



ArcelorMittal

REPORT OF SUSTAINABILITY 2 0 1 4

LIGHT FOR LIFE, FOR DEVELOPMENT AND FOR A SUSTAINABLE FUTURE

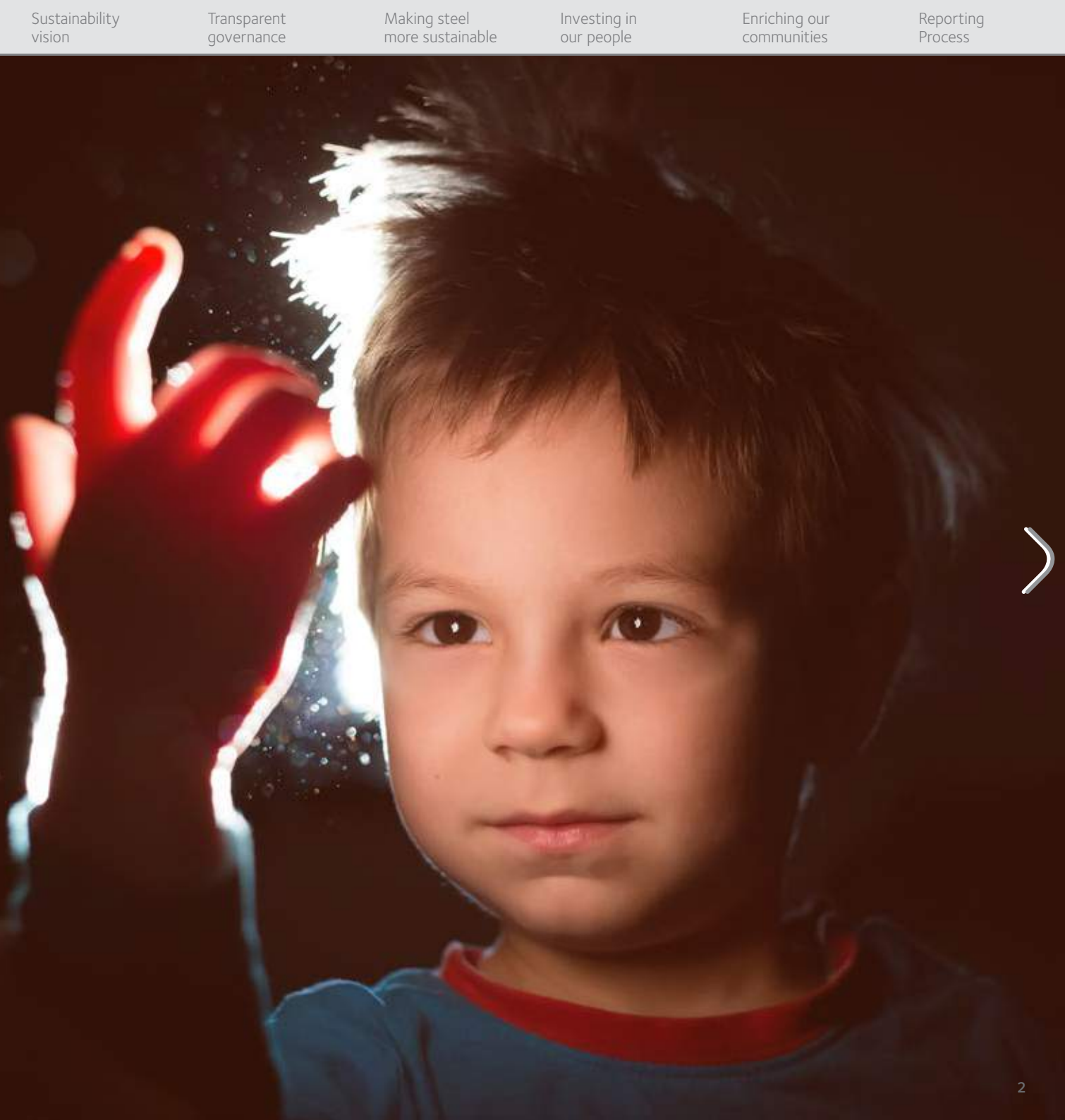
INTRODUCTION [GRI 3.3 ; 3.13]

This Sustainability Report is an initiative by ArcelorMittal Brasil, lined up to the policy and strategy of Corporate Responsibility of the world matrix to inform with transparency its practices and results obtained throughout the year 2014 to all the public with which it relates. This document is based on the four pillars of company's Sustainability: "Investing in our people", "Making steel more sustainable" and "Enriching our communities", all underpinned by a "Transparent Governance".

The Sustainability Report to be released in 2016 will present a new structure of Corporate Responsibility and Sustainable Development, considering the 10 outcomes on which Company started to base its operations in 2015:

- . Safe, healthy, quality working lives for our people
- . Products that accelerate more sustainable lifestyles
- . Products that create sustainable infrastructure
- . Efficient use of resources and high recycling rates
- . Trusted user of air, land and water
- . Responsible energy user that helps create a lower carbon future
- . Supply chains that our customers trust
- . Active and welcomed member of the community
- . Pipeline of talented scientists and engineers for tomorrow
- . Our contribution to society measured, shared and valued

This report was elaborated in accordance with GRI - Global Reporting Initiative methodology, version 3.1.



LIGHT IS LIFE, LIGHT IS TECHNOLOGY,
LIGHT IS SUSTAINABILITY.

As is for air and water light is an essential element for promoting a sustainable development and for searching for solutions for worldwide challenges pertaining energy, education, agriculture, and health.

The United Nations has acknowledged how important light is for people's life and for the planet's future and for that it celebrates the year of 2015 as the International Year of Light.

For ArcelorMittal Brasil the choice of light as a theme, as can be seen illustrating the pages throughout this Report, is a timely decision as humanity is now devising new alternatives for the energy crisis. Even more, it strengthens the commitments of the Group on its mission to provide novel solutions and technologies for the sustainability of our planet.

SUMMARY

Message from Management _____	4	Biodiversity _____	37
1. Profile _____	7	Climate Changes _____	40
1.1. ArcelorMittal worldwide _____	8	Emissions _____	40
1.2. ArcelorMittal Brasil _____	10	5. Investing in Our People _____	43
In numbers _____	10	5.1. Functional Features _____	45
1.3. Performance Map _____	12	5.2. People Development _____	47
2. Sustainability Vision _____	15	5.3. Remuneration and Benefits _____	48
Embraced commitments _____	17	5.4. Health, Safety and Welfare _____	48
Engagement with stakeholders _____	17	5.5. Precautionary Principle _____	50
Corporate Ethics and Transparency _____	18	6. Enriching Our Communities _____	51
Anti-corruption practices _____	18	6.1. Social development _____	53
Tax incentives _____	19	Social Investment _____	54
Value creation _____	19	6.2. Relationship with Customers _____	55
3. Transparent Governance _____	20	6.3. Relationship with Suppliers _____	56
Corporate Governance _____	21	7. Reporting Process _____	58
Governance Structure Organizational _____	22	7.1. Materiality _____	59
4. Making steel more sustainable _____	25	7.2. About this report _____	60
Product life cycle _____	26	7.3. Report Limits/scope _____	60
Environmental management _____	26	7.4. Stakeholders Engagement _____	61
Environmental policy _____	28	7.5. GRI and Global Compact Index _____	63
Main environmental impacts x mitigation measures _____	28	7.6. Contacts / Expedient _____	78
Water and effluents _____	30		
Energy _____	33		
High strength steels for the automotive industry _____	34		
Waste and by-products _____	35		

MESSAGE FROM THE BOARD [GRI 1.1; 1.2 ; 2.7; 2.9]

As expected by the Brazilian industry, and market analysts at the end of 2013, the Brazilian industrial sector did not recover its performance in 2014. On the contrary, 2014 was the worst industrial performance in the last five years and, once more, Brazil experienced an economic downturn. In a year of elections, hosting the football World Cup, several days of unforeseen holidays, and political and economic instability especially in the last quarter of the year, the country faced the stagnation of its economy, with a virtually nil GDP*: 0.11%. Furthermore, the high fiscal deficit of the public sector, BRL 32.5 billion, was the worst annual performance recorded in the historical series of Central Bank of Brazil.

The infrastructure concession programme launched by the Federal Government in 2013 has not progressed as expected. The low level of investment in this area has been a major contributor to the low consumption of steel and steel-intensive goods in Brazil. The public investment rate declined. And the government policy to increase consumption, which used

to provide certain dynamism to the economy, seemed to reach its peak.

In 2014, the country went through difficult moments, with inflation above the target center, announcement of technical recession, beginning of the energy and water crisis, in addition to the already known factors that continue to affect the competitiveness of the industry, such as current infrastructure gaps, precarious and costly logistics network, high tax burden, cumulativeness of taxes and increase of energy and labor costs.

The Brazilian economy was also influenced by the external market, considering the slowdown in the Chinese economy and slow recovery in Europe. On the positive side, there was the signal of recovery of the US economy, based, among other factors, in the reduction of oil prices.

Industrial production contracted by 3.3%, Industry's GDP* decreased by 1.9%, balance of trade showed a US\$ 3.9 billion deficit (the worst in 16 years) and the exchange rate accumulated an increase of 10.8% throughout the year.

Inflation rate remained at 6.41% (IPCA), close to the target upper limit, and continues to put pressure on Central Bank of Brazil to raise the Selic interest rate, which faced a new upward cycle and reaching the level of 11.75% in December.

In 2014, the main steel-demanding economic sectors had lower performance as compared to 2013. The Brazilian automobile sales reached 3.5 million units, 7.1% less than 2013. Production performance was even worse, fell 15.3% to 3.15 million units, including passenger cars, light trucks, trucks and buses. This is the lowest figure since 2009. The production of trucks fell 25.2% while bus manufacturers produced 17.9% less than in 2013.

According to IBGE (the Brazilian Institute of Geography and Statistics), GDP of construction sector* decreased by 4.9% and the physical production of inputs to this segment had a 5.9% reduction. The Real Estate Construction Activity Index (IACI) fell by 5.7% and the real estate market experienced high volatility. Considering São Paulo only, there was a decrease of about

11% in the number of new ventures and the sale of new real estate declined 40%. On the other hand, the volume of BNDES infrastructure-related disbursements grew by 10% from January to November 2014 as compared to the same period last year, a figure still below the demands from a continent-sized country like Brazil. In addition, the housing deficit is close to 5.8 million units.

A positive factor for the steel industry was the slight expansion of GDP in the agriculture and cattle raising sector*, 1.9%, since this segment demands several steel products. On the other hand, manufacturers of household appliances produced 2.8% less than in the previous year. And the income of the machinery and equipment manufacturers had even worse impact, since it dropped 10.9%, having their production shrank 5.9% as compared to 2013.

Brazilian crude steel production in 2014 totaled 33.9 million tons, decreasing by 0.7%. The production of rolled products was 24.8 million tons, reducing even more than the crude steel

production – around 5.5%, when compared to 2013. Apparent consumption of steel products in Brazil reached 24.6 million tons, 6.8% less than in 2013. Preliminary figures indicate annual per capita consumption of steel products of 121.4 kg in 2014, 7.6% less than 2013 and far from world's leading producers. Accumulated sales in the domestic market reached 20.7 million tons, representing a 9% decrease. Accumulated sales for flat rolled products (10.9 million tons) fell 9.9%; as sales for long rolled products (9.4 million tons), fell 6.6%.

Although it had a slight decline in 2013, direct import of steel products in Brazil increased again and reached 4 million tons. Such volume was 7.4% higher than the previous year. If considered the indirect import (steel contained in goods) of more than 4.8 million tons, the total volume of steel imports reaches 9 million tons, accounting for over a quarter of what was produced by the Brazilian steel industry in 2014. The country urgently needs a clear government policy to protect the domestic industry against predatory

imports of steel, consequently protecting local workforce and encouraging investment in the national industrial park.

This scenario is the result of the global capacity surplus of steel production, which already reaches 600 million tons and puts pressure on global markets, causing disturbances in international trade flow of steel and further impacting the steel sector competitiveness in the country. This volume is mainly produced in China, responsible for the production of 822.7 million tons in 2014, 0.9% more than in 2013. China exported 84.8 million tons of steel, 57% more than the total volume for external sales in 2013. Other countries, such as Turkey and Russia, have also found in Brazil an attractive market for selling steel.

Brazilian exports of steel products have also grown by 20.9% in volume in 2014, reaching 9.8 million tons, a performance that was not the result of international market improvement, but it was mainly driven by restart of No. 3 blast furnace of ArcelorMittal Tubarão and the

corresponding production of slabs that were exported by the Company.

In view of this scenario, the consolidated net income of ArcelorMittal Brasil reached BRL 17.9 billion, 8.2% higher than in 2013. The sales volume reached 8.9 million tons, up 10% as compared to the previous year. From this total amount, 71.5% were allocated to the domestic market and 28.5% to the international market.

Notwithstanding, the current situation gives us signs that we will be going through a tough macroeconomic period in 2015. Inflationary pressure, threats of water shortages and energy rationing, cost increase and exchange rate instability associated with systemic problems affecting the sector's competitiveness, and the international scene are additional threats to business. The fiscal austerity signaled by the new government is a positive and necessary message to the market, especially for the resumption of confidence, but the increase of taxes, interests and adjustment of prices that were restrained in recent years as a device to control inflation shall

not cause paralyzing effects on competitiveness agenda of the industry.

As for ArcelorMittal Brasil, we have been working with even more determination in business management, identifying and building opportunities, and strengthening our business model. We improved our health and safety indicators as well as the operating performance of our industrial units in Brazil. We continued with actions for continuous improvement and innovation in our processes, products and services. We worked in the reduction and control of fixed costs, and increased productivity, competitiveness and synergy among our businesses in Brazil. We are prepared to meet our customers' demands by investing in new technologies, having a modern industrial park, and especially with employees committed and engaged with our businesses.

We have also kept the commitment in lining up the Company's strategy to the compliance with the ten principles of United Nations Global Compact and, therefore, we have decided to

report them in this report. We still understand the importance to associate sustainability criteria to the performance of all the activities, in order to guarantee the success and continuity of the operations, conciliating the interests of the Company with the stakeholders'.

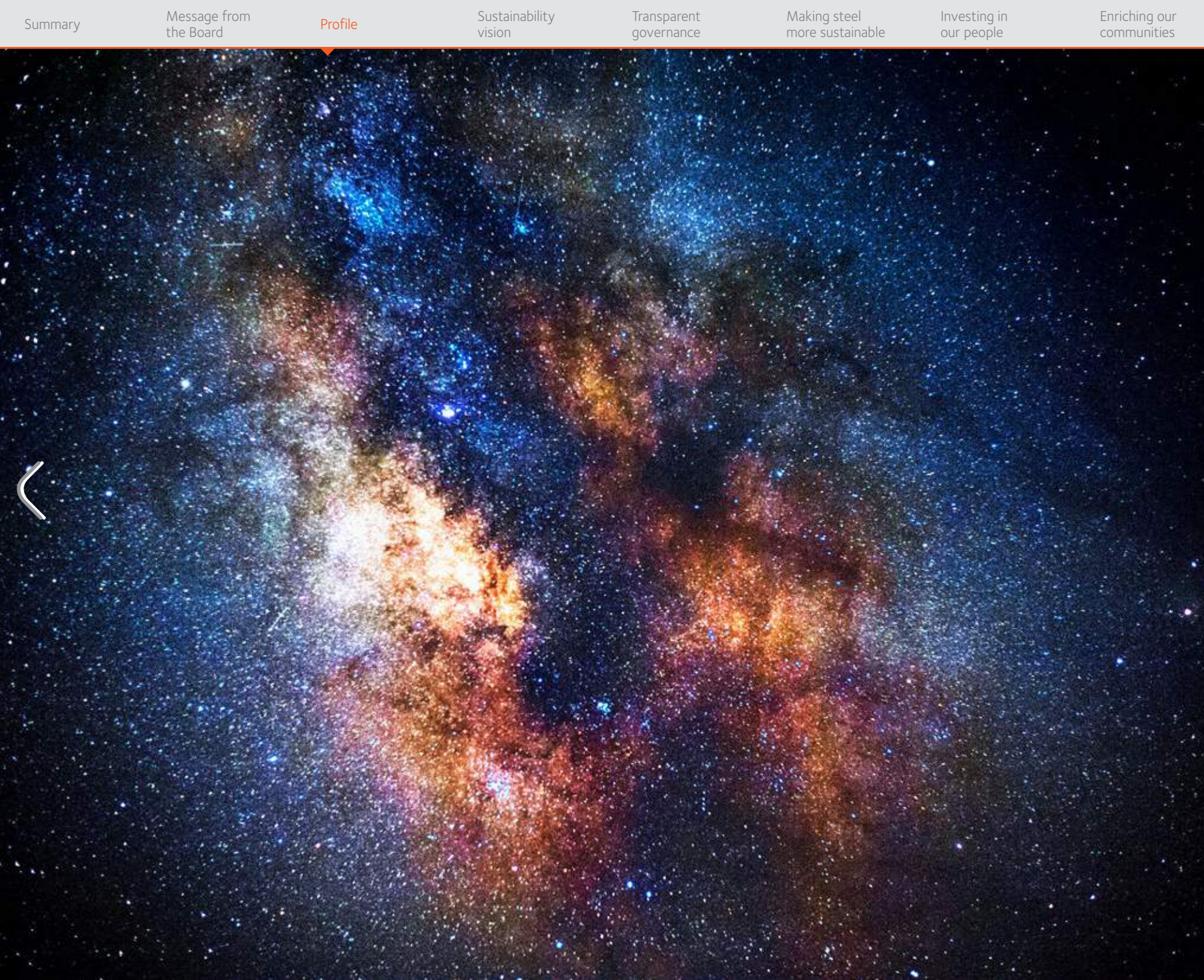
Despite all structural and cyclical issues Brazil is facing, we have people as our main asset in the organization. We believe that through the individual and collective commitment of our people, and through everyone's ability to innovate and find solutions, we will overcome obstacles and further advance, inspired by the spirit of transformation and continuous evolution that characterizes us.

Once again we thank our shareholders for trusting us, certain that we will firmly continue our way to overcome difficulties without losing sight of the possibility of new achievements.

** Preliminary numbers of IBGE until this date.*

The Management

Belo Horizonte, March 27th, 2015.



Profile

■ Since the first attempts of man to understand the movement of the planets, that the efforts to understand the features of light, revolutionized almost every field of science. Today, ArcelorMittal participate in projects of the future by providing high technology magnetic steels for the particle accelerator that fires trillion protons to 99.99% the speed of light.

1.1 The ArcelorMittal worldwide [GRI 4.8]

The ArcelorMittal Group is the world's biggest steel manufacturer and iron ore global producer. With more than 230 thousand employees, it is present in more than 60 countries of Africa, Asia, Europe and Americas, and industrial operations in 19 countries. In 2014, ArcelorMittal had a gross revenue of USD 79.3 billion and production of 93.1 million tons of steel and 63.9 million tons of iron ore.

With the leadership position in the main segments of the steelmaking market, highlighting

the automobile, construction, household-electric and packings, the ArcelorMittal is also leader in research & development and technology, withhold proper raw material sources and an extensive net of distribution. The Company is present in all steel relevant markets of the planet, whether traditional or emerging.

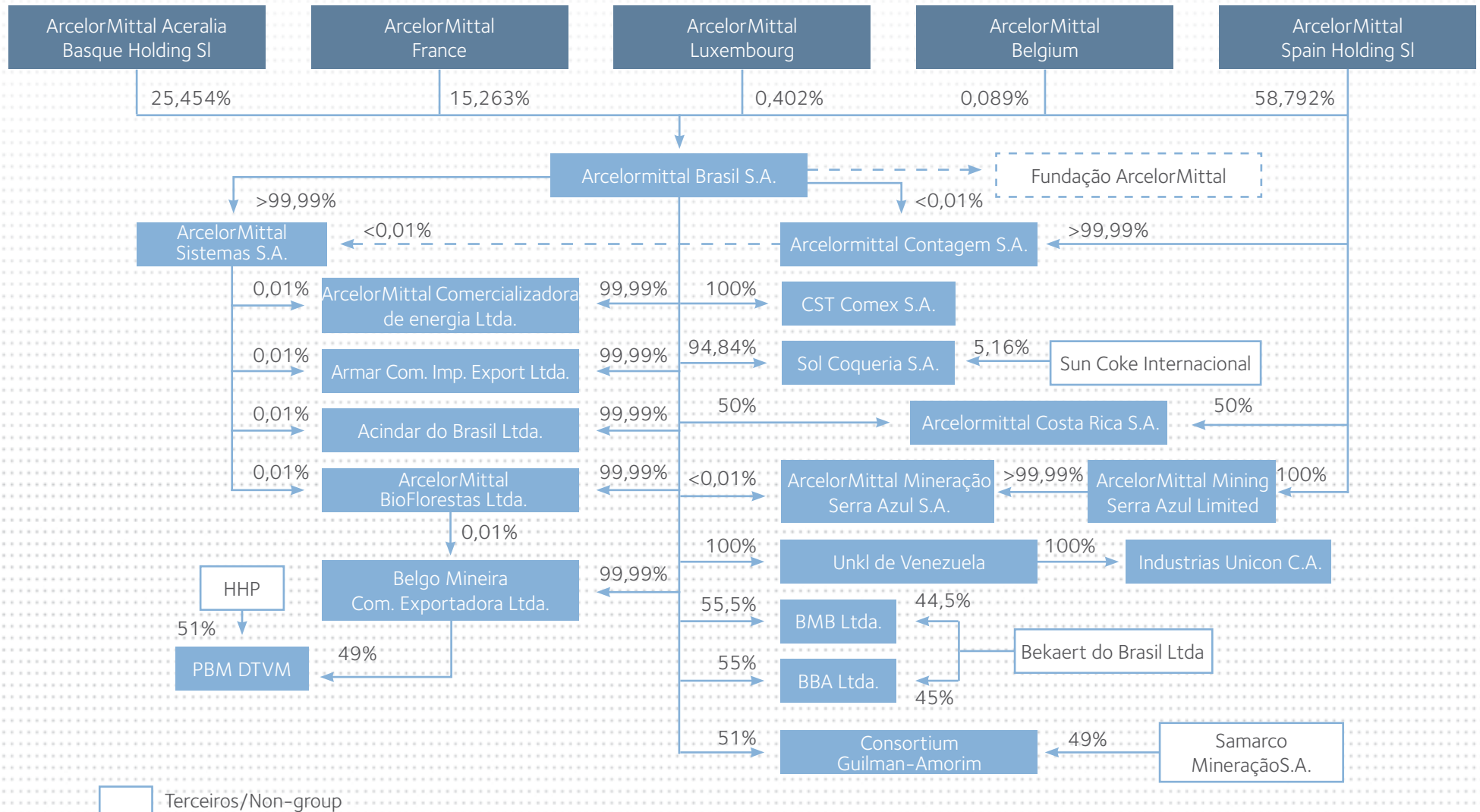
The Company is listed in the stock exchange of New York, Amsterdam, Paris, Luxemburg and in the Spanish stock exchange of Barcelona, Bilbao, Madrid and Valencia.

The culture of ArcelorMittal Group is based on the Vision, Mission, Values, Strategy, Commitment and Philosophy publicly assumed, available in this [link](#).

See below the shareholding structure of ArcelorMittal, highlighting the ArcelorMittal Brasil structure:



PROFILE



For more information on ArcelorMittal, access: <http://corporate.arcelormittal.com/>

1.2 ArcelorMittal Brasil [GRI 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 3.6]

ArcelorMittal Brasil S/A is a company incorporated as a corporation, with administrative headquarters in Belo Horizonte-MG, and is an integral part of ArcelorMittal Group located in Luxemburg.

The Company has industrial units in strategic points in Brazil offering 44 categories of products, in addition to an extensive distribution network to supply the customers in all the states of the country. Besides the manufacture, transformation and distribution of steel, the Company has operations of mining, production of charcoal from eucalyptus forests, generation of energy for proper use, services, information technology and social responsibility. Besides providing excellence in local operations, this structure allows to create synergies between the Brazilian

operations and other businesses of the Group in countries of South, Central and North Americas.

ArcelorMittal Brasil is the biggest producer of Long Carbon and Flat Carbon steel of Latin America, with capacity installed of 11.3 million annual tons and acts in the management of business units located in three countries (Brazil, Costa Rica and Venezuela). Its installed capacity is 7.5 million tons/year of Flat Carbon steel and 3.8 million tons/year of Long Carbon steel. Belgo-Bekaert Arames (BBA) and Belgo-Mineira Artefatos de Arames (BMB), a partnership between ArcelorMittal and the Group Bekaert, has capacity for the annual production of 800 million tons of drawing from the wire-rods supplied by the Long Carbon steel industrial plants of ArcelorMittal Brasil.

The respect for people starts inside the corporate environment, with its more than 15 thousand employees, and extends to the communities, customers, service providers, suppliers and partners. This is a diversity of cultures and geographies that allow the Group units give life to the steel in highly technological concepts or simplest forms, as small objects of daily use. When considering safe and sustainable solutions in steel, ArcelorMittal creates alternatives that determine the profitable and sustainable growth of its companies, customers and suppliers around the world.

ArcelorMittal Brasil IN NUMBERS

29

Business units

Presence in
3 countries
(Brazil, Costa Rica and
Venezuela)

Capacity of annual
production in Brazil:
11,3 million
tons of crude steel

15.258
Employees

¹ The operations consider the plants for steel production and processing of Long Carbon, Flat Carbon, Wire Drawing (own units, BBA and BMB) segments, Mina do Andrade and ArcelorMittal BioFlorestas.

CONSOLIDATED VALUES (BRL MILLION) – ArcelorMittal Brasil

	2010	2011	2012	2013	2014
Total Assets	27.270	29.237	29.728	30.367	31.141
Liquid debt (mainly with companies of the ArcelorMittal group)	6.561	7.280	8.346	8.139	8.143
Investment	832	1.353	1.094	494	999
Net Worth	12.956	14.392	13.790	14.796	15.671
Liquid Revenue	16.963	17.286	15.704	16.629	17.989
Liquid profit (loss)	1.448	(167)	(878)	380	1.496
Generation of operating cash flow (EBITDA)	3.646	2.418	2.419	3.407	3.537

² Consolidated values for the Group in all of its operational segments.

The consolidated net revenue of ArcelorMittal Brasil reached BRL 17.9 billion, 8.2% higher than 2013's result. The sales volume reached 8.9 million tons, 10% higher compared to the previous year. Of this total, 71.5% had been destined to the domestic market and 28.5% abroad.

The consolidated operational result (EBITDA) of ArcelorMittal Brasil was BRL 3.54 billion, high of 3.87%. The EBITDA margin over the consolidated net revenue remained steady at 20%. This performance includes the production of pipes by Unicon, the biggest manufacturer of pipes in Venezuela, which is controlled by ArcelorMittal Brasil since 2009, of the plant of pipes located in Cariacica (Espírito Santo state), and the performance of the Mina do Andrade. The consolidated net profit in the year was BRL 1.49 billion, impacted mainly by the recognition of tax credit over fiscal damage and negative base of social contribution over the profit of BRL 723 million based on the expectations of generation of future taxable profits, determined

in a technical study approved by the Management, reduction of expenditures of depreciation due to the revision of equipment life cycle of BRL 313 million, in addition to the increase of slabs exports. The result was also favored by sales of surplus energy for the spot market.

As for Flat Carbon segment of ArcelorMittal Brasil, the annual production of crude steel increased from 4.43 million tons to 5.36 million tons. This 21% increase is directly related to the restart of Blast Furnace # 3. The sales volume reached 4.97 million tons, a volume 18% higher as compared to 2013. From this total, 32% corresponded to external sales of slabs, part of them destined to AM/NS Calvert rolling mill, a joint-venture between ArcelorMittal Group and Nippon Steel and located in Alabama (U.S.A.). EBITDA of this sector increased 15.4% to BRL 1.4 billion from BRL 1.2 billion.

In Long Carbon Steel segment, the annual production of crude steel reached 3.3 million tons, equivalent to a reduction 7% if compared to the year 2013. The

volume of sales had slight growth of 1%, going up from 3.56 million tons to 3.61 million, and EBITDA reached BRL 1.98 billion, high of 11.5%, result attributed to the drop of raw materials costs and the increase of prices.

Unicon registered EBITDA of BRL 274 million, performance 12.5% lower than that obtained in 2013, despite the company had been sold 190 thousand tons or 19.5% higher than the previous year.

In the business mining, the Mina do Andrade had registered EBITDA of BRL 13.4 million in 2014, a drop of 30% compared to the previous year. That result was provoked mainly by the markdown of the iron ore in the international market. The mineral asset, located in Minas Gerais, extracted 2.63 million tons, 4.7% higher than that in 2013. There were sold 2.93 million of tons of iron ore, 27.86% more than in the previous year. That volume was destined mainly to the domestic market.

1.3 Performance Map

Long Carbon Steel

Companies: ArcelorMittal Cariacica
States: Espírito Santo (ES)
City: Cariacica

Companies: ArcelorMittal Juiz de Fora
States: Minas Gerais (MG)
City: Juiz de Fora

Companies: ArcelorMittal Itaúna
States: Minas Gerais (MG)
City: Itaúna

Companies: ArcelorMittal Piracicaba
States: São Paulo (SP)
City: Piracicaba

Companies: ArcelorMittal Monlevade
States: Minas Gerais (MG)
City: João Monlevade

Companies: ArcelorMittal Sabará
States: Minas Gerais (MG)
City: Sabará

Companies: ArcelorMittal São Paulo
States: São Paulo (SP)
City: São Paulo

Companies: ArcelorMittal Costa Rica
País: Costa Rica
Cities: Províncias de Limón,
San José e Puntaneras

Companies: Belgo Bekaert Arames /
Belgo-Mineira Bekaert Artefatos de
Arame
States: Bahia (BA) / Minas Gerais
(MG) / São Paulo (SP)
Cities: Feira de Santana (BA) /
Contagem, Itaúna e Vespasiano (MG)
/ Hortolândia e Osasco (SP)

Flat Carbon Steel

Companies: ArcelorMittal Tubarão
States: Espírito Santo (ES)
City: Serra

Companies: ArcelorMittal Vega
States: Santa Catarina (SC)
City: São Francisco do Sul

Companies: Unki de Venezuela
País: Venezuela
City: Caracas

Distribution and Steel Solutions

Companies: ArcelorMittal Gonvarri
States: Paraná (PR) / São Paulo (SP)
Cities: Campinas e Curitiba

Companies: ArcelorMittal Contagem
States: Minas Gerais (MG) / São Paulo (SP)
Cities: Contagem e São Paulo

Companies: ArcelorMittal Perflor
States: Minas Gerais (MG) / São Paulo (SP)
Cities: Contagem e São Paulo

Mining

Companies: ArcelorMittal Mineração Brasil –
Mina Andrade / Mina Serra Azul
States: Minas Gerais (MG)
Cities: Bela Vista de Minas e Itatiaiuçu

Social Responsibilities

Companies: Fundação ArcelorMittal
States: Minas Gerais (MG) / Espírito
Santo (ES) / São Paulo (SP)
Santa Catarina (SC) / Bahia (BA) / Rio
de Janeiro (RJ)
Cities: Belo Horizonte (SEDE) e mais
39 municípios

Energy

Companies: Usina Hidrelétrica Guilman-
Amorim*
States: Minas Gerais (MG)
Cities: Antônio Dias e Nova Era

Companies: Sol Coqueria
States: Espírito Santo (ES)
City: Vitória

Companies: UTE ArcelorMittal Tubarão
States: Espírito Santo (ES)
City: Vitória

Companies: PCH Madame Denise
States: Minas Gerais (MG)
City: Taquaraçu de Minas

Companies: PCH Piracicabinha
States: Minas Gerais (MG)
City: João Monlevade

* Guilman-Amorim é um consórcio entre
a ArcelorMittal Brasil e a Samarco.

Forests

Companies: ArcelorMittal BioFlorestas
States: Minas Gerais (MG)

Services

Companies: ArcelorMittal Sistemas
States: Minas Gerais (MG)
City: Belo Horizonte



OPERATIONAL SEGMENTS

The ArcelorMittal Brasil operations is subdivided in segments of performance, each one endowed with proper characteristics in relation to the productive process, supply chain, distribution and commercialization systems, etc.

Long Carbon Steel, Flat Carbon Steel and BioFlorestas are the three main Company's segments of performance that, together with mining operations (Mina do Andrade) and wire drawing operations (BBA and BMB) constitute the scope of this report.

Long Carbon:

Segment consisting of steel and wire drawing plants in Bahia, Espírito Santo, Minas Gerais and São Paulo. Sectors of reforestation, production of charcoal, services and mining are historically associated to this segment, many times acting as their suppliers .

The ArcelorMittal BioFlorestas, with headquarters in Belo Horizonte (MG), has operations in several regions in the Minas Gerais state. Its main objective is to supply for the Long Carbon plants of the Group, one of the main inputs of their steelmaking process, the charcoal, produced from renewable eucalyptus forests.

It is certified by FSC (Forest Stewardship Council – an organization that issues the forestry certification label), OHSAS (Occupational Health and Safety Management System) and ISO 14001 (a set of international standards for environmental management).

IN 2014 IT WAS PRODUCED
334,000
TONS OF CHARCOAL.

More information of ArcelorMittal BioFlorestas in [link](#).

The main products of this segment in Brazil are: wire rods, sections, angle bars, round, square, octagonal, shaped, hexagonal, drawn, peeled and rectified sandpapered bars and blanks, bending bars, blade for cutting of ornamental rocks, annealed wires, nails, welded mesh, trusses, columns, brake, sabot/radier, stirrups and rebar, and pipes for foundation. The Company also commercializes Dramix®, wires and wires for pre-stressed concrete, gabions, Belgo Fix®, Belgo Revest®, and Murfor®, made by BBA. The company also commercializes sheet piles imported from other plants of ArcelorMittal Group.

INSTALLED CAPACITY:
3,8 MILLION
TONS PER YEAR OF LAMINATES AND
1,5 MILLION OF TONS OF DRAWN
WIRES (OWN PRODUCTION AND BY MEANS
OF PARTNERSHIP WITH BBA AND BMB.

More information on the products by ArcelorMittal Long Carbon Steel in [link](http://longos.arcelormittal.com/) http://longos.arcelormittal.com/

² In this Report the socio-environmental comments on Long Carbon Steel relates only to the steelmaking operations located in Brazil, therefore, the foreign operations and services are not in the scope.

Flat Carbon:

Segment composed by ArcelorMittal Tubarão (Espírito Santo) plants that produce slabs and coils, ArcelorMittal Vega (Santa Catarina) that improve the coils produced in Tubarão, and Unki (Venezuela) .

Products: slabs, hot rolled and pickled coils, cold rolled and galvanized coils, used by the automobile industry, white line manufacturers (household appliances), naval industry, etc.

INSTALLED CAPACITY:
7,5 MILLION
TONS PER YEAR (TUBARÃO),
WHILE VEGA PROCESSES ABOUT
1,4 MILLION
OF TONS PER YEAR FROM THE STEEL
SUPPLIED BY TUBARÃO.

More information on the products of Flat Carbon Steel segment in links

ArcelorMittal Tubarão
ArcelorMittal Vega

Mining

As part of a global strategy to become self-sufficient in iron ore and transform mining into a safe and sustainable business model, ArcelorMittal counts on two important deposits in the central region of the state of Minas Gerais (MG), Mina do Andrade and Serra Azul mine. Together, these mines have an annual production capacity of 7.1 million tons of iron ore.

MINA DO ANDRADE

Located in Bela Vista de Minas, Steel Valley region, it supports ArcelorMittal Monlevade as well as steel plants in the domestic and international markets. It has a productive capacity of 3.5 million tons per year.

SERRA AZUL MINE³

Located in the city of Itatiaiuçu, it has easy access to a railroad system and guarantees the supply of granulates and sinter feed to the domestic and international markets.

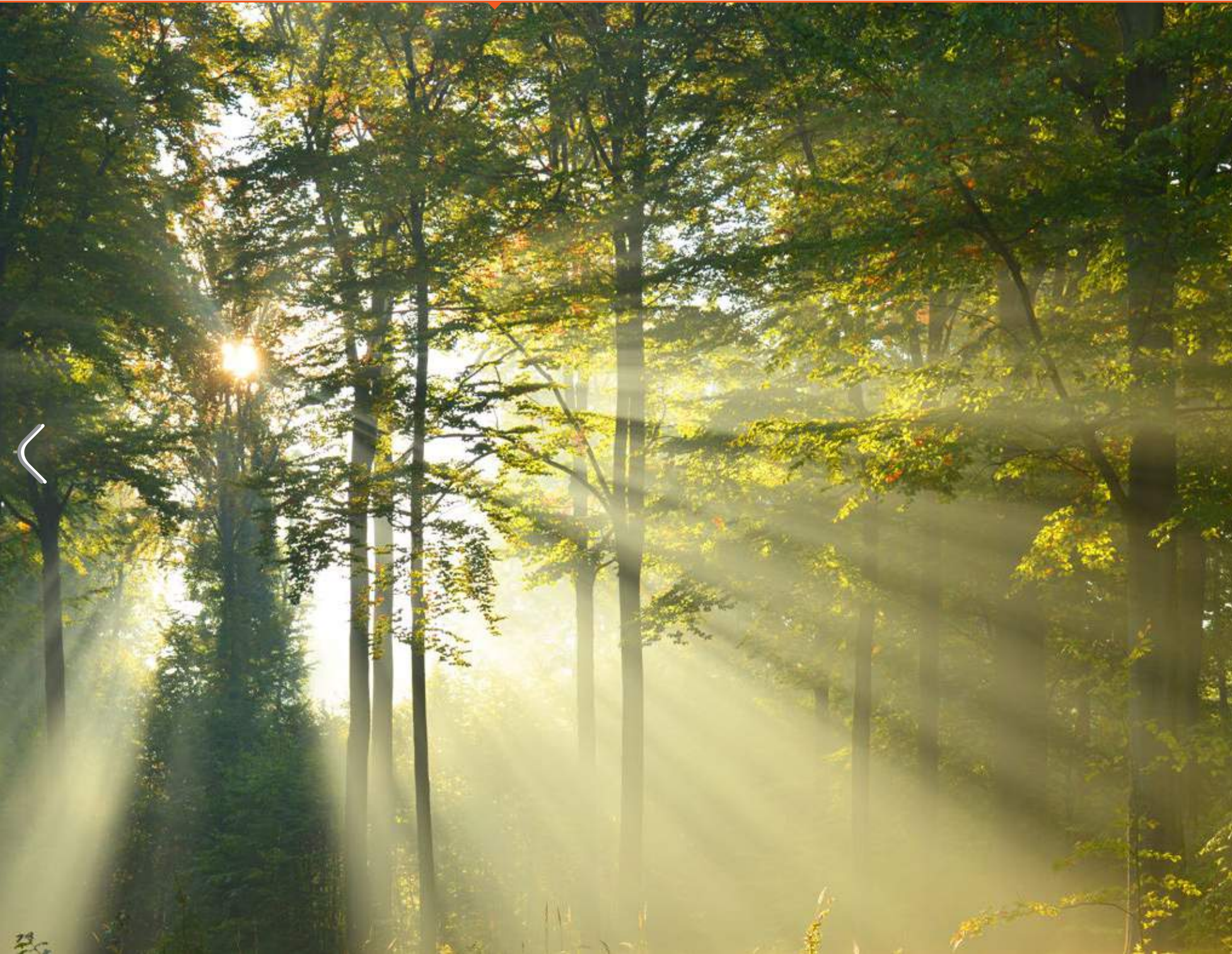
MAIN INVESTMENTS IN 2014

In 2014, ArcelorMittal Brasil maintained the execution of the strategic plan and evolved in a series of actions and projects to support the strengthening of its leadership and future growth.

It continued with the projects for expansion of crude steel, rolled and special steels capacity, expansion of the distribution network and investments in the continuous improvement of processes, products and solutions. ArcelorMittal Vega, business unit in the state of Santa Catarina, invested in Vega Light, a project that involves improvement works, purchase of new equipment and adjustments in all lines in order to expand the production capacity in 100 thousand tons per year (60 thousand of galvanized and 40 thousand of cold –rolled products), and of approximately 46 thousand tons per year of hot rolled

and pickled coils. In the same unit, works were initiated aiming to begin supplying, in 2015, the Usibor®, one of the solutions of the S-in motion global platform, constituted of safer and more sustainable special light steels for the automotive industry. At first, at least 107 thousand annual tons of Usibor® will be produced, with a perspective to increase this volume, depending on the market evolution.

³ The Serra Azul business unit was established as a mining segment asset in Brazil, however, not comprise the scope of this report because the asset is directly connected to the global holding.



2

Sustainability Vision

Being a leader in the steel industry is essential for ArcelorMittal. In addition the development of cleaner processes the Company promotes actions for energy efficient solutions. A great example is ArcelorMittal Tubarão – the first global steelmaker to trade carbon credits and to become self-sufficient in power generation through the reuse of gases produced by the manufacture process.

2

When it comes to sustainability, ArcelorMittal Group believes that the common goal among individuals, companies, NGOs and nations is to enjoy a good quality of life. In 2050 there will be 9 billion people in the world. Considering this scenario, we need to find ways to prosper without overusing natural resources, hurting others or changing the climate. This requires enterprise, infrastructure and new ways of thinking about production and daily use of the products. And steel is an essential component of people's lives, which is why the company is constantly seeking to innovate in terms of processes and products that are even more effective, efficient and of easy recycling.

In 2014, ArcelorMittal launched a number of important products and there are others planned for 2015. From steels that can reduce the average weight of vehicles to help meet the specific challenges that the automotive market is facing up, to new floor compound beams using a new technology of concrete beams. Delivering innovative products that help customers to realize their ambitions is a constant concern for ArcelorMittal.

Sustainability also regards making correct decisions to support the company's long term success. Therefore, ArcelorMittal makes sure

it is continuously aligned and adapted to the structural changes that affect its business, and properly communicates these changes to all its stakeholders. For the Company, steel is the fabric of life, it offers great opportunities for the future and presents challenges. The Company believes that stronger relations with its stakeholders will make its business stronger.

Read about the main initiatives of ArcelorMittal in 2014 dedicated to sustainability in the following chapters "Investing in our people", "Making the steel more sustainable", "Enriching our communities" and "Transparent governance".



SUSTAINABILITY VISION

EMBRACED COMMITMENTS

[GRI 4.8; 4.12; 4.13; SO3; SO4, GLOBAL COMPACT - PRINCIPLES 4 AND 10]

Aligned with the teamwork philosophy and the constant search for agility and sustainability, ArcelorMittal Group takes part in and contributes to the performance of several governmental and non-governmental organizations. Thereby, the Company complies with its role of agent of sustainable development, by means of an effective and continuous participation that allows it to work in the formation of guidelines and contribute for the regulation of the sector, including in the social context.

ArcelorMittal has an active participation in many organizations, such as: Brazilian Association of Human Rights, Brazilian Association of Technical Standards (ABNT), Brazilian Association of Mining and Metals (ABM), Asociación Latino Americana del Acero (Alacero), Brazilian Association of Human Resources (ABRH), Ethos Institute, Global Compact, Brazilian Corporate Council for Sustainable Development (CEBDS), National Industry Confederation (CNI), Brazilian Association of

Corporate Communication (Aberje), Minas pela Paz Institute, Brazilian Steel Institute (IABr), Reputation Institute, Fundação Abrinq and Fundação Dom Cabral (FDC).

▶ The Company is also a signatory of a series of **commitments related** to the Corporate Social Responsibility, such as:

Global Compact - adhesion in 2001;

Brazilian Pact for the Eradication of Slave Labor - adhesion in 2009;

Corporate Agreement for the Integrity and Against Corruption - ArcelorMittal Brasil was one of the first companies to sign the pact in 2006;

Charcoal Sustainability Protocol - target of 100% of planted forests up to 2016;

Minas Pela Paz - established by ArcelorMittal Brasil and 10 other large corporations.



ACKNOWLEDGEMENTS [GRI 2.10]

In 2014, ArcelorMittal Brasil obtained public recognitions that certified its sustainable management. One of them was the Guia Exame de Sustentabilidade, where the Company appeared as prominent of Mining and Steel sector, meaning the recognition of one of the core values of the Group, the Sustainability, and the certainty to be in the right direction for the production of a safe and sustainable steel, with Quality and Leadership.

The Company's people management practices had also been recognized by Você RH magazine. Company also received a Humanity Award (Brazilian Academy of Human Rights) and Merit of the Judiciary (Court of Justice of Espírito Santo). In parallel to the industrial and commercial operations, ArcelorMittal Brasil contributes for the improvement of the social tissue where is inserted, focusing on the satisfaction

of all stakeholders, prioritizing the ethics and transparency in governance; and acting with responsibility in all the management perspectives.

Find out about all the awards received by ArcelorMittal Brasil in this [link](#).

CORPORATE ETHICS AND TRANSPARENCY

[4.4, 4,6, 4,8, EC4, EN8, SO2, SO4, SO5, SO8, PR9, EN28] (GLOBAL COMPACT - PRINCIPLE 10)

ArcelorMittal Brasil's Corporate Governance seeks to ensure that, during the execution of activities, its employees and any contractor acting in its behalf or interacting with the Company in any other way, comply with the highest levels of integrity, always acting in an ethical and transparent manner.

In order to strengthen these principles, the Company implemented the Compliance Program in 2007, with

several policies on which all employees are periodically trained. The objective of the program is to establish a culture of integrity, in order to assure that all the ethical obligations and legal requirements are met, reduce the risks of exposure of Group's companies and its employees to civil and criminal penalties and complying with the best practices of behavior and the interests of ArcelorMittal stakeholders. The employees of all business units of the

Group in Brazil receive training on the policies that are part of the Compliance Program at the moment of their admission and every three years. Moreover, integrity is addressed several times throughout the year, with high-level discussions between Group executives and external guests, experts on the subject. Among the policies that integrate the scope of the Program we highlight:

CODE OF BUSINESS CONDUCT:

explains the ethical and legal obligations to be fulfilled when dealing with the Company's businesses. It is applied to all Group's directors, officers and employees.

ANTITRUST GUIDELINES:

establishes guidelines that intend to prevent the practice of behaviors that breach or may seem to breach the basic principles of the laws of free market defense of the countries where the Company operates.

INSIDER DEALING REGULATION PROCEDURE:

establishes behavior rules to ensure adequate management of insider information and, thus, prevent its improper use as well as situations of market manipulation.

ANTI-CORRUPTION GUIDELINES:

establishes necessary rules and guidelines of prevention and combat to corruption inside the Company.

HUMAN RIGHTS POLICY:

consolidates Group guidelines reflected in other policies, establishing the principles that must be observed in creation of a working environment where all the human rights are fully respected.

ECONOMIC SANCTIONS GUIDELINES:

establishes guidelines and procedures to guarantee that the transactions performed by the Group companies are made in compliance with economic sanctions laws.

ANTI-CORRUPTION PRACTICES

In addition to the policies mentioned above the Company keeps an Antifraud Policy, Whistleblower Policy, and in mid-2014, the Anti-corruption Due Diligence Procedure was released, aiming to assess and to mitigate the risks which ArcelorMittal would be exposed in the relationship with its commercial partners, especially those who act on Company's behalf with the public authorities. The risk assessment that establishes the due diligence level is based on criteria as (I) the time of relationship of the Company with the commercial partner, (II) the type and

size of the Companies' commercial partner, (III) the score of the country of origin of the commercial partner in the Corruption Perception Index published by the NGO Transparency International, (IV) The Business activity of the partner, and (V) if it interacts with the Government or other organizations on behalf of ArcelorMittal.

In compliance with its policy of transparency, in 2014, the Company received prosecutors, lawyers and experts in events to raise awareness of officers, managers and

employees on the Anti-Corruption Law.

The Company has a whistleblower channel, which any person can use to report non-compliant situations they are aware of. The non-compliances, which can be anonymously received if so desired by the whistleblower, are evaluated and investigated; confidentiality of the issues is guaranteed as well as the protection of whistleblowers against retaliations for complaints eventually submitted.

TAX INCENTIVES

In the socio-cultural context, ArcelorMittal Brasil uses tax benefits by means of the following mechanisms:

INCENTIVES AT FEDERAL LEVEL:

Federal Law of Incentive to Culture;
Law of Fund for Childhood and Adolescence;
Federal Law of Incentive to Sport;
Federal Law of Incentive to Health;
Tax incentives program from the Superintendence for the Development of the Northeast Region (SUDENE).

INCENTIVES AT STATE LEVEL:

State Laws of Incentive to the Culture of Minas Gerais and São Paulo;
State Law of Incentive to Sport of Minas Gerais and São Paulo;
Development Program for Companies in the state of Santa Catarina - Prodec (state of Santa Catarina);
Program for Company Expansion and Improvement of the Employee's Quality of Life - Pró-emprego (state of Santa Catarina);
Ceará Industrial Development Fund - FDI (state of Ceará);
Pernambuco Development Program - Prodepe (state of Pernambuco);
Program for Industrial Development and Economic Integration of the State of Bahia - Desenvolve (BA).

INCENTIVES AT MUNICIPAL LEVEL

Municipal Law of Incentive to the Culture of Belo Horizonte.

VALUE GENERATION

[GRI EC1]

ArcelorMittal Brasil generated, in 2014, an accrued value of BRL 7.7 billion, as demonstrated in the table below. The resources had been used in the remuneration of employees, payment of taxes, remuneration of shareholders and funders, in addition to feed a vast productive chain.

DISTRIBUTION OF THE ADDED VALUE (BRL MILLION) - ARCELORMITTAL BRASIL

Employees	1.864
Taxes	2.583
Third party capital remuneration	2.186
Own capital remuneration	380
Total Added Value	7.706



3

Transparent Governance

■ The Wind and sun generates low cost and proven efficient renewable energy. ArcelorMittal investments in technology and research allowed us to provide high performance products for the wind and solar energy industry. Products such as frame steel plates, support bars for the foundations and electric steel.

3

In order to keep the governance lined up with the interests of all its audiences, ArcelorMittal Brasil invests in the improvement of its management processes and systems of control, adopting several mechanisms based on principles as ethics and transparency.

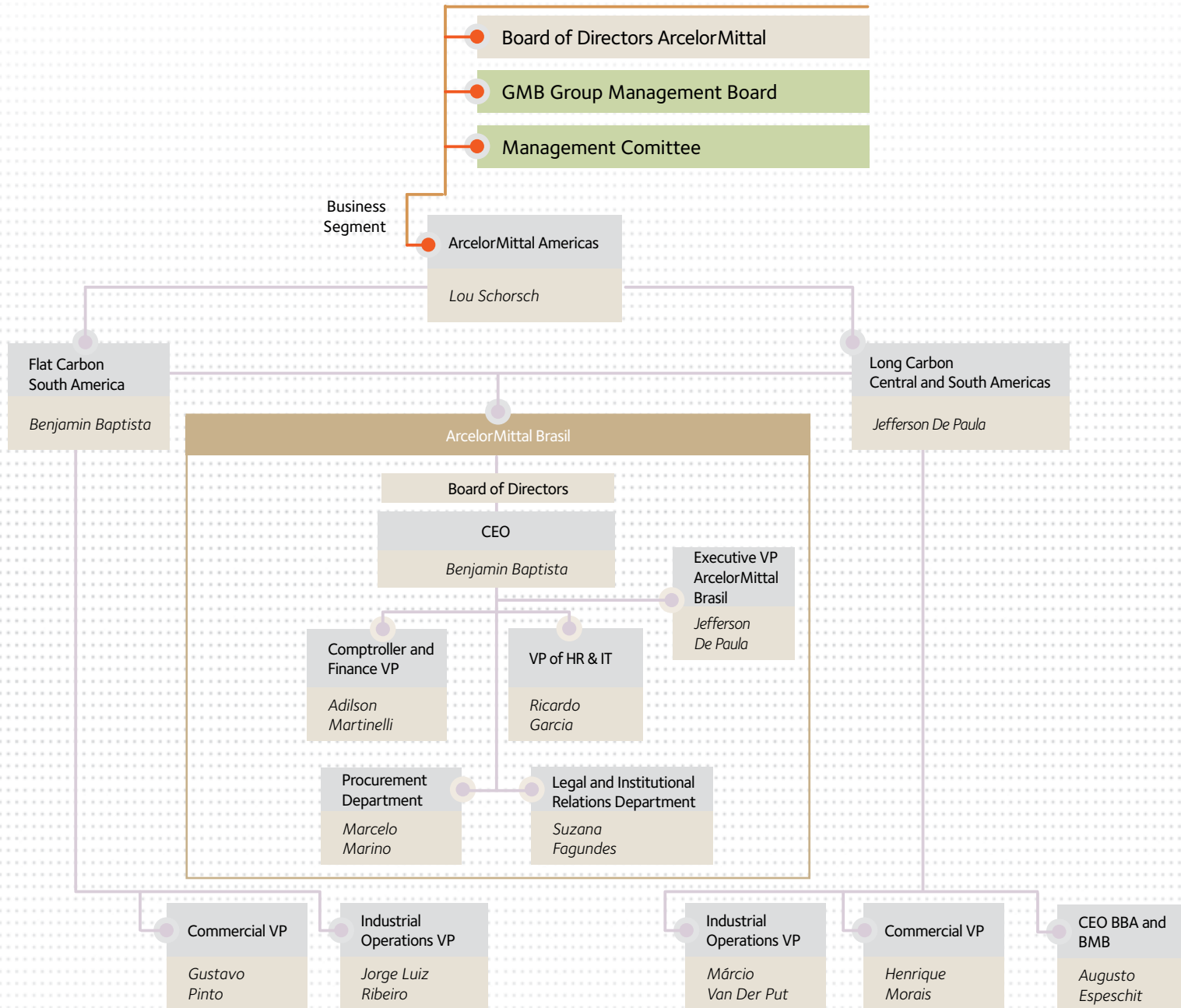
CORPORATE GOVERNANCE [GRI 4.1 , 4.2 , 4.3, 4.4]

The structure of ArcelorMittal Brasil corporate governance follows the same fundamentals of the Group worldwide, and is demonstrated in the table below:



TRANSPARENT GOVERNANCE

CORPORATE GOVERNANCE





BOARD OF DIRECTORS

In 2014, the Board was composed for five members, elected at the general meeting of shareholders for a management period of two years, with the possibility of re-election. Among them, four are either independent or non-executive. The Board establishes the strategic guidelines, follows and guides the businesses, elects directors, chooses or dismisses independent auditors, supervises the management and deliberates on the destination of Company's profit. In its monthly meetings the performance of the corporate governance is evaluated, including economic, environmental and social aspects.

AUDIT COMMITTEE

Consisted of three to five members chosen during the shareholders general meeting, the Audit Committee does not operate permanently and it can be installed at the shareholders' request.

⁴ For more information on the ArcelorMittal Board of Directors in the address:

<http://www.arcelormittal.com/corp/who-we-are/leadership/group-management-board>

⁵ For more information on the integrants of the Management Committee, as well as its positions and attributions can be found in the following address: <http://www.arcelormittal.com/corp/who-we-are/leadership/management-committee>

MEMBERS OF THE BOARD OF DIRECTORS:

José Armando de Figueiredo Campos

Chairman of the Board of Directors

Carlo Panunzi

Vice-President of the Board of Directors

Bhikam Chand Agarwal

Advisor

Andres Rozental Gutman

Advisor

Paul Sebastian Zuckerman

Advisor

COLLEGIATE BODIES

In addition to the Board of Directors and the Executive Board, the ArcelorMittal Brasil activities are guided by the following collegiate bodies of the Parent Company:

ARCELORMITTAL GROUP BOARD OF DIRECTORS

Consisted of eight executives, led by the CEO Lakshmi Mittal, the Board is responsible for making the decisions for the Group, determining global strategies, and defining and monitoring administrative actions in the countries where the Company operates.

GROUP MANAGEMENT BOARD - GMB (ARCELORMITTAL BOARD OF DIRECTORS)

Under the Board of Directors, GMB is consisted of eight executives under the leadership of the CEO, Lakshmi Mittal. GMB is responsible for leading the business and determining the Company's global strategies, as well as defining and monitoring administrative actions in the countries where the Company operates.

MANAGEMENT COMMITTEE

The Committee's purpose is to foster the entrepreneurial spirit within the Company, the creation of a creative and adaptable organization, in addition to reporting to its stakeholders. For this reason, it has chosen to use a matrix structure.

EXECUTIVE BOARD

Currently consisted of nine members (see organization chart), elected by the Board of Directors, with mandate of two years, subject to re-election, the Board is responsible for the management of the Group's business in the country, also deliberating, on any matter not subject to the exclusive competence of the Ordinary General Meeting (AGO) or to the Board of Directors. As it can be seen in the organization chart, the responsibilities of some of the executives from ArcelorMittal Brasil accumulate functions in ArcelorMittal Americas, thus showing the matrix structure of the Group.



4

Making Steel More Sustainable

■ The special steel developed by ArcelorMittal – Advanced High Strength Steel (AHSS) allows for the reduction of the weight of a passenger car in up to 20% with no loss in safety. Lighter vehicles use less fuel, therefore generating less impacts in the environment.

4

[Global Compact_ Principles 7, 8 and 9]

ArcelorMittal produces Flat Carbon and Long Carbon steel that present various benefits in its use, keeping the quality over time, in addition to keeping its characteristics such as resistance and hardness even when it is reused. However, the Company understands that there are challenges related to the steelmaking activity and it seeks to anticipate and mitigate any adverse impacts arising from its productive process. Therefore, ArcelorMittal Brasil looks for a balance between the consumption of natural resources and its production. This commitment is a strategic value for the Company and is part of its sustainable principles.

The sustainable development model that is part of the harmonic construction between

the business conduction and the environmental preservation, incorporated in all ArcelorMittal Brasil operations, aims to practice of an integrated environmental management, monitoring the environmental impacts of its activities, products and services, controlling the environmental impacts, such as emissions levels, adequate using natural resources, preserving the ecosystems of regions where it operates, in addition to reuse the industrial waste.

The Company dedicates special attention to the co-generation of energy, by using gases from the steelmaking process and from coke production. Moreover, it encourages the development of energy efficiency actions in all its operations.

Confirming its successful performance on sustainable production, ArcelorMittal Brasil was the first steel producer to receive the Ecological Label by ABNT (Brazilian Association of Technical Standards). The certification enables the identification of eco-friendly steel products, in accordance with requirements of high eco-efficiency and low socio-environmental impact. The Long Carbon for Construction sector received the label in 2011. The industry-oriented products were certified In 2014.

The Unit of Tubarão was the first global steel producer to negotiate carbon credits, moreover, since 1999, it is self-sufficient in energy by using gases from the productive process.



MAKING STEEL
MORE SUSTAINABLE

PRODUCT LIFE CYCLE

Versatile, resistant, economic and 100% recyclable, steel is part of the life of the people and the development of a country.

Endlessly reused, it gives shape to new sustainable products, without losing lightness, modernity and safety.

In the steel production, several by-products and wastes are generated, but they often can be reprocessed many times and reused in their own processes of origin. This reutilization avoids using “new” raw materials, such as iron ore and coal, which are considered as non-renewable materials, in addition to reduce costs and diminish impacts with the final disposal of the scrap that would become waste if it were not reused, as it happens in the Company.

The amount of waste generated in the plants either during metallurgical production process and mechanical transformation of the steel or acquired in the collection market / material processing (“external” scrap) is significant for the steelmaking industry. The “external” waste is generated during the transformation of rolled steel or the transformation of cast ferrous parts by the processing industries (industrial or processing waste)

or even by reutilization of metal after the end of its life cycle (waste due to obsolescence or “scrap heap”). In Brazil, the Company keeps stations to collect metallic waste, thus allowing the reutilization of the material in its productive process.

ArcelorMittal Brasil is fully engaged in the mitigation of environmental and social impacts arising from its productive processes (see list of main environmental impacts throughout this chapter). All its products constantly are assessed in order to not offer risks to consumers’ health and safety. The production and quality control process is based on improvement studies covering: Research & Development; certification; development of product concept; manufacture and production; marketing and promotion; storage, distribution and supply; use and service; disposal, reutilization or recycling; and planning of resources.

ENVIRONMENTAL MANAGEMENT [EN30; GLOBAL COMPACT PRINCIPLE 8]

The environmental responsibility is a guideline of ArcelorMittal Brasil guideline and it is an integral part of the Company’ process for continuous evolution of the. In recognition to the responsibilities related to its leadership position in the steel industry, ArcelorMittal Group has committed itself to ensuring quality of life for future generations. Therefore, a responsible environmental management must not focus only on the Company’s routine and its closest social circles; it has to be consistent enough so that its effects also result in future gains and in a more comprehensive manner.

As part of the sustainability principles, ArcelorMittal Brasil is committed to searching for continuous improvement and pollution prevention, thus minimizing the possible environmental impacts of its operations,



with the rationalization of water usage, energy and mineral resources; adopts the atmospheric monitoring, sound levels and water effluents; it also promotes the reduction, reuse and recycling of waste generated in its processes.

With all the activities duly licensed, the Company's industrial units are 100% certified by ISO 14001 and they systematically monitor the performance indicators related to the biodiversity, water, energy, waste and atmospheric emissions. The main objective is to seek for an increasing eco-efficiency which is incorporated to the Company's strategic planning, by means of investments

in training, qualification, technologies and certifications that provide business formats and solutions.

ArcelorMittal Brasil seeks for synergies between the companies in the Group, in Brazil and worldwide, in order to discuss and exchange of best practices. In addition, it actively takes part in working groups (GTs) associated to environmental and industry institutions to discuss subjects such as life cycle of products, waste/by-products, reverse logistic, emissions control, and management of water resources. It performs audits at critical suppliers, privileging the sustainability in the supply chain and the substitution of non-renewable

natural resources for other materials.

In 2014, approximately BRL 124.3 million were invested in environmental projects and actions. From this total, BRL 57.3 million were allocated to treatment and disposal of waste and treatment of emissions; BRL 43.3 million were invested in the installation of clean technologies (one of the priorities for investments). The projects on education, environmental management, external certifications, research and development had received BRL 11.2 million. Other projects and environmental actions developed by the business units received BRL 12.5 millions.

Investment in environmental actions and projects (BRL Million) - ArcelorMittal Brasil

Education, environmental management, external certifications, research and development projects	11,2
Other environmental projects and actions	12,5
Installation of clean technologies	43,3
Treatment and disposal of waste and treatment of emissions	57,3

ArcelorMittal Brasil commitment with the environmental preservation is also extended to the communities where it operates. Conducted by ArcelorMittal Brasil Foundation, ArcelorMittal Environmental Award has been taking place since 1992 and it aims to encourage students to develop a broad view of sustainability, by means of competitions of Drawing, Writing and Project School. In 2014, the project whose subject was "Family-based Agriculture: ensuring a

safe, healthy and sustainable nutrition" had the participation of 225,876 students, 7,034 educators, 660 schools in 38 cities.

Aiming to reinforce the basic guideline of producing quality steel, all the strategic planning of ArcelorMittal Brasil incorporates the corporate decision to build a balanced relation between the economic, social and environmental



levels in the business performance, which is in line with the sustainable development principles. With this commitment, the Company dedicated its investments in equipment and environmental control systems, as well as in education and training, environmental management services, certification, teams dedicated to environmental management, research and development activities.

From the total of BRL 48.1 million destined to investments in environment at ArcelorMittal Tubarão, BRL 23.3 million were invested in cleaner technologies. Environmental management investments, such as training, awareness, certifications, programs, environmental projects, research and development were about BRL 3.8 million. The unit continuously seeks to invest in equipment, adopting practices for promotion of sustainable development and a modern environmental policy, strengthening its

competitiveness and searching for continuous improvement of the social and economic conditions of the region where it operates as well as the country.

Investments of more than 100 million dollars in ArcelorMittal Tubarão are predicted for the period from 2014 to 2018, in the Plan of Visible Emissions Reduction that comprehends environmental control equipment and systems.

These investments will bring more operational efficiency and, consequently, the continuous improvement of unit's environmental performance and air quality for Vitória's metropolitan area.

ENVIRONMENTAL POLICY

As strategic priority, sustainable development and respect for the environment represent some of the values that ArcelorMittal Brasil incorporates in its management. Whilst conducting business, the Company is committed to taking measures to reduce the potential adverse impacts of its operations. Everyone from the Board of Directors, Management and Employees of ArcelorMittal Brasil in all segments, undertake the commitments outlined in the environmental policy which, among other objectives, aims to guide the Company's actions for conscious consumption of natural resources and preservation of the environment.

See the Environmental Policy of ArcelorMittal Brasil on this [link](#).

The mining unit has its own policy, aligned with ArcelorMittal Brasil's Environmental Policy, including the specifics of its industry.

KEY ENVIRONMENTAL ASPECTS X CONTROL/MITIGATION MEASURES [EN26]

The production process of ArcelorMittal Brasil includes environmental aspects that may generate environmental impacts, as it happens to other steel and mining industries. The main impacts are related to steel production and iron ore extraction; they are controlled, since ArcelorMittal Brasil continuously works for the prevention and mitigation of the associated risks.

Main aspects identified in 2014

ArcelorMittal Brasil

ENVIRONMENTAL ASPECTS	MITIGATION AND/OR CONTROL MEASURES
Emission of particulate matter	Implementation of new clean technologies
	Improvement/revamping of dedusting systems
	Paving and cleaning pathways
	Wetting Patios
Greenhouse gas emissions	Development of CDM Projects
Waste generation	Reuse, recycling or sale in the steel industry itself
	Sale of surplus to other industries
Water Consumption	Reduction in consumption
	Reuse
	Recirculation
	Elimination of losses
	Implementation of new technologies for treatment/recirculation

More information can be found in sections Emissions, Climate Change, Waste and By-products.

Several actions and programs are executed to prevent and mitigate environmental impacts in all units of ArcelorMittal Brasil, such as:

- Environmental Regularization – to obtain of required environmental licensing, analysis of legal aspects and best practices, and the constant collaboration with regional and national environmental agencies.
- Use of water – reducing water consumption; minimize disposal of industrial effluents; reuse industrial effluents; industrial water recirculation rate above 97%.
- Effluents – continuous search for zero generation of industrial effluents, including treatment, monitoring the quality of surface and underground water located in the Company's or adjacent areas, and recirculation.
- Atmospheric emissions – environmental control systems such as bag filters, gas scrubbers, and electrostatic precipitators.
- Atmospheric emission monitoring program, with results reported to environmental agencies, and monitoring of black smoke in diesel vehicles.
- Environmental noise monitoring, showing values below the legal limit, inside the units and in the surrounding areas.
- Waste and by-products – proper reuse, recycling, trading or disposal (as a last resort); control of non-recoverable and/or hazardous wastes. For example: reuse in Sintering of fine lime powder generated in Meltshop; use of Meltshop sludge briquettes in the Meltshop itself other raw materials; consumption of MPR (waste blend which is mixed and consumed in Sintering).
- Suppliers and customers – periodic assessment by means of environm

performance audits main suppliers who are considered as critical to the Company's business and to production, such as raw materials suppliers, hazardous products, among others. Likewise, customers of critical waste and/or by-products are also assessed.

- BioFlorestas – use of Hydroplan EB® gel in planting activities for moisture retention required for development of seedlings; installation of control valves in irrigation hoses; when operations are close to communities, there is no night shift for harvesting activities.

As an example of preventive action the Company takes concerning possible environmental impacts, ArcelorMittal Tubarão reinforces the work

accomplished for enrichment of the existing Green Belt in the Plant, especially around the yards, minimizing the incidence of winds over piles of consumables. One of the objectives and goals for 2015 is also the commitment to keep emissions of particulate matter of all environmental control equipment with continuous meters 100% within the legal limits, while maintaining the Global Environmental Performance Indicator (IGPA) for environmental control equipment and systems at 96% minimum for 2015. There is a specific plan for minimizing fugitive emissions of particulate matter during the Summer called *Plano Verão* (Summer Plan), when winds are more frequent and more intense. Implemented in 1994 by ArcelorMittal Tubarão and awarded in later years, it consists of intensifying the washing

and wetting of unpaved paths and yards, and using sprinkler systems for the raw material yards to keep the material from being dragged by strong summer winds. This Plan is internally audited to evaluate its compliance and identify possible improvements to be implemented. Although it is not considered as a constraint, the Plan is proactively filed in IEMA. Another initiative implemented in 2014 was the Water Master Plan (for more details, see item Water and Effluents of this report), and its replication to Long Carbon segment will be evaluated in 2015.

WATER AND EFFLUENTS

[EN8; EN10; EN21]

Efficient water management is part of the ArcelorMittal Group's sustainability guidelines. As an improvement in its activities, the Company seeks to raise awareness on its responsibility, minimizing the consumption of water, treating and recirculating effluents, mitigating impacts to society and the environment.

The fresh water consumption in 2014 was about 8.6% higher than in 2013 due to the increase in steel production (which was 9.07% higher). The volume of water reused or recycled by ArcelorMittal Brasil during 2014 was 1,249,089,311 m³. Such volume represents an average rate of recirculation of 97% regarding the total volume of water used, which

comprises the sum of the reused water and the total collected volume. In addition, 6,812,374 m³ of effluents were discharged, treated in accordance with the quality parameters and legal limits allowed by the regulatory body (CONAMA).



WATER COLLECTED / RECYCLED - ArcelorMittal Brasil (M ³)	2011	2012	2013	2014
Total volume of water collected by source				
Municipal water supply or from other fresh water supply companies	22.239.960	21.420.278	22.140.694	24.042.948
Effluents from another organization	-	0	0	0
Underground water	940.000	82.004	76.077	845.048
Surface water, including wet areas, rivers, lakes and oceans	425.986.000	369.825.310	377.663.704	397.502.100
Rainwater directly collected and stored by the reporting organization	-	0	0	1.865
Volume of recycled water/ reused based on volume of the demand for water satisfied by recycled water / reused instead of additional removal				
Effluents recycled back into the same process or greater use of recycled water in the process cycle (m ³)	1.333.491.697	1.185.341.135	873.685.556	1.249.089.311
Percentage of water recycled/reused over the total volume of water removed (%)	98,19	96,78	98,28	97,02
Effluents reused in other installations of the reporting organization (m ³)	14.558	19.492	19.407	0
Effluents recycled / reused in a different process, but within the same installation (m ³)	-	11.874	4.813	48.452

DISPOSED WATER (M ³) - ArcelorMittal Brasil	2013	2014
Volume of disposed water		
Total	6.038.721	6.812.374
Unplanned disposal of water by treatment method		
Treated effluent	0	0
Effluent with no need for treatment	0	0
Unplanned disposal of water by destination type		
Other	0	0
Rivers	0	0
Lakes	0	0
Planned disposal of water by treatment method		
Effluent with no need for treatment	0	127.426
Uncategorized effluent	0	0
Treated effluent	6.038.721	6.684.948
Planned disposal of water by destination type		
Lakes	0	0
Rivers	389.103	777.419
Ocean/Sea	5.649.618	5.920.935
Other	0	114.020
Undefined location		0

⁶ National Commission for the Environment

Water reuse is a practice incorporated into the Group. In 2014 ArcelorMittal Vega, for instance, recirculated 98.6% of the water used in industrial processes, which is provided by the Municipal Water and Sanitation Company of São Francisco do Sul (SAMAE), and collected from a tributary of Sai Mirinzinho river, located on the mainland of the city of São Francisco do Sul (SC). As it is shown in 2014 data, Vega's water consumption was 551,699 m³/year, 7.8% more than in 2013.

ArcelorMittal Tubarão has an Energy Center that controls water supply to the plant. In 2014, ArcelorMittal Tubarão showed a recirculation rate of 97%. The trend of improvement in specific consumption and recirculation for next year also depends, among other factors, on market fluctuations and on the water issue in the State of Espírito Santo, which has been worsening in recent years. In 2013 a study for modernization of Water Reuse Station of ArcelorMittal Tubarão, was carried out; the project was executed, and repair services and replacement of equipment started in 2014 with completion expected in 2015. The volume of recycled/reused fresh water in production processes (about 94%) is much higher

than the freshwater inflow from CESAN utility company (about 6%). "Raw" fresh water is acquired from CESAN and treated internally. As for sea water, it is collected from the ocean through an own pumping station, and it returns to the sea through a long channel. That water is used as cooling fluid, without direct contact with the cooled equipment, and the input value is almost the same as the output.

In order to anticipate a scenario even more restrictive for water in the States of Espírito Santo and Santa Catarina, Tubarão and Vega units have jointly developed the Water Master Plan. That Plan includes opportunities in water management, such as the study and evaluation of alternative supply sources. In addition to that area of activity, optimizing the resource usage is also being studied in projects to reduce consumption, improve controls, reduce and eliminate losses, and increase recycling and reuse.

All surface (or underground) collections of ArcelorMittal Brasil are duly authorized by the competent bodies, and are made in accordance with, or even below, the allowed flowrates, such as Vega Unit that collects only 50% of the authorized limit for the Sai Mirinzinho river, as a result of water efficiency in its processes.

In terms of management of water resources, ArcelorMittal Brasil's Units are considered as benchmarking in Flat Carbon and Long Carbon segments within ArcelorMittal group.

As an alternative source, the Group units, for example, Itauna and Piracicaba, already collect rainwater on the roofs to use as replacement in the system, and for other purposes in the administrative buildings.

The business units of Long Carbon segment, practice the zero disposal of industrial effluents. Liquid effluents disposed are mainly rainwater and rainfall and sanitary water, which are treated in the industrial units through simplified physical and chemical processes or sent to local utility companies. In Cariacica and Juiz de Fora units, part of the sanitary effluents is also being treated and reused in the production lines.

Mina do Andrade performs all the dry iron ore beneficiation process, requiring water for administrative activities and production support only.



The increase in total consumption is due to the addition of new companies in the scope of the report.

ENERGY

[EN3; EN4; EN5; EN6; EN7]



The intensive use of energy in the steel industry operations encourages ArcelorMittal to invest in technologies for rational use of that resource to promote results compliant with its sustainability guidelines. To confirm its commitment, the Company has an **Energy Policy** which calls for the efficient use and conservation of energy as a way to demonstrate its social and environmental responsibility.

Efforts are undertaken to raise awareness of employees for the sustainable use of energy within the ArcelorMittal Group. In addition, all production units of the Company operate with heat recovery systems and/or reuse of gases from production processes.

Due to the rational use of energy, four main guidelines comprise the energy management at ArcelorMittal Brasil:

- Monitoring of specific indicators;
- Continuous diagnosis of systems;
- Measuring and checking plan;
- Deployment of cleaner technologies.

In 2012, ArcelorMittal Brasil created the ArcelorMittal Comercializadora de Energia (AMCEL) in order to further improve its input management, and create opportunities for cost saving - with purchase and sale of energy - and improvements in self-generation, in addition to invest in implementation of innovative energy efficiency projects.

ENERGY VENDOR - ArcelorMittal Brasil

CITY / STATE	UNIT	THERMAL/HYDROELECTRIC	SEGMENT SERVED	GENERATION CAPACITY
Vitória / ES	Tubarão	6 thermal power plants	Flat Carbon	500 MW
Vitória / ES	Sol Coqueria	2 thermal power plants	Flat Carbon	500 MW
Antonio Dias and Nova Era / MG	Guilman-Amorim Consortium *	Hydroelectric power plant	Long Carbon	500 MW
Taquaraçu de Minas / MG	Madame Denise	Small Hydroelectric Power Plant (PCH)	Long Carbon	12 MW
João Monlevade / ES	Piracicabinha	Small Hydroelectric Power Plant (PCH)	Long Carbon	12 MW

* Plant operated by the ONS (National Power System Operator), which shareholding interest of AMB is 51%.

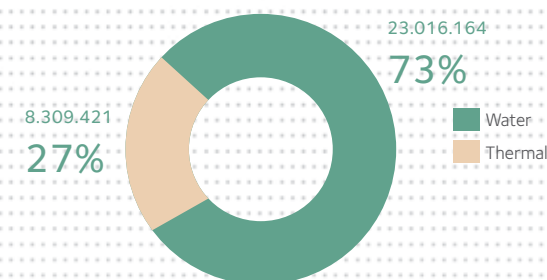
ArcelorMittal Tubarão, a flat carbon steel producer, is self-sufficient, but considering the Flat Carbon and Long Carbon segments, ArcelorMittal Brasil ensures the supply of 50% of the company's needs. The rest is purchased on the market in long-term, medium-term and spot agreements, through a management that seeks for eco-efficiency and competitiveness for business.

The total energy from hydroelectric power plants consumed by ArcelorMittal Brasil was 23,016,164 GJ in 2014. ArcelorMittal Tubarão consumed 8,309.421 GJ, but from direct energy produced in its thermal power plants. The surplus production is usually traded on the open market through AMCEL. In 2014, there was a surplus of 570,801.6 GJ of some gases (argon, oxygen, and nitrogen), which were sold, as well as energy to the system.

Actions taken to reduce energy consumption at Tubarão business unit, including the investment in deployment of new technologies, such as optimization of energy consumption in distribution

of meltshop gas and improvements in specific energy consumption in compressors, generated a 28,220 GJ saving.

ENERGY CONSUMED IN 2014 BY SOURCE (GJ) - ArcelorMittal Brasil



At ArcelorMittal Juiz de Fora, initiatives reported in previous years are still operational, such as the use of blast furnace gas to reheat billets in Rolling area (project initiated in 2010), with a 67.56% reduction in consumption of natural gas; use of molten pig iron in Meltshop, since 2007, with a 7% reduction in energy consumption in the electric arc furnace.



HIGH STRENGTH STEELS FOR THE AUTOMOTIVE INDUSTRY

[EN6] [EN26]

The automotive industry is an important sector for ArcelorMittal Brasil, where the weight reduction of steel components has an immediate and significant benefit to the environment through a higher energy efficiency, with less fuel consumption and consequent increased autonomy. Almost half the time invested in the global steelmaking sector in research and development of new products is dedicated to that sector, aiming at developing new materials that will reduce weight and cost without compromising vehicle safety. ArcelorMittal works closely with national vehicle manufacturers to ensure that what is being developed is aligned to customers' needs.

ArcelorMittal combines efforts of production units in Brazil and abroad to offer complete solutions to carmakers and auto parts industries. In 2014,

solutions for production of even safer and eco-friendlier vehicles were presented to the Brazilian market. One of the main products is the high corrosion resistance galvanized steel with various specifications. The technical area is the link between demands of carmakers in Brazil and R&D centers of ArcelorMittal Group in the US and Europe, in order to make feasible supplying steel in Brazil with the same characteristics of steels produced in those markets. That differential enabled some Brazilian carmakers to release models using Usibor®, an exclusive ArcelorMittal steel for hot stamping, with the first vehicles being manufactured on a large scale in Brazil with that steel, whose main characteristic is being three times more resistant. That is why it is used in parts to protect the car cabin and ensure safety of passengers.

Usibor® is part of the S-in Motion, a set of special steel solutions - Advanced High Strength Steel (AHSS) - used in car bodies, doors and frames. It enables to reduce the weight of a passenger vehicle by 20% while keeping the same production cost. Lighter vehicles consume less fuel, and, therefore, cause less impact to the environment (reduction of about 15% in CO₂ emission during production and lifecycle of the vehicle). Currently imported from other industrial units of the Group, Usibor® will be produced in Brazil, at Vega business unit, starting in 2015.

WASTES AND BY-PRODUCTS

[EN22; EN23; MM3]

In 2014, ArcelorMittal Brasil units generated 5,175,619 tons of non-hazardous waste and 94,213 ton of hazardous waste. 10,269,527 tons of sterile waste, tailings and sludge were also generated by mining units (Mina do Andrade) and Wire Drawing (BBA and BMB). There was no significant leakage or spillage in any unit of the group.

ArcelorMittal Brasil reused about 3.1 million tons of industrial waste during 2014, giving new usages to slags, gases, and other by-product from the steel production process.

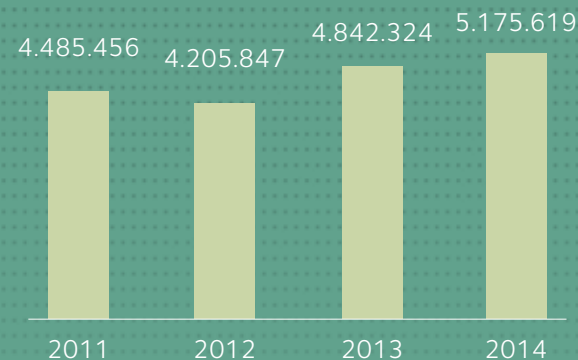
The Company considers that the waste that has been processing, or in its original form, are sold as raw material for other production processes in the chain, such as tar, for example, are considered negociable by-products. The sale of more than 30 types of by-products generated an extra income of BRL 180 million to the company.

Cement, chemical, Construction and Paving industries, among others, were the main destinations for by-products. In 2015, ArcelorMittal Brasil will invest BRL 2.8 million in research and development of new applications for waste, thus avoiding disposal in the environment, saving natural resources, and also generating wealth. Altogether, 17 new lines of research will be conducted in partnership with Federal Universities, the the Research Center of ArcelorMittal Group in Europe, and clients, in addition to internal synergy between plants.

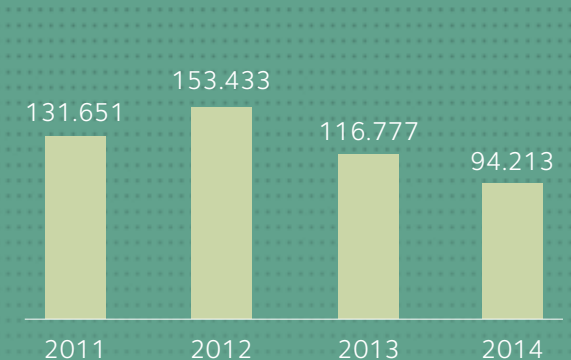
Seeking the development of new applications, enhancement of by-products, reduction of domestic inventories, and compliance with legal requirements, the Company has multidisciplinary Workgroups working in R&D, using the internal expertise of its specialists, and with the support of technological development of CTO team of ArcelorMittal Group.

TOTAL WEIGHT OF WASTE, BY TYPE AND METHOD OF DISPOSAL (t) ArcelorMittal Brasil	2011	2012	2013	2014
Amount of waste by type and method of final disposal - NON HAZARDOUS				
Storage on site	40.894	184.953	334.491	286.993
Reuse	868.365	791.580	820.983	639.565
Landfill	20.271	60.096	193.178	84.969
Incineration	1.934	67	69	644
Recovery (including energy recovery)	-	37.780	-	101.975
Recycling	3.553.992	3.131.371	3.493.603	4.061.473
Amount of waste by type and method of final disposal - HAZARDOUS				
Storage on site	18.297	21.047	516	209
Reuse	23.428	24.205	23.256	2.986
Landfill	27.494	29.437	15.539	6.064
Incineration	198	128	88	407
Recovery (including energy recovery)	-	646	641	6.659
Recycling	62.234	77.970	76.737	77.888

TOTAL NON HAZARDOUS WASTE
GENERATED (t) - ArcelorMittal Brasil



TOTAL HAZARDOUS WASTE
GENERATED (t) - ArcelorMittal Brasil



Even with the significant increase in crude steel production in 2014 compared to 2013 (21%), there was no significant increase in total generation of waste and by-products.

When it comes to hazardous waste, the total value remained almost unchanged, with variation below 2.5%. As for the generation of non-hazardous waste, it was only 6% higher in 2014 compared to 2013. Commercialization, reuse and recycling ratios remained high and had virtually no percentage change.

The environmental management by-products at ArcelorMittal Tubarão won the 2014 Findes/Senai Award in Solid Waste category. The change in the by-products management approach increased the synergy between the concerned areas, resulting in greater operational efficiency and increased revenue of approximately BRL 1.5 million. The objectives of that Award are to encourage and recognize the environmental and socio-environmental initiatives taken by industries and stakeholders in the state of Espírito Santo. Tubarão unit is considered as benchmarking in the Flat Carbon segment of ArcelorMittal Group in waste management.

The method used for waste disposal at ArcelorMittal Vega was jointly established with CLE Brasil (directly responsible for operation), aiming at maximum reuse

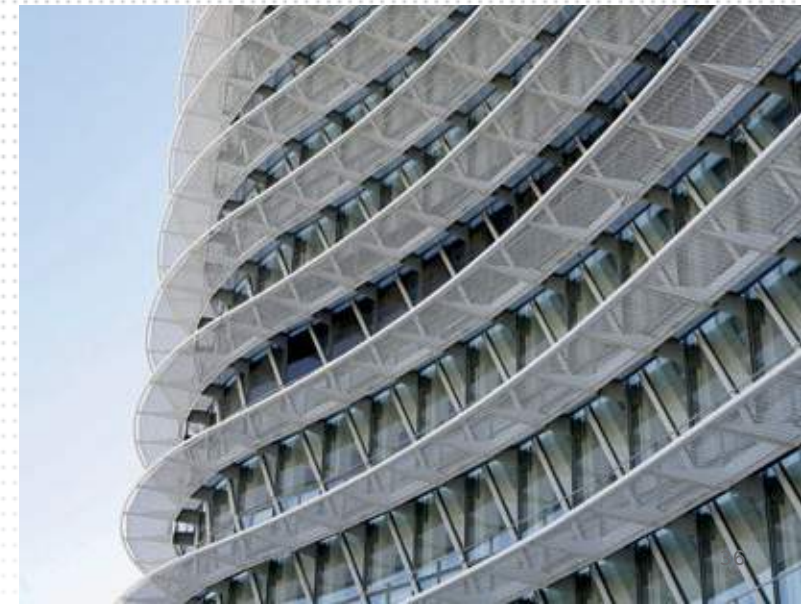
and recycling of waste, according to its classification, technology available and cost. The solid waste generated during the production process are packed in appropriate containers next to production lines and temporarily stored in a warehouse, from there they are sent for final disposal in accordance with the classification of each type of waste.

In 2014, the Long Carbon segment promoted the reuse of various waste/by-products in its units, such as fine lime, fine ore, sludge and powders, fine charcoal, and scrap metal generated internally, in its own production processes. In addition, slag and Meltshop sludge are used for construction of internal waste landfill cell. Partnerships with Universities and Research Institutes are in progress for researching and developing alternatives in application of various waste/by-products of ArcelorMittal, either internally or externally. An initiative that has already been implemented is the use of dust from the electric meltshop for zinc production.

In 2014, Monlevade (MG) business unit started reusing packaging wood (waste from the plant) in the Meltshop to replace eucalyptus short logs that were previously purchased. Such replacement generates annual savings of approximately BRL 100,000.

Piracicaba and Cariacica units, which have Electric Arc Meltshop, use mainly steel scrap and pig iron as input for steel production, accounting for a high percentage of recycled materials being used in the production process. As for ArcelorMittal BioFlorestas, most of the waste generated are organic waste, such as eucalyptus shell, which is used in recovery of damaged areas or returned to planting plots and pulverized coal, which is sold.

ArcelorMittal Brasil's units have contracts with specialized companies to provide emergency services involving loads of products classified as hazardous or not, inside or outside the Company's premises, throughout the country. Suppliers of hazardous products and customers of waste or by-products, whether hazardous or not, are required by contract, when they are responsible for transport and handling of such materials, to have immediate response to potential emergency situations.



BIODIVERSITY

[EN11, EN12, EN13, EN14, EN15, MM1, Global Compact Principles 7 and 8]

To contribute to environmental protection in the regions where it operates and preserve ecosystems, ArcelorMittal Brasil works in partnership with local conservation groups. Main areas protected by the Company are distributed in four Brazilian states, covering the Cerrado and Atlantic Forest biomes:

PROTECTED AREAS – ArcelorMittal Brasil

LOCATION	ÁREA (km ²)	REMARK
Southern Bahia (Prado, Caravelas and Alcobaça)	46,84	Atlantic Forest Biome, 46% native forest. The area belongs to ArcelorMittal but is currently being rented to another producer.
Cariacica - ES	1,13	0.60 km ² of protected green area
Serra - ES	13,38	1.29 km ² are PPA (Permanent Preservation Area) (forest, sandbank, vegetation, mangrove, lakes and streams) and 0.35 km ² of voluntary preservation.
Bela Vista de Minas - MG	10,36	7.31 km ² of Legal Reserve 3.05 km ² PPA
Center-West of Minas Gerais (Abaeté, Bom Despacho, Dolores do Indaiá, Martinho Campos and Quartel Geral)	7,61	Cerrado biome composed of 20% native vegetation.
Itabira - MG	0,95	0.68 km ² Legal Reserve 0.27 km ² PPA
João Monlevade - MG	5,18	PRNH Monlevade - Atlantic Forest Biome on the banks of the Piracicaba river. Houses the unit's Environmental Education Center (EEC), with a visitation routine.
Juiz de Fora - MG	12,30	Areas in which ArcelorMittal Juiz de Fora is installed, with 1.7 km ² of industrial area, 6 km ² of reforested areas and 12,3 km ² of native forests or vegetation.
Middle course of the Piracicaba river (Nova Era and Antônio Dias - MG)	7,16	Atlantic Forest biome, houses the Environmental Education and Visitor Support Center (CEAP), with the execution of lectures and guided tours.
North of Minas Gerais (Carbonita, Senador Modestino Gonçalves and Diamantina)	10,42	Cerrado biome, 33% native vegetation and 6.7 km ² of Private Reserve Natural Heritage.
Sabará - MG	0,22	0.77 km ² of green area.
Vale do Rio Doce - MG (Dionísio, São José do Goiabal, Marlênia and São Pedro dos Ferros)	84,92	Atlantic Forest biome, with 27% of its area composed by native vegetation, where there is located the third largest lacustrine complex in Latin America. The area is next to the Rio Doce State Park - PERD.
São Francisco do Sul - SC	2,2	0.76 km ² of PRNH (Private Reserve Natural Heritage), 0.75 km ² of non continuous Atlantic Forest, part being a sandbank.

⁸ CLE Brasil ("Consortium L'Espoir", which means "Hope Consortium") is controlled with shares by Grupo Veolia Environment. It is a Brazilian special purpose company (SPC) established in August 2001 for implementation of utility outsourcing project of the new Industrial Complex of ArcelorMittal Vega.

In line with its Environmental Policy, ArcelorMittal Brasil seeks to assess all aspects of its operations on environment, and to draw up plans and strategies to minimize impacts. Since a significant part of the units of ArcelorMittal Brasil is located in protected areas with high biological biodiversity, the Company invests in identification and monitoring of those areas located within or near the units to promote preservation of biodiversity and guarantee the balance of the ecosystem. Based on the actions developed and the

preparation of studies, data related to environmental impacts are updated, including the identification of risk scenarios, definition of corrective and preventive actions, and evaluation of the effectiveness of actions taken.

At ArcelorMittal Brasil, studies are conducted to identify endangered species of flora and fauna. As an example of those activities, ArcelorMittal Long Carbon mapped 69 species listed in the IUCN Red

List and which are in the countryside of Cerrado and forest environments in general. As for Guilman-Amorim hydroelectric plant, a consortium with Samarco that supplies energy to the Long Carbon units, it has 24 species in areas of the Private Reserve of Natural Heritage (PRNH) and vegetation cover of about 18km², adjacent to Legal Reserve and to the Permanent Preservation Areas of Piracicaba River, and the dam reservoir, according to the table below.

PROTECTED OR HIGH BIODIVERSITY INDEX AREA - ArcelorMittal Brasil	NUMBER OF SPECIES				
	Critically endangered	Threatened	Vulnerable	Almost threatened	Minimal concern
RPPN Guilman-Amorim, Legal Reserve and APP (Permanent Preservation Area).	Avifauna: Pararu-espelho (Claravis godefrida)	Mastofauna: Guariba/Bugiu-ruivo (Alouatta guariba clamitans); Jaguaririca (Leopardus pardalis), Lobo-guarã (Chrysocyon brachyurus); Sagui-da-cara-branca (Callithrix geoffroyi)	Avifauna: Cuitelão (Jacamaralcyon tridactyla) Mastofauna: Onçaparda/Suçarana (Puma concolor) Flora: Jacarandã-caviúna (Dalbergia nigra)	Avifauna: Maracanã-do-buriti (Primolius maracana)	Avifauna: Chupa-dente (Conopophaga lineata); Maracanã-do-buriti (Primolius maracana); Rabo-branco-rubro (Phaethornis ruber); Rendeira (Manacus manacus); Surucuá (Trogon surrucura); Tangará (Chiroxiphia caudata); Tagarazinho (Ilicura militaris); Tico-tico-rei-cinza (Coryphospingus pileatus); Tietinga (Cissopis leverianus); Trinca-ferro-verdadeiro (Saltator similis); Urubu-rei (Sarcoramphus papa)

*APP - Permanent Preservation Area

In Guilman-Amorim Hydroelectric Plant Consortium, the approach for preservation of its environmental protection areas consists in monitoring (carried out by a private security company) and training/raising awareness of employees and visitors (using signs to inform about the existence of Conservation Units - UCs, their importance, and the activities prohibited

there). Since 1998, the program for Recovery and Restoration of Degraded Areas of the Plant maintains monitoring and maintenance measures of degraded areas within the UCs. In 2014, the maintenance of 26,300 m² was accomplished; the plan for conservation of fish species and handling of PRNH and Legal Reserve Plans were also developed.

Juiz de Fora unit performs the maintenance of green areas within their facilities, totaling 50 ha. ArcelorMittal BioFlorestas manages a reforested area of 149.8 km², where the ecological handling is done in a proper manner.

In all Industrial Units / Companies where ArcelorMittal Long Carbon Brasil has legal reserve



areas, PRNHs, Permanent Preservation Areas, and even in its areas of forest handling, the Group has private security, firefighting brigade, and agreements with the Environmental Police in order to prevent and combat, if necessary, any situation that may jeopardize the areas mentioned above. For areas that may need restoration, ArcelorMittal Long Carbon has a degraded area recovery program and an emergency action plan which aims at bringing them to their original natural state, removing any changes that may have been caused by its industrial operations.

ArcelorMittal Vega has a protected area of 76 hectares covered with native forest (Atlantic Forest) located near the plant and representing one-third of the total area of the unit. The area is in approval process from the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) as a Private Reserve of Natural Heritage (PRNH), has an 860-meter ecologic trail into the woods, used for the environmental education program, and a nursery that produces seedlings of native trees and plants for use in gardens and environmental education program.

ArcelorMittal Tubarão has 164 hectares of protected or restored habitats, with 129 hectares of green belt and permanent preservation areas (area of remaining tableland forest, sandbank, vegetation in condition

of regeneration, mangroves, lagoons, and stream), and 35 hectares of voluntary preservation referring to the Environmental Education Center - EEC (reforestation with growing, native, fruit species, riparian vegetation, and vegetation in condition of regeneration). Some of these initiatives were approved by internationally recognized companies, such as studies to enhance the Green Belt with specialists of the Midwest Research Institute (MRI) from the United States. The Green Belt minimizes the dragging of particulate matter (mainly from yards and pathways), improves the microclimate and biodiversity of the region, among other advantages.

In 2013, a study of the fauna and flora in the area of ArcelorMittal Tubarão Green Belt was performed. The objective in 2014 and in the years to come is to continue monitoring the composition and structure of fauna and forest cover, for purposes of environmental quality diagnostics in a 781 hectare area comprising the Green Belt of the company.

In addition to continually assess and manage the environmental impacts inherent to the fauna and propose remedial and conservation strategies, aiming to mitigate identified impacts, ArcelorMittal BioFlorestas also uses indexes of wealth, diversity, similarity and frequency of species in the study area in the biodiversity risk assessment. Species

inventories and monitoring of medium- and large-sized bird and mammal community are systematically conducted, because they are considered as bio-indicator groups (they occupy different trophic levels and environments and are taxonomically well defined). All impacts identified on the fauna and flora so far are reversible, because the magnitude they occur does not generate imminent risk of local extinctions. In the Midwest and North regions and Rio Doce Valley, in the state of Minas Gerais, 111 species of fauna and flora listed in the IUCN Red List were identified.

[MM1]

In Mina do Andrade, areas that may be affected (117.40 hectares) by productive activities are covered by current areas of extraction and support buildings. Full rehabilitation is expected to the end of the mine life span; however, as portions of this area have their exploitation closed, they are rehabilitated. In 2014, 1.39 hectares were affected.

CLIMATE CHANGES

[EN18, Global Compact Principle 7]

The Company has a Coping Program for Climate Change which includes, among other initiatives, the existence of a CO₂ Master Plan aimed at identifying new initiatives associated with the reduction of Greenhouse Gases (GHG) emissions, and their technical and economic feasibility for implementation.

At ArcelorMittal Brasil, through the Environmental Management System (EMS), objectives and goals are established at the production units, as well as the monitoring program, and they are managerially followed through monthly environmental meetings in the units and semi-annual meetings for analysis EMS of by management. In addition, every two years, the units of higher production voluntarily draw up a global corporate inventory of GHG emissions, following the calculation methodology of World Steel Association (WSA) and the methodologies of the Intergovernmental Panel on Climate Change (IPCC) for national inventories.

Emission indicators for GHG and generation of carbon credits in the Clean Development Mechanism (CDM), projects, are monitored by the involved areas through KPIs. Based on the identification of reduction opportunities, plans are made to implement those reductions. Moreover, considering the existing standardized system, each case is evaluated in terms of the possibility of being classified as CDM project.

In 2014, no new climate change projects were developed. The Company proceeded with projects that were already in progress.

EMISSIONS

[EN16; EN17; EN18; EN20]

ArcelorMittal Brasil seeks to reduce, mitigate, and/or control atmospheric emissions of all its units. In order to keep environmental quality in its operations, the Company evaluates the levels of emission of Greenhouse Gases.

Following one of the principles of its Environmental Policy, ArcelorMittal Brasil engages in the management and reduction, where technically and economically feasible, of the origin of CO₂ emissions in its processes. Some projects reinforce that commitment, such as:

- Cogeneration of electricity using the Heat Recovery process;
- Cogeneration of electricity by recovering Meltshop gases;
- Transportation of coils by ocean barges;
- Reduction of methane emissions in coal production units;
- Injection of charcoal fines into blast furnace;
- Use of blast furnace gas in the billet reheating furnace;
- Use of renewable biomass in charcoal blast furnaces;
- Forest Producer Program.

In 2014, the industrial activities of ArcelorMittal Brasil totaled 14,355,766 tCO₂e in scope 1 emissions, 133 125 tCO₂e in scope 2 emissions, and 20 482 tCO₂e in scope 3 emissions.

¹⁰ Key Performance Indicators

DIRECT AND INDIRECT GHG EMISSIONS - t CO ₂ e /tab - ArcelorMittal Brasil	2011	2012	2013	2014
GHG EMISSIONS (SCOPE 1)				
Other fixed sources	12.634.352	11.123.576	11.991.712	14.355.941
Mobile	-	-	-	-
Runaway	-	-	-	-
GHG EMISSIONS (SCOPE 2)				
Electrical energy consumption	85.038	130.783	166.490	133.139
GHG EMISSIONS (SCOPE 3)				
Scope 3	621.281	2.597.396	2.482.824	20.482

NO _x , SO _x AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS, BY TYPE AND WEIGHT - ArcelorMittal Brasil	2011	2012	2013	2014
EMISSION OF ATMOSPHERIC POLLUTANTS (T)				
NO _x	4.895	6.935	4.607	4.495
SO _x	13.738	9.186	10.832	9.717
POP	0	0	0	2
COV	17	101	82	1
Particulate Matter	2.477	2.719	2.674	2.854

Measures taken to reduce emissions of GHG include energy efficiency and conservation programs, preparation of projects for energy cogeneration, more effective modes of transport with less impact, and research of alternative and renewable energies.

ArcelorMittal Tubarão recorded a reduction of emissions of 286,206 tCO₂e in 2014, due to the following CDM projects:

- Cogeneration of energy by Meltshop gas recovery - reduction of 69,338 tCO₂e in 2014;
- Generation of energy in SOL's coke plant by heat recovery process - reduction of 216,868 tCO₂e in 2014.

It should be noted that those projects have already caused since its inception the reduction/generation of carbon credits in the order of 1,227,197 tCO₂e.

In addition to CDM projects listed above, ArcelorMittal Tubarão is preparing to implement the project for Co-injection of Natural Gas into the in blast furnaces as alternative reductant fuel. The purpose of that project is to reduce CO₂ emissions through partial substitution of natural gas as a reducing agent in the production of pig iron for pulverized coal. Between 2012 and 2014, investments were made in the natural gas supply piping system to the blast furnace #3, and in the equipment

required for its injection. Due to market and production demand issues in 2013 and part of 2014, blast furnace #3 was inoperative.

Regarding sulfur dioxide (SO₂), a decrease in the amount of emissions (12.5%) is observed, especially due to maintenance on Desulphurization System of Ammonia Vapors (Claus System) at ArcelorMittal Tubarão coke plant, and improvements in operational control of other production units. As for the decrease in the total amount of NO_x emissions (5%), mainly due to lower burning of tar in the Plant's Thermoelectric Centers.

ArcelorMittal Tubarão was also awarded in the Air Quality category in the 2014 Findes/Senai Award, with the project "Technologies to minimize atmospheric emissions - GEPI - Global Environmental Performance Indicator". That indicator includes performance of environmental control equipment and systems that ensure the reduction of particulate matter and gas emissions in order to comply with legal limits and to improve air quality in Vitória metropolitan area.

The values of gas emissions by the Group's activities are within the Brazilian legal limits. ArcelorMittal Brasil monitors its atmospheric emissions through periodic measurements carried out by specialized companies. In addition to monitoring emissions from stationary sources, ArcelorMittal Vega also has two air quality monitoring stations, which monitor dust (total suspended particles), and nitrogen and sulfur oxides. The results indicate values far below the limits established by applicable law, including below the secondary standard.

HOT QUENCHING TOWER

Cariacica (ES) unit replaced the cooling system of Steelworks dust removal for HQT (Hot Quenching Tower), which is more modern and efficient. The BRL 20 million investment resulted in several operational and environmental gains:

- Reduction of CO (carbon monoxide) concentration and particulate matter in from chimney emissions;
- Reduction of heat load to be cooled, resulting in energy savings;
- Reduction of need for replacement of the hose filters due to the holes resulting from sparking, which prevents the chimney emission at higher concentrations;
- Reduction of the number of shutdowns for maintenance of the dedusting system;
- Reduction of costs associated with the replacement of chilled pipelines, since the new design increased its lifecycle;
- Reduction of leakages and, therefore, of replacement water consumption in the system;
- Reduction of the number of stakeholder claims due to fugitive emissions.

¹¹ NO_x is a term referring to a group of very reactive gases, nitrogen oxides. Those included the nitric oxide (NO), nitrogen dioxide (NO₂) and others, which contains nitrogen and oxygen atoms in various proportions in their composition.

¹² HQT (Hot quenching tower) is a heat exchanger based on the evaporative principle of water that is atomized by high performance nozzles, increasing the contact surface by the generation of water micro particles smaller than 100 µm, removing the heat from the gas passing through the tower. Atomization is performed by means of compressed air into the booms. An inlet chamber works as sedimentation chamber and must be cleaned periodically.



5

Investing in Our People

■ For us at ArcelorMittal innovation is the key to success. Bright minds have ideas that are transformed in new revolutionary steel technologies, processes and products and drive our company to the front lines of competitive edge.

5

Nowadays, ArcelorMittal Brasil is a reference in organizational climate for its more than 15,000 employees, and ranks among the best companies to work for in the country. Attention and care for employees is a direct reflection of the Company's values (Leadership, Quality, and Sustainability), in line with the sustainable growth of its business.

ArcelorMittal Brasil has a philosophy of valuing aspects such as teamwork, multiple cultures, ethics and, most importantly, safety. For this behavior, in 2014, ArcelorMittal Brasil received the Você RH award granted by Editora Abril, which aims to recognize the best professional of Human Resources area.

INVESTING IN OUR PEOPLE

5.1 Functional Characteristics (GRI LA1; LA2; LA13, EC7)

Covering the units of Flat Carbon and Long Carbon segments, as well as including, in 2014, Wire Drawing units (BBA and BMB) and Mining (Mina do Andrade), on December 31st, the 15,258 own employees of ArcelorMittal Brasil were divided as follows:

TOTAL WORKERS (OUTSOURCED AND OWN)	2012	2013	2014
Total Own Employees	10.285	11.026	15.258
Total Contracted (Outsourced)	5.614	5.230	7.168
TOTAL	15.899	16.256	22.426
NUMBER OF EMPLOYEES BY AGE GROUP	2012	2013	2014
Below 30 years of age - Male	2.185	2.480	2692
Below 30 years of age - Female	290	285	1470
Between 30 and 50 years of age - Male	6.038	6.225	8592
Between 30 and 50 years of age - Female	658	757	909
Above 50 years of age - Male	1.224	1.220	1498
Above 50 years of age - Female	63	59	97
TOTAL	10.458	11.026	15.258
NUMBER OF EMPLOYEES BY JOB CATEGORY	2012	2013	2014
Management positions - Female	302	466	378
Management positions - Male	23	33	41
Higher education positions - Female	1688	1661	1958
Higher education positions - Male	476	497	582
Positions without higher education - Female	7464	7798	11537
Positions without higher education - Male	532	571	762

* Wire Drawing (BBA and BMB) and Vega have no control by race

OWN EMPLOYEES			
	2012	2013	2014
TOTAL	10.285	11.026	15.258
BY GENDER			
Male	9.266 90,40%	9.925 90,09%	13.870 90,90%
Female	1.019 9,60%	1.101 9,91%	1.388 9,10%
BY REGION			
Center - West - Female	4	9	15
Center - West - Male	-	4	4
Abroad - Female	-	-	3
Abroad - Male	-	-	-
Northeast - Female	162	94	551
Northeast - Male	37	38	70
North - Female	-	2	3
North - Male	-	1	1
Southeast - Female	8.529	9.255	12.730
Southeast - Male	907	978	1.223
South - Female	571	565	568
South - Male	75	80	90
BY WORK CONTRACT			
CONTRACT FOR INDETERMINATE AMOUNT OF TIME			
Male	9.259	9.922	13.859
Female	1.017	1.097	1.383
TEMPORARY CONTRACT			
Male	7	3	11
Female	2	4	5
BY TYPE OF JOB			
FULL TIME			
Male	9.264	9.925	13.867
Female	1.019	1.101	1.388
PART TIME			
4 Hours/day - Female	-	-	-
4 Hours/day - Male	-	-	-
6 Hours/day - Female	-	-	3
6 Hours/day - Male	2	-	-

The number of local hiring of senior management members can be seen in the table below:

LOCAL HIRING OF TOP MANAGEMENT MEMBERS

	2012	2013	2014
Total number of employees occupying top management positions	124	200	220
Total number of employees from top management considered to be from local communities	35	31	100
Percentage of employees from top management considered to be from local communities	28,23%	15,50%	45,45%

*As compared to 2013, the 2014 scope was extended and it now covers Wire Drawing units (BBA and BMB) and Mining (Mina do Andrade).

** Those hired in the same area of the unit were considered as employees from local communities.

The profile of hiring and lay-offs can be seen in the table below.

TURNOVER ArcelorMittal Brasil	2012				2013				2014			
	NEW HIRES	ADMISSION RATE	LAYOFFS	TURNOVER RATE	NEW HIRES	ADMISSION RATE	LAYOFFS	TURNOVER RATE	NEW HIRES	ADMISSION RATE	LAYOFFS	TURNOVER RATE
BY GENDER												
Male	800	7,78%	924	8,98%	1.593	14,45%	1.561	14,16%	2.055	18,64%	1.337	12,13%
Female	125	1,22%	153	1,49%	164	1,49%	180	1,63%	198	1,80%	99	0,90%
Total	925	8,99%	1.077	9,73%	1.757	15,94%	1.741	15,79%	2.253	20,43%	1.436	13,02%
BY AGE GROUP												
Below 30 years of age	635	6,17%	376	3,65%	1.124	10,19%	642	5,82%	1.407	12,76%	551	5,00%
Between 30 and 50 years of age	141	2,73%	539	5,24%	616	5,59%	756	6,86%	796	7,22%	731	6,63%
Above 50 years of age	9	0,09%	162	1,57%	17	0,15%	343	3,11%	50	0,45%	154	1,40%
BY REGION												
South Region	48	0,47%	22	0,21%	46	0,42%	66	0,60%	55	0,50%	4	0,04%
Southeast Region	837	8,14%	998	9,70%	1.689	15,32%	1.441	13,07%	2.143	19,44%	1.335	12,11%
Center-West Region	1	0,01%	0	0,00%	4	0,04%	4	0,04%	1	0,01%	34	0,31%
North Region	-	0,00%	57	0,55%	3	0,03%	8	0,07%	1	0,01%	-	0,00%
Northeast Region	39	0,38%	0	0,00%	15	0,14%	222	2,01%	53	0,48%	63	0,57%

- In 2014, 1,436 employees were laid off and 2,253 were hired. This high rate of lay-offs and new hires is mostly justified by the retirement of employees after 30 years of dedication to the company. In addition, some units are experiencing the resumption of higher levels of production, associated with the insourcing of some activities and changes in shift schedule.

5.2 People Development (GRI LA10; LA12, HR4) (Global Compact – principle 6)

With the global mission of transforming tomorrow through professional development of the employee, ArcelorMittal Brasil encourages the creation of an environment that encourages leaders to leverage the resources of teams to achieve business results. The company offers a variety of courses and training aiming to develop excellence in all people, build their own leaders, create a business culture converging to ArcelorMittal's objectives, attract, retain, and develop talent.

Classroom and online training are offered through the Luxembourg-based ArcelorMittal University, and they are also available to employees through the Corporate Education Website and a digital library, in addition to specific training given by ArcelorMittal Brasil and according to the specific demands of each business unit.

Every new employee goes through an integration period during which he/she receives a number of institutional

training and others, focused on the area for which he was hired. Therefore, in 2014, the units with high rates of hiring also had an impact in the number of training hours. However, despite the fact that certain units have shown an increase in the number of trainings, it has been falling in general, which is justified by the seasonality of compulsory training required by the company, as shown in the following table:

AVERAGE TRAINING HOURS ArcelorMittal Brasil

	2012	2013	2014
Management positions - Female	45,4	37,0	36,0
Management positions - Male	45,2	23,0	33,3
Higher education positions - Female	68,1	48,0	42,7
Higher education positions - Male	49,3	30,0	31,3
Positions without higher education - Female	114,3	65,0	48,4
Positions without higher education - Male	111,6	47,0	36,8

703,329 hours of training were accounted, representing an average of 46.09 hours per employee. The most significant subjects pointed out by the units were related to safety, technical qualification and regulatory standards, business/operational standards, OTJ (On The Job) training, and those dedicated to business management.

Focusing on employee development, the Company applies a global program to monitor the employee's development, called Global Employee Development Program (GEDP). This program consists of the employee performance assessment in a year cycle, assessing the employee's potential to occupy for future positions in the company, career perspective indicated by the

employee him/herself, individual development plan, and manager-employee feedback to align expectations and understandings about the work being accomplished. In 2014, the Shared Services administrative technicians were included in GEDP process, as well as technicians from Supply and Metallic areas, a few Long Carbon business units and the entire Commercial team were included in the GEDP process. Furthermore, several plants apply other kinds of performance assessment for their technical - or operating-level employees. Not all of them follow GEDP methodology, but there is a trend to include more people every year and to standardize and adapt GEDP to technical and operational levels. In 2014, 48% of the employees were assessed, being 46%

of male audience in the company and 72% of female audience.

Guided by its Human Rights policy, ArcelorMittal Brasil promotes and discloses practices in its culture the appreciation of diversity and non-discrimination based on race, color, sex, sexual orientation, age, religion, ethnicity, national or social origin, financial status, belief, disability, or any other reason. Endorsing its principles and sustainable practices, the Company has not received any complaint about discrimination or violation of human rights in 2014. The procedures to be adopted for performing any kind of complaint are described in the Company's **Whistleblower Policy**, on the website, and it is known by all employees.

5.3 Remuneration and Benefits (GRI LA3, LA14)

In 2014, ArcelorMittal Brasil offered several benefits to its employees and their families, including: chartered transport, local transportation vouchers, aid for children with special needs, funeral assistance, maternity leave, paternity leave, medical care, coverage for temporary/permanent disability, life insurance, retirement fund, day care assistance, meals in its own cafeteria, food vouchers, dental care, sick pay, among others, in addition to agreements with gyms and pharmaceutical coverage, totaling BRL

263 million. The Company also invests in preventive actions for the worker's health and their dependents', providing medical care and healthcare plans.

Annual remuneration is based on criteria that combine, in addition to fixed salaries in line with the market, the Company's profit sharing which is, defined through programs that consider achievement of corporate and team goals. Moreover, ArcelorMittal offers a special training program for women, focusing on leadership.

The Company seeks to provide all employees the same opportunities for growth, without discrimination, so there is no pay gap between men and women. Salary differences, when they occur, are related to other benefits that are not associated with gender, for example, such as length of time in the the company.

5.4 Health, Safety and Wellbeing (GRI LA6; LA7; LA8)

The company has permanent practices and initiatives to prevent accidents and keep health conditions. As a way to control, all units of ArcelorMittal Brasil work with management systems and are certified on the criteria of the Occupational Health and Safety Assessment Series (OHSAS 18001), which deals with occupational health and safety, and Social Accountability (SA8000), which is an international standard for assessing the social accountability based on conventions of the International Labor Organization (ILO) and other conventions of the United Nations (UN).

Discussions on the management of health and safety at global corporate and local levels are frequent; moreover, several global corporate standards on safety, occupational health and hygiene, guidelines and good practices in the field are available for all employees.

Health and safety actions are primarily focused on identification of risks, which are monitored in hazardous areas.

In order to control risks of accidents and the prevention of serious diseases, ArcelorMittal Group has deployed several initiatives in that regard at global corporate level, such as:

"JOURNEY TO ZERO"

Journey to zero accidents program, launched in the second half of 2008, and through which various projects, initiatives and activities are defined and developed every year.

WORLD HEALTH AND SAFETY DAY

Day dedicated to health and safety, with the presence of all leaderships, and which is celebrated in all business units where ArcelorMittal is present.

WORLD HEALTH AWARENESS PROGRAM

This program has several initiatives aimed and focused on Health, such as lectures, campaigns, health circuits, and one week of the year dedicated to the subject. Those programs cover both the internal audience and their families. In addition, all of the initiatives above cover third-parties.

Therefore, all employees of ArcelorMittal Group and their families are increasingly inserted in counseling, prevention, treatment, education and training programs regarding health and safety. Health Profile is an instrument of control through which employees follow the evaluation of their exams and actively participate in managing their health indicators; it is also a source of information for the Company's programs and health goals. During Periodic Medical Examinations, 14 Personal Health indicators are assessed, including: Smoking, Cholesterol, Triglycerides, Blood Glucose, Uric Acid, Body Mass Index (BMI), Physical conditioning, Absenteeism, Liver Risk (Gamma GT), Weight Gain, Safety, Sleep and Stress.

The Company also holds several other initiatives, such as the World Health Week; the Race and Bicycle Ride with the participation of employees and their families; See and Live Program; the Affective-Sexual Education Program (PEAS); Zero Tobacco Program; the program for control of alcohol and other drugs, Living Mine; the Guardian Angel and Courageous Leadership and the Internal Week for Accident Prevention, which, in its 35th edition in Tubarão unit, received 4,699 visitors, 68% of these of its own employees and 32% of contractors and guests.

In addition, all units also offer prevention, education and training actions for the surrounding community.

All units have Internal Commission for Accident Prevention (CIPA), covering all company's employees. ArcelorMittal Group has at least three world committees in the Health and Safety area, and the sites have their own local committees. Some of the committees are: World Health & Safety Committee, Health and Safety Joint Committee (Company and representatives of global unions), CIPA, committee for major world safety standards of the ArcelorMittal Group, Contractors' Management Committee, Local Health & Safety Management Committee, Regulatory Standards Management Committees (Example: NR10, NR12, NR13, NR17, NR35, etc.). In addition, the "JTZ (Journey to Zero) Committee" was created in 2008 to actually start a journey to zero accidents through application of methods, tools and practices, among others. All ArcelorMittal Group units have the "JTZ Committee."

Committees operate differently, directed to the operating unit, with regular meetings and collegiate discussions on guidelines and goals. Monitoring is done throughout the year, based on the evolution of strategic actions defined in action plans. The

objective of the Groups is the compliance with legal aspects, as well as internal and corporate standards. The management is compliant with OHSAS 18001 requirements, with emphasis on continuous improvement and benchmarking development with national and international companies.

In 2014, the prevention results were positive for all sites of ArcelorMittal Brasil. ArcelorMittal Contagem, Wire Drawing units (BBA and BMB) and Mina do Andrade units are not included in 2013 data, which affects comparability. At Mina do Andrade, the engagement of all contractors and subcontractors in health and safety programs generated a positive result, and no lost time accident took place there.

Health and Safety practices follow the guidelines of the Brazilian legislation, where the NBR 14280 covers the work accident register. Internally, the Common SESMT (Specialized Services in Safety Engineering and Occupational Medicine) is used to register and control the indexes on that topic. Results are as follows:

HEALTH AND SAFETY INDICATORS (NBR 14.280) ArcelorMittal Brasil

	2013	2014
Lost time injury	13	28
Without lost time injury	315	300
Injury rate (Total Frequency)	11,40	11,24
Occupational illness rate	0,0	0,0
Severity rate (Rate of Days Lost - GRI)	0,06	0,05
Frequency Rate	0,45	0,96
Deaths	0	0

5.5 The Precautionary Principle [GRI 4.11 e PR1]

ArcelorMittal Brasil always considers the precautionary principle in risk management processes, both in the operation planning and in the development and launching of new products. During the planning, risk assessments are performed whether for products or new units. In those assessments, all factors are considered in terms of risk to health and safety of employees, suppliers, community and customers, among other stakeholders.

One of the mechanisms used in ArcelorMittal Brasil to assess impacts on health and safety is the radiation

monitoring of the raw material. The purpose is to eliminate any hazard from radioactive materials used throughout the production stages, which may put the health of our stakeholders at risk. If any problem that may represent risk to both people and property is identified, the Company acts immediately for disposal or, in very specific cases, in disqualification of the product. Other specific actions are taken in order to explain to customers about the product-related care and applications.

All products are identified and can be tracked in

the production chain. Tests performed in certified and calibrated equipment, according to standards recognized throughout the world and meeting national and international standards ensure the required specifications. Some products of ArcelorMittal line are required to have a compulsory certification and compliance with ordinances. In such cases, there are rules for the submission of minimum information related to technical aspects of the material, which are fully followed.

The Wire Drawing units (BBA and BMB) unit have a corporate risk management system which takes into account environmental and ecosystem risks, including their surrounding communities. That system is supported by internal formalized standards and procedures which are made available to employees, managers and directors through a specific computerized database. Atmospheric emissions, liquid effluents, waste disposal, etc., are monitored. In addition, international certification programs are held annually to maintain the wellbeing of the community and its employees. Based on FMEA - Failure Mode and Effect Analysis, risk studies are formalized, including internal and external audits.

Products deemed as non-compliant or unfit for use, pointed out by the community or customers, return to the company through reverse logistics and may be

reused in the production process of wire manufacturing, or in the companies associated with wire drawing units, in their blast furnaces in the steel remanufacturing, thus formalizing the natural recycling procedure.

BBA and BMB have received significant public recognition due to its good practices. In 2014, they were elected among the best companies in People Management by Valor Econômico in partnership with AON.

Furthermore, through ArcelorMittal Foundation, they are responsible for social responsibility policies and guidelines, focusing on its role in environmental and cultural education, and projects related to health and volunteering.





6

Enriching Our Communities

■ We are at the forefront of the renewable energy sector. ArcelorMittal provides innovative steel solutions that maximize energy production capacity. Our steel products with particular mechanical properties are widely employed in hydroelectric power plants, pipes and turbines.

6

ArcelorMittal Brasil's priority is the effective engagement with its external stakeholders, valuing the good relationship with communities, in order to ensure transparency and improve the management of eventual impacts generated by its businesses. Therefore the commitment to the development of neighboring communities is in line with its performance goals. Furthermore,

investing in the development of the region in which it operates is essential for the company to grow committed to sustainability. Thus, ArcelorMittal Brasil invests in long-term environmental projects to generate solutions to local community needs and promote social and economic development.



ENRICHING OUR COMMUNITIES

6.1 Social Development [GRI SO1, SO9, SO10]

All social actions the company supports or develops, as well as all relationships that it maintains, are based on the perception that it is embedded in a social tissue that must remain healthy, contributing to a perennial business. So, it is important to build a solid relationship with neighboring communities, civil organizations and government bodies, thus evolving to a co-participation level, which occurs in 100% of its operations. Therefore, and as part of a complex social network, the company will inevitably continue contributing to find joint solutions to promote education, justice, health, culture, income generation, and citizenship. At the same time, this contribution will consequently allow gains in reputation and sustainability for the business.

The Company works constantly to assess the impacts of all its operations, before, during and after its operation.

Each unit has its monitoring and control model to remain compliant with laws and regulations, and to keep good relationship with community and employees, ensuring their health, safety and quality of life. That monitoring is permanent and performed by different tools, such as periodic environmental tests of air quality and soil characteristics, monitoring of atmospheric and water effluent emissions, monitoring of disposal of solid waste generated in industrial process, among others. As for mining activities, geological and environmental

studies are conducted in order to minimize damages. Moreover, the recovery plan for the exploited areas is elaborated.

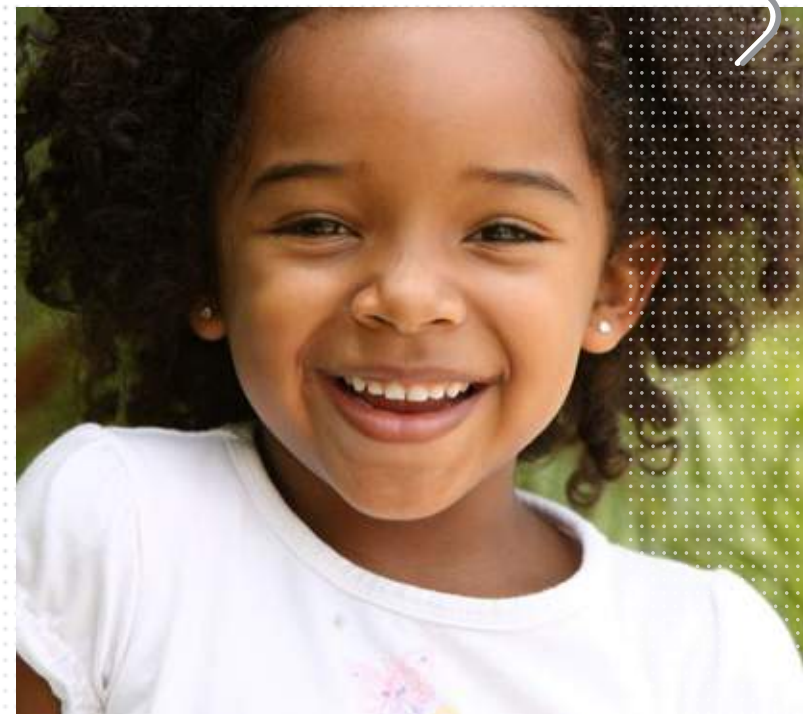
Aligned with monitoring, equipment and facilities are periodically upgraded to minimize possible negative impacts of the operations. Some units also map the main negative impacts, providing data to a periodically updated risk matrix.

In general, steelmaking and mining processes may cause impacts to the surrounding areas of the plants. In some units, impacts related to emissions of particulate matter in the atmosphere were identified, and they result from vehicular traffic and movement in the Raw Materials Yard. To mitigate those impacts, Cariacica and Piracicaba plants implemented the following measures in 2014: Cariacica received a new dedusting system, internal paving, wetting of internal roads and installation of a larger number of sprinklers; Piracicaba implemented the first phase of the Raw Materials Yard Recovery Project, in order to act on potential causes of diffuse dust: unpaved roads and metallic handling. Other company's operations also adopted mitigation measures for negative impacts identified through permanent monitoring and contact with the community.

To meet the demands of neighboring communities, ArcelorMittal Brasil units adopt its own methodologies and offer different communication channels to collect those perceptions, either directly or through periodic meetings with community leaders, with representatives of the municipal government, as well as programs and surveys. Therefore, they strategically act to identify new

demands, satisfactions and dissatisfactions, and to approach neighboring communities to also strengthen the existing dialogue and relationship.

All demands the company receives from its stakeholders are analyzed and they receive the best response possible, generating action plans or direct and customized answers. Such demands are received through various communication channels, such as the Solicitant Portal, and go through an internal review process. Projects aligned with the company's policies are approved in accordance with the priorities of local communities and the amount available for social investment. Monitoring



of supported projects occurs periodically through visits, meetings and presentation of accounting (cost and performance). All partnerships are formalized through agreements, and the use of financial resources are defined and recorded in those agreements.

SOCIAL INVESTMENT [GRI 505]

ArcelorMittal Brasil supports and develops social projects in line with the values and policies of the ArcelorMittal Group, effectively meeting the needs of the community and respecting local culture. Each unit prioritizes investments within the municipality it is located, and its relationship is underpinned by ethics and transparency with its partners.

Social investments of ArcelorMittal Brasil respect local, national and global agenda, and they are aligned to the principles of the Global Compact and local public policies. The Company works with the government and third sector organizations in the promotion of actions to strengthen local public policies and contribute to the development of the communities where it operates. It takes part in development of proposals of public interest, based on requirements found in each municipality.

ArcelorMittal Brasil conducts periodic interviews with the surrounding communities, in order to guide its relationship policies. Based on those interviews, programs and actions are reviewed. In 2014, the biggest challenge was to train regional NGOs supported by ArcelorMittal in the use of

In addition, ArcelorMittal Brasil Foundation also transfers to the local government the methodology used in the projects, in order to effectively achieve transforming and long-term results.

ArcelorMittal Brasil Foundation is responsible for management of social actions in communities under the influence of Long Carbon, mining and distribution segments. Since 1988, the institution promotes initiatives on local development, with the focus on education of children and teenagers. In 2014, about 450,000 people benefited from 14 projects in the areas of education, health, social development, culture, and sport in 40 municipalities. Units also develop independent local projects, based on the reality of the communities where they operate, and with management practices aligned and adapted to their reality, and they also maintain a policy of strengthening the non-governmental institutions.

methodologies and by stimulating networking, in order to improve the results and achievement of common goals.

One of the highlighted projects in 2014, which is also a global action of ArcelorMittal Group, is the Pro-Volunteer Program, created in 2000 to encourage ArcelorMittal Brasil employees to perform voluntary social activities, and stimulates to form volunteer committees, providing support through resources, training, guidance, campaign promotion, and projects on an ongoing basis. Its management is done by the volunteers themselves, who decide the focus and how to operate. Actions of the committees include assistance to the elderly and children, blood donation campaigns, tutoring, warm clothing and food collection, among others.

Details on other projects can be found on the websites of [Foundation](#), [Tubarão](#) and Vega:

In 2014, the company allocated 17.5 million of own resources and incentive laws to social action projects aimed at local communities, as detailed below:

ArcelorMittal Brasil	Education	Culture	Sport	Health	Other	Total
Own Investment	2.392.948	1.277.647	216.490	78.000	2.746.759	6.711.844
Incentive laws	-	6.909.832	3.398.436	409.496	1.216.374	11.934.138
TOTAL	2.392.948	8.187.480	3.614.926	487.496	3.963.133	18.645.983

6.2 Relationship with Customers (IPR5)

ArcelorMittal Brasil seeks to act with consistency, following the guidelines registered in its Code of Conduct, and, therefore, it maintains a relationship of respect, integrity and transparency with its customers. So, it believes the satisfaction survey is an effective tool for the Company to learn about the evaluation of its products and services, and work to better meet customer expectations.

ArcelorMittal Brasil's business units adopt different survey methodologies, so that they are best suited to each one's context.

Flat Carbon segment has adopted a methodology for assessing customer satisfaction through an annual questionnaire including features of supplied products. This survey covers Tubarão and Vega units. In 2014, the average score of products – plates, hot rolled coils, pickled hot rolled coils (ArcelorMittal

Tubarão), and cold and galvanized rolled coils for industrial and automotive market (ArcelorMittal Vega) – was 7.60 (on a scale from 0 to 10). Despite the accumulated survey results for all products and services supplied to the industrial market having met the targets, by comparing this result with 2013 (7.7) and 2012 (7.9), the Flat Carbon segment has shown a decrease. That result is justified by the small drop in products for the automotive market as compared to previous years, which influenced ArcelorMittal Tubarão and ArcelorMittal Vega production in the 1st half of 2014, but which is now at normal level.

ArcelorMittal Long Carbon adopts a different methodology, analyzing the cut and fold issues on an annual basis, and plant sales and distribution issues being analyzed twice a year, with standardized quantitative methodology including a structured questionnaire and telephone interviews. In 2012, the biennial survey results showed rates of 74.6% in relation to the organization as a whole, and 89.8% in the evaluation of products. The 2014 is being completed, and the results will be disclosed in the next report.

In 2014, Mining and Wire Drawing (BBA and BMB) units were included in the report scope. The mining area, specifically Mina do Andrade, adopts its own methodology for evaluation of customer satisfaction, by generating a Vendor Rating report. That report is only for one of its customers, ArcelorMittal João Monlevade, and it refers to the sale of Sinter Feed from Andrade – SFAN, and analyzes the following criteria: quality (chemical and physical specifications), presence of contamination, delivery performance, among others. That report is discussed between the parties during monthly meetings that take place at Mina do Andrade or at plant.

In addition to these survey tools, ArcelorMittal Brasil has relationship channels to ensure the proximity to its customers: Customer Service (0800 0151221) and e-mail: arcelormittalnet@arcelormittal.com.br. Customer data are treated with special care, so as to guarantee the security and confidentiality.

6.3 Relationship with Suppliers (EC6, HR1, and HR2) (Global Compact – principles 1, 2, 4, and 5)

ArcelorMittal Brasil considers its suppliers as partners in the development of productive and responsible business. Therefore, the Company is extremely careful when choosing professionals and companies that will meet its needs, and assists them in their development. Its commitment to suppliers and suggested good practices are documented in its **Code of Responsible Sourcing**.

With a mission to produce safe and sustainable steel, ArcelorMittal Brasil extends its best practices to supply chain in order to make it more reliable and aligned with the Company's corporate responsibility policies. In that sense, the Company establishes in its Code of Responsible Sourcing the commitments with suppliers, what is expected from them, documentation and ways of monitoring that may be required.

The Company has a number of formal procedures recorded in the quality management system to choose suppliers and regulate procurement processes. A few factors that influence the selection of suppliers are: quality offered by the supplier to ensure the Company's standard of material and service; cost and performance

of the material in the process, and warranties offered; certifications required for specific products and services or environmental licenses; user recommendations, or track record of supplying to other plants of the Company; process improvement and technological advancement.

In 2015, the company starts the Anti-corruption Audit on trading partners, especially those suppliers and service providers that act on behalf of the company and interact with the government. Within three levels of evaluation, they are considered as the highest risk level. The audit will consist of a preliminary survey to analyze the company's history. Then the supplier / service provider answers a questionnaire to be reviewed by ArcelorMittal Brasil's risk area. Based on this information, there may be another verification or approval for contracting, always involving the area that has requested the supplier / provider. Thus, with shared responsibility, more people will be involved in the process, so that the culture of integrity becomes stronger within ArcelorMittal.

The Company also prioritizes the recruitment and selection of suppliers in areas near productive units, as

a way to promote business sustainability. It develops, preferably with local suppliers, strategic partnerships for the provision of goods, inputs, and services with guaranteed performance. The process to contract a company goes through the approval stage, where administrative, technical and safety aspects are analyzed, providing a contracting in line with the values recommended by ArcelorMittal. From the BRL 11.9 billion in goods and services purchased by ArcelorMittal Brasil, BRL 3.6 billion come from local suppliers, representing 30% of total purchases.

Contracts with suppliers establish clauses related to human rights, which restrain discrimination, forced labor or slavery, and child labor in their business chain. ArcelorMittal Brasil strictly follows the guidelines proposed by the International Labor Organization (ILO) on the declaration on fundamental principles and rights at work. The Company rejects the forced or slave-like labor and child labor, and extends this approach to business partners and communities.

HUMAN RIGHTS IN THE PRODUCTION CHAIN – ArcelorMittal Brasil	2012	2013	2014
Total number of significant suppliers, contracted companies and other business partners.	7.488	10.081	13.715
Percentage of investment contracts and agreements checked that include human rights clauses or were submitted to a human rights assessment	100%	100%	100%
Total number of significant investment agreements and signed contracts	137	33	46
Total financial value of the investment agreements and contracts which include human rights clauses or were submitted to a human rights assessment (BRL million)	3.336	ND	194,83
Total financial value of significant investment agreements and contracts closed (BRL million)	960	243	240,28

DEVELOPMENT AND QUALIFICATION OF SUPPLIERS

To evaluate suppliers, the Procurement Department uses the Supplier Performance Management System (SPM), which considers quality, cost, delivery and certifications as evaluation criteria.

ArcelorMittal Tubarão has worked with the Integrated Program for Suppliers' Development and Qualification (PRODFOR) from its origin as one of the sponsoring companies. Created in 1997, PRODFOR is a joint effort between the major purchasing companies established in the state of Espírito Santo, including ArcelorMittal Tubarão, FINDES, and IEL-ES. The program aims to develop and implement, in a cooperative manner, an integrated way for development and qualification of its suppliers. Considering all certifications offered, the PRODFOR has proven to be a successful model

for the development of ArcelorMittal's suppliers in the state of Espírito Santo in terms of production management quality and customer service. In return, the sponsoring companies benefit from the possibility of finding suppliers with a better level of organization and control of their production processes.

Through PRODFOR, suppliers participate in activities focusing on organization of its Supply Quality Management System (SGQF). At the same time, ArcelorMittal Brasil (or other contracting parties) can better understand the potential and conditions of supply. At the end of the program, companies undergo a rigorous process of audits for certification or recertification, therefore, ensuring qualification of suppliers.

Since 1998, 616 suppliers have been certified, 27 of them in 2014. From this total, 278 are currently active suppliers in the program.

Aware of its role as an inducer of sustainable principles in its supply chain, the Company also promotes environmental awareness among its suppliers. The Suppliers' Environmental Performance

Assessment Program is run by the Environment Areas of ArcelorMittal's Industrial Units to assess their partners on environmental issues relevant to the Company, such as their Greenhouse Gas emissions. Therefore, the following steps are observed:

A Planning

Definition of critical suppliers of lime, limestone, pig iron, iron ore and scrap, and scheduling of environmental performance audits, started in January 2013.

B Data Collection

Implementation of on-site audits as per schedule proposed in the Planning step, using a standard form of the Suppliers' Environmental Performance Assessment Program.

C Verification and critical analysis of results

Supplier rating by the final score obtained in the standard form filling.



7

Reporting Process

■ ArcelorMittal acts in the most demanding steel markets, including electric power, thermal power and nuclear power sectors. We provide high purity products that require efficient safety standards and resistance to withstand extreme conditions, i.e. nuclear reactors and nuclear waste storage barrels.

7

[GRI 3.5, 3.12; 4.14;
4.15; 4.16; and 4.17]

7.1 Materiality

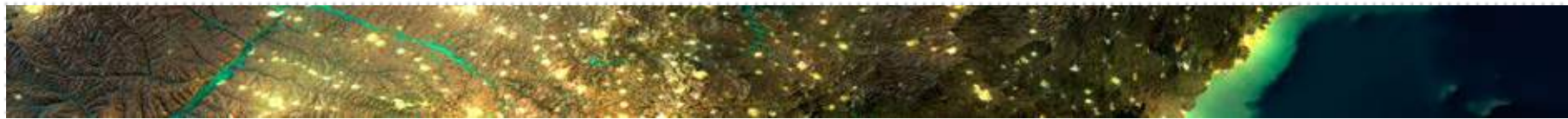
In order to ensure a definition of scope and subjects that, in addition to matters that the Company already discloses in its reports, also reflect the interests of various stakeholders with whom ArcelorMittal Brasil relates with, the Materiality Test was created in 2014, culminating in the identification of the 12 most relevant themes (aspects) to be addressed in this report.

The Materiality Test was conducted from October to December 2014, and included the following steps:

A. Listing of subjects presented in the 2013 Materiality Matrix. This initial list received additional subjects noticed in other internal and external sources, namely: risk and reputation analysis report (RepRisk) covering ArcelorMittal (Luxembourg-based parent company), RepRisk of the Brazilian steel industry on a consolidated basis and RepRisk of direct competitors of ArcelorMittal Brasil, 2013 corporate responsibility reports of those competitors, GRI manuals - Global

Reporting Initiative G3.1, results of interviews with executives for the Image and Reputation Committee of ArcelorMittal Brasil, reputation survey of IABr (Brazil Steel Institute), organizational climate survey and customer satisfaction survey of ArcelorMittal Brasil.

B. Aspects identified in the previous phase were classified according to the frequency of their impact on various cited sources. A cutline was established to reduce the number of aspects,



REPORT PROCESS

resulting in a list of 12 most important aspects, which are distributed among the four pillars of sustainability covered in this report.

- C. The list of 12 aspects was submitted to the ArcelorMittal Brasil top executives, ensuring that all aspects were recognized as relevant by senior management, and also to ensure that all aspects regarded as relevant by senior management were being addressed in the proposed list.
- D. After validation of the 12 aspects by Senior Management, those aspects were submitted to the workgroup directly involved in making the report; the group confirmed the shortlist and contributed by indicating the main details associated with each of the 12 aspects, from the point of view of experts in their respective fields.

The final list of 12 relevant aspects - materials aspects - is the following:

ASPECTO	
1	Health & Safety
2	People Management
3	Local Communities
4	Suppliers
5	Environmental Management (impacts on ecosystems and environment)
6	Emissions
7	Ethycs
8	Products
9	Stakeholders Engagement
10	Climate Change
11	Energy
12	Water

Aspects ordered according to the number of incidences in the sources consulted

It is worth noting that the sequence number next to the aspects in the table is not necessarily a priority order, but rather an indication of the relative amount of occurrences of those aspects in consulted sources. The Company believes that all 12 aspects are relevant and worth approaching in this report.

7.2 About this report [GRI 2.5, 3.1, 3.2, 3.3, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11]

The period covered by this report is the 2014, which means from 01/01/2014 to 12/31/2014. The previous report referred to 2013 and was published on June 11, 2014. ArcelorMittal Brasil adopts an annual cycle for issuance of its Sustainability Reports.

Measurements and data calculation basis of this report are recorded in SAP and other management tools.

7.3 Report limits / scope [GRI 2.5, 3.1, 3.2, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11]

The scope of the 2014 Sustainability Report includes the statement of relevant activities and events for the same group of companies defined by the Sustainability Committee for the 2013 report, and in addition it presents details on the activities of Mina do Andrade (mining) and Wire Drawing units (BBA and BMB), which confirms the Company's efforts for transparency as it incorporates new information to the stakeholders.

Despite the fact that the Company manages and performs synergy actions with other companies in the ArcelorMittal Group in the country and abroad, such sustainability initiatives are not included in this report. All corporate responsibility initiatives for the following entities, business units and segments are also out of the scope: ArcelorMittal



Abeb, ArcelorMittal Serra Azul and ArcelorMittal Distribution. It is important to clarify that Abeb is an entity with strictly internal performance, dedicated to the employees. The mining (Serra Azul) and distribution segments are directly controlled by the ArcelorMittal Group, and are not directly related to the scope of ArcelorMittal Brasil.

With regard to economic and financial data, those are in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), and are subject to strict auditing procedures. The values shown include the entire Group, i.e., they refer to all activities of ArcelorMittal Brasil, consolidating business results of Flat Carbon,

Long Carbon, BioFlorestas, Mina do Andrade, IT and Services.

Due to changes in applicable accounting standards in force, ArcelorMittal Brasil applied new accounting practices as of January 1, 2013, and applied them for presentation retrospectively.

7.4. Engagement with stakeholders [GRI 4.14, 4.15]

In order to keep a close, transparent and ethical relationship with its stakeholders, ArcelorMittal Brasil invests in dialogue actions, training, events, lectures and workshops, in addition to formal reporting

mechanisms on its activities.

The search for continuous improvement and the value generation for the parties involved in its operations are principles considered in the decision making process

of the organization, from operational to strategic level. The groups with whom the company keeps relationships are described in the following map.

STAKEHOLDERS MAP

ArcelorMittal Brasil interacts with different areas in the performance of its business, as seen below. The Company makes use of a Community Engagement Guide which provides the standards and criteria pertaining the relationship through its business units with all kind of direct or indirect stakeholders.

The Company invests in set of actions such as meetings, employee capacitation programs, promotion and attendance in events, presentations and workshops as to maximize information gathering.

In addition to the reports and other formal data survey mechanisms made by the Company those initiatives contribute to the Sustainability Reports.

CLIENTS	EMPLOYEES	GOVERNMENT AND REGULATORY BODIES	INVESTORS AND LENDERS	LOCAL COMMUNITIES	MEDIA	MULTILATERAL AND BUSINESS ORGANIZATIONS	NON-GOVERNMENTAL ORGANIZATIONS	SUPPLIERS
<ul style="list-style-type: none"> . Product quality and safety . Supply chain management . Renewable technology, environmentally-correct products 	<ul style="list-style-type: none"> . Work health and safety . Wages and bonuses . Work conditions . Career progress – Operational Excellence 	<ul style="list-style-type: none"> . Social and economic development . Job opportunities . Attraction of investments 	<ul style="list-style-type: none"> . Corporate Governance . Health and Safety . Climate changes . Corporate responsibility management 	<ul style="list-style-type: none"> . Process of engaging/ mobilizing communities . Environment . Social investment . Job opportunities 	<ul style="list-style-type: none"> . Industry challenges and progresses . Health and Safety . Environmental concerns 	<ul style="list-style-type: none"> . Long-term challenges for the industry (climate changes) . Human Resources . Water consumption . Health and Safety . Responsible supply 	<ul style="list-style-type: none"> . Environmental protection . Social and economic development . Work conditions . Health and safety 	<ul style="list-style-type: none"> . Responsible procurement code . Product quality . Operating excellence . Ethical business practices
<ul style="list-style-type: none"> . On-site visits . Journals and events geared to clients . Partnerships: engineering teams in clients' units/plants 	<ul style="list-style-type: none"> . Intranet . Informational bulletins and journals . Training programs . Relations with unions 	<ul style="list-style-type: none"> . Reserved formal discussions . Engagement conferences and lectures . Country-specific leading bodies 	<ul style="list-style-type: none"> . Travelling exhibits . Day of the Investor . Private meetings, regular conference calls . On site visits 	<ul style="list-style-type: none"> . Local engagement workshops . Broadcasting of information – local and regional levels . Reserved meetings 	<ul style="list-style-type: none"> . Site visits . Production reported for the press . Interviews 	<ul style="list-style-type: none"> . Get actively involved with organizations, including WBCSD, CSR Europe, World Steel Association, EITI and Global Compact (UNO) 	<ul style="list-style-type: none"> . Formal meetings . Correspondence and events 	<ul style="list-style-type: none"> . Discussions based on account management relations . Regular engagement with our local administration at each unit
<ul style="list-style-type: none"> . Create innovative partnerships geared to sustainable growth. 	<ul style="list-style-type: none"> . Vital for the success of our business, shows productivity, quality and leadership . Provide a safe and enriching work environment. 	<ul style="list-style-type: none"> . Vital factor to ensure fair and competitive trading conditions. 	<ul style="list-style-type: none"> . Increase our share capital and strengthen our financial performance. 	<ul style="list-style-type: none"> . Develop local communities' trust. 	<ul style="list-style-type: none"> . Foster and safeguard reputation and increase the public's knowledge of our products and operations. 	<ul style="list-style-type: none"> . Train our Company, together with fostering practices from similar companies. 	<ul style="list-style-type: none"> . Provide an understanding of society and the environment requirements. 	<ul style="list-style-type: none"> . Ensure delivery of quality and value products and services.
<ul style="list-style-type: none"> . Provide quality products at competitive prices 	<ul style="list-style-type: none"> . Ensure an engaging and enriching work experience. 	<ul style="list-style-type: none"> . Produce economic growth through revenue, taxes, tariffs and product innovation. 	<ul style="list-style-type: none"> . Create sustainable growth and shareholder return. 	<ul style="list-style-type: none"> . Provide support to local economic development. 	<ul style="list-style-type: none"> . Provide performance data of the Company as well as information of social, environmental and economic feature. 	<ul style="list-style-type: none"> . Widen communities' knowledge on the industry and foster responsible practices. 	<ul style="list-style-type: none"> . Monitor our performance in terms of meeting requirements from our stakeholders and from vulnerable groups from society as a whole. 	<ul style="list-style-type: none"> . Ensure equal access to business opportunities and appropriate payment conditions.

Caption: ■ Key-issues that interest our stakeholders

■ Ways of engaging with our stakeholders

■ Why are our stakeholders important to us?

■ Why are we important to our stakeholders?

• CEBDS – Business Council for Sustainable Development – Brasil, The European Business Network for Corporate Social Responsibility, EITI – Extractive Industries Transparency Initiative

7.5 GRI Index and Global Compact [GRI 3.12]

1 STRATEGY AND ANALYSIS

INFORMATION / REPORTS / GRI INDICATORS	OBSERVATIONS	LEVEL OF REPORTING	LOCAL
1.1 Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.		Total	4
1.2 Description of key impacts, risks, and opportunities.		Total	4

2 ORGANIZATIONAL PROFILE

INFORMATION / REPORTS / GRI INDICATORS	OBSERVATIONS	LEVEL OF REPORTING	LOCAL
2.1 Name of the organization		Total	10
2.2 Primary brands, products, and/or services		Total	10
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures		Total	10
2.4 Location of organization's headquarters		Total	10 , 78
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report		Total	10 , 60
2.6 Nature of ownership and legal form		Total	10
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)		Total	4 , 10
2.8 Scale of the reporting organization		Total	10

2.9	Significant changes during the reporting period regarding size, structure, or ownership	Total	4
2.10	Awards received in the reporting period	Total	17

3 REPORT PARAMETERS

PERFIL DO RELATÓRIO

INFORMATION / REPORTS / GRI INDICATORS	OBSERVATIONS	LEVEL OF REPORTING	LOCAL
3.1 Reporting period (e.g., fiscal/calendar year) for information provided		Total	60
3.2 Date of most recent previous report (if any)		Total	60
3.3 Reporting cycle (annual, biennial, etc.)		Total	2 , 60
3.4 Contact point for questions regarding the report or its contents		Total	78
REPORT SCOPE AND BOUNDARY			
3.5 Process for defining report content		Total	59
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)		Total	10 , 60
3.7 State any specific limitations on the scope or boundary of the report		Total	60
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations		Total	60

3.9	Data measurement techniques and the bases of calculations	Mediations and bases of calculation are recorded in SAP and other management tools	Total	60
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		Total	60
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		Total	60
GRI CONTENT INDEX				
3.12	Table identifying the location of the Standard Disclosures in the report		Total	59 , 63
ASSURANCE				
3.13	Policy and current practice with regard to seeking external assurance for the report		N.A.	2

4 GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

GOVERNANCE

INFORMATION / REPORTS / GRI INDICATORS	OBSERVATIONS	LEVEL OF REPORTING	LOCAL
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Total	21
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Total	21
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Total	21

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Parcial	18 , 21
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	The Organization reserves the right not to report the information for strategic reasons.	N.A.	-
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	The Code of Conduct establishes guidelines for conflicts of interest. More info at link: http://www.arcelor.com.br/governanca_corporativa/codigo_conduta_arcelormittal/pdf/codigo_conduta_arcelormittal.pdf	Total	18
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Board members are chosen by the principal shareholder, which reserves himself the criteria	N.A.	-
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		Total	8 , 17 , 18
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	The monthly meetings of the Board are the forum where the highest governance body is attached to the Company's management.	Parcial	-
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Self-assessment of performance of board members is held, but the process is not public	Total	-
COMMITMENTS TO EXTERNAL INITIATIVES				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		Total	50
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		Total	17
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations		Total	17

STAKEHOLDER ENGAGEMENT

4.14	List of stakeholder groups engaged by the organization		Total	59 , 61
4.15	Basis for identification and selection of stakeholders with whom to engage		Total	59 , 61
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Although there is no specific standard for the renewal of the materiality test, there is a consensus at the Company for this, to occur every two years. And the next one will be held in 2015, already in the GRI G4 methodology	Parcial	59
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting		Total	59

ECONOMIC PERFORMANCE

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments		Parcial	19
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		Parcial	-
EC3	Coverage of the organization's defined benefit plan obligations		N.A.	-
EC4	Significant financial assistance received from government		Parcial	18

ASPECT: MARKET PRESENCE

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		N.A.	-
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation		Total	56

EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation

Parcial

45

ASPECT: MATERIALS

EN1 Materials used by weight or volume

N.A.

-

EN2 Percentage of materials used that are recycled input materials

N.A.

-

ASPECT: ENERGY

EN3 Direct energy consumption by primary energy source

Total

33

EN4 Indirect energy consumption by primary source

Total

33

EN5 Energy saved due to conservation and efficiency improvements

Total

33

EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

Total

33 , 34

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

Total

33

ASPECT: WATER

EN8 Total water withdrawal by source

Total

17 , 30

EN9 Water sources significantly affected by withdrawal of water

Due to the high percentage of water reuse, the volume extracted is not significant

N.A.

-

EN10 Percentage and total volume of water recycled and reused

Total

30

ASPECT: BIODIVERSITY

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Parcial	37
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Parcial	37
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	N.A.	37
EN13	Habitats protected or restored	Parcial	37
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Parcial	37
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	N.A.	-
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Total	37

ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

EN16	Total direct and indirect greenhouse gas emissions by weight	Total	40
EN17	Other relevant indirect greenhouse gas emissions by weight	Total	40
EN18	Initiatives to reduce greenhouse gas emission and reductions achieved	Total	40

EN19	Emissions of ozone-depleting substances by weight			N.A.	-
EN20	NO, SO, and other significant air emissions by type and weight			Total	40
EN21	Total water discharge by quality and destination			Total	30
EN22	Total weight of waste by type and disposal method			Total	35
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks			Parcial	35
EN23	Total number and volume of significant spills			Total	35
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			N.A.	-
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff			N.A.	-
ASPECT: PRODUCTS AND SERVICES					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation			Total	28 , 34
EN27	Percentage of products sold and their packaging materials that are reclaimed by category			Parcial	35
ASPECT : COMPLIANCE					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations			Total	17

ASPECT : TRANSPORT

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

N.A.

-

ASPECT : OVERALL

EN30 Total environmental protection expenditures and investments by type

Total

26

SOCIAL PERFORMANCE INDICATORS**LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS****ASPECT: EMPLOYMENT**

LA1 Total workforce by employment type, employment contract, and region, broken down by gender

Total

45

LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region

Parcial

45

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Total

48

ASPECT: LABOR/MANAGEMENT RELATIONS

LA4	Percentage of employees covered by collective bargaining agreements	All employees are covered by collective bargaining agreements	-
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	N.A.	-

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Total	48
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Parcial	48
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Total	48

ASPECT: TRAINING AND EDUCATION

LA10	Average hours of training per year per employee by gender, and by employee category.	Total	47
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	N.A.	-

LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Total	47
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ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Parcial	45
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LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Total	48
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HUMAN RIGHTS PERFORMANCE INDICATORS

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Parcial	56
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HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone on human rights screening, and actions taken	Parcial	56
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HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	N.A.	-
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ASPECT: NON-DISCRIMINATION

HR4	Total number of incidents of discrimination and corrective actions taken	Total	47
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ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

MM5

Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.
* The term Indigenous Peoples of the GRI Guidelines encompasses both the Indians, as defined in art. 231 of the Brazilian Constitution, as the People and Traditional Communities

There were no operations located in territories of indigenous peoples

Total

-

ASPECT: CHILD LABOR

HR6

Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

N.A.

-

ASPECT: FORCED AND COMPULSORY LABOR

HR7

Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

N.A.

-

ASPECT: INDIGENOUS RIGHTS

HR9

Total number of incidents of violations involving rights of indigenous people and actions taken

There were no cases of violation of indigenous peoples' rights.

Total

-

HR11

Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms

N.A.

-

SOCIAL PERFORMANCE INDICATORS REGARDING SOCIETY

ASPECT: LOCAL COMMUNITIES

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		Total	53
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	There was no significant conflicts relating to the theme	Total	-
SO9	Operations with significant potential or actual negative impacts on local communities		Total	53
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Total	53

ASPECT: CORRUPTION

SO2	Percentage and total number of business units analyzed for risks related to corruption		Parcial	17
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		Total	16
SO4	Actions taken in response to incidents of corruption		Total	16

ASPECT : PUBLIC POLICY

SO5	Public policy positions and participation in public policy development and lobbying		Total	54
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ASPECT: ANTI-COMPETITIVE BEHAVIOR

SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	In the reporting year there were no new lawsuit for unfair competition, anti-trust and monopoly practices and their outcomes.	Total	-
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ASPECT: COMPLIANCE

SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations		Parcial	17
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PERFORMANCE INDICATORS LINKED TO PRODUCT RESPONSIBILITY

ASPECT: CUSTOMER HEALTH AND SAFETY

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		Total	50
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		N.A.	-
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		N.A.	-
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		Total	55

ASPECT: COMPLIANCE

PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	The company maintains rigid internal control and is audited by an external audit firm on all processes which demand or is sued in all administrative and judicial instances. The procedures are properly followed in all instances and, when necessary, guarantees for appeal against these processes are offered	Partial	17
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ASPECTO:

MM11	Programs and progress relating to materials stewardship		N.A.	-
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■ Sector indicators
N.A. Not available or not applicable to the Company or to the sector

GLOBAL COMPACT

HUMAN RIGHTS

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights	50 , 56
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Principle 2: make sure that they are not complicit in human rights abuses	56
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LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	-
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Principle 4: the elimination of all forms of forced and compulsory labour	16 , 56
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Principle 5: the effective abolition of child labour; and	56
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Principle 6: the elimination of discrimination in respect of employment and occupation	47
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ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges	25 , 37 , 40
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Principle 8: undertake initiatives to promote greater environmental responsibility; and	25 , 26 , 37
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Principle 9: encourage the development and diffusion of environmentally friendly technologies	25
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ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	16 , 17
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7.6 **Contacts / Business hours** [GRI 2.4, 3.4]

General Coordination

ArcelorMittal Brasil S/A
General Management of Institutional Relations and Sustainability
Av. Carandaí, 1.115 - 11º andar
30130-915 - Belo Horizonte - MG - Brazil
E-mail: comunicacao.corporativa@arcelormittal.com
brasil.arcelormittal.com.br

GRI and drafting consulting

Keyassociados
Av. Paulista, 37 - 10º andar - Bela Vista
01311-902 - São Paulo-SP
www.keyassociados.com.br

Design

Jota Campelo Comunicação
Rua Paraíba, 1.441 - 6º Andar - Savassi
30130-141 - Belo Horizonte - MG
www.jotacampelo.com.br