



Communication on Progress

Year: 2014

STATEMENT OF CONTINUED SUPPORT

ArcelorMittal India committed to the ten UNGC principles in 2010 and is fully committed to continue its support to UNGC and embed the UNGC principles in our day-to-day functions. UNGC principles are indeed important driving factors for us to operate our business. We have made steady progress and the actions we have undertaken integrate the principles in the way we operate.

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

During the reporting year, we have made progress across all the principles of UNGC. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, we have constituted an Internal Complaints Committee in all the business units of ArcelorMittal India.

These principles lead us to operate in a sustainable way and we see remarkable level of increase in awareness towards sustainability during the economically prime times that it was last year. I am directly supervising the progress and am happy to present a communication of progress.

Vijay
27/11/2014, Vijay Bhatnagar, CEO,
ArcelorMittal India

Contact: Devinder Arora

Email: Devinder.Arora@arcelormittal.com

Phone: +91-11-4675 9485



ArcelorMittal India

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

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



Management Approach

Commitment

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

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

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

Policies

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

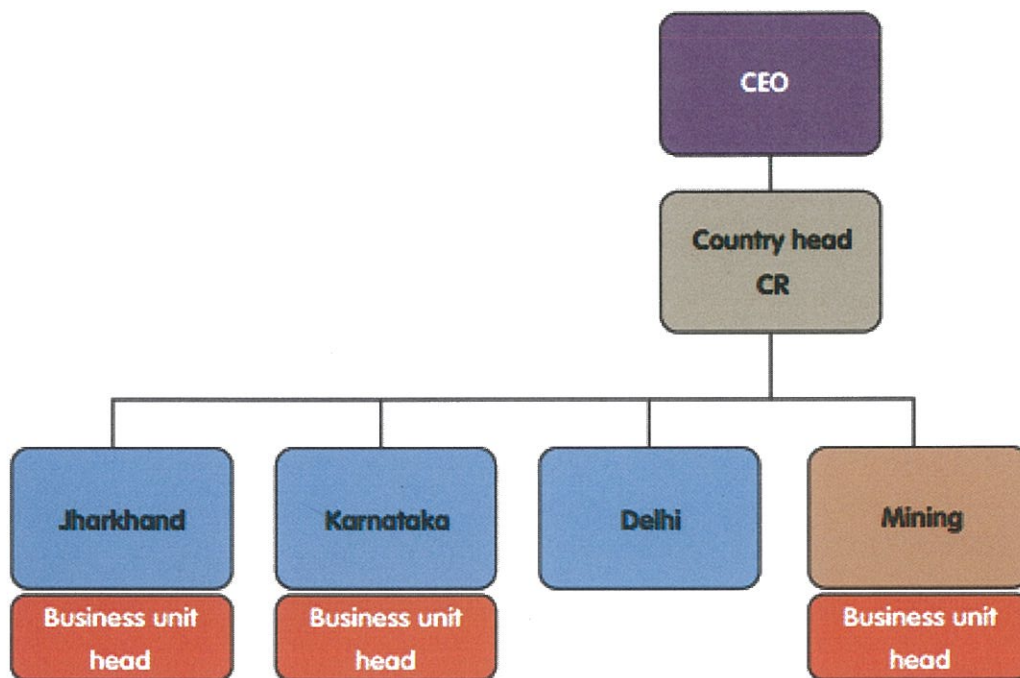
Governance:

A. Strategic organization

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

B. Operational Organization

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



Principle 1:

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

Our Guiding Principle

In consistence with the corporate policy on human rights, ArcelorMittal India is committed to respect human rights of employees and community.

ArcelorMittal India pledges to remain adhered to the principles of Indian constitution, UNUDHR and UNGC on human rights. We will promote the content of the "human rights policy" to our suppliers and other business partners also, through our "responsible sourcing programme".

Implementation

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

• Health and safety policy of the company protects employees' right to safe work place and right to health. At ArcelorMittal, health & safety is non-negotiable at any given circumstances or conditions. We have taken care of proper health and safety measures, providing PPE's to all the supervisors and workers during the fencing construction period at our Karnataka site.

Action Plan for 2015

• Awareness on Human Rights: Reinforcement of human rights policy by taking into account the feedback of stakeholders on the existing policy.

Principle 2:

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

Our Guiding Principle

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

Implementation

- **Employee Awareness:** 100% of our employees have undergone rigorous training on human rights. The target was with specific reference to the vulnerabilities during land acquisition & the supply chain.
- ArcelorMittal India commits to work towards reducing the potential human rights abuse in its supply chain by implementing the group policy on responsible sourcing.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, we have constituted an Internal Complaints Committee in all the business units of ArcelorMittal India.

Action plan for 2015

- We will ensure that we adhere to our policies.

Principle 3:

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

Our Guiding Principle

Our global policy is committed to continuous dialogue at all levels of the business, and we do this in an open and structured manner, based on mutual respect, and with a free flow of information. We believe in the process of collective bargaining and have established productive partnerships with trade unions and employee representatives. In line with the global policy, ArcelorMittal India is committed to being a responsible, highly respected institution. We respect employees' legal rights to freedom of association, third party consultation, collective bargaining and employee participation. We believe in a high quality and high level social dialogue with trade unions, employee representatives and other relevant stakeholders.

Implementation

- **Employee Dialogue:** 'Proximity Meeting' is a forum that is held where employees interact directly with the CEO and the Sr. management of the company.

- **Feedback and grievance redressal mechanism for employees:** Employees at ArcelorMittal India are encouraged to freely send their feedback directly to the top management without any fear; in case they have grievance either against the system or the line manager, they can register their complaints with the Head-HR or directly with the CEO and can expect the management response within a week time. No grievances were received during 2013-14.

Action plan for 2015

- We will ensure that we adhere to our policies.

Principle 4:

Business should uphold the elimination of all forms of forced and compulsory labour.

Our Guiding Principle

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

Implementation

- Our global as well as India policies on employment commit us to not accept any inhumane treatment of people working for us, including any form of forced labour, physical punishment or other abuse.
- We oppose the use of forced labor or compulsory labour. We will also work with our contractors and suppliers to avoid indirectly benefiting from such illegal practices.

Action plan for 2015

We will ensure that we adhere to our policies.

Principle 5:

Business should uphold the effective abolition of child labour.

Our Guiding Principle

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

Implementation

- ArcelorMittal opposes the use of child labour. We will work in collaboration with subcontractors and suppliers to prevent and remove any instances of child labour in a manner that is consistent with the best interests of the child.
- ArcelorMittal has also been helping the child victims of human trafficking.

Action plan for 2015

- We will ensure that we adhere to our policies.

Principle 6:

Business should uphold the elimination of discrimination in respect of employment and occupation.

Our Guiding Principle

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

Implementation

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

Action plan for 2015

- We will ensure that we adhere to our policies.

Principle 7:

Business should support a precautionary approach to environment challenge.

Our Guiding Principle

ArcelorMittal India will be guided by the 10-principles of the group policy on environment. We will make sure that regulatory compliances with regard to environmental standards are always met; this will be achieved by integrating environmental management systems into business strategies.

Implementation

- We have reduced our energy consumption at all our locations/sites by over 30% as compared to last year.
- We are continuing to conduct environment impact assessment wherever required.
- We are giving topmost consideration to environment management in our business strategies and planning. Each and every activity being planned is evaluated against environmental parameters.

Action plan for 2015

We will ensure that environmental compliances at all stages of our business are met.

Principle 8:

Business should undertake initiatives to promote greater environmental responsibility

Our Guiding Principle

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

Implementation

- ArcelorMittal continued being a principal partner of environmental education program *Paryavaran Mitra*. Paryavaran Mitra is committed to prepare 20 million children from 200,000 schools in India become green leaders in three years' time since it was started.

Action plan for 2015

We will consolidate on the result & continue to take Paryavaran Mitra to a logically desired conclusion.

Principle 9:

Business should encourage the development and diffusion of environmentally friendly technologies

Our Guiding Principle

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

Implementation

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

Action plan for 2015

- We will take every feasible step towards environment friendly constructions.

Principle 10:

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

Our Guiding Principle

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

Our reputation for honesty and integrity in business is very important to us. The Group code of business conduct which applies to all our employees and describes our commitment to uphold.

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

Implementation

- Anti corruption compliance training is mandatory for all regular employees. 100% of regular employees have undergone the online training on anti-corruption.
- Code of conduct essentially guides all of us to remain ethical in all our dealings and actions. 100% employees have signed onto the CoC. According to the Group's policy, employees who violate the code of conduct may be subject to disciplinary action, up to and including dismissal, depending on the facts and circumstances.
- **Disclosure and reporting:** We are committed to disclose all our business activities and conduct by bringing out an annual Communication on Progress as specified by UN Global Compact.

Action plan for 2015

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



Measurement of Outcomes

Deloitte LLP ('Deloitte') were engaged for the independent assurance statement by ArcelorMittal on group wide managing and reporting on corporate responsibility performance on accountability principles of Inclusivity, Materiality and Responsiveness for the year ended 31 Dec, 2013.

Independent assurance statement of Deloitte can be accessed through the following link:

<http://corporate.arcelormittal.com/corporate-responsibility>