



ArcelorMittal

2012 Corporate Responsibility Report

ArcelorMittal in Luxembourg



Steel, the fabric of life

There are thousands of ways to use steel to make products that are found in everybody's lives. You may not see steel, but you most likely use it every day. From vehicles, packaging and household appliances, to buildings, roads, railways, bridges, other infrastructures and equipment, and even the coins in your pocket: steel is vital and an integral part of the society in which we live and helps to shape a sustainable future.

The cover page of this report features recent buildings in the Grand Duchy with our long and flat steels made in Luxembourg.

1
The *Fonds du Logement* building in Luxembourg-Hollerich is the first mixed-use building built of steel in the Grand Duchy. The metal frame reduced the duration of works, essential for a project located in an urban area. Our Luxembourg sites delivered 625 tonnes of steel sections, material chosen for its intrinsic qualities and because it reduces the duration of works.

2
For the extension of the Casino 2000 in Mondorf-les-Bains, assembly of the complete structure was achieved in one year with some 300 tonnes of beams measuring up to 29.1 metres.

3
The head office of *La Luxembourgeoise* in Leudelange was designed by the Jim Clemes architectural and design studio and is composed of five different wings. ArcelorMittal delivered 616 tonnes of steel sections for this project.

4
The roof of the Conference Centre in Kirchberg was created using a square mesh of curved H beams, their ends resting on a large circular beam. This in turn lies on all the columns that mark out the interpreters' work spaces, which themselves are connected to the ring beam at ground level. The ArcelorMittal C3P Finishing Centre prepared and delivered 300 tonnes of beams for this radial construction with a diameter of 40 metres.

5
For the car park at *Obercorn's Parc des Sports*, the ArcelorMittal C3P Finishing Centre produced and delivered 222 tonnes of IPE 200 - IPE A 550 beams.

6
In the unique facade of the prestigious Namur chocolate factory in Luxembourg-Hamm, Aluzinc® offers a high light reflectivity, while providing an ever-changing aspect, at all times of the day depending on solar conditions.

7
The facade of the *Centre de Formation pour Conducteurs* in Colmar-Berg is made with Aluzinc®. It is made up of long shaped blades whose assembly virtually masks any gaps between the plates, offering a modern vision of metallic construction.

8
The *Pavillon du Centenaire* which houses the Schlassgoart gallery in Esch-sur-Alzette is a unique kaleidoscope of steel, where Aluzinc® mixed with a variety of painted coatings, shows its spectacular reflectivity and fits perfectly into this symbolic location, surrounded by a green environment.

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ArcelorMittal is the world's leading integrated steel and mining company, with a presence in over 60 countries. Our ambition is to be one of the safest companies and to carve out a reputation as one of the most responsible, sustainable companies.

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About this report

This report covers our Corporate Responsibility activities in Luxembourg. The report contains forward-looking statements that represent the expectations, convictions, forecasts and objectives of ArcelorMittal's Management regarding ArcelorMittal's financial and operational performance in 2012 and beyond, along with assumptions or opinions based on such performance. Forecasts of future performance are forward-looking and as a result, these involve estimates, assumptions, judgments and uncertainties. Several factors may cause a divergence between the actual results and management forecasts.

This report is also available at www.mycarcelormittal.com and luxembourg.arcelormittal.com. In the event of contradiction, the French version shall prevail.

Message from the management

We are pleased to present you ArcelorMittal's third Corporate Responsibility Report on its operations in Luxembourg. This report gives an overview about what the group has done in 2012 in Luxembourg to continually improve its commitment as a responsible corporate citizen towards the four pillars which define our business' and stakeholders' key priorities: investing in our people, making steel more sustainable, enriching our communities and transparent governance.

Health and safety remains of utmost importance and recalls our approach on 'investing in our people'. In addition to organising at national level various programmes and trainings related to health and safety topics, we fortunately succeeded to have no fatalities at our Luxembourg sites in 2012. Furthermore, we have reduced the number of work accidents by some 60 % which shows that we are on the right way on our journey towards Zero Accident.

Moreover, ArcelorMittal founded a Global Diversity and Inclusion Council to improve gender balance at a global level. In this scope, ArcelorMittal University in Luxembourg started, late 2012, the "Women in Leadership" programme. This training addresses our female leaders from all over the world.

In an European market environment with 30 % less steel demand since 2007, our socially responsible approach is reflected in the Lux2016 agreement to ensure the future of steelmaking in Luxembourg. With governmental and union representatives, we signed the agreement which implies a 150 million EUR investment in our steelmaking facilities until 2016, but also emphasizes our social responsibility towards those affected by the long-term idling of the steel plant and the wire rod mill in Schiffflange and by reduced production at the rolling mills in Rodange.

Creating value through improving our environmental performance means contributing to sustainable steelmaking. ArcelorMittal Luxembourg's continuous product and processes development efforts resulted last year in a new sheet pile grade and a new beam blank B4 in Belval.

We are moreover aware that playing an active role in the communities means understanding what matters to our stakeholders and listening to their concerns. We achieve this through our permanent commitment to our partners. With initiatives like our fifth Volunteer Work Fortnight and sponsoring our employees' volunteer work, we engage proactively with our stakeholders. Also the ArcelorMittal Foundation (Luxembourg) supports several projects in the areas of education, health and safety and social promotion which allows contributing to the development of various associations over a long term.

Finally, ArcelorMittal aims at ensuring visibility in the decision-making and organisation of the company. Transparent governance is deeply embedded in our everyday business and guides us in operating ethically and complying with international laws and regulations as well as ensuring respect of the company's code of ethics and values.

In September 2012, we received the Label ESR (*Entreprise Socialement Responsable*) as socially responsible company from the National Institute for Sustainable Development and Corporate Social Responsibility INDR (*Institut National pour le Développement durable et la Responsabilité des entreprises*).

For the future we will keep on striving to maintain and improve our performance on all levels. We thank all our employees and stakeholders for their continuous commitment and support in our initiatives to endorse ArcelorMittal as a responsible corporate citizen.



Michel Wurth
Chairman
ArcelorMittal Luxembourg



Christian Zeyen
General Manager
ArcelorMittal Luxembourg

Presentation of the group



ArcelorMittal worldwide

ArcelorMittal is the world's leading integrated steel and mining company, with operations in more than 60 countries.

ArcelorMittal is the leader on all the major global steel markets, including motor vehicles, construction, household appliances and packaging. The company is a leading player in the technology field and in Research & Development, with sizeable own resources of raw materials and outstanding distribution networks. Its industrial structure, present in over 20 countries on four continents allows it to be present on all key steel markets, in both emerging and developed economies.

Through its core values of sustainability, quality and leadership, ArcelorMittal commits to operating responsibly in terms of the health, safety and well-being of its staff, its subcontractors and the communities in which the company operates. It is also

committed to the sustainable management of the environment. ArcelorMittal plays a leading role in the industry's efforts to develop innovative steelmaking processes and is actively engaged in the research and development of technologies and steel solutions that help fight climate change.

ArcelorMittal's key financial figures for 2012 express revenue of US\$84,213 million and gross steel production of 88.2 million tonnes, representing approximately 6 % of world steel production.

US\$ 84,213

million were posted as ArcelorMittal group's revenues in 2012.

83.8

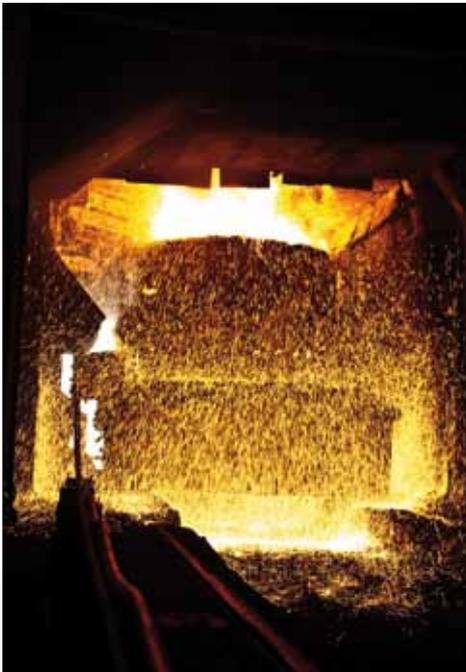
million tonnes of steel were shipped by the ArcelorMittal group in 2012.

US\$ 285

million, was invested in research and development by the ArcelorMittal group in 2012.

ArcelorMittal in Luxembourg

ArcelorMittal's expert products, which are often unique, are manufactured in Luxembourg and distributed around the world, offering high added value to our global customers. The company is the largest private employer in the Grand Duchy.



Luxembourg is home to ArcelorMittal's **world headquarters** where the central functions of the group are established. A **centre specialising in the research and development** of heavy long products is located in Esch-sur-Alzette. Luxembourg has **thirteen production sites** covering three product segments, of which nine are industrial sites active in steel production or processing and four are specialised sites.

Industrial sites (9)

- **Long Carbon segment** – With its electric arc furnace, continuous casting and its two rolling mills – the Medium Section Mill and Mill 2 –, **Belval** produces medium and light sections and sheet piles. **Differdange** has an EAF (electric arc furnace) and continuous casting. Its Grey Mill specialises in rolling heavy beams (including Jumbo beams) and sheet piles. Differdange currently produces the heaviest beam blank on a global level and the tallest (1,108 mm) and heaviest beams (1,377 kg/m) in the world. **Schiffange*** has an EAF and continuous casting. The two rolling mills at **Rodange***, Mill A and Mill C, produce reinforcing bars, sheet piles and special sections (including rails for overhead cranes). The **STFS*** (*Société du Train à Fil de Schiffange* or Schiffange wire rod mill) rolls wire rod.

Long products are primarily used in the construction industry.

- **Flat Carbon segment** – With its two hot-dip galvanising lines, its two electro-galvanising lines and its steel service centre consisting of two slitting lines and two cutting lines, the **Dudelange** site produces Usibor®, Alusi®, Aluzinc® and electro-galvanised sheets, which are used in the automotive sector, and in general and construction industries.
- **Distribution Solutions segment** – The over a century old wire drawing mill at **Bissen** produces wire for fencing and agriculture, galvanised and bright wires, as well as fibres. The wire drawing mill at **Bettembourg** specialises in the

production of saw wire. **Cofralux** is a facility dedicated to the special processing of plates for the manufacturing industry.

Specialised sites (4)

- **Long Carbon segment** – **Dommeldange** is a mechanical workshop for the group's internal and external customers. It provides them with four centres of expertise: engineering, welding, machining and assembly.
- **Distribution Solutions segment** – the **Centre Logistique Européen** is a central stock of beams for the ArcelorMittal distribution network and the logistics centre for Luxembourg mill shipments.
- **Sotel** ensures reliable delivery of electricity to the main ArcelorMittal plants in Luxembourg.
- **Circuit Foil** produces copper foils for the electronics industry, primarily for printed circuit board manufacturers.

The **Paul Wurth** group, a world leader in the design and delivery of technology solutions for iron manufacture with a particular focus on the construction and modernisation of complete blast furnace, direct reduction and coking facilities, does not fall within the scope of this report. In 2012, ArcelorMittal sold the 48.1 % stake the company held in Paul Wurth to SMS Holding.

* Due to a continued low demand for steel in the construction sector in Europe, in September 2011, ArcelorMittal had to take the decision of long term idling of the STFS rolling mill and EAF and of significantly reducing its Mill C production at Rodange & Schiffange. A Lux2016 agreement was signed in 2012 with representative trade unions and the government with the aim of consolidating the steel industry in Luxembourg and downsizing due to restructuring without layoffs.

Our key performance indicators

Main areas	Key performance indicators (KPIs) of our performance in Luxembourg	Definition	Evolution		Comments from management
			2011	2012	
Investing in our employees	Lost-time injury frequency rate	This is the number of lost-time injuries of more than one day affecting our own employees over a period of 12 months, per million hours worked.	2.87	1.59	The lost-time injury frequency rate has improved, demonstrating the success of our commitment to safety. The 2012 group figure for our own personnel of the steel sector was 1, highlighting that considerable efforts must still be made in Luxembourg.
	OHSAS 18001 certified production sites	The OHSAS 18001 standard sets down the necessary organisational requirements for the existence of a workplace health and safety management system. With this approach, which is based on continuous improvement, efficiency is improved and risks and accidents are reduced.	11 out of 13	11 out of 13	
	Hours of full-time employee training	Indicates the total number of training hours for all employees.	200,642	194,043	A constant effort has been acknowledged, since the number of training days per employee rose from 4.8 in 2011 to 5 in 2012, thus making up the ground lost in 2010.
	Diversity of training offered	Number of training solutions offered.	280	315	A significant increase in tailor-made training solutions as well as the impact of compulsory Health and Safety training courses. Added to this is the increase in the number of training courses offered by Functional Academies at the ArcelorMittal University,
Producing a more sustainable steel	CO ₂ emissions per tonne of crude steel casting	CO ₂ emissions represent the CO ₂ footprint, including direct emissions (CO ₂ coming out of chimneys), indirect emissions from electricity consumption and emissions and from the production of certain products used in our workshops such as quicklime and industrial gases (oxygen, nitrogen).	386 kg	407 kg	This increase is exclusively due to an increase in natural gas consumption.
	Percentage of material recycled in liquid steel production	This is the amount of scrap and used tyres (only for the Belval plant) scaled to all that is put in the furnace during steel production (e.g. coal, anthracite, ferro-alloys, lime)	94.0 %	94.6 %	
	ISO 14001 certified facilities	The ISO 14001 standard is about environmental management. It is based on the principle of continuous improvement of environmental performance by controlling the impacts associated with the company's activities.	9 out of 13	9 out of 13	Only industrial sites with a high environmental impact process are covered, sites such as wire drawing are not covered.
	Percentage of byproducts valorised per tonne of liquid steel	This is the percentage of by-products (operating waste), such as black slag, scale, waste etc., of steel production sent to a recovery unit rather than a disposal unit.	89.1 %	85.9 %	Between 2011 and 2012, the scope of the indicator on the value of co-products has been extended to all industrial sites in Luxembourg. This gives a better overview of the development of co-products. The resulting figure is somewhat less favorable but more representative of the overall situation Luxembourg.

Main areas	Key performance indicators (KPIs) of our performance in Luxembourg	Definition	Evolution		Comments from management
			2011	2012	
Enhancing our communities	Number of employees at end December of the corresponding year		5,197	4,886	This discrepancy is due mainly to early retirements, mostly replaced through internal mobility.
	Supported training periods		111	145	The increase in this parameter shows the ongoing ArcelorMittal commitment to educate the younger generation in careers in the steel industry.
	Donations to the ArcelorMittal Foundation		356,000 €	420,800 €	The change reflects a growing commitment of the ArcelorMittal Foundation within local communities in Luxembourg.
	Projects sponsored by the ArcelorMittal Foundation		14	14	
Ensuring transparent governance	Percentage of employees trained in the Code of Ethics*	The ArcelorMittal Code of Ethics provides a set of guidelines to be followed by all employees when conducting their business. The aim is to preserve the ArcelorMittal reputation of honesty and integrity in its management practices as well as in all business transactions.	90 %	95 %	Training in the Code of Ethics is mandatory and valid for a period of three years. After this time, employees must renew their training certificate. Factors such as employee turnover, re-validation restrictions for training courses and long-term absences make it difficult to achieve a coverage rate of 100 % of our staff. Despite these difficulties, the training rate trend is upward.
	Complaints received and processed by the Internal Audit Department	Complaints relate to internal problems that were raised by employees anxious to preserve the ArcelorMittal reputation of honesty and integrity.	1	0	No complaints were recorded by the Internal Audit Department in 2012. Note that we also put in place a national and local grievance mechanisms for our sites since 2012.
	Percentage of employees trained in Human Rights*	ArcelorMittal has published a comprehensive policy on Human Rights in order to coordinate all the group's efforts, focusing on the priority areas identified.	70 %	93 %	Training in Human Rights is obligatory and valid for a period of three years. After this time, employees must renew their training certificate. Despite these difficulties, the training rate trend is upward. Factors such as employee turnover, re-validation restrictions for training courses and long-term absences make it difficult to achieve a coverage rate of 100 % of our staff. Despite these difficulties, the training rate trend is upward.

* The figures obtained are based on the compilation of results for each of the following industrial sites: Belval, Differdange, Dudelange, Rodange, Schiffange Dommeldange and Wiltz (Circuit Foil). Figures for other sites are not processed separately but are included in the reports relating to the group and segments.

Investing in our people

We operate in an industry where safety is a daily concern. It continues to be our number one priority.

As a responsible employer, we aim to be the safest steel and mining company in the world. It is a challenge that we are determined to meet. At group level, we achieved a lost-time injury frequency rate (LTIFR) of 1 injury per million hours worked, which means we are a year ahead of the target set in 2010. However, we will only continue to be a leader in our industry if our lost-time injury frequency rate falls below 0.5. Our long-term goal is actually to achieve a zero lost-time injury frequency rate, and our safety programme "Journey to Zero" is designed to achieve this goal.

We also take a number of initiatives to ensure our employees' well-being and help them to fully bloom within ArcelorMittal. If economic circumstances have an adverse impact on our workforce, we undertake the necessary adjustments in close consultation with our social partners and offer support to those affected.



200,000

hours of continuous training were completed by our employees in Luxembourg during 2012.

6th

Health and Safety Day was celebrated by our employees and subcontractors at our sites in Luxembourg and around the world on 26 April 2012.

60

nationalities are represented in our Luxembourg entities. This is a significant contribution to the promotion of diversity.



What do we do to ensure the safety and well-being of our employees?

In Luxembourg, we succeeded in ending the year without any fatal accidents. Additionally, the number of occupational accidents was significantly reduced.

Of note is the excellent performance of ArcelorMittal Rodange & Schifflange, Bissen, Bettembourg and Dudelange which all achieved zero lost-time injury frequency rates. More specifically at the end of 2012: Bettembourg with 1,891 days, thus over five years without a lost-time injury; Dudelange with three shifts of over 4,000 days, almost 11 years without lost-time injury; and the research centre at Esch-sur-Alzette, which posted 5,475 days without a lost-time injury, equivalent to 15 years, despite numerous non-routine works in plants, at sea ports and on other construction sites.

This good performance is the result of substantial collective efforts from all our employees and subcontractors in Luxembourg. We have a strong desire to continue on this path. We will do this by instilling a culture of safety in our subcontractors and our employees, by continuing to implement our fatal accident prevention standards and by conducting even more proactive hazard identification risk assessments. All our employees are encouraged to think before acting, to be exemplary and responsible, to take charge of their own safety and to ensure the safety of their colleagues at all times in every location.

While the health and well-being of our employees is vital in itself, it also plays a crucial role in maintaining their motivation and commitment, as well as in reducing absenteeism, thus assuring the quality of our products and the sustainability of our business.

Global Health and Safety Day

The aim of the now traditional ArcelorMittal Global Health and Safety Day in late April is not only to raise awareness among employees and subcontractors, but also to transform the health and safety approach into a way of thinking, a way of acting, and a way of behaving.

The theme chosen for our sixth edition on 26 April 2012 was "Stop, think and act safely." The objective is to ensure that all employees and subcontractors stop before embarking on a new task, think about how to mitigate potential hazards and act only once all the aspects of the mission have been weighed up.

The programs of our various entities included several workshops, conferences and exhibitions on a wide range of topics related to health and safety at work.

Safety initiatives

To ensure that all subcontractors are adequately trained in safety before working in-plant, our sites at Belval, Differdange, Dommeldange, Rodange, Schifflange and the

Centre Logistique Européen provide them with **Safety Partner Welcome training** (*Accueil Partenaire Sécurité, APS*). This computerised, individual training allows each candidate to learn about the safety features specific to their mission on site. Launched at Differdange in 2010 and extended in 2012 to other sites, this training course also encourages each participant to achieve the Zero Injury objective.

Long Carbon Steel sites in Luxembourg launched many initiatives under the **5S plan (Sorting, Straightening, Systematic Cleaning, Standardising and Sustaining)**. At its root lies a simple observation: disorder paves the way for accidents. Rigour and discipline are the key attributes of this working method. Its implementation has a positive impact on safety and working conditions. As part of this participatory approach, Differdange even launched a 5S challenge through which simple yet effective ideas were implemented.

ArcelorMittal Dudelange won the jury's congratulations at the **GESiM challenge** (Group of Steel and Metallurgical Companies (Groupement des Entreprises Sidérurgiques et Métallurgiques) for improvements carried out on the packaging area of the hot-dip galvanising plant. The jury particularly appreciated the reception

Health Campaign 2012: stress management

In order to raise employee awareness of stressful situations and their consequences on both personal and working lives, ArcelorMittal Luxembourg focused its 2012 health campaign on stress management. What are the causes of stress and its impacts on individuals and how they behave? What is the correlation between stress and addiction to tobacco, alcohol, drugs and illicit drugs? What are the benefits of regular exercise in terms of stress management? What anti-stress strategies and relaxation techniques should be followed? How can burnout be prevented? All these topics were widely disseminated as part of this campaign.

given by Dudelage to temporary staff. The many improvements to the packaging area were also much appreciated and position Dudelage as a benchmark in terms of safety both inside and outside the ArcelorMittal group.

In July, twelve employees, future **Black Belts** from Belval and Differdange, presented the progress made in the implementation of the **6 Sigma** method. A Black Belt is an employee who has reached the required level, having mastered the 6 Sigma method in full. This management approach aims to improve the efficiency and quality of processes. It solves existing problems and highlights future avenues of progress. At the same time, the analyses conducted and the conclusions and actions implemented result in improved safety parameters, cost reductions and an improvement in product quality and customer service.



ArcelorMittal Bissen ended the year on a high: by the end of 2012, over a quarter of its staff had qualified as **first-aid workers**.

Health Awareness Programme

For the third edition of the Global Health Awareness Programme, which is held annually in early autumn, the activities offered focused mainly on stress management, nutrition and physical activity. The giant colon from the Cancer Foundation also toured our sites. Finally, Belval, Differdange and the administrative premises in Luxembourg City were present at the Global Race, a run/walk in which all the group's sites could participate, kicked off across the world on 4 October 2012 at noon, local time.



Health and well-being Initiatives

A team from Bettembourg participated in the fifth edition of the **Mam Vëlo op d'Schaff oder an d'Schoul** bicycle event. Through this initiative, the Verkéiersverbond aims to promote this alternative and sustainable form of transportation.

Other employees from the ArcelorMittal sites at Belval, Differdange, Rodange, Bettembourg and the administrative premises in Luxembourg City and Esch-sur-Alzette defended the company's colours at the seventh edition of the **ING marathon**.

Further sports initiatives supported by ArcelorMittal Luxembourg include our **cricket** team, crowned double champions of the Luxembourg lawn cricket league as well as indoors, our **football** teams from Differdange and Luxembourg City and our Run For Health team, which took part in the **Walfer Vollekslaf**.

Diversity and Inclusion

ArcelorMittal invests heavily to ensure that an open mind and inclusion are deeply rooted in attitudes at all levels of the company. Our **diversity and inclusion policy** expresses our ambition to welcome employees from different cultures, generations, genders, ethnicities, nationalities, skills, social backgrounds and all other diversities unique to us. The ArcelorMittal diversity and inclusion initiative is designed to provide guidelines at group level regarding our commitment in terms of diversity and inclusion, with particular emphasis on women in our group under the name **women@arcelormittal**. This targeted approach is designed to maximise talent and skills within the organisation in line with our principle of "best talent = best organisation = best performance."

To achieve these objectives, ArcelorMittal has created a **Global Diversity & Inclusion Council (GDIC)** responsible for defining the group strategy in terms of gender equality among our staff and ensuring the implementation of measures to achieve this.



One of the first major GDIC projects was to provide an overview of the current internal situation by interviewing more than 600 women in eight countries where the group operates. Thereafter, ArcelorMittal University launched **Women in Leadership** in late 2012, a pilot training course intended to develop talent aimed at female executives. Of the 35 participants, 15 were based in Luxembourg.

What is our approach to support the professional development of our current and future employees?

We are fully aware that the commitment, involvement, sense of belonging and job satisfaction of our employees play a part in our success. We encourage them to take initiative and have an innovative spirit at all levels and in all our steel-based professions, whether technical or administrative.

We also invest heavily in training and development for our employees, despite a difficult economic environment. We want them to reach their potential and have the opportunity to develop their skills so they can better contribute to ArcelorMittal's performance.

Our **continuous training** provides our employees with a wide range of learning and development methods in areas ranging from

languages to office automation, not forgetting our own steel technical trainings and operations management. 2012 ended with



nearly 200,000 hours of training conducted through 315 different courses. In this area, of note is the important role of health and safety training and the extension to the ArcelorMittal University offer.

Investment in future employees is specifically achieved through **apprenticeship**. The success rate of our DAP (diploma of professional competence, *diplôme d'aptitude professionnelle*) apprentices in June 2012 was 95 %, based on exam performance. Apprenticeships are undertaken to become a maintenance and industrial mechanic, an energy electronics technician or a mechatronics technician. 13 new apprentices selected from more than 54 applications joined the apprenticeship stream at ArcelorMittal in September 2012.

Furthermore, in order to give young people an introduction to the world of work and the vast spectrum of trades offered by the steel industry, ArcelorMittal entities in Luxembourg welcomed nearly 150 **trainees** in 2012.

How do we ensure constructive social dialogue?

Social dialogue contributes to the conservation of a critical balance between the parties present. ArcelorMittal Luxembourg is proud to maintain an open, constructive and continuous dialogue with its employees and aims to create a work environment that is based on mutual respect and trust.

Since 2006/2007, steel demand has fallen by almost 30 % in Europe and 15 % in the United States. Moreover, the growth in Chinese demand for steel and iron ore has slowed. ArcelorMittal had to adapt to this new landscape. That is why the company made the difficult decision of long-term idling of its facilities in Luxembourg, as elsewhere in Europe and across the world, and to focus its steel production on its most efficient facilities. In the same vein, it was decided that from 2013, the headquarters building on Avenue de la Liberté would be temporarily vacated. This decision aims to achieve operational savings and provide a message of solidarity to colleagues affected by restructuring worldwide.

These decisions are only taken if they are unavoidable, to protect the viability of all our activities. ArcelorMittal is fully aware of the difficulties they create for the employees impacted and actively engages with them and with union representatives to maintain dialogue and find the best solution. Those affected in Luxembourg are assigned to the Redeployment Cell, moved to other group entities or integrated into social measures such as early retirement.

On 14 December 2012, ArcelorMittal informed trade unions of its call for negotiations to develop a **new collective labour agreement** in Luxembourg. This agreement concerns the administrative departments in Luxembourg and Esch-

sur-Alzette along with the sites at Belval, Differdange, Rodange, Schifflange and Dommeldange. The new agreement will be updated and should take into account the new economic environment and objectives defined in the Lux2016 agreement to ensure the future competitiveness of the Luxembourg steel industry and to adapt to legislation regarding the unique status of employees and workers. The proposed framework agreement involves the termination of the current collective labour agreements - in line with the existing legal framework - on 31 December 2012. Negotiations began in January 2013, and the new collective labour agreement should be drafted by December 2013. The conditions of the current agreements will remain in full force during this period.

Lux2016 agreement: ArcelorMittal is committed to the future of the steel industry in Luxembourg

At the Tripartite Meeting on 28 March 2012, ArcelorMittal entered into an agreement with representatives from the government and trade unions regarding the Lux2016 plan. The main commitments will include an investment of EUR 150 million in the Luxembourg steel industry over a five-year period, along with effective social measures to support employees affected by the decision of the long-term idling of the steelworks at Schifflange and of reducing production at the Rodange and Schifflange rolling mills.

The Lux2016 plan shows the sustained commitment made by ArcelorMittal to the steel industry in Luxembourg and will ensure that ArcelorMittal Luxembourg can retain its competitive advantage for sheet piles and sections.

Thanks to the tools set out and renewed under the Lux2016 agreement and more specifically the Redeployment Cell, employee relocation from Rodange & Schifflange and from STFS and TLM was achieved successfully, with no major impact on the employees concerned.



Nico Reuter, Vice President Long Carbon Europe, on the Lux2016 agreement.

"We fully appreciate the constructive dialogue of the company and its different sites within the Tripartite. It gives evidence of the commitment and the support of our social partners. We agreed to continue with the proven Redeployment Cell system as part of Luxembourg's unique social model that helps to ensure job and wage security. Early retirement agreements also help to reduce any potential social impacts."



The *Groussgasmashinn* at Differdange: the Reclassification Centre at the service of Industrial Heritage

The *Groussgasmashinn*, or big gas machine, will be the central element of the future National Museum of Industrial Energy, Luxembourg Science Centre, an interactive museum on the former grounds of the Differdange site. Its opening is scheduled for 2018. We take a brief look back at the history of this steel monument and its ongoing restoration, with the support of ArcelorMittal employees in the Redeployment Cell.

In 1896, in order to generate air for the blast furnaces and the electricity needed for the site, the CEO of Differdange had the idea of using the gas from the blast furnaces directly in internal combustion engines instead of using it to produce steam for steam engines. Between 1905 and 1942, fourteen gas engines were installed to create the huge *Groussgasmashinn* II (GGM). In 2007, the only remaining engine on site, number 11, a huge machine of 1,100 tonnes, was declared a national monument. In 2009, at the initiative of Nicolas Didier, an industrial history enthusiast, the principle of an Energy Museum was accepted and ArcelorMittal donated GGM11 to the state. In 2012, Nicolas Didier, on the lookout for experienced workers to disassemble and restore GGM11, contacted the head of the Redeployment Cell. In this way, around ten ArcelorMittal employees are lucky, in their own words, to be involved in this unique, rewarding project.



"At the Redeployment Cell, we have supervisors and craftsmen close to retirement for whom we have no positions in-house. Thanks to the partnership with GGM11, we can offer these skilled and motivated employees the opportunity to take part in a major project. Besides the tasks required, this project is a real team effort in a friendly atmosphere. This mission is the pride of most of the ten employees concerned."

Elisabeth Hagen, head of employee reclassification at the Redeployment Cell and head of collaboration with external companies.

Making steel more sustainable



Steel is at the heart of modern life and is one of the most flexible, sustainable materials. Endlessly recyclable, it provides a greener, more cost-effective way to create infrastructures and equipment. However, we do acknowledge that steel production consumes significant resources. We are fully aware of our responsibility to make sure that our products and processes are as efficient as possible, and to support the development of new green technologies.

70

is the intended percentage of wastewater recycling to be achieved in the long-term by Circuit Foil through osmosis and storage tanks for surface water recovery.

13.5

is the percentage drop in CO₂ emissions achieved by using Usibor® steel over the useful life of the vehicle.

99

is the percentage of steel beams that are recovered at the end of a building's life.

310,675

tonnes if the volume of scrap recycled internally in our electric steelworks.

How do we develop steel that is more sustainable?

Innovation is the driving force behind our future success.

In Luxembourg, we have a **research centre** specialising in long products. It works closely with our customers, our sales forces, our production and our other internal and external partners. Its 37 employees are currently working on 119 projects.

The initial priority in 2012 was on reducing costs. Research contributed to this goal by implementing cost-saving projects

in as many plants as possible: digital models to optimise the scrap mix, energy models to control the electric arc furnace, measurement systems for electrode consumption in the electric arc furnace, metallurgical assistance to reduce alloy costs, improved roll passes to reduce defects and cylinder wear.

A secondary focus was the ongoing development of our high added-value products, including sheet piles and jumbo beams. In this way, the research centre continues to develop the jumbo beam market by integrating them into

mixed steel-concrete megacolumns and highlighting the new grade 70. To conserve our pole position in sheet piles, it is committed to bringing new products to market and to developing rolling and corrosion protection techniques. Lastly, the centre is developing new high added-value products such as large 250X250 and 300X300 angles and is committed to new markets such as wind turbines, for which it is developing special connection profiles with Differdange and Rodange.



ArcelorMittal Eco Design Tool: an innovative tool that assesses the building's environmental performance

40 % of world steel production is destined for the construction industry. In an ever-greener world, the assessment of a building's environmental impact and life cycle analysis takes on a new dimension. ArcelorMittal recognises the importance of these challenges. As such, the research and development centre has developed a new future-proof tool for the environmental assessment of buildings. This tool allows a quick and simple assessment of the environmental impact of a building's structure.

The project, christened AMECO, was launched in September 2009. The tool developed then underwent testing by ArcelorMittal engineers before being made freely available on the website www.arcelormittal.com/sections. It was subsequently improved to be in line with the latest European regulations in this domain. Later still, beginning in 2013, the tool will be complemented by a module to calculate energy consumption during the building's use phase.



"Sustainable development and CO₂ impacts have quickly changed ways of thinking in the construction field. As a construction material, steel has inherent advantages in this respect, among them the maturity of its recycling loop. We thus wanted to offer our partners a simple, easy-to-use tool that could make the most of this advantage."

Olivier Vassart, R&D Esch-sur-Alzette.

What are we doing to improve our manufacturing processes?

Our continuous efforts to find more effective ways to conduct our operations lead not only to improvements in working conditions, but also have a positive impact on resource use and waste generation.

Circuit Foil is continuing in its policy of **controlling energy and water consumption** with a view to rationalising its use and so reduce costs for the company. As such, since 2008, the company has reduced its energy consumption per gross tonne by 16.5 %. As part of the nationwide My Energy program, it aims to reduce its energy consumption by an additional 7 % over the period 2012-2016. Over the years, Circuit Foil has also systematically reduced its water consumption from 36 cubic metres per gross tonne in 2006 to 20 cubic metres per gross tonne in 2011, thanks to an internal recycling system based on water treatment using reverse osmosis and bi-osmosis. This has led to an annual saving of 185,000 cubic metres of water. The new long-term goal is to recycle 70 % (22 m³/h) of wastewater. A pilot phase began in the second quarter of 2012, allowing a third of the objective to be met. It consists of a second recycling osmosis plant which should help recycle 50,000 cubic metres of wastewater per year. In phase three, the use of storage tanks should enable the recovery after purification of surface water from waterways and roofs. It will begin in the second half of 2013.

The Belval steelworks launches the B4 beam blank

On 4 June 2012, the first hot test of the B4 beam blank was successfully held at the Belval steelworks. Following these positive results, industrial commissioning took place on 12 June and the first B4 sequence lasted some 63 hours, producing 2,865 tonnes for the Grey Mill at Differdange and Mill 2 at Belval. Applications are also scheduled for Rodange, particularly for large angles. The new B4 format has a metric weight of 915 kg/m. It will secure the supply of semi-finished products and will allow savings of some €62 per tonne compared to buying slabs abroad. The project was born of a successful collaboration between the production and maintenance teams at the Belval steelworks, the research and development centre at Esch, technical development, quality management, the CTO (Central Technology Office) team and the mechanics workshop at Dommeldange.



Recycling used tyres in an electric arc furnace: ArcelorMittal Environment Excellence Award and best available techniques reference of the IPPC bureau

By using old tyres instead of coal to supply its electric arc furnace, our Belval site in Luxembourg is decreasing costs as well as conserving natural resources without leading to extra air emissions. This innovative project won Belval an ArcelorMittal Environment Excellence award in the "resource efficiency"

category. Highlighting the process' efficiency, information on the recovery of old tyres in electric arc furnaces was also included as an emerging technique in the latest version of the best available techniques reference (BREF) document, published by the European Integrated Pollution Prevention and Control (IPPC) bureau in 2012. In April 2012, authorisations for the recycling of used tyres in electric arc furnaces in Belval were extended until 2024. Today, the plant recovers approximately 300 kg to 400 kg of old tyres per load in its electric process.

In 2012, the Bissen wire drawing mill committed to the implementation of **World Class Manufacturing (WCM)**. The galvanisation workshop, which is a strategic asset for Bissen, in fact adopted this approach to improve and standardise packing of its galvanised products. As a result of the works, truck loading is safer,

the brand image has been strengthened with internal and external customers, there are fewer complaints and thus increased customer loyalty. For their part, internal non-compliance claims due to faulty packing have fallen from 2.5 per day to one every three days. The average period between packing facility breakdowns has doubled in just five

months.

Of the 28 initial European candidates, two Luxembourg projects were selected to go through to the final of the third edition of the **Continuous Improvement Challenge of Long Carbon Europe**. This challenge recognises operator efforts and emphasises their improvement actions. Furthermore, it

highlights best practice and facilitates and speeds up dialogue between the segment's various units. In the "Development of new high added-value products" category, Belval presented the new AZ44-700 profile. In the "Safety" category, Differdange ended the 2012 challenge with a win. The winning project was aimed at perfecting the arm of the electric arc furnace cleaning machine. The corrective actions cover the general condition of the machine, its availability, as well as the creation of a storage area for arms near the furnaces. They reduced risks in terms of maintenance for the machine and the arm. They also decreased furnace down time, resulting in substantial savings.

To ensure a **balance between energy supply and demand** and to encourage consumers to predefine their consumption as accurately as possible, Sotel now collects consumption

forecasts every fifteen minutes and monitors electricity and gas consumption in real time. This approach enables the building-up and smoothing of consumption, thus reducing energy costs. This data is also sent to energy producers, enabling them to better schedule their production units, thus reducing environmental impacts.



How does our steel contribute to sustainability?

In Luxembourg, ArcelorMittal has again highlighted its creativity and spirit of innovation in steel, based on unique know-how and over one hundred years' experience. In 2012, we brought to market several new products considered as flagships in our industry.

Despite difficult economic conditions, ArcelorMittal Dudelange continued its efforts in terms of product development, so as to meet the growing demands of its customers and the market.

Concerning **Aluzinc®**, a new range dedicated to industry, more specifically the Heating, Ventilation and Air-Conditioning (HVAC) market, was developed. Called Aluzinc® NSB, and linked to an ecological surface treatment (Easyfilm® E), this range offers an improved surface appearance to create ventilation units, air conditioners, and so on. In addition to these industrial applications, several roofing projects were once again carried out in the Grand Duchy. Combining aesthetics, high heat reflectivity and resistance to corrosion, Aluzinc® has become an international reference for dry, insulated coverings.

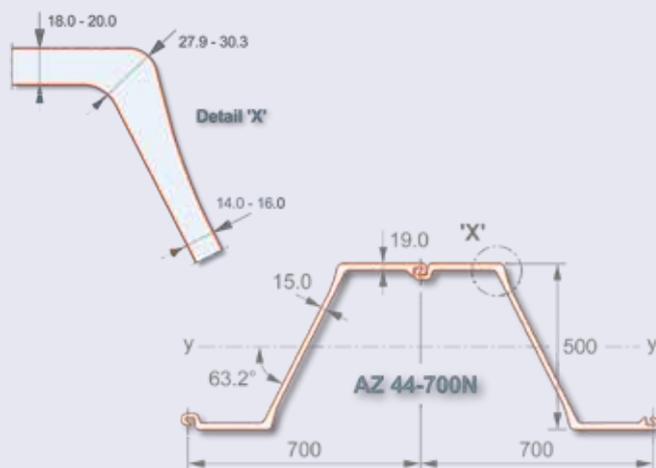
Regarding **Usibor®**, the success story continues at Dudelange, where nearly 100,000 tonnes will be produced in 2013, compared to 66,000 tonnes in 2012. At present, the majority of motor vehicle manufacturers use Usibor® for safety and structural parts. These very-high-tensile steels can reduce the weight of bodywork by around 12 kg on some models, and after analysing the life cycle over the entire process, a reduction in CO₂ emissions of up to 13.5 % can be made during the vehicle's useful life.

Industrial rolling of AZ 44-700N sheet piles: a first for Belval

Belval added another string to its bow: industrial rolling of the very latest in sheet piles, the AZ 44-700N. Its development was made possible after several months of simulations, tests and adjustments.

The AZ 44-700N profile is the first Z-type profile in the world with an elastic section modulus of 4,400 cm³/m and a width of 700 mm. This results in more economical solutions when building quay walls and deep excavations. What's more, the reinforced shoulder pads help depth-sinking in difficult ground conditions. Also, the profiles' thickness of up to 20 mm is a guarantee of durability. Other advantages are faster installation, fewer anchor points and a rolling length which can extend up to 31 m.

This new generation of high modulus sheet piles will allow further penetrating the emerging market.



Enriching our communities

We are fully aware that our activities in Luxembourg, where we are the largest private employer, have a significant impact on the local and national communities in which we operate. We are always attentive to them, looking to understand our communities' interests and to find solutions to their concerns, and we offer thousands of direct and indirect jobs as well as training courses. We also invest in local and national communities through projects supported by the ArcelorMittal Foundation (Luxembourg) which encourages sustainable community programs, and thus support economic and social growth in the long term.



377,300,000

euros, is the total payroll (wages + employer contributions) attributed to ArcelorMittal employees in Luxembourg in 2012. Through its employees, ArcelorMittal thus makes a significant contribution to the country's economic activity.

200,000,000

euros is the amount of our expenses, paid to our suppliers and subcontractors based in Luxembourg, following the services they provided us with.

2,453

is the number of visitors in 2012 to the Belval site alone, an increase of 45 % over the previous year.

5th

Volunteer Work Fortnight organised as part of the International Volunteer Day in December 2012.

How do we ensure good contact with our local and national stakeholders?

We proactively work together with our stakeholders to manage the impact of our business responsibly, while respecting their rights and priorities.

In Luxembourg, our internal stakeholders are our employees and trade union representatives. Our external stakeholders are government departments, local, national and European members of parliament, investors, suppliers, customers, non-governmental organisations, media, multilateral organisations and professional associations, and local communities.

We have also set up local procedures and a national procedure to allow communities to communicate their concerns to us, with the assurance that these will be addressed (for more information on said procedures, please see p. 27, of this report).



Support of young talents

In order to encourage young talents in craftsmanship and industry, ArcelorMittal sponsors the **LuxSkills** association. LuxSkills is intended to raise awareness of vocational training among young people and to promote national, European and international competitions in vocational skills. It is with this in mind that the national skills and competence competitions are organised, a springboard for nascent talented craftspeople and training for candidates from Luxembourg for the EuroSkills European Championship in technical and craft professions. The third edition of EuroSkills was held in October 2012. Among the 11 candidates from Luxembourg were a former apprentice from the Differdange training centre for mechatronics technicians, and a young CNC milling machine operator from ArcelorMittal Dommeldange.

As part of the **Job Shadow Day 2012**, several of our entities welcomed deserving students.

This initiative, organised by Fedil and *Jonk Entrepreneuren Luxembourg*, enables them to shadow a company director for a day, and thus discover the business world and learn about a profession that will perhaps be theirs one day.

Furthermore, in conjunction with the Luxembourg Association of Engineers, the *Jonk Entrepreneuren* non-profit association held the second edition of the **Engineering Trainee Days** at the end of May 2012, in which the Belval site participated. The goal is to enable deserving students to spend two days alongside an engineer to become familiar with their profession. In this way, the program promotes engineering careers to students.

ArcelorMittal also organises an annual internship for engineering students that welcomes young university students to the plant and training centre at Differdange. The 14 participants in the 52nd edition of

this initiative were primarily destined for the mechanics sector.

Community Involvement

Many site visits have once again been organised in 2012: delegations, universities and prestigious educational establishments, associations, ministries, diplomatic corps, elected representatives, customers, media and other personalities. Belval broke records with some 190 visits, almost one every two days, and more than 2,453 visitors, a sharp increase of 45 % compared to the previous year. Of particular note was the visit to Belval and Differdange of Cecil Balmond, a well-known figure in the world of architecture and one of the creators of the ArcelorMittal Orbit.

As a sign of good neighbourliness and solidarity, Differdange provided six **steel sculptures** to the town of Sanem. Designed by artist Jang Meis, a former teacher at the training centre at Differdange, they are made up of five metres high beams. Parts manufacture was entrusted to the C3P Finishing Workshop (finishing centre for beams and sheet piles) of ArcelorMittal in Differdange.

In March, eighty employees from our Luxembourg entities ran for a good cause. This cause was the seventh edition of the **Relay for Life**, organised by the Cancer Foundation in support of cancer patients and those in remission.



ESR Label awarded by INDR to ArcelorMittal Luxembourg

In September 2012, ArcelorMittal Luxembourg was awarded the ESR "Entreprise Socialement Responsable" Label. This label, created by INDR (National Institute for Sustainable

Development and Corporate Social Responsibility) is a tool for companies wishing to formalise their social responsibility efforts, to share their experience and to move forward as part of the community. The ESR label takes into account three pillars for the attribution of the award: social, governance and environment.

Identification, belonging and federation

So as to involve the promising artists, that are employees' children, in the life of the company, ArcelorMittal organised in 2012 two national **drawing competitions** aimed at children aged 6 to 14. The first was the creation of good luck cards for our Luxembourg athletes at the London 2012 Olympic Games, an event sponsored by ArcelorMittal. The second was the creation of ArcelorMittal greetings cards for the end of year holiday season.

In addition, several sites organised **Family Days, Diwali celebrations** and visits of **St Nicolas**. On the agenda: discovering traditions, tours, concerts, entertainment and delicious treats that delighted children and adults alike. St Nicolas' leftover gifts and treats were donated to charities active in the childhood area.

ArcelorMittal was one of the sponsors of the 2012 Olympic Games in London. To this



"The atmosphere among the volunteers, the recruits, the press, the athletes and the spectators was very warm throughout the Games. Everyone was happy to participate, and beaming with joy. For us Games Makers, this experience strengthened ties between group employees who would most probably never otherwise have met."

Jérôme Petry, Circuit Foil, London 2012 Games Maker.

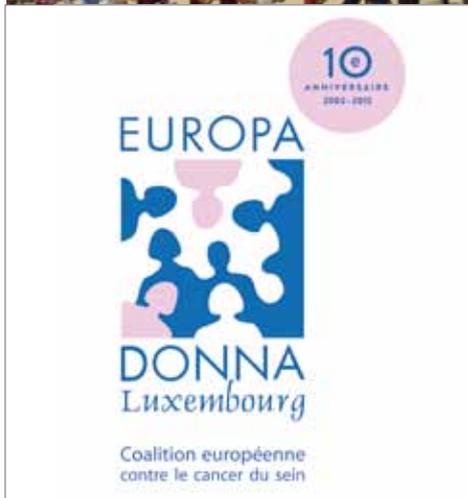
end, 50 employees signed up as volunteers to supervise events. Among the so-called **Games Makers** were two Luxembourg employees who had two exceptional, rewarding and unforgettable weeks.

In addition, two employees based in Luxembourg had the opportunity to participate in the **Solidarity Holidays** working for a week in a project organised

by the ArcelorMittal Foundation. In Spain, the challenge was to ride a tandem with a visually-impaired person along part of the famous Road to Santiago. In China, the mission was to build a library in a school for Chinese children who had moved from the countryside.

How do we provide support to our employees who are actively involved in their communities?

To support the community commitment of our employees and help them to become more involved in local community life, we sponsor several projects they hold dear.



this time in aid of the Luxembourg Red Cross. The generosity of our employees enabled the construction of two houses in Burundi and support for needy families looked after by the Migrant and Refugee Service of the Luxembourg Red Cross. In addition, some employees spent a few hours of their free time volunteering for charities.

For the third year running, the ArcelorMittal Foundation (Luxembourg) launched **sponsorship for employee volunteering, called Minigrants programme**, providing support to associations in Luxembourg and in the Greater Luxembourg Region in which our employees are active. A committee selected four projects supervised by employees:

- Association of Tunisians in Luxembourg: construction of a playground at the Dhouaouda primary school (Tunisia);
- Europa Donna Luxembourg: publication of a booklet entitled "What I need to know about breast cancer";
- Senegal with Tankunene: rehabilitation and extension of the clinic and maternity unit in Ndiaro (Senegal);
- SOS Children's Villages Worldwide: social promotion in Bo, Sierra Leone.

In keeping with tradition, at the beginning of December the fifth edition of the **Volunteer Fortnight** was held, involving all

ArcelorMittal entities in Luxembourg. For the 2012 edition, our Luxembourg sites decided as in the previous years to collect donations,

How does the ArcelorMittal Foundation support to charities and social activities in Luxembourg?

Since 2007, the ArcelorMittal Foundation has formalised corporate responsibility and promoted ArcelorMittal's commitment to the local community. It thus contributes sustainably to their development. In the Grand Duchy, the ArcelorMittal Foundation (Luxembourg) is again committed to many new sponsorship arrangements in 2012. These mainly cover projects in the areas of social development, education and health and safety. To this end, the following partnerships have been established with:

- the Driver Training Centre in Colmar-Berg: mobility and road safety intended for teenagers;
- the Luxembourg Red Cross: the S(p)eedkits Project developed by the IFRC (International Federation of Red Cross and Red Crescent) Shelter Research Unit to develop emergency aid kits; a truck for the "Red Cross and Caritas Buttek" social groceries;
- Fondation EME – *Ecouter pour Mieux s'Entendre* ("Listen to understand each other better Foundation"): the RedBlueGreen project inviting institutions and schools for the disabled in Luxembourg to concerts and music workshops;
- the *Hëllef fir d'Natur Foundation*: the vehicle *Naturamobil* as part of the project *Biodiversität für morgen, eine Sensibilisierungskampagne von nature & emwëlt mit dem Naturamobil* (Biodiversity for tomorrow, a nature & environmental awareness campaign using



the *Naturamobil*) to raise awareness and give practical advice and activities for conservation and renaturation;

- the *Fondatioun Kriibskrank Kanner*: the van *Poldimobil* to improve the mobility of the children affected by cancer that the *Fondatioun* cares for, making the association's daily tasks easier and significantly reducing transport costs;
- the *Orchestra Jovem de Contagem*: a public concert in Luxembourg City by an NGO whose work brings together 400 socially vulnerable children and young people from communities affected by poverty in Belo Horizonte, Brazil;

- the *Kräizberg Foundation*: the DIUK (*Dossier Informatisé de l'Usager Kräizberg*) project, a computerised file for *Kräizberg* users; the objective is to provide IT tools to all the professions working at the *Kräizberg* Foundation, who work with and for people with disabilities, enabling them to best accomplish their missions;
- *Main Tendue* (Helping Hand): a structure which is welcoming and listening to victims of physical, psychological and sexual violence;
- *Jonk Entrepreneuren*: boosting entrepreneurship in terms of education in Luxembourg, promoting youth creativity and introducing them to the management of genuine mini companies;

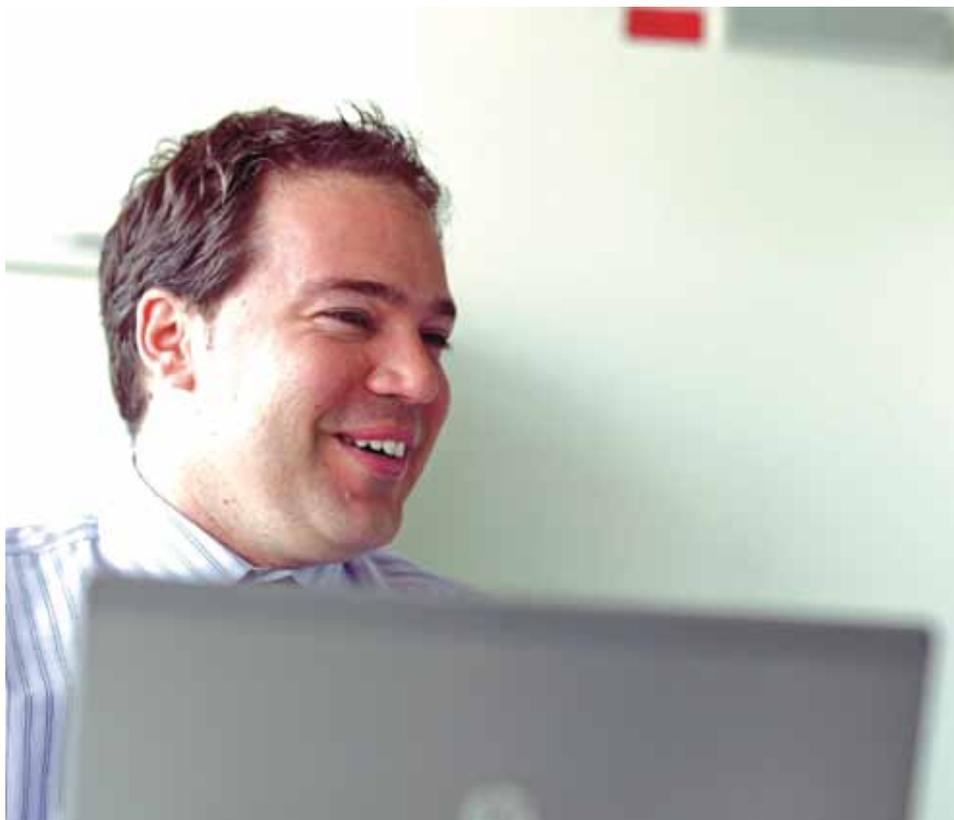


- the University of Luxembourg: chair in facade engineering;
- the Forum for Safety and Health at Work: providing a platform for the prevention of occupational accidents and illnesses, as well as an inter-company best practice sharing area;
- the FNEL (national federation of boy and girl scouts): participation in the construction costs of the new headquarters of the FNEL Foundation in Luxembourg-Fetschenhof.

Transparent governance

Compliance is defined as a company's ability to comply with international laws and texts, as well as ensuring compliance with the ethics and values of the company.

The compliance function has grown considerably over the last years and its scope continues to expand. Based on this observation, our goal at ArcelorMittal is to make compliance a key element, ensuring that all the company's decisions are made with high ethical standards and in compliance with the law.



6

is the number of compliance trainings developed by ArcelorMittal.



As part of compliance, we established a professional code of ethics and a series of compliance procedures to guide our company's actions and decisions (anti-corruption, human rights, economic sanctions, anti-trust and insider trading).

To support this approach, a compliance network was created. Its members or ambassadors are spread across four continents. Their main tasks are to relay the compliance policy across the organisation as a whole, and to ensure its deployment in depth, as well as receiving and dealing with all matters related to compliance.

Did we achieve our training goals in 2012?

In order to meet the standards of integrity set out in our code of professional ethics, ArcelorMittal developed a comprehensive training programme of six compliance

courses. Training in the code of professional ethics and human rights is compulsory for all group employees. For their part, training courses in anti-corruption, economic sanctions, anti-trust and insider trading are provided to a selection of employees, selected according to the risk exposure of their position.

Where do we stand in terms of local and national systems for external complaints handling?

Since the implementation of their ISO 14001 management system, the ArcelorMittal Belval & Differdange and ArcelorMittal Rodange & Schifflange sites have a local procedure for handling complaints and requests related to the environment.

To this end, hotlines have been set up to allow residents and any other third parties

to submit complaints and requests. Calls are transferred to answering machines located in the environment department shared by these four sites. They are listened to daily in the morning and early afternoon, so that a quick reaction can be made to external calls.

In 2012, we developed the national procedure for complaints handling called Grievance Mechanism. It intends to give all our external stakeholders in the Grand Duchy of Luxembourg a point of contact so that their complaints are received and dealt with.

Our external stakeholders can thus contact us by telephone, post or e-mail to inform us of complaints.

We are committed to providing a response to the complainant as soon as possible. All complaints will be documented within our company. Generally speaking, the

complainant's identity is kept anonymous unless the complaint was made publicly. It should however be noted that complaints received anonymously are not processed, and are considered as observations.

The points of contact for submitting a complaint are given in this report on page 27.

How do we communicate about compliance?

In May 2012, the Compliance Programme Officer of ArcelorMittal was invited by the Chamber of Commerce of Luxembourg to lead a panel discussion on the challenges and lessons to bear in mind when implementing an effective compliance program in a multinational company.

He was also invited to speak alongside the IBE (Institute of Business Ethics) at an event organised by TIGFI (The Institute for Global Financial Integrity) on the theme "Business Ethics: understanding - implementation - monitoring". The purpose of this appearance was to talk about his experience, specifically within various workshops organised in Kazakhstan and Ukraine on culture change in terms of ethics and corruption.

Internally, communication focuses on our many training courses and is reflected in articles published across our various communications tools. To this end, an article ("Focus on the compliance department") dealing with the role and scope of the compliance function was published in the ArcelorMittal Luxembourg national monthly magazine in June 2012.

6 Nouvelles nationales

Focus sur le département « Compliance »

La Compliance ou « Conformité » se définit par la capacité, pour une entreprise, à se conformer aux lois et textes internationaux mais aussi assurer un respect de l'Éthique et des valeurs au sein d'une entreprise. Les années 2000 se sont illustrées par un essor considérable de la fonction Compliance, partant de ce constat, notre groupe est devenu fort d'un réseau mondial de Compliance Officers pilotés depuis le Luxembourg.

Stéphane Leleup
Directeur Général

Lucie Bertrand
Directrice Générale Adjointe

Christophe Jung
Compliance Programme Officer

Stéphane Leleup
Directeur Général

Christophe Jung
Compliance Programme Officer

Stéphane Leleup
Directeur Général

Mission de conformité et respect des règles de conformité
Le Compliance Officer a pour mission de garantir le respect des règles de conformité et des lois de l'entreprise. Il agit comme un garant de la conformité et assure la mise à jour des procédures de conformité et des outils de gestion des risques de conformité.

Mission d'animation
Le Compliance Officer a pour mission d'assurer la mise à jour des procédures de conformité et des outils de gestion des risques de conformité. Il agit comme un garant de la conformité et assure la mise à jour des procédures de conformité et des outils de gestion des risques de conformité.

Structure du département Compliance
Le département Compliance est structuré en trois niveaux : Local Compliance Officer, Global Compliance Officer et Local Compliance Team.



"Our approach in terms of ethics and compliance is recognised as benchmark at national and international scale. This results specifically in the participation of ArcelorMittal in different conferences, with the objective of providing actual examples of initiatives taken to implement a compliance programme at global level."

Christophe Jung, Compliance Programme Officer.

Glossary

Angle: an angle is an L-shaped or V-shaped metal section.

Beam: a hot band product with an I-shaped or H-shaped form.

Continuous casting: continuous casting is the process of continuous solidification of molten steel. Molten steel is continuously poured into a quickly cooled mold. A solidified steel skin is formed which, after leaving the mold, continues through a segment where it is supported and where its cooling continues until all the steel has solidified. The bar is then cut to the appropriate length. Continuous casting facilities have one or more strands.

Electric steel plant: in an electric steel plant, steel is produced from scrap melted by using electric energy, unlike the hot metal route (blast furnace – converter) in which steel is produced using iron ore.

Electro galvanisation: an electro galvanising (zinc coating) technique. The steel section is coated in a zinc layer by electrolysis, which means by passing an electric current.

Flat products: steel which has been rolled into a thin sheet. Flat products are primarily used to produce the outer shells of household appliances, vehicles and ships.

GESIM Challenge: health and Safety challenge of the *Groupement des Entreprises Sidérurgiques et Métallurgiques* (GESIM) based in France.

Hot dip galvanising: hot dip galvanising is a technique used to coat a piece of steel with zinc or a zinc based alloy, by passing it through a bath of zinc or zinc based alloy. The coating gives the product better corrosion resistance.

Long products: steel which has a relatively small cross section and is relatively long. Examples include the rails, I beams, rebars and sheet piles. Long products are primarily used in construction.

LTIFR: Lost-time injury frequency rate. This is the number of lost-time injuries of more than one day per million hours worked.

Rebars: a steel reinforcing bar for reinforced concrete.

Redeployment Cell “Cellule de Reclassement” (CDR) : is a tool to avoid unemployment in Luxembourg’s steel industry. The aim of the economic CDR is to receive, train and redeploy employees affected by declines in economic activity. The structural CDR is applied to employees whose jobs have been cut following a restructuring, reorganisation or productivity initiative, and seeks to redeploy them to a new permanent position.

Reverse osmosis: purification of water containing materials in solution using a very fine filtering system that always only water molecules through.

Rolling mill: a rolling mill is a facility that reduces the thickness of a material, while giving it a very specific section (see also Long products and Flat products). This deformation is obtained by continuous compression when passing between two rolls turning in opposite directions.

Sections: a material section is a material which has been given a profile, or a certain shape.

Sheet pile: this is a pile section designed to be built in the earth or in sediment and connected to the adjacent piles by means of lateral ribs called locks. Sheet piles are primarily used for retaining walls, quay walls, cofferdams or impermeable screens.

Wire drawing plant: a plant specialising in wire drawing, which means reducing the section of a metal wire by mechanical traction, by drawing it through the holes of a die.

Grievance mechanism submission contact for our external stakeholders

ArcelorMittal has set up a national as well as local grievance mechanisms for handling complaints from external stakeholders. Any complaints should be made:

- by telephone to (+ 352) 4792 1
- by post to the following address:
ArcelorMittal
Country Management
24-26, boulevard d'Avranches
L – 1160 Luxembourg
- by e-mail to contact.luxembourg@arcelormittal.com.

ArcelorMittal Belval & Differdange

- Belval site by phone to (+352) 8002 2014
- Differdange by phone to (+352) 8002 4282

ArcelorMittal Rodange & Schifflange by phone to (+352) 5019 2300

GRI

This report meets the application level C of the Global Reporting Initiative (GRI) G3.1 guidelines. An index containing the GRI indicators we report on can be found on luxembourg.arcelormittal.com/corporate-responsibility.

Published in July 2013

To order a copy of the 2012 Corporate Responsibility Report – ArcelorMittal in Luxembourg, please contact:

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