

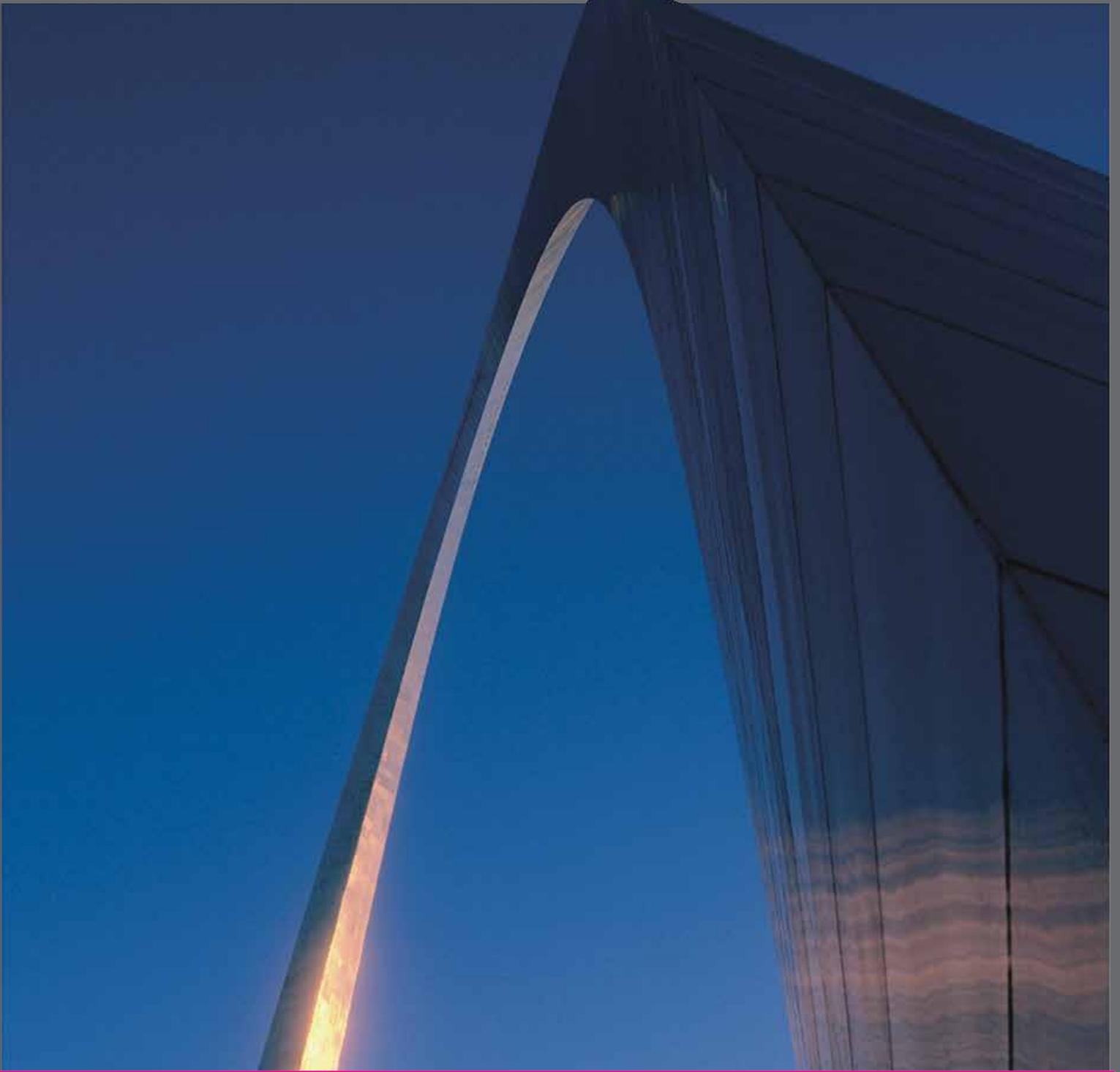


ArcelorMittal

ArcelorMittal USA

Corporate Responsibility
Report 2012





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



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KPI

We report on our progress against the key performance indicators that monitor the four areas of our corporate responsibility strategy.

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A message from USA leadership



Driving sustainable change

This report marks the fourth consecutive year that we have reported on our corporate responsibility efforts. Over that time, our approach has not wavered; we are focused on driving sustainable change that supports strong financial performance and economic and social development while managing our environmental impact. During 2012, we made progress in each of these areas as we continued to emphasize the four pillars that reflect key priorities for our operations and our stakeholders. However, we are living in the new steel reality. Manufacturing has played a key role in leading the United States out of the worst recession since the Great Depression, but our recovery is not yet complete or secure. Our company still faces strong headwinds and the economic climate globally – and particularly in Europe and China – will continue to affect us. With global uncertainty weighing on customers and steel producers battling for every order, value must play a bigger part in our strategy.

For ArcelorMittal USA, corporate responsibility supports our company values and is increasingly a priority with our core customers who are working towards a better understanding of their supply chains.

Transparent governance. In many ways, corporate responsibility starts and ends with the drive toward transparency in how we operate our business and how ArcelorMittal USA employees act every day. That's why we held 66 meetings with Councils for Stronger Communities, our facility-based corporate responsibility oversight groups. Transparency also means ensuring that our employees receive the latest training on vital topics such as business ethics.

Investing in our people. ArcelorMittal USA ensures that our products are made safely and with the quality our customers demand and expect. As a result, the safety of our employees is – and always will be – our top concern. During 2012, we were pleased to record our best lost time injury (LTI) rate on record, a 42 percent improvement over 2011. But we will always be concerned about the health and safety of our employees until we reach a place of zero accidents and zero fatalities. We are deeply saddened to report that we had one fatality in 2012 – an event that reminds us that our journey to zero is not complete and we must continue to make progress. Together, ArcelorMittal USA and the United Steelworkers (USW) strive to ensure the safety of our employees and improve the safety performance of our operations. To help improve

“I believe steel has a vital role to play in achieving a lower carbon economy, while ensuring that the world can continue to grow and prosper.”

Mr. Mittal
Chairman and CEO

our LTI rate by preventing serious accidents from occurring, we now formally track near misses – incidents that did not cause injury but have the potential to cause serious injury if they happen again.

In the fall of 2012 we signed a new contract with the USW that covers 13 of our facilities. This contract with our steelworkers provides a path towards sustainability and we are committed to working together to implement this agreement and improving operational stability and performance. We support our people with a wellness program that includes free biometric screenings and health risk assessments and offer ongoing training to both salaried and hourly employees. Finally, our *Steelworker for the Future*® program helps provide people who are interested in working in our industry with the skills to succeed.

Making steel more sustainable. We believe that it is our responsibility to develop steel solutions and manufacturing processes that contribute to a more efficient and productive society. The modern world relies on ArcelorMittal steel products for its road, rail and energy infrastructure, its buildings, its household products, its packaging and its vehicles. Steel continues to be a vital part of the world we live in and it has an important role to play in helping to forge a more sustainable future. Our focus on producing steel more sustainably also drove us to reduce energy use by an additional two percent through focused improvements in energy management. We were honored to earn the 2012 ENERGY STAR® Award for Sustained Excellence, marking our fifth consecutive award recognition. Our efforts go beyond our own operations. Because the success of our business is directly linked to the advancement of society, we are supporting transport infrastructure, making cars lighter, stronger, and more fuel efficient through innovative solutions such as S-in motion and iCARE™ for electric cars.

Enriching our communities. We contribute in many ways to our communities. As a major employer, our industrial presence spurs growth in local businesses and job opportunities. At the same time, we realize that communities run on much more than jobs. That's why we also support nonprofit organizations that are

focused on improving the environment, education, and health and safety of our communities. Last year we provided more than \$6 million in cash grants to these organizations. We're proud that ArcelorMittal USA employees also volunteer their personal time to help our nonprofit partners and make charitable donations to their favorite nonprofits. We match those gifts up to \$1,500 per year per employee through our *Give Boldly* program.

We made progress in other important ways, too. For example, the restart of Cleveland's No. 2 steel producing facility meant new jobs for 150 people, new capacity for automotive steel and new possibilities for ArcelorMittal Cleveland. The anticipated 504 boiler at Indiana Harbor is now operational. This state-of-the-art boiler will make a considerable impact, capturing waste gases and converting them to energy – enough to power 30,000 homes per year. Additionally, we announced a \$50 million capital investment project at our coke operations in Monessen, Penn. The project will modernize and upgrade the facility, which has been idled since May 2009, enhancing both employee safety and environmental performance while ensuring the long-term sustainability of the operations. With this restart, we will be hiring 180 employees.

In 2012, we continued to develop and build upon our joint partnership with the United Steelworkers because when we work together, we achieve positive results – as evidenced by our improved safety performance. The health and safety of our employees is our number one priority and we are adopting a “not on my shift, not on my watch” attitude across all operations.

We believe 2012 was a year of much improvement. Yet we are aware of the economic reality we face and the slow recovery of the industry. Our stakeholders play a key role in helping us to identify and address the opportunities we have in creating a sustainable company and we hope this report provides an insight into our 2012 activities.

Thank you for continuing to accompany us on this journey. We look forward to providing updates on our progress in the months and years to come.



Michael G. Rippey
President and CEO
ArcelorMittal USA



PS Venkat
CEO
ArcelorMittal Long Carbon
North America

Message from USA Corporate Responsibility leadership

At ArcelorMittal USA, we continue to refine, expand and strengthen our corporate responsibility work to support both our business goals and the needs of our communities. Throughout 2012, we met with our stakeholders to engage them in conversation about our business and to hear their concerns. Additionally, we worked with our internal stakeholders to deepen their awareness of and involvement with our corporate responsibility reporting and materiality. Meetings with major departments were held to educate colleagues on the role their departments play in our annual reporting and the importance it has to our company. As a result, this report reflects discussions with our leaders in Labor Relations, Government Relations, Sales, Human Resources, Environmental, Health and Safety, Benefits, Research and Development, Legal, Procurement and Communications. Through these meetings each department had the opportunity to share their perspective and address stakeholder issues – information we use to help shape our corporate responsibility report and priorities moving forward.

We believe that our ultimate success depends on our ability to operate as a responsible business that incorporates sustainability measures throughout our company. It all starts with a commitment to openness through transparent governance and integrating corporate responsibility into the heart of everything we do. This approach informs both our day-to-day and long-term decision making. And it helps us adapt and respond to an ever-changing environment.

Our focus on corporate responsibility also makes us more effective partners in our communities and has a positive and collaborative impact on our employees, customers, neighbors and other stakeholders surrounding our operations.

We have made a lot of progress in the last year. We maintained our relentless focus on safety as we continue our *Journey to Zero*. We continued to seek and encourage opportunities for dialogue between employees and management at all facilities. And we continued to forge significant and strategic philanthropic relationships in our local communities.

It's exciting to see the results of our efforts, such as our 42 percent improvement in our lost time injury (LTI) rate over 2011 and our fifth consecutive ENERGY STAR® Sustained Excellence Award from the U.S. Environmental Protection Agency. Yet we fully realize that corporate responsibility is a journey that we've recently begun – a journey that we think will enable us to deliver on our critical mission of producing safe, sustainable steel for generations to come.

Thank you for your interest in our corporate responsibility activities and progress at our facilities in the United States. We hope you find this report informative, and we welcome your feedback and any questions you may have about our corporate responsibility strategy.



A handwritten signature in black ink that reads "William C. Steers".

William C. Steers
President, ArcelorMittal USA
Foundation and Corporate
Responsibility Governance Board



A handwritten signature in black ink that reads "Heather Loebner".

Heather Loebner
Executive Director, ArcelorMittal
USA Foundation and Corporate
Responsibility Governance Board

Stakeholder engagement

ArcelorMittal USA has a detailed stakeholder engagement process that begins annually with stakeholder and issue identification at the local level, in alignment with corporate guidelines.

We encourage open and transparent relations with stakeholders and address any local questions or concerns. We work closely with all of our stakeholders, both internal and external, to deepen our engagements and move the needle on material issues. This spirit of collaboration drives our business forward and allows us

to set a strong foundation of leadership in our communities. We recognize that we can't do it alone. We must lead, facilitate and participate in the conversations that affect our communities; an approach which helps us work collaboratively to address important issues and goals that we share.

In 2012, we engaged with our stakeholders through 170 formal meetings, including community forums, one-on-one meetings and supplier surveys. These meetings were held between ArcelorMittal USA representatives, site management, and local and national stakeholders.

Our stakeholders

- Our relationship
- How we engage
- Stakeholder issues

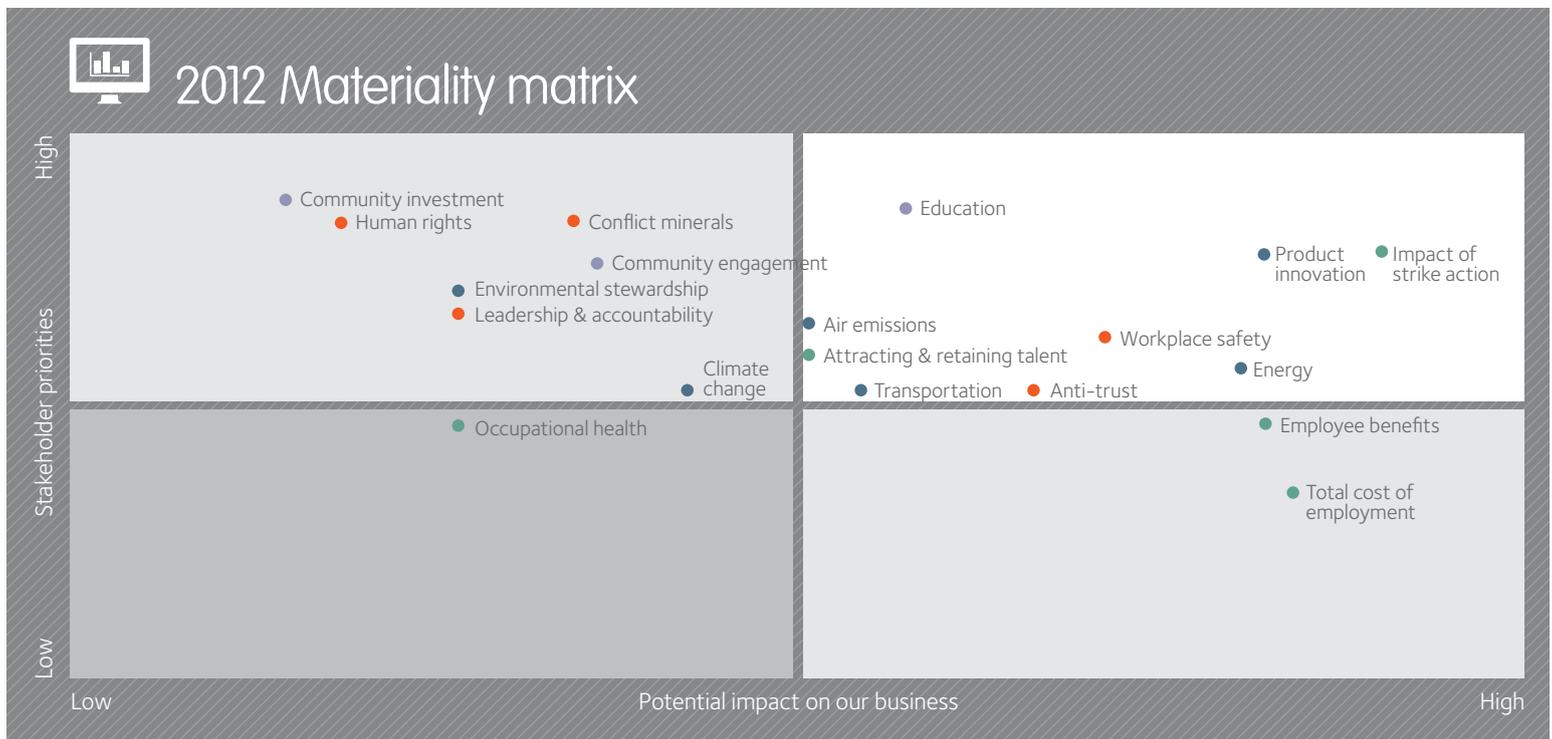


About this report

In order to improve transparent governance and honor our commitment to stakeholders, this report includes our second materiality matrix. Annually, we complete an internal materiality assessment to identify issues of importance to stakeholders. We collect information through surveys, our site-level grievance mechanisms, community engagement and listening sessions. This information is evaluated against 45 different factors that were identified globally as potentially important to our business and to our stakeholders. The information is assessed and emerging issues are identified according to their importance and frequency, as well as our ability

to influence or impact an issue. The materiality matrix shows where the top issues fall when evaluated by our stakeholders and measured against our business.

We recognize that all 45 factors are important to both our stakeholders and our business, however the materiality matrix enables an examination of the issues that rose to the top for the reporting period. To identify where a material issue falls within our report, they have been color-coded to the related pillar.



This report provides an overview of our activities in 2012 and provides a look at our future priorities.

Data collection

The data that makes up ArcelorMittal USA's corporate responsibility indicators is collected per the method of the department providing the data using the parameters outlined by either the department KPIs or the related GRI indicator.

Reporting principles

The 2012 USA Corporate Responsibility Report is guided by the AA1000 AccountAbility Principles Standard (AA1000 APS 2008) and the Global Reporting Initiative (GRI) G3.1 guidelines.

AA1000:

Inclusivity – engaging with stakeholders to identify and understand issues affecting the business.

We consider our stakeholders to be those who have a direct interest in our business and those who have an impact on how we manage our business because of the wider effect of our actions.

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

We determine the materiality and importance of each issue as it relates to our stakeholders and ArcelorMittal USA in a manner that allows us to rank and report the most significant issues.

Responsiveness – responding to material issues in a comprehensive, balanced and transparent manner.

It is our goal to respond on a case-by-case basis to important issues in a thoughtful and timely manner.

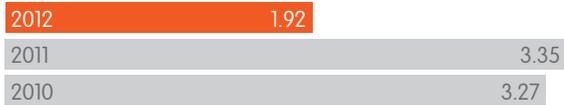
GRI G3.1:

This report is self-declared to meet application level B of the GRI G3.1 guidelines. An index containing GRI indicators utilized in this report can be found online at www.arcelormittal.com/corp/corporate-responsibility/reporting-and-assurance/our-reports/2012.

2012 corporate responsibility highlights

Lost time injury frequency rate

1.92



Tons of CO₂ emissions per ton of steel produced

1.69



Operations certified to OHSAS 18001

18



ArcelorMittal USA community investment

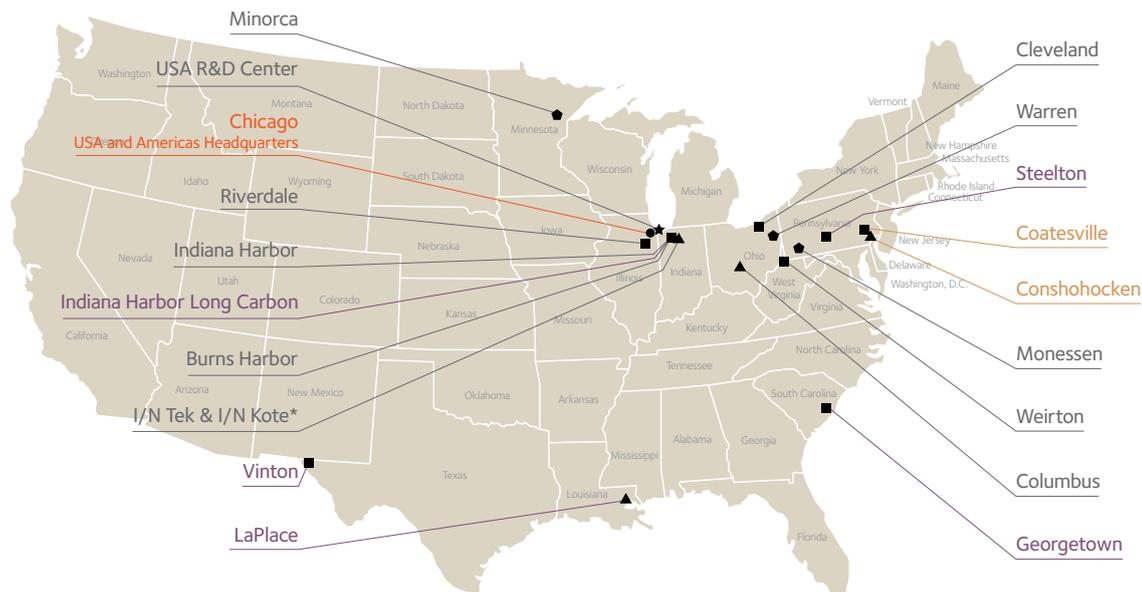
\$6.1m



Scope of the 2012 report

This report covers ArcelorMittal USA and its significant operating subsidiaries, including our I/N Tek and I/N

Kote joint venture. The information refers to calendar year 2012. ArcelorMittal's reporting cycle is annual and the previous corporate responsibility report was published in October 2012.



- Corporate
- Flat Carbon
- Long Carbon
- Plate
- Corporate Office/District Sales
- Coke production or mining operation
- ▲ Steel making and processing facilities
- ★ Research Center
- * Joint Venture

Innovative products, sustainable processes



ArcelorMittal USA is proud to supply advanced high strength steel solutions for the 2013 Ford Fusion.

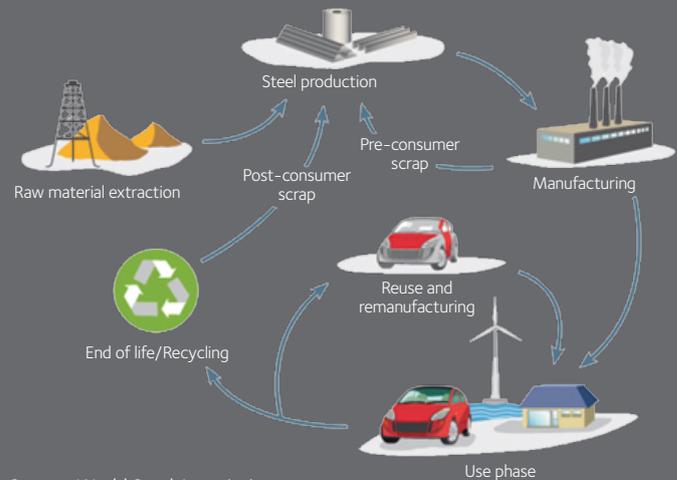
Today's automakers have a variety of technologically advanced materials from which to choose when designing and assembling their latest vehicles. To keep our position as the supplier of choice when it comes to steel solutions, ArcelorMittal has been investing in the development of auto body design expertise for the last decade. These investments, which include S-in motion, have given us insights into the role our steel plays in achieving body performance and manufacturer objectives related to weight, safety and cost. We have been able to develop numerous advanced steel grades that provide maximum potential auto body light weighting, supporting up to a 25 percent body structure weight reduction while maintaining the strength and safety steel provides.

In 2012, the Obama administration announced new Corporate Average Fuel Economy (CAFE) standards that will double fuel economy to 54.5 miles per gallon (MPG) by 2025. In identifying the role our lighter weight steel solutions can play in achieving these required EPA improvements, ArcelorMittal's automotive product applications group utilized the very computer models that the US Environmental Protection Agency (EPA) and National Highway Transportation Safety Administration (NHTSA) used to assess fuel economy improvement technology. These models show that the weight reduction we can achieve with our current and emerging steel products, combined with anticipated improvements in power train technologies, can get the United States fleet to the 2025 CAFE standard of 54.5 MPG. The models further show that steel gets the future fleet to 54.5 MPG at a lower cost than other

competitive materials. When combined with powerful total life cycle assessment greenhouse gas (GHG) emission models, these models show that steel gets the 2025 fleet to a CAFE goal of 54.5 MPG with a lower total life cycle carbon footprint than if other, more energy and emissions-intensive, materials were used.

The results offered by these two modeling systems are extremely encouraging for steel. A 25 percent body structure weight reduction potential with steel, combined with anticipated improvements in power train technologies, not only gets the United States automotive fleet to the 54.5 MPG standard, but does so at a lower cost and lesser life cycle carbon footprint than if aluminum or carbon fiber were used. Steel is an indefinitely recyclable material that can achieve a low carbon footprint over its lifetime, making it a viable and cost effective solution for achieving the 54.5 MPG standard.

The life cycle of steel



Source: World Steel Association



An example of slag fines.



A slag hauler at our Burns Harbor facility is loaded with cooled slag.

In steelmaking, various reagents are used to remove impurities from liquid steel for making high quality steel products. These reagents – substances that bring about a chemical reaction – react with impurities in liquid steel and form a byproduct of steelmaking called slag. Treating steelmaking slag in both environmentally and economically friendly ways has been a worldwide challenge. Currently, the ArcelorMittal iron producing and steel producing facilities in the USA outsource slag processing to third-party vendors for collection and processing. The vendors then cool and crush the slag, creating a variety of slag aggregate products which are used in a variety of applications including structural concrete, mineral wool, and glass manufacturing among others.

Putting steelmaking slag in landfills has high disposal fees as well as value losses from the resource rich material while direct recycling of the slag back into ironmaking and steelmaking processes causes impurities to accumulate and degrades steel quality.

In 2012, deciding to explore options that would enable us to economically separate the steelmaking slag into recyclable products, ArcelorMittal launched **Recycling of Steelmaking Slag**, a three-year research project targeted at making recyclable products from steelmaking slag for the ironmaking or steelmaking process or the open market.

The program is focusing on three approaches:

- **Examining and testing the best available technologies (BAT) of separating steelmaking slag.** The best available technologies are selected. For instance, fine screening is used to separate coarse metallic steelmaking slag fines and the coarse material can be directly used in blast furnaces.
- **Studying existing technologies used in steelmaking slag processing or in other industrial sectors.** Examples include using low-intensity magnetic separation and dry shaking tabling technologies to increase the iron content in the product.
- **Developing new technologies for recycling of all steelmaking slag.** One of these new approaches is in-process separation of sulfur from steelmaking slag by oxidizing the slag at high temperature, so that two recyclable products can be produced: gypsum and low-sulfur steelmaking slag.

ArcelorMittal facilities in Cleveland, Ohio, East Chicago, Ind., and Steelton, Penn. are teaming with our East Chicago Global R&D Center to test different methods for separating the elements of slag into recyclable materials. During 2013, we plan to expand our fine screening and weak magnetic separation technologies to other ArcelorMittal steelmaking plants for recycling of coarse material in steelmaking slag fines. Once we validate the technological and economic applicability of this type of separation, we expect to recycle 500,000 tons of generated slag fines per year.

Transparent governance



Our approach to governance can be summed up in three words: do what's right. From our insistence on strong business ethics to our commitment to respect human rights, a governance framework characterized by transparency and openness provides the foundation for everything we do as a business. We maintain high standards for how ArcelorMittal employees conduct themselves both in the workplace and the community. In the United States, strong governance helps us maintain our license to operate in our communities.

Transparent governance: 2012 progress

	Our commitments	Our progress	Next steps
Corporate responsibility governance	Provide support for facility-based corporate responsibility oversight groups called Councils for Stronger Communities, or CSCs	 Held 66 CSC meetings with support from regional corporate responsibility managers	Continue to build the capacity and knowledge of local CSCs on corporate responsibility management
	Maintain a country-level corporate responsibility board that provides input and guidance on national and local initiatives	Held quarterly corporate responsibility board meetings in person and provided ad hoc input via email	Review corporate responsibility governance at the country level
Human rights	Train all our employees on their rights and responsibilities	 84 percent* of salaried employees, 19 percent of all employees were trained on the human rights policy	Conduct human rights policy trainings for hourly employees in 2013 and train the remaining salaried employees
Business ethics	Implement corporate policies and codes that require all employees to be trained and to abide by those policies in their daily work	 72 percent* of obligated employees completed the anti-corruption training	Continue to require all employees to complete the online trainings
		 65 percent** completed the code of business conduct training	

* Due to ArcelorMittal USA's expansion of the target population during 4Q12. Training of the remainder to occur in 2013.
 ** Re-training of the remainder due for 2013, per the three-year re-training cycle.
 For more information on our key performance indicators (KPIs), see our data table on page 26.

Business ethics

Our performance is guided by a code of business conduct and an anti-corruption policy. Our USA salaried employees receive training in both, with training valid for three years. As of year-end 2012, 65 percent of salaried employees were current in their training. In accordance with our three-year re-training cycle, the remaining employees will be trained during 2013.

Human rights

As a company, we recognize the importance of having and maintaining a human rights policy. In the United States, our human rights policy primarily focuses on issues such as workplace harassment and inclusion. ArcelorMittal is an equal opportunity employer and has a zero tolerance policy for inappropriate conduct, such as workplace discrimination or harassment of any kind.

Training

At the end of 2012, 84 percent of salaried employees had received training on our human rights policy, with the goal of training the remaining salaried employees and all hourly employees in 2013. This training is provided for all employees at all locations, either face-to-face or through an online training course. In our 2011 USA Corporate Responsibility Report we

stated that our hourly employees would be trained on this policy during 2012. At the close of 2012 our Labor Relations department was in the process of negotiating an agreement with the USW to train our hourly employees on the human rights policy.

Employee grievances

ArcelorMittal has a number of policies and training procedures in place to protect both our employees and the company. In the United States, employees can report violations of business conduct 24 hours a day, seven days a week using a whistleblowing hotline. This phone line and website are managed through USA general counsel. We explicitly communicate that there will be no retaliation for reports made in good faith. Reports can be submitted anonymously with as much or as little detail as an individual feels comfortable offering. All reports are taken seriously and investigated and addressed in a timely manner.

In 2012, a jury issued a verdict finding ArcelorMittal liable in an employment discrimination and harassment case. The original damages award set by the jury has already been significantly reduced by the trial court. ArcelorMittal, however, respectfully disagrees with the jury's conclusion, as well as the pending damages award, and has appealed the case. The Company's appeal is based, in part, on the fact that it takes all

84 percent
of salaried employees trained on our human rights policy

Transparent governance

Continued

discrimination and harassment claims very seriously and investigates those claims to the fullest extent. In the case at issue, as in all cases, once management learned of the complaints of discrimination it promptly investigated to prevent any recurrence. Among other things, ArcelorMittal hired a third-party investigator, installed security cameras, and shut down the operating line where the plaintiff worked to question the affected employees, and to identify and prevent any discriminatory or harassing conduct at its facility.

Supply chain management

As a metals and mining company we are both supplier and customer and we take an active role in managing our participation in the supply chain.

We believe that by incorporating social, ethical and environmental considerations into our sourcing decisions, we can make a positive contribution to society and the planet, helping make steel more sustainable. That is why we created a code for responsible sourcing in 2010 and have worked to implement its principles into the standard purchasing form used with our suppliers.

Conflict minerals

Some raw materials used in our industry are sourced from regions that are experiencing civil war or other conflicts. The international community is concerned

that these conflicts are being financed by the trade of certain minerals.

The 2010 U.S. Conflict Minerals Law (Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) defines conflict minerals as certain minerals coming from the Democratic Republic of the Congo (DRC) or adjoining countries. It requires companies to report the use of any such conflict minerals. The minerals that are the subject of the law are gold, tantalum, tin and tungsten.

ArcelorMittal USA uses tin and tungsten as additives in certain steel products. Our suppliers of these materials confirm annually that they do not originate in the DRC or adjoining countries.

Supplier diversity

ArcelorMittal USA is committed to developing and maintaining supplier relationships that provide a source of competitive advantage. Recognizing that the supplier base for the steel industry is traditional, and valuing the cultural diversity in our workforce, we have developed a supplier diversity program. We continue to accelerate our efforts in identifying space in our supply chain where it is possible to enable qualified and certified Minority and Women Business Enterprises (M/WBEs) to participate in our procurement process. In 2012, we spent \$129 million with diverse suppliers. It is our 2013 goal to increase this amount to \$150 million.

\$129 million
spent with diverse suppliers

“Our engagement in Chrysler’s supplier panel allows us to benchmark around important supply chain issues and learn first hand how those issues are most critical to a valued customer. As a key supplier to the automotive industry, and as a major company with its own supply chain, this enables us to take a leadership position and learn from others.”

Heather Loebner

Executive Director, ArcelorMittal USA Foundation and Corporate Responsibility Governance Board



Case Study: Engagement with customers on their supply chain

As a primary supplier to the auto industry, we actively engage in supply chain management discussions with our customers. For example, Chrysler actively manages their supply chain in an innovative manner by openly engaging primary suppliers in quarterly discussions that enable an exchange of information on current and priority issues to their business. Active participation from companies such as Waste Management, BASF, Delphi, Lear, PPG Industries, Cummins, TRW Automotive, UPS and ArcelorMittal, provides an excellent opportunity to share best practices across issues and candidly discuss how to manage new challenges. Topics have included how to increase employee engagement on sustainability efforts; creating and implementing human rights across diverse sites; and understanding new regulations for conflict minerals.

Developing and expanding business relationships with M/WBEs is sound business practices and important to our business. We have actively identified and helped cultivate M/WBE relationships. This approach also creates a more diverse supplier base, which fosters increased competition.

At ArcelorMittal USA, a relentless dedication to quality is the basis of our success. Our primary goal is to produce, provide and continuously improve products that meet customers' expectations for quality, delivery, cost and technology. As a result, we select only those suppliers who share our commitment to quality and can meet or exceed our requirements to provide superior quality products and services.

Corporate responsibility governance

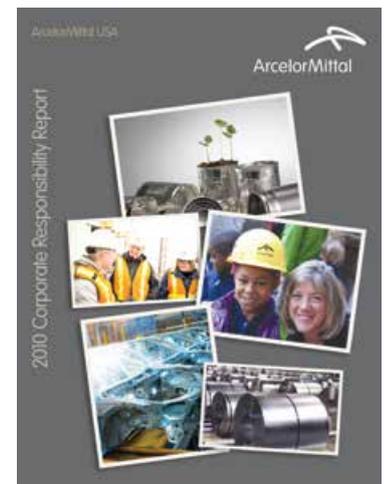
In the United States, our corporate responsibility efforts are governed by facility-level Councils for Stronger Communities (CSCs) and overseen by the USA Foundation and CR Governance Board. The CSCs, in place at 16 facilities, work in collaboration with their

corporate responsibility manager to implement global, national and local initiatives as well as building sustainable stakeholder partnerships. In 2012, the CSCs held 66 meetings.

As part of our transparent governance efforts, we produce an annual corporate responsibility report. The report shares the progress we have made towards achieving our KPIs and the challenges and opportunities we've encountered as a business over the year. For the last three years, starting with our 2009 report, we have increased our level of transparency as our reporting has evolved. This 2012 Corporate Responsibility Report represents the next phase in that journey. As we discuss in the About this report section, we have utilized the AccountAbility 1000 principles and the GRI G3.1 indicators to help increase our transparency to our stakeholders. Our goal is to provide information to our stakeholders on the issues that matter most to them. As we work through our business improvement processes, we are confident we will progress in our transparency and reporting.

Number of local corporate responsibility governance meetings held:

66



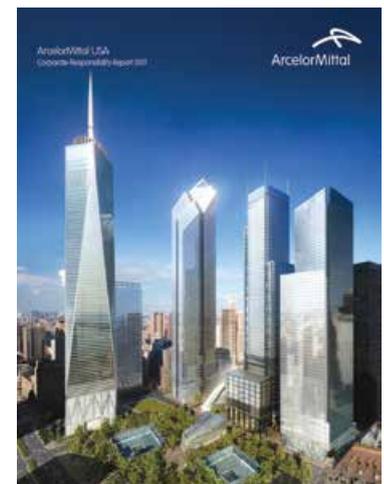
2010 Corporate Responsibility Report

Case Study: A minority business with major accomplishments

As part of our minority business development, ArcelorMittal USA has worked with Chicago-based Promet Energy Partners, a leading minority business enterprise player in the energy market, since 2006. The husband-and-wife team of Gregory and Tami White founded Promet in 2004. In its first eight years, the company's annual sales exceeded \$100 million.

ArcelorMittal USA, Promet's largest customer, helped the company make the transition from a wholesale marketer of natural gas and electrical power into an energy management company. From its newly opened office in Gary, Ind., Promet is managing the energy consumption for our plants in Illinois and Indiana.

In 2013, Promet expects to announce a unique partnership with a Fortune 100 company that will create an African American-owned and operated supplier of retail electricity capable of supplying competitively priced power in all unregulated markets.



2011 Corporate Responsibility Report



Investing in our people

One of the most important components of our business is our people. They ensure that our products are made safely and with the quality our customers demand and expect. ArcelorMittal USA employees are characterized by their productivity and dedication to their work. In return, we provide programs and tools to keep them safe on the job and to enhance their overall health and wellness. We also provide numerous opportunities for dialogue between employees and management and offer training and development opportunities for employees and contractors.

Investing in our people: 2012 progress

	Our commitments	Our progress	Next steps
Safety	Reduce lost time injury (LTI) frequency rate year over year	☑ Achieved an LTI rate improvement of 42 percent over 2011	Continue our efforts to improve workplace safety and prevent accidents to meet the global target of 1.0 in 2013
Health	Offer health and wellness programs to all employees	☑ Participation from 2,128 employees in a free biometric screening program	Continue to expand the offerings of the <i>Transforming YOU</i> wellness program
Employee relations	Engage in open and constructive dialogue with employees	☑ Nearly 78 percent of employees are covered by a collective bargaining program	Continue to provide opportunities for dialogue between employees and management at all facilities
Training and leadership development	Provide salaried and hourly employees with training and development opportunities	☑ Increased number of training hours for salaried employees to 51,293	Further refine our reporting to capture all hours of employee training

For more information on our key performance indicators (KPIs), see our data table on page 26.

Safety performance

Each year, we strive to improve our safety performance through our *Journey to Zero* initiative and by reducing lost time injuries (LTIs). We continuously initiate and evaluate programs and partnerships to reduce our LTI rate to the global goal of 1.0 by the end of 2013. We are pleased to report that our LTI rate for 2012 improved 42 percent over 2011. While we are proud of our reduced LTI rate, we are deeply saddened to report one death in 2012. A fatality is the most tragic event that can occur in our company, and we are dedicated to protecting our employees and ensuring a safe, injury-free workplace. We're proud that our LTI rate for 2012 was our best on record, but our journey to zero is not complete.

As part of our continued safety efforts, we ask that 20 percent of managers' time is spent on the shop floor observing practices, procedures and equipment, and how we can make their work safer. Partly as a result of this approach, we created some 38,000 safety procedures in 2012 and 2011. We are continuously building on this foundation of safety knowledge by engaging every employee in the proper way to complete tasks and procedures. We firmly believe that it is everyone's responsibility to work together to achieve a safer work environment.

In 2012, ArcelorMittal introduced a series of new publications called Life Books which provide safety suggestions, reminders and ideas that auditors can use when conducting safety audits. With guidance provided by the Life Books, auditors can recommend changes that may exceed the Company's safety standards or the safety standards set forth in federal, state or local laws, to help achieve a safer workplace. The new Life Books cover seven key areas:

- Isolation
- Energy
- Confined space
- Working at heights
- Rail safety
- Vehicles and driving
- Cranes and lifting
- Contractors

Joint commitment to safety

Together, ArcelorMittal USA and the United Steelworkers (USW) strive to ensure the safety of our employees and improve the safety performance of our operations. The USA safety steering committee – which comprises senior executives, union leadership and safety professionals – continuously monitors safety performance through weekly reports and conference calls, and monthly meetings.

Safety initiatives

As part of our commitment to shared vigilance in the workplace, and to help improve our LTI rate by preventing serious accidents from occurring, we have formalized how we track near misses at our operating facilities. Because many LTIs are repeat in nature, we believe a number of them could be avoided by applying what is learned from previous incidents, or near misses. Last year we recorded 1,000 near misses among our facilities. They are formally reported using this methodology:

- Collect data
- Describe incident
- Determine causal factors (unsafe conditions and actions)
- Perform root cause analysis
- Develop preventive and corrective actions

The near miss is then formally investigated to identify and address the underlying safety issue.

To ensure that managers and supervisors are spending time on the shop floor, our ArcelorMittal USA long carbon facilities complete positive practice observations of all employees. The employee's direct supervisor and a secondary supervisor who serves as an observer watch and evaluate as an individual performs his or her job duties. The supervisors note the employee's use of personal protective equipment (PPE), which is unique for each job; how they perform their job; and the cleanliness of their work area. The observers then review a job safety analysis with the employee and highlight the positive things the employee was doing while also discussing safety risks and any corrective actions the employee needs to take. Together, the employee, observer and supervisor identify corrective actions needed and establish a deadline for completion.

Lost time injury frequency rate

2012	1.92
2011	3.35
2010	3.27

Operations certified to OHSAS 18001

2012	18
2011	13
2010	3

During a 2012 joint safety committee meeting, the concept of *Green Guardians* was implemented. *Green Guardians* are teams of employees tasked with monitoring work – during major outages – to make sure employees and contractors are working in the safest way possible. ArcelorMittal Burns Harbor used this model in the fall of 2012 during an outage at the continuous caster. Because the *Green Guardian* team knew the equipment and workforce, it was able to respond to questions from contractors and employees about the task at hand and complete the job safely.

Investing in our people

Continued

Another strategy to improve ArcelorMittal USA's safety performance is obtaining the Occupational Health and Safety Assessment Series (OHSAS) 18001 certification, a voluntary international certification for safety management intended to help sites control risks by setting targets and monitoring safety performance. It was developed in response to widespread demand for a recognized standard against which to be objectively assessed. By the end of 2012, 17 ArcelorMittal USA facilities, as well as our R&D center, were certified to OHSAS 18001, compared to 13 in 2011.

This certification requires external auditors to review our health and safety system, similar to how ISO/TS 16949 and ISO 14001 certifications are audited for quality and environmental systems. One of the tools in the OHSAS 18001 process is Hazard Identification, Risk Assessment and Control (HIRAC), which helps identify and ultimately reduce risks in the workplace. The process promotes proactive engagement between shop floor employees and managers to recognize hazards, assess the level of risk and implement procedures to reduce the risks.

Throughout 2012, a total of 65 formal safety audits took place across our flat carbon USA facilities. These formal audits resulted in reports that identified opportunities to improve compliance and reduce hazards at each facility.

In an effort to recommit to our health and safety standards and remember the workers we have lost, ArcelorMittal and the USW host *Global Health & Safety Day/Workers' Memorial Day* every April. Examples of some activities held at our local facilities included:

- **ArcelorMittal Monessen:** Employees were treated to a range of vendor demonstrations covering topics such as arc flash, combustible dust, welding and gas hazards.
- **ArcelorMittal Conshohocken:** All 220 employees received new lockout/tagout tags and an "avoid pinch points" t-shirt. Participants also watched a demonstration about the correct use of fall protection equipment.
- **ArcelorMittal Riverdale:** Some 200 employees, contractors and union leaders participated in a variety of programs, which included a presentation about ergonomics and training on the correct use of the HIRAC forms.

In the United States, *Global Health & Safety Day* officially launches our annual *SummerSafe* program, which aims to educate employees about safety hazards that can occur in warm weather. Similarly, ArcelorMittal USA promotes *WinterSafe* and *HolidaySafe* programs to highlight seasonal hazards, including icy roads and severe weather, as well as the dangers of portable heaters and other potential home hazards.

Each safety initiative is highlighted in internal communication vehicles, including our employee magazine, videos, intranet and posters, to ensure employees have access to these crucial messages throughout the year.

Employee health

ArcelorMittal recognizes that employee wellness plays a critical role in improved employee safety, productivity and overall well-being. The combination of a mature workforce, changing health industry landscape and rising healthcare costs makes it imperative for ArcelorMittal USA to take action on the issue of employee wellness. In 2012 we paid a total of \$218.4 million in medical costs, or \$16,367 per employee for active represented employees. Despite a decline in the number of employees, the cost of medical coverage has increased by 32 percent since 2005 with an average increase of 4.8 percent per year.

To increase the wellness options available to our employees, we have continued to grow our *Transforming You* wellness initiative that was launched with the USW in 2010. Its mission is to encourage employees to engage in healthy lifestyles and create a culture of health and well being leading to improved physical health, personal and professional success, and stability for employees and their families. The initiative covers a wide spectrum of activities, including awareness, nutrition and diet, fitness, education, and medical screenings. Increased focus has been placed on encouraging our employees to complete biometric screenings. These screenings give employees a snapshot of key metrics such as cholesterol, glucose, blood pressure and body mass index (BMI).

To further promote our focus on wellness, all of our USA facilities participated in our annual *Health Week* in October 2012; emphasizing preventive healthcare activities for both the workplace and home. Sites offered free flu shots, exercise and nutrition counseling, screening for conditions such as hypertension and diabetes, training in CPR and AED, and presentations about substance abuse and stress management techniques.

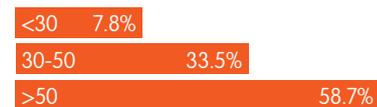
Employee relations

In 2012, ArcelorMittal USA and the United Steelworkers (USW) negotiated a new Basic Labor Agreement (BLA). The BLA, covers almost 13,000 bargaining unit employees at 13 USA facilities. As part of our ongoing efforts to provide opportunities for open, constructive dialogue between employees and management at all facilities, we held a number of meetings with union leaders in advance of negotiations for a new BLA.

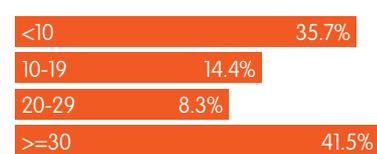
Early in the year, more than 100 union leaders and ArcelorMittal management gathered at the USW Local 6787 Union Hall in Burns Harbor, Ind. for the annual joint partnership meeting. Part of the meeting was dedicated to discussing change: how to work together to be more flexible, how to create higher levels of employee engagement and how to use the intelligence and actions of our workforce to respond more quickly to our customers' needs in a volatile market.

We also built an employee communications program with the goal of securing a successful contract,

Percentage of employees by age group (in years)



Duration of employment with ArcelorMittal USA (in years)



including a ratified BLA, as well as a longer-term goal of developing an informed workforce that understands the business challenges and accepts the need for change to ensure sustainable, long-term employment. The communications program included a fact book, website, videos and social media updates to increase transparency with our employees and other stakeholders.

In October, United Steelworkers' membership announced the ratification of the new collective bargaining agreement between the USW and ArcelorMittal USA. Our remaining facilities are covered by individual site contracts with the USW that are set to expire concurrently with the master BLA.

Training and development

ArcelorMittal USA provides training and development opportunities for salaried employees through our global ArcelorMittal University and the USA Learning and Development department. We offer both online and in-person training to help employees expand the professional and position-specific skills required in today's workforce.

ArcelorMittal USA employees participate in the *Global Employee Development Program (GEDP)*, a process that is widely used across the entire ArcelorMittal group. The number of people taking part in this global program has increased from 2,795 in 2008 to 4,687 in 2012. We launched a new strategic workforce planning process in 2012 to ensure we have the right people, with the right skills, in the right place, and at the right cost. This will help us respond more effectively to changes in our own sector.

ArcelorMittal USA salaried employees participated in more than 51,293 hours of training. Salaried employees also have access to a tuition reimbursement program that helps them complete general undergraduate or graduate degree programs directly related to their job functions.

Training of both our operating and maintenance workforce is a critical focus area for our company. Our hourly employees receive training in five key areas: safety, operator training, line of progression, multi-craft disciplines and up-skilling. As the safety of our employees is our number one priority, we focus on training programs that ensure all of our employees are properly prepared for their daily tasks. Our employees working in operations participate in both line of progression training – training to learn higher level assignments – as well as operator maintenance training – training to learn how to perform routine maintenance tasks including inspections. Traditionally, steel facilities employed individuals who were trained in specific crafts such as welders, crane repairmen, electrical repairmen, millwrights, HVAC repairman, boilermakers, or carpenters. Due to the changing environment of the industry, we have been consciously working to expand the skill set of our current craft employees; training them in all skills that fall under our two main positions of Maintenance Technician Electrical and Maintenance Technician Mechanical.

Future employees

America's steel industry has evolved significantly over time. The skills, training and education necessary to create quality steel products are more advanced and the need for innovation is more critical.

In addition to building a diverse employee population, an important business priority for ArcelorMittal USA is to ensure that future employees are highly skilled and educated. Because our workforce has an average age of 50.5, we must have qualified, work-ready employees in our communities prepared to fill vacancies left by retirements. To address this challenge, we have created and expanded several initiatives and partnerships with educational institutions and nonprofit partners.

One such program is ArcelorMittal's *Steelworker for the Future®* program. Launched in 2008, the 2.5 year program combines classroom learning at a participating community college or technical school with paid, on-the-job training at an ArcelorMittal USA facility. At the completion of the program, students graduate with an associate degree in mechanical maintenance or electrical maintenance, degrees that can be used across the manufacturing industry. In 2012, we began an evaluation of the current program and commenced outreach to high schools located around our facilities. We also added two new community college partners in Weirton, W. V. and Steelton, Penn., extending our geographic footprint from Northwest Indiana and Cleveland.

In addition to skilled craftspeople, ArcelorMittal seeks to develop and recruit for professions in engineering, finance, business management and other areas. We have created partnerships with a number of accredited four-year colleges and universities focused on metallurgical sciences and business programs. Through these partnerships, ArcelorMittal provides support for curricula development and mentoring opportunities at several schools throughout the United States aligned geographically with our primary operations.

Every summer, ArcelorMittal USA fills internship positions with qualified students from our partner colleges and universities. During the summer of 2012, 172 interns worked in various roles at ArcelorMittal facilities across the country. Additionally, ArcelorMittal hired and placed 71 new associates from our partner colleges and universities at our USA facilities in 2012.

For more information, visit:
www.workforarcelormittal.com



Case Study: Working to further gender diversity

More than 400 women working for ArcelorMittal in Belo Horizonte, Brazil; Chicago; London and Luxembourg met in 2012 to discuss and debate gender diversity within the company. In a series of workshops led by Nicola Davidson, VP Corporate Communications and co-chair of our gender diversity working group, these women – representing a wide range of operational and corporate roles – discussed gender diversity issues that will contribute to the creation of a set of key performance indicators (KPIs) against which ArcelorMittal will measure its performance.

"Women are an important part of our workforce, bringing skills and unique perspective that are vital for a successful business," said Davidson. "We need to better understand how to recruit talented women and also help them achieve management positions in a traditionally male-driven business."

Barbara Turk, Metallurgist at ArcelorMittal Riverdale, says the issue of gender diversity goes beyond a single company. "Our society in general needs to view women as capable bread winners who can bring a dynamic perspective to the company," she says.

Some of the outcomes of the gender diversity workshops will be simple – such as providing the right changing facilities and personal protective equipment in the correct sizes. Other areas – such as ensuring there is a strong pipeline of female talent in operational roles – will require more thought and discussion. For more information on our diversity efforts, please visit the ArcelorMittal Corporate Responsibility Report available at: <http://www.arcelormittal.com/corp/corporate-responsibility/workplace-diversity/approach>

A worker in a shiny, reflective protective suit is operating machinery in a steel mill. Sparks are flying from the machinery, creating a bright, hazy atmosphere. The worker is holding a long, thin rod or tool. The background is dark and industrial.

Making steel more sustainable

At ArcelorMittal, we are proud of our position as an industry leader in sustainability. We also realize that with leadership comes responsibility. As a result, we have committed to protect and improve the environment in our operations, from cutting energy use to creating advanced technologies and products to meet today's – and tomorrow's – sustainability challenges.

Making steel more sustainable: 2012 progress

	Our commitments	Our progress	Next steps
Energy management	Reduce energy consumption by 1 percent per year and continue to attain the ENERGY STAR Partner of the Year award	Attained an almost 2 percent reduction and achieved the ENERGY STAR award as Partner of the Year	Continue to heighten energy awareness and energy management across our plants in the United States
Management systems	Maintain ISO 14001 certification for steelmaking facilities in operation	 Maintained ISO 14001 certification at 100 percent of steelmaking facilities in operation	Continue to maintain ISO 14001 certification at all operating facilities and utilize the environmental management information system to make continuous improvements in how we manage our environmental performance.
Knowledge retention	Ensure transfer of knowledge to new environmental professionals	Created formal training and recruitment program for the environmental department	Continue to recruit and train environmental professionals for positions on the environmental team

For more information on our key performance indicators (KPIs), see our data table on page 26.

Product innovation and design

We believe that being at the forefront of innovation and customer collaboration in the industry will put us ahead of our competitors as the steel manufacturer of choice for our customers. In 2012, we invested \$285 million in research and development globally, 25 percent of which was devoted to our East Chicago, Ind. Research and Development center, one of 11 global centers.

In 2012, the Obama administration announced new Corporate Average Fuel Economy (CAFE) standards that will double fuel economy to 54.5 mpg by 2025. This standard will not be met by power train improvements alone – manufacturers are looking at every component of a vehicle to explore ways of boosting fuel economy. As the automotive industry is one of our major stakeholders, we are dedicated to developing new products and steel solutions that meet the ever-changing needs of the industry.

ArcelorMittal is helping by developing a range of products that can reduce the weight of vehicles, as well as our iCARE™ range of innovative steels for the electric vehicle market that help automakers create environmentally friendly mobility solutions for a greener world. We have also developed a range of products that can reduce the weight of vehicles, such as trucks and agricultural and construction machinery. In 2012, we invested more than \$60 million in the production facilities for these products at ArcelorMittal Burns Harbor, Ind. alone.

Tackling climate change

Reducing CO₂ emissions to manage climate change is an important challenge for ArcelorMittal and the steel industry as a whole. Globally, we are committed to cutting our CO₂ emissions by 8 percent per ton of steel produced by 2020. In the USA, we primarily address climate change through energy efficiency projects at our facilities and through product innovation.

Increasing energy efficiency

ArcelorMittal is a major energy consumer, with 15 percent of our conversion cost – the cost to transform raw materials into finished steel products – directly related to energy. In response, ArcelorMittal is fuel switching by using more natural gas in our furnaces,

due to the current low prices and high supply, in place of higher priced metallurgical coal or coke. Not only is natural gas more energy efficient, but it is also cleaner and helps to reduce our CO₂ emissions. We are working to identify and implement ongoing, innovative solutions to increase the sustainability of operations, reduce greenhouse gas emissions and protect the environment and natural resources, all while saving costs.

Energy management

Our energy strategy is led by a team of focused professionals that includes a manager of continuous improvement, a manager of energy procurement, our USA energy committee and local facility energy champions.

The USA energy committee discusses priorities and shares best practices via a monthly conference call. They also meet in person at the Americas energy roundtable, where sites across the region come together to work through barriers and outline successes. Through the efforts of the plant employees and the support of management, 27 energy projects were developed and implemented in 2012 with an energy saving of more than \$15.8 million, the equivalent of powering 11,950 homes for a year.

Our electric energy usage is monitored on a daily basis by each facility using a real-time energy usage software. Facilities are able to see their usage and adjust operations appropriately during peak times and seasons, to help minimize impact on the resource and manage internal costs. During the summer of 2012 ArcelorMittal Steelton worked with an energy management company to manage electricity consumption during peak summer hours. For their efforts, ArcelorMittal Steelton won the Keystone State Energy Conservation Award. Overall, in 2012 ArcelorMittal USA reduced energy use by nearly 2 percent through focused improvements and energy management. In addition, 48.2 percent of the total energy used in steel production at our integrated facilities was generated by capturing and reusing coke oven and blast furnace gas.

In recognition of our efforts, ArcelorMittal USA is the first and only steel company to be recognized as an ENERGY STAR® Partner by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of

No. 1
ranking in technology by all automotive customers

“As we celebrate the 20th anniversary of the ENERGY STAR program, EPA is proud to recognize ArcelorMittal USA with the 2012 ENERGY STAR Sustained Excellence Award,” said EPA Administrator Lisa P. Jackson. “ArcelorMittal USA and all our ENERGY STAR award winners are helping Americans find cost-effective ways to save energy in everything we do, which is good for our climate, our health and our future.”

Tons of CO₂ emissions per ton of steel produced

2012	1.69
2011	1.78
2010	1.5

Making steel more sustainable

Continued

Energy (DOE). The ENERGY STAR Sustained Excellence Award, presented in 2012, marks our fifth consecutive award, recognizing our continuous growth and accomplishment in energy management and commitment to energy efficiency.

Every ArcelorMittal USA facility plays an important role in energy management, identifying new ways to reduce energy use, costs and emissions. During 2012, ArcelorMittal USA's three integrated facilities – Burns Harbor, Cleveland and Indiana Harbor – our largest and most energy intensive operations, continued to update their 10-year energy roadmaps. Other facilities worked to develop five-year energy roadmaps. These energy roadmaps contain goals and projects designed to enable the plants to attain specific energy reductions. The roadmaps are updated and reviewed annually with the general manager of each facility.

In October 2012, ArcelorMittal USA held our fourth *Energy Awareness Month*, focused on showcasing employee projects and progress toward reducing energy use at work.

Environmental management

We are always looking for new and innovative ways to manage and minimize our environmental impact. In 2012, 100 percent of our steelmaking facilities in operation maintained their ISO 14001 certification status.

Adhering to this voluntary environmental management framework demonstrates our commitment to minimizing the impact steelmaking has on the environment. Each year, our facilities are audited on local and national environmental policies and regulations.

To unify and standardize environmental data collection across our facilities, the environmental team researched and selected a new automated, integrated and upgradable Environmental Management Information System (EMIS). This cloud-based system enables ArcelorMittal USA to manage large quantities of data and produce real-time, credible and certifiable environmental compliance data. This increased ability to collect and organize critical data will enable our environmental team to continue improving its processes, reduce risk and lower the overall costs of environmental management. The EMIS is being implemented USA-wide over the next three years, beginning with implementation at the largest facilities and those with the greatest data needs.

Air and particulate emissions

ArcelorMittal USA is not only pursuing air emissions reduction through energy efficiency projects but as proven reserves of shale natural gas continue to positively impact the United States energy landscape, the company has taken advantage of the more

environmentally sustainable and economically competitive natural gas as the fuel of choice for our blast furnace operations. In 2012, our blast furnace operations increased the use of natural gas by 58% over 2011 which allowed us to reduce our consumption of coal by 297,450 short tons. Due to our energy efficiency projects, fuel switching to natural gas, a 99 percent decrease in the use of heavy fuel oils, and an increase in capacity utilization, our CO₂ emissions went from 1.78 to 1.69 tons of CO₂ per ton of steel produced in 2012; a reduction of 4.2 percent. As long as natural gas supplies remain abundant and accessible for our operations, we will continue to maximize fuel switching as part of our strategy for effective air emissions management.

Our facility in Vinton, Texas, upgraded its electric-arc furnace (EAF) baghouse emission system, resulting in enhanced capture of emissions, decreased melt shop opacity levels and improved overall air quality in the greater El Paso area. For this effort, ArcelorMittal Vinton received recognition for recycling and environmental stewardship in 2012 from the Steel Manufacturers Association.

Water

Water plays a critical role in the production of our steel and the transport of both raw materials and finished products. Our USA facilities have permits for the water we discharge, dictating the cleanliness of the water, as well as monitoring and reporting requirements. In 2012 we withdrew 1,253,479,000 m³ of water for our operations. Approximately 70 percent of water is considered non-contact, or water that is used to cool operating equipment. Non-contact water is returned to its source under strict regulatory guidelines.

The water that contacts steel or is exposed to contaminants from the production process is segregated and treated using advanced control technology before being returned to its source in accordance with state and federal standards.

Recognizing the importance of water within our business and our communities, we continued our leadership role in Sustain Our Great Lakes, a public-private partnership with the National Fish and Wildlife Foundation, U.S. EPA, U.S. Fish and Wildlife Service, U.S. Forest Service, the National Oceanic and Atmospheric Administration (NOAA) and National Resource Conservation Services. Sustain Our Great Lakes' mission is to restore and protect fish, wildlife and habitat throughout the basin by leveraging funding, building conservation capacity and focusing partners and their resources on key ecological issues. In 2012, the program provided \$16.1 million in on-the-ground impact to the Great Lakes basin.

For more information please visit:
www.sustainourgreatlakes.org

Case Study: ArcelorMittal hosts ENERGY STAR® best practices session for local industrial manufacturers

In 2012, ArcelorMittal USA and Saint-Gobain, a leader in the habitat and construction market and an ENERGY STAR partner of the year, co-sponsored an industrial energy summit at ArcelorMittal Burns Harbor to spread the word about the multitude of benefits that result from initiating energy-management programs, including the value of partnering with ENERGY STAR.

Approximately 30 attendees from throughout the Midwest participated in the half-day Regional Industrial Energy Efficiency Conference. During the conference, leaders from the industry and energy experts described their reasons why businesses should strive for energy efficiency.

"Clearly, there's a business imperative to reduce costs because we spend billions of dollars on energy," said Andy Harshaw, Executive Vice President of Operations, ArcelorMittal USA. "At the same time, when you're wasting energy, you're wasting something that can't be replaced. In essence, you're stealing from the next generation."



Waste management

ArcelorMittal Burns Harbor commenced operation of the newly constructed Deerfield Storage Facility in December 2012. The state-of-the-art nonhazardous solid waste landfill provides ArcelorMittal with several key advantages to off-site disposal. For instance, the use of the onsite landfill has eliminated the need to transport these materials to a location that is more than 60 miles from the facility. The elimination of these transportation resources significantly reduces transportation related emissions, as well as provides the site with improved disposal efficiencies. In addition, since the major constituent in the materials being placed in the landfill is a form of iron, on-site disposal provides ArcelorMittal with an opportunity to reclaim these iron units in the future when cost effective recycling technologies may become available that can further reduce ArcelorMittal's environmental footprint.

Product transportation

Our steel products are shipped by rail, barge and truck to destinations across North America and the world. ArcelorMittal USA's logistics department works to identify the most efficient, cost-effective, sustainable transportation solution; getting products to our customers in a timely manner.

Biodiversity

We recognize that we have a responsibility to protect local biodiversity and ecosystems in the environments where we operate. Nine of our steelmaking facilities sit along the Great Lakes and its watershed, a very rich ecosystem. We work with those facilities to identify

on-site areas for restoration and preservation, as well as stewardship opportunities in the surrounding communities.

In 2012 we began restoration work with the Wildlife Habitat Council on land at our ArcelorMittal Burns Harbor facility, which is located on 3,330 acres along the shores of Lake Michigan in Indiana. The *Lakeshore Ecosystem Restoration Project* will result in the design and reclamation of Lake Michigan shoreline areas near Burns Harbor for planting and seeding of diverse dune and swale habitats on approximately 25 acres. The restoration and management of wildlife habitat areas are part of ArcelorMittal Burns Harbor's efforts, in conjunction with those of our local and regional conservation partners, to reconnect dislocated wildlife habitat areas at our facility with the surrounding ecosystem. The project also includes design grading and planting a range of vegetated swales using native plants to prevent sediment runoff into Lake Michigan. Once complete, the initiative will provide employees access to unparalleled views of Lake Michigan and the neighboring Indiana Dunes National Lakeshore while returning a key portion of wildlife habitat to the Great Lakes basin.

ArcelorMittal USA also funds environmental projects in our local communities, as outlined in the Enriching our communities section starting on page 22. These projects largely focus on environmental education and conservation within the footprint of our facilities.

Case study: Dredging the Indiana Harbor Ship Canal

In 2012, we teamed with the United States Army Corps of Engineers and EPA to dredge the Indiana Harbor Ship Canal, a primary transportation route for commercial and industrial shipping. The dredging project will restore the ship canal to its original depth allowing large ships to carry more material per trip reducing shipping costs. In addition, this project will result in the removal and disposal of contaminated sediments from the bottom of the Ship Canal making the Lake Michigan tributary cleaner. Dredging commenced in the fall of 2012 and is expected to continue through 2018.

"The Wildlife Habitat Council is proud to partner with ArcelorMittal Burns Harbor to bring steelmaking and employee wellness together with the conservation of dunes. We appreciate the company's efforts to restore and manage dune ecosystems inside the Burns Harbor facility and create spaces that promote employee wellness and conservation stewardship."

Margaret O'Gorman
President, Wildlife Habitat Council

Case Study: Reusing and recycling steelmaking refractories

Used steelmaking refractories – bricks that retain their form under extreme heat and are used to line steel vessels and ladles – are switching from the garbage bin to the recycle bin.

Historically, refractories were part of a "one use" system: bricks were purchased, consumed, removed and placed in landfill. But today, several economic and sustainability factors are making reusing and recycling more viable, including:

- Efforts to decrease on-site inventories and reach for "zero landfill" status plants
- The rising costs of refractory minerals such as bauxite and magnesite from China and elsewhere
- Rising landfill and fuel costs

We now sell our spent refractories to companies that transport the used bricks to storage areas, sort the different types of brick, remove non-refractory and then crush the material for new products. In the process, our used bricks become raw materials for Portland cement, powder coatings, slag-making additives and even new bricks.

We are recycling approximately 8,000 tons of refractories per year.



Deerfield Storage Facility



Enriching our communities

ArcelorMittal USA is very much a part of the communities in which we do business. From providing jobs to supporting suppliers; from engaging with stakeholders to contributing financially to nonprofit organizations, we are very involved in a number of efforts to improve the quality of life for our employees and our neighbors.

Enriching our communities: 2012 progress

	Our commitments	Our progress	Next steps
Community engagement	Ensure that all major facilities have community engagement plans in place	☑ Held 170 meetings with stakeholders, including employees, peers, customers, local public officials, community members and nonprofit organizations	Review and update community engagement plans annually
Philanthropic contributions	Maintain sustainable contributions to the communities in which we operate	☑ Awarded \$6.1 million in grants to nonprofit partners working in our communities	Select and award grants annually to qualified nonprofit partners in our communities working in the areas of education, environment, and health and safety
Partner in the community	Ensure open, transparent communication with stakeholders, such as partnering and collaborating with organizations and nonprofits	Provided \$2.14 million to our local communities through Give Boldly, ArcelorMittal USA's employee matching gifts program	Continue to partner with nonprofits in the areas of education, environment, and health and safety through financial grants and volunteerism. Continue to raise awareness of Give Boldly and increase employee participation

For more information on our key performance indicators (KPIs), see our data table on page 26.

Economic contribution

In the United States, our operations employ more than 17,000 individuals with a direct economic contribution of \$1.82 billion through 2012 wages and benefits. Often, ArcelorMittal is the largest employer in a community. In the three states in which we have the majority of our workforce – Indiana, Ohio and Pennsylvania – our entry-level hourly pay is 2.5 to 3.5 times higher than the local minimum wage. This allows our employees to earn a livable income, provide for their families and contribute to the local economy.

In addition to providing living wage jobs, we seek to engage local businesses in fulfilling our supply chain as seen in our transparent governance case study, multiplying our economic contribution in our communities.

To ArcelorMittal, being a good employer and community partner are all part of being a responsible corporate citizen.

Stakeholder engagement

As discussed earlier in our report, meeting with our stakeholders is crucial to maintaining an open dialogue. In 2012, ArcelorMittal USA held 170 meetings with stakeholders that included employees, peers, customers, local public officials, community members, nonprofit organizations, and others, providing an opportunity to ask questions, identify potential issues of significance and share ideas and expectations.

We operate a community information telephone line for 14 major facilities in our primary communities. Many of these facilities also offer email addresses stakeholders can use to contact us. Having multiple systems to reach us provides community members with the ability to contact their local facility with any concern, question or

comment. We typically respond to queries that don't require additional research within two business days. In 2012, we responded to 11 queries from community stakeholders.

Community investment

In 2012, ArcelorMittal USA provided \$6.1 million in cash grants to support nonprofit organizations working in three key areas: environment, education, and health and safety. Having a strategic focus for our giving enables us to develop partnerships and create deep, measurable results in the programs we support.

Throughout our communities, our support extends beyond the financial. We actively engage with our community partners to affect change locally. In 2012, we extended our collaborative initiative with the Council for Adult and Experiential Learning (CAEL) that we launched in 2011. CAEL aims to strengthen students' skills in Science, Technology, Engineering and Math (STEM) through education in local high schools. CAEL focuses on building successful partnering models that enable students to learn about manufacturing careers and attain the required skills. With the goal of improving STEM scores and graduation rates as well as increasing workforce readiness for students in our community.

In 2012, CAEL facilitated listening sessions with high school counselors, teachers and principals in Northwest Indiana with a goal of better understanding the needs of the educators and the local learning environment while sharing the needs of industrial employers in the region. Identifying the pain points and mutual needs of industry and educators – and most of all the students – is forging the path for productive partnerships that will support and improve student performance.

Case study: ArcelorMittal Riverdale hosts the Calumet Area Industrial Commission (CAIC) in a three part safety training series

In March, July and September 2012, ArcelorMittal Riverdale hosted and participated in general safety and health training sessions for area industrial workers with the CAIC, the University of Illinois at Chicago School of Public Health, Ingalls Occupational Health, Safety Training Services and Sims Metal Management.

A total of 130 people participated in the training, which covered slips, trips and falls; ergonomics; forklift safety; machine guarding; and lockout/tagout procedures. The trainings also included OSHA question and answer sessions.

ArcelorMittal Riverdale was selected by the CAIC as host and panelist due to its local commitment to health and safety. General Manager Gary Norgren volunteered the facility, noting that the training aligned with the company's stakeholder engagement goals.

This collaborative approach to safety training enriches the value of the program to both ArcelorMittal employees and the region as a whole.

Enriching our communities

Continued

Environment

In our communities, we partner with organizations working to protect and restore the environment through water and land restoration, environmental education, and energy conservation.

For example, our commitment to community, education and environment comes to life among the dunes, woods, streams, beaches and bogs of the Indiana Dunes National Lakeshore. Our commitment to Dunes Environmental Learning Center began in 2007. Since that time, our support has made it possible for more than 1,000 students to benefit from Dunes Learning Center's environmental education programs. Last spring, South Haven Elementary School of Portage, Ind. and East Chicago Lighthouse Charter Academy joined a growing list of schools that were able to visit Dunes Environmental Learning Center with financial support from ArcelorMittal Burns Harbor and ArcelorMittal Indiana Harbor.

In Ohio, ArcelorMittal Cleveland supported the Earth Day Coalition nonprofit and its project to create urban nurseries on vacant lots in the city. The NatureHood project works directly with targeted Cleveland neighborhoods and local schools to revitalize, develop and utilize vacant plots of land and expand open space, restore natural habitats, and bring green into the city with a network of native plants. ArcelorMittal employees volunteered to create a NatureHood nursery in the Mt. Pleasant neighborhood of Cleveland.

In West Virginia, employees from ArcelorMittal Weirton joined thousands of other volunteers to collect trash and debris as part of the Ohio River Sweep, coordinated by the Ohio River Valley Water Sanitation Commission. In 2012, 19 employee volunteers collected approximately 5,000 pounds of trash, focusing on cleaning up sections of the river near the facility and employees' homes. A total of more than 21,000 volunteers worked to clean up 1,962 miles of Ohio River shoreline and tributaries across six states.

Jeanne Ison, Project Director of the Ohio River Sweep, said, "The 2012 Ohio River Sweep was a great success. We removed more than 4,000 tires from the river, along with plastics, furniture, and aluminum. We are so grateful to companies like ArcelorMittal for financial and volunteer support of this project."

Education

In education, our philosophy is holistic: support students throughout their learning – primary school through higher education – and work to address challenges in the education system through replicable, whole system change. Across our communities, we partner with more than 24 elementary, middle and high schools through our *STEM Futures* program, providing funding for sustainable resources and materials to support STEM – Science, Technology, Engineering and Math – education, including smart boards and lab equipment, curriculum development and teacher training programs. We also work to mentor students through a variety of programs that focus on promoting student achievement in STEM and other disciplines.

In Riverdale, Ill. ArcelorMittal provided grant support to General George Patton Elementary School so that it could create a science lab in an empty classroom. The school serves students in kindergarten through eighth grade and 100 percent of its students qualify for free or reduced lunch. Prior to support from ArcelorMittal Riverdale, the science lab was a mobile cart that traveled from class to class. Having a permanent science lab enables the students to conduct more robust science experiments.

Our USA facilities often partner with nonprofit organizations for the benefit of our local schools. In Vinton, Texas, ArcelorMittal supports the Boys and Girls Clubs of El Paso in their delivery of after-school STEM programming to Canutillo Elementary School students. In 2012 they served 200 students and 72 percent of those students maintained or improved their math and science grades.

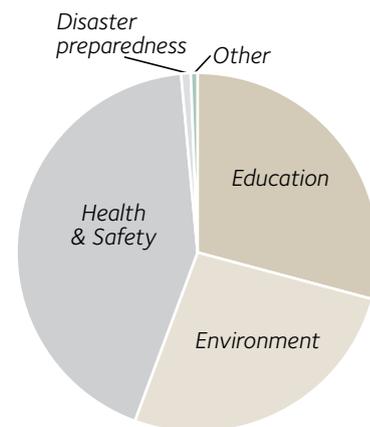
Health and safety

Through strategic partnerships with nonprofit organizations, school districts, and police and fire departments, our programmatic support provides tools, education and engagement opportunities that help to make communities safer. These initiatives include youth mentoring and education on healthy lifestyles, as well as disaster relief to our communities.

In many of our smaller communities, city and town resources are stretched and our grant support helps purchase much needed equipment and resources. For example, in New Carlisle, Ind., our I/N Tek and I/N Kote facilities helped the local police department's canine unit purchase a trained police dog. Not only will the police dog help reduce local drug and trafficking operations, but he will also serve as a mascot when training local elementary students on safety and awareness.

The Chester County Public Safety Training Foundation in Coatesville, Penn., needed a local training facility for the area's first responders including police officers, fire fighters, and EMTs, who had to travel to neighboring counties to receive necessary training to respond to local emergencies. ArcelorMittal Coatesville's unused research and development center and adjacent

2012 Philanthropic giving focus per area



Ben Franklin Academy Students at the Dunes Indiana Harbor Learning Center.



ArcelorMittal LaPlace employees volunteering after Hurricane Isaac.

Case Study: Help after a hurricane

In Louisiana, ArcelorMittal LaPlace and the surrounding community were hit hard by Hurricane Isaac in the fall of 2012. To show solidarity and support to employees and the community during this time, ArcelorMittal provided a disaster relief grant to a local nonprofit organization to support recovery materials, labor, tarping, gutting, mold remediation, insulation, sheetrock and painting. The funds enabled residents of St. John the Baptist parish who were without insurance to repair the areas of their homes affected by flooding. To date, 224 homes have been repaired with materials purchased by the relief grant. An additional 228 homes are in the process of obtaining assistance.

property presented an opportunity to develop a first responder training facility. The facility will allow all 5,000 first responders throughout Chester County to receive high-quality, cross-discipline training in a variety of settings. It will also serve as a centrally located and conveniently accessible site that can be used by businesses, municipalities and the general public for training and meetings. ArcelorMittal Coatesville employees will be able to take advantage of the proximity with services offered to businesses, such as HAZMAT and confined spaces trainings. This will improve access, as employees must currently travel a minimum of 45 minutes from the facility to receive critical safety training.

For the past three years, ArcelorMittal and the American Red Cross have joined forces to increase the capacity of local communities to prepare for and respond to emergencies. Our *Safer Communities* program supports 14 local chapters in communities where ArcelorMittal operates, providing free or low-cost safety and disaster preparedness training to youth and families. Additional funds support the American Red Cross National Disaster Relief Fund, enabling the organization to quickly respond when a tornado, hurricane or other disaster occurs anywhere throughout the USA.

As an example of local outreach efforts, ArcelorMittal Georgetown partnered with the American Red Cross Coastal South Carolina Chapter to present proper hand washing techniques to young children at the Palmetto Child Development Center using Ernie the ERV (emergency response vehicle).

Community involvement

ArcelorMittal USA prides itself on being a responsible partner in our local communities and doing more than just provide financial support. We encourage our employees to use their time, talents and leadership skills to make positive changes in their communities.

Employee volunteers

ArcelorMittal USA employees donate time and talent year-round through coordinated volunteer activities with nonprofit partners. Whether tutoring a student, cleaning debris from a local river or working in a community garden, our employee volunteers are enriching the lives of many and developing their own skills in leadership, teamwork and communication. In 2012, ArcelorMittal employees completed nearly 100 volunteer projects and donated 3,000 hours of their time to our local nonprofit partners.

Give Boldly

Just as we are strategic in how we invest our corporate giving dollars, our employees are equally thoughtful in choosing the causes they support. *Give Boldly*, our employee giving program, enables our employees to make charitable gifts, both directly and through payroll deductions. As part of this program, we offer a corporate match to eligible organizations, increasing the impact of our employees' donations, and supporting the organizations that matter most to them. Their generosity and the positive impact in our communities are tremendous. Together, 2012 employee gifts and company matches totaled more than \$2.14 million to 470 nonprofits, supporting hospitals, schools and other community-based nonprofits.



ArcelorMittal Cleveland recognized as a finalist for Smart Business' Pillar Award for Community Service.

ArcelorMittal Cleveland is committed to its community – and it shows. In August 2012, community partner Slavic Village Development honored ArcelorMittal Cleveland with the organization's first Anchor Business Partner Award. "We are pleased to award the Anchor Business Partner award to ArcelorMittal based on its significant investment in the local community," Executive Director Marie Kittredge told attendees. "ArcelorMittal provides important funding to neighborhood projects while also supporting key stakeholder initiatives in the neighborhood. The accessibility of ArcelorMittal staff to support neighborhood projects and assist in finding solutions to challenges is truly remarkable."

"I give boldly because it means that I can increase the impact my gifts have with the nonprofits I support. ArcelorMittal USA shows me that they value what I value by matching my charitable donations."

– Jonathan Holmes,
General Manager
ArcelorMittal Minorca Mine

Total giving (in millions)



■ ArcelorMittal gifts
■ Employee gifts

Data table

Pillar	Indicator	Topic	2012	2011	2010	
Transparent governance		Number of local governance structures in place	16	16	16	
		Number of local governance meetings	66	83	78	
		Percentage of employees receiving code of business conduct training	65% ¹	99.6% of salaried employees	96% of salaried employees	
	S03/ 	Percentage of obligated employees receiving anti-corruption training	72% ²	96.5%	99%	
		Procurement policy in place	Implemented in 2010	Implemented in 2010	Implemented	
		Number of employee newsletters or other communications distributed regularly; number of recipients	6: 17,858	6: 18,300	6: 18,000	
	HR3		Total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations	99	2463	
			Percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations	19	20.6	
Investing in our people		Workforce breakdown by employment duration	<10: 35.7%, 10-19:14.4%, 20-29: 8.3%, >30: 41.5%, no service date: .1%	<10: 34.41%, 10-19: 14.17%, 20-29: 7.94%, >30: 43.39%, no service date: .09%	0-9: 31%, 10-19: 16.3%, 20-29: 9%, 30-39: 33.9%, 40-54: 9.8%	
		Lost time injury frequency rate percent change (per million hours worked)	42% reduction (1.92)	2.4% increase (3.35)	7% reduction (3.27)	
		Number of operations certified to the Occupational Health & Safety Assessment Series, OHSAS 18001	17 facilities + R&D (18)	13	3	
		Number of biometric screening participants	2,128	2,411	1,617	
		Number of social dialogue interactions	4	6	6	
	EC1/ 	Direct economic value distributed: employee wages and benefits	\$1.82 billion; wages and benefits	\$1.72 billion; wages and benefits	\$1.3 billion; wages and benefits	
		Direct economic value distributed: community investments	\$6.1 M	\$5.8 M	\$4.98 M	
	LA4/ 	Percentage of employees covered by collective bargaining agreements	78%	78%	>75%	
	LA6		The percentage of the total workforce represented in formal joint management-worker health and safety committees	100%	100%	
			The level(s) at which the committee(s) typically operates	Monthly	Monthly	
LA10/ 	Average hours of training per year per employee by gender and by employee category	Salaried: 12.6 hour. 51,293 total salaried training hours	Salaried: 12.3 hours Hourly: 50.4 Total salaried training hours: 50054 Total hourly training hours: 717,236	17,325 total salaried training hours		

Pillar	Indicator	Topic	2012	2011	2010	
Making steel more sustainable		Amount of scrap steel recycled per amount of steel produced	30.00%	33.50%	38%	
		Total carbon dioxide emissions per ton of steel produced	1.69	1.78	1.5	
		Number of emergency release/spill response exercises conducted	30	30	21	
		Percentage of steelmaking facilities operational during the fiscal year certified to the Environmental Management System ISO 14001	100%	100%	100%	
		Environmental liabilities ³	\$205 million	\$217 million	\$220 million	
	EN2/ 	Percentage of materials used that are recycled input materials	22.14%	25.71%	48%	
	EN3	Direct energy consumption by non-renewable primary energy source	309,640,431 GJ	266,319,937 GJ		
	EN5/ 	Energy saved due to conservation and efficiency improvements	1.87%	2.91%	5%	
	EN8	Total water withdrawal by source	1,253,479,000	1,168,570,000		
	EN16	Total direct greenhouse gas emissions by weight	USEPA 40CFR98: 26.4M tonnes CO ₂ direct	USEPA 40CFR98: 27.5M tonnes CO ₂ direct		
	EN20 ⁴		The weight of significant air emissions for NOx	14,478 metric tonnes	11,833	
			The weight of significant air emissions for SOx	16,072 metric tonnes	12,626	
			The weight of significant air emissions for volatile organic compounds (VOC)	1,490 metric tonnes	1,765	
			The weight of significant air emissions for particulate matter (PM)	2,162 metric tonnes	2,637	
EN22 ⁴		The total amount of waste (hazardous & non-hazardous) in tonnes by type for reuse.	2,882,794	2,398,291		
		The total amount of waste (hazardous & non-hazardous) in tonnes by type for recycling	9,705,367	11,941,738		
		The total amount of waste (hazardous & non-hazardous) in tonnes by type for landfill	829,921	600,095		
		The total amount of waste (hazardous & non-hazardous) in tonnes by type for deep well injection	26,274	33,629		
Enriching our communities		Philanthropic giving by ArcelorMittal focus area	Education: 29%, Environment: 26%, H & S: 43%, Disaster Relief: 1%, Other: 1%	Education: 32%, Environment: 26%, H & S: 33%, Disaster Relief: 8%, Other: 1%	Education: 45%, Environment: 22.7%, H & S: 30.9%, Other: 1.9%	
		Total invested in conservation efforts in the Great Lakes basin through Sustain Our Great Lakes	\$16.1 million	\$16 million	\$13.5 million	
		Number of significant incidences reported through grievance mechanisms	11	16	9	
		Number of stakeholder engagement meetings	170	197	352	
		Beneficiaries impacted by ArcelorMittal's philanthropic investments	4,650,000	5 million	4 million	
	SO1/ 		Number and percentage of operations with implemented local community engagement plans	16, 100%	16, 100%	14
			Number of formal local community grievance processes and mechanisms in place to receive and respond to local community complaints and grievances	13	13	11

¹ Representative of salaried employees current in their training, with re-training of the remainder due in 2013, per the three year re-training cycle.

² ArcelorMittal USA expanded its target population during 4Q12. Training of the remainder to occur in 2013.

³ To more accurately reflect this data point we now include asset retirement obligations. We have updated these numbers to be consistent.

⁴ Year over year increase due to increase in quality and amount of data received from our facilities.

Memberships and awards

ArcelorMittal USA facilities receive recognition

In 2012, ArcelorMittal facilities received several awards recognizing the facility's commitment to sustainability and community:

ArcelorMittal Burns Harbor Plate:

- Received the Technology Division Award for Project Excellence by the Association for Iron and Steel Technology Plant Services and Reliability Technology Division. The award was given to the Plate Mill for the successful 2012 commissioning of the 160" Plate Mill Heat Treat Facility.

ArcelorMittal Cleveland:

- Sole recipient of *Smart Business* magazine's Fairmount Minerals Sustainable Business Practices Award
- Finalist for *Smart Business* magazine's Pillar Award for Community Service
- Inaugural recipient of Slavic Village Development's Anchor Business Partner Award for providing important funding to neighborhood projects while supporting key stakeholder initiatives in the neighborhood.

ArcelorMittal Global R&D East Chicago and Honda:

- 2012 Medal Award from AISI for their paper entitled "Characterization of Edge Fracture in Various Types of Advanced High Strength Steels."

ArcelorMittal Indiana Harbor:

- 2012 Best Operational Improvement American Metal Market – 2012 Steel Excellence Award

ArcelorMittal Steelton:

- Recognition from the Steel Manufacturing Association for innovation
- Winner of the Keystone Award for Leadership in Energy Management from EnerNOC energy management

ArcelorMittal Vinton:

- Recognition from the Steel Manufacturing Association for Recycling and Environmental Stewardship efforts

ArcelorMittal USA is a proud, active partner in a number of organizations working to advance sustainability and corporate responsibility objectives.



Published in August 2013.

Copywriting by Jeff Fraga

Photography by William Steers,
Jolice Pojeta, and Ford Motor
Company

Printed on recycled paper with soy
ink.

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2012 Corporate Responsibility
Report, visit www.arcelormittal.com/usacr

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