



ArcelorMittal

ArcelorMittal India Limited



### Sustainability: Strategic to business at ArcelorMittal India

Sustainability at ArcelorMittal, the world's leading integrated steel and mining company with a presence in more than 60 countries, is understood and referred to as 'Safe Sustainable Steel'. The company wants its business to be sustainable in every sense of the word - a business that is both profitable and responsible. "Sustainability is a core business strategy at ArcelorMittal. 'Doing right' is the only way to 'doing well'." says Vijay Bhatnagar, CEO-India & China. The company is committed to achieve sustainability through its strategies that guide every business leader, management committee member, employee and partner/associate in the company to remain adhered to the following four focus areas of doing responsible business:

- Investing in people:** to make each and every person working on company's behalf feel valued.
- Making steel more sustainable:** using expertise in steel to develop cleaner and greener technologies.
- Enriching communities:** to play an important role in all the communities where it operates.
- Transparent governance:** business strategy, operations and everyday practices are all underpinned by transparent governance.

### Managing impacts and creating shared value

Managing impacts as the foremost corporate responsibility strategy at ArcelorMittal India is the key differentiator. The company intending to set up a steel plant and operate mining in the country, launched its pre-project (business) CSR activities in the late 2008 with an objective to take anticipatory and proactive measures to reduce the likely impacts of the business on communities and environment. "The full impact of a project cannot always be predicted or fully mitigated, but there are some basic steps that can help reduce the scale of any negative impact, and enhance the likelihood of positive long term outcomes for the communities", says Sudhir Kumar Sinha, Country Head- CSR, India operations. With regard to communities as one of the key and critical stakeholders, ArcelorMittal India, as part of doing responsible business strategy, lays focus on undertaking activities that help minimize the likely impacts and maximize benefits in longer term that eventually help in building capabilities of communities in order to help themselves to live an improved quality of life.

### Community engagement: Going strategic

ArcelorMittal India is fully aware of the development challenges with regard to poverty, unemployment, pitiable health conditions and poor education of the community, especially of tribals and women in the areas where it desires to operate businesses, mainly the states of Jharkhand, Karnataka and Orissa. The company also takes cognizance of increasing genuine aspirations of youths for the employment opportunities in the industrial sector as these areas are growing as industrial hubs for mining and metals business. Although there are several social and environmental issues & challenges associated with business belonging to mining and metals sector, ArcelorMittal India goes strategic by aligning them with the impact mitigation and also by taking more proactive measures beyond the scope of mitigation for even larger communities. In order to address community issues, ArcelorMittal India has formulated a unique 'ArcelorMittal India Development Goals' (AMIDGs) containing 5 goals, 10 principles and 30 targets, which goes simply beyond philanthropy or charity or welfare model of community development. These goals, to be achieved in the company's immediate spheres of influence, are aligned with India Development Goals and MDGs.

Table 1:

Modules	Total no. of Trainees (Women)	Total no. of tribal	%employed after completion
Industrial Technical Skills	367 (78)	203	47%
Auxillary Nurse Midwife	53 (53)	42	100%
Security Guards	78 (69)	76	74%
Computer Application	14 (14)	4	71%
Vocational Skills	147 (610)	117	68%
<b>Total</b>	<b>659 (275)</b>	<b>442</b>	<b>61%</b>

### Building human capabilities

The 1st of 5 goals (AMIDGs) is to "eliminate circumstances of economic poverty: build human capabilities and reduce vulnerabilities & marginalization". Capability building of youths as one of the top most development agenda is given due priority in order to meet the expectations of community as well as to strengthen the govt's efforts in meeting the development goals of the states and the country on skill development. Since 2009, a total of 659 youths have been skilled so far on different trades ranging from technical to vocational skills by befitting the trades with the educational, cultural, physical and mental inclination of youths. (Table 1). ArcelorMittal India is therefore aligning its goal with India's vision to achieve 500 millions of India's population skilled by 2022. The other 4 goals are envisioned towards contributing to tackle some of the key development issues of the country such as education, community health, environment and preservation and promotion of cultural heritage of local communities. (Box 1).

Box 1:

- Capability building:** 61% of the total trainees are employed, focus on social balance of trainees - 67% trainees are tribals, 41% are women, three programmes exclusively focus on trades for women.
- Education:** reached out to over 1300 students; 100 drop out girls mainstreamed into formal education.
- Health care:** 38000 patients treated through mobile clinics, 169 persons cured from cataract; 6171 medicated nets distributed to 1543 families under malaria control drive, 64 health workers trained.
- Environment:** Paryavaran Mitra programme already reached out to 140,000 schools in the first year of the targeted 200,000 schools in three years. More than 169 organizations varying from UN agencies to local NGOs already partnered in the project.



### Environmental response

ArcelorMittal, one of the largest recyclers of steel (up to 30% of its production), leaving a positive impact on the reserves of mineral resources, is further committed to continuously improve its water and carbon footprints by investing in R&D for the breakthrough technologies. The company has set a target to achieve reduction of CO<sub>2</sub> emission by 8% by 2020. ArcelorMittal India has proactively initiated perhaps the world's largest environmental education program in partnership with Centre for Environment Education (CEE), an NGO for the Ministry of Environment & Forests (MoEF), Govt of India. PARYAVARAN MITRA (Friends of Environment) program is targeted to provide environmental education to 20 million school going children between the age group of 11 and 15 from 200,000 schools from across the country by 2013 and therefore to develop them as 'green leaders' to remain in the society in order to make positive contributions in their immediate spheres of influence, at the least. The first phase of the programme called Kaun Banega Bharat Ka Paryavaran Ambassador (who will become the environmental

ambassador of India) was launched on 5th June 2008 by Her Excellency Mrs. Pratibha Devi Singh Patil, the President of India. Dr APJ Abdul Kalam, the former President of India, was selected by majority by the children of more than 70000 schools as the environmental ambassador of India. Honouring the mandate of children, continues to provide patronage as Paryavaran Ambassador to the second phase of the program. This program, shaping as green movement, has started influencing parents to join it as 'Paryavaran Saathi' and teachers as 'Green Coaches'. The tri-sector partnership between ArcelorMittal India, MoEF and CEE has gone beyond its scope and has braced more than 160 partners ranging from UN to local institutions - a model illustration of multi-level, cross-sector and intra-sectoral partnerships for one single program.



### Affirmative action

Although a generic community development plan is in practice and will be planned further to be implemented in and around ArcelorMittal India's business establishments, the company has launched a special program for tribal development in the state of Jharkhand in 2010. Under the program, efforts are taken to reach out to remote areas and provide access and opportunities to 50 poorest tribal youths every year to realize their dreams to acquire technical skills at ITI, and become employable. Similarly, 20 tribal girls are trained every year and facilitated to pursue their career as Auxiliary Nurse Midwives (ANMs).

### Gender, diversity and human rights: integral to community programs

Gender, diversity and human rights considerations are integral to the management and planning of corporate responsibility at ArcelorMittal India. All the programs ensure a greater participation of women. Under the capability building, 41% of the total trainees are women, most of whom belong to tribal and backward communities. ArcelorMittal India has signed UN Global Compact and is committed to respect human rights at the work place and communities as per the company's exclusive policy on human rights. It evaluates all the business decisions and actions, small or big, on the human rights parameters.

### Way forward

These are illustrations of some of the strong beliefs the company has in doing responsible business. Although ArcelorMittal India is in the pre-project phase, it has made some humble beginnings that give the reasons to believe that it will grow stronger as it progresses. The community development programmes of ArcelorMittal India will not only make sure that it helps in mitigating the impact, but also goes beyond and encompasses achieving the India development goals and the Millennium development goals in its spheres of influence.