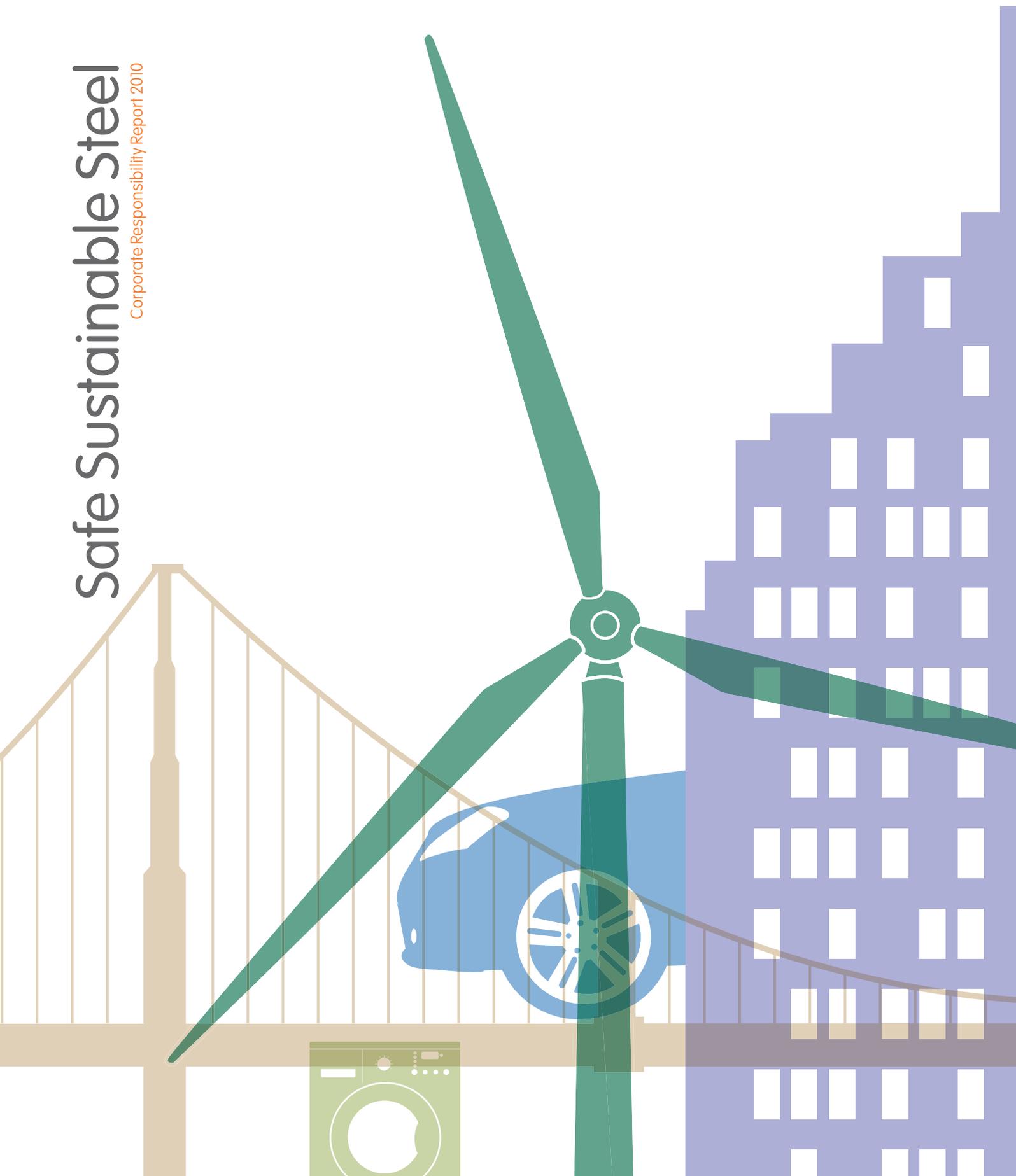




ArcelorMittal

Safe Sustainable Steel

Corporate Responsibility Report 2010



2010 in figures

Sales

\$78,025m

2010	78,025
2009	61,021

Steel shipped (tonnes)

85m

Net income

\$2,916m

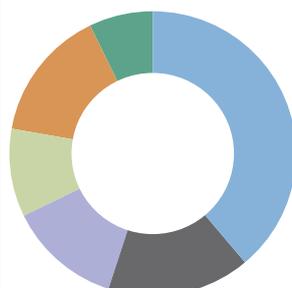
2010	2,916
2009	157

Lost Time Injury Frequency Rate (LTIFR)

LTIFR is the number of injuries which have resulted in an employee or contractor being away from work at least one day after the day it occurred, per million hours worked

2010	1.77
2009	1.87

Number of employees¹ at December 31, 2010



	Total
EU27 ²	106,166
Other European countries	43,132
North America	36,012
South America	26,696
Asia	42,918
Middle East	141
Africa	18,746
Total	273,811

¹ Full Time Equivalent.

² EU27 includes Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Slovenia and the United Kingdom.

Market presence

174

In 2010, ArcelorMittal shipped its products to customers in 174 countries

Steel production (tonnes)

91m

Iron ore production (tonnes)

49m

Coal production (tonnes)

7m

Investments in Research & Development

\$322m

2010	322m
2009	253m

Environmental Management System Certification

95%

Industrial operations certified to the international standard for Environmental Management Systems, ISO 14001

Health and Safety Management System Certification

63%

Industrial operations certified to the international standard for Health and Safety Management Systems, OHSAS 18001

About us

What we do

ArcelorMittal is the world's leading steel and mining company with a presence in more than 60 countries including an industrial presence in over 20 countries, spanning four continents.

ArcelorMittal is the leader in all major global steel markets, including automotive, construction, household appliances and packaging, with leading Research & Development (R&D) and technology, as well as sizeable captive supplies of raw materials and far-reaching distribution networks.

65

There are 65 ArcelorMittal steel operations across the world including integrated, mini-mill and integrated mini-mill facilities.

20

There are 20 key assets and projects in our mining business including iron ore, coal and non-ferrous mines.

Where we operate



53%

Approximately 53% of ArcelorMittal steel is produced in Europe



34%

We are the leading steel producer in Brazil with a 34% market share of the country's crude steel output at the end of 2010



36%

In 2010, emerging markets accounted for approximately 36% of total steel shipments

What we have been doing in 2010



JANUARY

ArcelorMittal Foundation donates \$1 million to earthquake relief efforts in Haiti

The donation was given both in cash and in-kind, offering assistance in new housing projects to rebuild Haiti. Financial support was provided for an emergency intervention from the organisation Médecins Sans Frontières in the capital of Port-au-Prince.



FEBRUARY

Corporate Responsibility Forum launched in Liberia

ArcelorMittal was the leading company behind the creation of the Corporate Responsibility Forum Liberia, which will provide a platform for facilitating the exchange of experience, knowledge, research and good practices on corporate responsibility. It will also help mobilise private sector resources, and facilitate public-private partnerships in support of national development initiatives and objectives.



MARCH

ArcelorMittal USA receives third ENERGY STAR® honour

ArcelorMittal USA was selected, for the third consecutive year, as a 2010 ENERGY STAR® Sustained Excellence Award winner for Energy Management. Each year, the US Environmental Protection Agency and the US Department of Energy honour organisations that have made outstanding contributions to protecting the environment through energy efficiency.



APRIL

ArcelorMittal celebrates fourth annual Health and Safety Day

ArcelorMittal's 2010 global Health and Safety Day provided an opportunity for employees from across our operations to share our best practice and reaffirm their commitment to ArcelorMittal's 'Journey to Zero' continuous improvement programme. The range of activities focused on core themes including nutrition and health at work; traffic risks and rules; fire-fighting; and the importance of shared vigilance.



MAY

ArcelorMittal commences dust reduction project in Zenica

Engineering works started on a new dust reduction facility in Bosnia and Herzegovina that is part of a series of installations designed to reduce the environmental impact of steelmaking in the city.



JUNE

ArcelorMittal's third Leadership Convention

ArcelorMittal held its third Leadership Convention in Chicago, USA. Over 600 leaders gathered to discuss a wide range of topics, all supporting the overarching theme of competitiveness and 'winning in the post-crisis world'. Discussions focused on Health and Safety, energy efficiency, continuous improvement, capital expenditure, emerging markets and employee engagement.



JULY

Steel structure solutions for schools in South Africa

ArcelorMittal representatives met with the South African Department of Education to officially hand over the Meetse-a-Bophelo school as part of a partnership to build ten primary schools, using innovative light steel frame construction methods, over a seven-year period.



AUGUST

ArcelorMittal launches Human Rights Policy

ArcelorMittal's Human Rights Policy articulates respect for all human rights, focusing on the areas that have been identified as priorities for the industry. This policy complements existing policies in areas such as Code of Business Conduct, Health and Safety, Environment Human Resources and the Anti-Corruption guidelines.



SEPTEMBER

ArcelorMittal enters the Dow Jones Sustainability Index

ArcelorMittal became the fifth steel company to be included in the Dow Jones World Sustainability Index, which tracks the share prices of the most sustainable companies. The index includes the top 10% of the world's 2,500 biggest companies, selected according to an approach which measures long-term economic, environmental and social performance.



OCTOBER

Corporate responsibility training programme introduced

Over 40 members of the global corporate responsibility network completed an online training programme that covered corporate responsibility topics including: understanding the challenges of sustainable development, stakeholder and environmental management and managing people responsibly.



NOVEMBER

Construction begins on the ArcelorMittal Orbit

A ground-breaking ceremony was held in the Olympic Park, to mark the start of construction on the ArcelorMittal Orbit – London's newest major landmark. The sculpture, designed by award-winning artist Anish Kapoor in collaboration with one of the world's leading structural designers, Cecil Balmond, will become a major iconic attraction in the future Queen Elizabeth Olympic Park.



DECEMBER

International Volunteer Work Day

The ArcelorMittal Foundation celebrated its third annual International Volunteer Work Day. During this day, different activities were undertaken to improve the lives of people living in communities that surround ArcelorMittal operations. ArcelorMittal employees spent over 12,000 volunteer hours supporting local community projects as part of this annual initiative.

How we are doing it

'Safe Sustainable Steel' sums up everything we are trying to achieve at ArcelorMittal. We want our business to be sustainable in every sense of the word – a business that is both profitable and responsible. We do this by keeping our people safe, and becoming ever more efficient at providing the steel the world needs for construction, transport, manufacturing, and all other aspects of everyday life.

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Performance review

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About this report

This report covers all of ArcelorMittal's significant operating subsidiaries, and the information covers the calendar year 2010. All financial figures refer to United States Dollars, unless stated otherwise. Owing to the spin-off of the stainless steel operations into a separate listed company, Aperam, on January 25, 2011, results and data have been adjusted accordingly, where appropriate and feasible. ArcelorMittal's reporting cycle is annual and the last Corporate Responsibility Report was published in May 2010.

For further information including all available policies and other relevant ArcelorMittal documents, see www.arcelormittal.com

Message from the Chairman and CEO



What sort of year was 2010 for our business? It was a year when we saw the beginnings of a recovery in our markets, and renewed our strong commitment to our long-term goal of safe, sustainable steel.

As we look forward into 2011, we see that worldwide demand for steel continues to recover, and we have been able to restart most of the production facilities we had to idle at the worst point of the economic crisis. This is good news for everyone, especially our own employees, who have remained committed and supportive through this challenging period.

5 key components for success

- 1** **People and safety** – as our people are our most valuable asset, Health and Safety is of primary importance, requiring significant allocation of attention and resources
- 2** **Capital** – we have been successful at transforming our balance sheet since the crisis; it is now a priority to leverage this strengthened financial foundation
- 3** **Knowledge** – our global presence fuels our unrivalled knowledge base in process improvement and product innovation
- 4** **Growth** – our emerging-market presence is a major competitive advantage and will propel our growth
- 5** **Mining** – we aim to continue investing and expanding our mining assets with the objective of reaching the target of 100 million tonnes of iron ore production by 2015

Safe

Becoming the safest metals and mining company is the core tenet of our business strategy. My conviction is that safety is the foundation of sustainable financial performance. Some parts of the business made real progress in workplace safety in 2010: the Mining division reduced its Lost Time Injury Frequency Rate (LTIFR) from 2.4 to 1.5 per million hours worked, and Distribution Solutions from 3.8 to 2.7. Although we reduced our overall LTIFR from 1.9 per million hours worked in 2009 to 1.8 in 2010, we did not meet our target to reduce it by 20%. Unfortunately, the number of fatalities at our plants increased from 36 to 41 in 2010. I am determined to address this, and I will not be satisfied until we have met our ultimate goal of no workplace accidents at all.

Much of this is about having a shared belief that the goal of zero accidents is both realistic and achievable, and with this in mind I convened a dedicated two-day meeting on safety in Canada at the beginning of 2011. It brought together my Group Management Board colleagues, members of the Management Committee, and a number of our CEOs from around the world. This was a milestone event for us, and I asked every leader present to take the message about our commitment to Health and Safety back to their respective business units and communicate it to everyone on the shop floor. Everybody at ArcelorMittal is empowered to stop production if there are any safety fears. Everything else comes second. Health and Safety is, and will always be, our number one priority.

Sustainable

I am proud to say that we have stepped up our environmental investments in the last year, with over \$347 million spent on environmental technology modernisation and energy programmes which will help us to reach our CO₂ reduction target of 8% by 2020. We also improved our levels of environmental management certification across the Group to 95%, although we fell short of our target of 100% certification by the end of 2010. However, we are still committed to achieving full certification.

In 2010, we launched our human rights policy, making us the first company in our sector to have a stand-alone policy covering these issues. The policy was developed in consultation with external stakeholders, and takes into account the United Nations (UN) Global Compact, the International Bill of Rights, and the International Labour Organisation's

Declaration of Fundamental Principles and Rights at Work. We also have a new Code for Responsible Sourcing, which sets out the minimum standards we ask our suppliers to meet, and how we will work actively with them to achieve this. Again, we engaged with external stakeholders like the UN Global Compact Supply Chain working group in drawing up this code.

Last year we increased our focus on employee training, largely through the ArcelorMittal University, which is one of the most extensive and innovative initiatives of its kind in our sector, and concrete proof of our passionate belief in developing our people and encouraging them to fulfil their potential.

Steel

I believe one of the reasons why we have fared relatively well through the economic crisis is the strength of our unique business model. We are the largest steel and mining company in the world with operations in more than 60 countries. This spreads our exposure across a number of different product and geographical markets, and we intend to build on this diversified presence over the medium to long term.

We are, for example, expanding our mining business, and integrating it more fully to service our own steel mills. We have recently acquired a high quality iron ore deposit in Northern Canada, and will be making significant investment for growth in steel-making in developing markets. As always, we will aim to manage these expansions with care and an appropriate sensitivity to cultural and environmental issues, and according to the standards set out in our policies.

So how are we going to do this? Part of it is about having the right people and the right strategy, and I am convinced that we have both. We will focus on key business priorities, which I believe will make us more competitive, efficient, and successful. These are Health and Safety, world-class manufacturing, leadership and culture, supplier of choice, and growth. Everything we do will be linked in some way to these imperatives, which are also closely related to many of our corporate responsibility efforts, especially in the areas of Health and Safety, human rights, and responsible sourcing.

Lost Time Injury Frequency Rate

1.8

In 2010, our employee and contractor Lost Time Injury Frequency Rate was 1.8 per million hours worked. This was a reduction from 1.9 in 2009.

Looking forward, we acknowledge that while we have made good progress in our social, ethical and environmental performance, we still face many challenges. We have a strong policy framework, but we now need to ensure that it is implemented effectively and becomes a reality in our day-to-day decision-making across the Group. This is our priority for corporate responsibility in the coming years. Likewise, our sector continues to be presented with a unique combination of risks and opportunities, especially in emerging markets, and on issues such as energy use, water scarcity, and carbon reduction.

So as I look ahead I am realistic, but more than that I am confident, and I am proud. I take pride in the commitments we have made and the progress we have achieved, despite a very difficult economic environment in recent years. And I have the belief that with the clear strategy, shared ambitions, and proven talent and energy of our people, we will meet our goals.



Lakshmi N Mittal

Chairman and CEO, ArcelorMittal

May 2011

Steel – the infrastructure of modern life

The life cycle of steel

Assessing a product's life cycle means looking at the entire 'life' of a product, from beginning to end (and sometimes back to the beginning again). ArcelorMittal is involved in all stages of the life cycle of steel including: raw material extraction, manufacturing, distribution, use and disposal. The development of Life Cycle Analysis tools for steel products has made it possible for us to analyse and understand places in the life cycle where environmental impacts are most critical, enabling project teams to develop effective solutions or alternatives that help minimise negative effects.

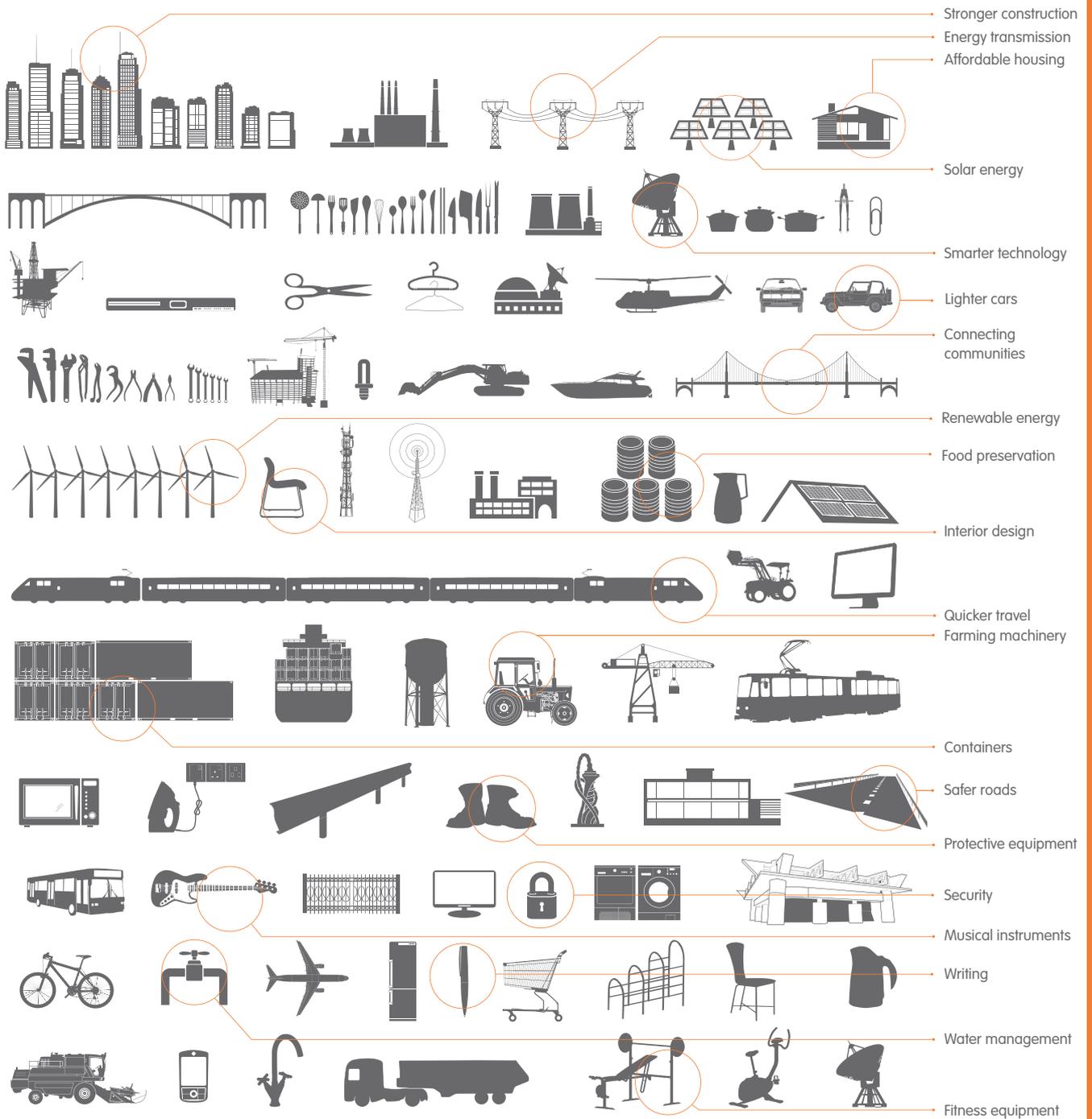


Recycling steel

25m

Annually, we recycle about 25 million tonnes of steel, which saves around 36 million tonnes of carbon dioxide a year

Consumer benefits of steel



Steel is...



Saving Venice

ArcelorMittal is at the heart of one of the most ambitious flood prevention projects ever – the \$3 billion MOSE project is designed to protect Venice from future floods. As part of a highly innovative solution, large sheet piles from the Group's Luxembourg operations are being put into position at three gates of the Venice lagoon as part of the project due to be completed in 2014. ArcelorMittal is a world leader in steel sheet pile technology and was chosen as the most efficient solution for the lock structures and for the foundations of the steel barriers.



RESILIENT

Today's world would be very different without steel – imagine a world without cars, modern buildings, home appliances, or state-of-the-art industrial machinery. Steelmaking is, undoubtedly, a carbon-intensive industry, but real progress has been made to reduce its impacts, and steel can offer some of the most innovative solutions to help create a more sustainable future.



Construction

Steel in construction is a key component to addressing the challenges of over-population, poverty and climate change. We are developing new forms of steel that build on its intrinsic flexibility and recyclability to create durable, affordable, and energy-efficient materials for everything from the tallest skyscrapers to the simplest low-cost homes.

Our range of high-strength lightweight steels like HISTAR®, is making it possible to construct iconic buildings like the Freedom Tower in New York, the Emirates Tower in Dubai, and the Diamond in Istanbul, and to do it in a more carbon-efficient way. Using HISTAR® instead of ordinary steel can cut the carbon emissions generated during construction by up to 30%. When you consider that we produce 50,000 tonnes of this material every year, that adds up to a saving of 14,000 tonnes of carbon dioxide (CO₂).

And what steel does for skyscrapers can be done for low-rise buildings too. Our Research & Development (R&D) teams have contributed to three pioneering approaches to construction, two focusing on energy efficiency, and one designed specifically for affordable homes in developing countries.

It took three years to develop the Tecoia™ prefabricated construction system from initial idea, to prototype, to market launch. Tecoia™ is a completely new way to build small residential

buildings that are energy efficient, and low on price. Every aspect of construction is covered, from roof, to floors, to internal and external walls. It is highly flexible, well-insulated, and can accelerate construction time.

KUBIK™ shares many of the same qualities, and makes particular use of intelligent lighting and heating systems, and the ability to combine conventional and renewable energy sources such as geothermal, solar and wind. The approach is a collaboration with Tecnalia Corporación Tecnológica of Spain, and our Basque Country R&D centre in Spain.

Protea™ has been developed with the needs of emerging markets in mind. Using steel instead of concrete minimises the water needed during construction, and cuts CO₂ emissions. It also makes housing affordable for more people, and can deliver a serviceable house ready for occupation in just four days.

Skilled scientists

1,400

With 1,400 skilled researchers, ArcelorMittal is well positioned to understand customer needs and to work in partnership with them to develop new and enhanced solutions

Steel is...

Continued

RESOURCEFUL

Nothing illustrates the endless flexibility of steel as a modern material better than its use in transportation.

Transportation

Modern infrastructure relies on steel for bridges, viaducts, roads and rails, making them quicker to construct, more hard-wearing, and less demanding of natural resources such as water. At the same time, our newly-developed steel materials help the automotive industry develop a new generation of lighter, safer and more fuel-efficient cars.

One of ArcelorMittal's latest flagship Research and Development (R&D) initiatives has been our new S-in motion project for the automotive industry. This groundbreaking programme has resulted in a portfolio of 60 new lightweight steel solutions. It shows that further vehicle weight reduction can be achieved with improved passenger safety, vehicle and environmental performance. Our technical experts have calculated that these developments could cut carbon emissions by up to 13.5% during a car's lifetime on the road, and a further 15% could be saved during the production phase.

In addition to the automotive sector, we are one of the leading manufacturers of steel rails to the passenger and high-speed rail industry, with customers in over 30 countries. In Spain, for example, we are supplying the rails for one of the country's 2,000 km high-speed network, one of the longest such rail systems in the world. We also make the rails for similar networks in Germany and Turkey, and our rail-making plant in Steelton, Pennsylvania USA, is investing \$54 million in advanced energy and environmental technology for the US market.

The Millau Viaduct in the South of France is a good example of what steel can bring to roads, as well as railways. The bridge is over 2,000 metres long, built on seven pillars that range in size from 77 metres to over 240 metres, and contains 7,000 tonnes of ArcelorMittal rolled steel. It is a feat of engineering whichever way you look at it, but even more so when you consider that it took only 38 months to build and weighs less than half of what it would have done had alternative materials to steel been used.



Safety barriers

ArcelorMittal contributes to improved road safety through the design of safety barriers. Steel is increasingly chosen as the preferred material for road safety barriers, being strong enough to withstand the impact of even heavy goods vehicles, and yet less likely to cause serious injuries to drivers than alternative materials.



Cutting carbon

-13.5%

Using lightweight steel components to reduce a vehicle's weight could cut carbon emissions by up to 13.5% during a car's lifetime on the road

Steel is...

Continued



Wind turbines

85%

Approximately 85% of the world's wind turbines are installed on tubular steel structures, and one in three uses ArcelorMittal steel. (Source: World Steel Association)

RENEWABLE

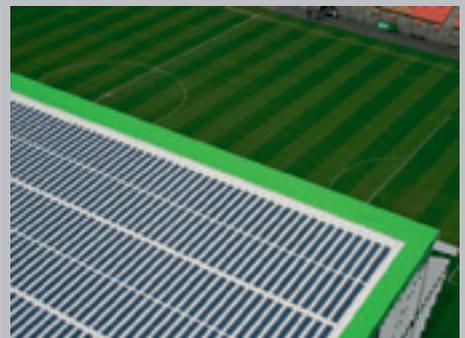
Renewable energy is one of the world's great hopes for a more sustainable future that still allows for economic growth, social development and shared prosperity.

Energy

Almost every form of renewable power generation depends on steel to make it a reality, whether it is advanced steel grade for wind turbines, electric motors, and nuclear power installations, or steel construction materials for towers and tubular structures.

Steel is the single most essential component in wind generation, supplying the base, tower, and many of the moving parts. Around 85% of the world's wind turbines are installed on tubular steel structures, and one in three uses ArcelorMittal steel. Our Research & Development centres are working on new techniques that could allow turbines to be installed on towers over 100 metres high, which would maximise the performance of higher capacity wind generators.

'Steel Winds', one of the first urban wind farms in the USA, was made possible by ArcelorMittal. Built on the shores of Lake Erie in New York state, we were able to utilise a brownfield tax credit to turn a former steel plant into an eight-turbine 20 megawatt wind farm. Once fully operational it will supply enough clean, renewable electricity to power around 6,000 homes.



Solar

We have developed a number of unique and innovative new products that use photovoltaic technology to generate electricity from solar energy. The solutions developed by AmheliOS, like Ekinoxe™ and Kalypto™, make this new capability an integral part of construction and roofing materials, which can be used on everything from private homes to large commercial buildings.

Did you know...



Over 20 years a three-megawatt wind turbine can deliver 80 times more energy than is used in its production and maintenance.

Corporate responsibility approach and performance highlights

Our corporate responsibility approach is structured around four areas, which reflect the key priorities of our business and our stakeholders.

“All the evidence over the last ten years is that those companies which positively embrace a sustainable agenda and make the necessary investments in people, products and processes, and place the highest priority on safety are the ones that are the leaders in our industry and generate superior performance.”

Ian Christmas
Director General, World Steel Association

Investing in our people

We want to make each and every person working on our behalf feel valued.

Key performance indicators

- Lost Time Injury Frequency Rate (per million hours worked)
- Percentage of operations certified to the Health and Safety Management System standard, OHSAS 18001
- Hours of full-time employee training at the ArcelorMittal University
- Number of social dialogue interactions at corporate level

2010 highlight

- Training hours at the ArcelorMittal University increased by 28% to over 403,000 hours

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18-23

Making steel more sustainable

We are using our expertise in steel to develop cleaner processes and greener technologies.

Key performance indicators

- Total Group carbon dioxide (CO₂) emissions per tonne of steel produced
- Percentage of industrial operations certified to the Environmental Management System standard, ISO 14001
- Total environmental and energy capital expenditure (\$)

2010 highlight

- Environment and Energy investments increased to \$347 million, from \$224 million in 2009

Pages
24-29

Enriching our communities

We play an important role in all the communities where we operate.

Key performance indicators

- Estimated economic contribution (\$)
- Number of community engagement plans
- Number of community grievance mechanisms in place
- Number of direct beneficiaries from ArcelorMittal Foundation projects

2010 highlight

- The ArcelorMittal Foundation supported over 585 local community projects

Pages
30-35

Transparent governance

Our business strategy, operations and everyday practices are all underpinned by transparent governance.

Key performance indicators

- Percentage of employees receiving Code of Business Conduct training
- Number of significant operating subsidiaries with whistleblowing notification systems in place
- Number of significant operating subsidiaries undertaking annual Board self-assessments

2010 highlight

- 94% of relevant employees were trained in the new anti-corruption guidelines

Pages
36-41

Corporate responsibility governance and management

Over the last three years our governance structure and management processes for corporate responsibility have evolved and increasingly become part of how we run our business. We continue to benchmark our approach against other leading businesses, which helps to ensure that we have robust procedures in place and that we can anticipate change and respond to new challenges.

Management and reporting structure

Our Board of Directors takes ultimate responsibility for corporate responsibility at ArcelorMittal. Summary reports are presented at every Board meeting, and there is always particular emphasis on Health and Safety. There are also regular and more detailed updates on our environmental performance, community activities, and employee engagement.

The Group Management Board (GMB) is the executive function and runs the Company on a day-to-day basis, by making operational decisions, including those relating to corporate responsibility. The member of the GMB responsible for corporate responsibility is Gonzalo Urquijo. His other responsibilities include Long Products, Tubular Products, the ArcelorMittal Foundation and Chair of the Investment Allocation Committee. Other GMB members' specific responsibilities include Health and Safety, climate change, employee relations, and the environment. Corporate responsibility strategy and performance is discussed at the GMB regularly, with Health and Safety performance the opening item on the agenda at every weekly meeting. Each GMB member's remuneration is linked to the Group's Health and Safety performance.

A dedicated team puts our Group corporate responsibility strategy and policies into action, acting both as a support to employees at site level, and ensuring that Group standards are followed and implemented. This corporate team issues policies and practical guidance. It also offers training and capacity building, and manages the process of collecting the data required for this report. The team has particular expertise in reporting, human rights, supply chain management, and community engagement. It also engages with global stakeholders, including Socially Responsible Investment funds, academia, customers, lenders, and international non-governmental organisations (NGOs) on corporate responsibility-related matters.

The team also draws on the experience and skills of the Corporate Responsibility Coordination Group, which brings together senior managers from other departments such as Legal, Risk, Internal Assurance, Company Secretary, International Affairs and Communications. This group meets regularly to review, prioritise and coordinate corporate responsibility activities.

The local corporate responsibility network

There are established accountabilities and reporting structures for corporate responsibility at both segment and local level. Every plant manager and local CEO takes ownership for corporate responsibility activities and

performance as part of their job description, and they are expected to be champions in their own operations. They are supported in this by a network of corporate responsibility coordinators, many of whom have professional expertise in related areas like communications or Health and Safety. The coordinators ensure that our Group corporate responsibility policies and standards are implemented fully at local level, and give particular priority to the development and execution of effective stakeholder engagement practices. The oversight for corporate responsibility resides with local corporate responsibility committees. Some of our operations have set up committees or advisory fora that include local community leaders. This has proven to strengthen decision-making and helps to establish trust and confidence on both sides.

We also have an online resource centre that includes practical advice, case studies, new and emerging topics, an events calendar, and material specific to particular countries and business segments. Regular information and training sessions, known as 'online masterclasses' support the ongoing communication between sites and different governance levels as well as building local capacity for addressing corporate responsibility topics.

Group corporate responsibility governance structure



Assurer's commentary

We have seen evidence that ArcelorMittal has responded to some of the recommendations we provided at the conclusion of our last assurance engagement. Specifically recommendations relating to the materiality determination process, the structure of the Corporate Responsibility Coordination Group (CRCG) meetings and the dissemination and sharing of knowledge across its network of corporate responsibility practitioners have been addressed. In line with good practice, Bureau Veritas recommends that ArcelorMittal makes a formal response to this year's assurance statement in its next corporate responsibility report identifying the actions it has undertaken as a result of the process.

Stakeholder engagement

Stakeholder map

We rely on good relationships with our stakeholders. Whether that means profitable trading links with our suppliers and customers, or connections with other stakeholders who are influenced by, or interested in what we do, and how we conduct our business.

- Key issues of interest for our stakeholders
- Ways of engaging with our stakeholders
- Why are our stakeholders important to us?
- Why are we important to our stakeholders?



How we work

Understanding the expectations people have of ArcelorMittal is essential to effective stakeholder engagement. This helps us determine our priorities, establish realistic goals, and develop plans that are appropriate to local circumstances. We aim to be open, honest, and objective at all times, with the aim of building trust and credibility for the long-term.

Meaningful and proactive community engagement is mandatory for all of ArcelorMittal's industrial sites, as stipulated by our Community Engagement Standard. On this page we look at three specific examples of engagement from 2010. These relate to three of our priority areas: human rights, responsible sourcing and water management.

Human rights



- ▼ Employees
- ▼ Investors and Lenders
- ▼ Multilateral and Business Organisations
- ▼ Non-Governmental Organisations

We published our first stand-alone Human Rights Policy in 2010. We invited input and feedback during the drafting process from prominent human rights non-governmental organisations (NGOs), academic institutions as well as from opinion leaders in this field. There was broad agreement that the draft policy was a commendable effort, particularly in relation to the sections covering communities and the provision of commensurate compensation and access to land and water. As a result of the input given by the external experts, we were able to make the final policy more comprehensive, and more specific about the challenges we face.

You can read more about our approach to human rights on page 31, and the full text of the policy is available at www.arcelormittal.com/humanrights

Responsible sourcing



- ▼ Customers
- ▼ Investors and Lenders
- ▼ Multilateral and Business Organisations
- ▼ Suppliers

We started in 2010 to actively promote ethical behaviour through our supply chain. In the last 12 months we formalised our approach across the Group, and established our Code for Responsible Sourcing. In developing the Code we drew on the theoretical knowledge of leading experts in this field, and the practical experience of other companies that face similar challenges to us. For example, we took part in the United Nations Global Compact Supply Chain working group, and consulted relevant industry associations, as well as our own suppliers, NGOs and other major international businesses. Some of the insights we have gained from this consultation include the importance of involving senior line managers in supplier assessments, so that they get first-hand experience of the social, environmental and ethical issues that relate to sourcing. We also took advice from some of our investors and lenders, including the European Bank for Reconstruction and Development, who were able to give us particular input on supply chain issues in the Commonwealth of Independent States (CIS).

You can read more about our approach to responsible sourcing on page 39, and the full text of the Code for Responsible Sourcing is available at www.arcelormittal.com/responsiblesourcing

Water management



- ▼ Employees
- ▼ Investors and Lenders
- ▼ Multilateral and Business Organisations
- ▼ Non-Governmental Organisations

Water is becoming an increasingly important issue of concern for many of our stakeholders, as public awareness grows of the impact of climate change, and the needs of an increasing world population. According to the Water Resources Group, by 2030 there will only be enough water to supply 60% of global demand, and less than 50% of demand in many developing regions. Water is used as part of the steelmaking process and therefore it is also an issue that we take proactive measures to manage. In 2010 to coordinate our water management practices, we set up a Water Steering Committee. To help inform our decision-making, we engage with a number of important stakeholders, including NGOs and members of the investment community involved in the Carbon Disclosure Project (CDP) Water Disclosure initiative. Engagement with these stakeholders and participation in the inaugural CDP Water Disclosure initiative in 2010, has helped us to identify clearer priorities and accelerate our progress.

You can read more about our approach to water management on page 27.

Stakeholder engagement

Continued

Our approach to engagement

The concept of stakeholder engagement is based on a recognition that what we do has an impact on others. Some of these impacts are negative, and should, where possible, be avoided or minimised, while others, like our contribution to local economic development, are desirable. We need to understand exactly what these impacts are, and manage them responsibly, while taking other people's rights and priorities into account.

So who are our stakeholders? The simple answer is that a stakeholder is anyone who has an interest in how we behave as a company. This might be because they supply us with goods or services, we have operations near where they live or work, or we are a significant industrial operator in their country or region. The number and nature of our stakeholders varies according to the size and character of our sites; it also changes over time, as new projects and developments affect different people in different ways.

The value of stakeholder engagement

We believe a genuine and committed approach to long-term stakeholder engagement:

- gives us a better understanding of local concerns;
- identifies potential problems early;
- helps us to be proactive in identifying and addressing issues;
- makes a positive contribution to local social and economic development;
- ensures that we play a full part in shaping our future operating environment;
- safeguards and reinforces our 'licence to operate';
- helps gain acceptance and support for new projects; and
- builds and protects our brand and reputation.

We strive to engage in a meaningful way with everyone who is affected by our presence in a particular community, though we will naturally place the highest priority on engaging with groups that neighbour our facilities that are either influential, or dependent on ArcelorMittal. Influential stakeholders are those that can directly affect our operations, our assets, our reputation, or our 'licence to operate'. This includes governments, the media, and certain high-profile community or activist groups. Dependent stakeholders are those that rely on us for their livelihood, either directly or indirectly, or those whose health, safety, or wellbeing could be affected by how we behave. This includes our employees, suppliers, business partners, and the people who live close to our sites.

All our operations are expected to have their own stakeholder engagement plans, and to report on their activities. Each plan sets out the operation's programme for engaging with stakeholders in a culturally appropriate manner, so that stakeholders get information in a format that is accessible to them, and have the chance to express their views and concerns, regardless of their gender, background, or status in the community.

The reason we spend time and effort on engaging with as many people as possible is that it can lead to better management decisions. People directly affected by an issue or project can often offer a new perspective, and ensure that the decisions we make are more robust, even if some may still disagree with them.

Working with our community in Hamilton, Canada

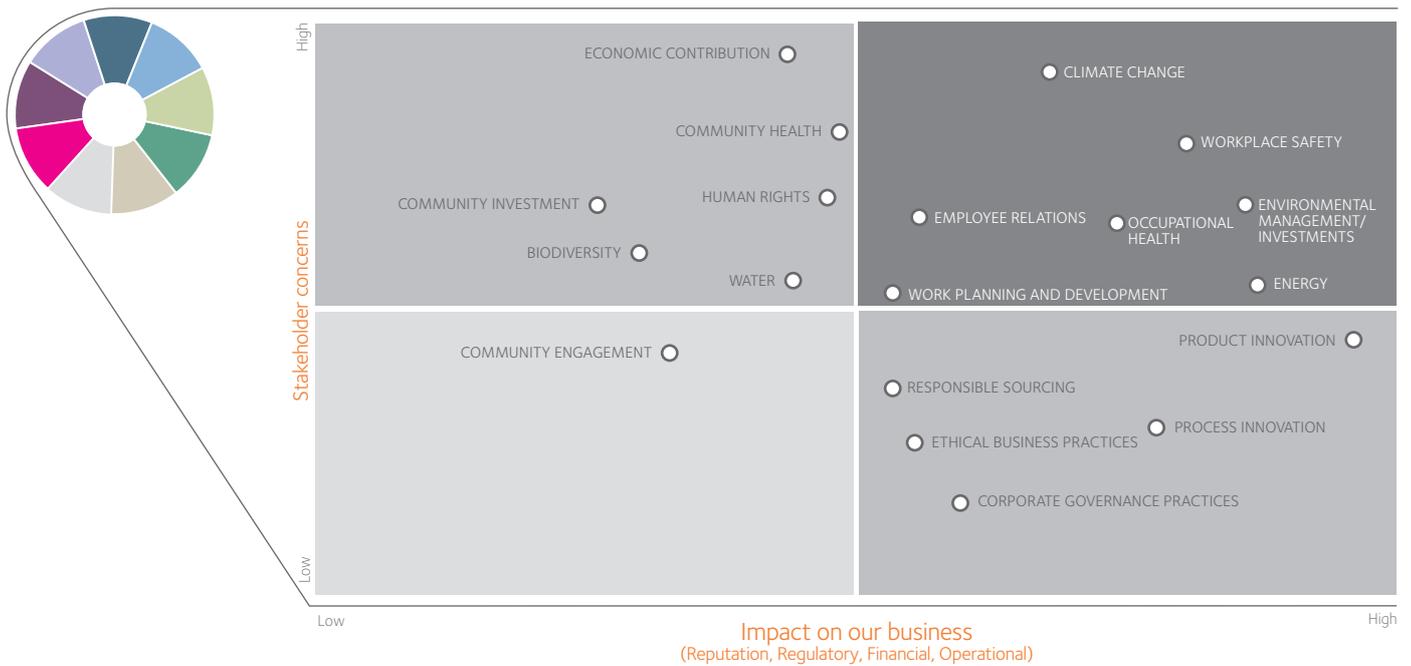


ArcelorMittal Dofasco was one of the first of our operations to establish a dedicated Community Liaison Committee, or CLC. The committee is a collaboration with the Ontario Ministry of the Environment, and includes local stakeholder organisations and community members. The CLC is managed by the local ArcelorMittal General Manager of Environment and aims to:

- keep the community informed of how well the company is complying with recent environmental certifications;
- keep the company informed of any community concerns about the operation's environmental impact; and
- be a forum for discussion, review and exchange of information relating to the operation's environmental performance.

As well as the formal CLC meetings, there are more informal monthly community drop-in meetings which are open to anyone. There, local residents have the chance to put questions on any subject to the company. Dofasco also issues a regular neighbourhood newsletter to 2,300 homes and businesses close to the facilities, which covers the operation's current projects, and any news that might be of interest or concern to people nearby.

Materiality matrix



How do we decide which issues to focus on?

We face many different challenges across a whole range of corporate responsibility issues. Some of these are large scale and current; others are more remote, but may prove increasingly significant over the medium to long term. Conducting regular materiality mapping exercises helps us define our key topics and enables us to assign our resources according to the right priorities, and identify new and emerging issues.

The process we follow takes into account the recommendations of the Global Reporting Initiative (GRI). In other words, we assess our social, environmental and ethical impacts, as well as the risk of not meeting our corporate responsibility objectives. In addition, we look at our relationships with our customers, and the way we interact with our supply chain. We also consider the regulatory framework, and the expectations the public and media have of corporations. We want to be open about the outcomes of this process, so that those outside the business can understand why we focus on some topics more than others.

Corporate responsibility is an area where the issues are constantly and rapidly changing. After publishing our materiality matrix in last year's report we took some of the recommendations of our external assurers, who suggested that we align the process more closely to the

Group's risk management framework. Utilising the skills and experience of our Corporate Responsibility Coordination Group, we held a workshop to strengthen the corporate responsibility team's materiality approach and, where possible, integrate the risk management process into it.

The matrix above shows the key issues of concern of our global stakeholders assessed alongside the Group corporate responsibility priorities we observe day-to-day. This exercise is undertaken annually in an effort to demonstrate how we see these issues moving from year to year. For example, whilst good employee relations will always be a priority for the Company, as we have been restarting much of our production capacity in 2010, it is not perceived to be in the critical position it was the previous year. In contrast, there is more emphasis on the importance and management of occupational health so its placement in the materiality matrix has moved, becoming more important for both our business and our stakeholders, primarily our employees.

For this year's materiality matrix we have split more general themes into specific issues. Water management and biodiversity have been introduced as individual subjects rather than being included within the topic of 'impact on natural resources'. Also, given the importance of energy management to our own potential

cost savings and in meeting efficiency targets, energy has been addressed separately in this matrix, rather than under the wider topic of 'climate change'.

Furthermore, we have identified human rights as becoming more important to our business and our stakeholders in the future and, as such, it is given a clear, distinct focus in this year's corporate responsibility report.

Assurer's commentary

We have seen evidence that ArcelorMittal has reviewed its materiality matrix, taking into account our recommendation to include consideration of the Group risk management framework into their approach. The publishing of specific issues within the matrix, rather than the broader issue categories reported in the past prevents direct comparison with previous assessments. However, it is expected that this increased transparency will enhance future reporting of the materiality assessment process.

Investing in our people



Our 10 Golden Rules of Safety

1. I will come to work in a 'fit and able' condition
2. I will use fall protection or prevention equipment whenever and wherever required according to our standards
3. I will follow the lockout/isolation procedure when working on equipment
4. I will follow the confined space entry procedure before entering, as well as during the full duration of the task
5. I will respect all the rules of load handling at all times and never stand under a suspended load
6. I will respect all the traffic rules
7. I will respect rail priority and stay out of the close clearance area without proper precautions being taken
8. I will respect the rules for entering and working in hazardous gas areas
9. I will not disable safety devices
10. I will respect all the Health and Safety basic rules, standards and signals and I will wear the required Personal Protection Equipment (PPE)





Whether it is keeping them safe, promoting their wellbeing, or developing their talent, our people are and remain our most important asset. The last two years have not been easy, but the reason we have been able to manage through this period as well as we have is down to the commitment and support of our employees around the world. For our part, we are committed to ongoing consultation with all our people, both informally and formally, through our Trade Unions, and we always do this in a spirit of openness and mutual respect.

Q. What progress have we made on safety this year?

A. Our first priority is the safety and health of those who work for us and with us. We have been on our 'Journey to Zero' in relation to workplace accidents since 2008, and have made steady improvements on this in the last 12 months. But safety is only half of the equation: health and wellbeing are just as crucial.

Starting with safety, this remains, as our CEO has said, 'the number one priority for this organisation'. We did make progress in 2010, and some parts of the business, like the Mining and Distribution Solutions segments, made substantial steps forward. The Mining segment reduced its Lost Time Injury Frequency Rate (LTIFR) from 2.4 to 1.5 per million hours worked, and Distribution Solutions from 3.8 to 2.7. While we reduced the Group LTIFR from 1.9 per million hours worked in 2009 to 1.8 in 2010, we did not meet our Group target to reduce our LTIFR by 20% in the year. Regrettably, the number of fatalities at our operations increased from 36 to 41 in 2010. This is not acceptable, and we will not meet our new target of a LTIFR of 1.0 by the end of 2013 with this level of performance.

Realising this, we now have a strengthened commitment to strong, concerted action on safety from the very top of the Company. We have undertaken in-depth analysis of previous fatal accidents, so we know where they are most likely to occur, and gain clearer insights into how to prevent them. In 2009 and 2010, there were 26 fatal incidents related to crushing from vehicles, rail and machinery, and a further ten fatal incidents from falls from heights. Fatality prevention standards exist for these areas so emphasis has to be continually placed on enforcement. We have also strengthened our Fatality Prevention Audit system to improve the development of follow-up action plans.

Lost Time Injury Frequency Rate – Group (Mining and Steel)

Lost Time Injury Frequency Rate (LTIFR) is the number of injuries which has resulted in an employee or contractor being away from work at least one day after the day it occurred, per million hours worked.

2010	1.77
2009	1.87
2008	2.50

United Nations Global Compact

This section covers:

Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 – Businesses should support the elimination of all forms of forced and compulsory labour

Principle 6 – Businesses should work to eliminate discrimination in respect to employment and occupation

Global Reporting Initiative

This section addresses in full, or in part, the following GRI indicators:

LA4, MM4, HR5 – Collective bargaining agreements; labour disputes

LA7 – Injury rates and number of fatalities

LA8 – Disease prevention training

LA9 – Health and Safety topics covered in Trade Union agreements

LA10, LA11 – Training hours; skills management programmes

Investing in our people

Continued

Lost Time Injury Frequency Rate – Mining operations

per million hours

2010	1.53
2009	2.42
2008	3.40

Lost Time Injury Frequency Rate – Steel operations

per million hours

2010	1.80
2009	1.79
2008	2.40

This complements our existing systems such as the Return of Experience (REX) & Alert service, and a database has been built to share best practice. We have also improved the level of safety management system certification, OHSAS 18001, across our business and by year-end 2010 63% were certified, compared to 45% the previous year.* All remaining operations are in the process of obtaining certification.

Our mining sites in Kazakhstan have made particular progress in recent years. There are technical challenges, given the high methane content of the coal extracted in this region, which increases the risk of gas outburst or even explosions. We have an extensive mining modernisation programme underway, and since 2007 we have spent \$365 million upgrading our equipment and production techniques. This commitment to investment was maintained during the recent economic crisis. For the last four years our Kazakhstan operations have been working with the acknowledged safety specialists, Du Pont, to help train our staff. We have new and more stringent auditing procedures both internally and externally, and as a result the eight mines in the region are set for full OHSAS 18001 safety management certification by June 2011.

Many of our sites can be considered as best-in-class in safety performance within the industry. In September 2010, ArcelorMittal Costa Rica received a 'Premio Global Preventivo' award from the National Institute of Security, in recognition of its outstanding achievements in Health and Safety. Our site in Caldera has operated without an accident for two years, and the site in Tibás for four years.

Progress like this requires commitment and focus on the one hand, and effective tools and monitoring systems on the other, so that every incident or near-hit can help us prevent the next one. We are now doing more to share good practices like this across all our sites, in both our steel and mining operations, through formal mechanisms like the Joint Global Health and Safety Committee, and through the Health and Safety section on our intranet, which details all our policies and procedures, and the ArcelorMittal 'Golden Rules of Safety', which you can see on page 18. The Joint Global Health and Safety Committee includes representatives from both management and Trade Unions, and it convened four times during 2010. Subjects discussed included the importance of establishing local Health and Safety committees, the enforcement of ArcelorMittal standards and follow-up from the

action plans developed during previous site visits.

2010 also saw our fourth annual global Health and Safety Day, with events organised across the business under the theme of 'Leading by Example'. The day is always arranged to coincide with the International Labour Organisation's World Day for Health and Safety at Work. It encourages both employees and contractors around the world to share best practice and deepen their understanding of our 'Journey to Zero' improvement programme by attending workshops on issues related to safety at work, as well as on health at work, traffic risks and fire-fighting. The 2011 Health and Safety Day will cover topics like fatality prevention standards, contractor management, industrial hygiene, as well as dealing with medical emergencies and wellness.

Looking forward, we believe there is the possibility to make significant progress in our safety performance by harnessing the acknowledged expertise of our Research & Development teams. They are already developing tools that will help create a virtuous circle of continuous learning and improvement, including the use of computerised support systems of critical processes like power switch-off situations. A real-time detection system called SICRET has been developed in order to improve employee safety during maintenance works. It uses web and mobile technologies and replaces the manual 'shut-down request form' procedure, thus contributing to a safer situation for work being done on equipment. In 2010, the system

Research & Development



Our Research & Development teams have developed a special simulator that uses the latest virtual reality techniques to help train crane operators. Replicating the actual experience of working the crane through state-of-the-art graphics, sound systems, LCD projectors, and movement sensors help to improve the skills of inexperienced workers, and increases safety throughout our operations.

*This figure excludes ArcelorMittal Distribution Solutions, which is primarily an in-house trading and distribution arm of ArcelorMittal.

"We have witnessed the efforts ArcelorMittal are making to improve their own safety performance and lead the industry to create a better working environment in Kazakhstan. Against a challenging backdrop the company has taken some positive steps forward over recent years but their commitment cannot waiver if it is to meet its Journey to Zero accidents goal."

Alistair Clark

Corporate Director, Environment and Sustainability Department, European Bank for Reconstruction and Development

was successfully trialled at our operations in Asturias, Spain, and is being deployed at other ArcelorMittal operations in 2011.

Q. What are we doing to improve health in the workplace?

A. The health and wellbeing of all of our employees is as important as ensuring their safety. However, our focus and progress in the past has not always reflected this belief. As such we have put more emphasis on health issues over the last year. In 2010, we instituted six additional health standards, bringing the total to ten. These cover issues including substance abuse, burns, heat stress, respiratory and hearing protection, and the management of facilities like showers, restrooms, and canteens. The aim behind these standards is to create a world-class system for managing occupational health hazards, so we can prevent workplace diseases and promote employee wellness. As part of this work, we are setting up communities of practice across the Group, pooling expertise on issues like HIV/AIDS, addictions, disability and stress management. We have also put new processes in place to assess and report employee health risks, and monitor the treatment and recovery of those injured at work. In 2011, we will be focusing on improving our methods for protecting our employees against the long-term impacts of noise, dust and heavy loads.

We are particularly proud of the new staff clinic we have opened at our operations in Kryviy Rih, Ukraine. This includes a dedicated modern medical facility for the Steel and Mining Division and 23 'walk-in' points throughout the site. Nearly 27,000 employees will be able to have a professional medical check-up this year as a result, benefiting from state-of-the-art medical techniques and equipment. Likewise, we have run a number of successful preventative programmes in Liberia, including an anti-malaria campaign which you can read more about on page 32.

In 2010, some of our operations, such as those in France, have been piloting a new Government-led approach to stress management at work. This is a collaborative effort with our Trade Unions as partners, and aims to work towards a culture in which we can openly talk about stress and ensuring that our employees are aware of the impact of the illness, both for themselves and for their colleagues. Each site will have its own dedicated committee, which will run training and information programmes, and keep a watching brief on potentially difficult situations, and take action to deal with them.

In the course of 2010 we also ran our first workplace disease prevention training course, attended by occupational hygiene representatives from 14 countries. In November, 40 separate 'Health Weeks' were run at our sites, in collaboration between local management and Trade Unions. Each site developed their own programme, but they typically included exhibitions, workshops, film screenings, competitions, and the opportunity to take part in physical activities. Health Week will become mandatory for all of our sites in 2011, with a greater emphasis on physical exercise, and on ensuring that every employee has the chance to get involved. We will also lead detailed health hazard training programmes in Kazakhstan, the Ukraine, Russia, and South Africa in the coming year.

Red Scorpions red hot on Health and Safety



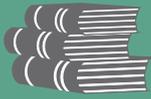
The Red Scorpions are a team of Health and Safety champions at our smelting plant at Saldanha, South Africa, who had the task of promoting high standards and preventing accidents during the \$28 million refurbishment of two furnace towers. Works like this often produce higher rates of accidents than normal operations, not only because they are technically demanding, but because they also bring new workers on site, who usually operate in intensive shift periods. Similar projects at other sites had lasted up to 146 days with between 1,800-2,500 workers on site each day, and anything up to 17 serious injuries.

The Saldanha team wanted to complete their project quicker than this, but do that without any injuries. They started by instituting daily alcohol and random drug testing, and empowering employees to take a more active role in safety management. One way this was done was to bring together a group of current employees as safety officers for the project, equipping them with distinctive red helmets. They managed daily and weekly safety communications, undertook shopfloor visits, monitored compliance, and attended safety meetings. The results spoke for themselves: work was completed in 76 days, with no lost time injuries for a total of more than 4,400 contractor personnel. The Red Scorpion approach has since received an ArcelorMittal Performance Excellence Award for Health and Safety in June 2010, and is being shared across the Group as best practice.

Investing in our people

Continued

Did you know...



The ArcelorMittal University introduced 18 additional programmes in 2010. From providing steel-making modules to occupational hygiene training, it is one of the leading training functions in the industry.

Q. How do we develop and train our people?

A. We want all our people to fulfil their full potential and seize every opportunity to develop themselves and their careers. Some of this can be done through formal training courses, but on-the-job support is just as important.

The ArcelorMittal University is at the heart of all our training and development activities. This is one of the most advanced and extensive initiatives of its type in our industry, and offers courses designed to help our people develop their personal and professional skills. The University works with a number of internal and external training suppliers, and makes learning available online and has successfully reintroduced classroom delivery of its core training programmes during 2010. Most of its courses use a wide range of different media to give our employees the best possible mix of types of tuition, especially adapted to the subject in question, from written materials, to webinars, and to interactive e-learning packages people can work through in their own time.

Leadership and management skills can be studied at the University's dedicated Academies, and nearly 4,000 people have done so since 2007. The University also offers highly-specialised technical training in mining and steel-making skills, including coke making, hot rolling, slag management, sintering, and maintenance. 1,500 employees attended such courses in 2010. The University responds actively to new requests for customised programmes, and now offers, for example, a new module on 'Leading virtual teams'. Some programmes are especially tailored for certain markets like the Commonwealth of Independent States (CIS), and take into account the particular challenges likely to be encountered in such emerging countries. The University also offers language coaching, especially in English, and professional and skills training for specific functions like Human Resources, procurement, and finance – the University now has ten functional academies. In 2010, over 15,000 employees attended University training, which added up to a total of over 403,000 hours of learning; a 28% increase on the previous year.

We have always been proud of the quality of the training provided by the University, and in 2010 this received external recognition too. Our Global English programme won a silver

award from the European publication e.learning age, and one of the Health and Safety modules won a Human Resources Grand Prix award from paperJam magazine in Luxembourg. Looking ahead, the University will be aligning its programmes more closely to the five strategic priorities recently identified for the Group, which are Health and Safety, leadership and culture, manufacturing excellence, customer excellence, and growth. For example, there are already new courses available in occupational hygiene and safety leadership.

Our individual sites and operations also develop and run their own local training courses, to address issues unique to their own market. For example, ArcelorMittal Dofasco, Canada, will soon have to deal with an industry-wide shortage of skilled steel-makers, with around 1,500 employees retiring in the next five years. As a result the plant has set up its own programme to fill this anticipated gap, and speed up the process of training fully-qualified steel-makers.

ArcelorMittal Mexico has focused much of its development efforts in the last year on leadership skills, with a tailor-made team-building workshop called 'Leading by Example'. This covers subjects like understanding the cultural differences between Latin America and Western markets, and the elements of a high-performing team. Other local initiatives included plate making for technicians in Spain, and 'Metallurgy for Professionals' in the USA.

On-the-job training is also important for us, and we often make use of the 'train-the-trainer' model to transfer practical skills and insights, which benefits both the learner and the trainer. For example, ArcelorMittal Ghent in Belgium uses this approach successfully to help production workers improve their skills and progress in their careers. The plant has concentrated in particular on clarifying the combination of skills required for specific roles, helping individuals identify any gaps, and then gain the skills they need to move to the next level, often through e-learning.

Both our local and global University training includes special modules designed for young people, whether new graduates, apprentices or young engineers. But we invest in talent for the future in other ways too. Our operations in Ostrava, Czech Republic, is a good example. The plant is the country's biggest steel-maker, with a clear interest in ensuring that there is a reliable future supply of suitably skilled technicians and engineers. The plant is now giving financial support to five local technical

Assurer's commentary

We have been particularly impressed how the ArcelorMittal University programmes have come through the economic crisis to offer a refined and focused programme. Out of adversity, the University extended the use of remote and web-based learning, the success of which now means that it is integral to its business model. Anecdotally, it is clear to us that the courses are valued at the site level leading to an increase in the hours of classroom training provided.

Training hours of full-time employees

2010	403,280
2009	314,520
2008	317,616

schools and colleges in Ostrava, where students can study subjects like metallurgy and coke making.

ArcelorMittal Mines Canada has a similar partnership with a local higher educational college, Sept-Îles Cegep. Its new wing will be named the ArcelorMittal Institute of Mineral Technology, and will focus on the teaching of metallurgy and technological transfer in industrial maintenance – all vital skills for the mining sector. Likewise our mines in Prijedor, Bosnia and Herzegovina, have a work experience programme with local high schools, to give pupils practical as well as theoretical knowledge, which helps improve their job prospects when they leave full-time education.

Other employee development initiatives are focused specifically on sustainability. For example, 100 of our US steelworkers from Burns Harbor and Indiana Harbor will get the chance to take two months of expert training on sustainable workplace practices at the nearby Purdue University. The topics covered include dealing with solid and hazardous waste, as well as air, water and energy management. Those who complete the programme will receive a Green Manufacturing Specialist Certificate, and can go on to sit the exams for the Society of Manufacturing Engineers' Green Manufacturing Specialist qualification.

The University has also developed a special online training programme for corporate responsibility. The course covers the context and challenges of sustainable development, ways to improve our relationships with stakeholders, and the practical implications of managing a responsible business. There are also optional courses on communication skills, with a specific focus on stakeholder engagement. 42 people from across the world have finished the training programme, all of them members of our dedicated corporate responsibility network.

of life, provides leadership development and makes it possible to reconcile the economic objectives of the business, with the professional and personal interests of individuals.

We place a continued emphasis on employee relations and in the last year developed a new policy, new guidelines on best practice, and new training modules to ensure that our processes are implemented across the business in a consistent way. We have made notable progress on all these fronts – our European Framework Agreement, 'Anticipation of Change' in particular, has helped us to enhance the quality and frequency of our dialogue with Trade Unions across all our European sites. Many of the discussions this year were based on the need to recognise and respond to changes in our industry, which has in turn produced improvements in our productivity and competitiveness, and our ability to identify new trends and prepare more effectively for them.

Over 85% of our employees are covered by collective bargaining agreements. Through continuous, open dialogue we are minimising the risk of labour disputes. Including European Works Council activity, European Social Dialogue Group meetings, Health and Safety Joint Global Committee meetings and Group Management Board activity we had 34 formal social dialogue interactions in Europe in 2010. The benefits of open dialogue can be translated quantitatively. In 2010, we only lost 0.135% of man days through labour disputes across the Group. This was a small increase on the previous year but well below industry average, and accounted for largely by European national pension reforms rather than company-specific action. Moreover, during the year we introduced Employee Relations Diagnostics across priority sites – this is an internal focus group constituting employees and management to gauge the true employee relations climate and an effective way of monitoring and assessing the application of the relevant policies at these sites.

Diversity is another area of ongoing focus for us. We believe passionately that every employee can contribute equally, and should be treated equally, regardless of age, disability, race, gender, sexual orientation, religion, background, or nationality. Last year our site at Bergara, Spain, received an award for the promotion of equal opportunities from the Basque Institute for Women, while in Brazil our operations are running a high-profile diversity campaign in the workplace to raise internal awareness about our Group Diversity and Inclusion Policy, alongside community initiatives which help people with disabilities back into the job market.

Trade Union representation

85%

Approximately 85% of our employees are covered by collective bargaining agreements, maintaining the same level on the previous year

Labour dispute action

0.135%

Labour dispute action within our business remained low compared to the industry average, with just 0.135% of man-days lost in 2010

Q. How do we engage with our employees?

A. Much of our success as a business is the direct result of the productive relationships we have with our employees, both informally and through ongoing dialogue with our Trade Unions. Our Human Resources function has three key objectives: to foster and reinforce this dialogue; to ensure that everyone observes our Code of Business Conduct; and to create a work environment that acknowledges the importance of our employees' quality

Making steel more sustainable



Environmental management systems

95%

In 2010, 95% of steel industrial operations were certified to the ISO 14001 environmental management system standard





In our company, steel and sustainability are inextricably linked. We believe that steel has a vital part to play in securing a more sustainable future for us all, which we enable through our leading Research & Development (R&D) practices creating new products and more efficient processes. Yet we know that we must also improve our own environmental performance, which is a key element of our overall sustainability footprint.

Total Carbon Dioxide (CO₂) footprint

(million tonnes)

2010	199
2009	164
2008	224

CO₂ emissions per tonne of steel

(tonnes)

2010	2.150
2009	2.245
2008	2.184

United Nations Global Compact

This section covers:

Principle 7 – Businesses should support a precautionary approach to environmental challenges

Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies

Global Reporting Initiative

This section addresses in full, or in part, the following GRI indicators:

EN2 – Recycled input materials

EN3, EN5, EN6 – Energy consumption, conservation, and efficiency initiatives

EN8 – Water consumption

EN12, EN13, EN14 – Biodiversity management

EN16, EN18 – Greenhouse gas emissions

EN22 – Waste disposal

EN26 – Environmental impact mitigation initiatives

Making steel more sustainable

Continued

Q. What have we done to improve our carbon performance?

A. Our overall approach to reduce carbon emissions is led by our Climate Change Steering Committee and best practice performance has already been achieved in some of our plants, which are now shared and implemented across the whole Group. This means using 'lean' carbon technologies like scrap based steel production (as we now do with 30% of our manufacturing). The target of an 8% reduction of our CO₂ footprint will be met by a combination of process improvements and actions to increase energy efficiency. Reflecting this commitment, we also participate in the annual Carbon Disclosure Project – the independent, not-for-profit organisation which holds a global database of primary corporate climate change information. For more information visit www.cdproject.net

A number of our operations were temporarily idled during the economic crisis. This meant that we were not comparing like for like in terms of carbon emissions and other indicators. The partial recovery we saw in 2010 allowed us to return to a reasonable level of capacity utilisation and therefore realign our annual performance to that of previous years prior to the economic crisis. Although this crisis period presented a setback in terms of performance improvement, caused by the delay of some global process improvements, we nevertheless remain committed to meeting our long-term targets, as our performance data from 2010 indicates. We aim to reduce carbon dioxide (CO₂) emissions by 170kg per tonne of steel by 2020, equivalent to an 8% reduction in normalised emissions (from the 2007 baseline). With the restart of some capacity during the last year, our total absolute emissions increased to 199 million tonnes of CO₂ but our emissions intensity reduced to 2.150 tonnes of CO₂ per tonne of steel (see chart on previous page).

Q. What environmental investments did we make last year?

A. As the economic crisis has abated, we have been able to reinstate many of the environmental investments that had to be postponed or suspended during the last two years – increasing our expenditure in energy and environment projects to \$347 million.

Our plant at Ghent in Belgium has completed a project to recover waste gas, which will save about 2,300 Terajoules equivalent to around 129,000 tonnes of CO₂ and the annual energy consumption of approximately 36,000 homes. A similar project has been started in Bremen, Germany, which aims to save 2,000 Terajoules of energy per year which is equivalent to around 112,000 tonnes of CO₂ and the annual energy consumption of approximately 31,000 homes. The project is part of a \$167 million modernisation programme, half of which will be spent on improving environmental performance and energy efficiency. At the same time, our site at Indiana Harbor, USA, is re-using waste gases in a new process that is expected to generate enough electricity to power 30,000 homes for a year. This project will cost \$63.2 million and will create a number of new jobs over the next 18 months.

Other highlights this year included the first phase of new works at the coke oven of the Fos-sur-Mer site in France designed to reduce emissions of sulphur dioxide (SO₂), ammonia, naphthalene, and tar, as well as a 17% reduction in SO₂ emissions at our power plant at our site in Ostrava, Czech Republic. Ostrava will soon have one of the cleanest sinter plants in the world, having installed a state-of-the-art de-dusting facility, which will reduce these emissions by more than 70%. Other work on de-dusting in 2010 included a new \$27 million emission control system at the Vereeniging plant in South Africa, and an investment for the construction of the de-dusting system in the steel plant at Zenica, Bosnia and Herzegovina. ArcelorMittal Zenica has also recently completed the installation of two steam silencers, which will reduce noise for the local community.

Our plant at Kriviy Rih in the Ukraine will be investing \$30 million in environmental protection in the next 12 months – a quarter of its total capital expenditure. Works completed in recent years include two electrofilters for the blast furnaces at a cost of \$35 million, and the approval of the refurbishment of primary steel plant de-dusting equipment at a cost of \$118 million. In recognition of improved environmental performance, the plant was recently presented with an award for ecological excellence in a national 'Environmental quality and safety' competition.

Kriviy Rih is one of a number of sites that has also successfully completed its re-certification to the ISO 14001 environmental management system standard. We have continued to implement our programme to certify all our sites to this standard, and while we missed our overall target this year, we now have 179 sites covered, which equates to 95% of our main production and finishing sites.

Environmental and Energy Capital Expenditure

\$(million)

2010	347
2009	224
2008	235

Q. How do we manage energy?

A. Steel production is energy intensive. Reducing our consumption is an important driver for our competitiveness and improved energy efficiency will be absolutely central in achieving our 2020 carbon reduction target. We aim to do this by benchmarking our performance against best practice, sharing proven and successful ideas, and making investments in new energy-efficient technologies, with the support of our R&D teams. By the end of 2010, 57% of the 26 Energy Efficiency Best Practices were already deployed in 32 steel mills. Our goal is to increase the deployment rate to 65% in these operations by the end of 2011. Savings potential from the effective implementation of our first three sites' energy roadmaps have been estimated to be 20,000 Terajoules per year, equivalent to savings of 1.6 million tonnes of CO₂, and approximately \$200 million a year in cost savings by 2014.

Some of our plants are already leaders in the field of energy management. Our plant in Weirton, USA, for example, was named an Energy Champion by the US Department of Energy last year, and our USA operations as a whole were recognised with an ENERGY STAR award from the US Environmental Protection Agency and US Department of Energy for the third consecutive year. In the USA alone, we achieved more than \$22.7 million in ongoing annual energy savings by implementing 24 energy savings projects over the past two years. The company also expanded the number of sites engaged in its energy programme during 2010, with 90% of its US sites using the ArcelorMittal Energy Management System Model. Our operations in Indiana Harbor also won an Association for Iron and Steel Technology Energy Achievement Award. In Spain, our Olaberria plant has now met the demanding EN 16001 standard for energy management – our first site to do so. Companies that achieve this standard can see their energy costs reduce significantly.

We also have formal energy management processes in our mining operations. In 2009, in ArcelorMittal Mines Canada we initiated an energy efficiency and cost reduction initiative. By the end of 2010 we had reduced our energy costs by more than 2% and we estimate that in 2011 we will reduce our greenhouse gas emissions by nearly 36,000 tonnes of CO₂ equivalent. Based on this initial success we have put in place a team to improve this

initiative further. This will encompass identifying, evaluating and realising best practices in energy efficiency projects, and implementing a formal energy management system for continuous improvement.

Q. How are we involved in carbon markets?

A. We continue to work with policymakers to ensure the implementation of the European Union Emissions Trading Scheme is effective in ensuring competitiveness while achieving a lower carbon economy. Due to the economic crisis, not all operations were running at full capacity, which led to a temporary excess in allowances. This presents an opportunity to accelerate our energy improvement plans. During 2010, ArcelorMittal sold Emissions Trading allowances to the market. We sold 7 million tonnes of excess allowances for €105 million. The sales are to be dedicated exclusively to energy efficiency project funding. The projects currently identified within the Group are located in Belgium, France, Poland, Romania, and Spain.

Q. How do we manage our water use?

A. Our own overall water consumption figure for 2010 was approximately 2.8 billion m³. There is a large range of performance variation between our sites across the world, largely because of local circumstances and regulations. Some of our sites have access to major water sources such as large lakes or seas, others have implemented closed loop cooling water circuit technology that results in a zero-effluent operation.

However, we accept that water scarcity is going to become an increasingly challenging issue. Water is used as part of the steel-making process and therefore we have started implementing water efficiency measures. We have in place a dedicated Water Steering Committee and our technology team undertook a survey of our production sites in 2010, using the Global Water Tool developed by the World Business Council for Sustainable Development. This assesses a region's water availability in the context of its population and

Primary energy consumption

Gigajoules per tonne of liquid steel

2010	18.5
2009	19.0
2008	17.8

Did you know...



Across the whole steel sector, CO₂ emissions per tonne of crude steel output are now 50% lower than what they were 40 years ago. Many plants – especially in Western Europe – are now near the technical limit of what can be achieved with existing technology.

Making steel more sustainable

Continued

industrial growth. 134 plants were covered by the survey, which found that 23% of them are located in areas that are already under water stress, and 20% in those facing water scarcity. Plans are now underway to achieve a significant cut in water use across the Company, with the support of our R&D function. We will be measuring and monitoring our water use, recycling and reusing water, using seawater and rainwater wherever this is feasible, and continuing to work actively with local municipalities and the scientific community.

Consequently, we launched a Water Mapping Project which involves the development of a guideline for the assessment of water use. It also includes the identification of the risks related to water use, sharing of case studies on water use reduction, and the provision of guidance on flow metering techniques to our operations. In 2010, we worked closely with some of our shareholders who have an interest in water management and participated in the inaugural CDP Water Disclosure initiative, which assisted us in articulating the risks and opportunities relating to our own water use and the impact on our business. For more information see: <https://www.cdproject.net/water-disclosure>

Some of our mines in the USA have unique challenges in managing water. In 2007, an environmental review for our East Pit expansion programme identified a potential impact on an adjacent abandoned iron ore pit that holds the city of Biwabik, Minnesota's water supply. Since then we have worked closely with city officials and the Minnesota Department of Natural Resources to form a long-term mitigation plan to reduce our impact on water. In 2010, this plan included the coordination and purchase of a pump barge to improve the water supply.

In addition, at the request of the city of Virginia we divert excess capacity from a freshwater pumping station into two lakes. This practice, undertaken seasonally since 2008, improves water quality and mitigates the impact on the lakes from warm water discharge from the city-owned public utility boilers, used to generate electricity. This new practice has deferred the need for capital investment in a cooling tower by the city. In 2010, our mining operations pumped over 360 million gallons of water into the local lakes.

Q. What is our approach to biodiversity?

A. Many of our operations across the world are involved in projects to help protect the local environment. We know our operations can have an impact on the local environment, which means we have a responsibility to minimise that impact, and support local biodiversity where we can.

Our leading conservation programme in Liberia continues to move forward. The reserves of iron ore which we will start to mine in 2011 are in the remote and environmentally-sensitive Nimba mountain range, generally considered to be one of the top five biodiversity areas in Africa. An independent environmental assessment agency endorsed a compensatory programme that will achieve forest conservation through community-based resource management and the development of local agricultural systems. We have started to develop a detailed management plan for the programme, which will be used as a consultation document before starting its implementation during 2011.

Biodiversity management is not just limited to our emerging markets. Some of our operations in France have undertaken important biodiversity projects. Fos-sur-Mer is working in partnership with a biological survey centre focused on the conservation of Mediterranean wetlands; and Basse-Indre have helped rehabilitate mud flats north-east of the plant, which has improved the area as a habitat for wildlife.

Also in France, we work with the French environment agency to develop effective solutions for treating contaminated soil at former industrial sites. We used one of our former sites, which used to be an integrated steel factory, as a test site in order to develop the soil treatment methodology.

In Canada and the USA, we continue to fund the 'Sustain Our Great Lakes' programme, which is a partnership between the US Environmental Protection Agency, and other government departments. In 2010, 25 projects were selected to help protect and restore the Great Lakes' vital aquatic and terrestrial environments.

Protecting biodiversity in France



ArcelorMittal Dunkerque and Mardyck, two of the sites that make up ArcelorMittal Atlantique, are taking part in neighbourhood efforts to preserve local biodiversity areas. This is accomplished through the assessment of wildlife and plant species currently found there, as well as working with local conservation experts to develop action plans to ensure that they remain there. They have also organised guided tours for over 300 local residents and employees, enabling people to learn more about the importance of protecting local biodiversity.

Did you know...



More steel is recycled worldwide annually than all other materials put together. More than 500 million tonnes of scrap is melted each year.

Q. How do we promote the recycling of residues?

A. At ArcelorMittal we refer to residues rather than waste materials – what may be classified as waste in one country might not necessarily mean the same thing in another location. As such, a residue is defined as any material, excluding gas, generated by processes in addition to the original intended products. In 2010, a total of 37 million tonnes of residues were recycled internally or used for external purposes. This represents a re-use rate of 82% (in 2009 the reuse rate was 86%). Non-used residues are sent to landfill or stored on site awaiting potential use in the future. Less than 7% of residues were sent to landfill during 2010. A joint exercise between the Environment teams and By-products management teams resulted in a 45% increase in the number of residue action plans started by facilities across the Group in 2010.

In South Africa, our Vanderbijlpark operations have taken a strong position on residue disposal. An old waste disposal site of 170 hectares has been operational since the 1960s with approximately 40 million cubic metres of waste disposed in that time. Its use officially ceased at the end of 2010 but remediation commenced earlier at a cost of approximately \$4 million. Through the introduction of a sorting area and by-product storage area, this will reduce the impact on groundwater and create more value added by-products. The project is overseen by an independently chaired waste disposal multi-stakeholder committee consisting of government and non-governmental organisations. At the beginning of 2011, 40 hectares had already been rehabilitated into grasslands.

We continue to do our best to recycle the by-products of steel-making, so we can avoid sending them to landfill. Our operation at Tubarão, Brazil, for example, has now produced one million tonnes of its 'Acerita' product. Acerita is made from slag – a by-product of steel – and is used mainly in paving and in road building. It is durable, low-cost, and only one of over 30 new products that have been developed at the site from by-products, as part of Tubarão's commitment to maximum reuse, continuous recycling, and minimum disposal.

Q. How can steel make modern life more sustainable?

A. Modern life would be very different without steel. Even if it cannot be seen on the outside, steel is at the heart of our buildings, cars, home appliances, and industrial machinery. Steel is already indispensable – our challenge is to make its production more sustainable.

One way we are doing this is through our continued support of European Ultra Low CO₂ Steel-making initiative, or ULCOS. Phase I of the project brought together over 50 companies in the steel supply chain, as well as research laboratories and universities, to devise the breakthrough technologies that could reduce CO₂ emissions from steel-making by at least 50%. ULCOS has now entered Phase II where a number of potential projects are in the pilot phase. This includes top gas recycling blast furnace technology and Carbon Capture and Storage projects, at a cost of around €623 million, at our operations in Florange, France and Eisenhüttenstadt, Germany. More information can be found at www.ulcos.org

The trend for more sustainable products and processes is particularly important in developed countries and its importance is growing in emerging markets. With a budget of \$322 million and 11 major research centres around the world, our Research and Development (R&D) activities in 2010 were focused on product and process development that support greater value creation for the business, as well as bringing technological and environmental benefits.

ArcelorMittal's R&D team has been rated number one for product development and technical support by most automotive customers in 2010, thanks to the commitment, skills and abilities of more than 1,400 researchers. Furthermore, our activity with several universities around the world is an important way of improving the efficiency of our scientific network and attracting the best students to the Group.

In the last few years we have also launched three international scientific networks around the world on steel construction, steel forming and physical metallurgy. In 2010, ArcelorMittal announced that we will fund, through the ArcelorMittal Foundation, a new chair of Façade Engineering at the University of Luxembourg. The research will be aimed at promoting the development of energy-efficient high-tech buildings made out of steel, composites and glass.

In addition to focusing on applying the Life Cycle Analysis methodology to steel, our R&D team is also involved in the SOVAMAT (Social Value of Materials) initiative. This gathers leading scientists and material producers to study the impact of structural materials on our society. The goal is to identify the emerging role of structural materials in a carbon-neutral world and educate stakeholders on the value chain of materials. For more information visit www.sovamat.org

There is more about the work of our R&D department and the role, value, and sustainability of steel in the features sections at the front of this report.

Assurer's commentary

Stakeholders expect an organisation such as ArcelorMittal to be able to provide more data regarding environmental performance and improvement trends at a Group level. Bureau Veritas welcomes the additional data on water, energy and waste (residues) as a step in the right direction. We have also seen evidence at site level that detailed performance data across the full range of environmental emissions is available and regularly monitored. Further consolidation of site level data comprising more environmental indicators should be an area of focus for ArcelorMittal in its future reporting.

Enriching our communities



Employee volunteering

12,000

During ArcelorMittal Foundation's 3rd annual International Volunteer Work Day, employees spent over 12,000 hours supporting 200 different community projects across the world





Every ArcelorMittal operation across the world is an integral part of its local community. We contribute to local economic development by providing jobs and opportunities for local businesses to supply our operations as well as supporting local education and health initiatives. That said, we know that steel-making and mining can have adverse consequences for the surrounding area, and that makes it even more vital that we engage actively, and constructively, with those whom we affect.



Q. What is our approach to human rights?

A. We are committed to respecting all human rights and we are proud to be the first company in the steel sector to have a stand-alone human rights policy.

Our Human Rights Policy was developed in consultation with external stakeholders, and is derived from the United Nations (UN) Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Rights, and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work, and the United Nations Global Compact.

In addition, the Policy development coincided with the drafting of the Guiding Principles by the UN Special representative of the Secretary General on Business and Human Rights, John Ruggie. Our approach to implementing the Human Rights Policy is aligned to these draft Guiding Principles.

The ArcelorMittal Human Rights Policy was approved in August 2010. Our Group Management Board will now review its implementation on a quarterly basis, and report our performance against it to the Board of Directors. The policy applies to every ArcelorMittal employee, as well as contractors working at our sites. It covers Health and Safety, and labour rights such as pay, freedom of association, child and forced labour, unlawful discrimination, and harassment, as well as issues such as indigenous people's rights, security arrangements, and impacts on land and water. We are one of the first businesses in the world to include issues relating to water and land in our human rights policy, following the recognition of access to water as a human right by the United Nations in July 2010.

Community investment

\$37.7m

The ArcelorMittal Foundation invested \$37.7 million in local community projects in 2010

United Nations Global Compact

This section covers:

Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2 – Businesses should ensure that they are not complicit in human rights abuses

Principle 5 – Businesses should support the effective abolition of child labour

Global Reporting Initiative

This section addresses in full, or in part, the following GRI indicators:

EC1, EC9 – Economic value generated

SO1 – Community impact management

HR3 – Human rights training

Enriching our communities

Continued

The full text of our Human Rights Policy is available on the ArcelorMittal website at www.arcelormittal.com/humanrights

All our employees should receive a copy of the policy in one of the 17 most commonly used languages in ArcelorMittal, and complete training by the end of 2011, either face-to-face or online. ArcelorMittal is one of few companies to give training to every single employee. There will be a special priority for enhanced training in countries where the protection of human rights raises particular issues, as identified through our external consultations, such as India, Liberia, Brazil, Algeria, China, and Kazakhstan. We will also be starting human rights risk assessments in these same countries during 2011.

We are now developing specific performance measures and indicators to monitor our progress, so that we can make further improvements internally, and report more comprehensively externally.

Q. What are we doing to promote the development of our communities?

A. As we have detailed in previous corporate responsibility reports, we play a vital role in our local communities. In some developing countries, for example, the establishment of an ArcelorMittal operation means that roads get built, infrastructure is put in or improved, and essential services like healthcare are made available to local people for the first time. Wherever we are in the world, we make it our business to support sustainable long-term economic growth and fair and equitable business practices that benefit the country and its people.

As in previous years we have attempted to quantify our estimated economic contribution taking into account taxes, wages and salaries, contracts, capital expenditure and social investments (see page 33). As we move out of the downturn our estimated economic contribution has increased significantly in many key areas, particularly with our supplier and contractual payments. We have also been able to increase our investment activities through capital expenditure and our spend in Research and Development. This means that our total indirect economic contributions is an estimated \$73.6 billion for 2010.

During 2010 we also continued to support local infrastructure projects and economic development initiatives in countries such as Brazil and Kazakhstan.

Our mining development in Liberia is one of our important investments for the future, where iron ore shipments will commence in 2011. It will be the first time this war-torn country will benefit from mining in several years and we want to ensure that our investment into Liberia will have a long-lasting and positive legacy. In the last 12 months, for example, we have run nine road safety workshops in partnership with the local police force, with the aim of reducing the high number of road accidents in Bong, Grand Bassa, and Nimba Counties. We have also funded an extensive programme, in partnership with USAID, to tackle and prevent malaria in the Yekepa and Buchanan areas. Malaria is one of the major causes of premature death in sub-Saharan Africa, and we worked with both government agencies and NGOs to supply specially-treated mosquito nets, spray vulnerable houses with insecticide, raise awareness about ways to prevent malaria, and distribute anti-malarial drugs. The hope is that this will cut the incidence of malaria in the region, leading to its eradication within the year.

Local healthcare is also one of our most important priorities in Senegal. Last year we ran a third round of medical camps in Kédougou and Saraya, offering free treatment to over 2,000 local people. The camps organised antenatal care and HIV/AIDS testing for pregnant women, a vaccination programme for babies, and preventative programmes relating to HIV/AIDS, tuberculosis and diabetes. Over 40 people also had their sight restored through free cataract surgery.

A similar programme is underway in India, where we are working in partnership with Sight Savers International and the Mahatma Gandhi Eye Hospital to give local people in Orissa the 'right to sight'. As a result of this work over 100 people have received cataract surgery and 350 people have benefited from free consultations to date.

Work like this in emerging economies can have a significant impact, but that does not lessen the value of what we do in more developed markets. In 2010, Corporate Knights magazine ranked ArcelorMittal Dofasco one of the top corporate citizens in Canada, in recognition of its contribution to sustainability and its positive role 'at the heart of Canada's economic and social fabric'. Over 3,000 companies were assessed for the award against ten baseline indicators, which included the contributions made through taxes, environmental performance and innovation.

Did you know...



The ArcelorMittal Human Rights Policy has been translated into 17 different languages and we aim to have all employees trained on this topic by the end of 2011.

Assurer's commentary

The development of a Human Rights Policy has been a key area over the reporting period. We have seen evidence of ArcelorMittal taking a considered approach to developing this policy to be meaningful to its operations through undertaking both internal and external engagement on what human rights means for the Company. We have seen guidelines and training programmes that have been developed for deployment over the coming reporting period. Key to the success of this new policy will be how efficiently ArcelorMittal integrates its requirements into existing internal performance monitoring and reporting mechanisms.

"We welcome ArcelorMittal's move to adopt leading human rights practices, and now will look for evidence this will deliver. Of course a successful programme is measured in 'the disaster that didn't happen', but the key will be transparency about successes and challenges, particularly the effectiveness of training and grievance mechanisms, and the results of risk assessments."

Karina Litvack

Head of Governance & Sustainable Investment, F&C Management Ltd.

Q. How are we engaging with local communities?

A. We are proud of the fact that ArcelorMittal sites have an active programme of engagement with their local stakeholders. We understand the value of productive relationships, and work hard to build trust, understand local concerns, and participate positively in the local community.

The ArcelorMittal Stakeholder Engagement Standard is mandatory for all our industrial operations, requiring every unit to identify its stakeholders and key issues of concern and also opportunities for improved local development and growth in our business, as well as implementing a robust grievance mechanism. These activities are then included in a local stakeholder engagement plan. The corporate team supports local operations to implement the Standard by publishing guidance on international good practices and by sharing knowledge and ideas across our network of corporate responsibility coordinators. In 2011, we will be introducing detailed guidance on how to address local grievances and managing stakeholder relationships.

A good example of this in practice is our programme of stakeholder engagement workshops. In March 2010, the local management team in Prijedor, Bosnia and Herzegovina participated in a three-day

training workshop. The workshops are held in three stages: the first offers specific training on stakeholder engagement techniques and develops the engagement plan; the second focuses on the necessary administrative and communication skills and seeks the input of local stakeholders; and the third supports the process of compiling and publishing a local corporate responsibility report.

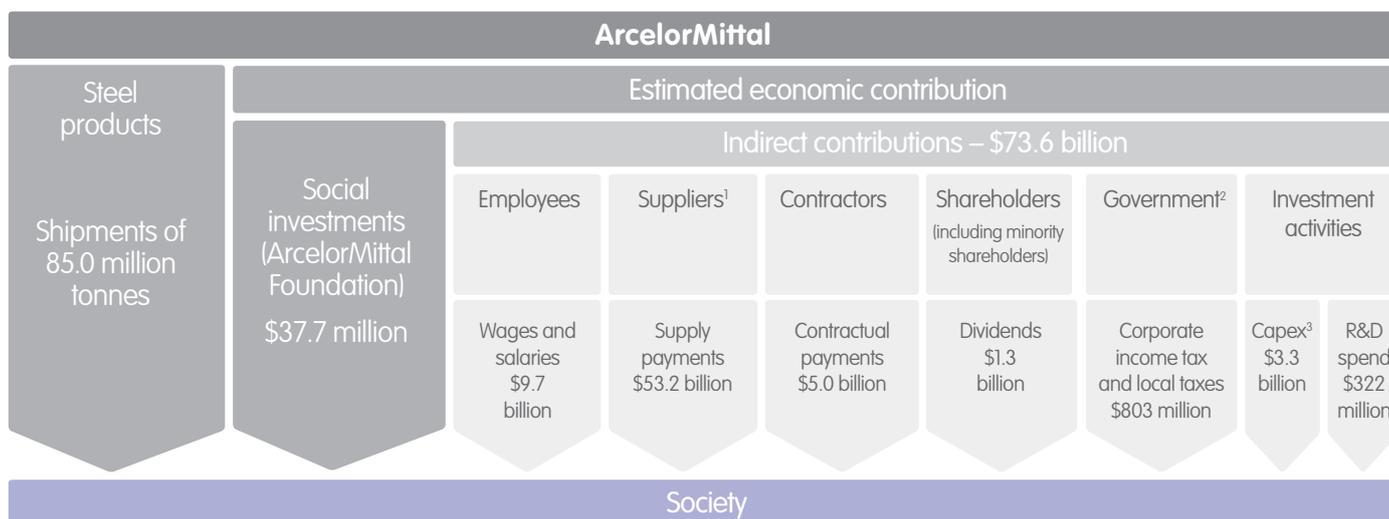
The workshops help local management and staff understand the value of stakeholder engagement, and the importance of ensuring that all such activities are appropriate to local customs and culture. They also relate stakeholder engagement to key business processes like Environmental and Social Impact Assessments, and international standards such as the Equator Principles and the International Finance Corporation's Performance Standards.

In 2010, we ran seven workshops across operations in Bosnia and Herzegovina, Ukraine, Macedonia, Kazakhstan and Romania, and have further events planned for 2011. Examples of continuous local stakeholder engagement can also be found at many of our operations. In 2010, in Kazakhstan, a stakeholder engagement meeting was held to discuss environmental issues with local NGOs, residents and the local authorities. This was followed up with a series of small focus group sessions with external stakeholders to better understand key issues of concern.

We have had formal grievance processes in place at many of our operations for a number of years. Grievance processes are a central element of our Human Rights Policy, and helps ensure issues are addressed as soon as they arise, which avoids delays to our projects or activities, and saves legal and other costs. For example, in Dunkerque, France, the environmental team uses quarterly grievance reports to help inform future environmental investments.

Every stakeholder must be able to raise legitimate concerns with us, and we require all our operations to make communication channels available to do this which are free, appropriate, and accessible to everyone. All complaints must be recorded and acknowledged, and the steps taken to address them monitored and documented. The way we manage stakeholder grievances is a vital component of our daily interaction with local communities and by doing so in an open, accountable and fair way we build trust and credibility with all our stakeholders.

ArcelorMittal's 2010 estimated economic contribution



¹ This figure does not include electricity and local utility payments.

² The amount of corporate income tax paid in 2010 is lower compared to 2009 mainly due to the combination of low reported results and important tax reimbursements.

³ Capital expenditure.

ArcelorMittal Foundation

Q. How does the ArcelorMittal Foundation contribute to community development?

A. Last year the ArcelorMittal Foundation supported more than 585 community development projects across the world, investing a total of over \$37.7 million. The ArcelorMittal Foundation focuses on Education, Health, and Social promotion projects that encourage long-term economic growth and entrepreneurship, while aiming to respect local people and address their needs. The priority is always to support projects that have the potential to be self-sustainable and will contribute to the United Nations Millennium Development Goals.

Education

During 2010, we strengthened our partnership with the Ministry of Education in South Africa. The aim is to build ten schools over a seven year period, utilising innovative technologies, such as light steel frame construction methods, insulated panels and energy-efficient technology. The first, a 1,200-pupil school in the Mamelodi township, was completed in around a quarter of the time it would have taken using conventional materials, and was opened in August 2010. This partnership will create new jobs and on-the-job training opportunities – around 80 people were employed at the Mamelodi site, and some of them were also given training in the installation of the thermally-insulated steel panels. Work is now underway at the second site in Idutywa, in the Eastern Cape, and the project has already won a Community Development Award from the South African Institute of Steel Construction.

Another important education project supported by the Foundation was the sponsorship of the International Baccalaureate programme in Bosnia and Herzegovina, which supported 98 students who received their diplomas in May 2010. For two years we have supported students from countries that have suffered conflicts in the recent past. Going forward, funding will now be given to a professional development project for teachers in Romania and Poland.

Also in Poland, the ArcelorMittal Foundation has been developing language labs at local schools to help students improve their language skills. Focusing on schools that are situated within 15 km of ArcelorMittal operations in Poland, 13 language labs were opened in 2009, a further ten in 2010 and another six are planned for 2011. The project won an internal ArcelorMittal Performance Excellence Award in 2010.

In China, students from the Xinhua Primary School, which the Foundation helped to rebuild in 2009 after an earthquake, took part in a 'Zero Carbon Journey' summer camp with ArcelorMittal employees' children which included a visit to the Shanghai Energy-conservation Exhibition Center.

The Foundation also organises annual summer camps for children in Bosnia and Herzegovina, Czech Republic, Mexico, Kazakhstan and Ukraine.

In Kazakhstan, ArcelorMittal joined forces with the NGO, Otrazhenie, to take part in the international environmental campaign '350'. The campaign seeks to increase environmental awareness, promote CO₂ and energy saving ideas, as well as supporting the implementation of environmental projects. One of the first actions was a tour of ArcelorMittal's Steel Division for students from a local high school.

Health

Supporting community health is also a key focus for the Foundation, and good examples can be found in Italy, where we partner with the local municipal police to organise an annual road safety competition. It encourages students to develop road safety awareness campaigns, over 600 students participated in 2010.

While at ArcelorMittal Point Lisas in Trinidad and Tobago, a partnership with the Ministry of Education and the local Lions Club saw the launch of 'Beyond Sight' – a programme to provide free vision and audiometric screening for under-privileged primary school students in nearby communities.

In Costa Rica, the ArcelorMittal Foundation has been organising blood donation campaigns for its employees since 2007. The most recent campaign took place in July 2010 and over 2,000 employees from our Caldera unit donated enough blood to save 54 lives. Similar blood collection campaigns are held at many other ArcelorMittal sites, including those in Brazil, the Czech Republic and the USA.

Emergency relief in Haiti



After the devastating earthquake in Haiti in January 2010, the ArcelorMittal Foundation set aside \$1 million for disaster relief. This donation was given both in cash and in kind, offering assistance in new housing projects to rebuild Haiti. We cooperated with Habitat for Humanity, and Médecins Sans Frontières. Habitat for Humanity is already one of the Foundation's long-standing partners, and it has enabled them to construct 2,000 emergency shelters for people made homeless by the earthquake. More than 200 local people were able to get employment in the construction work through our support.

Did you know...



The ArcelorMittal Foundation supported more than 585 community projects in 2010.

Social Promotion

The Foundation's third area of activity – Social Promotion – looks to encourage inclusivity and participation, especially of traditionally marginalised groups. An important project is carried out in Prijedor, Bosnia and Herzegovina. The Most Mira Festival promotes reconciliation among children from different ethnic backgrounds through interactive workshops conducted by over 60 skilled international and local volunteers on topics such as drama, arts, dance, music and photo-journalism.

Since 2007, the ArcelorMittal Foundation in Argentina has worked with the international NGO, Ashoka, and its 'Let's go forward' programme, which inspires and supports young people to launch and lead their own social initiatives, helping young Argentineans become agents for social change. Over the past three years, 22 social projects have been developed as a result of the partnership and have benefitted more than 3,500 residents in the communities of San Nicolás and Villa Constitución.

In Macedonia, a partnership with Junior Achievement, resulted in a Creativity & Innovation Challenge Biz Day. The event allowed over 100 local secondary school students to develop their business and entrepreneurial skills with support from teachers from 18 vocational schools throughout Macedonia.

With a focus on providing low-cost housing solutions, the Foundation's partnership with Habitat for Humanity has resulted in three innovative steel-framed houses in Moinesti, Romania, that were unveiled in April 2010 and provided housing for 12 families. Each home is designed for four families and the energy efficient, steel-frame houses also offer an ideal solution for regions prone to natural disasters.

Q. How do we encourage our employees to get involved with their local communities?

A. One of the Foundation's main priorities over the next five years is to bring the organisation closer to ArcelorMittal employees all over the world. This is why support for activities such as the International Volunteer Work Day is important. The International Volunteer Work Day is held every December, and unites ArcelorMittal people across the world in a single day of active participation for the good of their local communities. This year was our third International Volunteer Work Day, and employee volunteers spent over 12,000 hours participating in over 200 community projects, which included the refurbishment of a local school, visiting sick children in a hospital, working in a soup-kitchen and collecting toys, books and clothing.

Another important ArcelorMittal Foundation initiative launched in 2010 is called 'Solidarity Holidays'. Through this programme ArcelorMittal employees are given the opportunity to spend a week volunteering for a Foundation project in another country. Successful pilot projects were organised in Senegal, where employees supported a medical camp, and in Mexico, where a different group of employees worked with Habitat for Humanity to build houses for local residents. Several new Solidarity Holiday projects will be organised in 2011, with the first taking place in South Africa in April.

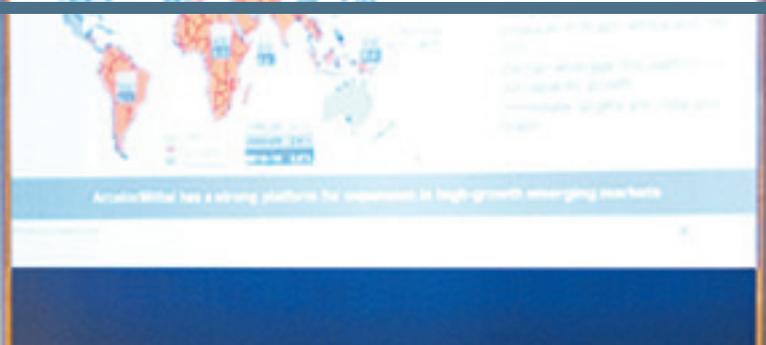
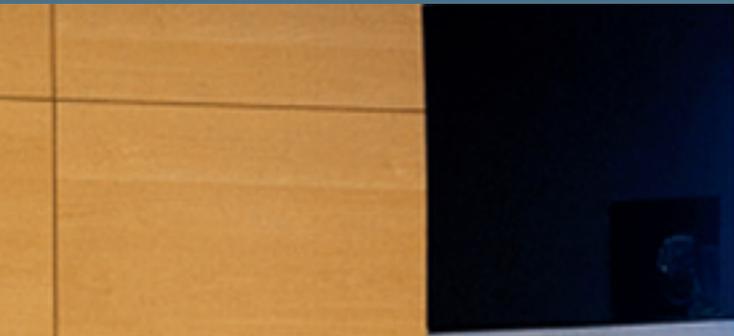
Minigrants for maxi-benefits



There was one particularly innovative new project introduced in 2010 – the 'minigrants' programme. Our operations in Ostrava, Czech Republic developed the programme which gives employees a unique chance to get financial support from the company for projects that they are involved in with local community groups. 45 projects were approved in 2010, the projects ranged from helping deaf children at a local kindergarten, to providing sports equipment for school summer camps.

The minigrants programme has been so successful that it is being replicated at other ArcelorMittal sites around the world. One of the first countries to replicate this programme was Luxembourg. In July 2010, a local committee selected five projects proposed by employees that the Foundation will support.

Transparent governance



Anti-corruption training

94%

Around 94% of employees in relevant roles were trained in the new anti-corruption guidelines in 2010





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

Q. What governance structure does ArcelorMittal have?

A. ArcelorMittal is listed on six stock exchanges across Europe and North America, and as such we are subject to strict regulatory demands relating to our corporate governance. That said, our ambition is always to go beyond what is required, and set new standards for our sector in this crucial area.

We have nine directors on our Board of Directors, eight of them are non-executives, and six directors are independent. Our Chief Executive Officer is the only executive director. The Board has set up committees for Audit; Appointments, Remuneration, and Corporate Governance, and, since June 2009, Risk Management.

Since 2008, the Board has conducted an annual self-assessment designed to identify potential areas for improvement, and ensure that the Board continues to have the right level and mix of skills. The process is coordinated by the Company Secretary under the supervision of the Chairman and the Lead Independent Director. Its findings are examined by the Appointments, Remuneration, and Corporate Governance Committee and recommends developments in areas like strategy, marketing, human resources, corporate governance, and regulation.

The operational direction of ArcelorMittal is the responsibility of the Group Management Board (GMB). The GMB members are appointed and supervised by the Board of Directors and the GMB is headed by Lakshmi N. Mittal as Chief Executive Officer (CEO) as well as being the Chairman of the Board of Directors. The GMB is supported by a team of 12 Management Committee members, all working towards delivering the best possible performance to all stakeholders, including continuously working to improve Health and Safety results.

Code of Business Conduct

90%

Approximately 90% of employees had completed Code of Business Conduct training by the end of 2010

United Nations Global Compact

This section covers:

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery

Global Reporting Initiative

This section addresses in full, or in part, the following GRI indicators:

SO3 – Anti-corruption training and response to incidents

SO5 – Public policy positions

SO7 – Legal action related to anti-competitive behaviour

Transparent governance

Continued

Q. What ethical standards do we observe across the world?

A. Fair and ethical business practices are at the heart of the ArcelorMittal way of working. These principles are enshrined in our Code of Business Conduct, and reinforced by specific policies and training programmes on issues such as antitrust, anti-corruption, insider dealing, conflicts of interest, and non-discrimination.

Last year the Compliance function within our Legal Department continued to use a variety of different channels to raise awareness of the importance of ethical business conduct, including face-to-face and online training, and a dedicated intranet portal. All our employees go through Code of Business Conduct training, which has to be renewed every three years. This training is offered in person and online, with electronic modules available in English, French, Portuguese, Russian, and Spanish among others. 90% of employees were trained by the end of 2010, and 94% of those in relevant roles have now completed the programme on anti-corruption. This training will now be extended to sales agents and other business partners. During 2010, a number of breaches of the Code of Business Conduct occurred, some of which lead to legal action and dismissals.

In June 2010, the European Commission imposed fines totalling approximately €317 million on current and former entities of ArcelorMittal relating to alleged anticompetitive practices of European manufacturers of pre-stressed wire and strands steel. The investigation, pending since 2002, related to alleged anticompetitive practices dating back to a period over 25 years ago – long before the ArcelorMittal Group, as it is known today, was formed. The decision of June 2010 has since been materially amended twice by the European Commission to take into account calculation and other errors. In September 2010 the fine was reduced by approximately €50 million and in April 2011 it was reduced further by approximately €185 million to €82 million. ArcelorMittal introduced and continues to develop a strong compliance programme across all its subsidiaries to help ensure all business activity is conducted in accordance with the highest ethical standards, minimising the risk of malpractices in the future.

We also keep a watching brief on emerging trends and new issues as they arise, and develop new policies and training wherever this proves to be necessary. A good example would be the need to comply with any new economic sanctions imposed by the UN, EU, or specific national governments on certain countries or regions. A new training programme relating to this specific issue was launched in the beginning of 2011.

We have a whistleblowing procedure in place. The global system conforms to the US Sarbanes-Oxley Act of 2002. The purpose of the whistleblower process is to identify any serious concerns with regard to irregularities in accounting, auditing, banking matters or bribery at the earliest possible moment. Additional local level processes allow employees to report any suspected accounting irregularities, auditing and financial, as well as any other fraud issues. Employees are made aware of the systems via the intranet, email, newsletters and notice boards. At the end of 2010, 21 operations had implemented a localised whistleblowing system. Owing to national legal constraints we were unable to introduce a further two as originally planned.

Our new Human Rights Policy is an integral part of the Compliance Programme and it applies to every ArcelorMittal employee, as well as contractors working at our sites. All our employees will receive detailed training on the implications of the policy, either face-to-face or online, and there will be a special priority for training in countries where the protection of human rights raises particular issues, such as India, Liberia, Brazil, Algeria, China, and Kazakhstan, as identified through our external stakeholder consultation.

ArcelorMittal has signed up to the European Commission's Register of Interest Representatives where the Company sets out the activities it deploys in its relations with the European institutions as well as the financial resources the Company dedicates to ensuring that its views are communicated and understood by European policymakers. We cooperate with European Union institutions by bringing our expertise on the elaboration of policies in the areas of the environment and climate change, trade, social policy, and Research and Development. For more information see <https://webgate.ec.europa.eu/transparency/regrin/welcome.do>.

We have been part of the Extractive Industries Transparency Initiative (EITI) since January 2009. This sets out voluntary standards for companies in the extractives sector, governing how they communicate their payments to governments and governmental entities.

CR Forum Liberia



In February 2010, ArcelorMittal, in partnership with the German government department, Gesellschaft Für Technische Zusammenarbeit (GTZ, now renamed GLZ), established the Corporate Responsibility (CR) Forum Liberia, designed to encourage responsible investment, good corporate citizenship and collective action for sustainable development.

CR Forum Liberia launched its inaugural project, 'Capacity Building for Better Business in Liberia', last year.

Close to 200 businesses, public sector agencies and non-governmental organisations participated in a series of corporate responsibility-related workshops.

The first year of the Forum has focused on key issues such as human rights and sustainable development. Moving forward, the Forum has set four strategic priorities in Liberia's journey toward economic prosperity, each to be delivered over the next two years, including:

- Development of a strong network of Forum members
- Promote best practices and capacity building on corporate responsibility issues
- Corporate social investment
- Partnerships and collaboration

In 2010, the United Nations Development Programme (UNDP) joined the Forum as an 'official observer', which makes the Forum eligible for UNDP technical and financial support. This partnership supports the Liberian government's aim to achieve its Poverty Reduction Strategy and the UN Millennium Development Goals.

For more information visit www.crforumliberia.org

“The partnership we established with ArcelorMittal Liberia was instrumental to the initiation and launch of the Corporate Responsibility Forum of Liberia. Future success and effectiveness of the Forum will depend on continued engagement of the member companies – most importantly through partnership projects and peer learning on environmental, social and governance issues. It is our hope that ArcelorMittal Liberia will rise up to this challenge and continue to mobilise member companies for concrete partnerships.”

Doris Popp

GIZ Centre for Co-operation with the Private Sector

It is generally agreed that it has a key part to play in encouraging sustainable economic development. The EITI has already made significant progress within a number of individual countries, and has substantially improved the level of engagement between governments, companies, and NGOs. The next challenge is to find better ways to help local communities benefit from the mineral wealth in their own areas. ArcelorMittal is a founding member of the Liberia EITI and Liberia became the first African country to be compliant with the EITI process.

Q. How do we work with our suppliers?

A. A business like ours can make a significant contribution to raising social and environmental standards in its supply chain. This is why we launched a formal Responsible Sourcing Programme in December 2010, which promotes our standards of Health and Safety, human rights, ethics and environmental stewardship to our suppliers. This builds on the projects and initiatives that existed within the Group, and formally brings these together.

There are now five clear elements to responsible sourcing at ArcelorMittal. The first phase of this was to establish a Code for Responsible Sourcing, and we have engaged with customers, suppliers, peer companies, and NGO experts in drawing up this code. It sets out the minimum standards we ask our suppliers to meet, and describes how we will work with them to achieve this. In 2010, we launched the Code for Responsible Sourcing to our suppliers, and will continue this engagement in 2011. We are convinced that this collaborative process further strengthens the relationship with our suppliers.

The next stage will be to integrate responsible sourcing into our overall procurement processes, such as tenders, new supplier approvals, and supplier evaluations. Work on this is now underway. During 2010, we enhanced the integration of responsible sourcing evaluation criteria in the existing annual supplier performance monitoring system. Suppliers are assessed on these new criteria, alongside commercial factors such as price and quality.

The third phase will be an ongoing programme of work to coach and communicate with our suppliers and buyers. This is vital to the success of our programme, and we will develop online training, case studies, practical tools, and new opportunities to share knowledge and experience. We will also have internal ‘responsible sourcing champions’ for each category of purchasing, who will help embed these principles into our existing systems and ways of working. We are now in the process of establishing this network.

The fourth element will be what we call the ‘Supplier Added Value Excellence’ programme. This will be a series of collaborative partnerships with suppliers, focused on key areas for mutual benefit. Projects may include improvements in the use of technology, energy efficiency, Health and Safety, and the recycling of waste, and will aim to identify initiatives that create significant cost savings as well as environmental and social benefits.

The final phase will be to put into place a range of internal performance indicators, which will make it easier for us to review our progress, and report against clear benchmarks to external stakeholders in reports such as this one. We have already made progress in this area, and have identified key performance indicators such as the number of buyers trained on responsible sourcing, the number of suppliers that have acknowledged the Code as a percentage of our total spend, and the number that have completed the evaluation process.

Many of the elements of the new global approach to responsible sourcing have been followed by our larger operations around the world for several years. Our South African operations have an additional obligation to work within the Broad-Based Black Economic Empowerment framework, or BBBEE. This is designed to ensure economic equality between different racial groups, and covers issues such as procurement, enterprise development, equity ownership, and skills development. There are more details about our compliance with BBBEE in the ArcelorMittal South Africa annual report.

In 2010, we also continued our active participation with the United Nations Global Compact Supply Chain working group. This forum helps us to share best practices with other industry leaders, and develop standards and good practices for all members. In 2010, we contributed to the guidance document ‘Supply Chain Sustainability: A Practical Guide to Continuous Improvement’. This aims to provide practical guidance to help business to embed sustainability into their supply chain.

Supplier engagement in Brazil



ArcelorMittal Brasil has had particular success in engaging with small local firms, with the aim of helping them compete for, and win, contracts with their operations. This helps build capacity locally, enhances the equality of suppliers available to us, and encourages economic development.

Our units at Tubarão and Cariacica are both major players in the Integrated Programme of Suppliers’ Development and Qualification (or Prodfor), which focuses on helping small and mid-sized companies implement a quality management system, so that they can achieve the supply standards required by large customers. The scope of the programme has been growing in recent years, and now includes certifications in environmental and occupational Health and Safety systems.

ArcelorMittal Brasil is also a signatory of the National Pact for the Eradication of Slavery Work, which involves organisations such as the Instituto Observatório Social, Instituto Ethos, and the International Labor Organization. We seek to share good practices like this across the Group and with our business partners.

Transparent governance

Continued

Q. How do we work with our customers?

A. During the past year we have focused on strengthening our customer relations. We feel we have always had a positive relationship with our automotive customers and have attempted to duplicate this business model approach for other market segments.

Importantly, we also undertook a survey of a select group of important customers. Whilst the results of the survey showed that the majority of our customers see us as a commercial and technological leader within the industry, and are satisfied with their relationship with us, the outcome also identified opportunities for improvement. These include ensuring delivery consistency, improving flexibility on terms and utilising eBusiness services more extensively in the future.

Q. What sustainability indices are we a member of?

A. Since 2007 we have been a member of the FTSE4Good index and have recently been included in the Dow Jones Sustainability World and Europe indices; which evidences the progress ArcelorMittal has made in areas of governance, social and environmental management.

Moreover, as a member of the Dow Jones Sustainability Index, the top-scoring 15% of the companies in each of the 58 sectors assessed are eligible for inclusion in 'The SAM Sustainability Yearbook'. ArcelorMittal received two distinctions as a 'SAM Sector Mover' and as a 'SAM Bronze Class' company. Within the top 15% of each sector, the title of 'SAM Sector Mover' is awarded to the company that achieved the biggest proportional improvement in its sustainability performance compared with the previous year.



FTSE4Good

Q. How do we report our performance and policies to local stakeholders?

A. This is the fifth corporate responsibility report we have issued as the ArcelorMittal Group, but many of our local businesses have been issuing reports to their own stakeholders for longer than this. We encourage more of our operations to do this, and have issued a guidance manual to help them report in an open and consistent manner.

We firmly believe that reporting at local level is just as important as reporting at Group level – indeed, many of the corporate responsibility issues we face have their greatest impact on local communities, and reporting is one of the best ways of engaging with them. Some local corporate responsibility reports are good models for others to follow – both within the Group and outside. The reports issued by Brazil, South Africa and Argentina are particularly comprehensive examples. Our operations in India and the USA published their first corporate responsibility reports in 2010 and using the new guidance, several other sites plan to do so in the coming years.

On the following page we show some highlights from countries that published local corporate responsibility reports for their own stakeholders in 2010. In 2011, we expect the number of local corporate responsibility reports to increase as other operations will produce their first reports including Kazakhstan and Ukraine.

Did you know...

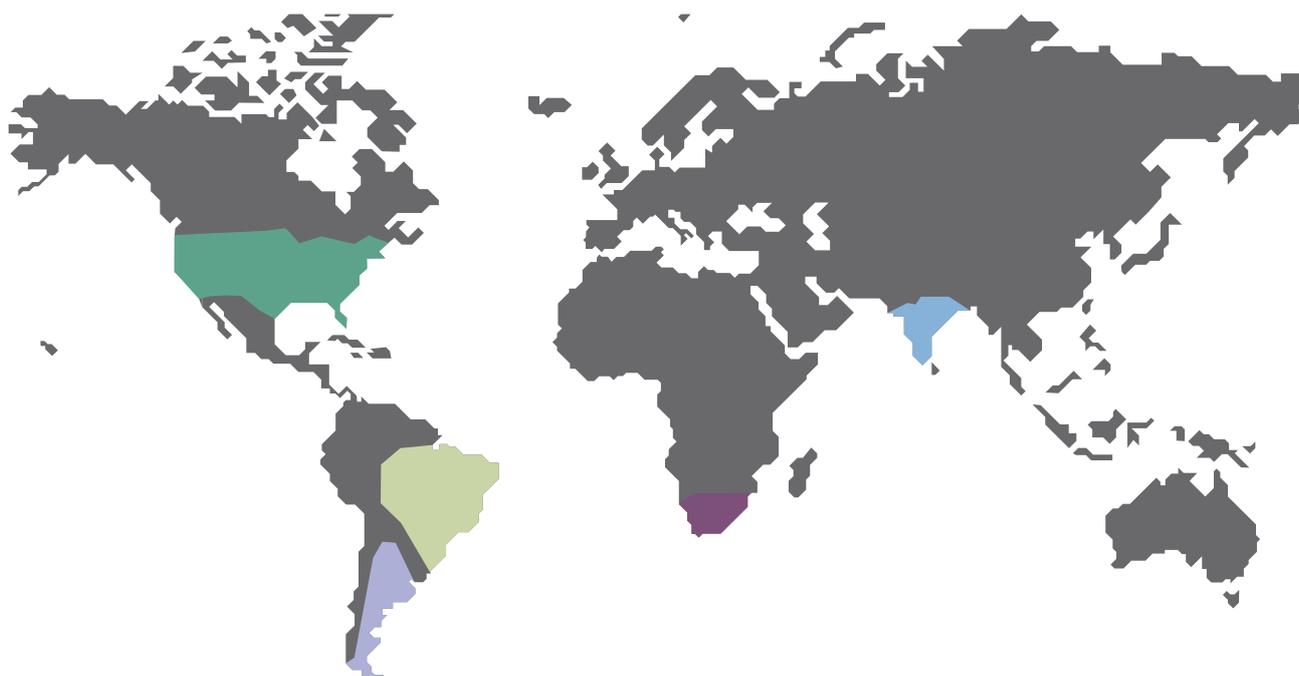


ArcelorMittal is a member of the Dow Jones Sustainability Index and was recognised in 2010 as a 'SAM Sector Mover'.

Assurer's commentary

Through the publication of more local reports with more clarity concerning key performance indicators ArcelorMittal can better monitor performance across the Group. The operations that have produced their own reports state that they have seen benefits from the process as a logical progression from their continuing focus on local community engagement towards comprehensive disclosure to stakeholders. However, ArcelorMittal must continue keeping these reports relevant to local and national stakeholders.

Local corporate responsibility reports



ArcelorMittal USA

ArcelorMittal USA published its first report in June 2010. Highlights included a reduction in Lost Time Injury Frequency Rate of over 10% on the previous year, and 100% of steelmaking facilities receiving ISO 14001 environmental management certification. It also made progress towards achieving increased transparency with stakeholders, holding approximately 300 formal engagements, and implementing a community information phone line at nine of its facilities.

ArcelorMittal Argentina

ArcelorMittal Argentina's performance and management is detailed in their local reports, with their sixth corporate responsibility report published in 2010. The operations were able to demonstrate a reinforced training policy despite the challenging local economic environment. Argentina also continued to strengthen their overall approach to quality, safety and occupational health including the evaluation of 85 critical suppliers, exceeding objectives set in its customer satisfaction monitoring, and the development of an alcoholism prevention programme.

ArcelorMittal South Africa

ArcelorMittal South Africa issued its fourth report in 2010. Despite a 40% drop in steel production on the previous year the operations did not need to downsize or curtail spending on skills development and training. A weaker year in terms of safety performance led to comprehensive investigations into the causes of two major accidents. This was followed up by corrective actions that were communicated across the entire ArcelorMittal Group.

ArcelorMittal Brasil

ArcelorMittal Brasil is one of the Group's most experienced reporters. In its 2009 report, the company detailed its 'World Cup Group', in preparation for the forthcoming sporting event, to demonstrate the advantages of steel in civil construction. Another major highlight was an award-winning Clean Development Mechanism project that has saved over 400,000 tonnes of CO₂ emissions. Furthermore, reducing impacts on biodiversity is one of ArcelorMittal Brasil's environmental objectives, and it has strong investment and environmental monitoring programmes in place.

ArcelorMittal India Ltd

ArcelorMittal India Ltd. published its first local report in May 2010. In this report, ArcelorMittal highlights its commitment to supporting the realisation of the United Nations Millennium Development Goals. This report would go on to achieve the runner-up prize in the Best SME (micro, small and medium-size enterprises) reporting category of the CRRA, global Corporate Responsibility Reporting Awards in 2011. The report also received recognition in the Best First Time Report category.

*All local reports are available on www.arcelormittal.com
Also, look out for the latest publications from more countries to be added continuously.*

Key performance indicators

We have defined key performance indicators to monitor the four areas of our corporate responsibility strategy. We report on our progress against these criteria and have established some quantitative targets.

Key areas	Key Performance Indicator (KPI)	Definition
Investing in our people	Lost Time Injury Frequency Rate (per million hours worked)	Lost Time Injury Frequency Rate (LTIFR) is the number of injuries which has resulted in an employee or contractor being away from work at least one day after the day the accident occurred, per million hours worked.
	Percentage of operations* certified to the Health and Safety Management System standard, OHSAS 18001	OHSAS 18001 is an international standard for Health and Safety management systems.
	Number of hours of full-time employee training at the ArcelorMittal University	Number of hours of full-time employee training at the ArcelorMittal University. This excludes Health and Safety training and local, formal and on-the-job training.
	Number of social dialogue interactions at corporate level	Formal worker representation at European level, this includes core employee relation activities such as Plenary Assemblies, Select Committees, European Works Council Secretariat meetings as well as Health and Safety working groups and Trade Union training.
Making steel more sustainable	Total Group carbon dioxide (CO ₂) emissions per tonne of steel produced (tonnes)	Total Group CO ₂ emissions per tonne of steel produced. This excludes data from mining activities.
	Percentage of industrial operations certified to the Environmental Management System standard, ISO 14001	ISO 14001 is an international standard for environmental management systems.
	Total spend on environmental and energy capital expenditure (\$)	Any investment in environmental improvements, such as water treatment facilities, de-dusting equipment and technology upgrades. This excludes environmental operating expenditures that are incurred as a result of continuous improvement.
Enriching our communities	Estimated economic contribution	ArcelorMittal's estimated economic contribution figure is based on the Company's indirect economic contributions and includes wages and salaries, contractual and supplier payments, capital expenditure, Research and Development spend, corporate income tax, local taxes and shareholder dividends. This does not include electricity and local utility payments and ArcelorMittal Foundation investments.
	Number of community engagement plans	The ArcelorMittal Community Engagement Standard defines minimum community engagement requirements that all significant operating subsidiaries must meet. These requirements include: undertaking a stakeholder mapping exercise, where stakeholders and issues are identified, the establishment of communication channels that stakeholders can use to raise concerns, and the documentation of engagement activities.
	Number of community grievance mechanisms in place	A mechanism to receive and act upon local community grievances.
	Number of direct beneficiaries from ArcelorMittal Foundation projects	Direct beneficiaries include individuals, organisations and neighbourhoods.
Transparent governance	Percentage of employees receiving Code of Business Conduct training	The ArcelorMittal Code of Business Conduct covers all our dealings with companies, suppliers and individuals, and addresses specific compliance issues such as anti-trust, anti-corruption, insider dealing, conflicts of interest, non-discrimination, Health and Safety and environmental performance. The training applies to all employees.
	Number of significant operating subsidiaries with whistleblowing notification systems in place	Significant operating subsidiaries are required to supplement the Group's centralised whistleblowing procedures with additional local level processes that enable employees to report suspected accounting irregularities, auditing and financial issues, as well as any other fraud matters.
	Number of significant operating subsidiaries undertaking Annual Board self-assessments	Significant operating subsidiaries are required to undertake annual Board self-assessments which cover issues such as strategy, values and performance. These assessments help Board members to identify areas for improvement.

* This figure excludes ArcelorMittal's Distribution Solutions, which is primarily an in-house trading and distribution arm of ArcelorMittal.

Progress Key

● Good progress

◐ Progress

○ No significant progress

Progress

2008	2009	2010	Management commentary	Page
2.50 per million hours	1.87 per million hours	1.77 per million hours	◐ Improvement was seen in Health and Safety performance in 2010, based on employee and contractor injury frequency rate, but the Group target was missed. A revised Group target has been set to reduce LTIFR to 1.0 per million hours worked by 2013.	19
37%	45%	63%	◐ Ongoing investment in Health and Safety management systems in 2010. All industrial sites are certified or in the process of certification. The target is to achieve 100% certification of industrial sites by mid-2011.	20
317,616 hours	314,520 hours	403,280 hours	● In 2010, ArcelorMittal was able to increase many of its classroom training programmes.	22-23
28 formal consultations	29 formal consultations	34 formal consultations	◐ We are committed to maintaining ongoing open and regular dialogue, with employee representatives and Trade Unions.	23
2.184 tonnes of CO ₂ per tonne of steel produced	2.245 tonnes of CO ₂ per tonne of steel produced	2.150 tonnes of CO ₂ per tonne of steel produced	◐ Total CO ₂ emissions increased in 2010, compared to 2009, but emissions per tonne of steel decreased by over 4% on the previous year. Our target is to reduce emissions by 170kg per tonne of steel by 2020 – equivalent to an 8% reduction in emissions per tonne of steel, compared to the 2007 baseline.	25
91%	93%	95%	◐ In 2010, 95% of steel production plants were certified to the ISO 14001 standard. This fell short of our target of achieving 100% certification in 2010. The certification process is underway at our mining operations.	26
\$235 million	\$224 million	\$347 million	● As ArcelorMittal recovered from the financial crisis we were able to announce planned and new investments in environmental and energy saving projects amounting to \$347 million.	26
\$30.8 billion	\$48.5 billion	\$73.6 billion	● In 2010, this figure included \$9.7 billion in employee wages and salaries, \$53.2 billion in supplier payments, \$5 billion in contractual payments, \$192 million in corporate income tax, \$611 million in local taxes, \$3.3 billion in capital expenditure, \$1.3 billion in dividends and \$322 million in Research and Development.	33
Not applicable	2	10	● All industrial operations continue to improve compliance with the Community Engagement Standard through the identification of local stakeholders and issues, and developing an engagement action plan. In 2010, ten locations produced formal community engagement plans, exceeding our target of eight for the year.	33
Not applicable	Not available	Not available	○ A number of local grievance mechanisms already exist within the Group. We are currently collecting best practice examples in order to develop group guidance on local grievance mechanisms that will be finalised in 2011.	33
Not applicable	8.8 million	9.1 million	◐ In 2010, the ArcelorMittal Foundation supported more than 585 projects across the world, which resulted in more than 9.1 million direct beneficiaries.	34-35
90%	92%	90%	○ Approximately 90% of employees had some form of training on the Code of Business Conduct in 2010 compared to 92% the previous year. Good progress was made in the supplementary training in anti-corruption, antitrust, and Insider Dealing Regulations.	38
12	21	21	○ At year-end 2010, 21 localised whistleblowing systems were in place. The target to have 23 systems in place by the end of the year was hindered by legal restrictions in certain countries of operation.	38
Not applicable	1	1	○ The second Board of Directors self-assessment was completed in 2010 and the results presented to the Appointment, Remuneration and Corporate Governance Committee. We are meeting our aim to complete self-assessments year-on-year but have yet to implement similar self-assessments in the boards of significant operating subsidiaries.	37

Assurance statement

Bureau Veritas' Independent Assurance Statement

To: The Stakeholders of ArcelorMittal

Bureau Veritas UK has been engaged to provide external assurance to the stakeholders of ArcelorMittal over its Corporate Responsibility Report 2010 'Safe Sustainable Steel' (the report).

The preparation of the report is the sole responsibility of ArcelorMittal. The objectives, scope, methodology and limitations of our work are detailed below.

Scope of Assurance

The assurance process was conducted to meet the requirements of a Type 2 assurance engagement as defined by AA1000 2008 Assurance Standard (AA1000 AS). The assurance process was designed to provide a high level of assurance concerning the nature and extent of ArcelorMittal's adherence to the AA1000 AS accountability principles and a moderate level of assurance of the reliability of specified performance information within the report.

The report was also subject to an evaluation against the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines.

Methodology

To conduct the assurance we undertook the following activities:

- Interviews with a number of senior managers and other key individuals at ArcelorMittal's Luxembourg and London offices to review the ongoing development and implementation of the overall Corporate Responsibility Strategy;
- A review of ArcelorMittal's process for identification and management of key issues and risks to the Company and its stakeholders, and justification for subsequent inclusion within the report;
- Verification of performance data and factual information (for the period 1 January 2010 to 31st December 2010) contained within the report through a process of document review, data sampling and interrogation of supporting databases and associated reporting systems; and
- Visits by Bureau Veritas to two operational facilities (Dunkerque, France and Galati, Romania) to evaluate integration and implementation of corporate responsibility at site level as well as assessing the reliability of data collection systems and reporting at a site level.

Adherence to the AA1000 AS principles

Inclusivity – ArcelorMittal continues to deploy robust processes for engaging with key stakeholders including undertaking centralised stakeholder engagement with key audiences such as Socially Responsible Investors and non-governmental organisations. The site visits also indicate that operations regularly engage with local stakeholders. The willingness of ArcelorMittal to engage with stakeholders in order to develop its approach to relevant issues has been particularly evident during this reporting period through activities undertaken in the drafting of the Human Rights Policy.

Materiality – The internal materiality determination process results has been strengthened by input from the Group risk management framework and continues to provide a comprehensive and balanced understanding and prioritisation of ArcelorMittal's key material corporate responsibility issues. However, the continued investment and expansion of its mining activities means that there remains scope for the company to more fully incorporate consideration of the impact of its mining activities on its overall materiality matrix.

Responsiveness – The report provides a comprehensive response to the many issues and stakeholder concerns relating to its activities.

Through the assurance process it is evident that ArcelorMittal is responding to concerns raised by specific stakeholder groups and seeking proactive discussions to ascertain their views and progress towards addressing any grievances. At the sites visited it was apparent that stakeholder views were being listened to and that site level management are willing to work with local communities to achieve suitable solutions.

Specified Performance Data – Performance data within the report continues to be gathered through a variety of data systems and processes. We consider the data as presented in the report to be reliable but also highlight our previous recommendation that ArcelorMittal reviews the data, gathering inputs against the key performance indicators (KPIs) stated in the report to ensure that performance against these metrics can be consistently and regularly reviewed and continue to provide accurate and reliable information.

Evaluation against Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines

Bureau Veritas undertook an evaluation of the report against the G3 Sustainability Reporting Guidelines. This included cross checking the online GRI index table against all listed documents to provide an opinion on the self declared GRI application level.

Based on our work, it is our opinion that the report has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of GRI Application Level C+.

Recommendations

Bureau Veritas also presents these additional priority recommendations for consideration by ArcelorMittal below. These and further detailed recommendations have been provided to the management of ArcelorMittal in a separate internal Management Report:

- Ensure increased integration of the mining business within the overall corporate responsibility strategy, implementation and reporting to reflect the growing importance of mining activities to the overall ArcelorMittal business strategy.
- Undertake a review of the availability of performance data at a site level (e.g. environment) and the mechanism by which it is collated and reported at a Group level to increase transparency of performance reporting.

- The analysis of any future breaches of the Human Rights policy is important for the effective management of potential risks and opportunities for the Group. ArcelorMittal should ensure this is managed accordingly through the provision of appropriate training and resources to the internal compliance function.

Limitations and Exclusions

The opinion above has been formed on the basis of, and is subject to, the inherent limitations outlined below in this independent assurance statement.

Excluded from the scope of our work is information relating to:

- Activities outside the defined reporting period;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intention provided by ArcelorMittal); and
- Financial data which is taken from ArcelorMittal's Annual Report and Accounts, audited by an external financial auditor.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement by Bureau Veritas of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 180 years history in providing independent assurance services, and an annual turnover in 2009 of €2.7 billion.

Our assurance team has extensive experience in conducting assurance over environmental, social, ethical and Health and Safety information, systems and processes in accordance with best practice. The assurance team does not have any involvement in any other Bureau Veritas projects with ArcelorMittal and there is no conflict between the other services provided by Bureau Veritas and that of our assurance team.

Bureau Veritas has implemented a Code of Ethics across its business which ensures that all our staff maintains high ethical standards in their day to day business activities.

Bureau Veritas UK Ltd
London, May 2011



**BUREAU
VERITAS**

Find out more

Memberships and guidelines

To develop and inform our internal reporting systems and disclosure we use the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines as a reference, www.globalreporting.org

To assist readers in the navigation of this report and other ArcelorMittal publications we have included a full table of the GRI G3 indicators which we currently report on. This can be found at www.arcelormittal.com/corporateresponsibility



As a participant of the United Nations (UN) Global Compact we support the initiative committing businesses to align operations and strategies with ten universally accepted principles. How we report against these principles can be found online and in this report. More details of the initiative can be found at www.unglobalcompact.org



We have been a member of the Extractive Industries Transparency Initiative (EITI) since January 2009. This sets out voluntary standards for companies in the extractives sector, governing how they communicate their payments to governments and governmental entities. For more information see www.eiti.org



We are an active member of CSR Europe – a business network for corporate social responsibility with a mission to act as the European platform for companies and their stakeholders to exchange and cooperate to make themselves and Europe global leaders in sustainable competitiveness and societal wellbeing. For more information see www.csreurope.org



The World Business Council for Sustainable Development (WBCSD) provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions in these areas. There is more information on this and ArcelorMittal's involvement at www.wbcasd.org



We are leading members of the World Steel Association where the industry is committed to a vision where steel is valued as a major foundation of a sustainable world. We contribute to the industry-level sustainability report, which can be found at www.worldsteel.org

This Corporate Responsibility Report contains forward-looking statements that represent the expectations, beliefs, plans and objectives of ArcelorMittal's management regarding ArcelorMittal's financial and operational performance in 2010 and beyond, and assumptions or judgements based on such performance. Future performance expectations are forward-looking and accordingly involve estimates, assumptions, judgements and uncertainties. A number of factors may cause actual results or outcomes to differ materially from the expectations of our management. These risk factors are outlined in ArcelorMittal's Annual Report on Form 20-F filed each fiscal year with the US Securities and Exchange Commission and available at www.arcelormittal.com in 'Investors and Shareholders – Activity Reports and Documents – SEC Filings'.

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Fulmar Colour are ISO14001 certified, CarbonNeutral®, Alcohol Free and FSC and PEFC chain of Custody certified.
The inks used are vegetable oil based.

Cover printed on Hello Matt – an FSC Certified grade manufactured at a mill which is accredited with the ISO 14001 and EMAS environmental management standards. Text printed on Revive 100 White Premium Uncoated – a 100% Recycled FSC Certified grade manufactured at a mill which is accredited with the ISO 14001 environmental management standard.



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