



BUILDING RESILIENCE 2016

UNITED STATES Integrated Report



ArcelorMittal

BUILDING RESILIENCE

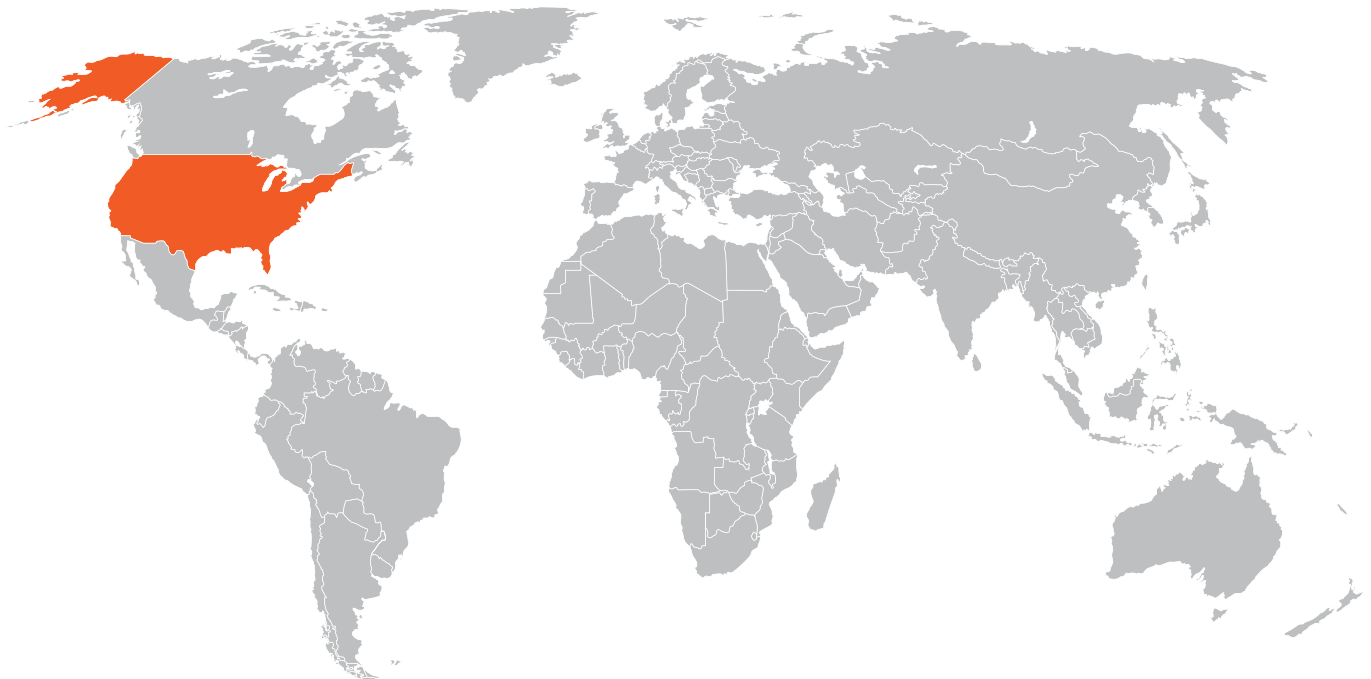


The big picture

ArcelorMittal is the world's leading steel and mining company. We have the largest global production capacity of any steel company in the world. For this reason, we take sustainability seriously. We also believe our sustainability practices are second to none in the steel industry. We know our steel has a major role to play in the sustainability of our world. Subsequently, sustainability has a major role to play in our company's future and success.

Our footprint in the United States accounts for more than 20 percent of the nation's steelmaking capacity. ArcelorMittal operates 27 facilities in 13 of the United States, employing more than 18,000. Our non-industrial presence extends to 14 states and the District of Columbia. In 2016, ArcelorMittal produced nearly 15 million tons of raw steel in the United States. Our products are used in a broad range of steel products in the automotive, construction, pipe and tube, appliance, container, energy and machinery markets.

We are dedicated to producing safe, sustainable steel. That promise means we create a sustainable future for our company, the planet and its inhabitants. For generations, steel has played an important role in sustainability and quality of life for people around the world. Today, and in the future, steel can drive solutions and innovations to move society forward.



Message from our CEO

Last year, I began my message to our stakeholders in this report by acknowledging that 2015 was a challenging year for ArcelorMittal and for the steel and mining industry around the world. This year, I begin this message with a renewed sense of optimism in the state of our business and our industry. Since the latter part of 2008, our industry has weathered the worst economic times in more than 15 years. Though our industry remains challenged by global structural overcapacity, primarily in China, today we look ahead to an innovative, strong future.

“At the heart of our business changes in 2016 was building long-term financial sustainability for ArcelorMittal in the United States. But for ArcelorMittal USA, sustainability extends far beyond our bank account.”

John Brett
President and CEO,
ArcelorMittal USA

ArcelorMittal's business in the United States has performed admirably in the challenging times of the past few years. Our team has worked diligently to ensure our business is resilient, agile, lean, and positioned for success in the future. In 2016, our business underwent significant transitions. We spent the year undergoing important strategic restructuring in our operations, setting our business on course for a stronger future. The work completed last year is quickly showing signs of positive impact and realized financial improvement.

At the heart of our business changes in 2016 was building long-term financial sustainability for ArcelorMittal in the United States. But for ArcelorMittal USA, sustainability extends far beyond our bank account. To that end, ArcelorMittal is proud to enter our third year under the global sustainability framework of our 10 sustainable development (SD) outcomes. Launched in 2015, we continue to work to set goals, develop processes, and operationalize these outcomes in our business.

I am proud to continue our commitment to excellence in sustainability reporting and transparency with our second annual integrated report in the United States. This document, and the strategy it details, directly connect the work of our 10 SD outcomes with our operations' goals and business strategy. For our business, sustainability must deliver long-term value for all our stakeholders.

Our performance in 2016

As you navigate our second annual integrated report, I know you'll learn a great deal about our sustainability initiatives as well as key financial and market environment information driving our success. Allow me to highlight a few key areas of challenge and opportunity:

Safety of our people

I remain committed to setting a tone at the top of vigilance and zero tolerance as it relates to health and safety initiatives. We reported a lost time injury (LTI) rate of 1.24 in 2016. This number includes employees and contractors for ArcelorMittal USA LLC and AM/NS Calvert facilities. While this rate is an improvement over 2015, our team will not rest until we create a zero accident workplace. We can and must do better.

Building momentum in our business

The aforementioned structural improvements in our USA business in 2016 would not have been possible without the dedication and expertise of our business leaders at every level in the United States. From our operations management teams in every facility to our steelworkers, sales and marketing leaders, and many, many more. Each of our more than 18,000 employees in the United States contributed to building important momentum in our business in 2016.

Investing for the future

The structural improvements we made to our USA footprint directly support our global Action 2020 initiative launched in early 2016. We are now ahead of our Action 2020 targets, earning the confidence of our corporate leadership and resulting in increased investment needed to capture market growth opportunities in 2017 and the coming years.

Protection of our natural resources

Ours is a resource intense business. The responsible management of those resources requires constant collaboration among our teams. Each day, operations teams work with environmental leaders to achieve our compliance goals. The work we do both inside and outside our facilities in the Great Lakes is just one example of our commitment to environmental excellence. In the United States, we withdrew 906 million m³ of water for our operations. A large percentage of that water comes from Lake Michigan and Lake Erie. Of that, 70 percent is non-contact and returned to its source – often cleaner than when withdrawn. When I stand on the shores of Lake Michigan, I see more than resource management. I see a commitment to environmental excellence and the resilience of our water sources everywhere.

In closing, I look forward to working with our stakeholders internally and externally to ensure ArcelorMittal's future in the United States remains optimistic and the domestic steel industry remains healthy. Though 2016 began what we hope will be an upward trend in our business and industry, we know there are still significant challenges to face in the future together. Our entire team at ArcelorMittal is committed to delivering value across the enterprise. Being a sustainable business leader is a major step in the direction of that goal. Thank you for your interest and continued partnership in this journey.



A stylized, handwritten signature in black ink that reads "John".

John Brett

President and CEO,
ArcelorMittal USA

Message from sustainability leaders

Leading corporate responsibility and sustainability at ArcelorMittal means recognizing our place as the industry leader and driving innovation in sustainability that extends beyond our facilities. It is not enough for our business to be sustainable. Our business must also be resilient to weather the changes that will inevitably occur in the future. At ArcelorMittal, corporate responsibility occurs at the intersection of what creates resilience for our business, our customers' businesses and our communities.

"The steel industry of 2027 or 2037 may look very different than the industry today. It is incumbent upon us as leaders to think about responsibility and sustainability as it relates to our business today and in the future."

William C. Steers
President,
ArcelorMittal USA Foundation
and Corporate Responsibility
Governance Board

Building resilience

In our business

The steel industry today looks very different than our industry did 10 or 20 years ago. The steel industry of 2027 or 2037 may look very different than the industry today. It is incumbent upon us as leaders to think about responsibility and sustainability as they relate to our business today and in the future. This is why it is so important to build resilience in our business in the USA and around the world. For us, that means a business that invests in research and development, creates a pipeline of talented scientists and engineers for tomorrow, and confronts head-on the challenges of our industry.

For our customers

Our customers in the United States are facing increasing challenges as well. For example, automakers continue to drive innovation to meet the needs of Corporate Average Fuel Economy (CAFE) standard's 2025 fuel efficiency goals. As automakers take the long view on regulations, we know meeting these standards will remain key for the industry in the coming years. ArcelorMittal is committed to continuing our culture of innovation and partnership with the auto industry to be active participants in strides toward lowering greenhouse-gas emissions in vehicles and achieving fuel economy goals. In 2017, ArcelorMittal USA is also embarking on a process to create additional resilience for our customers. Our new delivery improvement performance plan will provide our customers with increased reliability and confidence in ArcelorMittal as a supplier.

In our communities

As our business and our customers' businesses change, so inherently will our communities. The workforce of the future being educated in these communities will see increased demand for highly technical skill sets. And as populations continue to grow in the United States and around the world, the health of environmental ecosystems will be paramount. ArcelorMittal is committed to engaging in dialogues with our stakeholders and spearheading partnerships that increase community resilience and allow our communities to think strategically about the challenges they may see in the future.

Our corporate responsibility and sustainability strategy in the United States will continue to emphasize the integration of our business outcomes, our responsibility to our stakeholders, and the influence of our partnerships on our communities. We are confident this approach will create resilience at every level.

Our 10 sustainable development (SD) outcomes framework delivers on this commitment to resilience. In 2017, we are building on the momentum of 2016 to implement measurable, long-term targets related to our 10 SD outcomes in the United States and around the world. We thank you for your partnership and assistance in helping to make ArcelorMittal's business more sustainable. We look forward to the opportunity to continue to demonstrate our progress in our annual integrated report, but also throughout the year on the news section of our website and social media channels.



William C. Steers

President, ArcelorMittal USA Foundation and
Corporate Responsibility Governance Board



Marcy Twete

Executive Director, ArcelorMittal USA Foundation
and Corporate Responsibility Governance Board

Developing resilience

The combination of innovation in our products and processes with an industry-leading sustainability portfolio, uniquely positions us to develop resilience for our business, our customers and our communities.



A three-pronged approach

ArcelorMittal is committed to creating a nexus that links our ability to create resilience through our operations to the long-term resilience of our customers, suppliers and communities.



OUR BUSINESS



Organizational overview

From raw material to finished product, our business operations extend from iron ore and coal mining to iron and steelmaking, and finally to finishing facilities that provide a full range of steel products and solutions.

Our footprint in the United States includes 27 facilities in 13 states, employing more than 18,000. Our non-industrial presence extends to 14 states and the District of Columbia. In 2016, ArcelorMittal produced nearly 15 million tons of raw steel and shipped a broad range of steel products to the automotive, construction, pipe and tube, appliance, container, energy and machinery markets.

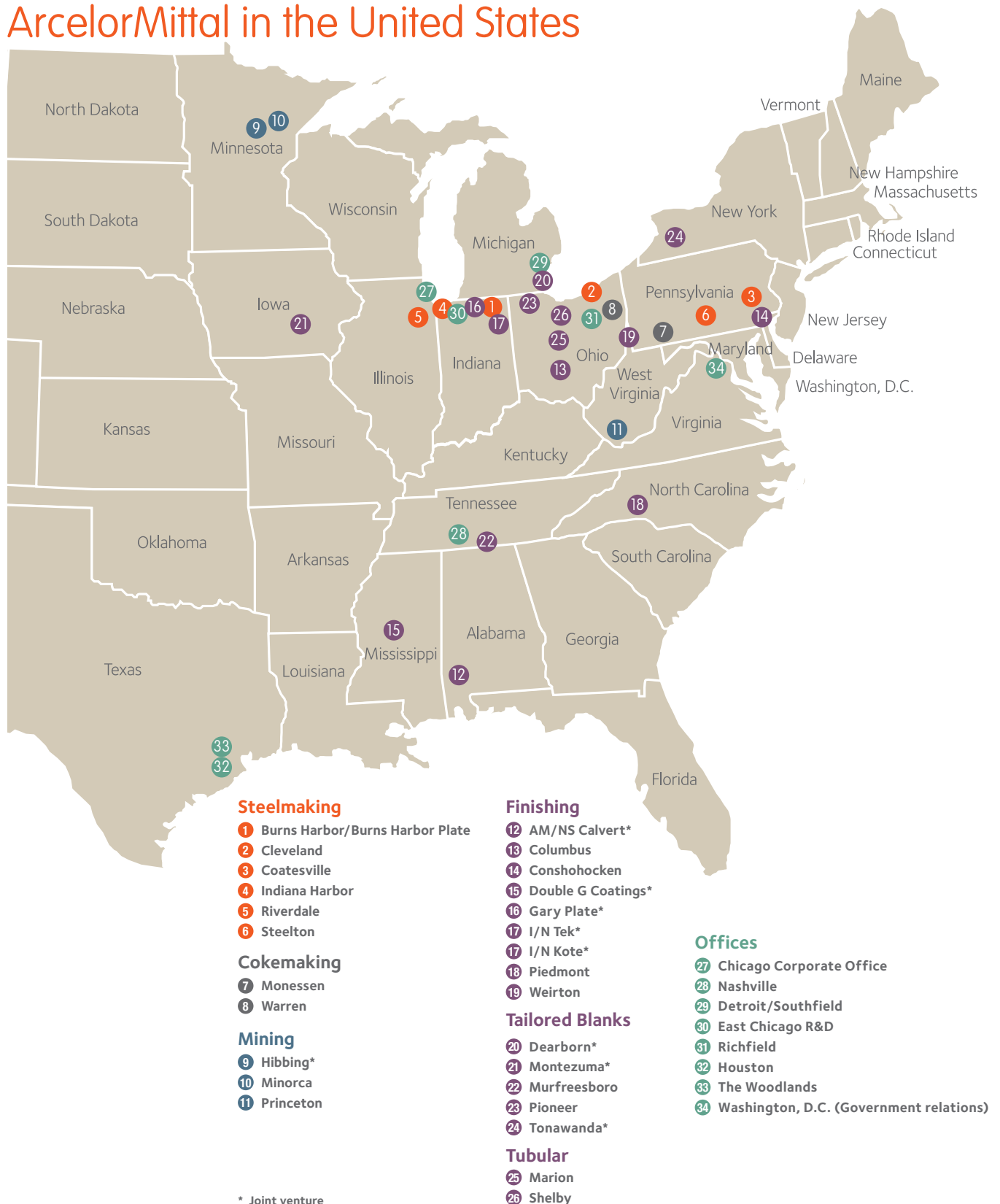
ArcelorMittal's operations in the United States are made up of facilities owned and operated by various predecessor companies, all joining together as ArcelorMittal following the merger of Arcelor and Mittal, then the world's largest and second largest steel companies respectively by production volume. The full history of ArcelorMittal in the United States is chronicled on our website's "Who we are" section.

The scope of our 2016 integrated report includes all of the operations located in the United States wholly owned by ArcelorMittal as well as joint ventures where ArcelorMittal holds a meaningful ownership percentage. The map on the next page details the locations and functions of each of these facilities and offices. Whenever possible in this report, we will provide details to explain which facilities are included related to each data point and section.

Leadership and governance

Operational leadership for facilities located in the United States is provided by members of the leaderships teams for ArcelorMittal North America and ArcelorMittal USA. The members of these leadership teams and the Boards of Governance associated with them shape every aspect of our corporate behavior and help us meet our promise of transforming tomorrow. Visit the "Leadership" section of our USA website for more information.

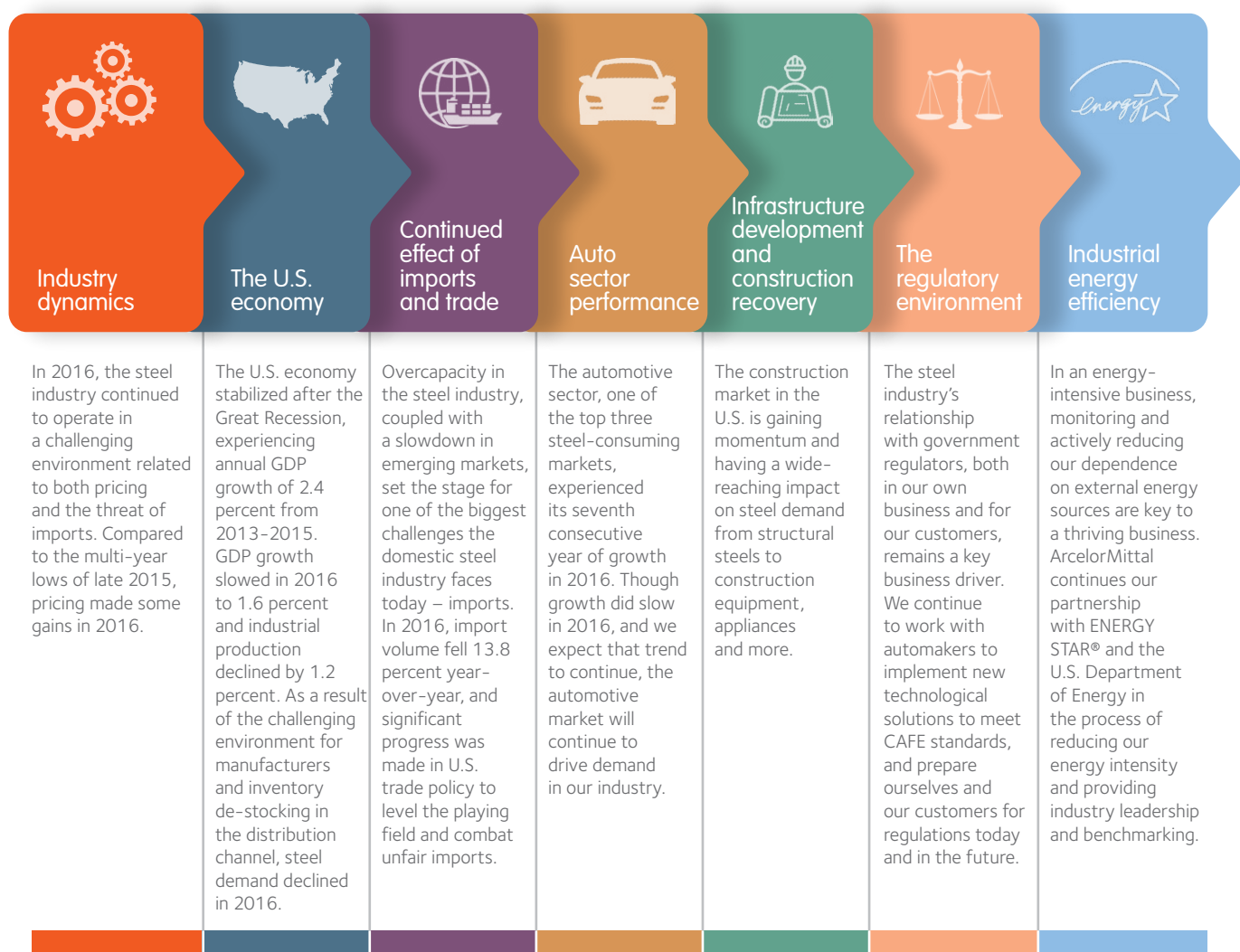
ArcelorMittal in the United States



Operating context

ArcelorMittal's business context and operations are influenced heavily by external factors in the global economy. Challenging economic factors in the industry since the Great Recession continue to affect our business today, most notably global overcapacity in China.

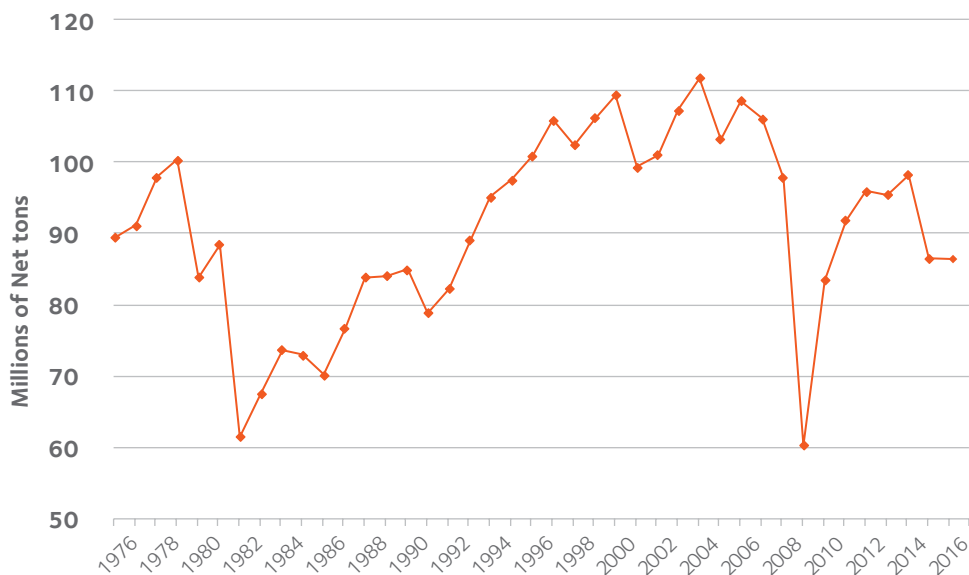
Key influences on the ArcelorMittal operating context



Understanding the domestic steel industry

U.S. domestic steel shipments: 1976-2016

The Great Recession of 2008-2009 produced a devastating low in U.S. domestic steel shipments. In 2016, domestic steel producers shipped 86.5 million net tons. While flat compared to 2015, and 43 percent higher than 2009, shipments are still 18 percent lower than the pre-crisis average of 106 million net tons from 2000-2007.

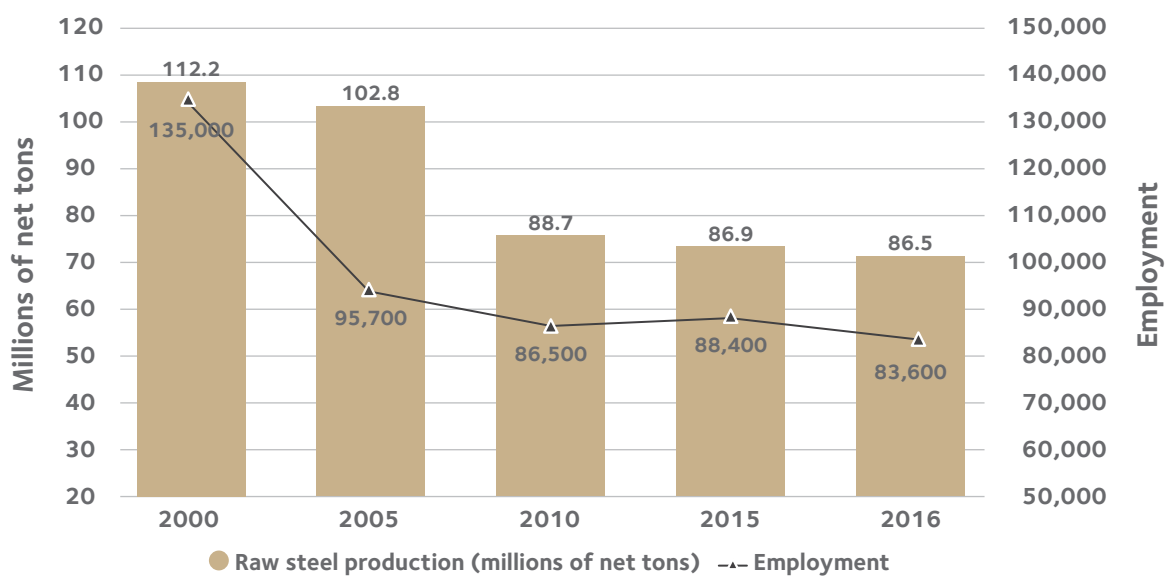


Source: AISI

Understanding the domestic steel industry (continued)

Steel production vs. employment in the United States: 2000-2016

Steelmaking processes have transformed at a rapid pace, reflecting the industry's improvement in operating practices and investment in state-of-the-art equipment to increase productivity. Since 2000, employment in the domestic steel industry has declined from 135,000 to 83,600 in 2016.

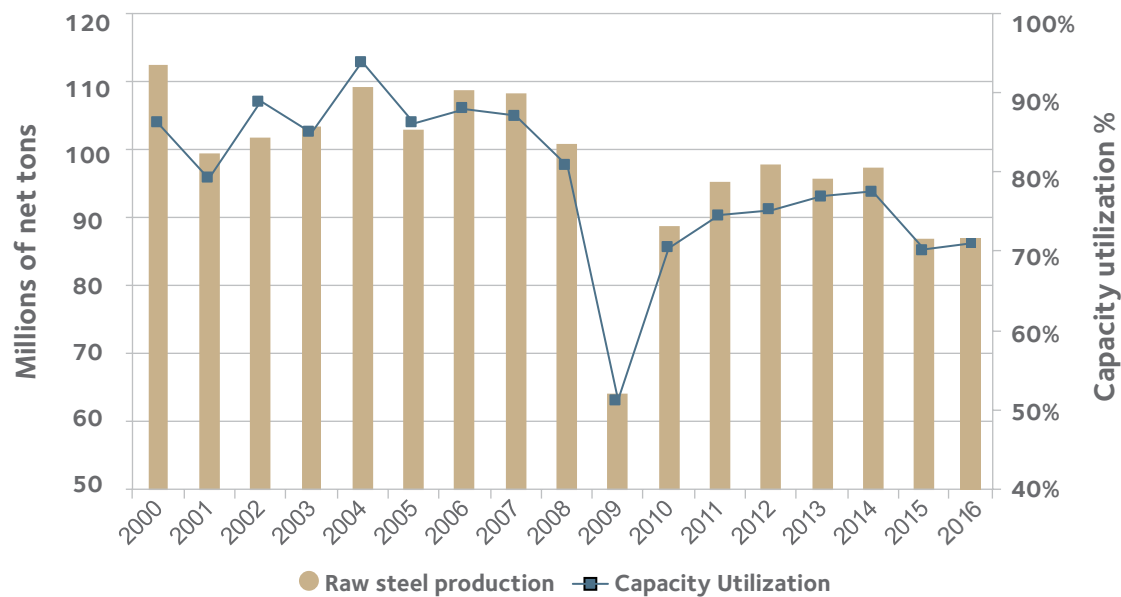


Sources: AISI, Bureau of Labor Statistics (Employment = NAICS 3311)

Understanding the domestic steel industry (continued)

U.S. raw steel production and capacity utilization: 2000-2016

Another major indicator of the health of the domestic steel industry is capacity utilization. In the six years prior to 2008, capacity utilization levels averaged 89 percent. During the Great Recession of 2008-2009, capacity utilization dropped to just 51.5 percent in 2009. Since then, it has averaged only 73.6 percent. In fact, raw steel output in the United States fell to its lowest levels since 2009 in 2015 and 2016. This is largely due to global overcapacity and a surge of imports flooding the U.S. market in 2014 and beyond.

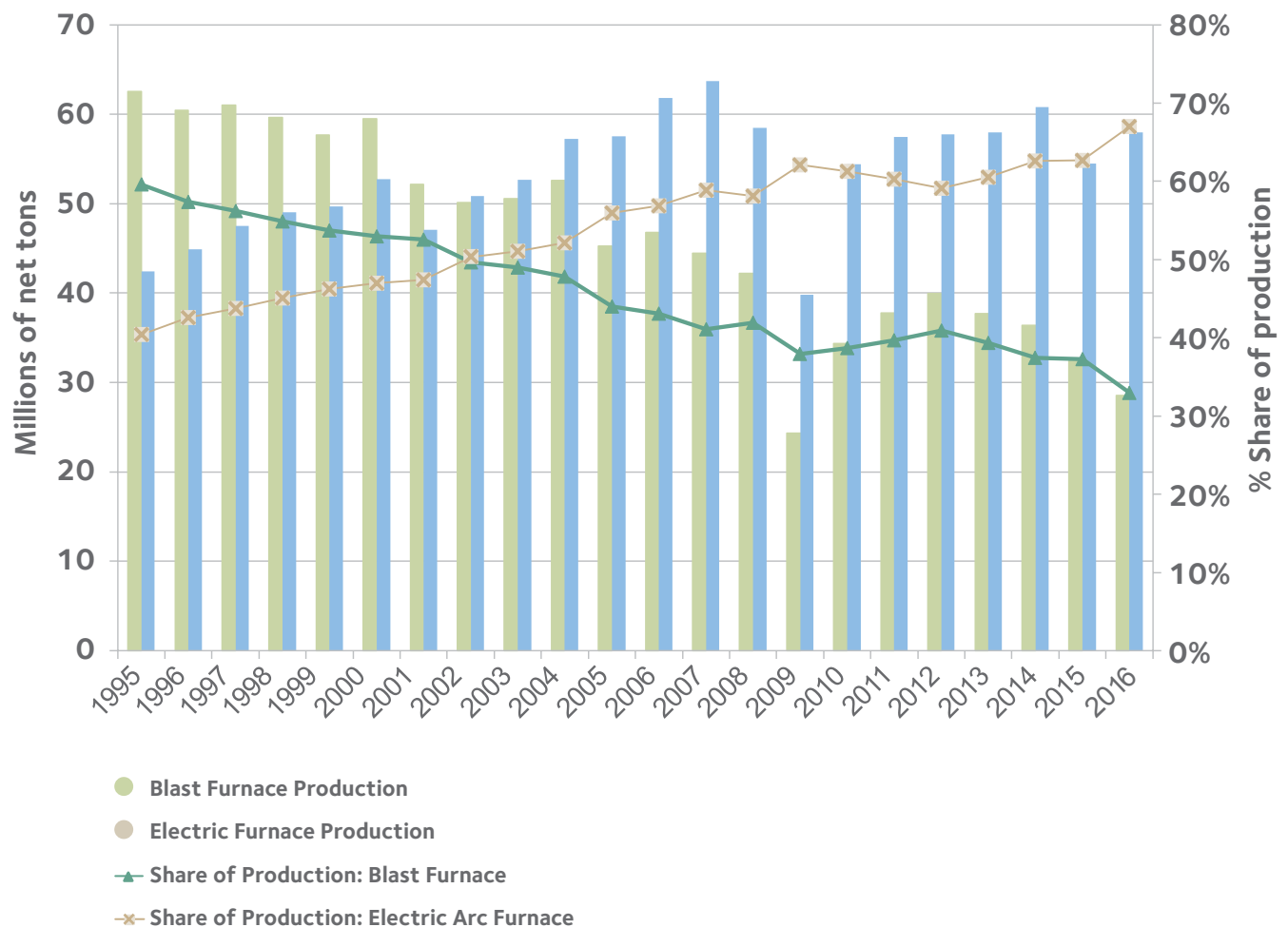


Source: AISI

Understanding the domestic steel industry (continued)

U.S. raw steel production – integrated vs. mini-mill: 1995-2016

Since 1995, integrated steelmakers have lost their dominant share of U.S. raw steel production to mini-mills. Blast furnace production share declined from 60 percent in 1995 to 33 percent in 2016. In 1990, blast furnace share was 63 percent; in 1980, the share was 72 percent. This graph visually illustrates the rise in popularity of electric arc furnace technology – which offers flexibility, quick turnaround time and lower fixed costs – to integrated steelmaking. It is important to note that while electric arc furnace technology is becoming increasingly popular, blast furnaces still play a critical role in producing value-added products, especially in the automotive sector. The blast furnace share of overall steel production fell to 33 percent in 2016, down from 37 percent in 2015.



Source: AISI

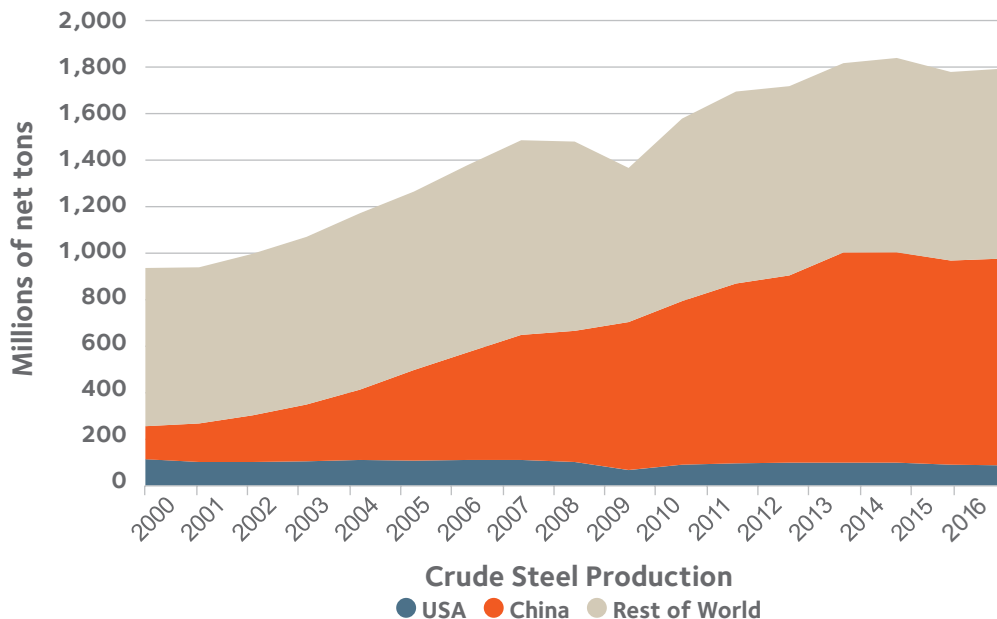
The impact of global overcapacity

Unfairly traded imports have a dramatic impact on our ability to command fair prices for our products and operate our facilities at sustainable levels. At the heart of the tidal wave of imports flooding the U.S. market since 2013 is the issue of global over-production of steel.

Global steel production has grown from 937 million tons in 2000 to 1.80 billion tons in 2016, with nearly all of this growth happening outside the United States. Between 2000 and 2016, steel production in China increased more than five-fold, growing from 142 million net tons to 891 million net tons. In 2016, global production exceeded 1.5 billion net tons for the seventh straight year while U.S. production remained below pre-recession levels. China accounted for half of the world's steel production.

The rapid and significant increase in steel production in developing countries has led to dangerous levels of overcapacity that have significantly impacted broader global markets. Without an effective capacity reduction plan in coming years, severe overcapacity in China will continue to harm the global steel industry.

Global steel production: 2000-2016



% of World Production	2000	2005	2010	2015	2016
U.S.	12%	8%	6%	5%	5%
China	15%	31%	45%	49%	50%
Rest of World	73%	61%	50%	46%	45%

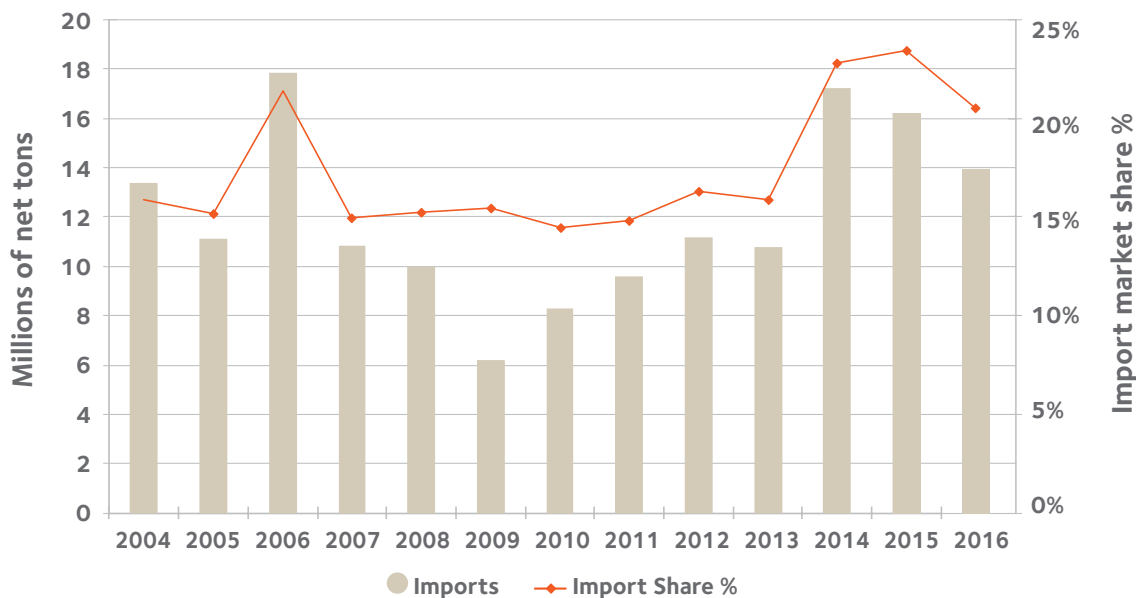
Source: World Steel Association

The impact of global overcapacity (continued)

A 60 percent surge in flat roll import volume was measured in 2014 that resulted in import share growing from 15.9 percent in 2013 to 22.8 percent in 2014 despite available domestic capacity.

In 2016, imports accounted for 20.5 percent of U.S. flat-rolled consumption, down from 23.4 percent in 2015. Imports, as a percentage of consumption, remain elevated compared to the average share of 15.3 percent during 2007–2013. Flat-rolled imports in 2016 totaled 14.0 million net tons, down 13.8 percent year-over-year. The chart below illustrates that while imports make up a minority share of domestic steel consumption, they are a very disruptive force in the market and take volume that could be made by domestic steelmakers to improve capacity utilization levels. Great strides have been made in U.S. trade policy to level the playing field and help preserve and strengthen the U.S. manufacturing sector. However, additional work must be done to continue to improve U.S. trade policy and continue to emphasize a level playing field for U.S. manufacturers.

Flat-rolled imports and import share: 2004-2016



We know that with global production of steel, our products and processes must be able to compete with imports brought to the U.S. through fair trade. Competing against unfairly traded imports, however, is detrimental to our business in a way that deeply affects not just our profitability, but the entire U.S. economy.

Imports sold in the U.S. at dumped or government-subsidized prices are considered unfairly traded. Imports are dumped if, among other criteria, they are sold at prices below their home market prices or the producer's cost to manufacture.

The impact of global overcapacity (continued)

Our legal remedy against unfairly traded imports is to file trade cases with the Department of Commerce and the U.S. International Trade Commission (ITC) against specific countries for specific products. The Department of Commerce determines whether imports are being dumped and/or subsidized. The ITC determines whether the domestic industry has been injured or is threatened with injury. Indicators of injury include declining U.S. production, shipments and capacity utilization, as well as plant closures and layoffs. The most significant evidence of injury is poor and declining profitability. Documentation of lost sales or lost revenue – where we were forced to reduce our prices to compete with import prices – is extremely important in presenting our case. Winning the trade case requires affirmative determinations of injury and either dumping or subsidies.

If a given case is successful, the Department of Commerce will assess a tariff equal to the difference between the dumped and/or subsidized import price and the fairly traded price. It is the responsibility of the importer to pay the tariffs, which can range from greater than one percent to more than 150 percent of the landed price of the imports. The tariffs remain in effect for five years. At that time, a sunset review is initiated by the ITC and the Department of Commerce to determine if the tariffs should be continued or allowed to expire, or “sunset.”

We greatly appreciate the successful Congressional efforts made in 2016 to improve our trade enforcement tools. We are also pleased to report favorable outcomes on various cases throughout the year. Details are included in the chart below.

We know we cannot rely on government policy alone to level the playing field for our business in the United States. We must ensure our business model remains competitive in ever-changing market conditions and does not assume major changes or improvements in its key external influences.

2016 U.S. trade case progress

PRODUCT	COUNTRIES	STATUS	IMPACT
Corrosion-resistant steel	China, India, Italy, Korea, Taiwan	Affirmative final determinations from ITC and Commerce on all countries Orders issued July 25, 2016	2.8 million metric tons
Cold-rolled steel	Brazil, China, India, Japan, Korea, Netherlands, Russia, UK	Affirmative final determinations from ITC and Commerce on Brazil, China, India, Japan, Korea, UK Orders on China and Japan issued July 14, 2016 Orders on Brazil, India, Korea, and United Kingdom issued September 20, 2016	1.5 million metric tons
Hot-rolled steel	Australia, Brazil, Japan, Korea, Netherlands, Turkey, UK	Affirmative final determinations from ITC and Commerce on all countries Orders issued September 29, 2016	3.4 million metric tons
Cut-to-length plate	Austria, Belgium, Brazil, China, France, Germany, Korea, Italy, Japan, South Africa, Turkey, Taiwan	Affirmative final determinations from ITC and Commerce on all countries Orders on Brazil, China, and South Africa issued January 26, 2017 Order on China issued March 20, 2017 Orders on remaining countries to be issued May 2017	1.1 million metric tons

Financial value creation

ArcelorMittal's operations in the United States are a part of the parent company, ArcelorMittal S.A., based in Luxembourg. Preparing a country level integrated report at ArcelorMittal means discussing financial challenges and opportunities related to our business units in the United States. However, direct financial statements are not public at this level. Full financial results for ArcelorMittal globally can be found in our annual report and 20F.

Steel production

At ArcelorMittal in the United States, we have seen a slow and progressive recovery year-over-year since the economic downturn of 2009. That recovery was dampened significantly by the flood of imports arriving in the United States in recent years.

Raw steel production in the chart below refers to steel in the first solid state after melting, suitable for finishing. In 2016, ArcelorMittal produced nearly 15 million tons of raw steel in our flat carbon business unit. More than 95 percent of ArcelorMittal's raw steel production in the U.S. is from flat operations, which are primarily integrated steel production facilities.

Raw steel production, ArcelorMittal flat carbon USA: 2008-2016*



* In 2016, ArcelorMittal divested three long carbon facilities. ArcelorMittal USA continues to operate a long carbon facility in Steelton, PA. Total long carbon production in 2016 was 253,712 tons, decreasing from 585,651 in 2015

Financial value creation (continued)

Applications for steel

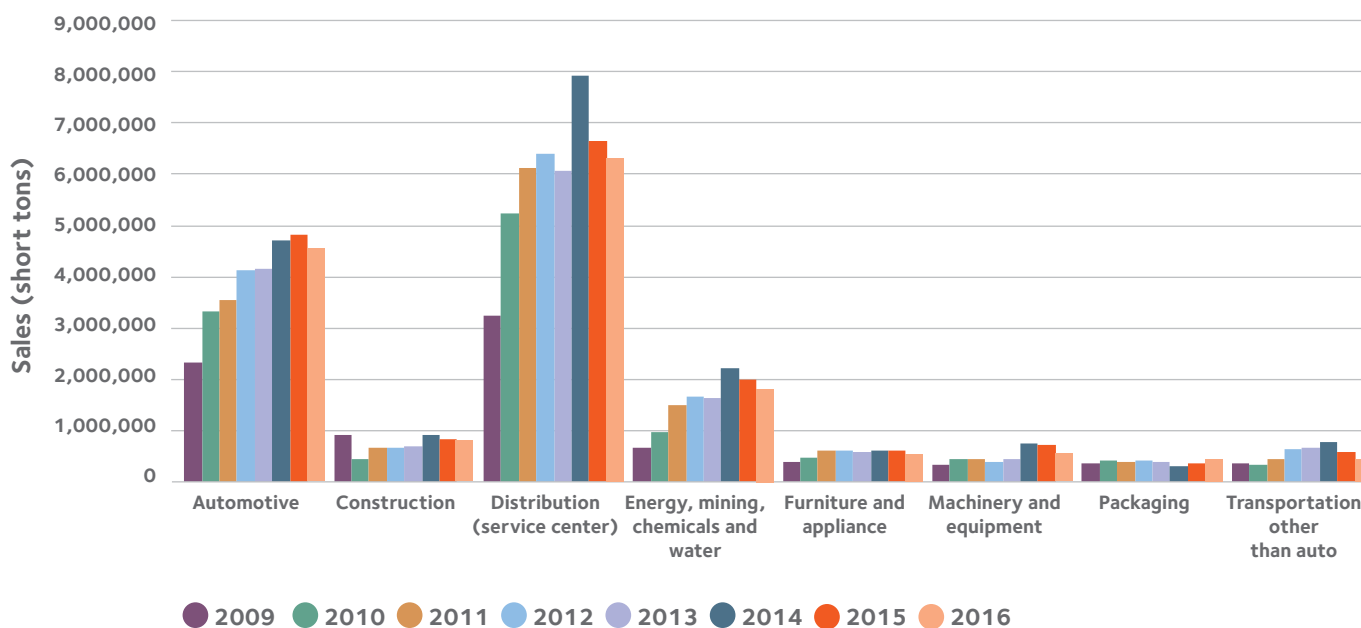
Steel has a major role to play in the vitality of the U.S. economy and national security. Steel has a broad range of applications in industries such as transportation, energy, defense, machinery, appliance, construction and packaging.

In construction, steel offers superior performance, affordability and an environmentally friendly profile over competing materials. Steel is the main material used in products that deliver renewable energies such as solar, tidal and wind. The automotive sector accounts for roughly 12 percent of the overall global steel consumption. In the United States, that number rises to 27 percent.

The majority of ArcelorMittal's shipments in the United States serve the markets of service center/distribution (40 percent), automotive (30 percent) and energy/mining/chemicals/water (12 percent). The charts below illustrate our sales by market segment in the United States in 2016 and year-over-year since 2008.

While optimistic about the future of our business, it is important to note that shipments have decreased in nearly every major market in the last three years.

ArcelorMittal sales by market segment, Steel shipments in the United States: 2009-2016

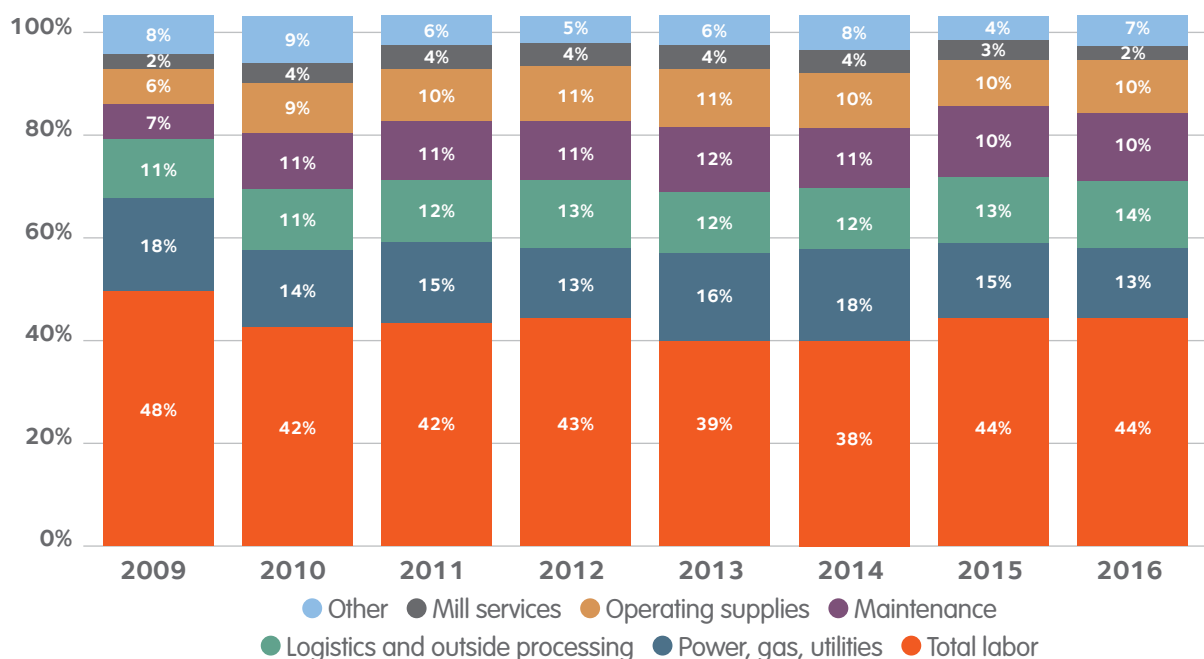


Data represents wholly-owned ArcelorMittal USA LLC facilities and includes I/N Tek and I/N Kote and AM/NS Calvert.

Financial value creation (continued)

As it relates to ArcelorMittal's profit and loss equations in the United States, our profitability and long-term financial stability depend largely on conversion costs. These are the costs the company incurs to transform raw materials into finished steel products, minus the cost of raw materials. Repairs and maintenance, labor, energy use and logistics are examples of types of conversion costs. As shown in the chart below, labor directly accounts for 44 percent, the largest share of the total conversion cost of steel, and influences all major cost categories.

Components of conversion costs: 2009-2016



"Total labor" includes both represented and non-represented employees.

"Maintenance" excludes internal labor.

Data represents wholly-owned ArcelorMittal USA LLC facilities and includes I/N Tek and I/N Kote.

Financial value creation (continued)

Capital Investment

ArcelorMittal is committed to investing in our assets in the United States through capital expenditure. For the last five years, our capital investment related to the ArcelorMittal USA business unit has averaged more than \$250 million per year to enhance our facilities' capabilities and extend the life of our assets.

In 2014, ArcelorMittal acquired AM/NS Calvert, a joint venture with Nippon Steel & Sumitomo Metal. The capital expenditure specific to AM/NS Calvert in 2015 and 2016 allows this facility to build capacity and efficiency, opening new market opportunities specifically related to high value-added products. This dual commitment to increasing capacity at AM/NS Calvert while simultaneously investing in ArcelorMittal USA's most cost competitive assets directly addresses the needs of our global Action 2020 plan, detailed in the strategy section of this report.

Total U.S. Capex	2012	2013	2014	2015	2016
ArcelorMittal USA* Gross Capex in millions USD	\$289	\$214	\$317	\$233	\$280
AM/NS Calvert Gross Capex in millions USD	— **	— **	— **	\$40	\$122

* Capex represents wholly-owned ArcelorMittal USA LLC facilities and includes I/N Tek and I/N Kote.

** AM/NS Calvert was acquired by ArcelorMittal in February 2014. Our first full year of Capex occurred in 2015.

Financial value creation (continued)

The list below includes the 25 largest Capex projects in the United States in 2016. They are listed in order from largest to smallest according to the size of investment.

2016 Capex projects in the United States

AM/NS Calvert continuous annealing line upgrade to produce gen3 steels

Indiana Harbor West 3SP caster upgrade

Burns Harbor power house restoration

AM/NS Calvert HDGL3 upgrades to produce gen3 steels

Indiana Harbor East 80HSM No. 5 and No. 6 walking beam furnace skid rehab phase 3

AM/NS Calvert HSM slab yard bay 4 and 5 expansion

AM/NS Calvert batch anneal phase 1

Coatesville EAF rebuild foundations and platforms

Indiana Harbor East 80HSM rebuild TTP east cooling tower

Indiana Harbor West 3SP install downcomer

Burns Harbor No. 2 caster mold rehabilitation

Warren coke end flue repairs

AM/NS Calvert HDGL1 upgrades to produce exposed automotive

Indiana Harbor East 80HSM logistic improvements: slab shipping equipment and infrastructure

Burns Harbor Plate NUBOC (nucleate boiling cooling) step 2

Indiana Harbor West No. 6 blower

AM/NS Calvert HSM 40 metric ton upgrade

I/N Tek descale pickle tanks replacement

Cleveland HSM RHF No. 3 hearth replacement

Riverdale HSM coiler simadyn D drive replacement

AM/NS Calvert HDGL4 upgrades to produce aluminized products

Indiana Harbor West 3SP No. 2 CCM - LMF bins and scales

Indiana Harbor West 3SP No. 2 CCM - Air Mist Compressors

Cleveland - PKL tank entry bridle upgrade

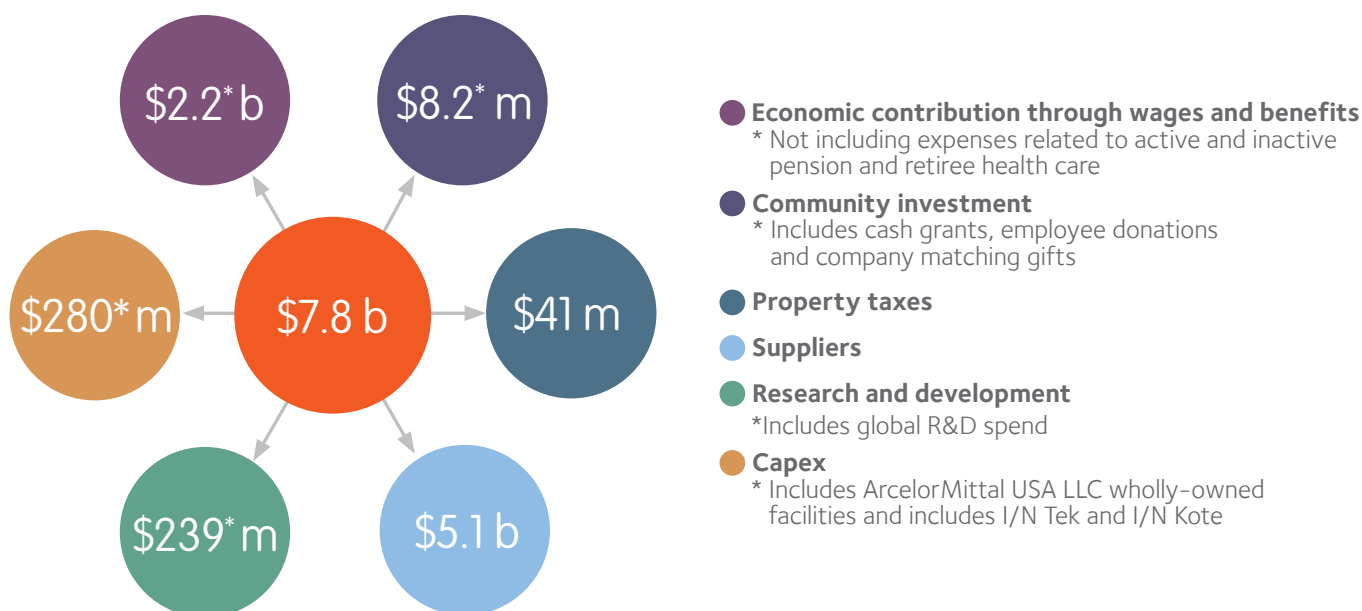
AM/NS Calvert laser PWHT equipment to support production of Gen3 steels

Financial value creation (continued)

Economic contribution

In 2016, our U.S. operations employed over 18,000 individuals with a direct economic contribution of \$2.2 billion through wages and benefits (not including expenses related to active and inactive pension and retiree health care). We also contribute \$41 million each year in property taxes, providing significant funding for schools and local governments that would otherwise face significant challenges in terms of long-term sustainability. Often, ArcelorMittal is the largest employer in the communities in which our facilities are located. In Indiana, Ohio and Pennsylvania – where the majority of our USA workforce is located – our entry-level hourly pay is significantly higher than the local minimum wage. This allows our employees to earn highly competitive wages to provide for their families and contribute to the local economy. In addition to providing highly competitive wages, we seek to engage local businesses in fulfilling our supply chain, multiplying our economic contribution in our communities. To ArcelorMittal, being a good employer and community partner are all part of being a responsible corporate citizen.

ArcelorMittal economic contribution in the United States: 2016



OUR STRATEGY



Our strategy

In the United States, our business strategy guides our decision making at every level. It is not enough just to perform well. We must consider the feedback we receive from our stakeholders and our impact on the larger community. This strategy emphasizes our ongoing commitment to sustainability, and from that our economic right to grow our impact.



Action 2020



In 2016, ArcelorMittal launched our global Action 2020 plan. This plan contains a strategic roadmap for ArcelorMittal's main business segments, and seeks to deliver real financial and efficiency improvements in the business by 2020. The Action 2020 plan targets a return to >\$85/t EBITDA absent of any recovery in steel spreads and raw material pricing from their current level. Globally, the Action 2020 plan targets a structural EBITDA improvement of approximately \$3 billion. Upon full achievement of the plan, ArcelorMittal would expect to deliver free cash flow in excess of \$2 billion annually. This strategy, globally, allows us to increase EBITDA in order to invest in the continued sustainability of our business units around the world.

In 2016, ArcelorMittal USA made tremendous progress on achieving our Action 2020 aspirations. For us, Action 2020 centered on a strategy of concurrently investing in our facilities while at the same time deciding to cease operations at some of our redundant assets. We entered the year knowing our business could not be sustainable without ensuring we have cost-competitive assets operating at higher levels of productivity and yield with no loss of volume or profitable market share.

To effectively implement Action 2020, we remain focused on the following:

World class assets

In an ever-competitive industry, it is first and foremost important to ensure every facility is operating in the most efficient and cost-productive manner possible. In 2016, we spent the year undergoing important strategic restructuring in our operations, setting our business on course for a stronger future. We cut costs significantly across the business, idled non-essential operations, including the No. 1 aluminizing line, No. 5 galvanizing line and 84" hot strip mill at Indiana Harbor, and divested multiple long carbon facilities. Simultaneously, we invested in our core assets. The restoration work at Indiana Harbor's 80" hot strip mill continues, and the No. 3 caster investments are complete and production is ramping up.

The structural improvements we have made to our USA footprint directly support our global Action 2020 initiative launched in early 2016. The work completed last year is quickly showing signs of positive impact and realized financial improvement.

Emphasizing cross-functional, cooperation focused teams

"It's hard to find a department that wasn't involved. I always knew we had great employees, but this instilled even more confidence that we can accomplish the full Action 2020 plan."

John Brett
President and CEO,
ArcelorMittal USA

Every individual working in the ArcelorMittal ecosystem in the United States is important to the long-term sustainability of our business. In 2016, we successfully completed phase one of a substantial transfer of millions of tons of production across several facilities, to better align products with individual site capabilities and customer demand. This was truly a cross-functional effort. Teams ranging from commercial, planning, strategy, operations, quality, logistics and communications contributed to this effort and ensured no disruption to our customers. The initial stages of Action 2020 have begun to develop a cross-functional team environment that will serve ArcelorMittal USA well going forward.

Creating high value-added products for our customers

ArcelorMittal's United States business has long prided itself on the strength of our customer relationships. We recognize, though, that customers continually look for deeper collaboration and the creation of value-added products and solutions from their suppliers. ArcelorMittal is the largest producer of advanced high-strength steels in the world, and each year invests more than \$200 million globally in research and development to drive innovation in product solutions. Value-added products include fully finished hot roll and cold roll, galvanized and other coated steels. Producing grades of steel no other steelmaker can produce will help insulate our U.S. business from the threat of imports over time, as well as improve our competitive advantage.

Our performance in 2016 in the United States, in fact, is ahead of schedule, resulting in increased investment needed to capture market growth opportunities in 2017 and the coming years.

Meaningfully improving delivery performance

Our primary focus in 2017 is specifically related to our delivery performance. We recognize it is important to look differently at delivery than we have in the past. We must meet the expectations of our customers and ensure we are being strong partners in their business objectives. To that end, we launched a delivery performance team to evaluate our delivery improvement through every level of the value chain.

Maintaining a pipeline of talented employees to deliver world class productivity

To drive continuous improvement and asset optimization, ArcelorMittal must also employ the best operators, technicians, craftspeople and engineers to keep our facilities running at optimum productivity. In our 10 sustainable development outcomes, we emphasize in outcome 9 the importance of a pipeline of talented scientists and engineers for tomorrow. ArcelorMittal works hard to develop a more efficient workforce as we lose employees to retirement. While technology advances allow steel mills to operate with fewer employees, those advances also make it imperative for ArcelorMittal to attract and retain the best talent.

Strategic and sustainable capitals

In pursuing an integrated report, ArcelorMittal acknowledges how the six capitals model pioneered by the International Integrated Reporting Council (IIRC) connects directly to our business strategy. This model includes an analysis of financial capital, manufactured capital, intellectual capital, social and relationship capital, human capital and natural capital. By integrating these capitals into our business strategy, we work to create a balanced business model that emphasizes outcomes beyond just our financial sustainability. The six capitals directly outline the ways in which our business strategy adds long-term value for our stakeholders.

IIRC's Six Capitals, intersections with our business strategy

Strategic focus		IIRC's Six Capitals					
		Financial	Manufactured	Intellectual	Social and relationship	Human	Natural
Our assets	Optimize assets	●	●	●		●	●
	Effectively utilize financial resources	●	●				
	Achieve high capacity utilization on our most productive assets	●	●			●	●
	Continue to invest in assets for long-term viability	●	●			●	
Our people	Emphasize cross-functional, cooperation focused teams			●	●	●	
	Maintain a talented pipeline for the workforce needed today and in the future	●		●	●	●	
Our customers	Deliver high value-added products for our customers	●			●		
	Meaningfully improve delivery performance	●	●		●		
Our value	Gain profitable market share	●			●		
	Achieve positive cash flow	●					
	Drive resilience for our value chain and communities	●	●	●	●	●	●

United States Action 2020 strategy reinforced



Our strategy in the United States is underpinned by our 10 sustainable development outcomes



OUR 10 OUTCOMES



Our strategy centers on our 10 sustainable development outcomes



- 1 — Safe, healthy, quality working lives for our **people**
- 2 — **Products** that accelerate more sustainable lifestyles
- 3 — Products that create sustainable **infrastructure**
- 4 — Efficient use of **resources** and high recycling rates
- 5 — Trusted user of **air, land and water**
- 6 — Responsible **energy** user that helps create a lower carbon future
- 7 — **Supply chains** that our customers trust
- 8 — Active and welcomed member of the **community**
- 9 — Pipeline of talented **scientists and engineers** for tomorrow
- 10 — Our contribution to society **measured**, shared and valued

All underpinned by transparent good **governance**.

Safe, healthy, quality working lives for our people

We are committed to promoting and protecting the safety and well-being of our people, yet we still face challenges in creating a zero accident workplace. We need to ensure our workplaces are safe. We also want to create a great place to work by supporting the general health of our employees. We additionally believe in the importance of strong labor relations in order to create a positive working environment.



2016 HIGHLIGHTS

7%

ArcelorMittal's U.S. lost time injury rate for 2016 (1.24) improved 7 percent over 2015 and is our best on record.

13

13 ArcelorMittal USA facilities, as well as our Research and Development center, maintained their Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

7,000

In 2016, over 7,000 represented and salaried employees received wellness/preventative exams or biometric screenings.

Why is this important to us?

The safety and health of our employees is one of the most important issues impacting ArcelorMittal. We strive to implement best in class labor and safety standards in all facilities for all employees and anyone working at or visiting our facilities. For this reason, safety, health and labor relations are key issues in sustainable development. Employers wanting to attract, develop and retain the brightest talent must ensure they address these issues and create a positive working culture.

The commercial imperative

What kind of challenges do we face?

ArcelorMittal is dedicated to ensuring the safest environment for our more than 18,000 employees across the U.S. When accidents happen, there are enormous consequences for the person involved, his or her family and colleagues. We also have a responsibility to support the general health and well-being of our employees, especially given the reality of an aging workforce.



What do we need to do?

Safety has been and will continue to be our number one priority. To produce steel and extract minerals without either fatalities or injuries, everyone must take responsibility for ensuring a safe environment, not just for themselves but also for their colleagues, including contractors. We strive to provide all of our employees with the training, protective equipment and tools necessary to complete their jobs in the safest way possible. To ensure our employees are safe at work, ArcelorMittal has a company-wide commitment to achieve zero accidents and fatalities in the workplace. We have also made employee health a priority through the implementation of several preventive health initiatives. In addition, we are committed to engaging in regular and transparent labor relations.



What is the potential to create value?

It is in everyone's interest to aim for a workplace entirely free of any safety incident. We want to go one step further and actively promote well-being and positive relationships with our employees, because we know this makes our people happier and more productive in their work.



Safety

Safety performance

Each year, we strive to improve our safety performance through our Journey to Zero initiative and by reducing lost time injuries (LTIs). An LTI is defined as a non-fatal injury resulting in a loss of work time. We continuously initiate and evaluate programs and partnerships to reduce our LTI rate. Globally, our company achieved an LTI rate of .82 per million hours worked in 2016, a statistic that includes our employees and contractors. It is a significant improvement since the merger between Arcelor and Mittal, when the LTI rate was 3.3, but until the number is zero, we will continue to work toward improved health and safety outcomes each year.

We are pleased to report that our U.S. LTI rate for 2016 (1.24) improved 7 percent over 2015. This figure expresses the frequency of injuries per million hours worked, and includes employees and contractors for ArcelorMittal USA LLC and AM/NS Calvert facilities. While our focus on safety and continual improvement has been steadfast, not reflected in our 2016 LTI rate is a fatal incident that occurred on ArcelorMittal property to an independent trucking company's driver. ArcelorMittal is deeply saddened by this tragic event that occurred in November 2016. Our work toward an incident-free workplace is not over until we achieve our Journey to Zero goals.

As part of our continued safety efforts, we ask that 20 percent of all managers' time is spent on the shop floor observing practices, procedures and equipment, and identifying how we might make the workplace safer. We are continuously building on this foundation of safety knowledge by engaging every employee in the proper way to complete tasks and procedures. We firmly believe that it is everyone's responsibility to work together to achieve a safer work environment.

In order to enhance safety, ArcelorMittal offers a series of publications called Life Books, which provide safety suggestions, reminders and ideas auditors can use when conducting safety audits. With guidance provided by the Life Books, auditors can recommend changes that may exceed the company's safety standards or the safety standards set forth in federal, state or local laws, to help achieve a safer workplace.

The Life Books cover seven key areas:

- Isolation
- Confined space
- Working at heights
- Rail safety
- Vehicles and driving
- Cranes and lifting
- Contractors

Joint commitment to safety

Together, ArcelorMittal and the United Steelworkers (USW) strive to ensure the safety of our employees and improve the safety performance of our operations. The USA safety steering committee – which comprises senior executives, union leadership and safety professionals – continuously monitors safety performance through weekly reports, conference calls and monthly meetings.

Since 2005, safety leaders and union representatives from all USA facilities have met regularly to:

- Discuss best practices
- Receive training on new initiatives
- Share information and exchange ideas regarding continuous safety awareness
- Review lost time incidents and fatalities
- Review what went well/wrong during the previous quarter

In 2016, strategic continuous improvement efforts included:

- Improving compliance to key ArcelorMittal fatality prevention standards (working at heights, isolation, cranes and lifting, rail safety and confined space entry)
- Managing and reducing risks in the workplace
- Improving and assessing the quality of safety audits
- Improving the corrective and preventive action process
- Expanding the use of on-the-job risk assessments
- Improving standard operating procedures and work instructions
- Improving contractor safety management

There was also a significant focus on reducing events that could potentially result in a serious injury or fatality.

Safety initiatives

As part of our commitment to shared vigilance in the workplace, and to help improve our LTI rate by preventing serious accidents from occurring, we formally track near misses at our operating facilities. Due to the nature of LTIs – where many are repeat in nature – we continually learn from previous incidents and near misses, which in turn improves our safety record. Last year we recorded 1,424 near misses among our facilities.



Near misses are formally reported using the following methodology

- Collect data
- Describe incident
- Determine causal factors (unsafe conditions and actions)
- Perform root cause analysis
- Develop preventive and corrective actions

The near miss is also formally investigated to identify and address the underlying safety issue.

To reinforce safe practices and ensure that managers and supervisors are spending time on the shop floor, our facilities complete regular shop floor audits and layered safety evaluations. A shop floor audit is a face-to-face discussion between employees and leadership in order to recognize, assess and reduce risks. The ultimate goal of a shop floor audit is to recognize and reinforce safe practices, identify obstacles to safe practices, reinforce existing standard operating procedures and identify improvement actions. Managers are required to audit each employee at least twice per year.

A layered safety evaluation is a different type of audit, designed to check deployment of health and safety procedures, align procedures with practices and provide feedback. A layered safety evaluation is similar to a shop floor audit, but has important differences. Layered evaluations focus on the system as a whole and not specifically on a given task. The goal of a layered evaluation is to share viewpoints, communicate expectations, reinforce practices and identify key points for improvement. Managers are required to complete one layered safety evaluation per week.

Another strategy to improve our U.S. safety performance is obtaining the Occupational Health and Safety Assessment Series (OHSAS) 18001 certification, a voluntary international certification for safety management systems intended to help sites control risks by setting targets and monitoring safety performance. It was developed in response to widespread demand for a recognized standard against which workplaces can be objectively assessed. In 2016, 13 ArcelorMittal USA facilities, as well as our R&D center, maintained their certification with OHSAS 18001.

Safety initiatives (continued)

This certification requires external auditors to review our health and safety system, similar to how ISO/TS 16949 and ISO 14001 certifications are audited for quality and environmental systems. One of the tools in the OHSAS 18001 process is Hazard Identification, Risk Assessment and Control (HIRAC), which helps identify and ultimately reduce risks in the workplace. The process promotes proactive engagement between shop floor employees and managers to recognize hazards, assess the level of risk and implement controls to reduce the risks.

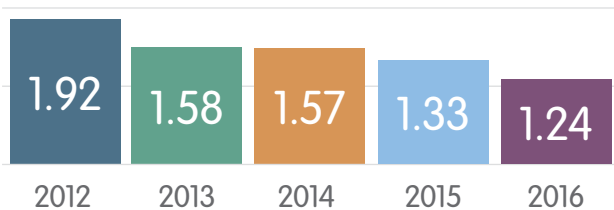
Throughout 2016, 32 formal safety audits took place across our USA facilities. These formal audits resulted in reports that identified opportunities to improve compliance and reduce hazards at each facility.

In an effort to reinforce our health and safety standards and remember the workers we have lost, ArcelorMittal and the USW host Global Health and Safety Day/Workers Memorial Day every April at local facilities throughout the United States. The theme of our 2016 annual Health and Safety Day was “Together for Safety – Warn Me.” Our employees across the country participated in hands-on learning activities to reinforce the importance of health and safety in the workforce.

In the United States, Global Health and Safety Day officially launches our annual SummerSafe program, which aims to educate employees about safety hazards that can occur in warm weather. Similarly, we annually promote WinterSafe and HolidaySafe programs to highlight seasonal hazards, including icy roads and severe weather, as well as the dangers of portable heaters and other potential home hazards.

Each safety initiative is highlighted in several internal communication vehicles for employees, including 1 Magazine, 1 Intranet, videos and posters, to ensure employees have access to these crucial messages throughout the year.

Lost time injury frequency rate*



*Includes employees and contractors at ArcelorMittal USA LLC facilities and AM/NS Calvert. Figures reported express the frequency of lost time injuries per million hours worked.

Labor

Employee relations

In the U.S., ArcelorMittal strives to maintain a healthy partnership with all stakeholders, including our local unions and national union leadership. The USW represents 68.8 percent of our total workforce in the United States. The Basic Labor Agreement (BLA), a contract between 12 of our facilities in the U.S. and the United Steelworkers, regulates wages, hours, and terms and conditions for employment. Our new contract with the USW was ratified by USW-represented employees on June 23, 2016. To learn more about our new BLA contract, please visit our ArcelorMittal USA blog: <http://usa.arcelormittal.com/blog/06-23-2016>

USW leadership is invited to attend weekly business planning meetings at all of our facilities. In addition, there are quarterly update meetings at each of our facilities with invitations to all employees and their USW representatives. In 2016, we continued a key safety and sustainability initiative launched in partnership with the USW in 2010 – Safe Sustainable Steel. This initiative focuses on building a fundamental understanding of the current state of the business and what can be done to help shape a more sustainable future. Safe Sustainable Steel focuses on employee safety while driving improved employee engagement around actions that will lower operations costs and improve productivity, quality, yield and delivery.

In addition to projects that focus on improving our operations, performance and the sustainability of our products, Safe Sustainable Steel videos and communications are produced regularly for department managers and employees. Designed to promote discussion and stimulate new ideas, communications cover a variety of topics, including shared vigilance, competitive threats, walking work surfaces, and slips, trips and falls.

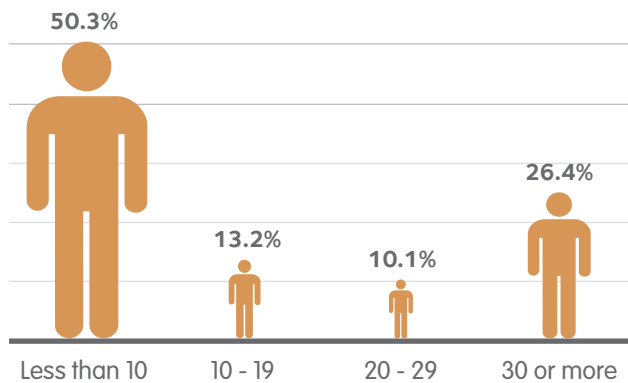


Employee grievances

ArcelorMittal has a number of policies and training procedures in place to protect both our employees and the company. The Collective Bargaining Agreement with the USW provides a grievance procedure for represented employees. In the United States, we employ a whistleblower hotline that allows employees and stakeholders to report violations of our code of business conduct 24 hours a day, seven days a week. This phone line and website are operated by an independent third party and any reports made through the whistleblower hotline are anonymous and confidential. We explicitly communicate that there will be no retaliation for reports made in good faith. All reports are taken seriously and are investigated and addressed in a timely manner.

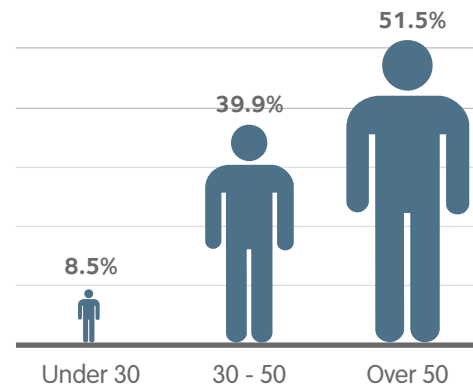
Labor statistics

Duration of employment with ArcelorMittal in the U.S.* (in years)



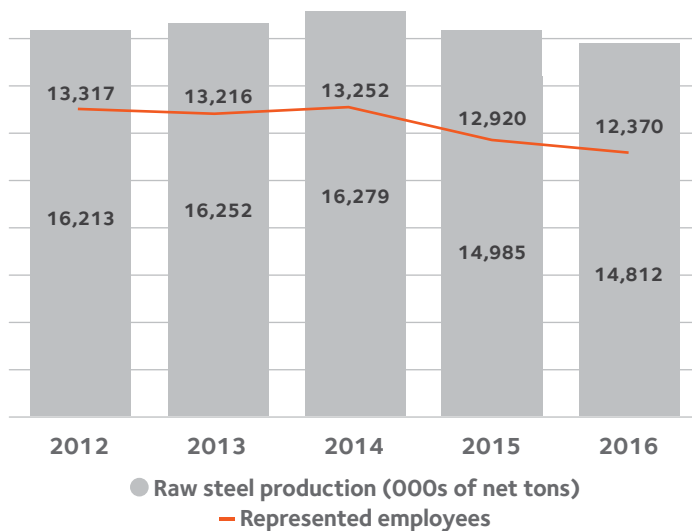
*0.5 percent of employees lack service dates

Percentage of employees by age group (in years)



Raw steel production vs. represented employees 2012-2016

The chart below traces ArcelorMittal USA's represented employee levels since 2012, as compared to raw steel production. While raw steel production varied based on market conditions, employment levels remained relatively flat. In 2016, one employee accounted for 1,197 tons of raw steel production.

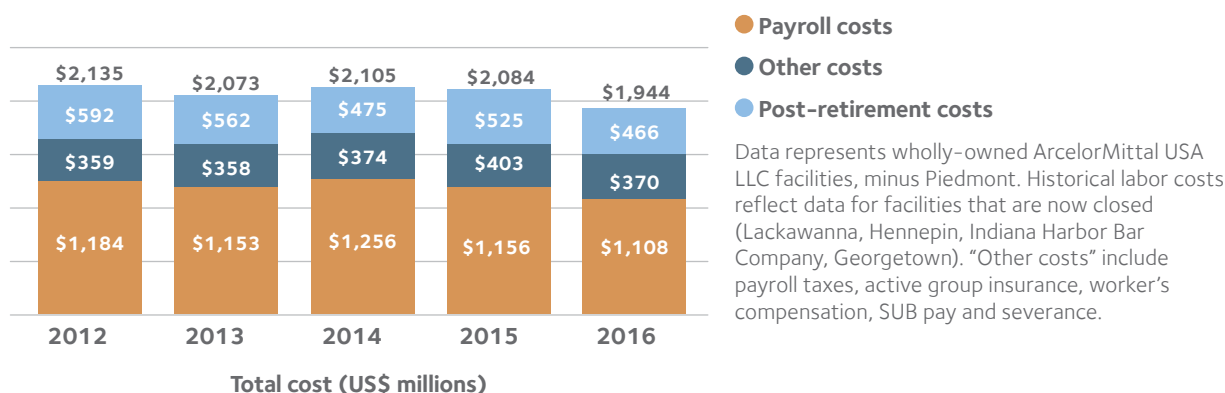


Represented employee data includes wholly-owned ArcelorMittal USA LLC facilities minus Piedmont. It also includes I/N Tek and I/N Kote.

Labor statistics (continued)

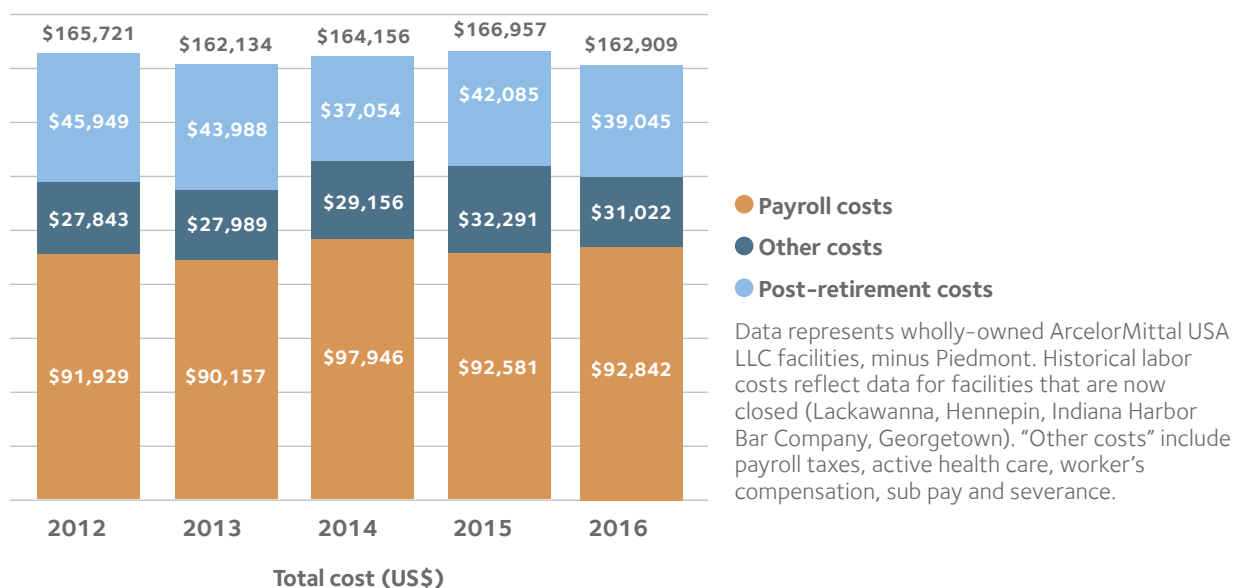
Total labor costs for represented workforce at ArcelorMittal USA: 2012-2016

The chart below illustrates ArcelorMittal USA's total costs for our represented workforce from 2012 to 2016, including payroll, benefits and post-retirement costs. In 2016, ArcelorMittal USA's total costs for our represented workforce were \$1.94 billion.



Average annual employee costs per represented employee at ArcelorMittal USA: 2012-2016

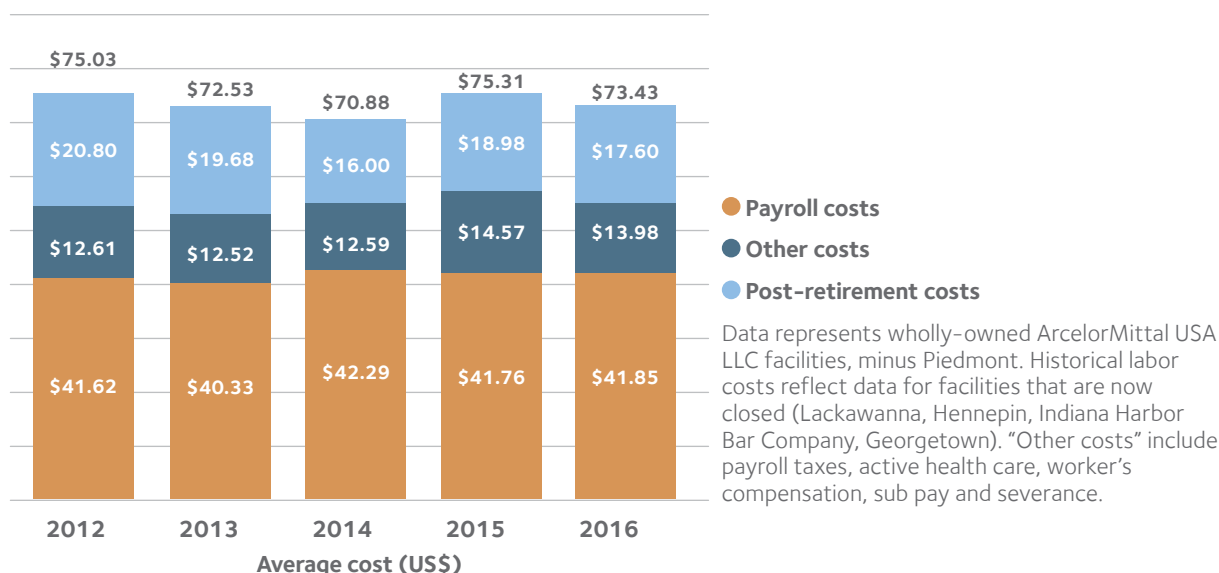
The chart below illustrates the average annual earnings of a represented employee at ArcelorMittal USA, highlighting annual pay, benefits and post-retirement costs. The 2016 average employment costs for a steelworker was \$162,909.



Labor statistics (continued)

Average labor costs per worked hour to ArcelorMittal USA: 2012-2016

The chart below illustrates the average costs per worked hour per active represented employee. In 2016, the average costs of a represented employee to ArcelorMittal USA were \$73.43 per hour worked, including payroll, benefits and post-retirement costs. According to Q3 2016 data from the Department of Labor's Bureau of Labor Statistics, the average manufacturing worker earned \$39.22 per hour, including benefits.



ArcelorMittal USA wage increases vs. benchmarks

ArcelorMittal recognizes the cost of living for our employees increases each year. We work diligently, even in challenging economic times, to increase wages when possible. Over the past five years, wage increases at ArcelorMittal USA have been in line with cost of living increases, but below the benchmark of the wider manufacturing sector. Many manufacturing industries have experienced significant growth in the last five years. For example, automotive manufacturers experienced record sales the last three years. Due to the challenging economic conditions in recent years and significant changes in the steel industry, our USA represented employees have received increases only every other year during this challenging time (2013 and 2015).

Average annual wage increases			
Period	ArcelorMittal USA	Manufacturing	CPI-W
2012-2016	0.9%	2.4%	1.1%

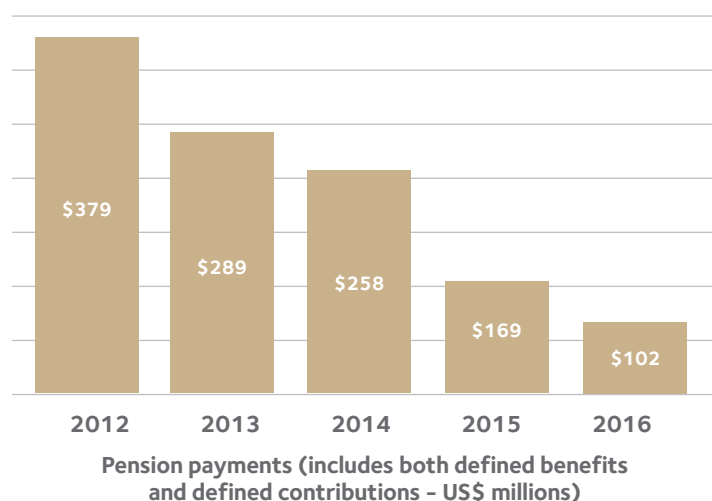
Source: U.S. Department of Labor (Manufacturing) and consumer price index for urban wage earners and clerical workers (CPI-W).

Data represents wholly-owned ArcelorMittal USA LLC facilities covered by the Basic Labor Agreement (BLA). Lump sums not factored.

Labor statistics (continued)

ArcelorMittal USA pension funding payments: 2012-2016

ArcelorMittal, at a minimum, funds to the legal requirements. Fluctuations to annual pension funding are due to changes in actuarial funded status, asset values, legal funding rules, interest rates, and changes in benefits.



Data represents ArcelorMittal USA LLC facilities. Includes both represented and non-represented employees. Data also includes payments to Steelworkers Pension Trust, and employer share of 401k contribution.

Health

Employee health

ArcelorMittal recognizes that employee health and wellness play a critical role in improved employee safety, productivity and overall well-being. The combination of an aging workforce and rising healthcare costs makes it imperative for us to take action on the issue of employee wellness. ArcelorMittal USA paid a total of \$264 million in medical costs for enrolled represented employees in 2016. Since 2012, the costs of medical coverage have increased by approximately 23 percent, with an average yearly increase of 5.2 percent.



ArcelorMittal's national health initiatives are focused on encouraging our employees to take preventive measures to protect their health. ArcelorMittal's goal is to decrease healthcare costs while ensuring that employees continue to have access to needed support. For example, salaried employees are encouraged to complete offsite biometric screenings. These screenings provide a snapshot of key metrics such as cholesterol, glucose, blood pressure and BMI, which can be used as a tool by employees to take proactive preventive healthcare measures. In 2016, 716 salaried employees received offsite biometric screenings. Biometric screenings shifted from being onsite in 2015 to offsite in 2016. Similarly, under the new USW Health Awareness Initiative, represented employees were encouraged to receive wellness/preventive exams with a physician. A total of 6,603 represented employees received wellness/preventative exams in 2016. Employees were encouraged to participate in these health programs with financial compensation.

All employees were also highly encouraged to take advantage of free flu shots. In total, 2,109 employees and 700 dependents received either onsite or offsite flu shots.

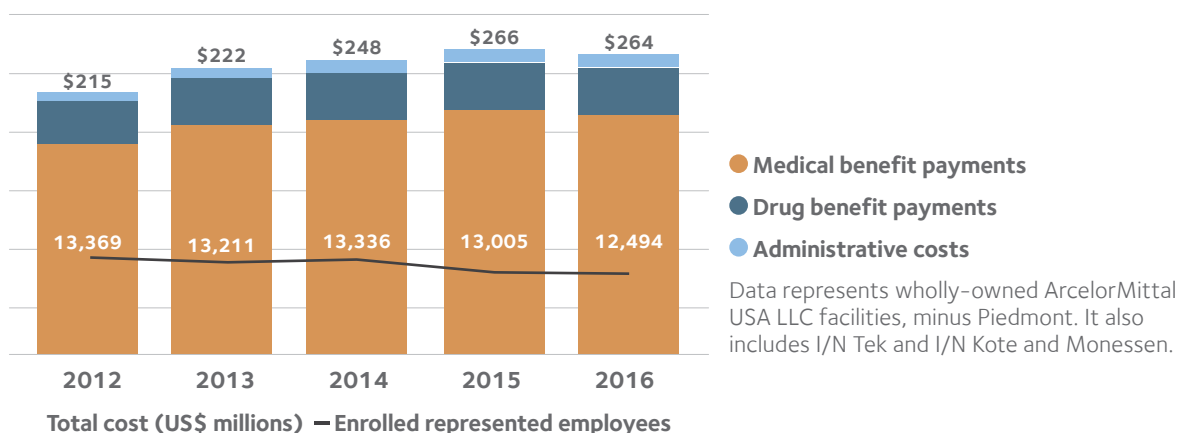
We also work to communicate health and wellness through our employee communications channels. Each issue of 1 Magazine has a wellness section, featuring health information and stories of "wellness champions" – employees who have made significant lifestyle changes in order to improve their health and well-being.

Our USA facilities also participated in our annual Health Week, October 3–7, 2016, which emphasized preventive healthcare activities for both the workplace and home. Health Week events included the ArcelorMittal Global Walk/Run, health screenings, free flu shots and presentations about preventive health measures, such as healthy eating, fitness, heart health, smoking cessation and stress awareness. Some ArcelorMittal plants offer wellness initiatives outside of Health Week. Examples of facility-based wellness programs include smoking cessation and diabetic management programs and walks/runs. The ArcelorMittal Employee Discounts program offers regional and national health club discounts as well as significant discounts for products and services that support employee financial wellness.

Health statistics

Total medical costs for enrolled represented ArcelorMittal USA employees: 2012-2016

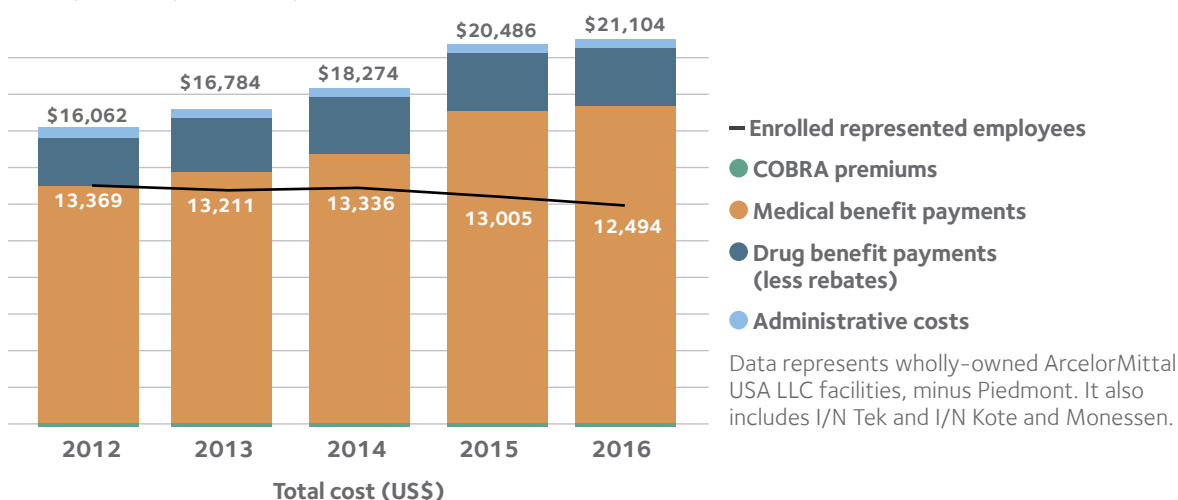
ArcelorMittal USA paid a total of \$264 million in medical costs for enrolled represented employees in 2016, a 1 percent decrease over 2015. Since 2012, the costs of medical coverage have increased by approximately 23 percent, with an average yearly increase of 5.2 percent.



Source: 2016 Annual Cost Report, Trion

Medical costs per enrolled employee: 2012-2016

The costs of medical coverage per enrolled represented employee to ArcelorMittal USA have increased approximately 31 percent since 2012, reaching \$21,104 in 2016. Medical costs have increased an average of 7.1 percent year over year since 2012.



Source: 2016 Annual Cost Report, Trion

Health statistics (continued)

ArcelorMittal USA employee benefits vs. national benchmark

This chart provides a detailed look at ArcelorMittal USA's medical benefits plan as compared to national benchmarks. Enrolled represented employees of ArcelorMittal USA enjoy a superior plan as compared to other manufacturers.

In-network benefits	National benchmark		ArcelorMittal USA*	
Annual deductible	\$500/\$1,200		\$0/\$0	
Out of pocket maximum	\$3,000/\$6,000		\$1,000/\$2,000	
Coinsurance	80%		90%	
Emergency room copay	\$150		\$50, waived if admitted	
Non-preventative doctor visits	\$25 copay		\$15 copay	
Specialist doctor visits	50% require higher copay than primary care physician		\$15 copay	
Prescriptions	Retail	Mail order (90 days)	Retail	Mail order (90 days)
Generic	\$10	\$22	\$10	\$20
Brand formulary	\$31	\$70	\$20	\$40
Brand non-formulary	\$56	\$127	\$30	\$60

* The ArcelorMittal USA data represents the majority of employees, which are part of the ISG Highmark/Caremark plan. Some employees from the former Ispat Inland Company participate in a slightly different, yet comparable benefits package in 2016.

Source: Trion, Mercer's National Survey of Employer-Sponsored Health Plans 2016, 10,000-19,999 employees for PPO/POS plans

ArcelorMittal USA employee out-of-pocket costs vs. benchmark

While the percentage of medical and prescription costs covered by ArcelorMittal USA represented employees continues to decline over time, the national norms continue to increase and are more than four times higher than our employees' out-of-pocket cost.

Percent of medical/Rx costs paid by enrolled represented employee out of pocket		
	ArcelorMittal USA (Represented)	National norms*
2012	6.1%	15.7%
2013	5.5%	16.5%
2014	5.7%	18.0%
2015	5.2%	20.0%
2016	4.7%	20.0%

Data represents wholly-owned ArcelorMittal USA LLC facilities, minus Piedmont. It also includes I/N Tek and I/N Kote and AM/NS Calvert and Monessen.

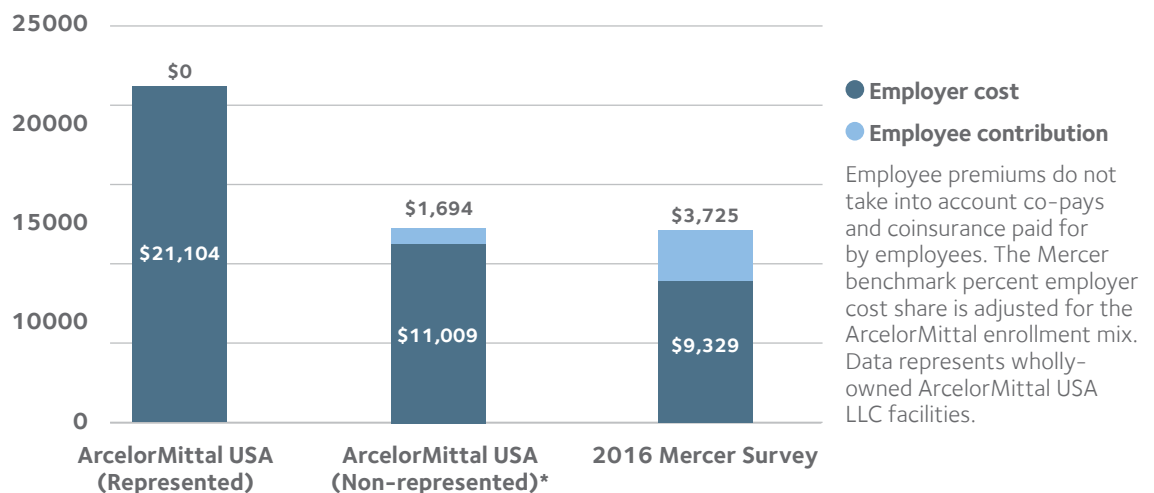
* National norms from Mercer's 2015 National Survey of Employer-Sponsored Health Plans (10,000-19,999 employees), norm represents an average of the highest cost and lowest cost plans.

Source: Trion

Health statistics (continued)

2016 average annual medical plan costs per enrolled represented employee vs. benchmark

ArcelorMittal USA's medical plan costs per enrolled represented employee are nearly double the costs of similar sized companies in Mercer's 2016 National Survey of Employer-Sponsored Health Plans (employer size 10,000 – 19,999). Additionally, ArcelorMittal USA's employees do not pay for premiums for the medical benefits package while employees of other similar sized companies pay 29 percent of the total medical plan cost.



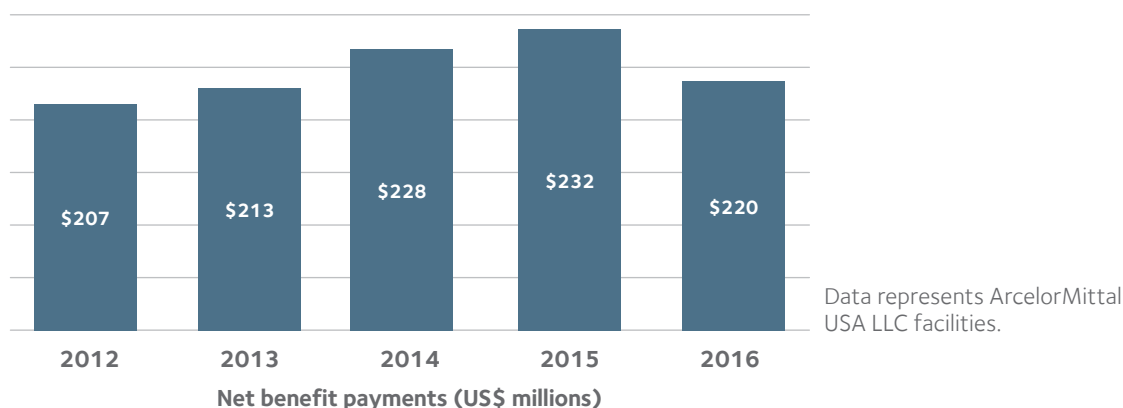
	ArcelorMittal USA (Represented)	ArcelorMittal USA (Non-represented)*	2016 Mercer Survey
Employee contributions	\$0	\$1,694	\$3,725
Employer cost	\$21,104	\$11,009	\$9,329
Total medical plan cost	\$21,104	\$12,704	\$13,054
Employer subsidy percentage	100%	87%	71%

* Includes AM/NS Calvert

Health statistics (continued)

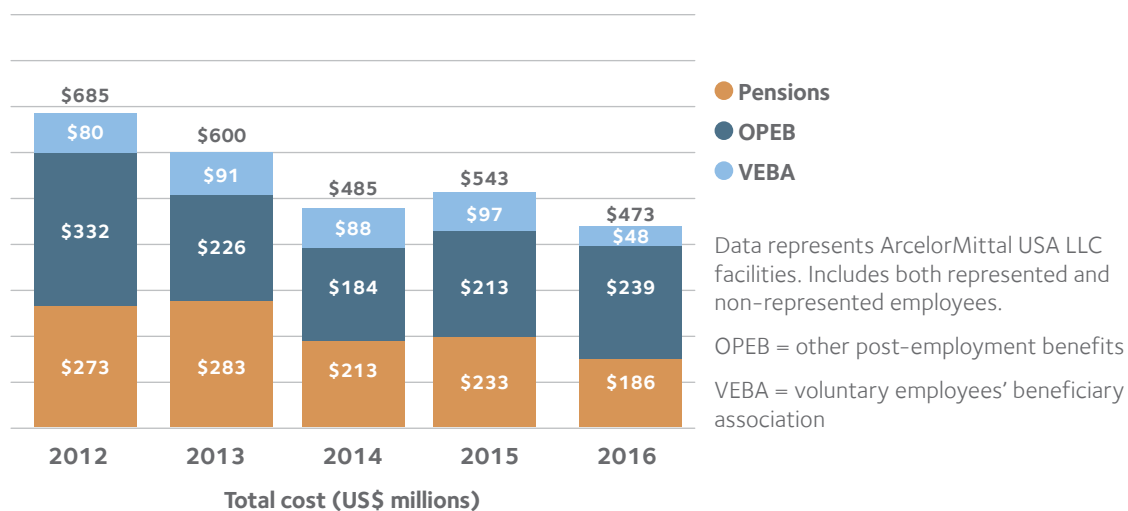
ArcelorMittal USA OPEB/retiree health care benefit payments: 2012-2016

This chart reflects the cash benefits for retiree medical, life, and other benefits (including legacy retirees and excluding pensions) provided to the current and projected retiree population. The rising cost of health care, improvements in mortality, and other factors continue to increase the cost to the company.



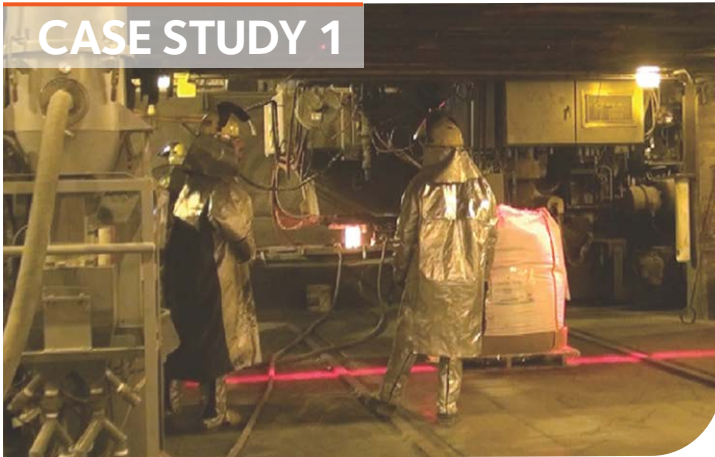
ArcelorMittal USA post-retirement expenses: 2012-2016

Post-retirement expenses represent the accounting recognition of benefits (primarily pensions, retiree medical, and retiree life insurance) delivered to employees after they retire. The expenses include a component for the estimated cost of these benefits for current employees as well as interest expense on the accrued liability. Post-retirement expenses are affected by the level of benefits promised, interest rates, return on assets, and other actuarial assumptions including projected health care inflation and mortality. These expenses are expected to be significant for the foreseeable future.



Case studies: Outcome 1

CASE STUDY 1



Using technology to enhance safety

Ensuring the safety of our employees is our top priority. Therefore, we are consistently on a quest to discover new tools and programs to improve our safety performance.

CASE STUDY 2



Real life superheroes

ArcelorMittal's sustainable development outcome one emphasizes safe, healthy, quality working lives for our people. To that end, we offer numerous health and wellness programs in the United States. With an aging workforce and rising healthcare costs, it is critical to equip our employees with information and tools required to lead a healthy lifestyle. In 2016, our health and safety programs proved effective in many ways, not only for our workforce, but for their families and local communities.

2

Products that accelerate more sustainable lifestyles

We are committed to manufacturing products that advance sustainable lifestyles. Our steel is an essential component of countless products Americans depend on in their daily lives, including automobiles, appliances and packaging. The role steel plays in the sustainability strategies of our customers and these products often goes unrecognized. Steel not only allows products to be lighter, which results in reduced carbon emissions, but it is also infinitely and easily recyclable. Additionally, compared to competing materials, steel has a smaller environmental footprint.



2016 HIGHLIGHTS

\$239m

In 2016, ArcelorMittal committed \$239 million towards global research and development efforts.

30%

Globally, 30 percent of our research and development spend is focused on the automotive market.

37

In 2016, ArcelorMittal globally launched 37 new products that contribute to more sustainable lifestyles. ArcelorMittal also conducted 19 new research programs and completed 6 new life cycle analysis studies that related to sustainable lifestyles.

Why is this important to us?

We believe steel plays an important role in the circular economy. Steel is a critical component of the products that we rely on in our modern lives. As a leading steel producer in North America, we have a responsibility to demonstrate the sustainable life cycle of steel and continue to innovate with our current range of steel products.

The commercial imperative

What kind of challenges do we face?

We must create products that meet our customers' business and sustainability goals. In the automotive market, car manufacturers in the U.S. are required to make their cars more fuel efficient than ever before, often by making them lighter, while maintaining safety standards. Years of successful innovation have put steel at an advantage here, and our industry must maintain this leadership.



What do we need to do?

To maintain our market leadership, we regularly invest in continued product innovation. This means continually making stronger and lighter steels that meet our customers' expectations. We also must work with our stakeholders to understand their specific needs and create solutions to meet new sustainability goals. We also have the opportunity to demonstrate how steel's environmental footprint is smaller than competing materials, and will continue to drive industry-leading life cycle analysis.



What is the potential to create value?

Steel is the answer to many environmental challenges. Steel creates societal value in that it is strong, safe and easily and infinitely recyclable. One ton of steel produces less CO₂ than aluminum, magnesium or carbon fiber over its whole lifetime. Recent innovations, such as the high-strength steels developed for the automotive market, have advanced our potential to make cars lighter, reduce air emissions and help customers meet increasingly stringent government regulations.



Product innovation and design

Steel is one of the most versatile materials in the world. It is 100 percent recyclable and is critical in making products that accelerate modern lifestyles, such as cars and consumer goods, more environmentally friendly and energy efficient throughout their life cycle.

Our customers are choosing materials based on new factors, including the full life cycle impact of a product. Steel is poised to maintain its competitive advantage by demonstrating its environmental footprint. A ton of steel produces less CO₂ than aluminum, magnesium or carbon fiber over its whole lifetime, due to its lower production emissions and infinite recyclability.

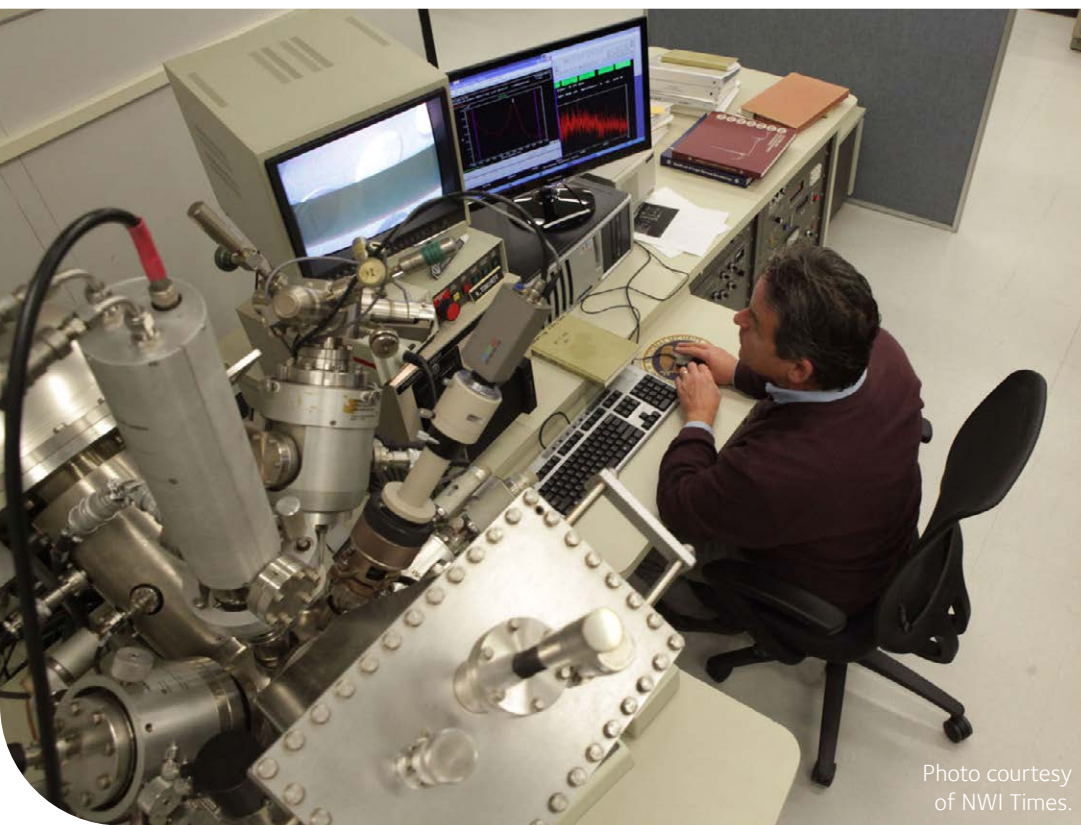


Photo courtesy of NWI Times.

However, we must continually innovate in order to maintain our competitive advantage. As an industry leader in sustainability, it is our responsibility to actively manage and explore opportunities to reduce our environmental footprint by creating breakthrough technologies and products to address sustainability challenges. Being at the forefront of innovation and customer collaboration in the industry will put us ahead of our competitors as the material and steel manufacturer of choice for our customers.

Our research and development centers are charged with developing new steel products and solutions, evolving new production processes and evaluating new business

models. ArcelorMittal has 12 research and development centers located in Europe, North America, and South America. These labs work together to implement the technologies that will drive our industry forward and maintain ArcelorMittal's advantage. Each center has its own special areas of interest, with other secondary activities. The U.S. research and development center is located in East Chicago, Indiana, and focuses upon process and technical assistance, automotive, appliances, energy products, construction and industry products.

In 2016, ArcelorMittal invested \$239 million in global research and development efforts. ArcelorMittal globally launched 37 new products that contribute to more sustainable lifestyles. We also conducted 19 new research programs and completed 6 new life cycle analysis studies.

Automotive

The weight of a car is key to its fuel efficiency, but it's a challenge to improve efficiency while also ensuring safety and recyclability. We have made this challenge central to our product development strategy. Globally, 30 percent of our research and development budget is focused on the automotive industry.

In 2012, the Obama Administration announced Corporate Average Fuel Economy (CAFE) and greenhouse gas standards that will require a doubled fuel economy to 54.5 miles per gallon (MPG) for the 2025 vehicle fleet. This standard is not being met by powertrain improvements alone – manufacturers are looking to decrease vehicle weight to boost fuel economy. ArcelorMittal is currently the leading steel provider by market share to the world's automotive market, with a strong presence in the United States. As the automotive industry is one of our major stakeholders, we are dedicated to developing new products and steel solutions that meet the ever-changing needs of the industry.

ArcelorMittal has collected evidence further demonstrating the potential of advanced steel products in helping automakers meet the CAFE standards of 54.5 MPG by 2025. Specifically, based on U.S. Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) modeling, advanced high-strength steels (AHSS) can deliver vehicle lightweighting benefits at a lower cost to the consumer and with less environmental impact than alternative solutions such as aluminum, magnesium or carbon fiber. The EPA and NHTSA models show that the weight reduction achieved with current and emerging AHSS products, combined with the improvements in powertrain technologies anticipated by the EPA and NHTSA, can get vehicles to the new 54.5 MPG standards.



The models further show that the weight reduction offered by AHSS provides one of the largest improvements in fuel economy, and the single largest improvement in efficiency per dollar spent than any other known fuel economy improvement technology. Most important to the purpose of the CAFE standards, AHSS create a lower life cycle carbon footprint vehicle than one manufactured from other, more energy and emissions-intensive alternatives such as aluminum or carbon fiber. The production of one ton of aluminum requires five times the energy required to make one ton of AHSS. As a result, steel provides automakers with an opportunity to create a lower life cycle carbon footprint vehicle than one manufactured from aluminum or carbon fiber. In addition, an aluminum car requires twice the amount of CO₂ to manufacture than a car made of AHSS, since the body structure accounts for about one third of the curb weight of a typical vehicle.

Some AHSS products have multiplied in strength by almost 10 times over the past 20 years. This is a phenomenal change for the material that is also the most recycled material in the world. Many of our innovations have been the result of our close, long-term partnerships with automotive customers. By understanding and meeting our customers' needs, we create viable new products for the market as a whole. Our advanced and ultra high-strength steels are part of a full range of steel grades available to the automotive industry to help achieve lightweighting goals without compromising safety.

Packaging

Our modern lifestyles are enhanced by steel. Not including automobiles, it is estimated that the typical American household contains more than 1,000 pounds of steel. ArcelorMittal supplies steel products for a multitude of consumer applications, from washing machines and water heaters to fans and fencing.

An excellent example of this is packaging. Steel is used in packaging for food, drinks and other liquids. Its resilience and light weight contribute to sustainable modern lifestyles. Steel packaging protects its contents from oxygen, light and other external elements, ensuring food safety. Steel packaging also conserves food without the need for refrigeration, keeping it usable for longer and helping to prevent food waste.

As a result of technical improvements, we can now produce thin tin plate steel that is equally strong, but much lighter, thereby reducing transport emissions as well as the amount of raw materials needed per can. And, because it's magnetic and easy to recover, recycling is also economical.

Our ArcelorMittal Weirton facility in West Virginia is the single largest facility in the U.S. producing tin products. These products are used by our customers to produce food cans.

Other packaging markets we serve include pet food cans, aerosol cans, paint cans, automotive oil filters and decorative tins.



Case studies: Outcome 2

CASE STUDY 1



Innovating automotive solutions

The automotive industry is facing increasingly aggressive safety standards and new, stringent tailpipe emissions and fuel economy standards implemented by the U.S. Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA). The standards will require a footprint-based, fleet-average fuel economy of 54.5 MPG for new vehicles by 2025. In light of these changes, ArcelorMittal is fervently innovating to find unique opportunities to improve the crash performance of vehicles through advanced steel solutions including lightweight hot-stamped materials designed for mass production.

CASE STUDY 2



Reducing greenhouse gases requires a life cycle approach

At ArcelorMittal, we are innovating new automotive steel products and solutions that provide strength and mass reduction, while helping to reduce greenhouse gas (GHG) emissions of vehicles. Government regulations have become more stringent in recent years. The 2025 vehicle fleet must improve fuel economy and GHG emissions to 54.5 MPG. Therefore, automakers are making a number of modifications to vehicles. One is incorporating materials to reduce weight, thereby reducing fuel needs and ultimately GHG emissions. These materials could include advanced high-strength steels (AHSS), aluminum or carbon fiber, among others. Each material contributes to vehicle lightweighting and improves fuel economy. However, each does so at a different cost to the manufacturer – and to the environment.

3 Products that create sustainable infrastructure

The sustainability of every city and state in the U.S. depends on infrastructure. Serving as the backbone of the nation, infrastructure encompasses buildings, transportation, energy systems and products serving the military. Steel is the key to sustainable infrastructure in the United States due to its unmatched strength and longevity combined with the benefits of its environmental footprint.



2016 HIGHLIGHTS

30

In 2016, ArcelorMittal global Research and Development launched 30 new products that create sustainable infrastructure.

15

ArcelorMittal conducted 15 research programs related to sustainable infrastructure.

10

Global research and development completed 10 new life cycle analysis studies related to sustainable infrastructure.

Why is this important to us?

Our future as a country and a company depends upon continued investments in infrastructure. The importance of infrastructure, including roads, bridges, railways, hospitals, schools, offices, energy generation and defense, is indisputable. However, many overlook steel's integral role in the construction of infrastructure. Through continued innovations, steel supports the sustainability of our infrastructure systems. This is critical during a time when our country is suffering from aging infrastructure and limited funds to support it.

The commercial imperative

What kind of challenges do we face?

The demand for more sustainable materials from our customers continues to increase. Materials are needed to contribute to lighter buildings, longer lasting transportation solutions and cleaner forms of energy. Steel meets the challenge by proving that its environmental footprint, coupled with its strength and availability, make it the material of choice for infrastructure solutions.



What do we need to do?

To effectively serve infrastructure sectors, we must communicate steel's current and potential sustainability contributions. We also must continue to build upon our current range of products by working to make our products even more environmentally friendly, longer-lasting and stronger.



What is the potential to create value?

We are currently meeting much of the nation's need for sustainable infrastructure solutions. Steel is strong enough to build skyscrapers, versatile enough to meet any construction challenge, and endlessly recyclable at the end of its useful life. Our current steel innovations are already reducing carbon emissions, energy use and costs for our infrastructure customers. Steel products are also creating environmental value through the creation of renewable energy through wind turbines.



Buildings

Steel meets a wide range of expectations that emerge from the need for more sustainable buildings and cities. For example, lighter-weight steel considerably reduces the energy needed to construct a building. It also reduces the need for other materials in the building, thereby lessening the environmental impacts associated with material creation and transportation. In addition, steel allows buildings to be assembled easily and then dismantled at the end of their life, so their components can be reused or recycled.

An excellent example of sustainable steel applications in building construction is 150 North Riverside, a 54-story office building in downtown Chicago. Opened in early 2017, sustainability is a focus of this new project, which has been LEED-CS Gold Precertified. ArcelorMittal is making important contributions to the building's sustainability through its incorporation of our Histar® steel, which is produced out of ArcelorMittal Europe-Long Products' Differdange mill in Luxembourg. This high-strength steel is reducing the overall weight of the building's structural system by 6 percent – a savings that positively contributes to the building's environmental footprint in ways that range from limiting the need for additional materials to overall energy savings. Added benefits of Histar include the fact that it is composed of 97 percent recycled scrap steel and saves additional energy during fabrication, as Histar, at some strengths, does not require preheating for welding. These great characteristics are achieved through a unique production process developed by ArcelorMittal called the Quenching and Self-Tempering (QST) process.

Histar steel, which conforms to the ASTM A913 standard, is very common in tall and super tall buildings and has been uniquely produced by our facility in Differdange since 1990. In the United States, Histar steel is made available to the commercial construction industry via ArcelorMittal International. ArcelorMittal recognizes that to meet customer needs, we must collaborate with business units outside the U.S., thus with the support of its network of research and development specialists, mill representatives and technical service engineers, the virtues of Histar steel are promoted to engineers, fabricators and other members of the design and construction team. When the solution is embraced, the result for end users is a marked savings in building weight, costs and carbon footprint. These kinds of collaborations between customers and ArcelorMittal multi-business units represent our commitment to sustainable infrastructure and customer solutions around the globe.

New construction solutions continue to be a focus of ArcelorMittal's research and development efforts. For example, in response to customer interests in zero-energy or even positive energy buildings, we continue to conduct research in this market. Areas in development now include models that directly integrate renewable energy sources into buildings through steel products.



Transportation infrastructure

We have long taken the lead among North American steel companies in the development of plate for bridge applications, including more corrosion-resistant steels. A recent example includes the upgrade to the Tappan Zee Bridge, across the Hudson River north of New York City. This is the largest transportation design-build project to date in the U.S. and is one of the largest construction contracts in New York history. Our facilities in Burns Harbor, Indiana, and Coatesville and Conshohocken, Pennsylvania, are providing 160,000 tons of high-performance steel (HPS) for the project. The bridge, set to be completed in 2018, will support the transportation of 138,000 daily users. Just as impressive are the bridge's sustainability statistics. The new bridge is designed and constructed to last 100 years without major structural maintenance, due in part to the use of corrosion-resistant steels. Nearly 50 percent of the ArcelorMittal-supplied steel for the project is made from recycled materials.



In addition to HPS, we have also developed a corrosion-resistant plate steel called Duracorr® that is used in bridge applications, including two recent projects in Oregon. Duracorr has a unique feature in that it corrodes in salt-containing environments at one-tenth the rate of weathering steel. This makes it possible to build a bridge with Duracorr that never needs painting. When compared to weathering, painted or galvanized steels, Duracorr has life cycle cost advantages that permit its effective use in a wide variety of applications. Use of Duracorr also benefits the environment by reducing costs to re-paint bridges and avoids societal costs of traffic jams, excessive fuel use and resultant pollution.

We are also one of only three domestic manufacturers that produces rail through our Steelton, Pennsylvania, facility. This facility has produced rail for over 148 years and is capable of making one million tons of raw steel annually, serving rail customers such as the Metropolitan Transportation Authority in New York City and the Washington Metro. In addition, the Steelton facility is the only producer of tram rails in the U.S., and provided materials for the construction of the new Kansas City streetcar system. Rail is an excellent example of sustainable infrastructure, with the capacity to transport passengers with a lower environmental impact than automobiles.

Energy generation

Steel is an essential component in all forms of energy generation and can bring significant environmental benefits. For many years we have supported the energy industry through products such as tubular steel for pipelines for the oil and gas sector. As society moves towards the implementation of cleaner and more efficient ways to generate energy, we have innovated steel solutions for the renewable energy market.

The American Wind Energy Association states that wind energy is being generated to power the equivalent of more than 15.5 million homes in the U.S. We currently provide the steel for the construction of wind turbines in Iowa, Indiana, North Dakota and Texas. Wind energy is among the fastest, cheapest, largest-scale solutions to reduce carbon emissions today. Another benefit of wind power is that it is a sustainable, clean source of energy.

In addition to playing a key role in the construction of wind turbines made from steel, we also support renewable energy generation on our property. Bethlehem Steel shut down integrated steelmaking at its Lackawanna, New York, facility in the early 1980s. ISG purchased the assets of Bethlehem Steel in 2003 and sold those assets to Mittal Steel in 2005. Following the ArcelorMittal merger, Lackawanna's finishing operations closed in 2009.

An over 1,000-acre property that is a part of the overall Lackawanna footprint was a vacant and underutilized brownfield when it was acquired. Today, this property is home to Steel Winds, one of the largest urban wind farms in the world. We lease approximately 40 acres of land for the project, which produces around 30 megawatts of electricity, enough to power 6,000 average American homes. We also lease approximately 25 acres to Steel Sun, where a solar farm will generate approximately 4 megawatts of electrical power serving a local university campus. In addition, we are completing remediation on over 400 acres of the property for redevelopment as a business park. The business park is home to a high tech welded tubular steel manufacturing plant, and several other manufacturing facilities are planned to locate there within the next year.



Military

We are proud to support our nation's defense infrastructure by supplying steel for a variety of military applications. We are currently the largest supplier of armor steel plate to the United States Armed Forces. For example, our Army armor products find application in many fighting vehicles including the Abrams main battle tank, the Bradley fighting vehicle, the Stryker family of fighting vehicles, various MRAP (Mine Resistant Ambush Protected) vehicles and the up-armored Humvee.

We also supply steel plate for a variety of United States Navy vessels, including aircraft carriers, submarines, littoral combat ships, destroyers and Coast Guard cutters. We have supplied steel plate for virtually every submarine and aircraft carrier in the Navy's fleet, including the current Virginia class nuclear-powered submarines and the nuclear powered Ford class aircraft carriers, like the USS John F. Kennedy (CVN-79) to be commissioned in 2020. Other notable recent projects include the USS Illinois submarine and the new destroyer, the USS Zumwalt.



Case studies: Outcome 3

CASE STUDY 1



Keeping you safe on the road: ArcelorMittal's steel median safety barriers

The development of stronger steels directly contributes to making vehicles safer now than ever before. Steel's strength has multiplied by almost 10 times over the past 20 years. Our research and development teams continue to innovate and strengthen steel, while also reducing its weight.

CASE STUDY 2



Stadiums of steel

Two new stadiums are now standing tall in the United States with the help of ArcelorMittal. The architecture in U.S. Bank Stadium in Minneapolis and Mercedes-Benz Stadium in Atlanta was made possible with ArcelorMittal steel. Hundreds of thousands of people will visit these stadiums in the coming years.

4 Efficient use of resources and high recycling rates

Now more than ever, we are focused on understanding the full life cycle of materials and products. Steel is at a distinct advantage, as the most recycled material in the world – more than aluminum, paper, glass, gas and plastic combined. This is because steel is infinitely recyclable, meaning that it can be recycled indefinitely without compromising its quality. As a result, steel plays an important role in the circular economy.



2016 HIGHLIGHTS

29%

29 percent of each ton of steel produced by ArcelorMittal in the U.S. is from recycled scrap steel.

74%

When steel is recycled, 74 percent of the energy that would be used to create steel purely from raw materials is conserved.

2,500

Every ton of steel recycled conserves 2,500 pounds of iron ore, 1,400 pounds of coal and 120 pounds of limestone.

Why is this important to us?

In recent years, a greater emphasis has been placed upon the reuse and recyclability of all materials. Steel is everywhere in our daily lives, and we must highlight all of its advantages. As the leading steel provider in the U.S., we carry the responsibility of maximizing our efficiency and recyclability.

The commercial imperative

What kind of challenges do we face?

Many of our stakeholders are not fully aware of steel's contribution to the circular economy and its inherent life cycle advantage. As a result, competing materials pose a challenge to our leadership in the market. In addition, we must continue to utilize all of our materials in the most efficient ways possible and find new ways to maximize our reuse or recycling.



What do we need to do?

We must continue to drive process innovation, as it is the key to using our resources in the most efficient ways possible. We must also collaborate with our stakeholders, including our customers, the government and our local communities, to better inform them of steel's life cycle advantages and to encourage higher end of life recycling rates for products made from our steel.



What is the potential to create value?

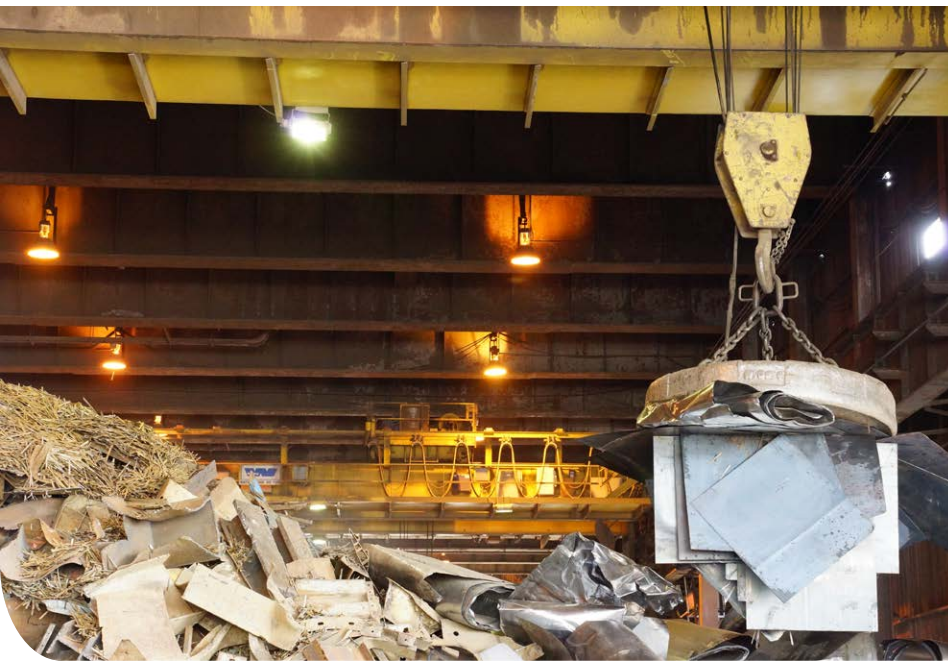
Steel will always be a leader due to its high recyclability rate. When steel is recycled, we minimize our use of natural resources, decrease our emissions and reduce our overall environmental footprint. We have the opportunity to create additional long-term value through continued innovation and stakeholder collaboration.



Recyclability of steel

Steel is the most recycled material in the world. Since 1988, more than one billion tons of steel have been recycled by the North American steel industry, according to the American Iron and Steel Institute. There are typically 60 to 80 million tons of steel scrap recycled per year into new steel products in North America. When steel is recycled, 74 percent of the energy that would be used to create steel purely from raw materials is conserved. In addition, every ton of steel recycled conserves 2,500 pounds of iron ore, 1,400 pounds of coal and 120 pounds of limestone. Production through an integrated steelmaking facility allows for high quality steels that are able to meet more advanced applications.

In total, 29 percent of each ton of steel produced by ArcelorMittal in the U.S. is from recycled scrap steel.



Beyond the recycling of steel itself, ArcelorMittal also recycles many coproducts and byproducts of the steelmaking process. Some byproducts, like mill scale, steelmaking oxides and beneficiate steelmaking slags fines can be recycled to a certain extent right on site through sinter plants to make iron-bearing raw material for our blast furnaces. Others, like coal tar or ammonium sulfate from the coke plants, are highly valued as raw materials in the chemical industry or for use as fertilizers. Blast furnace and coke oven gas is captured and used to create electricity and steam.

One of our highest volume byproducts is steelmaking slags. We have begun to market this byproduct to the cement industry as a raw material as well as for reuse in fertilizer.

Another excellent example of our recycling efforts is seen in our reuse of slag and sludge within our steelmaking process. Recent innovations by our research and development team are allowing us to reuse more of these resources onsite. The sustainability benefit is significant, as we are able to greatly reduce costs, landfilling and the consumption of virgin raw materials: iron ore and fluxes. In addition, slag can also be recycled into new products, which include:

- Dark colored glass, including medicine and beer bottles
- The mineral wool industry, including ceiling tiles, insulation, fire proofing and sound proofing
- Concrete blocks
- Construction applications, including heavy highway and bridge materials, base for roads, concrete, hot mix asphalt and under drains for piping

Case studies: Outcome 4

CASE STUDY 1



Extracting iron from blast furnace byproducts reaps benefits

Like many steelmakers, ArcelorMittal Burns Harbor produces byproducts that contain valuable iron units, yet not enough to be recycled directly back into our operations. The Burns Harbor iron producing department has initiated a separation process where the high-value iron material can be extracted and used in the blast furnace.

CASE STUDY 2



Iron oxide and mill scale: recycling our byproducts for everyday use

The steelmaking process requires significant raw materials. As these materials are transformed into steel, a number of byproducts are created. To reduce our waste, we seek ways to recycle and reuse these byproducts whenever possible.

Trusted user of air, land and water

The air we breathe, the land we live on and the water that sustains us are all essential components of our ecosystem. Each of these elements is also critical to our business and the steelmaking process. We prioritize the responsibility of being a trusted user of these resources in the U.S.



2016 HIGHLIGHTS

100%

ArcelorMittal maintained ISO 14001 certification for 100 percent of our steelmaking facilities in operation in the U.S.

3,000

In 2016, ArcelorMittal partnered with education programs to bring environmental education to over 3,000 students in the Chicagoland and Northwest Indiana region, 700 of which participated in environmental stewardship activities at our Burns Harbor and Research and Development facilities in Indiana.

\$125m

Through ArcelorMittal's partnership in the Sustain Our Great Lakes Program, grant investments and matching donations have resulted in \$125 million of conservation and restoration investment in the Great Lakes Basin since 2008.

Why is this important to us?

Air, land and water are finite natural resources. To be a sustainable company we must ensure that each of these resources is used in a responsible manner. Our goal is to respect the ecosystems in the cities and states where our facilities operate. These are also the communities where our stakeholders, including our employees and our local community members, live and work. We must also consider our impact on the larger climate of the United States and the planet.

The commercial imperative

What kind of challenges do we face?

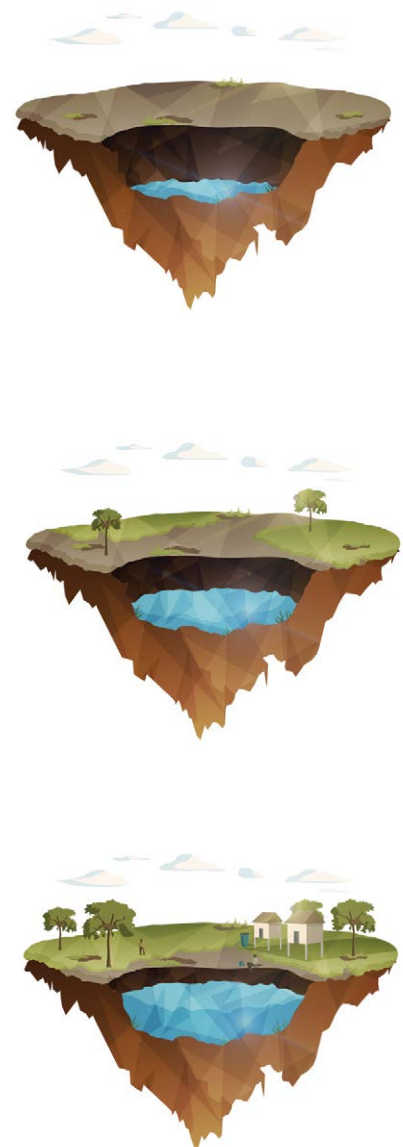
The steelmaking process is heavily dependent upon natural resources. For example, air emissions containing permitted levels of carbon dioxide are a byproduct of steel production. Steel is composed of natural resources such as iron ore that is mined from the land. In addition, water plays a critical role in the material transportation and steel production process.

What do we need to do?

Because steel is central to our everyday lives, we must find ways to manage and minimize our environmental impact. This starts with meeting required environmental regulations and innovating new solutions to continually decrease our environmental footprint. In 2016, 100 percent of our steelmaking facilities in operation maintained their ISO 14001 certification status from the International Standardization Organization. Adhering to this voluntary environmental management framework demonstrates our commitment to understanding the impact steelmaking has on the environment. Our facilities are regularly audited by internal and external staff to evaluate regulatory and permitting compliance. Our stakeholder relationships are also critical to our success, ensuring that we anticipate issues before they arise and that we are able to work in partnership to address them. Our goal is to build and retain the trust of our stakeholders.

What is the potential to create value?

Our greatest opportunity to create value lies in our strong stakeholder relationships. Our partnerships with groups such as Sustain our Great Lakes and the Wildlife Habitat Council are excellent examples of how we are actively involved in meaningful environmental protection initiatives outside our company. Additionally, we create value by ensuring our processes set a best practice example of environmental performance. We continue to look for opportunities to utilize the byproducts of steelmaking as resources to drive environmental sustainability.



Environmental management

We continuously look for new and innovative ways to manage and minimize our environmental impact. In 2016, 100 percent of our steelmaking facilities in operation maintained their ISO 14001 certification status from the International Standardization Organization. Adhering to this voluntary environmental management framework demonstrates our commitment to identifying and minimizing the environmental impact of steelmaking where possible. Our facilities are regularly audited by internal and external staff to evaluate regulatory and permitting issues.



To unify and standardize environmental data collection across our facilities, our teams are implementing an automated, integrated and upgradable Environmental Management Information System (EMIS). This cloud-based system will enable us to manage large quantities of data and produce near-time, credible and certifiable environmental compliance data. This increased ability to collect and organize critical data enables our environmental team to continue improving its processes, reduce risk and lower the overall costs of environmental management. The EMIS implementation continued in 2016, where system set-up and report templates were created for compliance with electronic National Pollutant Discharge Elimination System reporting at numerous facilities, including Indiana Harbor West, Burns Harbor, Warren and Conshohocken. In addition, several facilities began to implement a waste module and utilize new compliance calendar configurations. An audit tracking tool is in process, and facility and user training continued throughout the year.

Air

Our responsibility in air and carbon emissions extends beyond our facilities. Our products are now and will continue to be strong mitigation enablers in industries using steel in their products. We work to increase strength and durability in our products and efficiency in our manufacturing processes. By doing so, studies show the use of steel in the automotive, construction and other industries will create significant CO₂ savings.

Inside our facilities, we emphasize the same rigor in our air emissions controls. Our environmental professionals collaborate with operations personnel every day. Together, they ensure compliance with environmental permits and address issues when they arise.

In 2016, we experienced a slight increase in total carbon emissions in the United States. Emissions rose from 24.5 million tons in 2015 to 26.5 million tons in 2016. Our CO₂ per ton of steel also increased slightly from 1.63 to 1.79. This increase is largely a result of our footprint optimization plan, detailed throughout this report. We made significant transitions in our business in 2016. Restructuring our footprint means increasing production in our most cost competitive and high value assets. Each of these assets has its own challenges and opportunities specific to air emissions. Therefore, the process of transition can be challenging as it relates to total carbon emissions.

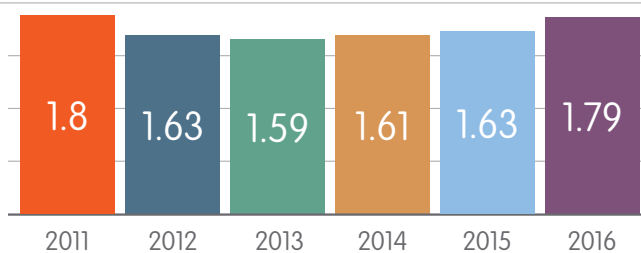
In 2017, we will complete our asset optimization plan, providing renewed stability in our business. With that, we are confident we can maintain stability in our CO₂ per ton of steel measurements.

Today, our CO₂ emissions remain lower than the global industry average. World Steel Association reports a global average of 1.9 tons of CO₂ per ton of steel produced. Today's numbers become a baseline measurement for our business going forward. They also present an opportunity to pursue projects and best practices to decrease our total carbon footprint.

Responsibility related to air emissions is a key priority for our business in the United States and around the world. We recognize, like every part of our business, innovation will play a major role in CO₂ reductions. The World Steel Association says, "Modern steel plants operate near the limits of practical thermodynamic efficiency using existing technologies. With most major energy savings already achieved, further large reductions in CO₂ emissions are not possible with the available technologies. The targets set out by governments and international bodies require breakthrough technologies via innovation and exploration of new production technologies."

We will continue to seek innovative opportunities to decrease our CO₂ emissions. We will implement new technologies and best practices both in our facilities and in the products we manufacture. As in other parts of our business, the transition we made in 2016 allows us to reinvigorate our work in the future by investing in innovation and growth.

Metric tons of CO₂
emissions per ton
of steel produced



Land

We believe we have a responsibility to protect local biodiversity and ecosystems in the environments where we operate. Eleven ArcelorMittal facilities in the United States sit along the Great Lakes and its watershed, a very rich ecosystem. We work with those facilities to identify on-site areas for restoration and preservation, as well as stewardship opportunities in the surrounding communities.

Since 2012, ArcelorMittal USA has worked with the nonprofit organization Wildlife Habitat Council (WHC) to restore and conserve land within our facilities. This includes the restoration of over 40 acres of on-site dune and swale habitat and an employee walking trail at our Burns Harbor, Indiana facility. The restoration work at Burns Harbor resulted in the facility's certification by WHC as a Corporate Lands for Learning site in 2013 and as a Wildlife at Work site in 2014. We are pleased to expand this work in 2017 to additional ArcelorMittal facilities.



In addition to benefiting the local ecosystem, this restored land is being used as an environmental education tool. In 2016, we partnered with Dunes Learning Center, The Field Museum and Shirley Heinze Land Trust to deliver the "Mighty Acorns," "Calumet in My Back Yard," and "Earth Force" education programs to over 3,000 students in the Chicagoland and Northwest Indiana region, 700 of whom participated in environmental stewardship activities at our Burns Harbor and Research and Development facilities in Indiana.

We are also committed to ensuring that the land where our facilities are no longer in operation is successfully remediated and/or redeveloped. In Lackawanna, New York, a portion of the land assets we inherited from Bethlehem Steel out of their bankruptcy are currently being leased for wind and solar farming. We are also completing remediation on over 400 acres of the property for redevelopment as a business park.

We also fund environmental projects in our local communities, as outlined under outcome 8. These projects largely focus on environmental education and conservation within the footprint of our facilities and their surrounding communities.

Water

Water plays a critical role in the production of our steel and the transport of both raw materials and finished products. Our facilities in the U.S. have permits for the water we discharge, dictating the cleanliness of the water, as well as monitoring and reporting requirements. We collaborate with operations personnel to ensure compliance with these permits and immediately address issues when they arise. In 2016, we withdrew 906 million m³ of water for our operations. Of that, 70 percent is considered non-contact, or water that is used to cool operating equipment. Non-contact water is returned to its source in accordance with strict regulatory guidelines.



The water that contacts steel or is exposed to contaminants from the production process is segregated and treated using advanced control technology before being returned to its source in accordance with state and federal standards. This process is similar to how non-contact water is returned to its source.

Recognizing the importance of water within our business and our communities, we continued our leadership role in Sustain Our Great Lakes (SOGL), a public-private partnership with the National Fish and Wildlife Foundation, U.S. EPA, U.S. Fish and Wildlife Service, U.S.D.A. Forest Service, the National Oceanic and Atmospheric Administration and U.S.D.A. Natural Resources Conservation Service. Sustain Our Great Lakes' mission is to restore and protect fish, wildlife and habitat throughout the Basin by leveraging funding, building conservation capacity and focusing partners and their resources on key ecological issues.

Since 2008, the program has made \$60 million in grants, which when combined with \$65 million in grantee match, has resulted in a \$125 million conservation investment in the region. Key highlights to date include:

- 35,399 acres of habitat restored
- 1,736 stream miles of aquatic connectivity restored
- 201 miles of stream and riparian habitat restored
- 4,477 acres of shoreline habitat restored
- 264 fish passage barriers removed or modified

ArcelorMittal and its partners have built upon the success of SOGL with the Chi-Cal Rivers Fund. Also a public-private partnership administered by the National Fish and Wildlife Foundation, the Fund restores the health, vitality and accessibility of the waterways in the Chicago and Calumet region by supporting green stormwater infrastructure, habitat enhancement and public use improvements. Since 2013, the Chi-Cal Rivers Fund has made \$4.8 million in grants, which when combined with \$11.2 million in grantee match, has resulted in a \$16 million investment in the region. Key highlights to date include:

- 401,940 ft² of green infrastructure
- 4.5 million gallons stormwater storage
- 1,453 acres of habitat restoration
- 9,280 ft of in-stream enhancement
- 71 acres of green space improvement

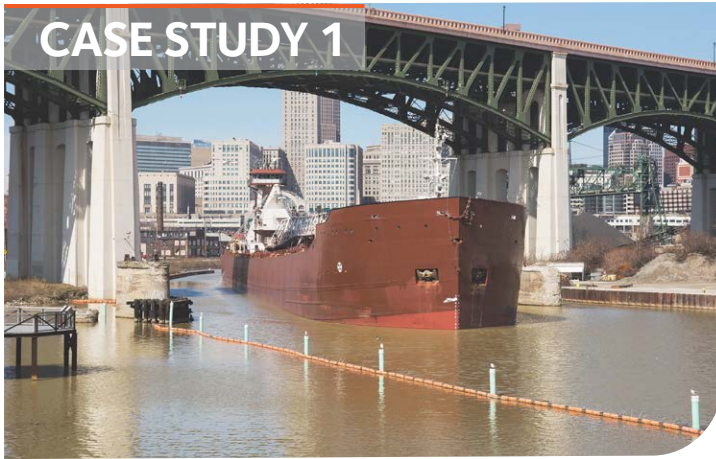
For more information, please visit:

www.sustainourgreatlakes.org

www.nfwf.org/chi-cal

Case studies: Outcome 5

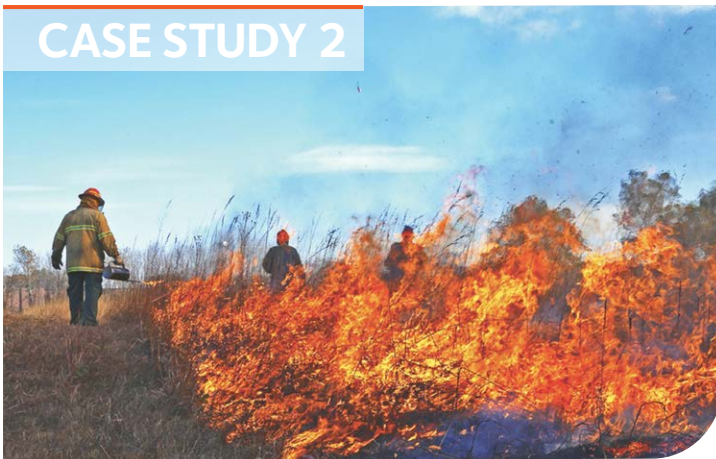
CASE STUDY 1



Partnering to create a healthier habitat on the Cuyahoga

The Cuyahoga River shipping channel is sometimes referred to as a lifeline to ArcelorMittal Cleveland. This federal navigation channel is a critical six-mile maritime route that delivers five million tons of essential raw materials to the facility's docks each year.

CASE STUDY 2



Protecting our land: the preservation of dune and swale

In our effort to be a trusted user of land, ArcelorMittal Global Research and Development, in partnership with The Field Museum and The Nature Conservancy, launched an exciting project in the spring of 2013 to restore ten acres of globally rare dune and swale habitat on its East Chicago, Indiana campus.

CASE STUDY 3



Documentary highlights intersection of industry and environment

ArcelorMittal was proud to partner with Northwest Indiana filmmakers on a documentary film project in 2016. *Shifting Sands* illustrates the intersection of industry and nature in the past, present and future. The film addresses the unique natural landscape of Northwest Indiana. In this region, rare landscapes have existed in the shadows of steel mills for more than 100 years.

6 Responsible energy user that helps create a lower carbon future

Steelmaking is an energy-intensive industry. Energy consumption has a negative impact on the environment, and as a result, our goal is to decrease this impact by monitoring and minimizing our annual energy consumption. We continually work to identify and implement ongoing, innovative solutions to increase the sustainability of our operations, reduce greenhouse gas emissions and protect the environment, all while saving costs.



2016 HIGHLIGHTS

2.07%

In 2016, ArcelorMittal attained a 2.07 percent energy reduction over the 2013 baseline in the U.S.

4%

We reduced energy intensity by 4 percent over the last 3 years and exceeded our annual reduction goal as part of our 10-year commitment.



ArcelorMittal continues to serve as ENERGY STAR® and U.S. DOE partner.



Why is this important to us?

Energy efficiency results in the reduction of air emissions as well as our operating costs. Both of these issues are central to our company's long-term sustainability. As a result, we have made energy efficiency a priority throughout our U.S. operations to ensure that we are responsible energy consumers.

The commercial imperative

What kind of challenges do we face?

We are a major consumer of energy, and exposure to a sometimes volatile energy market has a huge impact on the financial sustainability of our company. Factors ranging from aging infrastructure to extreme weather patterns can have a dramatic impact upon energy prices.



What do we need to do?

To address energy challenges, we need to promote efficiency through projects that improve our sustainability. This includes investing in energy-saving technology and utilizing more environmentally friendly energy sources when possible. In addition, we strive to become a more self-sufficient energy user by working to increase our capacity for self-generated energy.



What is the potential to create value?

Our energy efficiency initiatives have already resulted in massive decreases in our environmental impact and costs. In 2016, we invested approximately \$22 million in energy projects that saved \$26 million in energy costs and will continue to provide annual savings. Through partnerships such as the U.S. Department of Energy (DOE) in the Better Buildings, Better Plants Program, we are working with our stakeholders to further minimize our energy use.



Energy management

Our energy strategy is led by a team of dedicated professionals that includes a manager of continuous improvement, a manager of energy procurement, a USA energy committee and local facility energy champions.

The USA energy committee discusses priorities and shares best practices via a monthly conference call. They also meet in person at the annual Americas Energy Roundtable, where energy leaders across our North and South America regions come together to discuss opportunities and successes. At the 2016 roundtable, participants shared current and future projects and discussed best practices. Attendees also had the opportunity to attend a pump energy optimization training.



Through the efforts of the plant employees and the support of management, 38 energy projects were developed and implemented in the U.S. in 2016 with an energy savings of more than \$26 million annually, the equivalent of powering 19,000 homes for a year.

Our electric energy usage is monitored on a daily basis by each facility using real-time energy usage software. Facilities are able to see their usage and adjust operations appropriately during peak times and seasons, thereby minimizing the impact on the resource and managing internal costs. Through targeted energy improvement projects, ArcelorMittal USA works to improve energy efficiency in order to increase our sustainability performance.

Every facility plays an important role in energy management by identifying new ways to reduce energy use, costs and emissions. During 2016, our three integrated facilities – Burns Harbor, Cleveland and Indiana Harbor – which are also our largest and most energy-intensive operations, continued to update their 10-year energy roadmaps. Other facilities worked to develop five-year energy roadmaps. These energy roadmaps contain goals and projects designed to enable the plants to attain specific energy reductions. The roadmaps are updated and reviewed annually.

In 2016, ArcelorMittal formed the Global Energy Network, spearheaded by the U.S. energy team. The network is a conduit for ArcelorMittal employees around the globe to share energy best practices and learnings. The goal for the group in 2017 is to hold quarterly webinars and to plan for a 2018 world energy conference.

In October 2016, we participated in National Energy Awareness Month for the seventh year, showcasing employee projects and progress toward reducing energy use at work. To raise awareness of energy savings, we held our annual employee energy innovation contest, rewarding employees for identifying ideas for energy conservation projects. We also hosted an Energy Fair at our Burns Harbor, Indiana plant and highlighted articles in 1 Magazine about energy savings.

Energy efficiency

ArcelorMittal is a major energy consumer, with 15 percent of our conversion cost – the cost to transform raw materials into finished steel products – directly related to energy. In total, 53.7 percent of the total electrical energy used in steel production at our integrated facilities was generated by capturing and reusing coke oven and blast furnace gas. In addition, ArcelorMittal continues to use natural gas in our blast furnaces in place of metallurgical coal or coke as commercially practical. Not only is natural gas more energy efficient, but it is also cleaner and helps to reduce our CO₂ emissions. In 2016, the economic climate for our industry resulted in an increase of natural gas use in our furnaces from the previous year by 7.5 percent. We plan to continue to increase natural gas use as possible. Other energy solutions we have implemented include equipment upgrades, implementing efficient lighting and the installation of variable frequency drives to control electric motors.



We are continuing to identify and implement new, innovative solutions to increase the sustainability of our operations, reduce greenhouse gas emissions and protect the environment and natural resources, all while saving costs.

In 2016, ArcelorMittal continued to work with the U.S. Department of Energy (DOE) in the Better Buildings, Better Plants Program to increase energy productivity in the United States. It is a nationwide, voluntary partnership initiative that offers companies support to achieve their energy goals through training, technical sharing and educational services along with national recognition. ArcelorMittal joined the program in 2013 and committed to reducing its energy intensity by 10 percent across 12 plants in the USA by 2023. We are the only integrated steel company to join the program and one of 190 DOE Better Plants Program Partners, representing more than 2,500 manufacturing facilities nationwide. To date, companies in the program have saved a combined \$3.1 billion in energy costs.

In recognition of our efforts, we are the first and only steel company to be recognized as an ENERGY STAR® Partner of the Year by the U.S. EPA.

Case studies: Outcome 6

CASE STUDY 1



A bold partnership to reduce our carbon footprint

Making steel is an energy-intensive enterprise. About 15 percent of our cost to transform raw materials into finished steel products is directly related to energy. We run our business more efficiently and reduce our impact on the environment when we reduce energy consumption. One of the ways we are working toward our energy reduction goals is by forging bold partnerships, exemplified by our work with LanzaTech.

CASE STUDY 2



Weirton investment yields significant savings

ArcelorMittal Weirton received the 2016 Energy Achievement award at AISTech 2016. The award recognizes an individual or organization that has made significant improvement in energy-related productivity through new technology, practices and/or engineered methods. The Weirton facility was recognized for its package boiler installation project.

CASE STUDY 3



Saving money and energy with VFD technology

At ArcelorMittal, we recognize that the steelmaking process requires significant energy. As a result, we are constantly finding ways to save energy. We strive to be a responsible energy user that helps create a lower carbon future. The installation of variable frequency drives (VFDs) is one example of our efforts to do so.

7 Supply chains that our customers trust

As a leading producer of steel, our operations depend upon a vast supply chain. Our supply chain reflects who we are and is integral to the creation of our products. Furthermore, as a supplier to many industries ourselves, we recognize the importance of upholding strong supplier relationships and standards. As a vertically integrated business, our customers are dependent on the reliability of our internal supply chain to ensure they can meet their sustainability goals.



2016 HIGHLIGHTS

\$5.1b

ArcelorMittal USA spent \$5.1 billion on its supply chain in 2016.

\$205m

ArcelorMittal USA spent \$205 million with Minority and Women Business Enterprises in 2016.

Why is this important to us?

We take responsibility for actively managing our supply chain. By incorporating social, ethical and environmental considerations into our sourcing decisions, we are positively contributing to a responsible supply chain that benefits the sustainability of our company and the planet.

The commercial imperative

What kind of challenges do we face?

We expect our suppliers to adhere to the same high standards of social, ethical and environmental performance that we require of ourselves. This includes meeting governmental supply chain regulations. Not only do we require this level of transparency ourselves, but our customers are also requesting higher levels of supply chain reporting and transparency. Due to the nature of our industry, we face the added challenge of drawing from a traditionally homogenous supplier base.



What do we need to do?

We created a code for responsible sourcing in 2010 and continue to implement its principles into the standard purchasing form used with our suppliers. The USA procurement and supply chain team adheres to all global sourcing rules and regulations required by ArcelorMittal Group supply chain practices. We will continue to thoroughly vet new suppliers and strengthen our current supplier relationships. We also have the opportunity to further grow our supplier diversity program to incorporate more qualified and certified Minority and Women Business Enterprises (M&WBEs) into our procurement process.



What is the potential to create value?

A responsible supply chain is more efficient, competitive and resilient. Our policies help us to reduce risk and ensure that we are following internal and external policies and regulations. By developing and expanding business relationships with M&WBEs, we are supporting the diversification of the industry through both financial support and expertise. This approach also creates a more diverse supplier base, which fosters increased competition and heightens performance.



Supply chain

Supply chain investment

Our supply chain is critical to our business operations and the communities in which we operate. In 2016, ArcelorMittal USA invested \$5.1 billion in its suppliers. This supply chain includes raw materials; energy; utilities; parts, equipment and contractors; outside processing; and supplies and consumables.

Supply chain management

As a metals and mining company, we are both a supplier and customer, and we take an active role in managing our participation in the supply chain. We believe that by incorporating social, ethical and environmental considerations into our sourcing decisions, we are making a positive contribution to society and the planet, helping make steel more sustainable. That is why we created a code for responsible sourcing in 2010 and have worked to implement its principles into the standard purchasing form used with our suppliers. The code was created in consultation with customers, suppliers, peer companies, and nonprofit organizations, and observes international best practice. It covers health and safety, human rights, labor standards, business ethics and environmental management, and has evolved to incorporate new developments, such as global standards on conflict minerals.

The USA procurement and supply chain team adheres to all global sourcing rules and regulations required by ArcelorMittal Group supply chain practices. This includes adherence to our human rights and anti-corruption policies. Additional focus is concentrated on complying with U.S. Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) regulations in dealing with foreign vendors to safeguard trade from terrorists and to maintain the economic health of the U.S.

Conflict minerals

Along with our stakeholders in the international community, ArcelorMittal is committed to the use of conflict-free materials. Some of the raw materials used in our industry are sourced from regions experiencing civil war or other conflicts which have the potential to be funded by the trade of certain minerals.

The 2012 U.S. Conflict Minerals Law (Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) defines conflict minerals as gold, tin, tantalum and tungsten, including their derivatives, and sets forth disclosure regulations designed to eliminate the purchase of these minerals from conflict zones, being the Democratic Republic of the Congo (DRC) and adjoining countries. In the U.S., specifically, we use tin and tungsten as additives in certain steel products.

ArcelorMittal is committed to using raw materials of legal and sustainable origin and not sourcing conflict minerals contributing to finance armed conflicts and enable human rights abuses. ArcelorMittal in the U.S. maintains a robust due diligence process, through its parent company's Responsible Sourcing Program and conflict minerals team, to achieve compliance with our commitment.

Supply chain (continued)

ArcelorMittal follows the Organisation for Economic Co-operation and Development (OECD) due diligence guidance for responsible supply chains of minerals from conflict-affected and high risk areas. ArcelorMittal was an active participant in the working group that established this guidance in 2011, and since 2013 we have implemented the framework outlined in this guidance. In particular, we have asked our relevant suppliers to complete the Conflict Minerals Reporting Template (CMRT) developed by the Electronics Industry Citizenship Coalition/Global e-Sustainability Initiative. Our robust process includes close collaboration with buyers for tin and tungsten in order to properly assess the supply chain risks, use of the CMRT to facilitate the transfer of information between and among ArcelorMittal and our suppliers and customers, and risk-based due diligence processes.

ArcelorMittal is committed to full compliance with the law and has disclosed the results of its supply chain due diligence publicly since May 2014. ArcelorMittal's 2016 due diligence survey on smelters had a 100 percent response rate for our 15 tin suppliers and our 7 tungsten suppliers, globally.

Product transportation

Our steel products are shipped by rail, barge, truck and ship to destinations across North America and the world. Our logistics department works to identify the most efficient, cost-effective, sustainable transportation solutions to deliver products to our customers in a timely and environmentally-efficient manner.

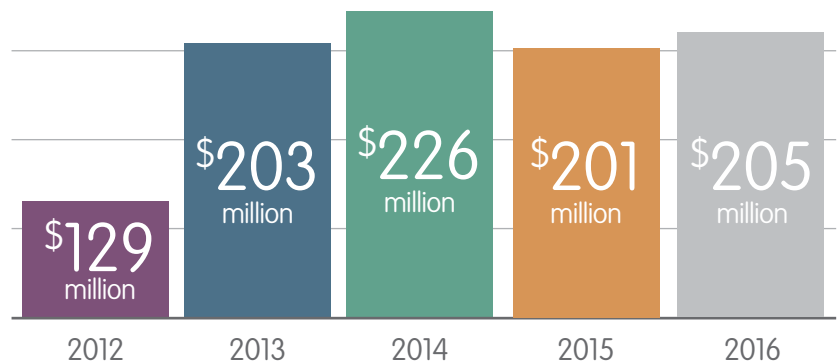
Supply chain (continued)

Supplier diversity

We are committed to developing and maintaining supplier relationships that provide a source of competitive advantage. However, recognizing that the supplier base for the steel industry is traditional, we have a supplier diversity program in order to diversify our supplier relationships. We continue to accelerate our efforts in identifying opportunities in our supply chain where it is possible to enable qualified and certified Minority and Women Business Enterprises (M&WBEs) to participate in our procurement process. In 2016, we spent \$205 million with Minority and Women Business Enterprises in the United States. A decrease in M&WBE spending from 2014 occurred due to reduced spending across the business. However, M&WBE spending increased by 2 percent since 2015 and overall M&WBE spending has increased by 59 percent since 2012.

Developing and expanding business relationships with M&WBEs secures our position as an industry leader. We have actively identified and helped cultivate M&WBE relationships. This approach also creates a more diverse supplier base, which fosters increased competition. A relentless dedication to quality is the basis of our success. Our primary goal is to produce, provide and continuously improve products that meet customers' expectations for quality, delivery, cost and technology. As a result, we select only those suppliers who share our commitment to quality and can meet or exceed our requirements to provide superior quality products and services.

Spending with Minority and Women Business Enterprises



Case studies: Outcome 7

CASE STUDY 1



GM awards ArcelorMittal with prestigious diversity supplier recognition

Supplier diversity is a strategic business process for ArcelorMittal. The company is committed to developing and maintaining supplier relationships that provide a source of competitive advantage. Having a diversity program allows ArcelorMittal to provide an opportunity for minority and women owned businesses to participate in the company's procurement process.

CASE STUDY 2



Moving 2.7 million tons of steel

As one of the world's leading suppliers of automotive steel, ArcelorMittal knows that every automotive supply chain is analyzed in great detail. Our customers need to know which operation in which mill makes the steel from which each of their parts is manufactured. Any change in where the part originates, whether it's the mill or an operation within the mill, requires the whole process of qualification and validation to be done again.

8 Active and welcomed member of the community

The communities where we operate are far more than just the physical locations of our facilities. These communities are made up of our neighbors and key stakeholders. They are also the places where our employees choose to live and raise their families, and where our future workforce is educated and trained. It is important to us to be both an active and a welcomed member of our communities.



2016 HIGHLIGHTS

\$6.9m

ArcelorMittal awarded \$6.9 million in grants and matching donations in the U.S. to nonprofit partners working in our communities.

\$1.3m

U.S. employees gave \$1.3 million and ArcelorMittal matched \$750,000 in employee donations to 774 nonprofit organizations across the country.

4,050

In 2016, U.S. employees donated more than 4,050 hours of their time to our local nonprofit partners through ArcelorMittal-sponsored volunteer projects. This included doubling our skills-based STEM volunteerism since 2015.

Why is this important to us?

Often, we are the largest employer in the communities where our facilities are located. As a result, these areas are directly impacted by our operations. We are committed to being a responsible and sustainable corporate citizen by understanding and addressing the needs of our community stakeholders.

The commercial imperative

What kind of challenges do we face?

Our goal is to develop and maintain the trust of our local stakeholders, allowing us to be a welcomed member of each community. Operating under our legacy companies, our facilities have been a major presence in their respective communities for generations, in some cases over 100 or 200 years. ArcelorMittal is a relatively new brand in the steel industry, having been established in 2007. As a result, we must work even harder to build our stakeholders' trust. Our facilities make positive contributions to our local communities in many ways. From the economic contribution through employment and taxes, to community investment programming and employee engagement, ArcelorMittal is a contributor to every community where we operate.



What do we need to do?

We must work in partnership with our community stakeholders to address local opportunities and challenges as they arise. We encourage open and transparent stakeholder dialogue through stakeholder meetings. We also engage with our stakeholders to affect positive change locally and believe in having 360-degree partnerships, including financial investments and employee volunteerism. Our grant and volunteer initiatives are strategically aligned with the community needs we have the ability and expertise to address. These initiatives include science, technology, engineering and math (STEM) education, environment, and health and safety initiatives.



What is the potential to create value?

By being an engaged member of our communities, we create value for our stakeholders and the company. Through our partnerships, we are able to respond to stakeholder issues and strengthen the overall community. As a company, we benefit through enhanced trust and a strengthened reputation.



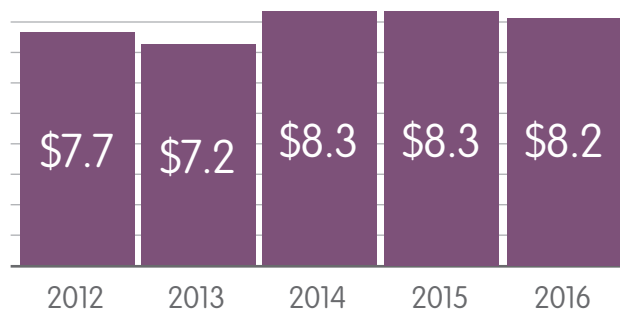
Community investment

In 2016, we provided \$6.9 million in cash grants to support nonprofit organizations working in three key areas: science, technology, engineering and math (STEM) education, environment, and health and safety. By strategically focusing our giving on these three areas in the U.S., we are able to create deep partnerships with the nonprofit organizations we support and ensure those partnerships create measurable and long-lasting results. To us, supporting our communities and the nonprofits within them extends far beyond financial donations. We actively engage with our community partners to affect change locally and believe in having 360-degree partnerships that emphasize not only financial support, but also volunteer opportunities for ArcelorMittal employees.

Below you will find a short overview of our three major community investment areas in the United States. For more information on grantmaking and the process of community investment for nonprofit partners, please visit the grantmaking section of our website.

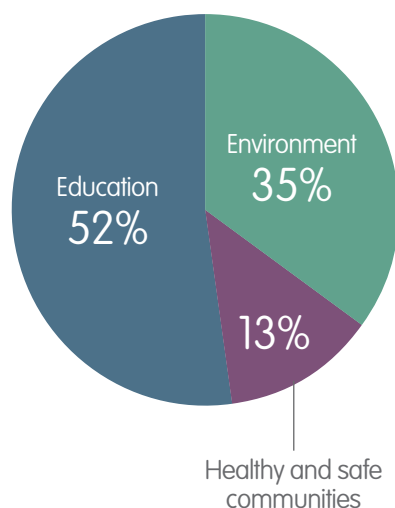
Total community investment (in millions)*

*Includes cash grants, employee donations and company matching gifts



2016 community investment per focus area*

*Includes cash grants



Our community investment focus areas

STEM education

The cornerstone of ArcelorMittal's global community investment program is supporting STEM education. In the U.S., we have a history of strong investment in STEM organizations and programming within our local communities. In 2016, 52 percent of our U.S. grant funding was allocated to educational nonprofits and 50 percent of our overall funding was invested specifically in STEM programming. Modern steelmaking is cutting-edge, exciting and globally competitive. Our ongoing success depends on the education of talented scientists and engineers who will become the next generation of leadership in our society and in this industry. ArcelorMittal invests in education within our communities with the knowledge that learning is essential to an individual's economic success, in developing future leaders and creating stronger communities. We invest in education partners who are implementing STEM curricula both within schools and out of school environments and are enhancing students' critical skill sets to solve future challenges in building sustainable lifestyles in our communities.

Environment

The support and conservation of our shared environment is one of our key priorities, accounting for 35 percent of our national funding in 2016. We partner with organizations protecting and restoring the environment through water and land restoration, environmental education and energy conservation. As sustainability is core to our business, we also fund programs that focus on the creation of green spaces, green infrastructure and green jobs.

Health and safety

Safe, healthy, quality working lives for our people is not only ArcelorMittal's number one sustainable development outcome, it is also the company's first major priority. Through our grantmaking and volunteerism programs, we work not only to improve employee health and safety, but also to extend this commitment to our communities with support tools, education and engagement opportunities, and trainings to make our communities healthy and safe. Health and safety funding accounted for 13 percent of our national grantmaking partnerships in 2016.

Employee engagement in our communities

ArcelorMittal prides itself on being a responsible partner in our local communities and making an impact beyond providing financial support. We encourage our employees to use their time, talents and leadership skills to make a difference in their communities.



Volunteerism at ArcelorMittal

Our employees donate time and talent year-round through coordinated volunteer activities with nonprofit partners. Whether tutoring a student, cleaning debris from a local river or working in a community garden, our employee volunteers are enriching the lives of many and developing their own skills in leadership, teamwork and communication. In 2016, ArcelorMittal employees in the U.S. donated more than 4,050 hours of their time to our local nonprofit partners through ArcelorMittal-sponsored volunteer projects. We are proud to have doubled our skills-based STEM volunteerism over the previous year, with employees donating 1,750 of these hours in 2016 to STEM initiatives. This goal was accomplished in partnership with a coalition of other leading STEM companies through national STEM advocacy nonprofit, Change the Equation.

Matching gifts through Give Boldly

Just as we are strategic in how we invest our philanthropic giving, our employees are equally thoughtful in choosing the causes they support. Give Boldly, our employee giving program, enables our employees to make charitable gifts, both directly and through payroll deductions. As part of this program, we offer a corporate match to eligible organizations, increasing the impact of our employees' donations and supporting the organizations that matter most to them. Their generosity and the positive impact in our communities are tremendous. In 2016, our employees in the U.S. donated \$1.3 million to 774 nonprofit organizations. During this time, we paid \$750,000 in employee matches, supporting hospitals, schools and community-based nonprofit organizations.

Case studies: Outcome 8

CASE STUDY 1



Using LEGOs as a vehicle for STEM education

At ArcelorMittal, we recognize the importance of scientists and engineers to our business, our industry and our communities. As a result, over 40 percent of our annual community investment budget supports STEM (science, technology, engineering and math) education throughout the United States. In the U.S., 15-year-olds rank 21st in science test scores among 34 developed nations.

CASE STUDY 2



Skills-based volunteerism in our communities

Each year, hundreds of ArcelorMittal employees generously give back to the communities where they live and work. Whether making monetary donations to support local nonprofits or volunteering to lend a hand with schools or NGOs, our employees realize the importance of helping those in need and those hungry to learn.

CASE STUDY 3



Millennium Reserve becomes the Calumet Collaborative

Sustainable development means, in short, meeting today's needs without compromising future generations. At ArcelorMittal, we believe our company and the steel industry can rise to this challenge. One of the many ways we contribute to sustainable development at ArcelorMittal is through public-private partnerships that build opportunities to be an active and welcome member of the communities where we operate.

Pipeline of talented scientists and engineers for tomorrow

The future of our company depends on a strong pipeline of talented science, technology, engineering and math (STEM) professionals. We need STEM workers to fill an ever-increasing number of open positions. These employees will also be responsible for driving the product innovations that will lead to a more sustainable future.



2016 HIGHLIGHTS

50%

In 2016, ArcelorMittal committed 50 percent of our U.S. grantmaking to support STEM programming, surpassing our corporate goal of 40 percent.

744,031

ArcelorMittal provided 26,788 training hours for salaried employees and 717,243 training hours for hourly employees in 2016.

\$1.1m

ArcelorMittal committed more than \$1.1 million for tuition reimbursement for undergraduate and graduate programs for U.S. employees.

136

During the summer of 2016, 136 interns worked in various roles at ArcelorMittal facilities across the country. ArcelorMittal hired and placed 70 new employees from our partner colleges and universities at our USA facilities during the year.

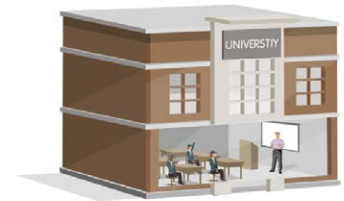
Why is this important to us?

Manufacturing in the United States faces a significant workforce challenge in the coming years. At ArcelorMittal, we know our aging workforce will retire and there will be a need for experienced workers to take their places. We need to hire, train and retain skilled workers to continue our mission to provide safe, sustainable steel for years to come.

The commercial imperative

What kind of challenges do we face?

In the U.S., more than 50% of our employees are over the age of 50. As our employees retire, we need to ensure that their expertise is transferred to the next generation. However, the U.S. is currently facing a STEM skills gap. According to national STEM advocacy nonprofit, Change the Equation, between 2014 and 2024, the number of STEM jobs will grow 17 percent, as compared to 12 percent for non-STEM jobs. At the same time, the number of U.S. companies reporting difficulty in filling positions due to a lack of qualified STEM workers is dramatically increasing.



What do we need to do?

We invest in the full continuum of the STEM education spectrum to ensure that students throughout the U.S. have access to STEM opportunities. In our communities, we partner with local nonprofit organizations and schools to provide STEM experiences for youth. We partner with post-secondary institutions to engage and recruit talent through ArcelorMittal's Steelworker for the Future® community college program. We additionally support colleges and universities with our Campus Partnership Program. To retain and further the development of our current workforce, we provide educational reimbursement and training programs.



What is the potential to create value?

The workforce of tomorrow will have the opportunity to drive our technological innovations. This includes developing more sustainable production processes and developing new ways to use and reuse resources. We also want to work towards an increasingly diversified workforce.



Training and development

ArcelorMittal provides training and development opportunities for salaried employees through our global ArcelorMittal University and the USA learning and development department. We offer both online and in-person training to help employees expand the professional and position-specific skills required in today's workforce.

Our employees participate in the Global Employee Development Program (GEDP), a process that is widely used across the entire ArcelorMittal group. In 2016, more than 4,000 U.S. employees participated in the GEDP.

In 2016, salaried employees in the U.S. participated in 26,788 hours of training. Salaried employees also are eligible for a tuition reimbursement program that helps them complete general undergraduate or graduate degree programs directly related to their job functions. In 2016, we spent more than \$1.1 million on tuition reimbursement for undergraduate and graduate programs.



Training of both our operating and maintenance workforce is a critical focus area for our company. In 2016, 717,243 hours were spent training our hourly employees, or upskilling those with basic craft knowledge. Our hourly employees receive training in five key areas: safety, operator training, line of progression, multicraft disciplines and upskilling. As the safety of our employees is our number one priority, we focus on training programs that ensure all of our employees are properly prepared for their daily tasks. Our employees working in operations participate in both lines of progression training: training to learn higher level assignments, as well as operator maintenance training to learn how to perform routine maintenance tasks including inspections. Traditionally, steel facilities employed individuals who were trained in specific crafts such as welders, crane repairmen, electrical repairmen, millwrights, HVAC repairman, boilermakers or carpenters. Due to the changing environment of the industry, we have been consciously working to expand the skill set of our current craft employees by training them in all skills that fall under our two main positions of maintenance technician electrical and maintenance technician mechanical.

Future employees

America's steel industry has evolved significantly over time. The skills, training and education necessary to create quality steel products are more advanced, and the need for innovation is more critical than ever before.

In addition to building a diverse employee population, an important business priority is to ensure future employees are highly skilled and educated. Because our workforce has an average age of 49.4, we must have qualified, work-ready employees in our communities prepared to fill vacancies left by retirees. To address this challenge, in 2016 we continued and expanded several initiatives and partnerships with educational institutions and nonprofit partners.



One such program is ArcelorMittal's Steelworker for the Future®. Launched in 2008, the 2.5 year program combines classroom learning at a participating community college with paid, on-the-job training at an ArcelorMittal facility. At the completion of the program, students graduate with an associate in applied science degree in industrial technology with a concentration in electrical or mechanical maintenance, an education that can be used across the manufacturing industry. In total, 140 students are currently active in the Steelworker for the Future® program at 9 community colleges in 5 states across the U.S. As of December 2016, 93 percent of Steelworker for the Future® graduates work at ArcelorMittal. The average annual income of an ArcelorMittal maintenance technician is approximately \$90,000 by their third year of employment, plus benefits.

In 2016, we continued to expand our outreach to high schools located near our facilities, making them aware of this career opportunity as well as emphasizing the benefits of learning marketable, in-demand skills through a program like Steelworker for the Future®. We also continued to conduct outreach to middle schools with an emphasis on the importance of math and science.

In addition to training skilled craftspeople, we seek to develop and recruit professionals in engineering, finance, business management and other areas. We have created partnerships with nine accredited four-year colleges and universities focused on engineering and business programs. Through our Campus Partnership Program, we focus on equipping students with the skills needed to succeed in the global marketplace and increasing opportunities for women and minority students.

Future employees (continued)

Every summer, we fill internship positions with qualified students from our partner colleges and universities. During the summer of 2016, 136 interns worked in various roles at ArcelorMittal facilities across the country. Additionally, ArcelorMittal hired and placed 70 new employees from our partner colleges and universities at our USA facilities in 2016.

For more information, visit:

www.workforarcelormittal.com
www.steelworkerforthefuture.com

Steelworker for the Future® partner colleges

Cuyahoga Community College (Tri-C)
Ivy Tech Community College of Indiana
Lakeland Community College
Lorain County Community College
Moraine Valley Community College
Penn State York
Prairie State College
Purdue Northwest
West Virginia Northern Community College

Campus Partnership Program colleges and universities

Colorado School of Mines
Indiana University
Michigan State University
Michigan Technological University
Missouri University of Science and Technology
Ohio State University
Pennsylvania State University
Purdue University
Rose-Hulman Institute of Technology

Community investment in science, technology, engineering and math (STEM) education

ArcelorMittal invests in STEM education because we know that it is not only critical to the operation of our business, but also to the communities in which we operate. According to the Brookings Institution, as of 2012, STEM workers earned 21 percent more than individuals employed in non-STEM positions. Jobs in STEM-related fields are growing at a significantly faster rate than non-STEM fields. STEM education is central to the country's economic development goals and our ability to compete in a global economy. In addition, STEM careers provide significant societal benefits, including the development of new science, technology and sustainability efforts that improve our quality of life.

However, companies throughout the country report significant difficulty in filling these lucrative STEM positions. This is due in particular to a lack of qualified workers in STEM fields. According to the Business Higher Education Forum, only 44 percent of twelfth graders in the United States are proficient in math. Of those, 61 percent are not interested in pursuing careers in STEM fields. That leaves a very small number of our youth – a mere 17 percent of all twelfth graders – who are both proficient and interested. This is especially an issue for ArcelorMittal, as in order for advanced manufacturing companies to compete in a highly competitive global marketplace, the industry needs an educated workforce with the knowledge and skills required to adapt and change as new technologies are developed in this fast-moving industry.



As a result, ArcelorMittal invests in the full continuum of the STEM education spectrum to ensure that students throughout the United States have access to STEM opportunities. Our goal is to increase student STEM skills while simultaneously fostering a lifelong love of STEM. We accomplish this through our programmatic-based grantmaking, employee volunteerism and mentoring and advocacy at the local and national level.

In 2016, we invested \$3 million in STEM education programming across the U.S., accounting for 50 percent of our total grant budget. STEM grants ranged from after-school STEM programs and competitions, to in-school STEM curricula and advocacy initiatives. Our partnerships also emphasize support to programs that encourage STEM education for traditionally underrepresented groups, especially girls and minorities. To enhance our STEM partnerships, our employees serve as program volunteers and mentors. In 2016, our employees in the U.S. contributed over 1,750 STEM-related volunteer hours to our partner organizations, doubling our impact from the previous year.

Case studies: Outcome 9

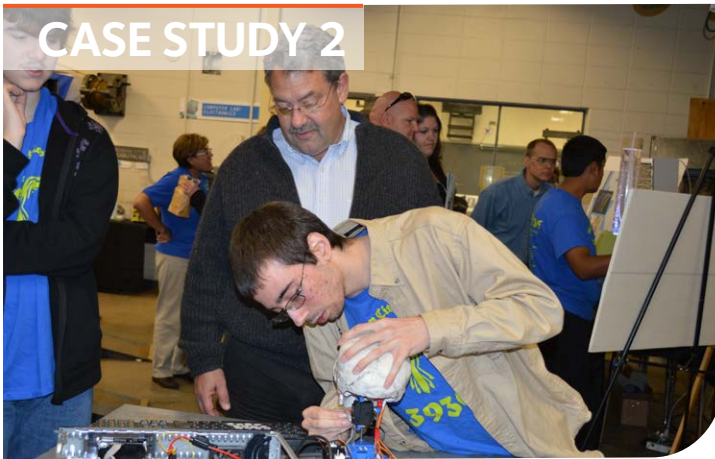
CASE STUDY 1



Taking campus partnerships to the next level

At ArcelorMittal, we are looking for the best and brightest minds to help us transform the future of steel. To achieve this goal, we seek to develop and recruit professionals in engineering, finance, business management and other areas. We have created partnerships with nine accredited four-year colleges and universities focused on engineering and business programs. Through our Campus Partnership Program, ArcelorMittal USA focuses on equipping students with the skills needed to succeed in the global marketplace and increasing opportunities for women and minorities.

CASE STUDY 2



Steel and robotics go hand in hand

At ArcelorMittal, robots are often an integral part of the steelmaking process. From processing samples in the chem lab, to completing hazardous tasks at the zinc pot, robots are a reliable, efficient, and safe alternative. At the zinc pot, for example, robots drag the dross across the top of the molten zinc instead of humans. Given the extreme heat of the molten material, there is a high potential for splashing. Having robots handle the drossing process eliminates the human risk. Additionally, robots can be used to remotely control peck lifters which handle very heavy loads that would otherwise require operators working in very close proximity to these loads. With the loads often in tight locations, pinch points are a big hazard. With robots controlling the lifters instead, operators stay out of harm's way.

10 Our contribution to society measured, shared and valued

We contribute to society in a variety of ways, through the taxes we pay, the employment of our workforce, our support of local economies and through our sustainability initiatives. It is important that we measure and highlight these contributions.



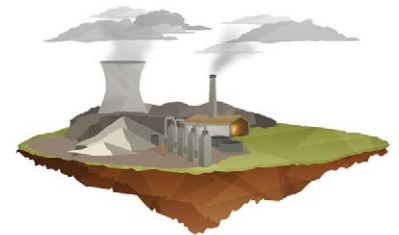
Why is this important to us?

We know that we make vital financial and social contributions to our communities. However, it is easy to overlook these contributions without metrics demonstrating our substantial impact. As a result, it is our goal to promote our current metrics and develop better measurements moving forward to best demonstrate the value we create.

The commercial imperative

What kind of challenges do we face?

Our stakeholder relationships are critical to the operation of our business. These relationships are strengthened by demonstrating the value our company creates for these stakeholders. However, measuring economic and social value for a company of our size and scope can be a challenge.



What do we need to do?

Our corporate responsibility governance structure is critical to monitoring and measuring our impact. Established in 2015, our Sustainable Development Council (SDC) oversees the implementation and measurement of our 10 sustainable development outcomes in the U.S. The SDC is continuing to lead this work and refine the measurement of our impact in 2016 and 2017. We will also continue to analyze our economic contribution data and highlight this impact with our stakeholders. The publication of our second integrated report is an important step towards holistically representing both our social and financial contributions.



What is the potential to create value?

We already know that our contributions are significant. However, our ability to fully demonstrate these contributions will strengthen our relationships with our stakeholders, thereby strengthening our overall operations.



Measuring success in corporate responsibility

A Sustainable Development Council (SDC) exists at the national level to oversee both corporate responsibility and sustainable development initiatives. The SDC is responsible for driving measurement and metrics around the 10 sustainable development outcomes. In 2016, the SDC conducted our second nationwide self-assessment, measuring our performance against each of the 10 sustainable development outcomes. The self-assessment is being used as a management tool to measure our progress and develop metrics. It will continue to be updated annually. In 2016, the SDC also oversaw the implementation of our second annual internal and external U.S. stakeholder survey. The goal of this survey was to garner feedback and measure progress on our sustainability initiatives. Additional information about the survey is detailed in the stakeholder engagement section of this report.

The publication of our second integrated report for 2016 is also a major advancement towards the goal of publicly highlighting our measurements and metrics around social and financial value creation. We are the first country within ArcelorMittal's western hemisphere footprint to publish an integrated report. The report is available online at usa.arcelormittal.com/sustainability or can be downloaded in its entirety.



Stakeholder engagement

As part of our corporate responsibility governance, we have a robust stakeholder engagement process. ArcelorMittal has identified our key stakeholders, including customers, employees, government and regulators, investors and lenders, local communities, media, multilateral and business organizations, non-governmental organizations and suppliers.

The graphic below demonstrates how we engage with and our relationship to each stakeholder group.

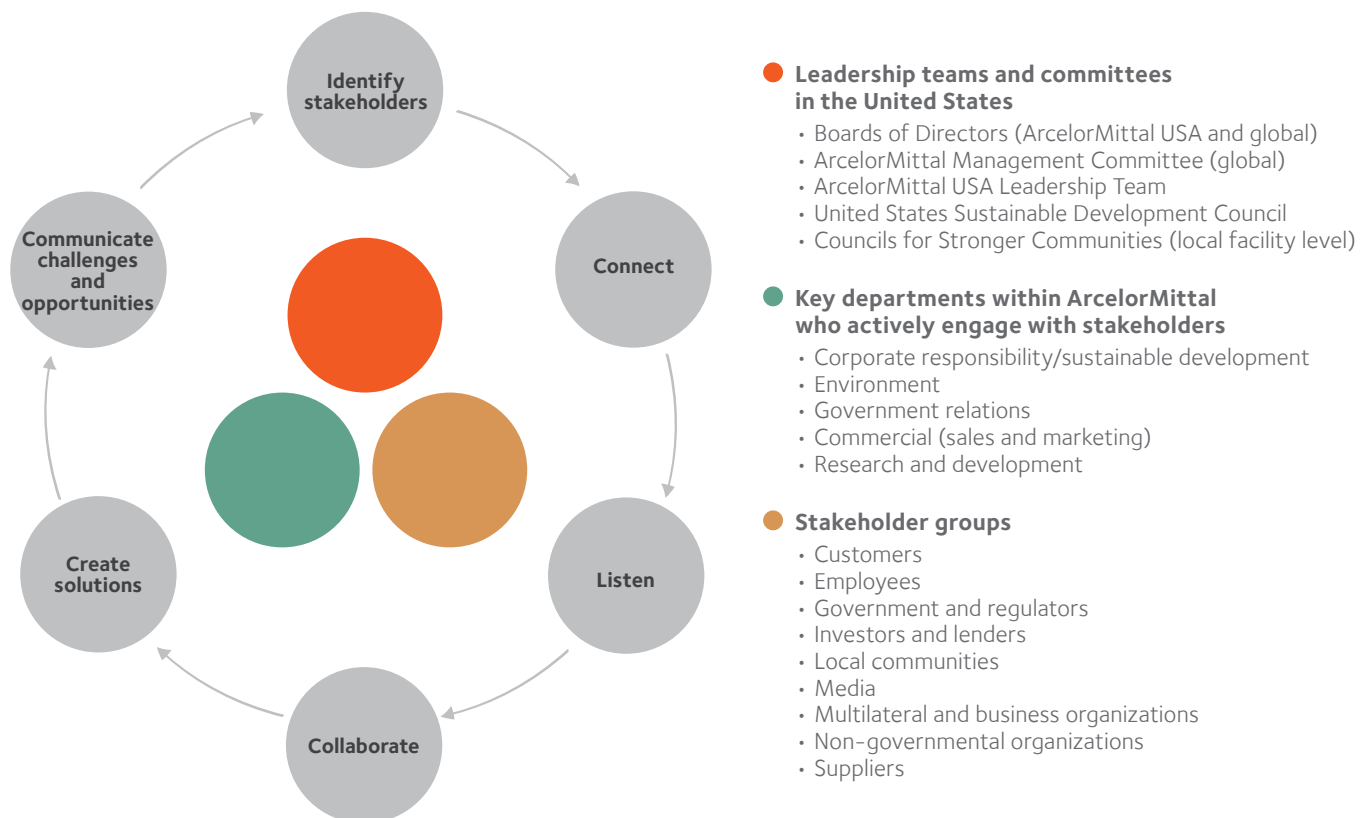
	Customers	Employees	Government and regulators	Investors and lenders	Local communities	Media	Multilateral and business organizations	Non-governmental organizations	Suppliers
Stakeholder issues	<ul style="list-style-type: none"> Quality of products Ethical business practices Safety in products Renewable technologies, lightweight steel products 	<ul style="list-style-type: none"> Worker health and safety Job security Working conditions Remuneration and rewards Career development Operational excellence Ethical business practices 	<ul style="list-style-type: none"> Biodiversity conservation Emissions control Attracting investment Employment opportunities Social and economic development 	<ul style="list-style-type: none"> Corporate governance Business performance Employee health and safety Climate change Corporate responsibility management 	<ul style="list-style-type: none"> Community engagement processes and plans Environment and emissions control Social investment Job security 	<ul style="list-style-type: none"> Industry challenges and developments Health and safety Environmental issues 	<ul style="list-style-type: none"> Long-term industry challenges Human rights Water, energy and waste Health and safety Responsible sourcing Climate change 	<ul style="list-style-type: none"> Environmental protection Social and economic development Working conditions Corruption and bribery Health and safety Human rights 	<ul style="list-style-type: none"> Code for responsible sourcing Quality of products Operational excellence Ethical business practices
How we engage	<ul style="list-style-type: none"> Site visits Customer-oriented publications and events Partnerships, e.g. our engineering teams in customers' plants 	<ul style="list-style-type: none"> Intranet Meetings Employee survey Newsletters and publications Training programs Trade union relations 	<ul style="list-style-type: none"> Country-specific steering groups Conferences and speaking engagements 1:1 formal dialogues 	<ul style="list-style-type: none"> Road shows 1:1 meetings, regular conference calls Site visits 	<ul style="list-style-type: none"> Local engagement workshops Local corporate responsibility reporting 1:1 meetings 	<ul style="list-style-type: none"> Site visits Press releases Interviews Internet Twitter 	<ul style="list-style-type: none"> Active involvement in organizations, including WBCSD, CSR Europe, World Steel Association, EITI and UN Global Compact 	<ul style="list-style-type: none"> Partnership Formal meetings Correspondence and events 1:1 meetings 	<ul style="list-style-type: none"> Dialogue through account management relationships Regular engagement with our local management on-site
Our relationship	<ul style="list-style-type: none"> Provide innovative partnerships for sustainable growth Provide quality products at good value 	<ul style="list-style-type: none"> Central to the success of our business by demonstrating productivity, quality, ethics and leadership Provide a safe and enriching work experience 	<ul style="list-style-type: none"> Generate economic growth through revenues, taxes, fees and product innovation Key to providing fair and transparent competitive trading conditions 	<ul style="list-style-type: none"> Generate sustainable growth and shareholder returns Improve our shareholder capital and boost financial performance 	<ul style="list-style-type: none"> Provide support for local economic development Build trust with local communities 	<ul style="list-style-type: none"> Provide industry trends as well as social, environmental and economic information Build and protect and raise awareness of our products and operations 	<ul style="list-style-type: none"> Add to the collective understanding of responsible business practices Build capacity within our organization and understand and drive peer approaches 	<ul style="list-style-type: none"> Provide an insight into the needs of society and the environment Monitor our performance in meeting the needs of stakeholders, vulnerable groups and society 	<ul style="list-style-type: none"> Secure delivery of good value and quality products and services Meet responsible sourcing requirements Provide fair access to business opportunities and appropriate payment conditions

Stakeholder engagement (continued)

Corporate responsibility leaders and members of our national SDC and local CSCs work to manage stakeholder expectations appropriately. Annually, we identify key stakeholders at local, regional and national levels and develop a strong understanding of those stakeholders' expectations of ArcelorMittal and what they deem to be material issues for our business. We encourage open and transparent relations with stakeholders and address any questions or concerns. We work closely with all of our stakeholders, both internal and external, to deepen our engagements and move the needle on material issues. This spirit of collaboration drives our business forward and allows us to set a strong foundation of leadership in our communities. We must lead, facilitate and participate in the conversations that affect our communities. This approach ensures we work collaboratively to address important issues and goals that we share. We conduct our stakeholder engagement in a variety of ways, from one-on-one meetings to surveys and group forums, tailoring our communications approach to each stakeholder group. Examples of major stakeholder engagements in 2016 include the following initiatives.

Leaders and stakeholders

At ArcelorMittal, we employ a robust stakeholder engagement process involving every level of leadership. The graphic below outlines our key external stakeholders and those groups and individuals who actively engage with these stakeholders on a regular basis.



Stakeholder engagement (continued)

Annual stakeholder survey

In 2016, ArcelorMittal launched its second annual stakeholder survey. This survey was sent to over 9,000 internal and external U.S. stakeholders. The survey received an 11.9 percent internal stakeholder response rate and an 18.5 percent external stakeholder response rate. Some key findings from the survey include the following:

- A significant increase in the number of stakeholders who stated that they are familiar with our 10 sustainable development outcomes. Employees reported a 45 percent increase, leadership reported a 70 percent increase, and external stakeholders reported a 63 percent increase in their familiarity with the 10 sustainable development outcomes over the previous year.
- Stakeholders overwhelmingly agreed that the 10 sustainable development outcomes were important to them personally as well as to the business.
- When asked to rate the 10 sustainable development outcomes against ArcelorMittal's performance on each, stakeholders responded that the gap between outcome importance and performance was smallest on outcomes 2, 8 and 10. Stakeholders responded that the gap was greatest on outcomes 1, 7 and 9.

Complete survey responses and individual stakeholder comments have been evaluated by the SDC and are being used to set a baseline for future measurements. The results are also being shared with U.S. leadership to contribute to future planning. The SDC will implement its third annual stakeholder survey at the end of 2017.



Stakeholder communications

ArcelorMittal utilizes a variety of communications tools to engage with each of its stakeholder groups. Communications tools that the corporate responsibility team utilized with stakeholders in 2016 included:

- Online integrated report and printed executive summary document
- Employee magazine (printed and online)
- Employee intranet
- External stakeholder e-newsletter
- USA website (blog, stories, press releases and announcements)
- Social media
- Facility and state-level fact sheets
- Sustainability-focused presentation materials

In 2017 the corporate responsibility team is conducting interviews with each of the internal ArcelorMittal stakeholder group owners to assess needs and gaps for all stakeholder communications.

Stakeholder engagement (continued)

Stakeholder meetings

ArcelorMittal's corporate responsibility team is committed to conducting one-on-one meetings on an ongoing basis with our stakeholders. In 2016, the majority of these meetings were held with local communities, nonprofit organizations, government officials and employee stakeholder groups. For example, in 2016, corporate responsibility staff met with every ArcelorMittal nonprofit organization partner at least once, and often multiple times throughout the year. This allows us to build proactive, 360-degree stakeholder relationships. As a result, we are a true community partner, strengthening both ArcelorMittal and the local community.

Memberships

As part of ArcelorMittal's stakeholder engagement work in the U.S., we partner with numerous national and local organizations. View a complete list on our website's "memberships" page.



Community feedback

External stakeholders who wish to provide us with feedback or address a concern can contact ArcelorMittal through several channels. Our website includes a "contact us" form for inquiries. Our U.S. social media channels provide another outlet for direct communications with the company. We also operate community information telephone lines for facilities in our primary communities, and all facilities and offices have their main phone number and address published on our website. This practice ensures that community members have the ability to connect directly with their local operations. These multiple systems allow our staff to respond in a timely fashion to concerns, questions or comments from our communities.

If you have inquiries about this integrated report or our corporate responsibility and sustainability initiatives in the U.S., we encourage you to connect with ArcelorMittal's corporate responsibility team directly at: USACR@arcelormittal.com.

Case studies: Outcome 10

CASE STUDY 1



Telling our steel story: communicating our contributions

When ArcelorMittal recognized its 10-year anniversary in 2016, we celebrated by recounting the decade's numerous stories of achievement and excellence. Still, many of our facilities in the U.S. have been operating for far longer, some for a century or more, in so-called "rust belt" communities.

Our past is rich and our roots are deep, but the ArcelorMittal story is a fairly new one and has been shaped by a changing world, country and industry. Moreover, as we embrace a circular economy and operate in an increasingly global marketplace, our stakeholders' views and expectations of us have also evolved.

CASE STUDY 2

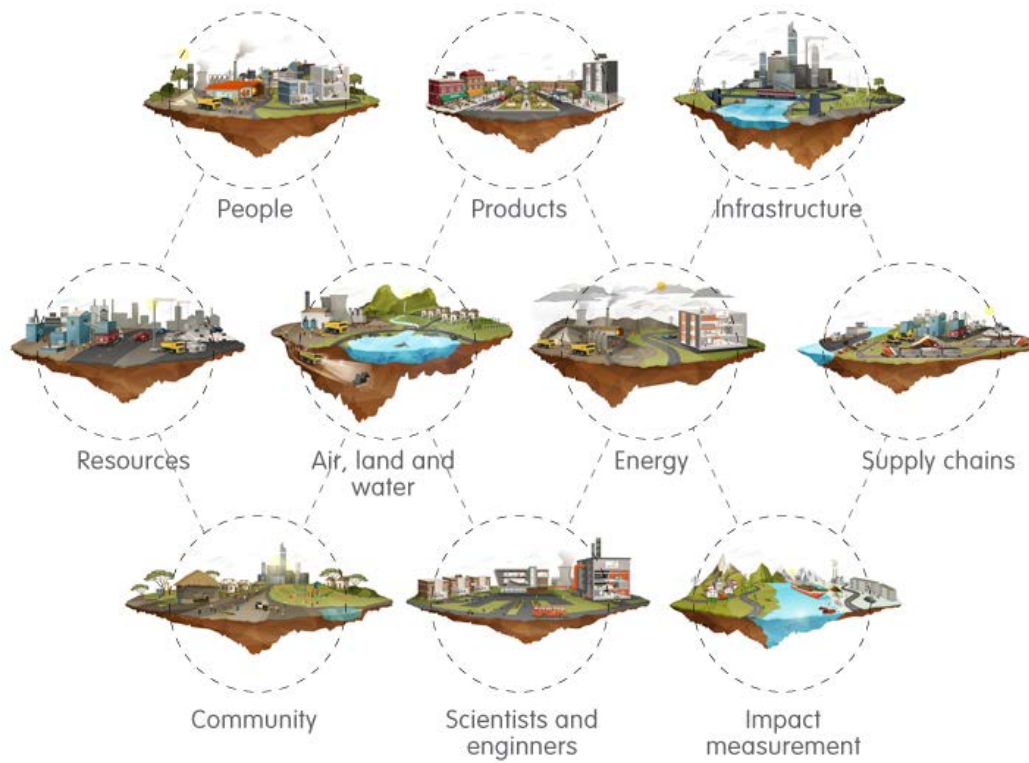


On Capitol Hill: communicating ArcelorMittal's contribution through government relations

ArcelorMittal's government relations department is critical to our work in outcome 10. This team communicates our societal contributions to many important stakeholder groups, most notably local, state and national government officials. Their work often involves sharing our societal contributions with these stakeholders as they consider policies that may impact our work.

Transparent good governance

We operate under the highest standards of business ethics and governance. These standards are essential to every aspect of our company and underpin the 10 sustainable development outcomes.



Why is this important to us?

Compliance with applicable laws, rules and regulations, demonstrating commitment to ArcelorMittal's principles of integrity, and upholding good governance is fundamental to being a responsible business. It is also critical to the successful fulfillment of our 10 sustainable development outcomes. Without strong ethics and governance structures, transparency and stakeholder relationships can be compromised.

The commercial imperative

What kind of challenges do we face?

As a leading employer in the U.S., it is vital that we are clear about the standards of behavior we expect from our directors, officers, employees and anyone else who acts on our behalf. We need to ensure that these individuals act in accordance with our code of business conduct and policies at all times. Every employee has the ability to either positively or negatively impact the integrity of our business.



What do we need to do?

We must continue to uphold the highest standards of business practice through our policies and employee trainings. Governance structures, both for the company and for corporate responsibility, are responsible for overseeing this important business function. We also continue to encourage open and transparent relations with our stakeholders to address any concerns and maintain their trust.



What is the potential to create value?

Companies with robust and transparent oversight benefit from stronger relationships with all of their stakeholders, including customers, employees, investors and lenders, local communities, non-governmental organizations and government and regulators. This results in a lower likelihood for business disruptions and a stronger corporate culture.



Human rights

For ArcelorMittal, our employees are our greatest asset. We maintain and enforce a comprehensive, company-wide human rights policy based upon the United Nations Universal Declaration of Human Rights; the International Covenants for Civil and Political Rights, and Economic Social and Cultural Rights; and the International Labour Organization. In the United States, our human rights policy ensures employees are protected and valued, focusing upon the areas of workplace harassment and inclusion. ArcelorMittal is an equal opportunity employer and has a zero tolerance policy for inappropriate conduct, workplace discrimination or harassment of any kind.

Ethics

Ethics and integrity are at the heart of how we do business at ArcelorMittal and we are committed to upholding the highest standards of business practice through our policies and employee trainings.

Our performance is guided by a Code of Business Conduct. All salaried employees are required to complete online training on the Code as well as ArcelorMittal's Human Rights Policy. In addition, certain salaried employees are required to complete training on antitrust, insider trading, data protection, economic sanctions, anti-corruption, and building a workplace of dignity and respect.

Corporate responsibility governance

ArcelorMittal's Sustainable Development Council (SDC) exists at the national level to oversee both corporate responsibility and sustainable development initiatives. The SDC is composed of a cross-functional team of leaders from across U.S. business units and is responsible for driving ArcelorMittal's sustainable development outcomes nationally.

Major governance activities undertaken by the SDC in 2016 included:

- Publication of ArcelorMittal's first integrated report in the western hemisphere
- Conducting ArcelorMittal's second nationwide self-assessment
- Implementing our second annual internal and external U.S. stakeholder survey
- Integration of the 10 sustainable development outcomes into the business

Our corporate responsibility efforts are governed locally by facility-level Councils for Stronger Communities (CSCs). The CSCs are made up of diverse leadership from our local facilities and the local United Steelworkers union. The CSCs at each of our facilities work in collaboration with a corporate responsibility manager to implement global, national and local initiatives, as well as to build sustainable stakeholder partnerships. CSCs are currently in place at 14 facilities in the U.S., providing valuable perspectives on corporate responsibility. This structure embeds corporate responsibility into each facility and encourages employees to embrace individual actions that contribute to our overall corporate responsibility objectives and company culture.



In 2016, the SDC and CSCs met regularly for a total of 54 formal meetings. Discussions centered on sustainability and corporate responsibility initiatives at their facilities and nationally, plans for engaging with communities, financial contributions to nonprofit organizations and responses to issues submitted via grievance mechanisms or community response lines.

Case studies: Good governance

CASE STUDY 1



Ethics and integrity in the workplace

Ethics and integrity are at the heart of how we do business at ArcelorMittal; they form a fundamental part of our company's DNA. In order to further strengthen our commitment, the company identified a set of eight basic principles in 2014 – ArcelorMittal's principles of integrity – which all employees are expected to follow and promote in our day-to-day work.

DATA TABLE



2016 Data table

Outcome	Topic	Description	Indicator	2012 Data	2013 Data	2014 Data	2015 Data	2016 Data
1	Lost time injury frequency rate percent change (per million hours worked)	Number of injuries which resulted in employee or contractor having to miss at least one day of work as a result of the accident, per million hours worked	GRI G4-LA6 SASB NR0302-18	42% reduction (1.92)	18% reduction (1.58)	1% reduction (1.57)	15% reduction (1.33)	7% reduction (1.24)
1	Percentage of employees covered by collective bargaining agreements	The percentage of employees covered by collective bargaining agreements	GRI G4-11 SASB NR0302-19	78%	77%	70%	69%	68%
1	Average hours of training per year per employee by gender and by employee category	Average hours of training per year per employee by gender and by employee category	GRI G4-LA9	Salaried avg: 12.6 hours Salaried total: 51,293 Hourly statistics not available for 2012	Salaried avg: 12.5 hours Salaried total: 43,450 Hourly avg: 46.6 hours Hourly total: 238,654	Salaried avg: 36.1 hours Salaried total: 147,672 Hourly avg: 41.1 hours Hourly total: 584,587	Salaried avg: 6.48 hours Salaried total: 25,571 Hourly avg: 49.16 hours Hourly total: 654,151	Salaried avg: 8.1 hours Salaried total: 26,788 Hourly avg: 57.9 hours Hourly total: 717,243 ¹
1	Number of operations certified to the Occupational Health and safety Assessment Series, OHSAS 18001	OHSAS 18001 is an international assessment series for health and safety management systems	KPI	17 facilities + R&D (18)	17 facilities + R&D (18)	17 facilities + R&D (18)	17 facilities + R&D (18)	13 facilities + R&D (14) ²
1	Number of social dialogue interactions	Formal worker representation meetings and interactions at the corporate level, including annual partnership meetings and joint health and safety meetings	KPI	4	4	4	4	3
1	Number of employee newsletters or other communications distributed regularly; number of recipients	Number of newsletters published detailing pertinent company matters; number of recipients per issue	KPI	6: 17,858	9: 18,000	7: more than 20,000	6: more than 20,000	6: more than 17,500
1	Employees by employment contract and gender	Employees by employment contract and gender	GRI G4-10	---	---	---	Total workforce in 2015: 20,298 ³ Gender: M – 89.1% F – 10.9%	Total workforce in 2016: 18,293 Gender: M – 89.1% F – 10.9%
1	Workforce breakdown by employment duration	Duration of employment in years by total employee percentage	KPI	<10: 35.7%, 10-19: 14.4%, 20-29: 8.3%, >30: 41.5%, no service date: .1%	<10: 38.2%, 10-19: 13.5%, 20-29: 8.5%, >30: 37.5%, no service date: 2.3%	<10: 46.3%, 10-19: 12.7%, 20-29: 8.3%, >30: 30.7%, no service date: 2.0%	<10: 47.3%, 10-19: 13.2%, 20-29: 9.3%, >30: 28.4%, no service date: 1.8%	<10: 50.3%, 10-19: 13.2%, 20-29: 10.1%, >30: 26.4%, no service date: .05%
1	Number of biometric screening and wellness/preventative exam participants	Number of employees who have undergone voluntary biometric health screenings Number of represented employees who have undergone voluntary wellness/preventive exams under new USW Health Awareness Initiative	KPI	2,170 salaried and represented employees Not reported at this time	2,326 salaried and represented employees Not reported at this time	3,109 salaried and represented employees Not reported at this time	3,590 salaried and represented employees Not reported at this time	716 salaried employees 6,603 represented employees

2016 Data table (continued)

Outcome	Topic	Description	Indicator	2012 Data	2013 Data	2014 Data	2015 Data	2016 Data
1	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs	The percentage of the total workforce represented in formal joint management worker health and safety committees	GRI G4-LA5	100%	100%	100%	100%	100%
		The level(s) at which the committee(s) typically operates		Monthly	Monthly	Monthly	Monthly	Monthly
4	Percentage of materials used that are recycled input materials	The weight or volume of recycled input materials as a percentage of the total input materials used	GRI G4-EN2	18.93%	18.31%	19.31%	21.50%	17.88%
4	Total amount of waste by type and disposal method (using European metrics and calculations)	The total amount of materials (hazardous and non-hazardous) in tonnes by type for reuse	GRI G4-EN23	2,883,994	2,804,167	2,969,683	2,989,867	2,428,420
		The total amount of materials (hazardous and non-hazardous) in tonnes by type for recycling		12,673,765	13,377,516	11,745,989	9,500,479	3,490,278
		The total amount of materials (hazardous and non-hazardous) in tonnes by type for disposal		855,276	848,903	833,941	1,299,788	564,616
		The total amount of materials (hazardous and non-hazardous) in tonnes by type for deep well injection disposal		26,274	38,996	37,477	20,904	18,076
4	Amount of scrap steel recycled per amount of steel produced	Tons of scrap steel recycled per amount of steel produced	KPI	34%	35%	39%	34%	29%
4	Environmental liabilities	Future environmental liabilities related to studies and remediation of environmental impact from our operations and the operations of predecessor companies	KPI	\$205 million	\$191 million	\$194 million	\$195 million	\$188 million
5	Greenhouse gas emissions	Direct greenhouse gas emissions	GRI G4-EN15 SASB NR0302-01 and NR0301-01	USEPA 40CFR98: 26.4M tonnes CO ₂ direct, there are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations	USEPA 40CFR98: 25.9M tonnes CO ₂ direct, there are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations	USEPA 40CFR98: 26.2M tonnes CO ₂ direct, there are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations	USEPA 40CFR98: 24.5M tonnes CO ₂ direct, there are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations	USEPA 40CFR98: 26.5M tonnes CO ₂ direct, there are no indirect calculations for USEPA; calculations are based on direct CEMS measurement, mass balance calculations, regulatory default values and some missing data estimations

2016 Data table (continued)

Outcome	Topic	Description	Indicator	2012 Data	2013 Data	2014 Data	2015 Data	2016 Data
5	NOx, SOx, and other significant air emissions by type and weight (using European metrics and calculations)	The weight of significant air emissions (in kilograms or multiples such as tonnes) for NOx	GRI G4-EN21 SASB NR0302-03 and NR0301-03	14,478 metric tonnes	16,048 metric tonnes	13,553 metric tonnes	14,756 metric tonnes	13,563 metric tonnes
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for SOx		16,072 metric tonnes	18,435 metric tonnes	15,852 metric tonnes	15,633 metric tonnes	16,154 metric tonnes
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for volatile organic compounds (VOC)		1,490 metric tonnes	1,392 metric tonnes	1,829 metric tonnes	1,794 metric tonnes	1,486 metric tonnes
		The weight of significant air emissions (in kilograms or multiples such as tonnes) for particulate matter (PM)		2,162 metric tonnes	2,293 metric tonnes	2,806 metric tonnes	2,630 metric tonnes	2,455 metric tonnes
5	Total carbon emissions per ton of steel produced	Total CO ₂ emitted per ton of steel produced	KPI	1.63	1.59	1.61	1.63	1.79
5	Number of emergency release/spill response exercises conducted	Number of drills performed to prepare for potential emergency spills/releases	KPI	30	45	20	25	22
5	Total water withdrawal by source	Total volume of water in m3 withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities by source type including surface water, including water from wetlands, rivers, lakes and oceans	GRI G4-EN8	1,253,496,712	1,159,808,812	1,181,829,894	1,231,262,229	906,708,086
5	Percentage of steelmaking facilities operational during the fiscal year certified to the Environmental Management System ISO 14001	ISO 14001 is an international standard for environmental management systems	KPI	100%	100%	100%	100%	100%
6	Direct energy consumption by primary energy source	Total energy consumption in joules or multiples	GRI G4-EN3 SASB NR03020-04 and 301-04	Total energy: 352,516,735 GJ	Total energy: 362,518,770 GJ	Total energy: 402,011,203 GJ	Total energy: 385,790,359 GJ	Total energy: 368,085,121 GJ
		Total energy consumption in joules or multiples from fossil fuels		287,194,471 GJ	296,612,659 GJ	313,647,169 GJ	313,845,487 GJ	321,202,721 GJ
6	Energy saved due to conservation and efficiency improvements	Percent change in energy intensity per ton of steel compared to the previous year; amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples	GRI G4-EN6	1.87%	0%	0.365% ⁴	2.04% ⁴	2.07% ⁴
7	Procurement policy in place	The code for responsible sourcing outlines corporate level requirements and expectations for suppliers regarding ethical and responsible behavior	KPI	Implemented in 2010	Implemented in 2010	Implemented in 2010	Implemented in 2010	Implemented in 2010

2016 Data table (continued)

Outcome	Topic	Description	Indicator	2012 Data	2013 Data	2014 Data	2015 Data	2016 Data
8	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Percentage of operations with implemented local community engagement	GRI G4-S01	100%	100%	100%	100%	100%
8	Direct community investment by focus area	Philanthropic giving completed through ArcelorMittal corporate responsibility in the United States by main giving focus areas	KPI	Education 29%, Environment 26%, Health and Safety 43%, Disaster Relief 1%, Other 1%	Education 37%, Environment 38%, Health and Safety 34%, Other 1%	Education 36%, Environment 35%, Health and Safety 29%	Education 48%, Environment 37%, Health and Safety 15%	Education 52%, Environment 35%, Health and Safety 13%
8	Total volunteer hours contributed by employees to U.S. nonprofit organizations	Number of hours contributed to nonprofit organizations by ArcelorMittal employees in the United States	KPI	Nearly 100 projects, more than 3,000 hours	More than 70 projects, more than 2,000 hours	99 volunteer projects, more than 2,800 hours	More than 100 volunteer projects, 4,200 hours	78 volunteer projects, more than 4,050 hours
8	Total STEM skills-based volunteer hours contributed by employees to U.S. nonprofit organizations	As a segment of total hours, this number represents the total number of hours contributed by ArcelorMittal employees to nonprofit organizations that are considered STEM skills-based	KPI	---	---	---	Percentage of total volunteer hours that were skills-based: 19% Total skills-based hours: over 800 ³	Percentage of total volunteer hours that were skills-based: 43% Total skills-based hours: over 1,750
8	Total invested in conservation efforts in the Great Lakes Basin through Sustain Our Great Lakes	Total invested in conservation efforts in Great Lakes Basin through Sustain Our Great Lakes, a bi-national, public-private partnership. ArcelorMittal is the sole private partner; the total invested reflects ArcelorMittal contributions, federal funds, and local match.	KPI	\$16.1 million	\$16.2 million	\$23.0 million	\$12.7 million	\$11.6 million
8	Number of significant incidences reported through grievance mechanisms	Number of complaints or incidences from the public or other stakeholders reported through grievance mechanisms	KPI	11	15	12	15	15
8 and 9	Number of STEM (science, technology, engineering and math) beneficiaries	Number of beneficiaries of United States based grantmaking programs specifically related to STEM education	KPI	---	---	---	1,735,494 ³	1,736,104
10	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	<p>Direct economic value distributed: employee wages and benefits (not including expenses related to active and inactive pension and retiree health care)</p> <p>Direct economic value distributed: community investments</p> <p>Indirect economic value distributed: property and other taxes</p>	GRI G4-EC1	<p>\$1.82 billion</p> <p>\$7.7 million</p> <p>---</p>	<p>\$1.98 billion</p> <p>\$7.2 million</p> <p>---</p>	<p>\$2.12 billion</p> <p>\$8.3 million</p> <p>---</p>	<p>\$2.28 billion</p> <p>\$8.3 million</p> <p>\$46 million ³</p>	<p>\$2.19 billion</p> <p>\$8.2 million</p> <p>\$41 million</p>

2016 Data table (continued)

Outcome	Topic	Description	Indicator	2012 Data	2013 Data	2014 Data	2015 Data	2016 Data
GG	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage	Total number of hours devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations	GRI G4-HR2	---	---	2,668	3,578	2,713 ⁵
		Percentage of salaried employees who have completed training in policies and procedures concerning aspects of human rights that are relevant to operations		84%	92%	87%	88%	67%
GG	Percentage of obligated employees receiving anti-corruption training	Percentage of obligated employees who are required to receive anti-corruption training who had completed it by year end 2016	GRI G4-S04	72%	87%	93%	83%	44% ⁵
GG	Percentage of employees receiving code of business conduct training	Percentage of salaried employees who have completed formal training about issues outlined in the code of business conduct, such as ethics and accountability	GRI G4-S04	72%	87%	93%	90%	76% ⁵
GG	Number of local governance structures in place	Governance structures are Councils for Stronger Communities (CSCs), comprised of management and union representatives, that lead programs related to internal and external governance	KPI	16	17	18	18	16 ²
GG	Number of local governance meetings	Total number of CSC and USA Foundation Governance Board meetings across all locations	KPI	66	44	94	85	53

¹ Data specific to wholly-owned ArcelorMittal USA LLC facilities and I/N Tek and I/N Kote.

² Decrease due to divested sites.

³ Reported for the first time that year.

⁴ In 2014, ArcelorMittal USA began calculating energy based on U.S. DOE reporting guidelines, using baseline year 2013. Data for 2014–2017 reflects this change.

⁵ This number decreased from the previous year because throughout most of 2016, reminders were unable to be sent to employees required to refresh their compliance training due to a change in training platforms and the inability to access reliable training history data. We are committed to upholding the highest business standards through our policies and employee trainings and have planned a campaign in 2017 to improve training compliance.

About our United States Integrated Report



In 2015, ArcelorMittal launched a new global narrative for corporate responsibility and sustainability that, for the first time, executes a strategy for the company far beyond traditional stakeholder engagement and community investment. Together with our colleagues around the world, leaders in the United States joined together around this narrative to begin to develop key performance indicators (KPIs) that will, over time, showcase our performance against our 10 sustainable development (SD) outcomes. As we continue to grow in the narrative of the 10 SD outcomes, we work to drive performance that goes beyond financial data to include the long-term value that can be driven by economic, governance, social and environmental performance as well.

In the United States, ArcelorMittal is reporting on our corporate responsibility and sustainability outcomes for the eighth time. In 2016, we took our first major step toward integrated reporting in the United States. Our first annual integrated report, published in May 2016 brought together our sustainability results with the strategy of our United States business. This methodology brings us closer to sustainability – both in the traditional and financial sense and by integrating sustainability in our annual strategic planning processes and discussions. This integrated approach ensures ArcelorMittal does what is right – for our business, our people and our planet.

It is important to us that our integrated report is accessible to all stakeholders. We also place great value on ensuring this report is environmentally friendly. Thus, we have chosen to publish our report online. Our integrated report can be found on the sustainability section of our U.S. website. The information presented here represents our 2016 calendar year results. The ease of a web portal allows us to update data and information throughout the year. Also on this website are many of the goals and metrics ArcelorMittal is working toward in 2017 in the United States.

This report aligns with the content elements suggested by the International Integrated Reporting Framework and the International Integrated Reporting Council (IIRC). The environmental and social data in the report is presented in accordance with the Global Reporting Initiative (GRI) G4 core guidelines. This report and its indicators are also prepared in accordance with the Sustainability Accounting Standards Board (SASB) for the Metals and Mining sector. More information about ArcelorMittal's operations in the United States and the details of those facilities covered in this report can be found in the organizational overview section of this report.

This second annual integrated report continues our focus on driving future value creation. Within this report, we outline goals for our work in sustainability. For this reason, the data and commentary throughout this report are both a retrospective look at 2016 results and a forward-thinking approach to our performance. Data within this report is subject to change at any time. No stakeholder should view this report as financial forecast or guidance.



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