



ArcelorMittal



ArcelorMittal Ostrava For a better life in the region

Corporate Responsibility Report 2012

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a booklet
about the 10th
anniversary
of ArcelorMittal
in Ostrava



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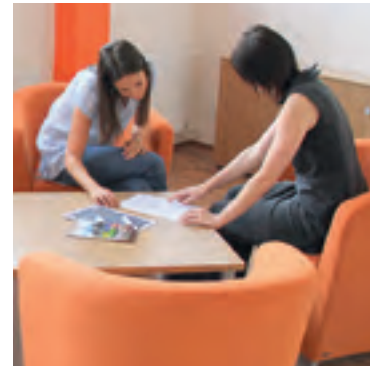
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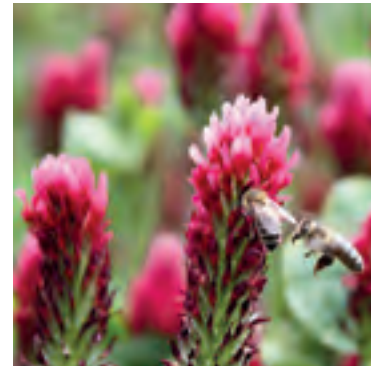
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2012 Facts and figures

- We produced **1.93 million tonnes** of hot metal.
- We produced **1.81 million tonnes** of steel.
- We manufactured **472,583 metres** of safety barriers. **70%** of Czech roads are equipped with ArcelorMittal Ostrava **safety barriers**.
- We won the **2nd place** in the Employer of the Region competition and we are the **5th best employer** in the Czech Republic.
- Our employees' average salary was **CZK 34,213**.
- We organised **132,545 hours** of training for our employees.
- We reduced particulate emissions to a record low of **584 tonnes**.
- We distributed **CZK 900 thousand** among **85 projects** of non-profit organisations through the Minigrants.
- We donated **CZK 28.8 million** to support local communities with a total of **79,448 beneficiaries**.



Our 2011 Corporate Responsibility Report was awarded the Top Professional Quality Certificate in the prestigious business periodicals competition „Golden Semicolon 2012”.



Dear ladies and gentlemen,

Corporate responsibility is not an empty phrase for us; it is an inseparable part of all of our activities. We want to continue producing safe sustainable steel, without which it is difficult to imagine our everyday life, we want to take a good care of our employees and support this region so that it can further develop. I personally enthusiastically monitor the development of the projects that we sponsor and I am glad that as a company we can help make the life in this city and this region better and better.

Last year we achieved several significant milestones. Thanks to the environmental improvements in our operations, for several years in a row we were able to reduce annual emissions of dust. We achieved a historical minimum of 584 tonnes. And even though most of our operations have already achieved the emission levels that will be mandatory in the European Union only after several years, we have not stopped working to improve our environmental footprint. In 2012 we were able to apply for subsidies for our environmental projects for the first time. With the support of the European Union we would like to implement projects worth more than 2.6 billion crowns whose objective is to reduce our environmental impact beyond the scope of what will be mandatory for us from 2016 onwards. We care for the city and the region where we operate and for this reason we also supported the local house boiler subsidies programme through which we contributed to our fellow citizens for purchasing of new boilers that are more environmentally friendly.

In the production area we were facing an uncertain market situation which has been around since 2009.



Thanks to the steps which we had implemented in order to increase efficiency and reduce our production costs we were able to become more resilient to economic crisis. In the same way as in the previous years our priorities included health and safety both of our internal employees as well as the employees of the contractors working in our operations. Despite all of our efforts, however, we are not satisfied with the results in this area. This means one and only thing for us – to pay even more attention to prevention of injuries as we see in most situations these can, and therefore must, be avoided.

Within the framework of our corporate responsibility activities we have been focusing on supporting the Moravian-Silesian region, its culture, schools, charity sphere and the environment. This is possible thanks to our Minigrants projects where I would like to thank our employees for their personal engagement in numerous non-profit organizations. Another important project of ours is Dance for Life through which we support non-profit and charity projects also with the involvement of the visitors of Colours of Ostrava and Festival in the Streets.

Dear readers, on the following pages you can read more about the activities we pursued last year. As it is exactly at the time of the publication of this 2012 CR report that we will be celebrating 10 years since the acquisition of the then Nová huť by a supra-national company we have also prepared for you the highlights of this period.

I appreciate your interest,

Tapas Rajderkar
CEO and Chairman of the Board of Directors

We are part of the largest steelmaking group in the world



ArcelorMittal is the world's leading integrated steel and mining company, with a presence in more than 60 countries and over 245,000 employees. ArcelorMittal is the leader in all major global steel markets, including automotive, construction, household appliances and packaging, with leading R&D and technology, as well as sizeable captive supplies of raw materials and outstanding distribution networks.

ArcelorMittal in the Moravian-Silesian Region



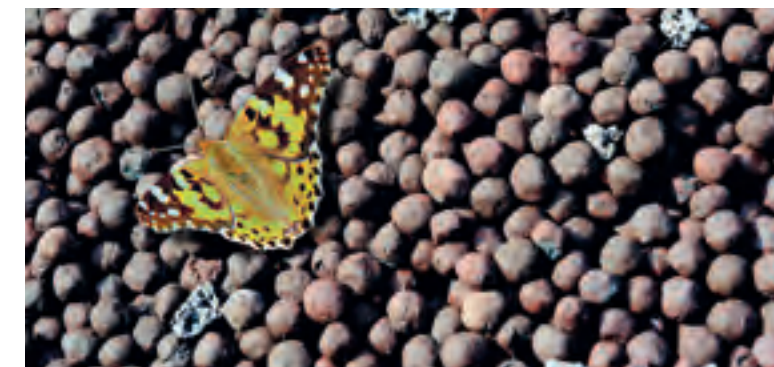
ArcelorMittal in the Czech Republic

In the Czech Republic ArcelorMittal is represented by ArcelorMittal Ostrava and its subsidiaries.

ArcelorMittal Ostrava a.s. is the largest steelmaker in the Czech Republic and one of the biggest employers in the region where it is located. ArcelorMittal Ostrava and its subsidiaries employ more than 7500 people. It has an annual production capacity of 3 million tonnes of steel. Besides the Czech market, the company sells its products to more than 40 countries around the world.

Scope of the report

Since 2008 we have provided information about our activities and advances in corporate responsibility every year through the Corporate Responsibility Report. The data used for the purposes of the 2012 Corporate Responsibility Report primarily cover ArcelorMittal Ostrava, and in component indicators also some of its subsidiaries.



Subsidiaries in which ArcelorMittal Ostrava owns a majority stake

- NOVÁ HUŤ – Projekce, spol. s r.o.
- ArcelorMittal Frýdek-Místek a.s.
- ArcelorMittal Tubular Products Karviná a.s.
- ArcelorMittal Tubular Products Ostrava a.s.
- ArcelorMittal Distribution Solutions Czech Republic, s.r.o.
- ArcelorMittal Energy Ostrava s.r.o.
- ArcelorMittal Engineering Products Ostrava s.r.o.

Our corporate responsibility strategy



Our corporate responsibility strategy is based on the global ArcelorMittal strategy, which we have adopted and adapted to the conditions and environment in which we operate. The proof that responsible behaviour has a direct influence on the company's business is the expansion of our strategic goals, including maximum environmental protection, supporting the society, and strengthening the influence on a healthy community development.

We communicate and actively cooperate with all our stakeholders. ArcelorMittal is a member of many global organisations, including CSR Europe, the World Business Council for Sustainable Development, EITI, and the UN Global Compact. ArcelorMittal Ostrava is a member

of e.g. the Steel Federation, the Confederation of Industry of the Czech Republic, and the Union for the Development of the Moravian-Silesian Region. The membership in these organisations enables us to be involved in debates relating to business activities, and to share

our experience with other entities. Our business influences our wider surroundings through its products, services and manufacturing methods. We work to be successful while at the same time focusing on the needs, rights and expectations of all our stakeholders. This is why

we comply with the global ArcelorMittal procedure for external stakeholder engagement. Our approach in this area is regularly examined to ensure that we can apply the current trends and suggestions from our stakeholders.

A map of our stakeholders

- Our relationships
- Our engagement
- Stakeholder interests



Investing in our people

Our employees are the key to our business and our most valuable asset. We treat them with dignity and respect, invest in their development and provide them with a safe working environment and respectful working conditions.

Making steel more sustainable

We use our experience in the steel industry to develop environmentally friendly processes. We invest in the environment. We try to minimize the environmental impact of our manufacturing.

Enriching our communities

We play an important role in all the communities where we operate. We act in an open and transparent way and work in active partnership with local organizations.

Transparent governance

Our business strategy, operations and everyday activities are all underpinned by open, transparent communication and open, responsive management.

Investing in our people

Health and safety above all

Health and safety projects

Our main priorities are to eliminate serious and fatal injuries at work, while at the same time reducing the number of all injuries at work to a minimum. We are working to achieve these goals through the Journey to Zero and Shared Vigilance projects. We continue to introduce corporate safety standards, in particular in the areas of working at heights, isolation, and improving contractor health and safety management.

As in the previous years, employees made suggestions to the current health and safety subjects during the Minutes for Safety meetings. The system includes safety audits at all management levels.

In 2012 we continued our cooperation with the Technical University of Ostrava, Faculty of Safety Engineering. We helped the students prepare their theses and participated in the 12th Safety Conference. We are strengthening the relationships with our external contractors, with four meetings held in 2012 that focused on specific health and safety topics.

Our certificates and awards

In 2012, after an audit by the Regional Work Inspectorate, ArcelorMittal Ostrava was awarded the Safe Enterprise certificate for the fifth time. Four of our subsidiaries also received this award: ArcelorMittal Tubular Products Ostrava, ArcelorMittal Engineering Products

Ostrava, ArcelorMittal Energy Ostrava, and ArcelorMittal Distribution Solutions Czech Republic.

We continued on from this success with the October audit of the Health and Safety Management System according to OHSAS 18001 requirements. The result was the extension of the certificate for the health and safety management system.



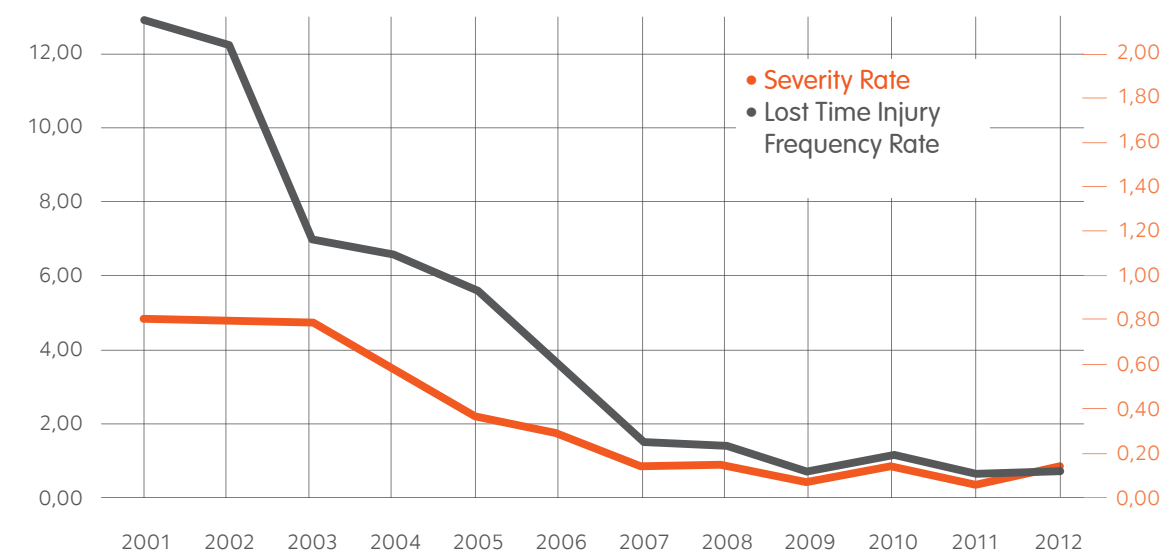
“Health and safety at work is one of our top priorities. In spite of all the measures and awards we must continue to be vigilant, avoid exposure to risks, and respect our safety rules. It is only through our own responsible approach that we can become the safest steelmaker.”

Jiří Michálek,
Chief Health and Safety Officer

Key Performance Indicators

Investing in our people	2010	2011	2012
Lost Time Injury Frequency Rate (employees)	0.93	0.68	0.73
Lost Time Injury Frequency Rate (employees+contractors)	1.10	0.66	0.99
OHSAS 18001 safety standard certification	renewed	renewed	renewed
Number of hours of training for employees of ArcelorMittal Ostrava and subsidiaries	111,229	149,921	132,545
Number of meetings with employee representatives	15	11	11
Participants in the Health and Safety Day	7,595	4,233	3,600
Preventive examinations	4,577	5,891	4,363
Health and safety audits	231	11,756	11,121
Employees trained in health and safety	6,963	8,395	8608

Lost Time Injury Frequency Rate and Severity Rate – trend 2001–2012



The Lost Time Injury Frequency Rate in 2012 was 0.73 injuries per million hours worked, while the Severity Rate was 0.15 lost days per thousand hours worked.

participation of
3,195
employees in Health Week

participation of
3,900
employees in Health and Safety Day

Health and Safety Committee

The Health and Safety Committee is a work group composed of trade union representatives and the company's top management. It develops the partnership between the unions and the management in the area of safety. In 2012 there were a total of 11 meetings, which included inspections of workplaces followed by proposals for measures to minimise all work-related risks discovered and rectify imperfections.

Health and Safety Day

As part of the sixth Health and Safety Day over 3,600 employees had the opportunity to participate in a wide range of events. The programme included lectures on first aid and on safety in transportation, and demonstration events on work at heights and on protection for the hands, hearing and eyesight. During the open day, all those interested had the opportunity to examine the fire services' equipment. The highlight of the day was a campaign for cyclist safety that included inspections of the bicycles arriving



Fire Rescue Service emergency exercise

at the company premises. A health and safety survey once again checked employee knowledge of the topic. Part of the Health and Safety Day was a presentation of healthy meals in the canteen and salads were sold at discounted prices throughout the day.

The Fire Rescue Service celebrated its 60th anniversary

In June 2012 the ArcelorMittal Ostrava Fire Rescue Service celebrated 60 years since its foundation. In 1952 a unit was established

under the name Požární útvar NHKG and its task at that time was to provide fire protection and fire control during the construction of the works.

Today the Fire Rescue Service provides not only technical intervention, tackles leaks of petroleum products, traffic accidents, and rescues injured people in the steelworks facilities, but also tackles fires both inside and outside the company premises. The service can boast of 56 firefighters working in 4 alternating 12-hour shifts.



Health Week

Health Week was held for the third time in the second half of the year. This focused on educating people about a healthy lifestyle, prevention of serious diseases, and consultations for employees. Employees had the opportunity to take part in yoga classes, lectures on hyperbaric medicine, and discussions on breast-cancer prevention. The regular events included preventive examinations for melanomas, blood-pressure, cholesterol and glycaemia measurement, and many other examinations. The bowling and football tournaments proved very popular. Number of employees received massages from visually-impaired masseurs and every employee was also given a vitamin pack.

Shared Vigilance

Part of the prevention of injuries at work is a campaign with the motto: "My safety depends primarily on myself, and if I see that somebody else is in danger, I will immediately

inform him/her of that danger!" We work to ensure that this mission is part of the day-to-day working process. For this purpose we have created posters explaining how to provide first aid for the most common injuries. We place thematically focused posters at the company transport stops focusing on alcohol prevention and safety at work. The principles of shared vigilance are also communicated to external contractors.

Employee health

Employee health is, in addition to their safety, another of our important goals. Just as in previous years, we participated in the World Day for Safety and Health at Work and Health Week. In 2012 we further improved the company medical services. Company preventive care physicians regularly come to inspect the workplaces. We also pay an extra attention to work-related illnesses, microclimatic conditions and the handling of chemicals, and continuously

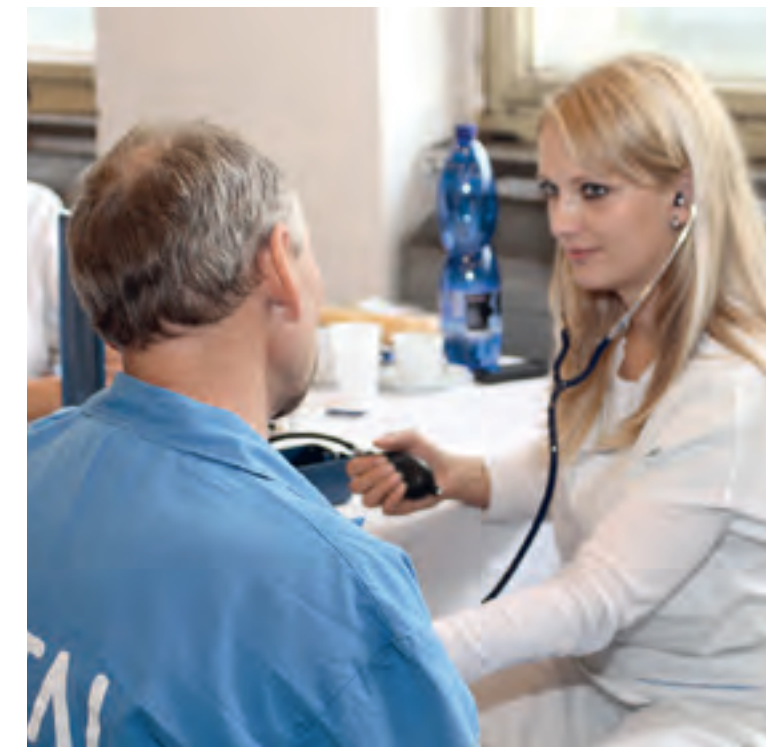
improve the hygiene standards in company facilities.

Incidents at work

The tried and tested system for recording incidents at work provides us with a precise overview of all dangerous events. We investigate them and immediately adopt the relevant safety measures. In addition to recording injuries, we monitor all near misses, dangerous situations and dangerous behaviour.

10 Golden Rules of Safety



I will come to work in a "fit and able" condition.	I will follow the lockout/isolation procedure when working on equipment.	I will respect all the rules of load handling at all times and never stand under or near a suspended load.	I will respect rail priority and stay out of the close clearance area unless the proper precautions have been taken.	I will not disable safety devices.
I will use fall protection or prevention whenever and wherever required according to our standards.	I will follow the confined space entry procedure before entering, as well as during the full duration of the task.	I will respect all the traffic rules.	I will respect the rules for entering and working in hazardous gas areas.	I will respect all the basic Health and Safety rules, standards and signals, and I will wear the required Personal Protective Equipment (PPE).



a total number of
6,939
employees were given a vitamin pack during the Health Week

Health Week



 Children safety walkers
 Safety shoe brakes for lorries



The 5S method is the basis for World Class Manufacturing

The implementation of the 5S method, which has become a synonym for efforts to improve organisation and safety at work and also to improve the working environment,

continued in 2012. We can consider the expansion of the 5S method to be the foundation for the future implementation of World Class Manufacturing.

The number of workplaces at ArcelorMittal Ostrava and its subsidiaries using this method increased

to an admirable 83 in 2012. We rewarded employees at selected workplaces as a token of thanks for their exemplary implementation of the method. In 2013 we will increase our focus on key workplaces at the company. Significant 5S activities are already under way at, for example, the tandem furnaces.

STOP to unexpected lorry movements

We introduced a system for the placement of safety shoe brakes under the front wheels of lorries in 2012 as part of our efforts to increase safety for dispatch workers. This measure prevents the unexpected movement of a lorry before it is properly dispatched and has also been successfully implemented at ArcelorMittal units abroad.

Safe trips

We provided children attending the Blahoslavova nursery school with safety walkers. These are now used by the two classes with the youngest children on trips and walks outside. The children immediately took to the safety walkers and learned very quickly how to

use them. The devices are flexible and give the children the feeling that their movements are not being restricted, while the teachers appreciate the improved safety when taking the children outside. Thanks to these aids they can take the children on long trips including the busy parts of the city. Other benefits of this project are improved safety for the children near roads and injury prevention.

our fire brigade celebrated its **60 years** of service.

we donated **CZK 30,000** for children safety walkers

The 5S method

The 5S method is one of the foundation stones of lean manufacturing. It leads to high levels of economy, organisation and cleanliness at the workplace, and improves the working environment and safety at work. The implementation of 5S means the setting of a long-term and sustainable system.



Heavy Section Mill workplace before and after 5S implementation

Ervin Hadrak reporting for service

Ervin Hadrak is a name given to the dummy we use as an aid during health and safety at work training. Ervin can demonstrate the consequences of injuries at work in cases when employees do not comply with working procedures or do not use protective equipment. The dummy was made at the Slezská diakonie centre in Frýdek-Místek, with which we also cooperate through voluntary activities.



 Dummy for safety training

Human Resources

We are among the best employers

After winning twice, in 2010 and 2011, we won the second place in the Sodexo Employer of the Region 2012 competition. For the existing employees this award is proof that they have chosen the right employer, and for potential employees it is an important signal that our company is able to offer good conditions for work as well as skills acquisition. We also received an award for our talent management project. Its goal is to develop talented employees for the purpose of facilitating the placement of capable employees in the appropriate positions.



Employees contribute towards our improvement

In 2012 the positive trend in the area of continuous improvement

was sustained. The number of employees submitting ideas to improve the current situation in costs and safety at work was a new record. Almost 75% of all the innovations were adopted and rewarded. The total savings in 2012 exceeded CZK 200 million, 37.5% more than in 2011. Compared to 2011 the rewards paid out for the submitted innovations grew by 45% to almost CZK 1.8 million.

Studying at ArcelorMittal University

The Ostrava campus of ArcelorMittal University now operates year-round. The majority of the employee training programmes are run in this centre. Last year, employees of ArcelorMittal Ostrava and its subsidiaries attended a total of 964 training sessions. We want our employees to obtain more qualifications and be more flexible.

A total of 950 employees obtained a new qualification through professional education in 2012. These courses included, for example, work at heights over open spaces, basic training in the operation of pressure vessels, and a slingers course.

We want to provide employees with the best possible education through the use of new training methods. In addition to the classic forms of training we also offer a wide range of e-learning courses. We will continue this trend in 2013 and for that we will be using a newly modernised computer classroom, which will serve as an e-learning testing centre.

Steel Academy and other professional academies

Last year, in cooperation with the Technical University of Ostrava,



we continued with the very successful Steel Academy project. The bits of information from these lectures were of value to our specialists in the field and contributed towards the acquisition of new skills and the possible implementation of new ideas in practice.

New workshops were organised in cooperation with the Faculty of Economics of the Technical University of Ostrava, focusing primarily on finance, accounting and corporate financial management. As part of this project we organised a course entitled Financial Literacy.

Its role was to explain the risks involved in taking out loans and to teach employees how to avoid getting into debt. In addition to the Steel Academy, in 2012 we commenced special professional academies for the procurement, sales, HR, IT and legal departments.

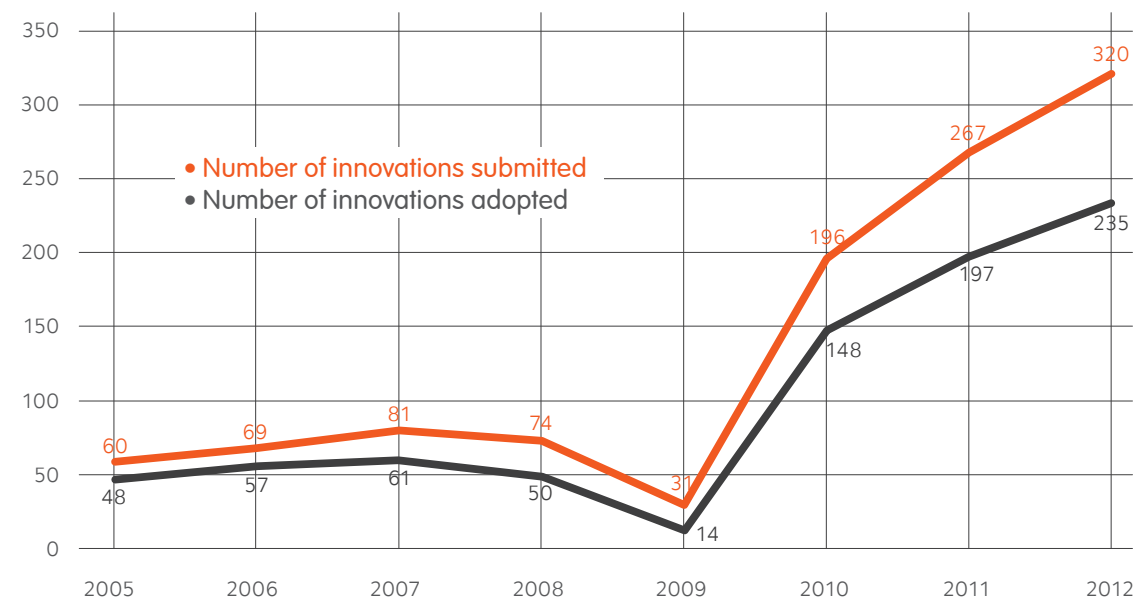
“Our employees are our company’s most valuable asset. It is their work that the final quality of our products depends on. We value our employees and provide them with appropriate conditions both for their work and for the development of their skills essential for the company to remain competitive.”

Jan Rafaj,
HR and Public Affairs Director

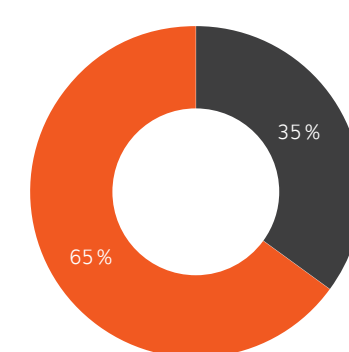
a total number of **242**

employees attended the Steel Academy programme

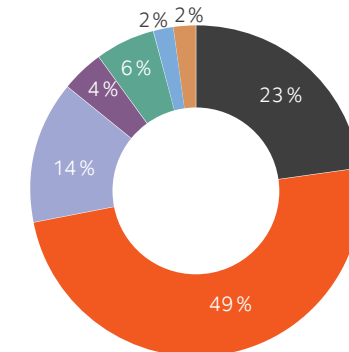
Trend in numbers of submitted and adopted innovations



Employees trained in 2012

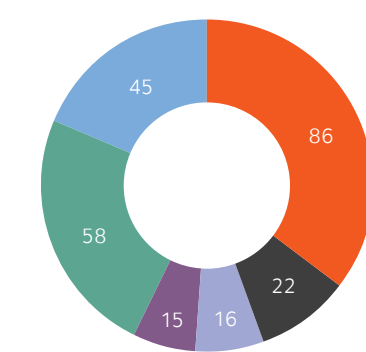


• White-collar workers
• Blue-collar workers



• Health and Safety at Work
• Professional courses
• Compliance programme
• Management courses
• Computer courses
• Language courses
• External courses

Number of Steel Academy graduates



• Metallurgy Academy
• Transport Academy
• Economy Academy
• Steelmakers Academy
• Rollers Academy
• Blast Furnace Academy

The ArcelorMittal Ostrava Talent programme won 1st place in the category "Innovation in Leadership, Management and HR" in the ArcelorMittal flat products segment, and 3rd place in the national HREA Excellence Award for the best HR project.



Trainee Pool

For several years now we have offered a Trainee programme to technically-oriented secondary school leavers and university graduates. This is a year-long development project, during which they obtain valuable working experience and learn about various workplaces. Graduates have the chance to follow the work of their more experienced colleagues, and to participate in training sessions focusing on soft

skills and the development of professional skills. The Trainee Pool gives them a global perspective of the company and helps them find their optimum placement in terms of their future careers at ArcelorMittal. 10 graduates entered this programme in 2012.

Talent programme

Since 2009 we have offered a comprehensive talent programme for all employees who are excellent performers in the year in question and show a good potential for further growth. The mission of the programme is to prepare employees for their future positions and to improve their motivation and their engagement in extra-work activities. It also offers development of soft skills, professional knowledge, mentoring, individual career interviews, plant tours, and opportunities to get a comprehensive view of the company's operation. Our talented employees have newly become

Placement in the Talent programme does not mean an automatic promotion to higher positions. It means the possibility for further development, the chance to try out something new, to acquire new experience and valuable skills that one can also put to use in their current job.



involved in the Shared Vigilance safety project, as part of which they attend safety audits with supervisors.

The Talent Management project won third place in the national HREA Excellence Award for the best HR project. We were also successful with the Talent programme in an internal competition in which we received an award from the ArcelorMittal parent company for the best human resources project in Europe.



Meetings with the best employees

We value our employees and regularly reward them for their performance. We hold quarterly meetings between the best employees and the top management, and select the best employees of the year, who receive material and financial rewards. 18 employees were rewarded under this programme in 2012. We also organise a long-service award, arranging a celebration with employees who have worked with the company for 25, 30, 35 and 40 years. There were 503 such employees in 2012.



International Women's Day

We believe women deserve appreciation. This is the function of the International Women's Day, which falls on 8 March every year. By celebrating the International Women's Day with a small gift and a personal dedication from the CEO, respect,

recognition and love for women is expressed. 793 women worked in this company in 2012.



St. Nicholas gift-giving for children

Nor did we forget to prepare a St. Nicholas programme for our employees' children. We prepared special Christmas workshops arranged in cooperation with the Amos club from the non-profit organisation Centre for the Family and Social Care. In a pleasant atmosphere and accompanied by their parents, the children could try for themselves how to make traditional Christmas decorations and other handmade products. Their parents could likewise enjoy our delicious Christmas punch. 144 of our employees' children participated in the workshops. We also remembered children hospitalised in the children's wards at the Havířov, Ostrava-Vítkovice, Třinec, Karviná and Frýdek-Místek hospitals, and presented them with St. Nicholas packages together with KIWANIS Klub Ostrava non-profit organization.

Sport and entertainment for the whole family

We held the fifth popular annual sporting and entertainment event for our employees and their children. Teams of steelmakers competed against each other in various disciplines in the morning. In the afternoon it was the turn for the children of



employees and partner non-profit organisations, who enjoyed a diverse range of attractions. The children competed for fantastic prizes and in addition they learned the basics of first aid from the Czech Red Cross. Almost 2,000 visitors took part in this popular weekend event.



ArcelorMittal Gospel

Our employees' children and pupils from Ostrava primary schools in Radvanice, Bartovice and Slezská Ostrava have, through the ArcelorMittal Gospel musical ensemble, a unique opportunity to spend their free time in a meaningful way and develop their musical skills. The young singers are accompanied by a rock band and appear together at many music events throughout the region, including the Colours of Ostrava – Festival in the Streets. The project is led by the ArcelorMittal Ostrava HR Director Jan Rafaj, who was active in several music bands in the past.

over
800

employees passed through the Talent programmes over the last four years

a total of
10

technically-oriented secondary school leavers and university graduates entered the Trainee Pool

Making steel more sustainable



Key Performance Indicators

Making steel more sustainable.	2010	2011	2012
Hot metal output	1.94 million t	2.10 million t	1.93 million t
Steel output	1.98 million t	1.95 million t	1.81 million t
CO ₂ emissions per tonne of steel produced	1.57t	1.40t	1.51 t
Dust emissions	1 100t	669t	584 t
Number of Green Line calls	14	48	116

Our products

Steel is an environmentally friendly material that can be recycled – scrap steel can represent up to 100% of the input material for the production of new steel.

At ArcelorMittal Ostrava scrap represents approximately one-third of the furnace charge. The remaining two-thirds are made up of hot metal produced in blast furnaces. The hot metal that we produce is used to produce steel in our own steel shop, with part being processed into foundry castings and part being sold in liquid form to Evraz Vitkovice Steel.

ArcelorMittal Ostrava has an annual production capacity of 3 million tonnes of steel. In recent years production has hovered at around 2 million tonnes of steel annually. ArcelorMittal Ostrava delivers its products to the construction, engineering, secondary metallurgy, mining (structural supports for mining), and power industries, and for transport infrastructure.

ArcelorMittal Ostrava basic products

- 1 | flat (e.g. hot rolled coils, strips and sheets, annual capacity around 1.2 million tonnes*)
- 2 | long (e.g. reinforcing bars, sections, annual capacity around 1.6 million tonnes*)
- 3 | special products (Castings, steel structural supports for mining, railway wheel sets, safety barriers, special light rails, annual capacity around 120,000 tonnes*)
- 4 | pipes (seamless and spirally welded pipes, annual capacity around 300,000 tonnes*)
- 5 | hot metal delivered to Evraz Vitkovice Steel (annual volumes depending on the needs of EVS)

** The annual capacity is the maximum quantity that can be produced in the case of sufficient demand.*

Safety barriers

We are the biggest safety barrier manufacturer in the Czech Republic. Annually we produce around 30,000 tonnes of safety barriers plus the safety barrier posts (the beams that the barriers are attached to). More than 70% of Czech roads are equipped with ArcelorMittal Ostrava safety barriers. We also deliver safety barriers abroad (e.g., to Germany, Poland, Slovakia and the Baltic countries). We are developing new types of barrier systems that will offer more protection to motorcyclists thanks to a lower strip to prevent impact with the posts. This prototype of smart barriers is, in addition, equipped with sensors able to record an accident and send the information, including the exact location, to the road supervision control system.



Reflective strips

In 2012 we also joined the Visual Communications project, intended to improve safety on secondary and tertiary roads. We installed a new safety element on safety barriers on risky sections. These reflective strips help drivers get their bearings and also aid in the identification of the location of an accident through the use of unique codes.

we produced
1,930,048
tonnes of hot metal

we produced
1,812,041
tonnes of liquid steel

Research and development

The activities of the Research department contribute to the company's development. It involves fully applied research and development to provide a rapid response to continuously changing market conditions, both in terms of demand for new products and the development of new production technologies, and also in terms of efforts to find cost savings in steel production. Important projects dealt with by the research department include, for example, the development of new grades for mining support with increased strength, projects to improve the quality of electrical steel, the introduction of a special type of weathering steel with increased resistance to corrosion, the development of steel for pressure vessels and equipment, the development and testing of new steel road safety systems, and the production of new grades of seamless pipes suitable for high temperatures. Among projects that comprise both energy and environmental aspects is, for example, one focusing on the optimisation of the fuel base and the burning process at the Power Plant.

In 2012 we reduced particulate emissions to a record minimum

The manufacture of safe sustainable steel is a key point in ArcelorMittal's corporate philosophy – not only in the Czech Republic but worldwide. We consider environmental protection to be a priority. We are fully aware of our impact on the environment and our responsibility to create the conditions for air improvement in this region.

We comply with the strictest emissions limits in the EU 20 mg/m³ (Austria 50 mg/m³, Slovakia 100 mg/m³)

We continue to reduce particulate emissions

In 2003, before the entry of the ArcelorMittal group, Nová huť was producing over 2,000 tonnes of particulate emissions every year. Since then we have invested around CZK 4 billion into environmental projects. Thanks to these, among other things, we reduced particulate emissions to achieve a historical low of 584 tonnes in 2012.

Thanks to the series of environmental investments and compliance with voluntary commitments at all our plants, we have fulfilled not only the legislation limits, but also the ceilings stipulated by the integrated permit of the Moravian-Silesian Region. Overall, today we also conform to the limits set through European legislation (based on Best Available Techniques – BAT), which will only become applicable in 2016.

Environmental investments

Through the use of Best Available Techniques we are working to reduce our environmental footprint even further. We invested

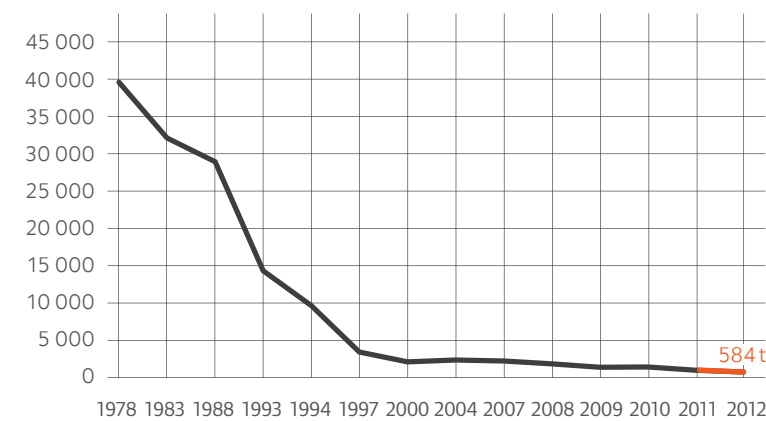
a total of CZK 4 billion in environmental projects since 2003, of which almost 80% went into air protection.

Dedusting project

2012 was the first year with the full effect of our largest environmental project so far, dating from the end of 2011 – the project of the dedusting of the Sinter Plant North. We installed cutting-edge fabric filters

at a cost of CZK 1 billion, thanks to which the quantity of dust produced by the Sinter Plant North has fallen enormously. The filter operates 24 hours a day. It captures all sizes of dust particles with the more than 99% efficiency and in addition it captures up to 60% more of sulphur dioxide and dioxins compared to an electrostatic precipitator. In 2012 we captured a total of 9,227 tonnes of particulate using electrostatic precipitators and fabric filters.

ArcelorMittal Ostrava particulate emissions 1978-2012



House boiler subsidies

House boiler subsidies

Data from the census taken by the Czech Statistical Office show that the Moravian-Silesian Region has the highest density of local heating sources – house solid-fuel boilers. These also have an impact on air quality in addition to industry and transport. Local residents could take advantage of house boiler subsidies to purchase more environmentally-friendly boilers (a contribution towards one boiler of up to CZK 40,000). ArcelorMittal Ostrava provided CZK 5 million to the project as the main partner.

Industry's share in air pollution in the Moravian-Silesian Region has been falling. The company is also helping to reduce the impact of



Desulphurisation of the Coke Plant

Desulphurisation of the Coke Plant

other sources of pollution (such as local heating sources) and contributing towards reducing the production of particulate emissions. The company, with an approximate annual output of 1.2 million tonnes of coke, is the largest coke producer in the Czech Republic. In 2012 we completed the first stage of the process optimisations for the desulphurisation of coke gas. This stage resulted in an increase in cooling capacities during gas treatment. When completed, the project worth more than CZK 200 million will result in a significant drop in the concentration of hydrogen sulphide. The main environmental improvement



Dedusting of the Steel Plant

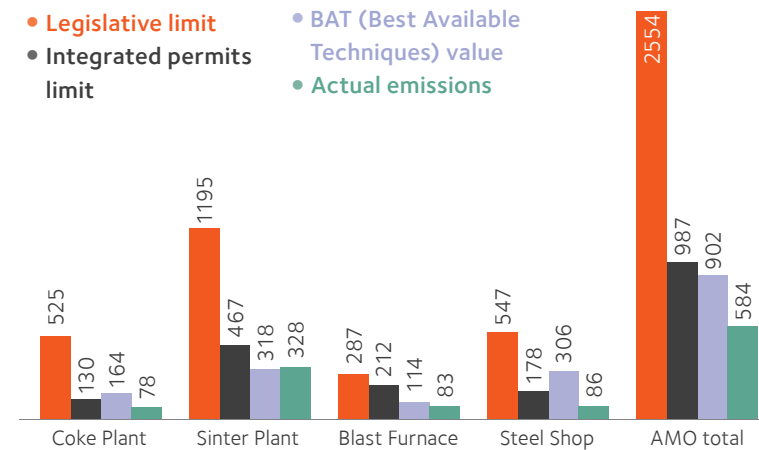
Lime route dedusting

consists in the reduction in the emissions of sulphur dioxide, which is a product of coke burning. In 2012 we launched the installation of dedusting equipment for lime routes at the steel shop. In conformity to the European legislation the company chose the best available dedusting technique worth CZK 10 million. The new fabric filter captures dust that is produced during lime handling operations. Thus, the secondary (fugitive) dust emissions have reduced by 100 tonnes a year on average. This environmental project will have a positive effect on the environment and will also be appreciated by our employees who handle lime at the steel shop.

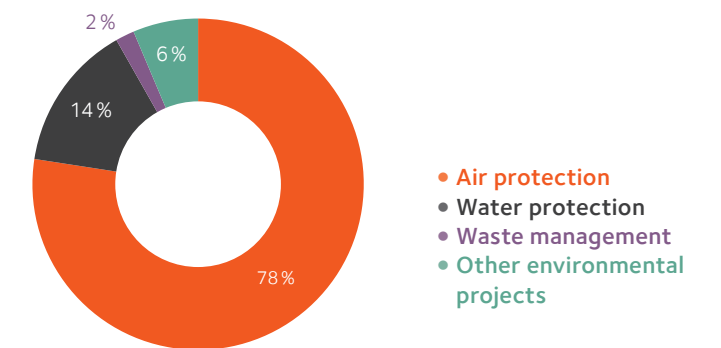
"Reducing emissions and the impact of our operations on the environment in the region remains our priority. In 2012 we achieved a historical low of 584 tonnes of dust emission, which is one-third of the value ten years ago when the then Nová huť joined the ArcelorMittal group. In spite of the unfavourable situation in European steelmaking, we continue with our environmental projects for which we want to use European subsidies." **Petr Baranek, Chief Green Officer**



Particulate emissions (tonnes in 2012)



Since 2003 we invested CZK 4 billion into environmental projects



we contributed CZK

2 million

for health trips to the Ostrava city Fund for Children Endangered by Air Pollution

Conference on air quality

The conference on air quality in Ostrava is an annual meeting of experts, politicians, representatives of the non-profit sphere and industrial companies. It addresses issues connected with improving the air quality in the Ostrava region. As we want to actively communicate and establish a dialogue with various civic associations and other entities involved in environmental issues, we were present at this expert conference.

we contributed CZK

3.1 million

for health trips to the State Environmental Fund

Cleaning the company premises and reducing dust levels

We carefully clean all of the company's premises. In this way we collected a total of 250 tonnes of dirt in the company premises in 2012. We are successfully combatting fugitive emissions on the premises using several measures – covering the vehicles carrying dust-producing materials, using an efficient road-cleaning system, and dedusting of the skull-cutting area. In addition, since January 2011 we have been using a unique sand-pump dredger worth over CZK 10 million for cleaning the company premises.

Spring cleaning with Mýval

In 2009 we donated cleaning vehicle named Mýval (raccoon),



worth almost CZK 5 million, to the city districts of Slezka Ostrava, Raďvanice and Bartovice. It has been running at full capacity all the time and also cleaning roads in other districts. Thanks to our contribution of over CZK 500,000 for its operation, in May 2012 Mýval also cleaned the towns of Vratimov and Šenov in addition to the named districts.

We contribute to health trips

Every year we contribute to a programme of the State Environmental Fund to support health trips for children from the most polluted areas of the city of Ostrava and its surroundings. We also contribute to the Fund for Children Endangered by Air Pollution, which was established by the Ostrava city council. Thanks to our initiative, pre-school children accompanied by their parents can newly take advantage of the subsidies, too. In total we contributed more than CZK 5 million to health trips.



Discussions with pupils on the environment

Pupils at the Paskovská basic school welcomed the opportunity to take part in a meeting on the subject of the environment and air protection. The Chief Green Officer of ArcelorMittal Ostrava explained to the children some of the basic terms as emissions and ambient air quality, presented some environmental activities that the company was performing to reduce its impacts on the environment, and had a fruitful discussion with the pupils and answered all their questions.

Making safe and sustainable steel

Many of our projects focusing, for example, on reducing particulate emissions, CO₂ emissions, more efficient energy use, reducing water consumption and protecting biodiversity in the places where we operate, have the following goal: to improve the sustainability of our steel production. We invest in cleaner and more sustainable steel production processes that benefit not only our company but also our customers and the environment.

ISO 14001 certification

The basis for all our environmental decision-making is the applicable laws and directives of the Czech Republic and the European Union. In addition, we comply with the rules given by the internationally accepted ISO 14001 environmental management system standard. It includes the inspection of compliance with the stipulated procedures through regular independent audits. All our manufacturing facilities are currently certified to ISO 14001.

We monitor and assess the consumption and the impacts of our inputs and outputs (materials, energy, water, waste, noise, dust etc.) on the environment. We assess the data every year as part of our environmental aspects evaluation. Emphasis is placed on the permanent reduction of environmental pollution.

Water protection

Efficient use of water and the protection of biodiversity in the areas in which we operate is an important



part of how we can ensure sustainable steel production. In terms of water protection we comply with prevention and minimisation rules. We work to reduce the consumption of water from external sources as much as possible and to use as much recirculated water in our plants. 6,142,189 m³ of treated wastewater was recirculated from our two water treatment plants to be used again in 2012. This represents 26.5% of the water required for operations at ArcelorMittal Ostrava.

CO₂ emissions

CO₂ emissions are a global problem not only in the steelmaking industry. A lower quantity of emissions can be achieved, for example, by reducing the energy intensity of our production. In 2012 the production of one tonne of steel resulted in the emission of 1.51 tonnes of CO₂.

Energy management

We are also working to reduce total energy consumption to improve

environmental protection. For example, in 2012 at the medium-section rolling mill we installed new, more economical lighting, which has reduced annual electricity costs. We created teams that focus on reducing the consumption of energy, water, refractory material etc. We support a continuous improvement programme, with our employees providing various proposals for savings and improvements.

Environmentally friendly heat

The town of Vratimov with a population of 7,000 also benefited from its proximity to ArcelorMittal Ostrava and supplies of environmentally friendly heat in 2012. Around 500 households are supplied with heat, 80% of which comprises waste heat from the flue-gas boilers at the medium-section rolling mill with the remainder coming from the ArcelorMittal Energy Ostrava heating plant. Thanks to this all the local solid-fuel boiler houses in the town for heating the local flats had been shut down.

Renewable energy sources

In 2012 we paid a contribution of CZK 412,768,033 to renewable energy sources and the combined production of electricity and heat. This means that we are among the ten most important contributors to solar energy in the Czech Republic. Czech industrial companies including ours are indirectly taxed through the renewable energy sources contributions and because of the charges they have to bear the highest energy costs in the EU. This makes Czech companies less competitive than their neighbours abroad. In 2013 the charge is even estimated to rise to CZK 577 million for ArcelorMittal Ostrava.



Ecological waste management

We make a long-term effort to reduce the quantities of by-products and waste. We pay great attention to maximising the recycling of our waste and to avoiding producing it in the first place. We search for ways to recycle the waste we produce.

Steel is an ideal product

Compared to other industrial products, steel has a fundamental advantage – it is 100% recyclable. Steel recycling requires far less energy than its original manufacture. At ArcelorMittal Ostrava scrap represents approximately one-third of the furnace charge in tandem furnaces. In 2012 we processed 688,671 tonnes of iron scrap.

Waste management

In addition to recycling steel, we also recycle and reuse a series of



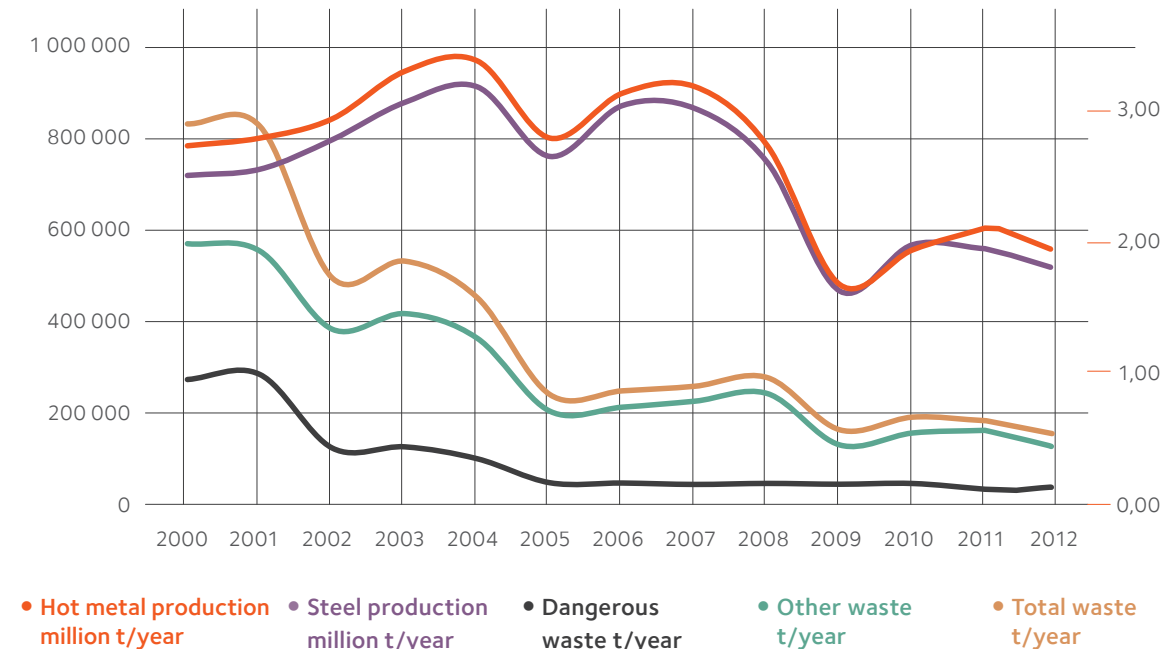
by-products and waste products. Some bulk waste is certified as products and is mainly used in the construction industry, namely:

- Blast furnace slag from hot metal, used for the manufacture of artificial aggregate and granulate. We manufacture approximately 305,165 tonnes of granulate and 276,364 tonnes of aggregate every year.

- Steel slag, used in earthworks. In 2012 we delivered 66,444 tonnes of processed steel slag to external companies.
- Lining and refractory materials, of which 10% is recycled and reused in repairs of metallurgical facilities and in construction. In 2012 we produced 59,220 tonnes of this material.



Waste production 2000–2012



An endangered orchid grows in our premises

You can find an inconspicuous yet very rare type of orchid – *Epipactis albensis* – growing in the company premises. Its Czech name is “Kruštík polabský”. It grows up to thirty centimetres in height and has tiny, whitish-green flowers. It is listed as a threatened variety in the Moravian-Silesian Region Red List and is protected by law.

Greenery for Radvanice and Bartovice

We contributed a total of CZK 342 thousand in 2012 towards the repair of a roundabout and the planting of greenery in the Radvanice and Bartovice district. The roundabout is now dominated by a Japanese cherry, a decorative tree with large pink blossoms and perennial purple leaves. The main purpose of the planting was to reduce transport-related pollution, as the vegetation has, in addition to its aesthetic effect, also the ability to capture and thereby reduce the concentration of airborne exhaust gases by up to one-tenth.

“The majority of residents have reacted positively and appreciate the floral decorations. People from other municipalities, who pass through Radvanice and Bartovice, have even expressed their appreciation,” said mayor Šárka Tekielová.



Repairs to the square in Šenov

The second stage of the repairs to the Radniční náměstí square was performed in Šenov, the aim of which was to create a quiet zone in the centre of the town. In addition to the aesthetic aspect that will benefit the public space opposite the town hall and the stores, people will be able to relax here and meet their friends in the pleasant area surrounded by vegetation. Just as in 2011 during the first stage, we contributed a total of CZK 300 thousand to the se-

cond stage. This multiyear project includes the planting of vegetation, the construction of reinforced surfaces, landscaping and public lighting.

A new park for children and the elderly

In Ostrava-Radvanice we became a partner of the revitalisation of the Dalimil park, which has transformed into a relaxation centre. The proposal for the changes to the park was prepared in cooperation with students from the Department of Architecture of the Technical University of Ostrava. The new outdoor relaxation area features physical exercise elements suitable for rehabilitation workout for the elderly, and playground attractions for children. There are also benches to rest on in the new park. 2012 was named the European Year for Active Ageing and Solidarity between Generations with an emphasis on supporting the vitality and dignity of all people, and was therefore a suitable year for



the implementation of this project. ArcelorMittal Ostrava contributed over CZK 250 thousand towards the revitalisation of the park.

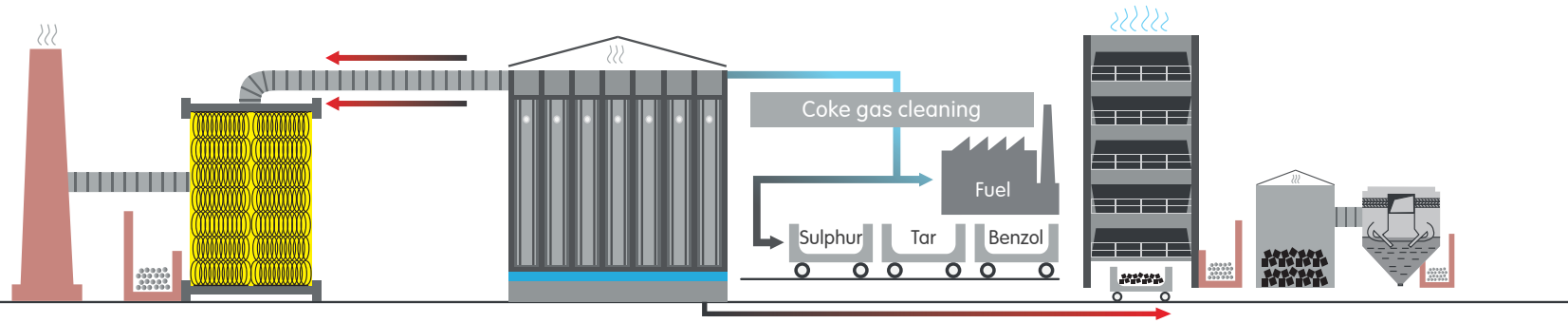
Supporting beekeepers

Members of the Czech Union of Beekeepers in Radvanice and Bartovice, who manage over 240 beehives, could also rely on our support of activities for the protection of hives in 2012. The current cooperation continues on from the support that was established back in the 1990s.



“We are pleased to have been able to renew our cooperation with ArcelorMittal Ostrava, thanks to which our beekeeping activities can develop and contribute towards the regeneration of the surroundings, not only in the neighbourhood of the steelworks,” said chairman of the Radvanice and Bartovice beekeepers Boleslav Zelina.

Coke Plant

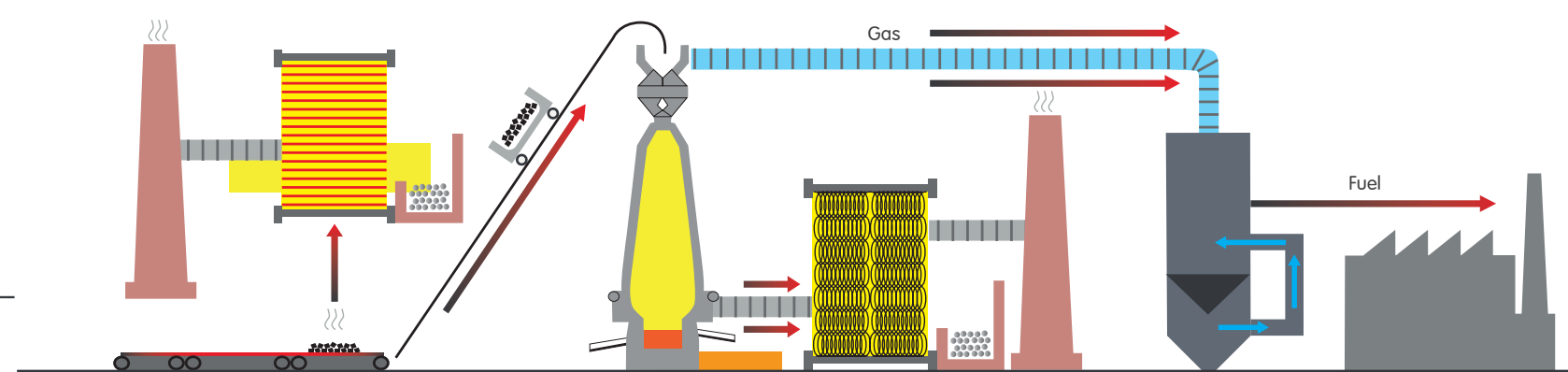


Fabric filter
The Coke Plant is dedusted using a fabric filter.

Coke-oven batteries
Coke gas is extracted and treated, with the by-products plants being hermetically sealed.

Quenching tower and coke screening plant
We capture pollutants using ladder filters. The coke screening plant is dedusted using a wet scrubber.

Blast Furnaces



Charge
We dedust the charge using an electrostatic precipitator.

Blast Furnace
We dedust the tapping hole using a fabric filter and extract the gas.

Wet scrubber
We clean the gas and the resultant product is used as a fuel for the company.

Our plants and investments

The company has four basic operations of key importance for the production of iron and steel. We make regular investments in all of them and make their operation more environmentally friendly.

Coke Plant

In addition to iron ore, an important material for the production of iron is coal, which is processed by the Coke Plant. The plant produces

coke from pulverised coal, which is an important source of pure carbon and thus an input for iron production. The dust produced is captured by a fabric filter, while we further clean the coke gas and

also the water vapour that escapes during the quenching of the coke. Thanks to this process only pure steam escapes from the quenching tower. Annually we produce 1.2 million tonnes of coke, making

us the largest coke producer in the Czech Republic. We have installed environmental technologies costing a total of CZK 649 million in the Coke Plant.

Sinter Plant

The Sinter Plant is of fundamental importance for the production of iron (the processing of iron ore) and is the operation with the highest dust emissions in the company. ArcelorMittal Ostrava operates two sinter plants (the larger North and the smaller South). Both of them are dedusted using electrostatic precipitators, while since 2011 Sinter Plant North has additionally been equipped with a fabric filter, which is

at the cutting-edge global dedusting technology. It is capable of capturing even the smallest dust particles. Recently, the investments into the modernisation of the Sinter Plant North and the Sinter Plant South have exceeded CZK 2 billion.

Blast Furnaces

When the two basic ingredients for iron production are processed (iron ore at the Sinter Plant and coal at the Coke Plant), they merge into the

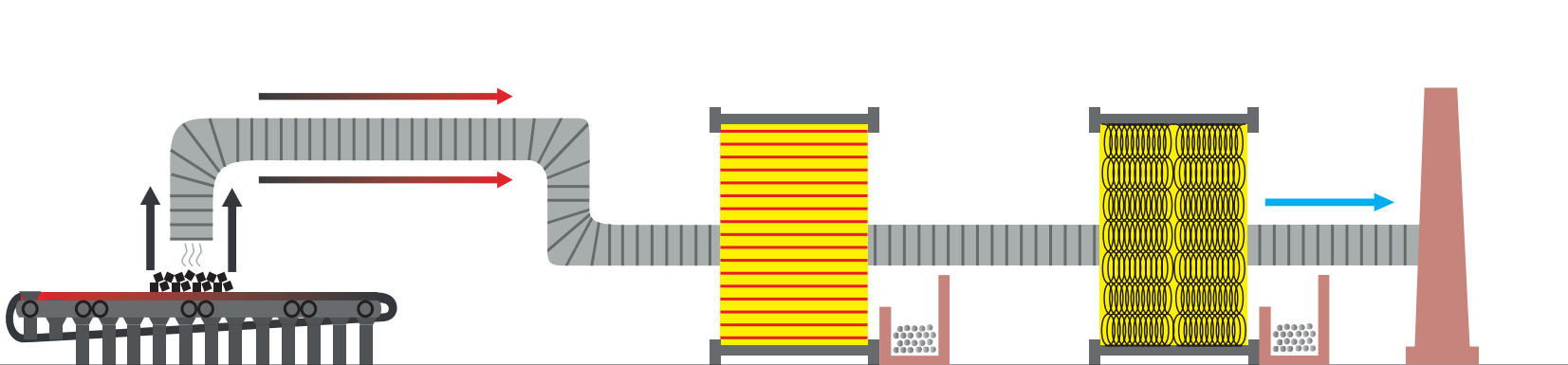
so-called charge and then travel to the Blast Furnaces, where a chemical reaction takes place. During this chemical reaction iron and slag are produced. During the whole process we continue the dedusting process using both electrostatic and fabric filters and then clean the escaping gas once again.

Steel Shop

The Steel Shop is the plant where the final production of steel takes

place. Our Steel Shop is one of the largest steel producers in the Czech Republic, where we produce around 2 million tonnes of steel annually in four tandem furnaces. The tandem furnaces are dedusted separately, and in addition we dedust the hall of the Steel Shop using an electrostatic wet filter. The dust from the tandem furnaces is captured and cleaned.

Sinter Plant

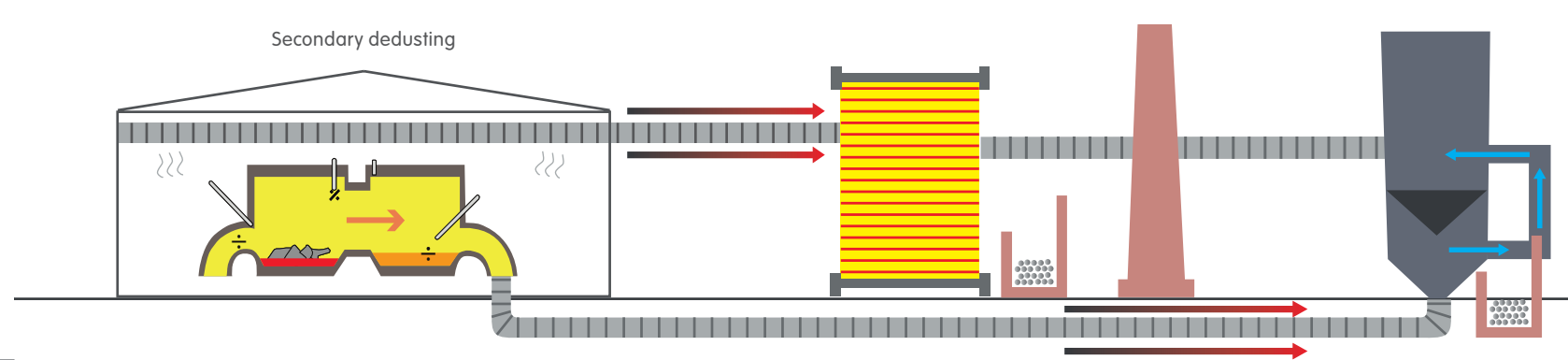


Sintering band
We dedust the sintering bands.

Electrostatic filter
We dedust the Sinter Plant North and South using electrostatic precipitators.

Fabric filter
We also dedust the Sinter Plant North using a fabric filter worth CZK 1 billion.

Steel Shop



Tandem furnace
We dedust the tandem furnaces and the Steel Shop hall separately.

Wet electrostatic precipitator
We carry out secondary dedusting of the Steel Shop hall using a wet electrostatic precipitator.

Wet scrubber
We capture the dust from the tandem furnaces and clean it using a wet scrubber.

Enriching our communities



Helping the communities

We believe our position in the steel industry brings unique responsibilities and opportunities. We have a responsibility to operate profitably, while also adding value to our stakeholders in a responsible and transparent manner.



We contribute towards local economic development by providing local residents with jobs, purchasing goods from local suppliers, and supporting local educational, health and other non-profit organisations. Our indisputable advantage is that we have engaged in a long-term dialogue with the representatives of the non-profit sector and regularly participate in debates with local government representatives. This approach allows

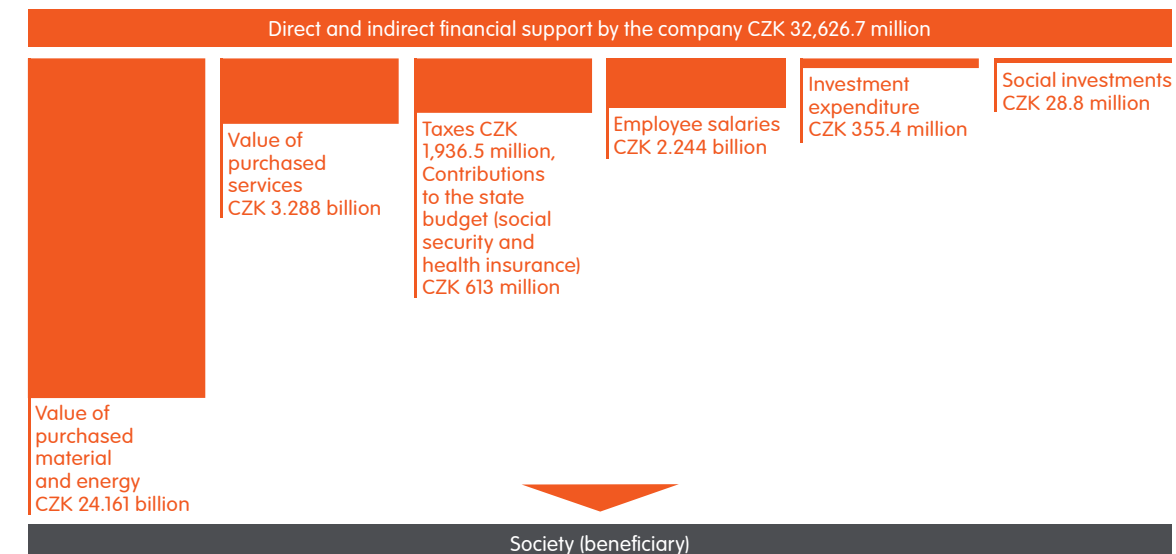
us to focus on urgent areas and address them in a timely manner.

Just as in 2011, we have again tried to calculate our economic benefit to the region across the company as a whole. We have taken into account salaries, payments for the purchase of services and material, taxes and contributions to the state budget, investments into science and research, and social investments.

ArcelorMittal Foundation

In the area of support for the local community, ArcelorMittal Ostrava complies with the rules of the global ArcelorMittal Foundation, established in 2007 in Luxembourg. It is a non-profit organisation that focuses on the development of ArcelorMittal's corporate responsibility towards the public. ArcelorMittal Foundation currently operates in 30 countries, one of which is the Czech Republic. The Foundation also implements projects with important global non-profit organisations such as Habitat for Humanity, Junior Achievement and the International Baccalaureate, and contributes to the development of cooperation with individual ArcelorMittal units. ArcelorMittal Ostrava has successfully completed, for example, a project in cooperation with the International Baccalaureate, which was focused on the training for teachers at secondary schools. The ArcelorMittal Foundation rules stipulate that support must be directed towards communities near the group's facilities. ArcelorMittal Ostrava considers that this neighbourhood extends to cover the whole of the Moravian-Silesian Region. Its projects focus on health, safety, education, the environment and social spheres. Their main objective is economic development and the sustainability of the organisations to which the contributions are provided.

ArcelorMittal Ostrava's economic contribution for 2012



Key performance indicators

Enriching our communities	2010	2011	2012
Funds dedicated to support local communities	CZK 7.9 million	CZK 21 million	CZK 28.8 million
Number of hours of voluntary activities by employees	4714	6604	6111
Number of beneficiaries from ArcelorMittal Ostrava's community projects	20789	57 729	79 448



Health

In the area of health we are continuing with our investments into improving healthcare conditions and eliminating health risks, both for our employees and the wider community.

The Czech Red Cross

We have cooperated with the Czech Red Cross in Ostrava for a long time. In the past we, among other things, financed the equipment of an ambulance, purchased a whole-body first-aid trainer, and financed a new tent for rescuers. We are a partner for the annual First Aid at the Castle event, the main objective of which is a competition in first aid for non-medical units of the Integrated Rescue System. Members of the Czech Red Cross regularly participate in a whole-day event that we organise

for employees and their families. In 2012 they prepared an incentive-based competition with a medical theme for the employees' children.

Donating blood

We are a long-term supporter of voluntary blood donation and work together with the Blood Centre of the Ostrava-Poruba Teaching Hospital. For several years now we have operated the joint project between the company and the Blood Centre entitled "100 Minutes for Life" to support donating blood in the Mora-

vian!Silesian Region. This cooperation includes activities held during World Blood Donor Day, when we spread awareness about the society-wide benefits of donating blood. Our employees are among the most important blood donors in the Ostrava region, with many of them holding honorary awards such as the Jansky medal or the Gold Cross of the Czech Red Cross.

Somen Debnath

In 2012 we once again supported the educational initiative in the fight against HIV/AIDS, organised and promoted around the world by Indian cyclist Somen Debnath. Somen began his journey back in 2004. His goal is to travel through a total of 191 countries by 2020 and cover 200,000 kilometres by bicycle, during which he will meet almost 20 million people. You can read more about his journey at: www.somen2020world.com



"A child can meet with an accident in an instant, yet the consequences can remain with the family all their lives. It is incredibly important to alert children to risky behaviour, as they are usually not able to anticipate and evaluate the impending danger on their own. Hence I welcome and from the start have supported the "Be Careful!" educational campaign to help reduce childhood injury rates," said MUDr. Jan Boženský, Head of Children's ward in Vítkovice hospital.

Be careful!

Together with Kiwanis Klub Ostrava, which focuses on helping children in hospitals, in 2012 we started another joint project focusing on health and safety for children entitled "Be Careful!"

Didactic images by painter Vlasta Švejdová, used in surgeries since the 1980s, have been brought up to date to draw children's attention to risky situations that can occur at home or outside. The little patients can find the posters,



cards and didactic pictures for colouring in all regional hospitals. The new series have in addition been supplemented with simple poems by Radim Raszka, an employee at ArcelorMittal Ostrava, to make it easier for children to remember when they are at risk of an injury.

Barrier-free access

We built a barrier-free access and a lift at the healthcare centre in Ostrava-Kunčice, contributing more than CZK 2 million towards



the building alterations of the medical facility.



"On behalf of our patients we thank ArcelorMittal Ostrava for financing the reconstruction. This change has made the lives of our ill and handicapped fellow citizens easier. We, the doctors, could not be more satisfied," said MUDr. Jitřenka Šuralová of the Kunčice healthcare centre.



Supporting education

Our initiatives in the area of education include the development of education at all levels – and not only in the form of financial contributions towards improving teaching and equipment, but also through practical support. Education is one of the pillars of our corporate responsibility activities. Support for technical education is of key importance in the industrial Moravian–Silesian Region, and not only for our company.

Supporting trades

Competitions, scholarship programmes, work experience, internships, voluntary work and excursions are prepared for pupils and students. The company supports a trades fair for pupils in the 8th and 9th grades of primary schools, where pupils can try out in an interactive form specific trades, such as metallurgist, mechanic or blacksmith.

Supporting technical education

We offer secondary schools in the Moravian–Silesian Region the possibility of cooperation in interesting projects focusing on support for technical education. For

example, we provided the Technical and Transport Secondary School in Ostrava a contribution for the acquisition of a teaching panel for a petrol injection system.

English to schools

Our support is also directed towards the humanities, art and language schools. One example is the successful cooperation on the EDISON project with the AIESEC student organisation, which is now in its second year and helps secondary school students improve their English.

University cooperation

We make significant investments into the development of science

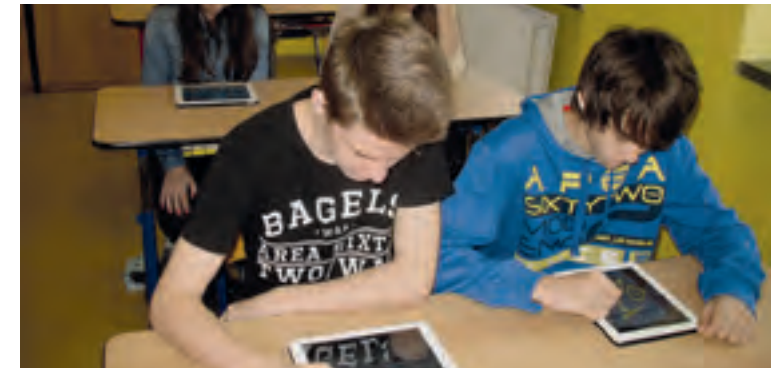
and research. We cooperate with the Technical University of Ostrava both financially and practically, for example during the resolution of grant projects. The results of the research are then directly applied in practice. Company experts and specialists act as consultants every year for dozens of graduate theses. The company also participates in the job fair for university students.

Educating teachers

We joined the international non-profit International Baccalaureate project focused on expanding the expert and practical education of teachers. In cooperation with the non-profit company Sedukon we also began a special one-year

“The Technical University of Ostrava is a long-term technological partner for our company. We appreciate the innovations of the local experts, including the students.”

Tapas Rajderkar,
ArcelorMittal Ostrava CEO



“Bringing together science and industry in this region with its long industrial tradition, is of key importance for us. Thanks to the cooperation with ArcelorMittal Ostrava the university is obtaining not only funding, but students can address specific tasks arising from day-to-day practice in their projects,”

Ivo Vondrák, rector of the
Technical University in Ostrava

programme for the professional development of teachers in technical subjects.

Educating through play

We have participated for a long time in improving the conditions in nursery schools, where we contribute towards the provision of safe and high quality playing elements. Thanks to us the mjr. Novák nursery school has a new garden.

“Both the children and teachers are enthusiastic about the new garden,” said Miroslava Havřin-

cová, deputy head for pre-school education. The garden will be used by the nursery school in the morning and by the general public in the afternoon.

Educating with tablets

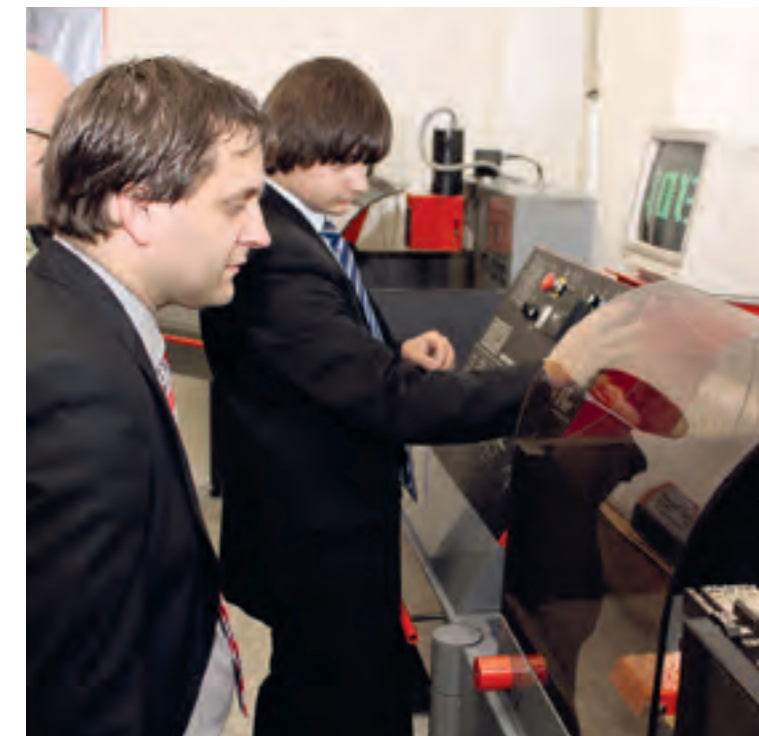
We also contributed towards the acquisition of Apple tablets that help children improve their computer literacy.

“The use of tablets is genuinely universal. Children use educational software in mathematics, natural history, geography,

history, English, music and art as well as Czech lessons,” said Helena Nováková, headmistress at the Ostrava–Hrabová primary school.

Young technicians

A project at the Leoš Janáček nursery and primary school in Hukvaldy offers technically minded pupils a fun environment and conditions in which to develop their natural technical skills. This project is intended for primary school pupils and also for students from secondary schools near Hukvaldy.



we welcomed

923

pupils and students for plant tours

we dedicated CZK

3,966,900

to support education

we donated CZK

2.3 million

to the Technical University of Ostrava



Culture

We are an integral part of the activities in the region. We want to be seen, but also to have the opportunity to help shape the futures of all those who live in the region. One example is our involvement in the cultural activities of the city of Ostrava intended to further develop the cultural and social lives of residents.

In 2012 ArcelorMittal Ostrava became Culture Partner for the city of Ostrava. Thanks to this it is significantly contributing towards the implementation of many cultural projects that the general public in the Ostrava region can enjoy.

Young art forum

The Janáček Conservatoire and Grammar School in Ostrava runs many art projects that enrich the

cultural offering throughout the Ostrava and Moravian-Silesian region. Thanks to our support, students are able to perform in a series of concerts and performances with professional artists. Promising artists thus have the opportunity to present themselves to the public and get the experience essential for their further development. At the same time our contributions enable them to make use of the newly recon-



structed facilities of the music and dance studio.

Advent full of Angels

The idea behind the Advent full of Angels charity event was to familiarise the general public in the Ostrava region with the work of a spectrum of local non-profit organisations focusing primarily on disadvantaged groups of citizens. The main guests this year were children from the Ostrava-based ArcelorMittal Gospel, who enriched the cultural programme with a Christmas concert.

Christmas Concert of Fulfilled Wishes

Young singers from ArcelorMittal Gospel performed on the first Sunday in Advent in the Fórum Nová Karolina shopping and entertainment centre at the Christmas

Concert of Fulfilled Wishes. This unique concert in the middle of the giant shopping centre was to support the Tereza Maxová Foundation. Its goal was to help children from children's homes in northern Moravia to live a healthy and safe life in a family environment.

Day for Silesian Ostrava

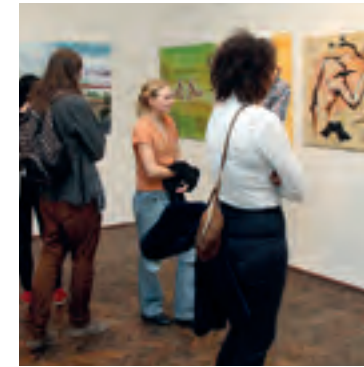
Traditionally we supported the Day for Silesian Ostrava in May at the Silesian Ostrava Castle. Pupils from local schools, ArcelorMittal Gospel and other music bands, including David Koller and his band, performed on the stage.

Silesian Lily

We supported the second year of the international Silesian Lily music festival. As part of the festival, a space was also provided for stands selling products made by children from socially disadvantaged groups as well as organisations working with handicapped children and young people.

Ostrava Art 2012

The Ostrava association of creative artists and theorists (Union of Creative Artists) prepared the 2nd year of this modern art show in the Ostrava region. The main aim was to improve the general public's awareness of artists working in the region. We supported the project through a grant.



They came together to help...

We supported the "They came together to help..." project. This charity concert to support homeless people was organised by Charita Ostrava. The funds raised were earmarked for users of St. Benedict Labre Charitable Home – a drop-in day centre for persons without shelter, and St. Francis Charitable Home – an asylum house and dormitory.



Shakespeare Summer Festival

2012 Shakespeare Festival, crowned by the play Richard III, was a real experience for theatre lovers. It included evenings full of wonderful performances played out under the open sky at Silesian Ostrava Castle. We are happy to have been able to help in the presentation of this unique cultural event to enthusiasts in Ostrava.



ArcelorMittal Gospel

This music group was established in 2011 as a free-time project for the children of employees at ArcelorMittal and pupils from schools in Ostrava. This ensemble of 45 children is accompanied by the rock group EzyWay. The leader of the ensemble is Jan Rafaj, ArcelorMittal Ostrava HR and Public Affairs Director.

“We are very happy that we could participate in the Dance for Life event at the Colours of Ostrava. The dancers danced to raise funds from which we will, in the coming months, acquire equipment for three sheltered workshops and cultivate the garden at the sheltered housing. We would like to sincerely thank all those who took part in Dance for Life, as with their help we will improve the working conditions and environment of our handicapped employees and clients,”

Pavel Folta, director of St. Alexander Charity



Dance for Life

ArcelorMittal Ostrava was the main partner of Colours of Ostrava and the general partner of the Festival in the Streets. This international festival is the musical pinnacle of the summer. In 2012 it was first held in the historical industrial environment of Dolní Vítkovice. Over 150 bands appeared to the enthusiasm of almost 32,000 visitors over the four festival days in Ostrava.

Visitors to the festival could come and dance in our tents and

support the charitable activity Dance for Life. This was the third time Dance for Life was held and more festival visitors danced for charity than at any time before in the history of the project. Through their performances the dancers supported four selected projects for St. Alexander Charity in Ostrava-Kunčičky. Through involving the public our company thus contributed CZK 200,000 towards the operation of ceramic, textile and tracking sheltered workshops, where over 30 handicapped employees work, as well as the recultivation of the garden of

the sheltered housing for people with mental illnesses.

Dancing also at the trade fair

We attracted the attention of visitors to the International Engineering Trade Fair in Brno thanks to our supplementary programme that greatly differed from the other displays of the companies at the fair. Dance for Life at our stand was visited by 2 793 people, who danced their way on special dance mats to a total of CZK 96,018 for Kopřivnice Charity. Using these funds we helped around 130 senior citizens in the for Kopřivnice Charity catchment area. The objective of the project is to improve the quality of life for senior citizens and increase their involvement in normal life through various types of compensatory and rehabilitation aids to improve their mobility.



a total number of **6,690**

dancers in the Dance for Life tents supported the charity

Solidarity Holidays

A total of ten volunteers employed in the ArcelorMittal group came from Europe, the USA, Brazil, China, India, Mexico and the Republic of South Africa to Ostrava-Kunčičky, where they helped at the St. Alexander Charity. The volunteer event called Solidarity Holidays was first offered to employees in 2010 by ArcelorMittal Foundation. The employees spend part of their holiday as volunteers and help people in need in countries where the largest steel and mining group in the world operates.



In Ostrava-Kunčičky, volunteers from all over the world, in cooperation with local volunteers and also handicapped clients of the charity, built pavements and a car park. They also planted part of the area with vegetation and fenced the premises.

At first Solidarity Holidays focused on developing countries. In conjunction with international non-profit organisation Habitat for Humanity ArcelorMittal employees built houses for approximately 700 families all over the world. Later on the support also covered



other volunteer projects. Step by step, Solidarity Holidays has spread to all countries where ArcelorMittal is present. The same way their foreign colleagues have the opportunity to help in the Czech Republic, employees of ArcelorMittal Ostrava carry out a number of volunteer projects in various countries. In 2012 our employees helped people in need in e.g. Trinidad and Tobago, South Africa, Spain, India, China, and Bosnia and Herzegovina.

“To me volunteering does not only mean contributing to charity, but I feel that it is also something like my obligation to go and do something for others in return for everything I have received from others in my life. Meeting the handicapped clients of the charity was very moving for me,”

Tiffany Noelle Jaynes from the Customer Service department at ArcelorMittal Burns Harbour, USA

“It is an experience I will never forget.”

said Jing Wu from China with tears in her eyes during the closing ceremony.



total support of **CZK 728,469** for St. Alexander Charity

Social projects

Supporting social mechanisms is very important for the company, and therefore we establish and develop partnerships with many non-profit organisations in the region. The joint projects differ depending on the current needs of the non-profit organisations. We have supported many projects through grants, and of course we also regularly cooperate with local government representatives and participate in joint projects.

Colourful World Home

We helped improve the quality of care for immobile clients at one of the Čtyřlístek centres for the handicapped. The "Colourful World Home" got lifting equipment and scales for immobile people. These are essential aids in the day-to-day care for the clients of the centre.



Adjustable beds for elderly citizens

Charita Krnov obtained funds for the project "Enabling the Return Home". It was thus able to purchase six adjustable beds which are highly sought after among users released to home care. These are elderly citizens and people with medical problems whose state of health requires regular nursing or care service. An adjustable bed can help both the social workers and also family members when caring for their loved ones.

Multifunctional vehicle for Vratimov

The town will use the seven-seat Dacia Logan car with a wide spectrum of possible uses practically every day. The vehicle will be appreciated for example by volunteer fire fighters who, as part of the training



children's home Dolní Benešov. These are children who have been pulled out of their normal social environment and taken away from their relatives. They are affected by negative experiences they have been through in their families. By purchasing new blankets, pillows and mattresses we try to improve their sleep, which is essential for their bio-psycho-social development and also to ensure they get a good night's sleep and so can wake up refreshed for a new day.

of their successors, need to transport young people to the various events connected with this training. The vehicle will also be used by workers participating in the maintenance of roads and cycle paths, care for the town vegetation or care for the suburban forest. The town will also loan the vehicle to local civic associations and non-profit organisations.

Klokánek with better sleeping

Children who are maltreated, abused, neglected or otherwise socially deprived come to the Klokánek

Clubroom in the community centre

The KATO civic association has built a community clubroom in the community centre in Ostrava-Bartovice. The clubroom holds interest and educational seminars, workshops, while a library, an art area, a play area for children, film viewing, and an entertainment programme for all community groups are available. The community centre is also a sheltered workplace for handicapped people.



Equipment for Prapos

Thanks to a contribution from the company the civic association Prapos has established a woodworking and weaving workshop. The workshop has been furnished with the basic equipment and tools to ensure that the clients can produce their own products to sell at markets. In the workshop several clients can work on a single task. In the weaving workshop woven mats and decorative fabrics are produced. Producing something by themselves allows them to see



Vitamins for the elderly

For the second time gifts were provided to elderly citizens in three senior citizens' clubs in the Ostrava Radvanice and Bartovice district. Jan Rafaj, HR and Public Affairs Director, presented the citizens with vitamin packs accompanied by mayor Šárka Tekielová. "I think that it was a success. Our elderly citizens were once again delighted with the packs," said the mayor.

meaningful results of their own work, which is extremely motivating for them.



Buřinka café

Elderly citizens on trips

Our contribution also enabled 40 elderly citizens from the Silesian Ostrava district to enjoy a health stay in the Lednice-Valtice area. Our support together with the city district intends to encourage the elderly to maintain an active lifestyle and expand their options for spending their free time.



HOP KLUB with Faust

Hop klub is a place where young people from the largest Ostrava district can spend their free time, meet professional social workers and use this interaction to build a positive relationship to familial and other authority, and understand the dangers of the use of addictive substances and criminal behaviour. Thanks to our support there have been improvements in the aesthetic impression and also safety at the club. This is also appreciated by the workers at the club and in particular visitors to it.

Puppet Therapy

The Theatr ludem civic association runs the Puppet Therapy art/education workshop in special institutions, schools and residential facilities. The main benefit of the therapy, financially supported by ArcelorMittal Ostrava, is for children to experience and establish emotional contact with the puppets and the lecturers. A strong feeling of togetherness and importance is created during the play. The puppets are of a primary importance for the activation of the children because the children see the puppet as a partner they can trust. Another important aspect of the cooperation was also the expansion of the lector base and the facility where the puppet therapy is performed.

Buřinka café in Rýmařov

Thanks to our financial support 20 mentally challenged users of Diaconia of the Evangelical Church of Czech Brethren in Rýmařov can serve customers under the supervision of therapists in the newly opened Buřinka café.

"What we enjoy most is when we see how proud the parents of our clients are that their children are able to serve the guests," said café project author and director of the Rýmařov Diaconia centre Marcela Staňková.



Corporate volunteering

Corporate volunteering represents a unique way for us to connect employees, the company and the local communities. It is therefore an integral part of our activities, as we are fully aware that thanks to participation in voluntary programmes our employees gain new experience, get new ideas and also prioritise their own values and positions. Our volunteers are valuable ambassadors in the community around us. The joint activities make the communities understands that we are not indifferent to local issues and are a supporter of social development.

International Volunteer Day

It falls on 5 December and in the company has been held regularly since 2008. It is the official culmination of our year-round volunteer activities. We have been cooperating for a long time with over 25 non-profit organisations. Employees have, in addition to this, the chance to register non-profit organisations with which they are involved.

The work performed during the Volunteer Day ranges from cleaning work, painting, producing decorations, gardening, maintenance work, to making company to the clients of the organisations or reading to children.

The organisations we provide with volunteering include children's homes, educational institutions for children with various disabilities, charity centres, old people's homes or parents' centres, and homes for stray animals.

Sheltered workshop markets

This was already the fourth year in which we held markets with products from sheltered workshops and regional producers from Ostrava and its surroundings during the Christmas and Easter time directly on the company premises. This allows our employees to directly support the sheltered workshops by purchasing original gifts for their lo-

ved ones. In 2012 the takings from the Christmas and Easter markets exceeded CZK 133 thousand. For many of the sheltered workshops' clients, sheltered workshops are the only place they can find employment. Regional manufacturers also appear at the markets.

"We sold all the honey we brought here, and so we are extremely satisfied with our presence at the company's market," said beekeeper Boleslav Zelina from Radvanice and Bartovice.

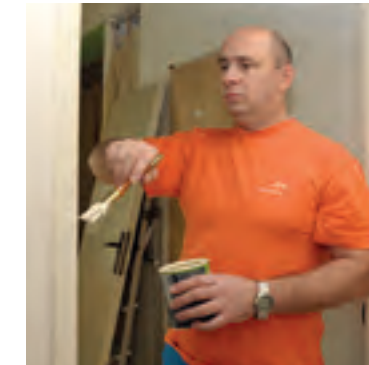


and Bartovice participated in the event for the first time and, in addition to the classic beeswax candles, honey and propolis drops, they also brought various honey-based ointments and fragrant honey biscuits.

"We are excited about the interest shown by the employees in our clients' products. For the women who produced the gifts this will be great encouragement. We will be happy to return," said Věra Molinová from the Sára Frýdek Místek Asylum House for Mothers and Children, in praise of the markets.

Humanitarian and charitable collections

Dozens of ArcelorMittal Ostrava employees participated in the food aid collection for the needy and provided 340 kilogrammes of food. The collection was held in cooperation with the Food Bank in Ostrava on the occasion of the



The company paid for **6,111** hours of voluntary work



International Day for the Eradication of Poverty.

Unneeded things for the needy people

Our employees were also involved in this humanitarian collection. In a single day they collected an unbelievable 1.4 tonnes of clothing, toys and household items.

"We are happy that ArcelorMittal Ostrava supported this humanitarian collection. Until now we had never had anybody bring such a large amount of things at one time. It is perhaps the largest ever contribution we have received. Vans often come here, but we have never had a lorry before. We very much appreciate it," said Dalibor Kraut, head of public relations at Ostrava Charity.

Corporate volunteering in ArcelorMittal Ostrava

Voluntary work

- International Volunteer Day
- Individual employee projects
- National projects
- Help during natural disasters



Contributions and support

- Material aid during natural disasters
- Blood donation "100 Minutes for Life"
- Christmas and Easter markets for sheltered workshops
- Humanitarian and charitable collections

Employees can volunteer during their working hours and the company provides them with one day a year at full pay for this purpose. All the volunteers have special accident insurance for this day and must complete safety training depending on the place and type of voluntary activity to be performed.



Minigrants

For an effective support of the region we also use the experience and suggestions of our employees who, as has shown, are involved with many non-profit organisations, and are thus in a position to bring together corporate activities and their own activities.

The charitable project “Mini-grants”, which we launched back in 2010, has enabled employees to apply for a contribution for a non-profit organisation they are actively involved in. This means that the non-profit organisation not only receives a financial contribution but is also brought to other employees’ attention.

They have the possibility to use one fully paid working day for volunteering and help in the

organisation. The Minigrants have brought together the worlds of employees, the non-profit sector and the industrial company and have become so popular that ArcelorMittal Foundation has taken them over and implemented within the Group.

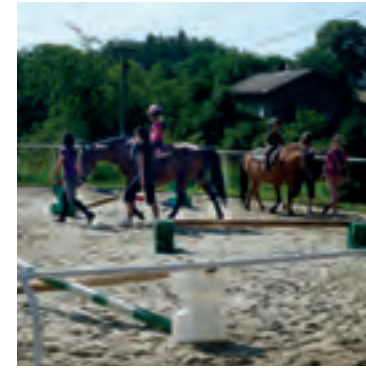
How do Minigrants work?

Thanks to the Minigrants, any employee who is actively involved in a non-profit organisation can

obtain a financial contribution of up to CZK 30,000 for the organisation. Employees submit their applications to the projects that fall into one of the supported areas (free-time activities for children, social and environmental projects, health and safety projects). Every supported project has a patron from the management team, who visits the project and may also become involved in it.

Minigrants 2010–2012

Round	Number of applications	Number of supported projects	Amount distributed (CZK)	Number of beneficiaries
2010/1	38	15	200,000	1,554
2010/2	90	30	400,000	4,961
2011/3	78	33	400,000	4,920
2011/4	128	39	450,000	4,063
2012/5	123	39	450,000	4,723
2012/6	111	46	450,000	5,111
TOTAL	568	202	2,350,000	25,332



Supporting a horse-riding club

The horse-riding club Nanka Orlová, thanks to Jaroslav Vnuk, a metalworker at ArcelorMittal Ostrava, received CZK 20 thousand to purchase equipment for therapeutic horse riding. Approximately a thousand of children visit the club every year. Therapeutic riding is a special type of rehabilitation in which the movements of the horse under the child are used as a stimulus and rehabilitation element.



Supporting young fire fighters

Karel Malchárek obtained a Mini-grant for young fire fighters. As part of the celebrations of the 85th anniversary of the Voluntary Fire Brigade in Strahovice, there were also competitions for children’s sports teams. In addition to SDH Strahovice, children aged 5 to 15 from the neighbouring municipalities also competed. The children enjoyed fire fighting and relay.

After the end of the competition there was an assessment and the best associations were awarded diplomas and prizes. Hoses for the firefighting, a set of 60 m hurdles, a laminated tank and uniforms for the young fire fighters in Strahovice were purchased from the company contribution.



Better environment for the elderly

Renáta Cinglová from the purchasing department obtained a Mini-grant of CZK 10 thousand for old people’s home Korýtko in Ostrava. The money was used to make the rooms cosier and create a home-like atmosphere.



Health trips

Antonie Jüttnerová, credit policy manager, obtained a Mini-grant of CZK 10 thousand for the Nový Jičín Czech Red Cross. The contribution was used to pay for health stays for elderly citizens who are long-term members of the Czech Red Cross.



Greater safety for the little ones

Metalworker Radim Foltýn registered the project “Safely on Two Wheels” for a nursery school in Ostrava-Hrabůvka into the Mini-grants. The objective of the project, which obtained financial support of CZK 10 thousand, is to provide the nursery school with safe bicycles, scooters and helmets. The project intends to develop and strengthen safe riding principles, an aptitude for sports and also prevent childhood obesity.



“Cosy Home” project

The Cosy Home project by the facility for children in need of immediate care of the Diaconia of the Evangelical Church of Czech Brethren was registered for the Minigrants by water management machine operator Dušan Zdráhal. The goal of this project, which obtained financial support of CZK 20 thousand, was to purchase two bunk beds and mattresses. These replaced the worn out furniture and improved the quality of the accommodation for the children staying in the facility.

Contribution to judo lovers

One of the beneficiaries of this year’s Minigrants is for example the MSK Sambo and Judo Orlová after-school activities which, thanks to Monika Servusová, customs agent at ArcelorMittal Ostrava, will receive CZK 10,000 to purchase training equipment for the young judo enthusiasts.

Transparent governance

We do business responsibly

The multinational company ArcelorMittal has units in over 60 countries, and it is therefore important to take into account differing cultures and environments in which the employees of the largest steelmaking and mining company in the world operate. This is why we have created a Code of Business Conduct that takes these differences into account, while at the same time providing information about standards of behaviour required from company employees.

ArcelorMittal Code of Business Conduct

The Code of Business Conduct applies to all employees of ArcelorMittal and its subsidiaries worldwide. It contains information relating to human rights, anti-corruption behaviour and economic sanctions. Employees are familiarised with these policies through regular trainings that take place every three years.

Employees can report breaches in any of these areas using an internal telephone line operated by a control department called internal audit. Internal audit employees are directly answerable to the parent company to ensure they are unprejudiced and to prevent anybody inside the unit exerting an influence on them.

Open communication

For complaints from residents from the neighbouring communities we have introduced the so-called

“Green Line”. This free line was introduced for the residents of neighbouring municipalities to have an opportunity to inform the company about their problems, suggestions or complaints at any time. ArcelorMittal Ostrava intensively focuses on these queries and in cooperation with the authorities works to find a solution to satisfy the residents.

For residents of the adjacent municipalities we also publish a quarterly magazine “Neighbours”, in which we provide them with news about the company. For employees we prepare a monthly internal magazine entitled “1”. We also regularly publish up-to-date information about events in the company on the website at www.arcelormittal.com/ostrava and openly communicate with the media. All of this is done to ensure transparent communication with stakeholders.

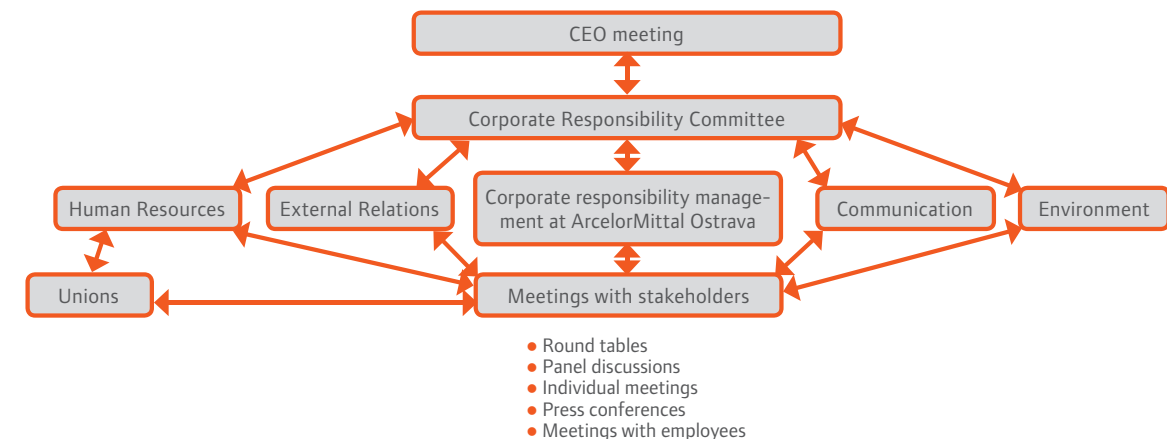


Corporate responsibility committee

The mission of this committee is to convert the principle visions and goals of management in corporate responsibility into specific tasks and activities for the individual areas. The committee participates in the creation of the company's image and is responsible for ensuring that employees are informed about ArcelorMittal's corporate responsibility activities.

Key Performance Indicators			
Transparent governance	2010	2011	2012
Number of questions on the CEO line	61	81	101
Training in anticorruption guidelines (number of employees)	409	67	23
Training in the Code of Business Conduct	262	4560	1990
Training on compliance with human rights	X	6664	84

Corporate responsibility management at ArcelorMittal Ostrava



Green Line
800 100 648
 operated as a free line for easy communication with citizens

Employee organizations

The dialogue with our employee representatives plays a very important role at ArcelorMittal Ostrava. It is not only beneficial for our employees, but also for the entire company.

Open communication is the foundation of a functioning partnership.

The employees are represented at the meetings of ArcelorMittal Ostrava a.s. and its subsidiaries by the OS KOVO trade union organization. The union membership in the company is roughly 65%.

The negotiations with the employer are tough and demanding, but fair and proper. The employer recognizes the union as its social partner and as the representative of all its employees. A collective agreement is regularly concluded and it guarantees significantly better conditions for the employees than those secured by the valid legislation of the Czech Republic.

Roman Bečica, The Chairman of the OS KOVO Ocelárna Trade Union



It is important to help...

Unions are organizations whose primary objective is to help the employees who are at a disadvantage in industrial relations in contrast to the employer. However, the OS KOVO ArcelorMittal trade union also uses its potential to help its handicapped fellow citizens. We have been participating in the building of a social welfare institution for handicapped

children and their parents for several years. Our cooperation with the Halali citizens' association started very quietly. We had been buying their calendars for several years and we gave them to our members as Christmas gifts. Halali used these profits to build up its social welfare institution. However, a few years ago we realized that a personal engagement in this project meant more than just financial support.

Since then we have been able to improve the quality of the driveway, we have built a fence and concreted curbs and we have also done cleaning and painting work, assembled furniture, mowed the grass and cut and chopped wood for the winter.

We do this with enthusiasm and humility because it makes us realize that there are many people in the world who need help. And we are happy to help. The opening of the social welfare institution will be our big reward this year. We are looking forward to meeting together in this building where playful children and their parents will spend their time. It is time to look for our next charitable project. Good luck, Halali.

Vítězslav Prak, The Chairman of the KOVO ArcelorMittal Czech Republic Trade Union



ArcelorMittal Orbit

This tower with its remarkable steel construction became a symbol of Olympic and Paralympic Games in London 2012. It is made from steel coming from all the continents, where ArcelorMittal has its branches. The ArcelorMittal Orbit is not a common observation tower. The authors decided to approach Orbit as a work of art. It offers a panoramic view from all of its staircases and also from an observation platform. The tower in the Olympic Park was visited by over 130 000 visitors, including Queen Elizabeth II



Daniel Suchanek, employee of ArcelorMittal Tubular Products Karviná in the Czech Republic, was one of the 8,000 runners who carried the Olympic torch before the opening of the summer Olympic Games in London 2012. He ran with the Olympic flame in Wolverhampton in England, where he was enthusiastically welcomed by the local residents.



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Your opinion matters to us. Please, send your feedback regarding our CR activities and this report to cr.ostrava@arcelormittal.com

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