



Codes of conduct and international framework agreements: New forms of governance at company level

Case study: Arcelor

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This case study is based on the analysis of documents as well as interviews carried out in the first half of 2007 with the following: chairman of the works council of Arcelor in Bremen (Germany), a member of the Board of Directors, a European Works Council member and the senior policy advisor at the European Metal Workers' Federation.

Information about the company

Arcelor SA is the world's largest steel producer in terms of turnover and the second largest in terms of steel output, with a turnover of 30.2 billion euro and shipments of 45 million metric tons of steel in 2004. It is registered and has its headquarters in Luxembourg. In 2002, the company was created by a merger of the former companies Aceralia (Spain), Usinor (France) and Arbed (Luxembourg). In 2006, Arcelor merged with Mittal Steel Company to become Arcelor Mittal.

Table 1: *Profile of Arcelor*

Features	Data
History, milestones etc.	In 2002, the company was created by a merger of the former companies Aceralia (Spain), Usinor (France) and Arbed (Luxembourg).
Industry sector	Automotive, construction, metal processing, primary transformation, household appliances and packaging. It produces long steel products, flat steel products and inox-steel.
Employment Europe	67% in Europe, 19% in South America, 12% in North America. Since the merger with Mittal, it has an industrial presence in Asia.
Employment worldwide	Arcelor: 94,000 employees in over 60 countries. Arcelor Mittal: 320,000 employees in over 60 countries.
CSR context	Arcelor subscribes to the principles of the Universal Declaration of Human Rights, the principles of Global Compact and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Source: *Schömann/Sobczak*.

Industrial relations context

In Arcelor SA, social dialogue is based on a long-term relationship internally with employee representatives on the Board of Directors and the European Works Council.

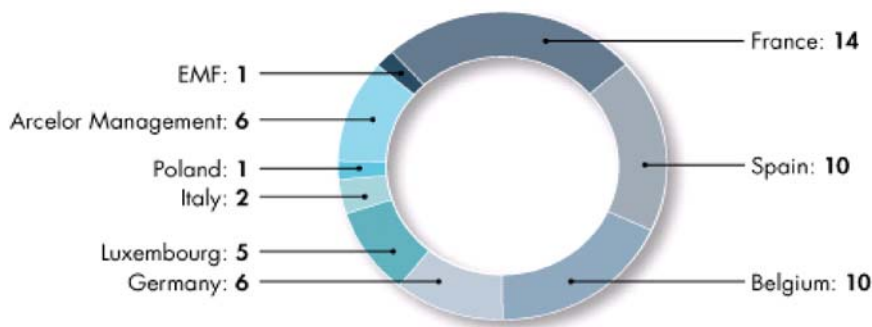
On 27 May 2002, Arcelor's management and several European employee representatives signed an agreement that led to the creation of Arcelor's European Works Council (EWC). The EWC is a forum for consultation and information and is responsible for the circulation of information within the company. The EWC mainly focuses on economic and social issues that have strategic and international importance within the Group (predominantly issues related to economic, financial and social situations, to organisational matters, to health and safety at work and to sustainable development issues).

On the occasion of the renewal of the mandates within the EWC employees' group, as it is foreseen in the 2002 agreement, an amendment was signed on 10 May 2006. From this day forward, the composition of Arcelor's European Works Council is as follows: the 'employers' group' includes six members from the Directorate, namely the four members of the Group's Management Board, Arcelor's Director of Human Resources and the General Secretary. The 'employees' group' is made up of 48 effective members (backed up by 48 alternate members).

In addition, a permanent invitee from the European Metalworkers' Federation (EMF) takes part in the council's activities. An administrative secretariat helps the council coordinate its activities.

The Select Committee, comprising 16 members elected within the EWC, coordinates the employees' group's works and passes on information to the bodies that represent Arcelor's employees.

Figure 1: EWC: Distribution of the seats



Source: <http://www.arcelor.com/index.php?lang=en&page=65>.

In 2007, Arcelor Mittal employee representatives and management agreed on the principle of a new combined European Works Council (EWC). This new agreement replaces the EWC agreements that previously existed at both Mittal Steel and Arcelor prior to the merger and represents a major additional step in the integration process of Arcelor Mittal. The new Arcelor Mittal EWC will be representing more than 130,000 employees within the EU27.

In addition to dialogue with local committees, government and NGOs, Arcelor regularly participates in working groups, as well as on a number of national and international sector-related tasks, in particular on the theme of sustainable development, such as CSR Europe.

Table 2: Dialogue with partners – indicators

Indicators		2002	2003	2004	2005
Dialogue	Percentage of employees having access to a dialogue/consultation/representation/expression of grievances structure	100	100	100	100
Dialogue	Establishment of programmes for meeting with stakeholders and NGOs at the major production plants	Yes	Yes	Yes	Yes
Dialogue	Percentage of major plants holding open days	100	100	100	100
Manager satisfaction	Implementation of social observatory	Yes	Yes	Yes	Yes
Customer satisfaction	Implementation of customer satisfaction surveys	Yes, per sector	Yes, per sector	Yes, per sector and market	Yes, per sector and market
Partner satisfaction	Implementation of image/reputation surveys in the vicinity of the major production plants	Yes	Yes	Yes	Yes

Scorecard

Main achievements in 2003	Main achievements in 2004	Main achievements in 2005	Targets
Dialogue with staff representatives, involving proposals and consultation work, as part of the European Works Council	Assessment of the European Works Council's operations	Ongoing dialogue with all Group partners	Ongoing dialogue with all Group partners
Employee relations statistics teams for all Arcelor managers in Europe; satisfaction survey for staff in Brazil	Monitoring of employee relations statistics teams	Monitoring of employee relations statistics teams	Extension of the employee relations statistics teams to all staff categories
Open days in all large production sites	Open days in all large production sites	Open days in all large production sites	Open days in all large production sites

Source: <http://www.arcelor.com/index.php?lang=en&page=406>.

Arcelor's Code of Ethics**Background**

Arcelor's Code of Ethics (Annex 1) was adopted in 2005 at a conference gathering 500 managers of the Arcelor Group. The document completed the Arcelor Principles of Responsibility, which outline Arcelor's vision, 'Steel solutions for a better world', and its mission, 'To assert Arcelor as a reference value in the steel industry worldwide', elaborated in 2003 by the Management Board. It defined Arcelor's Principles of Responsibility, which set out the vision and ethical standards of the Group. These principles define Arcelor's commitment to its employees, customers, shareholders, bankers, suppliers and other stakeholders. They also include Arcelor's commitments to society and integrate, among other elements, compliance with the principles of the United Nations Global Compact.

The Code of Ethics summarises the basic values and ethical principles that every employee of the Group is expected to act upon throughout the world. While the Principles of Responsibility define the Arcelor behaviour guidelines, the Ethics Code refers to the individual behaviour of each and every Arcelor employee as a member of the Arcelor Community. The Code of Ethics is a management statement of certain fundamental principles, policies and procedures that the Arcelor Group addresses to its employees and it is not meant to be used by any third parties, other than by Arcelor Group companies in the context of seeking enforcement of the rules mentioned in the code.

The 'Worldwide Agreement on the principles of Arcelor's corporate social responsibility' (Annex 2) of 13 September 2005 is the first agreement on social responsibility in the steel branch in Europe. It has been signed by the Chairman of the Management Board of Arcelor SA, the parent company of the Arcelor Group and its Executive Vice-President of Human Resources on one side and by the Steel and Health and Safety Director of the International Metalworkers' Federation and the General Secretary of the European Metalworkers' Federation on the other side.

Motives and drivers of corporate social responsibility (CSR)

Arcelor commits to the United Nations Global Compact. Arcelor management showed their willingness to incorporate a set of fundamental values in business practices relative to the Universal Declaration of Human Rights, international labour standards and environmental protection as the main reference for Arcelor's worldwide activities.

Belgo Mineira in Brazil and Usinor in France had already given their support in the past to this United Nations initiative. Each Arcelor employee is asked to share and spread these concerns in all the activities and in all consolidated companies of the Group.

Arcelor’s Sustainable Development strategy and Principles of Responsibility, upheld by the Group’s General Management, are in line with the 10 principles of the Global Compact. The eight priority areas translate Arcelor’s determination to achieve consistency in its economic (Profit), social (People) and environmental (Planet) strategies. A key aspect of adhesion to the Global Compact is the promotion of the 10 principles among the Group’s subcontractors and suppliers. In 2004, the Arcelor Purchasing Division integrated a set of elementary obligations that the Group now requires from its suppliers concerning human rights, labour standards and environmental protection. The Sustainable Purchasing programme now allows global buyers to evaluate suppliers using a scorecard that checks compliance with each of the commitments and values of Arcelor in favour of Sustainable Development and the Global Compact.

Table 3: *Human rights and labour standards in the Arcelor principles*

<i>Human rights</i>	
Principle 1	Business should support and respect the protection of internationally proclaimed human rights; and
Principle 2	make sure that they are not complicit in human rights abuses.
<i>Labour standards</i>	
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the elimination of discrimination in respect of employment and occupation.
<i>Environment</i>	
Principle 7	Business should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
<i>Anti-corruption</i>	
Principle 10	Business should work against all forms of corruption, including extortion and bribery.

Source: <http://www.arcelor.com/index.php?lang=en&page=199>.

To support the adoption of the tenth Global Compact principle, Arcelor implemented a Code of Ethics that defines the behaviour of each Group employee, in particular with regard to the fight against corruption, and which supplements its Principles of Responsibility. Since its creation, Arcelor is committed to respecting the rules and principles of corporate governance. The aim is to make Arcelor a model of good management, transparency and business ethics: amongst these principles lies compliance with international corporate governance recommendations. In the attempt to promote a continuous effort of transparency, the Arcelor Code of Ethics is the essential document that completes Arcelor’s commitments.

While the EWC played no role in the elaboration of the Code of Ethics, the EWC had an information and consultation role during the negotiations of the agreement. The initiative of the agreement is to be linked to the working group on social dialogue, composed of representatives of the trade unions and general management. The negotiation process lasted approximately six months. Furthermore, the EWC plays an important role in the implementation and monitoring of the agreement.

The EMF has developed a comprehensive company policy which focuses on all elements of workers’ interests in a multinational company, ranging from economic and industrial development, restructuring and reorganisation and working conditions. It covers information and consultation rights at European level (European Works Council) as well as participation rights (Company Statute). At the same time, the EMF supports the development of a negotiation role in multinational companies, although the signature of an international agreement is not a priority.

The EMF supports the development of a negotiation role in multinational companies. Through the negotiation of framework agreements, both at European and international level, the EMF seeks to secure minimum standards for workers with a view to improving working conditions and avoiding undercutting on social standards. This approach also provides support to national collective bargaining policies.

The EMF company policy involves the European Works Councils, the workers' representatives on company boards, the national trade unions and the EMF EWC coordinators. Here again, the EMF has been the initiator, together with the IMF and the EWC, of the agreement based on difficulties Arcelor was facing in its Brazilian subsidiary. Initiating a process of negotiation remains the privilege of the trade unions that have a mandate to act; the EWC is to be involved in the implementation and monitoring of the agreement at European level. Furthermore, a climate of trust between the EWC and the trade unions fosters a smooth and rather rapid process of negotiation. Since the last decade, the IMF, jointly with its affiliated unions, has increasingly organised meetings of World Company Councils, bringing together workers from the same company employed in different countries. One of the priorities of the IMF determined by the Action Programme adopted at the IMF's 31st World Congress in Vienna in 2005 is, among other things, to deal with transnational corporations in negotiating International Framework Agreements (IFAs) and creating new information strategies. Such negotiations are based on a general mandate, and in most cases the IMF joins the negotiations once they have been started by local or European trade unions and/or EWCs.

Contents and role of actors

The 'Worldwide agreement on the principles of Arcelor's corporate social responsibility' is clearly a negotiated instrument between management and labour, whereas the Code of Ethics is a unilateral management declaration addressing the employees of Arcelor.

In article 2, the 'Worldwide agreement on the principles of Arcelor's corporate social responsibility' lists major fundamental social rights, referring to the core ILO conventions: Freedom of choice of employment; non-discrimination in terms of employment and equality of remuneration for work of an equal value in a comparable situation in the context of national recommendations; banning of child labour; freedom of association; and the right to collective bargaining.

Furthermore, the agreement mentions health and safety (article 3) as the highest priority, with the objective of zero tolerance of accidents based on the 'Code of practice on safety and health in the iron and steel industry' (ILO, 2005); environmentally-friendly production methods with low environmental impact and manufacturing products that focus on the improvement of the environment in terms of use and recycling and efficient use of natural resources and energy (article 4); open communication with all its stakeholders (article 5); social dialogue to maintain a constructive, trusting and transparent dialogue with all personnel representatives and with all employees, at all levels and particularly at the local level, to ensure a proper circulation of information, in accordance with national practices and legislations (article 6); and anticipation of industrial and economic changes and lifelong learning (article 7).

The agreement emphasises the joint role of management and trade unions in the promotion of 'a spirit of long-term partnership and mutual responsibility amongst the trade union organisations represented within Arcelor' in terms of social dialogue and in particular in respect of lifelong learning.

The Code of Ethics concisely refers to 10 main business principles: compliance with laws and regulations; health and safety; equal opportunities; respect for the environment; fair trading; conflicts of interest and integrity; respect of shareholders and the stock market; confidentiality and information; safeguarding assets; and finally, keeping records.

Implementation and monitoring

Dissemination/information

No particular reference is made to the dissemination of the Code of Ethics.¹ On the contrary, article 8 of the CSR agreement mentions that:

- ‘All of the signatory parties undertake to jointly bring this agreement to the knowledge of all of the Group’s employees.
- Group subsidiaries over which ARCELOR exercises a dominant influence ensure that the provisions of this agreement are implemented, while taking local factors (rules and practices) into consideration.
- In the subsidiaries where the ARCELOR Group has a significant presence, but does not exercise a dominant influence, the signatory parties undertake to jointly put to use all of the resources at their disposal in order to promote the principles stated in this agreement.’

Implementation

In both the Code of Ethics and the CSR agreement, a special body has been created to ensure compliance; in the Code of Ethics, Arcelor’s management has appointed an Ethics Compliance Officer. Each employee may confidentially address any ethical question, suggestion or concern to his/her supervisor or directly to the Ethics Compliance Officer.

Article 9 of the agreement on monitoring, management and labour emphasises that the local representative authorities are responsible for monitoring the implementation of this agreement.

At Group level, a specific internal and mixed committee has been jointly created by management and labour. This committee is responsible for monitoring the implementation of this agreement. Within this committee, the Management Board is represented by the Human Resources Director who, in the framework of these activities, directly reports to the Chairman of the Management Board.

The Director will be assisted by the Human Resources Directors of the sectors and/or regions concerned. Regarding the employees’ representatives, they will be represented by the Vice-Chairman of the European Works Council, by a representative appointed jointly by the IMF and the EMF and by a representative from each geographical area covered by this agreement, who will be appointed in accordance with local rules and practices.

Furthermore, Arcelor supports and encourages its contractors and suppliers to take this agreement into consideration in their own company policy. This agreement is indeed considered a foundation favourable to mutual and sustainable relations. In the event that an enterprise working at Arcelor’s sites does not take part in programmes for effective improvement of occupational health and safety, Arcelor will review this in the context of their business relations and it could result in the termination of contractual relations.

Validity of the agreement

This agreement has a limited duration of three years and can be revised, by means of an amendment, in order to adapt it, in particular in the event of a change in the perimeter of the Group. This is currently the case with the merger with Mittal.

¹ Both the Code of Ethics as well as the ‘Worldwide agreement on the principles of Arcelor’s corporate social responsibility’, together with other related documents, are to be found on Arcelor’s website at <http://www.arcelor.com/index.php?lang=en&page=402>.

Furthermore, it can be terminated by any of the signatory parties by registered letter, subject to an advance notice of three months. In the event of differences between the various language versions, the French version will be deemed authentic. This agreement is governed by Luxembourg law. Consequently, any disputes will fall within the exclusive competence of the Luxembourg courts. In contrast, no such stipulations are to be found in the Code of Ethics.

Outcomes and impact

According to the interviewees, it is much too early to evaluate the impact of the ‘Worldwide agreement on the principles of Arcelor’s corporate social responsibility’. Six months after its signature, the merger with Mittal took up most of the attention and energy of Arcelor’s management and labour, especially in respect of the establishment of a new joint EWC. Furthermore, and according to the EMF, international as well as European framework agreements need to have a clear legal frame to develop in a more coherent and efficient way. The EMF supports the idea of a legislative framework that would give such initiatives more weight and efficiency but also more coherence and transparency.

Annexes

- Arcelor’s Code of Ethics.
- Arcelor’s ‘Worldwide agreement on the principles of Arcelor’s corporate social responsibility’.

Annex 1

ARCELOR’S CODE OF ETHICS

Compliance with laws and regulations

We will always conduct our business in full compliance with applicable international, national and local laws and regulations.

Health and safety

We will promote a healthy, safe working environment. Safety will come first in all our business decisions and we will accept no compromise in this area.

Equal opportunities

We are committed to equal employment opportunity and fair treatment of employees. We will not tolerate any form of discrimination or harassment.

Respect for the environment

We will act with the upmost respect for the environment, working to keep environmental impact to a minimum wherever we operate.

Fair trading

Relationships with our customers, suppliers and competitors will be based on the principles of fairness and honesty.

Conflicts of interest and integrity

We will avoid any situation where personal interests might in any way conflict with the interests of the business, particularly with regard to financial interests, activities outside Arcelor, family relationships and the receipt or offer of gifts and hospitality.

Shareholders and the stock market

We will uphold shareholders's rights. We will not trade in the shares of any listed company within the Arcelor Group, directly or indirectly, on the basis of information not publicly available.

Confidentiality and information

We will not divulge any confidential information concerning the Group or its business. Only authorised staff are to respond to requests from the press and others. In this, they will abide by the principles of openness, honesty and responsibility. All information disclosed will be accurate and complete, and presented in accordance with generally accepted accounting principles.

Safeguarding assets

We will use Group assets with respect, avoiding any form of waste or misuse. We will not use them for any purpose not directly related to Arcelor's business.

Records

We will keep all necessary records of the business and its transactions.

Annex 2

WORLDWIDE AGREEMENT ON THE PRINCIPLES OF ARCELOR'S CORPORATE SOCIAL RESPONSIBILITY

Between:

On the one side,

Arcelor. SA, the parent company of the Arcelor Group, represented by Guy Dollé, Chairman of the Management Board

and

Gilles Biau, Executive Vice-President Human Resources

Hereinafter referred to as 'Arcelor'

And on the other,

The International Metalworkers' Federation represented by Rob Johnston, Steel and Health and Safety Director

and

The European Metalworkers' Federation (EMF), represented by Peter Scherrer, General Secretary

Hereinafter referred to as 'the Trade Union Federations'.

The following provisions have been agreed:

Preamble

Arcelor has committed itself on a worldwide basis to a sustainable development strategy, whose aim is to make its economic, environmental and social objectives coherent. In this context, Arcelor now intends to resume and bring together all the priorities of its global social policy in this agreement, in order to develop and formalise its principles of responsibility.

The Management Board states that people working for Arcelor lie at the heart of the Group's global success, which involves establishing mutually beneficial relations between all the partners contributing to its development.

The Group's sustainable development policy therefore notably focuses on the priorities of safety, wellbeing at work, the environment, economic performance and dialogue between all the partners.

This agreement aims to support the Arcelor Group's increasing internationalisation in social matters, in accordance with its Principles of Responsibility, its Code of Ethics and its sustainable development policy, which aims to satisfy all its partners equitably.

In order to strike a balance between growth, economic profitability and social and environmental wellbeing, Arcelor undertakes to implement the procedures and principles defined in this agreement and to integrate them in its subsidiaries' policies at the various national and local levels within a reasonable timescale.

On the other hand, the Trade Union Federations undertake to contribute to the success of this approach by encouraging the trade union organisations represented within Arcelor to participate constructively with the personnel in seeking and implementing the means to achieve the objectives referred to in this agreement and to respect the company's people and assets.

Article 1: Scope of the agreement

This agreement applies to the entities over which the Group exercises a dominant influence, be it through direct ownership, financial participation or governance rules.

When an entity leaves the perimeter of the Group as defined above, this agreement ceases to apply to it. Conversely, when an entity enters its perimeter, the signatory parties undertake to carry out all necessary steps to integrate this company within the effective implementation of the agreement.

In accordance with the principle of subsidiarity, the provisions of this agreement will apply as soon as local conditions allow. In the absence of legislation which complies with the Arcelor Group's international commitments, a convergence solution will be sought, based on international law, to achieve the Group's objectives with regard to sustainable development.

In accordance with Article 8 of this agreement, companies in which the Arcelor Group has a significant presence, albeit without exercising a dominant influence there, along with contractors and suppliers also fall within the scope of this agreement.

Article 2: Fundamental social rights

Article 2.1: Freedom of choice of employment

Arcelor condemns and undertakes not to have recourse to forced or compulsory labour (In accordance with ILO Conventions No. 29 on forced labour and No.105 on the abolition of forced labour).

Article 2.2: Non discrimination

Arcelor undertakes to guarantee equal opportunities in terms of employment, regardless of gender, race, origin, age, religion, sexual orientation, marital status, illness, disability, cultural or social origin, nationality or political opinion (In accordance with ILO Convention No. 111 relating to discrimination).

In the context of national recommendations, Arcelor acknowledges the principle of equality of remuneration for work of an equal value in a comparable situation, and undertakes to implement it (In accordance with ILO Convention No. 100 on equal remuneration).

Article 2.3: Banning of child labour

The health and safety of children shall not be compromised. Their dignity has to be respected.

Arcelor undertakes not to have recourse to the labour of children under the legal minimum age for admission to work stipulated by the laws of the countries concerned (In accordance with ILO Conventions No. 138 on the minimum age for admission to employment and No. 182 on the banning of the worst forms of exploitation of child labour).

Article 2.4: Freedom of association and the right to collective bargaining

Arcelor acknowledges the principles of freedom of association and collective bargaining (In accordance with ILO Conventions No. 87 on the freedom of trade unions and the protection of trade union law and No. 98 on the right of organisation and collective bargaining).

Article 3: Health and safety

Arcelor is committed to fully integrate health and safety in everybody's work. Arcelor affirms that no other priorities shall be higher than health and safety. Arcelor's global health and safety policy requires the participation and involvement of everyone at all levels in the organisation.

Arcelor's objective is zero tolerance of accidents.

The 'Code of practice on safety and health in the iron and steel industry' will be used as a reference (ILO, 2005).

Article 4: Environment

Arcelor is committed to environmentally-friendly production.

Thus, Arcelor is developing and implementing production methods whose environmental impact is as low as is reasonably possible, and is developing and manufacturing products that focus on the improvement of the environment in terms of use and recycling.

Arcelor also undertakes to make efficient use of natural resources and energy.

Article 5: Communication

In general, Arcelor encourages transparent, open communication with all its stakeholders.

Article 6: Social dialogue

Arcelor considers social dialogue as a key factor of its success.

Arcelor undertakes to maintain a constructive, trusting and transparent dialogue with all personnel representatives and with all employees, at all levels and particularly at the local level, which is crucial for the establishment of sustainable relations.

In this sense, Arcelor undertakes to take into account the expression of the various cultures that enrich the companies within the Group and to ensure a proper circulation of information, in accordance with national practices and legislations.

The Trade Union Federations undertake to promote the development of a spirit of long-term partnership and mutual responsibility amongst the trade union organisations represented within Arcelor.

Article 7: Industrial and economic changes

For Arcelor, women and men are the key to its success.

Article 7.1: Principle of anticipation

Arcelor undertakes to anticipate, as much as possible, economic and industrial changes and their consequences in terms of human resources.

The establishment of prospective and permanent social dialogue will encourage the application of this principle of anticipation.

Article 7.2: Development of expertise and know-how

Arcelor undertakes to develop the skills of each employee, through lifelong learning, thereby enabling him or her to maintain and progress professionally in the job market.

The Trade Union Federations, with Arcelor management, will ensure that Arcelor employees adopt a proactive attitude in managing their own career.

Article 8: Implementation of the agreement

All of the signatory parties undertake to jointly bring this agreement to the knowledge of all of the Group's employees.

Group subsidiaries over which Arcelor exercises a dominant influence ensure that the provisions of this agreement are implemented, while taking local factors (rules and practices) into consideration.

In the subsidiaries where the Arcelor Group has a significant presence, but does not exercise a dominant influence, the signatory parties undertake to jointly put to use all of the resources at their disposal in order to promote the principles stated in this agreement.

Arcelor supports and encourages its contractors and suppliers to take this agreement into consideration in their own company policy. This agreement is indeed considered a foundation favourable to mutual and sustainable relations.

In the event that an enterprise working at Arcelor's sites does not take part in programmes for effective improvement of occupational health and safety, Arcelor will draw all the consequences in the context of their business relations, which could result in the termination of contractual relations.

Article 9: Monitoring the agreement

The local representative authorities are first responsible for monitoring the implementation of this agreement.

At Group level, a specific internal and mixed committee will be responsible for monitoring the implementation of this agreement. Within this committee, the Management Board will be represented by the Human Resources Director who, in the framework of these activities, will directly report to the Chairman of the Management Board. He will be assisted by the Human Resources Directors of the sectors and/or the regions concerned. Regarding the employees' representatives, they will be represented by the Vice-Chairman of the European Works Council, by a representative appointed jointly by the IMF and the EMF and by a representative from each geographical area covered by this agreement, who will be appointed in accordance with local rules and practices.

Arcelor will make available the necessary resources to implement and monitor this agreement.

Article 10: Validity of the agreement

This agreement enters into force as of from its signature for a limited duration of 3 years.

It can be revised by means of amendment, in order to adapt it, in particular in the event of a change in the perimeter of the Group.

It can be terminated by any of the signatory parties by registered letter, subject to an advance notice of three months.

In the event of differences between the various language versions, the French version will be deemed authentic.

This agreement is governed by Luxembourg law. Consequently, any disputes will fall within the exclusive competence of the Luxembourg courts.

Given at Luxembourg, on 13 September 2005, in as many copies as there are signatory parties.

Guy Dollé

Arcelor

Rob Johnston

IMF

Gilles Biau

Arcelor

Peter Scherrer

EMF

Isabelle Schömann, ETUI-REHS, Belgium and **André Sobczak**, Audencia Nantes School of Management, France

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