



ArcelorMittal

# Responsible Sourcing at ArcelorMittal

A guidance document  
for ArcelorMittal's  
buyers and suppliers

# Contents



Welcome	1
Responsible Sourcing at ArcelorMittal	2
How we will work with our suppliers	3
ArcelorMittal's Responsible Sourcing process	4
What we expect from our buyers	5
What we expect from our suppliers	8
What the Code requires	9
Health & Safety	10
Human Rights	12
Ethics	14
Environmental stewardship	16
Summary	18
Further information	19
ArcelorMittal's Code for Responsible Sourcing	20

# Welcome

In three words – ‘Safe Sustainable Steel’ sums up everything we are trying to achieve at ArcelorMittal.

We firmly believe that long-term growth is linked directly to our wider commitment to our communities, our employees, and the environment. Without this connection we do not have a sustainable business.

As the leader in all major global steel markets around the world, and with an industrial presence in over 20 countries spanning four continents, we have the unique opportunity to drive sustainability in our industry.

Of all the stakeholders we work in partnership with, one of the most crucial for supporting our commitment to sustainability, are our suppliers. For this partnership to be successful, we need to build trust, and that can only come with transparency and good communications.

Responsible Sourcing is a key element contributing to this partnership. How we go about achieving this is laid out over the next few pages to guide you, as a buyer or supplier, on what responsible sourcing means and give you specific information.

We hope you will find this guide clear and useful to explain what we mean by Responsible Sourcing, and how together we can make this happen.

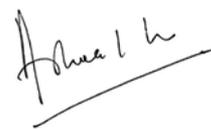
From now on we are asking all our suppliers to formally commit to meeting the requirements set out in our Code for Responsible Sourcing. However, this is not the end of our commitment together, but just the beginning. To achieve Safe Sustainable Steel we have to keep working and push the boundaries. We want to find further opportunities for collaboration and ongoing performance improvement.

The full text of the Code for Responsible Sourcing is at the back of this document, with the first pages clearly laying out what this means in practice for both you, and us, in achieving Responsible Sourcing.



**Davinder Chugh**

Member of the GMB, Shared Services  
Senior Executive Vice President of  
ArcelorMittal



**Ashok Aranha**

Head of Procurement Worldwide  
Vice President of ArcelorMittal

September 2011

# Responsible Sourcing at ArcelorMittal

For ArcelorMittal, Responsible Sourcing is about ensuring that we have access to the goods and services that our plants need, and that we do that in a way that takes social, ethical and environmental issues into account. This approach covers everything from the components used in the goods and services, to the working conditions of the people producing them. It includes the supplier's environmental performance, its business practices, and how and where it sources its raw materials.

Sourcing more responsibly, and with consideration of social and environmental issues, not only minimises negative impacts, but helps raise standards in key areas like working conditions and Health & Safety, as well as improving the business climate overall. It also makes commercial sense – greater efficiency and less waste leads to lower risk and costs for everyone involved along the value chain.

At ArcelorMittal, we have been making progress in all areas of Responsible Sourcing over the last few years, and have now reached the point where we have decided to formalise our principles and policies into one overall programme, aligned with our purchasing quality management system.

This will ensure that we apply the same principles and standards, wherever we are in the world, and whatever the category of spend.

Our objectives are to work with our suppliers to:

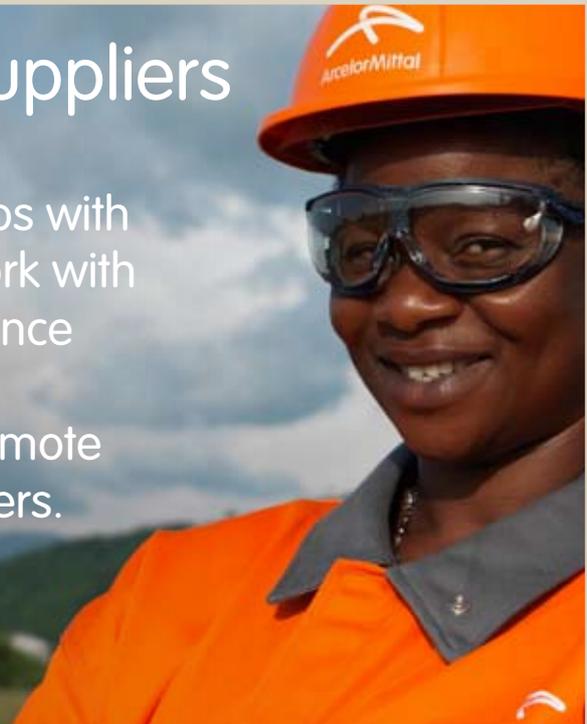
**1** Operate a lean supply chain that supports our corporate responsibility policies.

**2** Develop sourcing solutions in line with customer, regulatory and wider stakeholder needs and expectations.

**3** Create long-term value and reduce risk for our business, our suppliers and our stakeholders.

# How we will work with our suppliers

We seek to develop collaborative relationships with suppliers. We encourage our suppliers to work with us to identify and develop ongoing performance improvements to our responsible sourcing programme. We hope that this Code will promote sustainable business practices by our suppliers.



## To support suppliers, we will:

### Collaborate

Work with suppliers to improve social (including Health & Safety and human rights), environmental and ethical standards. If a supplier is having problems meeting our standards, we'll work together to achieve the necessary improvements.

### Support

Assist suppliers to identify activities that fall below the requirements of the Code and work towards achieving improved conditions in a timely manner.

### Prioritise

We'll be focusing our efforts on parts of our supply chain which pose the greatest risk, and where improvements will make the most impact.

### Respect

Just as we expect fair, open and objective practices from our suppliers, we will behave in the same way ourselves.

### Promote

We will act as an advocate for responsible supply chain practices within our industry, sharing good practices with others.

### Communicate and train

We will provide training to all our employees responsible for purchasing.

### Improve

Just as we'll expect continuous improvement from our suppliers, we'll also apply the same criterion to our own performance.

# ArcelorMittal's Responsible Sourcing process

## Developing a sourcing strategy:

Before looking for a supplier for a service or product, all ArcelorMittal buyers need to work through the following questions with the internal user:

**1**

Is there an opportunity not to buy this product at all? For example, could the department re-use something else, or do without?

**2**

Have there been any technological advances related to this product that would fit better with our Responsible Sourcing objectives?

**3**

Can the department do anything to minimise the amount of transport required to deliver the product?

**4**

Can the supplier do anything to minimise the energy or water use required to make or run the product?

**5**

Can the supplier take back all the packaging and recycle the product at the end of its life?

Factor identified opportunities into the Request for Proposal.

## New supplier approval

All new suppliers will be required to sign up to the Code as part of the new supplier qualification process. Additional requirements for health and safety are included for all Requests for Proposal/contracts for high risk activities (e.g. construction and maintenance).

A risk assessment is carried out to identify high risk new suppliers. This is based on factors such as: potential spend, nature of product or service, country of origin.

For suppliers identified as high risk, buyers will now assess Responsible Sourcing criteria as well as commercial factors such as price and quality. This may require site visits in some cases, and some suppliers may only be given only provisional approval, until their performance in this area can be properly assessed.

## New tenders with existing suppliers

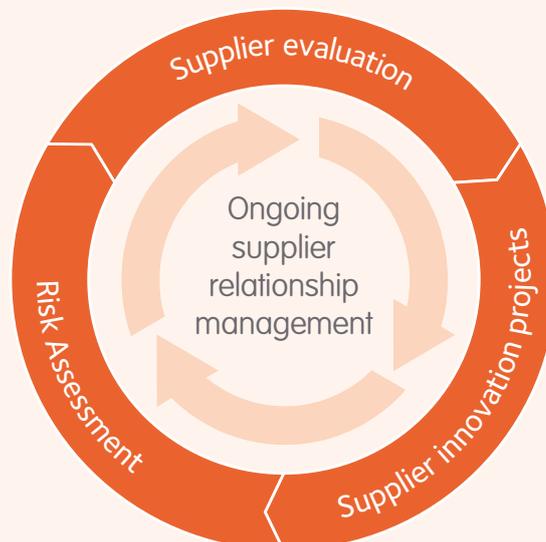
The Code will now be included in all our tenders.

A risk assessment is carried out to identify high risk new suppliers. This is based on factors such as: potential spend, nature of product or service, country of origin.

For those suppliers identified as high risk, suppliers' performance will be assessed against Responsible Sourcing criteria, and ArcelorMittal buyers will request a detailed plan for any areas that need improvement.

## Contract Approval

We are already carrying out regular evaluations for our key suppliers. Responsible Sourcing questions will now be included in these assessments.



As part of the ongoing purchasing risk assessment, risks related to responsible sourcing will be reviewed, and appropriate mitigation plans developed.

As we extend our Responsible Sourcing programme we plan to develop special projects in specific high-priority areas such as Health & Safety, the use of technology, energy efficiency, and recycling. The aim in each case will be to generate business benefits, as well as environmental and social benefits for the communities providing the goods and services.

# What we expect from our buyers

Our Code for Responsible Sourcing (“Code”) is designed to be a way of raising environmental and social performance across our whole supply chain.

Some of our suppliers are already meeting standards within the Code for Responsible Sourcing, while others will need to improve their performance to do that. We are looking for a long-term commitment to our Responsible Sourcing goals, and we will work actively with any suppliers who don't currently meet our standards to help them improve. Our objective is to make progress in partnership, for a greater overall goal.

## Key action points for buyers:

- Distribute the Code to all suppliers, starting with those that are key.
- Ask all your suppliers to sign up that they commit to meet its requirements. A template letter has been developed, and your local Responsible Sourcing Champion can provide this.
- Engage with your suppliers about what the Code means for them, and how ArcelorMittal can help.

## What happens if a supplier refuses to commit to the Code for Responsible Sourcing?

The Code reflects good practices in the four areas of Health and Safety, Human Rights, Ethics and Environment, based on common and widely accepted business practices.

We acknowledge that some of our suppliers may not be able to meet all of the requirements of the Code straight away. This may be acceptable, as long as the supplier can commit to implement an agreed action plan, over a reasonable period of time.

If a supplier refuses to make a commitment to meet these standards, we will seriously consider whether this is a supplier we can do business with. However, this decision will only be made as a last resort.

## Developing a sourcing strategy

The Code is now being fully integrated with the way we manage procurement, which means it is part of the process from the outset. This process should always start with a conversation between you and the user of the goods or service. You need to ask them a number of important questions about the product or service the department need to buy, to determine the best way forward. For example:

- Is there an opportunity not to buy this product at all? For example, could the department re-use something else, or do without?
- Have there been any technological advances related to this product that would fit better with our Responsible Sourcing objectives?
- Can the department do anything to minimise the amount of transport required to deliver the product?
- Can the supplier do anything to minimise the energy or water use required to make or run the product?
- Can the supplier take back all the packaging and recycle the product at the end of its life?

Once you and the ArcelorMittal department have answers to these questions, the next step is supplier approval.

## New supplier approval

You must include Responsible Sourcing criteria when you are considering a new supplier, as well as commercial factors such as price and quality. This may require site visits in some cases, and you may have to grant some suppliers only provisional approval, until their performance in this area can be properly assessed following a trial. You also need to ask all new suppliers to sign up to the Code as part of the supplier qualification process.



## Tendering

The Code will now be included in all our tenders for existing suppliers and the signing of the Code will be confirmed as part of the tender evaluation. Taking a risk based approach, you need to look at your suppliers' performance against the Code, and request a detailed plan for any areas that need improvement.

### What do we mean by a risk based approach?

It is not feasible to actively consider each supplier's performance against our Code. We will prioritise our approach to selectively engage with our suppliers, and focus attention on those parts of the supply chain, or the Code, where the risk is highest.

## Performance management

You will already have a direct relationship with a number of suppliers, and you will be carrying out annual supplier evaluations. Again, taking a risk based approach, we will now be including parts of the Code in the existing assessment questionnaire, and you need to score these results along with all the other evaluation measures. Where there are areas that need improvement, you need to work with the supplier on a plan to address them.

## Risk management

We see a more responsible approach to sourcing as an important way of reducing procurement risk. It gives us a much broader perspective that goes beyond supply disruptions or price volatility, and helps us focus on suppliers in categories that might pose higher risks. This is why you should include Responsible Sourcing risks as part of your ongoing assessment of specific suppliers and types of goods.

### Key action point for buyers

- Ensure Responsible sourcing is integrated throughout the whole procurement process, starting with the sourcing strategy and the Request for Proposal.

## Innovation in Responsible Sourcing

As we extend our Responsible Sourcing programme we will look for innovative projects in specific high-priority areas. For example, we have already started looking at our contractor management procedures, and how we can promote better Health & Safety performance with contractors. Other projects may cover areas such as the use of technology, energy efficiency, and recycling. The aim in each case will be to generate business benefits, as well as environmental and social benefits for the communities providing the goods and services.



As a buyer you are supported by

### Training

Online training will be available in Autumn 2011. This will give you the background to Responsible Sourcing, as well as what it means for ArcelorMittal, and what all our buyers are required to do.

### Responsible Sourcing Champions

Each of our buying categories now has its own Responsible Sourcing Champion, who will support you in applying the Code. They have developed local implementation plans for their own areas, and can help you deal with specific issues, or particular types of goods and services.

### Access to guidance, tools and best practice

Our knowledge management programme is already helping us share good practices on every aspect of sourcing. We will be using this extensively as part of our Responsible Sourcing programme, to share practical tools and case studies. In addition, we will be developing tailored guidance on specific topics, for example by category of spend or region. If you have a good learning point or case study please let your Responsible Sourcing Champion know, or email [responsible.sourcing@arcelormittal.com](mailto:responsible.sourcing@arcelormittal.com).

### Key action point for buyers

- Share good ideas and best practice with your suppliers, and with your Responsible Sourcing champion

# What we expect from our suppliers

The Code for Responsible Sourcing applies to all our suppliers and contractors, as well as anyone working on our behalf.

This Code covers all the goods and services we buy, from raw materials to professional services, in every market where we operate across the world. We expect all our suppliers to commit to meeting these requirements, and we will ask you to sign a letter confirming this. We won't expect you to meet all the requirements from day one, but we will expect a commitment to doing so over a reasonable period of time. We'll work with you to help you do this, whether by offering help in specific areas, or by giving you access to examples of best practice from elsewhere in our supply chain.

If you are a new supplier to ArcelorMittal we may ask you to complete a self-assessment questionnaire, or co-operate with us in a site audit, as part of the qualification phase. We may also ask the same from existing suppliers, though this will depend on the nature of their operation or the goods we supply, and whether we consider these to be high risk.

Your designated buyer will work with you on all aspects of your relationship with ArcelorMittal, including Responsible Sourcing. They will review any questionnaires we ask you to complete, and work with you to develop a plan to address any issues that emerge.

## Key action points for suppliers:

- Read the Code and sign the acknowledgement that you commit to meet its requirements.
- Ensure that your company can meet the requirements, and take the necessary steps to close any gaps.
- Talk to your ArcelorMittal buyer about the action you are taking, and ask for help if you need it.
- Complete any self-assessment questionnaires you are sent before qualification, or during the supplier evaluation process, giving evidence to back up your replies when requested.
- Look for ways to continuously improve your performance in the future.
- Share good ideas and learning points with your ArcelorMittal buyer, so we can share best practice more widely.
- Promote the principles of the Code for Responsible Sourcing in your own supply chain.

# What the Code requires

There are four key areas under the Code. These are



## Health & Safety



## Human rights



## Ethics



## Environmental stewardship

Some of these issues will clearly vary from industry to industry, and the potential risks will depend on the nature and origin of the goods and services supplied. What we have provided on the following pages are the 'headlines' of each of these four parts of the Code, with examples of what we would expect under each.

A copy of the Code for Responsible Sourcing is provided at the back of this document.

# 1 Health & Safety

This is the number one priority for ArcelorMittal. Our target is a zero accident rate, both for our own employees and our contractors. As an ArcelorMittal supplier, we expect you to be working towards the same goal.

If you're a contractor working at one of our sites you will need to meet certain specific Health & Safety requirements. Your local site can provide further information.

We expect all our suppliers to:

---

## Identify, evaluate and eliminate Health & Safety risks

We see this as the basis for any well-managed working environment. It includes identifying the potential hazards, assessing who might be harmed, evaluating the risks, developing mitigating actions and regularly reviewing your assessment. We'll also expect you to have your own Health & Safety policy and management system, ideally one that conforms to the international Health and Safety Standard, OHSAS 18001:2007.

---

## Establish an effective process for preventing injuries and work-related illnesses

Building on the health and safety risk assessment and health and safety management system, our suppliers should make sure they have effective preventative processes in place. This may include, for example, providing workers with appropriate personal protective equipment and carrying out annual employee health checks.

---

## Ensure there is visible leadership and clear accountability on everything relating to Health & Safety

Effective health and safety performance comes from the top; members of the most senior leadership have both collective and individual responsibility for health and safety. Directors and boards need to examine their own behaviours, both individually and collectively, against the guidance given – and, where they see that they fall short of the standards it sets them, to change what they do to become more effective leaders in health and safety

---

## Give everyone effective training

Everyone who works for you needs to know how to work safely and without risks to health. Provide clear instructions, information and adequate training for your employees. Don't forget contractors and people who may be working for you and make sure everyone has information on:

- hazards and risks they may face
- measures in place to deal with those hazards and risks
- how to follow any emergency procedures

You should also keep records of all the personnel who have been trained, and when.



---

### Investigate all incidents and near-hits to prevent future recurrences

In our experience the best way to avoid accidents is to learn from previous instances and near-hits.

---

### Establish objectives and monitor progress through regular audits and reporting

You should consider a combination of leading and lagging indicators. For example, leading indicators might include near-hits, and the most important lagging ones would be Lost Time Injury Frequency, and other similar measures such as total recordable cases.

---

### Comply fully with all legal requirements

---

#### Update and test emergency response procedures

We expect all our suppliers to have written emergency response procedures, well-maintained fire alarms, and regular evacuation drills.

---

#### Observe good health management

This includes everything from providing clean drinking water and suitable toilet and washing facilities, to employee well-being programmes. These might cover subjects such as diet and nutrition, healthy lifestyles, and stress management.

## 2 Human Rights

---

ArcelorMittal is the first company in the steel industry to have a standalone human rights policy. This is based on the United Nations Declaration on Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work.

Here are the headline requirements under this part of the Code, with an explanation of what is meant by each.

In practice, we require our suppliers to meet the highest applicable standards, whether that is our Code, or their own local laws and regulations. Some parts of our Code are aligned to Social Accountability International's SA 8000 standard, and if you are already certified under that standard you will already be meeting many of our requirements.

As before, there will be specific risk areas that are more relevant for certain suppliers, but at a minimum we expect all our suppliers to:

---

### Promote 'freedom of association'

This means respecting the rights of employees to set up groups or trades unions to promote their rights at work and bargain collectively. In countries where only state-authorized organisations are allowed, we expect our suppliers to make it easy for employees to gather together to discuss work-related matters, and raise these with management.

---

### Eliminate forced or compulsory labour

This means ensuring that no-one is forced to work under any kind of threat. In practice this covers issues like allowing people to end their employment voluntarily and without any kind of penalty, and giving everyone clear contracts of employment that cover rights, obligations, notice periods and grievance procedures. Likewise any loans to employees shouldn't be part of their contract, and should be covered by a legal agreement.

---

### Abolish child labour

Using guidelines from the International Labour Organisation a child labourer is a child under 14 years of age involved in regular work, or under 15 in developed countries. Child labour is often defined as work that deprives children of their childhood, their potential, their schooling and their dignity, and that is harmful to their physical and mental development (like heavy, nightly or dangerous work). We expect our suppliers to ensure that they only employ people above the set age, and to take care that children under 18 years of age are never employed for hazardous work.

---

### Eliminate unlawful discrimination in the workplace

This means treating everyone equally and fairly, regardless of their age, sex, race, gender, religion, or handicap. We expect our suppliers to have written policies covering this, and to train their Human Resources personnel on how to apply them.

---

### Eradicate harassment and violence

This means making sure no-one has to face verbal or physical abuse at work, or any kind of behaviour that creates a hostile or intimidating atmosphere. Sexual harassment is part of this. We expect all our suppliers to have policies in place to deal with this, and appropriate training for managers.



---

### Offer competitive compensation and remuneration

This means making sure that wages are appropriate for the kind of work being done, and the experience of the worker. Wage levels should also take account of local factors like inflation levels.

---

### Uphold fair conditions of employment

This means complying with all relevant employment laws, especially in relation to working hours, overtime, and breaks.

---

### Respect indigenous peoples' rights and avoid involuntary resettlements

Indigenous Peoples are distinct communities whose unique identity and culture is inextricably linked to the land on which they live, and the natural resources on which they depend. The most obvious way in which we respect the rights of these peoples is by avoiding moving them from established settlements to make way for business operations. We expect our suppliers to do the same. Where this is genuinely unavoidable, the process must be handled with the utmost sensitivity, and according to local government guidelines, and international best practice in human rights.

---

### Adopt appropriate security arrangements

ArcelorMittal applies security standards which are consistent with the Voluntary Principles on Security and Human Rights. These give guidance on the best ways for mining and other extractive industries to ensure the safety of their sites and personnel. The Principles apply to both our own security staff and the third-party security firms we work with, and cover how these people interact with public security forces. We expect our suppliers to follow these Principles in their turn, wherever that's appropriate.

---

### Develop sound practices in relation to land and water use

This is covered in detail in the Environmental stewardship section.

# 3 Ethics

---

We are committed to fair and open business practices. That applies to our purchasing practices in general, and also to specific areas that relate particularly to our own sector. For example, we will only use raw materials that we can verify have come from a legal and sustainable origin and we will not source 'conflict minerals'.

Key aspects of our approach to ethical business practice are included in our overall Code of Business Conduct, our Anti-Corruption policy, and our new guidelines on Economic Sanctions. You can read these in full at [www.arcelormittal.com/ethics](http://www.arcelormittal.com/ethics)

As before, here are some of the key requirements under this part of the Responsible Sourcing Code, with some examples of what this might mean in practice. We'll expect our suppliers to:

---

## Have clear governance, monitoring, and internal controls to ensure ethical business practices

You should have a company-wide code of conduct, including measures to eliminate corruption and address potential conflicts of interest, as well as an appropriate whistle-blowing procedure.

We expect our suppliers to have a board level committee with responsibility for ethics, as well as robust processes for managing and monitoring ethical risks alongside all other operational risks your business might face. For example, have a clear policy and process on managing conflict of interests stemming from their employee's interests in their supply base.

Looking specifically at our suppliers of minerals, we would expect to see clear due diligence procedures to ensure that minerals are not supporting conflicts, or originate from countries or individuals affected by economic sanctions.

---

## Give everyone effective training

We expect our suppliers to offer training to all their employees on ethical business practices, and how to report suspected non-compliances. It is helpful to include ethical dilemmas as part of this training. Employees should also acknowledge understanding of, and compliant with, with the code of conduct following this training.

---



---

### Demonstrate accountability

We also look for leadership from the top: your Chairman, CEO and senior team should actively endorse and exemplify good ethical practice.

For suppliers in the extractives sector, suppliers should consider taking part in initiatives such as the Extractive Industries Transparency Initiative, and we encourage all suppliers in every sector to consider participating in the UN Global Compact Anti-Corruption working group and the World Economic Forum – Partnering Against Corruption Initiative.

# 4 Environmental stewardship

---

Safe sustainable steel is the cornerstone of our approach to business, and as part of this we are working hard to improve our environmental performance. We expect our suppliers to do the same, and to encourage similar improvements further down the supply chain.

As with previous sections we have picked out the headlines of what we expect from our suppliers, and provided examples of how this might apply in practice. The headlines are taken from our Environment Policy, and you can read the full text of this at [www.arcelormittal.com/environment](http://www.arcelormittal.com/environment)

We expect our suppliers to:

---

## Implement an environmental management system

We will expect our suppliers to have their own Environmental Management System or EMS, preferably certified to ISO14001 or another internationally recognized standard. Regular audits are part of this.

---

## Comply with all relevant environmental laws and regulations. Make ongoing improvements in environmental performance

This would include monitoring and reducing negative impacts, with targets for improvement. You should have procedures in place to prevent an environmental incident, and to minimise the consequences if one occurs.

---

## Manage and reduce CO<sub>2</sub> emissions as far as possible

At ArcelorMittal we have set a target to reduce our CO<sub>2</sub> footprint by 8% by 2020, based on 2007 baseline data. This target will be met by a combination of process improvements and actions to increase energy efficiency. Our suppliers should develop plans to reduce and manage their CO<sub>2</sub> emissions also.

---

## Make more efficient use of natural resources, energy and land

Our suppliers will need to demonstrate that they are making the most efficient use of resources like water and energy, and minimising how much waste they produce. Consider opportunities for an active re-use and recycling programme.



---

### Develop more environmentally-efficient production methods

This might mean using locally-available raw materials, or alternative production methods. If toxic materials cannot be avoided, they should be handled in the most appropriate way. We also expect raw materials suppliers to follow best practice guidelines in implementing mine closures and dealing with waste and tailings.

---

### Develop more environmentally-friendly products

This covers the whole life cycle of the product in question, from production to final disposal and recycling.

---

### Involve employees in improving environmental performance

This is partly about empowering employees and contractors to make suggestions about improvements and partly about ensuring that they have the skills and training they need to implement the environmental policy effectively.

---

### Communicate openly

A wide range of stakeholders can be affected by a supplier's environmental performance. We will look for evidence of open communication, genuine dialogue, and active reporting.

# Summary



## For Buyers

### Why is this guide relevant for you?

As a buyer, you are already a crucial part of making the Responsible Sourcing Programme a reality. We need our buyers to be committed to the objectives of this programme, and this guide will help you put these principles into practice in your day-to-day work.

### What do you need to do as a buyer?

- Distribute the Code to all your suppliers, starting with the most significant ones.
- Engage with your suppliers about what the Code means for them, and how ArcelorMittal can help.
- Ask all your suppliers to sign up that they understand what the Code's requirements are.
- Ensure Responsible Sourcing is integrated throughout the whole procurement process, starting with the sourcing strategy and the Request for Proposal.
- Share good ideas and best practices with your suppliers, and with your Responsible Sourcing Champion.
- Look for opportunities that can help ArcelorMittal meet its Responsible Sourcing objectives.

### Where do you go for more help?

Contact your local Responsible Sourcing Champion for further support (ask the local Head of Purchasing if you are unsure who this is). There are also Responsible Sourcing Coordinators at the Corporate level.

## For Suppliers

### Why is this guide relevant to you?

This guide gives basic information about the requirements of our Code for Responsible Sourcing which is relevant for all suppliers, and which they will all be expected to meet.

We know some of our suppliers may already meet or exceed the requirements set out in the Code for Responsible Sourcing. We very much hope that these suppliers will promote the principles of this Code within their own supply chains, and share their learning and best practices with us.

### What do you need to do as a supplier?

- Read the Code and sign the acknowledgement that you commit to meet its requirements.
- Ensure that your company can meet the requirements, and take the necessary steps to close any gaps.
- Talk to your ArcelorMittal buyer about the action you are taking, and ask for help if you need it.
- Complete any self-assessment questionnaires you are sent before qualification, or during the supplier evaluation process, giving evidence to back up your replies when requested.
- Look for ways to continuously improve your performance in the future.
- Share good ideas and learning points with your ArcelorMittal buyer, so we can share best practice more widely.
- Promote the principles of the Code for Responsible Sourcing in your own supply chain.

### Where do you go for more help?

Contact your ArcelorMittal buyer in the first instance. In addition, there is a Group level email address for general queries which is [responsible.sourcing@arcelormittal.com](mailto:responsible.sourcing@arcelormittal.com)

# Further information



---

## ArcelorMittal policies

[www.arcelormittal.com/healthandsafety](http://www.arcelormittal.com/healthandsafety)

[www.arcelormittal.com/humanrights](http://www.arcelormittal.com/humanrights)

[www.arcelormittal.com/ethics](http://www.arcelormittal.com/ethics)

[www.arcelormittal.com/environment](http://www.arcelormittal.com/environment)

---

## United Nations Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

---

## Business and Human Rights Resource Centre

[www.business-humanrights.org](http://www.business-humanrights.org)

---

## International Labour Office

[www.ilo.org](http://www.ilo.org)

---

## Social Accountability International, SA8000

[www.sa-intl.org](http://www.sa-intl.org)

---

## Voluntary Principles on Security and Human Rights

[www.voluntaryprinciples.org](http://www.voluntaryprinciples.org)

---

## Extractive Industries Transparency Initiative (EITI)

[www.eitransparency.org](http://www.eitransparency.org)

---

## Global Social Compliance Network

[www.gscpnet.com](http://www.gscpnet.com)

---



ArcelorMittal

# Code for Responsible Sourcing

## 1. Our mission

ArcelorMittal is committed to the production of Safe Sustainable Steel. In support of this goal, we will work with our suppliers to:

- Operate a lean supply chain that supports our corporate responsibility policies.
- Develop sourcing solutions in line with customer, regulatory and wider stakeholder needs and expectations.
- Create long-term value and reduce risk for our business, our suppliers and our stakeholders.

We will achieve these objectives by setting responsible sourcing standards, by collaborating, innovating and embedding responsible sourcing into our business processes.

## 2. Introduction

ArcelorMittal's Code for Responsible Sourcing ("Code") communicates how we will work with our suppliers, and asks them to meet the minimum health and safety, human rights, ethical and environmental standards set out below. We encourage our suppliers to work with us to identify and develop ongoing performance improvements to our responsible sourcing programme. We hope that this Code will promote sustainable business practices by our suppliers.

ArcelorMittal defines its supply chain as the goods and services purchased for, and utilised in, its operations. This includes primary input materials such as iron ore, solid fuels, metallics, alloys, base metals, energy as well as construction, capex, industrial and professional services and products, shipping and logistics. Responsible Sourcing is a key principle in ArcelorMittal's procurement approach, and is given systematic consideration alongside factors such as price and quality.

## 3. Scope

This Code applies to all of ArcelorMittal's suppliers and contractors and their affiliates and applies to all products and services that ArcelorMittal purchases. We strongly encourage our suppliers to promote the requirements of this Code within their own supply chain, and will give recognition to suppliers who do this.

## 4. Our commitment to suppliers

To implement the Code, ArcelorMittal will:

- Collaborate: Work with suppliers to improve social (including health and safety and human rights), environmental and ethical standards. This may include joint assessments, such as site visits, to evaluate performance against the Code.
- Support: Assist suppliers to identify activities that fall below the requirements of the Code and work towards achieving improved conditions in a timely manner.
- Prioritise: Focus attention on those parts of the supply chain where the risk of not meeting the requirements of the Code is highest and where the maximum improvement can be made.
- Respect: Conduct our business with suppliers in a fair, objective, transparent and professional manner. This includes treating suppliers' employees working at our premises with the same workplace practices as our own staff.
- Promote: Act as an advocate for responsible supply chain practices within our industry.
- Communicate and train: Ensure that all our employees are aware of the Code, and that those responsible for purchasing are appropriately trained.
- Improve: Regularly review our programme and practices to ensure they contribute to our responsible sourcing vision.

## 5. What we expect from our suppliers

Suppliers are strongly encouraged to collaborate with ArcelorMittal to identify further opportunities to improve responsible business practices in the areas of health and safety, human rights, ethics and environmental stewardship along the supply chain.

### 5.1. Health and safety:

ArcelorMittal is committed to working towards a goal of zero accidents and injuries, as well as general wellbeing in the workplace and beyond. This is endorsed by the Health and Safety Policies and Procedures that promote our philosophy of Safe Sustainable Steel.

ArcelorMittal requests its suppliers to eliminate all work related injuries on their workforce or community, and to meet the standards of ArcelorMittal's Health and Safety Policy.

### 5.2. Human Rights:

ArcelorMittal respects all human rights, of employees and local communities, and is committed to promoting these principles to its suppliers, as set out in ArcelorMittal's Human Rights Policy.

ArcelorMittal requests its suppliers to develop and implement policies and procedures to ensure respect of all human rights in their businesses, and those of their suppliers.

The supplier must always comply with the most demanding requirements, whether relevant applicable laws, the Human Rights Policy or this Code. Where local laws prohibits the supplier from upholding certain aspects of the Code or the Human Rights Policy, the supplier should comply with local laws while seeking to respect human rights.

### 5.3. Ethics:

ArcelorMittal is committed to apply fair, ethical and transparent business practices.

ArcelorMittal does not buy materials and services that do not comply with national or international laws and conventions. ArcelorMittal is committed to using raw materials of legal and sustainable origin, and will not source 'conflict minerals'.

ArcelorMittal requests its suppliers to maintain and enforce a company policy requiring adherence to ethical business practices, adopting the principles of ArcelorMittal's Code of Business Conduct and ArcelorMittal's Anti-Corruption Guidelines.

### 5.4. Environmental stewardship:

ArcelorMittal is committed to making steel more sustainable. To achieve this goal ArcelorMittal uses its expertise in steel and mining to develop cleaner processes and aims to minimise the impact on the environment. We seek to work with suppliers that are committed to the same objectives and follow best practices in environmental management, including energy and resource efficiency, biodiversity management, waste reduction and recycling.

ArcelorMittal requests its suppliers to maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a manner that meets the standards of ArcelorMittal's Environment Policy.

## 6. Documentation and monitoring

On request, we require our suppliers to:

- Complete a self assessment questionnaire based on this Code.
- Provide ArcelorMittal or its representatives with copies of all relevant information, to co-operate and to use reasonable endeavours to ensure that their sub-contractors do the same.
- Demonstrate what efforts they are making to meet the requirements of the Code.

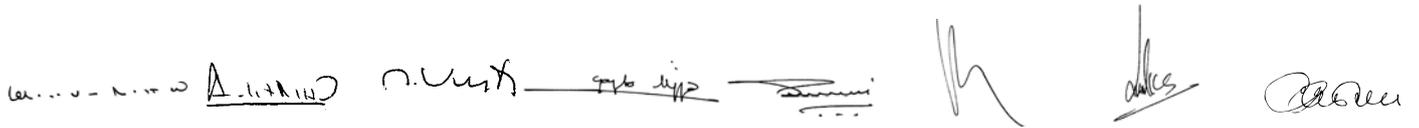
The Code forms an integral part of ArcelorMittal's supplier relationship management and evaluation procedure. ArcelorMittal will take a risk based approach in assessing suppliers' compliance with the requirements of this Code. Monitoring may take the form of self assessments, site visits, and follow up on remediation plans.

ArcelorMittal will work with its suppliers in addressing gaps identified. ArcelorMittal reserves the right to disengage from suppliers that do not meet the requirements of this Code or who cannot provide or commit to an improvement plan.

## 7. Review

ArcelorMittal will periodically review this Code and the implementation programme, with respect to its suitability and effectiveness.

---



**L.N. MITTAL**  
CHAIRMAN AND CEO

**A. MITTAL**  
CFO AND MEMBER  
OF THE GMB

**M. WURTH**  
MEMBER OF THE GMB

**G. URQUIJO**  
MEMBER OF THE GMB

**S. MAHESHWARI**  
MEMBER OF THE GMB

**C. CORNIER**  
MEMBER OF THE GMB

**D. CHUGH**  
MEMBER OF THE GMB

**P. KUKIELSKI**  
MEMBER OF THE GMB

ArcelorMittal

Luxembourg

19, Avenue de la Liberté

L- 2930 Luxembourg

Tel: +352 4792 2360

[www.arcelormittal.com](http://www.arcelormittal.com)

[responsible.sourcing@arcelormittal.com](mailto:responsible.sourcing@arcelormittal.com)