



European Bank
for Reconstruction and Development

Ms Dubey
GroundWork USA and Co-ordinator,
Global Action on ArcelorMittal
555 Amory Street
Boston, MA 02130
USA

14 January 2009

Dear Ms Dubey,

Thank you for your letter received on 29 December 2008 regarding the Bank's investments in ArcelorMittal.

In response to your request that the Bank's Evaluation Department (EvD) looks at ArcelorMittal investments, please be advised that the EvD monitor investments at specific times in the project cycle. Our evaluation experts have a workplan for 2009, and it does include one of the individual ArcelorMittal investments. Several others have also been evaluated in the past. However, please be aware that, in accordance with the Evaluation Policy, EvD reports on private sector projects are not made public, although Lessons Learned are published where company names are redacted.

Please be assured that the Bank actively monitors its ArcelorMittal investments, including environmental and safety aspects of them and therefore are aware of the status of the project commitments. We share the concerns you expressed in the delays of implementing the Stakeholder Engagement Plan in ArcelorMittal Temirtau, which was designed to provide a great deal of information to the public, and the local community in particular. We are working with ArcelorMittal at a Corporate level, as well as the individual projects to identify what needs be done to comply with the commitments in an aggressive timeframe.

As an example of our monitoring approach to these projects, in the first half of 2009, representatives of Banking and Environment and Sustainability Departments will be visiting each of the facilities in February - March 2009 and reviewing the status of each action plan/set of commitments. This comprehensive review is used to help confirm the routine reporting done by the company and to identify emerging issues or problems and to discuss ways to improve performance further, as well as set priorities for remedying any incidents of non-compliance. We will add a number of discussion points this year with regard to stakeholder engagement and information disclosure for each facility to understand their initiatives and then we will follow-up with the



individual facility and with the corporate representatives to try to improve performance in these areas.

We understand that the stakeholders who are affected by or interested in the ArcelorMittal projects want adequate information on their performance on environmental, health and safety and social issues to understand the status and the progress being made on commitments and performance. We are bringing this to ArcelorMittal's attention at the level of the ArcelorMittal Board of Directors and the EBRD management so we can discuss what is possible and practical in the short and medium term to demonstrate both the achievements as well as the challenges faced by the facilities in these areas and to enter into a constructive dialogue with stakeholders.

We are interested in specific information or concerns from stakeholders related to particular facilities, so that this can help inform our discussions with the company. We will also be discussing what information can result from the monitoring process or alternative approach that can be shared with stakeholders. We would appreciate it if you could relay this request to the NGOs who signed the letter, so that we can receive this information as soon as possible. If the concern is more that little information of any kind is being received, then it would help to know what kinds of information would be useful or interesting for stakeholders relating to a particular facility, as we realise that the needs are likely different in different communities.

We look forward to further discussion on this project.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Olivier Descamps'.

Olivier Descamps
Business Group Director

A handwritten signature in black ink, appearing to read 'Alistair Clark'.

Alistair Clark, Corporate Director
Environment & Sustainability