



ArcelorMittal

# Responsible partner

ArcelorMittal Ostrava

Autumn 2008

Our Journey towards  
Safe and Sustainable Steel



ArcelorMittal Ostrava a.s. is the largest integrated steel producer in the Czech Republic and amongst the largest employers in the Ostrava region. The company produces more than 3 million tonnes of steel annually. We are a part of ArcelorMittal, which is the world's number one steel company, with over 320,000 employees in more than 60 countries. ArcelorMittal has led the consolidation of the world steel industry and today ranks as the only truly global steelmaker. ArcelorMittal is the leader in all major global markets, including automotive, construction, household appliances and packaging. The Group leads in R&D and technology, holds sizeable captive supplies of raw materials and operates extensive distribution networks.



Dear Friends,

It gives me a great pleasure to set up a new communication platform with you!

You are holding the first issue of ArcelorMittal Ostrava's new corporate responsibility magazine **"Responsible Partner"**.

We know that our position in the steel industry brings unique responsibilities. Our commitment to the world around us extends beyond the bottom line, to include the people in which we invest, the communities we support, and the world in which we operate.

From the pages of this magazine you will learn more about what we are attempting to do in the areas of Health & Safety and the Environment, for our employees, for the immediate neighbourhood and for the community as a whole.

"Responsible Partner" is all about sharing with you our exciting and challenging journey towards the manufacturing of **Safe & Sustainable Steel**.

I promise that we will meet more often on the pages of this magazine to continue our conversation! Please do feel free to write to me or my colleagues in the Corporate Responsibility team about anything you wish to share with us – **let us make this communication a two-way process!**

Thanking you for your interest,

With best wishes,

Sanjay Samaddar,

Chairman of the Board of Directors of ArcelorMittal Ostrava

# We Care about the Environment

## The environment is our priority

Our most important step for environmental protection has been the signing of contracts with the suppliers of technologies for two major investment projects: the dust control system at the Sintering Plants and the desulphurization of the Power Plant boilers. Both the projects have received favourable opinions from the expert committees of the Technical University of Ostrava. The university experts have confirmed that the projects feature modern technologies which guarantee that the declared parameters will be achieved. The emissions from the Sintering Plant will be reduced to at least one-third of the current amount.

The extensive modernization of the Power Plant will be commenced by the desulphurization of two boilers as a result of which its SO<sub>2</sub> emissions will drop to a half. At the turn of the year we will inform about the project in detail.

The desulphurization project will be completed by the end of 2009 and the dust control project by 2010 and 2011. The total cost of both the projects will exceed 1.4 billion Czech crowns.

By the end of the year the details of two other major investment projects will be clear. These projects that will greatly improve the environment of this region are the replacement of the

large-scale coke oven battery and the fundamental modernization of the Steel Plant.

## Other projects

By the end of this year we will also have completed a number of other projects. The reconstruction of the Sintering Plant North, namely the sealing of the sintering cars, the exchange of the combustion gas collectors and the installation of the dry removal of dust from the ESP will reduce dust emission by more than 50 tonnes annually.

Conversion of the burners on the K10 steam boiler and the related measures will reduce the emission of nitrogen oxides in waste gases by almost one quarter. Burners on the K6, K7 and K8 boilers will also undergo some modifications.

The filtering system at the Steel Plant is also being repaired. By the end of the first quarter of next year, the notorious "red smoke" will have been history.

## Measures already implemented

To reduce dustiness we have doubled the frequency of cleaning the roads and pavements in the company premises. For immediate reduction of noise levels we have changed the schedule of loading and unloading cargoes at night and have substantially reduced the night time shunting of trains at the Bartovice marshalling yard.



*The cleaning vehicles collect an additional thousand tonnes of dust annually. The dust would otherwise be blown to the adjacent areas.*



## Chief Green Officer

The environment is of serious concern for us at ArcelorMittal Ostrava. Our organizational commitment to environment has been strengthened by setting up the position of Chief Green Officer. This senior management position reports directly to the CEO.

ArcelorMittal Ostrava is the first large company in the Czech Republic and amongst the first in ArcelorMittal to put the environment in top management at par with, say, finance or marketing. The person appointed to the new position is Petr Baranek.

At the beginning of September we signed contracts with the suppliers of technologies for two key projects, which will dramatically reduce our environmental footprint. The dedusting of the Sintering Plants is the biggest environmental investment ever made by a private enterprise in the Moravian-Silesian Region. That also shows our concern for the environment.

As a large industrial enterprise we seek to minimize our environmental footprint. Besides the two major investment projects above a range of other large investments is under preparation. We have also adopted a number of measures the results of which can already be felt.

To improve the communication with the public we have set up two toll-free telephone lines. Dialling 800 100 579, the citizens can learn all about the operation at the Bartovice marshalling yard. At **800 100 648** comments or complaints related to the environment are collected. These are evaluated and responded to within two working days.



Our aim is to reduce our environmental footprint to the level of similar enterprises in Western Europe



**Gifts for a hospital in Ostrava.** The children's ward of the municipal hospital in Ostrava-Fifejdy received an LCD television, DVD player and a package of fairy tales for children. Moreover, each young patient was given a children's film on DVD and a mug with a picture of the red panda.

"We are happy to help make the children's stay here at least a little more pleasant," said Sanjay Samaddar.



**We have contributed to the building of the red panda yard** at the Ostrava ZOO. The breeding of the red panda is part of the major development plan of the Ostrava ZOO. The ZOO is among the leading candidates on the list of the parties interested in the breeding of the endangered species. The first panda, a male, has been borrowed from the Ústí nad Labem ZOO, and more pandas will follow.

"It is our great wish to be able to release the red pandas bred in Ostrava into their habitat, i.e., the Himalayas," said Petr Čolas, the director of the Ostrava ZOO.



**We have contributed to the building of the new staircase** at Frýdek-Místek. Out of the total cost of the project – four million crowns, ArcelorMittal Frýdek-Místek donated 650,000 crowns for the building of the new staircase and 400,000 crowns for the dismantling of the old one. "As we are the largest company in the town, it is our responsibility to contribute to the improvement of public spaces and generally, to help out," said Marcela Mikšová-Blachová, the company's CFO and Vice Chair of the Board of Directors.

**We have contributed to a new multi-purpose sports ground** at the Olga Havlová Grammar School in Ostrava-Poruba. "I am happy that thanks to the substantial financial aid granted by ArcelorMittal Ostrava we have been able to build a sports area that will motivate children as well as adults to take regular exercise," says Dagmar Juchelková, the headmistress of the Grammar School.

The management of the Grammar School are in favour of the sports ground being used not only by

their students, but also by the general public. "Several sports clubs are anxious to use the premises. It is great that the building of the sports ground will contribute to the fitness of the citizens," said the headmistress with satisfaction.

The amount that ArcelorMittal Ostrava donated for the construction of the multi-purpose sports ground was 3 million crowns.

# The Way We Help



The first tree out of the **1111** has been planted by ArcelorMittal Ostrava's Chairman of the Board of Directors Sanjay Samaddar together with the leading representatives of the city of Ostrava

1111 new trees will be planted in the Ostrava district by next June. In this way ArcelorMittal Ostrava will fulfil its promise to plant trees in return for plastic cups collected during the Colours of Ostrava music festival. The first tree that was festively planted in the Komenského Sady park on Monday 22<sup>nd</sup> September is a plane tree which is over five metres high.

"The tree planting project is not just a gesture. It is the continuation of the company's new approach to the environment in the region. In this respect, the situation will also greatly improve with this year's investment of 1.5 billion crowns in the dedusting of the Sintering Plants and the desulphurisation: In early September we signed contracts with the suppliers of the new state-of-the-art technologies," explains Sanjay Samaddar. The 24 hour toll-free green line 800 100 648, which is available to citizens to make inquiries and suggestions, enjoys a favourable response as well.

"The plane tree was the first newly planted tree, but others will follow soon," adds ArcelorMittal Ostrava's Chief Green Officer Petr Baranek. 90 trees will be planted in the Komenského Sady park. Other trees will be planted, for example, in Radvanice and Bartovice borough. "The first tree in Radvanice will be planted on 24<sup>th</sup> September outside the community centre," says Baranek. "Details of further tree planting have been discussed with the representatives of other parts of Ostrava as well as the adjacent municipalities, such as Hrabová, Vratislav, Šenov and Havířov." In the autumn, ArcelorMittal Ostrava will plant a hundred trees along Rudná Street in the Havířov direction.

All of the 1111 trees are due to be planted by the next Colours of Ostrava music festival. Before this year's festival started, ArcelorMittal Ostrava had made a promise to plant one tree for each one hundred plastic cups collected during the festival. "The number of cups collected was 111,000 and this would mean planting of 1110 trees. We have added one more so that the number is better remembered by all those who wish to see whether we will keep our word," says Petr Baranek. The progress of tree planting can be monitored at [www.prozelenouostravu.cz](http://www.prozelenouostravu.cz), where a countdown has been started.



**We have sponsored the performance of tenor Joseph Calleja**, who gave a concert together with his wife, soprano Tatjana Lisnic, at the Ostrava Community Centre. Accompanied by the Janáček Philharmonic under the baton of its current chief conductor Theodore Kuchar, the singers rendered lyrical arias chiefly from operas by Puccini.



**We have offered a football field** to the town of Frýdek-Místek. Although a number of developers and real estate agencies are interested in the lucrative sports ground, ArcelorMittal Frýdek-Místek has decided to donate the football field to the town. The condition is that the town will use the stadium for the purpose of supporting sports.

"If we sold this attractive piece of land, it would probably be the end of football for both the young and adults at Frýdek-Místek," explained Jan Rafaj, member of the company's Board of Directors and Public Affairs Director at ArcelorMittal Ostrava.



**We have contributed to the building of the technological pavilion** of the Technical University of Ostrava. The CPIT-TL2 technological pavilion will be used as a business incubator to help companies with innovative potential and as a base for the Regional Centre for the Transfer of Technologies.

"The pavilion will accommodate more than 40 new companies and provide offices for nearly 300 employees. The technological pavilion complies with the highest standards for modern offices and operating premises with plenty of room for holding important meetings and trainings," said Tomáš Čermák, the Rector of the Technical University of Ostrava during the inauguration of the pavilion.

**We have sponsored the International Festival Janáček in Hukvaldy.** This year again, ArcelorMittal Ostrava has been the main partner of the International Music Festival Janáček in Hukvaldy. The 15th anniversary of the Festival hosted, for example, the Kubín Quartet, the Janáček Chamber Orchestra of Ostrava and the Gentlemen Singers vocal group. The programme also included one of Janáček's most famous operas, *Káťa Kabanová*. Besides music, the Festival also offered a number of theatrical performances under the name of *Těšínské nebe/Cieszynskie niebo* the programme of which had

been prepared by four well-known artists: songwriter Jaromír Nohavica, poet Renata Putzlacher, director Radovan Lipus and musician Tomáš Kočko.

During the folk part of the festival, the Hradišťan band gave a dulcimer music performance.

# The Way We Help



# Taking Care of Our Employees



## Safety for newcomers

New orange helmets appeared in ArcelorMittal Ostrava's plants this summer (picture). They are a practical safety measure to differentiate new employees. The measure was one of the first to be taken by the Safety Leadership Group, whose members are Senior Management and Trade Union representatives headed by Chairman of the Board of Directors Sanjay Samaddar, in response to the fact that inexperienced workers are more susceptible to injuries than others. According to statistics, more than 30 per cent of industrial accidents happen to employees who have performed their jobs for less than one year. The shorter the working experience, the more alarming the figures are.

"Orange helmets are a suitable differentiating element. It is good that workers will see immediately that there is someone new at the workplace, who requires close attention," says Trade Union leader Leopold Laskovský.

CEO Sanjay Samaddar himself wears the orange helmet when going to the shop floor. Although he has had several years of working experience at other units of the ArcelorMittal group, he has not reached his sixth month at Ostrava yet.

## Long service awards

116 employees who have worked with this company for 35 years were invited to a celebration at the

Akord community centre (picture). HR Director Ctirad Lolek thanked them for their long service: "You have devoted most of your productive life to this company. This shows that you are loyal employees, that the company has become close to your

heart and that you are an integral part of the large steel family. I am honoured to be a part of such a team," said HR Director Ctirad Lolek in his opening speech.

## Awarding school leaving certificates and certificates of apprenticeship

135 students have graduated from our partner secondary school by passing their school leaving exams. 101 apprentices in three-year study programmes have successfully completed their final exams and have been awarded certificates of apprenticeship.

The practical part of the exams was mainly taken at ArcelorMittal Ostrava or other companies in which the professional training of the apprentices took place during the third year of their apprenticeship. Many of those who have completed their apprenticeship in the fields of Metallurgy, Locksmithing, Metal Work and other vocational

programmes will take up their first job with ArcelorMittal Ostrava.

## Team is power!

Thousands of ArcelorMittal Ostrava's employees and their family members came to the ČEZ Arena sports hall to support the Czech football



team in its match against the Portuguese (picture). In spite of our huge support the Czech team was unsuccessful and lost 1:3. Nevertheless, everybody in the hall enjoyed the event – there were numerous contests and also a live music by Děda Mládek Illegal Band.

## Safety awards

ArcelorMittal Ostrava is the only steelworks to have received the Safe Enterprise Award from the State Work Inspection Authority and the

Ministry of Labour and Social Affairs this year. We have also been the only steelworks in the Czech Republic to be awarded the five stars rating by IRCA Global, the renowned work safety rating agency.



## Roller's Fifty – 35<sup>th</sup> year

The last Saturday in May is the traditional day for the Roller's Fifty, the annual hiking event organized by the rollers from Plants 14 and 16 in conjunction with the Trade Union. The participants could choose from the 10, 20, 30 and 50 km routes and the 30 and 50 km cycling routes. A lot of attractions were also organized for the youngest participants including a jumping castle and a trampoline. And moreover, a gift package and a big surprise were prepared for each of them.

## From Karviná to the Arctic Circle

Petr Wiechec and Petr Podstawka, employees of ArcelorMittal Tubular Products Karviná visited six countries during their biking trip to the polar circle. They rode 4,750 kilometres in total. At their point of destination they left several pieces of our products. "I'm happy that ArcelorMittal Tubular Products Karviná's products have made it all the way to the polar circle, at least in a symbolic way," said Managing Director Stanislav Konkolski.

The two men dedicated their trip to

the 90<sup>th</sup> anniversary of the founding of the company. The company donated money for their ferry tickets and spare parts.

## Starting Together

74 new employees who have been recruited this year accepted the invitation to a two-day event called "Starting Together". "The objective of this gathering was not only to learn about this company, its values, goals and plans, but mainly to get to know each other," explained Jiří Philipp, the Head of the Human Resources Development Department.

## The second year of the Metallurgists' Olympics

At the second Metallurgists' Olympics, team members of subsidiary ArcelorMittal Tubular Products Ostrava defended the first place.

Many truly top-notch performances were to be seen: Tomáš Vrzala literally played games with his opponents on the tennis court, golf favourite Libor Botur had to bow to Lukáš Lyčka's artistry. The footballers representing the headquarters resembled the last year's Champions League in the penalty shoot-out: in the battle for the first place, the white collars failed to score a penalty shot and finally ended in the fourth place. But in spite of that everyone could be satisfied – the weather was great and nobody was injured. And that is victory, too (picture).



# Corporate Responsibility

ArcelorMittal Ostrava is fully aware of its responsibility for the region in which it operates, for the people who live in the region and for its employees. It consistently implements the policy of corporate responsibility which is considered an integral part of the management system of the Company. To enhance our focus on Corporate Responsibility Programs at ArcelorMittal Ostrava, we have strengthened our organizational structure recently. Our CR management system has been developed with the recognition that social and economic cir-

cumstances are unique for each of the communities in which we operate. Through our management systems we seek to minimise social risks and maximise opportunities for social development, building support for our operations through our society, and also to improve our competitive advantage.

The objective of our CR team is to reach out to all our stakeholders, with an increasingly high level of engagement, to be able to fulfil expectations.

For further information on the CR activities, please see [www.arcelormittal.cz](http://www.arcelormittal.cz) Corporate Responsibility.

## ArcelorMittal Ostrava Corporate Responsibility team



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Steel is one of the most recyclable materials