



ArcelorMittal

Responsible business,
sustainable growth

Corporate Responsibility
Report 2011



Building a steel structure to celebrate the London 2012 Olympic and Paralympic Games is a great opportunity for ArcelorMittal to showcase the unique qualities of steel and its critical role in the world's infrastructure.

We are building an Olympic legacy

The ArcelorMittal Orbit story

The ArcelorMittal Orbit is a landmark sculpture on the site of the London 2012 Olympic and Paralympic Games. Built from over 55 per cent recycled steel, the ArcelorMittal Orbit will be the tallest sculpture in the UK, using 2,000 tonnes of steel, 35,000 bolts and 19,000 litres of paint. It is expected to receive up to 770 visitors every hour of the Olympic and Paralympic Games, and will remain as a permanent and striking legacy for East London. This will help to turn the Queen Elizabeth Olympic Park into a place of destination, a must-see item on the tourist itinerary, further supporting local economic regeneration.

Sourced from ArcelorMittal plants around the world, the ArcelorMittal Orbit is a wonderful showcase for the strength and versatility of steel, as well as the contribution it can make to a more sustainable world. It is designed to be both practical and beautiful – a light, airy and spectacular structure that offers wonderful views from its stairways and observation decks.

The design is the result of a competition launched by the Mayor of London, Boris Johnson, and sponsored by ArcelorMittal. The winning design was submitted by the internationally-renowned artists Anish Kapoor and Cecil Balmond. As they say, it is an iconic structure "for the Olympics, London, and the world".



Anish Kapoor
Designer

Anish Kapoor is one of the most influential sculptors of his generation.



Cecil Balmond
Designer

Cecil Balmond is one of the world's most daring designers and structural engineers.



For further information, visit www.arcelormittalorbit.com

ng gacy

Recycled
steel

57%

ArcelorMittal is at the forefront of developing lighter-weight and more sustainable steels. It is also one of the largest steel recyclers in the world. That is why it has been able to meet and exceed the Olympic Delivery Authority's rules on sustainability, which require at least a quarter of the materials used for all buildings in the Olympic Park to be recycled.

Height

114.5m

At 114.5 metres, the ArcelorMittal Orbit is the tallest sculpture in the UK – almost six times taller than the Angel of the North, in Gateshead, UK, and 22 metres taller than the Statue of Liberty in New York.

Length

560m

If stretched as one long rope, the ArcelorMittal Orbit extends to about 560 metres – the length of five football pitches.

"This project is an incredible opportunity to build something really spectacular for London, for the Olympic Games and something that will play a lasting role in the legacy of the Games."

Lakshmi N Mittal
Chairman and CEO,
ArcelorMittal

Games
Makers

47

ArcelorMittal employees chosen from hundreds of applications from across the world, and representing 17 countries, will volunteer as Games Makers at the London 2012 Olympic and Paralympic Games. Our Games Makers have been assigned to a variety of different volunteer roles from checking tickets, to assisting with technology, through to working in the Athletes' village.

Here are some of the ArcelorMittal Games Makers:



Petra,
Ostrava,
Czech Republic



Nathalie,
Maizières
Lès Metz,
France



Wolfram,
Luxembourg



Gavin,
West Midlands,
UK

Paint

19,000

Some 19,000 litres of paint have been used to paint the ArcelorMittal Orbit its distinctive red.

Stairs

455

The ArcelorMittal Orbit's staircase is 350 metres in length with 455 steps. Walking up and down it once burns the same number of calories as running a mile.



2011 in figures

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

Business overview

Market presence

174

ArcelorMittal shipped its products to customers in 174 countries

Crude steel production (tonnes)

91,891k

2011	91,891
2010	90,582
2009	71,620

Coal production (tonnes)

8.3m

2011	8.3
2010	7.0
2009	7.1

Number of employees

260,523

2011	260,523
2010	262,832
2009	270,568

Steel shipped (tonnes)

85.8m

2011	85.8
2010	85.0
2009	69.6

Iron ore production (tonnes)

54.1m

2011	54.1
2010	48.9
2009	37.7

Financial and corporate responsibility highlights

Sales

\$93,973m

2011	93,973
2010	78,025
2009	61,021

Net income

\$2,263m

2011	2,263
2010	2,916
2009	157

Investment in R&D

\$306m

2011	306
2010	322
2009	253

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 the injury occurred, per million hours worked.

2011	1.42
2010	1.77
2009	1.87

Environmental management system certification

Percentage of steel operations certified to the international standard for environmental management systems, ISO 14001.

2011	98%
2010	95%
2009	93%

Health and safety management system certification

Percentage of steel and mining operations certified to the international standard for occupational health and safety, OHSAS 18001.

2011	89%
2010	63%
2009	45%

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Introduction

ArcelorMittal is the world's leading steel and mining company. Our ambition is also to be the safest, as well as one of the most responsible and sustainable. In this report we share our progress against this goal.

About this report

Our approach to corporate responsibility reporting

Report content

Our approach to corporate responsibility is to drive sustainable change that supports strong financial performance, economic and social development, while managing our environmental impact. This approach is informed through regular engagement with our stakeholders. This report provides a review of our activities in 2011 and details our future commitments, goals and priorities.

Reporting principles

We adhere to the AA1000 AccountAbility Principles Standard (AA1000 APS 2008) which is a principles-based framework for managing and reporting sustainability performance. This standard defines three principles that an organisation should adopt as a framework for sustainability management and reporting. These three principles are inclusivity,

materiality and responsiveness. We outline further our application of each of these principles below.

Inclusivity – identifying and engaging with stakeholders to gain a full understanding of issues.

We consider our stakeholders to be those who have a direct interest in our business and those who have an interest in how we manage our business because of the wider impact of our actions. For more information on our stakeholder engagement see pages 14–17.

Materiality – determining what issues are important to ArcelorMittal and our stakeholders.

Our process allows us to track and manage current and emerging issues. We determine the relevance and significance of each issue to ArcelorMittal and our stakeholders, prioritise them and report on the most significant ones. We continually monitor the changing environment in which

we operate to ensure stakeholder concerns are captured and managed on an on-going basis.

Responsiveness – responding to material issues and being transparent about our performance.

We aim to respond to important issues in a considered way. Our response to matters such as the safety of our employees is well established and embedded into our business practices. How we deal with some new and emerging issues evolves over time.

GRI and UNGC

This report meets application level B+ of the Global Reporting Initiative (GRI) G3.1 guidelines, including the Mining and Metals sector supplement. An index containing the GRI indicators we report on can be found at www.arcelormittal.com

This report also provides our communication on progress of ArcelorMittal's implementation of the United Nations Global Compact (UNGC) principles in 2011. Our 2010 corporate responsibility report achieved 'advanced level' reporting status by the UNGC.

Independent assurance

Deloitte LLP has independently assured ArcelorMittal's reported application of GRI G3.1 guidelines, AA1000 APS principles and the indicator CO₂ emissions per tonne of steel in 2011. See the independent assurance statement on page 40.

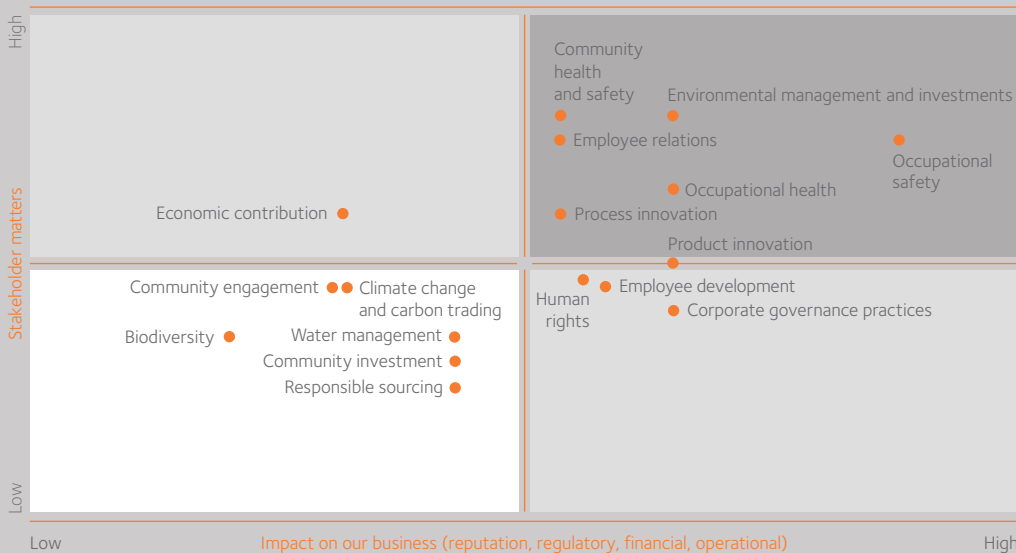
Scope of the 2011 report

This report covers ArcelorMittal and its significant operating subsidiaries, excluding joint ventures where we have a minority shareholding. Profiles of the subsidiaries can be found in the ArcelorMittal 2011 annual report on Form 20-F filing. All financial figures refer to United States Dollars. The information refers to calendar year 2011. ArcelorMittal's reporting cycle is annual and the last Corporate Responsibility Report was published in May 2011.

In early 2011, the stainless steel operations of ArcelorMittal were spun off into a separate company with the name Aperam. Data for Aperam is not included in the 2011 figures. Environmental data omits information for our mining operations, unless otherwise stated. For more information on the scope of the data, please see page 39.

For further country level corporate responsibility reporting and other information, see www.arcelormittal.com

Materiality matrix



As part of our commitment to transparent governance, we undertake an annual materiality assessment that systematically analyses those issues that are important to our stakeholders. This gives us points of reference for our corporate responsibility programme and reporting. Starting in our corporate responsibility report 2009, we have published the results annually in a 'materiality matrix'.

Evaluating internal and external stakeholder matters

As a first step we collect information through employee surveys, community engagement, investor dialogue, as well as press and social media analysis.

We assess the topics that have emerged according to their importance for specific stakeholder groups, and enter each topic into the materiality matrix based on our assessment of its relevance; the matrix shows the relationship between a topic's importance to our stakeholders and to ArcelorMittal.

Changes in materiality since 2010

Compared to 2010 there are some changes in the materiality matrix which are due to changing stakeholder priorities and refining our analysis methodology. In 2011, the restructuring that had to be carried out within the business forced a change in our priorities, both commercially and in terms of our corporate responsibility agenda. Top of the agenda continue to be issues of safety, environmental management and employee relations. These are the topics which are given priority focus in this report.

Message from the Chairman and CEO

Leadership to me means firm attention to health and safety, and strong corporate responsibility principles supporting operational and financial excellence.

Today, we are already recognised as the leading steel and mining company in the world. But we are still on the journey to make our company a global leader in health and safety and become the most sustainable steel and mining company in its widest definition.

Health and safety is of the utmost importance in steelmaking and mining. Our continued investment and relentless commitment to health and safety have resulted in progressive improvement. In 2011, our safety performance strengthened for the fourth consecutive year and we held a global health week at all of our sites. Based on figures both for our own personnel and our contractors, our lost time injury frequency rate fell by 20 per cent from 2010. However, it is with great regret that I report the loss of 27 colleagues (20 in steel and seven in mining) in work-related incidents in 2011. Every fatality is one too many and therefore improvement is essential. Safety is and will always be our number one priority, and our long-term goal is a workplace entirely free of accidents. We firmly believe this is achievable.

In the last few years, our sector has faced tough economic times. ArcelorMittal came through the early stages of the downturn well, considering the dramatic drop in demand in 2008. We received extraordinary support from our workforce throughout that difficult period, but last year it became clear that we had reached the point where it was necessary to implement some further measures to ensure the long-term sustainability of the company. Regrettably, we had to announce temporary idling of some of our European steel plants. Our commitment has always been to maintain an open dialogue with our trade unions and employees throughout this process, and we remain dedicated to this aim.

Looking ahead, the steel market remains volatile and recovery is slow, especially in Europe. Rising steel demand in emerging markets is compensating for this to some degree. We continue to diversify

our business to meet and create new demand, both geographically and through our product ranges.

Our people are the foundation from which we build our strengths. I know that ArcelorMittal has a world-class team and this was confirmed in 2011, when for the first time we were featured in the Aon Hewitt ranking of 'Top Companies for Leaders'. This accolade is a testament to the quality of our leaders – and indeed all of our employees.

We were also recognised as one of the most admired metals companies in Fortune magazine's 2012 corporate reputation survey, published in March 2012.

In 2011 alone, we received 272 different awards, covering the environment, leadership, health and safety, communication, innovation and corporate responsibility. In addition, we maintained our membership of the Dow Jones Sustainability Index and FTSE4Good index.

We support the training and development of our employees through the award-winning ArcelorMittal University, and in 2011 we trained 147,000 employees on our new human rights policy.

We continue to invest both money and expertise to improve our own environmental performance, and develop steel products that are lighter and stronger that in turn will help make the world's buildings, transport systems, and domestic appliances more sustainable.

We made the first shipment of iron ore from our mine in Liberia in 2011, and began preparations for iron ore mining at the Mary River project on North Baffin Island, the largest mining development ever planned north of the Arctic Circle in Canada.

I mention these two mining projects in part because they are, in different ways, good examples of our commitment to a responsible and sustainable approach to business. Liberia is a country still recovering from civil war, where our investment is supporting much needed economic development. Baffin Island, by contrast, is in a unique location, where the issues are very different, but equally sensitive. In developing

our new mining projects we are paying close attention to the biodiversity of the surrounding area and the human rights of local people. I am proud of what we are doing in both Liberia and Canada, and genuinely believe we are leading with integrity and setting new standards in corporate responsibility for others in our industry to follow.

Steel plays an important role in helping to achieve a more sustainable world, and ArcelorMittal is spearheading many of the initiatives that will help to achieve this goal. This is why you hear us talk often about 'safe, sustainable steel and mining'. Safety and sustainability are at the heart of what we mean by leadership, and define our own values and ambitions as a business, both now and in the future.

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Lakshmi N Mittal
Chairman and CEO of ArcelorMittal
May, 2012



"Safety and sustainability are at the heart of what we mean by leadership, and define our own values and ambitions as a business, both now and in the future."



Responding to change in the steel market

The world steel market is a challenging operating environment, and never more so than now. Since the financial crisis, the geographical profile of the customer base has changed and demand in developed markets is still below pre-crisis levels. At ArcelorMittal, we have been working to adapt to this rapid change and are transforming our own business to meet it.

“ArcelorMittal has been dynamic in adapting its business model to the challenges of a rapidly changing steel market and an increasingly volatile macroeconomic backdrop.”

Anindya Mohinta
Citi Investment Research & Analysis

1 billion people each consume

400kg

of steel each year on average, according to data from the World Steel Association.

Developing countries will account for

73%

of global steel demand in 2012 according to the World Steel Association.

The steel industry has proved to be remarkably resilient through the current downturn; few sectors could have survived the 10-20 per cent fall in demand we saw in 2008, or the further 50 per cent collapse in apparent demand in the first half of 2009 as manufacturers reduced their stocks. The recovery tentatively began in 2009 and has continued, albeit slowly, in 2011, with crude steel production up by 7 per cent. But this headline figure disguises radical differences between the developed and developing worlds, which are a reflection of how diverse the steel market has now become.

In 2000, developed markets made up 70 per cent of the world's demand for steel; in 2011 these markets bought less than 30 per cent of the industry's output, with the rest sold to emerging markets. In 2011, China alone accounted for as much as 45 per cent of the demand. As this suggests, there has been an unprecedented shift in demand from developed to developing markets, resulting in an equally dramatic change in the nature of that demand.

In developing markets there is strong demand for steel for transport, construction and power generation. This level of investment has remained

remarkably consistent throughout the downturn. Governments in developed markets, by contrast, are cutting back drastically on infrastructure spending, the construction of new homes has slowed, and consumers are no longer buying as many of the cars, appliances and consumer goods that create demand for steel components. So while sales of steel to developing markets are already back to pre-crisis levels, volumes in Europe are at least 20 per cent below where they were in 2007.

This has an obvious impact on our own business. ArcelorMittal sells up to 40 per cent of its steel in Europe. We export from Europe to China and other Asian emerging markets. China is now a net exporter of steel and many of its facilities have significant spare capacity. Our own European plants have been particularly successful in developing and selling high-end added-value products, but these sites also have a higher cost base than those in other regions, partly due to higher wage levels and partly because of the higher cost of transporting raw materials long distance.

We have worked in active collaboration with our trade unions to safeguard jobs in the long term.

We have received outstanding support from our workforce and have implemented a number of major projects to make our business more efficient.

However, by the beginning of 2011 it was obvious that we were not going to see a significant recovery in demand for some years and had to become more competitive as a company to be sustainable and profitable in the long term. In this context, and with real regret, we were forced to announce plans for the temporary idling of some installations in Europe, including Spain, Luxembourg, France and Belgium.

It is essential that we continue the ongoing transformation of our business, but for us, this can only be done through a responsible approach that will lead to long term financial as well as social and environmental goals.

Responding to change in the steel market

continued

Our business strategy

We understand the new dynamics of the world steel market and the challenges we have to address. We have to adapt to ongoing pressure on commodity supplies which results in short-term price volatility as well as long-term structural and economic change. Our business strategy is designed to make ArcelorMittal a sustainable business financially, just as our corporate responsibility strategy aims to make it a sustainable one in social, environmental and ethical terms.

Our business strategy is focused on five key priorities, outlined below. We are strengthening our balance sheet and ensuring that we have access to the financing we need to grow ArcelorMittal for the future, both through investment in research and development and selective strategic acquisitions.

We focus on cost reduction, and have made over \$4 billion in savings since the end of 2008. We continue to expand in key developing markets such as South America, the Middle East and Asia. We also concentrate our efforts on growing our mining business, which has significant potential and accounted for about 30 per cent of our profits in 2011.

In the last four years we have increased control of our raw material supply chain by developing our own sources of essential commodities like iron ore. Having our own mining operations ensures security of raw materials supply to our steel business; it enables us to sell to a growing list of third party customers; it allows optimisation of supply and logistics savings and it provides the group with diversification and an effective hedge against raw material price changes.



Our five strategic priorities

ArcelorMittal has identified five strategic priorities.

1. Health and safety

Health and safety is our first priority across all industrial operations, activities and levels of the company. We are driven to create a safe and healthy workplace with no accidents.

Journey to Zero, our company-wide health and safety programme to reduce workplace accidents and occupational diseases, embodies our goal to become the safest steel and mining company in the world.

2. Maintain and improve cost-competitiveness

With almost \$4.0 billion of management savings since 2008, ArcelorMittal is targeting a further \$0.8 billion of cost reduction by the end of 2012. These will come from operational improvements, sales, general and administrative expenses (SG&A) and fixed cost savings.

In addition, progress has been made on the asset optimisation plan launched in September 2011. This activity prioritises production at our lowest-cost facilities and better aligning our production to market demand.

3. Grow our mining resource base

Our mining operations currently account for around 30 per cent of group profitability. We have ambitious growth plans to increase our supply of iron ore to 100 million tonnes by 2015, including doubling of our market-priced sales of ore over five years.

4. Preserve balance sheet strength

Since the 2008 crisis, we have materially strengthened our balance sheet, reducing debt and extending the average maturity of our borrowings.

While we will continue to invest in order to maintain our production facilities and sustain research and development and product quality, acquisitions will be made only selectively and where they are strategically important. We are committed to maintaining our investment grade rating. We are also implementing certain non-core asset divestments.

5. Execute organic growth opportunities in emerging markets

Although we have temporarily suspended steel growth expenditure due to current market uncertainties, depending on local market conditions and projected global and regional steel demand trends, we will continue to target growth in key developing markets.

“Knowing your core strengths is important when faced with economic volatility and rapid change. At ArcelorMittal, having five core strengths at the heart of our business has helped us to effectively respond to evolving market conditions while maintaining a consistent strategy.”

Aditya Mittal
Chief financial officer, member of the Group Management Board

Our approach to corporate responsibility

We believe that our focus on proactively managing social, environmental and ethical matters supports our sustainable growth strategy as outlined on the previous page. It makes us more resilient, more competitive, and more efficient in our use of increasingly scarce resources. It also makes us more 'mindful' as a business – quicker to anticipate and adapt to emerging global issues like climate change, as well as more sensitive to specific local issues in neighbouring communities, such as human rights or emissions control.

Corporate responsibility has been an integral part of the way we do business since the formation of ArcelorMittal. Our position in the steel and mining industry brings responsibilities and opportunities.

Through our corporate responsibility strategy, we recognise that our commitment to the world around us extends beyond the bottom line, to include the people in whom we invest, the communities we support and who surround us and the world in which we operate.

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

Corporate responsibility is at the heart of both our culture and our operations, supporting us in the achievement of our commercial goals, and ensuring that we are a company that business partners want to work with, talented people want to work for, local communities trust, and governments and civil society organisations believe to be transparent, accessible and accountable.

"We have made great progress in our corporate responsibility strategy since it was launched in 2008. Our safety performance has improved, we are working towards firm targets for CO₂ reductions and we have strengthened our community engagement. But there is more to be done, and each one of us must play a part to produce safe, sustainable steel."

Gonzalo Urquijo

Member of the Group Management Board, responsible for corporate responsibility

Our corporate responsibility strategy

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

Transparent governance

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



Investing in our people

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

P22

Making steel more sustainable

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



Enriching our communities

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

P34

"Since ArcelorMittal joined the WBCSD in 2008, its upcoming managers have participated in the WBCSD's annual Future Leaders program. Today, these managers are applying the knowledge and skills they gained to making everyday business decisions. ArcelorMittal has also been involved with several WBCSD working groups, including development of the Global Water Tools. We look forward to continuing to work with ArcelorMittal, and to sharing knowledge and experiences."

Peter Bakker

President, World Business Council for Sustainable Development

Market presence

60

We operate in 60 countries

174

Customers in 174 countries

2011 steel shipments
by location

(thousand tonnes)¹

Segment	Total
Flat Carbon Americas:	22,249
North America	17,084
South America	5,165
Flat Carbon Europe:	27,123
Europe	27,123
Long Carbon Americas and Europe:	23,869
North America	4,584
South America	5,660
Europe	12,547
Other ²	1,078
AACIS (Asia, Africa and CIS³)	12,516
Africa	4,624
Asia, CIS and other	7,892

Where and how we operate and innovate

We are the leading steel producer in the world and the market leader in sectors such as construction, domestic appliances, packaging and automotive. We have industrial sites in over 20 countries and a presence in more than 60 across both the developed and developing world. Our headquarters are in Luxembourg, and we employ more than 260,000 people across the whole business. We are also the world's fourth largest producer of iron ore, with more than 20 mines in operation or development.

We manage our business through six segments: Flat Carbon Americas; Flat Carbon Europe; Long Carbon Americas and Europe; Asia, Africa and the Commonwealth of Independent States; Distribution Solutions; and Mining. In January 2011, ArcelorMittal completed the de-merger of its stainless steel division, Aperam.

We are one of the most diverse producers of steel in the world, making 'flat' products such as components for heavy machinery, cars, packaging and appliances,

and 'long' products like train rails, beams and columns for the construction industry, and 'tubular' products for the oil and gas sector and infrastructure development.

We have international research and development networks, comprising over 1,300 scientists and several long-term strategic partnerships with many of our major customers, as well as leading universities.

We now manage and report our mining operations as a separate business division, which gives it

greater commercial focus, and enables us to sell our surplus supplies to third parties – approximately 17 per cent of our production was sold in this way in 2011. Our main iron ore mining operations are in Mexico, Canada, USA, Brazil, Algeria, Bosnia and Herzegovina, Ukraine, Kazakhstan and Liberia. Our iron ore reserves are estimated to be around 3.8 billion tonnes. We aim to be producing 100 million tonnes of iron ore a year by 2015. We also operate coal mines in Kazakhstan, Russia, and the USA with reserves of 323 million tonnes.

Our operations

Steel Mining

Americas



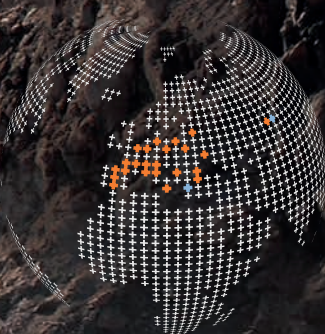
Steel

Argentina
Brazil
Canada
Costa Rica
Mexico
USA
Trinidad and Tobago
Venezuela¹

Mining

Brazil
Canada
Mexico
USA

Europe



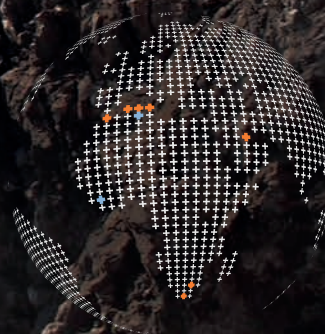
Steel

Belgium
Bosnia and Herzegovina
Czech Republic
France
Germany
Italy
Luxembourg
Macedonia
Poland
Romania
Spain
Ukraine

Mining

Bosnia and Herzegovina
Ukraine
Russia

Middle East and Africa



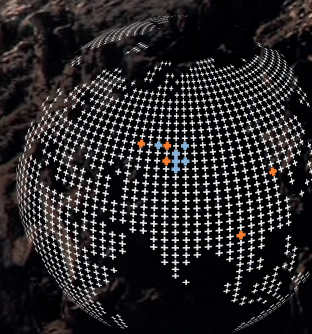
Steel

South Africa
Algeria
Morocco
Saudi Arabia²

Mining

Algeria
Liberia

Asia



Steel

China³
Kazakhstan

Mining

Kazakhstan

1 Shipments originating from a geographical location.
2 Includes tubular products business.
3 Commonwealth of Independent States.
4 Joint venture – minority shareholding without management control.

Where and how we operate and innovate

continued

We are helping to build a lower-carbon world

The 21st century relies on steel for its road, rail and energy infrastructure, its buildings, its household products, its packaging and its vehicles. Steel is a vital part of the modern world, but it also has an important role to play in making our world more sustainable for the future. Steel is not only almost infinitely recyclable, but can also help make construction and transportation more energy-efficient, and build the wind turbines and other installations that will give us access to sources of renewable energy. It is true that the process for making steel is energy-intensive, but much progress has been made to reduce its carbon emissions. The industry continues to improve its environmental impacts whilst using its capabilities in supporting the innovation of its customers.

Construction

Our work with the construction industry is helping to make homes, offices and industrial buildings more energy-efficient. We have a new range of organic coated steels called Nature, as well as innovative roofing and cladding products, some of which enable the generation of solar power through roof tiles. Steel's high strength-to-weight ratio means that a steel-framed building needs fewer materials than one erected using other resources, which can cut the emissions generated during the construction phase by up to 30 per cent.

Our Spanish research and development centre has worked with Tecnalia Corporación Tecnológica to develop the pioneering KUBIK building system, which uses intelligent lighting and heating, and can incorporate both conventional and renewable energy sources, such as geothermal, solar and wind. We have applied our steel expertise to protect the island of Mont St

Michel, in France, and developed special gating systems for the Venice lagoon, which will help preserve Venice's spectacular buildings and vulnerable natural environment.

Looking ahead, we see even more opportunities for steel to make a positive contribution to a more sustainable future. We are founding members of the SOVAMAT initiative, which aims to bring together experts from across the academic, business and scientific communities to find new ways to make industrial materials like steel more socially beneficial, and help drive progress towards a lower-carbon economy. The latest developments of this initiative are in sustainable design, the integration of biodiversity into the analysis of products' environmental footprint, as well as life cycle analysis. Such an analysis means looking at the entire 'life' of a product, to understand where environmental impacts are most significant, and where there are the greatest opportunities.



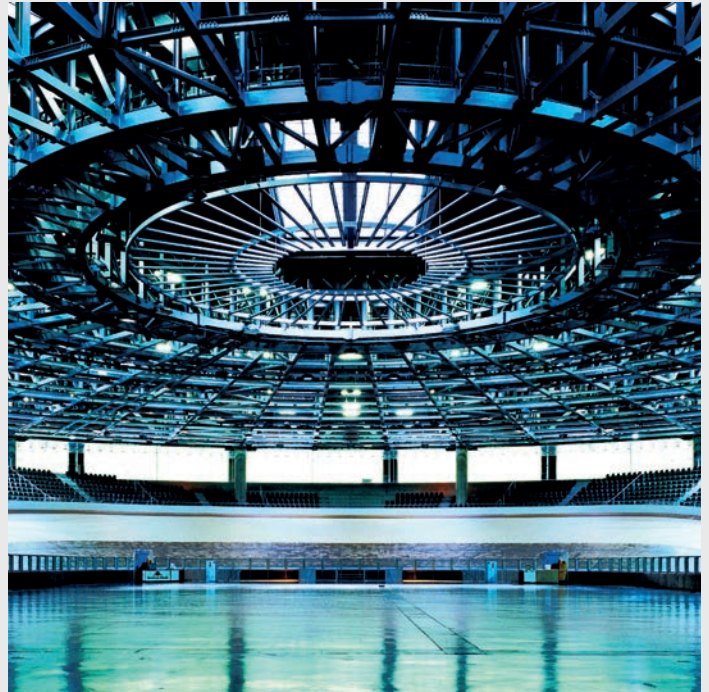
ArcelorMittal's steel sheet pile technology was chosen as the most efficient solution for the lock structures and for the foundations of the steel barriers to help preserve Venice from future floods.



ArcelorMittal's sheet pile solutions are helping to save Mont St Michel in France which is gradually becoming attached to the coast by the accumulation of sand. The project aims to retain water from the river Cuesnon, and to release it like a flush to carry away the sand surrounding the island.



The experimental building KUBIK uses pioneering research and development focusing on sustainable construction and energy efficiency.



By substituting standard structural steels with high strength HISTAR®, as at the Velodrom in Berlin, the weight of steel columns and beams for buildings and other physical structures is reduced by about 30%.

Reducing weight

20%

Through the use of high-strength steels, household appliances can achieve a 20% reduction in weight.

Energy

Finding affordable and reliable sources of renewable energy will be crucial to reduce the world's carbon emissions. Wind energy is one form of renewable energy, and the USA aims to produce 20 per cent of its energy this way by 2030, while the target in the European Union is 20 per cent by 2020. Without steel – and our steel – the world would not have the renewable energy industry we have today.

All wind turbines use electrical steels in their generators and transformers, and around 85 per cent of them are installed on towers made from heavy-duty steel, which offers a unique combination of strength and ease of transport and assembly. It takes up to 285 tonnes of steel to build an onshore wind turbine, and the generator alone can weigh up to 100 tonnes, but a steel structure like this can be erected in less than two days,

compared to up to a month when using other materials. Likewise, steel is often a viable option for the sea-bed foundations needed for off-shore turbines.

We are a leading producer of the electrical and high-strength steels used in wind turbine towers. Our plant in Gijón, Spain, for example, has supplied steel plates for more than 3,000 wind turbine towers since 2005.

We have developed components for offshore turbines and for those in locations where regular maintenance is difficult. We also play a key role in helping the wind energy industry increase its output without building additional turbines. At present a typical wind turbine has a generation capacity of between 0.85MW and 3MW of power, but we are working with major turbine manufacturers to develop designs that could produce up to 5MW per wind turbine. Each additional 1MW is estimated to save the equivalent of around 1,500 tonnes of CO₂ each year.

Transportation

CO₂ emissions are at the top of car manufacturers' sustainability agenda. As the supplier of steel used to manufacture one in five cars globally, ArcelorMittal's award-winning S-in motion® project addresses this issue by cutting the CO₂ emissions of the average family car significantly.

We launched S-in motion® to our major customers in 2011. S-in motion® allows a weight reduction of 19 per cent in the structural components of a vehicle, which has the potential to deliver up to a 15 per cent reduction in emissions while the vehicle is being made, and a further 13.5 per cent while it is being driven. The savings translate into a reduction in emissions of 6.2 grams/kilometre for S-in motion® vehicles. The new steel designs could revolutionise car performance in the future, both in terms of emissions and end-of-life recycling, whilst also being at neutral cost for car makers, and whilst maintaining safety performance.



The output from a wind turbine increases significantly at taller heights. Hot rolled angles with a leg length of 300mm have been developed for use in lattice tower wind turbines, to produce 140m or 160m towers, compared to the usual 100m.

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).



ArcelorMittal's S-in motion® project won 2011 American Metal Market Innovation Award for "Best Process Improvement".

Cutting carbon

-14%

Using lightweight steel components to reduce a vehicle's weight could cut carbon emissions by up to 14% during a car's lifetime on the road.

Investment in innovation

\$306m

ArcelorMittal's research and development spend in 2011.



"S-in motion is something no other steel company has done before: a pioneering catalogue of weight-saving solutions that produces a big advance in vehicle energy efficiency. We have now shared it with nearly all of the major automotive manufacturers in the developed countries and it has been a major success."

Lou Schorsch

Member of the Group Management Board, responsible for research and development

For further information visit www.arcelormittal.com



Living by our values

Leadership. Quality. Sustainability. These values inform how we run our business and how we manage unexpected or difficult circumstances. On these pages we cover our approach to some key issues such as workplace safety and human rights, as well as how we deal with some of the particular challenges of working in developing countries.

Improvements in mining safety

23.5%

In mining our lost time injury frequency rate has reduced from 4.0 per million hours worked in 2007, to 1.2 in 2011. The latest figure represents an improvement of 23.5% since 2010.

ArcelorMittal personnel and contractors – lost time injury frequency rate (LTIFR)

	2010	2011
Flat Carbon Americas	1.8	1.9
Flat Carbon Europe	2.3	1.6
Long Carbon Americas and Europe	2.0	1.4
Asia, Africa and CIS	0.9	0.7
Distribution Solutions	2.7	3.2
Total Steel	1.8	1.5
Total Mining	1.5	1.2
Total (Steel and Mining)	1.8	1.4

Changing mindsets for safety in mining

No operations can achieve world class efficiency and productivity without a world class safety record. We know we cannot achieve an outstanding safety performance through processes alone – we need to create a culture in which people are convinced that all accidents are preventable, where they feel empowered to challenge any situation they feel is unsafe, and where they take active responsibility for their own and the safety of others. Changing mindsets from basic compliance to positive belief is a real challenge and is a goal we are determined to achieve.

Our mining operations have developed Courageous Leadership, a new ethos in health and safety in mining, which means:

- Valuing people above all other priorities
- Believing we can reach zero injuries
- Bringing a positive attitude to work
- Eliminating at-risk behaviour
- Creating a desired culture
- Facing challenges with determination

- Accepting the responsibility of leadership
- Having the courage to make the commitment

“Courageous leadership is not a programme. It is the foundation of a culture of caring that will underpin our determination to do the right thing under any and all circumstances. It will empower our people to speak up when at-risk behaviour is encountered.”

Peter Kukielski,
Member of the Group Management Board, chief executive of Mining

Our mining operations have already made significant improvements in safety. The lost time injury frequency rate has fallen steadily from 4.0 in 2007, to 1.2 in 2011. During that time ArcelorMittal Princeton, USA, has gone from being one of the worst performing mines in the group to one of the best, with an LTIFR of zero in 2011 and has won numerous awards for safety. During that same period the sites at Lisakovsk and Atansore in Kazakhstan, and Serra Azul in Brazil, did not record a single lost time injury.

Looking ahead, we want our whole mining operation to aspire to the exceptional safety record of our Andrade mine in Brazil, which has not lost time to injury for over 18 years.

Respecting human rights

Mining used to be one of Liberia’s most important industries but by 2005 more than 14 years of civil war had left the economy virtually stagnant, and not a single mine was working. The country had mineral wealth, but its industrial and transport infrastructure was devastated, and its people reduced to extreme poverty.

That is when we made our first commitment to invest in a new mining operation in Liberia. The challenges were enormous, but so were the opportunities: it was our chance to show how a responsible and sustainable approach to mining could bring a lasting and positive benefit to the country and the community, as well as to ArcelorMittal.

Living by our values

continued

Assurer's commentary

ArcelorMittal is a member of global and sector specific initiatives, principles and networks, including the United Nations Global Compact and Extractive Industries Transparency Initiative (EITI). In future reporting years we recommend that ArcelorMittal reports further on how these are embedded into strategy and operationalised through its sustainability commitments, internal policies and guidelines.

“ArcelorMittal was one of the first major companies to enter Liberia after decades of instability. Their coming – for which Liberians will always be grateful – signalled a major vote of confidence by investors in the leadership and future of our country. ArcelorMittal honoured its 2006 commitment to launch mining operations by the third quarter of 2011. This is a promise the company has kept, despite the global financial crisis that threatened to bring the project to a halt. ArcelorMittal’s work has improved the lives of many Liberians today and for many years to come. We welcome this excellent partnership. We look forward to an even brighter and prosperous future for ArcelorMittal and for Liberia.”

President Ellen Johnson Sirleaf
Attending the launch ceremony for ArcelorMittal's first shipment of iron ore from Liberia, September 2011

Before work began on the mine we conducted detailed environmental and social impacts assessments, that also included a cultural heritage assessment of the area, so that the process of construction and industrial operations could be carried out in a sensitive and appropriate manner. In doing this we were able to draw on our experience as part of the United Nations Global Compact working group on Responsible Business and Investment in Conflict-Affected and High-Risk Areas, as well as the principles and procedures set out in our human rights policy.

Site security is another issue covered in our human rights policy. As we considered the security needs of our operations in Liberia we drew on the Voluntary Principles on Security and Human Rights and the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. All our security guards are required to complete a month-long certificated training course which includes

modules on human rights, ethics and the standards of conduct we expect. This curriculum was developed by the Liberian Police Academy in collaboration with the United Nations, and is delivered by police academy trainers.

Since 2006 we have invested almost \$800m in our Liberian operations, repairing roads, rehabilitating a 250km railway, dredging and restoring the Buchanan port, and constructing water treatment and power plants, as well as schools and hospitals that will benefit not only our own employees but whole communities. Our mines are now fully operational, and we began to ship iron ore in September 2011. By the end of March 2012 we had shipped the first million tonnes of iron ore. Our investment in Liberia has been a significant catalyst of economic development. Coupled with our efforts in promoting human rights, we believe this will contribute to the future of Liberia.

Engaging stakeholders

We place a high priority on open, direct and proactive engagement with our stakeholders. This ranges from our work with international bodies like the Extractive Industries Transparency Initiative to our ongoing programme of community engagement activities at every site, to our commitment to publish corporate responsibility reports at both group and local level.

We are members of a number of global organisations, including the United Nations Global Compact, CSR Europe, the World Steel Association, the World Business Council for Sustainable Development and the Extractive Industries Transparency Initiative (EITI). Memberships like these allow us to contribute to the debate about areas that affect ArcelorMittal, share good practice with others and promote good corporate governance and a responsible approach to business.



The Hudson Trader – the ship that carried the first 1 million tonnes of iron ore from Liberia.



The mine in Liberia.

Our work with the EITI in Liberia is a good example of this, where Liberia was the first African country to be fully EITI-compliant. We continue to be members of its stakeholder council and report annually against the Liberian EITI requirements. For more information see www.leiti.org.lr

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 Union policymakers. We cooperate with European Union institutions by engaging on policies in the areas of the environment and climate change, trade, social policy, and research and development. Our position on these topics is discussed within this report.

We recognise that what we do has an impact on others, and that we have a responsibility to understand and manage these impacts responsibly, taking other people's rights and priorities into account. We believe that this engagement is not only the right thing to do, but supports our business objectives. All our local operations are required to implement their engagement activities in line with the ArcelorMittal external stakeholder engagement procedure. We recognise that stakeholders' issues and the impacts of our operations evolve, thus we update our policies regularly. This is why we set up a working group of ArcelorMittal corporate responsibility coordinators and revised this stakeholder engagement procedure in 2011.

Engaging actively with our stakeholders helps us understand local concerns and take action early, it helps us gain community approval for new projects and protects our 'licence to operate', helps us shape our future operating environment and how we contribute to local economic and social development. Every operation develops its own engagement activities, in response to local needs and circumstances, and these can range from meetings and open days, to newsletters, briefings, and dedicated community liaison committees such as the one at ArcelorMittal Dofasco, in Canada.

Dofasco was one of our first sites to establish such a committee, in collaboration with the Ontario Ministry of Environment, and includes local stakeholder organisations and community members as well as the environment manager. Local residents come to monthly drop-in meetings and pose questions to the company. In Kazakhstan, the site at Temirtau is one of the largest integrated steel plants in the world. We hold review meetings with community groups and other local stakeholders every six months.

Providing stakeholders with a confidential and accessible system for reporting grievances is an important element of our community engagement. Most of our major sites have a process for doing this, and some of these processes have been in existence for several years. We are now bringing them all into line with the United Nations Guiding Principles for Business and Human Rights, and developing a consistent group-wide approach which draws on good practices from across the whole business. We will also consult

external stakeholders on this process during 2012.

Local reporting is integral to stakeholder engagement, and we actively encourage our businesses to issue their own corporate responsibility reports. These reports will become a vehicle for providing specific country information complementary to the group corporate responsibility report.

ArcelorMittal India published its first report in 2010, and was a runner-up in the Global Corporate Responsibility Awards given by UK-based Corporate Register in 2011. ArcelorMittal Kriviy Rih, Ukraine, had its 2011 report ranked in the top three in the Readers' Choice non-financial reporting awards organised by the leading Ukrainian organisation, the Centre for Corporate Social Responsibility Development. Other businesses issuing their own reports include ArcelorMittal USA, ArcelorMittal Acindar, Argentina, ArcelorMittal South Africa and ArcelorMittal Mexico. In 2011, we published 10 local corporate responsibility reports.



"Clear reporting is one of the best ways of engaging with our global and local stakeholders. In addition to the group corporate responsibility report, 10 local corporate responsibility reports were published in 2011."

Gonzalo Urquijo
Member of the Group Management Board, responsible for corporate responsibility

Local corporate responsibility reports, issued in 2011



Poland



Kazakhstan



Luxembourg



Ukraine



South Africa



Czech Republic



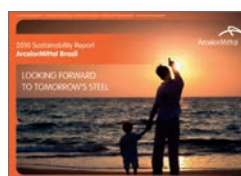
Argentina



USA



Mexico



Brazil

You can read these at www.arcelormittal.com/corp/corporate-responsibility/publications-and-reports

Engaging stakeholders

continued

We engage with our stakeholders to understand our impacts and manage them responsibly, as well as to communicate our activities and plans.

Our stakeholders

- Our relationship
- How we engage
- Stakeholder issues



Performance review

The following pages look at the four areas of our corporate responsibility strategy, and report our progress made in 2011.

Examples of stakeholder engagement in 2011

Suppliers

At ArcelorMittal Brazil we have held supplier development workshops, to help suppliers meet ArcelorMittal's requirements for business conduct.

Customers

We ask our customers for regular feedback and measure our customer satisfaction results. In 2011, customers completed surveys across several business segments, the results of which are being currently analysed.

Employees

ArcelorMittal's employee 'climate survey' feedback was used to develop local action plans.

Government and Regulators

In Europe we have continued to represent our industry and our business with the European Commission as it has finalised the Phase III allocation of carbon credits.

Local Communities

ArcelorMittal South Africa held three multi-stakeholder forums in May, June and November 2011. Participants included the local municipality, communities and other businesses. The aim is to increase social inclusion and to maximise efforts and collaboration for community projects.

Multilateral & Business Organisations

We engage with the European Bank for Reconstruction and Development (EBRD) in relation to our community engagement practices and compliance with other social and environmental EBRD requirements.

Non-Governmental Organisations

ArcelorMittal USA partnered with the American Red Cross to help deliver safety preparedness training to community members and our employees.

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Transparent governance

Our governance framework underpins how our company is structured, from the composition of our board of directors, to the way we expect each employee to behave. Good governance helps us to ensure that we operate ethically, wherever we are in the world; it requires openness and integrity in our dealings with our stakeholders; and it supports our commitment to embed the principles of corporate responsibility into how we conduct our everyday business.



Transparent governance – 2011 progress at a glance

	Our commitments	Our progress	Next steps
Corporate responsibility governance	<p>A group level corporate responsibility coordination group providing effective direction and oversight and reporting to the Group Management Board and board of directors.</p> <p>Establish local corporate responsibility reporting.</p>	<p>Nine corporate responsibility coordination group meetings, and a site visit to South Africa.</p> <p>Ten local corporate responsibility reports published.</p>	<p>Review corporate responsibility governance at corporate level.</p> <p>Continue to build capacity for local corporate responsibility governance and further support local corporate responsibility reporting.</p>
Business ethics	<p>Group policies and a code of business conduct that all employees understand and live by.</p>	<p>KPI 80 per cent of our employees trained on the code of business conduct.</p>	<p>Develop further tools for the implementation of our compliance policies.</p>
Human rights	<p>Training all our employees on their rights and responsibilities.</p> <p>Integrating human rights into our everyday governance and business practices.</p>	<p>Human rights training for 147,000 employees.</p> <p>Published and started implementing a new policy defining the use of force by our security personnel and contractors.</p> <p>Country assessments in Brazil, Kazakhstan and Liberia.</p>	<p>Align our grievance mechanisms to the United Nations Guiding Principles for Business and Human Rights.</p> <p>Develop an assessment tool to monitor the implementation of the policy governing the use of force by our security personnel and contractors.</p>
Responsible sourcing	<p>Communicating our responsible sourcing standards to our suppliers.</p> <p>Supporting and promoting best practice standards with our suppliers.</p>	<p>263 suppliers assessed against ArcelorMittal's code for responsible sourcing.</p> <p>A new guidance document published and shared with buyers and suppliers.</p>	<p>Launch training programme for our buyers.</p> <p>Further embed responsible sourcing into core procurement processes such as vendor selection.</p>

United Nations Global Compact

This section covers principles 1–2 on human rights and principle 10 on anti-corruption.

Global Reporting Initiative

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

- Economic performance
- Market presence
- Social performance: human rights performance; society – community, corruption, public policy, anti-competitive behaviour, compliance
- Product responsibility performance

For the complete GRI reference table please see our website.

environmental or ethical issues that present a potential or actual risk to the business. In addition, we have a Group Management Board member who has responsibility for corporate responsibility.

The implementation of our corporate responsibility strategy is supported by the group corporate responsibility team. This team possesses expertise in specific areas such as responsible sourcing, human rights, reporting and stakeholder engagement. It also engages with global stakeholders such as international non-governmental organisations (NGOs) and with socially responsible investors. The central team is supported by the corporate responsibility coordination group of senior managers that constitutes our risk, internal assurance, international affairs, company secretariat, communications, legal and human resources departments, which meet regularly. In 2011, there were nine formal meetings, and a site visit to South Africa.

One of the areas where we have seen the greatest progress since 2007 has been in our local and regional network of corporate responsibility coordinators. Every plant manager and local CEO is tasked with responsibility for corporate responsibility issues in their own operation, and they are supported by local corporate responsibility coordinators, who ensure that group policies and standards are put in place, and manage important programmes such as our stakeholder engagement activities. They also provide corporate responsibility training for local managers and employees.

In March 2011, all corporate responsibility coordinators were invited to attend a two-day knowledge management programme in Luxembourg, which focused specifically on corporate responsibility and ArcelorMittal Foundation activities.

The governance procedures have supported ArcelorMittal's overall performance improvements in corporate responsibility that has in turn led to ArcelorMittal achieving and maintaining membership of both the Dow Jones Sustainability World Index and the FTSE4Good index.

Risk management

It is integral to our values to meet the highest standards of business conduct. We take into account risks that can affect our business and our stakeholders, including those associated with environmental, social and ethical issues.

Our risk management policy provides the principles to help us to recognise that we are exposed to uncertainty, to develop mitigation plans and which emphasise the importance of the role of the ArcelorMittal board of directors and management to manage such uncertainties. A risk management framework is implemented to help local managers identify and pre-empt potential risks at an early stage.

Its day-to-day implementation is supervised by the corporate risk management department that reports to the Group Management Board and the board risk management committee on a quarterly basis.

“Corporate responsibility governance and reporting is critical in implementing our corporate responsibility strategy. What gets reported gets seen and discussed. Through improved disclosure we have achieved both performance improvements and external recognition.”

Henk Scheffer

Company secretary and chairman of the corporate responsibility coordination group

Assurer's commentary

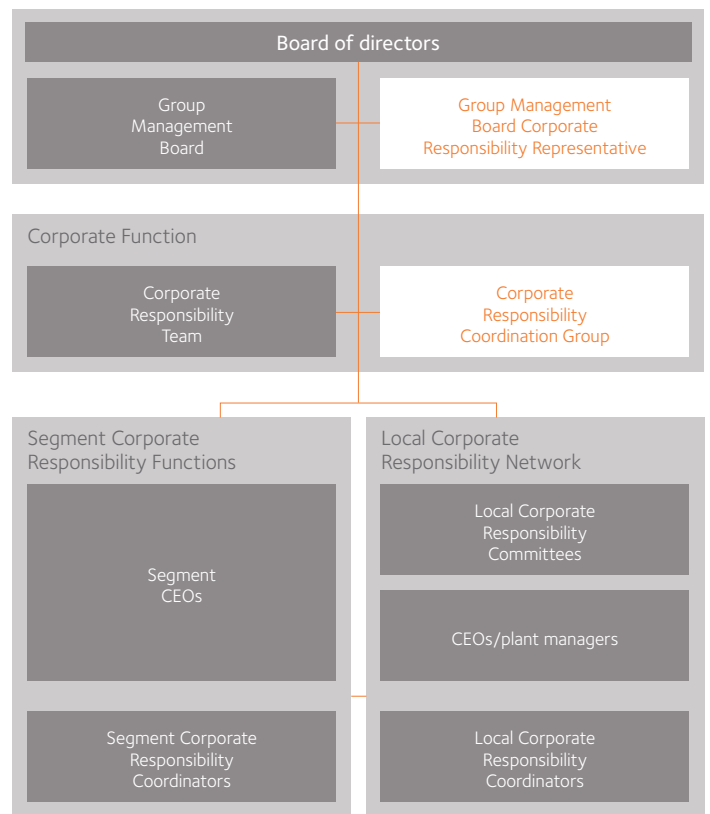
The site level corporate responsibility network strengthened during 2011, meeting a number of times, both virtually and in person, to share good practices between sites and understand the tools and expertise available from the corporate team. We recommend that corporate responsibility governance at site level continues to develop where structures and systems are less mature.

Governance of corporate responsibility

Our approach to corporate responsibility has evolved considerably over the last five years, and become increasingly integral to the way we manage our business. As a result, corporate responsibility is now a fundamental part of our mainstream governance processes and reporting.

Our board of directors takes ownership of corporate responsibility at ArcelorMittal, and not only assumes formal accountability for our performance, but also plays an active part in overseeing how issues are managed and measured.

There are three board committees which are also involved in the oversight of corporate responsibility issues. The audit committee has started monitoring the implementation of our new human rights policy as part of its compliance reporting remit, and the appointments, remuneration and corporate governance committee considers the application of the company's corporate responsibility policies more broadly. The risk management committee at board level also discusses specific social,



For further information on identified risks, see ArcelorMittal's annual report on form F-20 at www.arcelormittal.com. These risks have also informed our materiality assessment on page 2.

Transparent governance

continued

Human rights

147,000

In 2011, ArcelorMittal trained 147,000 employees on the human rights policy.

We asked colleagues across our company why human rights are important to them and their work.

“Every human being deserves a clean environment, and to feel safe at home, at work, and in their community.”

Peter
ArcelorMittal Hamilton Dofasco,
Canada.

“Human rights is respect for personal dignity from management, and treating each other with dignity and respect inside our teams.”

Anna
ArcelorMittal Kryviy Rih, Ukraine.

“A good work/ life balance is critical to avoid stress and support human rights in the workplace.”

Patrick
ArcelorMittal Montataire, France.

Business ethics

We have industrial operations in over 60 countries and have to consider many different cultures and business environments. This makes it all the more important that we are absolutely clear about the standard of behaviour we expect from our employees, and we have embodied these principles in our code of business conduct.

We aim to be respectful of local customs and circumstances, but we must also ensure that we always observe high standards of integrity and business ethics and apply those standards consistently, wherever we are in the world.

Our code of business conduct governs the way we do business, and there are more detailed policies and procedures in place covering issues such as human rights, anti-trust, anti-corruption, insider dealing, and economic sanctions. These policies are supported by compulsory training for employees, which takes place through face-to-face and online sessions and has to be repeated every three years. In addition we run workshops, publish regular news articles, circulated electronically within the group and published on our intranet in several languages, and have a dedicated intranet site dedicated to the compliance programme.

Our anti-corruption guidelines aim to ensure that our employees and any third parties acting on our behalf observe the highest levels of integrity and are not involved in corrupt activities. These guidelines make clear to all employees that the company and each individual employee could be held liable for being involved, directly or indirectly, in corrupt practices, including facilitation payments.

Compliance with our anti-corruption guidelines is monitored through internal assurance reviews, reports through our confidential response systems and in some instances through dedicated external reviews in high risk countries. It is important that we demonstrate that business is conducted based on merit, that corruption is not acceptable and that no improper influence should be exerted on governments officials or private individuals.

By the end of 2011, 80 per cent of all employees had completed code of business conduct training and 94 per cent of the designated audience had completed the anti-corruption training. This includes training conducted between 2009 and 2011, as these trainings are valid for three years. The training rate for the code of business conduct has decreased from 90 per cent in 2010. This is due to a number of factors, including a slower rate of retraining than required. In addition, because of staff turnover and long-term leave, a 100 per cent completion rate is not a fully achievable measure.

Both training programmes have been undertaken, without exception, in all our countries of operation. Our compliance training is now being extended to our sales agents. In addition, an internal compliance workshop was held in 2011 with representatives from 18 countries. This helped in our ongoing campaign to raise awareness about the vital importance of sound business ethics.

ArcelorMittal is party to a number of competition or anti-trust claims. No provisions in respect of these claims were recorded in 2011. For contingent liabilities and current claims please see ArcelorMittal's 2011 annual report at www.arcelormittal.com

In 2011, Friends of the Earth filed a complaint against ArcelorMittal in reference to the OECD Guidelines for Multinational Enterprises for alleged malpractice in our Liberia operations. ArcelorMittal has expressed its support for the OECD process and is awaiting further dialogue through the OECD National Contact Point for Luxembourg.

There is detailed reporting of ArcelorMittal's corporate governance practices in the 2011 annual report on pages 72 – 87. This includes information on the composition and operation of the board of directors, Group Management Board and management committee, as well as information on the directors compensation.

Human rights

In 2010, we published our human rights policy. It derives from the United Nations Universal Declaration of Human Rights, the Core Conventions of the International Labour Organisation, and the United Nations Global Compact. We collaborated with non-governmental organisations, investors and academic experts with experience in business and human rights in the development of this policy.

The ArcelorMittal human rights policy sits alongside our code of business conduct and specific policies in areas like health and safety, environment, and anti-corruption, and our new policy for security personnel on the use of force, arms and firearms. Throughout 2011 we published monthly news articles to raise awareness about the human rights policy internally and trained our employees about its implications. All employees received a copy of the policy, which is translated into 19 languages, and have access to a human rights guidance manual. By the end of 2011, over 147,000 employees had completed formal training, either face-to-face or through an interactive online training course.

We have also instituted a governance framework for the human rights policy so that we can take action, should we identify an actual or potential breach. As part of this we operate a number of confidential mechanisms at different levels of the group which employees or external stakeholders can use to report concerns about possible human rights violations. Our employees are invited to raise their concerns through their employee representative, their trade union, or directly to the ArcelorMittal audit committee, which will investigate the matter and take appropriate action. Serious breaches of the human rights policy will be considered cases of gross misconduct, and if substantiated will lead to dismissal. In 2011, there were 598 grievances reported through local grievance mechanisms relating to human rights, environmental and health and safety issues.

In 2012, we aim to bring the company grievance mechanisms in line with the United Nations Guiding Principles for Business and Human Rights.

We have also started human rights assessments in some of our countries, for example, in Liberia, Kazakhstan and Brazil. These assessments look at how human rights have been integrated into management practices and provide areas for further improvement. In 2012, we will continue supporting our units in completing these assessments.

We continue to inform our own approach to human rights, and also work to raise standards throughout industry by sharing our experiences with other organisations. We have presented at the United Nations Global Compact and at dedicated business and human rights conferences. In 2011, we became co-leaders of the CSR Europe business and human rights working group, and also hosted a human rights discussion in Brussels in May 2011, which included a debate about the relative roles of business and the state in this area. The event was attended by officials of the European Commission, EU Member State representatives, Members of the European Parliament and representatives from other businesses.

Security and human rights

ArcelorMittal aims to provide a safe and secure working environment for its employees and contractors and to protect its property.

This is achieved in part through the use of public or private security forces in the locations where local conditions make this necessary. To ensure that every individual acts at all times in a manner that respects human rights and is in compliance with applicable national, state and local laws, ArcelorMittal adopted a policy for security personnel on the use of force, arms and firearms in December 2011.

This policy forms part of ArcelorMittal's security standards and procedures which provides guidance on working with private and public security forces. It is derived from international standards and principles, including the Voluntary Principles for Security and Human Rights and the United Nations Code of Conduct for Law Enforcement Officials. For more information see pages 13-14.

Responsible sourcing

December 2010 saw the launch of our code for responsible sourcing. We believe ArcelorMittal can make a substantial positive impact by raising standards of social, environmental and ethical performance of its suppliers, and this is what the code is designed to achieve.

The code incorporates health and safety, human rights, business ethics, and environmental management criteria. The aim of the code is to ensure that we have an efficient supply chain that reflects our own principles; that we take effective action in this area; and that we reduce risk for the business, our suppliers and our stakeholders in the long term.

In 2011, we promoted the application of the code with our suppliers, and we are now integrating the principles of responsible sourcing into all our procurement processes. We established a network of responsible sourcing champions in each of our key buying groups. These champions will help to implement the code within their respective group. Our guidance document supports both our buyers and suppliers. It explains what we mean by responsible sourcing and outlines the responsibilities of both parties to make this happen.

In 2011, 263 suppliers were assessed across the group against ArcelorMittal's responsible sourcing requirements as part of the annual supplier evaluation. Although the results vary from supplier to supplier, the strongest area of performance is quality management, with human rights and other ethical issues having been identified as the main areas for improvement. In 2012, we will launch an online training programme, and aim to make further progress in integrating responsible sourcing into our procurement processes.

Conflict minerals

Some raw materials used in our industry are sourced from regions which are experiencing civil war or other conflicts. The international community is concerned that these conflicts are being financed by the trading of certain minerals.

These 'conflict minerals' include gold, wolframite, columbite-tantalite, and cassiterite. The US Dodd-Frank Act requires companies reporting to the US Securities Exchange Commission to disclose if any of these minerals used in their products have been sourced from the Democratic Republic of Congo or surrounding areas, and describe how they have verified this.

We use small quantities of tin in the plating of some of our products. We have made a commitment in our code for responsible sourcing not to use minerals that have supported conflict. We have been working with our suppliers on this topic for several years and we request certificates of origin for all the tin we buy.

Since early 2011, we have been active participants in the OECD working group on implementing the due diligence guidelines for responsible mineral supply chains. This group aims to define an approach to the management of tin supply chains for minerals in the Great Lakes region of Africa.

"Through our collaboration with ArcelorMittal we have worked towards our mutual objectives of cost saving and reducing energy use. In the process we have strengthened our relationship."

Armin Bruch
Member of the Board of Management of SGL Group, Supplier

Case study: SAVE – Supplier Added Value Excellence

Our new SAVE programme is designed to find effective ways of sourcing the raw materials and other products we require. Our procurement teams are working actively with key suppliers to find innovative new ways to work together and also meet our responsible sourcing objectives.

A leading example of SAVE in practice is the partnership between ArcelorMittal Zaragoza and the SGL Group, one of the most important suppliers of electrodes for electric arc furnaces. Since 2010 the two organisations have been working on a project to reduce the energy used to heat in the furnaces and the time the furnaces need to lie idle between each cycle. As a result of this project, in 2011 we made savings of almost \$1 million, energy consumption has been cut by nearly 6 per cent, and the time the furnaces need to stand idle while they are reheated has dropped from 29 minutes to just under 21 minutes. The next phase of the project is due to start in 2012.



"Of all the stakeholders we work in partnership with, one of the most crucial for supporting our commitment to sustainability, are our suppliers. For this partnership to be successful, we need to build trust, and that can only come with transparency and good communications."

Davinder Chugh
Member of the Group Management Board, responsible for shared services

A specific update on human rights was published in July 2011. www.arcelormittal.com

Investing in our people

ArcelorMittal has always been committed to being a responsible employer. We operate in an industry where workplace safety is an everyday issue and this continues to be our number one priority. But being a responsible employer goes further than that. We want ArcelorMittal to be a place where people can fulfil their potential, and feel that their views are taken into account. And when economic circumstances force us to make changes and reductions to our workforce, we make every effort to do that in a sensitive manner and offer support to those affected.

Investing in our people – 2011 progress at a glance

	Our commitments	Our progress	Next steps
Safety	<p>A fatality free workplace.</p> <p>Lost time injury frequency rate (LTIFR) of 1.0 by 2013 at the latest.</p>	<p>KPI Decrease in fatalities and lost time injury rate. 27 fatalities in 2011, compared to 40 in 2010. LTIFR of 1.42 in 2011, compared to 1.77 in 2010.</p> <p>Two health and safety summits for senior management.</p>	<p>Continue our efforts to improve workplace safety and prevent accidents.</p>
Health	<p>Major health programmes in all business units, adapted to local needs.</p>	<p>An absenteeism rate of 3.42 at our mines, and 2.94 at our steel operations.</p> <p>A global health week at all our sites for the first time.</p>	<p>Continue to share good practices in health and hygiene across the group.</p>
Employee relations	<p>Open and constructive dialogue with employees.</p>	<p>85 per cent of employees covered by a collective bargaining agreement.</p> <p>0.08 per cent man-days lost to strikes.</p>	<p>Continue to complete employee relations diagnostics and develop our social dialogue structures.</p>
Training and leadership development	<p>Developing a flexible, trained, and highly motivated workforce.</p>	<p>A favourability scoring of 63 per cent in the employee engagement survey.</p> <p>Three major recognitions received for leadership and development.</p> <p>KPI Over 358,000 hours of employee training at ArcelorMittal University.</p>	<p>Develop a Women in Leadership programme.</p> <p>Further integrate our reporting systems to capture more complete information on employee training hours.</p>
United Nations Global Compact	<p>This section covers principles 1–6 on human rights.</p>	<p>Global Reporting Initiative This section addresses in full, or in part, the following GRI indicator aspects:</p> <ul style="list-style-type: none"> • Economic performance • Market presence • Social performance: Labour practices and decent work, human rights • Product responsibility performance 	<p>For the complete GRI reference table please see our website.</p>

Safety performance

Our ambition is to be the safest steel and mining company in the world. This is a challenge, but one we are determined to achieve. We aim to cut our lost time injury frequency rate (LTIFR) to one by 2013 at the latest, and we will only become a leader in our sector when it reduces below 0.5. The long-term goal is to reach a LTIFR of zero, and our company-wide safety programme, Journey to Zero, is designed to reach this goal. It involves everyone from the Group Management Board, to workers on the shop-floor.

We measure our safety performance through what is known as the lost time injury frequency rate or LTIFR. Based on figures for both our own employees and our contractors, our LTIFR fell from 1.77 incidents per million hours worked in 2010, to 1.42 in 2011. After a difficult year in 2010, we set a target for a 20 per cent reduction in accidents in 2011, and we did indeed achieve this – the fourth year in a row that our LTIFR has gone down. However, we are saddened that we did have 27 fatalities among our employees and contractors in 2011. Twenty of these were in steel and seven in

mining. Any work-related death is clearly a tragedy for those involved, and a cause of immense regret and concern to us as a company.

Health and safety performance forms a key part of the executive remuneration policy, with between 10 to 20 per cent of the annual performance bonus dependent on the group or unit's lost time injury frequency rate. Further details can be found in the Annual Report 2011 on page 82.

We investigate all accidents in detail, and immediate reports of fatalities are reviewed by the Group Management Board, so that lessons can be learned throughout the whole company. Some of our sites – like our Jubail project in Saudi Arabia – have already achieved years with zero accidents, and this is an ambition of all of our operations.

We held a health and safety summit in Canada in January 2011 involving all of our top management. This looked in detail at the fatality rate at our plants and mines, and was followed with a meeting in December for our Group Management Board and management committee, where we reconfirmed our commitment to safety as our number one priority, and one that will ultimately determine our standing and success as a business. Good practice examples from four of our larger sites – ArcelorMittal Dofasco in Canada, ArcelorMittal Bremen in Germany, ArcelorMittal Bergara in Spain and our Andrade iron ore mines in Brazil – were reviewed to demonstrate how and why they are succeeding in reducing accidents. Andrade last year celebrated its 19th year without a lost-time injury.

Journey to Zero is about preventing accidents by understanding any risks, and by taking appropriate action. This involves setting up advanced safety monitoring systems, but the human aspect is just as important. We want to establish a culture of shared vigilance, in which everyone takes responsibility not just for their own safety, but for the safety of those around them, including the many contractors who work at our plants. We are making a special effort to encourage a safety-first mindset among these contractor workers, who have a worse record of accidents and near-hits

than our direct employees. At ArcelorMittal Tubarão, Brazil, for example, a focus on contractor safety resulted in a 79 per cent reduction in the LTIFR in 2011 compared to 2010.

We work actively with our trade unions on safety improvements, and our joint global health and safety committee meets once a quarter. This is supported by joint health and safety committees at each of our production units. We estimate that around three quarters of our employees are represented by these committees. In 2011, meetings were held in London, Argentina, Brazil, USA, Bosnia and Herzegovina and Poland. This remains the only such group in our sector, and it published its first report, Together for Safety, in June 2011. This acknowledged how much progress has been made, and made further recommendations for the future.

We also run a company-wide health and safety day every year, to coincide with the International Labour Organisation's World Day for Safety and Health at Work.

Case study: Safety shake-up in Germany



Our plant at Duisburg is a great example of the power of collective responsibility. Since early 2011 employees at the site have been taking part in regular meetings with management to highlight possible safety issues and discuss ways to address them.

Each suggestion is logged and the team leader in that area is accountable for its implementation. This has already led to some significant improvements and a safer workplace.

Our three-year safety performance - all operations

2011	1.42
2010	1.77
2009	1.87

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.

Lost time injury frequency rate – mining operations

Per million hours worked

2011	1.17
2010	1.53
2009	2.42

Lost time injury frequency rate – steel operations

Per million hours worked

2011	1.46
2010	1.80
2009	1.79

“This review demonstrates our commitment to improve health and safety in ArcelorMittal. The joint global health and safety committee has carried out a lot of good work, but achieving zero fatalities must remain our highest priority.”

Jyrki Raina

General Secretary, International Metalworkers Federation, as part of the joint global health and safety committee report dated July 2011

You can read our health and safety policy at www.arcelormittal.com

Investing in our people

continued

Absenteeism – mining

Absenteeism % = Total illness leave time/ hours to be worked

2011	3.42
2010	3.36

Absenteeism – steel

Absenteeism % = Total illness leave time/ hours to be worked

2011	2.94
2010	3.17

Assurer's commentary

In addition, to weekly Group Management Board meetings, senior management met twice during 2011 to specifically discuss health and safety and outline key steps required to achieve the health and safety programme goal of zero accidents, demonstrating its priority for the business.



Doctor at Kriviy Rih, Ukraine.

Employee health

The health and well-being of our employees is vital. It is important in its own right, but it is also crucial in reducing absenteeism, and ensuring the quality and consistency of our production output.

We have a number of policies and standards across the company which we use to assess health issues and possible risks, and ensure that action is taken to prevent or address them. These issues include subjects such as hygiene on-site and drug and alcohol abuse. We also share knowledge and new ideas actively across the group, and through the joint global health and safety committee.

As with safety, we have a proactive approach to health – one that goes beyond preventing occupational illness, to promoting general well-being, both at home and at work.

In 2011, each site hosted its own Health Week. The Health Week

includes a series of events, giving employees the chance to learn more about subjects such as nutrition, stress management and healthy lifestyles. During this one week, all employees of ArcelorMittal sites could receive education on health matters through health fairs, posters, stands, lectures and tests and assess their health risk factors (obesity, hypertension, diabetes, stress), and discover how to improve both their physical and mental health, while lowering risks of some diseases. In 2011, more than 103,000 employees and contractors participated in these activities. This programme is planned to become an annual event.

In Mexico, a no-smoking campaign was started in 2011 in Celaya, providing a twelve week programme that offered medicinal nicotine treatment accompanied by psychological support. We also ran a Health Symposium in Brazil in 2011, health training for the management committee, and in the USA, the second year of the Transforming YOU programme

Case study: Action on addiction in Argentina



Our plant at Acindar, Argentina has been given a special award by the American Chamber of Commerce for its addiction prevention programme. The programme is available to all employees and covers drug, alcohol and tobacco dependencies. The alcohol element of the programme is designed to detect and treat serious drinking problems, especially those that might have an impact on safety at work. Annually around 8,000 tests are carried out with employees and contractors, and a social worker is on hand to provide support to those diagnosed with a dependency. There are also special outreach activities to help employees and contractors support their teenage children in understanding addiction, and helping to avoid the problems it brings.

Case study: Improved health care facilities in Trinidad and Tobago



ArcelorMittal Point Lisas, Trinidad and Tobago, is making significant progress on our collective Journey to Zero. Following the achievement in June 2011 of one year with zero lost time injuries (LTIs), the site has recently inaugurated a new medical centre.

The new centre boasts, among other things, a fully equipped emergency room, a 24-hour ambulance service, well-organised medical cabinets with all necessary medication, tools and materials, a physiotherapy unit, run by a dedicated, full-time physiotherapist, a dedicated training room and a contractor coordination centre, all with state-of-the-art facilities and technology.

achieved nearly a 50 per cent increase in the number of employees completing biometric screening across 15 sites. There is also a group-wide project to renovate showers, rest rooms, dressing-rooms and canteens, and we implemented a global process for responding to medical emergencies.

Employee relations

We believe in open and continuous dialogue with our employees. Our employee relations policy, together with our guidelines on good practice and training, ensure that our processes are implemented across the business in a consistent manner. We have completed employee relations diagnostics at key sites where groups of management and employee representatives monitor the implementation of relevant policies together.

We make every effort to communicate openly and regularly with our employees, both formally and informally. 2011 was a particularly challenging year for the company, and the changes we needed to make in the business had a significant impact on many employees, with some sites being temporarily idled and others applying part-time working practices. Against this context, we have engaged actively with trade unions and employees to maintain dialogue.

ArcelorMittal recognises the right to collective bargaining and approximately 85 per cent of our employees are currently covered by collective bargaining agreements.

Human rights in the workplace

Our human rights policy is partly derived from The International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work, which is also reflected in our employee relations policy.

In addition to promoting freedom of association, eliminating unlawful discrimination, harassment and violence, providing competitive compensation and remuneration and upholding conditions for employment, we conduct assessments to identify where in our operations or supply chain there

may be instances of child, forced or compulsory labour. We oppose child labour and are committed to working with subcontractors and suppliers to prevent and remove any instances of such activity in a manner that is consistent with the best interests of the child. Any report of child labour will be investigated and acted upon immediately. In 2011 no such claims were made. Our initial human rights impact assessments have identified areas where we have to be vigilant to detect any forms of human trafficking or other forms of bonded labour. This is particularly important in new projects or major construction activity where our subcontractors may employ low skilled workers. We are developing operational guidance to prevent such activity from occurring.

Employee engagement

We want to create a working environment founded on mutual trust and respect, where people feel valued and believe their opinions and feedback matter.

As part of this, we conduct a climate survey (employee survey) every two years, to assess the mood and morale within the company, and identify areas where we can improve.

The latest climate survey was in 2011, and attracted nearly 16,000 responses from the target group of 25,000 employees across the company. The overall favourability score was 63 per cent. This measured areas such as understanding of company values, organisational direction, professional development and leadership within the job. Our highest scores were in the understanding of, and commitment to, our health and safety objectives, and the company's values. On the other hand, some felt the company could do more to retain its best talent, to assist them in their professional development, and ensure that the opportunities for career advancement are more consistent across the group. These areas are being addressed through site-level improvement plans.

Number of strikes exceeding 1 week in duration

2011	8
2010	2
2009	2

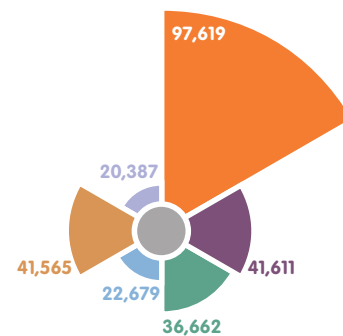
Case study: Grievance mechanisms

We have various grievance mechanisms and whistle-blowing systems in place, to allow employees or other stakeholders to raise grievances or issues. These might relate to possible misconduct that is related to fraud and corruption, or to potential breaches of our human rights or other policies. Employees can also raise issues via their trade union or employee representative. For example, at ArcelorMittal Ostrava, Czech Republic, people can use the "CEO line" to raise questions or express concerns they may have. In 2011, 81 questions were submitted to and addressed by the CEO Office. At ArcelorMittal Zenica, Bosnia and Herzegovia, a similar grievance mechanism is available for both community members and employees. The email address and telephone number are advertised weekly on local television, as well as at the plant. In 2011, 63 cases were reported and dealt with.



European Works Council, July 2011.

Number of employees¹ at December 31, 2011



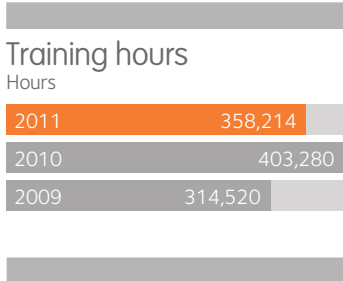
Segment	Total
EU27 ²	97,619
Other European countries ³	41,611
North America	36,662
South America	22,679
Asia	41,565
Middle East and Africa	20,387
Total	260,523

- 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, Slovenia, Spain, Sweden and the United Kingdom.
- 3 Other European countries include Bosnia and Herzegovina, Croatia, Macedonia, Norway, Russia, Serbia, Switzerland, Turkey and Ukraine.

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

Investing in our people

continued



Top company for Leaders

4th

In November 2011, ArcelorMittal was ranked 4th in the 'Top Companies for Leaders' ranking in Europe.

Training and development

We continue to make significant investments in training and we want our people to fulfil their potential and have the opportunity to develop their skills, so they can make the best possible contribution to the success of the company.

We are proud that in November 2011, ArcelorMittal was ranked fourth in the Top Companies for Leaders ranking in Europe. This benchmark is conducted by the human resources consultancy, Aon Hewitt, in partnership with the US weekly business magazine, Fortune, and The RBL Group. As a first-time entrant to the survey, we competed with 60 other large European corporations and were judged on the strength of our leadership practices and culture, our leadership development, and performance and reputation.

Our Global Employee Development Programme (GEDP) is the cornerstone of our people strategy and the foundation for delivering lasting improvement by effectively managing the performance, potential, development and careers of our employees. Its focus is to raise competence levels in the organisation and ensure that we have a pipeline of talent developed

and ready to occupy key positions within the leadership of the company. The process includes twice-yearly performance reviews, informal coaching, and ongoing feedback sessions from each manager to foster an individual's career development. Core to this is the setting of clear objectives, but also discussing the development and career aspirations of the individual. Over 4,000 people took part in this process in 2011.

The ArcelorMittal University

The ArcelorMittal University is the main source for development within ArcelorMittal that encourages employees to improve personal, functional and technical skills suited to develop their competencies. Furthermore, the University opens doors to individual career development across ArcelorMittal.

The mission of the University is to help ArcelorMittal employees to 'Learn-Grow-Connect' in today's dynamic business world.

'Learn' refers to skills development, 'Grow' links to releasing personal potential and building organisational capability, and 'Connect' refers to the opportunity the University provides to share good practices, explore new ideas, build personal networks and interact both with ArcelorMittal's senior leaders and leading practitioners from outside the company.

In 2011, ArcelorMittal University opened three new campuses in South Africa, Czech Republic and Spain.

The University offers a diverse choice of leadership, management, functional, technical and bespoke programmes to employees across the company, encouraging lifelong learning and enabling professional progression. There are 11 functional academies dedicated to specific functions: steel, human resources, health and safety, purchasing, IT, sales and marketing, finance, internal assurance, risk, legal, and research and development. These academies are designed to raise the skill sets, capabilities and competencies within the different functions of ArcelorMittal. The courses are offered in person or online, using available resources of digital and social media.

The University continues to support the business with the design and delivery of customised training programmes that are linked to overall organisational needs. For instance, some of the bespoke programmes like the Project Leaders, Career Accelerator, Finance Future Leaders programmes and Finance Leadership & Growth (FLAG), are linked to enhancing capabilities of our talents and future leaders to take up strategic positions in the organisation when needed.

In 2011, 23,300 people took part in the University's courses that resulted in 358,000 man-hours of training delivered, down from 403,000 man-hours in 2010. ArcelorMittal University training hours have decreased compared to 2010 due to the change of provider for our online language training, and the resulting reduction in online language training hours.

In 2011, many trainings were also delivered locally, through our expanding network of local and regional training centres and campuses. We continue to share good practices from our local centres and apply the learning at group level through our Learning Council. In South Africa, for instance, we have virtual classrooms which can offer real-time and video-streamed training to different sites across the country simultaneously, and we are now exploring how we can use the same technology to link training centres worldwide and share good practices from established sites to new mining operations in Liberia and Canada.

The University received an Excellence in Practice Award from the European Foundation for Management Development in October 2011, thus showcasing ArcelorMittal University programmes to the top business schools and the corporate universities of the world's top 500 global companies.

Looking ahead, a new Mining Academy is being established to provide targeted technical training for employees in our mining operations, and ensure that best practice is shared between our established and new operations.

Promoting diversity

We are proud of the fact that we have an extraordinarily culturally diverse workforce, with operations in more than 60 countries, and employees from many more. All of these people come together as one company, with a shared sense of purpose.

ArcelorMittal prizes diversity, and is committed to value everyone fairly according to their talent and commitment, not their age, race, gender, background, physical impairment, sexuality, or religion. This belief is promoted through our international mobility programme that promotes internal candidates for roles overseas. Within our population of managers, we have over 50 nationalities alone.

We want to be sensitive to local customs and in addition to obeying the employment laws in the markets where we operate, we also have our own policies in place on diversity and inclusion, and will not tolerate harassment or prejudice in the

workplace, wherever we are in the world. We are now in the process of developing more comprehensive programmes to support these policies.

One example is our work on gender diversity and inclusion. Two of our ten board of directors are women, and 10 per cent of our managers are female. We recognise that this is lower than in other international businesses in other industries. We firmly believe that a more diverse workforce will ensure that we are maximising the talent and skills within the organisation. ArcelorMittal's Group Management Board has fully committed itself towards creating and maintaining a gender diverse and inclusive climate within the group, and in 2011 a steering committee consisting of five women and five men was created as a first step in our journey towards this goal. Its members include senior executives from across the business, including two Group Management Board members.

Various initiatives are now under way to help make this a reality, ranging from leadership development programmes, to mentoring, to ensuring that we offer a positive approach to work-life balance, as well as developing key performance indicators to measure progress in this area.

We also work actively with community groups around the world, supporting many projects that help people with disabilities or other disadvantages to find employment.



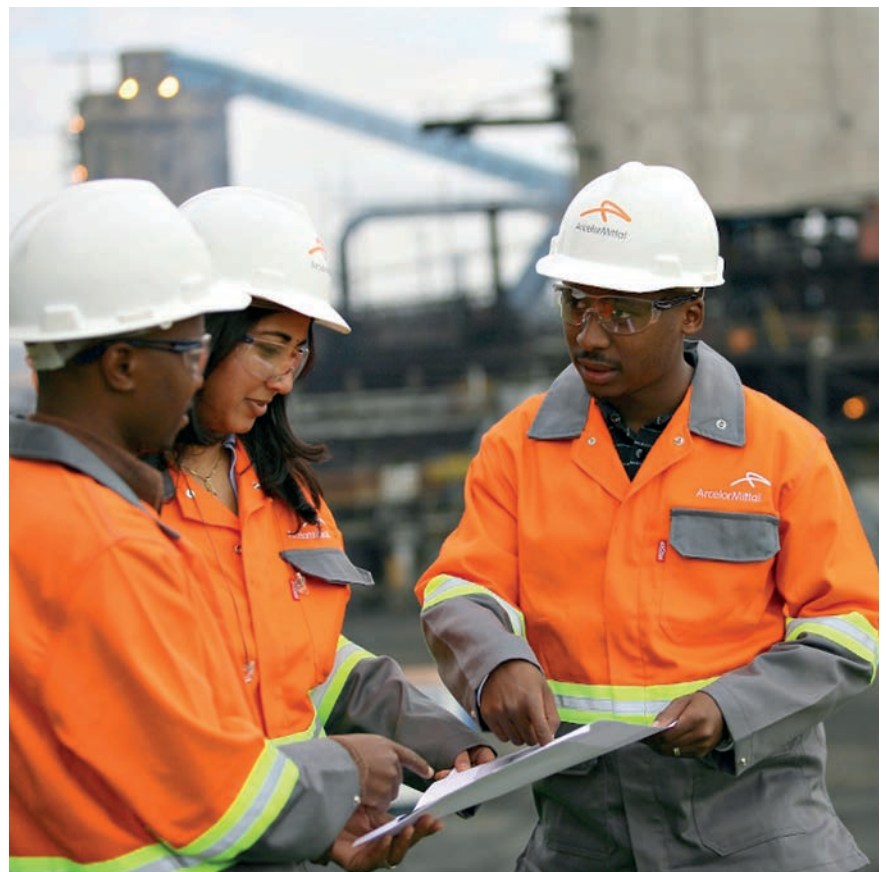
"Diversity is all about unlocking the best talent and ensuring the company benefits from a diverse range of skills and experience. We have some first-class women at ArcelorMittal and we want to ensure they have the opportunity to contribute to the company performance."

Nicola Davidson

Vice president, Communications, Co-chair of the gender diversity committee



The ArcelorMittal University is situated within the headquarters in Luxembourg.



Our training and talent management programmes helped us rank fourth in Aon's 'Top Companies for Leaders' benchmarking.

Making steel more sustainable

Steel is one of the most versatile materials in the world – almost infinitely recyclable, it can make cars, buildings, transport, infrastructure, and consumer goods more environmentally-friendly and energy-efficient throughout its lifespan. However, we do recognise that steel-making is resource-intensive. The steel industry in Europe has already cut its CO₂ emissions per tonne of crude steel by 50 per cent in the last 40 years; however, we acknowledge that we have a responsibility to ensure that our products and processes are as efficient as possible, and to support the development of new break-through technologies.



Making steel more sustainable – 2011 progress at a glance

	Our commitments	Our progress	Next steps
Climate change	<p>Develop products that support a low-carbon and sustainable world.</p> <p>Reduce our CO₂ emissions from steel production by 8 per cent per tonne of steel, from the baseline of 2007.</p>	<p>\$306 million spent on research and development.</p> <p>KPI 2.09 tonnes of CO₂ emissions per tonne of steel produced.</p>	<p>Continue to improve the environmental performance of our production processes.</p> <p>Continue our research into breakthrough technologies that could significantly reduce the carbon emissions from steel making.</p> <p>Continue to develop new steel products for automotive, construction and other sectors to help customers and end users reduce their CO₂ emissions.</p>
Energy	<p>Improve the energy efficiency of our sites through the deployment of good practices and strategic investments in energy-efficient processes and environmental capital expenditure.</p>	<p>The deployment of energy-efficiency good practices at 45 sites.</p> <p>KPI Environmental capital expenditure of \$329 million.</p>	<p>Continue the sharing of good practices in energy management between our plants.</p>
Water and biodiversity	<p>Develop a methodology for the assessment of water usage.</p>	<p>Methodology implemented in a number of facilities leading to the identification of, and implementation of, opportunities for reducing water usage.</p>	<p>Continue to implement the methodology at the facilities with the highest potential for reduction of water usage.</p>
Management systems	<p>Having all our sites ISO 14001 certified.</p>	<p>KPI ISO 14001 certification at 98 per cent of our steel plants.</p>	<p>KPI Continue to implement and maintain our ISO 14001 certifications.</p>
United Nations Global Compact	<p>This section covers 7–9 on environment.</p>	<p>Global Reporting Initiative</p> <p>This section addresses in full, or in part, the following GRI indicator aspects:</p> <ul style="list-style-type: none"> • Economic performance • Environmental performance: materials, energy, water, biodiversity, emissions, effluents and waste • Social performance: society – community <p>For the complete GRI reference table please see our website.</p>	

furnaces worldwide. Experts can share ideas and practices in real time and are able to quickly identify solutions to any potential issues. We estimate this system will result in \$20 million annual cost savings.

The product development groups are organised by market segment so that each new innovation meets the needs of our customers. Representatives of the business units chair the multiple committees that define research and development priorities and allocate resources. Many of our scientists are located not in our laboratories but at customer locations, engaged in design work and materials selection.

In the automotive segment, for example, the emphasis is on developing steel grades that will achieve the optimum trade-off between weight, comfort, safety, cost and durability. For the packaging industry, the key priorities include flexibility, recyclability, ecological design and waste prevention. The manufacturers of domestic appliances are aiming to cut costs, enhance design, and improve their environmental performance; while construction companies look to steel components to help them speed up the building process and improve energy efficiency, environmental performance, safety, and durability.

We have a strong track record in innovation. In addition to S-in motion® described on page 11, we have brought a number of industry-leading initiatives to the market:

Histar® is a high-strength steel that offers a groundbreaking combination of strength, weldability and toughness even at low temperatures. It enables users to reduce significantly the weight of steel columns and beams compared to conventional steel, allowing the construction industry to build light and economical structures that are both safe and sustainable. Histar® has been an integral part of the construction of iconic high-rise buildings like the Diamond of Istanbul, the Federation tower in Moscow, the Colgate Center in Jersey City, and the Freedom Tower in New York.

Nature is a collection of sustainable, organic coated steels that anticipate the rising environmental demand in the building industry. The range is the result of ten years of research and collaboration with suppliers and scientific partners.

Ekinox® solar panels are the next generation development from our Arsolar™ range, and provide double the power per square metre. Other new innovations for the construction market include new roofing materials that convert solar rays into direct current electricity.

ShieldArceo, which has been designed for heat reflection and thus reducing heat transfer to the environment, is helping our customers produce more energy efficient appliances.

The Protea™ building construction system has been developed with the needs of emerging markets in mind. It is affordable, quick to assemble, and the use of steel instead of concrete minimises the water needed during construction, and cuts CO₂ emissions.



Arcorox® is a special grade of structural steel designed for buildings and bridges. Its chemical composition is such that it does not require additional corrosion protection, so no additional substances need to be applied to it, either during construction, or as part of ongoing maintenance.



AMLoCor™ is a specialised steel which is highly resistant to corrosion in seawater, so it can be used to build durable quay walls, breakwaters, and jetties in ports. It allows engineers to design safe, lighter and cost-effective structures that meet the durability requirements.

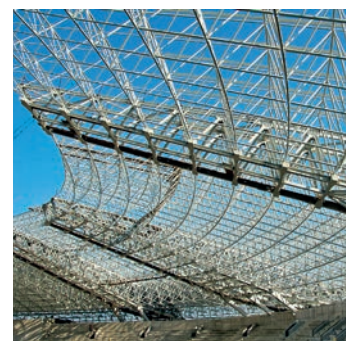
“ArcelorMittal’s steels are attractive because they are more durable and since they already have organic coating, we save construction time.”

Sergio Baragaño,
baragaño, Spain
Customer

R&D spend

\$306m

In 2011 ArcelorMittal spent \$306 million on research and development



An example of an application of the HISTAR® beams, Baku stadium, Azerbaijan.

Product design

In 2011 we invested \$306 million in research and development and we have maintained that level of spend despite the economic slowdown, because we believe innovation will drive our future success and support our customers in their sustainability goals. We have 11 research centres in seven countries and over 1,300 researchers working in active collaboration with our customers, and with academics at leading universities specialising in fields of metallurgy, metal forming and steel construction.

Research and development at ArcelorMittal focuses both on new product development and process improvement. The process improvement teams focus on finding more efficient ways of running our operations, so that we can improve productivity and at the same time use fewer resources, generate less waste and cut production costs. A key achievement in 2011 was the implementation of a Remote, Monitoring, Diagnostic and Standardisation (RMDS) system. This web-based system allows our specialists remote access to over 500 real-time data points at our blast furnaces and electric arc

Making steel more sustainable

continued

\$329m

Environmental and energy capital expenditure of \$329 million in 2011.

Tackling climate change

We are committed to reduce our CO₂ emissions per tonne of steel produced by 8 per cent by 2020 using our emissions baseline of 2007. This will entail cutting our emissions by 170 kg per tonne of steel to one of the lowest levels in the industry.

This is a demanding target that we aim to achieve through process improvement to increase energy efficiency. In 2011, CO₂ emissions from our steel operations were 2.09, compared to 2.15 tonnes of CO₂ per tonne of steel produced in 2010.

Today's lighter, stronger steels can be used to make products and components that are more energy-efficient, and the steel itself can be 100 per cent recycled after use. Over 85 per cent of the world's steel produced is recycled. ArcelorMittal recycles the most steel in the world, reusing more than 30 million tonnes of scrap steel at our plants each year. This saves approximately 40 million tonnes of CO₂ annually. Our life cycle assessment team was awarded the 'Life Cycle

Assessment Leadership' Steely award by the World Steel Association in October 2011. This recognises ArcelorMittal's work on steel recyclability, and its application of life cycle analysis techniques to the development of more sustainable steel products.

We are a leading member of the Ultra-Low CO₂ Steelmaking initiative (ULCOS). The programme is now in its second phase, which will include a demonstration project involving the recycling of blast furnace gases and carbon capture and storage at an operation in France, and a smaller project in Germany.

We also engage actively with international bodies, to ensure that the debate on issues such as 'carbon cap and trade' schemes is balanced and well informed. There is still a widespread misunderstanding about the contribution steel can make to the sustainability agenda – the complete recyclability of steel is still not fully factored into many environmental standards or CO₂ reduction targets, which means, for example, that some environmental labelling is misleading.

We continue to work with policymakers to ensure effective implementation of the European Union Emissions Trading Scheme while safeguarding competitiveness and achieving a lower carbon economy. Unfortunately, economic conditions in Europe remained challenging in 2011. As a result not all of our operations were running at full capacity, which led to a temporary excess in ETS allowances. During 2011, ArcelorMittal sold five million tonnes of excess allowances to the market for €71 million, which will be entirely used to fund energy efficiency projects.

We have continued to participate in the Carbon Disclosure Project in 2011. This project collates the environmental and carbon performance of over 6,000 of the world's largest companies annually, on behalf of over 500 financial institutions. The ArcelorMittal disclosure can be found at www.cdpproject.net

CARBON DISCLOSURE PROJECT

Case study: Blast furnace gas recycled as fuel at Temirtau

At the ArcelorMittal Temirtau plant in Kazakhstan a new \$18.1 million boiler station project is nearing completion. The new boiler station will improve the utilisation level of blast furnace gas (from 70 per cent to 85 per cent), reduce carbon emissions and improve the reliability of the heat supply system for the city of Temirtau and the plant.

About 70 per cent of the blast furnace gas at the plant is recycled for technological needs. The remainder of the gas is burned in flares.

In the new boiler station, five waste-heat boilers will be installed to use an additional 15 per cent of the blast furnace gas as the fuel to produce steam. Each boiler has the capacity to produce 30 tonnes of low pressure steam per hour, which will be used as part of the coke and by-product process, as well as for the technological needs of the blast furnace shop and hot rolling mills. The operation of the new boiler station will also allow the thermal power plant and turbo blower station to send the released energy to the heat supply system of the city of Temirtau and the plant.

It is anticipated that carbon emissions will be reduced through the saving of solid fuels and by maintaining a more stable operation of the plant, especially during the winter.

Director of Environment Protection at ArcelorMittal Temirtau, Victor Kober, commented, "One of our priorities is environmental safety. We are looking for ways to minimise the negative impact. The blast furnace gas utilisation project will allow us to reduce emissions and to use the blast furnace gas, which previously was burned in the flares, for production needs."

We systematically identify and implement energy reducing projects. Energy efficiency helps reduce emissions both directly, at our plants, and indirectly by reducing the demand for electricity. Our environmental and energy-related capital expenditure was \$329 million in 2011, compared with \$339 million in 2010. This level of investment is supported by the active sharing of good practices across all our sites, expert input from our research and development teams, and a commitment to benchmarking our performance against the most efficient companies, both in our sector and in industry as a whole. All our operating sites are preparing their own 'energy roadmaps' out to 2020, and the first three which have been fully developed show the potential to save \$200 million annually by that date, which is the equivalent of 1.6 million tonnes of CO₂ a year.

An area of particular focus for us is what is known as technical energy efficiency – in other words, the efficiencies that can be achieved by the application of new technology.

In 2011, we have doubled the number of sites where we have deployed energy efficiency good practices. We are also looking at wider measures to improve our performance in this area, and will start implementation in 2012.

Some of our operations are already delivering world class performance in this area. ArcelorMittal USA has won an Energy Star award from the US Environmental Protection Agency and Department of Energy every year since 2008, in recognition of its commitment to ongoing improvements in this area. All our US plants are covered by the same energy management system, with each integrated plant having its own cross-functional energy team, which sets the site's energy reduction goals.

As a result the US business has achieved cost savings of more than \$22.7 million every year by implementing 24 energy-efficiency projects over a two-year period.

For example, the Steelton plant has cut its energy use by 23 per

cent by upgrading some of its heating equipment; improvements at Coatesville have saved enough gas to heat 430 households for a year, and Cleveland is now saving 88,000 gallons of diesel fuel annually. The plant at Indiana Harbor leveraged funding from the US government to initiate a \$63 million energy recovery project, which will create 360 jobs over an 18-month period. The project enables the plant to burn waste gas from one of the blast furnaces in a new boiler which will generate enough electricity to power 30,000 homes for a year.

Our plants at Olaberría, Spain, and Eisenhüttenstadt and Bremen, Germany, have been leading the way by becoming the first ArcelorMittal sites to achieve the EN 16001 standard for energy management. Companies that achieve this level of efficiency can see their energy costs reduce significantly.

CO₂ emissions per tonne of steel

2011	2.09
2010	2.15
2009	2.25

40 million tonnes CO₂ saved

Approximately 40 million tonnes of CO₂ is saved by re-using more than 30 million tonnes of scrap at our plants each year.



The 504 Boiler, on a barge in Buffalo, New York set on its way to a new home at Indiana Harbor in East Chicago, Indiana to help drive greater energy efficiency.



Cleveland railroad's external power stations: when not in use, locomotives plug in to these new external power stations, saving money in fuel costs and reducing diesel emissions.

Assurer's commentary

Carbon data for mining sites is not included within the group carbon dioxide (CO₂) emissions footprint. We recommend that as the reporting processes are embedded and aligned to the rest of the organisation, carbon data from these mining sites should be included in future reporting periods.

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

Making steel more sustainable

continued

Environmental performance

We continue to make ongoing improvements in our environmental performance, and our plants are always looking for new ways to minimise our environmental impacts, and make our production processes more efficient by using fewer resources and generating less residues.

98 per cent of our steel production and finishing facilities are now certified to the international ISO 14001 standard for environmental management, and we monitor air, water, energy and residues data at all of our production sites. As part of our environmental management system we look to continuously improve emissions to air. In some instances this also helps to address specific concerns of communities surrounding our plants in terms of

air quality. In 2011, we finalised a new de-dusting system at our plant in Ostrava, Czech Republic which will reduce emissions of dust by 70 per cent, as well as reduce sulphur dioxide. A similar investment was made at the sinter plant of Vanderbijlpark in South Africa which is now being commissioned. The Tubarão plant in Brazil has announced that a new \$3.6 million wind fence system will be installed to reduce dust pollution at the Sol Coqueria coke plant. The Temirtau facility in Kazakhstan is investing significant amounts in emissions reduction – and is now developing a project to upgrade the de-dusting of the steel shop converters, which when completed will reduce dust emissions at the steel shop by 99 per cent. In addition, we have a proactive approach to managing the risk of water contamination. We use pollution prevention techniques, which are followed by water treatment where required.

Residues

We understand what a problem landfill waste has become and we are making further advances to reduce the residues we produce, or find productive ways to reuse it. Over 84 per cent of our production residues were reused in 2011, either within our own business or by third parties. Less than 6 per cent of the total was sent to landfill.

In terms of residues reuse, a good example is the project run at our Tubarão facility in Brazil. This production site produces as much as 800,000 tonnes of slag (a waste product from steel making) every year, but a collaboration between our research and development teams and local universities resulted in such an improvement in the quality of this residue that it can now be used in a number of useful by-products.



ArcelorMittal BioFlorestas, Brazil eucalyptus plantation.

Cutting carbon in charcoal production in Brazil



Our Brazilian forestry unit ArcelorMittal BioFlorestas manages eucalyptus plantations to provide charcoal for steel making. Using charcoal instead of coke to feed blast furnaces brings cost advantages as well as making steelmaking more sustainable. Eucalyptus trees have good natural properties. They grow very fast thanks to the good weather and soil conditions in Brazil, and can be cut and allowed to re-grow several times.

The planting schedule ensures that the same number of trees is maintained in the forests at all times. This is a renewable source of energy to heat our blast furnaces, reducing CO₂ emissions per tonne of steel produced. Considering that the total production capacity at Juiz de Fora steel plant is 400,000 tons a year, the tangible benefits of this project are clear. ArcelorMittal BioFlorestas and the local energy supply company (CEMIG) are planning to use the caloric potential of the waste gas emitted during the production of charcoal to produce as much as 30 megawatts of electricity. Through this innovation the charcoal that is being used to produce steel in a sustainable way will also be used to produce electricity.

We have trademarked two new road-building materials, Revsol™ and Acerita™, and around 200,000 tonnes of slag are also being sold to the cement industry every year.

ArcelorMittal Asturias in Spain has also undertaken important research and development work to increase the reuse of steel slag both internally and externally. For instance, in 2011, 97,000 tonnes were recycled internally in our production and 64,000 tonnes were reused externally – mostly for road construction. We also provide residue products to the cement industry around the world. Each ton of granulated slag that is recycled in concrete can save up to 750kg of CO₂ for the cement industry.

Water

Steel-making requires water for cooling and processing, and many of our plants are located next to lakes or rivers where water is plentiful, for this reason. We know that these water sources are equally vital to the surrounding communities, and that access to water is becoming a significant issue of concern in many markets where we operate. In response, we are implementing a number of water efficiency programmes.

In 2010, we established a water steering committee and undertook a water survey of 134 of our production sites, using the Global Water Tool developed by the World Business Council for Sustainable Development.

In 2011, we targeted improved water management at plants that use high amounts of water. A case study using best practice analysis of the water flows was successfully developed at our Bremen plant in Germany in 2011, leading to a significant reduction in potable and industrial water usage.

In 2011, our specific water use was 24.1m³ per tonne of steel produced.

Biodiversity

Our operations affect many aspects of the local environments in which we work, which means we have a responsibility to minimise those impacts. Among these responsibilities are biodiversity (natural plants and animals) and ecosystem services (clean soil, water and air resources).

Many of our steel plants and mines are on large stretches of land or close to nature reserves. Wherever possible we work alongside local conservation groups to gain a better understanding of the local ecosystems and how to manage land so as to sustain and enhance natural conditions. Where we have new mining or steel projects, we carry out detailed environmental and social impact assessments that take into account, among other things, loss or degradation of ecosystems and habitats, impact on local communities, water and soil erosion. For mining projects, the recommendations from such

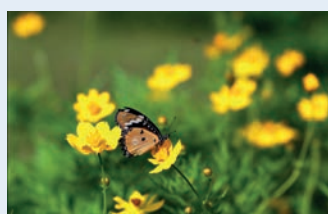
assessments consider what local measures need to be taken to protect all aspects of the environment both during the mine life and afterwards. These are achieved through environmental management plans for the operational periods and closure plans for subsequent rehabilitation.

In Liberia, for instance, we bring together local communities, civil society organisations and relevant authorities to develop plans that will both benefit the population and enhance the preservation and promotion of biodiversity and ecosystem services. In other countries we have a number of reforestation projects running alongside our operations, with similar aims. We will further strengthen our approach to biodiversity and ecosystem services management in 2012.

Environmental and energy capital expenditure (\$ million)

2011	329
2010	339
2009	216

Case study: Protecting biodiversity in Liberia



Before establishing our iron ore mining operation in Liberia, we conducted a series of long term ecological surveys with the Liberian Forestry Development Authority, Conservation International, Fauna & Flora International, Afrique Nature, the Wild Chimpanzee Foundation and Sylvatrop, as well as a number of leading specialists from other institutions. These studies developed our understanding of the biodiversity of the region and allowed us to assess the ways to mitigate the likely impacts of our operations.

We have been working in partnership with local community groups to implement a biodiversity conservation programme. Our aim is to leave a positive legacy in Nimba, by ensuring that the local environment will be healthier in the future than it was before our project started. The collaboration with local community groups has been a positive experience for everyone involved – as John Howell, environment manager, ArcelorMittal Liberia, says, “By listening to these groups, we discovered that there’s a huge part we can play in safeguarding the environment. No one disputed that the iron ore had to be mined – the question was whether we would do it responsibly, and our challenge is to prove that we would”.



Acerita™ Yard, in Tubarão.

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

Enriching our communities

Every ArcelorMittal site across the world is an integral part of its local community and its local environment. In some markets we are the largest employer in the region, not just providing much-needed jobs and training, but support for basic infrastructure such as schools and basic healthcare. Through all of our major operations, the ArcelorMittal Foundation supports community projects that encourage sustainable long-term economic and social growth.

Enriching our communities – 2011 progress at a glance

	Our commitments	Our progress	Next steps
Community engagement	All major operations have community engagement plans in place.	Community engagement training workshops for seven countries. KPI 30 sites developed a community engagement plan.	Review and update our community engagement standard and guidance. Continue to monitor site compliance with this standard.
Economic contribution	Making a sustainable contribution to the communities in which we operate.	Launched a new programme of mini-grants to organisations supported by our employees. \$35 million of community investment through 588 ArcelorMittal Foundation projects across the world.	Further increase employee involvement in ArcelorMittal Foundation activities.
United Nations Global Compact	This section covers principles 1-2 on human rights.	Global Reporting Initiative This section addresses in full, or in part, the following GRI indicator aspects: • Economic performance • Indirect economic impacts • Social performance: human rights; society - community For the complete GRI reference table please see our website.	

Economic contribution

In 2011, our worldwide total estimated indirect economic contribution was \$76 billion, which includes tax payments, payments to suppliers, investment in ArcelorMittal Foundation activities, and expenditure on research and development.

Our company tax policy sets the standard for honouring our tax obligations in all countries where we operate. In 2011, we made total tax contributions to the value of \$1.78 billion.

As one of the world's biggest buyers of goods and services, we believe we can leverage our position to promote social, environmental and ethical standards through our supply chain. This includes involving our strategic suppliers investing in developing countries where we operate. For more information on how we are implementing our code for responsible sourcing, please see page 21.

Community engagement

Wherever we operate, we aim to contribute to the development of strong and sustainable communities. We conduct local assessments to define the key areas for engagement that help us to assign our resources and identify new issues for management.

Our relationship with communities is important to us. We have a detailed external stakeholder engagement procedure (updated in January 2012), previously called the ArcelorMittal community engagement standard, that we expect all our sites to follow. Every major production site must identify their key stakeholders, their main issues of concern, and then devise a plan to engage with them. Each major operation must also set up a grievance mechanism, so that local people can raise concerns, and be confident that they will be addressed. The ArcelorMittal group corporate responsibility team supports local operations to implement the

30

30 ArcelorMittal units developed community engagement plans in 2011

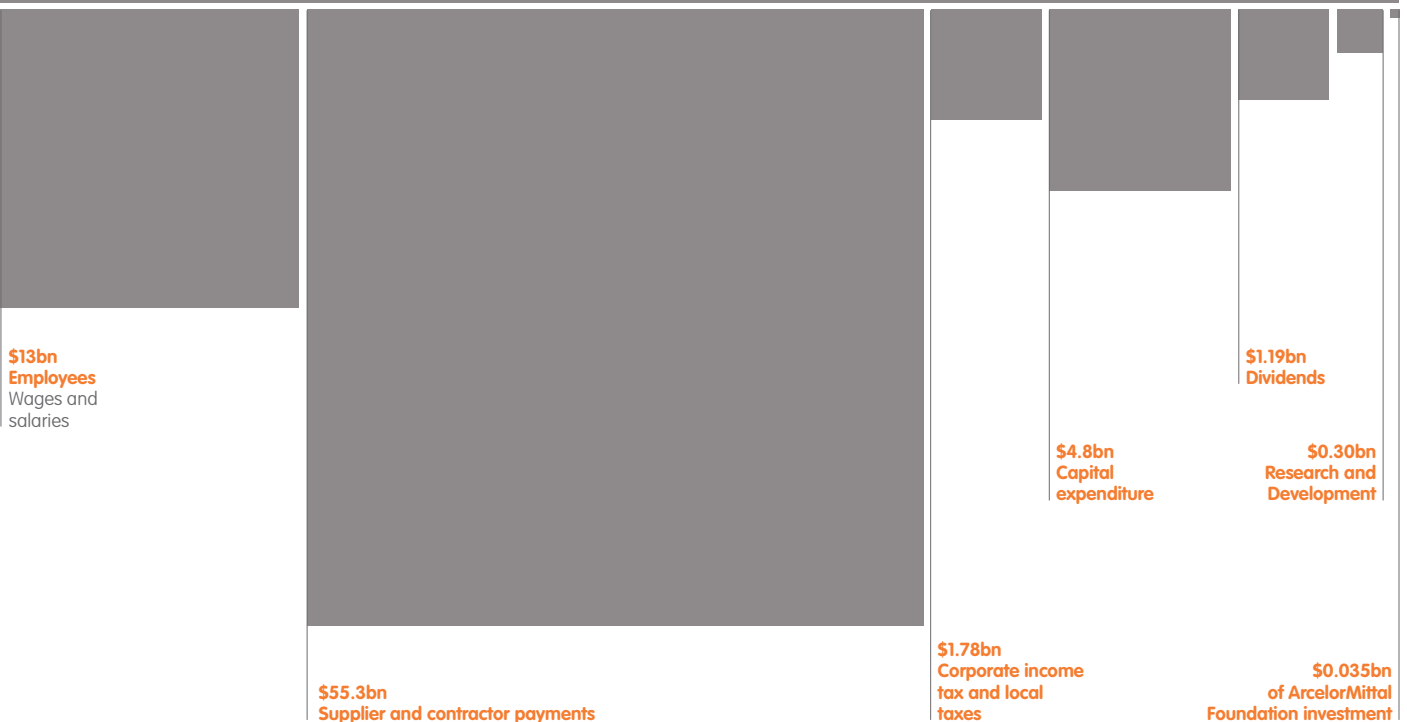
Assurer's commentary

ArcelorMittal have an established stakeholder engagement process at Group and site level, that mandates proactive stakeholder engagement for all sites. We welcome the review and update of the community engagement standard as an enhancement to current practices. We recommend that the information derived from stakeholder engagement is consolidated and documented to inform management decision making to a greater extent.

ArcelorMittal's 2011 estimated economic contribution

ArcelorMittal

Indirect contributions – \$76.4bn



Society

Enriching our communities

continued

Solidarity Holidays

10

In 2011, 10 Solidarity Holidays allowed our employees to volunteer on ArcelorMittal Foundation projects across the world



ArcelorMittal Foundation, community development project, Czech Republic. A project to make toys to be donated to children in hospitals.



ArcelorMittal Foundation education project, Bosnia and Herzegovina. Bridge of Peace Festival.

“ArcelorMittal’s ‘Safer Communities’ support goes beyond financial donations. Their employees volunteer, donate blood, and serve as first responders to disasters and helping to reach underserved communities. We are grateful for their partnership.”

Russ Paulsen

Executive Director, Community Preparedness and Resilience, American Red Cross

procedure by publishing guidance on international good practice, and by sharing knowledge across our internal network of corporate responsibility coordinators. In 2011, we held community engagement training workshops for participants from Bosnia and Herzegovina, Macedonia, Poland, Romania, Russia, Ukraine and Kazakhstan. For more information on our stakeholder engagement, please see pages 14-17.

In 2011, 30 community engagements plans were produced covering all major ArcelorMittal operations. These plans are typically developed through a number of stakeholder engagement meetings.

Human rights in the community

Four of the 12 policy aspects covered by the ArcelorMittal human rights policy relate to our communities – ranging from topics such as access to land and water to resettlement.

ArcelorMittal seeks to avoid involuntary resettlements. In situations where it is unavoidable, we commit to comply with the national or relevant regional authorities’ guidelines on resettlement and compensation and also act in line with international human rights norms. All resettlement activity is preceded by stakeholder consultation, to understand and inform how it could be done in a manner that would best benefit those affected and offer them a better quality of life as a result.

In 2011, our main activity in this regard was in Liberia, where we compensated 362 people for loss of crops. Our ongoing efforts focus on mitigating impacts from resettlement and in developing alternative livelihoods for local affected people. In addition, we are developing a community contract with local communities to support a much bigger land area to promote the sustainable management of local forests and to support wildlife restoration. In Liberia a mine resettlement coordination committee and a local redress grievance committee composed of ArcelorMittal representatives, local authority, civil society and community representatives have

been set up to engage in dialogue with affected persons and to manage any grievances. More details about our environmental and social impact assessment in Liberia can be found at www.arcelormittal.com

Our human rights policy asserts our commitment to respect Indigenous Peoples’ Rights. Currently our engagement centres around the Baffinland Project in the Arctic in Northern Canada, where we are preparing for a future mining project. The policy also requires us to develop practices for land and water use in reference to human rights concerns. Thus we aim to include human rights elements in our future environmental and social action plans wherever possible.

ArcelorMittal Foundation

The ArcelorMittal Foundation was set up in 2007 to be a channel for the company’s community investment activities. It concentrates its work on the communities across the world where ArcelorMittal has a major presence, with the aim of making a positive contribution to the social and economic development of the areas around our operating sites. Some of these projects are part of a worldwide programme covering many countries; others are standalone initiatives run at a local level.

In each case, the Foundation focuses on the three key areas of education, health and community development, and in addition offers emergency aid to victims of natural disasters. In its three key areas the Foundation prioritises support for projects that will benefit a significant number of people, and has specific objectives that can be effectively managed and monitored.

In the five years since the Foundation was set up, over \$200 million has been invested in community projects across the world. In 2011, it supported 588 projects with over \$35 million.

In this section we outline some of the most significant projects currently under way.

Education initiatives include support for youth entrepreneurship in Argentina, music lessons for over 100 deprived children in Brazil, cultural centres for 600 children in

Kazakhstan, and free language teaching in Ukraine. ArcelorMittal also invested in the establishment and running of three science centres for students in South Africa, and is in the process of rebuilding ten schools over a seven-year period, employing all its skills in state-of-the-art steel construction to make the buildings energy-efficient and environmentally-friendly. The Foundation also supports our three schools in Liberia, benefiting over 1,000 children. In 2011, a group of ArcelorMittal volunteers, through the Foundation's Solidarity Holidays Programme, helped to build a new school for the Makinto village in Liberia.

In the area of health, projects range from supplying equipment to a centre for disabled people in Algeria, to an educational programme for pregnant women in Romania, to supporting Sightsavers in India, which has allowed it to provide eye examinations and cataract operations for people in Odisha. ArcelorMittal has also renovated two hospitals in the municipalities of Yekepa and Buchanan, in Liberia. These facilities are open to our own employees, their families, as well as people living nearby. Around 12,000 people receive care and treatment at these hospitals every year. The Foundation has supported mobile health camps in Senegal for the last four years, offering essential medical care for people living in remote rural areas who otherwise have no access to healthcare.

Community development work varies according to the needs of different communities. In the USA and Canada, for example, the Foundation has a partnership with the American Red Cross to promote health and safety at work and at home. While in India, help is being given to three schools in Jharkhand that give free technical training to unemployed young people. The Foundation also supports a drug and alcohol rehabilitation project in Belgium and a housing programme for young homeless people in Canada.

One of the Foundation's most notable global projects is its partnership with Habitat for Humanity. This collaboration dates back to 2008 and works to help families living in poverty to afford their own home. ArcelorMittal Foundation helps Habitat for Humanity by providing steel for the construction of low-cost

housing, as well as its expertise in construction techniques. Over 500 families have been housed so far, in countries as diverse as Argentina, Costa Rica, Macedonia, Mexico, Romania and South Africa. Over 2,000 shelters have been provided in the aftermath of the Haiti earthquake since 2010. Another significant global project for 2011 was the support given to the International Baccalaureate programme in schools in the Czech Republic, Poland and Romania.

Another priority for the Foundation is to encourage and facilitate volunteering by employees. Every December the company celebrates its International Volunteer Work Day, with thousands of ArcelorMittal employees giving their time to help their own communities. Another great example is the Solidarity Holiday programme that brings together teams from across the company to work on an ArcelorMittal Foundation project. Ten such projects were run in 2011, including a Habitat for Humanity programme in Haiti, during which 12 ArcelorMittal

volunteers built six houses in one week, and one in South Africa, which was built by a group of international volunteers and 120 local employees to build eight new homes in seven days.

The Foundation also supports community organisations in which our employees are volunteering by offering them 'mini-grants'. A pilot programme was run in 2010, with small grants to organisations in the Czech Republic, Belgium, and Luxembourg. It was so successful that it is now available across the world. 73 grants were made to groups from 17 countries in 2011, including a Czech organisation that works with children and a charity in Luxembourg called Mowglis, which organises activities for people that are physically disabled or have learning difficulties.

"What makes the Foundation's initiatives even more unique is that they not only benefit communities, but also bring value to our employees and help to foster a sense of belonging."

Lakshmi N Mittal
Chairman and CEO

Number of local community projects supported by ArcelorMittal Foundation

2011	588
2010	585
2009	550



ArcelorMittal Foundation community development, Mexico. "Butterflies" aims to promote, protect and defend the rights of women in vulnerable situations. The ArcelorMittal Foundation sponsors this project in Sonora and Lazaro Cardenas.



ArcelorMittal Foundation health project Brazil. "Digna Idade", a project to enhance quality of life for the community's elderly.









A 'Solidarity Holiday' volunteer, Brazil.

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

Data summary

Data table

	Indicator	Value	Progress		
			2009	2010	2011
Group	Sales	\$ (million)	61,021	78,025	93,973
	Net income	\$ (million)	157	2,916	2,263
	Basic Earnings per share	\$	0.11	1.93	1.46
	Crude steel production	liquid steel in thousand tonnes	71,620	90,582	91,891
	Steel shipped	tonnes (million)	69.6	85.0	85.8
	Own coal production	tonnes (million)	7.1	7.0	8.3
	Own iron ore production	tonnes (million)	37.7	48.9	54.1
	Number of employees		270,568	262,832	260,523
Transparent governance	 Cumulative % of employees completed code of business conduct training ¹	Cumulative %	92	90	80
	Cumulative % of employees completed anti-corruption training ¹	Cumulative %	n/a	94	94
	 Number of operations with a local confidential whistleblowing system		21	21	21
	 Number of Board self-assessments ²		1	1	1
Investing in our people	Fatalities – total		36	40	27
	Fatalities – steel		24	32	20
	Fatalities – mining		12	8	7
	 Lost-Time Injury Rate – total (employees and contractors)	per million hours worked	1.87	1.77	1.42
	Lost-Time Injury Rate – mining (employees and contractors)	per million hours worked	2.42	1.53	1.17
	Lost-Time Injury Rate – steel (employees and contractors)	per million hours worked	1.79	1.80	1.46
	 Industrial operations, including mines, certified to OHSAS 18001	%	45	63	89
	Absenteeism rate ³				
	Mines	%	n/a	3.36	3.42
	Steel	%	n/a	3.17	2.94
	% of employees covered by collective bargaining agreements	%	85	85	85
	% of man-days lost to labour disputes	%	0.11	0.14	0.10
	 Number of formal consultations with the European Works Council		29	34	35
	Number of strikes exceeding one week in duration		2	2	8
 Training hours ⁴		314,520	403,280	358,214	

Data table

	Indicator	Value	Progress		
			2009	2010	2011
Making steel more sustainable	Research and development spend	\$ (million)	253	322	306
	KPI Environmental and energy capital expenditure	\$ (million)	216	339	329
	KPI Industrial operations certified to ISO 14001 (steel only)	%	93	95	98
	Primary energy consumption (steel only) ⁵	GJ/t liquid steel	19	18.8	18.9
	Total CO ₂ emissions (steel only)	million tonnes	164	199	193
	KPI CO ₂ emissions per tonne of steel	tonnes	2.25	2.15	2.09*
	NO _x (steel only)	tonnes	117,093	120,300	108,754
	SO ₂ (steel only)	tonnes	202,926	216,747	193,724
	Steel recycled	million tonnes	26	33	32
	CO ₂ saved from steel recycled	million tonnes	34	42	41
	Water consumption per tonne of steel	m ³	26.6	26.1	24.1
	Residue re-use rate (steel only) ⁵	%	86	80	84
	Residue to landfill (steel only) ⁵	%	7	9	6
	Raw materials used by weight				
	Iron Ore	million tonnes	89.4	114.9	110.6
	Pulverised Coal Injection (PCI) and Coal	million tonnes	36.3	44.3	44.8
Coke	million tonnes	26.3	29.3	29.1	
Scrap and Direct Reduced Iron (DRI)	million tonnes	29.6	38.7	38.9	
Enriching our communities	KPI Number of community engagement plans		2	10	30
	Number of local community projects supported by ArcelorMittal Foundation		550	585	588
	Employee volunteering ⁶	hours	n/a	12,000	37,311
	Community investment spend through ArcelorMittal Foundation	\$ million	31.3	37.7	35.0
	KPI Estimated economic contribution ⁷	\$ billion	48.5	73.6	76.4

Owing to the spin-off of the stainless steel operations into a separate listed company, Aperam, on January 25, 2011, 2009 and 2010 data have been adjusted accordingly, where appropriate and feasible

- 1 Employees are required to undertake code of business conduct and anti-corruption training every three years. The number reported for the year, is the number of employees who have valid training at the end of the period. The anti-corruption training was launched in 2010.
 - 2 The board self-assessment takes place at the level of the board of directors of the ArcelorMittal group's parent company.
 - 3 Absenteeism % = Total illness leave time (up to maximum of six months per case)/ hours to be worked. This data was not collected at group level in 2009.
 - 4 Training hours is the number of full time employee training hours at the ArcelorMittal University only. This excludes health and safety training and local, formal and on-the-job training.
 - 5 Previously estimated 2010 data has been updated for actual data.
 - 6 In 2011, this comprises the volunteer hours for international Volunteer Work Day and the solidarity holidays project. In 2010, this comprised international Volunteer Work Day only. This data was not collected at group level in 2009.
 - 7 Estimated economic contribution includes wages and salaries, supplier payments, capital expenditure, research and development spend, corporate income tax and local taxes and shareholder dividends.
- * CO₂ data for 2011 has been externally assured by Deloitte LLP. See page 40 for the independent assurance statement.

Independent assurance statement

Independent assurance statement by Deloitte LLP ('Deloitte') to ArcelorMittal S.A. ('ArcelorMittal') on the Corporate Responsibility Report 2011 ('Report') for the year ended 31 December 2011.

What we looked at: scope of our work

ArcelorMittal has engaged us to give assurance on:

Limited assurance on the following subject matters:

1. **AA1000 assurance: managing and reporting corporate responsibility performance** – ArcelorMittal's description, on page 2 of the Corporate Responsibility Report 2011 (the 'Report'), on application of AA1000 using the principles of:

- Inclusivity – how they identified and engaged with stakeholders to gain a full understanding of issues;
- Materiality – how they assessed the relative importance of each issue; and
- Responsiveness – how they responded to stakeholder issues and how this is reflected in the Report as set out in the AA1000 AccountAbility Principles Standard (AA1000 APS 2008).

2. **Selected corporate responsibility performance data** – for the year ended 31 December 2011. The assured data, CO₂ emissions per tonne of steel, appears in the Report on page 39 and is indicated by the * symbol.

3. **GRI assurance: using the Global Reporting Initiative 2006 Sustainability Reporting Guidelines ('the GRI guidelines') in preparing the Report** – ArcelorMittal's declaration on the webpage <http://www.arcelormittal.com/corp/corporate-responsibility/publications-and-reports/gri-index> that it has applied the GRI guidelines at level 'B+' in preparing the Report.

What we found: our assurance opinions

Limited assurance conclusion:

Based on the work we performed, we are not aware of anything that causes us to believe that:

1. ArcelorMittal's description on page 2 of the Report of its alignment to the AA1000 APS principles of inclusivity, materiality and responsiveness in reporting its performance for 2011 is materially misstated.
2. The corporate responsibility performance data, shown on page 39 of the Report, indicated by the * symbol is materially misstated.
3. ArcelorMittal's declaration on webpage <http://www.arcelormittal.com/corp/corporate-responsibility/publications-and-reports/gri-index> that it has applied the GRI guidelines at level B+ is materially misstated.

Observations and recommendations

ArcelorMittal has made the following key improvements in managing and reporting its corporate responsibility performance during 2011:

- The site level corporate responsibility network strengthened during 2011, meeting a number of times, both in person and virtually, to share good practices between sites and understand the tools and expertise available from the corporate team.
- ArcelorMittal has an established stakeholder engagement process at group and site level that mandates proactive stakeholder engagement for all sites. We also welcome the review and update of the community engagement standard as an enhancement to current practices.
- In addition to weekly Group Management Board meetings, senior management met twice during 2011 to specifically discuss health and safety and outline key steps required to achieve the health and safety programme goal of zero accidents, demonstrating its priority for the business.

To improve future management and reporting of corporate responsibility in accordance with AA1000APS we make the following recommendations to ArcelorMittal:

Inclusivity:

- Information derived from stakeholder engagement is clearly consolidated and documented to inform management decision making to a greater extent.
- Corporate responsibility governance at site level should continue to develop where structures and systems are less mature, to drive local performance against group-wide commitments.

Materiality:

- Sites are currently required to report major risks to group using guidelines to assess their risk profiles. We recommend guidance is further developed to ensure that a greater number of risks, including those related to corporate responsibility such as occupational safety and skills shortages, are systematically captured at a site level to reduce the possibility that significant issues are excluded.

Responsiveness:

- Carbon data for mining sites is not included within the group carbon dioxide (CO₂) emissions footprint. We recommend that as the reporting processes are embedded and aligned to the rest of the organisation, carbon data from these mining sites should be included in future reporting periods.
- ArcelorMittal is a member of global and sector specific initiatives, principles and networks, including the United Nations Global Compact and Extractive Industries Transparency Initiative (EITI). In future reporting years we recommend that ArcelorMittal reports further on how these are embedded into strategy and operationalised through its sustainability commitments, internal policies and guidelines.

The above observations have been raised in a report to ArcelorMittal management. The observations and recommendations have been taken into account in forming our conclusions on the Report as set out in this statement.

What standards we used: basis of our work and level of assurance

We carried out limited assurance on the selected subject matters in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

What we did: our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Analysed and tested on a sample basis the processes related to stakeholder identification and engagement, including review of a sample of engagements and the outcomes of engagement;
- Reviewed the process that ArcelorMittal used to identify and determine material issues to be included within the Report. This included a review of external media coverage and peer reporting on corporate responsibility in 2011 to corroborate issues identified by ArcelorMittal;
- Interviewed a selection of ArcelorMittal executives and senior management who have operational responsibility for corporate responsibility issues, including the ArcelorMittal corporate responsibility team, to understand the governance structures used for managing corporate responsibility, engagement with stakeholders on corporate responsibility issues, as well as implementation of corporate responsibility related policies and initiatives in 2011 and the monitoring of these activities;
- Analysed and reviewed on a sample basis the key structures, systems, processes, procedures and controls relating to the collation, aggregation, validation and reporting processes of the selected corporate responsibility performance indicator;
- Reviewed information and reasoning about the Reports' assertions regarding corporate responsibility performance in 2011;
- Checking that the GRI index, for each of the standard disclosures required by the GRI guidance required at level B+ contains the relevant indicator; and
- Reviewed the content of the Report against the findings of the aforementioned procedures and, as necessary, provided recommendations for improvement.

We have not completed any analysis, testing or review of prior year performance information included within the Report.

Limitations

The process an organisation adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. To support clarity in this process ArcelorMittal have developed a Basis of Reporting document for 2011 which defines the scope and method of calculation for CO₂ emissions per tonne of steel, and should be read together with this Report on the webpage <http://www.arcelormittal.com/corp/corporate-responsibility/publications-and-reports/reporting-and-assurance>

In relation to our work performed on CO₂ emissions per tonne of steel, we note the following specific limitation:

- Our testing did not examine the accuracy of the carbon conversion factors applied at site level.

ArcelorMittal's responsibilities

The Directors are responsible for the preparation of the Report and for the information and statements contained within it. They are responsible for determining the corporate responsibility goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Roles and responsibilities

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Professional Accountants Code of Ethics for Professional Accountants in their role as independent auditors and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the Report. We have confirmed to ArcelorMittal that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of environmental, corporate responsibility and stakeholder engagement experience, including many years' experience in providing corporate responsibility report assurance.

Our responsibility is to independently express a conclusion on the Report as defined within the scope of work above to ArcelorMittal in accordance with our letter of engagement. Our work has been undertaken so that we might state to ArcelorMittal those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ArcelorMittal for our work, for this statement, or for the conclusions we have formed.

Deloitte.

Deloitte LLP
London, United Kingdom
20 April 2012.

Memberships and guidelines

Memberships and guidelines

To develop and inform our internal reporting systems and disclosure we use the Global Reporting Initiative (GRI) G3.1 sustainability reporting guidelines as a reference. This report qualifies for GRI level B+ application. For more information see 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 G3.1 indicators which we currently report on. This can be found at www.arcelormittal.com/corp/corporate-responsibility



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



As a signatory to the United Nations Global Compact (UNGC), we commit to align our operations and strategies with ten universally accepted principles. How we report against these principles can be found online and throughout this report. More details of the initiative can be found at www.unglobalcompact.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.wbcd.org



We are an active member of CSR Europe – a business network 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



We are a leading member 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 its financial and operational performance in 2011 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 – Financial Reports – SEC Filings'.

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