ARCELORMITTAL SOUTH AFRICA: VANDERBIJLPARK WORKS
EMPLOYMENT EQUITY PLAN (2008 - 2012)

PURPOSE OF VANDERBIJLPARK'S EMPLOYMENT EQUITY PLAN

The Employment Equity Act No. 55 of 1998 underpins Vanderbijlpark Works employment equity plan. The Act requires every employer to promote equal opportunity in the workplace by eliminating unfair discrimination from any employment policy or practice. It includes specific requirements for a designated employer, which applies to Vanderbijlpark Works. A designated employer must prepare and implement an employment equity plan that will achieve reasonable progress towards employment equity within the workforce.

ArcelorMittal South Africa Vanderbijlpark Works previously had an Employment Equity ("EE") plan that expired on 31 December 2007. In terms of the Employment Equity Act ("the Act") this new plan has to be consulted and submitted which Vanderbijlpark Works will report and be assessed against during the next five (5) years.

OBJECTIVES OF THE PLAN - VANDERBIJLPARK WORKS

Vanderbijlpark Works needs to obtain the following objectives:

- Ensuring a more representative and trained workforce that will support the business objectives.
- Take cognisance of the findings of the recent EE audit and current state of affairs and include meaningful interventions.
- Setting of agreed EE objectives and targets to be achieved by 2012
- Identify priority areas that need to be addressed - Action plan that ensures that Vanderbijlpark Works achieve EE objectives and targets. Tracking of objectives on monthly basis and feedback provided to relevant stakeholders.
- Management members to be assessed during performance management discussions on EE progress within their respective areas.
- Such a plan should also support long term sustainability of the organization and take into account but not be deterred by the current challenges and realities facing the organization.
- Promoting equal opportunity and fair treatment in Employment through the elimination of unfair discrimination.
- Implementing Employment Equity measures to redress the disadvantages in employment experienced by Black people, women and people with disabilities, in order to ensure their equitable representation in all Occupational levels within Vanderbijlpark Works.

- Ensuring that the company policies, practices, procedures, and the working environment are non-discriminatory.

- Enabling Vanderbijlpark Works to meet its business goals and to achieve high levels of efficiency and quality.

SCOPE

The employment equity plan shall apply throughout the entire Vanderbijlpark Works.

DEFINITIONS (As per EE Act)

- *Affirmative Action:* A set of specific and results-orientated procedure aimed at redressing historically generated imbalances by creating appropriate opportunities through educating, training, developing and advancing Africans, Coloureds, Indians, Women and the Disabled persons to enable them to operate at all levels in the Organization.

- *Black person:* is a generic term referring to Africans, Coloureds and Indians.

- *Demographics:* Total population of the different racial and gender group within a geographical area, region or country.

- *Designated Groups/Historically disadvantaged:* Black Persons, Women and persons with disabilities.

- *Person with disabilities:* Person who has a long term or recurring physical or mental impairment, which substantially limits their prospects of entry into, or advancement in employment.

1. *Suitably Qualified:* refer to corporate position qualification req. A person may be suitably qualified for a job as a result of any one or any combination of:

2. Formal qualification
3. Prior Learning
4. Relevant experience
5. The capacity to acquire, within reasonable time, the ability to do the job.

STATEMENT OF INTENT

The following is a declaration of Management and the Employment Equity Forum (EEF) at Vanderbijlpark Works.

1. We are fully committed to make Vanderbijlpark Works employment equity plan a reality.

2. We commit to a conscious and deliberate effort to correct the imbalances of the past within the group by building capacity of blacks, women, and disabled persons. This

requires the commitment, dedicated effort, and support of everybody in Vanderbijlpark Works to ensure success.

3. We are determined and will ensure that employees from historically disadvantaged groups will be represented in all areas of skill and responsibility in pursuance of Vanderbijlpark Work's policies and labour agreements and as a socially responsible employer.

Vanderbijlpark Works Management will take active steps to:

1. Ensure, non-discriminatory practices which respect the rights and dignity of all our employees irrespective of colour, race, gender or disability are eliminated

2. Ensure that staff at all levels are suitably qualified or have the potential to meet the inherent requirements of the job,

3. Ensure that all employees are allowed to realize their full potential, within the capacity of the company, and are advanced and rewarded on merit,

4. Transform the demographic profile of the workforce to achieve EE targets by 2012

To achieve the active steps Vanderbijlpark Works shall;

1. Vigorously pursue policies, practices and procedures/directives such as Recruitment & Selection, Education, Training & Development, Promotion and Placement, Performance Management and Remuneration to ensure that previously disadvantaged groups fulfill a significant role in the processes and operations.

2. Strictly monitor progress on Employment Equity and report regularly

3. Assess each Manager on the achievement of Employment Equity objectives and targets within Performance Management System.

4. Management enthusiastically embraces the continued progress towards becoming truly representative of the demographics of our country and will identify and eliminate any potential discrimination practice attitudes and behaviors within the group, which do not reinforce the Employment Equity Plan.

IMPORTANT RESPONSIBILITIES AND ACCOUNTABILITIES

Managers

Managers at all levels will be held accountable for implementing, assisting and supporting the Employment Equity Plan in every way possible. It will be expected of all Managers to meet the requirements of the Employment Equity Plan in their functions and the achievement of the Employment Equity objectives in their areas of responsibility. All managers are expected to ensure that:

1. Vanderbijlpark Works complies with the requirements of the legislation through the implementation of the Employment Equity Plan.

2. The relevant Retention, Development and Recruitment strategies are implemented.

3. There is effective communication and feedback pertaining tracking of progress to all employees and stakeholders, specifically during participative forums.

Champion of EE plan and progress

The General Manager of Vanderbijlpark Works is the 'Champion' to drive the Employment Equity process in compliance with Section 24 of the Employment Equity Act, No 55 of 1998.

Coordination and Consolidation

Human Resources will be responsible to coordinate Vanderbijlpark Works Employment Equity Plan. Human Resources will also generate EE reports for the Vanderbijlpark Works, HUMCO and Vanderbijlpark Works Employment Equity Forum.

Employees

All employees are urged to give wholehearted support to the Vanderbijlpark Works employment equity process and strategy, assisting wherever possible in ensuring that it is a success to the ultimate benefit of the business and all employees. The success of this plan depends on the employees.

DURATION OF THE EMPLOYMENT EQUITY PLAN

The plan will be for a five year period (2008 to 2012). The plan will be revised every year to accommodate any possible organisational changes and or equity act prescriptions.

NO TOKENISM

There will be no token appointments by Vanderbijlpark Works, simply to achieve desired numerical targets. Vanderbijlpark Works undertake to ensure that employees are placed in meaningful jobs whereby they can contribute and add-value towards business objectives.

DISPUTE RESOLUTION PROCESS

Internal Vanderbijlpark Works dispute resolution procedure must be followed for resolving any dispute emerging from the interpretation and the implementation of the Employment Equity Plan. If necessary, it will be adapted to the requirements of the act.