

ArcelorMittal Response to Business & Human Rights Resource Centre

September 14, 2015

On July 22, 2015, a group of approximately 300 people, some of them armed, violently entered the mine and blocked operations, holding several employees hostage for more than three hours. Some of these individuals were members of the Ayotitlán community, claiming that the Benito Juárez Peña Colorada Mining Consortium (PeCo) was invading their territories and was not paying the royalties associated with the land use. The PeCo, of which ArcelorMittal is a 50% shareholder, strongly rejects these allegations and condemns any use of violence against its workforce and operations.

Following this, PeCo requested Government intervention to assist in the protection of employees and reduce the risk of a potential escalation of violence.

The company respects the Ejido of Ayotitlán, and its assembly and confirms that the agreements, and rental payments are in place and up to date. Currently, the entirety of the mine's extraction activity is on private land in the state of Colima. The mine is not conducting mineral extraction on the land rented from the Ayotitlán community and there is no justification for members of Ayotitlán community to demand additional royalties. The management of PeCo have held stakeholder meetings subsequent to this invasion to further clarify the agreement for land payments, and why no additional royalties are due. PeCo management are committed to continued participation in round tables organized by the state governments of Jalisco and Colima that included members of Ayotitlán Community and PeCo staff to work on solutions to the situation. Prosecutions are being dealt with in line with the local judiciary system

In 2012, ArcelorMittal Mexico re-launched its approach to stakeholder engagement, working with internal and external stakeholders to improve inclusive, collaborative and meaningful engagement. ArcelorMittal Mexico continues to engage with stakeholders, particularly with communities surrounding our facilities and with key groups and initiatives. PeCo provides more than 4,200 direct and indirect jobs in Colima and Jalisco, and maintains an investment plan for the plant, despite the international price decline of iron ore.

ArcelorMittal seeks to respect human rights and to develop an understanding of the cultures, customs and values that prevail in our local communities by developing an inclusive and open dialogue with the people affected by our operations. ArcelorMittal aims to ensure that the provision of security to our operations and our engagement with public and private security forces is consistent with the laws of the relevant country and relevant international standards and guidelines, such as the Voluntary Principles on Security and Human Rights. We adapt our security arrangements to balance the need for safety while respecting human rights.

For further information on ArcelorMittal's sustainable development initiatives in Mexico, please download the 2014 ArcelorMittal Mexico Sustainability report:

<http://corporate.arcelormittal.com/sustainability/the-local-picture/mexico>.