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Your feedback on the report is most welcome.
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ArcelorMittal

ArcelorMittal Poland
Corporate Responsibility
2011 Report

Table of contents:

Message from the Chairman of the Board	1
About ArcelorMittal Poland	3
Investing in our people	7
Health and Safety	10
Employee assistance programme	16
Trainings	22
Investing in future employees	28
Kindergarten	32
Responding to employees' needs	34
Making steel more sustainable	37
Investments	40
Environmental protection	42
Enriching our communities	49
Social projects	52
Public recognition	60
Transparent Governance	65
Compliance Programme	66

*Motto
of ArcelorMittal:
"transforming tomorrow"*



Message from the Chairman of the Board

Dear Reader,

We are pleased to present you with the second issue of ArcelorMittal Poland's Corporate Responsibility Report. Our aim behind the series is to provide you with yearly update on our actions taken in the field of Corporate Responsibility. Our strategy in this area is focused on four pillars: making steel more sustainable, investing in our people, transparent governance and enriching our communities.

Steel is at the core of our Group's vision. At the same time, it is what literally keeps the world running. Steel can be recycled endlessly, which makes it one of the most environmentally friendly materials. Still, with environmental protection as one of our priorities, we are committed to continuously improving our environmental footprint. To achieve this plan, we invest in modern, energy efficient technologies and state-of-the-art installations. One of the projects completed in 2011, which should be mentioned here, is the noise reduction programme at our plants, for which we were awarded a prestigious 'Eco-Laurel' by the Polish Chamber of Ecology. Because we want to make sure that our stakeholders are correctly informed about latest developments, we are constantly involved in social dialogue on environmental protection. Our Green Officer answers all the enquiries and concerns of local communities

via a toll free telephone line or e-mail. We are also a host of Environmental Forums, which are discussion platforms dedicated to neighbouring business entities, as well as NGOs and environmental protection authorities.

By putting a strong emphasis on safety and security issues, we want them to be of paramount importance to all the ArcelorMittal Group employees. Despite the steel industry being often perceived as risk-involving and dangerous, we genuinely believe that with proper procedures and attitudes, it is possible to completely eliminate accidents. Our "Journey to Zero" programme implemented throughout the ArcelorMittal Group, is already bringing positive effects. Last year we managed to decrease the accident frequency rate, which went down from 1.5 in 2010 to 0.8 in 2011.

In 2011 we also made an unprecedented decision to introduce a 3-month 'Break for Health and Safety' programme for our plant directors, who delegated all their daily tasks to their colleagues and spent the entire period concentrating on safety issues, to lead the safety effort through personal example. We are also committed to continuing our 'TOP 10 Risks' programme, designed to make the working environment of our employees risk-free.

In 2011 we also made efforts to promote health and wellness. Our "Health Week" was quite popular among our employees and we were particularly delighted to see an enthusiastic response to our "Stop smoking with ArcelorMittal" action, which attracted over 400 people. However, not only physical health was at the core of our interest. In October, we launched an employee assistance programme with "Droga" Foundation.

ArcelorMittal Poland trains its people constantly, regardless of their educational backgrounds or positions in the organization, because we believe that our people are our biggest asset. We succeeded in completing three important training projects: "Analytical Thinking", "You've got talent", and yet another edition of "Manager's Academy". We also successfully opened the first ArcelorMittal kindergarten in Dąbrowa Górnicza for our employees' children and are planning to launch a similar facility in Kraków this year.



Over the past years we have developed our stakeholders' engagement matrix and familiarized ourselves with their needs and expectations. We support them in areas such as education, healthcare, environment, sport, arts and culture, as well as volunteering at locations in close proximity to our plants.

We are certainly going to continue our efforts in 2012. Our focus in terms of Corporate Responsibility will be to further improve our safety results, as well as to continue to comply with all environmental regulations. We are also committed to promoting diversity and non-discrimination at workplace, as well as to ensuring the development of our employees. As far as community projects are concerned, we would like to get involved in long-term initiatives, in line with ArcelorMittal's value of Sustainability.

We hope you will find this report insightful. In the meantime, we will be pleased to hear your opinions on our ongoing actions in the field of Corporate Responsibility.

With best wishes,

Sanjay Samaddar
Chairman of the Board of Directors
ArcelorMittal Poland

About ArcelorMittal Poland

We change the image of the Polish steel industry

In 2004 ArcelorMittal Poland, operating at that time as a part of LNM Holding, took up a difficult task of restructuring and modernizing Polskie Huty Stali. Today, eight years from the privatization we may proudly say that it was a success. Thanks to investments worth over PLN 4.5 billion we transformed steel plants on the verge of bankruptcy into successful plants which use world-class technologies and set standards. With six steel plants in the Province of Silesia (Dąbrowa Górnicza, Sosnowiec, Świętochłowice and Chorzów) and Małopolska (Kraków) we account for over 70% of the production capacity of the Polish steel industry. We produce both flat and long products and employ 12,000 people. We are also proud to be the owner of the biggest and most modern coke plant in Europe located in Zdzeszowice.

We are aware that a leading position on the Polish steel market inevitably requires responsibility and commitment. We have excellent results when it comes to the reduction of CO₂ and dust emission levels, environmental impact or noise levels. Our efforts have been recognized by industry experts which makes us especially proud. In 2011 we were awarded the title of the Ambassador of Polish Economy, a Reliable Company and a Top Employer. Those awards prove that we really changed the image of the Polish steel industry.

and we are changing tomorrow

ArcelorMittal Poland is a part of the biggest steel producing company in the world, with operations in 60 countries and over 260 thousand employees. This figure corresponds to the population of Iceland and is our strength coming from multiculturalism, extensive experience and know-how. In 2011, ArcelorMittal had revenues of USD 94 billion and crude steel production of 91.9 million tonnes, representing approximately 6 percent of world steel output. The Group's mining operations produced 54 million tonnes of iron ore and 8 million tonnes of metallurgical coal.

Products manufactured in our plants from Luxembourg to Brazil are used by most industry sectors, from automotive and white goods industry, construction, packaging, and infrastructure to the futuristic ArcelorMittal Orbit becoming the icon of modern London and a symbol of 2012 Olympics.



Corporate Responsibility Governance Structure

ArcelorMittal Poland's Corporate Responsibility governance structure is based on Company's organizational chart. Every employee, starting with Members of Board of Directors, through Unit Directors and ending on shop floor workers is obliged to act in accordance to the Code of Business Conduct and remaining Compliance Programme guidelines. Transparent principles of conduct are a standard within ArcelorMittal. Hence, trade union representatives are members of the Supervisory Board of ArcelorMittal Poland. Employee representatives also take part in company's management meetings. The Corporate Responsibility Team has its place in the organizational chart. One of team's responsibilities is to take care of positive relations with local communities as well as cooperation with other departments in the scope of ArcelorMittal's four Corporate Responsibility pillars.

Sanjay Samaddar, Chairman of the Board
 "Presence of the Rector was a great honor for us. Thanks to his involvement in the Council, our initiatives will be enriched by opinions of the person representing the world of science".

Antoni Tajduś, Rector
 "Membership in the Corporate Responsibility Council is a great honor and distinction for me. Attending the Council meetings I will have the chance to get an insight into operation of the company not only from the perspective of its production but also from the point of view of initiatives supporting local communities".

Corporate Responsibility Council of ArcelorMittal Poland

The Corporate Responsibility Council is the advisory body that supports the appropriateness and transparency in the scope of Corporate Responsibility activities. The recent meeting of the Council which took place in September 2011 in Dąbrowa Górnicza was a very special event for ArcelorMittal Poland. It was the first time that a representative of external stakeholders joined the Council in the person of His Magnificence Rector of the University of Science and Technology, Antoni Tajduś. What both gentlemen were in agreement about was that the world of business could go hand in hand with the world of science, the more that such combination could be a cornerstone of lasting and fruitful cooperation. Also other members of the Council appreciated the fact that the Rector accepted the invitation to join cooperation in the sphere of Corporate Responsibility. The Council discussed the social projects that had already been implemented as well as objectives and plans for the coming year.

Our stakeholders

Employees

Our company culture = our identity = our DNA

Employees of ArcelorMittal Poland are considered to be the biggest asset of the company, as they contribute not only to its economic situation but also create its image. Employees act in compliance with the regulations in force, as well as with the company's Code of business Conduct. Requirements of the Code were conveyed to all employees during special trainings. Every year we strive to improve our employees' working environment, health and safety conditions, as well as help them develop and enhance their professional skills.

Customers and suppliers

Success of the company depends not only on employees' attitude but also on customers' and suppliers' satisfaction. That is why one of the most important priorities of the company is building good long-term relations with its business partners – relations which are based on honesty, and mutual support. One of the tools, which enable us to track the cooperation with the customer/supplier is OTIF programme (on time in full). It allows us to check regularly the dispatch level; whether the execution of ordered material goes as per contract agreements. This area is also covered by the Code of Conduct, which assumes, among others, transparent information exchange and counteracting corruption.

Government institution

As the biggest employer in Silesia, Małopolska and Opolskie regions and one of the biggest in Poland, we remain in regular contact with government institutions. ArcelorMittal Poland regularly meets representatives of e.g. Ministry of Economy and Ministry of Regional Development but also local authorities: mayors or city councils' representatives. We focus on cities/towns where our plants are located. We discuss not only the on-going projects connected strictly with the Corporate Responsibility on the development of local communities, but also environmental issues. Thanks to those discussions our cooperation becomes stronger. We also regularly inform our stakeholders about our economic situation, planned investments, as well as important events at ArcelorMittal Poland.

Local communities

Our Group's policy assumes that the activity of the Corporate Responsibility focuses mainly on communities located in the neighbourhood of our plants. Thus, our actions concentrate on social development of the 6 cities in which our plants are located. We are aware of the fact that our responsibility is not only the highest possible product quality and high standards of customer service but also our actions directed at our employees, their families, as well as members of local communities. The main themes of our Corporate Responsibility are: Education, Health, Environment, Art and Culture, Sport and Volunteer Work.

Media

Despite the fact that ArcelorMittal Poland has no direct influence on media we consider them as one of our key stakeholders. In many cases media help us to pass important information on the company performance data, social, environmental and economic information to other groups of stakeholders which results in raising awareness of our products, operations, CR projects for local communities etc. Therefore it is crucial that we stay in regular contact with media.





Investing in our people

Breakthrough is needed

...that is a way of working totally different from what we do today...

A breakthrough change

Our most valuable asset is our life and the life of our colleagues.

The best thing we can do is to protect life and health.

Plants with excellent health and safety results achieve benchmark results in quality and reliability costs.



In January 2011, ArcelorMittal First Safety Seminar in Dofasco was held.

The safety message was repeated at the Flat Carbon Europe First Safety Seminar in Luxembourg and the First Safety Seminar in ArcelorMittal Poland in February 2011 in Jaworze. During the First Safety Seminar in Jaworze, we focused on the safety improvement possibilities in ArcelorMittal Poland. We conducted voting on management engagement in Occupational Health and Safety issues and launching new initiatives. As a result of the above, the elements of Safety Pyramid were developed and implemented from February 2011 in all ArcelorMittal Poland Units.



Lakshmi Mittal said:

"If we do not improve our safety results, we will never be admired or respected."

We need a complete change that must start now."

At the 2nd Safety Seminar



ArcelorMittal Poland



2011 was also the year of the bold Safety Break initiative launched by Manfred Van Vlierberghe, CEO, when the plant directors were supposed to focus exclusively on health and safety aspects.

At the 2nd Safety Seminar of ArcelorMittal Poland in September 2011 discussion focused on the actual safety results and actions taken by the plant directors during their Safety Break. Other Occupational Health and Safety results improvement ideas were also brought up. The decisions taken after the Second Safety Seminar comprised an increase in the engagement of social labour inspectors in Occupational Health and Safety improvement actions. It was agreed that the actions aimed at safety improvement should be based on the three main ideas: Safety Pyramid, Fatality Prevention Standards and Hazard Identification and Risk Assessment. These three pillars became a basis for the initiative of returning to Occupational Health and Safety fundamentals through Safety Patrols.

In November, 2011 the Global Occupational Health and Safety Committee was held in Poland with the participation of Flat Carbon Europe top management, including Frank Hears and Wolfram Weiss. The meeting focused on the summary of Occupational Health and Safety actions and discussion about safety at ArcelorMittal.

HEALTH

“Let’s quit smoking together”

We started the action on Safety Day to be continued during the Health Week. Over 400 employees participated in the campaign.



*Employee of the Power and Utilities Division
“Previously, when I did shopping I was not thinking about the price of cigarettes – I just had to put them in my cart. Now, I regularly save this money. It’s not easy but I can already see the results... have recently bought branded perfumes”.*

*Employee of the Recruitment, Training & Leadership Development
“I heard about this method and did not believe it worked. I read the articles about it, still not believed. I tried with computer controlled therapy remaining unconvinced. I still do not believe... but I haven’t smoked since April”.*

Medical check-ups for employees

It is already a tradition that during Safety Day employees have an opportunity to have their blood tested. During our Health Week we extended the scope of examinations following guidance from the doctors providing preventive healthcare to the employees of our plants since they know most about the health of our colleagues.

On Health Week and Safety Day, the employees had a chance to talk to the dermatologist, urologist, rehabilitation physician, dietician and to undergo additional examinations (hearing, glucose, osteoporosis, spirometry, dermatoscope, ultrasonography, ECG, Doppler, blood donation bus). ▶▶▶



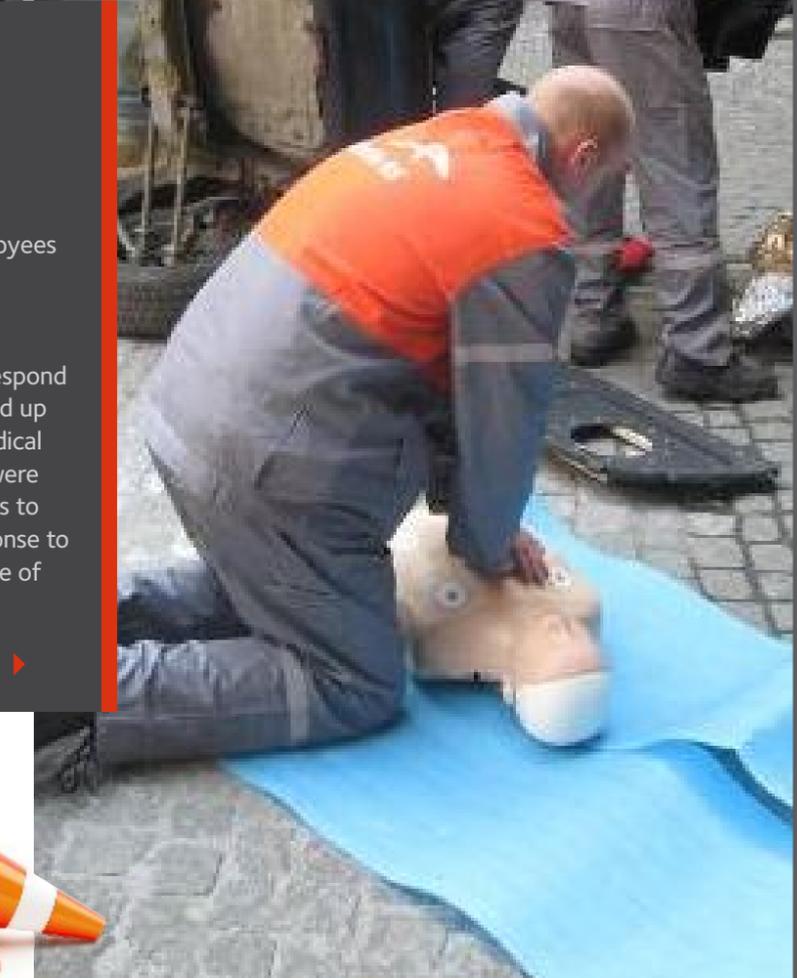
About 2300 employees were examined and took advantage of medical consultancy opportunities.



First aid trainings

On Safety Day and during the Health Week, we encouraged our employees to participate in the first aid trainings and all kinds of contests and competitions.

During the Health Week we wanted to teach the employees how to respond properly to sudden health problems or accidents. The rescuers dressed up as Company employees, wearing working uniforms, role-played a medical emergency or an accident. The employees, convinced the situations were real, started to rescue the persons in need. The aim of this activity was to discuss proper or improper behaviours in such situations. Proper response to life-threatening situations when human life is in danger gives the sense of safety, not only at work but also at home.





Physical activity

In 2011 we decided to focus on the promotion of active and health-enhancing lifestyles.

In spring, the employees took part in the triathlon event: they swam, ran and rode the bicycle. Huta Królewska organized the soccer cup.

In autumn, after 15 years, we resumed the Steelworker's Run (6,4 km) where 150 runners took part.

Moreover, employees and their family members could learn how to swim and climb the mobile climbing wall.



Trainings – workshops and contests related to safe work

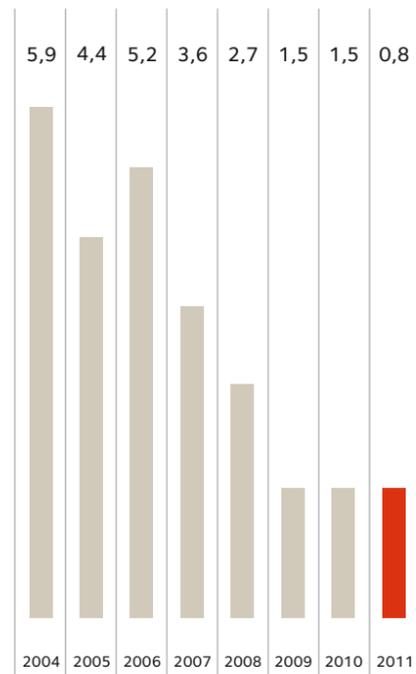
Safety Day focused on safety standards. We organized contests and road shows related to safe work.

The key ones included:

- workshops and trainings on Cranes and Lifting standard, trainings on the prevention of caught-in injuries in lifting operations which focused on rigger and crane operator communication;
- workshops and contests on Vehicles and Driving standard, contests for operators of forklifts and overhead cranes, trainings on safety in forklift operations;
- presentation on Confined Space standard;
- rescuing employees from heights – high altitude rescue presentation of the National Fire Service in Chorzów;
- safety at work and home: fire extinguishing in a "smoke tent";
- practical and theoretical trainings on the use of equipment for works at heights.



Employee assistance programme



Evolution of accidents frequency rate

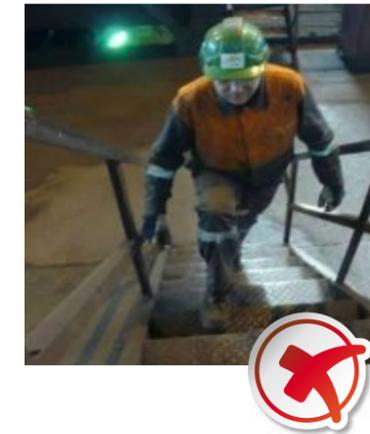
The number of lost time injuries per million work hours per year

Employee assistance programme was launched in October. "You are not alone" programme is addressed to employees of ArcelorMittal Poland, subsidiaries and members of their families. The project is an opportunity for employees to receive professional help and psychological support free of charge. It is very useful in solving problems connected with long-lasting stress. Counsellors are responsible not only for the initial contact with a person requiring help but for the entire support process. If necessary, a counsellor will put such a person in touch with a lawyer, an employment counsellor, a social worker, an educator, a psychologist, an addiction treatment specialist or a psychiatrist. The programme is free and anonymous. Consultations with specialists are usually held at "DROGA" centre in Dąbrowa Górnicza. It is also possible to schedule a meeting with a lawyer or any other specialist in Kraków. Counsellors are available in all ArcelorMittal Poland Units.

Teresa Godoj, Director of Health, Safety and Security Office
 "This is both a challenge and a test for us to check if we can talk openly about incorrect behaviour and things that need to be improved. It is very difficult to talk about employee behaviour in detachment from technical aspects. Still, I believe that we are ready to do that".

Janusz Soboszczyk, director of Świętochłowice Plant
 "It is an ideal approach and an inspiration for all employees who had a chance to analyse their own behaviours and see how others did it. There is nothing more convincing than others pointing their fingers at some wrong things that we no longer notice because of our routine behaviours. It is then that we start thinking whether such situations also concern us".

Andrzej Różycki, manager of wire rod processing department in Sosnowiec Plant
 "TOP Risky Behaviours programme is actually a sustainable effort on the part of managers, foremen and supervisors to install correct behaviours, habits and safe working methods. We focused mainly on problem identification (work methods which influence the safety of everyday activities), emphasis on possible (probable) consequences of behaviours and an attempt to change the model of behaviour through technical and organizational solutions, and finally through a change in employees' mindset. Assessment of the efficiency of changes made and actions recommended require time and further effort of the whole team".



In 2011 TOP 10 Risks programme was completed in ArcelorMittal Poland. This programme was an opportunity for employees and their superiors to analyse risks to health and life at their work stations.

Employees were actively involved in this programme, and it was appreciated by the top management of ArcelorMittal Poland. To continue the process, we implemented TOP Risky Behaviours in Q3 2011 focusing on risky behaviours caused by routine and lack of awareness.

TOP risky behaviours



We involved direct superiors and their employees in the programme. They analyzed problems and looked for solutions impacting behaviours at work.

Employees of H&S Department offered their support. At the end of 2011 we initiated a series of meetings during which managers delivered presentations prepared together with their teams. The presentations focused on the problems which employees had to handle.

The idea to continue the programme and to influence negative behaviours, or to improve proven working methods is supported by people involved in the programme.

An Integrated System for Quality, Environmental and Occupational Health and Safety Management is functioning in ArcelorMittal Poland. The system proves ArcelorMittal Poland commitment to ensure high quality products made in the conditions that minimize negative impact on environment while providing safe work conditions.

In 2010, the Company started a certification procedure of Integrated Management System. Certification audit conducted by TUV Rheinland Sp. z o.o. has confirmed that the requirements of the following standards were met:

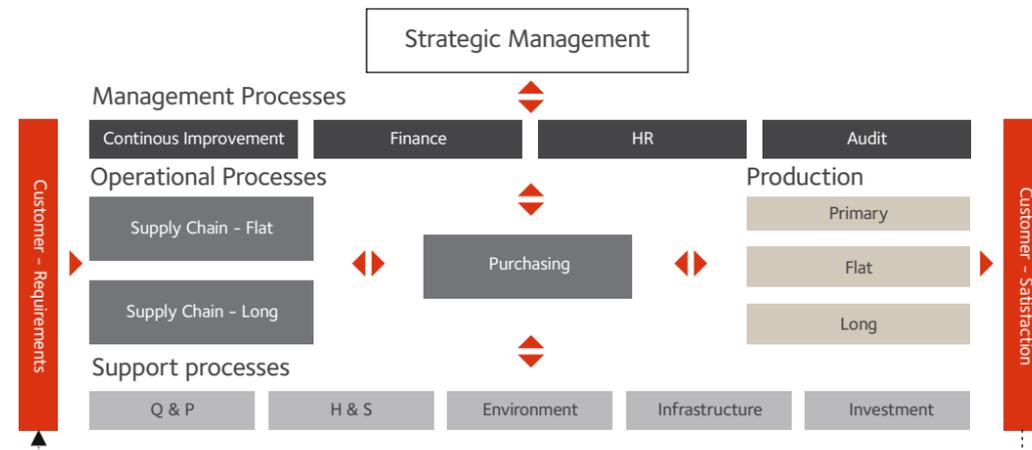
- ISO 9001:2008 Quality Management System
- ISO 14001:2004 Environmental Management System
- PN-N 18001:2004 Occupational Health and Safety Management System (according to Polish standard including requirements governed by Polish law)
- BS OHSAS 18001:2007 Occupational Health and Safety Management System (according to British standard; imposed by FCE).

Supervision audits are conducted every year to confirm proper functioning and improvement of Integrated Management System.

Within the improvement process, the Occupational Health and Safety Management System covers also Corporate Standards that are being introduced in the Company. Furthermore, within the improvement and extension of Environmental Management System preparation works have been started to implement requirements of ISO 5001:2009 Energy Management System. Implementation of this standard will make it possible to increase the Company's energy efficiency and decrease energy consumption which will also have a positive impact on the environment.

Since 2011 the Company has been implementing ISO TS 16949 Technical Specification which determines the requirements of quality system concerning engineering, development, production, installations and servicing of automotive products. Implementation of specification requirements and obtaining a certificate will allow the Company to cooperate with automotive companies.

Within the improvement of Integrated Management Systems, the processes functioning in ArcelorMittal Poland were re-identified and re-described.



<p>F P S</p> <p>Working at Height</p> <p>F P S</p> <p>Safety metrics</p> <p>F P S</p> <p>Confined spaces</p> <p>F P S</p> <p>Isolation</p> <p>F P S</p> <p>Vehicles and driving</p> <p>F P S</p> <p>Rail safety</p>	<p>F P S</p> <p>Emergency preparedness</p> <p>F P S</p> <p>Conectors</p> <p>F P S</p> <p>Working in gas hazard areas</p> <p>F P S</p> <p>Incident investigation</p> <p>F P S</p> <p>Cranes and lifts</p> <p>F P S</p> <p>Shop floor audits, L20000, etc.</p>
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Improving the quality of trainings

A key element in improving safety was the training quality improvement cycle. Together with the Recruitment, Training and Leadership Development Office, we initiated the process of change in Occupational Health and Safety periodic trainings for production and administrative employees. The main idea, was to prepare a new training formula in order to increase the employees' engagement during the trainings. Using modern teaching methods such as work in groups, active learning methodologies and engaging the trainees, the trainers share their knowledge of safety fundamentals. The teaching staff play an important role and involve specialists in various health and safety domains.

Safety standards in ArcelorMittal Poland

We continue implementing fatality prevention standards in ArcelorMittal. There are five implementation levels, currently we have reached Level 3 in most of them. We emphasize the importance of educating our employees, which is why, on Safety Day, ArcelorMittal Poland's Board of Directors, announced the Occupational Health and Safety competition. For half a year, the teams representing all ArcelorMittal Poland Plants conducted the trainings on one of the standards they drew. The trainings were assessed in terms of their content and innovative formula. Thanks to the competition, it became possible to have almost 900 employees trained following the idea that "We are the best teachers for ourselves".

The education on safety standards covered also distribution of leaflets, informational brochures, posters and banners. The main objective of the above was to familiarize our employees with the standards and facilitate access to the crucial information on each standard.

Apart from periodic trainings, several other were introduced in order to improve employees' awareness and increase their professional and non-professional skills.

The following trainings were conducted:

- Fatality prevention standards trainings for Social Labour Inspection – 100 people trained
- Trainings for OH&S Coordinators – 354 people trained
- Series of trainings 'work at heights' – 777 people trained
- Analytical thinking – practical analysis of events – 68 people trained
- First aid – 818 people trained
- Trainings for contractors performing services for ArcelorMittal Poland – 6522 people trained





The recommendations of external auditors and our ambition to pursue Asset Risk Management standards resulted in our decision to invest in fire safety in 2011.

We installed a fire alarm system in specific electrical rooms of the Medium Section Mill, with full monitoring of its operation by Fire Protection and Gas Rescue Service in Dąbrowa Górnicza. We spent PLN 980 thousand on that.

Text by:



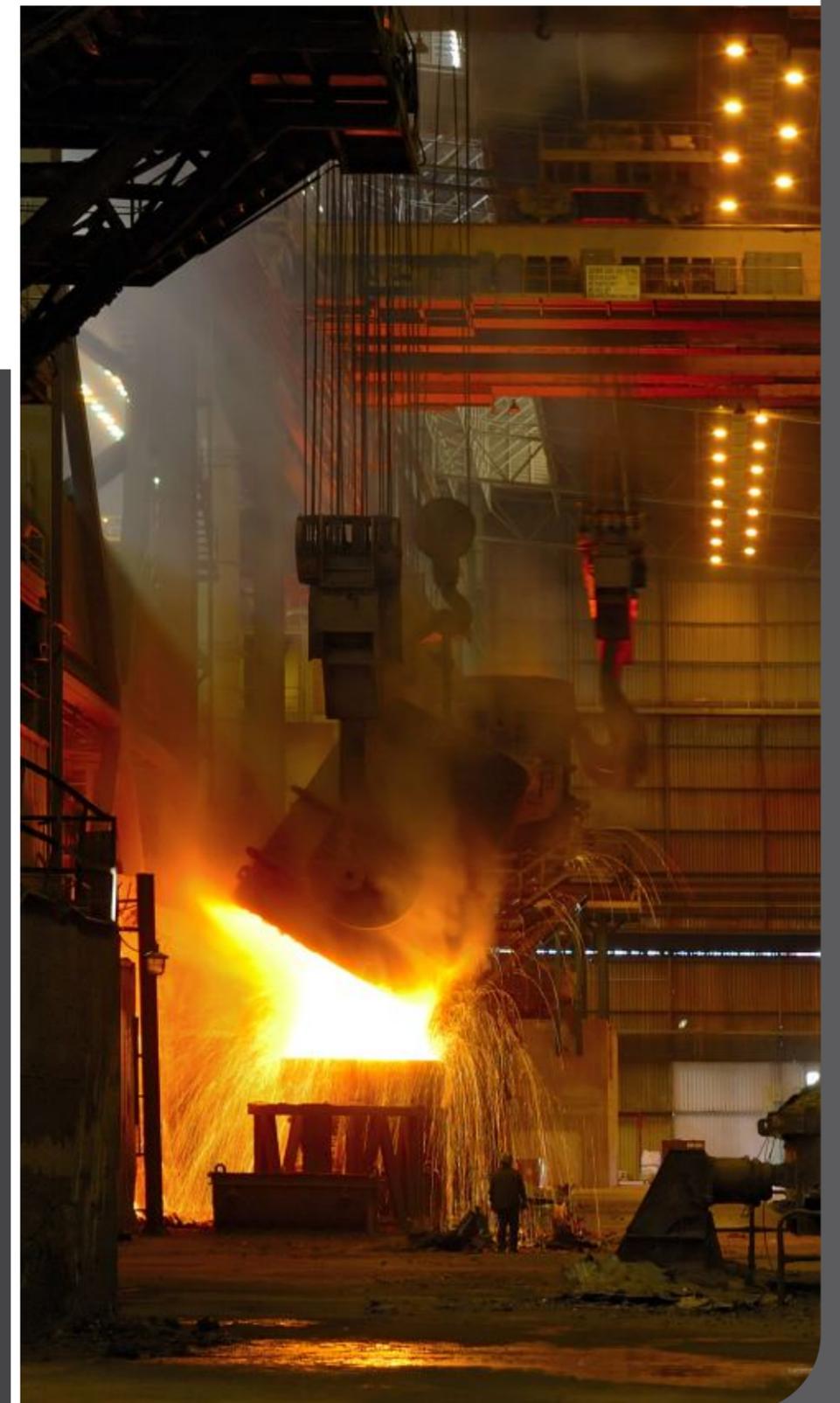
Sylwia Biała
Agnieszka Kołacz-Fortuna
Tomasz Nowicki
Bogumiła Plesińska
Paula Sikora
Adrian Siegert



Contractors

As prescribed in the system instruction regarding evaluation and classification of suppliers rendering services for ArcelorMittal Poland, as every year, we assessed the contractors performing work for and in the premises of our company. The key criterion in contractors' assessment was safety during performance of work within the premises of our units. The analysis of the assessment results was presented to our service providers at the meetings with ArcelorMittal Poland Board of Directors. To enable contractors to meet our Occupational Health and Safety standards we established 387 accounts at our website for contractors, lessees and subsidiaries, where there is a special "Contractors" zone at www.arcelormittal-poland.pl

There are 142 active users. At ArcelorMittal Poland website one can find the Safety Book with appendices, fatality prevention standards, normative acts effective in ArcelorMittal Poland, Golden Rules, 6 safety messages, posters and instructional videos. This website makes it possible for contractors to have full access (and to download) to different materials which can be of use while performing jobs and fulfilling the requirements of ArcelorMittal Poland.



Fire brigade

Last year we also invested in the fire protection system at blast furnaces No. 2 and No. 5 and at the Main Transformer Stations No. 2 and No. 5 with capital expenditure of PLN 3.8 mln. We installed the fire protections at these transformer stations based on carbon dioxide fire suppression systems with full monitoring of their operation by Fire Protection and Gas Rescue Services in Dąbrowa Górnicza.

At the blast furnaces, we installed the automatic fire detection and suppression system in the strategic facilities of blast furnace No. 2 with full monitoring of furnace operation by Fire Protection and

Gas Rescue Services in Dąbrowa Górnicza (switch houses, cable rooms, hydraulic room of WURTH type charging unit). Fire protection at blast furnace No. 2, transformer stations No. 2 and No. 5.

Another investment was driven by a necessity to replace the old-age fire protection equipment and to increase the operational readiness of fire service units. In 2011 we bought a medium and a heavy fire-fighting and rescue vehicle, spending PLN 1.7 mln. It let us align our equipment to the requirements of the SEVESO directive for the plants with high risk of a serious industrial breakdown.

Trainings

In 2011 we finalized three important training programmes of ArcelorMittal Poland: "Analytical Thinking" focused on safety aspects, "MaSzTALent" Academy and "Manager's Academy," all of them driven by business needs.

The purpose of these training programmes was first of all to reduce accidents and near misses, ensure knowledge transfer between the experienced employees and the young engineers and to increase soft managerial skills at all management levels.

"Analytical Thinking" focused on safety

The main purpose of this project is to improve the skills of effective analysis of the accidents and near misses, enhance the ability to draw correct conclusions from the reported incidents (for example accidents, near misses, etc.) and to appoint and train in-house coaches so that they can deliver trainings on accident analysis. The programme is addressed to those responsible for occupational safety in specific locations, Occupational Health and Safety ambassadors, Company Social Labour Inspectors, directors and line managers in particular locations.



Talent Academy "maSz TALent" was inaugurated in November 2009.

The project assumes two editions to be attended by 130 employees of ArcelorMittal Poland.

The main ambition of Talent Academy is to prepare young engineers to perform the functions of managers and to ensure expertise transfer between the experienced company employees and the young engineers.

The efficient implementation of this plan is possible only through the development of managerial skills of the young engineers and thanks to the coaching skills of the experts-mentors. The academy programme has the form of workshop trainings and e-learning. It assumes two development paths addressed separately to the young engineers and the mentors.

The knowledge path for young engineers comprises a number of workshop trainings and individual consulting sessions on managerial skills. This programme offers an opportunity for them to develop the skills in scope of: project management, communication in management, leadership skills, change management and decision making in difficult managerial situations.

The knowledge path for experts focuses on mentors' skills, such as project management, interpersonal skills, coaching and mentoring, assertive communication and influence exertion techniques.

In addition to workshop trainings, the Talent Academy programme involves joint work of the teams composed of the mentors and the young engineers where, together, they work on the projects documenting metallurgical expertise.

In the course of the project, we managed to conduct 15 trainings, attended by over 200 employees.

The actions were divided into four stages.

Stage I – workshops for persons responsible for Occupational Health and Safety, ambassadors, Social Labour Inspectors and department representatives.

Stage II – workshops for directors and managers conducted by external company and Occupational Health and Safety department.

Stage III – workshops for directors and managers conducted by the in-house coaches but supervised by an external coach.

Stage IV – individual consultancy for in-house coaches.

Adrian Siegert, employee of the Health, Safety and Security Department

(one of 26 professionally trained in-house coaches)

"I find the project to be a smart idea. The workshops I took part in helped me in the first stage to understand the post-accident analysis and teach it in an interesting way to others. In the second stage I could observe an external coach when he delivered a professional training of employees, and in the third stage I had a chance to conduct the workshop myself and receive the feedback".

Jarosław Czuber, Occupational Health and Safety Ambassador

(one of 26 professionally trained in-house coaches)

"A big benefit of the project is that thanks to the skills acquired I can transfer my knowledge and conduct trainings for other employees. The workshops were organized in an interesting way, what is more, they were supported with clear examples from our company".





The winner of the first edition of Talent Academy "maSz TALEnt" was the team with Marek Adamczyk, manager responsible for the improvement of quality and customer technical service as a mentor and Marcin Czajerek and Janusz Kur, young engineers of Świętochłowice Plant. The award was a one-week English course in London.

The winning project comprised the analysis of zinc losses on the example of melting losses in zinc plating process in Świętochłowice. Implementation of this project brought a number of benefits. First of all, safety in the area of the zinc pot improved. Secondly, considerable financial savings, estimated at EUR 112 000 were obtained in Q4 of 2010 (annual savings on zinc amounted to approximately 287 tons).

Marcin Czajerek

"The workshop in a London language school was an interesting experience for me. We had lessons from Monday to Friday in the morning. The main focus was on grammar, phonetics and practical language use. In my free time I visited London so I could listen to British accent. Of course, a week is not much but an opportunity to speak English with other students was very interesting for me. The group was composed of people from many corners of the world: students from China, Thailand, Argentina, Kazakhstan, Columbia, Italy and Spain. While practising English, we could exchange our remarks regarding our cultures, customs, rituals, etc. With these new friends I will be able to further improve my language skills while speaking via internet".

Estimate amount
of zinc savings in 2010
is equivalent to the weight
of the Statute of Liberty

~297 tonnes.



Marek Adamczyk, Marcin Czajerek, Janusz Kur
"maSz TALEnt" Programme turned out to be very effective for us because it helped us solve specific problems we struggle with every day. In fact, we all benefited from the programme: mentors, young engineers and the company".

Maria Bartoszek, chief specialist in the Recruitment, Training and Leadership Development Office
"In addition to the basic assumptions of the project, I have observed an interesting interdependency, namely it was not only mentors who transferred their knowledge and experience to the engineers but also the engineers taught their mentors on modern approach to technology and information collection, we could observe the so-called 'intermentoring'".

Manager's Academy - 5 editions – actual trainings							
Training editions		I	II	III	IV	V	Total
5 editions of Manager's Academy at ArcelorMittal Poland – TOTAL	No. of trainings per participants	1580	1646	1548	832	832	6438
	No. of trainings	115	115	115	58	58	461
	No. of training days	234	232	230	116	116	927

Manager's Academy

Manager's Academy is an author's programme for the managers of ArcelorMittal Poland and those who may soon be promoted in the company structure and become project leaders.

The purpose of the Academy is to provide support to managers both in scope of psychological barriers they have to overcome in management and in the form of a set of most important skills and managerial tools, and to share good management practices.

The project assumption was to train 1200 employees in the period from 2006 to 2011. The Manager's Academy programme was divided into two parts: obligatory and optional.

Obligatory part consists of 6 obligatory trainings that all participants of the Academy must take; it is divided into two subject areas:

Orange subject area - "Basics and knowledge", "Business Awareness" and "Organizational Change"

Blue subject area – "Managerial Skills", that is "Management By Objectives", "Individual Leadership", "Effective Coaching", "Team Leadership"

In December 2011 the final 5th edition of obligatory trainings was officially closed.

In total, there were **461** trainings, conducted during five editions of the obligatory part of the Academy. **1175** Company employees of different management levels participated in these trainings.

The optional part, the so called 'Green basket', comprises professional trainings selected on the basis of the function performed and customized to the needs of an Academy's student.

690 employees have participated in the trainings.

Anna Wyczesany, director of the Recruitment, Training and Leadership Development Office

"Thanks to Manager's Academy we could gain the knowledge, develop managerial and professional skills but above all we could integrate with each another and understand that irrespective of our work location we are all part of the same company".



Investing in future employees



'ZainSTALuj się' at technical universities

Educational programme 'ZainSTALuj się' is based on close cooperation with technical universities and it covers the transfer of knowledge between ArcelorMittal experts and students. In cooperation with two partner universities – Silesian University of Technology and AGH University of Science and Technology – we have created associations for students interested in steel sector. Students who are the members of the above mentioned clubs are invited to take part in various initiatives:

- **club meetings** with our experts which give students an opportunity to get practical knowledge not only about the process of steel production but also about the functioning of such an enormous organization as ArcelorMittal;
- **soft skills workshops** (innovative thinking, analytical thinking and intercultural skills), are an opportunity for students to develop communication and self-presentation skills thus raising their value on the labour market;
- **English classes** for 60 students who learned technical and business English;
- **editing articles** related to steel sector published on the programme's website which is an opportunity for students to enrich and share their knowledge;
- **information on the technological process** in plants;
- **trainings** which are an opportunity to gain valuable experience while still at university;

Targets and assumption of the programme

Educational programme "ZainSTALuj się" is an example of a corporate responsibility project in the area of education. Till 2011 we had completed 4 editions of the programme based on extensive cooperation with partner higher education institutions, that is the AGH University of Science and Technology, the Silesian University of Technology, and local schools. The 2008 decision to initiate the

programme was a response not only to the falling interest of the young people in engineering majors, but also to the competence-based teaching introduced by higher education institutions. It has been our target to make students aware which skills are crucial not only from the perspective of our company and the steel sector but also for the widely understood business world, and to offer active support in their development.

ZainSTALuj się
program edukacyjny



AGH



- access to research facilities and materials on the steel sector to facilitate the preparation of **diploma theses**;
- we also organize foreign **scholarships** for the most active club members, that is those who were most enthusiastic about extending their knowledge about steel industry. Four members attended a two-week English language course in London;
- **internship programme** – a one-year programme facilitating graduates development, being an intensive learning opportunity for young engineers guided by our experts.

“ZainSTALuj się” at secondary and high schools

The third edition of the programme focused again on the falling interest of young people in technical education and poor knowledge of the steel sector. We try to fight reluctance towards science and the negative stereotype of the steel sector by showing engineer career paths and employment prospects. The results of our activities include 17 meetings at schools with almost 1000 students, 3 winners of the competition “On the track of steel”, and involvement in one of the modules of the “Young Engineer” project at the Academy of Business in Dąbrowa Górnicza.



Communication channels

While organizing these activities, we were actively supported by 17 students of the Silesian University of Technology and AGH University of Science and Technology appointed as the Company's Ambassadors. The programme's website www.zainstalujsie.pl is a platform for sharing information between us and students. We also presented our offer while participating in career fairs which reinforced direct contact with students.



Text by:

Maria Bartoszek
Marta Marczevska
Katarzyna Palusińska
Tomasz Waluga



The programme also involved the organization of meetings with young engineers and students of technical departments who actively support “ZainSTALuj się” project. Students were informed why it was a good idea to choose a technical school, and were advised of skills required to get a good job. There was also a presentation on the production of steel.

During the last edition of the programme addressed to secondary and high school students, we organized the “On the track of steel” competition. We invited students from our partner schools to participate. Their task was to prepare a presentation of a steel structure located in the Province of Silesia or Małopolska including an original description and self-taken pictures.

We also participated in the delivery of the **Young Engineer** module organized by the Youth Academy functioning by the Academy of Business in Dąbrowa Górnicza. Thanks to us the students of this university had a chance to find answers to questions such as for example “Why is a blast furnace so big?”, and to visit the steel plant during the open days.

Grzegorz Bielski, former ambassador of ArcelorMittal Club, currently a specialist in the Integrated Systems Department in the Cold Rolling Mill, Kraków

“I think that the “ZainSTALuj się” educational programme is an opportunity for young people, students to acquire knowledge of the steel industry, specialist knowledge which can surely be put into use while at university or during work for ArcelorMittal Poland. This programme facilitates contact with people who already work for the Company and can share their reflections on important issues, and specific character of tasks that they have to handle every day. I also believe that participation in such programmes raises our value and gives us advantage on the labour market”.

Maciej Palczewski, student of the AGH University of Science and Technology

“Such initiatives show that higher education institutions and large plants should co-operate for the sake of common benefit. Thank you for this project. The presentation was very interesting as it was delivered by a person who works in the plant full time instead of a mere theory that we usually get. I hope that there will be more meetings of this kind”.

Radosław Dziejczak, student of the Silesian University of Technology and a winner of the scholarship programme

“What do I consider the biggest value of the “ZainSTALuj się” educational programme? It’s hard to name one specific thing. New experience, opportunity to develop language skills, meet new people, and all this in a friendly multicultural atmosphere. I could go on and on. I think that the most important aspect is probably the practical character of the scholarship – everything is ready right down to a tee, business combined with pleasure”.



Educational programme “ZainSTALuj się”

Change indicators

edition	years	No. Of Club members
III	2010/2011	800
II	2009/2010	850
I	2008/2009	500

Programme elements	edition I	edition II	edition III
Club meetings	16	13	15
ArcelorMittal Poland ambassadors	34	26	17
Meetings in high schools	13	17	17
Soft skills trainings	4	9	5
English language course participants	60	60	60
Scholarship holders (trip to London)	17	8	4
Website visits (daily)	500	700	800
Newsletters	24	36	36

ArcelorMittal Poland Kindergarten

Following the principle of sustainable development, we also invest in our employees.

Therefore, on August 25 the ceremony of opening ArcelorMittal Poland kindergarten "Równe przedszkolaki" (Equal Preschoolers) took place. The symbolic ribbon was cut by the representatives of ArcelorMittal Poland Board of Directors – Sanjay Samaddar and Stefan Dzienniak together with the Mayor of Dąbrowa Górnicza Zbigniew Podraza. The Company's kindergarten was built in response to the initiative of Women's Council, functioning in ArcelorMittal Poland since 2008, which represents best interests and responds to the needs of women employed in Polish operations of the Company. The Council members are the representatives of Health, Safety & Security Office, Legal Affairs Office, HR and Communications. To check if kindergarten was really needed, we conducted a survey among employees having children at preschool age. 90% of parents responding to the survey expressed interest in such form of care for their children. There's a place for 100 children in the kindergarten.

Sanjay Samaddar, the Chairman of the Board of Directors
"The initiative of creating Company's preschool education facilities is an element of our Corporate Responsibility strategy, with care about employees as one of its pillars. We are investing to offer them a comfort of work and everyday life in which parents of children at preschool age must face a number of challenges related to raising and taking care of their offspring. We believe that our initiative is completely in line with the demographic profile of Poland. Parents will be able to continue their careers knowing that their children play and learn in a world-class standard facility located near their workplace".

Stefan Dzienniak, member of the Board of Directors, Director for External Affairs, Environment
"Success of the investment is to a large extent the effect of cooperation and involvement of the local authorities. The kindergarten together with infrastructure took a record time to complete".

Zbigniew Podraza, Mayor of Dąbrowa Górnicza
"The city fulfills the demand for preschool education in 80 percent. Thanks to projects of this kind, there are chances to reach 100 percent. This investment testifies to the fact that the Company which has been operating here for a number of years has fully integrated with the city".



Text by:

Rafał Zabiegała



ArcelorMittal Poland Employee Engagement Survey



The second Employee Engagement Survey (based on Aon Hewitt methodology) was conducted on March 7-31, 2011 (the first edition was held in 2008). It was one of the initiatives organized within the framework of a larger-scale programme called "Journey to Engagement". An invitation to take part in the survey was sent to 4,482 employees working in all locations of the company. Ultimately, 1,966 employees responded to the survey request. The attendance rate reached the level of 44 per cent.

The survey consisted of two phases: the first round was addressed to top management (March 7-11) and the second round – to other employees (March 21-31). A representative group of randomly chosen employees was invited to participate in the second round of the survey.

In ArcelorMittal, the employee engagement rate was estimated at the level of 47 per cent, which gave the company a position 10 percentage points above the average for large enterprises (i.e. the ones which hire more than 1000 employees), 3 percentage points above the national average and 27 percentage points above the average for the Best Employers. This year's result has turned out to be by 16 percentage points higher than the result obtained by the company in 2008.

Employees reported the highest level of satisfaction in such areas as the relations with co-workers, possibility of combining family life and work as well as good reputation of the company. According to the respondents, the lowest rated areas, i.e. the ones which require special attention, include monetary and non-monetary rewards for employees, a feeling that each employee is valuable to the company as well as career prospects.

It is worth emphasizing that as compared to the survey outcomes of 2008, the largest increase in satisfaction level has been observed in such areas as: benefits, reputation of the organization and employer brand coherence. Here, the results have increased by 24, 19 and 15 percentage points, respectively. The vast majority of the areas related to the working environment have been rated by employees above the average for large enterprises.

The results of the Employee Engagement Survey have been communicated to the employees via available means of communication, i.e. e-mail, intranet, internal magazine as well as at direct meetings with the teams. In the period from June to September 2011, we met with 444 employees to discuss the results of the survey and work in tandem on action plans.

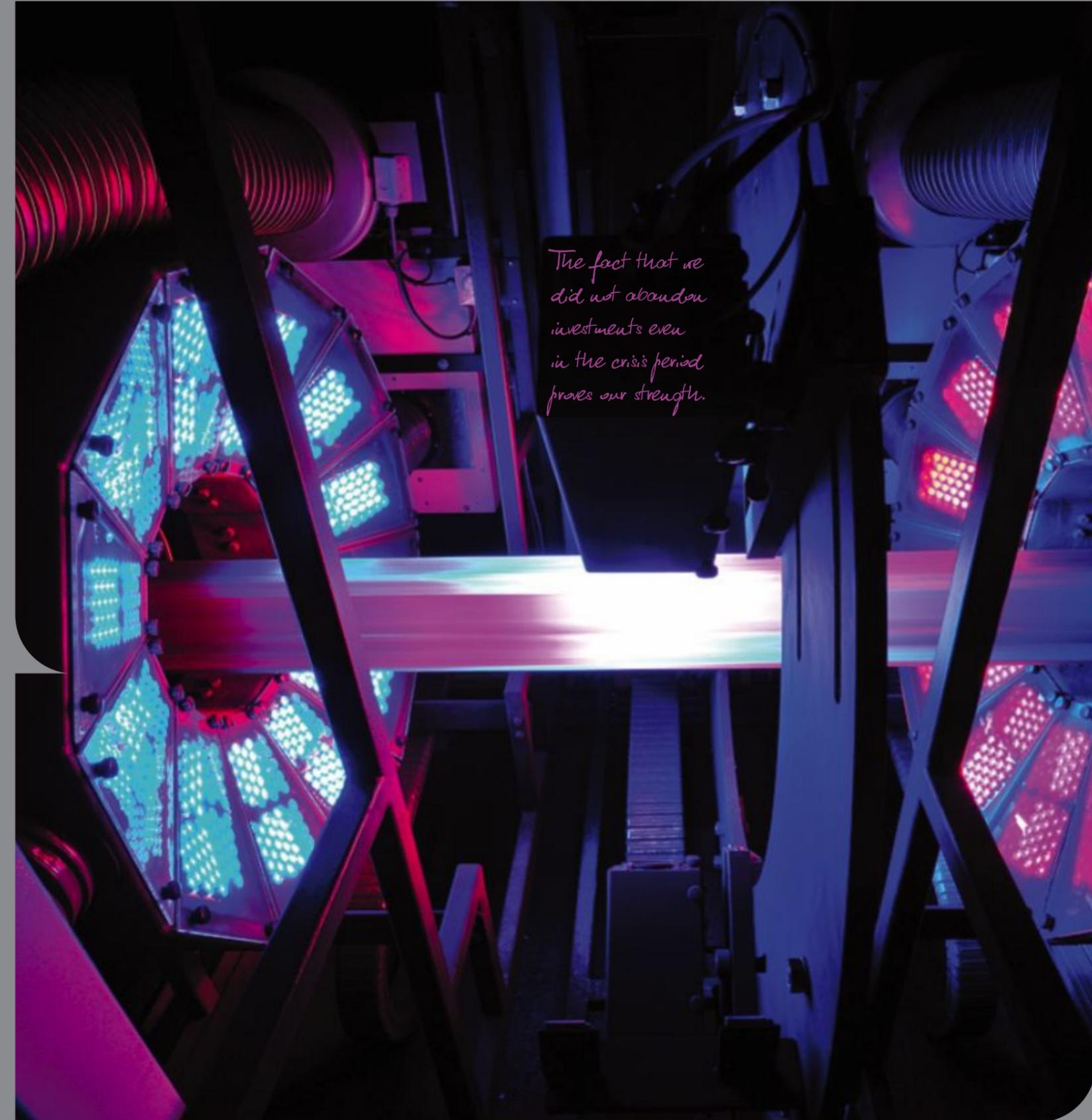
The result of these meetings is the action plan which focuses on three key areas, namely employee appreciation and recognition, professional development and career prospects as well as management and Board of Directors image. The implementation of the planned actions is scheduled for quarter 2, 2012.

Text by:

Anna Horyń
Agnieszka Woźniak



*Katarzyna Derdzińska, BNP project manager at Aon Hewitt
"A number of the company initiatives, including those aimed at the improvement of communication, has contributed to an increase in the level of employee engagement".*



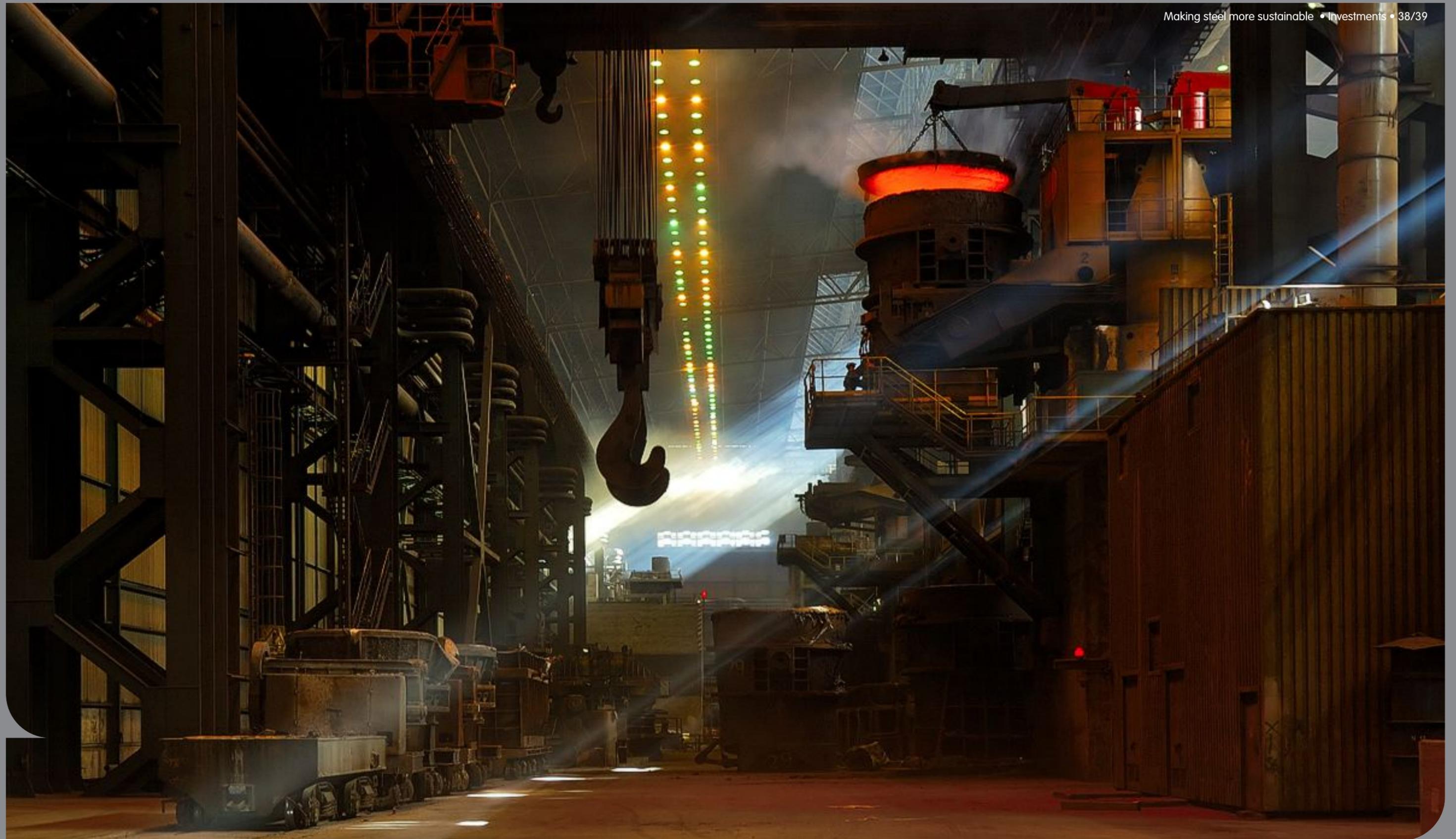
The fact that we did not abandon investments even in the crisis period proves our strength.

Making steel more sustainable

Investments

have always been a cornerstone of business strategy development by ArcelorMittal Group companies.

Investments have always been a foundation for building a business strategy of ArcelorMittal Group. We are firmly convinced that they have contributed to our competitive advantage, which in Poland is reflected through our actual market share, among others. Currently 70% of Polish steel production capacity stays in our hands. The fact that we did not abandon investments even in the crisis period proves our strength. PLN 300 million spent on revamping and innovation in crisis years of 2009 and 2010 let us resist the market collapse. Today, in the recessive scenario, we are not only stronger and richer in experience from previous years, but also more flexible and resilient.



Investments

Through investments we also continue to reduce our environmental impact. Installations reducing CO₂ and dust emission, water, coke and energy consumption in technological processes, and last but not least, installations for recovery and recycling of natural resources not only let us achieve significant savings on a yearly basis, but they make the steel industry more eco-friendly. Research carried out by the Provincial Inspectorate for Environmental Protection regularly confirms that we meet restrictive norms and consequently lower our impact on environment.

PLN 24 million

investments in steel quality

Several investments were completed in 2011, including two hot-metal desulphurisation stations commissioned at our plant in Dąbrowa Górnicza. This PLN 24 million project lets us produce 6 million tons per year of high-quality steel for automotive, household and construction applications. With the new twin ladle furnace, PLN 120 million worth, the semi-finished production cycle is completed.

PLN 8 million

for noise reduction project

Our goal is not only to align our investments with the worldwide technological standards, but also to respond to the needs of residents and communities in the locations where we conduct our business. For this reason in 2010 we launched a project to reduce noise level at our plant in Kraków. Together with experts from the AGH University of Science and Technology we developed the solutions which allowed us to reduce noise from 14 biggest sources, which we hope, will translate into the comfort of living for all Nowa Huta residents. We are happy that our efforts have gained external recognition - ArcelorMittal Poland was awarded an Eco-laurel in 2011 by the Polish Chamber of Ecology.

PLN 100 million

for Coke Plant revamping

Last year was marked by the largest investment project at Kraków plant, that is the construction of the installation for cleaning coke oven gas generated in the coking process. The former arsenic-sodium technology of hydrogen sulphide and ammonia removal was replaced by the state-of-the-art ammonia method, producing almost 100% pure sulphur. The new hermetic installation, worth over PLN 100 million, will significantly reduce the consumption of electricity, whereas the modern technical solution guarantees the highest level of safety. The new cleaning method is more eco-friendly as it eliminates many dangerous substances and reduces technological waste.



We want to go a step further - we not only want to be leaders in neutralization and reduction of environmental impact, but we also want to be preventive and teach by example about how to consume less energy, how to manage resources reasonably, and finally, what to do in our everyday activity to be green. It is also our investment in environment and society.

Text by:



Sylwia Winiarek

Environmental protection

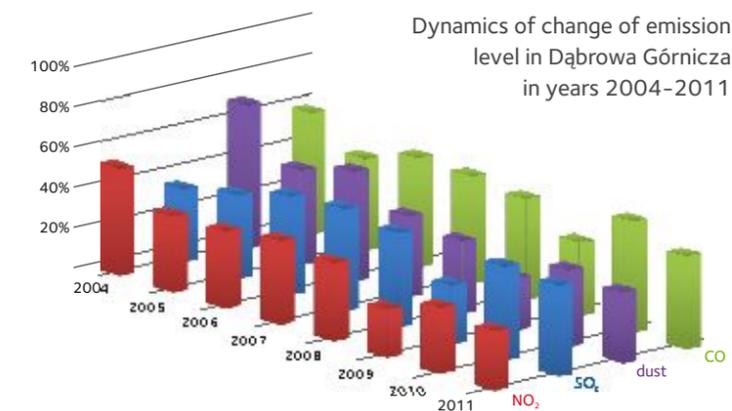
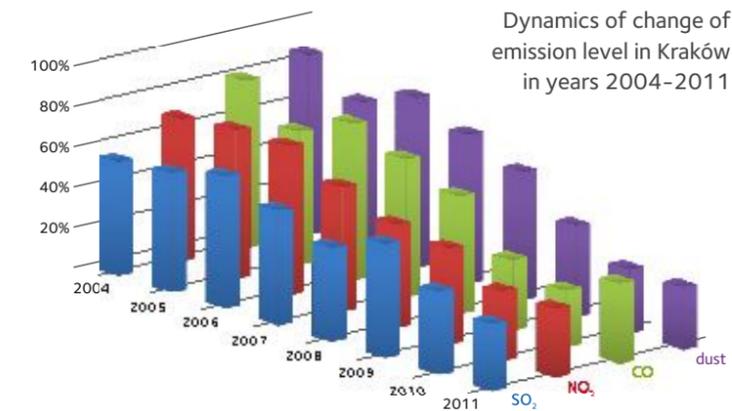
Environmental protection is of crucial importance to our business in the context of not only the company's reputation, but also responsibility towards people and natural environment. Through modernization of our plants, we strive to improve their effectiveness and reduce their negative impact on the natural environment. Since 2004, we have spent over PLN 4,5 billion on green projects. Growing environmental requirements present us continuously with new challenges. A team of specialists from the Environmental Protection Office makes sure that all companies within the ArcelorMittal Poland structure meet legal obligations regarding environmental protection. The Environmental Protection Office is responsible for, among other things, obtaining permits, cooperating with environmental protection authorities, safeguarding that particular installations are compliant with environmental requirements, balancing of allowable emission levels and preparing regular obligatory reports. The Green Officer facilitates the exchange of information on the current impact on the environment closest to the company and ensures a quick response to any problems reported by local residents. The Company has its own accredited environment protection laboratories which measure emission levels from selected emission sources and assess wastewater quality.

Total amount devoted to environmental investments in 2011: **PLN 143.5 mln** in all Units (except for coking plant in Zdzeszowice). Below please find the most important ones:

- modernization of the installation which purifies coke oven gas from hydrogen sulphide and ammonia in Kraków;
- noise reduction at Huta Królewska achieved by replacing the elevation of one of the side walls.

Noise Level Reduction

We put a great deal of effort to reduce the level of noise generated by our Plants. In 2011 a series of noise reduction activities were undertaken in Huta Królewska. It is particularly important as this plant is located in the city centre. As part of the project we applied acoustic soundproofing insulation on the pusher furnace, shear intensifier air bleed valve, air outlet vent of cleaner filter fan as well as the construction of western wall acoustic façade. At the final stage of each project implementation control measurements are performed to confirm effectiveness of the undertaking. The project in Huta Królewska was launched in 2009. Last year we assigned almost PLN 3 million for its execution. Currently, preparatory works for implementation of similar projects are being conducted in Dąbrowa Górnicza.



Both charts reflect changes in the following substance emissions level: dust, NO₂, SO₂ and CO within the space of last eight years in comparison with valid standards in Kraków and Dąbrowa Górnicza Units (100 percent equals the limit defined in allowance). Production volumes deviations depend above all on production capacity usage as well as the results of actions taken in the scope of investments. In both cases, levels of substance emissions are lower than limits defined in permits.



Doppler Sodar at the IMGW measuring station located in Unit in Kraków



System for recording emission levels based on CCTV cameras in the Unit in Dąbrowa Górnicza - overview

Current Environment Monitoring

In 2011, we undertook a series of activities in order to improve monitoring and ensure a quick response to situations posing potential hazard to the areas close to our plants.

The two biggest units, i.e. Unit in Dąbrowa Górnicza and Unit in Kraków, have put into place a system for recording emission levels based on CCTV cameras. Production-related decisions are also made on the basis of daily meteorological telegrams containing information on i.e. dispersion of a pollutant in the air. In our strives to ensure proper environmental protection management, we take advantage of research potential of the inspectorate for environmental protection and of the Institute of Meteorology and Water Management (IMGW).



“Green” employees

April 2011 was a green month during which a number of initiatives were launched with the aim of educating people about the importance of environmental protection and developing ecological sensitivity amongst employees. One of such actions was based on sending to employees so-called EcoMails, i.e. short messages containing useful tips, for instance how to dispose of used oil or what to use instead of a foil bag. At the end of this campaign a special eco-quiz was organized with almost 100 participants. In addition to that, we also held a special photographic competition under the slogan “I am eco - examples of ecological activities”.

The April issue of our company's internal magazine Jedyńka featured an article promoting “green” lifestyle. In addition to that, the color of our intranet display was changed into green for the entire month.

April “green month”

At the end of June, just like in the previous years, we encouraged employees to take part in electro-waste collection organized in cooperation with Remondis. Employees from Units in Kraków, Dąbrowa Górnicza, Sosnowiec, Świętochłowice and Chorzów collected almost 8.5 tonnes of electric and electronic waste and 150 kilos of used batteries. The electro-waste was transported to special electro-recycling facilities where all the devices were safely dismantled and recycled. This initiative was supported by information and education on the topic.

Full electro-waste container in front of the main gate, Unit in Kraków

Family Eco Picnic in Dąbrowa Górnicza

On May 26th, together with TAURON Polska Energia and Aeris Futuro Foundation we planted 100 trees nearby lake Pogoria IV in Dąbrowa Górnicza. This initiative was part of a nationwide campaign called Time for Forest. By taking part in it, we proved that our plants are perfectly aware of the fact that exploitation of natural resources has to be coupled with activities aimed at protecting the environment and preserving natural beauty of the regions where a business activity is conducted. The tree planting campaign took place under the patronage of the Mayor of Dąbrowa Górnicza, Zbigniew Podraza. Both companies promised that by the end of 2011 the entire city would have been covered with PLN 150 thousand worth of greenery. We have kept our word planting in total 3 267 trees and seedlings totaling to PLN 185 thousand.

The tree planting was held together with a family eco picnic, during which everyone could expand their knowledge on the art of art-recycling and technology of vat paper production. The entire event was hosted by Tomasz Zubilewicz whereas musical and artistic setting was provided by Joanna Słowińska and her Band as well as the young members of the Youth Centre of Creative Works in Dąbrowa Górnicza.



Surojit Ghosh, director Commercial and Government Affairs planted his tree ▲

Workshops of quill writing on vat paper ▲



Gardens of Nowa Huta



“Gardens of Nowa Huta” project is an excellent example of cooperation with the members of local communities who, having been provided with the right tools in the form of knowledge and financial support, were able to unify their efforts in their strive for improvement of living conditions in the city. In view of the positive outcomes of this year’s project, we have already started working on its second edition, which is planned to be launched in 2012.

Text by:

 Jolanta Malicka

Environmental Forum

On June 13, the 6th Environmental Forum was held at ArcelorMittal Poland Unit in Kraków. The event was attended by the representatives of companies running their business activities within the business area of Nowa Huta, as well as the officials from the Marshal’s Office, Kraków City Hall, Provincial Inspectorate for Environmental Protection and district councils of Nowa Huta. The main purpose of such event is to give entrepreneurs an opportunity to exchange information and share experiences as well as engage in a discussion on current environmental problems in the region of Nowa Huta. This year’s Forum focused mainly on summing up and presenting results of the recent Inventory Control of Dust Emission Sources in business area of Nowa Huta. The Inventory Control was one of the tasks covered by the approved Air Pollution Programme for Małopolskie Province.

The idea of organizing similar Forums was adopted in Unit in Dąbrowa Górnicza. The first meeting of this type was held in ArcelorMittal Poland headquarters on October 24. Amongst the participants were the representatives of the biggest companies from Dąbrowa Górnicza as well as officials from the Marshal’s Office of Silesian Province and City Halls of Dąbrowa Górnicza and Sławków. The main topic of the discussion concerned air pollution, which is one of the major problems for large agglomerations these days. The participants frequently emphasised a need for entrepreneurs, administrative units and local communities to engage in open dialogue on matters related to environmental protection.

Developing new green areas in tandem with residents

Nowa Huta, the area of Kraków where one of ArcelorMittal Poland units is located, is called a “green district” due to vast areas of parks and urban greenery. However, the costs of caring for such spaces is high and therefore the condition of trees and plants is sometimes far from being ideal. To offer the residents support in creating new green spaces and revitalizing the existing ones, we launched the project called “Gardens of Nowa Huta” last year. This initiative was undertaken together with the C.K. Norwid Culture Center in Kraków. Through our joint undertakings aimed at preservation of green areas we strived to strengthen collaborative growth of local communities and combat negative social phenomena prevailing in today’s world, namely alienation and anonymity. The implementation of the project would never have met with such a success if it hadn’t been for a huge involvement of the residents. Social groups that entered a competition aimed at identifying the best locations for gardens not only had an opportunity to consult their ideas with experts, but they also received financial support. The residents were actively involved at all stages of the project implementation, starting from meetings with landscape architects, through garden design development and up to joint garden planting. The result of collaborative community efforts is the creation of two beautifully landscaped gardens at Piastów 65 and Ruszczy Streets.





Enriching our communities

Successful completion of a number of projects has reinforced our cooperation with local communities.

2011 saw our activity under the umbrella of the community investment still focused on education, health and safety, environment protection, amateur sports, culture and arts. Thanks to completion of a number of projects, we strengthened our cooperation with local communities and we actively involved stakeholders representing them in the process of making decisions on how to make use of the financial support we offer. Together, through brainstorming and animated discussions, we came up with solutions which eventually proved to be the most advantageous for our beneficiaries.

Speaking about the projects we completed, we need to mention those implemented in Zdzieszowice as especially significant. At the beginning of January 2011, the coking plant was incorporated as one of the Company units. Hence we put a lot of efforts in strengthening the bond with the local communities of Zdzieszowice and Leśnica municipalities. Fulfillment of a number of diverse projects in 2011 worth more than PLN 2 mln made it possible for us to leave a lasting mark in lives of our stakeholders.



ArcelorMittal Poland for education

A series of projects of arranging multimedia language labs at schools counts as our great success. Most schools struggle with limited budget, and a blackboard and a piece of chalk remain all they can afford when it comes to teaching aids. ArcelorMittal Poland offers schools a possibility to purchase the state-of-the-art aids and create multimedia rooms that can be used for many different purposes, for teaching foreign languages as well as other subjects. Well-furnished classrooms are a friendly environment and an incentive to learn.

This year, we focused on special school and pre-school education as well as integrated education centers. We supported them not only in purchasing multimedia aids or IT hardware, but above all we helped them create specialized classrooms for the disabled children. Rehabilitation equipment, ball pits, sensory rooms are examples of such investments. To mention just one of them specifically, we helped to create the sound therapy room in Special Education School Complex no. 4 in Sosnowiec. The disabled children will learn there to understand and respond to the surrounding world based on sound stimuli. Listening to sounds, the children will be able to assess, for instance, not only how far they are from an incoming bus but also from which direction it is coming. The sound therapy room, which is an innovation at the European level, is the result of cooperation with the Institute of Acoustics of the University of Adam Mickiewicz in Poznań, which granted access to its audio library and Poznań University of Technology, which designed and created the room.

In 2011 we provided similar support to 9 educational facilities. Over the last few years thanks to our support more than 40 rooms of that type were created.

Andrzej Wypych, member of the Board of Directors, HR Director of ArcelorMittal Poland

"We are very happy to see popularity of classrooms we are helping to establish. Based on feedback we receive from schools, we know that both students and teachers come more eagerly for classes in new classrooms, which meet the standards of the 21st century. Hence we are sure to continue with these projects".

ArcelorMittal Poland for Health and Safety

Support for health care centers is also one of our top priorities. Helping to purchase medical equipment and create specialized healthcare facilities was one of our main objectives last year. This year we have organized aid for the following healthcare centers: Burn Treatment Center in Siemianowice Śląskie (repair and purchase of medical equipment), Trauma Surgery Center in Piekary Śląskie (ambulance for patients' transportation), Public Healthcare Center in Kędzierzyn Koźle (ambulance) and Krapkowice Healthcare Center (ECG room).

All health care projects are deployed in cooperation with Health Care Foundation in Dąbrowa Górnicza.

Another investment in the sphere of health and safety was purchase of the fire truck for the Dąbrowa Górnicza Fire Department. Fire truck is in service of the city and of ArcelorMittal Poland Unit in Dąbrowa Górnicza. This project is yet another example of our commitment to safety, our top priority that we never forget.

We also take into account the fact that these are not only tools like state-of-the-art computer solutions that influence the quality of education but also buildings and infrastructure. This is why we decided to invest in refurbishments in educational facilities: e.g. building a fence, refurbishing and repairing staircases, toilets or providing air conditioning in computer rooms. Having in mind that sport is also a way of educating youth, we invested in construction of a modern school pitch. These projects cover cooperation with 11 facilities in Zdzeszowice and Leśnica municipalities.

This year, we have continued cooperation with University of Economy at All-Polish Festival of Foreign Languages that we have been supporting since the moment it was first organized.

We spent around **PLN 5 mln**

on community investment projects as of privatization period (2004) till year 2010.

In 2011 we managed **54 projects**

to implement projects in total amount of **PLN 3.5 mln**



ArcelorMittal for sport

Social projects in the area of amateur sports were popular with employees of ArcelorMittal Poland and local communities. Mr. Manfred Van Vlierberghe, member of the Company's Board of Directors joined half-marathon in Dąbrowa Górnicza.

Half-marathon brought together **782** jogging enthusiasts, including **23** ArcelorMittal Poland employees

Manfred Van Vlierberghe, General Director (CEO)
 "As an enthusiastic amateur runner, I could not miss the opportunity of taking part in half-marathon. Running together with my colleagues from ArcelorMittal Poland and inhabitants of Dąbrowa Górnicza was a great pleasure for me. It was also a unique opportunity to take a different perspective on the steelworks and discover beautiful surroundings of our plant. I really encourage all jogging enthusiasts to take part in half-marathon, as this is one of the best ways to keep fit and a chance to focus on sports rivalry rather than on everyday concerns and responsibilities. You may be certain that after facing such a challenge, it is much easier to cope with the problems that we have at work. I am really looking forward to the next half-marathon, in 2012 I am going to do my best once again".

Another project to promote sports was "Juliada", a monthly cycle of sports events organized by Com Com Zone Center in Nowa Huta and addressed to the youth in Kraków. Young people taking part in the event could play football, basketball, volleyball, they could use the swimming pool. The greatest highlight of "Juliada" was basketball coaching by Marcin Gortat – the only Polish player in the professional basketball league NBA. We also supported Associations Promoting Physical Activity operating in our Kraków and Dąbrowa Górnicza Units. Thanks to the Associations, ArcelorMittal Poland employees can take part in many different sports tournaments in Poland and abroad.

Pro-social initiatives

On a regular basis, we support charity events such as the concert "Pomóż Innym" (Help Others) organized by Polish Red Cross in Kraków. The goal of these initiatives is to support underprivileged families with multiple children, the sick and people injured in road accidents or natural disasters.

Together with the foundation "Kropla Życia" (Drop of life) we promote blood donation programmes during the cyclical sports and musical event "Memoriał Agaty Mróz-Olszewskiej".

Another unique place which we support regularly and we cannot forget about when talking about pro-social initiatives, is Com-Com Zone Center in Nowa Huta. The facility of 6 thousand m² contains a swimming pool, sports hall, 3 training facilities, gym, leisure area, and facilities for education and care. Care is provided by the Youth Social Development Center, specialized day-care center for children and youth, and a therapeutic facility managed by the Psychotherapy Institute in Krakow. Activities in this center are an extraordinary mixture of sports, care and therapy available to thousands of people who benefit from them each month.



ArcelorMittal Poland for Art and Culture

The building formerly used as the tinning plant of Krakow steelworks became one of the most representative arenas in the city. The plant is almost 200 m long, 36 m wide and 13 m tall and it showcases vast cultural projects which are organized in cooperation with Krakow Festival Office. It can accommodate between 3,500 up to 4,000 spectators.

Sacrum Profanum Festival

Starting from 2003, the old tinning plant has been hosting concerts during Sacrum Profanum Festival. The festival combines classical, religious music (the sacred) with contemporary and pop music in post-industrial scenery (the profane) and it exemplifies excellent cooperation of ArcelorMittal Poland with Krakow Festival Office. During the festivals, spectators could watch performances of "Carmina Burana" by Carl Orf, Requiem by Wolfgang Amadeus Mozart directed by Maciej Sobociński, contemporary version of "Romeo and Juliett", performance of Carmen TV based on 19th century opera by Bizet adapted by Jarosław Staniek, concerts of a German group Kraftwerk. The festival also featured Icelandic music, performed by Mum and Jonsi, vocalist of Sigur Ros group. In 2011 the Festival commemorated 10th anniversary of the attack on World Trade Centre in New York.



Film Music Festival

In May 2010, the former tinning plant hosted the 3rd Film Music Festival for the first time, with the music for the Chinese blockbusters Crouching Tiger, Hidden Dragon and Hero as the main themes. Kraków audience saw performances of Sinfonietta Cracovia, Pro Musica Mundi choir and Leszek Możdżer, Polish pianist and composer, conducted by Tan Dun, author of the score for Crouching Tiger and Hero. The audience was also introduced to the richness of music of a Japanese composer Shigeru Umebayashi, author of the score for House of Flying Daggers. Film music fans had an opportunity to watch Lord of the Rings on screen 200 m² large and enjoy the score composed by Howard Shore performed live by the orchestra featuring 300 musicians. In 2011, our special guest was Joe Hisaishi, visiting Europe for the first time. Nor can we forget to mention outstanding performances of the music for TV series Days of Honor, with the actors playing the main roles in the audience or performance of the score for The Pirates of the Caribbean: Curse of the Black Pearl.

ArcelorMittal Foundation

Cooperation with ArcelorMittal Foundation in running a variety of projects is an integral element of our pro-social involvement. Thanks to ideas of the Foundation implemented across all operations of ArcelorMittal Group, we are certain that we are one international family. "Solidarity Holidays" programme launched in 2010 is the best example of these initiatives. Through this programme, ArcelorMittal employees are given the opportunity to spend a week volunteering for a Foundation project in another country, helping local communities living near our plants. Main jobs of volunteers involve teaching children, building houses for underprivileged members of society, care for the elderly. One of this year's projects was implemented in Prijedor in Bosnia and Herzegovina, and one of our colleagues Anna Woś working for ArcelorMittal Shared Service Centre took part in it.



Other initiatives implemented each year in cooperation with the Foundation are the following: New Year Card contest in which our employees' children are participating and Volunteer Day which becomes more and more popular among our colleagues. Both projects engage employees from all ArcelorMittal Poland Units.



In August, two other colleagues from our Group got involved in the project: Karolina Słomowska working for ArcelorMittal Flat Carbon Europe Krakow and Anna Majka, ArcelorMittal Shared Service Centre. This time, the project brought the volunteers to spend a week in Ukraine. Other countries in which the international volunteering also took place were Brazil, Senegal, Mexico and Liberia.

Anna Woś
 "The project itself and working with children were an incredible experience and made me feel a part of something really important. What was most surprising though was that in such a short time, people from different parts of the world, from entirely different cultures could get so close and communicate so freely. I did not even suspect that this experience would be enriching to such an extent and that I would meet so many friends. When it was time to go back home, we all had tears in our eyes. We keep mailing each other several times a day.

Taking this opportunity, I would like to encourage all ArcelorMittal Poland employees to apply for next editions of Solidarity Holidays. Without any hesitation I can say that thanks to the Foundation, I spent one of the most amazing weeks in my life in Bosnia".



Public recognition

Recognition of Merit to the Province of Silesia

ArcelorMittal Poland was awarded a "Golden Badge of Merit for the Development of Silesia Province" in the category of a corporate entity.

This distinction is awarded by the Honorary Badge Committee consisting of Silesian Regional Councilors in recognition of contribution to the economic, cultural and social development of the province.



Stefan Dzienniak, member of the Board of Directors, Director for External Affairs, Environment and Special Projects
"Receiving this prestigious Golden Badge is a great success of ArcelorMittal Poland. The Committee awarded our company for its overall performance, recognizing in particular our investments, systematic pro-environmental actions aiming at reducing our impact on natural environment, as well as social projects carried out as part of our Corporate Responsibility strategy. We are glad that the members of the Committee recognized our commitment to creating positive relations with local communities".

Stefan Dzienniak, member of the Board of Directors, Director for External Affairs, Environment and Special Projects

"In our times, protecting particular spheres of environment, as well as environment as a whole is not only the duty imposed by the regulations of the law; it is also the responsibility towards the society and the generations to come. This activity requires investments but in the long-term perspective, it pays back as economical technologies increase the capacity of installations. The most important benefit however is reduced impact of industrial plants on the environment".

Eco-laurels of the Polish Chamber of the Environment 2011

Our company was one of the laureates of the 10th jubilee edition of the national contest Eco-laurels of the Polish Chamber of Ecology under the auspices of the Minister of Environment, Professor Andrzej Kraszewski. We were awarded the main prize in the category of protection from noise for the project "Reduction of noise sources in ArcelorMittal Poland Kraków Unit". Works aimed at noise control at the highest noise emitters were started in mid-2008. 14 loudest noise sources, identified by the specialists from the AGH University of Science and Technology, were isolated with noise suppression devices, noise enclosures and soundproofing solutions tailored to industrial conditions. Expenditure on implementation of noise reduction project, covering engineering, supply of elements, transport and assembly reached PLN 8 mln. Completion of the project made it possible to reduce the noise emission from the plant and improve working conditions in the area of soundproofed noise sources.

The judging panel also decided to honour ArcelorMittal Poland in the category of environmentally-friendly product used in industry and construction for the project "Blast Furnace slag as environmentally-friendly product used in industry and construction sector". Slag granulation process makes it possible to reuse by products of hot metal production in the blast furnace process to manufacture a prime product.

Granulated slag can be used for production of steelmaking cement, bricks, mortar for bricklaying or plastering, as well as in coal mines for backfilling of excavations. In 2010, ArcelorMittal Poland produced and sold over 1.2 million tons of granulated slag. One must remember that slag utilization makes it possible to reduce consumption of natural aggregate thus saving natural resources.



Ambassador of the Polish Economy 2011

Once again ArcelorMittal Poland was awarded in a prestigious competition Ambassador of Polish Economy 2011, this time winning in European Brand category. Mr. Stefan Dzienniak member of the Board of Directors, Director for External Affairs, Environment and Special Projects accepted the award on behalf of the Board of Directors on May 16.

The goal of the competition is to strengthen involvement of Polish companies in promoting Poland in the international arena as a reliable business partner. The competition seeks to distinguish companies achieving success in international markets, promote high economic and financial standards and good practices in international contacts. The competition is organized by Business Center Club under the auspices of the Ministry of Foreign Affairs. Awards are granted in four categories: Exporter, Foreign Firms Partner, European Brand, 21st century creator.

Stefan Dzienniak, member of the Board of Directors, Director for External Affairs, Environment and Special Projects

"Our distinction testifies to the fact that our company is valued in Europe and associated with the top quality products. This also is a recognition of knowledge and experience of our specialists. It is sure to strengthen our competitive advantage in the domestic and export market".

2011 Top Employers Certificate for ArcelorMittal Poland

ArcelorMittal Poland was awarded 'Top Employers Polska 2011' certificate, which confirms the position of our company in the group of the best employers in the country. The organization achieved the highest results in following areas: core benefits, additional benefits and working conditions.

Top Employers project is an annual event, all entities participating in the survey must satisfy the objective standards of assessment by CRF Institute, one of the leaders in researching corporate human resources policy all over the world. Based on international standards, verified during the audit, CRF Institute nominates leaders in human resources management. The certificate is given as an award for performance only to those companies which conform to the highest HR requirements. Companies that are distinguished in the competition are recognized in their human resources policy and through the process of certification, they also learn about their strengths and the aspects to improve. This year 360 organizations out of 600 were qualified to the certification process. However, only the best 20 of them, including ArcelorMittal Poland, have been titled "Top Employers 2011".

The survey which covered different industries and sectors in Poland, implies that all certified organizations are distinguished in high-quality and well-balanced personnel policy, focusing on individual needs of employees.

Andrzej Wypych, member of the Board of Directors and HR Director of ArcelorMittal Poland

"Top Employers certificate strengthens the company's image as a reliable employer. It is a proof of our achievements in HR area and makes it easier for us to diagnose these fields of HR which were low-rated in the survey in comparison to the other top companies".

TOP 50 Ideal Employer

ArcelorMittal Poland was ranked 35th in the "Engineering" category in Universum's "Ideal Employer 2011" ranking. Thus, the company joined the TOP 50 circle, including fifty best employers in Poland. More than 15,300 students from one hundred Polish universities took part in this year's edition of Universum Student Survey. The respondents were asked to share their expectations about their future career and their view on the organizations operating in the Polish market. On the basis of the survey results, the "Ideal Employer 2011" ranking was created. It helped to select the best Polish employers in seven categories: business, engineering, IT, law, science, arts, medicine and pharmacy.

Universum's TOP 100 ranking was created on the basis of the opinions stated by one of the most demanding group of workers. Young people who are only just entering the job market are aware of their value, and they are not afraid to state their expectations towards their future employers. Students value their employers not only for company's good financial condition and market success but also opportunities of development within its structures and stability of employment. What they also find important is the employer's respect for their free time and, following on from this, an opportunity to maintain a balance between their private lives and their job.



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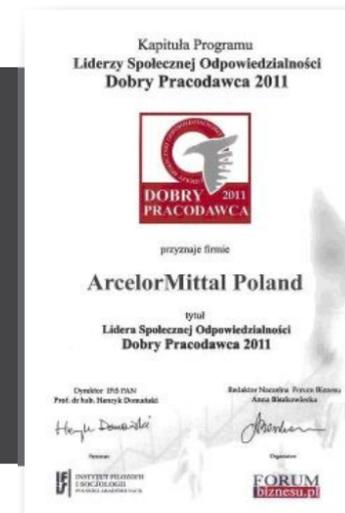
Magdalena Kuśmierz
Krystyna Lenczowska
Karolina Muza
Ewa Oczkiewicz
Waldemar Musiał
Jolanta Malicka
Rafał Zabiegała

In the ranking prepared by the AGH University of Science and Technology in Kraków, ArcelorMittal Poland has taken fifth place, and in the ranking prepared by Silesian University of Technology in Gliwice – third place. The company has been running educational and promotional campaigns at both of these universities since 2008.

Leader in Corporate Responsibility Good Employer 2011

In 2011 ArcelorMittal Poland was distinguished with the title Leader in Corporate Responsibility Good Employer 2011, confirming the Company's position in the group of the best Employers.

The goal of the programme is to promote the rules of Responsible Business, with good relations with employees as its main pillar.





Transparent Governance

ArcelorMittal's commitment to maintaining high standards and best practices in corporate governance in terms of transparency is essential for the Company's prosperous development.

Compliance Programme

In our view, good business practices ensure long-term business success. We want to sustain a reputation for the highest possible standards of ethics and transparent governance.



