



ArcelorMittal



ArcelorMittal Ostrava

For a better life in the region

Corporate Responsibility Report 2013



5
Introductory word of the CEO



7
About ArcelorMittal



8
Our corporate responsibility strategy



10
Investing in our people



16
Human resources



21
10 years of ArcelorMittal in Ostrava



22
Manufacturing safe sustainable steel



24
Environmental investments



30
Enriching local communities



32
Supporting health



34
Supporting education



36
Supporting culture



40
Supporting social projects



46
Transparent governance

2013 facts and figures

- We produced **1.97 million tonnes** of hot metal.
- We produced **1.92 million tonnes** of steel.
- We manufactured **404,800 metres** of safety barriers.
- **70 % of safety barriers** on the Czech roads were made in ArcelorMittal Ostrava.
- We won the **3rd place** in the Employer of the region competition and we are the **3rd best employer** in the Czech Republic.
- We won the title **Ostrava Cycle Friendly Employer 2013**.
- Our employees' average salary was **CZK 34,352**.
- We organised **102,341 hours** of training for our employees.
- We distributed **CZK 772,610** among **51 projects** of nonprofit organisations through our Minigrants.
- We donated **CZK 28.5 million** to support local communities; the number of beneficiaries was **76,143**.



In the "Golden Semicolon 2013" competition, announced by the independent professional association PR Club, our 2012 Corporate Responsibility Report won the 3rd place in the category Industry.

Dear ladies and gentlemen,

A year has passed and it is again time to present to you a report that maps out our main activities in the sphere of corporate responsibility. I am certain that these are evidence of the fact that we take responsibility for our surroundings very seriously indeed. The aim of the report is to tell you about projects that help those that need help the most, about the publicly-beneficial activities in which we are involved in our own city and in the whole of the Moravian-Silesian region and about the approach we have to our employees and the environment.

The year 2013 was significant for us in many respects. It marked the passing of ten years since the largest steel company in the world – ArcelorMittal – arrived at Nová huť in Ostrava. Our tenth anniversary was not just a reason for celebration – it made us look back at what we had achieved over that time and made us aware of what we want to achieve in the future. We produced 25 million tonnes of steel during the ten years, enough steel to build, let's say, 143 thousand Petřín viewing towers in Prague. We invested more than 4 billion crowns in reducing the environmental impact of our production. And we paid our employees salaries totalling 37 billion crowns, money that remained within our region that is helping it develop further.

In terms of production, last year was one in which we had to contend with the unclear situation on the steel market and a surplus of production capacities in Europe, a situation that remains to this day. In spite of this, though, we made massive investments in modernising production. Our reconstruction of the continuous steel casting facility, a project which cost a billion crowns and that culminated at the end of last year, now means that we can produce higher quality steel and a wider range of semi-finished products



as far as dimensions are concerned, products that can be used in such areas as the manufacture of pipes for the extraction and transportation of crude oil and natural gas and the production of parts of yellow goods and wind power plants, to name but a few areas of application.

It was also last year that we were able, for the first time in our history, to obtain a grant from the European Union for projects that will further reduce our environmental impact. Investments totalling 2.6 billion crowns offer evidence that we want to remain in the region and that it means a lot to us for the region to prosper, for it to be a good place to live. Even now we comply with the emission limits that will come into force in EU countries in 2016. And new projects with European support will help us reduce our environmental impact even further, making it lower than required by EU legislation.

Work at our plant is very interesting and in many ways demanding. That is why we endeavour to create as pleasant

a work environment for our employees as possible and offer them a range of above-standard benefits. Our main priority in caring for employees is to make sure of their safety over the long term. Innovative procedures and new projects in the sphere of health and safety last year allowed us to reduce the number of occupational injuries with subsequent absence from work to an all-time minimum of five. What this means, though, is that we still have plenty more work to do in this regard, as each and every injury can be avoided.

Our support of projects which benefit the public concentrates on those within our own region. We care about improving the quality of education and leisure-time activities for children, raising the level of culture, boosting charity work and improving the environment. Our popular Minigrant programme is an annual fixture that allows our employees to get themselves involved in a number of projects run by Moravian-Silesian non-profit organisations. The total aid provided for these projects last year

reached a record level in excess of 770 thousand crowns. Another regular project is Dance for Life, through which we provide support to other charity and non-profit organisations. These projects always make me happy because I see the way in which so many people around us want to try and make life in the region better. This makes us feel an even greater duty to offer them our support.

Ladies and gentlemen, the pages that follow will tell you more about our activities for the future of the region. We would be delighted to hear any feedback you might have. If you have any questions or comments about this corporate responsibility report, please let us know using the contact form on our website or by sending them by e-mail to cr.ostrava@arcelormittal.com.

I appreciate your interest.

Tapas Rajderkar
CEO and Chairman
of the Board of Directors,
ArcelorMittal Ostrava



We are part of a global steelmaking group

ArcelorMittal is the world's leading steel and mining company, with a presence in more than 60 countries and a workforce of more than 232 thousand. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

ArcelorMittal in the Moravian-Silesian Region



ArcelorMittal in the Czech Republic

The ArcelorMittal Group is represented in the Czech Republic by ArcelorMittal Ostrava and its subsidiaries.

ArcelorMittal Ostrava a.s.

The largest steelmaker in the Czech Republic and one of the biggest employers in the region. Together with its subsidiaries, it employs more than 7,500 people. The company's annual production capacity is 3 million tonnes of steel and it sells its products within the Czech Republic and to more than 40 other countries.

10 years of ArcelorMittal in Ostrava

The year 2013 marked the tenth anniversary of the moment at which the multinational investor ArcelorMittal arrived at Nová huť in Ostrava.

Scope of the report

The data used for the needs of the 2013 Corporate Responsibility Report mainly refer to ArcelorMittal Ostrava, although reference is also made to certain subsidiaries in component

indicators. The report comprises data about the main investments and results of projects and activities for improving the situation in key areas of corporate responsibility at ArcelorMittal Ostrava.

The report is self-declared as being in accordance with Global Reporting Initiative Framework G3.1 application level C.



SUBSIDIARIES in which ArcelorMittal Ostrava owns a majority stake

- NOVÁ HUŤ – Projekce, spol. s r.o. (known as ArcelorMittal Engineering and Consulting Ostrava s.r.o. since 2014)
- 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.

You will find more information at the company's website: <http://ostrava.arcelormittal.com>.

ArcelorMittal has a presence in more than **60 countries** all over the world

In Ostrava we produce **2 million tonnes** of steel annually





We take a socially responsible approach



Investing in our people

Our employees are an essential part of our success. We take inspiration from their ideas and rely on their industry and purposefulness. We treat them with dignity and respect, invest in their development and provide them with a safe and healthy work environment.

Making steel more sustainable

We develop technology that improves the steel production process and promote sustainable procedures that are more considerate to the environment. Our innovative products help customers and suppliers achieve their objectives in relation to the environment.

Enriching our communities

We are an important part of the society in the area in which we operate. That is why we contribute towards the healthy and sustainable development of the local community. We respect local culture and priorities and build active partnerships with local organisations.

Transparent governance

We believe in open management. We are interested in the impact of our activity, minimise the consequences of our business and responsibly manage the risks involved. We work together with key target groups and have a process of transparent conduct in place in this area.

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. We prove our considered corporate responsibility by broadening our strategic objectives, among them maximum protection of the environment, social benefit and bolstering our impact on healthy community development.

We communicate and actively cooperate with our stakeholders.

Each year, we create and appraise a plan for the stakeholder engage-

ment, in which we take the latest trends and suggestions made by all our stakeholders into consideration.

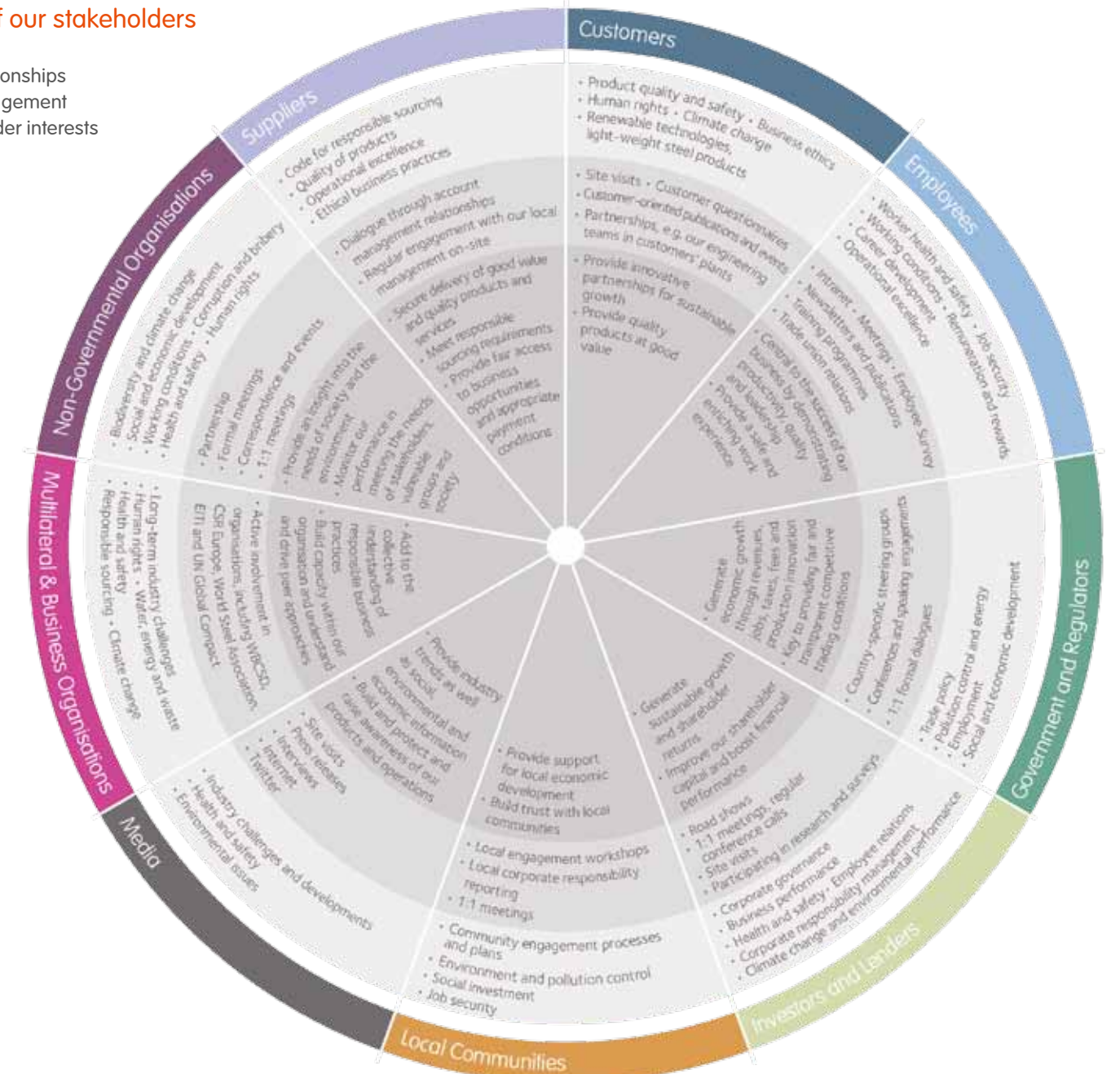
The ArcelorMittal Group is a member of many global organisations, including

CSR Europe, the World Business Council for Sustainable Development, EITI and the UN Global Compact. ArcelorMittal Ostrava, meanwhile, is a member of such organisations as the Steel Federation, the Confederation

of Industry of the Czech Republic and the Union for the Development of the Moravian and Silesian Region. Membership allows us to engage in debate on business activities and share our experience with other organisations.

A map of our stakeholders

- Our relationships
- Our engagement
- Stakeholder interests



Investing in our people

Health and safety first

Health and safety projects

Our priority is to eliminate the number of serious and fatal injuries at work and reduce the frequency of all injuries to a minimum. We progressively work to achieve these goals through the Journey to Zero and Shared Vigilance projects. We continue to introduce corporate safety standards, mainly in the areas of working at heights, isolating the technological equipment and improving the quality of health and safety management among external contractors. A separate work group has been set up with the aim of creating a safe system of locking and isolating equipment from sources and power.

We use tried-and-trusted tools in discussions with employees on

the subject of health and safety, such as Minutes for Safety, safety audits and the Golden Rules of Safety. We also educate all employees in knowledge of safety regulations as part of our preventative programme.

The company is involved in year-round cooperation with the Technical University of Ostrava, Faculty of Safety Engineering, helping students write theses and attending regular safety conferences. We also ensure continual discussion with our external contractors.

Our certificates and awards

We hold a prestigious "Safe Enterprise" award, which we were awarded for the fifth time

based on an audit by the Regional Work Inspectorate. 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.

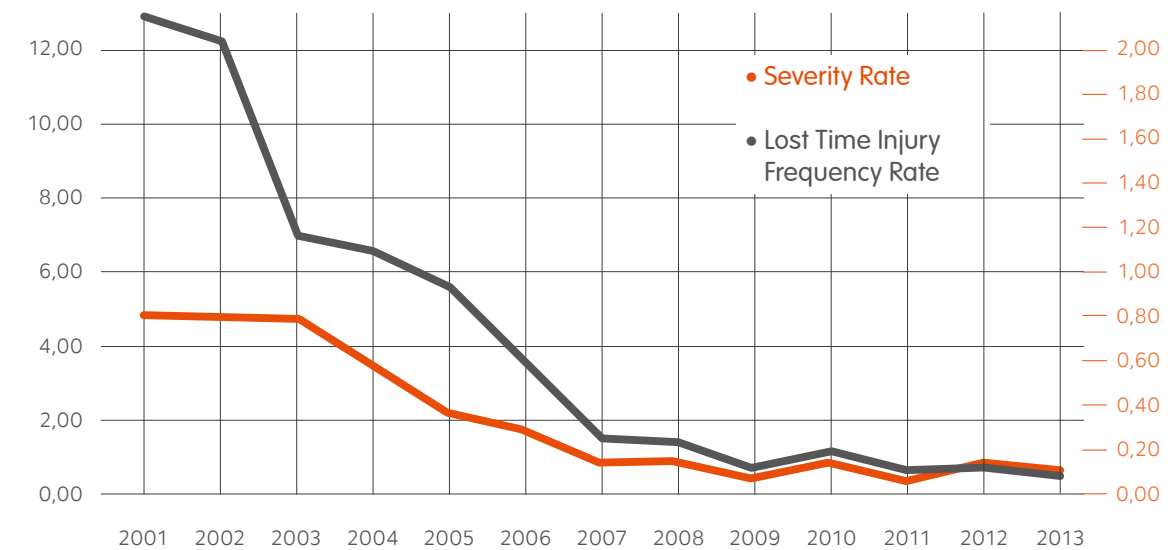
The company again successfully underwent an audit of its Occupational Health and Safety Management System according to the OHSAS 18001. This resulted in an extension of the certificate for our system of health and safety management at the workplace.



"We want to motivate our employees to take a responsible approach, to always think about the work they are going to do and consider the risks that they face. Some 90 % of injuries are caused by breach of occupational safety regulations, for example using the wrong work procedure."

Jiří Michálek,
Chief Health and Safety Officer

Lost Time Injury Frequency Rate and Severity Rate 2001 - 2013



The Lost Time Injury Frequency Rate in 2013 was 0.48 injuries per million hours worked and the Severity Rate was 0.11 lost day per thousand hours worked.

We won
for the fifth time
a "Safe Enterprise" award

Key Performance Indicators

| Investing in our people | 2011 | 2012 | 2013 |
|---|---------|---------|---------|
| Lost Time Injury Frequency Rate (employees) | 0.68 | 0.73 | 0.48 |
| OHSAS 18001 safety standard certification | renewed | renewed | renewed |
| Number of hours of training for employees of ArcelorMittal Ostrava and subsidiaries | 149,921 | 132,524 | 102,341 |
| Number of meetings of the Health and Safety Committee | 11 | 11 | 9 |
| Participants in the Health and Safety Day | 4 233 | 3 600 | 6 366 |
| Preventive medical examinations | 5 891 | 4 363 | 4 088 |
| Health and safety audits | 11 756 | 11 121 | 11 291 |
| Employees trained in health and safety | 8 395 | 8 608 | 3 830 |

Participation of over 6,300

employees and representatives of 62 external companies in Health and Safety Day

Carried out 8,951

alcohol checks among external contractors

Health and Safety Committee

This work group, comprising trade union representatives acting on behalf of all employees and top management, develops the partnership between unions and management in the sphere of health and safety. Nine meetings were held in 2013, including inspections of workplaces. The aim of this work is primarily to propose measures to minimise work-related risks or eliminate shortcomings.

Health and Safety Day

The seventh Health and Safety Day was attended by more than 6,300 employees and representatives of 62 external companies. The main topic was preventing injuries. The day-long programme allowed employees to take part in practical first aid courses and attend talks, training sessions and presentations of personal protective equipment. The ArcelorMittal Ostrava Fire Rescue Service organised a training session for employees in putting out fires and an open doors day for family members of our employees. Attention was also paid to the health of our employees; wholesome meals were available at a discount price in company canteens and experts



provided employees with massages beneficial to the health on the company premises.

Health Week

Our traditional Health Week has become a popular event, focusing on educating people about a healthy lifestyle, preventing serious illnesses

and advice for employees. Those interested were able to undergo a preventative examination for the occurrence of melanomas or a bone density measurement. Union representatives and members of top management took part in the popular bowling and football tournaments. Some employees at the plant were even given massages by visually-

impaired masseurs. Health Week also involved an information campaign about flu vaccinations, which interested employees were given at the company expense.

Shared Vigilance

"My safety is primarily my concern, and if I see somebody else in danger, I will immediately inform him/her of that danger!"- this is the motto used in a campaign to prevent injuries. We work to ensure that this motto becomes part of the day-to-day work process and for this reason create informative materials that focus on safety. We use posters at plants and spray-painting to

warn employees of the risk of injury or the use of alcohol at work. Billboards around the plant complex also focus on caring for your own safety.

Red Scorpions

The company launched a project entitled "Red Scorpions" in collaboration with the Technical University of Ostrava. As part of this, fifteen chosen university students check adherence to national and corporate safety regulations on building sites and other investment projects on a daily basis. Their work helped us reduce the injury rate among external contractors. Some 8,951 alcohol checks were con-

ducted among external contractors as part of the project and "Red Scorpions" won an Excellence Award® in the HREA competition for the best project in human resource management.

Employee health











We improve our company medical services on a regular basis and doctors regularly check workplaces. An emergency first aid service is contractually provided 24 hours a day all year round. Our health project takes in targeted programmes for individuals and selected groups of employees, such as week-long and two-week treatment and rehabilitation stays for employees (583 employees involved); individual out-patient programmes for the prevention of medical difficulties involving the motor apparatus (311 employees involved); and a supplementary programme aimed at boosting immunity (126 employees). We pay heightened attention to occupational illnesses, microclimatic conditions and the handling of chemicals and continually improve the hygiene conditions at company facilities.



A total of **7,024 employees**

(including agency employees) received vitamin packs

Our 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 traffic rules.
-  I will respect the rules of 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).



ArcelorMittal Ostrava Fire Rescue Service

The Fire Rescue Service carried out 18 training drills on the grounds of the plant in 2013. One internal emergency drill took place and one in cooperation with the emergency services. What is more, 32 fire-fighters from ArcelorMittal Ostrava took part in a demanding training programme concentrating on extinguishing fires in enclosed areas. "Drills under real conditions are an important part of

the process of improving our fire-fighters," said Pavel Mück of the Fire Rescue Service.

Riding to work on a bike

The name given to a competition that took place in May 2013 in eleven cities throughout the Czech Republic. The main aim was to increase the number of regular journeys made to work in the cities on a bike. Thirty-eight employees at ArcelorMittal Ostrava signed up for the competition and

travelled to work by bike. The company was also presented with the title of "Ostrava Cycle-friendly Employer" for the conditions that the company creates for its employees that use this means of transport.

Our employees' sporting success

Our employees took part in the World Firefighters Cycling Championships in the Spanish city of Huesca. Adam Kauer of the Fire Rescue Service, in

fact, won the title of world champion. Petr Baran of ArcelorMittal Engineering Products Ostrava, a member of the Association of Volunteer Fire-fighters from Stará Bělá, claimed a silver medal.



Stanislav Loska, a refractory technologist at the steel plant, took part in the Paralympic Games in Sochi. In fact he flew to Sochi with the Czech squad in the role of flag-bearer of the Czech Paralympic Team. He then came 21st in the slalom out of a total of 51 competitors. After returning from Sochi, Stanislav Loska enjoyed another moment of glory at city hall in Ostrava, where he was named Ostrava's Sportsman of the Year 2013.



vehicles under special climatic conditions, such as in winter, in reduced visibility and on poor quality roads.



Drinking regime

The year 2013 saw us introduce a new drinking regime for employees. We were mainly motivated to make changes to the provision of drinks at the workplace by employee requests and by new trends in the development of protecting employee health. The mineral waters provided to date were replaced with a mineralised vitamin-rich drink that can be made up from



sachet with water from a soda water machine or with normal water.

Traffic breakfast

Traffic breakfast is a new initiative from the institutions of state administration and prominent companies that supply road construction work or its part. The aim is to analyse the causes of the dismal state of our roads and offer possible technical solutions. Discussion at these meetings concentrated on the operations having been carried out and those under preparation, operations aimed at improving the safety of road users. Representatives of ArcelorMittal Ostrava presented the results of the development of new types of safety barriers.



A total of 18 training drills

were carried out by the Fire Rescue Service

Senior employees conducted **9,919 audits** at the workshop



Skid school

Around thirty of our employees from the Transport plant and the Fire Rescue Service tried handling driving on a slippery surface at the Libros Ostrava safe driving centre. The course focused on effective prevention of accidents and driving

"Bikers" safety barriers

As the main partner to „Nežij vteřinou“ (Don't just live the moment), an event organised by the police, we began manufacturing, certifying and installing on a specified section of road in the Blansko area, all free of charge, a new type of road safety barrier system that, thanks to its unique technical properties, provides greater protection to motorcyclists. The "bikers" safety barrier, the prototype of which was made at ArcelorMittal Ostrava, thus appeared on Czech roads for the first time.

Human resources

A total of **363** improvement suggestions was submitted

We organised **102,341 hours** of training for our employees

Almost **200 employees** took part in the new education pilot programme

Almost **900 people** attended talks given within the Steel Academy programme since 2010



Continual improvement activities still on the rise

We continue to develop our system of continual improvement based on the suggestions we receive from employees. The aim of such suggestions is to reduce costs and increase health and safety at work. A record 363 ideas were submitted in 2013, almost ten times as many as in 2009. The bonuses provided to employees for their improvement suggestions rose by 12.5 % to more than a million crowns.

A new form of innovation, the so-called "minor improvement", was also put in place. The rewards for a single minor improvement that is adopted can reach up to CZK 10,000. The main idea behind this is to reduce the administrative burden, speed up the approval process and motivate the innovator to turn his ideas into reality.

The best innovators in 2013 were rewarded with attractive wellness breaks.

ArcelorMittal Campus Ostrava training programmes

Most training programmes for employees take place at the Ostrava campus of the ArcelorMittal University, where employees spent a total of 102,341 hours at training ses-

sions in 2013. Some 428 company employees earned new qualifications as part of our professional education programme, for example by taking a welding course, a load-binding course, a crane operation course or a pressure container operation course.

New teaching methods

We employ the latest teaching methods in the professional educa-

tion we provide manual workers. Lectures and discussions with an instructor are followed by the rest of the course, which takes place in the newly-reconstructed computer classroom. A final test that is automatically generated for each and every employee must be passed in order to successfully complete a course. Almost 200 employees took part in the pilot programme for this type of course last year.

Steel Academy

The aim of the programme is to obtain new information from various disciplines through experts from the Technical University of Ostrava. Our specialists can then put this knowledge into practice. There is continual interest among employees in the education programmes of the Steel Academy and we have organised 68 talks since the launch of the project in 2010, attended by almost 900 employees.

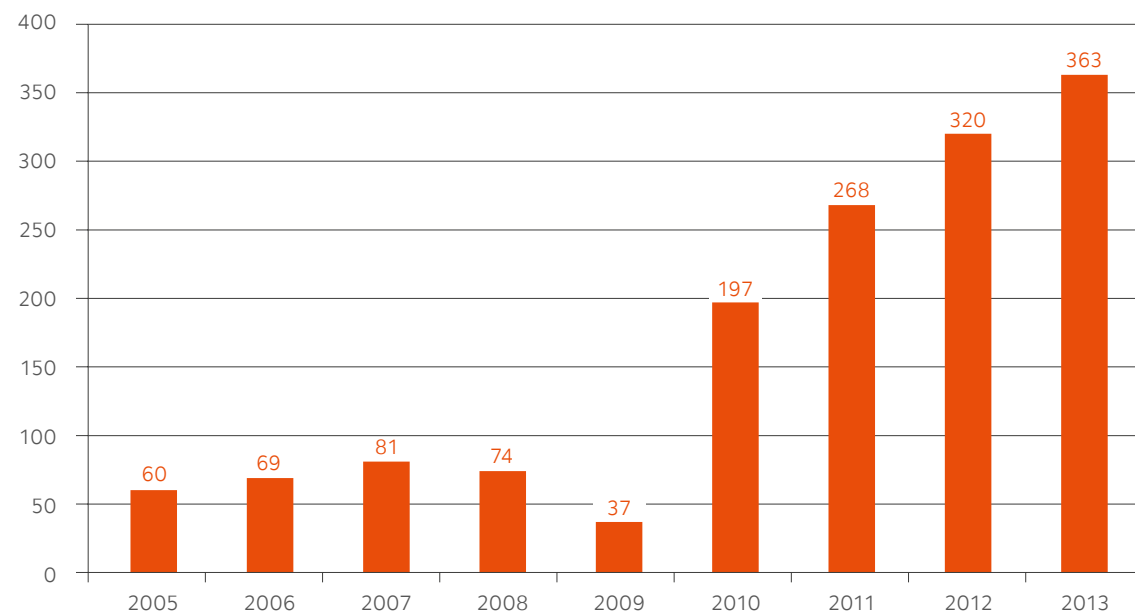


"The employees at ArcelorMittal are our most valuable asset. We base our relationship with employees on respect, we invest in their development and we provide them with a safe work environment and the proper working conditions."

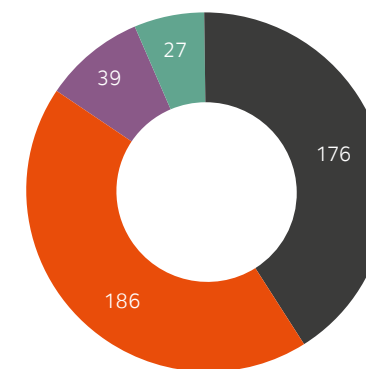
Jan Rafaj,
HR and Public Affairs Director



Number of innovation proposals submitted 2005 - 2013

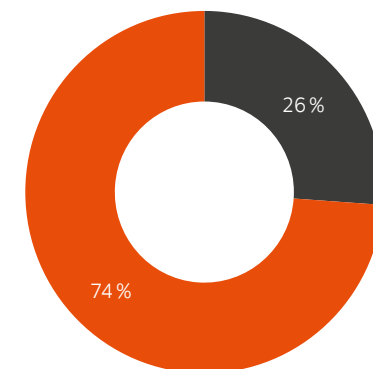


Overview of new qualifications gained



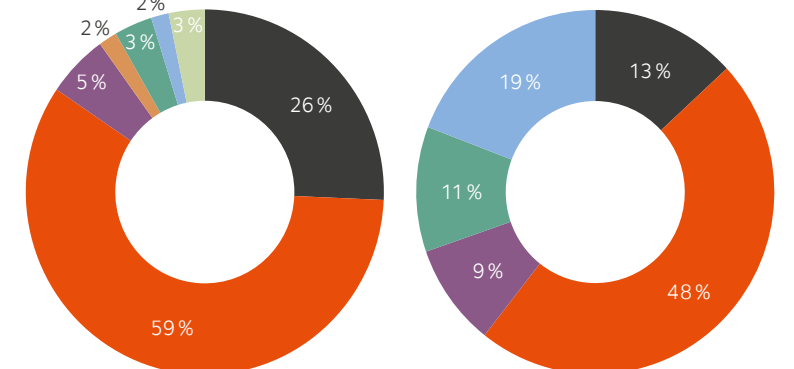
- Welding courses
- Industrial transport courses
- Courses relating to specified technical equipment
- Other professional courses

Employees trained in 2013



- White-collar workers
- Blue-collar workers

Number of Steel Academy graduates



- Health and Safety
- Professional courses
- Compliance programme
- Computer courses
- Management courses
- Language courses
- External courses
- Blast Furnace Academy
- Economic Academy
- Metallurgy Academy
- Rollers Academy
- Steelmakers Academy

A total of
80 employees
took part in the Talent Programme

A total of
40
school-leavers and university graduates joined the Trainee Programme



Talent programme

We offer employees with above-standard performance levels and potential the chance to attend special education programmes and in doing so concentrate on the individual development of all talent, including talented blue-collar workers. The special programme includes education through seminars that concentrate on the development of communication, teamwork, effective processes, lean production and the identification and evaluation of risks at work. First-aid training is also provided. Moreover, we offer excursions, specialised seminars and meetings with company management in addition to the compulsory programme. Some 80 employees took part in the programme in 2013. The so-called "Leadership Academy", a comprehensive two-year programme for talented employees preparing to advance to management positions, is also part of the Talent Programme. Twenty-one employees completed the academy in 2013.

Some 1,010 employees – managers, white-collar and blue-collar workers – have been through the Talent Programme in the six years since its inception.

Trainee Pool

Our special year-long programme for secondary-school-leavers and university graduates allows students with no previous experience to begin their professional career with us. As part of the programme, graduates work under the guidance of experienced colleagues at individual plants. We also offer these school-leavers and graduates the chance of personal and professional development in the form of specialised courses, including language courses. Twenty-nine secondary-school-leavers and 11 university graduates joined the trainee programme in 2013.



Gender diversity/ Support for women

Forty women from ArcelorMittal (11 of them from Czech Republic) took part in the WEL – Women Emerging in Leadership international education programme. The aim of this programme was to develop the abilities of women and improve their chances to find a place in the company management.



Special meetings for women were also held during the year. These focused on discussions with guest manageresses, psychologists and teachers on up-to-date topics such as achieving the work-life balance, coping with the demands on the modern woman, issues of manipulation and gender stereotypes and so on.



Contact Centre

We opened a Contact Centre at the Training Centre building in November 2013. This meant we were able to bring together all personnel services for our employees under one roof. A contact person



is determined for each plant or unit, this person dealing with matters together with employees, such as the formalities involved in beginning or ending work at the company, employee ID cards, confirmation of employment or income and so on.

HR & Business Forum at ArcelorMittal Ostrava

More than 80 guests – personnel managers, HR managers and general managers from throughout the country – gathered at the forum, with its subtitle of "The Right People in the Right Positions", at ArcelorMittal Ostrava to discuss how to achieve company objectives using personnel solutions. Case studies described effective procedures for developing the potential of company talents. All delegates agreed that the development of talents at all levels is key to maintaining competitiveness and securing the future of companies in production and non-production spheres.



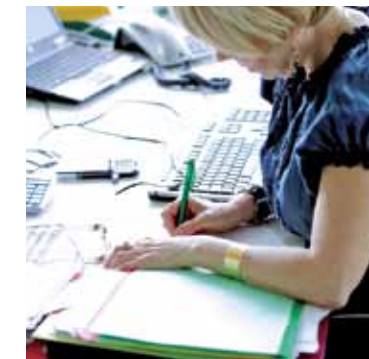
Help for the long-term unemployed

We help the long-term unemployed and socially-excluded return to society, doing so in cooperation with NGOs "Centrum sociálních služeb" (Social Services Centre) and "Centrom sociální podnik" (Social Enterprise Centre). We offered work to twelve people. Under the guidance of experts, these people were involved in cleaning conveyor belts, maintaining greenery and cleaning roads and pavements on the company premises.



Crisis specialists

Experts from Crisis Centre Ostrava trained a team of our personnel specialists in crisis assistance. These specialists are now able to provide assistance to our employees and their families in the case of serious occupational injury or the death of an employee.



Krizové centrum Ostrava (Crisis Centre Ostrava)

Free, 24-hour social, psychological and therapeutic assistance to people in crisis situations and mental distress.

Tel.: +420 596 110 882-3
Mobile: +420 732 957 193
Address: Nádražní 196, 702 00 Ostrava-Přívóz
www.kriceos.cz

Events for employees

We employ more than **800 women** in our company

Best employees

We rate the best employees on a quarterly basis and, at the end of the year, the employees of the year. We rewarded 68 employees in this way in 2013. We also prize and reward long-service employees that have been with us for 20, 25, 30, 35 and 40 years. There were 783 of them in 2013.



Almost **1,500 people** attended our sports day

International Women's Day

We celebrate International Women's Day as a token of our respect for women. Each one of more than 800 women receives a gift every year, with a personal message from the CEO.



Contributions of **CZK 1.3 million** paid towards therapeutic holidays for the children of our employees

Contributions of **CZK 56.2 million** to supplementary retirement insurance schemes for employees

Sports day for the whole family

Our popular sports day for employees and their children took place for

the sixth time in 2013 and was attended by almost 1,500 people. Teams of company workers crossed swords in various sporting disciplines in the morning, while the afternoon was for children and competitions with attractive prizes. Adults and children alike were able to learn about the basics of first aid from



the Czech Red Cross, learn some interesting facts about the lives of butterflies from the Salamandr environmental organisation and enjoy a coffee from Mental Café, which employs people with disabilities.

The most attractive New Year postcards

Each year the ArcelorMittal Foundation holds a painting competition for the children of ArcelorMittal employees to come up with the most attractive New Year postcard on a certain topic. Patrik Vylegala, the son of one of our employees, got a marvellous second place among international competitors.

Birthday party for employees

ArcelorMittal celebrated ten years since its arrival at the works in Ostrava together with its employees and their families at the end of 2013. Some 10,000 people attended the event. Good music was provided by No Name, Boney M and Ewa Farná and there was a dance zone and many other attractions. We also drew three winners of attractive holidays in the afternoon, the main prize being a weekend in Paris.



10 years of ArcelorMittal in Ostrava

The year 2013 marked the tenth anniversary of the moment at which the multinational investor ArcelorMittal arrived at Nová huť in Ostrava. Our company has since invested more than 7 billion crowns in modernising its facilities and making them more environmentally-friendly. It has significantly increased its productivity and reduced its negative environmental impact. The company has also become a prominent partner to culture, education and social projects and one of the most sought-after employers in the Moravian-Silesian region.

CZK 37 billion paid out in salaries to employees



CZK 39.8 billion reinvested in the company



CZK 7 billion paid for greening and modernization



CZK 21.4 billion of total tax paid by the metallurgical works

CZK 1.1 billion, value of improvement ideas



67% is by how much we have reduced dust emissions



We have produced **25 million tonnes** of steel



We have produced **212,563 km** of pipes

CZK 458 million donated to support the region



We have produced **5,600 km** of road safety barriers



Making steel more sustainable

Our products

The production capacity of the ArcelorMittal Ostrava plant is up to 3 million tonnes of steel a year. In the past few years, however, actual production was reduced to some 2 million tonnes per annum. We supply our goods to the building industry, engineering, the mining industry (steel mine support structures), the energy industry and the transport industry.



tonnes of safety barriers and the fixtures that go with them every year. More than 70 % of the safety barriers in the Czech Republic, in fact, come from ArcelorMittal Ostrava. We also supply abroad (to Germany, for example, Poland, Slovakia and the Baltic states). We also took part in the development of so-called intelligent safety barriers (SMART), which have three types of sensors built in to them. The first is able to assess the climatic conditions in the relevant place, the second any problems with passability in the relevant section and the third the size and character of the impact on the safety barrier. The system can instantly send the information obtained to the emergency services and to information boards placed before the critical section to warn drivers of the current situation on the route in time.

ArcelorMittal Ostrava basic products

- 1 | flat (e.g. hot rolled coils, strips and sheets, annual capacity up to 1.2 million tonnes*)
- 2 | long (e.g. reinforcing bars, sections, annual capacity up to 1.6 million tonnes*)
- 3 | special products (castings, steel structural supports for mining, railway wheel sets, safety barriers, special light rails, annual capacity up to 120,000 tonnes*)
- 4 | pipes (seamless and spirally welded pipes, annual capacity up to 300,000 tonnes*)
- 5 | hot metal supplied 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 largest manufacturer of safety barriers in the Czech Republic and the only one in the ArcelorMittal group. We make around 15 thousand

Research and development

The Research Department plays a considerable role in the development of the company. The nature of its work classes it as fully applied research and development work. The aim is to respond quickly to the ever-changing conditions on the market, in terms of requirements for new products and the development of new production technologies and in terms of looking for savings in the cost of steel-making or when processing secondary materials that are created during its production.

Continual pressure to produce higher-quality materials with guaranteed characteristic properties is reflected in the development of materials that are suitable for use under specific conditions. Of the significant projects handled by the Research Department we should mention, for example, the development of new quality for mine support structures with greater stability parameters, a project that was successfully completed in 2013 and whose results have been put into common practice.

A new type of weathering steel that is mainly intended for the production of special flat bars was also tested at the rolling mills.

As far as the production of pipes is concerned, projects involved improving the quality and development of steel for vessels and equipment exposed to pressure or the production of new quality levels of seamless pipes for work at elevated temperatures. One project that encompasses energy and environmental aspects is, for example, a project that focuses on optimising the fuel base and the combustion process at the power plant. Several grant projects were handled in close cooperation with the Technical University of Ostrava.

We made **1,917,579 tonnes** of steel



| Key performance indicators | | | |
|---|---------------------|---------------------|---------------------|
| Making steel more sustainable | 2011 | 2012 | 2013 |
| Hot metal output | 2.10 million tonnes | 1.93 million tonnes | 1.97 million tonnes |
| Steel output | 1.95 million tonnes | 1.81 million tonnes | 1.92 million tonnes |
| CO ₂ emissions per ton of steel produced | 1.40 tonnes | 1.51 tonnes | 1.44 tonnes |
| Dust emissions | 669 tonnes | 584 tonnes | 686 tonnes |
| Number of Green Line calls | 48 | 116 | 194 |



Environmental investments

Steelmaking is a resource-intensive process. We are committed to improving the environmental impacts of this through process innovation, good management and investment. In this way we can create value not only for our customers, but for our communities and the world around us. We continue to introduce measures to concern investment in new technology and equipment that reduces the negative impact of metallurgical production on the natural environment in the region. We have invested more than 4 billion crowns in environmental protection projects in the space of 10 years.

We use European subsidies intended for making industry more environmentally-friendly for further environmental investments. Planned environmental investments of a total value of over 2.6 billion crowns reduce dust and nitrogen oxide emissions and help improve the work environment. All these projects will be carried out by the end of 2015.

Desulphurisation of the Coke Plant

We completed optimising the desulphurisation of coke gas and put a hydrogen sulphide washer and machine cooling into operation at the coke plant at a cost of 226 million crowns. The investment was made in 2012 and 2013 without any restriction of coke production or increase in the environmental impact. Investment is manifested in lower emissions of the sulphur dioxide produced when burning coke gas. The average annual emissions of SO₂ from burning coke gas will fall by 40 %.

Reducing lime dust emissions

Equipment has been put in place at the plant for dedusting lime routes at the steel plant. We chose the Best Available Technique for dedusting in accordance with European legislation at a cost of 10 million crowns. The new fabric filter catches the dust produced when handling lime during the transfer of lime from wagons

to underground storage tanks. Lime is used in production in processing steel in the ladle furnaces at the steel plant. The fabric filter catches 99 % of particles of all sizes. This means that non-ducted (fugitive) dust emission is reduced by an average of 100 tonnes a year.

Denitrifying power plant

A billion-crown environmental investment project that will lead to

a reduction in nitrogen oxide emissions was launched at the power plant of subsidiary ArcelorMittal Energy Ostrava. Once this investment has been complete, the nitrogen oxide from three boilers (boilers 8, 9 and 10) will be reduced by more than one half. The power plant received a subsidy of 40 % from the State Environmental Fund for the billion-crown investment.

Noise silencers

We installed special noise silencers at four chimneys of the South sinter plant and erected anti-noise panels around them. This led to a reduction in the noise emanating from

the chimneys of 18 decibels and to elimination of a sound frequency that was unpleasant on the ears. A specialised company whose study has been complete, the nitrogen oxide from three boilers (boilers 8, 9 and 10) will be reduced by more than one half. The power plant received a subsidy of 40 % from the State Environmental Fund for the billion-crown investment.

Complying with emission limits

In 2013 the production of steel increased 5 per cent, (i.e. 100 thousand tonnes of steel) while the production of sinter saw a 15 per cent increase. This led to a year-on-year increase in particulate



emission. In spite of the increase in production and thus in emission, we comply with all emission limits and ceilings stipulated by the legislation and the integrated permits. As far as dust emission is concerned, we already comply with emission limits prescribed by the EU legislation (the BAT) that will become effective in 2016.

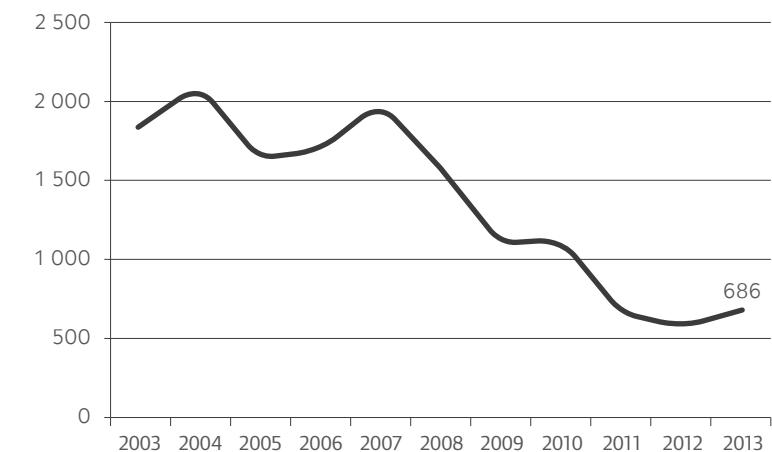
Further emission cuts will be achieved through the planned environmental projects that have been allocated EU subsidies as the objective is to reduce our environmental footprint beyond the requirements of the EU legislation. The biggest emission cut will be achieved through the installation of the bag filter for the southern part of the sinter plant. The erection of this facility in the northern part led to reduction in emission to an all-time low in 2012.

“We see the EU subsidy as being another step in making the company more environmentally friendly. If we had not already met the new European limits, which will come into force in 2016, we would have had no entitlement to the subsidy. But we want to continue our contribution toward improving the environment and bringing our emissions below EU limits,”

explains Petr Baranek, Chief Green Officer at ArcelorMittal Ostrava as to why the company was awarded subsidies.



ArcelorMittal Ostrava particulate emissions (2003-2013) t/year



Overview of planned investments at ArcelorMittal Ostrava jointly financed by the European Union

| NAME OF INVESTMENT | ENVIRONMENTAL BENEFIT |
|--|---|
| Lime route dedusting | Reducing fugitive emissions of solid pollution products by 100 tonnes per annum at the steel plant |
| Dedusting coal and ore tippers, N and S sinter plant | Reducing fugitive emissions of solid pollution products by 6.4 tonnes per annum in total for both tippers |
| Dedusting cooling belts, North sinter plant | Reducing fugitive emissions of solid pollution products by 137 tonnes per annum for the sinter plant |
| Dedusting cooling belts, South sinter plant | Reducing fugitive emissions of solid pollution products by 61 tonnes per annum for the sinter plant |
| Fabric filter for South sinter plant | Reducing fugitive emissions of solid pollution products by 94 tonnes per annum for the South sinter plant |
| Blast furnace 2 – increasing the capacity of casting bed dedusting | Reducing fugitive emissions of solid pollution products by 61 tonnes per annum at blast furnace 2 |
| Blast furnace 3 – increasing the capacity of casting bed dedusting | Reducing fugitive emissions of solid pollution products by 23 tonnes per annum at blast furnace 3 |
| Denitrification of ArcelorMittal Energy Ostrava | Reducing NO _x emissions by 808 tonnes per annum |

We collected 841 tonnes

dust in our premises in 2013

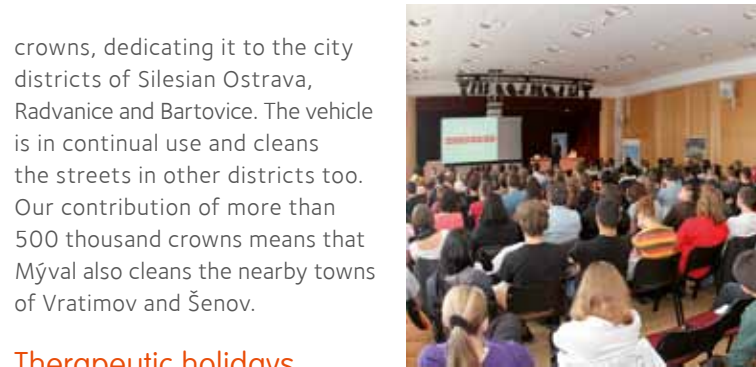
Cleaning the company premises

We clean the premises thoroughly and in doing so reduce the dust level. In fact we collected 841 tonnes of impurities on the premises in 2013. Other efficient measures include covering vehicles that transport dusty materials, a system of cleaning roads and pavements and dedusting the skull-cutting area. What is more, we have been using a unique sand-pump dredger worth more than 10 million crowns since January 2011.



Environment and metallurgy conference

The EIA Regional Centre organised the Environment of metallurgy and secondary production conference in September 2013. Patronage of the conference was taken by the Minister of Industry and Trade of the Czech Republic and the Deputy Mayor of the City of Ostrava. The main aim of the conference was to present development aims in the metallurgy industry and measures aimed at improving the quality of the environment, including ways of financing these, and to discuss them. Representatives of ArcelorMittal Ostrava took an active part in discussions at the conference.



crowns, dedicating it to the city districts of Silesian Ostrava, Radvanice and Bartovice. The vehicle is in continual use and cleans the streets in other districts too. Our contribution of more than 500 thousand crowns means that Mýval also cleans the nearby towns of Vratimov and Šenov.

Therapeutic holidays for children

We make an annual contribution to the State Environmental Fund of the Czech Republic in support of therapeutic holidays for children from the most-polluted areas of Ostrava and its surroundings. We contributed almost three million crowns in 2013.

ISO 14001

We adhere to regulations laid down by ISO 14001, an international standard for environmental management systems according to which all our production plants are certified. This internationally-recognised certification allows

the company to prove, by way of regular independent audits, that it complies with the requirements of environmental management, among them minimising the impacts of activities on the environment (e.g. air, water or soil pollution), compliance with the requirements of the relevant laws and directives and continual improvement of governance.

Protecting waters

We reduce the amount of water we take from external sources and use recycled water as much as we can. A total of 6,724,119 m3 of cleaned waste water was recycled for



re-use from both of our terminal waste-water treatment plants. This accounted for 28 % of the water required for ensuring production at ArcelorMittal Ostrava.

Greenhouse gases - CO₂ emissions

The emission of CO₂ into the atmosphere is a problem of global proportions. One of the ways of reducing emissions is to reduce the energy intensity of production. The production of one tonne of steel resulted in the emission of 1.44 tonnes of CO₂ in 2013.

Environmentally-friendly heat from the company

People living in the town of Vratimov really benefit from living beside the plant in Ostrava. Thanks to ArcelorMittal Ostrava there is environmentally-friendly heating for around 500 homes in the town with a population of almost seven thousand. It was possible to disconnect all local boilers for heating housing that work on solid fuel thanks to these heat supplies. Annual heat supplies to the town of Vratimov are close to 35,000 GJ. This is waste heat, the most environmentally-friendly source,



because 80 % of this heat is produced in flue-gas boilers at the medium-section rolling mill. The remaining 20 per cent comes from the ArcelorMittal Energy Ostrava heating plant.

Voluntary agreement

We continue to comply with the obligations arising from a voluntary agreement that we signed with the Ministry of the Environment of the Czech Republic in 2011. The agreement takes in a wide range of commitments lasting until the year 2015. Last year we contributed CZK 2.6 million to the State Environmental Fund toward therapeutic holidays for children.

“Heat supplies and a stable price are of great benefit to Vratimov. We do not need to increase the price of heat for our customers, which does not force people and small businesses to switch to other, less environmentally-friendly ways of heating at a time of crisis when we are all saving. ArcelorMittal Ostrava thus helps us improve the cleanness of air in the town,”

says Dagmar Hrudová, mayor of the town of Vratimov.





Steel is
100 %
recyclable

We processed
643,706 tonnes
of scrap iron

Environmentally-friendly waste management

It is our long-term goal to reduce the volume of secondary products and waste. We pay great attention to preventing the production of waste and to maximum recycling.

100-% recyclable steel

In contrast to other industrial products, the key advantage of steel is that it is one hundred per cent recyclable. Its re-processing, in fact, is far less energy-intensive than its primary production. At ArcelorMittal Ostrava steel scrap makes on average one third of the metal charge. We processed 643,706 tonnes of scrap iron in 2013.

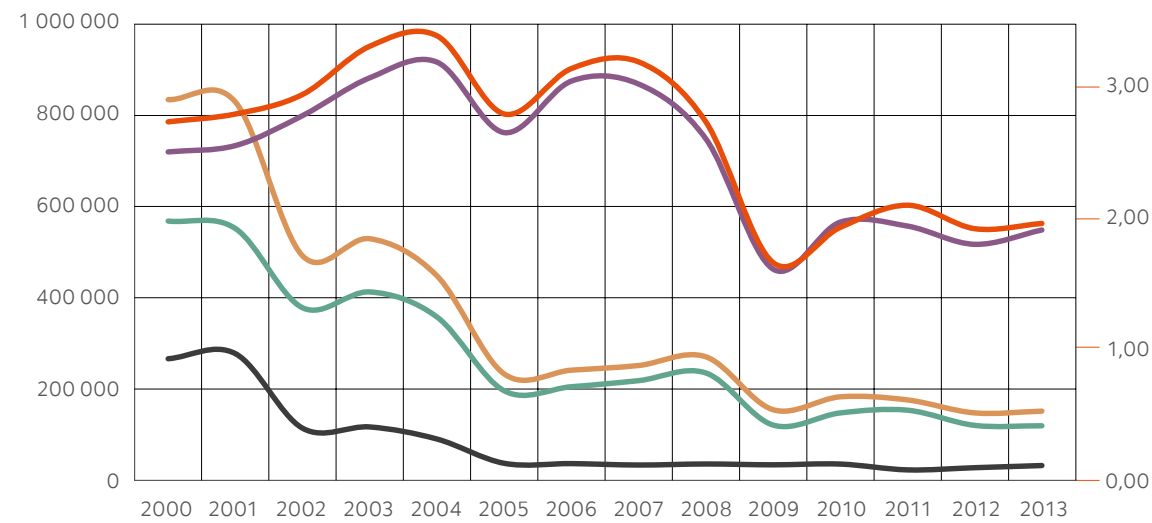
By-products

We also recycle and re-use a number of by- and waste products. Some waste is certified as a product and is primarily used in the building industry.



- Blast-furnace slag made of iron, from which artificial aggregate and granulate is made. We produced 297,146 tonnes of granulate and 311,063 tonnes of aggregate in 2013.
- Steel slag, which is used in earth work. We supplied external companies with 181,835 tonnes of modified steel slag in 2013.
- Brick and refractory material, around 10 % of which we recycle and re-use in repairs of steel-making facilities; the remainder is used in the building industry. We produced 56,742 tonnes of this material in 2013.

Waste production 2000 - 2013



• Pig iron production [millions t/y] • Steel production [millions t/y] • Category N waste (hazardous) [t/y] • Category O waste (other) [t/y] • Total waste [t/y]



Supporting beekeepers

We have long provided support to the Primary Beekeepers Organisation in Radvanice and Bartovice. In addition to contributions towards activities leading to the protection of hives, we helped financially secure the organisation of a beekeeping exhibition in 2013, as part of which children and adults were able to listen to a public talk about bees and beekeeping and look at or buy various bee products. We also supported the publication of a beekeepers' yearbook.



Protecting plants in Carpathian water courses

We supported care for endangered species of plants in the basins of the rivers Olše, Ostravice and Mohelnice as part of the Dance for Life charity project. Patronage of the project is taken by the Czech Union for Nature Conservation Salamandr. The plants that the project focuses on are only usually found in the Czech Republic in the Beskydy Mountains and the Podbeskydí area.



Dalimil Park again open to the public

After costly reconstruction work, to which ArcelorMittal Ostrava contributed the sum of 258 thousand crowns, Dalimil Park was ceremonially opened in Ostrava-Radvanice. The area has been transformed into a relaxation centre with features for senior citizens and children. The design of modifications to the park was compiled in cooperation with students from the Department of Architecture at the Technical University of Ostrava.



Improvements to the centre of Vratimov

We provided a contribution of three hundred thousand crowns to a project involving the revitalisation of Radniční Square in the centre of the town of Vratimov. Stage one of the project involved the building of a children's play area for children of between 2 and 12 years of age. Stage two of the project – a small rest zone with water jets and providing the square with greenery – will continue on from this in 2014. The water will be sprayed from jets at

paving-stone level so these can be used as somewhere for children to play.

Quiet zone in Šenov

The improvement of Radniční Square in Šenov was completed with stage three in 2013. We jointly financed the project as a partner together with the town of Šenov, providing a contribution of 300 thousand crowns at each stage. The improved public area is now used as a relaxation zone for the people there and is popular for its attractions for children.



Herb garden for children

The nursery school in Šenov used the contribution we provided to buy original educational features in the school garden – a herb garden and a willow twig maze. The children therefore found greater motivation for staying in the countryside and gained an awareness of caring for their surroundings.



Roundabout for Radvanice and Bartovice

Work got underway on improving the appearance of the roundabout

in Fryštátská Street in the district of Radvanice and Bartovice with our help in 2013. Competing projects were compiled by students from the Department of Architecture at the Technical University of Ostrava. The people that live in the city district then voted on the winning appearance for their roundabout. A sculpture of 3.5 metres in height will also be part of the roundabout modernisation.



Children's playground in Havířov

Families with children in Havířov – Podleší and Havířov – Šumbark can now use a new children's playground and play features, a project we made a contribution toward in 2013. The new play features, roundabout and rope parks will improve the culture of living and the leisure-time activities of the people of Havířov. This was the third year of our support for the project of improving the quality of the living culture in Havířov.



Enriching our communities



Key performance indicators

| Enriching our communities | 2011 | 2012 | 2013 |
|---|----------------|------------------|------------------|
| Funds dedicated to supporting local communities | CZK 21 million | CZK 28.8 million | CZK 28.5 million |
| Number of hours of voluntary activities by employees | 6,604 | 6,111 | 5,710 |
| Number of beneficiaries of ArcelorMittal Ostrava's community projects | 57,729 | 79,448 | 76,143 |

Helping community development

We are aware of our responsibility toward the region in which we operate and the people that live here. That is why we are committed to be a good neighbour that pays attention to the needs of the local communities.



We make regular investments in the development of our work procedures, try to improve the quality of life of the people and support development of the infrastructure in the city and the whole region. We help local economic development, providing local people with job opportunities, taking goods from local suppliers and supporting

local education, health and the non-profit sector.

In the overview of our estimated economic contribution we take into consideration salaries, payments for the purchase of services and material, taxes and contributions to the state budget, investment in science and research and social investment.

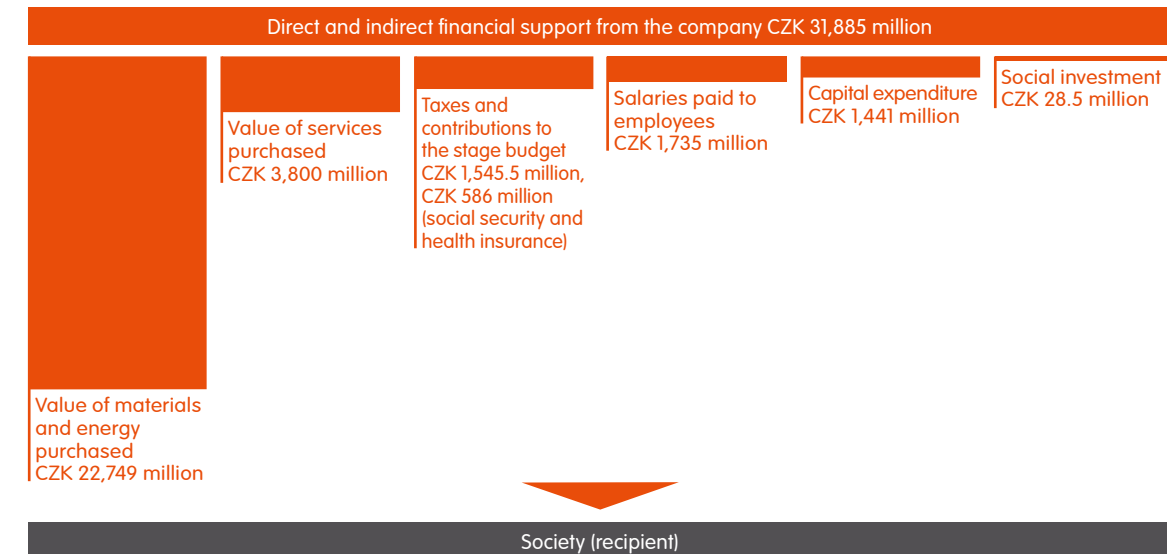
ArcelorMittal Foundation

As far as support for the local community is concerned, ArcelorMittal Ostrava complies with the rules of the global ArcelorMittal Foundation, which was established in Luxembourg in 2007. It is a non-profit organisation that focuses on the development of ArcelorMittal's corporate responsibility towards the public. The ArcelorMittal Foundation currently operates in 30 countries, one of which is the Czech Republic. The Foundation also cooperates 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 units in all countries in which ArcelorMittal operates.

The community projects are selected on basis of the ArcelorMittal Foundation criteria.

The ArcelorMittal Foundation rules stipulate that support must be directed towards the communities near the group's facilities. In our case this is the entire Moravian-Silesian region. The projects we focus on are related to health, safety, education, the environment and social spheres, the main aim being to ensure economic development and the sustainability of organisations. Individual projects are considered by the committee composed by representatives of ArcelorMittal Ostrava. The committee assesses whether the project complies with the above determined criteria and then recommends the projects according to their feasibility, usefulness, attainability of the targets set and efficiency of the use of the subsidy applied for.

ArcelorMittal Ostrava's economic contribution for 2013





Health

The area of health is one in which we continue to invest in improving healthcare conditions and eliminating health risks, offering support to our own employees and the wider community and to health organisations.

The Czech Red Cross

Over the past five years we have supported projects undertaken by the Czech Red Cross in Ostrava with almost 500 thousand crowns. Among other things, we helped equip an ambulance and bought a full-body first-aid trainer and a tent to be used by rescue workers during extraordinary events. In 2013 we also supported activities surrounding the 10th anniversary of the Czech Red Cross Emergency Service in Ostrava. We also take part in the traditional First Aid

at the Castle event as a partner. Members of the Czech Red Cross organise specialised training sessions and practical drills in the provision of first aid for employees and managers at ArcelorMittal Ostrava and regularly take part in day-long sporting events for the employees of ArcelorMittal and their families.

We contributed CZK 125,000 to the Czech Red Cross in 2013 for a humanitarian trailer to be used in extraordinary situations, such as floods or fires. The trailer will also be used for prevention and

“The need for a trailer to take humanitarian aid to disaster areas was shown by the most recent floods, when this sort of trailer was really missed. It means we are able to improve our medical and rescue activity,”

said Lydie Poledníková, director of the Czech Red Cross in Ostrava.

Contribution of
CZK 125,000
to the Czech Red Cross project



instruction of pre-medical first aid and as a base for volunteers that want to help the needy.

Giving blood

We support free blood donation and cooperate with the Blood Centre at the Teaching Hospital in Ostrava. ArcelorMittal, in fact, is the company with the highest number of blood donors in the Ostrava area. Some 366 employees from ArcelorMittal Ostrava and subsidiaries joined in the company's "100 minutes for life" campaign, giving almost 200 litres of blood at the Blood Centre of the Teaching Hospital in Ostrava during one month.

Breath monitors

We bought twelve new breath monitors for new-born babies at the Teaching Hospital in Ostrava through the Crossroads Foundation. The Neonatology Department provides these to all new-born babies as a way of preventing sudden infant death syndrome.

Salt cave

Children from the Paskovská primary school in Ostrava-Hrabová can now enjoy a mobile salt cave and a relaxation corner to help them improve their defences and immunity.

Be careful!

The "Be careful!" children's education campaign, which we created

together with Kiwanis Klub Ostrava, travelled to hospitals and nursery schools in 2013. The second year of the education campaign, aimed at preventing injuries among children in the Moravian-Silesian region using didactic images created by painter Vlasta Švejdvová, again warned children of the risk situations they might come face-to-face with at home and outdoors. Educational posters, cards and pictures

to colour-in were accompanied by the Clowns from Balonkov theatre group, which received CZK 130,000 from us for the project. The clowns draw the children's attention to the possible risks that may endanger their health, in an interactive and playful way.

“More than two thousand children are born on our ward every year and prevention of sudden infant death syndrome is absolutely essential to us. We hugely appreciate our cooperation with the Crossroads Foundation and ArcelorMittal Ostrava,”
said Hana Wiedermannová, deputy senior consultant at the Neonatology Department of the Teaching Hospital.





Education

The development of secondary and university education that focuses on metallurgical and engineering disciplines is extremely important in the Moravian-Silesian region. We deal with this issue in a comprehensive way, cooperating with primary and secondary schools and universities in the region.

Craft has a golden bottom

A competition for primary 8 and 9 grade children that we have long supported. Pupils can try out specific trades, such as metallurgist, mechanic, fire-fighter and so on. This helps young people decide on their future occupations.

Excursions for pupils and students

Some 670 pupils from 25 primary schools from Ostrava and the surrounding area came to learn something about metallurgy during our open doors week in November. Primary 9 pupils had a look at our operations, learned something about production and the safety of

work at the plant and competed for prizes. They also received a DVD with an educational film about the production of steel at our works.

Cooperation with the university

Cooperation with the Technical University of Ostrava in the sphere of research and development continued in 2013. Indeed the university received 2 million crowns from the company. Joint projects took in, for example, measuring the temperature of combustion products in tandem furnaces and proposing ways of reducing the phosphorous content in hot metals. The second area of support was related to the university's conference and

"I am glad that a prominent industrial company is supporting applied research in spite of the fact that industrial production in the Czech Republic fell year-on-year. Cooperation with ArcelorMittal Ostrava provides us with funds and students are able to try out work on specific research assignments in everyday practice,"

said Ivo Vondrák, rector of the Technical University of Ostrava.



publication activities. The third area supported the university's students directly, rewarding the best dissertations with a financial contribution.

Helping philology students with experience

The company is a partner to the Innovation of English and German Study Programme (ISPAN) created by the Institute of Foreign Languages at the Faculty of Philosophy and Natural Science of the Silesian University. Thirty philology students came to us to try out the work of a translator. During their placement they got to know some specialised terminology from the sphere of metallurgy, business, economy and law and tested out their translation skills on authentic texts.

Teacher training

Teachers of technical subjects from the Moravian and Silesian region gained some specialised experience at the plant. We prepared a year-long professional development programme for teachers accredited by the Ministry of Education, Youth and Sport of

the Czech Republic in collaboration with the Sedukon non-profit organisation. Twenty teachers successfully gained specialised experience in the disciplines of metallurgist, coke plant chemical worker, machine operator and electrician.

"Getting to see exactly what happens in plant operation as it happens was very instructive and I was able to dust off some memories from school, seeing what has changed in that time. I now teach pupils in the specialisation of Metallurgist, meaning that I use the information gained in the lessons themselves," described his experience Kamil Staněk from the Ostrava-Vitkovice Secondary Industrial School.

Supporting technical education

We contributed almost half a million crowns to technical schools in the region in 2013, the money being used on projects that were successful in a grant application procedure. The Technical and Transport Secondary School in Vitkovice is able to acquaint its pupils with

the functions of a tachograph thanks to the donation. The Electrical Engineering Secondary School in Ostrava received a contribution to equip a physics classroom. Pupils at the Vitkovice Secondary Industrial School will now be able to use instruction systems of pneumatic and hydraulic circuits. The Secondary Industrial School, the Business Academy and the language school in Frýdek-Místek received a donation with which to fit out a multi-purpose hall.

English to schools

The Edison project, on which we collaborate with student organisation AIESEC, allows us to support the interest young people might have in studying technical subjects and draw their attention to the need for language education. The project is in its third year now and is a great opportunity for students to try out their knowledge of English in practice.

International business customs

We offered our support to the creation and issue of a publication of

international business customs in 79 countries of the world. The project was created by student organisation AIESEC.

Modernisation of practical teaching

The AHOL vocational secondary school used our contribution to fit out a special classroom, which will be used for practical lessons by pupils of the vocation of Orderly and the study specialisation of Social, Administration and Care Work. A set of simulators and models help improve the quality of teaching future orderlies and carers.



A total of **670**

primary school pupils visited ArcelorMittal Ostrava during an open doors week

Financial contribution of almost

CZK 500,000

to technical schools for projects



Culture

Industry and culture in Ostrava go hand-in-hand - an official partnership project designed to develop culture in Ostrava is the result of discussions between our company and the City of Ostrava. We have become the main donor to cultural projects and institutions in Ostrava for the period 2012 to 2014.

Cultural partnership

The most prominent cultural events which we support as sponsors include the Colours of Ostrava music festival, Festival on the Streets, the Ostrava Shakespeare Festival, the Saint Wenceslas Music Festival, Folklore without Boundaries and Dream Factory. All these projects are prominent, well-known cultural events in Ostrava. We are also a partner to the Petr Bezruč Theatre, the National Moravian and



Silesian Theatre, the Puppet Theatre, the Aréna Chamber Theatre, the Cooltour multidisciplinary centre and Ostrava Museum.

Shakespeare Summer Festival

The people of Ostrava were again able to enjoy this unique cultural event in 2013 with our support. The poetic language of Shakespeare's dramas could therefore be heard



on the grounds of Silesian Ostrava Castle again last year.

60th anniversary of Janáček Conservatoire and Grammar School in Ostrava

Janáček Conservatoire and Grammar School in Ostrava celebrated its 60th birthday in 2013. We provided a contribution to the school that was used to issue a publication, not just a classic yearbook, but a book of memories, interviews and profiles of the outstanding graduates of the school, now recognised artists.

Jewish families in Ostrava

We offered our support to the "Have we forgotten them?" exhibition on the trail of Jewish families in Ostrava that was held at Ostrava Museum in August and September 2013. The exhibition was visited by, among others, the descendants of the well-known

Jewish family Rix. The Rix family owned a big department store of the same name in Ostrava before World War II, but now lives in London.

National Technical Museum

The National Technical Museum in Prague opened a new exhibition on the history of metallurgy, with the subtitle of Metals – the Path of Civilisation, at the end of 2013. The new permanent exhibition presents the technical and historical development of metallurgy and its connection to the life of society, which was influenced by iron more than by any other metal. We are a partner to the modern part of the exhibition, for which we provided audio-visual materials relating to metallurgy production and a financial contribution to the arrangement of the exhibition itself.



Midnight Gospel

ArcelorMittal Gospel, in collaboration with the Cooltour Multidisciplinary Contemporary Art Centre, put on an extraordinary Midnight Gospel event. The combination of Czech Christmas traditions and the rhythm of gospel was a Christmas present for all those that decided to come to Cooltour on Christmas Eve.

celebration in the city district of Silesian Ostrava is attended each year by more and more people intent on having a great day out with their family and friends. Apart from providing financial support, we added something to the programme with a performance by the ArcelorMittal Gospel children's choir, accompanied by EzyWay band.



Silesian Day

We were again the main partner to Silesian Day, a family event at Silesian Ostrava Castle. This traditional

Silesian Lily

Beautiful weather, great artists and a good atmosphere were the ingredients that helped make up the Silesian Lily international music

festival, which we supported as a partner. The main aim of Silesian Lily is to break down the barriers between Christians and the general public.



ArcelorMittal Gospel

The choir was set up in 2011 as a leisure-time project for the children of employees at ArcelorMittal and pupils from schools in Ostrava. A group of 45 children is accompanied by rock group EzyWay. Jan Rafaj, HR and Public Affairs Director at ArcelorMittal Ostrava, is leader of the ensemble and plays the electric guitar.



Colours of Ostrava

We were again the main partner to Colours of Ostrava and general partner to Festival in the Streets. Incidentally, the attendance record was broken in 2013, with 31,500 visitors coming along.

Dance for Life

Visitors to Colours of Ostrava and Festival in the Streets had the opportunity to dance in support of good causes in tents set up by ArcelorMittal Ostrava. ArcelorMittal Dance for Life, which thousands of visitors take part in every year, was again part of last year's music festival in Ostrava, the 12th festival to have been staged.

Visitors are charged with the task of copying the dance choreography of professional

dancers, dancing for points that we convert into money. After finishing, each dancer can choose the non-profit project he or she wants to support.

A total of 4,621 visitors to Colours of Ostrava and Festival in the Streets managed to dance their way to half a million crowns in support of four volunteer projects over the four days of the festivals. The money was then donated to the Czech Red Cross, the Czech Union for Nature Conservation Salamandr, the Clowns of Balónkov and the Mental Café.



Our gift has helped save the life of a visitor to the Colours of Ostrava

The rescuers of the Czech Red Cross Ostrava has send us a letter of thanks: "During the first concert a visitor from Poland suffered a cardiac arrest. The physicians who came to see the concert started with resuscitation and our rescuers began defibrillation using the equipment you had donated to us. The patient was then taken to hospital and released the week after. Your company has contributed to this success. Thank you." The fan in question has posted a note of thanks on the Facebook, too: "Thank you for saving my life! I am now waiting for the implementation of a defibrillator. I am so lucky and grateful for being given a second chance!"

ArcelorMittal Ostrava has organised the Dance for Life event regularly since 2010, in which time those taking part have succeeded in dancing their way to 1,853,764 crowns. This money was then donated to 21 non-profit organisations in the Ostrava area.



Projects supported

Humanitarian trailer for Czech Red Cross Ostrava

The Czech Red Cross used the sum of CZK 125,000 to buy a humanitarian trailer intended for the transportation of material aid and facilities for a mobile treatment centre.

Caring for endangered species of plants with the Czech Union for Nature Conservation Salamandr

The Czech Union for Nature Conservation Salamandr received 120 thousand crowns for a programme involving care for endangered species of plants in the basins of the rivers Olše, Ostravice and Mohelnice.



The Clowns of Balónkov, an educational theatre performance for children

The Clowns of Balónkov are part of the TRDLA unincorporated association – "a theatre company of absolute non-actors". The group received 130 thousand crowns for a special theatre performance for children at nursery schools. The project builds on the "Be careful!" campaign organised by KIWANIS and ArcelorMittal Ostrava.

Mental Café, a travelling café that works in cooperation with the Cool-tour multidisciplinary art centre.

This is a project that builds on Film Mondays with Mental Power, during which the café was staffed by people with disabilities. Financial support of 125 thousand crowns meant that a travelling kiosk with coffee-making equipment could be bought, allowing them to head into the streets of Ostrava.

"We were delighted that the partners we contacted were enthusiastic about getting involved with projects deserving of financial support. All four are so interesting that those taking part did not know which to choose first. So I decided to dance in the ArcelorMittal tent for all four projects in turn,"

said Monika Pěničková, Head of the Department of Corporate Responsibility and Social Services at ArcelorMittal Ostrava.



A total of **4,621 dancers** in ArcelorMittal tents

Social projects

The support of socially beneficial projects is key to us. Therefore we collaborate with a number of non-profit organisations in this region. We are also a partner to social programmes pursued by the governments of the local districts and towns. Many projects are supported within our grant procedure.

All the colours of the rainbow
The "Čtyřlístek" centre for people with disabilities in Ostrava organised the remarkable cultural event entitled "All the colours of the rainbow" for a seventh year. The idea is to give the handicapped the opportunity to line up alongside professionals on the boards that mean the world. We supported the seventh year of the concert, which took place on the stage of the Antonín Dvořák Theatre in Ostrava under the patronage of Czech pop star Petra Janů.

They came together to help
Charity Ostrava organised a benefit concert in support of the homeless with our support. The aim of the project was to combine culture and good causes at a benefit concert and to obtain financial support to help people without a roof over their heads, users of the St. Benedict Labre Charity House – a low-threshold day centre for the homeless – and the St. Francis Charity House – an asylum centre and hostel.

Advent full of angels

The aim of this charity event is to bring together those that need help with those that can and want to help. The event, in support of twenty regional non-profit organisations, took place on Thursday 28th November 2013 at the multi-functional Gong gas tower in Lower Vítkovice area. Visitors were able to buy some attractive gifts and come up with their own creations at a creative workshop. ArcelorMittal Gospel,



accompanied by EzyWay band, was the main guest of the evening.

Vitamins for the elderly

For the fourth time now we provided senior citizens at three pensioners' clubs in the Ostrava districts of Radvanice and Bartovice with vitamin packs, presented to them by mayor Šárka Tekielová and our HR and Public Affairs Director Jan Rafaj.

"Christmas is one of the most wonderful times of the year, a time when we should not forget the elderly. I am sure they appreciated the gift," said Jan Rafaj.

Trip for the elderly

We offered our support to senior citizens at the homes in Hladnovská Street and Heřmanická Street and to pensioners' clubs together with the City of Ostrava, city district of Silesian Ostrava. A total of 35 senior citizens embarked on a three-day relaxation trip to Český Krumlov.

Sports day for the physically disabled

We provided prizes in support of the 12th year of a Sports Day for the Physically Disabled held at the Social Care Institute in Hrabyně. The institute combined the event with celebrations to mark its 40th birthday.

Table tennis for wheelchair users

We provided prizes for entrants in support of the Czech Championships in singles and doubles table tennis for wheelchair users.

Competitors from all parts of the country took part, including some outstanding Czech national team members.

Mental Café travelling café

The Mental Café travelling café is now able to head into the streets of Ostrava thanks to a donation from ArcelorMittal Dance for Life. The main aim of the project is to involve people with disabilities in the regular work process and in society.

The kiosk has basic coffee-making equipment in the shape of a coffee machine, paper cups and the essential utensils. Everything is adapted to fit a foldaway counter and the kiosk is accompanied by chairs and a little table.

Apart from sales to the people of Ostrava, the travelling café will also be used at a variety of cultural events. Proceeds from the sale of coffee are used in part to pay the mentally disabled workers that serve at the café together with



a representative of the coordinator. Apart from covering the costs of running the café, profits from the sale of coffee will also be used as a contribution towards a selected charity project.



"The Mental Café project aims to show people with mental disabilities that they are capable of working, to teach them new skills and communication abilities. It is also important for the "other side", as it were, in that we want to break down any preconceptions the people of Ostrava might have by bringing them into contact with the disabled,"

said Ivana Martáková, who is responsible for projects involving people with combined disabilities at the Cultural Ostrava unincorporated association.





Corporate volunteering

Engaging employees in corporate volunteering has become a key element in the corporate responsibility strategy at ArcelorMittal Ostrava. It is not enough to simply make financial donations to help the community develop; it is also important for each and every CSR activity to have its own special face. And the best face we can offer is that of our employees. Many of our employees are ready to go and willingly help non-profit organisations with what they need right then at any time.

International Volunteer Day

Around 150 employees have been regularly engaged in International Volunteer Days since 2008. We have long worked together with more than 25 non-profit organisations as part of the day.

Employees take part in the day during their normal hours of work and the company pays them in full. The work done during volunteer day includes such activities as cleaning

work, painting, making decorations, gardening work, maintenance work and providing company to clients of the organisations or reading to children. The organisations which accept corporate volunteers include children's homes, educational institutes for children with different forms of disability, charity centres, retirement homes, family centres, the zoo and shelters for abandoned animals.

"I consider corporate volunteering to be very important and necessary. I myself take part regularly. I get a lot out of the work, and so last year I decided to begin working with a non-profit organisation in my free-time as well," says Ivana Röhrichová, Stock and Purchasing Officer at ArcelorMittal Ostrava.

Give & Gain Day 2013

An international initiative in which all enterprises in ArcelorMittal became

involved in 2013. Some thirty volunteers from ArcelorMittal Ostrava took part in these activities.

Humanitarian aid after the floods

Our employees helped people affected by floods in North and South Bohemia in 2013. Together with Charity Ostrava and Czech Red Cross Ostrava, they organised a collection of material aid, almost three hundred employees getting involved. The items collected



and intended to help those in need were valued at over 100 thousand crowns. Some ten volunteers from the ranks of our employees also helped in the process of clearing up the areas affected and putting them back in order. Our employees helped clean-up operations in the area around Ústí nad Labem as required by the crew of the Association of Volunteer Rescuers.

"The ground floor of the house of the lady we helped on the first

day was flooded to a height of around two metres. She had been cleaning up for 10 days. She lives alone – her husband died a couple of years ago. She did not complain, she did not cry. She was grateful for any help she could get," said Karla Staňková from Transport.

Sheltered workshop markets

For the fifth year now we have organised markets for sheltered



A total of **150 employees** take part in International Volunteer Day



A total of **1,800 employees** a year take part in volunteer activities

Proceeds of **CZK 160,000** from the markets for sheltered workshops

workshops in Ostrava and the surrounding area on the plant grounds at Christmas and Easter time. Our employees therefore have the chance to support sheltered workshops and buy an original gift for their nearest and dearest. More than 800 company employees visit these popular markets each year.

"The sheltered workshop fairs have become a traditional way of creating a pleasant festive atmosphere at the company. We are delighted that we can also use them to help a great many people," says Monika Pěnčíková, Head of the Department of Corporate Responsibility and Social Services at ArcelorMittal Ostrava.

"I would like to thank ArcelorMittal for the help provided by the corporate volunteers that put in a total of 182 hours of work for us in 2013 alone. The interest in and support of our activities offers me and my colleagues encouragement for our future work," says Martin Pražák, director of Charity Ostrava.



Minigrants

One very effective form of helping regional non-profit organisations, and indeed company employees, comes in the form of what is known as Minigrants. Employees that are active in a non-profit organisation can obtain a financial contribution of up to CZK 30,000 for that organisation. Applications are made for projects that are of benefit to the public in the following areas: leisure-time activities for children, social and environmental projects, health and safety.

Minigrants

The programme came into being at the turn of 2010, when the company decided to contribute towards development of the local community and combine the interests of society with those of company employees. Patronage of each project supported is taken by a member of senior management at the company, who gets to know the project, visits the place of implementation and can even become involved.

Minigrants have been very well received by employees and the community alike and have become a permanent fixture of the volunteer programme.

The money from Minigrants is used, for example, to buy equipment for the association of bee-keepers, huntsmen's association, volunteer fire-fighters, sports clubs, children's play areas, summer camps or school libraries. Cleaning facilities for drinking water have been built, canteens for summer camps and showers for immobile children.

Support of young fire-fighters

Jaroslav Dlouhý, an operator at the steel plant, helped the award of a contribution to young fire-fighters aged between 3 and 15 years. The Volunteer Fire Rescue Service Petřvald used a Minigrant to buy safety equipment that is essential for the participation of children in fire-fighting competitions. And the team of youngsters performed really well during the season, the children occupying medal-winning positions and claiming ten different trophies.



Minigrants 2010 - 2013

| Round | Number of projects supported | Amount distributed | Number of beneficiaries |
|--------|------------------------------|--------------------|-------------------------|
| 2010/1 | 15 | 200,000 | 1,554 |
| 2010/2 | 30 | 400,000 | 4,961 |
| 2011/3 | 33 | 400,000 | 4,920 |
| 2011/4 | 39 | 450,000 | 4,063 |
| 2012/5 | 39 | 450,000 | 4,723 |
| 2012/6 | 46 | 450,000 | 5,111 |
| 2013/7 | 51 | 772,610 | 4,456 |
| TOTAL | 253 | 3,122,610 | 29,788 |

Floorball without barriers

Radim Lipták from the rolling mill received a Minigrant for FBC Ostrava floorball club, which brings together children, young people and disabled sportspeople from the Moravian-Silesian region. The Minigrant allowed the club to improve the facilities at the club and buy strips and team training gear for children and handicapped sportspeople.



Solar shower

Petra Suchardová from the Safety Department received a Minigrant for the "Joy, a camp for all" unincorporated association, which organises camps for children and projects in support of integrating disadvantaged groups of children and young people. In 2013 it organised a camp for 12 children in wheelchairs and another 150 children. The Minigrant greatly helped when it came to bathing and washing the young wheelchair-users – an outdoor solar shower was bought and access to it was far easier than getting into the showers inside.



Contribution to rugby players

Radek Kokinda from the steel plant, who trains young pupils in rugby in his free-time, helped Rugby Club Havířov receive a Minigrant. The aim was to provide a new team of pupils aged between 6 and 9 with equipment, play and training aids. Thanks to the Minigrant, the team of pupils now has new, light, breathable strips, its own balls and training equipment for games and preparation for competitions.



Young Reader

The "Young Reader" project for the primary school at Porubská 831 in Ostrava – Poruba was registered for the Minigrant programme by technician Petr Tomek. The aim of the project was to modernise the facilities at the school library for pupils and in doing so support the children's interest in reading and contribute towards improving the quality of the reading skills of pupils. The library is open to all pupils at the school and is also used by teachers as a source of teaching and motivational material.



Canine sport

Lumír Šeděnka, a metrologist at the metallurgy and chemical laboratory, registered the Primary Canine Organisation in Ostrava-Muglínov for the Minigrant programme. The organisation used the donation to buy mobile screens, a tunnel and protective gloves for dog training. Events organised by the association appealed to a great number of people of all age categories, but mainly focused on supporting leisure-time activities for children and young people, mainly in the problem area of Liščina.



Student rock-pop group

Robert Nečas from energy dispatching at ArcelorMittal Energy Ostrava received a Minigrant for the student rock-pop group Fusion. The association devotes itself to working with young people in the risk age of 13 to 20 by providing regular leisure-time activities. The contribution from the Minigrant went towards the student's rock-pop choir Fusion to buy the musical equipment required, giving the group a wider range of options during rehearsals, at workshops and at public performances given by Fusion.



Financial contribution of up to

CZK 30,000

per project provided through Minigrants

We distributed

CZK 3,122,610

through 7 rounds of Minigrants

"Our Minigrants are used to help children, senior citizens and the disabled. Neither are we opposed to helping animals in shelters or the bee-keepers that are trying to maintain bee-keeping in the region for future generations. We have offered support to 253 projects during the seven rounds to have taken place since 2010, contributing more than three million crowns," explains Tapas Rajderkar, CEO of ArcelorMittal Ostrava.



Transparent governance

| Key performance indicators | | | |
|--|-------|-------|------|
| Transparent governance | 2011 | 2012 | 2013 |
| Number of inquiries to the "CEO line" | 81 | 101 | 115 |
| Training in anti-corruption guidelines (number of employees) | 67 | 23 | 337 |
| Training in the Code of Business Conduct | 4,560 | 1,990 | 829 |
| Training on compliance with human rights | 6,664 | 84 | 90 |

We are a part of the largest steel group in the world and are therefore aware that there is exceptional responsibility associated with our production. Our employees always act in line with the legislation in force and in accordance with the company's rules and code of conduct, which regulates many relations in even more detail than legislation. We have globally-acceptable transparency standards in place at the company. Our group is therefore frequently found in leading positions in competitions that evaluate how transparent companies are.

We at ArcelorMittal Ostrava are also governed by other, more detailed policies that take in areas such as respecting human rights, discrimination at work, anti-monopoly and anti-corruption guidelines and economic sanctions. Adhering to all ethical rules is a requirement. Employees therefore have the opportunity to tell us of any cases of breach of regulations. Their information is checked without delay and the corresponding measures are taken.

Responsible sourcing

We believe we can have a positive influence on our suppliers by engaging with them on the social, ethical and environmental aspects of their business. Our code for responsible sourcing sets out minimum standards for our suppliers and describes how we will work with them to achieve these. It incorporates health and safety, human rights, business ethics and environmental management.



Open communication

We place considerable emphasis on open and direct communication with the parties concerned. The company's own in-house monthly is an important communication tool and is also distributed to prominent external stakeholders. The "Sousedé" (Neighbours) quarterly has also been published since 2011, focusing on the communities in the area next to the company. The company has also published an annual report on corporate responsibility since 2008.

The free Green Line
800 100 648

is available for easy communication with citizens

Stakeholders, meanwhile, have tools at their disposal for inquiries and comments - the public can use a free telephone line and employees can call the in-house "CEO line". There are also boxes, known as "TONDA" boxes, in which employees can place written comments and reaction at all plants, as well as the company headquarters.



The company's website, <http://ostrava.arcelormittal.com/>, and a historical website to mark the sixtieth anniversary of the company, www.novahut.cz, are also important communication tools.

Employee organisations

Open communication is the basis of a working partnership and a constructive dialogue with unions is essential for the problem-free operation and prosperity of the company as a whole.

“I would like to mention a very popular event for employees including members of trade unions: long service award. It is a gathering of employees who have reached important work anniversaries and who pass on their experience to a new generation of workers. This event is a token of appreciation of the long-term work with the company and at the same time a motivation for employees. Such events give our workers a clear signal that they are the key asset for the company and that they are very important indeed for further development of the company.”

Pavel Fichna,
Chairman of the trade union ZO,
OS KOVO ZO Mittal Steel
Ostrava – 3 Service.

Union membership at ArcelorMittal Ostrava stands at 63 per cent of employees. Their representatives are active members of the European Works Council. The company maintains a partnership with unions at the highest level – meetings are held every fortnight – and at the level of individual bodies. Employee representatives work in the Health and Safety Committee and are also active within the scope of tenders to find, for example, a new provider of catering services. We take their opinions very seriously.

There are 10 OS KOVO unions active at ArcelorMittal Ostrava, these being classified under the following professional groupings:

- OS KOVO ArcelorMittal Czech Republic,
- OS KOVO ArcelorMittal Ostrava Association,
- OS KOVO ArcelorMittal Czech Republic Union Council,
- OS KOVO Mittal Steel Ostrava – Transport.

Discussion between the company and union organisations is regulated by a collective agreement.

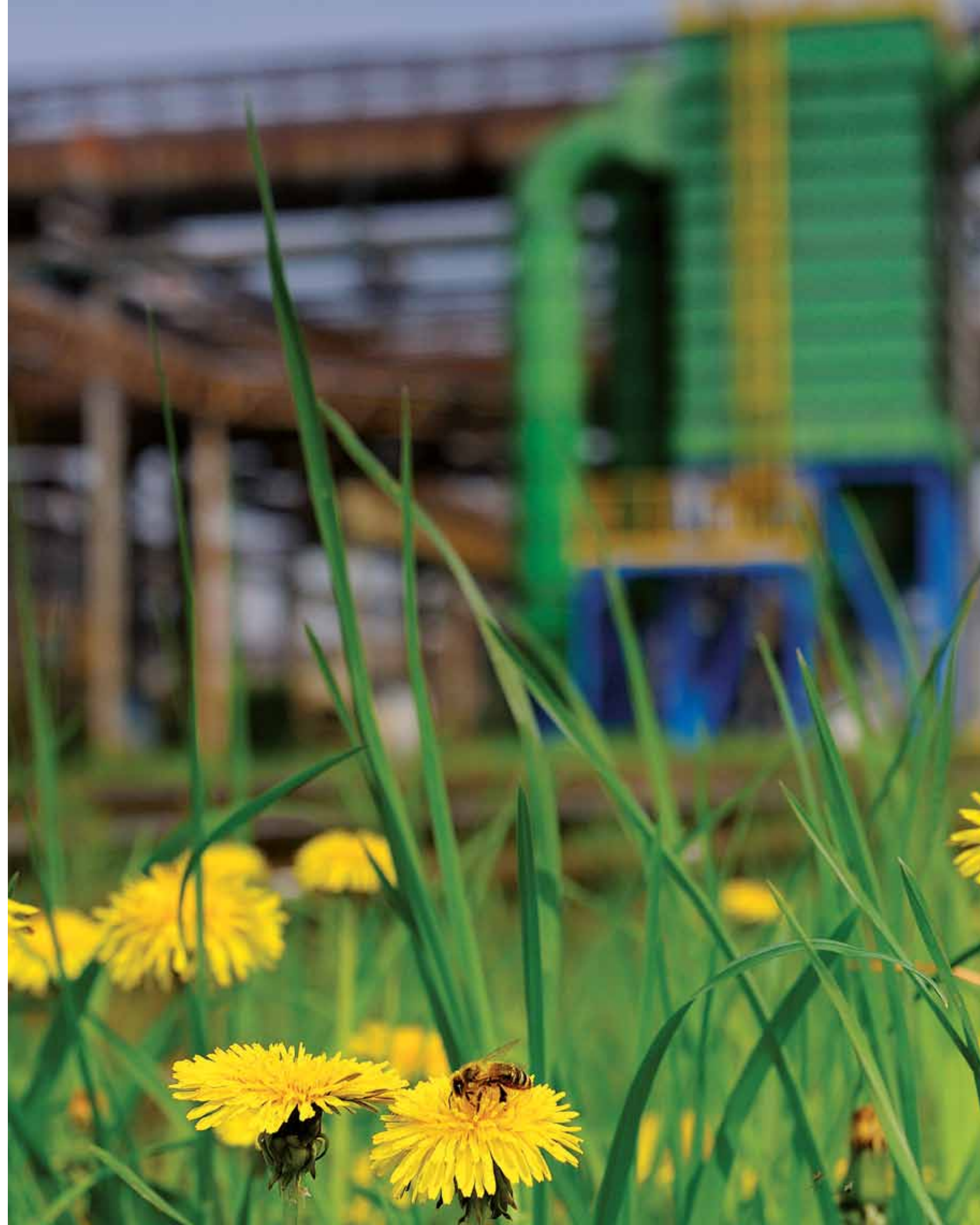


Organisations are regularly involved in meetings, consultation, arbitration committees and so on. A collective bargaining agreement for the years 2013 to 2015 was signed in March 2013. Changes were made in this agreement that mainly affected the area of remunerating employees.



A total of
63 %
of employees are union members

A total of
10 union
organisations at ArcelorMittal Ostrava





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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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