Introduction

[GRI 3.3, 3.13]

Each year ArcelorMittal Brasil publishes its Corporate Responsibility Report in order to present its activities and the major facts related to its performance.

One of this report new feature is a change in name. From this version on, we will call it “Corporate Responsibility Report”, instead of “Sustainability Report”, as a way of aligning the document produced in Brazil to the strategy and terminology already employed by the Group worldwide.

Having sustainable development values and principles embedded in its vision and management model, ArcelorMittal Brasil as a Company has been trying to keep ahead in the development and communication of its activities, because we are aware of the importance of matching economic, social and environmental interests, a fact that was acknowledged by the awards the Company receives from its stakeholders (see the chapter Profile > Acknowledgments).

In that regard, the Company treats social and environmental issues as values that cannot be separated from its growth process. We try to understand and be understood so as to always carry out our operations in harmony with all parties interested in the results of our business.

This report was verified by the Global Report Initiative (GRI), a non-profit organization whose major contribution is setting down global parameters as a basis for preparing sustainability/corporate responsibility reports. They do that by allowing comparison of data related not only to companies from the same economy sector, but also companies from different sectors and places of the world. GRI verification is intended to ensure reported indicators comply with their principles and protocols. At the end of the verification process GRI determines the application level that, for this report, is level B. Financial information are submitted for external audit and verification, as that is legally required to have them published in Financial Statements and/or the Management Report.

Our steel is the state-of-the-art in technology, innovation and quality. Above all, our commitment to people and the planet. We believe culture is the higher goal of education and that all are entitled to it. By fostering cultural practices from communities we are present in, we widen possibilities, and increase each individual’s self-esteem and feeling of belonging. Thanks to all that, this report proudly includes artworks from ArcelorMittal Brasil’s collection, one of acknowledged quality and value, which shows how we value culture. More than that, our commitment to the cultural and intellectual development of our several audiences.
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We are a global company that supports and respects local culture.
2013 was another hard year for global markets, the steel industry and ArcelorMittal Group. However, we work steadily to advance and strengthen the Company by finding and building business opportunities. We have improved our health and safety indicators and the operating performance of our industrial plants in Brazil. We have kept continuous improvement on in all processes, working to decrease and control fixed costs, increase productivity, competitiveness and synergy among Flat and Long Carbon and Mining.

We have confirmed our expectations on the international scenario and the business environment in Brazil. The economy in the US has progressively evolved, Europe has shown signs of recovery, China kept growing – even though on a new basis – and the Brazilian internal market performed better than in 2012.

Since 2011 Brazil growth has been dropping. Until 2013, however, this drop was less severe in the segments our Company performs in. Nevertheless, we continue to face structural challenges that directly affect our businesses, such as infrastructure deficit, which are significant in a continent-sized country as Brazil, and high operation costs, including taxes.

Brazil GDP grew by 2.3% and inflation remained at 5.91% (IPCA), higher than in 2012 and above the Central Bank goal of 4.5%. This rate pressured the Central Bank to increase Interest Rate from 7.25% to 10%, tending up. The dollar/real rate was unstable, varying from 2.04 BRL for USD 1 $ in the first work day of the year to $ 2.34 BRL on December 31, a 14.7% increase.

The major steel-buying sectors have evolved during 2013. The automotive sector increased production by 9.1%; physical production of typical civil construction inputs grew by 2.2%; and industry grew 1.3%. Farming GDP increased by 7%.

Brazilian production of crude steel reached 34.2 million tons, a small 1% drop. The rolled product production totaled 26.2 million tons, a 2.2% increase against the same period in 2012. Apparent steel product consumption in Brazil reached 26.4 million tons, a 4.8% increase in relation to the previous year. Per capita annual consumption of steel products was 131.3 kg, 2.5% larger than 2012; however, well below that of the largest global producers. Domestic market sales grew by 5.4%. Flat rolled products sales grew by 6.9%; those of long rolled products grew
3.4%. Semifinished product (plates, blooms and billets) products grew by 9.6%.

Brazil direct import of steel products reached 3.7 million tons, a drop of 2%. The major measure that helped achieving this result was the Federal Senate Resolution no. 13/2012, effective from January 1st, 2013. This Resolution established a single 4% interstate ICMS tax for resale of imported products, thus decreasing incentives to importation that were granted by several Brazilian states. However, last year we saw a 13.1% increase in processed product importation.

Steel production world capacity surplus is over 570 million tons, which still poses a risk of disturbing international steel trade. The major impact of this scenario was a drop in steel prices in the international market, and also in Brazilian exports. Total exported amount dropped 7.5% against 2012. And raw material cost levels remained relatively high when compared with the drop in steel prices. China’s GDP greater 7.7% in 2013 and, despite showing signs of slowing down, China produced 779 million tons last year, 7.5% more than in 2012, which amounts to 48.5% of that input world production.

Apparent consumption of Flat Carbon in Brazil increased 5.1%. This was caused mainly by the automotive sector, particularly thanks to IPi tax staying low and for Inovar Auto program incentives, which helped the growth of galvanized and hot-rolled products. This sector highlight last year was the expansion of high-resistance Flat Carbon sales, in line with the market trends and the new Brazilian automotive regime, which sets goals for car manufacturers to develop lighter, safer and environmentally-sustainable vehicles.

Segments of the civil construction industry also contributed for the increase in apparent consumption of Flat Carbon. They use Galvalume® (learn more about the product in the Profile > Operational segments chapter). The material has been used in infrastructure civil works, in roofing for airports, logistics condominiums, industrial buildings and warehouses.

The Long Carbon segment in Brazil benefited once more from the Civil Construction sector vitality and the growth of the industry. Physical production of typical Civil Construction inputs grew 2.2% in 2013. The industry grew by 1.3% and farming GDP increased by 7%, which propelled the production of agricultural machinery, which grew 20%. Apparent consumption of Long Carbon in Brazil grew 4.62%, when compared to the previous year.
shows some signs that may pose new challenges. On the other hand, the Federal Government concluded in 2013 the bidding process for infrastructure works to decrease the bottleneck that has been harming Brazilian industry. This may stimulate several sectors to increase their investments. Segment organizations and market analysts also predicted growth for the industry.

Last year the demand for steel grew more steeply, and we believe this upward trend will remain during 2014, together with the apparent consumption growth of Flat and Long Carbon steel. Some indicators also point to a possibility of improvement in steel exports. In the domestic market, we have a business model focused on segments that keep evolving, especially the automotive, home appliance and civil construction industries, and the primary sector. In 2013 we maintained our domestic competitiveness level and our market share in the segments we work in. We have also extended our sales channels and distribution network. We have also invested in innovation and continuous improvement for all our processes. We are sure that we will take even greater advantage of business opportunities the market will provide during 2014.

ArcelorMittal maintains its commitment to align its strategy to meet the United Nations Global Compact ten principles. That is why we decided to include them in this report. The Company also understands the importance of adopting sustainability criteria when carrying out all its activities as a way to ensure success and continuity for its operations, thus matching the Company’s interests with those of its stakeholders.

We are grateful for the trust placed in us by shareholders, customers, suppliers, the community, the government and all other stakeholders. And we are especially grateful for the involvement and motivation of our employees, committed to producing business results. It is they who are mainly responsible for our achievements in 2013.

The Board.

December 31, 2013
Through art we create value. We open new possibilities.
2: Profile

2.1 ArcelorMittal worldwide [GRI 4.8]

The ArcelorMittal Group is the largest worldwide steel supplier and global producer of iron ore. With over 230 thousand employees, it is present in over 60 countries in Africa, Asia, Europe and the Americas, and has industrial operations in over 20 countries. In 2013 ArcelorMittal’s gross revenues amounted to USD 79.4 billion. It produced 91.2 million tons of steel and 58.4 million tons of iron ore.

Placed as a leader in the major steelmaking market segments, especially the automotive, construction, home appliance and packaging sectors, ArcelorMittal is also a leader in research & development and technology. It has its own sources of raw materials and an extensive distribution network. The Company has a presence in all relevant steel markets in the world, whether established or emerging ones.

The Company is listed in the New York, Amsterdam, Paris and Luxembourg stock exchanges and in the Barcelona, Bilbao, Madrid and Valence Spanish stock exchanges.

STRATEGY

The company is founded on its core values of sustainability, quality and leadership and the entrepreneurial boldness that has empowered its emergence as the first truly global steel and mining company. These values underpin our mission to produce safe, sustainable steel.

By leveraging our distinctive attributes, the company aims to capture leading positions in the steel value chain, from mining at one end, to distribution and processing the other.
ArcelorMittal strives to achieve operational excellence. Safety, the number one priority, is at the core of our business strategy in both steel and mining. Benchmarking and the sharing of best practice enable us to continually improve across our operations. Innovation in products and processes also plays an important role and supports overall competitiveness.

Critical to implementing our strategy are five key enablers:

- a clear licence to operate, recognising the company’s obligation to act responsibly towards all stakeholders;
- a strong balance sheet to enable future growth;
- a decentralised organisational structure;
- active management of its portfolio in order to maximise value;
- the attraction, development and retention of the best talent.

2.2 ArcelorMittal Brasil [GRI 2.1 to 2.8 , 3.6]

ArcelorMittal Brasil is a part of ArcelorMittal Group. The Brazilian Company was established as a joint stock corporation (S.A.) with administrative headquarters in the city of Belo Horizonte–MG having the following strategic targets:

VISION
To be the most admired steel producer worldwide – the global benchmark in the industry

MISSION
To be the unchallenged steel industry leader.

COMMITMENT
- Surpass value creation expected by stakeholders.
- Create value for customers.
- Make the Company a stimulating place to work in.

PHILOSOPHY
- Safety is top priority.
- Multiple cultures and ethics.
- Long-term vision.
- Focus on best performance.
- Search for agility and sustainability.
- Teamwork.

VALUES
SUSTAINABILITY – We are guiding the evolution of steel and mining in order to ensure the best future for the industry throughout its value chain. Our commitment to the world we live in goes beyond the obvious to include the safety and wellbeing of our people and the communities we are a part of. This long-term approach is core to our business philosophy.

QUALITY – We look beyond today to envision steel tomorrow. Through the talent of our people and our cutting-edge products we create world-class solutions for both our steel and mining customers.

LEADERSHIP – We are bold thinkers with a clear vision for the future of steel: the fabric of life. We are proud of our achievements and our enterprising spirit, which made us a leader in our industries.

ArcelorMittal Brasil operations have their roots in 1921, with the production of long carbon steel in the state of Minas Gerais.

In December 2007, after consolidating three of the most competitive steelmakers in Brazil, the Company took its current shape, with long (ArcelorMittal Açôs Longos) and flat carbon (ArcelorMittal Tubarão and ArcelorMittal Vega) production units.

1 The number of operations includes only steel mills from the Long Carbon, Flat Carbon and ArcelorMittal BioFlorestas segments. Fundação ArcelorMittal Brasil, the Corporate Center and ArcelorMittal Sistemas, albeit within the business and report scope, were not included because they are service providers.
The Company has 11 industrial units in strategic places in Brazil, which provide 44 product categories. It also has a wide distribution network to supply customers from all Brazilian states. Besides manufacture, processing and distribution of steel, the Company has operations involving mining, production of charcoal from eucalyptus forests, power generation for its own use, services, information technology and social responsibility. All this creates synergy between Brazilian operations and other Group businesses in South, Central and North America.

Today, ArcelorMittal Brasil is the largest producer of long and flat carbon steel in Latin America. Its installed capacity is 11.3 million tons a year and it manages business units in three countries (Brazil, Costa Rica and Venezuela). Its installed capacity is 7.5 million t/year of long carbon and 3.8 million t/year of flat carbon. Respect for people starts within our corporate environment, with its over 11 thousand employees, and extended to communities, customers, service providers, suppliers, and partners. Such diversity of cultures and geographies allows the Group units to give life to steel by means of highly technological concepts or in the simplest ways, such as small everyday objects. By proposing safe and sustainable steel solutions, ArcelorMittal creates alternatives that determine a profitable and sustainable growth for companies throughout the world.

You can find further information on the Company social endeavors in the “Investing in Our People” and “Enriching Our Communities” chapters. Learn also about endeavors related to environment in the “Making Steel More Sustainable” chapter.

ArcelorMittal Brasil’s current ownership structure is as follows:

<table>
<thead>
<tr>
<th>SHAREHOLDING STRUCTURE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ArcelorMittal Spain Holding S.L.</td>
<td>59%</td>
</tr>
<tr>
<td>ArcelorMittal Ausbras S.L.</td>
<td>25%</td>
</tr>
<tr>
<td>ArcelorMittal France</td>
<td>15%</td>
</tr>
<tr>
<td>Acionistas minoritários</td>
<td>1%</td>
</tr>
<tr>
<td>Total number of beneficial owners: 10</td>
<td></td>
</tr>
</tbody>
</table>

ArcelorMittal Brasil’s current ownership structure is as follows:

### 2.3 ArcelorMittal Brasil in figures

- 29 business units;
- Operations in 3 countries (Brazil, Costa Rica and Venezuela);
- Annual production capacity in Brazil: 11.3 Million tons of crude steel;
- 11,026 employees.

ArcelorMittal Brasil’s consolidated net income reached $16.6 billion BRL in 2013, a result 6% above that of the previous year. Sales amount reached 8 million tons of products, intended mainly for the domestic market. This result remained stable in relation to the previous year, disregarding those months when Acindar (Argentina) was included in the 2012 consolidation scope.

ArcelorMittal Brasil’s Consolidated operating income (EBITDA) reached $3.4 billion BRL, a performance 41% above that of 2012. This was mainly propelled by the recovery of the flat carbon market and by the major long carbon consumer markets maintaining a steady growth rhythm. EBITDA margin on consolidated net income remained at 20%, a nominal increase of five percentage points against the previous year. The Company recorded net profits amounting to $380 million BRL.

In ArcelorMittal Brasil’s Flat Carbon segment the production of crude steel increased from 4.39 million to 4.43 million tons a year. Sales amount reached 4.21 million tons, a 1% drop against 2012. However, this segment EBITDA more than doubled in relation to the previous year, climbing from $514 million BRL to $1.2 billion BRL.

Unicon, Venezuela’s largest pipe manufacturer, an ArcelorMittal Brasil affiliate company since 2009, registered an EBITDA of $313 million BRL, a performance 2% below that of the previous year. The Company produced over 159 thousand tons of tubular products, a 25% drop against the previous year.

### ECONOMIC PERFORMANCE

<table>
<thead>
<tr>
<th>Consolidated values in BRL million</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>27,270</td>
<td>29,237</td>
<td>29,728</td>
<td>30,367</td>
</tr>
<tr>
<td>Indebtedness (especially to ArcelorMittal Group companies)</td>
<td>6,561</td>
<td>7,280</td>
<td>8,346</td>
<td>8,139</td>
</tr>
<tr>
<td>Investment</td>
<td>832</td>
<td>1,353</td>
<td>1,094</td>
<td>494</td>
</tr>
<tr>
<td>Owners’ equity</td>
<td>12,956</td>
<td>14,392</td>
<td>13,790</td>
<td>14,796</td>
</tr>
<tr>
<td>Net revenues</td>
<td>16,963</td>
<td>17,286</td>
<td>15,704</td>
<td>16,629</td>
</tr>
<tr>
<td>Net profit (loss)</td>
<td>1,448</td>
<td>(167)</td>
<td>(878)</td>
<td>380</td>
</tr>
<tr>
<td>Operating cash yield (EBITDA)</td>
<td>3,646</td>
<td>2,418</td>
<td>2,419</td>
<td>3,407</td>
</tr>
</tbody>
</table>

* Consolidated amounts for the Group including all its performance segments.
2.4 Performance Map

ArcelorMittal Long Steel
- Company: ArcelorMittal Cariacica
  - State: Espírito Santo (ES)
  - Town: Cariacica
- Company: ArcelorMittal Juiz de Fora
  - State: Minas Gerais (MG)
  - Town: Juiz de Fora
- Company: ArcelorMittal Piracicaba
  - State: São Paulo (SP)
  - Town: Piracicaba
- Company: ArcelorMittal Sabará
  - State: Minas Gerais (MG)
  - Town: Sabará
- Company: ArcelorMittal São Paulo
  - State: São Paulo (SP)
  - Town: São Paulo
- Company: ArcelorMittal Costa Rica
  - Country: Costa Rica
  - Towns: Provincias de Limon, San José and Puntaneras

ArcelorMittal Flat Carbon
- Company: ArcelorMittal Tubarão
  - State: Espírito Santo (ES)
  - Town: Serra
- Company: ArcelorMittal Vega
  - State: Santa Catarina (SC)
  - Town: São Francisco do Sul
- Company: ArcelorMittal Sabará
  - State: Minas Gerais (MG)
  - Town: Sabará

Distribution and Solutions in Steel
- Company: ArcelorMittal Gonvarri
  - States: Paraná (PR) / São Paulo (SP)
  - Towns: Campinas and Curitiba
- Company: ArcelorMittal Manchester
  - States: Minas Gerais (MG) / São Paulo (SP)
  - Towns: Contagem and São Paulo
- Company: ArcelorMittal Perfílcor
  - States: Minas Gerais (MG) / São Paulo (SP)
  - Towns: Contagem and São Paulo

Mining
- Company: ArcelorMittal Mineração Brasil - Andrade Mine / Serra Azul Mine
  - State: Minas Gerais (MG)
  - Towns: Bela Vista de Minas and Itiatuçu

Social responsibility
- Company: ArcelorMittal Brasil Foundation
  - States: Minas Gerais (MG) / Espírito Santo (ES) / São Paulo (SP)
  - Towns: Belo Horizonte (HEADQUARTERS) and 42 municipalities more

Energy
- Company: Guilman-Amorim Hydroelectric Power Station*
  - State: Minas Gerais (MG)
  - Towns: Antônio Dias and Nova Era
- Company: UTE ArcelorMittal Tubarão
  - State: Espírito Santo (ES)
  - Town: Winner

Forests
- Company: ArcelorMittal BioFlorestas
  - States: Minas Gerais (MG)

Services
- Company: ArcelorMittal Systems
  - State: Minas Gerais (MG)
  - Town: Belo Horizonte

* Guilman-Amorim is a consortium between ArcelorMittal Brasil and Samarco.
In order to achieve its strategic objectives, ArcelorMittal Brasil operates in several segments (see chart below).

**LONG CARBON STEEL**

A segment made up of steel mills and wireworks in Espírito Santo, Minas Gerais and São Paulo. Reforestation, charcoal production and mining sectors are historically connected to this segment, often acting as its suppliers.

Major products in this segment in Brazil are wire rods, sections, angle bars, steel rounds, square and octagonal rods, flat, hexagonal, draw, peeled bars and ground bars and banks. Also, bending bars, blades for cutting landscaping rocks, soft drawn wires, nails, screens, lattices, lattice spacers, columns, footings/radiers, hangers and rods. The Company also sells Dramix®, wires and cordage for prestressed concrete, trapions, Belgo Fix, Belgo Revest, Murfor®, piling section and foundation pipes, produced by its BBA – Belgo Bekaert Arames subsidiary or imported from other ArcelorMittal Group plants.

Installed capacity: 3.8 million tons a year of rolled products and 1.55 million tons of wire products.

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3 In this Report socio-environmental comments on Long Carbon relate only to steelmaking operations in Brazil, for operations, services and mining in other countries are not part of its scope.

4 Property of NV Bekaert Group.

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More information on ArcelorMittal Long Steel products on the website: [http://brasil.arcelormittal.com.br/] At Home > Our Units > ArcelorMittal Aços Longos Brasil

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- Sustainability Vision
- Transparent Governance
- Making Steel More Sustainable
- Investing in Our People
- Enriching Our Communities
- Reporting Process
FLAT CARBON STEEL

A segment that includes the plants of ArcelorMittal Tubarão (Espírito Santo), which produces plates and coils, ArcelorMittal Vega (Santa Catarina), which processes coils produced in Tubarão, and Unki (Venezuela)5. Products: plates, hot-rolled and stripped coils, and cold-rolled and galvanized coils used in the automotive, white line (home appliances), and naval industry, and so forth.

Installed capacity: 7.5 million tons per year (Tubarão) and 1.4 million tons per year (Vega).

BIOFLORESTAS

With headquarters in Belo Horizonte – MG, the Company has operations in several regions in the Minas Gerais State. Its main objective is to supply the Long Carbon plants that use charcoal in their steelmaking processes. Charcoal is 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 2013 it produced 350,000 tons of charcoal.

Galvalume: Steel sheet coated with an aluminum (Al), Zinc (Zn) and Silica (Si) layer applied by hot dip coating. This coating provides surpassing corrosion resistance thanks to the aluminum barrier, together with galvanic protection provided by zinc. It also has a high heat-resistant surface and can be employed in work temperatures of up to 315 °C without discoloration.

2.6 Acknowledgments [GRI 2.10]

Three awards confirm ArcelorMittal Brasil’s commitment to sustainable management. The Company received the Época Empresa Verde 2013 award twice for being a green company, besides being nominated for the third consecutive year to the list of the 20 companies (the only steel maker) with best environmental practices in Brazil. It also received an additional award as champion in the industry category.

The Company is also in the list of the 61 more sustainable Brazilian companies of the year according to Guia Exame de Sustentabilidade (Exame Magazine Sustainability Guide) in the social, environmental and economy fields. ArcelorMittal Brasil was also acknowledged as leader in Environmental Management by receiving the Lide Award.

The quality of our products was also acknowledged by our customers. The Tubarão and Vega facilities received the Renault Award (Top Logistics supplier – Components) from Renault do Brasil, and the Qualita Awards, from Fiat Chrysler South America.

The table below shows the other acknowledgments received in 2013:

<table>
<thead>
<tr>
<th>Acknowledgment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ArcelorMittal</td>
<td>Three awards confirm ArcelorMittal Brasil’s commitment to sustainable management. The Company received the Época Empresa Verde 2013 award twice for being a green company, besides being nominated for the third consecutive year to the list of the 20 companies (the only steel maker) with best environmental practices in Brazil. It also received an additional award as champion in the industry category. The Company is also in the list of the 61 more sustainable Brazilian companies of the year according to Guia Exame de Sustentabilidade (Exame Magazine Sustainability Guide) in the social, environmental and economy fields. ArcelorMittal Brasil was also acknowledged as leader in Environmental Management by receiving the Lide Award. The quality of our products was also acknowledged by our customers. The Tubarão and Vega facilities received the Renault Award (Top Logistics supplier – Components) from Renault do Brasil, and the Qualita Awards, from Fiat Chrysler South America. The table below shows the other acknowledgments received in 2013:</td>
</tr>
</tbody>
</table>
## Acknowledgments

<table>
<thead>
<tr>
<th>UNIT</th>
<th>AWARD</th>
<th>AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ArcelorMittal Brasil</td>
<td>Environmental Management Lead Company Award</td>
<td>LIDE – Grupo de Líderes Empresariais</td>
</tr>
<tr>
<td></td>
<td>Exame Sustainability Guide</td>
<td>Exame Magazine</td>
</tr>
<tr>
<td></td>
<td>5th ABAP Sustainability Award</td>
<td>ABAP – Brazilian Association of Advertising Agencies</td>
</tr>
<tr>
<td></td>
<td>&quot;Best Institutional Campaign – Sustainability Report&quot; Category</td>
<td>Época Magazine and PwC</td>
</tr>
<tr>
<td></td>
<td>Época Green Company Award</td>
<td>Negócios da Comunicação Magazine</td>
</tr>
<tr>
<td></td>
<td>Companies that Best Communicated with the Press Award</td>
<td>Sustentar Institute</td>
</tr>
<tr>
<td></td>
<td>Sustainable Product and Service Ranking</td>
<td>Imprensa Magazine</td>
</tr>
<tr>
<td>ArcelorMittal Tubarão and ArcelorMittal Vega</td>
<td>Prêmio Renault – Category: Top Logistics supplier – Components</td>
<td>Renault</td>
</tr>
<tr>
<td></td>
<td>Qualitas Awards</td>
<td>Fiat Chrysler South America</td>
</tr>
<tr>
<td></td>
<td>Performance Excellence Award</td>
<td>ArcelorMittal Group</td>
</tr>
<tr>
<td></td>
<td>Humanities Award and the title of Honorary Member of the Brazilian Academy for Human Rights (ABDH).</td>
<td>ABDH</td>
</tr>
<tr>
<td></td>
<td>Health and Safety Management Award, Gold category</td>
<td>Agência Brasil de Segurança</td>
</tr>
<tr>
<td></td>
<td>Leonardo Diniz Cultural Merit Medal for Acordes Project</td>
<td>Fundação ArcelorMittal Brasil</td>
</tr>
<tr>
<td>Fundação ArcelorMittal Brasil</td>
<td>Title of Meritorious Entity by the town of Juiz de Fora</td>
<td>Juiz de Fora Municipal Council</td>
</tr>
<tr>
<td></td>
<td>Medal of Honor for the Acordes Project</td>
<td>João Monlevade Municipal Council</td>
</tr>
<tr>
<td>ArcelorMittal Sabará</td>
<td>CMDCA Award</td>
<td>CMDCA – Municipal Council for the Rights of Children and Teenagers</td>
</tr>
</tbody>
</table>
2.7 Major investments in 2013

At the end of the year an investment package was approved at Vega unit to start local production of Usibor® in 2015. This is one of the solutions from the S-in motion global platform (special light steels for the automotive industry). Currently Usibor® is imported from the Group European plants to be used in the production of new Brazilian models until the Vega production line is ready. Some of these models present 5 stars in Latin NCAP crash test ratings from 2013.

In the last quarter of the year, ArcelorMittal Group made an agreement with ThyssenKrupp to buy their rolling mill located in Calvert/Alabama, in the USA, which is now called AM/NS Calvert. As the Group will annually supply about 2 million tons of plates for this operation, we expect Tubarão to be one of these input suppliers after Blast Furnace 3 goes back into production in mid-2014.

The major Long Carbon highlight was that the expansion project for Monlevade unit was taken over again to match market development. Works were restarted during the second half of 2013, and are scheduled to be concluded in December 2014 and start production in 2015. The project includes installing a third rolling mill in João Monlevade and expanding Juiz de Fora plant production capacity. The result will be a 1.1 million ton a year increase in ArcelorMittal Brasil production capacity, from 3.8 million to 4.9 million tons of rolled steel a year.
Here, we see art and culture. Here, we foster sustainable values.

3 Sustainability Vision
Supply markets with quality steel, fostering socioeconomic progress and mitigating environmental impacts of its activities along all links of the production chain are the Company's main guidelines. These guidelines are based on transparent governance and are the lifeline of Corporate Responsibility for all ArcelorMittal Brasil endeavors, as shown in the chart below:

<table>
<thead>
<tr>
<th>Invest in our People</th>
<th>Make steel more sustainable</th>
<th>Enrich our communities</th>
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</thead>
<tbody>
<tr>
<td>Have each and every person working for us feel valued.</td>
<td>Use our steel expertise to develop cleaner and more ecological projects.</td>
<td>Our presence plays an important role in all communities we operate in.</td>
</tr>
</tbody>
</table>

All this is sustained by TRANSPARENT GOVERNANCE.

We believe that our Corporate Responsibility strategy shall:

- Increase the value of our efforts
- Improve our ability to deal with local and global issues affecting our operations
- Improve our relationship with stakeholders
Learn about ArcelorMittal Brasil major endeavors in 2013 focused on sustainability in the chapters “Investing in Our People”, “Making Steel More Sustainable”, “Enriching Our Communities” and “Transparent Governance”, below.

3.1 Commitments taken on [GRI 4.8, 4.12, 4.13, SO3, SO4, Global Compact – principles 4 and 10]

In line with its philosophy of teamwork and ongoing search for being streamlined and sustainable, ArcelorMittal Group participates in and contributes to the operation of several governmental and non-governmental entities. Thus, the Company fulfills its role as an agent of sustainable development by means of an effective and ongoing participation that allows it to develop guidelines and to contribute to the regulation of the sector, including socially.

ArcelorMittal Brasil is an active member of several entities, such as: The Brazilian Technical Standard Association (ABNT), Brazilian Mining and Metals Association (ABM), Asociacion Latinoamericana del Acero (Alacero), Brazilian Human Resource Association (ABRH), Instituto Ethos, Brazilian Business Council for Sustainable Development (CEBDS), National Industry Confederation (CNI), Brazilian Corporate Communication Association (Aberje), Minas Institute for Peace, Brazil Steel Institute (IABr), Reputation Institute, Abrinq Foundation and Dom Cabral Foundation (FDC).

The Company is also a signatory to a number of commitments relating to Corporate Social Responsibility:

GLOBAL COMPACT:
In 2001 the Company signed the Global Compact, a United Nations endeavor toward spreading fundamental values related to human development among the business community. As a signatory, the Company has developed a series of efforts related to the ten universal principles set down by the agency, which include human rights, labor rights, environmental protection and the fight against corruption.

BRAZILIAN PACT TO ERADICATE SLAVE LABOR
In addition to strictly follow the guidelines set down by the Declaration of the International Labor Organization (ILO) on fundamental principles and rights at work, ArcelorMittal Brasil has signed the Brazilian Pact for Eradication of Slave Labor in 2009. The Ethos Institute for Business and Social Responsibility initiative in a partnership with the International Labor Organization (ILO) and the Repórter Brasil NGO suggest tools to enable the business sector to ensure dignified and respectful labor relations throughout all productive chains. There is no Company operation where there is a risk of employing child labor.
CORPORATE AGREEMENT FOR INTEGRITY AND AGAINST CORRUPTION

ArcelorMittal Brasil was one of the first companies to sign this pact, which sets guidelines for ethical business behaviors together with the government. It is an initiative of the Ethos Institute and the United Nations Development Program (UNDP), among other agencies.

As part of its Anticorruption Policy, the whole managerial staff is trained and gets frequent refreshment training on the matter. In 2013, 177 managers and 1,231 non-manager employees (12.77% of our workforce) were trained in Anticorruption practices. The Company encourages employees to notify any improper behavior to their immediate superior, the legal department or the internal audit. There is also the possibility of sending an anonymous digital complaint to higher company levels. As a result of this effort, there are no lawsuits where ArcelorMittal Brasil and/or its employees, in the performance of their duties, have been convicted for practicing acts of corruption.

CHARCOAL SUSTAINABILITY PROTOCOL

The commitment made by the Brazil Steel Institute member companies before the Ministry of Environment and the Ministry of Development, Industry and Foreign Trade (MDIC) includes, among other goals, having 100% of forests planted from 2012 to 2016 to meet the charcoal demand.

CLIMATE CHANGE – UNFCCC: [GRI EC2]

The United Nations Framework Convention on Climate Change, UNFCCC, sets down guidelines to be followed by governments and companies in order to minimize environmental impacts that contribute to climate change. ArcelorMittal shares these commitments and directs its decisions in accordance with the results of the convention.

MINAS PELA PAZ

Minas pela Paz Institute is a Public Interest Civil Society Organization (OSCI) founded by 11 large corporations, including ArcelorMittal. The Institute main goal is helping both the government and civil society in proposing and implementing alternative solutions focused on public safety so as to reduce crime in the State.

3.2 Engagement with stakeholders [GRI 4.14, 4.15]

With the objective of maintaining a close, transparent and ethical relationship with its stakeholders ArcelorMittal Brasil invests in communication, training, events, lectures and workshop efforts, as well as formal mechanisms for reporting its activities. The quest for continuous improvement and creating value for the several parties involved in its operations is a principle adopted for the company decision making process, from operational to strategic levels. The audiences the Company maintains relationships with are described in the chart below.
STAKEHOLDERS’ MAP

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<tr>
<th>CLIENTS</th>
<th>EMPLOYEES</th>
<th>GOVERNMENT AND REGULATORY BODIES</th>
<th>INVESTORS AND LENDERS</th>
<th>LOCAL COMMUNITIES</th>
<th>MEDIA</th>
<th>MULTILATERAL AND BUSINESS ORGANIZATIONS</th>
<th>NON-GOVERNMENTAL ORGANIZATIONS</th>
<th>SUPPLIERS</th>
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<td>Product quality and safety</td>
<td>Work health and safety</td>
<td>Social and economic development</td>
<td>Corporate Governance</td>
<td>Process of engaging</td>
<td>Industry challenges</td>
<td>Long-term challenges for the industry</td>
<td>Environmental protection</td>
<td>Responsible procurement code</td>
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<td>Supply chain management</td>
<td>Wages and bonuses</td>
<td>Job opportunities</td>
<td>Health and Safety</td>
<td>mobilizing communities</td>
<td>Environment</td>
<td>Human Resources</td>
<td>Social and economic development</td>
<td>Product quality</td>
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<td>Renewable technology, environmentally-correct products</td>
<td>Work conditions</td>
<td>Attraction of investments</td>
<td>Climate change</td>
<td>Environment</td>
<td>Social investment</td>
<td>Water consumption</td>
<td>Work conditions</td>
<td>Operating excellence</td>
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<td>On-site visits</td>
<td>Career progress</td>
<td>Corporate responsibility management</td>
<td>Corporate governance</td>
<td>Job opportunities</td>
<td>Health and Safety</td>
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<td>Journals and events geared to clients</td>
<td>Operational Excellence</td>
<td>Intranet</td>
<td>Reserved formal discussions</td>
<td>Local engagement</td>
<td>Environmental concerns</td>
<td>Environmental concerns</td>
<td>Responsible supply</td>
<td>Discussions based on account management relations</td>
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<td>Partnerships: engineering teams in clients’ units/plants</td>
<td>Reserves</td>
<td>Informational bulletins and journals</td>
<td>Engagement conferences and lectures</td>
<td>workshops</td>
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<td>Get actively involved with organizations, including</td>
<td>Regular engagement with our local administration at each unit</td>
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<td>Training programs</td>
<td>Country-specific leading bodies</td>
<td>Day of the Investor</td>
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<td>including WBCSD, CSR Europe, World Steel</td>
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<td>Relations with unions</td>
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<td>Private meetings, regular conference calls,</td>
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<td>Vital factor to ensure fair and competitive trading conditions.</td>
<td>Increase our share</td>
<td>Develop local</td>
<td>Foster and safeguard</td>
<td>Train our Company, together with fostering practices from similar</td>
<td>Provide an understanding of society and the environment requirements.</td>
<td>Ensure delivery of quality and value products and services.</td>
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<td>capital and strengthen our financial performance.</td>
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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?
ArcelorMittal Brasil’s Corporate Governance directs its efforts to ensure an ethical and transparent behavior toward all the Company stakeholders, according to its Compliance program. This program states that both the legal entity and its employees must abide by all laws from the places the Company does business in and includes the following policies: Behavior Code, Directives for compliance with Competition Defence Laws, Insider Information Policy and Anticorruption Policy.

The compliance program major objective is to set control mechanisms to clearly detect and prevent any deviation or nonconformity that might take place within the Company business scope.

Besides widely advertising such policies, guidelines and codes to its employees, ArcelorMittal Brasil periodically trains them on them. The program also includes a periodic evaluation of its efficacy and audits to find out whether it is being adhered to.

**Behavior Code**

Ethical and legal obligations that must be fulfilled by all Group advisors, directors and employees when dealing with Company businesses, as well as setting guidelines for conflicts of interest.

All employees are trained in ArcelorMittal Brasil’s Behavior Code. It sets down that both the legal entity and its employees must abide by all laws from the places the Company does business in. It also mandates that it is expressly forbidden, whether directly or indirectly, to offer or give any money to government members, including state companies’ employees, with a view at influencing any act or decision of theirs.

**Guidelines for Compliance with Competition Defence Laws**

They aim at preventing any behavior that goes against the fundamental principles of competition defence laws from countries the Company operates in.

---


INSIDER INFORMATION POLICY

Rules of conduct applied to all employees to avoid the misuse of insider information and market abuse.

ANTICORRUPTION POLICY

Rules and guidelines to prevent and fight against corruption.

ANTIFRAUD POLICY

Fraud is defined as an intentional act of deception, misappropriation of resources or data manipulation that results in advantage or disadvantage to a person or entity, including any act of corruption. Anti-fraud policy contains rules established according to the Company’s zero tolerance directive toward practice and concealment of fraudulent or illegal acts.

HUMAN RIGHT POLICIES

Guidelines that ensure human rights are not violated in any Company sector. All investment agreements and contracts with significant suppliers of the organization include human rights clauses that forbid child and forced labor, and profiling, in addition to ensuring freedom of association. In 2013 3,199 employees were trained on policies and procedures concerning human right aspects relevant to operations. These account for 29% of the operational staff of the Company and 5,179 training hours.

ECONOMIC SANCTIONS

Rules and instructions to ensure that no one within the Group should participate in economic sanction breaches.

WHISTLEBLOWER POLICY

In line with the Sarbanes Oxley Act of 2002, this policy has the objective of identifying, as soon as possible, any relevant problems related to irregularities in accounting, audit, financial, corruption or bribery matters.

The Company encourages its employees to notify any improper behavior to their immediate superior, the legal department or internal audit. If one of those persons is responsible for the unlawful behavior, there is the possibility of (and the incentive to) the employee sending an anonymous email complaint to higher hierarchy levels. Company policy protects those who report bad conduct acts in good faith and forbids retaliations against them.

In 2013 there were no lawsuits where ArcelorMittal Brasil and/or its employees, in the performance of their duties, have been convicted for practicing acts of corruption. It is important to point out that, in 2013, there were no administrative or court sanctions due to unfair competition, formation of trusts or monopoly. All current administrative proceedings and tax, civil and labor suits are being discussed in good faith by the Company.
TAX BENEFITS

ArcelorMittal Brasil uses tax benefits through the following mechanisms:

**INCENTIVES AT FEDERAL LEVEL**
- Federal Culture Fostering Act;
- Fund for Children and Adolescents Act;
- Sports Act;
- Tax incentives program from the Superintendence for the Development of the Northeast Region (SUDENE);
- National Program of Support to Healthcare of People with Disabilities (Pronas/PCD);
- National Program of Support to Oncologic Care (Pronon);

**INCENTIVES AT STATE LEVEL**
- State Acts to Foster Culture in Minas Gerais and São Paulo;
- São Paulo Sport Fostering State Act;
- Program for Santa Catarina Companies’ Development – Prodec (SC);
- Program to Increase Employment and Improve Workers’ Quality of Life – Pró-emprego (SC);
- Federal District Development Program – PRODF (DF);
- Ceará Industrial Development Fund – FDI (CE);
- Pernambuco Development Program – Prodepe (PE);
- Bahia State Industrial Development and Economic Integration Program – Desenvolve (BA);

**INCENTIVES AT THE MUNICIPAL LEVEL** - Belo Horizonte Culture Fostering Municipal Act

**PUBLIC POLICIES [GRI SO5]**

Participation in business unions allows the Company to encourage the drafting of public policies, establish partnerships, agreements and protocols with Governments (on many different levels) and influence decisions that can benefit its industry. Brazil Steel Institute (IaBr) and National Industry Confederation (CNI) are some of the entities ArcelorMittal Brasil is a member of.

Through ArcelorMittal Brasil Foundation, ArcelorMittal works together with public authorities and voluntary sector institutions to foster actions to strengthen local public policies and contribute to the development of the communities the Company operates in. The Foundation participates in the drafting of proposals relevant to the population, based on demands from each municipality. The Foundation efforts include transfer of project methodology to the government in order to achieve actually transforming and long-term results.

Flat and Long Carbon segment business units also develop projects together with local governments, which are geared toward directing social investments in projects that support government policies for the development of communities.

**3.4 Value Generation [GRI EC1]**

In 2013 ArcelorMittal Brasil produced added value amounting to $ 7 billion BRL, as shown in the table below. The funds were used to pay employees, taxes, shareholders’ and lenders’ returns and also a wide supply chain.

<table>
<thead>
<tr>
<th><strong>ADDED VALUE DISTRIBUTION ($ MILLION BRL)</strong></th>
</tr>
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<tbody>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Taxes</td>
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<tr>
<td>Yield on creditors' equity</td>
</tr>
<tr>
<td>Interest on the stockholders’ equity</td>
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<tr>
<td><strong>Total Added Value</strong></td>
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</tbody>
</table>
Art enhances our ability to understand the world and ourselves.
4: Transparent Governance

ArcelorMittal Brasil invests in improving its management processes and control systems. It adopts several mechanisms to maintain Corporate Governance based on principles such as ethics and transparency.

4.1 Corporate Governance (GRI 4.1, 4.2, 4.3, 4.4)

ArcelorMittal Brasil’s corporate governance structure follows the same basis as the Group’s worldwide. It is presented in the table below.

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Group Management Board (GMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for the final word in the decision-making processes.</td>
<td>Composed of eight executives led by CEO Lakshmi Mittal, the Council is responsible for the Group decision-making, determining the overall strategies, as well as defining and monitoring administrative actions in countries the Company operates in.</td>
</tr>
</tbody>
</table>

Brazilian units’ corporate governance guideline include developing strategies to supply the market with quality steel, foster the social and economic progress of regions they operate in and developing their surrounding communities, in addition to reducing environmental impacts throughout their supply chain. The Brazil structure follows the same basis of the Group worldwide.
ArcelorMittal Brasil

**Board of Directors**
- It includes at least three and at most nine members. Currently, there are five members appointed at the general meeting of shareholders for a two-year term, with an option for renewal.
- The Board lays down the strategic guidelines, follows up on the business, elects officers, chooses or removes independent auditors, sets the general direction of the business, oversees the Company management and decides on the allocation of the year’s income.
- Currently 40% of the Board of Directors’ members are independent or non-executive members.

**Executive Board**
- It includes at least two and at most twelve officers. There are currently 10 members appointed by the Board of Directors for a two-year term, with an option for renewal.
- It manages the Group’s business in the country, deciding on any matter not subject to the sole jurisdiction of the General Shareholders Meeting (GSM) or the Board of Directors.

**Audit Committee**
- Mentioned in the Company’s Bylaws, it operates on a non-permanent basis and can be installed at the shareholders’ request.
- It includes three to five members, chosen by the general assembly of shareholders.

The Company encourages communication among its several hierarchical levels. Employees’ suggestions are forwarded to the Executive Board by the leaders themselves or by employees’ representatives from the several internal committees.

### 4.2 Governance Structure Organizational Chart

**BOARD OF DIRECTORS**
In 2013 the Board included five members appointed at the general meeting of shareholders for a two-year term of office, with the possibility of being re-appointed. From these members, two are independent or non-executive members. The Board sets down strategic guidelines, follows up and guides businesses, elects directors, chooses or dismisses independent auditors, supervises management and decides on the allocation of Company profits. It evaluates corporate governance performance in its monthly meetings, including economic, environmental and social aspects.

**MEMBERS OF THE BOARD OF DIRECTORS**
- José Armando de Figueiredo Campos (*Chairman of the Board of Directors*)
- Carlo Panunzi (*Deputy Chairman of the Board of Directors*)
- Bhikam Chand Agarwal (*Advisor*)
- Andres Rozental Gutman (*Advisor*)
- Paul Sebastian Zuckerman (*Advisor*)

**EXECUTIVE BOARD**
It currently comprises nine members (see details in the organizational chart above) elected by the Board of Directors for a two-year term of office and who can be re-appointed. The Executive Board is responsible for managing the Group’s businesses in Brazil, acting also on any issue not subject to the sole jurisdiction of the General Shareholders Meeting (GSM) or the Board of Directors. As it can be seen from the organizational chart, responsibilities of some ArcelorMittal Brasil officers include duties in ArcelorMittal Americas, a token of the Group matrix structure.
AUDIT COMMITTEE
Comprising three to five members chosen by the general shareholders meeting, the Audit Committee does not work in a permanent way, and may be installed at the request of shareholders.

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE
The appointments, remuneration and corporate governance committee comprises four directors.

The primary function of the appointments, remuneration and corporate governance committee is to assist the board of directors.

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

ArcelorMittal Group Board of Directors
Composed of eight officers led by CEO Lakshmi Mittal, the Board is responsible for the Group decision-making process. It decides on overall strategies, and also sets down and monitors administrative actions in countries the Company operates in.

Group Management Board – GMB
Placed below the Board of Directors, GMB includes eight officers led by CEO Lakshmi Mittal. It is responsible for conducting the business and determining the overall strategies of the Company, as well as defining and monitoring administrative actions in the countries the Company operates in.

Management Committee
The Committee’s objective is to foster an entrepreneurial spirit within the Company, establish a creative and adaptive organization, and also be accountable before its stakeholders. That is why it has a matrix structure.

RISK MANAGEMENT COMMITTEE
As part of its commitment to sound corporate governance, ArcelorMittal has set up a process of risk identification and management. These risks include but are not limited to financial, legal and operational risk and risks concerning ArcelorMittal’s reputation and ethical standards.

11 You can find more information on ArcelorMittal Group Management Board on the website: http://corporate.arcelormittal.com/who-we-are/leadership/group-management-board
12 Information on the members of the Management Committee, as well as their positions and responsibilities, can be found on the following webpage: http://corporate.arcelormittal.com/who-we-are/leadership/management-committee
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Profile
Sustainability
Vision
Transparent Governance
Making Steel More Sustainable
Investing in Our People
Enriching Our Communities
Reporting Process

Group Governance
- ArcelorMittal Brasil Board of Directors
- GMB – Group Management Board
- Management Committee

Business segments
- ArcelorMittal Americas
  - Lou Schorsch
  - Business segments:
    - Flat Carbon South America
      - Benjamin Baptista
    - Long Carbon Central and South Americas
      - Jefferson De Paula

ArcelorMittal Brasil
- Board of Directors
- CEO
  - Benjamin Baptista
- Executive VP ArcelorMittal Brasil
  - Jefferson De Paula
- VP Controllership
  - Adilson Martinelli
- VP Finances
  - Marcos Maia
- VP HR, IT & Institutional Relationships
  - Ricardo Garcia
- Supplies
  - Marcelo Marino
- Legal
  - Suzana Fagundes

Additional roles:
- Controllership VP
  - Adilson Martinelli
- Commercial VP
  - Gustavo Pinto
- Industrial Operations VP
  - Álvaro Ribeiro
- Industrial Operations VP
  - Mário Van Der Put
- Commercial VP
  - Henrique Morais
- ArcelorMittal Argentina CEO
  - José Giraudo
- Belgo Bekaert Arames CEO
  - Augusto Espeschit

* Asia, Africa, Commonwealth of Independent States
We foster economic growth with dignity. We respect cultural diversity and the environment.

5 Making Steel More Sustainable
5: Making Steel More Sustainable

[Global Compact – Principles 7, 8 and 9]

ArcelorMittal produces flat and long carbon and stainless steel. Using them yields several benefits, since they are recyclable, maintain quality over time and also their resistance and hardness characteristics, even when they are reused. However, the company understands there are challenges associated to steelmaking and seeks to detect in advance and mitigate any negative impacts caused by its production. In order to do that, ArcelorMittal Brasil seeks a balance between natural resources and its production process. This compromise is considered a strategic value for the Company and is a part of its sustainability principles.

Work with an integrated environmental management by monitoring environmental aspects of its activities, products and services, controlling any environmental impacts - such as emission levels – preserve ecosystems of the areas it works in, and also reuse industrial waste: that is the sustainable development model included in the harmonious conduction of business and preservation of the environment that is a part of all ArcelorMittal Brasil operations.

The Company cares especially for power cogeneration by using gases resulting from the steelmaking process. It also stimulates actions focused on energy efficiency in all its operations.

In order to make steel more sustainable the Company makes permanent investments. It also continuously upgrades internal management tools focused on minimizing potential negative environmental and social impacts throughout its production chain.
5.1 Product life cycle

ArcelorMittal aims at providing the market with products for several uses, together with various solutions for civil construction. Steel, which is a product of iron ore, one of the most abundant elements in the planet, is highly sustainable, since it is 100% recyclable and can be fully reused several times without losing its physical and chemical properties and qualities.

Since it is sustainable and durable, steel is used in several construction industry processes. The recycling material – scrap – produced in the plants in their metallurgical and shaping of steel or procured in the material collection/processing market (“outsourced” scrap) is significant for the steelmaking industry. “Outsourced scrap” can be produced in processing industries during shaping of rolled steel or ferrous cast parts (industrial or processing scrap), or by reusing the metal after the asset containing steel life is over (obsolescence scrap or ferrous scrap).

After being used in production, several coproducts generated in industrial processes can be reprocessed and returned to their own processes for producing more steel. This reuse saves raw material like iron ore and coal, which are considered non-renewable materials.

This chapter reinforces the Company strategies for continuous improvement focused on the business sustainable development, in consolidating significant markets and in industrial excellence and market leadership. These are all added to one of ArcelorMittal Brasil’s philosophies of streamlining all its operations and making them sustainable. ArcelorMittal is fully engaged in minimizing environmental and social impacts caused by its production processes (see a list of the major environmental impacts throughout this chapter). All its products are constantly assessed to ensure that they do not pose risks to the health and safety of consumers. The production and quality control process is based on improvement studies that include: Research & Development; certification; product concept development; manufacturing and production, marketing and advertising; storage, distribution and supply; use and service, disposal, reuse or recycling and planning of resources.

5.2 Research and Development (R&D)

ArcelorMittal Brasil believes that the development of every production chain can only achieve positive results if managed in a sustainable and efficient way, through planning and actions to encourage best practices. That is why one of its priorities is Research and Development, so as to improve performance of its operations, create new products and achieve a level of excellence in the reuse of waste.

ArcelorMittal Brasil benefits from Group investments in the global development of innovative solutions in steelmaking industry processes and products. These solutions are then assessed by ArcelorMittal Brasil professionals regarding their applicability to and feasibility for Brazilian operations. As an example of R&D, ArcelorMittal BioFlorestas is carrying out a Project of reducing methane emissions in the eucalyptus carbonization process.

In 2013 two research and development projects were also carried out by ArcelorMittal Tubarão:

- Use of slag filters in the sewer treatment system. These filters were developed by the facility itself, together with Universidade Federal do Espírito Santo – UFES and the international company Phosphoreduc. Treatment capacity was designed for 10m³/day for each filter.

- Improvement Implementation (Fume suppressant) and Shutdown of Finish Train Electrostatic Precipitator – LTQ (see further details in the Energy chapter).
5.3 Environmental Policy

Sustainable development and respect to environment are some of the values ArcelorMittal considers as strategic priorities in its management. When conducting business, the Company considers it a commitment to work with measures to decrease potential negative impacts of its operations. The Environmental Policy main goal is to guide Company actions towards environmental conservation. Also, it is practiced throughout the production process by all directors, managers and employees.

You can find ArcelorMittal Brasil Environmental Policy on this link: http://brasil.arcelormittal.com.br/responsabilidade-corporativa/tornar-aco-sustentavel/politica-meio-ambiente

5.4 Environmental Management [GRI G4 EN30; Global Compact Principle 8]

Environmental responsibility is a vital directive in ArcelorMittal Brasil company management. It is an indissoluble part of the ongoing evolution process of the Company. Regarding responsibilities inherent to its position as steel industry leader, ArcelorMittal Group has set down working to ensure quality of life for future generations as a fundamental commitment. So, responsible environmental management should not focus solely only the Company daily routine and its immediate social circles, but also be consistent enough so its effects may also result in future gains.

As part of its sustainability principles, ArcelorMittal Brasil includes in its commitments a search for continuous improvement and prevention of pollution. It also tries to minimize any environmental impacts caused by its operations by streamlining the use water, power and mineral resources; it does air, sound level and water effluent monitoring; and it also tries to decrease, reuse and recycle waste its processes generate.

Since all their activities have environmental permits, the Company industrial plants are 100% ISO 14001 certified and systematically monitor performance indicators related to biodiversity, water, energy, waste and air emissions. The main goal is an attempt at increasing ecoefficiency, which is a part of the Company strategic planning. We do that by investing in training, qualifications, technologies and certifications capable of providing new business formats and solutions.

In 2013, we invested $ 70.5 million BRL in environmental projects and efforts. From that amount, $ 39.7 million BRL were used in waste treatment and disposal; $ 8.1 million BRL were invested in installing clean technologies (one of ArcelorMittal Brasil’s investment priorities); and environmental education and management projects, external certifications, and research and development were assigned $ 11.9 million BRL. Other environmental projects and efforts carried out by business units were assigned further 10.8 million BRL.

ArcelorMittal Brasil’s commitment to environmental conservation also extends to the communities it works in. ArcelorMittal Foundation has been holding the ArcelorMittal Environmental Award since 1992. It aims at encouraging students to develop a wide view of sustainability through drawing and writing contests and the School Project. In 2013, with the topic “The future we desire depends on the actions we take today,” it had 224,099 students, 6,992 teachers and 659 schools from 38 towns taking part in it.

So as to reinforce the basic directive of producing quality steel, the whole of ArcelorMittal Brasil’s strategic planning includes a corporate decision of building a balance among the economic, social and environmental aspects of conducting business, in line with sustainable development principles. Thanks to this commitment, the Company has been directing its investments in environmental control equipment and systems, and also in education and training, environmental management services, certification, staff for environmental management general activities, and
research and development. At ArcelorMittal Tubarão, for instance, from a total of $26.7 million BRL in resources for environmental purposes such as permits, compensatory measures, audits, selective collection improvement, ground water monitoring, and others, $3.0 million BRL were invested to install cleaner technologies in their industrial plant. Investments in environmental management, including activities such as training, awareness raising, certifications, environmental programs and projects, and research and development amounted to $8.3 million BRL. The facility invests in equipment, management and control systems. It adopts practices to foster sustainable development and a modern environmental policy, thus strengthening its competitiveness and trying constantly to improve social and economic conditions of the region they work in and of the country as a whole.

5.5 Major impacts and the steps to mitigate them [GRI EN26]

ArcelorMittal Brasil’s production process may cause environmental impacts, the same as those of other steelmakers. The major company businesses involve mainly the production of steel and they are controlled, since ArcelorMittal works continuously to mitigate risks.

MAJOR IMPACTS DETECTED IN 2013
Impacts | Mitigation Measures
--- | ---
Emission of particulate material | Development of CDM Projects
Production of waste | *Use of waste in the steelmaking industry itself*  
*Sale of surpluses to other industries*

Further information can be found in Emissions, Climate Change, Waste and coproducts items.

5.6 Water and effluents [GRI EN8, EN10, EN21]

Efficient management in controlling water consumption is part of ArcelorMittal Group sustainability concept. As part of the process for improving its activities, the Company tries to raise awareness about its responsibility, minimize the consumption of water, treat and recirculate effluents and mitigate impacts to the population and the environment.

The amount of water reused or recycled by ArcelorMittal Brasil during 2013 was 873,685,556 m³. This amount represents an average water recirculation rate of 98.28% of the amount of water used, which includes the water reused plus the total amount collected. Besides that, 6,038,721 m³ of effluents were discarded, treated according to the quality parameters and legal limits allowed by the regulatory body (CONAMA\(^{13}\)).

<table>
<thead>
<tr>
<th>WATER REMOVED/RECYCLED</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of water taken per source (m³)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal water supply or from other companies that supply fresh water</td>
<td>22,054,927</td>
<td>22,239,960</td>
<td>21,420,278</td>
<td>21,629,576</td>
</tr>
<tr>
<td>Effluents from another organization</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ground water</td>
<td>854,798(^{14})</td>
<td>940,000(^{15})</td>
<td>82,004</td>
<td>76,077</td>
</tr>
<tr>
<td>Surface water, including wet areas, rivers, lakes and oceans</td>
<td>417,832,315</td>
<td>425,986,000</td>
<td>369,825,310</td>
<td>377,663,704</td>
</tr>
<tr>
<td>Rain water directly gathered and stored by the reporting organization</td>
<td>73</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Amount of recycled/reused water based in the amount of water demand met using recycled/reused water instead of additional collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effluents recycled back to the same process or greater use of recycled water in the process cycle (m³)</td>
<td>839,759,442</td>
<td>1,333,491,697</td>
<td>1,185,341,315</td>
<td>873,685,556</td>
</tr>
<tr>
<td>Percentage of recycled/reused water on the total amount of water collected (%)</td>
<td>98.07</td>
<td>98.19</td>
<td>96.78</td>
<td>98.28(^{15})</td>
</tr>
<tr>
<td>Effluents reused in other facilities of the reporting organization (m³)</td>
<td>10,156</td>
<td>14,558</td>
<td>19,492</td>
<td>19,407</td>
</tr>
<tr>
<td>Effluents recycled/reused in a different process, but within the same facility (m³)</td>
<td>N/A</td>
<td>N/A</td>
<td>11,874</td>
<td>4,813</td>
</tr>
</tbody>
</table>

\(^{13}\) National Environment Council  
\(^{14}\) Amount considering the use by BBA (Belgo Bekaert Arames) wireworks  
\(^{15}\) Amount considering only crude steel production
From a total of 6,038,720 m³ of fresh water disposed in a planned way, 5,649,618 m³ were disposed in the ocean and 389,102 m³ in rivers.

Reuse of water is an option that was been put into practice by the Group. In 2013 ArcelorMittal Vega, for instance, reused 96.6% of water employed in its industrial processes, which is supplied by the São Francisco do Sul Water and Sanitation Municipal Company (SAMAE) and collected from an affluent of Sai Mirinzinho River, located in the continental side of the municipality of São Francisco do Sul (SC). In the year 2000 this water source was selected to supply the company because it was not used as city water by any municipality in the area. Data from 2013 showed that Vega’s water consumption was 511.63 m³/day, totaling 20.68% more than that of 2012. The increase in consumption is due to increase in production due to operation of Galva2, the second plate galvanization line installed at ArcelorMittal Vega, which uses a different coating, with more aluminum. Its product is focused on servicing mainly the white line and civil construction market.

ArcelorMittal Tubarão has an Energy and Utilities Center that controls water distribution to the Plant. In 2013 recirculation rate was 97.5%, greater than the one from 2012, which was 97%. Amounts of recycled/reused fresh water in production processes are greater than the amount obtained from the fresh water utility company. In 2013, a study was carried out to renew the Water Reuse Station (a project scheduled to be carried out in the next years). The facility uses fresh water (approximately 5% of total) and seawater (about 95% of total). “Raw” fresh water is purchased from the local Utility (CESAN) and processed internally. Seawater is collected from the ocean using a pumping station from the company itself, and is returned to the sea using a proper long-range pipeline. This water is used as coolant fluid without direct contact with the equipment that is cooled, so input amount is practically the same as the output.
5.7 Energy  (GRI EN3, EN4, EN5, EN6, EN7)

The intensive use of energy in steelmaking operations stimulates ArcelorMittal to invest in technologies to ensure proper use of this resource in order to provide coherent results with sustainability values. In order to ensure commitment the Company has an Energy Policy that advocates the efficient use and energy conservation as a way of addressing its social and environmental responsibilities. ArcelorMittal is committed to:

1 ► Competitiveness – decrease in energy expenditures;
2 ► Efficiency – set down and implement efficiency energy management programs to decrease process-specific energy consumption. It also supports production capacity through internal energy efficiency benchmarking and change of best practices in standards;
3 ► Technology – investments in innovative and efficient energy technologies that are ecologically and economically feasible;
4 ► Social responsibility – through energy efficiency measures, using all energy sources, including residual gases to decrease carbon emissions.
5 ► Partnerships – with suppliers and clients to maximize energy efficiency properties inherent to steel and derivatives.
6 ► Engagement of employees – continuous support and encouragement of employees towards conserving energy in their professional and personal activities.
7 ► Continuous improvement – creation and maintenance of a structure to define, review and report energy corporate goals and objectives. Removal/updating equipment that is obsolete and in bad conditions, which are directly related to inefficiency and the high consumption of energy/fuel;
8 ► Resource optimization – efficient planning to optimize generation/consumption of electrical energy are carried out. In order for that to happen, time has been invested in this stage;
9 ► Support – national government energy efficiency policies;
10 ► Leadership – be a benchmark in the industrial world regarding our way of dealing with energy.

The Company makes an effort to raise awareness about sustainable use of energy throughout ArcelorMittal Group. Besides, all steel mills of the Company work with heat recovery and/or reuse of gases from production processes. Juiz de Fora Plant, which produces long carbon, has adapted itself to use charcoal in the production of pig iron used in its steelmaking process. This decreases its dependence on other non-renewable inputs and also streamlines the use of products by the Group itself (charcoal and iron ore).

In line with the Group guidelines, ArcelorMittal Brasil understands that the cleanest, most economic and efficient form of energy is that which is saved. It adopts four main guidelines as a way to save energy:

- Follow-up of specific indicators;
- Permanent systems diagnosis;
- Measurement and verification plan;
- Implementation of cleaner technologies.
ArcelorMittal Tubarão, for instance, is electric energy self-sufficient. In 2013 it consumed 103,096,812 GJ of direct power produced by its thermoelectric plants. Usually, product surpluses are sold in the free market through ArcelorMittal Comercializadora de Energia. However, due to a decrease in production and the fuel deficit, no energy was sold in the market in 2013. Thus, except for the Tubarão unit, total energy consumed by ArcelorMittal Brasil was 19,230,368 GJ from hydroelectric power stations.

ArcelorMittal Tubarão also carries out other actions to decrease energy consumption, including investing in the implementation of new technologies. In 2013 these actions yielded savings of 138,829 GJ, resulting in the implementation of the following initiatives:

- Decrease in total energy consumption in Oxygen Plants (Plants 1, 2 and 3), thus decreasing purchase of energy (Total = 129,297.6 GJ).
- Vapor production streamlining by anticipating variation in consumption at the steel plant (total = 4,866.6 GJ).
- Creation and implementation of a new system called Fume Suppressant, in place of the Finish Train Electrostatic Precipitator\(^{17}\) at the HSR (Hot Strip Rolling) (Total = 4,664.6 GJ).

\(^{17}\) The Electrostatic Precipitator works as a magnet that attracts charged particles present in several gases. Besides keeping this dust from dispersing into the air, the equipment also allows for the reuse of the material in the production process.
Juiz de Fora Plant also emphasizes the efficient use of energy through measures like the use of high efficiency and low power consumption lamps, use of LED lamps and installation of frequency inverters to start motors. ArcelorMittal Sabará also acquired modern equipment that consume less power. It also has a Preventive Maintenance Program for its transmission line and power grid.

Another unit that also contributed for ArcelorMittal Brasil’s energy efficiency is BioFlorestas unit. Its projects include the Smoke Incinerator, the Wood Dryer and Cogeneration of Energy.

The Smoke Incinerator consists of a combustion chamber that burns the process residual carbonization gases, thus changing methane molecules into carbon dioxide molecules. This change decreases this residual gas environmental impact by 21 times when compared to the greater impact of methane against carbon dioxide as a greenhouse gas. Through this incinerating process residual gas at 110°C is changed into gas at a higher temperature of 900°C, which then becomes reusable residual heat.

The Wood Dryer is a piece of equipment that works as an oven. In it, wood that will be carbonized is stored and submitted to the residual heat from the process mentioned above in order to decrease its moisture content. Thus, less energy is required to remove moisture from the drier wood in the oven during the carbonization process. As the fuel from this process is the wood itself, it is possible to increase energy efficiency in up to 30%, besides increasing productivity and yield of the activity in up to 10%. By being more productive because it decreases coal burning, the drier wood also helps improve product quality, for charcoal can then be of a smaller size (< 15% fines) and this decreases the possibility of flames during discharge (less moisture and fine content).

Cogeneration of energy can also benefit from the residual heat produced by the Smoke Incinerator. A heat recovery generator receives this residual heat and also atmospheric air, which is superheated. An attached gas turbine compresses this atmospheric air before it enters the heat recovery generator and receives it compressed and superheated after the heat exchanger, when it then expands, generating electric energy. We can consider that, for every thousand tons of charcoal produced, it is possible to generated 1MW of electric energy. This increases charcoal production efficiency by about 14%. It also increases Company profitability thanks to the sale of this energy to other Group companies or to the grid. ArcelorMittal BioFlorestas energy generation potential is 30MW. This initiative is carried out in a partnership with CEMIG (Minas Gerais Power Company) in an incentive research program from ANEEL. This project is called GT358.

5.8 Shipment [GRI EN7, EN29]

ArcelorMittal Brasil does not have its own fleet of vehicles, so it sets down logistics operation standards according to legal environmental requirements. Passenger and product transportation also adopt measures to decrease fuel consumption and are encouraged to use biofuels.

In 2013, for instance, there was a 0.9 GJ decrease in indirect energy consumed by transportation of employees, taking into account only ArcelorMittal Tubarão. Besides that, there was another significant decrease in diesel consumption caused by its replacement by biodiesel. The initiative in replacing the fuel came from the facility concern with having a more sustainable fleet. Biodiesel is an alternative from fossil fuels that has less impact. It can be used in cars and any other vehicle with a diesel engine. Produced from renewable sources, this fuel consumption creates less pollutant substances than diesel. It has been used in buses that transport ArcelorMittal Tubarão employees since 2009 and, this year, it is being used in other kinds of transportation means.

19 vehicles from company Vix Logistica (transportation of light loads) used diesel in 2013, running 524,543 km, and their total fleet is 72 vehicles.

- Diesel consumption in 2013 was 49,322 litters,
83.9% less than in 2012, which amounted to 307 thousand litters.

- 64 gasoline-powered vehicles were used in 2013.

- Less gasoline was also consumed: 204,751 litters, against 249,402 litters consumed in 2012 and a total of 1,638,014 km traveled in 2013.

ArcelorMittal Tubarão also is in contact with the company Viação Satélite, which transports its employees. 76 buses were used in 2013 and, in 2012, 71. 1,357,269.39 litters of biodiesel were consumed in 2013, and 1,319,029 litters in 2012 (38,240.39 more litters of biodiesel consumed in 2013). Total km traveled in 2013 was 4,478,989; in 2012, it was 4,352,795 km, an increase of 126,194 km traveled in a year.

At companies Vix (light cargo transportation) and Satélite (buses), air emissions are periodically monitored using Opacimeters and the Ringelmann Scale. This job is done by a duly-qualified company, which helps scheduled maintenance and to save fuel. Most companies got awards in the last few years, such as Vix (an Águia Branca Group company) and Transcampo carrier (which does the internal hauling of coils and other assets and materials), which received the QUALIAR award in the last few years for their fleet being 100% within acceptable limits. Excelsior carrier does internal and external hauling of coils and other assets and materials. It got the 2013 Sustainability Award given by Brazilian Institute of Finance Officers (IBEF) and the 2013 Responsible Transportation Award given by Adolpho Bósio Foundation for Transportation Education (FABET). Excelsior has implemented a project called Transverde and replaced its fleet for Euro5 engines.

Diver Productivity Award

Vix Logística has a program called PPM (Diver Productivity Award) for acknowledging drivers in order to encourage a professional development environment. The program is intended to create a team of excellence-level drivers and awards those that stand out in order to encourage economic driving. Vix Logistica company monitors and measures Greenhouse Gases (GHG) in the transportation of employees during the whole year. It shows that in annual GHG emission reports to GHG Protocol Brasil, of which the company is a member.

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18 The opacimeter is a portable instrument with optical array, probe (a cable inserted into the exhaust) and a cable case. It is used to measure the amount of particulate material (black smoke) issued by diesel vehicles. Smoke from diesel engine exhaust is made up of particles suspended in the exhaust gas that cloud, reflect or refract light. The equipment is placed at the vehicle exhaust to measure smoke. Smoke is collected by the probe inserted in the exhaust and conducted to the measurement chamber, where there is a light emitter and receiver. The light beam is intercepted by the smoke and so its opacity is measured. The measurement is processed via a software in a laptop computer.

19 The Ringelmann Scale is a chart scale for calorimetric assessment of smoke density. It includes six levels with uniform tone variations from white to black. To find whether the vehicle is emitting smoke above allowed levels, the Ringelmann Scale is used and results compared to standards set in environmental law.

20 Qualiar Award (Air Quality Fetransportes Award) is intended to acknowledge transportation and logistics companies from Espírito Santo State that have exceeded expectations in the Despoluir/ES program, which addresses the importance of the transportation industry in the fight for environmental conservation.

21 Excelsior purchased the degraded area of a micro watershed and is trying to restore it by conserving its springs and planting 3000 saplings of Atlantic Rainforest native trees. Goal: project expansion and full restoration of fauna until 2023.

22 System with greater efficiency in fuel consumption, which decreases air pollution even further. It can achieve a decrease of up to 15% in emission of particulate material and gases such as NOx.
As part of the Environmental Policy, the adequate use of materials, reuse and recycling are constantly improved in all ArcelorMittal Brasil facilities. All Company areas do an internal control of material consumption and the Company encourages decrease of the use of non-renewable materials.

In 2013, 2,724,327 tons of recyclable materials were consumed (mainly metallic scrap and scale) from external and internal industrial sources directly related to steel production. That amount is about 16.4% of materials used. Besides that, the Company decreased its consumption thanks to an increase in production, and achieved the amount of 16,580,293 tons, as can be seen in the adjacent chart:

The main consumables at the Company and the respective amounts consumed are presented in the table below:

<table>
<thead>
<tr>
<th>CONSUMPTION OF MATERIALS (T)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthracite</td>
<td>94,984</td>
<td>2,395</td>
<td>55,816</td>
<td>36,380</td>
</tr>
<tr>
<td>Hydrochloric acid</td>
<td>4,344</td>
<td>294,760</td>
<td>280,979</td>
<td>958,440</td>
</tr>
<tr>
<td>Lime</td>
<td>382,735</td>
<td>375,914</td>
<td>420,785</td>
<td>353,306</td>
</tr>
<tr>
<td>Limestone</td>
<td>1,756,904</td>
<td>1,500,022</td>
<td>1,547,417</td>
<td>1,084,298</td>
</tr>
<tr>
<td>Scale</td>
<td>90,381</td>
<td>65,514</td>
<td>37,972</td>
<td>74,282</td>
</tr>
<tr>
<td>Coal</td>
<td>1,842,855</td>
<td>2,031,820</td>
<td>1,637,575</td>
<td>1,897,323</td>
</tr>
<tr>
<td>Charcoal</td>
<td>223,786</td>
<td>166,423</td>
<td>277,137</td>
<td>245,630</td>
</tr>
<tr>
<td>Charcoal for PCI</td>
<td>35,621</td>
<td>59,167</td>
<td>504,851</td>
<td>109,664</td>
</tr>
<tr>
<td>Coke</td>
<td>2,899,738</td>
<td>2,720,843</td>
<td>2,455,788</td>
<td>2,278,928</td>
</tr>
<tr>
<td>Coke breeze</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,625</td>
</tr>
<tr>
<td>Crude dolomite</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,088</td>
</tr>
<tr>
<td>Calcined dolomite</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>111,773</td>
</tr>
<tr>
<td>FEA electrode</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,420</td>
</tr>
<tr>
<td>Ferroalloy and other materials</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>95,986</td>
</tr>
<tr>
<td>Pellets</td>
<td>4,424,401</td>
<td>3,859,643</td>
<td>3,535,187</td>
<td>2,037,992</td>
</tr>
<tr>
<td>Iron ore</td>
<td>5,629,694</td>
<td>6,706,247</td>
<td>3,424,209</td>
<td>4,716,731</td>
</tr>
<tr>
<td>Metallic scrap - External</td>
<td>2,053,462</td>
<td>1,942,369</td>
<td>1,807,306</td>
<td>1,866,298</td>
</tr>
<tr>
<td>Metallic scrap - Internal</td>
<td>433,057</td>
<td>447,107</td>
<td>550,302</td>
<td>644,849</td>
</tr>
<tr>
<td>Zinc</td>
<td>15,644</td>
<td>21,095</td>
<td>20,737</td>
<td>22,280</td>
</tr>
</tbody>
</table>

At ArcelorMittal Long Carbon production areas control which materials are consumed internally and which are part of production technical lists. Performance indicators are used in all activities. They are applied in several areas and company and contractor employees are informed about them.

ArcelorMittal Monlevade carries out actions to mitigate negative impacts and maximize the use of recyclable materials and/or replacing recyclable for non-recyclable materials. Initiatives include:

- Reuse of waste / coproducts in some production processes;
- Selective waste collection;
- Partnerships with research institutes and universities to develop new coproduct applications for the cement, chemicals, railroad and highway industries;
- Participation in workgroups connected to environmental and industry institutions in order to analyze product, waste/coproduct life cycle and reverse logistics.

At ArcelorMittal Tubarão metallic material is segregated internally in processing plants for metal content recover and size separation for recycling and/or reuse in internal processes. Likewise, we do home and industrial selective waste collection and reuse most of the waste produced. We are a benchmark in this sector.
Company develops studies and applications for its coproducts, for instance, for agriculture, railways, highways and country dirt roads. We also have applications for social projects, such as the development of concrete products (blocks, fence posts, pipes and hex floor tiles). The Company carries out several efforts to decrease consumption, such as:

- Historical analysis of material consumption, from raw material to materials connected to steel beneficiation;
- Investments in implementing process streamlining that show improvement opportunities;
- Processing and beneficiation for internal recycling;
- Search of partnerships for sustainable solutions;
- Efforts connected to continuous improvement with universities;
- Reuse/recycling of waste in production processes.
- Audits at suppliers;
- Assessment of the product life cycle;
- Development of suppliers that emphasize replacement of non-renewable natural resources by other materials.

Reuse of waste shows the Company environmental responsibility toward its products. With a 98% reuse rate – whereas the industry average is about 80% – ArcelorMittal Brasil invests in pioneering actions for managing industrial waste.

In 2013 4 ArcelorMittal Brasil facilities produced 4,842,324 tons of non-hazardous waste and 116,777 tons of hazardous waste. Also, in 2013 there was a significant spillout of 86.35m³ of chlorine gas at ArcelorMittal Piracicaba. The incident took place when scrap was being moved around in the Scrap Metal Yard, due to a cylinder valve (airtight scrap), which as hewn off. This causes the chlorine gas to spill out. The place was cordoned at once and emergency teams were called to stop the spillout. The operation was well managed and there were no more severe problems. During the accident investigation, it was found that that cylinder had been stolen in December of last year.

<table>
<thead>
<tr>
<th>TOTAL WASTE WEIGHT ACCORDING TO KIND AND DISPOSAL METHOD (T)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of waste by kind and final disposal method – NON HAZARDOUS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On site storage</td>
<td>80,537</td>
<td>40,894</td>
<td>184,953</td>
<td>334,491</td>
</tr>
<tr>
<td>Reuse</td>
<td>701,031</td>
<td>868,365</td>
<td>791,580</td>
<td>820,983</td>
</tr>
<tr>
<td>Landfill</td>
<td>35,442</td>
<td>20,271</td>
<td>60,096</td>
<td>193,178</td>
</tr>
<tr>
<td>Incineration</td>
<td>3,115</td>
<td>1,934,25</td>
<td>67</td>
<td>69</td>
</tr>
<tr>
<td>Recovery (including energy recovery)</td>
<td>-</td>
<td>-</td>
<td>37,780</td>
<td>-</td>
</tr>
<tr>
<td><strong>Amount of waste by kind and final disposal method – HAZARDOUS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reuse</td>
<td>22,322</td>
<td>23,428</td>
<td>24,205</td>
<td>23,256</td>
</tr>
<tr>
<td>Recycling</td>
<td>123,401</td>
<td>62,234</td>
<td>77,970</td>
<td>76,737</td>
</tr>
<tr>
<td>Recovery (including energy recovery)</td>
<td>-</td>
<td>-</td>
<td>646</td>
<td>641</td>
</tr>
<tr>
<td>Incineration</td>
<td>257</td>
<td>198</td>
<td>128</td>
<td>88</td>
</tr>
<tr>
<td>Landfill</td>
<td>26,318</td>
<td>27,494</td>
<td>29,437</td>
<td>15,539</td>
</tr>
<tr>
<td>On site storage</td>
<td>19,707</td>
<td>18,297</td>
<td>21,047</td>
<td>516</td>
</tr>
</tbody>
</table>

(25) Amount considering the use by BBA (Belgo Bekaert Arames) wireworks
The Company considers that waste that were beneficiated or that, in its original form, are sold as raw material for other production processes in the chain, such as tar, are traded coproducts. In 2013 ArcelorMittal Tubarão obtained an income of $87.5 million BRL through the sale of coproducts generated during the steel production and beneficiation processes for clients from the cement, chemicals, civil construction and road paving industry, among others. The unit has two computer systems to support operational management and compliance with legal requirements related to Waste and Coproducts. Indicator assessment and project follow-up are done on a monthly basis through managerial meetings with facilities and semi-annually through Top Management analysis meetings.

ArcelorMittal Vega has no system for final waste disposal within its facilities. All waste is sent for treatment at outside specialized companies. The disposal methods are chosen according to the waste rating, the technology employed and the cost. Inspections are carried out from time to time at those service providers to check compliance with environmental laws. The facility has been working intensively toward significantly decreasing the amount of waste sent to landfills. Metallic scrap, the main waste produced in the process, is fully sent for recycling in the steelmaking industry. The same happens with zinc skimming resulting from the galvanizing process that returns to the zinc ingot supplier. Iron oxide produced at Acid Regeneration Unit is sold as input in the industries of magnets, paints, manufacture of automotive parts and part of the oxide that is not traded is discharged in an industrial landfill.

As a part of the Waste and Co-product Management model ArcelorMittal Tubarão develops techniques for the application and re-use for packaging employed in the processes of manufacture and shipping of the Vega plant in Sào Francisco do Sul (SC). Regarding packages used by the Company in 2013, the use of metal bands and seals at ArcelorMittal Tubarão and Piracicaba plants stood out, as they were 100% reused as scrap there. 2,794 metal band rolls and 248,672 metal seal units were reused. As for the use of wood, pallets are sold for reuse and wedges and boards are sold as fuel for boilers (1,158 thousand units and 12 m³ in 2013, respectively). This kind of practice has been placing the Company as a benchmark in sustainable development, including by minimizing what might cause environmental impacts.
5.11 Biodiversity (GRI EN11, EN12, EN13, EN14, EN15, Global Compact Principles 7 and 8)

So as to help protect the environment it its area and preserve ecosystems, ArcelorMittal Brasil works in partnerships with local conservation Groups. The major areas protected by the Company are being distributed throughout four Brazilian states, covering the Cerrado and Atlantic Rainforest biomes.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>AREA</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>South of Bahia (Prado, Caravelas and Alcobaça)</td>
<td>63,614 km²</td>
<td>Mata Atlântica Biome, 46% native woods</td>
</tr>
<tr>
<td>Vale do Rio Doce - MG (Dionísio, São José do Goiabal, Marlênia and São Pedro dos Ferros)</td>
<td>84,922 km²</td>
<td>Mata Atlântica Biome, 27% native woods</td>
</tr>
<tr>
<td>Northern Minas Gerais (Carbonita, Senador Modestino Gonçalves and Diamantina)</td>
<td>134,800 km²</td>
<td>Cerrado Biome, 33% native vegetation/6,700 ha of a Private Natural Heritage Reserve</td>
</tr>
<tr>
<td>Midwestern Minas Gerais (Abaeté, Bom Despacho, Dores do Indaiatuba, Martinho Campos and Quartel Geral)</td>
<td>70,000 km²</td>
<td>Cerrado Biome, 20% native vegetation</td>
</tr>
<tr>
<td>Mid- Piracicaba River (Nova Era and Antônio Dias - MG)</td>
<td>1,640 km²</td>
<td>Mata Atlântica Biome, water and land ecosystems</td>
</tr>
<tr>
<td>Juiz de Fora - MG</td>
<td>2,000 ha</td>
<td>Land ecosystem/13.5 of build area, 382 ha of Legal Conservation Area</td>
</tr>
<tr>
<td>João Monlevade - MG</td>
<td>578.2 ha</td>
<td>518 ha are RPPN</td>
</tr>
<tr>
<td>Cariacica - ES</td>
<td>113 ha</td>
<td>59.81 ha of protected area</td>
</tr>
<tr>
<td>Sabará - MG</td>
<td>105.6 ha</td>
<td>77.2 ha of green area</td>
</tr>
<tr>
<td>Serra - ES</td>
<td>13.38 km²</td>
<td>1.29 km² are APP (forest, restina or salt marshes, vegetation, mangrove forest, lagoons and brooks) and 0.35 km² of voluntary conservation</td>
</tr>
<tr>
<td>São Francisco do Sul - SC</td>
<td>2.2 km²</td>
<td>0.76 km² of RPPN, 0.75 km² of area that is part of the Restinga and not adjacent to the Atlantic Rainforest</td>
</tr>
</tbody>
</table>

In synergy with its Environmental Policy ArcelorMittal Brasil tries to assess all possible aspects of its operations relating to the environment and prepares strategic plans to minimize any impacts. In order to foster biodiversity conservation in each of its facilities and ensure balance of ecosystems ArcelorMittal Brasil invests in detecting and monitoring high biological diversity rate areas within or close to its facilities. Data relating to environmental impacts obtained from actions carried out an studies prepared are updated. They include establishing risk scenarios, deciding on corrective and preventive actions and assessing their efficacy.

ArcelorMittal Brasil conducts studies to identify flora and fauna endangered species. As an example of this effort, ArcelorMittal Bioflorestas has 22 species included in IUCN26 Red List in Cerrado fields and forest environments in general. UHE Guilman-Amorim has 11 species in Private Natural Heritage Reserves (RPPN) and vegetation areas of about 18 km² adjacent to the Legal Reserve and the Permanent Conservation Areas of the Piracicaba River and the dam lake.

A significant part of ArcelorMittal Brasil facilities focus on protected and high biodiversity rate areas close to or inside them. For conservation the Company invests in monitoring the flora and fauna of these regions, and also ascertaining the risk and finding solutions and corrective and preventive actions to maintain these processes.

Since it is focused on planting forests and producing charcoal, ArcelorMittal Bioflorestas periodically assesses environmental impacts inherent to its activities and proposes conservation

26 International Union for Conservation of Nature
and repairing strategies to mitigate these impacts. Impact management comes from a continuous and systematic monitoring in areas that are vital for preserving fauna. This is done by expert professionals. This is a non-systematic, widespread monitoring guided by expert professionals and conducted by direct and indirect employees who fill out a field form. In 2013 a 4-hectare area was recovered in the region of Bom Despacho (MG).

Regarding ArcelorMittal Vega areas, protected or restored habitats amount to 76 hectares covered by native forests (Atlantic Rainforest). The area is part of the Private Natural Heritage Reserves (RPPN) and is located next to the plant. It accounts for a third of its total extent and is under approval by the Brazilian Institute for the Environment and Natural Resources (IBAMA).

ArcelorMittal Tubarão has 164 hectares of protected or restored habitats. 129 hectares are a green belt and permanent conservation area (tableland forest remainders, restinga, recovering vegetation, mangrove forest, lagoons and brooks) and 35 voluntary preservation hectares from the Environmental Education Center – CEAM (reforestation using growth, native and fruit trees, riparian vegetation and recovering vegetation).

In 2013 ArcelorMittal Tubarão carried out a survey of the fauna and flora in its green belt in a partnership with Instituto Terra. The main goal was monitoring fauna and forest cover composition and structure in order to diagnose environmental quality along a 781-hectare area, and also maintain conservation areas and keep up with reforestation.

5.12 Climate change [GRI EN18, Global Compact Principle 7]

Management is carried out through a Climate Change Strategic Management Program, which includes, among other initiatives, a CO₂ Master Plan to identify new initiatives involving Greenhouse Gas (GHG) emissions and the technical/economic feasibility of implementing them. Furthermore as an example in ArcelorMittal Tubarão, through the Environmental Management System (EMS) objectives and targets are set together with production plants, as well as a monitoring program. All this is followed up by management through monthly environmental meetings at the Plants and EMS semi-annual meetings with Top Management. Also, every two years the Company voluntarily prepares a global corporate inventory of GHG emissions according to the World Steel Association (WSA) calculation method and methods from the Intergovernmental Panel on Climate Change (IPCC) for national inventories.

Greenhouse gas emission indicators and generation of carbon credits by Clean Development Mechanisms (CDM) are followed up as KPIs by the respective structures. Based on decrease opportunities detected, plans for implementing these mechanisms are drafted. Also, the possibility of fitting each case in CDM projects is assessed. There is a standard methodology for that.

No new projects were developed in 2013 relating to Climate change. The Company continued the ongoing projects.

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27 Key Performance Indicator
5.13 Emissions [GRI EN16, EN17, EN18, EN20]

ArcelorMittal Brasil tries to mitigate, reduce and/or control air emissions from all its units. In order to maintain the quality of its operations the Company assesses emissions of particulate material and gases, such as nitrogen and sulfur oxide.

In keeping with one of the major Environmental Policy principles, ArcelorMittal engages in managing and decreasing CO₂ emissions in its processes, wherever technically and economically feasible. Some projects stress this commitment, such as:

- Power cogeneration through Heat Recovery;
- Power cogeneration through steel plant gas recovery;
- Shipment of coils using ocean barges;
- Decrease in methane emissions at charcoal production units;
- Charcoal fines injection in the blast furnace;
- Use of blast furnace gas in the billet reheating furnace;
- Use of renewable biomass in charcoal-powered blast furnaces;
- Produtor Florestal (florest producer) Program.

In 2013 ArcelorMittal Brasil industrial activities amounted to 11,991,714 tCO₂e scope 1 emissions, 166,490 tCO₂e scope to 2 emissions and 2,482,824 tCO₂e scope 3 emissions.

The measures adopted to decrease greenhouse effect gas emissions include energy efficiency and conservation programs, drafting of projects for cogeneration of electric energy, more effective and less impacting modes of transportation and research into alternative and renewable energies. ArcelorMittal Tubarão registered a 194,669 tCO₂e decrease in emissions in 2013, thanks to the following projects:

- Power cogeneration through steel plant gas recovery - 43,145 tCO₂e decrease in 2013;
- Power generation at the Sol coke oven through heat recovery - 151,524 tCO₂e decrease in 2013;

On the other hand, an increase in the total amount of emitted SO₂ (sulfur dioxide) was noticed, especially due to the scheduled stop of the Ammonia Vapor Desulfurization System (Claus System) at ArcelorMittal Tubarão Coke Oven. The system was implemented in 2010 in compliance to an Operation Permit constraint. It is intended to desulfurize vapors from the conventional coke oven NH₃ (ammonia) distillation column. This improved decrease of SO₂ emissions. Decrease in total amount of NOₓ, emissions is mainly due to the lower burn of tar at the Plant Thermal Power Stations.

The figures for gas emissions from the Group’s activities are below Brazilian legal limits, and are harmless to human health. Also, ArcelorMittal Vega has specialized companies to periodic monitoring of air emissions from its chimney flues. Besides monitoring fixed source emissions, ArcelorMittal Vega also has two air quality monitoring stations where dust (total suspended particles) and nitrogen and sulfur oxides are monitored. Results point to amounts far below limits set by current law, including the secondary standard.

![Table of Contents](Table of Contents)

<table>
<thead>
<tr>
<th>GHG DIRECT AND INDIRECT EMISSIONS TCO₂ₑ</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (Scope 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other stationary sources</td>
<td>15,081,064</td>
<td>12,634,352</td>
<td>11,123,576</td>
<td>11,991,712</td>
</tr>
<tr>
<td>Moving</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fugitive</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GHG emissions (Scope 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power consumption</td>
<td>68,526</td>
<td>85,038</td>
<td>130,783</td>
<td>166,490</td>
</tr>
<tr>
<td>GHG emissions (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other indirect emissions</td>
<td>1,596,235</td>
<td>621,281</td>
<td>2,597,396</td>
<td>2,482,824</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOₓ, SO₂ AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS BY TYPE AND WEIGHT (t)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOₓ</td>
<td>6,850</td>
<td>4,895</td>
<td>6,935</td>
<td>4,607</td>
</tr>
<tr>
<td>SO₂</td>
<td>14,962</td>
<td>13,738</td>
<td>9,186</td>
<td>10,832</td>
</tr>
<tr>
<td>POP29</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VOC28</td>
<td>63</td>
<td>17</td>
<td>101</td>
<td>82</td>
</tr>
<tr>
<td>Particulate Material</td>
<td>2,234</td>
<td>2,477</td>
<td>2,719</td>
<td>2,674</td>
</tr>
</tbody>
</table>

28 POP – persistent organic pollutants
29 VOC – volatile organic compounds
30 NOₓ is an acronym referring to a set of very reactive gases, such as nitric dioxide (NO), nitrogen dioxide (NO₂) and others containing nitrogen and oxygen atoms in several amounts.
By fostering culture we encourage a healthier work environment. We gain in critical thinking and innovation.

Investing in Our People
Investing in Our People

Committed to making itself a pleasant place to work in, ArcelorMittal Brasil is today an organization climate benchmark for its over 11 thousand employees and is placed among the best companies to work for in Brazil. The Company philosophy includes valuing aspects like teamwork, multiculturalism, ethics and safety above all. The care for our employees directly reflects the Company values, which are aligned to the sustainable growth of its business.

6.1 Functional Characteristics [GRI LA1, LA2, LA13, EC7]

ArcelorMittal Brasil’s 11,026 employees as of December 31, 2013 were divided as follows:

<table>
<thead>
<tr>
<th>OWN EMPLOYEES</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>10,285</td>
<td>11,026</td>
</tr>
<tr>
<td><strong>By Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>9,266</td>
<td>9,925</td>
</tr>
<tr>
<td>Women</td>
<td>1,019</td>
<td>1,101</td>
</tr>
<tr>
<td><strong>By labor agreement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract for indefinite duration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>9,259</td>
<td>9,922</td>
</tr>
<tr>
<td>Women</td>
<td>1,017</td>
<td>1,097</td>
</tr>
<tr>
<td>Temporary contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Women</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Region</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midwest – Women</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Midwest – Men</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Overseas – Women</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Overseas – Men</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Northeast – Women</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Northeast – Men</td>
<td>162</td>
<td>94</td>
</tr>
<tr>
<td>North – Women</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>North – Men</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Southeast – Women</td>
<td>907</td>
<td>978</td>
</tr>
<tr>
<td>Southeast – Men</td>
<td>8,529</td>
<td>9,255</td>
</tr>
<tr>
<td>South – Women</td>
<td>75</td>
<td>80</td>
</tr>
<tr>
<td>South – Men</td>
<td>571</td>
<td>565</td>
</tr>
</tbody>
</table>
Employee turnover rate can be seen in the tables below. The high turnover rates are explained by the retirement of many employees after 30 years of dedication to the company. Besides, the Company is undergoing a process of running activities previously carried out by contractors (absorption and development) in the Long Carbon segment at Tubarão plant.
<table>
<thead>
<tr>
<th>By Gender</th>
<th>New people hired</th>
<th>Hiring rate</th>
<th>Severances</th>
<th>Turnover rate</th>
<th>New people hired</th>
<th>Hiring rate</th>
<th>Severances</th>
<th>Turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>800</td>
<td>7.78%</td>
<td>924</td>
<td>8.98%</td>
<td>1,593</td>
<td>14.45%</td>
<td>1,561</td>
<td>14.16%</td>
</tr>
<tr>
<td>Women</td>
<td>125</td>
<td>1.22%</td>
<td>153</td>
<td>1.49%</td>
<td>164</td>
<td>1.49%</td>
<td>180</td>
<td>1.63%</td>
</tr>
<tr>
<td>Total</td>
<td>925</td>
<td>8.99%</td>
<td>1,077</td>
<td>9.73%</td>
<td>1,757</td>
<td>15.94%</td>
<td>1,741</td>
<td>15.79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Age Range</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 25 years</td>
<td>364</td>
<td>672</td>
</tr>
<tr>
<td>26 to 30 years</td>
<td>271</td>
<td>452</td>
</tr>
<tr>
<td>31 to 40 years</td>
<td>225</td>
<td>504</td>
</tr>
<tr>
<td>41 to 50 years</td>
<td>56</td>
<td>112</td>
</tr>
<tr>
<td>51 to 60 years</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Over 60 years</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Region</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Region</td>
<td>48</td>
<td>46</td>
</tr>
<tr>
<td>Southeast Region</td>
<td>837</td>
<td>1,689</td>
</tr>
<tr>
<td>Midwest Region</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>North Region</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Northeast Region</td>
<td>39</td>
<td>15</td>
</tr>
</tbody>
</table>

Local hiring of top management members

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees on top management positions</td>
<td>124</td>
</tr>
<tr>
<td>Total number of top management employees considered as coming from local communities</td>
<td>35</td>
</tr>
<tr>
<td>Percentage of top management employees considered as coming from local communities</td>
<td>28.23%</td>
</tr>
</tbody>
</table>

1,757 new employees were hired in 2013, 1,741 having been dismissed, as detailed in the above tables.
6.2 People Development [GRI LA10, LA11, LA12]

Having committed itself to transforming tomorrow through the development of its employees, ArcelorMittal Brasil invests in education, training and professional qualification programs. The Company has a special training venue with headquarters in Luxembourg: ArcelorMittal University, which keeps professional development colleges for several professional areas and for training leaders. It provides employees with high quality programs and encourages each one to develop their technical and behavioral competences. There are attendance-based training courses and also e-learning ones, via the Online Campus, which includes modules on 51 knowledge areas.

Another process focused on employee development is the performance assessment. This is held on annual cycles and it consists of an assessment of the potential to take new positions in the future, potential career expectations indicated by the employees themselves, individual development plan and manager-employee feedback to align expectations and understanding.

During the 2013 cycle, 61.1% of the employees were assessed. This amounts to 60% the Company male population and 70.8% of the female one participating in the process.

All employees are managed and followed-up through the Global Employee Development Program - GEDP. At Tubarão and Vega plants 100% of the employees got their performance analysis. In order to retain its talents, ArcelorMittal Brasil has an outstanding people management program with well-established cycles. When employees are hired, a development plan with specific goals, feedback and performance and potential assessment is prepared.

To manage retirement, the Company provides pre-retirement planning and assistance to help with the transition to a life away from work, besides providing severance payment considering age and time working for the company. Another benefit is the fact they employees get to keep their health plan for 1 to 2 years.

In 2013 the Company had a total of 634,626 hours of training. This amounts to an average of 58 hours per employee.

<table>
<thead>
<tr>
<th>Average training hours</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial positions – Women</td>
<td>45</td>
<td>23</td>
</tr>
<tr>
<td>Managerial positions – Men</td>
<td>45</td>
<td>37</td>
</tr>
<tr>
<td>Positions requiring college education – Women</td>
<td>49</td>
<td>30</td>
</tr>
<tr>
<td>Positions requiring college education – Men</td>
<td>68</td>
<td>48</td>
</tr>
<tr>
<td>Positions not requiring college education – Women</td>
<td>112</td>
<td>47</td>
</tr>
<tr>
<td>Positions not requiring college education – Men</td>
<td>114</td>
<td>65</td>
</tr>
</tbody>
</table>

Every new employee undergoes an induction period during which they are given a series of institutional training sessions and training specific to the area/facility they were hired for. Thanks to the higher number of men hired in 2013, training hours for male staff increased when compared to those of the female staff.
Based on international declarations such as UNO Declaration of Human Rights, the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work and the Global Compact commitments, ArcelorMittal has established its Human Rights Policy to be applied throughout its operations. Commitments involve several stakeholders and the whole of the Company value chain. It also include specific provisions on health and safety, labor issues and local communities.

Guided by this policy, ArcelorMittal Brasil fosters practices of and spreads in its culture the appreciation for diversity. It also does not discriminate based on race, color, gender, sexual orientation, age, religion, color, nationality or social origin, financial standing, opinion, handicaps, origin or anything else.

The Company tries to provide all its employees with the same advancement opportunities without discrimination. Its Diversity and Inclusion Policy highlights the creation of an environment where each one has the opportunity to fully participate in developing our business, and where all employees are valued for their different skills, experiences and outlooks.

The ArcelorMittal Group International Mobility Program allows employees to apply for allocation to different countries. This fosters exchange of cultures and knowledge among the 60 nations the Company has operations in.

In the Flat Steel units, the Somar Program makes it possible to hire and train people with disabilities for professional activities and the Menor Aprendiz (Apprenticeship for Underage Persons) Program offers professional training for adolescents from 15 to 17 in a situation of socio-economic deprivation in the municipality of Serra (ES), thus helping to find jobs for them in the labor market.

As evidence of an effort in keeping with the principles of sustainability, the Company had no discrimination or human rights violation claims against it in 2013. Procedures to be adopted to file any kind of claim are described in the Company Whistleblower Policy, which can be found in our website and has been explained to all employees.
ArcelorMittal Brasil offers benefits to its employees and their families that, in 2013, amounted to an investment of $132.6 million BRL. They included chartered transportation, bus slips, grant for children with a disability, funeral grant, parental leave, health insurance, coverage for disability/permanent disability, plan for purchasing shares, life insurance, retirement fund, childcare assistance, restaurant for employees, meal slips, dental care, sick leave grant, and others, in addition to arrangements with gyms and discounts in drugstores.

The Company also invests in health preventive actions for workers and their families by providing medical care and health insurance plans. In the Long Carbon segment, this kind of care is widely carried out by ArcelorMittal Abeb, which has its own network of doctors and health care experts in several areas, together with agreements with outside health providers and also with accredited hospitals. In places where ArcelorMittal Abeb does not operate, health care is provided by private health care plans. In the Flat Carbon segment, the Tubarão facility has its own health and self-management plan, whereas the Vega facility has subcontracted the plan (Bradesco).

ArcelorMittal Long Carbon and ArcelorMittal BioFlorestas provide supplemental employee retirement plans managed by Bradesco Vida e Previdência (an insurance branch of Bradesco Bank), whereas ArcelorMittal Tubarão and ArcelorMittal Vega provide their own supplemental pension plans.

Currently, ArcelorMittal has Defined Contribution Pension Plans. The portion deduced from the salary for these plans varies from 1% to 9.5%, according to the policies adopted by the Company. The amount is paid deducted both by the employee and the employer. Should the employee leave before he or she is 60, there is a full reserve fund available.

The annual remuneration is based on criteria that, in addition to fixed salaries in keeping with the market, also include Company profit sharing, as established in a program that takes achievement of business goals and team targets into account. There is no differentiation in base salary and remuneration in job and gender categories, i.e. women earn exactly the same as men in the same positions. Existing salary differences are based on individual achievements.

Company salary proportions and their comparison to local minimum wages are detailed below:

<table>
<thead>
<tr>
<th>Salary Rates</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of lowest salary paid by the company against the minimum wage (men)</td>
<td>119%</td>
<td>116%</td>
</tr>
<tr>
<td>Rate of lowest salary paid by the company against the minimum wage (women)</td>
<td>110%</td>
<td>116%</td>
</tr>
<tr>
<td>Lowest salary paid by the organization (men)**</td>
<td>741.40</td>
<td>785.40</td>
</tr>
<tr>
<td>Lowest salary paid by the organization (women)**</td>
<td>682.00</td>
<td>785.40</td>
</tr>
<tr>
<td>Local minimum wage officially set by the government***</td>
<td>622.00</td>
<td>678.00</td>
</tr>
</tbody>
</table>

*Data from 2012 have been recalculated due to change in methodology  
** There can be a divergence between the lowest salaries paid by each unit  
*** No divergence from the minimum wage set forth by the government in the several operational units
**6.5 Labor and Trade Union Relations**  [GRI LA4, LA5, Global Compact Principle 3]

According to the Group's global human rights policy, ArcelorMittal Brasil acknowledges unions as entities that have a helpful role to the organization, acknowledging the principle of freedom of association for its employees. That is why 100% of all Company employees are protected by Collective Bargaining Agreements negotiated with unions that represent the several professions. The Company also encourages contractors and suppliers to comply with this principle.

The Company–trade union relationship is strengthened through periodic meetings, whose frequency is not defined. Any demands from the parties are reported and discussed with everyone's participation and in a transparent way. Each operational unit defines its communication plan in advance, based on the impact level of measures and changes to be carried out.

**6.6 Health, Safety and Wellbeing**  [GRI LA6, LA7, LA8]

An issue of vital importance for the industry, Health and Safety was assigned first place among ArcelorMittal Group's five priorities proposed as a way of guiding and thinking about opportunities and challenges. The Zero Accident is a goal set by the Group, and ArcelorMittal Brasil has been helping achieving it in an outstanding way: we have reached that goal locally and are monitoring its indicators.

As a control mechanism, all ArcelorMittal Brasil units work with management systems and have certifications based on the Occupational Health and Safety Assessment Series (OHSAS) criteria, which deal with occupational health and safety. We also have several information and materials in our Intranet available for our employees. These include health and safety statistics, global occupational health, safety and hygiene standards, corporate guidelines, health and safety management best practices and others.

According to these initiatives, the Health and safety Policy includes in its strategy transforming Health and Safety from priority to a value concept actualized by means of prevention actions both in and out of the workplace.

For that the Health Management System, in line with the Health and Safety Policy, enforces the following commitments on the Units’ Top Management, Managers, Employees and contractors:

- Ensuring management of health and safety hazards and risks by detecting, assessing and controlling them;
Setting down objectives and targets to prevent all work-related accidents and diseases by systematically monitoring results according to continuous improvement principles;

Building and spreading Health and Safety culture as a Value through leadership, example, individual responsibility and shared vigilance;

Ensuring work knowledge and routine management by setting down risk standards and analyses and complying with them and training people on them;

Identifying, reporting, investigating and treating anomalies and individual accidents to prevent them from happening again;

Ensuring to anyone doing a job the right of refusing to carry out or interrupting any activity where risk control actions are not fully implemented;

Developing actions to ensure compliance with Health and Safety laws and other commitments;

Ensuring emergency standards are up-to-date and periodically tested;

Ensuring professional competence through educational efforts and performance assessment to make sure workers are ready for the job;

Ensuring collective rights outweigh individual rights and that each person is committed to enter Company premises and carry out their activities only under adequate physical and mental conditions.

Thus, all employees and their families are being increasingly included in health and safety related mentoring, prevention, treatment, education and training programs. These efforts aim at have risks and hazards identified in a proactive way and at putting together efforts to manage and monitor these scenarios. The Health Profile is one such control instrument. Through it the employee follows up the assessment of his/her exams and actively participates in managing his/her health indicators. It is also a data source to help guide the Company health programs and goals. During Periodic Medical Exams 14 Individual Health Indicators are assessed, including: Smoking, Cholesterol, Triglyceride, Blood Glucose, Uric Acid, Body Mass Index (BMI), Fitness, Liver Disease Risk (Gamma-GT), Weight Gain, Safety, Sleep and Stress. At Tubarão unit these controls have significantly evolved since they were implemented in 1993. There was a marked drop in risk factor percentages related to employees’ health. In 2000 we have entered 47.1% of employees in the Best Health Profile (Zero Risk), against 92.6% of employees entered in this sample Profile in December 2013.

The company also has several other initiatives, such as the Health and Safety Global Day and the Health Global Week; a Marathon and Bicycle ride involving employees and their families; Ver e Viver program; the Affective-Sexual Education Program (PEAS); and the Internal Week for the Prevention of Accidents that, in its 35th issue at the Tubarão unit, had 4,699 participants, 68% being company employees and 32% being contractor employees and guests.

The Tubarão and Vega units also carry out prevention, education and training efforts focused on the surrounding community.

All units have Internal Committees for the Prevention of Accidents (CIPAs), which cover all company employees. ArcelorMittal Group has at least 3 global committees in the field of Health and Safety. The sites, in their turn, have each a further 15 local committees. These are some of the committees: H&S Global Committee, Joint Global Committee (Company and international union representatives), CIPA, committees for the major global AM Group safety standards, Contractor Management Committee, Local H&S Management Committee, Regulatory Standard Management Committee (e.g.: NR10, NR12, NR13, Lockout Work Group and Benzene Work Group).

The committees operate in a distinctive way according to each operational unit. They have frequent meetings set down in their own schedules. Follow-up is based on the development of efforts set down in their own action plans and guidelines. The Groups’ objectives are compliance with legal aspects, internal and corporate standards. Management is done through OHSAS 18001 requirements and standards, with an emphasis on continuous improvement and benchmarking development with domestic and international companies.

In 2013 prevention results were positive for all ArcelorMittal Brasil sites. In the Flat Carbon segments the Tubarão Unit achieved the best result in 30 years of operation, with a good performance in frequency rate, health profile of employees and absenteeism. They
ended 2013 with zero accidents with lost time and a
decrease of about 60% in accidents (with and without
lost time) involving company and contractor staff. At
ArcelorMittal Vega there was an improvement of 66%
regarding decrease in the number of accidents, involving
company and contractor staff.
Likewise, in 2013 the Long Carbon segment also
achieved its best performance result regarding
frequency rate, achieving a 50% decrease against the
former year.
Health and Safety practices following domestic law
guidelines, where NBR 14280 standard deals with
the record of labor accidents. Internally, Common
SESMT (Expert Safety Engineering and Labor Medicine
Services) is used for registering and controlling
rates related to those issues. A sample of that in
that, in Tubarão, in 2013 80 Occupational Health
Medical Control programs - PCMSO and 65 Hearing
Preservation Programs - PCA were held. During that
period 15,390 occupational exams were held involving
contractor employees. They also included NR11, 33 and
35 standards.
Thanks to these efforts the Company has achieved the
following results in 2013:

<table>
<thead>
<tr>
<th>Occupational Health and Safety</th>
<th>2012*</th>
<th>2013**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Diseases</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lost days **</td>
<td>844</td>
<td>903</td>
</tr>
<tr>
<td>Absenteeism rate</td>
<td>3.91</td>
<td>3.63</td>
</tr>
<tr>
<td>Labor-related deaths</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor accident without lost time</td>
<td>62</td>
<td>90</td>
</tr>
<tr>
<td>Labor accident with lost time</td>
<td>11</td>
<td>8</td>
</tr>
</tbody>
</table>

* Only own and long carbon employees were considered
** Were considered own employees of the segments of Long Carbon and Flat Carbon

6.7 Precautionary Principle [GRI 4.11]

ArcelorMittal Brasil always considers the precautionary
principle in its risk management processes, in
planning operation and in developing and launching
new products. During planning risk analyzes are
carried out, both for products and new units. Such
analyzes consider all factors that may pose risks to
the health and safety of our employees, suppliers and
customers. For example, one of the mechanisms used
at ArcelorMittal Brasil to assess impacts on health and
safety is the monitoring of radiation in raw materials.
The goal is to eliminate any hazard from radioactive
products for its employees, suppliers and customers.
On detecting any issues that could pose risks both for
people and assets, the Company immediately acts to
dispose of the product or, in specific cases, take it out
of commission. We also take specific actions, such as
drafting booklets and primers with storage and handling
best practices and training sessions with customers to
instruct them on care related to the product and its
applications. All products are labeled and can be tracked
along the production chain. Specifications are backed
up by tests on certified and calibrated equipment
based on worldwide acknowledged domestic and
international standards. Some ArcelorMittal products
require mandatory certifications and compliance with
government ordinances. In these cases, there are rules
for submitting minimum information related to technical
aspects of the material.
We want to be the main actors in social transformation. We invest in our peoples’ talent.
The ArcelorMittal Group five priorities for 2013 include the actual engagement of stakeholders as a way of ensuring they have a good understanding of the business and the decisions made. Besides, investing in the development of the region we work in is a vital basis for growth committed to sustainability. To achieve that the Company invests in long-term socio-environmental projects capable of yielding solutions for local community requirements and stimulating their social and economic development.

7.1 Social Development [GRI SO1, SO9, SO10]

ArcelorMittal Brasil implements a series of local development programs based on actual needs of communities. It also puts together action plans to minimize, mitigate or compensate for the adverse impacts of its activities and adopts criteria for monitoring these environmental and social changes. In order to do that, all its operations rely on projects to engage local communities, impact assessment and development programs based on the External Stakeholders’ Engagement Manual. The manual, which is revised annually, sets standards and criteria to relate with the direct and indirect public of all the Company’s business units.

Regarding social impacts, some ArcelorMittal units periodically carry out image and satisfaction surveys involving the surrounding communities, their employees and trendsetters. This survey includes quantitative and qualitative methodologies, and analyzes the population’s view on environmental, social investment and communication channel aspects. Their results guide action plans related to surveyed issues.

Some ArcelorMittal operations are inserted in high complexity urban environments: their neighbors are districts with a high population rate and diversified income distribution. For these reasons and the size of its operations,
there are impacts on society, which are reported in the Company image surveys. In the case of Tubarão plant the main impacts are traffic and particulate emissions. As a counterpart, half of this population considers the company environmental preservation efforts as very good, and sees it as a way of developing economy and creating jobs.

Steelmaking processes in general may cause impacts in the plants surroundings, such as diffuse dust emission, noise, intensive traffic of trucks for shipping material, and other environmental impacts. ArcelorMittal pays attention to surrounding communities’ claims and seeks quick and effective solutions for them, besides investing in prevention efforts. For instance, ArcelorMittal Juiz de Fora performs significant periodical environmental monitoring of the township of Dias Tavares, located 5 km from the plant. All results are within normal parameters and comply with legal standards. The other Long Carbon plants also work in a proactive way to minimize impacts on communities.

Other possible positive and negative impacts in the anthropic environment are creation of expectations in the surrounding population, employee management, increase in income levels, increase in floating population, pressure on the housing and infrastructure sector, generation of tax revenues and generation of income for the country.

To strengthen the dialog and foster actions to benefit local communities, the Company relies on Fundação ArcelorMittal Brasil (foundation), which is responsible for social management in the Long Carbon, Mining and Distribution segments. Although this arrangement is predominant, there are also actions conducted locally by Long Carbon units, or even Foundation actions spread throughout the whole company, which several company units participate in.

In the Flat Carbon segment social actions are coordinated directly by Tubarão and Vega units. These efforts are the results of their own programs or of programs developed in partnerships with local institutions (see a description of these programs further down this report).

SOCIAL INVESTMENT

In line with ArcelorMittal Brasil business guidelines, social investment decisions are based on discussions with local institutions, such as the local government and in responding to the demands and interests of both the community and the Organization. Several areas benefited in 2013 from establishing partnerships, through their own investments or tax incentives, such as education, health, culture, sports and social improvement. Projects for education on human values, education for work, income management, infrastructure, hospital management, training of ex-convicts, and a project to train educators were some of the issues invested in.

Resources are assigned individually by each Company unit. In 2013 $ 16.7 million BRL were invested in local communities, in several socio-environmental projects and actions conducted by the several Long and Flat Carbon segments and by Fundação ArcelorMittal. See the allocation areas in the chart below.

<table>
<thead>
<tr>
<th>SOCIAL INVESTMENT (BRL)</th>
<th>Education</th>
<th>Culture</th>
<th>Sports</th>
<th>Health</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundação ArcelorMittal Brasil</td>
<td>1,209,352</td>
<td>7,695,684</td>
<td>1,715,408</td>
<td>827,764</td>
<td>1,888,150</td>
<td>13,336,359</td>
</tr>
<tr>
<td>ArcelorMittal Tubarão</td>
<td>1,669,933</td>
<td>81,313</td>
<td>-</td>
<td>84,500</td>
<td>-</td>
<td>2,837,746</td>
</tr>
<tr>
<td>ArcelorMittal Vega</td>
<td>100,304</td>
<td>187,190</td>
<td>-</td>
<td>171,485</td>
<td>-</td>
<td>458,979</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,979,590</strong></td>
<td><strong>7,964,187</strong></td>
<td><strong>1,715,408</strong></td>
<td><strong>912,264</strong></td>
<td><strong>1,888,150</strong></td>
<td><strong>16,732,748</strong></td>
</tr>
</tbody>
</table>

*The amounts presented includes investments of the business units from long steel segment*

Celebrating 25 years of its social history in 2013, Fundação ArcelorMittal Brasil has initiatives focused on sustainable development and the preservation of local identity and diversity of dozens of municipalities under the influence of the Company in the Long Carbon, Mining and Distribution units. Its major focus is educate children and adolescents to become more aware, productive and engaged citizens. Every year Fundação ArcelorMittal Brasil helps about 400 thousand people. In addition to its own projects, the Foundation is responsible for managing ArcelorMittal Brasil investments through tax incentive laws.

ArcelorMittal Vega supports and develops social projects in line with the ArcelorMittal Group’s values and policies and those of its Foundation. It seeks to meet actual needs of the surrounding community, and guide their relationships by ethics and transparency towards its partners. In order to strengthen relations with stakeholders the unit seeks for sustainable solutions through partnerships with public agencies, unions and civil society organizations to help the community. In 2013, with the support of the Tubarão unit, the practice of voluntary actions in the Company was strengthened, and NGOs received training and qualification to help them work in a sustainable way.

Aligned with investments from other
units, ArcelorMittal Tubarão supported in 2013 a total of 23 social projects in the municipalities of Vitória, Serra and Vila Velha, in partnerships with local institutions. Their aim was to solve problems in the areas of education, income generation, professional qualification and health. These actions directly and indirectly benefited over 128,000 people, including youngsters, children and adults. Over 1,000 volunteers were engaged in these supported initiatives. 115 of them were Tubarão unit employees. The initiative was based on the policy adopted by the Group of encouraging employees to use their experience and knowledge to help the communities they live in. Another focus was fostering constant qualification of supported NGOs in the application of methodologies and simulating networking.

The Company social responsibility area is directly linked to the CEO’s office. It was strategically included in the internal and external communication processes in order to increase synergy and strengthen corporate relations. These areas are under a single coordination group so as to integrate all efforts carried out. In its turn, this synergistic effort has been providing support to the areas of human resources, environment, labor health and safety and production, and vice-versa. This puts into practice one of the major sustainability challenges: integrating all decision-making areas.

The Company social investments are described below by projects that stood out in 2013:

**EDUCATION – SUSTAINABLE SCHOOL PROGRAM**

Its objective is fostering sustainable growth culture and the search for progress by joint human wellbeing and nature conservation. In order do to that, it carries out education activities and efforts to stimulate sustainable attitudes among students from schools of the municipality of Serra (ES). Company support has allowed the program, already in its first year, to be adopted by 122 of the 124 schools in town, benefiting about 65 thousand students. In all participating schools the program climax as a MACC (Artistic, Cultural and Scientific Exhibit) where the best works related to sustainability were presented and awarded, including videos, photography and drawings.

**EDUCATION – SCHOOL CONTENTS**

It has been held since 2001 and involves 8,000 thousand students from over 30 basic education schools in the town of São Francisco do Sul (SC). Its goal is to raise awareness among young people about the importance of ensuring a sustainable future and preserving the environment. In its 10th issue in 2010, the Contest became part of the ArcelorMittal Environment Award. This strengthened the partnership between ArcelorMittal Vega and Fundação ArcelorMittal Brasil. The 13th issue of the School Contest was held in 2013 and its subject matter was “The Future we wish for depends on the acts we do Today.” The issue included presentation of 46 projects from 24 schools.

**EDUCAÇÃO – ARCELMITTAL ENVIRONMENT AWARD**

It helps raise awareness in children and adolescents on issues related to the environment, sustainability and citizenship. In 2013, 659 schools participated in the initiative, involving 224,099 participants, and 6,992 educators.

**EDUCAÇÃO – MOBILIZAÇÃO (MOBILIZATION)**

It is a project calling on society – especially families – to get involved in the school life of children and adolescents. The project helps keeping young people in school, improve education and learning and decrease failure and school dropout rates. In 2013 16 schools were involved in the project, which benefited 12 students and about four thousand families.
CULTURE - ArcelorMittal CULTURAL

It promotes cultural education by supporting qualifications projects for managers and artists, in addition to increasing access to cultural goods and services. Tax incentives from federal, state and municipal laws to foster culture are used. In 2013 75 thousand people benefited from the cultural agenda offered in 23 municipalities through the sponsorship of 40 projects.

CULTURE - RESTORATION OF THE NOSSA SENHORA DO ROSÁRIO CHURCH FAÇADE (1765)

The renovation was made possible thanks to Company support in a partnership with the State Secretariat for Culture and the Vitória/ES municipal government. It was carried out by a Group of 12 youths under guidance of Goia Institute.

This Institute has been working for ten years in historical restoration and each year they train 40 youths in that profession. Supporting the initiative since 2008, ArcelorMittal donated $ 120 thousand BRL for the church renovation, which was carried out through an agreement with the National Historical and Artistic Heritage Institute (IPHAN).

In the last five years it has been supporting the Goia Institute activities, ArcelorMittal has helped train 67 youths and helped restore four historical monuments. The Company also supported three labor training courses by the Arts and Crafts Professionalizing Multidisciplinary School (EMPAO), a Goia Institute project.

EDUCATION - DIGITAL CITIZENSHIP

Fundação ArcelorMittal fosters social inclusion through information technology and also stimulates citizenship and provides chances for entrepreneurial efforts. The project had 1,040 students graduating and six teachers trained in 2013.

EDUCATION - EDUCAR NA DIVERSIDADE (EDUCATION IN DIVERSITY)

This project developed Fundação ArcelorMittal proposes to transform pedagogical practices in schools by training educators in order to help inclusion of students with mental disabilities. In 2013 30 teachers were trained, 30 other teachers participated in continuing education and 217 students with disabilities benefited from the program.

EDUCATION - EMPREENDEDORISMO JUVENIL (YOUNG ENTREPRENEUR)

Through this project the Company introduces young people to the world of business, encouraging them to plan their own future through classes on entrepreneurship taught by Company volunteers. The 67 volunteers from 2013 benefited 958 students.
SPORTS – ArcelorMittal ESPORTE (ArcelorMittal SPORTS)

It includes several projects supported by ArcelorMittal and focused on social inclusion through sports. The initiatives were paid with resources from tax incentive laws and contribute to integration and socialization of children and adolescents, thus promoting personal gains and improvement in school performance. The six projects supported in 2013 benefited 1,800 children and adolescents.

SPORTS – ESPORTE CIDADÃO (SPORTS FOR CITIZENS)

It promotes inclusion through sports, contributing to the personal development and improvement in school performance of students. Indoor football and volleyball are offered to children and adolescents in the Community; the program has already benefitted 93 students in 2013.

HEALTH – STRENGTHENING OF SANTA CASA DE MISERICÓRDIA HOSPITAL MANAGEMENT

In the end of 2008, at the request of representatives from the health department of the Prosecutor’s Office of Espírito Santo to the Company, a partnership was formed in order to strengthen management of the Santa Casa de Misericórdia de Vitória Hospital, considered a state benchmark in healthcare through SUS (a Government healthcare program). In 2009 a diagnosis was carried out to find the weakest spots in the hospital management, which included hospitalization procedures, physical facilities, qualification of the management team, internal controls and safety projects.

Based on that, hospital management consulting efforts were carried out. These resulted in training to the management team, improvement in wards and in the physical structure - from implementation of internal warning signs to equipment for reception desks and renovation of the power grid, and also the implementation of a fire safety system and escape routes.

In 2013, besides specific training on the hospital internal controls for 100 management professionals, the consulting work focused on surveying and organizing the institution’s frozen assets, helping with its tax and accounting compliance and making it possible for it to keep current SUS fund transfer levels.
OTHSERS – INCOME GENERATION

ArcelorMittal aims at stimulating the development of social projects focused on generating income, but also in local development and, mainly, in social dignity. In 2013 headquarters for three projects helped by Company investments were opened:

1. **Headquarter of the Crab Fishermen Association: Casa do Caranguejo**: Opened in September, the association has about 120 people, including members and their families, who benefit from and sell crabs and other seafood. The fishermen, who received guidance from Sebrae and city government technicians, is to sell dishes from the traditional local cuisine so their families can be economically self-supporting and they can help stimulate economy and strengthen tourism.

2. **Jacuí Ceramic Marker Group**: the Jacuí Ceramic Maker Association was formally established in 2009. Now it has a new home thanks to investments from the Company, with a structure to increase productivity and quality of the work of member craftspeople. Along 2014 these craftspeople will also receive help from the Company to improve their technique and the design of their works, in hopes of increasing their income and the ability for financial self-support.

3. **“Flor do Litoral” Seamstress Group**: this Group begun with the Women Workshop, an improvement course provided by the Company of women victimized by violence in the region of the Novo Horizonte township. In all, the initial project included 35 women. Thanks to their training and consequent increase in demand for the articles they produced, a new headquarter with better infrastructure was opened in 2013 through a partnership between the Company and the Serra City Administration.

**OTHERS – “NOVOS CAMINHOS” PROGRAM**

Thanks to the Program results, the Tubarão unit was selected to the 11th Benchmarking Brasil ranking. This is a sustainability certificate that selects, certifies and shares best practices in Brazilian social and environmental management. This is an effort developed and managed by the Company since 2006 and includes the use of the REVSOL and REVSOL PLUS coproducts, which are produced from steel plant slag form the production of steel. It is used as primary lining for rural and neighboring roads of Greater Vitória and the countryside. In 2013 over 150 thousand tons of those coproducts were supplied to city administrations throughout the state, lining 63 kilometers from 160 roads. In 2013, in its seventh year, the program celebrated one million tons applied to over 400 km of roads.
OUTROS - PRÓ-VOLUNTÁRIO

Another initiative for creating and fostering conditions to allow employees and their families to perform volunteer work in the communities they live in. In 2013, the 1,139 volunteers helped 20,844 people. Besides that, other projects to foster volunteer work are held independently by the units of the flat carbon segment, Tubarão and Vega.

OTHERS – TEAMAR PROJECT – SOCIAL INCLUSION THROUGH HANICRAFTS

Teamar is a social project focused on destitute women. It provides a free manual weaving course for professional training and support after qualification, which provides social inclusion and income. The course is offered to up to 12 people at a time. It benefits, in average, 36 women a year through theoretical and practical classes. After training the Teamar Institute provides guidance on ways of improving work and professionalizing the activity, such as support to sales, search for credit facilities, development of new products and others. The Teamar Institute is responsible for coordination, with the support of the Municipal Secretariat for Social Development, Housing and Citizenship and the Ilha de São Francisco do Sul Cultural Foundation.

OTHERS – CITIZENS OF TOMORROW

The program, supported by Fundação ArcelorMittal, covers all Long Carbon and Flat Carbon units. It calls on employees, their relatives, suppliers, customers and people from the community to use part of their income tax to for the Childhood and Adolescence Fund and projects approved by the Sports Act. The program has 5,454 participants and $ 1.5 million BRL were collected in 2013. This money benefited over 13 thousand children and teenagers.
ArcelorMittal Brasil keeps a relationship of respect, integrity and transparency with its customers, as provided for in its Code of Conduct. That is why we believe that the satisfaction survey is a powerful instrument to help the Company learn how its products and services are evaluated and work to better meet customers’ expectations.

ArcelorMittal Long Carbon periodically carries out a satisfaction survey involving customers throughout the entire Brazilian territory. Plant sales and distribution items are assessed every two years; cut and bend products are assessed once a year, all using a standard quantitative methodology that includes a structured questionnaire and phone call interviews. Follow-up of results allows us to analyze the evolution of indexes and efficacy of actions carried out in the field. This helps drafting action plans to improve client satisfaction. Only the cut and bend survey was carried out in 2013, reaching 85.06%.

ArcelorMittal Flat Carbon has its own methodology for assessing client satisfaction through a questionnaire including supplied product/service characteristics. Customers are encouraged to assign scores and do a comparative assessment with competitors. Usual Company customers participate in the survey and results are compiled by product line. A systematic monitoring of the Evolution in Client Satisfaction Level is carried out, together with annual queries. In 2013, the targets were achieved and ArcelorMittal Brasil client satisfaction climbed to a 7.7 approval rate (on a scale of 1 to 10). For items below the target – or when the competition items are considered better – the Company analyses the results and implements actions to correct faults and improve customer awareness. The survey is done on a monthly basis and its results are presented along with the general and specific improvement plans per customer.

So as to ensure it remains close to its customers, the Company has the following relationship channels: SAC (0800 0151221) and email: arcelormittalnet@arcelormittal.com.br. Customer data are treated with special care, in order to ensure security and confidentiality.
7.3 Relationship with Suppliers  [GRI EC6, HR1, HR2, Principles 1, 2, 4 and 5]

ArcelorMittal Brasil considers its suppliers as partners in the development of productive and responsible business. That is why the Company is extremely careful when choosing the professionals and companies that will meet its needs and assist in its development. Its commitment to suppliers and suggested best practices are documented in its Responsible Supplying Code, which can be found on: http://corporate.arcelormittal.com/~/media/Files/a/arcelorMittal/who-we-are/code-of-responsible/Crs-po.pdf

With the mission of producing safe and sustainable steel, ArcelorMittal extends its best practices to its supply chain in order to make it more reliable and aligned to the Company’s corporate responsibility policies. That is why the Company establishes in its commitment Code for suppliers what it expects from them, and the documentation and monitoring methods that may be required.

To choose suppliers and regulate procurement processes the Company relies on a series of formal procedures recorded in the quality management system. Some of the factors that influence supplier selection are: quality provided by the supplier to ensure the Company material and service standards are met; cost and performance of the material in the process, together with provided warranties; certifications required for certain products and services or environmental permit; recommendations from users or based on supply history to other Company plants; improvement in technological process.

The Company also prioritizes hiring and selecting suppliers from places close to its production units, as a way of stimulating business sustainability. It develops strategic partnerships, preferably with local companies, for the supplying of goods, inputs and services with guaranteed performance. The process of hiring a company undergoes a confirmation stage, where administrative, technical and safety aspects are analyzed, so that companies in line with values professed by ArcelorMittal are hired. From $ 9.7 billion BRL that ArcelorMittal Brasil invested in goods and supplies, $ 2.9 billion BRL came from local suppliers, accounting for 30.33% of total procurement.

Contracts with suppliers have human rights provisions that forbid discrimination, forced, slave or child labor in its business chain. ArcelorMittal Brasil rigorously follows the guidelines provided by the Declaration of the International Labor Organization (ILO) on fundamental principles and rights in the workplace. The Company repudiates forced, slave or child labor and demands the same attitude from business partners and communities.
SUPPLIERS’ DEVELOPMENT AND QUALIFICATION

In order to assess suppliers, the Procurement General Management uses the Supplier Performance Management (SPM) system that has quality, cost, delivery time and certifications as assessment criteria.

In Espírito Santo State ArcelorMittal Cariacica and ArcelorMittal Tubarão participate in the Integrated Supplier Development and Qualification program (Prodfor). The initiative is a joint effort of the major companies in the State to develop and implement an integrated way for developing and qualifying their suppliers.

Thanks to it, suppliers participate in activities focused on organizing their Supply Quality Management System (SQMS). At the same time, ArcelorMittal Brasil (or other hiring companies) can learn more about suppliers’ potential and supply conditions.

Since 2008 217 suppliers have already been certified, 34 in 2013 alone. Of this number, 134 are suppliers currently active in the program.

The Company is aware of its role as inducer of sustainable principles in its production chain, so it also fosters environmental awareness among its suppliers. The Suppliers’ Environmental Performance Assessment Program is carried out by the Environment Areas of ArcelorMittal’s Industrial Units to assess its partners against environmental issues relevant to the Company, such as Greenhouse Gas Emissions. The following stages are observed:

a) Planning – Ascertaining of critical suppliers for lime, limestone, pig iron, iron ore and scrap and scheduling of environmental performance audits of suppliers, starting in January 2013.

b) Data gathering – On site audits carried out according to the schedule proposed during the Planning stage by using a standard Suppliers’ Environmental Performance Assessment Program form.

c) Verification and critical analysis of results – Rating of suppliers based on the final score obtained from the completion of the standard form.
With art and culture we overcome barriers, come closer to people and are able to change our future.
8: Reporting Process

[8.1 Significance]

In order to establish the scope and issues to be included in this report, the Company carried out relevancy tests in 2012. The result was still valid in guiding the preparation of this report.

The process included the following stages:

a) Survey of significant subjects based on studies in the mining and steelmaking sectors, and also on ArcelorMittal (Worldwide and Brazil) reports. Sustainability indexes from the financial market (DJSI), Associations (Worldsteel Association) and reports produced by some of the largest Brazilian and international steelmakers (benchmarking) were taken into account;

b) Assessment of the relevancy of issues first surveyed by means of a questionnaire forwarded to the major Company area experts, such as procurement, sales, human resources, finances, legal, environment, Foundation, BioFlorestas and communication representing stakeholders (customers, suppliers, employees, the banking sector, the government, communities, the press, etc.) and rating the importance of each issue as very high, average and low. Stakeholders were chosen based on the ArcelorMittal Group External Stakeholder Engagement Procedure.

c) Interviews with Company officers were carried out in order to identify the most relevant issues from the point of view of the Company managers;

d) Issues raised by experts were crossed over with those raised by managers in order to produce a Significance Matrix. In this Matrix, issues were broken down into four relevant tables containing: i) issues relevant for stakeholders; ii) issues relevant for managers; iii) issues relevant for both stakeholders and managers; and iv) issues that both consider as of little relevance.
The significance matrix in a tool to identify which are the issues deserving special attention in the report, which issues should be approached with a relatively smaller scope, and which issues should receive a less significant attention. Also, the matrix helps pointing out issues that may deserve special actions of communication and relationship with priority audiences, thus contributing to the achievement of the Company socio-environmental objectives.

This study yielded the following significance matrix:

Thanks to an increase in importance assigned by the world and local press on the “GHG and other air emissions” issue, and considering its relevance level to steelmaking from the environmental viewpoint, the Company decided to assign greater relevance to this issue in this report, even though the significance matrix should not, at a first glance, justify such a change.

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

Just like in the Company latest annual sustainability report published in 2012, the current report scope is established by the Sustainability Committee. It includes relevant activities and facts for the year 2013 from the major Brazilian segments managed by ArcelorMittal Brasil and that characterize its business: Long and Flat Carbon.

Even though the company manages and conducts synergy efforts with other Companies in ArcelorMittal Group in and out of Brazil, such sustainability efforts have not been included here. The report scope also does not include any corporate responsibility actions regarding the following institutions, business units and segments: ArcelorMittal Abeb, ArcelorMittal Mineração Brasil, ArcelorMittal Distribuição and Belgo-Bekaert. It is important to explain that Abeb is an institution that works internally as an intermediate area focused on employees. Mining and distribution segments are under direct control of the ArcelorMittal Group and are not directly related to ArcelorMittal Brasil scope. Finally, Belgo Bekaert is not included in this report because it is a partnership between ArcelorMittal and the Belgian Bekaert Group, and is independently managed.

Economic and financial data meet accounting practices adopted in Brazil and international financial reporting standards (IFRS), and they are submitted to rigorous audit procedures. Values stated here include the whole Group, that is, they refer to all of ArcelorMittal Brasil activities. They consolidate results of the Flat Carbon, Long Carbon, Bioflorestas, Mining, IT and Service business results.

Due to a change in accounting pronouncements in effect, ArcelorMittal Brasil started adopting new accounting practices since January 1st, 2013 and retrospectively applied them for presentation. 2012 Financial Statements from some Groups were also republished due to adjustments in CPCs (Accounting Pronouncement Committees). Because of that, the 2012 column is included, with changes regarding what was published in the 2012 Corporate Responsibility Report.
8.3 Assurance Letter

Statement

GRI Application Level Check

GRI hereby states that ArcelorMittal Brasil S/A has presented its report “Brasil Corporate Responsibility Report 2013” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globa-reporting.org/GlobalCollection/Documents/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 27 June 2014

Asifuddin Hjattabdi
Director Services
Global Reporting Initiative

Disclaimer: Where the inherent sustainability reporting includes material links, including to other visual material, this statement only contains material submitted to GRI at the time of the Check on 27 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.
### 8.4 GRI Index and Global Compact [GRI 3.12]

#### 1 Strategy and Analysis

<table>
<thead>
<tr>
<th>Information / Reports / GRI Indicators</th>
<th>Observations</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>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.</td>
<td>Total</td>
<td>5</td>
</tr>
<tr>
<td>1.2</td>
<td>Description of key impacts, risks, and opportunities.</td>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

#### 2 Organizational Profile

<table>
<thead>
<tr>
<th>Information / Reports / GRI Indicators</th>
<th>Observations</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Name of the organization.</td>
<td>Total</td>
<td>10 , 84</td>
</tr>
<tr>
<td>2.2</td>
<td>Primary brands, products, and/or services.</td>
<td>Total</td>
<td>10 , 13</td>
</tr>
<tr>
<td>2.3</td>
<td>Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.</td>
<td>Total</td>
<td>10</td>
</tr>
<tr>
<td>2.4</td>
<td>Location of organization’s headquarters.</td>
<td>Total</td>
<td>10 , 84</td>
</tr>
<tr>
<td>2.5</td>
<td>Number of countries where the organization operates</td>
<td>Total</td>
<td>10 , 69</td>
</tr>
<tr>
<td>2.6</td>
<td>Nature of ownership and legal form.</td>
<td>Total</td>
<td>10</td>
</tr>
<tr>
<td>2.7</td>
<td>Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).</td>
<td>Total</td>
<td>5 , 10</td>
</tr>
<tr>
<td>2.8</td>
<td>Scale of the reporting organization</td>
<td>Total</td>
<td>10, 13</td>
</tr>
<tr>
<td>2.9</td>
<td>Significant changes during the reporting period regarding size, structure, or ownership</td>
<td>Total</td>
<td>5</td>
</tr>
<tr>
<td>2.10</td>
<td>Awards received in the reporting period</td>
<td>Total</td>
<td>14</td>
</tr>
</tbody>
</table>
## 3 Report Parameters

<table>
<thead>
<tr>
<th>Information / Reports / GRI Indicators</th>
<th>Observations</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Report Profile</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Reporting period (e.g., fiscal/calendar year) for information provided.</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.2 Date of most recent previous report (if any).</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.3 Reporting cycle (annual, biennial, etc.)</td>
<td></td>
<td>Fully</td>
<td>2</td>
</tr>
<tr>
<td>3.4 Contact point for questions regarding the report or its contents.</td>
<td></td>
<td>Fully</td>
<td>84</td>
</tr>
<tr>
<td><strong>Report Scope and Boundary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Process for defining report content</td>
<td></td>
<td>Fully</td>
<td>68</td>
</tr>
<tr>
<td>3.6 Boundary of the report</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.7 State any specific limitations on the scope or boundary of the report.</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.9 Data measurement techniques and the bases of calculations</td>
<td>Mediations and bases of calculation are recorded in SAP and other management tools</td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td>3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.</td>
<td></td>
<td>Fully</td>
<td>69</td>
</tr>
<tr>
<td><strong>GRI Content Index</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.12 Table identifying the location of the Standard Disclosures in the report.</td>
<td></td>
<td>Fully</td>
<td>68 , 71</td>
</tr>
</tbody>
</table>
### Governance, Commitments, and Engagement

#### Information / Reports / GRI Indicators

<table>
<thead>
<tr>
<th>Information / Reports / GRI Indicators</th>
<th>Observations</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>Fully</td>
<td>26</td>
</tr>
<tr>
<td>4.2 Indicate whether the Chair of the highest governance body is also an executive officer</td>
<td></td>
<td>Fully</td>
<td>26</td>
</tr>
<tr>
<td>4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.</td>
<td></td>
<td>Fully</td>
<td>26</td>
</tr>
<tr>
<td>4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.</td>
<td></td>
<td>Fully</td>
<td>22, 26</td>
</tr>
<tr>
<td>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).</td>
<td>The Organization reserves the right not to report the information for strategic reasons.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental, and social topics.</td>
<td>Board members are chosen by the principal shareholder, which reserves himself the criteria.</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### 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.

| 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. | Fully | 9, 19, 22 |

### 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.

| 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. | Fully | - |

### Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance.

| 4.10 | Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance. | Fully | - |

### Commitments to External Initiatives

| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Fully | 55 |

| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Fully | 19 |

| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations. | Fully | 19 |

### Stakeholder Engagement

| 4.14 | List of stakeholder groups engaged by the organization. | Fully | 20, 68 |

| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Fully | 20, 68 |

| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Fully | 68 |

| 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. | Fully | 68 |
## Ways of management and performance indicators

### Economic Performance

#### Aspect: Economic Performance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC1</td>
<td>Direct economic value generated and distributed</td>
<td>Fully</td>
<td>24</td>
</tr>
<tr>
<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organization's activities due to climate change</td>
<td>Partially</td>
<td>20</td>
</tr>
<tr>
<td>EC3</td>
<td>Coverage of the organization's defined benefit plan obligations</td>
<td>Partially</td>
<td>52</td>
</tr>
<tr>
<td>EC4</td>
<td>Significant financial assistance received from government</td>
<td>Partially</td>
<td>22</td>
</tr>
</tbody>
</table>

#### Aspect: Market Presence

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC5</td>
<td>Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</td>
<td>Fully</td>
<td>52</td>
</tr>
<tr>
<td>EC6</td>
<td>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.</td>
<td>Fully</td>
<td>65</td>
</tr>
<tr>
<td>EC7</td>
<td>Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.</td>
<td>Partially</td>
<td>47</td>
</tr>
</tbody>
</table>

### Environmental Performance

#### Aspect: Materials

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Level of reporting</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>Materials used by weight or volume.</td>
<td>Fully</td>
<td>40</td>
</tr>
<tr>
<td>EN2</td>
<td>Percentage of materials used that are recycled input materials</td>
<td>Fully</td>
<td>40</td>
</tr>
</tbody>
</table>
### Aspect: Energy

<table>
<thead>
<tr>
<th>EN3</th>
<th>Direct energy consumption by primary energy source</th>
<th>Fully</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN4</td>
<td>Indirect energy consumption by primary source.</td>
<td>Fully</td>
<td>36</td>
</tr>
<tr>
<td>EN5</td>
<td>Energy saved due to conservation and efficiency improvements</td>
<td>Fully</td>
<td>36</td>
</tr>
<tr>
<td>EN6</td>
<td>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</td>
<td>Fully</td>
<td>36</td>
</tr>
<tr>
<td>EN7</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved.</td>
<td>Fully</td>
<td>36, 38</td>
</tr>
</tbody>
</table>

### Aspect: Water

<table>
<thead>
<tr>
<th>EN8</th>
<th>Total water withdrawal by source.</th>
<th>Fully</th>
<th>22, 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN9</td>
<td>Water sources significantly affected by withdrawal of water.</td>
<td>N.A.</td>
<td>-</td>
</tr>
<tr>
<td>EN10</td>
<td>Percentage and total volume of water recycled and reused.</td>
<td>Fully</td>
<td>34</td>
</tr>
</tbody>
</table>

### Aspect: Biodiversity

<table>
<thead>
<tr>
<th>EN11</th>
<th>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.</th>
<th>Fully</th>
<th>43</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN12</td>
<td>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</td>
<td>Partially</td>
<td>43</td>
</tr>
<tr>
<td>EN13</td>
<td>Habitats protected or restored.</td>
<td>Fully</td>
<td>43</td>
</tr>
<tr>
<td>EN14</td>
<td>Strategies, current actions, and future plans for managing impacts on biodiversity.</td>
<td>Partially</td>
<td>43</td>
</tr>
<tr>
<td>EN15</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</td>
<td>Partially</td>
<td>43</td>
</tr>
</tbody>
</table>
### Aspect: Emissions, Effluents, and Waste

| EN16 | Total direct and indirect greenhouse gas emissions by weight. | Fully | 45 |
| EN17 | Other relevant indirect greenhouse gas emissions by weight | Fully | 45 |
| EN18 | Initiatives to reduce greenhouse gas emission and reductions achieved | Fully | 44, 45 |
| EN19 | Emissions of ozone-depleting substances by weight. | N.A. | - |
| EN20 | NO, SO, and other significant air emissions by type and weight. | Fully | 45 |
| EN21 | Total water discharge by quality and destination. | Fully | 34 |
| EN22 | Total weight of waste by type and disposal method. | Fully | 41 |
| EN23 | Total number and volume of significant spills. | Fully | 41 |
| 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

<p>| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | Partially | 34 |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Fully | 41 |</p>
<table>
<thead>
<tr>
<th>Aspect</th>
<th>Description</th>
<th>En</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.</td>
<td>22</td>
<td>Fully</td>
</tr>
<tr>
<td>Transport</td>
<td>Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce.</td>
<td>38</td>
<td>Fully</td>
</tr>
<tr>
<td>Overall</td>
<td>Total environmental protection expenditures and investments by type.</td>
<td>33</td>
<td>Fully</td>
</tr>
<tr>
<td>Social Performance Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Practices and Decent Work Performance Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>Total workforce by employment type, employment contract, and region, broken down by gender.</td>
<td>47</td>
<td>Fully</td>
</tr>
<tr>
<td></td>
<td>Total number and rate of new employee hires and employee turnover by age group, gender, and region.</td>
<td>47</td>
<td>Partially</td>
</tr>
<tr>
<td></td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</td>
<td>52</td>
<td>Fully</td>
</tr>
<tr>
<td>Labor/Management Relations</td>
<td>Percentage of employees covered by collective bargaining agreements.</td>
<td>53</td>
<td>Fully</td>
</tr>
<tr>
<td></td>
<td>Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.</td>
<td>53</td>
<td>Fully</td>
</tr>
<tr>
<td>Aspect: Occupational Health and Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aspect: Training and Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA10 Average hours of training per year per employee by gender, and by employee category</td>
</tr>
<tr>
<td>LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</td>
</tr>
<tr>
<td>LA12 Percentage of employees receiving regular performance and career development reviews, by gender.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aspect: Diversity and Equal Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
</tr>
<tr>
<td>LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.</td>
</tr>
</tbody>
</table>
### 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. | Partially | 65 |
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. | Partially | 65 |
| 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. | Fully | - |

#### Aspect: Non-discrimination

| HR4 | Total number of incidents of discrimination and corrective actions taken. | Fully | 51 |

#### 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. | Fully | - |

#### 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 | Fully | - |

#### 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. | Fully | - |
### 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. | Fully | - |
| HR11 | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms. | Fully | 51 |

### Social Performance Indicators Regarding Society

#### Aspect: Local communities

| SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | Fully | 57 |
| 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. | Fully | - |
| SO9 | Operations with significant potential or actual negative impacts on local communities. | Fully | 57 |
| SO10 | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. | Fully | 57 |

#### Aspect: Corruption

| SO2 | Percentage and total number of business units analyzed for risks related to corruption. | Dolor et | 22 |
| SO3 | Percentage of employees trained in organization’s anti-corruption policies and procedures. | Partially | 19 |
| SO4 | Actions taken in response to incidents of corruption. | Fully | 19, 22 |

#### Aspect: Public Policy

| SO5 | Public policy positions and participation in public policy development and lobbying. | Fully | 22, 24 |
### 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. | Fully | - |

### Aspect: Compliance

| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. | Partially | 22 |

### Performance Indicators linked to Product Responsibility

#### Aspect: Customer health and safety

| 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. | Fully | 64 |

#### Aspect: Compliance

| PR9 | Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services. | Partially | 22 |

| MM11 | Programs and progress relating to materials stewardship. | Partially | 40 |

---

- **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  
51, 65

Principle 2: make sure that they are not complicit in human rights abuses.  
51, 65

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
53

Principle 4: the elimination of all forms of forced and compulsory labour;  
19, 65

Principle 5: the effective abolition of child labour; and  
65

51

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;  
31, 43, 44

Principle 8: undertake initiatives to promote greater environmental responsibility, and  
31, 33, 43

Principle 9: encourage the development and diffusion of environmentally friendly technologies.  
31

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.  
19
8.5  **Contatos / Expediente**  [GRI 2.1, 2.4, 3.4]

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30130-141 – Belo Horizonte – MG  
www.jotacampelo.com.br

**Images**
Images from ArcelorMittal Tubarão and Art Collection of Fundação ArcelorMittal Brasil  (Photographer: Sanzio Mello)
ArcelorMittal Brasil’s COLLECTION
Siderurgia - **SAMSON FLEXOR**
Oil painting on canvas - 167 x 351 cm - 1957
Violetas na Paisagem Mineira - **YARA TUPINAMBÁ**
Lithograph - 39.5 x 66 cm - s/d
A Chaleira da Vovô - **YARA TUPINAMBÁ**
Lithograph - 64 x 49 cm - s/d
Capela do Morro São João - ANNAMÉLIA
Engraving on paper - 36 x 26 cm - 1985
Arame Farpado - MARCELO AB
Acrylic painting on paper - 27 x 36 cm - 1985
Os Dançantes - INIMÁ DE PAULA
Lithograph on paper - 80 x 70 cm - 1981
Sanfoneiros - INIMÁ DE PAULA
Lithograph on paper - 70 x 50 cm - 1988
S/ Título - ÁLVARO APOCALYPSE
Lithograph on paper - 50 x 70 cm - 1988
S/ Título - ÁLVARO APOCALYPSE
Lithograph on paper - 70 x 50 cm - s/d
S/ Título - AMILCAR DE CASTRO
Lithograph on paper 29/40 - 70 x 48 cm - s/d
São Benedito - MARIA JOSÉ BOAVENTURA
Lithograph on paper - 50 x 70 cm - 1989
São Pedro - FERNANDO PITTA
Lithograph on paper - 50 x 70 cm - 1989
Garrafao - YARA TUPINAMBÁ
Pottery painting - 80 x 23 cm - s/d
Moringa - **YARA TUPINAMBÁ**
Pottery painting - 23 x 24 cm - s/d
Moringa - YARA TUPINAMBÁ
Pottery painting - 23 x 24 cm - s/d
Paisagem com Pássaros e Cervos - LORENZATTO
Oil painting on canvas glued in Eucatex - 50 x 40 cm - 1992
Fachada de Igreja - RICARDO FERRARI
Acrylic painting on canvas - 63 x 79 cm - 1991
Ouro Preto - **UZIEL**
Pastel oil painting on supreme paper - 48 x 66 cm - 1990
Belo Vale Mineração - FANI BRACHER
Oil painting on canvas - 89 x 116 cm - 1992
Abstrato - JEAN GILLON
Wool Tapestry - 136 x 133 cm - s/d
Boia Fria - H. RADOWSKY
Cast bronze - 13 x 106 cm - 1993
Tronco Bronze – CARMEM GUTIEREZ
Cast bronze - 20 x 40 cm - 1993
S/ Título - MÁRIO ARREGHUY
Laser 2/100 - 40 x 30 cm - 1994
S/ Título - ILÁRIA RATO ZANANDRÉA
Woodcut 1/15 - 65 x 90 cm - 1976
S/Título - RONALDO BARBOSA
Acrylic painting on canvas - 140 x 110 cm - 1994
The Pool - GIOVANA MARTINS
Acrylic painting on canvas - 123 x 97 cm - 1992
S/ Título - IVANILDE BRUNOW
Mix - 160 x 125 cm - 1994
S/ Título -  J. PAULO
Lithograph 56/180 - 70 x 55 cm - 1994
S/Título - EYMARD BRANDÃO
Lithograph 17/25 - 65 x 47 cm - 1992
S/ Título - FERNANDO VELLOSO
Serigraph - 46 x 31 cm - 1990
S/ Título - RONALDO BARBOSA
Acrylic painting on canvas - 140 x 110 cm - 1994
Avião - ANGELO DE AQUINO
Serigraph 65/150 - 90 x 70 cm - 1994
S/ Título - CASTAÑO
Lithograph 9/30 - 100 x 70 cm - 1992/3
S/ Título - WERNECK
Serigraph 14/100 - 35 x 65 cm - 1994
S/ Título - M LEARN POSNICK
Oil painting on canvas - 50 x 75 cm - 1993
S/ Título - AMÍLCAR DE CASTRO
Lithograph - 80 x 70 cm - 1993
S/ Título - TELMA ALVES PINTO
Acrylic painting on canvas - 130 x 120 cm - 1996
Torso, Pássaro e Árvore - LUIZ CHAVES
Wool Tapestry - 130 x 180 cm - s/d
S/Título - INIMÁ DE PAULA
Serigraph 126/195 - 67 x 48 cm - 1994
S/ Título - TITO DE ALENCASTRO
Serigraph 36/110 - 60 x 60 cm - 1994
Montanhas - GILDA MOURÃO
Sengraph 17/40 - 66 x 48 cm - 1993
S/ Título - AILDA JARDIM
Acrylic painting on canvas - 100 x 115 cm - 1996
S/Título - ANGELA OLIVEIRA
Mix - 160 x 110 cm - 1996
S/Título - **MADEIRA E AÇO INOX**
Gift FINSIDER (Inauguration 1983)
S/ Título - AMÍLCAR DE CASTRO
Iron Plate CST - 180 x 162 cm - 1995
S/Título - TOMIE OHTAKE
Lithograph 29/100 - 54 x 78 cm - 1993