

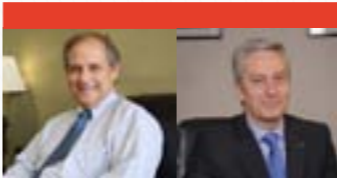
Sustainability Report 2012

Transforming tomorrow

Acindar
Grupo ArcelorMittal



Table of contents



01

Messages from the board of directors

4-5



02

Corporate profile

6 -13



03

About this Sustainability Report

14-17



04

70 years

18-19



05

Human Rights Policy

20 -21



06

Economic and financial performance

22 -25



07

Our stakeholders

26-29



08

Investing in our people

30 -43



09

Making steel more sustainable

44-63



10

Enriching our communities

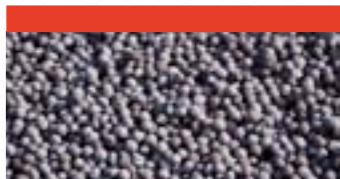
64-73



11

Transparent governance

74-84



GRI and Global Compact Table of contents

85-88

An unchanging commitment with the world.



Our business philosophy proposes an unchanging commitment to the world around us and requires us to go beyond the economic performance.

Throughout the years, Acindar has become a solid steel producer. We have been able to adapt to different situations imposed by the global and national trends, always guided by values of integrity, ethics, responsibility, commitment and respect. The result of all this effort has been the consolidation of Acindar as the market leader in Argentina, with presence in the international market and with a clear vision beyond the present that allows us to offer solutions that exceed the expectations of our customers.

The year 2012 began with big reasons to celebrate. It was our 70th anniversary in the country and this was a major cause of satisfaction for those of us who have built with effort a company oriented to both the production and the sustainable management of the business.

Our business philosophy proposes an unchanging commitment to the world around us and requires us to go beyond the economic performance. That is why in Acindar we take responsibility for the sustainable development of the community. This is reflected in the fifty years of history that Fundación Acindar also celebrated this year. Throughout this history, we have been agents of change for many Argentine children, many schools and families who have found in the foundation a support for the community and their personal growth.

We are deeply proud to be able to share our ninth Sustainability Report, where we present the results of 2012 related to the economic, environmental and social performance of our organization. With this document, we fulfil the Global Agreement 10 principles that guide our actions and that we will continue supporting as part of our corporate strategy.

New opportunities and challenges lie ahead, which we will successfully face together with our collaborators, led by the spirit to transform the future and build a better country.

Working with focus on sustainability



In Acindar Grupo ArcelorMittal, we believe that working with a focus on sustainability is to look at the long term. That is why all our business decisions involve an analysis of the social, environmental and economic impacts. Likewise, being part of an international group reaffirms our commitment to meeting the highest standards of quality that contribute to success.

Based on this, the following are considered to be our strategic priorities and key issues for the short and medium term: the development of our operations in a safe manner for all staff involved (our own staff and contractors), the implementation of the best environmental practices for the production processes, the collaboration with the progress of the communities in which the company operates, and the ongoing work in the processes in

order to increase competitiveness and so ensuring the company's sustainability.

We have always understood the importance of adapting our production structure to the new economic realities and the contexts we face. As a result, we were able to meet our objectives for the year that ended. However, the turmoil in the international markets, which may affect the business, requires us to focus on our processes in order to make them increasingly efficient to strengthen our presence in the local market and to maintain the supply to the international markets that demand our products.

Although we face a complex scenario, we have obtained major achievements. To begin with, the company achieved record production in the area of Direct Reduction, where it exceeded 25 million tonnes since it started working in 1978. Acindar Villa Constitución has been therefore considered as one of world leaders in production. At the same time, we had outstanding numbers in the areas of Billet Shot Blasting and Grinding, Rolling Mill SBQ in Villa Constitución, Logistics and Warehouses, Wires, the Distribution Centre in Tablada, and Logistics in Villa Mercedes.

With regard to the economic results, sales totalled 1.3 million tonnes, 77% of them were for

the domestic market and the rest for export. The total sales revenue was approximately 7.5% higher than last year.

We have also achieved great results in our projects for the community, which are the result of dynamic work aimed at growth and long-term commitment. We have carried out very important work together with the unions, the community and employees in raising awareness of issues related to health and safety.

In environmental matters, we have established investment of USD 25 million in infrastructure at our plant in Villa Constitución, Santa Fe, with the aim of further improving air quality. The project, called "Casa de Humos", was approved by the Argentine Foreign Trade Agency and the Agency of Industry, and will be completed in the second half of 2013.

If we focus in the coming years, major challenges remain the same and we have been working hard on them. We expect to have complete success in our programme "Road to Zero accidents" in the production plants. This is also a great challenge, which involves the total commitment of all involved. It is important to highlight that a large percentage of incidents and accidents in industrial plants are derived from attitudinal factors and we must work there if we want to succeed.

We will also renew our efforts on

We believe that working with a focus on sustainability is to look at the long term. That is why all our business decisions involve an analysis of the social, environmental and economic impacts

costs and competitiveness of the facilities. The company is interested in obtaining an increase in plant productivity after the investments that have been made to achieve the benefits that led to them. We hope this Sustainability Report becomes a tool to help strengthen dialogue with employees, suppliers, unions, customers and the community as a whole.

Today we are more than 2,600 people convinced that, working together, we can face the challenges ahead, managing business with transparency, creating sustainable relationships and above all things, actively working to build a better country.



02

Corporate profile

Organizational profile

Acindar Grupo ArcelorMittal

Acindar through its integration with ArcelorMittal, represents in Argentina at the largest global steel group, with presence in more than 60 countries.

We are a steel company that produces long steels, leader in the Argentinean market and with international presence. From the integration to ArcelorMittal in 2006, we represent here the world's largest steel group with presence in more than 60 countries.

In 2012, we celebrated our 70th anniversary in Argentina and we have manufacturing plants in five locations.



ArcelorMittal

ArcelorMittal is the leading supplier of steel in all major global markets, including automotive, construction, household appliances and packaging, accompanying the process with research, development and advanced technology.

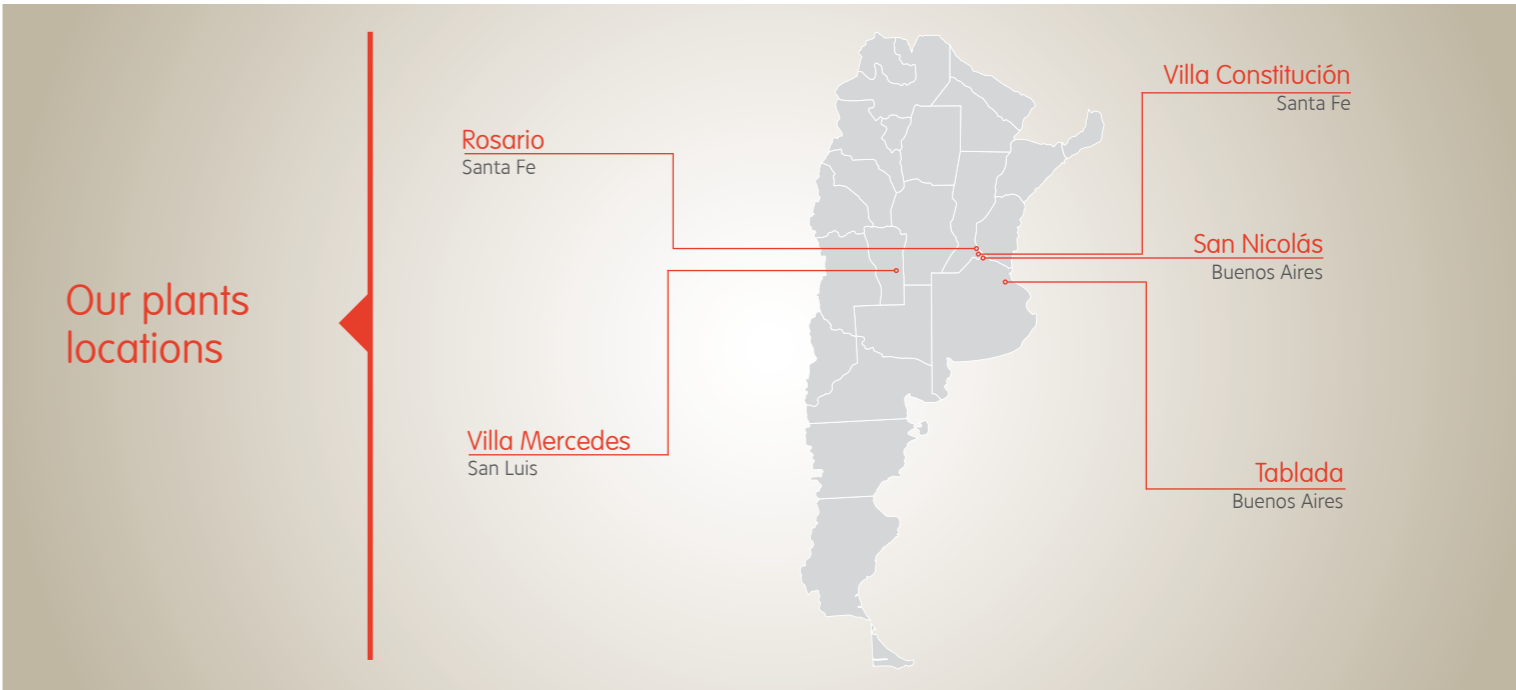
ArcelorMittal employs over 244,000 people worldwide. The group has a mining business with a global portfolio that includes more than 20 mines in operation and development and is the fourth largest producer of iron ore worldwide.

With operations in more than 22 countries on four continents, the Company covers all of the key industrial markets linked to steel, in both developed and emerging economies, and has outstanding distribution networks in each point.

Through its core values of sustainability, quality and leadership, ArcelorMittal commits to operating in a responsible way with respect to the health, safety and well-being of its employees, contractors and the communities in which it operates.

The group is also committed to the sustainable management of the environment. It takes a leading role in the industry's efforts to develop breakthrough steelmaking technologies. In addition, it is actively researching and developing technologies and solutions that contribute to preventing climate change.

In 2012, ArcelorMittal had revenues of 84.0 billion dollars and crude steel production of 88.2 million tonnes, representing 6% of the world steel output.



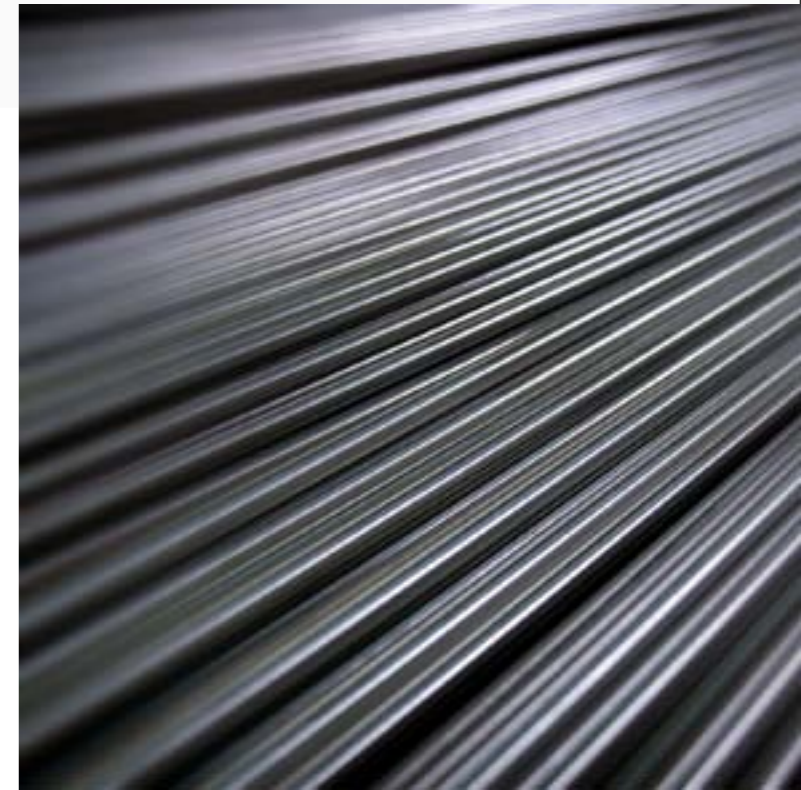
Mission, Vision y Values



Vision

To strengthen our market leadership and to keep a permanent and focused international presence.

- exceeding the expectations of **our customers**,
- contributing to the personal development of **our people**,
- helping **our investors improve** their economic performance,
- developing sustainable relationships with **our suppliers** and;
- collaborating with the development of **our community**.



Mission

Our work is based on what we think is good for us and those around us.

Our values are rooted in our daily work and are present in each decision we make, and they faithfully represent the attitude we want to adopt.

These values are the result of experience gained after 70 years of sustained development. They are also convictions on which we base our actions, decisions and working methodologies.

Values

Our values are those that define how we will achieve our challenge of transforming tomorrow. They are simple and are not independent in themselves if they are taken into account separately. It is their combination thereof, along with the way we apply them, which makes our values unique.

Sustainability

We are guiding the evolution of steel to secure the best future for the industry and for generations to come. Our commitment to the world around us extends beyond the bottom line, to include the people in which we invest, the communities we support and the world in which we operate. This long-term approach is central to our business philosophy.

Quality

We look beyond today to envision the steel of tomorrow. The quality of our products depends on the skills and strengths of the people who make them possible. Therefore, our objective is to attract and encourage the development of the talents that make our company to be able to offer high quality solutions for each and every one of our customers.

Leadership

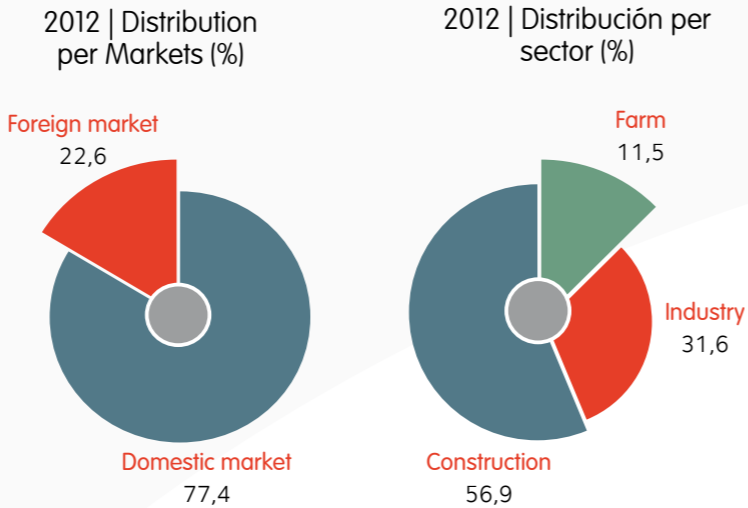
We are visionary thinkers, creating opportunities every day. This entrepreneurial spirit brought us to the forefront of the steel industry. Now, we are moving beyond what the world expects of steel.

Acindar Grupo ArcelorMittal manufactures and distributes more than 200 product lines to fulfil the needs of the industry, farming and construction market.

We have a production capacity of 1,700,000 tonnes of steel annually.

We provide both our products to the markets and technical support to all the product lines and systems we promote.

Likewise, and by means of Acindar Solutions, we add value to the construction market by our cut and bent system and "just in time" delivery at the construction site.



Cutting-edge product

In March 2012, we launched a new product from the Natural Hardness family: the DN-A 420 Nuevo Núcleo, adapted to the needs of the construction market.

It is distributed through Acindar Solutions, network that offers steel cutting, bending, and pre-assembly services. It allows customers to get better quality cut and bend products and reduce on-site assembly time.

It differs from other products in the family since it has four rows of transverse ribs, giving the nucleus the clover shape, while the entire profile is part of a circle.

As the other products the company offers, the DN-A 420 Nuevo Núcleo is manufactured according to IRAM standards and is the result of a continuous process of research and development to offer new solutions to customers.



Construction

Rebars

Cut and bent

Angles and Shapes

Reticulate Beams

Welded Meshes

Flat Bars

Sheet Piling

Preassembled Steel Structures

Nails

Real Estate Market.
Infrastructure (media, education, health, energy).
Commercial (Shopping).
Industrial (Plants).

Structural shapes

Rolled Bars

Billets

Wire Rod

Barbed Wire

Annealed Wire

Rolled Bars

Flat Bars

Galvanized Wires

pre-stressed steel wire

Drawn and ground Bars

Wire mesh fencing

Industrial Wires

Industry:
Transport.
Energy and communications.
Machines.

Farming:
Farming Machines

Construction:
Structures.
Iron works.

Industry

Wire mesh

Plates

Industry:
Automotive industry and transport.
Energy.
Oil.
Mining.

Farming:
Farming machines.

Construction

Wires

Wire mesh

Plates

Industry:
Tires.

Farming:
Agricultural Fences.
Manufacturing bales.

Construction:
Real Estate Market.
Infrastructure.
Wire mesh fencing
Prestressed beams

Corporate governance

Corporate governance of Acindar Grupo ArcelorMittal is represented by the Executive Committee, the highest body of local government.

This committee consists of the president, chief executive officer and six directors for the different business areas.

This body is responsible for strategic decision making, discussion of medium and long term projects, the treatment of issues that need to adapt to changing

circumstances, evaluation and monitoring of goals and objectives, among other tasks. The committee meets every week to discuss progress and evaluate these issues.



From left to right: Gabriel Dattilo, Executive Director of Procurement and Logistics, Marco Antonio Bosco, Executive Director of the Iron and Steel Industrial Business; Horacio Laplacette, Executive Director of Iron and Steel Commercial Business; Rodrigo Menéndez, Executive Director of Administration and Finance; José Giraudo, Chief Executive Officer and Guillermo Calvi, Executive Director of Human Resources and Integrated Management System.



03

About this Sustainability Report

Financial transparency is one of our commitments and for this reason we offer all our stakeholders this 9th Sustainability Report that includes Acindar Grupo ArcelorMittal's economic, social and environmental performance

Scope

Financial transparency is one of our commitments and for this reason we offer all our stakeholders this 9th Sustainability Report that includes Acindar Grupo ArcelorMittal's economic, social and environmental performance in 2012.

For comparative purposes, we have included quantitative data from previous years showing the evolution of the main indicators related to sustainable management of the business.

This report was produced following the principles and indicators proposed by the Global Reporting Initiative (GRI) G3 Guide, achieving application level "B".

In addition, we present, in this report, our Communication on Progress (COP) 2012 with details of progress in the implementation of the ten principles of the UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. To this end, we relied on the document "Making the Connection" that connects these ten principles to the GRI G3 Guide indicators.

The report is structured around the four pillars of our corporate responsibility policy and follows ArcelorMittal Group guidelines

with the corresponding adjustment to the local environment.

External Affairs Management of Acindar Grupo ArcelorMittal led the preparation process of this document with the cooperation and participation of representatives of the various areas of the company.

For more information on this report and the writing process, send an email to:

asuntos-externos@acindar.com.ar



Materiality analysis

In order to include in our report information that is relevant to our audience, we held a meeting to identify the expectations of our key stakeholders regarding the information provided here.

This responds to the principles of materiality and stakeholder participation established by the Global Reporting Initiative (GRI). These are the principles the company adheres to for the preparation of this document.

The data we gathered about information expectations and

needs helped us analyse and define the contents of this new edition. Also, at the meeting, we promoted the participation of stakeholders in the development and improvement of this report.

Meeting

The meeting was held in Villa Constitución and was attended by representatives of chambers of commerce, technical secondary schools, company employees, members of social organizations, and media leaders.

During the meeting, we discussed



in depth the issues for the preparation of the report and views and suggestions were considered for improvement. All participants left their comments in writing.

Following the analysis of the

results obtained at the meeting, the following table was prepared detailing the priorities of our stakeholders regarding company information and the impact that they have for the business.

Materiality matrix 2012

Priorities of our stakeholders	High	<div>*Environment management and investment</div> <div>*Working together with local institutions</div> <div>*Commitment to the Community</div> <div>*Occupational Health</div> <div>*Occupational Safety</div>
	Low	<div>*Climate Change</div> <div>*Water management</div> <div>*Biodiversity</div> <div>*Human Rights</div> <div>*Waste Management</div> <div>*Employee Development</div>
		<div>Low</div> <div>Potential impact on our business</div> <div>High</div>

Carlos Vaccaro | Acindar grupo ArcelorMittal external affairs Manager

Sustainable commitment: A priority for our Industry



In Acindar Grupo ArcelorMittal, we know the importance of sustainable management of initiatives and strategies that may have an impact on our society, environment and economy.

One of the strongest values Acindar Grupo ArcelorMittal holds is its trajectory. Not only due to the 70 years of uninterrupted work in the country, but also for the transparency with which business is done. We are aware of the needs of the communities in which we operate, of our own human capital and above all things, we are committed to developing our industrial operations in an increasingly sustainable way.

Since the creation of our company, we have moved towards long-term sustainability. We have made tremendous efforts to get closer to our goal and this is possible thanks to the work and commitment of all collaborators who are directly or indirectly part of our company.

For over 20 years, we have played an active role in Corporate Social Responsibility in the country. At that time, when this practice was starting, with a focus on corporate citizenship and community, Fundación Acindar had already gone a long way contributing and participating in the communities where the company was present.

Then, when the concept of CSR matured and sustainable initiatives started to develop, our company had been working on environmental performance reports since 1992, which continued steadily until 2004.

Over time, after gaining experience, exchanging information and analysing objectively the global

realities, we pursued a more integrative path. Our CSR strategy began to take into account all our stakeholders: suppliers, customers, employees, the community and the environment.

It was in the first years of 2000 when our company decided take further steps on this path to sustainability.

That was how, driven by our way of seeing the world and business, plus the desire to continue providing added value in the country, we started to develop our Sustainability Report and today we present our 9th edition.

It is an honour for our company to have obtained for the third consecutive year the prestigious "level B" according to the international standards of the Global Reporting Initiative (GRI).

The Sustainability Report has become a very important tool for Acindar Grupo ArcelorMittal, not only because it allows us to evaluate our performance year after year, but also because it gives us the possibility to do it with transparency, outlining new ways of relating to our stakeholders.

Today, looking at the world around us, the positive impact of companies in our societies has become a key motivating factor for the development of the local communities. Therefore, as a company, we constantly engage in measuring

our results, communicating them openly and transparently, being ready for dialogue, and responding responsibly for our actions and to the needs the communities are facing.

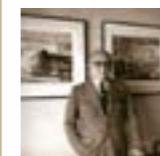
In Acindar Grupo ArcelorMittal, we know the importance of sustainable management of initiatives and strategies that may have an impact on our society, environment and economy.

Today more than ever, the company operates under the paradigm of sustainability because we are convinced that from there we can achieve the balance that should exist among all actors that make up our society. And that make up the country we live in.

70 years transforming the steel industry in Argentina

There have been many challenges that marked our history. Acindar was born as a result of the spirit of a group of construction entrepreneurs who had the vision of developing the largest steel industry. The dream grew and was maintained over time due to the commitment and strength of its people. On our 70th anniversary, we continue betting on the future.

First Steps



It was the year 1942, when World War II broke out. At that time, Arturo Acevedo owned a construction company together with other shareholders. With the European industry devoted almost exclusively to production for the war and the obstacles met by maritime transport, there was a scarcity of steel bars, an indispensable element for the construction industry. Unable to import material, this group of businessmen decided to go a step further and began producing it locally. With an initial capital of one million Argentine pesos, a plant was built in the city of Rosario (province of Santa Fe).

Arrival to Villa Constitución



In 1952, Acindar settled in Villa Constitución (Province of Santa Fe) with a modern Morgan rolling mill. With an exceptional geographic location along the Paraná River and also convenient road and rail access, the factory facilitated progress in a city that until that time had mainly been devoted to agriculture.

The dream came true



The intention of Eng. Acevedo had always been to build a comprehensive plant that would contemplate the entire production process from iron ore to finished products. After several attempts, in 1975, they started the construction of a direct reduction plant, a steel mill with three electric furnaces and continuous casting, as well as ancillary facilities including a mineral port. This was a milestone for the company and represented a major challenge for the day.

Expansion



In 1981, an agreement was signed whereby Acindar joined Gurmendi SA, Establecimientos Metalúrgicos Santa Rosa SA and Genaro Grasso SA. In terms of the implementation of its investment policy in 1987, the projects involving affiliates based in Villa Mercedes (San Luis Province) were completed, contributing to the development of a region of the country where there had been only few industries. In 1995, there was an integration with Navarro plant in Rosario (province of Santa Fe), expanding the company's growth potential. During the 90's the company opened offices in Montevideo (Uruguay) and Sao Paulo (Brazil). In 2004, the purchase of Aceros Bonelli in San Nicolás (Buenos Aires) complemented the range of steel sections sizes Acindar had.

International integration



An agreement was signed with Belgo Mineira, a leading Brazilian steel company. The Acevedo family sold 50% of their shares and Acindar was from the year 2000 under joint management. Belgo Mineira, that was at that time already under the control of Arcelor, acquired the remaining shares. With further capital investments, Belgo Mineira now owned around 72% of the Company's shares. By the end of 2006, Arcelor and Mittal Steel merged forming the ArcelorMittal Group, world leader in the production of steel. After this, Acindar became part of the new dynamics of the steel industry in the 21st century, becoming ArcelorMittal its largest shareholder.

Present and future



Today more than ever, rooted in the values of sustainability, quality and leadership, and accompanied by the professionalism of its people, Acindar Grupo ArcelorMittal is prepared for further growth, facing new challenges, maximizing its competitiveness and optimizing daily production processes. Because the road to continuous improvement is not over.

05

Human Rights Policy

This policy articulates our respect for all Human Rights. It focuses on the areas that have been identified as priorities for our industry.

The ArcelorMittal Human Rights Policy sets out the principles for our actions and behaviour in relation to human rights.

This policy applies to all employees of ArcelorMittal subsidiaries and affiliates worldwide.

In addition, our subcontractors working at our sites are expected to comply with this Policy

Commitment to stakeholders

Employees

We develop our employment policies with the aim to achieve uniform worldwide application of the relevant aspects contained in the International Human Rights

Declarations. We are committed to training our employees to be aware of, respect and protect human rights in the workplace and in the local communities where we operate.

Business partners

We seek to respect and promote human rights when engaging with subcontractors, suppliers, customers, joint ventures and other partners.

Local communities

We seek to respect human rights and to develop an understanding of the cultures, customs and values that prevail in our local communities by developing an inclusive and open dialogue with the people who are affected by our operations.



Fiscal year results
and financial situation

The fiscal year results are detailed below comparing the 12 months of the fiscal year that closed on December 31st, 2012 with 2011 results.

The Company net sales, considering taxes, increased by 10.3%, reaching **USD 6,003.1 million** for the fiscal year closed on December 31st, 2012, compared to **USD 5,383.3 million** for the fiscal year 2011.

The Company average sales costs were 3% higher than in 2011, mainly as a consequence of the increase in the price of the main supplies, such as electricity, natural gas and labor.

Gross profit up to December 31st 2012 reached **USD 961.4 million**, compared to **USD 754.2 million** gross profit in the previous fiscal year.

Administrative and trading costs added **USD 150.9 million**, which represents 2.5% of net sales.

The operative result was **USD 721.2 million**, or 11.9 % of net sales.

The operative result plus redemption, EBITDA, was **USD 843.8 million** for the fiscal year that ended on December 31st 2012, while in 2011 it reached **USD 662.4 million**.

Income tax on profits meant a loss of **USD 205.4 million**, but it results from the profits that were generated during this fiscal year.

The stockholders' equity totals **USD 2,314.1 million** up to December 31st 2012, compared to the stockholders' equity the previous year, which totaled **USD 1,891.0 million**.

During the fiscal year that ended on December 31st 2012, profits totaled **USD 423.1 million**, which was more than the **USD 337.3 million** recorded the year before.

The Company ended the fiscal year with a net cash position (cash + investments + liabilities) of **USD 680.1 million**.

Taxes

The Company paid **USD 609.006.418** in taxes.

Acindar Grupo ArcelorMittal Activity

Production

Evolution over the last two fiscal years

	Production KT 2011	Production KT 2012
Direct Reduction	976	952
Steel Mill	1.380	1.432
Rolling Mill	1.273	1.253
Wires	202	178

KT: thousand tons.



Consolidated sales

Total sales reached 1,315,249 tons. 77% of the total sales was aimed at the domestic market, while the remaining 23%, which equals 297,656 tons, was aimed at international customers.

The total sales income, at an estimated average price of USD4,470 per ton, showed a year-on-year increase of 7.6 % and reached USD 6,049 million.

Sales in Tons	2012
Domestic Market Deliveries (Thousands of Tons)	1.017
International Market Deliveries (Thousands of Tons)	298
Total	1.315
Net Sales	2012
Domestic Market (MM ars)	4.956
International Market (MM ars)	1.093
Total	6.049
Domestic Market Net Price (ar\$t)	4.793
International Market Net Price (ar\$t)	3.551
Average Tc 2012	4,555

7,6%

It increased the total sales revenue

Investments

In Acindar Grupo ArcelorMittal we continue implementing our investments plan.

Most of the works are carried out in Villa Constitución plant, where all primary processes to manufacture our products take place.

In 2012 the investments that were given priority were related to preservation of the environment, renewal of critical equipment and operative and safety improvements.

As regards the last point, we continue implementing the fatality prevention corporate plan, whose goal is to install life cables on the roofs, standardization and replacement of stairs, handrails and banisters, installation of physical blocking to prevent access to unauthorized staff and equipment assignment.

Our main works

In 2011 we started an important environmental improvement

project to be implemented in the steel making process so as to minimize the level of toxic fumes generated by the casting process. This project adds a new industrial aspiration and filtering system to be used in steel making. During 2012 civil works started, and the imported equipment necessary for this change was handed in. The start-up is expected to take place by the end of 2013. Together with these works, the steel making safety filling was enlarged, adding 25,000 m3 of capacity.

The second travelling crane for casting ladles in the meltshop was replaced, completing a total investment of USD 22.5 million.

In August 2012, the annual maintenance work was carried out at the Direct Reduction plant. During this stop in production, four of the main bundles were replaced.

Currently, the liquid effluent treatment plant in La Tablaba Wire plant is being built, and liquid effluent continuous monitoring systems are being installed. The anti-fire net installation has

already started in the whole area of La Tablada plant.

Administrative offices there have also been refurbished and enlarged, and they have been opened again.

New equipment was purchased for San Luis plant in order to automate the meshes piling up and nails packaging. It will be installed during the second half of 2013.

In order to develop our bond with our business partners, cutting and folding machines have been added, which reinforces Acindar’s commitment with the development of the sales network.

2013 Prospects

For Argentina in particular, a 3.5% growth is expected for 2013, which implies some acceleration compared to the 1,9% growth recorded in 2012.

It is expected that the activity level will increase little by little during the second quarter of the year, when most of the harvest is sold expected to beat all records. During the same period of time, Brazil’s recovery will generate a greater level of industrial goods sales, mainly in the automotive sector.

It is expected that the inflation rate in 2013 will be similar to the one recorded in 2012.

The excess of steel produced worldwide due to the slow recovery of developed economies still limits its price. Raw materials used to produce steel have reduced their prices over the last months, which helped to keep the meltshops operative margins.

Risk management

The international scenario may make an important impact on the development of the company businesses, adding to the important consequences it may bring about in the local context. All the investments made on social and environmental projects may be affected if the company needs to adjust to the current situation.

For some years now, in Acindar Grupo ArcelorMittal we have been implementing a risk management system considering the relevant activities. The results of this analysis are taken to a matrix used to assess the different risks, their impact and the possible strategies to mitigate them.

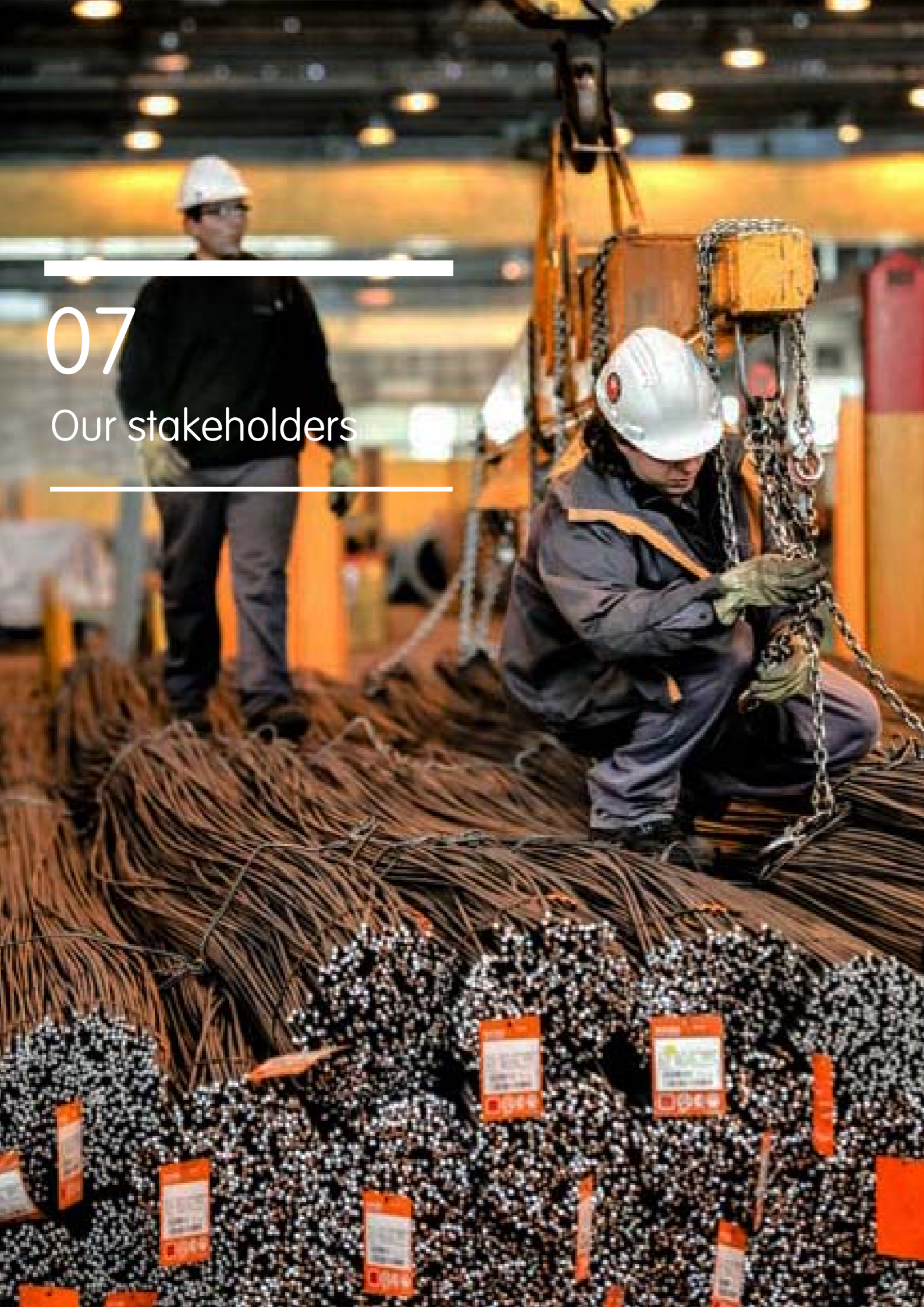
Certification of Section 404 of the Sarbanes Oxley Act

It is the sixth consecutive time that we have been granted the Certification of Section 404 of the Sarbanes Oxley Act, focused on the works performed and recorded by the Internal Control

and SOx Area. This act ensures that the internal control system runs effectively in the different company areas, and it preserves the information in our financial statements until December 31, 2012.

Acindar Grupo ArcelorMittal, as a member of an international iron and steel group which is listed on New York and Europe Stock Exchanges, will keep on applying this internal control system, periodically analyzing the risks which are inherent to our activity and reinforcing the necessary internal controls in order to guarantee the reliability of our accounting and financial data.





07

Our stakeholders

Identification and commitment to our stakeholders

Our strategic partners for business management

The transparency and confidence in the relationship with our stakeholders are the basis for our daily actions. Therefore, we maintain a fluid dialogue with each of them, in order to identify their needs and expectations in relation to the company and to keep them informed about the performance of the organization.

By knowing and understanding the views of those who are impacted by our operations, we can develop programmes and initiatives that meet their expectations and through which we manage our business responsibly.

Our commitment to stakeholders

In line with this strategy, we held throughout the year five meetings with community representatives from the municipality, the media, educational institutions and other organizations operating in Villa Constitución.

The purpose of these meetings was to keep them informed on company's actions and performance, as well as involving them in the planning of programmes that can benefit both parties.

Sustainable Development Forum in Villa Constitución

In 2012, we created this new space with the collaboration of different actors of society. It works as a consultative and advisory body for growth, social inclusion and the design of sustainable strategies to generate greater economic dynamism and employment.

The forum includes representatives from the municipality and the province, non-government public sector representatives, regional companies such as Acindar Grupo ArcelorMittal and trade organizations. In addition, the cooperative sector is represented by the Federation of Worker Cooperatives.

We intend to promote the collaboration among all stakeholders to facilitate economic and social progress, developing actions to create competitive advantage for the region and its businesses, and strengthening the competitiveness and productivity of local companies.



The forum was signed by the governor of the province of Santa Fe, Antonio Bonfatti, and the mayor of the city of Villa Constitución, Horacio Vaquié.

Magazine Comunidad

It is one of the communication channels with the community of Villa Constitución and it is published on a quarterly basis. We use this tool to report on our economic, social and environmental performance.

Since it first came out in November 2010, there have been nine editions that were distributed for free along with the local newspaper.



Impacts, risks and opportunities

In relation to our stakeholders, we have identified the main objectives, challenges and opportunities we must focus on to meet our sustainability strategy targets.

As for employees' health and safety, our goal is to achieve zero accidents and so we need to focus on how each of them performs their tasks. While in 2012 the results were positive, this is an area we must work on every day due to the changing environments and the new situations we face that put our actions to the test.

We should also concentrate on the competitiveness of the company, costs and employment generation, as they have a significant impact on the success of the company and its stakeholders. Despite progress has been made in these areas in recent years, we have not reached international standards in terms of competitiveness, for example.

Reducing environmental impact in each of the locations where we operate is key. Raising awareness of the importance of recycling and articulating links between different sectors of the community to work in this area are the challenges we face and we have been working on through education and the relationship with local stakeholders. We have invested in projects that reduce

the environmental impact of our operations (see Chap. 9: "Making steel more sustainable").

These objectives and challenges are comprehensively dealt with by the Company's Management.

We have identified the change of location of activities as an indicator of economic impact. In this regard, we can mention the relocation of the administrative offices from Beccar to La Tablada in 2012, prompting a change in the employees' dynamics.

Strengthening bonds project

In order to understand and manage our impact on the community of Villa Constitución, in 2012 we launched the project "Strengthening Bonds". The main aim of this project is to make a comprehensible and long-term work with the local community, unions, employees and their families.

The project is based on identifying and understanding the needs of each of them to interact with



them and create a space for collaboration and mutual understanding.

This also involves coordinated action among the different areas of the company that are in contact with these stakeholders.

As part of this programme, in 2012 we started a joint work plan with the recyclers in the area, in order to help them formalize their organization and contribute to the improvement of their income. Part of the waste from our production processes are treated by these recyclers.

Our stakeholders

	Why is Acindar Grupo ArcelorMittal important for our stakeholders?	Why are the stakeholders important for Acindar Grupo ArcelorMittal?	Key interest points for our stakeholders	How we communicate with our stakeholders
Shareholders	It improves their capital and it increases financial results. It generates sustainable growth and a return of investments for the shareholders.	The supply capital and support for the business management.	Corporate Governance. Business Profitability. Relationship with the Employees. Health and Safety. Corporate Responsibility. Climate Change and Environmental Performance.	Periodic Reports. Visits to the plant. Conference Calls.
Customers	It provides quality products and services, offering solutions and generating added value for the customer.	It is part of the value chain for developing a sustainable industry.	Quality products and services that offer solutions for their needs. Fulfilling delivery deadlines. Correct use of our products.	Means of communications and specific campaigns. Presence in fairs and exhibitions. Visits to customers. Talks and technical training activities.
Employees	It provides a working space for the employees' development.	They provide productivity, quality and leadership, which are key factors for the company to succeed.	Secure and healthy working atmosphere. Development opportunities. Payment and bonuses.	Meetings with the General Director. Intranet. Climate survey results internally published. Training programmes. Relationship with the unions.
Suppliers	It makes it possible to develop their own business. It develops a long term customer. It makes it possible to get new knowledge. It provides access to the Acindar Pymes Mutual Guarantee Association (S.G.R., Sociedad de Garantía Recíproca). It provides commercial references.	They made up our value chain and they are part of our final product.	Transparency in the purchase processes. Proper payment conditions. Promotion of a sustainable conduct.	Permanent commitment and dialogue. Development of middle and long term contracts. Talks and meetings to improve their competitiveness and development. Training activities for specific skills.
Local communities	It contributes to the economic and social development of the population since it generates job positions and it provides support in terms of education, health, environmental and social promotion.	They provide the necessary licenses for the company to operate in different locations.	Community participation plans and processes. Environmental control and impact of the company operations. Social investment. Occupational safety.	Programmes and talks to promote education, health and environmental care. Corporate volunteering activities. Meetings with social leaders. Magazine "Comunidad".
Government	It generates economic growth by means of incomes, job positions, taxes and productive innovation. It provides transparent and competitive commercial conditions.	They develop and promote proper market conditions.	Economic and social development. Employment. Investments. Commercial Policy.	Formal meetings. Hearings with different government representatives.
NGOs (Non-governmental organizations)	It provides a vision on the society needs.	They monitor our performance as regards the satisfaction of our stakeholders' needs, as well as the vulnerable groups and the society needs.	Biodiversity and climate change. Economic and social development. Health and safety working conditions. Human rights.	Alliances for programme development. Formal Meetings. Events.
Multisector and business organizations	It understands the industry needs, the market trends and the responsible business practices.	They channel the company needs. They made peer work possible.	Long term challenges for the industry. Health and Safety. Climate change. Energy, water and waste. Responsible purchases.	Formal talks. Regular meetings. Active participation in committees and commissions. Hearings.
Media communication	It provides information on the company's environmental, economic and social management.	They offer data on trends in the industry and in the social, economic and environmental contexts. They contribute to build and protect the corporate reputation and show our activities and products.	Challenge for the industry and its evolution. Environmental issues. Health and Safety in the workplace. Corporate responsibility practices.	Press releases. Interviews. Visits to the plant. Meetings.

Our employees

2670 Employees

Per location

Location	Total Number
Villa Constitución Plant, Santa Fe Province	1627
Rosario, Santa Fe Province	190
La Tablada, Buenos Aires Province	517
San Nicolás, Buenos Aires Province	167
Villa Mercedes, San Luis Province	169
Total	2670

Per age and sex

Employees per age	Total Number	Male	Female
Younger than 30 years old	469	445	24
Between 30 and 50 years old	1691	1576	115
Older than 50 years old	510	501	9
Total	2670	2522	148

Per category

	Total amount	Male	Female	Younger than 30	Between 30 and 50 years old	Older than 50
Executives ⁽¹⁾	35	32	3	0	22	13
Area Managers	73	62	11	2	55	16
Exempts ⁽²⁾	319	271	48	6	235	78
Administrative Staff	279	208	71	72	165	42
Laborers	1964	1958	6	418	1134	412
Total	2670	2531	139	498	1611	561

⁽¹⁾ Executive General Director, Executive Managers and Directors.

⁽²⁾ Supervisors, Leaders or Senior Positions.



Per collective bargaining

Collective Bargaining	Total Number	% over total
UOM	1740	65,17%
ASIMRA	232	8,69%

Absenteeism rate ^(*)

	2011	2012
Rate	3,93%	4,26%

^(*) Hours lost due to sick leaves, chronic diseases, accidents/ideal number of our hours*100

Our employees are the very heart of our business. Their success is ours. We need their ideas and we trust in their commitment to their work. Our collaborators are treated with respect and dignity and we invest in their development providing them with a safe and healthy working environment. We operate in an industry in which safety is an everyday concern and, in our case, we still give it the highest priority. But being responsible employers implies much more than that. We want Acindar Grupo ArcelorMittal to become a place where people can develop their full potential and feel that their views and opinions are valued.

Health and Safety Day

“Stop, think and act safely”

April 26 was a day for thinking on these pillars, due to the celebration of the 6th edition of the Health and Safety Day in all the plants that belong to the Group. This initiative is part of the “Journey to Zero Accidents”, aimed at building working areas free of accidents.

All our employees and contractor companies are involved in this celebration discussing safety improvements, new goals and programmes. The company invites the participants to reflect upon different situations they have lived so as to prevent

accidents from happening again and to build a safer and healthier work place.

Guidelines:

- First Aids
- Ergonomics
- Breathing Protection
- Eyes and Ears Care
- Safe Task Design
- Risks Detection
- Rescue from the Heights

These issues were approached by means of workshops and training activities, talks, drills of risk situations and floor audits performed at the different plants.

Health and Safety Day highlights

- Aditya Mittal, member of

Grupo ArcelorMittal General Directors Board; Jefferson de Paula, CEO of ArcelorMittal Long Steels America, and Antonio Bonfatti, Santa Fe Province Governor, took part in the opening ceremony and the different activities performed in Villa Constitución plant.

- Several emergency drills were carried out (in the heights, on railways, with fire, in confined areas, etc.).

- Fundación Acindar was part of this celebration and organised a special day called “Let’s Add Safety”, which took place in some schools in Villa Constitución.

- Different talks on “Technical Safety Training to Prevent Fatalities” were held with students from the specialization level of two technical schools in Villa Constitución.
- A basic talk on Cardiovascular Disease Risk and Cardiopulmonary Resuscitation (CPR) was organised for Villa Constitución neighbours, physical education teachers and the Volunteer Fire Brigade members.

Detail of the participants

	Total Number
Employees	1.266
Temporary Workers	10
Contractors	314
Guests and Authorities	797
Union Representatives	10
Total	2.397

More than 2,300 people took part in the event, considering members of the staff, contractors, municipal authorities, guests and union representatives.



The Occupational Health Area coordinates how medical services work in all the plants belonging to the group with the aim of standardising the services and improve the staff’s situation at work, focusing on the prevention of illnesses by means of specific programmes and campaigns.

During 2012, different activities and campaigns aimed at reinforcing the company’s commitment with the quality of life and the right to health were organised:

- Argentinian Haemorrhagic Fever and Flu Vaccination Campaigning.
- Talks on Preventive Medicine.
- Alcoholtest Controls.
- Periodic Medical Check-Upss.



Health Care Week

Promoting Healthy Habits

From October 8 to 12, a new edition of this educational event was organised in all our plants to reflect upon the importance of taking care of our physical and mental health.

“Nothing is more essential than your health” was the idea developed by the company so as to make this concept part of our work philosophy. This edition was focused on issues related to nutrition, physical activity and stress. In addition to that, we kept on working on addictions and prevention and detection of certain illnesses.

Besides, talks on nutrition, physical activity and high blood pressure (HBP) were organised. There were also blood pressure, weight, height, glycemia, cholesterol, blood alcohol level and body mass index (BMI) controls, among other activities carried out with the employees.

Detail of the participants

	Total Number
Employees	1.840
Managers	10
Contractors	600
Community	220
Total	2.397

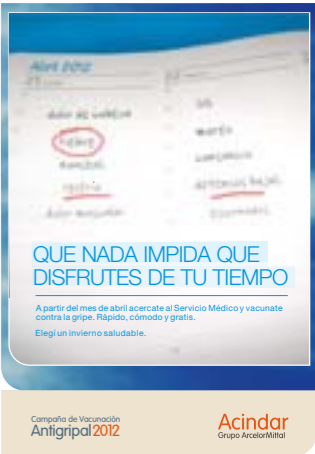
Addictions Preventive Programme

It is an integral programme that approached issues related to illegal drugs consumption by people working in the company.

This is carried out by means of prevention, reduction and treatment of such problems in an organised and systematic way, focusing on education.

Both our own staff and our contractors can take part in this initiative.

During 2012, 8,450 alcoholtests were carried out by both our own staff and our contractors.



Safety indicators

Acindar's own staff

N° of incidents	2010	2011	2012
Without sick leave	77	111	68
Temporary leave	6	3	0
Permanent leave	0	0	0
Deaths	0	0	0
Frequency Rate ^(*)	0,86	0,42	0
Severity Rate ^(**)	0,008	0,007	0

Acindar's contractors

N° de accidentes	2010	2011	2012
Without sick leave	57	46	41
Temporary leave	14	5	1
Permanent leave	0	0	0
Deaths	0	0	0
Frequency Rate ^(*)	0,82	1,07	0,21
Severity Rate ^(**)	0,003	0,022	0,0004

^(*) Frequency Rate: It shows the number of workers who suffered accidents, during a year, per million or hours worked.

^(**) Severity Rate: It shows the number of days of work lost in a year, per each thousand of workers affected.



Incidents rate (IR) ^(*)

	2012
Acindar's Own Staff	1,85
Contractors	1,80
Total	1,83

^(*) Number of accidents considering the total time worked by the total group of labourers during the period of time evaluated in the report.

Health indicators

Professional Illnesses Rate ^(*)	0,12
Lost Days Rate ^(**)	6,38

^(*) Total number of cases of occupational illnesses/total number of hours worked*200,000

^(**) Total number of days lost/total number of hours worked*200.000

Integrated Management System

Quality, safety, occupational health and environment

As a result of the hard work done as part of the continuous improvement of our processes, during 2012 we developed different activities aimed at reinforcing the quality of our products and technologies and at ensuring the employees and the community's well being.

■ We celebrated the 20th anniversary of our first certification in Quality Management Systems. Since we got the certification, we have always worked adding

processes and making them more complex, and as a result, we achieved the Integrated Management System (Quality, Health, Occupational Safety and Environment) which is currently implemented, with all processes and locations of Acindar Grupo AcerlorMittal certified by ISO 9001, ISO 14001 and OHSAS 18001 standards.

■ We keep on working on our suppliers' management, by means of evaluations of their operative systems and recommendations for their improvement.



Contractors management

During 2012 we worked on a project for the reorganization of the contractor companies that provide us with their maintenance services.

The project aims at fulfilling the Safety Policy for Contractors' Management defined by Grupo ArcelorMittal.

Before starting with the implementation of the plan, different issues related to service hiring criteria and safety management were spotted for them to be improved.

The project, led by the Engineering, Maintenance and Services Management of Acindar Grupo ArcelorMittal, reached level 5 in the Fatality Standard Audit (FSA)-008 carried out in September 2012.

As regards operative matters and recruitment criteria:

■ The number of contractor companies providing maintenance services was reduced from 14 to 4. This made it possible to improve contractors' communication, management and control. Maintenance services were assigned to companies that had been prequalified considering technical criteria and specifications and applying a monitoring system by means of Key Performance Indicators (KPIs).

As regards safety::

■ A safety technician was appointed for the contractors. He

will be in charge of managing all issues related.

■ Contract Executives were appointed by Acindar Grupo ArcelorMittal. They decide whether contractors fulfill their contractual duties in terms of the implementation and management of Health and Occupational Safety issues concerning the work requested in each contract.

■ Action plans were drawn up between the manager and the company. They are monitored and updated in monthly meetings.

■ An Assessment System of the contractor companies was defined. Their Assessments are sent to the Integrated Management System office, which is in charge of dealing with different actions related to the contractors' performance.

■ The premises, tools and personal protective gear for the contractors were improved.

Fatality Standards Audit (FSA)

In September, Grupo ArcelorMittal performed the second corporate audit of the year.

The first audit of Fatality Prevention Standards (FPS) was carried out in July in Villa Constitución plant.

During the audit the levels of implementation of 8 Fatality Prevention Standards were assessed in order to continue with the improvement process in terms of health and safety.

Level 3 was reached successfully in 7 standards, and, in some cases, this level was exceeded and levels 4 and 5 were reached. This year a new Risk Identification and Risk Assessment Standard (RIRA) was added.

The company needs to make focus on this standard to reach the level required.



The development of Fatality Prevention Standards (FPS) started in 2008 and have been deepened since then to add the experiences of the whole Grupo ArcelorMittal, based on the analysis of fatal accidents and the existing good practices.

They are 11 standards and their implementation is mandatory at all plants.

Good practices

The highest possible level was achieved in certain standards, and, in addition to that, the auditors selected some practices currently implemented as reference cases to share with other plants belonging to Grupo ArcelorMittal. In this instance, the auditors highlighted the proper handling of information surveyed in the plant floor, which makes it possible to detect deviations or tendencies and to plan actions as part of a safety plan focused on the improvement points identified.

Besides, it is worth mentioning that as regards the Fatality Prevention Standards (FPS) applicable to Contractors' Management, the importance of our bond, communication and control with contractors' companies was highlighted.

During 2012 Acindar Grupo ArcelorMittal invested about USD 1,600,000 to implement actions aimed at fulfilling the Fatality Prevention Standard (FPS)



Technological Promotion Seminar (SITEC)

Day of Sustainable Innovation.

In November 2012 the 19th Technological Promotion Seminar took place. This Seminar is held every year and it offers the chance for our employees and different members of the community to share their experience by means of presentations aimed at continuous improvement.

They are focused on issues related to quality, health and safety, environment and productivity.

In this edition, 18 presentations were delivered (considering all locations). In addition to that, the first work team in the company to

be an ISO 9002 quality certification was acknowledge on its 20th anniversary. 250 people attended this event.

"For 23 years, we have been meeting to share experience and work in progress aimed at continuous improvement. Sustainability is a core value within Grupo ArcelorMittal and innovation is a key factor in the world we live in", stated José Giraudo in the seminar opening speech.

Ergonomics for Job positions

As part of the job positions ergonomic development project, we designed a risk map of this discipline including all the operative job positions.

During the first stage, it is implemented in Villa Constitución, and then it will be carried out in the other locations.

The goal of this survey is to rank the job positions per plant to analyse common risk factors so as to align the actions to be implemented in order to prevent them. In addition to that, we developed risk assessment methods and training tools for the administrative staff.

During 2012, we trained employees from the IT and Processes Area and we have already planned to continue training other company areas.

We also performed ergonomic assessment in certain operative job positions in particular applying international standards and methods.

Moreover, we have implemented solutions when needed, promoting, in turn, the participation of the employees filling these positions, who could generate technical and/or technological improvements.

We continue taking part in the *Ergonomics Community*, which makes it possible for different plants members of Grupo ArcelorMittal to exchange information and experiences.



Health and Safety Mixed Committees

The Health and Safety Mixed Committees were established in 2008, being Acindar Grupo ArcelorMittal the first company in the country to implement such a valuable tool. Five years after the company representatives met the Steel Workers Union (UOM, Unión de Obreros Metalúrgicos) and the Supervisors and Technicians Association representatives (ASIMRA, Asociación de Supervisores de la Industria Metalúrgica de la República Argentina) for the first time, the monthly meetings they still hold today have certainly become an important tool for Safety management.

This practice, which started in the company with the first meetings in Villa Constitución, soon proved to be effective and the initiative was replicated in Rosario, San Nicolás and La Tablada plants. These committees are made up of members appointed by the company and UOM and ASIMRA union representatives that play their role as "prevention delegates". The Mixed Committee meetings are held periodically and they are aimed at optimising the staff's health and safety work conditions and also at developing proactive and preventive initiatives to reduce accidents at work to zero. Apart from their representation

tasks inside the Committee, the prevention delegates add visits to the plant premises to their daily routine so that they can collect the workers' replies, research accidents or incidents and survey dangers and risks.

During 2011, all the committees worked on each of the issues related to company staff health and safety.

Achievements in terms of safety

- The Total Incident Rate was reduced. .
- The number of incidents resulting in leaves was also reduced.
- In Villa Constitución plants, positive results were reached in the Fatality Prevention Standards..
- Health and Safety Day Highlights



Work modality and policy

Grupo ArcelorMittal considers its employees as a great value capital, which needs to be assisted, trained, developed and rewarded. Unions act as interlocutors and contribute to the organization.

That is why, to strengthen these bonds, we have set weekly meetings with the delegates and internal commissions and at the end of the different quarters during the year, the Directors meet the UOM and ASIMRA boards to share results and current business data.

Roles evaluation committee

In Villa Constitución we have worked collaboratively to develop tool for assessing different operative positions under the UOM agreement.

In 2012 we worked on the development of a survey process per sector, to define a payment system that takes into consideration internal fairness, external competitiveness and alignment to the current payment policies.

Salary agreements

In Acindar Grupo ArcelorMittal we take part in collective bargaining negotiations at national level through the Argentinean Steel Chamber.

We also participate in the local negotiations to define the final value of the company additional benefits. In 2012, a 23% increase of the basic salary was agreed for the staff included in the agreement.

Internal communication

Campaigns

More than 20 campaigns were carried out during 2012.

Some of them were Health and Safety Day, Flu Vaccination, Environmental Care, Performance Management, Acknowledgement System, Continuous Improvement Days, Stocks Purchase Programme, Fundación Acindar and Organizational Climate.

Opportunities for communication

New recreational activities were developed with the aim of making exchange easier and strengthening the existing bonds. Examples of these activities are breakfasts with the General Director and instances of Cascade Communication for our staff. Another initiative is "Revista 1", a magazine that reaches the homes of every member of our own staff. The magazine approaches issues related to the company current situation, projects and activities and also to the workers who are part of it.

Climate is made by all of us

In a new edition of the Climate Survey, 91% of the staff volunteered to express their perceptions of their daily work and the company management and perspectives. The survey was answered anonymously



Family visits

More than 1,200 people visited Villa Constitución, San Nicolás, Rosario and La Tablada plants when this activity was relaunched.

The aim of the programme is that family members get to know our productive processes and workplace.

The level of engagement in this activity was satisfactory and it encouraged us to go on with this practice.



Acknowledgement

Employee work attendance

Villa Constitución, La Tablada, Villa Mercedes and San Nicolás plants acknowledged those employees who managed to be always present at work during a whole year.

Absenteeism is one of the main issues for management to focus on and it needs that different action fronts get coordinated to approach the problem in an integral way.

This acknowledgement seeks to identify those collaborators committed with their work to show them as examples to follow and imitate, and to promote this kind of behavior among our employees.

Career

The Medals Giving Ceremony took place in 2012. It is the event that the staff most anxiously await, as it is organised to acknowledge their seniority in the company.

This edition was organised in the honor of 341 people who achieved 20, 25, 30 and 40 years of seniority between 2011 and 2012.

The ceremony was held in the locations where each of them works.

Development and training

From Acindar Grupo ArcelorMittal we define our employees' training plan every year based on the general guidelines, the results of the processes of performance management and needs detection process per floors.

During 2012 we worked in order to:

- Promote professional development.
- Identify opportunities for improvement that make it possible to increase individual and team contribution.
- Develop skills for present and future challenges.
- Deal with the technical needs according to the position.

■ Reinforce learning processes in the job position reducing the investment of time spent in the classroom.

Leveraged in these goals, we developed the following training programmes:

- Leadership Programmes for middle managers.
- Effectiveness in the Job Position Programmes for junior and senior professionals.
- Technical Programmes depending on the individual or teams' needs.

■ Programmes to develop certain skills according to the challenges faced by the different sectors in the company.

■ Management Model Training Programme by means of an internal network of trainers.

■ English, Computer Skills, SAP Training Programme.

■ Support Policy for those employees attending post-Graduate courses.

■ Individual or collective tutorship programme to promote self-management, communication and self-knowledge skills, aimed at improving transfer of everything learned in the job position.

Number of hours used for training

Category	Hs. per person
Managers	46
Middle Management	25
Professionals	26
Laborers	12

Number of hours per modality

Face to Face	99,30%
E-learning	0,70%

Performance management

At the beginning of the year we set the goals to work per team and per employee, and during this period of time different actions are performed to follow-up each individual' performance.

When the period is over, we carry out the assessment by means of a meeting in which the leader and the collaborator take part. This is a stage in which the action plan to be implemented the following year is defined according to the employee's strengths and the issues to be improved. In this assessment it is possible to suggest the actions to be carried out in the same job position and/or the training activities that are deemed necessary.

During 201 we carried out a performance and professional development assessment with 100% of the staff.



New UOM skills model

In reply to the request expressed in the Weather Survey 2010, an improvement was implemented in the skills model used to assess staff included in the UOM agreement.

The most important change is the increase in the extent of the descriptors used to assess performance, so as to account for the collaborator's daily work in a more accurate way.



Middle management role and profile

As part of the Project called "Strengthening Bonds with Employees, Community and Unions", the profile and role of middle management positions was revised so as to define one or more general profiles, including responsibilities, requirements to fill the position and necessary knowledge to implement during the development of the role.

As a result, only one role and one profile were defined for middle management in the whole company.

Middle management programme

Focused on our industrial middle management, we started implementing an integral training programme.

More than 2,300 hours of technical and management training were organized and 84.5% of the staff took part in the different activities. In addition to that, the development of the job skills was followed-up, mainly focusing on the ones related to team work, interpersonal relationships and decision making. In addition to all that, we organised a workshop on labor relationships with a theoretical and practical approach aimed at the same kind of target audience.

Safety training

Always focused on safety, we delivered more than 13.000 hours of training on FPS (Fatality Prevention Standards) during 2012 only in Villa Constitución plant. In the Climate Survey conducted in October 2012, the employees' perception of the training activities offered was 7 points higher than before and reached 65% of approval.



Corporate benefits

The benefits package our employees are offered includes benefits related to quality of life, corporate financial rewards, discounts and other options based on their needs.

Life Insurance	We offer all our employees a free life insurance additional to the mandatory one and the possibility of upgrading the benefit paying a lower price.
Acindar Avanza (Acindar Moves Forward)	This programme, which has been developed since 2011, offers a variety of benefits to all the staff depending on their place or residence. Using a portal on the Internet, employees can get discounts in sports, beauty and health, meals, clothing, education and many other kinds of services and products.
Medical Insurance	The company covers 100% of the cost of APDIS medical insurance for both the employees and their families. Service Provider: Galeno.
Medical Check	Medical checks are carried out annually with laborers and every two years with non-bargaining units employees.
Cafeteria	There is a cafeteria in each location of the company, where employees are offered a wide variety of meals at reduced prices.
Loans	We apply a loan policy for all staff. Members of the staff are lent a minimum amount equivalent to 5 monthly salaries and up to 10 monthly salaries are lent to managers and directors with a 6% TNA annual interest.
Nursery	Nursery expenses are paid for each female employee's child, from the end of the maternity leave until the child is 5 years old.
Discounts on products	Employees are given discounts over the final sale price.
Stationery kits for school	Stationery kits are given to the employees' 5-14 year-old children attending school.
Banking services	The banking costs of salary accounts, credit cards, check books, saving accounts in pesos and dollars are paid for the employee.
Staff Transportation	Our employees are offered free transportation to their plants in La Tablada and Villa Constitución.
Seniority Awards	Our employees are awarded when they reached 20, 25, 30 and 40 years of seniority.
Layettes	The company employees are given layettes whenever a child is born.
Retirement Legal Advice	Employees who retire are offered legal advice.



Corporate voluntary enlistment

Solidarity leave

Three employees from Villa Constitución, La Tablada and San Nicolás were selected to take part in the "Solidarity Leave" organized by Fundación ArcelorMittal and Hábitat para la Humanidad in South Africa, Mexico and Bosnia.

The worked for a week as members of voluntary brigades together with colleagues from other plants belonging to the Group.



Fundación Acindar integrating projects

Acindar's employees contributed their knowledge and showed their commitment with the company participating in some projects organized by the foundation.

Analysts from the Environment Management shared their experience on the preservation of the environment with the students who took part in the programme called "The planet is you home, take care of it". They promoted the participants' reflection upon the preservation of the place where we live and they encouraged actions to achieve to achieve this goal. During 2012, 18 workshops were delivered for school in Villa Constitución and San Nicolás.

Another example of active participation is the programme called "Let's Add Safety". Fundación Acindar still works on this



initiative with brigade members and Safety multipliers from the company who deliver workshops in the schools participating in the programme. In 2012, there were 23 workshops at elementary schools in Villa Constitución, San Nicolás and La Tablada and Villa Mercedes.

The employees also worked as members of the panel of judges during the foundation contests. They selected the texts and works produced by the students who took part in the different programmes.



House building

We have collaborated for three years with Techo Argentina making donations of building materials for families who fail to enjoy proper housing.

In 2012, we joined the project with volunteer teams who helped building six houses in La Matanza and Rosario. More than 70 volunteers, both our own employees and our contractors, worked together with Techo to improve the quality of life of these families.



More than 800 hours of volunteer work were spent in these activities.

09

Making steel more sustainable

Steel is one of the most versatile materials in the world - it can be recycled a countless number of times- and it can be used to make cars, buildings, means of transport, infrastructure and consumer goods that become more environmentally friendly and efficient in terms of energy throughout their life span. However, we must admit that manufacturing steel implies using resources intensively. That is why we work on a steady way to improve our performance, focusing our efforts on waste reduction and on a more efficient use of natural resources, so as to reduce the negative environmental impact.

With our motto, "Making Steel More Sustainable", we express our commitment with the environment, following up environmental indicators and organising different activities that are developed together with the employees and the community. In order to comply with the current regulations and to keep the ISO 14001 standard certification, we constantly work on the development of productive methods with less environmental impact, we follow-up the situations of potential environmental impact and we also keep communication with all stakeholders open.

Our environmental management is framed within the Integrated Management System that supports the Integrated Management Policy with the company Directors' commitment to trade products and services that increase customers' satisfaction and exceed their expectations, preventing, controlling and minimising sources of pollution and potential risks in their activities, products and services in order to preserve the environment.

Green economy. Are you included?

The World Environment Day has been celebrated by Acindar Grupo ArcelorMittal every June 5th over the last few years. In 2012, the motto was "Green Economy. Are you included?", a topic officially launched by the United Nations.

The celebration day was organised for the whole company to participate, which is why it was replicated in all operative sectors. The issues dealt with were applied to our industrial processes, together with examples that compared consumption and generation due to industrial processes and everyday life.

The company presented the video called "The Future We Want", edited from comments our employees made when asked about the kind of future they wanted and the commitments we were willing to make in order to reach this goal.

In addition to that, we delivered a presentation on Grupo ArcelorMittal and Acindar current

environmental situation, comparing results and environmental indicators with figures from all over the world. A learning activity about environmental issues in general was prepared and a presentation about "Environmental Risks Managements - Penalties and Responsibilities" was also delivered.

As we do every year, we carried out the typical Afforestation Campaign in Villa Constitución plant and, as part of it, seedlings were given to all the participants.

This activity was replicated in the other locations: Rosario, San Nicolás, La Tablada and Villa Mercedes.



Environment workshops

Every year, together with Fundación Acindar, we organise workshops at the schools in this area to have fun and learn more about certain environmental issues. As part of the United Nations Framework Convention on Climate Change "Río + 20", which took place in 2012, we defined that the topic to be approached during the workshops at the schools should be "Río + 20, the children's view", so as to support the worldwide launching of this issue.



Cleaner production

During the year we worked with 6th grade primary school students from Villa Constitución and San Nicolás. Eight analysts from different locations where Acindar is present volunteered to deliver 19 Environment Workshops. To close the school year, a project competition was organised to promote the concepts dealt with and raise awareness of them.

In October 2012 we signed an agreement under which we committed to take part in the sponsorship programme called "Cleaner Production", promoted by Santa Fe province and aimed at improving the environmental performance of the supplier chains that deal with the big companies operating in this area.

This programme is supported by the Ministry of Water, Public Services and Environment of Santa Fe Province, and almost

20 companies in this area are involved.

The signing companies will collaborate with the small and medium enterprises that operate as their suppliers by means of different investments aimed at adapting their productive processes to comply with the provincial regulations in order to protect the environment. This will not only preserve the environment but also increase the productivity level of different industries.

Acindar Grupo ArcelorMittal environment management

Iron and steel business and wire plant

Villa Constitución

During 2012, the different processes at Acindar Villa Constitución have been managed in order to reduce the environmental impact of certain operations.

One of the improvements introduced into the steel making process is a test -which proved to be satisfactory- aimed at checking the new storage and transport systems. These systems make it easy to unload supplies such as lime or iron alloys from trucks, and they make it possible to stop using wooden pallets. It is estimated that, by 2013, more than 1,000 wooden stands will stop being used, that waste generation will be reduced, and also that resources will be much better handled than now.

In addition to that, adjustment sectors in silos and conveyor belts for handling raw materials and other supplies were surveyed in order to reduce sources of pollution.

During 2012 we also cleaned the settlement ponds thoroughly so as to minimise the potential environmental impact of liquid effluents.



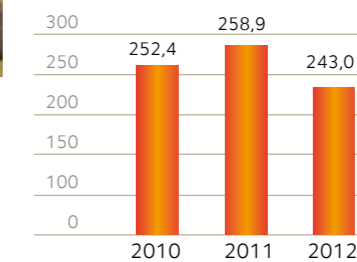
Acid fume scrubbers plant Wires

At the Wire Plant, hydrochloric and sulfuric acid fumes scrubbers were installed in line 2. This will bring about a significant improvement in the quality of the air emissions in our work chain.

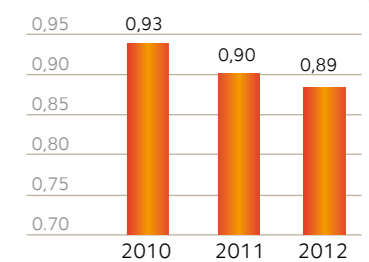
Since 2009, the Wire Plant has been working on the reduction of the amount of process water used. The whole of this project is related to the Liquid Effluents Disposal project carried out by the Plant. During 2012 we reduced consumption by 35%, compared to 2011 levels.

Natural gas, electric power and water consumption indicators

Specific consumption of natural gas (Nm³/tab^(*))



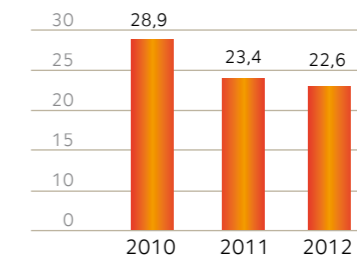
Specific consumption of electric power (MWh/tab^(*))



The specific consumption of natural gas and electric power was reduced compared to previous years due to the daily work and the efficiency of the processes.

Natural gas and electricity are the main sources of energy for our industrial processes

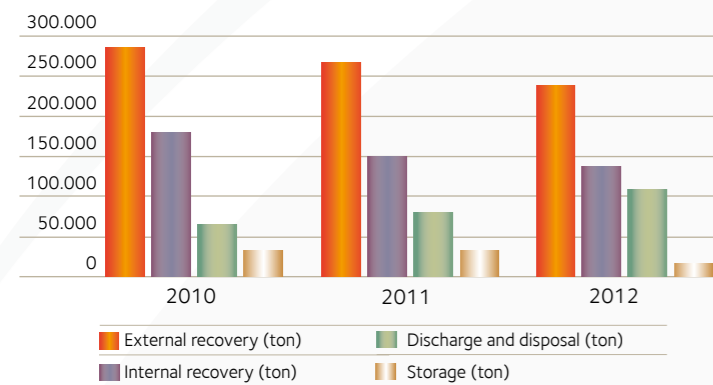
Specific consumption of water (m³/tab^(*))



Compared to 2012, specific consumption of water has been reduced due to some improvements implemented in the industrial processes that use it.

(*) tab: Tonnes of crude steel

Waste generation indicator (ton)



The amount of waste disposed has been reduced compared to previous years due to an improvement in management that made it possible to reduce the amount of waste generated. This improvement consisted of training staff and raising their awareness of the importance of waste disposal and its reutilization.

In 2012 the levels of stored waste increased, since it took a certain period of time for them to become recycled waste.



Environment management indicators

In order to report the following indicators, we took into consideration the Iron and Steel Business and the Wire Business operations at Villa Constitución Plant.

Materials used

Materials used represent the total amount of those materials needed during the process, either from external suppliers or from internal sources. They include raw materials, auxiliary materials, semi-finished products and packaging materials.

We will make a distinction between Non Renewable Materials and Direct Materials.

Data will be informed in tons.

	2010	2011	2012
Non Renewable Materials	Quantity (t)	Quantity (t)	Quantity (t)
Electric furnace electrodes	2.393	2.746	2.844
Calcined dolomite	102.334	100.957	99.237
Lime	1.247	1.425	1.471
External coke	29.266	22.433	22.826
Total	135.240	127.561	126.378

Direct Materials	Quantity (t)	Quantity (t)	Quantity (t)
Ferromanganese	3.147	1.418	1.112
Pellets	1.239.458	1.410.393	1.376.393
Scrap Collection	143.007	146.214	147.116
Scrap Bought	411.596	459.622	480.371
Total	1.797.208	2.017.647	2.004.992

All these materials belong to the direct reduction and steel making processes. Consumption of Non Renewable Materials and Direct Materials has been reduced compared to 2011 due to our everyday effort to improve the efficiency of the processes.

Materials used are materials valued

The materials that are valued are those that substitute virgin materials, either from external or from internal sources, that is to say, recycled materials. The percentage of Materials Valued is estimated and compared to the percentage of Materials Used (previous indicator). The material valued in Acindar Grupo ArcelorMittal process is external scrap, which is bought from scrap suppliers. Data will be informed in %.

In 2012, 480,371 tons of scrap were bought, which represents 23.95 % of the direct materials used.

Year	Valued Materials
2012	23,95%
2011	22,78%
2010	22,90%

The percentage of materials valued is higher compared with 2011, since there was an increase in the purchase and use of scrap compared to pellets (raw materials for the steel making process).



Direct consumption of energy divided in primary sources

The direct primary source is the one used directly to produce energy. It may derive from a renewable or a non renewable source. Data will be informed in GJ. This indicator makes it possible to measure in a direct way the consumption of energy related to the emissions of green house effect fumes generated by the company. It is estimated applying the following formula:

$$\text{Direct Primary Energy Bought} - \text{Direct Primary Energy Produced} - \text{Direct Primary Energy Sold} = \text{Energy Total Direct Consumption}$$

	2010			2011			2012		
	Direct Primary Energy Bought (GJ)	Direct Primary Energy produced	Direct Primary Energy Sold	Direct Primary Energy Bought (GJ)	Direct Primary Energy produced	Direct Primary Energy Sold	Direct Primary Energy Bought (GJ)	Direct Primary Energy produced	Direct Primary Energy Sold
PLG (Petroleum Liquefy Gas)	85	-	-	95	-	-	90	-	-
Natural Gas	11.355.011	-	-	12.834.598	-	-	12.497.557	-	-
High Purity Oxygen	370.568	-	-	510.161	-	-	407.818	-	-
Nitrogen	27.006	-	-	30.453	-	-	25.588	-	-
Argón	1.147	-	-	993	-	-	1.579	-	-
Compressed Air	68.101	-	-	64.360	-	-	67.429	-	-
Energy Total Direct Consumption	11.821.918	-	-	13.410.207	-	-	13.000.061	-	-

In previous Sustainability Reports it had been mentioned that electric power is one of the direct primary sources. This criterion is wrong, since electricity is related to the indicator "Indirect Energy Consumption per primary Sources". That is why it was decided to correct the tables that included this criterion for 2010, 2011 and 2012. The improvements in energy consumption result from the improvements in the efficiency of the processes.

Indirect consumption of energy divided in primary sources

The indirect primary energy is called intermediate energy. It includes all forms of energy produced by means of primary energy conversion.

As it has been previously stated, direct primary energy does not include electricity, since it is a form of intermediate energy. Data will be informed in GJ.

The kind of intermediate energy used in the processes developed in the company is electricity.

	Indirect energy (GJ)
2012	11.138.836
2011	11.391.069
2010	10.728.895

There is a reduction in electricity consumption compared to 2011 due to improvement in the efficiency of processes and operations.

The primary sources of energy used to produce electricity for 2011 and 2012 are listed below:

Production of energy per type	Participation % 2012	2011
Hydraulic	29,2	33,1
Nuclear	4,7	5,0
Wind	0,3	0,0
Thermal Gas	49,1	44,5
Thermal Fuel Oil	8,4	8,0
Thermal Gas Oil	6,6	7,7
Thermal Coal	1,5	1,7
Thermal Bio	0,2	0,0
Total	100	100

Total water collection per source

The volume of water the organization collects to develop its industrial operations shows the scope of its processes and their potential environmental impacts.

The volume of water collected per source for Acindar Grupo ArcelorMittal processes represents the volume of surface (Paraná River) and underground water collected.

The different volumes of water collected are informed below. They are mainly the volumes of water related to the company processes that generate industrial effluents (Direct Reduction, Continuous Casting, Rolling Mill 2 and Wires).



Total water collected

Collected volume (m³/ year)

	2010	2011	2012
Surface water	35.942.000	32.098.000	32.412.213
Underground water	243.000	243.000	243.000
Total collected	36.185.000	32.341.000	32.412.210

Values increased compared to 2011 due to the increase in production levels, since water is used in industrial processes.

In 2013 the main collection points will be surveyed, and flow meters will be installed in each of them to gather actual and improved data about the volumes collected.

Sources of water affected by water collection

The source for surface water collection is the Paraná River, whose average flow is 16,000 m3. This volume is equivalent to 6 Olympic swimming pools per second.

The Paraná River is considered to be an alluvial river, since it carries sediments in its flow, either drawn or suspended in the water, constantly changing their own morphology and generating islands and banks.

The Paraná River is not classified as a protected area, and it is not included in the Ramsar List of Wetlands (convention related to wetlands that are important at international level).

It is worth mentioning that the volume of water collected for processes developed by Acindar Grupo ArcelorMittal does not imply a significant risk for the Paraná River and that the level of underground water consumption does not affect the underground water resource.

Water recycled and reused

The highest volume of water reused is recorded in the process carried out at the SBQ Water Plant in Villa Constitución, where all the water is treated and re-circulated during steel bar cooling. Replenishment only takes place due to hydraulic losses and evaporation.

The volume of re-circulated water for 2012 reached 20,688,689 m³ per year, which represents 99% of the water necessary for the SBQ Rolling process.

This feature includes Contact Water (with billet) and Non Contact Water (closed circuits in the heating furnace and cooling systems).

Circuits	Water re-circulated (m³)	Water replenished (m³)
2010	19.496.772	41.144
2011	22.215490	36.890
2012	20.688.689	35.171

Natural areas

Operations in Villa Constitución Plant are developed in a productive use area that measures only 50 hectares (out of a total area of 245 hectares).

This means that only 21 % is used for productive purposes and the rest remains a natural area.

There are no protected areas within the natural area.

The natural species there have not been thoroughly surveyed, but there are animals and plants living in the wild, such as capybaras, iguanas, turtles, coypus, weasels, and different bird and plant species that are typical of the region.

Emissions of greenhouse effect fumes

This indicator is estimated considering specific data from each location, and implementing a methodology that Grupo ArcelorMittal offers and uses.

The results obtained are used to compare emission values at company level. Data will be expressed in CO2 Ton and CO2 Ton/tab.

Direct emissions are the ones generated by productive processes, that is to say, the ones that are necessary to manufacture the company products, in addition to the CO2 emissions from chimneys. Indirect emissions are the ones generated by the pre-processing of raw materials such as coke, pellets, industrial gases, etc.

The CO2 emission index for 2012 is lower compared to previous years.

	Tn CO ² / tab ^(*)
2010 Emissions	1,077
2011 Emissions	1,052
2012 Emissions	1,004

(*) tab: Tons of crude steel.



The absolute CO2 emission values are shown below:

	CO ² Tn		
	2010	2011	2012
Direct emissions	737.976	799.065	784.771
Indirect emissions	611.847	652.959	652.858
Total emissions	1.349.823	1.452.024	1.437.629

It can be noticed that the absolute CO2 emission values for 2012 are lower, as well as the specific values, compared to the values for 2011.

As regards 2010, absolute emission values are lower than in 2012, which is not the case for specific emission values, due to the low production level compared to 2012.

Efforts made by the company in order to minimise the environmental impact resulting from its productive processes are shown in this reduction of the level of green house effect gases generated.

During 2012 no project was developed to deal specifically with the reduction of green house effect gases, but, in an indirect way, positive results were recorded.



Nox, SOx and other significant air emissions

Air pollutants may cause a significant impact not only on the environment, but also on human health and facilities. Emissions generated by companies are sent out mostly through chimneys, which makes it possible to monitor gases and solid particles released into the air. This indicator allows us to measure the level of air emissions per chimney.

Acindar Grupo ArcelorMittal periodically monitors and analyses the gases and solid particles generated. Results will be informed in tons.

During 2012, according to the monitoring schedule, two measures of effluent gases were carried out in the chimneys of the processes that are developed in the Direct Reduction, Steel Making, Rolling Mills, Wire Drawn and Wire Plants.

The results are used to estimate emissions considering operative hours and emission flow.

The resulting figures revealed the emission tons:

	SPS (t) ¹	SO ² (t) ²	NOx (t) ³	CO (t) ⁴
2010	113	90	900	106
2011	88	27	1044	244
2012	57	18	670	101

¹ SPS: Solid Particles Suspended

² SO²: Sulfur Dioxide

³ NOx: Nitrogen Oxides

⁴ CO: Carbon Monoxide

During 2012, it can be noticed that there was a decrease in the emission tons for these parameters due to the daily efforts aimed at improving efficiency in processes generating emissions.

Total spills of waste waters

Acindar Grupo ArcelorMittal treats its liquid effluents using three different methods: biological, physical and chemical.

The biological methods are applied to the sewer effluents in particular by means of aerobic digestion called "activated muds" with final oxidation with chlorine.

The physical methods are performed by means of settlement ponds, mainly aimed at decanting solids and cooling the effluent.

The chemical methods depend on the dose of coagulants and flocculants to improve or speed up the settlement of solid particles, and also depend on the neutralization of acid effluents by adding caustic soda.

Effluents disposal was improved, and in 2012 a continuous monitoring of liquid effluents started to be implemented at the main effluents disposal points in the Paraná River.

Consequently, from 2013 onwards, it will be possible to automatically detect whether a deviation in the parameters defined will occur in order to act immediately. In addition to that, it will be possible to relate the values measured to different situations in the productive process.

Besides, there will be flow meters installed in each disposal point so as to gather actual data about the waste water and to improve the quality of the information available.

The results of the main parameters measured in tons are listed as follows, as well as the volumes disposed of. It is important to mention that the effluent disposal volume is estimated based on the main disposal points (Direct Reduction, Continuous Casting, Rolling Mill 2 and Wires):

	Volume (m ³)	OCD(ton) ¹	TSP (ton) ²	F (ton) ³	Zn (ton) ⁴
2010	32.822.000	276	929	8	3
2011	30.688.000	334	378	24	0,1
2012	28.179.159	312	480	3	1

¹ OCD Oxygen Chemical Demand

² TSP: Total Suspended Solids

³ F: Fluor

⁴ Zn: Zinc

Changes in values are related to factors that are external to the processes. For instance, high values of suspended solids are due to the quality of the water collected from the river, where all the measurements performed showed that the concentration of suspended solids in the water collected was higher than in the water disposed of.

Generated waste

Acindar Grupo ArcelorMittal generates non toxic waste, which includes home and similar to home generated waste. The company also generates toxic waste, mainly resulting from the use of oils, grease and paint, in addition to dusts that result from the steel making process.

The company handles high volumes of recycled or reused waste, which is included in the volume of generated waste. This kind of waste represents the highest volume out of the total generated waste.

A project to recover by-products has been developed since 2011. It is now at the research stage, mainly focusing on waste either stored or disposed of in spillages at present.

	Toxic waste (t)			Non toxic waste (t)		
	2010	2011	2012	2010	2011	2012
Waste generated	14.494	15.728	27.786	535.127	533.400	508.904
Stored in situ	13.776	15.180	27.132	53.130	90.664	112.424
Recycling	-	-	-	454.072	411.263	139.398
Spillage	-	-	-	27.925	31.473	22.365
Burning	718	548	565	-	-	-

Waste generated is mainly managed by third parties. Acindar Grupo ArcelorMittal has a safety filling approved by the Control Office (Environment Agency of Santa Fe Province) which is used for storing dusts generated in the steel making process.



Significant incidental spillages

During 2012, not even one significant incidental spillage was reported at Acindar Grupo ArcelorMittal. The volume of oils, fuel oil and gas oil spilt due to environmental accidents reached 4,200 liters approximately.

The most important incidental spillages during 2012

Spillage location	Spillage volume	Material spilt	Environmental impact
Safety filling	200 liters approx.	Lixivated	Soil pollution
Lubricants warehouse in the SBQ Rolling Mill	1000 litros aprox.	Hydraulic oil	Soil pollution
Auto-elevators in the main workshop	150 liters approx.	Hydraulic oil	Resources exhaustion soil pollution
Street parallel to the main workshop	500 liters approx.	Gas oil	Resources exhaustion soil pollution
Rolling Mill 2	200 liters approx.	Fuel oil	Resources exhaustion soil pollution
Truck parking lot	200 liters approx.	Hydraulic oil	Resources exhaustion
Truck parking lot	200 liters approx.	Gas oil	Resources exhaustion
Basement of the road rollers Hydraulic systems - RM2	1,000 liters approx.	Hydraulic oil	Resources exhaustion
Meltshop billet floor	700 liters approx.	Gas oil	Resources exhaustion
Used oil removed due to solid particles	250 liters approx.	Used oil	Soil pollution

None of the events above mentioned affected areas outside Villa Constitución plant.



Initiatives to mitigate environmental impact

During 2012, Acindar Grupo ArcelorMittal implemented several projects to reduce the negative environmental impact and to improve the positive one.

With around USD 1m invested, the implementation of Continuous Monitoring of Liquid Effluents implied not only the installation of the latest measurement equipment but also the use of avant-garde technology to optimize the online process to transfer data for it to be carried out in a wireless way.

The main goal of this project is to develop a tool that allows us to act in a preventive way against situations that may arise after analysing liquid effluents data before they may cause a negative impact on the Paraná River. This project will be implemented in 2013.

In addition to that, we continue implementing the Afforestation Project, which started in 2011, aimed at promoting the positive environmental impact of tree planting.

Works also started for the Project of Gases Aspiration Improvement and the New Meltshop Bag House, as well as the Liquid Effluents Treatment Project developed at the Wire Plant. These projects are described in detail in page 56.

Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations

Acindar Grupo ArcelorMittal periodically renews more than 30 formal environmental licenses, such as the Environmental Aptitude Certificate, the Effluent Spillage Permit, the Effluent Gases Discharge Permit, among many others.

The company corporate area ensures compliance with the current regulations at all the plants that belong to the group by checking regularly all the legal requirements applicable, so as to fulfill our environmental duties and responsibilities.

Inspectors from environmental control offices from the municipal, provincial and national government regularly visit the plants and we always succeed in meeting their requirements.

During 2012, not even one significant fine or non-monetary sanction due to non-compliance of environmental regulations had to be faced by the company.



Environmental expenses and investments

- Expenses due to home waste transportation to the landfill area: **\$ 1,796,061.**
- Expenses due to final disposal of home and similar to home waste: **\$ 616,540.**
- Expenses due to transport service for high volumes of similar to home waste (resulting from the scrap grinding): **\$ 789,422.**
- Operative costs of safety filling from meltshop dusts: **\$ 1,164,000.**
- Expenses due to final disposal of muds from Wires: **\$ 295,000.**
- Costs of settlement ponds cleaning: **\$ 2,350,659.**
- Costs of settlement ponds oil cleaning: **\$ 70,800.**
- Costs of thermal destruction of toxic waste: **\$ 1,360,425.**
- Costs of environmental monitoring in Villa Constitución: **\$520,000** approx.
- Costs of Emissions Treatment:

Filters at the Smoke House and Bars Wire Drawn Plant: The cost of changing the filters at the smoke house during 2012 was about **\$ 500,000** and the cost of changing the filters at the bars wire drawn plant during the same period was about **\$ 150,000.**

■ Costs of the External Certification of the Management System (external audits + certificates): In 2012 ISO 14.001 Audits continued. Their total cost was **\$ 50,200** approximately.

■ The cost of the chemical treatment of liquid effluent at the RM2 was **\$ 1,500,000.**

Significant environmental investments

Meltshop Project of Environmental Improvement, Gases Aspiration System and new Bag House

The improvement project in the Gases Aspiration and Filtering System at the Meltshop in Villa Constitución will make it possible to minimise fugitive emissions in this sector and to reach emission levels and air quality higher than required by the provincial and national regulations, which will place Acindar Grupo ArcelorMittal at the forefront of environmental technology in the whole region.

The project to be implemented in the Meltshop will comprise three important areas of work:

- 1) optimisation of the aspiration system, which includes changes in the fume capture hoods;
- 2) installation of a new filtering system with an aspiration volume of 2,100,000 Nm³/h, including all auxiliary installations: electric power and compressed air (new Bag House), and
- 3) optimisation of the existing

filtering system (current Bag House).

Optimisation of the installations will make it possible to get the air quality levels currently required in Europe, largely outweighing Argentinian regulations.

Liquid Effluents Treatment Project to be implemented at the Wire plant in Villa Constitución

Since 2006, the Wire Plant has been working on the reduction of process water and in the complete treatment of liquid effluents in the galvanising line.

The equipment installed runs 24 hours a day checking effluent parameters to ensure that discharge levels meet legal requirements.

With this great work, the volume of water used is reduced just to the volume of replenishment water due to evaporation and the quality of the water discharged into the surface course will be

monitored and kept within legal limits.

The first stage of the building work of the Liquid Effluents Treatment plant started in 2007. It finished in 2008 with the installation of a closed circuit for the electrolytic solution of the galvanising lines.

The results for water consumption in 2009 were considerably reduced thanks to the installation and start up of the treatment plant.

During 2010 a filter press and a sedimentation tank were assembled. This brought about a significant increase in the treatment and the plant capacity.

In 2011 two equaliser ponds were installed for effluents storage. The ponds are used to make the storage and treatment effluent homogeneous in case the plant needs to stop operating.

During 2012, the following facilities were installed: a neutralisation pond, an airing tank, two automatic dosing machines, an emergency pond,

and operation cabin and automation equipment. Works are expected to be completed in 2013, according to schedule.

Afforestation of Villa Constitución premises

During 2012 we kept on planting trees species in different areas of Villa Constitución premises, aligned with the idea of increasing Acindar Grupo ArcelorMittal afforested area.

More than 400 casuarina trees were planted along the border line with neighbouring factories and plants, and 300 casuarina trees were planted in the plant perimeter by Motorway 21.

In addition to that, trees were planted near the Meltshop and the Electric Power Area.

As part of the Environment Day celebrations, more than 100 trees were planted, which allowed all staff to feel involved in the company's commitment to increase its green lung.



Meltshop Project of Environmental Improvement, Gases Aspiration System and New Bag House.



Liquid Effluents Treatment Project. Villa Constitución



Afforestation of Villa Constitución Premises

Rosario - Long steels

Navarro Plant

Different training activities were carried out in Navarro Plant and they were all aimed at developing environmental impact and waste management issues.

An environmental drill was carried out simulating the explosion of a transformer and the resulting oil spill.

Environment and Safety committees were implemented with the labourers. During the meetings specific issues were dealt with, such as natural

resources consumption, environmental incidents and potential impact situations, among many others.

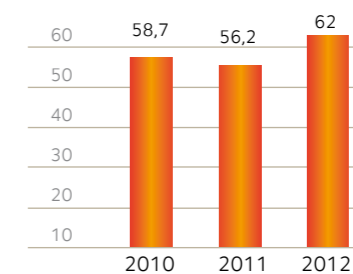
Different issues such as environmental noise, underground water quality, dust settlement, air quality and soil quality were monitored in compliance with legal and corporate requirements.



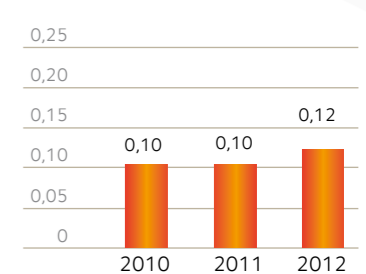
Environmental Emergency Drill - Planta Navarro

Natural gas, electric power and water consumption indicators

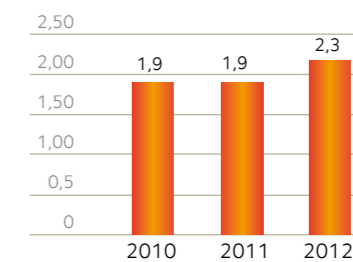
Specific consumption of natural gas (Nm³/tn)



Specific consumption of electric power (MWh/tn)

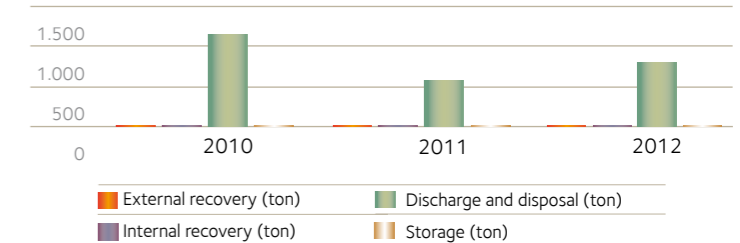


Specific consumption of water (m³/tn)



The increase in natural gas, electric power and water consumption is due to the fact that in 2012 Navarro Plant organised work in 3 shifts, which meant less production using the same amount of resources.

Waste generation indicator (ton)



All waste generated goes to final disposal. Oils used are the only waste externally recovered.

San Nicolas - Long steels

Bonelli Plant

In Bonelli Plant different training activities were organised throughout the year to deal with environmental issues and impact, waste management, spills management and how to react in case of an emergency.

A drill was also organised so as to train staff on how to tackle possible spills and how to use contention tools.

Environment and Safety committees were implemented with the labourers. During the meetings specific issues were dealt with, such as natural resources consumption, environmental incidents and global indicators, among many others.

Different issues such as environmental noise, underground water quality, dust settlement, emissions of fumes, air and soil quality and solid waste and by-products features were monitored in compliance with legal and corporate requirements.

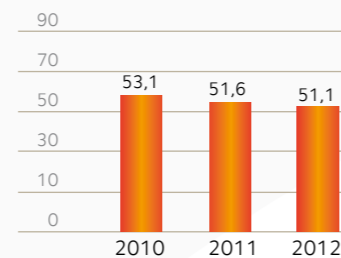
A programme was implemented to reduce noise and critical points generating environmental noise were identified. Acoustic panels were installed in the rolling mill cooling floor. The programme will be completed in 2013.



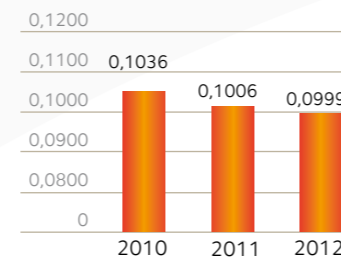
Environmental Emergency Drill Hall - Bonelli Plant

Natural gas, electric power and water consumption indicators

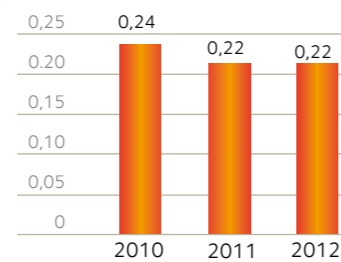
Specific consumption of natural gas (Nm³/tn)



Specific consumption of electric power (MWh/tn)



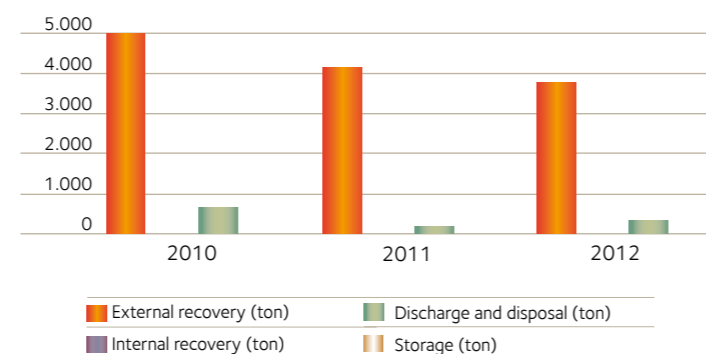
Specific consumption of water (m³/tn)



Lower levels of natural gas and electric power consumption result from interruptions in the gas supply due to reasons external to the company that led to shutdowns at the plant. The same situation took place at Fenicsa plant, since both of them are located in San Nicolás.

Water consumption values have not varied.

Waste generation indicator (ton)



Most of the waste generated is externally recovered, mainly scale^(*) for the concrete industry. The rest of the waste generated is discharged or sent to final disposal

^(*) Iron husks resulting from the production of billet, bars, wire rod, among others.

San Nicolás - Structural shapes

Fenicsa Plant

Different training activities on issues such as environmental impact, waste management and soil preservation were also carried out in this plant.

An environmental emergency drill was performed, faking a hydrocarbon drum spill on the natural soil.

Environment and Safety committees were implemented with the labourers. During the meetings, specific issues were dealt with, such as natural resources consumption,

environmental incidents, global indicators, situations detected, among many others.

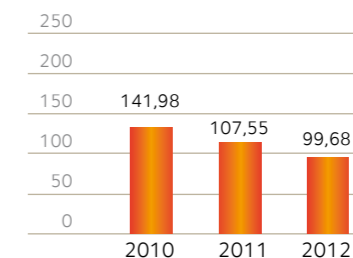
Different issues such as environmental noise, underground water quality, dust settlement, emissions of fumes, air and soil quality, solid waste and by-products features, were monitored in compliance with legal and corporate requirements.



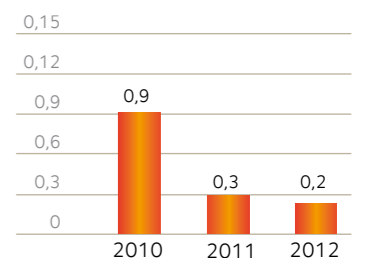
Environmental Emergency Drill - Fenicsa Plant.

Natural gas, electric power and water consumption indicators

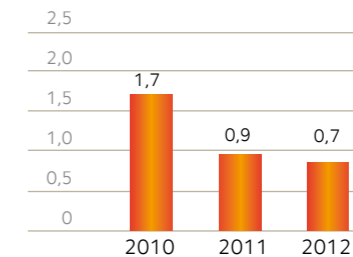
Specific consumption of natural gas (Nm³/tn)



Specific consumption of electric power (MWh/tn)



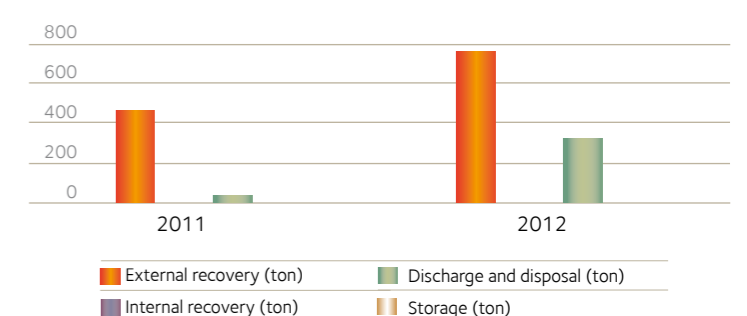
Specific consumption of water (m³/tn)



Lower levels of natural gas and electric power consumption result from interruptions in the gas supply due to reasons external to the company that led to shutdowns at the plant. Natural gas consumption values are also subject to corrections regarding 2011 due to flaws in the measuring device.

The lower water consumption for the rolling process is related to the lower consumption of electric power resulting from interruptions in the supply due to situations external to the company.

Waste generation indicator (ton)



It can be noticed that there was an increase in the number of tons of waste recovered, mainly of scale, in addition to an increase in the amount of waste discharged and disposed of, subject to a higher waste generation compared to 2011.

There are no records available about the waste generated during 2010. That is why this information is not shown in the previous chart.

Meshes and nails

Villa Mercedes

During 2012, scale started being reused as a raw material to manufacture concrete. This made it possible to reduce costs due to final disposition, transportation and profits resulting from sales.

By implementing the improvement plan, it was possible to achieve a significant reduction in the hydraulic losses of the meshes welding machine. The indicator corresponding to oil purchase per ton produced shows a 48% reduction compared to 2011.

Besides, the first stage of the lubricants and toxic waste warehouse project got started. The building plans were approved and the warehouse location was defined. It is expected to start being used in 2013.

A substantial improvement was achieved in cooling water

consumption by means of the pumping system modernization and the identification and treatment of critical points in the circuit.

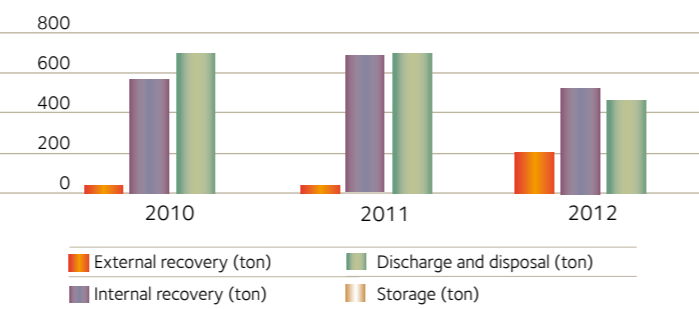
The Meshes and Nails Plant welcomed Industrial Engineering students from Universidad de San Luis who made a guided tour of the plant in order to deepen their knowledge on issues related to the company management system, including the Environment Management System.



Natural gas, electric power and water consumption indicators



Waste generation indicator (ton)



Scale represents the highest volume of waste externally recovered. Scrap is included in the internal recovery values. It is sent to Acindar Villa Constitución to be melted in the melt shops electric furnaces. Waste going to discharge and disposal is sent to the landfill area.

Special meshes

Villa Mercedes

Different improvements were implemented to reduce environmental impact, tackling issues that occur inside the plant.

Special equipment was purchased for filtering manifold exhaust water, separating water from oil, which is sent to treatment and disposal. Water is reused for watering internal streets in the plant.

Aligned with the Afforestation Project of Acindar Grupo ArcelorMittal, a great number of bushes were planted in order to build a green curtain to reduce environmental noise. This 150 m long green line has a trickle irrigation system which contributes to a better use of water, which is a very scarce and necessary resource in San Luis province.

All necessary arrangements have been made to send scale to be used as raw material by the concrete industry.

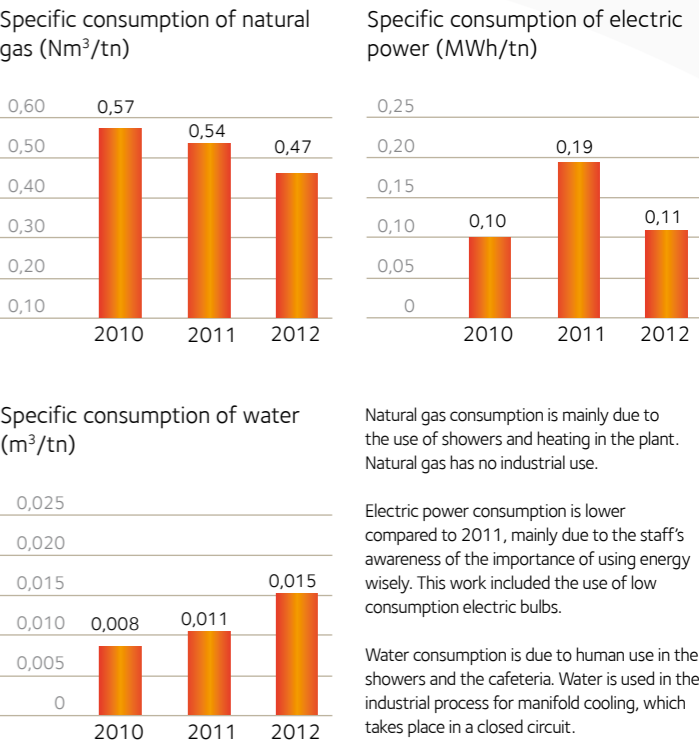
This improvement makes a positive impact on the plant costs, since scale is sold as a by-product and it makes it possible to save transportation costs and final disposal in landfill areas.

To keep reducing water consumption in the meshes welding machines, technologically better cooling systems were installed, with safer cisterns and greater storage capacity.

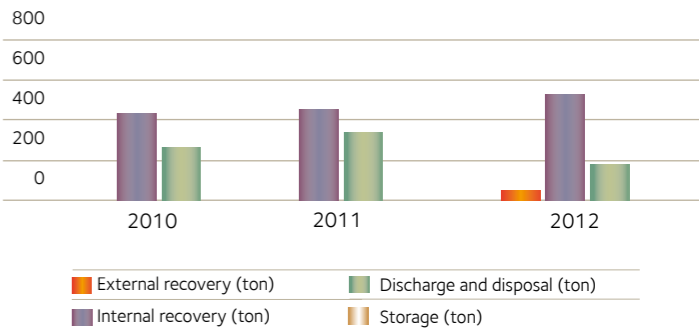


Afforestation of Mallas Especiales Plant.

Natural gas, electric power and water consumption indicators



Waste generation indicator (ton)



It is possible to notice that there is waste externally recovered resulting from scale, which brings about a reduction in the volume of waste that is discharged and disposed of, as it is not used as landfill. It can also be noticed that there is an increase in the volume of waste internally recovered. There is no waste internal storage in the plant.

Wire Business

Tablada Plant

The implementation of an improvement plan for piping infrastructure got started in order to deal with emissions of fumes in the whole plant.

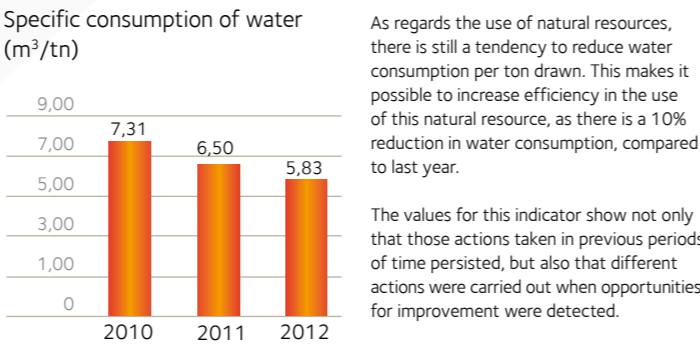
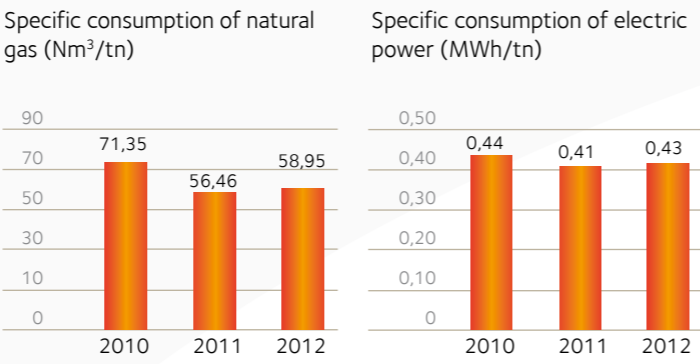
These works include, among other features, better access points and platforms and holes to get samples, so as to make it easier to monitor and control the emission of fumes into the air.

Another important improvement during this period was focused on the quality of the industrial liquid effluent produced at the plant.

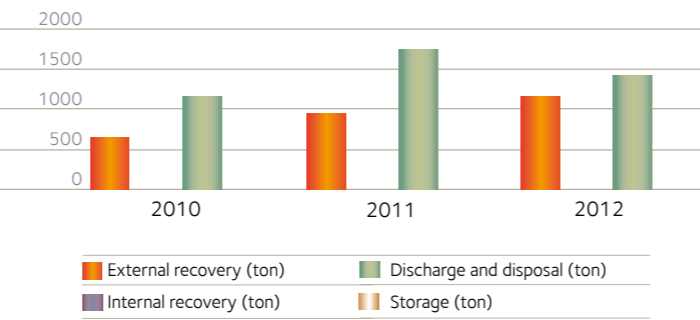
New measuring equipment was installed for the continuous adjustment of the pH level in the settlement chamber of industrial liquid effluent.



Natural gas, electric power and water consumption indicators



Waste generation indicator (ton)



In 2012 the Provincial Office for Sustainable Development approved "special" waste recovery. That is why chlorhydric acid was delivered to another company that uses it as a supply for its process, and since July 2012, the same initiative has been taken with dross and zinc.

It is important to point out that, thanks to these recoveries, a positive impact was achieved in the volume of special waste generated (reducing neutralization muds generation and achieving a 32% reduction compared to 2011). It was also possible to reduce the consumption of resources in productive processes that now use this special waste as a supply.





10

Enriching our communities

We fulfil an important role in the communities in which we operate and that is why we contribute to sustainable development taking into account the culture, needs and priorities of each place. We engage with our communities in an open and transparent way, actively working in partnerships with local agencies and organizations.

Acindar Grupo ArcelorMittal develops community programmes that promote social, environmental and economic long term growth, also encouraging our employees to collaborate through various volunteering activities.

Our relationship with the community

Third edition of the Acindar Marathon

On Sunday, September 9, a crowd composed of athletes and families from Villa Constitución gathered to participate in a new edition of Acindar Grupo ArcelorMittal marathon. Registration was open to employees, the company's contractors and the community in general.

More than 800 people participated and there were various forms of competition: 5 and 10 km, 4 km recreational Inline Skating and 400 m Running Kids.

This third edition of the Marathon was declared of special interest for the province, and municipal representatives offered a plaque with this distinction to company officials.



Running for a good cause

The money collected in this competition was donated to three public welfare institutions in the city of Villa Constitución: Codisco, Lalcec and Avlpi-ri.

Plant visit programme

During 2012, different secondary schools and universities came to our plant in Villa Constitución to tour the facility and learn about our production processes.

The company offered a talk and they were explained the work skills needed to work in Acindar Grupo ArcelorMittal.



Detail of the participants

Villa Constitución secondary schools

EEM No. 3080 Dante Alighieri School	360 students and teachers benefited
No. 669 Technical Secondary School	
San Pablo Technical Secondary School	
Cristo Rey School	
No. 205 Nicasio Oroño School	
No. 208 Juan Bautista Alberdi School	
No. 381 María Carbonell School	
No. 3054 Mater Dei School	
No. 348 José Tomás Guido School	

Other schools and universities in the region and the country

EEEMPI No. 2027 and No. 8076 Esperanza-Santa Fe	329 students and teachers benefited
No. 277 Technical Secondary School San Justo - Santa Fe	
National Technical University - Santa Fe	
National Technical University - V. Tuerto	
National Technical University - Rosario	
National Technical University - Avellaneda	
Catholic University of Argentina - Rosario	
EET No. 453 - Ceres - Santa Fe	
No. 16 Technical Secondary School Rincón de los Sauces - Neuquén	

On Children's Day, we played safely

Once again, we celebrated Children's Day offering activities open to the community of Villa Constitución related to the importance of safety.

On Sunday August 12, the families shared a day with games and shows organized by the Municipality of Villa Constitución, Acindar Grupo ArcelorMittal, Fundación Acindar, and Channel 4, which broadcast the event live.



A good practice in an emergency

As part of Health and Safety Day activities, we conducted for the second consecutive year the talk on "Cardiovascular Risk Prevention and Basic CPR" at Club Sacachispas, Villa Constitución.

The meeting was intended for all physical education teachers, and sports activity managers and coordinators from Villa Constitución and surrounding areas. Around 40 people attended, including teachers, neighbours and personnel from the volunteer fire services.

At the beginning of the day, they shared some nutrition recommendations for youth and adults and conducted a detailed explanation of the consequences caused by lack of physical activity.

Then they were instructed on how to perform resuscitation and on first aid techniques (mouth to mouth resuscitation and heart massage, among other exercises).



XXII Regional Book Fair

In June, there was a new edition of the Regional Book Fair organized by the Cultural Division of the Municipality of Villa Constitución.

During the opening ceremony, Fundación Acindar was recognized, in the year of its fiftieth anniversary, for the hard work done in the city.

"This year we want to highlight the important work done in education and the social commitment of Fundación Acindar during 50 years of uninterrupted work in this city. 'Over five decades, the accomplishments were many, but today we want to thank you especially for the 25th anniversary of the School Support Programme, which is currently put into effect jointly with the municipality,' said Carlos Depego, head of the Division of Culture of Villa Constitución.



Support programmes for vocational/professional integration to the community

"Young People with a Future Commitment and opportunity for all" Programme

We conducted the fifth consecutive edition of this programme where young people who have yet no professional experience are integrated in the labour market.

We also encourage participants to complete their secondary school education and gain employment skills through classroom and on-the-job training.

With special emphasis on education as a key tool for social integration, this initiative is done in conjunction with the Ministry of Labour, Acindar Grupo ArcelorMittal and Metal Workers Union, La Matanza.

During 2012, fifteen young people participated in the programme and after a month of theory, they received training in the areas of Production, Logistics, Production Scheduling, Maintenance, Safety and Environment, and Quality, among others.

Employees from different sectors adopted the role of guardians and accompanied each youth training them in their daily tasks.

Participants also took part in workshops on social and professional integration, to learn about job-searching and tools that will enable effective access to future job opportunities.



Development for technical secondary schools and vocational training centres programme

This action is aimed at financing through tax credit, training projects and activities that will connect education to the world of work. Thus, technical secondary schools and some vocational training centres are able to carry out their projects to improve the quality of education.

During the sixth edition of the programme that was conducted in 2012, from Acindar Grupo ArcelorMittal, we obtained the approval for all the projects submitted and could sponsor 21 educational institutions from the communities where the company operates.

Furthermore, in relation to tax credit activities, the company

sponsored a Training in Labour and Technical Skills, in partnership with the Ministry of Labour, Employment and Social Security.

We worked in conjunction with the Chamber of Industry, the Metal Workers Union, and No. 669 Technical Secondary School (all located in Villa Constitución) and with the participation of the National Technological University (UTN) - Regional College of San Nicolás.

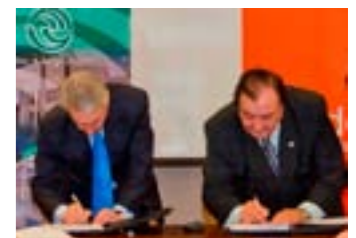
Sponsorship 21 educational institutions from the communities where the company operates.

Joint working agreement in the community of La Matanza

In 2012, we signed an agreement with the National University of La Matanza and began a relationship of mutual cooperation in order to strengthen the commitment that both organizations have with the community.

The objective is to work together in actions aimed at the development of the academic, cultural and service sectors. In this sense, this collaboration will help expand employment opportunities for students and professionals undertaking different studies in that university.

This agreement is part of all the actions that the company has performed since 2008 with the community of La Matanza through the programme "Young people with future".



In 2012, Fundación Acindar celebrated its 50th anniversary of uninterrupted work in promoting education as a pillar of social transformation. To celebrate, two special educational projects were carried out, while continuing with their regular work related to education, environment, social development, health, and safety, along with schools and social organizations.

Education

The programmes were aimed at improving children and young people's overall knowledge and skills. Efforts were made to improve schooling and teacher training, promote reading, and support students in core subjects.

Financial Aid and scholarships

Since 1997, scholarships are granted to employees' children that have an outstanding performance at secondary school, tertiary school and university.

The programme aims at recognizing young people who strive to progress and encourage them to focus on their studies. In 2012, 86 scholarships were granted and about 65% of these young people had previously been beneficiaries.

All scholars successfully finished their studies.

Distribution of grants by location and by educational level

Location	Scholarships
Villa Constitución	38
La Tablada	8
Villa Mercedes	16
San Nicolás	13
Rosario	11
Total	86

Level of education	Scholarships
Secondary School	55
Tertiary School	4
University	27
Total	86



Fundación Acindar management 2012

41 programmes and projects carried out.

32.335 children, young people and adults participated directly in the programmes.

225 schools and organizations were benefited from these actions.

School support

This programme, which addresses the problems of school dropout and repetition, was created by Fundación Acindar and is currently run by the Municipality of Villa Constitución through its Department of Culture.

In 2012:

- Lessons of Language and Mathematics were provided to 115 primary school children from 2nd to 7th grade.
- Orientation workshops for parents continued in order to strengthen family commitment regarding education. A follow-up of students was also coordinated together with schools, so as to accompany children in all learning environments.
- The reading comprehension project continued. This project complements and reinforces learning that takes place in the classroom.
- We also contributed to the expansion of the facilities of Casa de la Cultura, one of the venues where the programme takes place. With this improvement, the lessons will have a classroom devoted exclusively to this activity.



Thirteen schools, 23 teachers and 599 students participated in the programme.

"The magic of reading"

There was a new edition of this programme that started in 2009 and aims at fostering children's contact with books and developing habits of reading, writing and critical thinking.

The actions were intended for 4th grade students and teachers from Villa Constitución primary schools.

Students enrolled in this programme received the book "Pasajeros" (Passengers) prepared especially for this activity by Fundación Acindar, and teachers received materials with instructional strategies to implement in the classroom, as well as copies of the book "La ciudad mágica" (The Magic City) by E. Nesbit. Each registered school received a set of books, to expand or create a classroom library.

In addition, schools were invited to participate in the Reading Marathon by Fundación Leer. A reading nook composed of 200 books was raffled among participants.

To close the programme, there was a comic contest. Participants were proposed to develop messages about the meaning and experiences that reading generated on them, making the students themselves promoters among their peers.

Library "The magic of reading" for the employees' families

Through various internal media, employees were invited to encourage their children and the youngest members of the family to borrow books. In total, 69 children and adolescents participated in the programme and the library loaned 292 books..



Teacher training in mathematics

Together with Educational Supervision from San Nicolas, the programme “Building strategies for strengthening the teaching and learning of mathematics” took place at the Technical University of San Nicolás.

The workshops involved 17 fifth grade teachers from 17 primary schools in that city.

The programme seeks to create a space for reflection and exchange of experiences in the classroom in order to improve the teaching of the subject and promote learning.



“My dream interview”

To celebrate its 50th Anniversary, Fundación Acindar sponsored the international contest “My Dream Interview” in cooperation with the World Association of Newspapers and News Publishers.

The project proposed students between 11 and 15 to prepare a script to interview a prominent person from Argentina that they could select and who represented a life story of will and efforts.

Fundación Acindar invited all students in 6th and 7th grade from primary schools and 1st, 2nd and 3rd year from secondary schools at Villa Constitución. The two selected national interviews competed for the international award against the respective national winners from other participating countries.



FundaciónAcindar
50 years

The first prize was awarded to the two Argentinian interviews prepared by students of Villa Constitución, which were published both nationally and internationally.

Eighty teachers and 2,000 students from Argentina participated in the programme.



Digital classrooms

This is another project that is part of the celebrations of the fiftieth anniversary of Fundación Acindar.

Together with the Ministry of Education of the province of Santa Fe, and in the framework of the “Teaching Profession” programme, the foundation handed mobile digital classroom to two primary schools in Villa Constitución and Empalme. In addition, teachers were trained in the use of these classrooms and computers, and courses on educational content design and pedagogical strategies are expected for 2013. Each mobile digital classroom is a closed metal box with wheels with 30 netbooks, a laptop for the teacher, a wireless router for Internet access, a digital whiteboard, and a projector. The digital classroom allows teachers and students to manage technologies. This knowledge is essential today and it can be acquired in a teaching and learning context that is aimed at the production of content, research and positive use of these tools.

Two schools, 57 teachers and 814 students were benefited by the programme.

Environment

Awareness in children to cultivate respect for the environment and its components continues being encouraged.

“The planet is your home, take care of it”

Work continues to be done with 6th grade students from primary schools in San Nicolás and Villa Constitución in order to stimulate environmental awareness in children. Eighteen environmental workshops were run by 8 volunteer technicians from Acindar Grupo ArcelorMittal from these locations.

To close the school year, a competition was organized. Students were given assignments in order to raise awareness of the concepts studied during the year.

Nineteen schools, 32 teachers and 883 students participated in this initiative.

There was an internal version of the competition, aimed at children and families of company’s employees and contractors between 5 and 13 years of age. Children had to produce works on environmental care. And for the first time, there was also a competition for the youngest members of the families of employees from the companies comprising RedAcindar. In total, we received 88 works. There were 8 prize winners and 3 recognitions..



Paper and plastic recycling

In 2012, exactly 9,581 kilos of paper were donated. This prevented 162 medium trees from being cut off. In addition, 263 kilos of plastic lids were collected for Fundación Garrahan Recycling Programme



A day of solidarity

Together with the campaign “Transforming Green Spaces”, the company’s Environment Area and the municipality of Villa Constitución organized a day of activities in the square located in the neighbourhood called ‘25 de Mayo’ in this city.

Students, teachers and principals participated along with government officials, company volunteers and neighbours.

Lavenders were planted and 60 yellows lapachos were donated, in exchange for plastic bottle lids that students and teachers gathered to donate to Hospital Garrahan. As part of the “Reinterpreting our places” programme, organized jointly with the Municipality of Villa Constitución, schools were invited to submit a proposal to intervene artistically the base of the square water tank.

Winning students were able to put into effect their idea. Recreational activities were also conducted. There was a germination workshop, and company volunteers painted the square games.



Health and safety

Work continued to be done to contribute to the education of children and adolescents in basic aspects of prevention, hygiene, personal care and early disease detection.

If we take care of our eyes, we learn better

Jointly with Fundación Zambrano, activities aimed at promoting eye health took place in the 1st grade of 12 primary schools from Villa Constitución and 9 from Tablada.

Materials designed to develop literacy by means of visual health education were handed and teachers were trained to make a prior analysis of children's visual health.

Teachers identified 259 students with some visual problem, who were later checked by an eye doctor from Fundación Zambrano and there were 79 cases of children requiring glasses that were provided by the programme.

In total, 943 students and 42 teachers participated.



Health education

He held the fifth edition of this programme in alliance with the Infectology Studies Centre Foundation (FUNCEI, Fundación Centro de Estudios Infectológicos), aimed at 2nd and 3rd grade children and based on the promotion of simple health self-care rules. The activities took place in Villa Constitución and as a closing a school contest was organized for students to work on the health care principles they had learned during the year.

Twenty schools, 47 teachers and 1075 children were benefited.

Let's increase safety

During the 2012, we continued working with schools in Villa Constitución, La Tablada and San Nicolás. The programme, which sees the school as one of the key areas for the construction of a culture of prevention, focused on 5th grade primary school students.

The various activities are intended at promoting children grow up in safer spaces and learning the value of safety to interact in their community in a responsible and caring way.

A group of multipliers and squad members of Acindar Grupo ArcelorMittal volunteered to give 23 safety workshops, where they shared actual experiences with children, maximizing their learning

Twenty-eight schools, 52 teachers, 1244 students and 26 volunteers from Acindar were directly involved in this initiative.

In the internal edition of the programme, there was a contest for children. They were invited to present a poster that would serve to inform on the ways to contribute to health care and safety.

Of the 13 works received, there were three prize winners and one recognition.

Healthy habits

For the third consecutive year, activities aimed at consolidating the culture of addiction prevention continued. Acindar Grupo ArcelorMittal proposes an educational programme for 7th grade primary school students and 1st year secondary school students in Villa Constitución .

The programme seeks to promote healthy habits in the school population raising awareness about them and focusing on the prevention of alcohol consumption and smoking. .

Nineteen schools, 31 teachers and 1,124 students were benefited.



Social promotion

It included projects that contribute to strengthening the fulfilment of the mission and of the activities carried out by the civil society organizations.

Strengthening of social organizations management

Cooperation with Contributions of Management for the Third Sector Association (Asociación Aportes de gestión para el tercer sector) continued. Its activity is to advise social organizations that are in need of improving their tools and management processes, so as to increase their social impact.

In 2012, a basic tool was developed in order to produce a comprehensive and consistent diagnosis of the social organizations we work with.

The goal is to have organized information to identify improvement opportunities, understand benefits and analyse implementation difficulties, among others.

The 115 organizations working with this institution participated in this initiative.



Strengthening of the community organizations

It consists in supporting social organizations that have limited financial or technical resources to carry out their projects within communities.

In 2012, 45 applications were submitted, out of which 20 were chosen. Altogether, there were 12,652 direct beneficiaries.



"Let's move forward"

This programme, carried out in alliance with Ashoka, encourages young people to develop and lead social change ventures, advising and enhancing skills and resources, helping to generate sources of income and strengthening work in a global network.

Additionally, young people complement their formal education with the acquisition of skills necessary for professional integration.

In this edition, 32 young people led the projects with the assistance of 4 adults, and these projects had around 1,200 direct and 10,000 indirect beneficiaries.

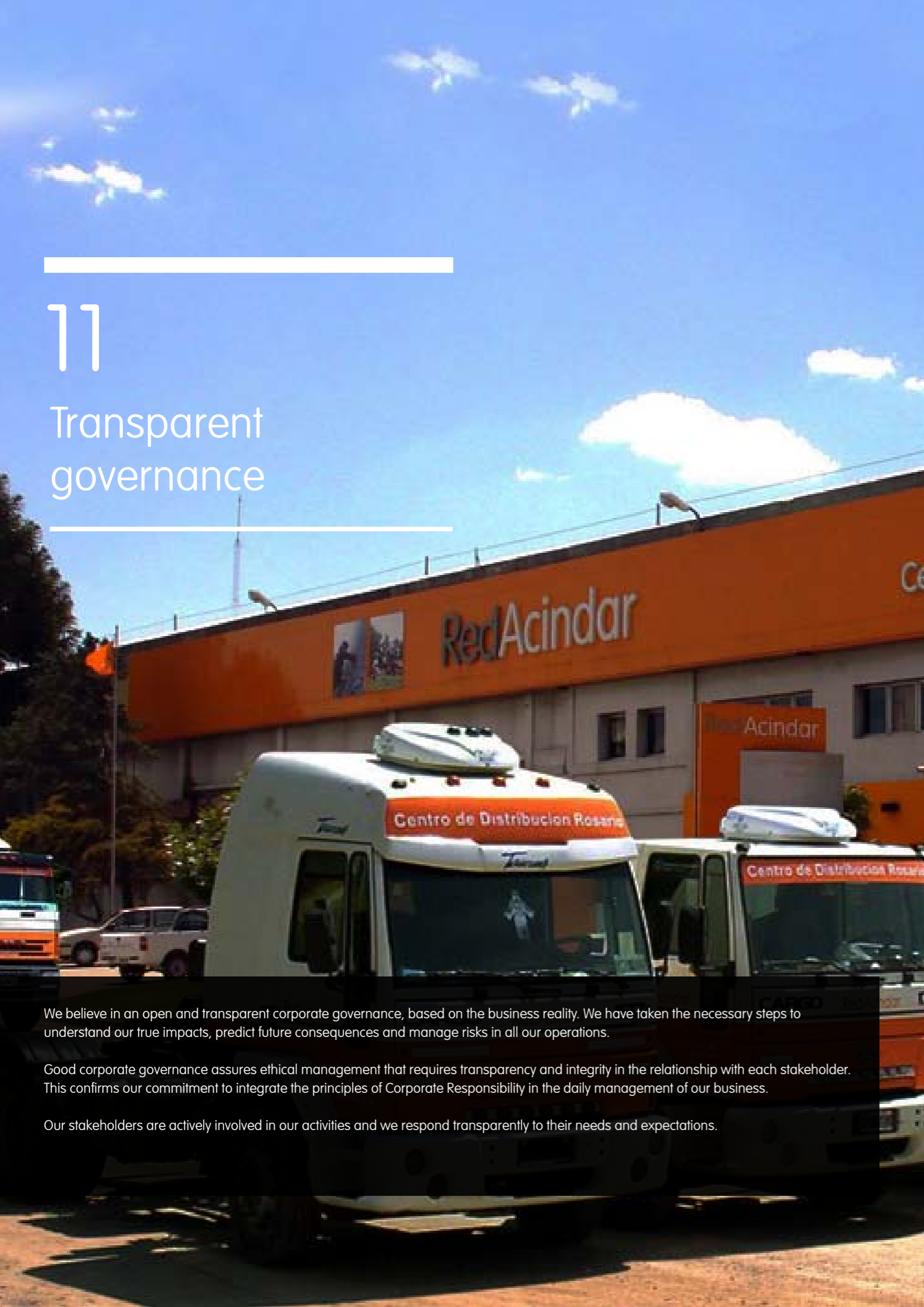
Contributions to the community

Fundación Acindar played a role as a link between the company and various institutions in the community who needed equipment for their activities

The company had discharged 53 equipments and gave them in optimal condition of use to 6 schools and 7 institutions. These initiatives reached a total of 2,650 beneficiaries.

11

Transparent governance



We believe in an open and transparent corporate governance, based on the business reality. We have taken the necessary steps to understand our true impacts, predict future consequences and manage risks in all our operations.

Good corporate governance assures ethical management that requires transparency and integrity in the relationship with each stakeholder. This confirms our commitment to integrate the principles of Corporate Responsibility in the daily management of our business.

Our stakeholders are actively involved in our activities and we respond transparently to their needs and expectations.

Code of business conduct

Acindar Grupo ArcelorMittal maintains high standards of honesty and integrity in our management and leadership practices, and we apply these parameters consistently in all business operations we conduct.

It is very important for our company and subsidiaries to maintain and strengthen the relationships of trust with the individuals and companies we do business with.

We have a Code of Business Conduct that applies to all officers, directors and employees of the company and its subsidiaries. It has been created in order to help our employees understand what their legal and ethical obligations are when conducting business in this company.

The code is available on the company Intranet and corporate website (www.acindar.com.ar). ArcelorMittal Policy on Reports of Illegal Behaviour within the Company, Competence Defence / Antitrust, Anticorruption Guidelines and conduct regulations related to the use of ArcelorMittal's privileged information are also available on this website.

Reports of illegal behaviour within the company

The aim of the process of reporting an illegal situation within the company is to report concerns regarding possible irregularities in accounting, auditing or banking matters or bribery taking place within the company and its subsidiaries.

If an employee of any ArcelorMittal subsidiary suspects some potential dishonest practice which might be included within the scope of this Report Process, he/she should report it first to his/her superior, to a member of the management, to the Manager of Legal Affairs, or to the head of Internal Audit. However, if the employees are concerned about the response given or the lack of response, or if he/she is not able to talk to his/her leader or one of the other persons mentioned above, he/she will be able to turn to the Report Process to learn how to operate in case of

an illegal behaviour within the company.

In order to improve the processes of prevention and detection of fraud, in 2012 we made changes to our Reporting System. As a result of these changes, reports now can be presented by telephone, Internet or mail.

During 2012, Acindar Grupo ArcelorMittal performed the following activities for fraud prevention and awareness-raising:

Anti-fraud policy awareness and communication of the new reporting channels

We offered four courses in different locations and more than 100 employees participated, including Directors, Executive Managers, and Area Managers. Purchasing Management also participated

since it is one of the most critical areas for their interaction with suppliers.

Fraud awareness week:

From 11 to 17 November, we celebrated the Fraud Awareness Week in the various subsidiaries of ArcelorMittal Group to promote awareness of the possible fraudulent practices employees may be exposed to.



Institutional presence

Participation in Business Chambers and Associations

We continue participating actively in various business chambers and associations, both through their committees and its governing bodies. The activities developed in these organizations provide opportunities to discuss issues of common importance.

This kind of participation allows us to create a learning space with the various stakeholders involved.

We also began working with groups of young people prompted by different entities to involve them as actors who can be consulted on the issues and concerns that the company faces every day.

In all cases, our work consists of both sharing our knowledge and experience and contributing to the positioning of Acindar Grupo ArcelorMittal.

Throughout 2012, we participated in the following chambers and associations:

National Institutions

- Argentine Steel Chamber (CAA)
- Argentine Centre for Industrial Metal Rolling Mills (CLIMA)
- Cámara de Elaboradores de Alambres y sus Derivados (Wire Fencers and other wire products Chamber)
- The Argentine Industrial Union (UIA)
- Argentine Institute of Standardization and Certification (IRAM)
- The Argentine Institute of Iron and Steel Industry (IAS)
- The Argentine Chamber of Construction (CAC)
- Argentine Chamber of Exporters (CERA)
- Argentine Chamber of Importers (CIRA)
- Argentine – Brazilian Chamber of Commerce CAMBRAS Joven
- American Chamber of Commerce in Argentina
- Association of Argentine Auto Parts Manufacturers – AFAC Joven
- The Industrial Federation of Santa Fe (FISFE)
- Institute for Business Development in Argentina – IDEA Joven
- Chamber of Industry and Commerce – La Matanza

International Institutions

- Latin American Steel Association (ALACERO)
- Mercosur Steel Council (MERCOFER)

In addition, Acindar Grupo ArcelorMittal is a member and actively participates in organizations that disseminate, train and promote the responsible management of business:

- United Nations Global Compact – Argentina Network
- Argentinian Business Council for Sustainable Development (CEADS)
- “Young people with a Future” – Ministry of Labour, Employment and Social Security.

Recognition

We were recognized on the occasion of our 70th anniversary in the country by the Argentine-Brazilian Chamber of Commerce.



Award received on the occasion of Acindar Grupo ArcelorMittal 70th anniversary

Presence at events and exhibitions

Participation in Technópolis

National Pride Pavilion: Industrial Strategic Plan 2020.

We were invited to participate in Technópolis by the National Ministry of Industry in the National Pride Pavilion along with other steel companies.

In this pavilion, a tour was proposed

of some of the sectors currently expanding to the provinces generating local jobs and adding value. The different production processes were also presented for the attendees to understand that domestic industry is the essence of the country's growth and the key to building the future.

Expo Pablo 2012

We were present at the Science Fair and Industrial, Commercial, Cultural and Services Exhibition, Expo Pablo 2012, organized by No. 2073 “San Pablo” School from Villa Constitución, province of Santa Fe. This fair is intended to inform the community the development level achieved by the students through the

presentation of their stands. The fair featured more than 50 stands from local and regional businesses, non-profit organizations, government institutions, and the media (including ours).



126th International exhibition of Livestock, Agriculture and Industry – Sociedad Rural Argentina in Palermo, Buenos Aires, Argentina)

In order to support the development of markets served, and strengthen our brand presence, Marketing Management designed and implemented an annual communications plan that included participation in various fairs and exhibitions:

7th Wire Fencers National Championship

The 7th Wire Fencers National Championship was organized jointly with Expoagro, the country's most important open field agricultural exhibition.

The aim of this initiative is to acknowledge and raise public awareness of this craft while sharing with the participants the innovation and technology applied to the products we offer to the agricultural market.

Twenty pairs of wire fencers from Buenos Aires, Chaco, Entre Ríos, Córdoba and Santa Fe participated.

The event brings together the best of this specialty in the country.

In 2012, the winners were presented with a Cup in commemoration of the 70th anniversary of Acindar Grupo ArcelorMittal.



Wire Fencers National Championship Regional Rounds

Throughout the year, there were four regional rounds held in the provinces of La Pampa, Mendoza, Córdoba and Salta.

The first two positions of each round qualify for the Wire Fencers National Championship semifinals which takes place in ExpoAgro each year.



Palermo Rural Exhibition

From July 19 to July 31 last year, we participated in the 126th International exhibition of Livestock, Agriculture and Industry that was held at the exhibition centre of Sociedad Rural Argentina in Palermo.

As in previous years, distinguished architects and image, communication and marketing professionals were present in our stand, and we obtained the second prize in category "E" (stand of 90 m2 or more).

Our stand had a customer service area and a dynamic wire fence display, and industry, agriculture and construction products.

As a novelty, there was a strong brand presence with a commercial service area for the markets we serve and another with information about Fundación Acindar, Acindar Pymes and Red Acindar.

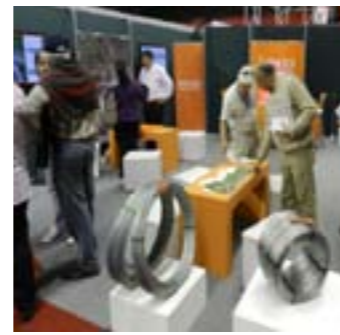


Acindar Grupo ArcelorMittal along the wine sector and mining

We also participated of Sitevinitech 2012 in Mendoza and Expo Panorama Minero that took place in the city of San Juan.

Sitevinitech is the largest wine industry and agricultural equipment fair in Argentina and Chile, which emerged from the union of SITEVI and VINITECH trade shows. Meanwhile, Expo Panorama Minero is an international exhibition of large equipment, machinery, supplies, parts and services for the mining industry.

In both events, we showed our products and services that are used in these productive sectors. In addition, we answered to the doubts and queries of about 50,000 people who visited the institutional space at both exhibitions.



Customers

Providing quality products and a service that meets the needs of the market are two key elements in the relationship we have with our customers.

To achieve this, we rely on facilities with the latest technology, innovative projects and a team consisting of an experienced sales force and advisory group of trained technicians.

We only sell safe and reliable products and services, increasing our customers' satisfaction by meeting their needs and expectations.

Red Acindar

Red Acindar, the most important steel distribution chain in the country, finished the year 2012 with 64 members in all Argentina.

Every December, we hold an annual meeting with all members. In the last meeting, we analysed our business performance in 2012, referred to the projections and deepened the strategic guidelines of Red Acindar commercial project, which will continue to grow in 2013.

Red amigos de Fundación Acindar⁽¹⁾

Los integrantes de Red Acindar. The members of Red Acindar reinforced their commitment to the community joining the foundation projects.

In 2011, Acindar Grupo ArcelorMittal and Red Acindar created an investment fund to support Fundación Acindar programmes, which is an innovative model of interaction between a business foundation, a company and its supply chain.

As a result, Red Amigos de Fundación Acindar was created and the largest distributors of Acindar Grupo ArcelorMittal came together to collaborate with a major objective: contributing to the education of thousands of children and young people.

Apart from the economic contribution to Fundación Acindar programmes, an art contest on environmental and safety issues was organized together with the network members. It was aimed at the youngest members of the families of employees from the companies comprising Red Acindar.

Red Amigos de Fundación Acindar members participated in the programme to support the foundation social projects. The initiative called IncluiRSE promoted by Acerma | Menara, Rafaela, was selected to receive a grant. We also performed a series of conferences on youth and social networks in alliance with Codimat.

(1) Some of the companies that are friends of Red Acindar:

Grupo Aceralma (Aceralma SA, Prencor SA) - Grupo Armuña (Alambrar SRL, Armuna SA) - Grupo Borroni (AB Aceros SA, Maria Laura SA, Aceros Borroni SA) - Grupo Camasa (Camasa SA, Surdelta SA, Taboru SA, Centro de distribución MDQ SA) - Grupo Imacova (Imacova Hernandez SA, Imacova SA) - Grupo Iron (Iron Santa Cruz) - Grupo Kamet-Cuyo (Cuyo Metal SA, Kamet SACI) - Grupo Ospital (Transporte Biarritz SA, El Emporio del cerámico Ricardo Ospital, Athenea Construcciones SRL) - Grupo Perkusic (Logística y distrib. del noroeste SA, Perkusic Hnos. SRL) - Grupo Surcan (Surcan SA, Surcan Jorge) - Casanova y Cia S.A. - Cislottto Hnos S.A. - Chapafarro S.R.L. - Dor S.R.L. - Hierros La Quiaca S.R.L. - Molina Oscar - Indartubo - Sidermet San Luis S.A. - Moreira Juan Carlos - Ferrocons - Casa Aleksy Wasiuk S.A. - Codimat SA - Lamfer Garro SA - Abacos SRL - Rogiro Aceros SA - Diaz Jorge Vidal, Metalfier - Aceros Solario SA - Cura Calquin SRL - Ferrozinc Sacei - Gili y Cia. SRL - Corifera SA - Mecano Ganadero SA - Orlandi Industrial y Comercial SA - Todohierro SA - Donzelli y Cia. SA M - Fa dot SRL - Geva SRL - Imepho SAIC - Hierros líder SA - Corralon Yacopino SA - Aceros Co-Fer SA - Fisa Metal SRL - Gomez J SRL - Martinez Escalada SA - Ropelato SRL A - Santa Fe Materiales SA - Prades SA - Mottesi Materiales SA - Alumetal SA - Riboldi Materiales SA - Yapur SA Elias - Compañía de Distribución Siderúrgica S.A., Donadio - Terar S.A., Forestal Pico - Alambres e Hierros Palumbo S.A. - Todo Materiales S.A., Guinazú - Acima R S.A. - Coco Mario - Acerma S.A. | Menara construcciones - Remetal S.A. - Sidergroup S.A.



Acindar Solutions, value added for the construction sector

It is the channel through which we offer the construction market our steel cutting, bending, and preassembling services.

With the aim of providing value to our customers, this network of industrial partners, from different provinces, provides these services throughout the country.

In 2012, we organized the third Acindar Solutions Convention, which brought together company representatives as well as officers and operational heads of our industrial partners.

They discussed the progress done during the year, projected the future scenario and each member of Acindar Solutions presented the improvement actions that had had an impact on various aspects of their processes (production, delivery, safety, quality, etc.).

Committed to the quality of our products and services, Acindar

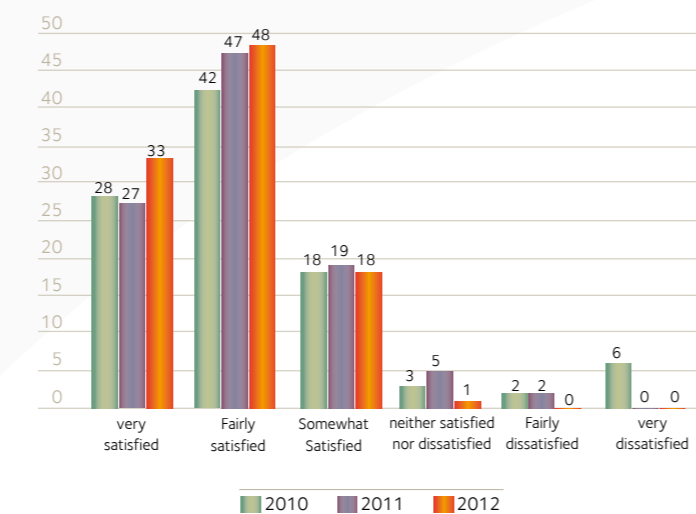
Solutions members are in the process of attaining certification of ISO 9001 quality standards. This certification process will be consolidated in 2013. During this year, a new partner from the province of San Juan will also join to provide services in the Cuyo region.

Our industrial partners:

- Armaduras y Estructuras S.A. in Pilar (Buenos Aires)
- Armaduras del Sur S.A. in Avellaneda (Buenos Aires)
- Armaduras Líder in Resistencia (Chaco)
- Tensar in Rosario (Santa Fe)
- Armaduras del Neuquén (Neuquén)
- Armaduras de las Sierras in Córdoba (Córdoba)
- Armaduras de la Patagonia in Comodoro Rivadavia (Chubut)

Customer satisfaction

Overall satisfaction with Acindar Grupo ArcelorMittal Comparison (2010-2011-2012)



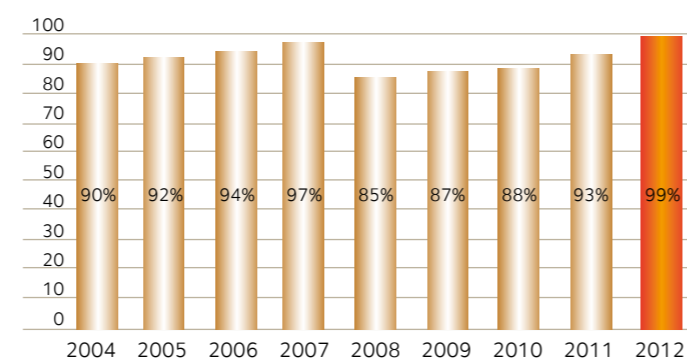
Average rating 2010: 5,71

Average rating 2011: 5,93

Average rating 2012: 6,13

Scale:
7 very satisfied to 1 very dissatisfied
Source: 279 customers from Acindar Grupo ArcelorMittal, October 2012.
Datos Claros. www.datosclaros.com

Evolution of General Satisfaction with Acindar Grupo ArcelorMittal Positive percentages (2004-2012)



Positive percentages (Final Satisfaction)
Very satisfied / Fairly satisfied / Somewhat Satisfied
Source: 279 customers from Acindar, October 2012. Datos Claros. www.datosclaros.com

Acindar Pymes Mutual Guarantee Association (S.G.R., Sociedad de Garantía Recíproca)

Our mutual guarantee association aims to facilitate access of SMEs to loans through the provision of guarantees for the fulfilment of their obligations.

Thus, those SMEs that had limited or expensive access to loans can obtain funding after receiving the necessary guarantees.

Since 2005, we have issued guarantees for more than \$ 1,700 million, supporting the growth of SMEs from all industries across the country.

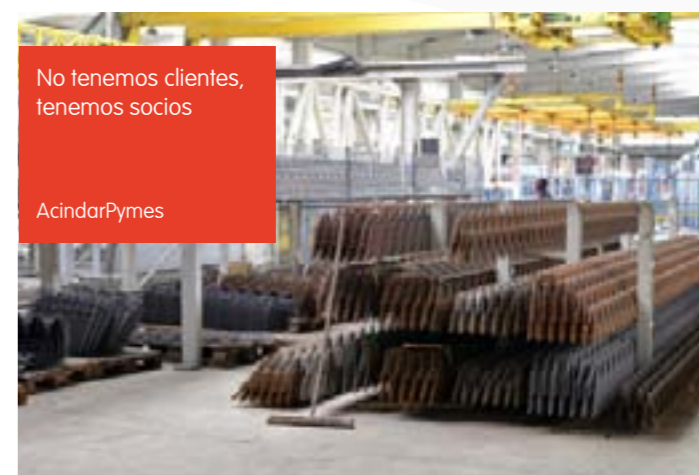
During 2012, we issued guarantees for more than \$ 541 million, 61% more transactions than in 2011.

We have more than 600 small and medium business partners and the guarantee fund has been increased to 200 million Argentine pesos, allowing us to accompany more companies around the country.

During 2012, we implemented the Partner Care Centre, a hotline for our partners and SMEs potentially interested in our products, to access the information they need quickly.

Our strategy for 2013 continues to focus on improving competitiveness, promoting investment and enhancing the profitability of the SME partners.

We provided \$ 363 million in guarantees to boost SME suppliers and customers of our value chain. Additionally, \$ 178 million were granted to SMEs in the oil, pharmaceutical, textile, agricultural and food industries, located in different regions of the country.



No tenemos clientes, tenemos socios

AcindarPymes



Seguimos creciendo porque sabemos como potenciar su inversión.

AcindarPymes

No tenemos clientes, tenemos socios

Detail of total emissions by product

Type of product	Ars Millon 2011	Ars Millon 2012	Variation \$	Variación porcentual
Discount Checks	228	439	211	93 %
Guarantees	33	13	-20	-61 %
Loans	74	86	12	16 %
Debentures	2	3	1	50 %
Total	337	541	204	61 %

Acindar Grupo ArcelorMittal prioritizes transparency and trust in our value chain because it is an essential pillar in the path to excellence and continuous improvement.

We contribute to the economic development of the country by including local businesses in our supply chain. In 2012, 90% of our active suppliers were national businesses. We are committed to the development of national suppliers, with certain local requirements and parameters.

With the philosophy to create greater value in the supply chain and sustainable relationships, Logistics and Procurement works daily in order to strengthen the quality of operations and complying with legal and corporate standards.

	Total number
Total Active suppliers	1.808
Domestic suppliers	1.628
International suppliers	180

Annual purchases in pesos - 2012

Sector	Number of suppliers	Imported	Imported	Total by category
Metal (Iron ore and scrap)	28	1.045.875.244	520.204.398	1.566.079.642
Energy	29	-	705.995.300	705.995.300
Industrial products	127	253.567.574	160.617.941	414.185.515
Services and materials	1.582	95.144.165	1.388.316.260	1.483.460.426
Others	42	123.915.914	104.078.252	227.994.166
Grand total	1.808	1.518.502.898	2.879.212.151	4.397.715.049

Classification of annual purchases by type of product / service

Metal (Iron ore and scrap)	36%
Energy	16%
Industrial products	9%
Services and materials	34%
Others	5%

In 2012, 65% of purchases were made to domestic suppliers



Supplier performance management (SPM)

It is the evaluation system that Grupo ArcelorMittal uses to evaluate critical suppliers.

In Acindar, we have implemented this system since 2010 and during 2012 we organized the second campaign involving 235 suppliers.

These were assessed in various aspects such as delivery times, flexibility, quality, price, corporate responsibility, among other criteria.

There were 251 assessors, among buyers and service users, divided in different categories (metal materials and spare parts, services, logistics). In this way, we ensured that the evaluation was seen from a business as well as an operational perspective.

The results of this process help identify strengths and opportunities for improvement in our supply chain. Likewise, together with the development of action plans, it gives us the possibility of having more reliable suppliers, aligned to our corporate strategy. Suppliers become one of the cornerstones for the sustainability of our business.

Carriers safety

We have approximately 850 carriers including units from both the domestic and international markets. Procurement and Logistics prompted initiatives to improve the management, safety and health of carriers.

In 2012, the Logistics Safety Area ensured compliance with the Fatality Prevention Standards for Vehicles and Driving (FPS 006). The target set by ArcelorMittal Group could be met. This motivated us to align rules and guidelines related to the safety of carriers and all commercial vehicles that enter our plants.

- Training to 800 drivers on specific Safety Standards for carriers and industrial vehicle drivers.
- Carrier safety campaign.
- Implementation of tools for pre-use inspection of equipment. In all locations, inspections of transport units were performed to verify compliance with safety standards.
- The Carrier Manual and the Driver Guide created by Acindar in 2011 were regarded as Safety Good Practices by the ArcelorMittal Group

We continue working with the Portal for Carriers, a more efficient and faster tool that prevents problems from happening when trucks are entering the plant.

Carrier Safety meetings on a quarterly basis and a participation of 70% of transport companies.

Carriers accidents

Year	Number of accident events
2010	5
2011	3
2012	2

During 2012, there was a decline in transport accidents and we developed action plans to prevent recurrence.

Commercial Port Safety. Due to the increase in exports, we have managed safety differently than when loading seagoing vessels. We have formed exclusive Safety Committees to address safety issues and carry out loading activities safely.



2012: Record exports

During 2012, we exported more than 297,000 tonnes of steel produced in our plants in Argentina and reached, after 10 years, the record of exports. Most exports went to Brazil. This accounted for 67% of the volume. The remaining 33% was distributed among Bolivia, Uruguay, Chile, Paraguay, Peru, Puerto Rico and Venezuela. The main means of transport used was the sea, followed by truck and rail.

Reaching destination on time

The export process does not end with the sale to the customer: distribution logistics is also important. To this end, we work hard to establish deadlines ensuring the integrity our products and that they reach the customer with the same quality they have when leaving the plants. We especially monitor sea and rail transport due to the number of transshipments required.

Building relationships of trust

In order to continue strengthening the relationship with our suppliers, throughout 2012, we held a series of meetings with Constitución Chamber of Industry (CIDECON, Cámara Industrial del Departamento Constitución) from Villa Constitución, of which we are part.

The aim of the meetings was to discuss various concerns and needs related to our company and our suppliers and to maintain a relationship based on trust, quality and transparency

We aim at aligning the suppliers management decisions with our values and ethical commitments and contributing to the professionalization of suppliers and service providers in the area.

Representatives of the different areas were involved in this initiative. Some of them participating in the meetings and addressing the issues in question, and others through training and lectures on topics of interest to suppliers.

GRI and Global Compact
Table of contents

2012 Sustainability Report | Acindar Grupo ArcelorMittal



GRI and Global Compact

Table of contents



		Global Pact Principles	Indicator status	Page / Direct answer
	1. Vision and strategy			
1.1.	Statement from chief executive officer responsible for decisions made by the organization as regards the importance of sustainability for the organization and its strategy.		● ● ●	4-5
1.2	Description of key impacts, risks and opportunities.		● ● ●	4-5, 25
	2. Organizational profile			
2.1	Name of the Organization.		● ● ●	7
2.2	Major brands, products and/or services.		● ● ●	11
2.3	Organization operative structure.		● ● ●	7
2.4	Location of the organization headquarters.		● ● ●	ArcelorMittal's headquarters are located in Luxembourg. Acindar ArcelorMittal's headquarters are located in Villa Constitución, Santa Fe.
2.5	Number of countries where the organization operates and where it develops meaningful activities.		● ● ●	7
2.6	Nature of ownership and legal form.		● ● ●	It is a Limited Liability Company.
2.7	Markets served.		● ● ●	10
2.8	Scale of the reporting organization.			10, 23-24, 31
2.9	Significant changes during the period included in annual report regarding size, structure or ownership of the organization.		● ● ●	25
2.10	Awards and honors received during the period reported.		● ● ●	76, 78
	3. Report parameters			
	Report profile			
3.1	Period covered by the information in the report.		● ● ●	15
3.2	Date of most recent previous report.		● ● ●	2011
3.3	Reporting cycle.		● ● ●	Annual
3.4	Contact point for issues regarding the report or its contents.		● ● ●	15
	Scope and coverage of the report			
3.5	Process to define contents of the report.		● ● ●	15-16
3.6	Report coverage.		● ● ●	15
3.7	State any specific limitations on the scope or coverage of the report.		● ● ●	There are certain limitations to measure environmental indicators in Villa Mercedes, San Nicolás, Rosario and Tablada plants.
3.8	Aspects that may affect information comparison.		● ● ●	In the chapter about the environment, the adjustments performed on 2011 indicators are specified and explained in detail.
3.9	Data measurement techniques used to elaborate indicators.		● ● ●	31, 34, 49, 80
3.10	Description of the effect that may derive from replicating information from previous reports.		● ● ●	In the chapter about the environment, the adjustments performed on 2011 indicators are specified and explained in detail.
3.11	Significant changes from previous reporting periods in the scope, coverage, or measurement methods applied in the report.		● ● ●	No significant changes that may affect the comparability of the information reported have taken place in Acindar ArcelorMittal.
	GRI Content index			
3.12	GRI Table of Contents.		● ● ●	86
	Audit			
3.13	Policy and implementation regarding external audits.		● ● ●	This Sustainability Report does not have any external audits.

● ● ● Not reported
● ● ● Partially reported
● ● ● Reported

		Global Pact Principles	Indicator status	Page / Direct answer
	4. Governance and commitment and participation of the stakeholders			
	Governance			
4.1	Governance structure of the organization.		● ● ●	12
4.2	State whether the chair of the highest governance body is also an executive officer.			No, the president of the organization keeps to himself the institutional relationship with the different political divisions.
4.3	State the number of members of the highest governance body that are independent and/or non-executive officers.		● ● ●	Only one of the members, the president, is not an executive.
4.4.	Mechanisms for shareholders and employees to communicate recommendations or instructions to the highest governance body.		● ● ●	39, 75
4.5	Relation between the organization's performance and the reward of members of the highest governance body.		● ● ●	It is implemented by means of a percentage bonus based on the achievement of the goals set at the beginning of each period.
4.6	Procedures implemented to avoid conflicts of interest in the highest governance body.		● ● ●	he results for this indicator are related to our Code of Business Conduct.
4.7	Procedure to define the level of qualifications and expertise that members of the highest governance body are expected to have in terms of sustainability.		● ● ●	The Executive Committee is trained in terms of sustainability and in every decision they make they bear in mind the four pillars that guide our Corporate Responsibility policy.
4.8	Statements of our mission, values and code of conduct.		● ● ●	8-9, 75
4.9	Procedure followed by the highest governing body to supervise the organization's identification and management of economic, environmental and social performance.		● ● ●	The Executive Committee carries out a monthly follow-up of the Management System indicators and goals using the guidelines defined by the company. This system includes environmental, economic and social metrics.
4.10	Procedures to evaluate the performance of the highest governance body, making special focus on the economic, environmental and social performance.		● ● ●	The same performance system mentioned in the indicator 4.9 makes it possible to evaluate the fulfillment of the indicators defined.
	Commitment with external initiatives			
4.11	Description of the way in which the organization has adopted a precautionary approach or principle.		● ● ●	25
4.12	Social, environmental and economic principles or programmes externally developed.		● ● ●	4, 15, 20-21, 64-73, 76
4.13	Significant memberships in associations (such as different business sectors associations) and/or national and international associations the organization supports.		● ● ●	76
	Stakeholders' participation			
4.14	List of stakeholders engaged by the organization.		● ● ●	27-29
4.15	Basis for identification and selection of stakeholders to engage.		● ● ●	27-29
4.16	Different approaches adopted to engage stakeholders.		● ● ●	16, 27-28, 37-40, 43, 45-46, 65, 71, 79-80, 83-84
4.17	Interesting issues that have arisen as a result of the stakeholders' participation and the corresponding organization's response.		● ● ●	16 The main interesting issues that arose during the meeting with our stakeholders were the company's investment in terms of environmental issues and staff's health and training. That is why the addition of information on these issues was prioritized.

● ● ● Not reported
● ● ● Partially reported
● ● ● Reported

GRI and Global Compact

Table of contents



		Global Pact Principles	Indicator status	Page / Direct answer
	Economic performance indicators			
	Management Approach		● ● ●	5, 24-25
	Economic performance			
EC1	Direct economic value generated and distributed.		● ● ●	23-24, 82 / Salaries, wages, pensions and social security contributions: US\$835 million Investments in the community: Fundación Acindar's investments in projects reached US\$2,026,726.
EC2	Financial implications and other risks and opportunities for the organization resulting from climate change.	Principle 7	● ● ●	An accurate estimation of the financial implications related to climate change has not been carried out.
EC3	Cover of the organization's liabilities resulting from benefit plan programmes.		● ● ●	The company does not have a benefit plan programme.
EC4	Significant financial assistance received from governments.		● ● ●	During 2012, different negotiations have been carried out so as to get the benefits defined in Resolution 256 for important investment projects. However, during this period of time, no financial help from the Argentinean government was received.
	Presence in the market			
EC5	Ratio of the standard initial salary compared to the local minimum wage.	Principle 1	● ● ●	All salaries are above the adjustable minimum living wage.
EC6	Policy and proportion of the spending to be implemented with locally-based suppliers.		● ● ●	82-83
EC7	Procedures for local hiring and proportion of senior management hired from the local community.	Principle 6	● ● ●	Acindar ArcelorMittal's policy prioritizes local residents hiring in each plant in Argentina. 86 % of the members of the board are Argentinean.
	Indirect economic impact			
EC8	Development and impact of infrastructure investments and services provided mainly for public benefit.		● ● ●	24-25, 43, 71, 73
EC9	Understanding and description of significant indirect economic impacts and their scope.		● ● ●	28, 66-67
	Social performance indicators: Working practices and acceptable working conditions			
	Management Approach.		● ● ●	30
	Employment			
LA1	Total workforce per employment type, employment contract and region.		● ● ●	31
LA2	Total number and rate of staff turnover per age group, gender and region.		● ● ●	
LA3	Social benefits provided to full-time employees, per activity assigned.		● ● ●	42
	Labour/Management relations			
LA4	Percentage of employees covered by collective bargaining.	Principles 1 and 3	● ● ●	31
LA5	Minimum prior notice periods in case of significant changes in the organization.	Principle 3	● ● ●	Prior notice periods comply with the deadlines defined in the Argentinean labour legislation.
	Health and safety at work			
LA6	Percentage of total workforce being represented in health and safety committees.	Principle 1	● ● ●	38 More than 75 % of our employees are represented in formal Health and Safety committees with joint representation.

● ● ● Not reported
● ● ● Partially reported
● ● ● Reported

		Global Pact Principles	Indicator status	Page / Direct answer
LA7	Rates of absenteeism, occupational diseases, lost days, and number of work-related fatalities per region.	Principle 1	● ● ●	34-35 The regulation the company uses to record and report accidents is LRT (24557) and acts 26693 and 26694, which approve the OIT Agreements 155, 187 and 2002 Protocol related to the Workers Health and Safety Agreement.
LA8	Ratio between serious illnesses and education, training, counseling, prevention, and risk-control programs in place to assist workforce members, regarding serious diseases.	Principle 1	● ● ●	32-33, 35, 37, 41, 66, 72, 83
LA9	Health and safety topics covered in formal agreements with trade unions.	Principle 1	● ● ●	All staff included in the Bargaining Agreement works under Acindar ArcerloMittal's policies and health and safety standards.
	Training and education			
LA10	Average hours of training per year per employee by employee category.		● ● ●	31, 40
LA11	Skills management programmes and ongoing training for employees		● ● ●	40
LA12	Percentage of employees receiving regular performance and career development reviews.		● ● ●	31, 41
	Diversity and equal opportunity			
LA13	Structure of the corporate governance and template, per gender, age, minority groups and other diversity indicators.	Principles 1 and 6	● ● ●	31
LA14	Men to women basic salary ratio per employee category.	Principles 1 and 6	● ● ●	There are no differences between men's basic salary and women's.
	Social performance indicators: Human rights			
	Management Approach.		● ● ●	20-21
	Investment and supply practices			
HR1	Percentage and total number of significant investment agreements including clauses related to human rights.	Principles 1 and 6	● ● ●	During 2012 two important investment projects were carried out: Environmental improvement project of Steel Making-Fumes and Gases Aspiration System and New Bag House, and Project of Liquid Effluents Treatment in Wires, Villa Constitución. In all the investment agreements, Acindar Grupo ArcelorMittal's Human Rights Policy is taken into consideration.
HR2	Percentage of the main distributors and contractors who have undergone screening on human rights and actions taken.	Principles 1 and 6	● ● ●	82 Acindar Grupo ArcelorMittal implements a suppliers' development policy in which compliance with the company's Human Resources policy is taken into consideration.
HR3	Total number of hours of staff training on human rights policies and procedures.	Principles 1 and 6	● ● ●	31, 40 749 employees were trained.
	Non-Discrimination			
HR4	Total number of discrimination incidents and actions taken.	Principles 1, 2 and 6	● ● ●	No incidents were recorded.
	Freedom of association and collective bargaining			
HR5	Activities that may jeopardise the rights of freedom association and collective bargaining and the measures adopted.	Principles 1 and 3	● ● ●	No activities were recorded.
	Child labour			
HR6	Activities that imply a potential risk of child labour, and the measures adopted as a result.	Principles 1, 2 and 5	● ● ●	No activities were recorded.
	Forced labor			
HR7	Activities that may result in forced or non-consented labour situations, and measures adopted.	Principles 1, 2 and 4	● ● ●	No activities were recorded.

● ● ● Not reported
● ● ● Partially reported
● ● ● Reported

GRI and Global Compact

Table of contents



		Global Pact Principles	Indicator status	Page / Direct answer
HR8	Security practices Percentage of security staff that has been trained in terms of human rights.	Principles 1 and 2	<div><div></div><div></div><div></div></div>	Since it is an outsourced service, it follows the company's suppliers policy.
HR9	Indigenous rights Total number of incidents related to the infringement of indigenous rights and actions taken.	Principles 1 and 2	<div><div></div><div></div><div></div></div>	There are no indigenous settlements in the areas where the company operates.
	Social performance indicators: Product responsibility Management Approach.		<div><div></div><div></div><div></div></div>	79
PR1	Customers' Health and Safety Stages of the product life cycle and services assessed in terms of customers' health and safety.		<div><div></div><div></div><div></div></div>	
PR2	Total number of incidents resulting from non-compliance with legal regulations or codes related to the way products and services impact on the customers' health and safety.	Principle 1	<div><div></div><div></div><div></div></div>	No incidents were recorded.
PR3	Products and services labelling Types of products and services information required by the current procedures and standards, and percentage of products and services subject to such information requirements.	Principle 8	<div><div></div><div></div><div></div></div>	The origin of the components is reported -if applicable- and information on the product safe use is provided.
PR4	Total number of instances of non-compliance with the current regulations and codes related to products and services information and labelling.	Principle 8	<div><div></div><div></div><div></div></div>	No incidents were recorded.
PR5	Customer satisfaction practices, including results of customer satisfaction surveys.		<div><div></div><div></div><div></div></div>	80 / In addition to the annual customer satisfaction survey, customers can express their opinions using our sales force and the communication channels enabled for that purpose (e-mail, Commercial Support Service phones and the contact form available on our institutional web page).
PR6	Marketing communications Programmes for compliance with the legislation, standards and voluntary codes in terms of marketing communications.		<div><div></div><div></div><div></div></div>	Even though Acindar ArcelorMittal does not comply with marketing communication standards or voluntary codes, our products presentation and advertising material include accurate and reliable information.
PR7	Number of incidents resulting from non-compliance with regulations concerning marketing communications.		<div><div></div><div></div><div></div></div>	No incidents were recorded.
PR8	Customer privacy Total number of complaints regarding privacy and breaches of customer data.	Principle 1	<div><div></div><div></div><div></div></div>	No incidents were recorded.
PR9	Compliance with standards and regulations Payment of significant fines resulting from non compliance with the current standards related to the use and supply of the organization's products and services.		<div><div></div><div></div><div></div></div>	No fines were given to the company.
	Environment management indicators Management Approach.		<div><div></div><div></div><div></div></div>	44
EN1	Materials Materials used per weight or volume.	Principle 8	<div><div></div><div></div><div></div></div>	48
EN2	Percentage of materials used that are recycled input materials.	Principle 8 and 9	<div><div></div><div></div><div></div></div>	49
EN3	Energy Direct consumption of energy divided into primary sources.	Principle 8	<div><div></div><div></div><div></div></div>	49
EN4	Direct consumption of energy divided into primary sources.	Principle 8	<div><div></div><div></div><div></div></div>	50

Not reported
 Partially reported
 Reported

		Global Pact Principles	Indicator status	Page / Direct answer
EN5	Energy saved due to conservation and efficiency improvements.	Principle 9	<div><div></div><div></div><div></div></div>	We work on a daily basis in order to raise awareness among the staff of the importance of energy saving, for instance, in the use of air conditioning systems, lighting, computers, among many other issues. This awareness plan is included in the training programme aimed at the staff working for Acindar Grupo ArcelorMittal, as well as the contractors. There are no data available as regards energy saving.
EN6	Initiatives to provide products and services that are efficient in terms of energy consumption or that are based on renewable energies, and the reductions achieved.		<div><div></div><div></div><div></div></div>	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Principles 8 and 9	<div><div></div><div></div><div></div></div>	The company uses a bus service to transport its operative and administrative staff during productive times of the day. This makes it possible to minimize the generation of green house effect gases that the use of individual cars would imply. The reduction of combustion gases generated has not been estimated yet.
	Water			
EN8	Total water withdrawal per sources.	Principle 8	<div><div></div><div></div><div></div></div>	50
EN9	Water sources have been significantly affected by the withdrawal of water.		<div><div></div><div></div><div></div></div>	51
EN10	Percentage and total volume of water recycled and reused.	Principles 8 and 9	<div><div></div><div></div><div></div></div>	51
	Biodiversity			
EN11	Description of neighbouring lands or lands located inside preserved natural areas or high biodiversity areas that are not preserved.	Principle 8	<div><div></div><div></div><div></div></div>	51
EN12	Description of the most significant effects on biodiversity in preserved natural areas or in high biodiversity areas that are not preserved.		<div><div></div><div></div><div></div></div>	
EN13	Habitats protected or restored.		<div><div></div><div></div><div></div></div>	
EN14	Strategies, current actions and future plans to manage impacts on biodiversity.		<div><div></div><div></div><div></div></div>	
EN15	Number of species whose habitats are located in areas affected by the company operations.		<div><div></div><div></div><div></div></div>	
	Emissions, spills and waste			
EN16	Total direct and indirect emissions of green house effect gases, in weight.	Principle 8	<div><div></div><div></div><div></div></div>	51-52
EN17	Other indirect emissions of greenhouse effect gases in weight.	Principle 8	<div><div></div><div></div><div></div></div>	Indirect emissions described in the indicator EN7 are not estimated. We do not know exactly how much the use of buses that take staff members to the plant actually contributes to reduce the emission of green house effect gases.
EN18	Initiatives to reduce emissions of greenhouse effect gases and reductions achieved.	Principles 7 and 9	<div><div></div><div></div><div></div></div>	In 2012 no initiatives have been implemented to reduce directly green house effect gases.
EN19	Emissions of ozone-depleting substances, in weight.		<div><div></div><div></div><div></div></div>	
EN20	Nitrogen oxides, sulfur oxides, and other significant air emissions per type and weight.	Principle 8	<div><div></div><div></div><div></div></div>	52
EN21	Total spills of waste waters, depending on their origin and destinations.	Principle 8	<div><div></div><div></div><div></div></div>	53
EN22	Total weight of waste generated per type and disposal methods.	Principle 8	<div><div></div><div></div><div></div></div>	53
EN23	Total number and volume of the most significant incidental pills.	Principle 8	<div><div></div><div></div><div></div></div>	54

Not reported
 Partially reported
 Reported

GRI and Global Compact Table of contents



		Global Pact Principles	Indicator status	Page / Direct answer
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous.	Principle 8	● ● ●	In 2012, 565 tons of dangerous waste were collected and treated by external suppliers. The treatment applied for the waste final destruction is thermal destruction. This waste was carried from our plant in Villa Constitución to the treatment plant located in Santa Fe Province.
EN25	Water bodies and habitats affected by the organization's water spills and run-off waters.		● ● ●	
	Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services and level of reduction.	Principles 7 and 9	● ● ●	55-56
EN27	Percentage of products sold, and the materials used to pack them, which is recycled, per product type.		● ● ●	
	Compliance with standards and regulations			
EN28	Monetary value of significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations.	Principle 8	● ● ●	55
	Transport			
EN29	Significant environmental impacts of the materials used and of transporting products and other goods.		● ● ●	
	Overall			
EN30	Total environmental expenditures and investments per type.	Principles 7 and 9	● ● ●	55
	Social performance indicators: Company			
	Management Approach.		● ● ●	64
	Community			
SO1	Programmes and practices that assess and manage the impacts on communities.		● ● ●	27-29, 64-73
	Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Principle 10	● ● ●	Acindar Grupo ArcelorMittal does not have business units, which is why 100 % of the risks related to corruption are covered by our Compliance Policy.
SO3	Percentage of employees trained in terms of anti-corruption issues.	Principle 10	● ● ●	31 / 604 employees took part in the anti-corruption training sessions.
SO4	Actions taken in response to incidents of corruption.	Principle 10	● ● ●	No incidents of corruption were reported during 2012.
	Public policy			
SO5	Position taken as regards public policy and participation in public policy development and lobbying.	Principles 1 and 10	● ● ●	76
SO6	Financial and in-kind contributions to political parties and related institutions.	Principle 10	● ● ●	The company does not make this contributions.
	Anti-competitive behavior			
SO7	Total number of legal actions for monopoly practices and behavior against free competition.		● ● ●	Acindar Grupo ArcelorMittal has four cases in progress filed with the National Commission of Competition Defense. These cases have not been solved yet and the corresponding investigation is in progress.
	Compliance with standards and regulations			
SO8	Monetary value of significant sanctions fines, and total number of non-monetary sanctions for non-compliance with laws and regulations.		● ● ●	The Customs Office in Argentina has recently imposed Acindar AcelorMittal fines for inaccurate statements. The Central Bank of the Argentinean Republic started investigating the late income of money from exports during 2002-2006.

- ● ● Not reported
- ● ● Partially reported
- ● ● Reported

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We value your opinion

We would like you to send in your comments and suggestions regarding our Sustainability Report. Write to asuntos-externos@acindar.com.ar.

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