



ArcelorMittal

ArcelorMittal's Principles of Integrity



Explanatory brochure

We did the right thing !



Introduction

ArcelorMittal is committed to being an ethically responsible, highly respected institution that promotes integrity in all of its businesses. In order to further strengthen our commitment, the company has identified a set of eight basic principles – ArcelorMittal's principles of integrity – which all of us

are expected to follow and promote in our day-to-day work.

Eight integrity principles have been identified and are articulated around three key pillars: honesty and transparency, respect and dignity, and exemplarity. It is essential that

all of us follow the same ethics and moral standards in our daily work. For individuals, non-adherence can in the worst case scenario result in criminal charges and companies with integrity issues may suffer reputational damages and financial losses.



Pillars & Principles



The **three pillars** need to be embedded into our business and understood by all our employees:

1. honesty and transparency;
2. respect and dignity; and
3. exemplarity.

The **eight principles** for everyone at every level of the organisation to follow are:

1. be honest;
2. be transparent;
3. honour your word;
4. respect people;
5. respect assets;
6. respect confidentiality;
7. lead by example; and
8. communicate about ethics.

Are you following the highest standards of integrity?

ArcelorMittal's eight principles of integrity may sound as somewhat 'basic' or 'obvious' rules to follow, but the fact that multinational companies around the world lose millions every year due to fraud and corruption issues shows that these principles are not

always systematically followed. So now is a good time to take a step back and ask ourselves: "Am I upholding the highest standards of integrity in my day-to-day work? Are there any specific areas that could be further improved?", and to take corrective

measure where needed.

To find out more about how the eight principles of integrity translate in our daily business activities, and what some examples of non-compliance imply.

Pillar 1: Honesty and Transparency

Principles of integrity	What it means	Examples of non-compliance
Be honest	Do not lie or cheat Do business legally Do not engage in corrupt practices Comply with company's policies and procedures	Lying when asked questions by internal audit Not abiding by business policies and procedures when dismissing an employee Forging documents or destroying documentation Accepting bribes, or offering bribes in order to secure business
Be transparent	Report any breach of the company's code of business conduct or improper business practices	Not declaring a conflict of interest Not sharing relevant information with management or internal assurance
Honour your word	Keep your commitment, and if you cannot keep it, inform all parties involved as soon as you can Build trust and protect the company's credibility	Customers complaining about false statements and unreliability Recurrent negative outcome of assessments and surveys

Pillar 2: respect and dignity

Principles of integrity	What it means	Examples of non-compliance
Be fair and respectful with employees and other stakeholders	Do not engage in harassment and unlawful discrimination Treat others with dignity Encourage diversity	Unfair practice towards staff Harassment of an employee Discrimination of an employee based on sex or ethnic origin
Respect and protect assets	Do not use company assets for personal benefit Safeguard company assets from loss, theft or misuse	Using company property for personal gain Allowing company property to be used for illegal activities
Respect and protect confidentiality	Protect the confidentiality of information of the company Respect the confidentiality of the company's stakeholders	Sharing of inside information before official disclosure Giving third parties access to private data of employees without their prior consent

Pillar 3: exemplarity

Principles of integrity	What it means	Examples of non-compliance
Lead by example	Demonstrate ethics and integrity in your actions and decisions (assess and mitigate the risks, follow the rules, always protect the reputation of the company) Always behave as if you were an ambassador of the company	Not making conflicts of interest transparent, not only in your relationship with your management but also towards the employees that report to you
Communicate about ethics and values	Talk about ethics in a way that explains why the principles of integrity underpin the company's way of doing business Convey the right message that ethics- related controls should always be documented properly	Not communicating about ethics effectively, people will perceive that ethics is not important to you

Setting the right tone from the top

Line managers have an additional and crucial role to play, as they are not only expected to follow the principles of integrity, but also to set the right tone

from the top and make sure that their teams operate with the highest level of integrity.

Case Studies & Illustration

ArcelorMittal's first principle of integrity:

Be honest



Case study

Bob works in the export department at one of our business units. Delivery conditions are a major part of every sales contract he seals. He is under a lot of pressure from a new customer in a neighbouring country to meet the contracted delivery conditions. He has promised a timely delivery of our steel, but the fleet of trucks is being held-up at the border by the local customs officials.

The customer calls the ArcelorMittal agent who is trying to solve the problem and accuses our company of dishonesty in promising a delivery it can't guarantee. The agent in turn calls Bob to ask if he would be willing to 'look the other way' while the agent pays a fee to the customs officials, to ease the movement of the vehicles across the border.

Due to customer pressure and to honour his initial delivery promise to the customer, Bob agrees.

Has Bob acted honestly?

Bob has not respected the be honest principle for a number of reasons:

- Being honest means not lying or cheating
- Being honest means not doing business illegally
- Being honest means not engaging in corrupt practices
- Being honest means complying with the company's policies and procedures

The temptation to solve a complicated situation led Bob to allowing some less-than-honest actions. The only acceptable action would have been to be transparent and inform the customer, as quickly as possible, that the deadline could not be met after all – explaining why, and reiterating ArcelorMittal's commitment to ensuring any potential problems are resolved as quickly as possible – in an ethical and lawful manner.

There will sometimes be occasions where potential actions that are not always ethical could help reach objectives faster, or improve our results.

Behaviour to adopt ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
	2
	3
Respect and dignity	4
	5
	6
Exemplarity	7
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1. Be honest

- Do not lie or cheat
- Do business legally
- Do not engage in corrupt practices
- Comply with the company's policies and procedures

But no matter the pressure to reach our targets, ArcelorMittal operates a zero-tolerance approach to corruption and fraud, and we rely on our people to follow the principles of integrity at all times.

Also, when hiring an agent, employees are expected to always undertake due diligence to ensure we only work with third-party intermediaries that act with integrity.

Here are some additional examples of actions that violate the be honest principle:

- Lying when asked questions by internal audit
- Not abiding by business policies and procedures when dismissing an employee
- Forging documents or destroying documentation
- Accepting bribes, or offering bribes in order to secure business

These are just a few examples and might not apply to your specific job, but regardless of what your title or position is, there will always be situations in which the principle of honesty has the potential to be compromised.

The way you deal with these situations is in your own hands. We rely on you to make the right decision – and be honest.

ArcelorMittal's second principle of integrity:

Be transparent



Case study

Sharon is the personal assistant of a senior manager at one of our business units. She overhears a conversation between her manager and a supplier in which the former agrees to award the

supplier a contract at inflated rates, in return for financial compensation. Sharon knows that this practice is in conflict with internal policies but, concerned that she might lose her job,

she decides that the best thing to do is simply pretend this never happened. She does not confront her manager, nor does she report this occurrence.

Was this the right thing to do?

Sharon decided not to report this misconduct because she was afraid of potential repercussions she might suffer as a result. While it is

understandable that she did not want to directly confront her boss – the wrongdoer – she did not consider that ArcelorMittal has put specific processes

in place to allow anonymous reporting of any unethical or unlawful action or behaviour.

Behaviour to adopt

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2. Be transparent

- Report any breach of the company's code of business conduct or improper business practices
- Report any potential conflict of interest

Sharon should have reported this misconduct to local management or compliance or via the **whistleblower hotline** which has been set up to allow employees to file complaints anonymously.

The identity of the whistleblower is not traced and complaints are recorded by an independent external company

which ensures full confidentiality. Remember: regardless of your title and position, it is your duty as an employee to be honest and transparent, and report any breach of the company's code of business conduct or improper business practices.

As the world's leading steel and mining company, all our stakeholders

expect us to meet the highest ethical standards. Our license to operate and the sustainability of our business depend on it.

We rely on you to make the right decision – and be transparent.

ArcelorMittal's third principle of integrity:

Honour your word



Case study

David works at one of our steel-producing sites, and manages the account of the unit's largest and most important customer. ArcelorMittal has a long-standing relationship with this customer, which recently booked its biggest order to date with ArcelorMittal. The order of 45,000 tons of sections will go into the construction of a high-profile skyscraper in the country's capital.

After the order was booked and the delivery schedule was set up, David

realised the timeframes were relatively short, but he believed they could be feasible if the different departments worked seamlessly together. As a result, he made a promise to the customer that the last batch would be delivered by the end of the year.

Despite the hard and consistent efforts of all the teams involved, operational issues meant that by September, the site lagged behind schedule on production. It became clear that there was a chance the plant would not be able to supply the last delivery on time.

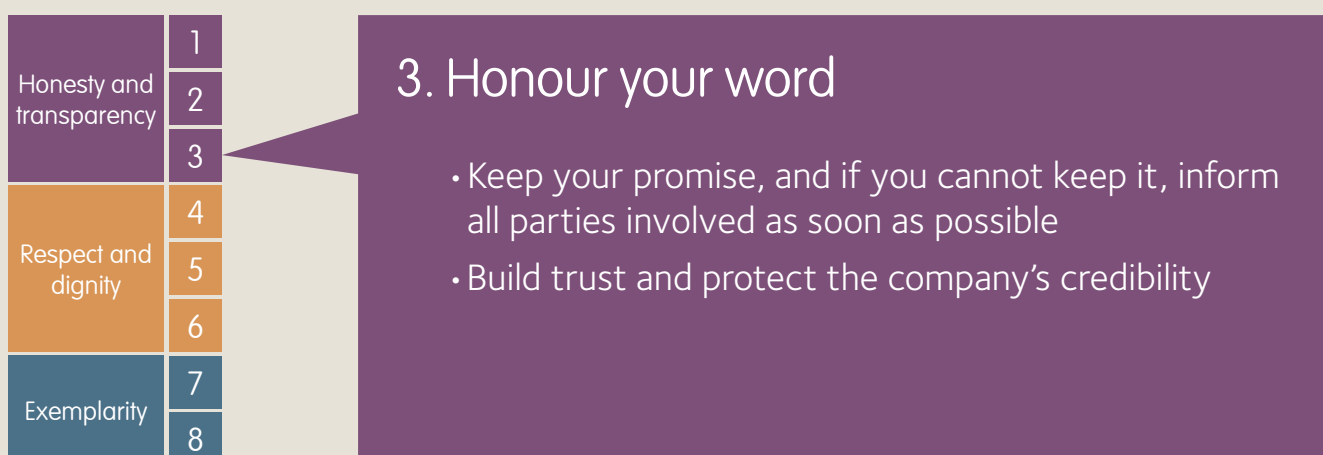
But, hopeful that the teams would be able to make up for the lost time – and concerned about the customer's public commitment to a completion date for the skyscraper's construction – David decided to remain quiet and hope for the best.

Three months later, the site was unable to meet the customer's deadline.

What could David have done differently?

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision



Industrial production environments present a series of variables which, combined, determine the success or failure of every project and endeavour. Sometimes, even with the best of planning and the utmost efforts of every person involved, commitments made cannot be honoured in the end because of unexpected or uncontrollable factors. In David's case, it was operational issues on the production equipment that eventually caused a delay.

Whilst these issues were beyond David's control, what David could –

and should – have done is talk to the customers immediately after realising it was very likely that the deadlines would not be met.

ArcelorMittal's third principle of integrity requires employees to honour promises and commitments towards other stakeholders whenever possible. In those instances where this is no longer possible, employees are expected to inform all the parties involved as soon as possible. This is essential to building trust with our stakeholders, and ultimately protecting the company's credibility and reputation.

As the world's leading steel and mining company, we are expected to meet the highest ethical standards. Our license to operate and the sustainability of our business depends on it.

The company is committed to upholding and promoting these standards, but equally we rely on you to make the right decisions.

ArcelorMittal's fourth principle of integrity:

Respect people



Case study

Justin looks after a team of engineers and takes great pride in coaching and mentoring others. When one of his direct reports embraced an opportunity to join another team, he consulted with human resources to find a replacement for the vacancy left behind.

After a short-list of candidates, Justin is now tasked with interviewing two potential candidates from a top university. He interviews the first candidate, Alec, who has shown exceptional marks in his studies and has had a summer internship with a

small engineering firm. At the first impression, the candidate appears to be a bit quieter than the usual personalities Justin has come across before. He thanks Alec for coming in and records some overall positive remarks in his notes about the interview.

Justin meets the second candidate and immediately recognizes him as one of the boys in his local community, Bobby. They spend the first ten minutes of the interview talking about their community and the most recent

social gathering. Bobby has achieved average marks in his studies for his major, but still has exceptional marks in a variety of different courses unrelated to his degree. Justin comes away with the impression of a strong versatile candidate who can communicate well with others. He forwards his recommendation to HR to process an immediate offer of employment to Bobby before hearing back on the results of the standard pre-screening competency assessment for both candidates.

Bobby begins employment soon after. Over time, Justin notices that Bobby tends to start slow on his tasks because he is constantly asking questions of his teammates. The team feels a bit uneasy with having to answer Bobby's questions frequently and do not feel

confident to share tasks out of fear of errors from him.

In the meantime, the pre-screening assessment results have also come back and Bobby appeared to be less apt for the position's requirements,

compared to Alec who has strong results stemming from his previous internship experience. Three months later, Bobby comes to Justin with his resignation.

What could Justin have done differently?

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
	2
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Respect and dignity	4
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Exemplarity	7
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4. Be fair and respectful with employees and other stakeholders

- Do not engage in harassment and unlawful discrimination
- Treat others with dignity
- Encourage diversity

Justin had a choice to make between two candidates: Alec and Bobby. During the interview process, Justin had made a typical decision under the influence of the "Halo" effect.

The "Halo" effect is when a person allows one's judgement of another person to be unduly influenced by favourable characteristics (placing a "halo") based on the first impression.

In this case, Bobby appeared favourable to Justin for his connection to their local community. He unknowingly allowed this connection to become a strong indicator of Bobby's ability to work with others. The connection is unrelated to the job's

requirements and had influenced Justin's decision to not consider Alec as being just as fit for the job. Alec had no further chance to demonstrate suitability for the role.

Justin should have waited to make the hiring decision after seeing the results of the pre-screening competency assessment. He would have known earlier that Alec demonstrated equally if not a better chance at success in the team. Justin should have also allowed for another person to interview both Alec and Bobby to check whether the first impressions he had with them would be repeated with another person.

In selecting candidates for roles or even during the interview process, there should be a set criteria applied to all candidates for the role and standard procedures to avoid such examples of unconscious bias influencing hiring decisions. The same metrics used to assess one candidate's strengths should be applied equally for all others.

ArcelorMittal wants to be the most admired steel and mining company in the world, and that starts with being respectful towards all our stakeholders, including employees. Showing fairness and impartiality in the recruitment process is a key element of it.

ArcelorMittal's fifth principle of integrity:

Respect assets



Case study

David works in the accounting department of one of our sites in the UK. Photography has always been one of his passions and while he's not a photographer by profession, David can always be spotted taking pictures of friends and family at events.

After seeing some of his pictures, his cousin's best friend offers him £250 to take pictures at her wedding. This offer couldn't have come at a worst time, as David has had to send his camera back for repair.

So, not wanting to turn down this lucrative offer, David decides to borrow the communications department's camera over the weekend. "It's only for a couple of days, and nobody will even notice it's gone", he reckons.

Could this get David in serious trouble?

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
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Respect and dignity	4
	5
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Exemplarity	7
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5. Respect and protect assets

- Do not use company assets for personal benefit
- Safeguard company assets from loss, theft or misuse

By borrowing the camera without previous consent from the company, David is in breach of *ArcelorMittal's code of business conduct*. This could, in the worst case, cost him his job.

The code of business conduct in fact provides that:

- Company property entrusted to employees must be used in an appropriate manner, ensuring that it is secure, and preventing theft, damage and premature wear from occurring.
- Company assets can only be used for the business of the company, and must

not to be used for personal purposes, unless permission from the supervisor is previously obtained.

- Intangible property such as inventions, ideas, documents, software, patents and other forms of intellectual property related to the company's business, created or conceived by employees in connection with the performance of their duties, belongs, on that basis, to the company.
- Subject to any mandatory applicable law, employees may not derive profit from, or apply for a patent in their personal name for, any creation or

invention conceived whilst performing their professional duties.

- Software developed or acquired by the company may not be reproduced or tampered with, nor may it be used for any purposes other than those intended by the company. Software that is not owned or licensed by the company is not to be used on the work premises or in the company's business.

In this example, David clearly used company property for personal benefit – without prior official consent – and is therefore in violation of the company's rules.

ArcelorMittal's sixth principle of integrity:

Respect confidentiality



Case study

Bob works in the finance department and is informed about the Group result before its public release. The result

is better than expected and Bob has the temptation to announce this good news to everyone.

How should David react in order to respect confidentiality?

The code of business conduct is particularly clear concerning the respect of confidential information:

- All ArcelorMittal documentation, correspondence and company-related information, unless and until publicly available must be treated as confidential.
- Data, information and documents pertaining to the company are to be used strictly for the performance of our respective duties and may be disclosed or communicated to persons outside the company only to the extent that the information in question is needed by such persons in connection with their business relations with the company, or where the information is already in the public domain or is required to be disclosed by law or court order.
- We must take the necessary steps to ensure that documents containing confidential information, when sent by fax or other electronic media,

are not brought to the attention of unauthorized persons.

- Public statements on behalf of the company can be made exclusively by authorized persons. Any request for information concerning the company that originates with the media or a government agency should be directed to the Communications/ Public Affairs Manager, the Chief Executive Officer or the Legal Department, depending on the nature of the information requested.

In this example, Bob should respect the confidentiality of this privileged information by avoiding to disclose it to any unauthorized persons.

Furthermore communication with stakeholders, media and financial markets must be aligned with the company's official stance and strategy and must only be done by duly authorized company spokespersons. Any person not authorised to speak or write on behalf of the company, asked by the media, shareholders or market analysts, or other stakeholders (internal or external) must decline to comment and refer them to the Corporate or local Communications team. Any employee who does not follow this rule may be held personally liable for his/ her actions.

Respect confidentiality also includes the protection of personal data of all its stakeholders, including its employees, consumers and business partners. In most

of the jurisdictions the information which allows that individual to be identified, is protected, among other things, by laws.

ArcelorMittal fully supports the objectives of such legislation and applies rigorous measures to ensure compliance with its provisions. Any collection, retention, use or communication to third parties of personal information must be carried out in a manner that is respectful of the individual and in compliance with the law at all times. Except in certain limited cases, personal information is to be used strictly for the performance of our respective duties and may be disclosed to third parties only where such disclosure has been authorized by the individual concerned. Such information must be kept in a secure place.

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
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Respect and dignity	4
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Exemplarity	7
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6. Respect and protect confidentiality

- Respect and protect confidential information belonging to the company
- Respect and protect confidential information belonging to stakeholders

ArcelorMittal's seventh principle of integrity:

Lead by example



What exactly is expected from every employee?

We want employees to follow the code of business conduct and the principles of integrity. But not only because a failure to do so might imply sanctions; we want them to follow the principles because they are convinced that acting with ethics and integrity is the right thing to do.

As a company, we are committed to complying with the law and to demonstrating an ethical behaviour towards all of our stakeholders, including employees. All of this is clearly reflected in our code of business conduct. In return, ArcelorMittal expects from each employee to also respect the law, behave with integrity

and act in the best interest of the company.

So, if I had to explain it in a few simple words, I would say that our code of business conduct is about "how we do what we do", as a company, and as individuals.

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
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7. Lead by example

- Demonstrate ethics and integrity in your actions and decisions (assess and mitigate the risks, follow the rules, always protect the reputation of the company)
- Always behave as if you were an ambassador of the company

ArcelorMittal's eighth principle of integrity:

Communicate about ethics and values



What is expected from the management?

Managers are expected to follow the same principles of integrity, with a particular focus on the third pillar, and that is exemplarity.

Managers have a key role in setting the right tone. It means that they

should speak about the importance of integrity. Managers should always bear in mind that they are watched by a lot of people and if they never speak about integrity and why it is so important for us as a company, people will wrongly assume that it is not important.

If people understand the importance of integrity, they are more likely to make the right decisions.

Equally, managers are expected to lead by example: do the right thing, openly so that everyone can see you do the right thing.

Behaviour to adopt

ArcelorMittal relies on each of its employees to make the right decision

Honesty and transparency	1
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8. Communicate about ethics and values

- Communicate the message that performance objectives should never be reached at the expense of integrity
- Illustrate how the principles of integrity underpin the company's way of doing business

Conclusion

Why is it so important that employees follow the *code of business conduct* & the principles of integrity included? What are the consequences of non-adherence?

It is important to follow the code of business conduct & the principles of integrity because, by doing so, you protect both the company and yourself.

You protect the reputation of the company and your own reputation. A strong reputation contributes to making the company stronger, more sustainable and more profitable in the end. Reputation is an asset; if you destroy it, you destroy value and you jeopardise the company's future.

By violating the code of business conduct, you expose yourself to sanctions which in the worst case could result in you losing your job. And if you infringe criminal law, a criminal complaint could be lodged.

So, by adhering to the code, you really protect yourself as well as the company. That is why it is so important that ArcelorMittal and its employees take this pledge together.

What should you do in case of doubt or uncertainty?

In case of doubt, you should speak with your management. Transparency is the key word here.

In more complex cases, you should seek guidance from the compliance department, at local or corporate level. In any case you should not leave uncertainties unaddressed. How to use this explanatory brochure?

This explanatory brochure does not replace any existing policies, and you should continue to refer to whatever rules and instructions disclosed in our *Group Policies and Procedures Manual (GPPM)* or set in your workplace.

This explanatory brochure aims to provide an additional framework for ArcelorMittal's principles of integrity, so that it will be easier for you to understand the rationale behind them.

ArcelorMittal

Corporate Legal, Group Compliance and Company Secretariat
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