1. 1. 2011 and 31. 12. 2011		8
Rate of new employees hired between 1. 1. 2011 and 31. 12. 2011		11.4%
Total no. of new employee hires left between 1. 1. 2011 and 31. 12. 2011		Nil
Rate of new employee hires left between 1. 1. 2011 and 31. 12. 2011		0%
Total no. of employees hired (between 1. 1. 2011 and 31. 12. 2011)		
By age	Nos.	Rate
1. Under 30 yrs	5	26.3%
2. 30 - 50 yrs	2	5.4%
3. 50 yrs and above	1	7.1%
Total no. of employees hired (between 1. 1. 2011 and 31. 12. 2011)		
By gender	Nos.	Rate
1. Male	8	13.3%
2. Female	0	0%
Total no. of employees hired (between 1. 1. 2011 and 31. 12. 2011)		
By region	Nos.	Rate
1. New Delhi	6	21.4%
2. Jharkhand	1	3.5%
3. Odisha	0	0%
4. Karnataka	1	12.5%

All legally required benefits are provided to members of the workforce on direct company payroll as well as on contract.

Retirement benefits in the form of gratuity, provident fund and leave encashment are provided as per legal requirements.

ArcelorMittal India Limited pays competitive wages based on a market study conducted by a third party which covered compensations in general as well as sector specific. The compensation paid to all the employees is higher than the minimum wages applicable anywhere in the country.

There is a provision for providing severance pay depending on the age & years of service to any employee to support in transition of employees who are retiring or are terminated.

## Trainings & conferences

The focus during the period under review was on the orientation and capability building of the teams across the country in various functional and generic domains. A total of 696 manhours of training were conducted benefitting

32 employees. Trainings included language learning (Spanish and French), understanding and promoting sustainability & corporate responsibility, human rights, functional trainings on mining and steel

manufacturing, IT, finance, sales and marketing, human resource management, leadership and strategic insight building, and business efficiency & processes.

## Global highlights

### ArcelorMittal University

The ArcelorMittal University is the nucleus of all the learning & development initiatives at ArcelorMittal. It has six domains, each with its own subset of specialities that enables teams to keep abreast of new developments within the industry, and helps build expertise, aid innovation and stay aligned to non-negotiable business conduct and compliances.

The career development domain focuses on building a talent pipeline and functional leadership.

The induction domain develops orientation and induction tools for new recruits that enable them to understand their roles and responsibilities and align their goals with that of the company's to produce safe, sustainable steel.

Proactive learning initiatives comprise thematic conferences, watch and learn opportunities and self learning modules.

Functional academies: The university has 11 functional academies: sales & marketing, research & development, purchasing, IT, internal assurance, human resources, health & safety, finance, steel, risk and legal to help build core business expertise.

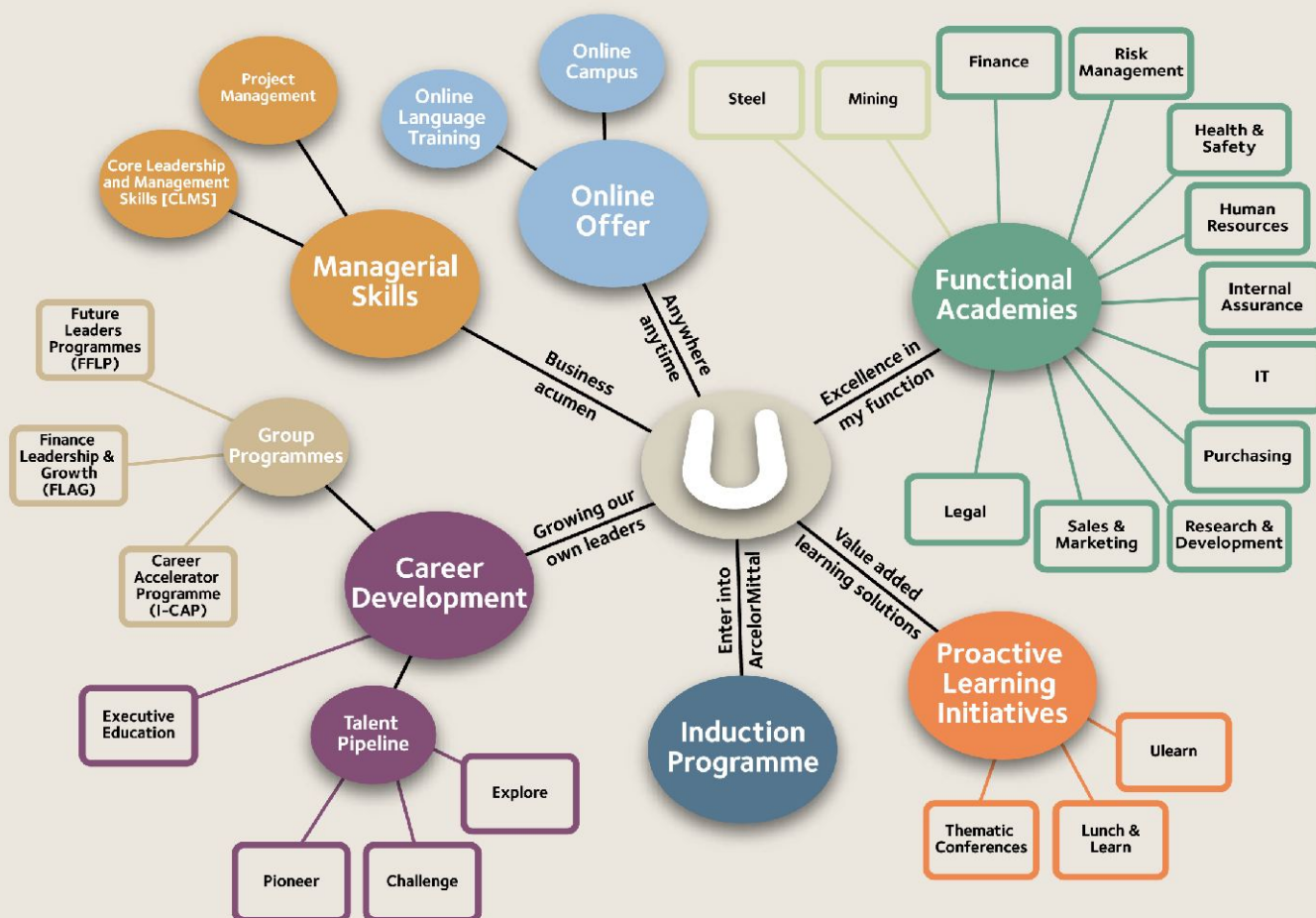
Online offers: These are learning & development initiatives to help teams across geographies benefit from virtual learning technologies cost effectively. It has an online campus that has thousands of online courses and job aids that can be accessed any time from any location. It also offers online language training to help employees transfer to businesses in different zones.

Managerial skills initiatives help to build leadership and business acumen among our people being groomed for leadership.



A training session in progress





**Average hours of training per year per employee by gender and employee category**

Band	Total no. of employees	Total hours devoted	Avg. hours per employee
Gms and above	17	200	11.8
Deputy Mgrs to Sr. Mgrs	21	432	20.6
Officers to Asst. Mgrs	19	64	3.4

**Average hours of training per year per employee by gender**

Gender	No.	Total hours devoted	Average hours per employee
Male	48	548	11.4
Female	9	148	16.4

Employee training at ArcelorMittal India Ltd. is one of the core workplace strategies that helps employees meet their aspirations of professional as well as personal growth. It helps company too in many ways, such as lower attrition, remaining competitive etc. Online training access to all employees in managerial grade is provided which they can undergo in alignment with the identified training needs. Apart from this, specific internal and external training courses are also organized from time to time. The company also encourages employees to take up advanced education opportunities while being at work. Training will be extended to workforce on contract from next reporting cycle.

### Performance reviews

All the members of the workforce on direct payroll of the company receive regular performance and career development reviews, irrespective of gender.



A learning organization is a growing organization. I have a strong belief that the company which creates a culture of learning and development will witness long-term success. With existing facilities at ArcelorMittal University, I am sure we will continue to innovate and introduce newer & better products and processes – the key to success.

Subir Khasnobis  
CEO, ArcelorMittal Design & Engineering Centre (P) Ltd.

### Proximity meetings

ArcelorMittal India has an open door policy to encourage colleagues across levels to engage and interact on business decisions and share knowledge. The company has instituted proximity meetings where the CEO and senior management are available to jointly discuss and take queries and suggestions from team members across the different locations.



"ArcelorMittal in India is growing its teams with every technical, human resources and motivational enablers to assist colleagues across the country not only to rise to the occasion in the face of challenges and keep the company's reputation intact, but also become proud champions of a truly responsible and effective way of doing business."

Aparnesh Pal Singh  
Head, Human Resources  
ArcelorMittal India Limited

### Health and safety awareness

"Becoming the safest metals & mining company is the core tenet of our business strategy. My conviction is that safety is the foundation of sustainable financial performance."

-L N Mittal  
Chairman & CEO  
ArcelorMittal

Health & safety is the topmost priority for the company. At this time, there are no production facilities and hence the risk of employee exposure to industrial risks and hazard is low. Yet, the company is committed on health & safety at workplace. Consequently, continuous

and regular programmes were conducted during 2011.

Some of the initiatives were:

- Reinforcement of health & safety as the topmost priority through video of Mr. L N Mittal
- Session on fatality prevention
- Session on general health care
- Session on stress management
- Introduction to industrial medicines, occupational health and oncology
- Session on medical emergency response
- Session on office safety
- Employees medical checkup camp
- Session on ergonomics
- Session on road safety

- Session on positive thinking
- Session on yoga and meditation

Employees were also encouraged and facilitated to participate in sports and fitness activities through sports club facilities.

A general health and safety instruction manual was developed for contractors to minimize health and safety risks during project execution.

100% of the workforce is represented in the health & safety committees.

Health and safety camps were organised across all locations which included medical check up of employees, eye camps, diet consultation, lifestyle counseling etc.



Fire extinguisher demonstration



Employees health check-up camp



Photo credit: wide.lu



## Making steel more sustainable

### The commitment

Aligned to the group vision, marshall expertise to develop cleaner processes and greener technologies-technologies that use less natural resources, less water, less energy, emit less CO<sub>2</sub> and conserve local biodiversity wherever possible to reasonably mitigate the impact our operations may have on the environment.

### The way

All business decisions are screened through several responsibility and impact parameters, a primary one being how it will impact the environment and the habitat of people, flora and fauna.

### Actions taken

#### Getting environmental clearances from governments and the people.

##### Karnataka

Plans for mining and setting up of a steel plant in Bellary have been submitted for environmental clearances. Towards this the legal due processes mandated by the government agencies including the environmental impact assessment are underway.

##### Jharkhand

In compliance with environmental and forest regulations the following statutory activities have been undertaken:

Karampada iron ore mining lease I: Consent to establish from the Jharkhand State Pollution Control Board has been obtained for mining at Karampada. The consent was awarded after a public hearing in which the community welcomed the project. The Expert Appraisal Committee of the Ministry of Environment & Forests, Government of India has recommended the project for environmental clearance. In compliance with the "Scheduled Tribes & Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006", a gram sabha (village meeting) was organized under the supervision of the district administration. A no objection certificate under the act has been obtained.

##### Seregarha Coal Block I:

Permission has been obtained from the Ministry of Environment & Forests, Government of India, for conducting exploration drilling in the coal block. The exploration activities started in June 2011 and is going on.



"We are increasingly aware that our conduct on site is being watched and monitored by people and regional stakeholders of the company. The surest and most effective way to setting up a robust mining operation is to engage with the people and institutions that will be directly impacted by mining. For the long run there is just no wisdom in taking short cuts."

M P Singh  
CEO, Mining  
ArcelorMittal India Limited

#### Indirect energy consumption by primary source

Location	Energy consumed (Gigajoules)
New Delhi	615.99
Jharkhand	92.86
Karnataka	94.25
Odisha	95.64
Total	909.56

The indirect energy consumption has been calculated taking into account the electricity consumed in all our office premises through the electricity supply

from respective state electricity boards or corporations.

1 GJ = 277.78 kWh



## Paryavaran Mitra

### Creating environment champions

Paryavaran Mitra (Friends of the environment) is a sustainability and climate change education programme that intends to create 20 million friends of the environment from 200,000 schools from across India. It is a partnership between ArcelorMittal India Limited and the Centre for Environment Education for the Ministry of Environment & Forests, Govt. of India.

The project builds on "Kaun Banega Bharat Ka Paryavaran Ambassador (KBPA) or who will become the environment ambassador of India" campaign which was launched on 5th June 2008 by Her Excellency Mrs. Pratibha Devisingh Patil, President of India, through which Dr. A. P. J. Abdul Kalam, former President of India, was voted by school students as environment ambassador of India, which he gracefully accepted. Students from more than 70,000 schools participated in voting for their choice.

The aim of the Paryavaran mitra programme is to groom India's future generation with knowledge, commitment, potential and environmental leadership qualities so that they can champion environment friendly behaviour and sustainable lifestyle actions in their spheres of influence - schools, families and communities.

The approach of the programme is to develop and reinforce partnerships and networks for maximization of impacts of the programme. Students participating in it have to take at least one action project in each of the five thematic areas - water & sanitation, energy, biodiversity & greening, waste management and culture & heritage.

The programme, launched in July 2010, has now successfully reached out to 156,000 schools across the country through a large networking effort that includes partnerships with Education Departments, the National Green Corps, the Sarva Shiksha Abhiyan, the State Council of Educational Research & Training (SCERT), The Tribal Research and Training Institute, UNESCO Club, the Army Group of Schools and many other national and state level bodies working on education and environment issues.

Booklets with action ideas and other learning materials have been produced and disseminated to schools. Events such as the World Environment Day, the Earth Day Network, programme launch, teachers' training, etc. have been organized across the country which provided opportunities for learning and action.

#### School details

Enrolled	156,000
Reached	120,000
Schools completed activities on all five themes	7533
Teachers oriented	12941
Master trainers	674

#### Resource material

Languages	13
Printed & distributed	120,000

#### Partnerships

Government	53
Others	33
NGOs	79

#### Events

National level	3
Regional level	6



Jammu & Kashmir has adopted a mixed strategy of NGC, Education Department and through NGOs. Partnerships have been established in all these fronts. Events have been celebrated and are well documented in the local media.



Group activity at the Master Trainers' orientation in Chandigarh, Punjab. The programme is being implemented with the support of the National Green Corps in the state.



The strategy for implementing Paryavaran Mitra is to involve the existing network of 6000 NGC schools of Rajasthan.



In Haryana, the programme goes out to schools in partnership with Department of Education.



The programme is showcased at several national and international forums in the capital. The strategy has been to work with school networks like the UNESCO Club member schools, NGC and with NGOs.



The programme goes out to all NGC schools in the Gujarat through the District Coordinators.



The programme was launched on 24th July 2010 by Dr APJ Abdul Kalam in Ahmedabad, Gujarat.



Paryavaran Mitra kickstarted in Chit with a weeklong Paryavaran Mitra Painting workshop on Earth Day 2011.



In Maharashtra the circular from the Directorate Secondary Education went to District Education Officers to carryout material distribution and orientation.



Paryavaran Mitra goes out majorly in the NGC network in the two districts in Goa.



In partnership with the Sarva Shiksha Abhiyan the programme goes out to 8000 schools through the Block Resource Centres who will enroll, orient and report in the programme.



The Paryavaran Mitra programme in Kerala has been initiated in partnership with the Kerala State Council for Science, Technology and Environment (KSCSTE).

# Paryavaran Mitra

**HAND PRINT**  
Action Towards Sustainability



Himachal Pradesh also adopts a mixed strategy similar to J&K. NGO partners involved have statewide reach. Partnership has also been established with the Education Department and SCERT.



In Uttar Pradesh the programme goes out in partnership with NGOs who enrol, guide activities, monitor, and report in the cluster of schools.



In Bihar the programme goes out in the NGC network and with the Education Department on board trainings are in full swing.



In Sikkim, schools will be reached out in partnership with the Nodal agency, Department of Forests, Environment and Wildlife, Sikkim. Local NGOs will help in monitoring 100 schools per district.



All 5207 NGC schools of Assam are being targeted along with a partnership with the Sarba Shiksha Abhiyaan's 3000 Saturday Club schools.



Schools under NGC were the main target group of schools in Nagaland in 2010-11.



NGC schools were the main target group in Tripura



9 DIMCs of Manipur will help in reaching out to 1350 NGC schools. Additional 50 non-NGC schools will be reached out through DIMCs.



The programme was launched in Jharkhand on Child Rights Day in November 2010. It covers 5000 schools under the NGC programme.



The strategy in Chattisgarh is to reach schools, is in partnership with NGC and several NGOs in the state.



In Orissa the programme is being implemented in joint collaboration with CEE Orissa State Office and Centre for Environmental Studies (CES) the NGC - State Nodal Agency



Directorate of School Education partnership has been established in West Bengal along with several NGO partners.



Schools are being reached out in partnership with Mizoram Pollution Control Board.



School activities are on in full swing in Andaman & Nicobar Islands.



24000 schools under the Sarva Shiksha Abhiyaan carried out Paryavaran Mitra activities like growing vegetables in the school backyard, celebrating eco-festivals, repairing taps and saving water, energy audits, etc.



Implementation in Madhya Pradesh is a three-pronged strategy of NGC, SGP, NGO partners and local partnerships.



2010



Implementation of the programme in Tamil Nadu in 2010-2011 happened through the existing NGC network in a statewide competition mode.

The Hand Print of the best 22 Paryavaran Mitra schools :

Energy saved (units)	10,914
Waste collected (kg.)	626
Trees planted (numbers)	2523
Water saved (litres)	5,279



The Paryavaran Mitra National Event for 2011 'Exploring and Discovering Goa' saw participation from 68 schools that showcased their action projects and acquainted themselves of the natural and cultural heritage of the state.



School children in the age group of 11-15 years are participating in the programme. It has been envisioned that these children will remain in the society as 'green leaders' and will have the potential and commitment to meet the challenges of environmental sustainability in their spheres of influence. State level strategies have been

formulated and implemented in alliance with the pollution control boards and/or education departments. The first set of schools are those who are already part of the National Green Corps programme of Ministry of Environment and Forests. Regional events have been organized across India to launch the programme. Teachers' orientation is being organized at district/cluster level to orient the

teachers on driving the programme at the school level.

The initial reports are encouraging in terms of the action planned and completed by the students.



Dr. A. P. J. Abdul Kalam planting a tree



Programme launch in Jharkhand by His Excellency the Governor of Jharkhand, Shri M. O. H. Farook



Mr. Vijay Bhatnagar, CEO, ArcelorMittal India Limited, calculating his individual carbon footprint

## World environment day

The World environment day is observed worldwide on 5th June to generate awareness on the issues of environment. A theme is selected by United Nations Environment Programme keeping in mind the current priorities and UN focus. The United Nations Environment Programme decided 'Forests: Nature at Your Service' as the theme of 2011 celebrations with India as the global host of World Environment Day 2011. The theme underscores the intrinsic link between quality of life and the health of forests and forest ecosystems. The World environment day theme also supports this year's UN International Year of Forests. Since India was the global host for celebrations, ArcelorMittal India Limited observed the event from June 6 through June 10, 2011.

All employees in India were given individual kits containing information materials related to environmental issues like safe use of plastic bags, management of noise, rainwater harvesting, energy conservation etc.



The kits were made available through the National Safety Council, India. An awareness generation campaign was organized across all the offices through display of posters and banners on various themes related to environment. A slogan writing competition was also organized for employees and their family members. There was an overwhelming participation with 66 slogan entries

received from 37 participants during the week long competition. A documentary film was showcased in New Delhi office on environment and climate change. A demonstration session on solar lantern and a scrabble competition was also organized at New Delhi office. The attraction of the weeklong celebrations was a 'Carbon Footprint Calculator Kiosk' which was installed

during the week. Employees in New Delhi calculated their individual annual carbon footprints. A one day workshop on environment was organized by CR team at Ranchi. The focus was on water harvesting and utilization model for urban buildings and responsible mining. A quiz competition on environment was also organized for the employees.

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The company spent ₹ 27.2 million as prevention and environment management costs during 2011.

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## Global snapshots

Africa: In Liberia the reserves of iron ore are in the remote, eco rich Nimba Mountains considered one of the top biodiversity hotspots of Africa. As recommended by a third party environmental assessment agency and the community, a compensatory programme to conserve the biodiversity in the forests through community-based resource management and the development of local agricultural systems is being deployed.

France: The factory at Fos-sur-Mer is working with a biological survey centre to conserve Mediterranean wetlands; and Basse-Indre has helped rehabilitate mud flats north-east of the plant which now serves as a habitat for wildlife.

Work with the French Environment Agency is in progress to develop solutions for treating contaminated soil at former industrial sites.

Canada & USA: ArcelorMittal is funding the 'Sustain Our Great Lakes' programme, which is a partnership between the US Environmental Protection Agency and other government departments. 25 projects were selected to help protect and restore the Great Lakes' vital aquatic and terrestrial environments.

## Breakthrough technologies developed for a greener planet

With energy and resource efficiency in mind, ArcelorMittal is developing new forms of high-strength lightweight steel that can reduce car weight by 20-30 percent. It means they use less fuel and emit less CO<sub>2</sub> without compromising the safety of the passengers.

Lightweight steels in the construction market enable larger spans for bridges and provide high mechanical resistance performances while requiring fewer raw materials for their construction, making them more environment friendly.

## Achievements

- 98% of steel industrial operations are ISO 14001 certified.
- 30% of our manufacturing is from scrap based steel production.
- The company has the target to reduce CO<sub>2</sub> emissions by 8% (170 kg per tonne of steel from 2007 baseline) by 2020.

The benchmarks set by ArcelorMittal operations across the world will be followed once mining and steel operations commence in India.

## Enriching communities

### The Commitment

Every ArcelorMittal India Limited operation upholds the Group commitment to integrate the expectations of the local community and other stakeholders into its business process.

It will contribute to local economic development by creating and providing jobs, and opportunities for local businesses to associate with the company. Community development programmes will focus on thematic areas of capability building, livelihood & environment.

A community development engagement five-year plan was formulated containing specific targets under each of the thematic areas.

### Actions taken

#### Working locally with communities and civil society organizations

When it comes to working with the community, the company's efforts are more oriented to support and complement existing institutions that

have been set up for various developmental purposes.

This is done for two reasons:

- To harness the existing expertise of the institutions as well as enable communities to get benefits sooner as no time is lost in setting up new implementation networks.
- To fill resource and technical gaps within them, so that they are strengthened to do more and offer better services.

#### Capability building for improved incomes and sustainable livelihood

The demographic dividend of India in terms of a young and productive workforce is as much a reality as is the fact that there is more unskilled labour than there is skilled human resource.

In line with the needs expressed by local stakeholders, and the ongoing nationwide efforts of the government and corporates to ensure young men and women develop employable skills, ArcelorMittal India is driving skill building efforts for the local population in Jharkhand and Odisha.

A detailed skill-market scan was conducted and a list of skills were identified.

The need to make the programmes gender equitable came out loud & clear. Special attention has been given to ensure that women are given training opportunities. An example of this is the Auxiliary Nurse Midwife and women security guards training to ensure over 44% representation of women in the list of youths trained.



Youths undergoing industrial training, Jharkhand



"NGOs and local authorities know the landscape, the needs and the aspirations of the people, and more importantly they

have an existing implementation network that reach services to people faster. It is both an effective and efficient use of resources, compared to setting up parallel structures at any given place."

P. S. Prasad  
General Manager, Mining  
ArcelorMittal India Limited

#### Percentage of operations with implemented local community engagement, impact assessments and development programmes

	Community engagement	Impact assessment	Development intervention
Jharkhand	Yes	Yes	Yes
Odisha	Yes	No	Yes
Karnataka	Yes	No	Yes
%	100%	33%	100%

#### - Industrial technical skills

Multiple trades are being covered through one-year and two-year courses as per National Council for Vocational Training (NCVT) and National Institute for Open Schooling (NIOS) curriculum. The trades vary from courses like welder, fitter, machinist, electrician to computer application, tailoring, secretaryship, etc. The training is conducted at Don Bosco Industrial Training Center, Ranchi & Rourkela.



"I'm learning to be good at welding. I see myself becoming a supervisor soon. This opportunity to learn a trade has changed my life."  
Sachin Sonmazi, 21 years old, Turundu village, Gumla District, Jharkhand.

- An Auxiliary Nurse Midwife course of 18 months duration for tribal girls is being organized in Jharkhand.

While 19 girls have completed the course and all of them are placed, another 39 girls are currently undergoing training. In Odisha, 24 girls are currently undergoing the ANM course.

- Men and women have been trained in physical endurance and martial arts to qualify for security guard services that are much in demand.

- Vocational training programmes for youth are being conducted in partnership with several agencies. The courses cover trades such as mobile phone repairing, hairdressing, carpentry, motor driving, motorcycle repairing, home nursing, computer applications and so on. Since 2008, 682 young people have been trained. 473 youth have completed training and two-thirds of them have already got employment or are self-employed.

To assist trainees in getting early placements, the company is helping some of the training institutions as well.



"Our focus continues to be on capability building and livelihood enhancement keeping in mind the needs of the labour market as well as the emerging needs due to industrial development of the locations."

Anant Badjatya  
Managing Director  
ArcelorMittal Distribution Solutions

The activities taken up by the company has had positive indirect economic impacts. 313 youths are gainfully employed as a result of the employability training which would be supporting more than 1000 individuals.

Livelihood training initiatives	No. of youths completed	No. of youths engaged in jobs	% of youths employed	No. of youths under training	Total youths benefited
Industrial technical skills	215	115	53%	146	361
Auxiliary nurse midwife	19	19	100%	63	82
Vocational skills	228	168	74%	0	228
Hair dressing for the differently abled	11	11	100%	0	11
Total	473	313	66%	209	682

## Proud and standing tall

Shanti Lohra guards the Jharkhand State Museum today. A year ago her mother and she were dependent on daily labour and did not know where the next meal was coming from. The three-month residential security guard training sponsored by ArcelorMittal India Limited made all the difference. The course not only helped improve her strength and stamina, but also made her

confident and secure as well.

"My mother doesn't have to look for back-breaking work anymore. After so many years of my father's death I can now take over the responsibility of running the home from my mother. This would not have been possible without the course and the help I received to get the job."

Shanti is one of the girls who has undergone the security guard training from her village. These girls are now seen as role models in their communities.





## Higher education for a brighter future

As part of its long-term vision to build regional human resource capabilities, the company is supporting high school students in government and private schools to continue their education and pass state level examinations.

Tutorial classes after school are organised in mathematics, language and science for students who need academic support in these subjects. These classes are sponsored by the company and conducted through teachers screened by the team. As a result of the efforts in one school in Bellary, Karnataka, the number of students passing class 10<sup>th</sup> exams with more than 70% marks increased by more than four times.



Coaching class, Karnataka

Scholarships for students with talent but who lack the resources to study further and are at a risk of dropout from secondary school education, are being provided through local NGOs and schools.

### Mainstreaming girls into schooling

Only about three out of every 10 girls who enrol into Standard I actually complete Standard X. This is a country average. While the female literacy rate of the country is 65.46% (census 2011), Jharkhand and Odisha have a female literacy rate of 56.21% and 64.36% (census 2011) respectively-lower than the country's average.

The situation is worse in tribal areas where access to high school per capita is limited and drop outs and 'left outs' (girls who never had an opportunity to enrol in a school) are high.

To bring drop outs and girls who have never attended school before into mainstream formal schooling, the company organized a residential bridge course programme for girls identified through local NGOs. All 100 girls who underwent the course have been

successfully enrolled into formal schools.

### Bridging digital divide

ArcelorMittal partnered with Hole-in-the-wall education limited (Hiwel) to bring in this unique and award winning concept towards new-age education. Hiwel is a joint venture between NIIT Ltd. and International Finance Corporation and facilitates unconditional access to computers. In its endeavour to positively impact learning outcomes in elementary education and computer literacy, hiwel also addresses the digital divide and school dropout rate, and works towards providing effective and interesting teaching-learning experience.

The computer systems were installed in five schools in tribal areas of Jharkhand and the first year result shows improvements in learning levels, interest, school attendance, etc. The project is for three years duration after which it will be handed over to the community for operations.

Educational initiatives	Students
Coaching classes	1137
Merit scholarships	23
Bridge school for girls	100
Hiwel (approx.)	500
TOTAL	1760



Children using Hiwel computer learning station, Jharkhand



"For my friends and me, completing high school was a distant dream. Because family circumstances had forced us to drop out we did not think we could go back to school again. But we have, and we have also passed our matric (Standard X) exams. The classes were most helpful." Rebati Mohanta, Bhrungrajposhi village, Keonjhar district, Odisha

### Healthcare at the doorsteps

Healthcare has been an area of concern for the rural communities. ArcelorMittal India Limited associated closely with the health departments of the states of Jharkhand and Odisha to address the needs.

#### Malaria control programme, Keonjhar, Odisha

For preventive care a malaria control programme was launched in Keonjhar, which is most prone to malaria attacks in the state. Two villages were provided with long lasting medicated mosquito nets that were treated with insecticides. Apart from these villages, nets were provided through the National Rural Health Mission (NRHM) to pregnant women and lactating mothers in the

entire Patana block of Keonjhar district (comprising 153 villages, and a population of 81000) and children in three tribal residential schools. A total of 6171 nets were distributed. This prevention initiative was supplemented with massive awareness campaigns, counselling and curative facilities through a mobile medical care unit.

"Dharuapada has a population of 230 people. Till last year, about one-fourth of the population suffered from Malaria. This led to further poverty due to loss of productivity as well as due to the cost of treatment. This year, not a single case of malaria was reported during the peak period because of the nets and the preventive counselling."

Ram Shankar Prasad Mishra  
Dharuapada village,  
Keonjhar District, Odisha



Mosquito net distribution, Odisha



Ram Shankar Prasad Mishra  
and his parents sitting  
in front of the mosquito net



### Mobile health units for remote villages

A medical team comprising of doctors and paramedics visited villages at regular intervals to organize village level camps. In all 81 camps were organized in Odisha benefiting 3923 patients while 32 camps were organized in Jharkhand which reached out to about 4000 people. In Jharkhand, the mobile health units were integrated with the existing govt. programmes on health services and worked very closely with the Primary

Health Centers (PHCs) of the area. The mobile units provided diagnostic and curative facilities to the patients. Under the integrated approach, extensive orientation and training of the Sahiyas (Village Health Workers) and Auxiliary Nurse Midwives were conducted to improve the efficiency of service delivery. According to PHC Kamdara records, referral cases by Sahiyas increased by as much as 30% after the implementation of the programme. According to the doctors of the PHC, there were improvements in

institutional deliveries, infant mortality rate, ante-natal check up, treatment of malnourished children, outreach of pulse polio campaign etc.



"About 21 lives could be saved due to timely intervention during diarrhoea outbreak."  
Dr. Rajesh Kumar of Community Health Center, Kamdara.

Training of Village Health Workers, Jharkhand



Kits distribution to Village Health Workers, Jharkhand



A village woman undergoing diagnosis, Jharkhand

### Correcting vision defects: Project Drishti

As per WHO, 40-45 million people are blind worldwide. Whereas a further 135 million people have low vision. In India nearly 12 million people are blind, the

major proportion of which remain in rural, remote and underserved areas. According to WHO estimation, by the year 2020 the number of people who are blind and visually impaired will be twice the current level unless aggressive and innovative

approaches are taken. India is committed to reduce this burden of blindness by adopting the strategies advocated for vision 2020 - 'The right to sight' of the WHO and the International Agency for Prevention of Blindness.



ArcelorMittal India Limited participated in this endeavour by partnering with Sightsavers International, a leading NGO working on eye care, to address the preventable blindness among rural population around our areas of operation. A total of seven screening camps were organized in Jharkhand and Odisha through which 523 persons were screened and finally 169 were operated. Out of these, four patients were suffering from pterygium while the remaining were operated for cataract. All the cataract patients operated were provided with free intra-ocular lens transplants. The camps were organized by Mahatma Gandhi Eye Hospital, Mayurbhanj, Odisha and Nav Bharat Jagriti Kendra, Hazaribag, Jharkhand. Follow-up camps were organized for the operated patients.

Parameter	Jharkhand	Odisha	Total
No. of screening camps	3	4	7
Villages covered	22	41	63
No. of persons screened	171	352	523
No. of persons operated	60	109	169



#### "It's all clear to me now"

Nishamani Naik earns Rs 200 a month by cooking food for school children under the midday meal programme. Her husband receives an old age pension of Rs 100 per month. Their only son lives in Bangalore and they haven't heard from him for a long time. So when Nishamani found it increasingly difficult to see clearly she was not in a position to afford medical care, and none was available in the vicinity either. But through the eye screening camp organised by ArcelorMittal India Limited she was diagnosed with cataract. She was also successfully operated upon at the MGE Hospital, Mayurbhanj, Odisha.

"I am so happy; I can see everything much clearer now. I am very thankful to everyone who organized it" says Naik.

### Global highlights: ArcelorMittal Foundation

The ArcelorMittal Foundation set up in 2007 is dedicated to developing and managing community level investments that have been identified as essential for the well-being and socio-economic development of people in and around the company's operations worldwide. Its focus is on education, health, and social development projects keeping communities' needs in mind to encourage both short-term and long-term socio-economic growth.

In 2011, the Foundation which operates in 30 countries supported 588 community development projects across the world through an investment of \$35.0 million. The priority is to support projects that have the potential to be self-sustainable and, which contribute to the achievement of the United Nations Millennium Development Goals.

#### Some highlights

**Low-cost housing:** To provide low-cost housing solutions, the Foundation's partnership with Habitat for Humanity has resulted in the development of innovative steel-framed

houses in Moinești, Romania. Each home is designed for four families and the energy efficient, steel-frame houses are also ideal for regions prone to natural disasters.

**Minigrants for community development:** Introduced in 2010 the 'minigrants' programme gives employees a unique chance to get financial support from the company for projects they are involved in with local community groups. In 2011, 73 projects were supported across 17 countries, including three projects from India.

**Earthquake relief:** The ArcelorMittal Foundation provided \$1 million towards disaster relief after the devastating earthquake in Haiti. This donation was given in cash and in kind, and in the form of assistance in new housing projects to rebuild Haiti. Together with Habitat for Humanity, and Médecins Sans Frontières it helped in the construction of 2000 emergency shelters for people made homeless by the earthquake.



Knowledge sharing and networking meeting of UNGC members

## Working nationally to champion CR

### Commitment to the UN Global Compact

ArcelorMittal India Limited intends to play a strategic role in demonstrating CR best practices and shaping the way CR is regarded and developed across industries in India. Towards this the first step taken was to become a signatory to the UN Global Compact (UNGC).

As a result of its membership of the UNGC Network in India, the company has played an active role at all stakeholder forums organised by UNGC to share, understand and learn corporate responsibility practices among industries.

Arcelormittal India hosted a national knowledge sharing and networking meeting of UNGC members in 2011. The company completed one year of membership of Global Compact Network, India and submitted its first communication of progress to UNGC which can be accessed at [www.unglobalcompact.org/COPs/detail/13493](http://www.unglobalcompact.org/COPs/detail/13493).

### Formulation of policies and standards

ArcelorMittal India was invited to participate in the group which represented India during the formulation of the social performance standard, ISO 26000. Other stakeholders in the group included the government, consumers, and academicians. ArcelorMittal India Limited also actively participated as a representative in formulation of national voluntary guidelines on

social, environmental and economic responsibilities of business. The company also drafted a paper on role of businesses in promotion of clean energy for Ministry of New and Renewable Energy (MNRE) under the working group for XIth five year plan. This was to help companies integrate, implement and promote socially responsible behaviour throughout their businesses, policies and practices.

### Engaging with civil society and industry

The company is a member of Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI), which are the premier industry forums that guide business conduct in the country. The company engages with these industry associations and civil society organizations towards actions for development of the communities. There are three basic purpose of engaging with them.

One, to understand their aspirations and expectations so that they are reflected in the company's larger business plans.

Two, to demonstrate how the company conducts itself globally on issues such as managing environmental impacts, upholding human rights, respecting local laws and meeting community aspirations.

Three, the most strategic has been to facilitate the appreciation and growth of a multi-stakeholder model of CR planning and deployment in Indian businesses for sustainability.





M. Bhagyamma after receiving her award from Smt. Sheila Dikshit, Chief Minister of NCT, Delhi



The Women Exemplar awardees with their citations

### Recognising social change makers

ArcelorMittal India Limited furthered its commitment to support initiatives on women empowerment by partnering with CII for women exemplar award for second continuous year in 2011. The award recognizes underprivileged women at the grassroots level who have, against all odds, excelled and contributed significantly in the fields of 'education & literacy', 'health' and 'micro-enterprise'.

Sudhir K. Sinha, Country Head - CSR, ArcelorMittal India Limited together with eminent industrialists and social activists such as Anu Aga, Director Thermax Ltd, Chanda Kochhar, MD and CEO of ICICI Bank, Madhur Bajaj, Vice Chairman Baja Auto Ltd, and Syeda Imam, member National Commission for Minorities, comprised the jury that short-listed the awardees.

The awards for 2011 were presented at CII national conference. Ms. Champa Devi received the award under 'education & literacy' category. She worked in creating a conducive educational environment in one of the most under-developed regions in Udaipur, Rajasthan. Ms. M Bhagyamma received the award under 'health' category for the outstanding work she has done in addressing the concerns of people living with HIV / AIDS in the district of Chamarajnagar, Karnataka. Ms. Ramrati Devi was awarded under the 'micro-enterprise' category for her contribution to livelihood creation and poverty reduction through the practice of sustainable agriculture in Gorakhpur district, Uttar Pradesh.



"ArcelorMittal recognizes, respects and applauds women leaders who have helped create better societies. We believe that partnering with these remarkable leaders and learning from them will help us in transforming tomorrow."

Mandakini Sud  
General Manager  
Corporate Communications  
ArcelorMittal India Limited

### ArcelorMittal India Limited partners with Confederation of Indian Industry at national level for promoting CSR

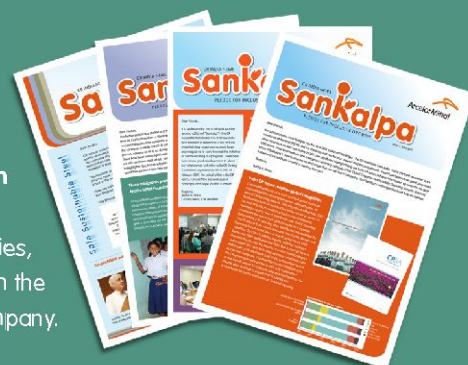


Mr. Salman Khurshid, the then Minister of State (Independent Charge), Corporate Affairs and Minority Affairs, addressing the audience

To further the engagement with business associations, ArcelorMittal India Limited was the associate sponsor of National Summit on Corporate Responsibility: Redefining Partnerships, organised by CII. The focus of the summit was to define corporate responsibility with its particular importance in India, responsibility of the corporates in their role as corporate citizen, their sensitivity to their situations and develop partnerships with others for a better society. As an associate sponsor, the company put up a display stall wherein details of the CO<sub>2</sub> pick right campaign was showcased.

### Spreading the word: The CR newsletter launch

To bring out a periodic review of the company's corporate responsibility activities, 'Sankalpa' - a quarterly newsletter was launched to communicate with the stakeholders about the CR activities of the company.







## Human rights

ArcelorMittal India Limited has aligned itself to the human rights policy of the group. The ArcelorMittal Human Rights Policy articulates our respect for all human rights. This policy focuses on the areas that have been identified as priorities for our industry.

The policy is derived from:

- The United Nations (UN) Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights;
- The International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work; and
- The United Nations Global Compact.

The policy details our commitment to respect the human rights of our employees, business partners and local communities. We also endeavour to promote human rights when engaging with subcontractors, suppliers, customers, joint ventures and other stakeholders.

It has been made mandatory for all employees to undergo a human rights training so that they are more conscious while interacting with various stakeholders considering the ethos of respecting their human rights.

Also, through our responsible sourcing programme, we have committed to engage with our suppliers and contractors to upgrade their methods and approaches towards respecting human rights.

In the year 2011, a community development five-year plan was developed. The plan covers various aspects of human rights like right to education, health, work etc. and defines specifically as to what ArcelorMittal India Limited will be doing with the community for promotion of their rights. ArcelorMittal India Development Goals (AIDGs) have been created to ensure that the rights are respected and facilitated.

Human rights risk assessment component has been built in the human rights action plan. Since ArcelorMittal India Limited is in the phase of land acquisition, we realize that it is important to conduct a risk assessment of the relevant sites, which is a very important part of the entire plan.

An informal internal risk assessment from human rights perspective was conducted which was reconciled with the social surveys. A more detailed external study will be conducted in 2012 regarding the human rights risks.

The Human Resources policy launched in 2011 laid strict emphasis on not engaging any child labour in direct payroll or indirect contracts. All suppliers are mandated through contracts not to engage any child labour for any kind of services provided to ArcelorMittal India Limited. The policy also clearly lays down the principle of non-discrimination on grounds of race, colour, sex, religion, caste, etc. No incident of discrimination was reported in 2011.

192 manhours were devoted to online & classroom trainings on policies & procedures concerning aspects of human rights during 2011. The online training is mandatory for all employees and 100% of the workforce under company's payroll completed the training in 2011.



Volunteering creates an organizational character in which the company acquires a spirit of compassion, solidarity and confidence. Employee volunteering is becoming the organizational character at ArcelorMittal India Limited through providing opportunity to employees under Solidarity Holidays and Minigrant programmes of the Group. 43% of our employees engaged in payroll giving in itself indicate the rising level of individual's commitment to some social cause. We uphold our commitment to take forward the company's volunteering agenda.

Raj Saxena  
Director - Projects  
ArcelorMittal India Limited



## Giving back to society

### ArcelorMittal SEVA

ArcelorMittal Social Exposure for Voluntary Action (SEVA: It is a hindi term which means "service") is an employee volunteering initiative launched by ArcelorMittal India Ltd. in line with the global initiative of ArcelorMittal Foundation. The purpose of ArcelorMittal SEVA is to promote, encourage and provide a window of opportunity to employees to discharge their social responsibilities as a responsible citizen. The program is based on three basic principles of transparency, voluntary participation and an empowering environment. The India CR function plays the role of a facilitator. Activities are driven by employee volunteers who plan and take leadership in execution.

Following are the broad contributions under SEVA:

**Payroll giving:** 43% employees of ArcelorMittal India Ltd. contribute through payroll giving which is matched by the company. The entire collection facilitates mid-day meals of 200 students in remote schools run by Akshaya Patra Foundation in Mathura.

**Time giving:** ArcelorMittal India Ltd. is committed to facilitate time volunteering of employees. Logistics support

is provided to employees who are interested to volunteer their time. Every year, employees dedicate their time to volunteer for social causes. During 2011, 35% employees from New Delhi and Ranchi dedicated their time for underprivileged children, differently-abled children and lepers.

**Knowledge giving:** Employees in Ranchi have associated themselves to volunteer at Cheshire Home which is a home for physically challenged people from economically poor backgrounds. To impart computer education to them, a few computer proficient employees volunteered once a week for eleven months and the youths were trained. The CR team from New Delhi volunteered to provide knowledge and training to students, NGO representatives, strengthening of United Nations goals, inputs for national level standards and procedures in areas of social development, environment management etc.

**Material giving:** ArcelorMittal India Ltd. encourages providing material support to the underprivileged sections of society. To support the knowledge giving program at Cheshire home, two sets of computer equipments & peripherals along with necessary furniture for training were made available. Employees from

Ranchi office made voluntary contributions and distributed blankets and clothes to inmates at a Leprosy rehabilitation center. A week long drive called "Old is Gold" was organized for collection of old materials such as clothes, books, utensils, toys, etc. at New Delhi office of the company. The campaign was expanded to the entire office complex in New Delhi covering 33 offices having 700 people. The entire collection was subsequently handed over to Goonj (<http://goonj.org/>), a national NGO which is into helping poor and vulnerable by making these items available through its network.



The volunteer team at Akshaya Patra Foundation, Mathura

## Old is Gold

Old for you, Gold for them

**Materials for a social cause: A Collection drive**  
(Donate clothes, books, toys, utensils, etc.)  
**19<sup>th</sup> – 23<sup>rd</sup> December, 2011**

Coordinated by: **ArcelorMittal India** in association with Uppal Plaza





Knowledge and material giving,  
Cheshire Home, Jharkhand

### Three minigrants projects in India by ArcelorMittal Foundation

ArcelorMittal Foundation started a unique initiative called Minigrants programme in 2010. The programme aims to support volunteering efforts of the employees. Those employees who volunteer their personal time for NGOs can apply to the foundation for providing financial assistance upto \$5000 to the NGO. Out of a total of 73 projects selected by AMF globally in 2011, three projects were from India, which are as follows:

1. Mainstreaming of vulnerable girls: 350 vulnerable girls will be

linked to formal school education in Jharkhand. The project will be implemented by Jharkhand Domestic Welfare Trust, a Jharkhand based NGO.

2. Skill building of differently-abled: 20 differently-abled youths will be provided skills training and will be linked to employment opportunities. The project will be implemented by Sarthak Education Trust, a New Delhi based NGO.

3. Mainstreaming children of brick kiln workers: 700 children of brick kiln workers will gain access to health & education facilities under the project which will be implemented in Uttar Pradesh by Awsar India, a New Delhi based NGO.



Girls undergoing formal education, Jharkhand

### Solidarity holidays - India employees volunteer for community service

ArcelorMittal Foundation started a programme called Solidarity Holidays in 2010. This is a corporate volunteer programme aiming to develop and support an international network of volunteers made up of employees of the ArcelorMittal Group. The volunteers, through a proactive participation in social activities, help to improve people's lives in the communities in which our Group is present. The programme gives an opportunity to participate in international volunteering, committing to help people in need, while getting to know a different culture in a different country. The volunteers dedicate a week of their personal vacation time to volunteering in social programmes pre-selected by the ArcelorMittal Foundation.

Three employees from India participated in the programme.

Mr. Subhas Chandra Kar visited ArcelorMittal Tubarao, Brazil, where he joined the volunteer group of 10 participants from

across the ArcelorMittal group. The team worked hard and completed the project of creating a children's park at Jaburu Hills. The programme was planned in partnership with Atelie de Ideias, a renowned NGO working in the area.

"It gave me an immense sense of satisfaction to participate in a project which will help in bringing smiles to the children. Apart from creating the physical structure, it was spending time with the children and the communities that was so satisfying. I am indeed proud of being a part of ArcelorMittal" says Mr. Kar.



Mr. Subhas Chandra Kar doing a wall painting, Brazil





Mr. Aparnesh Pal Singh with the volunteer group, Argentina



Mr. Aparnesh Pal Singh visited Buenos Aires, Argentina where he joined a group of 10 colleagues who were to complete building foundations of three houses belonging to women who were on their own and had small children to bring up. The project was planned in partnership with Habitat International. The team successfully completed the task within the stipulated time.

"The people of the community were extremely warm. It was a joy to be with them and an uplifting experience. It was immensely satisfying to see the smiles on the faces of the families. During the week the entire group had become a strong team and friends forever. It was a great feeling to get associated with the activity and yes there is a firm resolve to engage in similar activities in future as well. The joy of giving is unexplainable. I would like to express my gratitude for being a part of the Solidarity holidays - a higher and meaningful experience" says Mr. Singh.



Mr. Rajiv Ranjan Singh participating in building a primary school, Liberia



Mr. Rajiv Ranjan Singh visited Yekepa, Liberia where he joined a group of eight colleagues. The group successfully accomplished the task of building a primary school in Yekepa.

"Solidarity holidays gave me an experience of a lifetime" says Mr. Rajiv.

### Global snapshot

Employee volunteerism is supported across the world by the ArcelorMittal Foundation. Across the world on International Volunteer Work Day, nearly 7500 employee volunteers participate each year in various community

projects, which includes refurbishment of schools, visiting sick children in a hospital, working in a soup-kitchen and collecting toys, books and clothing to give out to underprivileged communities.



## Transparent governance

### Standards, sustainability indices and compliances at work

"People have never had higher expectations of corporations than they do now, and have never demanded more exacting standards of ethical, environmental and social performance. We see this as a positive opportunity to make the responsible and sustainable conduct of our business into a long-term competitive advantage. We want to be an acknowledged company in the quality of our governance, the openness of our communications, and the scale of the positive impact we can have on our supply chain."

- ArcelorMittal  
Corporate Responsibility Report 2010

In line with our global commitment, ArcelorMittal India Limited subscribes to several codes, standards and guidelines that are designed to make governance more representative and transparent. They are institutionalised across all operating sites and offices to ensure a universally competent, responsible and consistent approach to conducting business.

We are strictly guided by the following ArcelorMittal codes and policies:

- Code of business conduct
- Community engagement standard
- Energy policy
- Environmental policy
- Health and safety policy
- Human rights policy
- Code for responsible sourcing
- Diversity and inclusion policy
- Risk management policy
- ArcelorMittal whistleblower policy

We also adhere to the following operational principles:

- Anti corruption
- Combating climate change
- Product stewardship and research & development
- Waste management
- Efficient water usage

### Memberships in sustainability forums

ArcelorMittal India Limited is a member of the following:

- National Safety Council that guides businesses to move towards adopting practices that promote better and more sustainable safety, health and environmental management practices.
- United Nations Global Compact.
- TERI Business Council for Sustainable Development, which is a part of World Business Council for Sustainable Development.

#### Percentage of employees on direct payroll trained in organisations anti-corruption policies and procedures:

	No. of permanent employees	% trained
New Delhi	27	96%
Jharkhand	22	100%
Odisha	5	100%
Karnataka	3	100%
Total	57	98%

The training on anti-corruption policies and procedures will be extended to members of the workforce on contract during the next reporting cycle.





## Global snapshots

ArcelorMittal Global is a member of:

- **World Steel Association:** World Steel Association acts as the focal point for the steel industry, providing global leadership on all major strategic issues affecting the industry, particularly focusing on economic, environmental and social sustainability.
  - **FTSE4Good index:** The FTSE4Good index series has been designed to objectively measure the performance of companies that meet globally recognised corporate responsibility standards.
  - **Dow Jones Sustainability Index.** In 2010 it recognised the company as a 'SAM sector mover'. The title of 'SAM Sector Mover' is awarded to a company that achieves the biggest proportional improvement in its sustainability performance when compared to the previous year.
- Extractive Industry Transparency Initiative:** The EITI is a forum that sets global standards for transparency in oil, gas and mining industries.

## India CR strategy convention

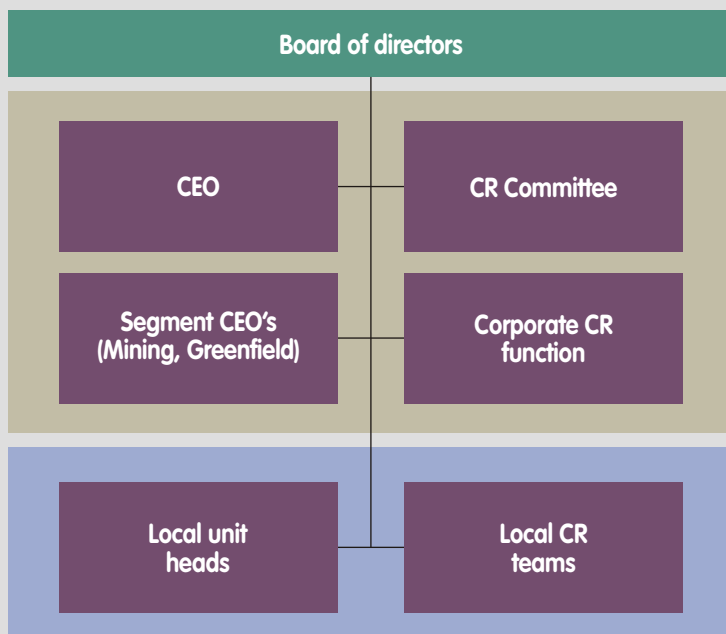
The India CR team organized a two-day strategy convention in February 2011. CR practitioners from India and corporate and business managers from ArcelorMittal India Limited, ArcelorMittal Design and Engineering Centre, ArcelorMittal Dhamm, ArcelorMittal Distribution Solutions and ArcelorMittal International participated in the convention to deliberate upon the strategy and future direction. The convention helped in developing a common understanding of CR from a holistic perspective around investing in our people, making steel more sustainable, enriching our communities underpinned by transparent governance.

The participants discussed and debated the draft community engagement plan 2015 and adopted the same. In his inaugural address, Mr. Vijay Bhatnagar, CEO India emphasized on health and safety as the topmost priority of the company. He also stressed on the need to align with UN Global Compact principles. He highlighted how trust building is key to success and doing right & doing good has to be the model for business sustainability. Ms. Charlotte Wolff, Corporate CR resource person, focused on the evolution of CR at ArcelorMittal and the strategies to achieve 'safe sustainable steel'. The uniqueness of the convention was the commitment to offset carbon footprints of the event by planting trees to make it carbon neutral.

## CR Strategy Convention New Delhi February 9<sup>th</sup> & 10<sup>th</sup> 2011







There are five Directors on the Board:

Mr. Vijay Bhatnagar  
Executive Director

Dr. Sanak Mishra  
Executive Director

Mr. Mahendra P. Singh  
Executive Director

Mr. Subir Khasnobis  
Non-executive Director

Mr. Aditya Mehra  
Non-executive Director

The CEO of ArcelorMittal India Limited is also the chair of the Board of Directors in accordance with the decision taken by the Board. Proximity meeting is organized every year where employees provide suggestions and recommendations to the management. Sustainability is one of the elements included in the individual performance parameters of concerned senior executives of the company.

ArcelorMittal India Limited strictly abides by the laws and regulations of the land. The company hasn't been identified or fined for any non-compliance with laws and regulations for the period under review.



In line with the Group policies, ArcelorMittal India Limited is committed to conduct its business with

high standards of corporate governance. We would like to be acknowledged as a company for our transparency and sensitivity.

Kalyan Ghosh  
CFO  
ArcelorMittal India Ltd.







# Independent Assurance Statement on the Non-Financial Reporting

## Introduction

Det Norske Veritas AS (DNV) has been commissioned by the management of ArcelorMittal India Limited (or the Company) to carry out an assurance engagement on the Company's Corporate Responsibility Report 2011 (The Report) in its printed format against the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines Version 3.1 (G3.1) and AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS -2008).

The intended users of this assurance statement are the readers of the Company's Corporate Responsibility Report 2011. The management of ArcelorMittal India Limited is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting the information. DNV's responsibility regarding this verification is to the ArcelorMittal India Limited only and in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

## DNV's Independence

DNV states its independence and impartiality with regards to this engagement. DNV confirms that throughout the reporting period there were no services provided which could impair our independence and objectivity. DNV also maintained complete impartiality towards people interviewed during the assignment.

## Scope of Assurance

The scope of work agreed upon with the ArcelorMittal India Limited includes verification of the following:

- The content of the Corporate Responsibility Report 2011 i.e. Review of the policies, initiatives, practices and performance described in the Report;
- Evaluation of the AccountAbility principles and specified information, described below, for a Type 2, moderate level of assurance, in accordance with the requirements of AA1000AS (2008) detailed below:
  - Information related to company's sustainability issues, responses, performance data, case studies and underlying systems for the management of such information and data;
  - Information relating to company's materiality assessment and stakeholder engagement processes;
- Confirm that the Report meets the requirements of the GRI G3.1 for an Application Level C+, as declared by ArcelorMittal India Limited.

The reporting boundary is as set out in the Report, i.e. it covers all business units under ArcelorMittal India Limited.

## Limitations:

As requested by the Company, we have performed the verification at their corporate office at New Delhi, India. We have not visited any other location.

## Verification Methodology

The verification was carried out in April - May 2012 by a team of suitably qualified and experienced DNV sustainability professionals. This assurance engagement was planned and carried out in accordance with the AA1000AS (2008) and the DNV Protocol for Verification of Sustainability Reporting. The Report has been evaluated against the following criteria:

- Adherence to the principles of *Inclusivity*, *Materiality* and *Responsiveness* as set out in the AA1000AS (2008); the *Reliability* of specified sustainability performance information, as required for a Type 2 and moderate level assurance engagement,
- Adherence to the additional principles of *Completeness* and *Neutrality* as set out in DNV's Protocol, and
- The principles and requirements of the GRI G3.1 for an application level C+.

As part of the verification we have challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- Examined and reviewed documents, data and other information made available to us by ArcelorMittal India Limited.
- Reviewed the processes used to determine the content of the Report.
- Conducted interviews with key representatives (including data owners and decision-makers from different divisions and functions) of the company;
- Performed sample-based reviews of the mechanisms for implementing the company's own sustainability-related policies, as described in the Report.
- Performed sample-based audits of the processes for gathering and managing the quantitative and qualitative data included in the Report at the head office;
- Reviewed the process of acquiring information and economic data from the audited financial statements.

## Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of ArcelorMittal India Limited. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place:

- The processes of materiality determination & stakeholder engagement process to be strengthened to bring out material issues that reflect short, medium and long term impacts;
- A systematic quality assurance procedure for data management to improve the reporting process to be established.

## Conclusions

In our opinion, the Report is a fair representation of the company's sustainability-related policies, management systems and performance. We also confirm that the Report meets the content requirements of the GRI Application Level C+.

We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

### AA1000AS (2008) principles

**Inclusivity:** Acceptable. The company engaged with selected stakeholders during the year, through the channels as listed in the Report. The formal process of connecting the engagement results to the materiality determination process need to be strengthened.

**Materiality:** Needs Improvement. The methodology of materiality determination used for the Report uses the perspectives of the Corporate Responsibility (CR) Committee. The process should include more aspects and test the materiality.

**Responsiveness:** Acceptable. The company has responded to stakeholder concerns through its policies and management systems, and this is fairly reflected in the Report within the limitations of a application level C. The Report scope shall be enhanced when more aspects are considered as part of materiality process.

### Additional Parameters as per DNV's Protocol

**Completeness:** Acceptable. The limitation of the scope and boundary of the Report is clearly stated. The Report also commits to improving in future

**Neutrality:** Acceptable. The company has reported sustainability issues, in a balanced manner, in terms of content and tone. Challenges and limitations may be stated with commitments to future improvements.

In accordance with the AA1000AS (2008) requirements for a Type 2, moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report is generally reliable. Some of the errors in data compilation, were corrected.

DNV confirms that the Report meets the requirements for GRI application level C+.

For Det Norske Veritas AS

 <p>Karthik Ramaswamy Lead Verifier Senior Assessor - Sustainability &amp; Business Excellence Services Det Norske Veritas AS, India</p>	 <p>Santhosh Jayaram Reviewer Head - Sustainability &amp; Business Excellence Services (South Asia) Det Norske Veritas AS, India</p>
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Chennai, 28<sup>th</sup> May, 2012.



## GRI index

GRI No.	Description	Page	Remarks
<b>1. Strategy &amp; analysis</b>			
1.1	Statement of CEO	2, 3	
<b>2. Organizational profile</b>			
2.1	Name of the organization	Front cover	
2.2	Primary brands, products, services	5	
2.3	Operational structure	5, 44	
2.4	Location of organization's headquarters	Back cover	
2.5	Number of countries where organization operates	5	India
2.6	Nature of ownership and legal form	5	
2.7	Markets served	5	India
2.8	Scale of reporting organization	5, 18	Since the company is not at the production stage, there are no figures reportable on sales, total capitalization and quantity
2.9	Significant changes during the reporting period		None
2.10	Awards received		None
<b>3. Report parameters</b>			
	Report profile		
3.1	Reporting period	Front cover, 1	
3.2	Date of most recent previous report	1	First sustainability report
3.3	Reporting cycle	1	First sustainability report
3.4	Contact point for questions	1, back cover	
	Report scope and boundary		
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