

President Letter

Eng. Arturo Acevedo



Acindar went on developing and strengthening its Integrated Management Policy, with the commitment to market products and services which increase the satisfaction and expectations of our customers, avoiding, controlling and minimizing pollution sources and the potential risks in our activities, products, processes and services for the preservation and care of the Environment.

In this respect, it is worth mentioning that the certifications of ISO 14001 standards were renewed in all Acindar's plants. A strong effort was made for the consolidation of activities to achieve the environmental sustainability of our processes and products, through improvements in all equipment and facilities and the optimization of resources.

Regarding Occupational Health and Safety, OHSAS 18001 standard certifications are kept in all the plants. As regards Health, specifically, several activities were carried out: nutritional controls and workshops on different subjects, such as nicotine poisoning and training courses.

On the other hand, by the end of the year we have presented our new visual identity. After 65 years of using the Acindar brand image, now we are Acindar ArcelorMittal Group, thus adopting the image of the holding we are part of, ArcelorMittal.

Fundación Acindar celebrated its 45th anniversary, which now makes it the oldest company foundation in Argentina. It kept working in favour of the education of children in our country, through school support classes and academic scholarships, among other activities, also contributing with programmes in social promotion, environmental care and health.

It has been widely proved that great advances can be achieved by working together. Thus, we fostered joint ventures with other institutions

and companies, as well as with the communities where we are present. Acindar, the Municipality of Villa Constitución and the Business, Industrial and Production Centre (CCIP, by its acronym in Spanish) of Villa Constitución organised a series of seminars in order to consolidate the sustainable industrial and commercial development of the city and its surroundings.

Regarding our economic and financial performance, in spite of the difficulties posed by energy restrictions and the significant cost increase, we have achieved the expected results because of the hard work carried out. Acindar Pymes SGR endorsed operations for 139 million ARS, incorporated other 45 million to the risk fund and, today, it has 354 participating partners.

As for our employees, a pension plan has been implemented under the motto "A good opportunity to invest in your future", with the purpose of promoting saving. It is a Pure Defined Contribution plan, in which Acindar deposits the same amount of money as that contributed by the employee.

In July last year, I had the honour of participating in the Global Compact Leaders Summit, organised by the UN in Geneva, Switzerland. Based on the official theme: "Facing Realities: Getting Down to Business", we worked on the applicability of the ten universal principles stated by the Compact, in debates and interchanges of groups made up of government officials, business executives and heads of civil society.

I hope this sustainability report allows you to get acquainted with the performance of our company in different fields and to see the way in which we continue working under the motto: "Companies can only succeed in successful societies."

Acindar

ArcelorMittal Group

Acindar ArcelorMittal Group is the leading steelmaking company, manufacturer of long steel products in the Argentine market, with international presence. It has over 100 product lines to meet the needs of the markets of civil construction, industry, petroleum, energy, automotive, agriculture and smithery, among others. It employs 3,000 people and owns facilities in the provinces of Buenos Aires, Santa Fe, Córdoba and San Luis in Argentina, and in San Pablo, Brazil.

The excellence and dedication of its employees, the quality of its management and the reliability of its products make of Acindar ArcelorMittal Group a top level business organization, allowing the company to have a sustained international presence.

History

Acindar was founded in the year 1942 by Mr. Arturo Acevedo and a group of construction businessmen who had to face the steel shortage of the region, as a consequence of the Second World War. Since then, it has grown to become Argentina's largest long steel manufacturer, with a market participation of over 50%.

In the 1990s, globalization was a reality, changing for ever the way to make business. The Acevedo family, Acindar's main shareholder by then, decided to look for a strategic alliance to facilitate the assimilation of these changes and to reinforce its position in the regional and international markets. So, in the year 2000, the Brazilian company Belgo Mineira, a member of the Arcelor Group, became a strategic partner to the company.

During the year 2006, the relationship between Acindar and this strategic partner gained new force through the merger between Arcelor Group and Mittal Steel –company of Indian capitals–, known as ArcelorMittal, which is currently the world largest steelmaking company, with 320,000 employees in more than 60 countries and a production of 130 million steel tons.

ArcelorMittal holds a leadership position in the main markets around the world, including the fields of the automotive, construction, electrical appliances and containers. It has an outstanding position as regards R+D and technology, as well as significant resources of raw materials and excellent distribution networks.

Mission

Acindar ArcelorMittal Group reasserts its mission as a company committed to the industrial production in the steel business, main focus of its work. Its purpose is to keep the leadership as the main steelmaking company, producer of large steels in the country.

Values

Integrity

- * Acting with ethics and responsibility.
- * Honouring agreements and commitments.
- * Basing our relationships on mutual trust and respect.

Prominence

- * Participating actively and responsibly.
- * Getting involved in the organization's aims.
- * Keeping a proactive attitude: to face challenges with enthusiasm and passion.
- * Giving priority to communication, foundation of our team work.

Excellence

- * Working efficiently, adding value.
- * Promoting an environment of openness, continuous learning and innovation.
- * Creating and sharing knowledge.
- * Acknowledging the results of performance.
- * Leading effectively.
- * Having genuine capacity for change.

Competitiveness

- * Being efficient in the processes and the optimization of resources.
- * Being oriented towards internal and external customers.
- * Keeping the focus on results.
- * Searching permanently for new alternatives, opportunities and solutions.

Vision

To consolidate our leadership in the Argentine market, and to keep a sustained and focused presence in the international market.

- * Exceeding its customers' expectations,
- * Contributing to the personal fulfillment of its people,
- * Increasing the economic return of its investors,
- * Developing sustainable relationships with its suppliers,
- * Contributing to the development of its community.

Acindar ArcelorMittal Group is fully committed to these values and principles. In turn, it constantly and repeatedly carries out all efforts within reach, in order that the company's management and operation is reflected in all relationships where it interacts with different audiences.

Integrated Management Policy

Acindar ArcelorMittal Group is fully convinced that it is not possible to obtain products of excellence if care is not taken of all processes involved in their production, including shipping to the customer.

Because of that, it developed an Integrated Management Policy which adds the issues of Environment, Safety and Occupational Health directly to Quality.



Communication on the progress of Acindar ArcelorMittal Group 2007

In the commitment assumed by Acindar as regards continual improvement, this fourth Sustainability Report corresponding to the activities carried out during the 2007 period, has included the communication related to the commitment and support to the principles stated by the United Nations Global Compact.

In its development, reference to the principles can be found, also the description of actions and good practices and their performance indicators, related to the tool of the Global Reporting Initiative and its connection with the Global Compact (Making the Connection). The following detail makes reference to the location of the Report contents in connection with each principle of the GC.

Additionally, we reassert this commitment assumed by the executive president and CEO of Acindar ArcelorMittal Group, Engineer Arturo Acevedo, with continuity in the presidency of the Argentine Business Council for Sustainable Development (CEADS, for its abbreviation in Spanish), besides Acindar's participation in the Government Agency Board of Directors of the Argentine net for the Global Compact for the 2007—2009 period.

Human Rights

Principle N° 1. Businesses should support and respect the protection of internationally proclaimed human rights.
Acindar Report: Letter from the President. Pillars over which we work.

Principle N° 2. Businesses should make sure they are not complicit in human rights abuses.
Acindar Report: Human Resources Performance. Development and Training. Performance Management. Stakeholders. Social Performance. Suppliers – Customers. Education.

Labour Standards

Principle N° 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Acindar Report: Human Resources Performance. Compensation and Organization. Labor Relations.

Principle N° 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
Acindar Report: Human Resources Performance. Development and

Training. Young Professionals program. Stakeholders. Suppliers – Customers

Principle N° 5. Businesses should uphold the effective abolition of child labour.
Acindar Report: Human Resources Performance. Stakeholders. Suppliers – Customers. Social Performance. Social Promotion. Health.

Principle N° 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Acindar Report: Human Resources Performance. Development and Training. Young Professionals program. Stakeholders. Suppliers – Customers. Social Performance. Fundación Acindar. Social Promotion.

Environment

Principle N° 7. Businesses should support a precautionary approach to environmental challenges.
Acindar Report: Environmental Performance.

Principle No 8. Businesses should undertake initiatives to promote greater environmental responsibility.
Acindar Report: Environmental Performance. Improvements Plan. Environmental indicators.

Principle N° 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
Acindar Report: Environmental Performance. Improvements Plan.

Anti-Corruption

Principle N° 10. Businesses should work against corruption in all its forms, including extortion and bribery.
Acindar Report: Letter from the President. Pillars over which we work.