

# Sustainability Report 2022

Sustainable by Design  
Made for Life



# External Assurance

We declare this report with reference to Global Reporting Initiative 2021.

Material aspects and indicators are shown on p.13. Detailed Disclosures on Management Approach (DMA) can be found in the online supplement 'C'. The scope of the information and data in this report covers global operations from January to December 2021.

Aperam's production capacity is focused on:

- > 6 production sites in Brazil (Timóteo), Belgium (Châtelet, Genk), and France (Gueugnon, Imphy, Isbergues/Recyco),
- > 15 Steel Service Centers (SSC), part of our Services & Solutions segment,
- > 11 transformation facilities: 5 in the Services & Solutions segment; Pont de Roide in the Stainless & Electrical Steel segment, BioEnergia in the Aperam Aperam Recycling & Renewables segment; and Rescal, Amilly, Imhua and ICS in Alloys & Specialties,
- > 51 scrap yard sites in North America, Europe, Asia, Australia and South Africa, for the trading, processing and recycling of secondary raw materials within the Aperam Recycling (former ELG) segment,
- > 15 sales offices for the Services & Solutions segment,
- > Registered office: 24-26 Boulevard d'Avranches, L-1160 Luxembourg.

The report does not cover any joint venture operations or activities of or with partner organisations.

- Safety data covers Services & Solutions and Alloys & Specialties, as well as on-site contractors.
- Human resources data exclude contractors.
- Subject to the exclusions indicated below, environmental data covers all the main industrial sites, SSCs and corporate offices.

Environmental information is compiled locally and aggregated centrally. The CO<sub>2</sub> emissions data relates to Scopes 1 and 2, unless otherwise mentioned.

The following exclusions apply to the environmental data:

- (1) Raw material data excludes packaging and miscellaneous parts ;
- (2) Scope 3 indirect emissions (partial estimates).

This report represents our Communication on Progress relating to United Nations Global Compact (UNGC) membership (see Supplement 'A').

## Caveat

On Dec. 27, 2021, Aperam completed the acquisition of ELG, a global leader in stainless steel and superalloys recycling, with the aim to further strengthen Aperam's competitiveness and Sustainability leadership position in the industry.

**ELG is fully consolidated into the Aperam Group from that date as part of the new Recycling & Renewables Division, unless otherwise mentioned.**

## Independent Assurance Statement

The 'Made for Life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ending 31 December 2022

The Report is composed of five items: the 'Made for Life Report' and four Supplements – A, B, C and D. Our 2022 Report can be found on our website ([www.aperam.com/sustainability](http://www.aperam.com/sustainability)), together with the four supplements. The summary report has been prepared "with reference to the GRI Standards".

The summary should be read with its accompanying Supplements to constitute the complete Report.

PricewaterhouseCoopers, Société Coopérative (PwC) has been engaged to carry out a limited assurance engagement under International Standard on Assurance Engagements ("ISAE") 3000 to issue an assurance report in respect of certain information disclosed in the "Made for Life" 2022 (the "Sustainability Report") as set out in the table of the Scope section (the "Selected Information Table") of the opinion (p. 69) in accordance with certain Assessment Criteria.

These Assessment Criteria have been derived from certain sections of the Global Reporting Initiative (« GRI ») framework and by applying additional methodology defined by company policies that management considers as relevant for the purpose of the Company's business and for the ultimate users of the "Made for life" 2022 (refer to Supplements Online for more details).

Selected performance data is marked in the Report with a '\*':

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|    | <h2>Social: Our People</h2> <p>With safety as our top priority, Aperam aims to be a sustainable and profitable company with our efficient and passionate workforce as our main asset.</p> <p>&gt; See how our approach ensures the safety, development and well-being of our people, even in COVID times.</p>   |
|    | <h2>Environment: Our Planet</h2> <p>As part of an energy-intensive industry consuming metallic ores and other raw materials, Aperam takes environmental stewardship seriously.</p> <p>&gt; Read about the many ways we are becoming a more sustainable company by reducing our industrial footprint and working to raise awareness about important environmental issues.</p>  |
|   | <h2>Governance: Our Stakeholders</h2> <p>From the support of our subcontractors on-site to the strong partnerships built with our suppliers and customers and up to local infrastructures - our success is dependent on the communities we operate in. Our Corporate Governance is based on the highest standards and complies with the most rigorous business ethics. As a member of the ResponsibleSteel™ initiative, we are committed to taking stakeholder engagement and responsibility to a new level.</p> <p>&gt; See how we continually strive to develop in a way that benefits the public at large.</p> |
|  | <h2>About this Report</h2> <p><b>GRI Index and Disclosures on Management Approach</b></p> <p><b>Methodology Supplements:</b> United Nations' Global Compact reference; Materiality Process at Aperam; GRI Index/Disclosures on Management Approach.</p> <p><b>Country Supplements:</b> For stakeholders and available in the local languages of our three main countries of operation (Belgium, Brazil, France) - to be released later.</p>   |



## About Aperam

# Opening Words from our CEO

While 2022 started off promising, Russia's war with Ukraine changed everything. Not only has this war brought unbearable human suffering, it's also impacted the global economy, causing the biggest energy crisis in decades and peak inflation rates. In this context, Aperam has acted with great determination to cushion the impact of these challenges.

Putting human factors at the centre of our concerns has long been our credo, but in this context, it resonates even deeper. That's why we worked to fully integrate our former ELG-colleagues into the Aperam family and to ensure our approximately 10,700 highly committed employees worldwide have access to a stable future.

Considering the cascade of crises we've faced the last several years, business as usual now means being prepared for the unusual. At Aperam, this means having a strong ability to quickly adapt to the highly disruptive and volatile environment without losing focus on the long term challenges. In 2022, our teams were committed and focused on pursuing the design and deployment of a thoughtful roadmap to transform our processes and operations. This enabled us to respond quickly to the ultimatum poised by the energy transition, the climate crisis, inflation and societal challenges. It also serves the increasing needs of our customers for high quality and added-value products and solutions.

As a matter of fact, our social, environmental and societal responsibilities will never be pushed into the background. Aperam will always navigate the future with these three pillars as our compass, our strength and our pride.

While this Sustainability Report contains details about the steps we took in 2022 as part of our journey, here I'd like to note several highlights.

### ► Like always, Aperam puts people and their health and safety first.

That is why, even with our good Health & Safety results overall, with our LTFR at 2.4 and our TRIR at 7.1 (stable versus 2021), and the award granted by the ISSF on our JustCulture program, I cannot be satisfied with a year darkened by a fatality, one of a subcontractor performing roof maintenance in Brazil. As we consider our partners as our

own personnel, we performed a full audit and review of all our processes for this type of external work to prevent such a tragedy from happening again.

I remain convinced that our roadmap, which is both strong and comprehensive, will bring us to the next level of Health & Safety performance. For instance, we work hard to create a company culture where we care for each other and learn from our mistakes - work that can be seen in the 2022 roll-out of a global training on the topic. Our commitment remains unchanged and we believe we can outperform the industry average. For this reason, we made H&S a hard target in the ESG-bond financing<sup>1</sup> concluded in February 2022.

Another challenge was to adapt to the low demand in the second semester in Europe, notably through economic unemployment at some of our plants, and, in South America, the closure of our Uruguay Tube unit. However, it was also during this period that we achieved the sound integration of our Aperam Recycling Division. This report demonstrates the extremely promising progress we made, with many of our new colleagues starting to see the benefits of cooperation, in particular on such topics as Health & Safety. We've also seen some 'cross pollination' happening, with former Aperam people joining the new Division and former ELG employees bringing fresh views to our steel business.

For the first time, in 2022, our annual Employee Climate Survey included our new Aperam Recycling colleagues. It also recorded a global response rate of 77%. This study is strategic as it guides many of our programs. For example, it confirmed some of our strengths, in particular our workforce's adherence to our H&S program as well as our past efforts to improve diversity, and this motivated us to go even further and include a specific focus on disability and several initiatives relating to mental health. Some areas for improvement were also highlighted. These included stress management, communications and learning. Although all the results are being analysed at unit- or department-level in order to tailor our actions to local needs, we're also strengthening our Group-level plans to continue to improve in these areas and stand as the responsible and attractive employer we aim to be.

### ► As such, we take any crisis as a supplementary reason to strengthen our environmental stewardship.

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<sup>1</sup> Together with our decarbonization roadmap

During 2022, amid the energy crisis in Europe, we have accelerated our programmes aimed at reducing our specific energy consumption and CO<sub>2</sub> emissions.

We also adapted our organisation to give even greater coherence and visibility to those actions that look to minimise our environmental impact. This includes measures focused on reducing greenhouse gas emissions, but we also work on decreasing our impact on local biodiversity. As part of that, with the goal of boosting synergies, we appointed our Chief Technology & Sustainability Officer, as head of the new Recycling segment. His teams were already combining the responsibility over environmental management, industrial risks and the Energy/GHG action plan, including scrap optimization, together with Purchasing and a ResponsibleSteel Centre of Excellence. Now, with his supervision of our Recycling business, a more intertwined organisation has emerged - one capable of accelerating both innovation and the rollout of our plans.

Considering that the results of this organisational change will only become clear in the medium term, and taking into account the low level of activity in the second half of the year, the fact that our 2022 report confirms our superior GHG footprint is all the more impressive. In 2022, we recorded a 0.32\*CO<sub>2</sub>e/ton of crude steel<sup>2</sup>, far from the sector's 0.9 sector's average established by the International Stainless Steel Forum. This good performance, together with our optimised use of steel scrap made possible by the tighter links woven with the former ELG, give us confidence in our ability to reach our 2030 (-30%) and 2050 (net zero) goals and to stand as a strong contributor to the global carbon neutrality (scopes 1+2) we strive for.

In parallel, our past actions have gained us the recognition and encouragement of the Carbon Disclosure Project (CDP), improved to an A- grade rating on the Climate Change questionnaire, and earned a B for the Water Assessment at our first attempt. This means a lot to us, as we aim to further reduce our natural resources usage and become progressively less dependent on local rivers. On the air emissions side, we also report a drastic reduction in the dust emission intensity, to the benefit of the communities around our plants, particularly around our Timoteo units.

We will continue in this direction to live up to the trust of our people, who confirmed in our last Employee Climate Survey that they see us as an environmentally responsible company.

► **Along the same line, Aperam continues with its active ethics, stakeholders' engagement and corporate citizenship initiatives.**

Maintaining strong partnerships with our business counterparts and communities is an integral part of how we do business as usual - something we continued to do in 2022.

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<sup>2</sup> Scopes 1+2, including the sequestration effect of our Brazilian forests.

For example, in Europe, we continued our actions to promote both our industry and the regions we operate in with Open Days being held at some of our major plants. In Brazil, our Foundation continues to stimulate the economic development of local communities by providing education programs and training.

Unfortunately, these activities have also been impacted by the war in Ukraine. In light of the humanitarian crisis the war has caused, we strived to support the refugees around us, particularly in Poland, along with addressing the many effects the conflict has on our partners and stakeholders. We've also tightened our Ethics & Compliance due diligence in view of strengthened economic sanctions, regulations, export controls and broader ESG matters.

Speaking of a comprehensive approach to ESG, following the 2021 certification of our Stainless Europe's four main operations under the ResponsibleSteel™ framework, in 2022 our Timoteo unit underwent its ResponsibleSteel™ audit, which concluded with the official certification being granted in February 2023. As a result, Aperam is the first stainless producer to be certified in both Europe and the Americas. The thorough on-site inspection, which included exchanges with over 60 local stakeholders, involved considerable preparation work by our teams. But it was all worth it as we are all proud to have shown our current responsible practices and to have accepted the challenge to do even more.

Taking pride in our achievements and work is fantastic fuel for motivation and innovation - which we use to develop both customer-oriented solutions and sustainably-driven innovations. A perfect example of this is our recently announced Botanickel partnership. This venture aims to leverage our agricultural skills and set a new standard in the sustainable production of biosourced Nickel, using hyperaccumulator plants while developing a framework fully attentive to the climate, biotope and local communities.

Looking ahead, with approximately 25% of our workforce creating value from the renewable and recycling upstream market, including our FSC®-certified Brazilian forestry, Aperam is better prepared than ever to face any challenge, keep its commitment to responsibility, and deliver a life-lasting material that will help build the sustainable societies of the future.

Sincerely yours,

**Tim di Maulo**

Chief Executive Officer

## About Aperam

# Company Profile

Aperam is a public limited company listed on the Luxembourg stock exchange and on Euronext Amsterdam, Brussels and Paris.



### > 6 main plants

> 4 melting shops: Timóteo (Brazil), Châtelet and Genk (Belgium), Imphy (France)

> 5 main cold rolling sites: Timóteo (Brazil), Genk (Belgium), Gueugnon, Isbergues and Imphy (France)

> 1 FSC®-certified BioEnergia eucalyptus plantation and charcoal production facility (Brazil)

> 1 Recycling network (Worldwide)

> 1 Distribution network (Worldwide)

| EUR millions<br>unless otherwise stated <sup>1</sup> | 2022         | 2021         | 2020         | 2019         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|
| Crude Steel ('000 metric tons)                       | 1,931        | 2,169        | 1,959        | 1,985        | 2,287        |
| Shipments ('000 metric tons)                         | 2,309        | 1,819        | 1,677        | 1,786        | 1,972        |
| <b>Revenues</b>                                      | <b>8,221</b> | <b>5,144</b> | <b>3,656</b> | <b>4,287</b> | <b>4,704</b> |
| Operating costs <sup>2</sup>                         | 6,418        | 3,393        | 2,799        | 3,378        | 3,635        |
| Employee wages & benefits                            | 675          | 534          | 481          | 517          | 527          |
| Payments to providers of capital <sup>3</sup>        | 342          | 249          | 146          | 240          | 205          |
| Payments to government                               | 130          | 136          | 80           | 37           | 75           |
| Community investments                                | 0.7          | 0.6          | 0.4          | 0.3          | 0.3          |
| <b>EBITDA</b>  | <b>1,076</b> | <b>1186</b>  | <b>343</b>   | <b>357</b>   | <b>504</b>   |
| Economic value retained                              | 655          | 831          | 150          | 210          | 332          |
| Direct economic value generated                      | 8,221        | 5,144        | 3,656        | 4,287        | 4,704        |
| <b>Economic value distributed</b>                    | <b>7,566</b> | <b>4,313</b> | <b>3,506</b> | <b>4,077</b> | <b>4,372</b> |

<sup>1</sup> Differences between "Global Aperam" and the sum of the different regions and segments (next page) are due to all operations other than those in clear, together with inter-segment elimination and/or non-operational items that are not segmented. For Full-Time Equivalent Employees (see next page), it is related to Headquarters and 'transversal functions' (HR, IT, etc.).

<sup>2</sup> Operating costs include R&D costs of EUR 21 million for Aperam Group for 2022.

<sup>3</sup> Payments to capital providers = Net Cash Interest and dividends paid to capital providers and shares repurchased through share buyback programmes during the year, in line with an amount of interest paid (net) of EUR (3) million, EUR 4 million, EUR 7 million, EUR 5 million and EUR 5 million, dividends paid of EUR 151 million, EUR 140 million, EUR 139 million, EUR 142 million and EUR 130 million, and shares repurchased for EUR 194 million, EUR 105 million, nil, EUR 93 million and EUR 70 million stated in the cash flow statements of the 2022, 2021, 2020, 2019, and 2018 Annual Reports respectively.

# About Aperam

## Our Offering



### RECYCLING & RENEWABLES

Scrap is our key raw material, Charcoal our major energy

- > ELG is a global leader in the trading, processing and recycling of scrap for the stainless steel industry & market leader in the recycling of high performance materials such as superalloys and titanium mainly for aerospace
- > BioEnergia produces wood and charcoal from FSC certified eucalyptus forests (128,000 ha)
- > Recyco recycles metal from dust, mud, residues, ashes, etc.



### STAINLESS & ELECTRICAL

Amongst the largest producers of stainless steel globally

- Europe:**
- > 2 Electric Arc Furnaces (EAF) use scrap as major input material
  - > Stainless steel flat product output
- South America:**
- > 2 Blast Furnaces (BF) use iron ore and charcoal produced from own forests
  - > 2 EAF use recycled scrap
  - > Stainless flat products & electrical steel



### SERVICES & SOLUTIONS

Aperam's distribution arm

- > Services & Solutions (S&S) provides value added and customized solutions through further processing according to specific customer requirements. S&S core activities:
  - > Direct sales of Aperam products to end users
  - > Distribution of Aperam and third party material
  - > Transformation services, according to specific customer requirements



### ALLOYS & SPECIALTIES

Top 3 producer of nickel alloys globally

- > Aperam specializes in nickel alloys and specific stainless steels
- > Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades
- > High value items that are often sold on a kg basis

## Aperam Performance by Division GRI-201-1

| Aspect                | Indicator <sup>1</sup>                     | Unit | Stainless & Electrical Steel                           |                        | Services & Solutions  | Alloys & Specialties   | Recycling & Renewables                          |
|-----------------------|--|------|--|------------------------|---|--|---|
|                       |  |      | Europe: Genk, Châtelet, Gueugnon, Isbergues, Precision | South America: Timóteo | Worldwide: 14 service centers<br>5 transformation units<br>15 sales offices | Worldwide: Imphy, Amilly, Rescal, Imhua (PRC), Indore - ICS (IN) | Worldwide: Aperam Recycling, Recyco, Bioenergía |
| People                | Own Staff (End of Period)                  | FTE  | 2,771  | 2,262                  | 1,510   | 1,204  | 2,055   |
| Shipments             | Shipments                                  | kt   | 1,018  | 582                    | 642   | 27   | 1,358   |
| Economic Contribution | Revenues                                   | m€   | 4,134  | 1,492                  | 2,760   | 663  | 2,438   |
|                       | Wages & Benefits                           |      | 311  | 79                     | 87  | 73   | 108   |
|                       | Payments to Capital Providers <sup>3</sup> |      | 156  | 188                    | 26  | 0  | 1   |
|                       | Community Investments                      |      | 0.08   | 0.42                   | 0.03  | 0.01   | 0.1   |
|                       | Payments to Government                     |      | 28   | 58                     | 18  | 5  | 8   |
|                       | EBITDA                                     |      | 393  | 398                    | 93  | 53   | 86  |
|                       | Economic Value Distributed                 |      | 3,778  | 1,326                  | 2,701   | 612  | 2,354   |



Aperam's CEO, Head of Strategy, CFO and Board of Directors' Members (BM), from left: Sandeep Jalan (BM), Ros Rivaz (BM), Lakshmi N. Mittal (Chairman), Vanisha Mittal Bhatia (Aperam Chief Strategy Officer), Tim di Maulo (Aperam CEO), Bernadette Baudier (BM), Aditya Mittal (BM), Roberte Kesteman (BM), Sud Sivaji (Aperam CFO), Alain Kinsch (BM)

All footnotes are the same available on the previous page.

# About Aperam

## Our Main Sites



**Châtelet (Belgium)**  
Melt shop and hot-rolling mill



**Genk (Belgium)**  
Melt shop, Cold-rolling and finishing



**Timóteo (Brazil)**  
Melt shop, Cold-rolling and finishing



**Isbergues (France)**  
Cold-rolling mill and finishing + Recyco



**Gueugnon (France)**  
Cold-rolling mill and finishing facilities



**Imphy (France)**  
Melt shop, Cold-rolling and finishing

## Our Values



### Leadership

By being a bold, creative and courageous market player, we will lead the way in promoting sustainable solutions.



### Agility

While changing market conditions require us to move quickly and adapt, we must remain flexible enough to meet our customer's specific requirements.



### Ingenuity

Our people are skilled, imaginative and innovative and have a passion for sharing their skills. This ingenuity leads to new ideas and new solutions.

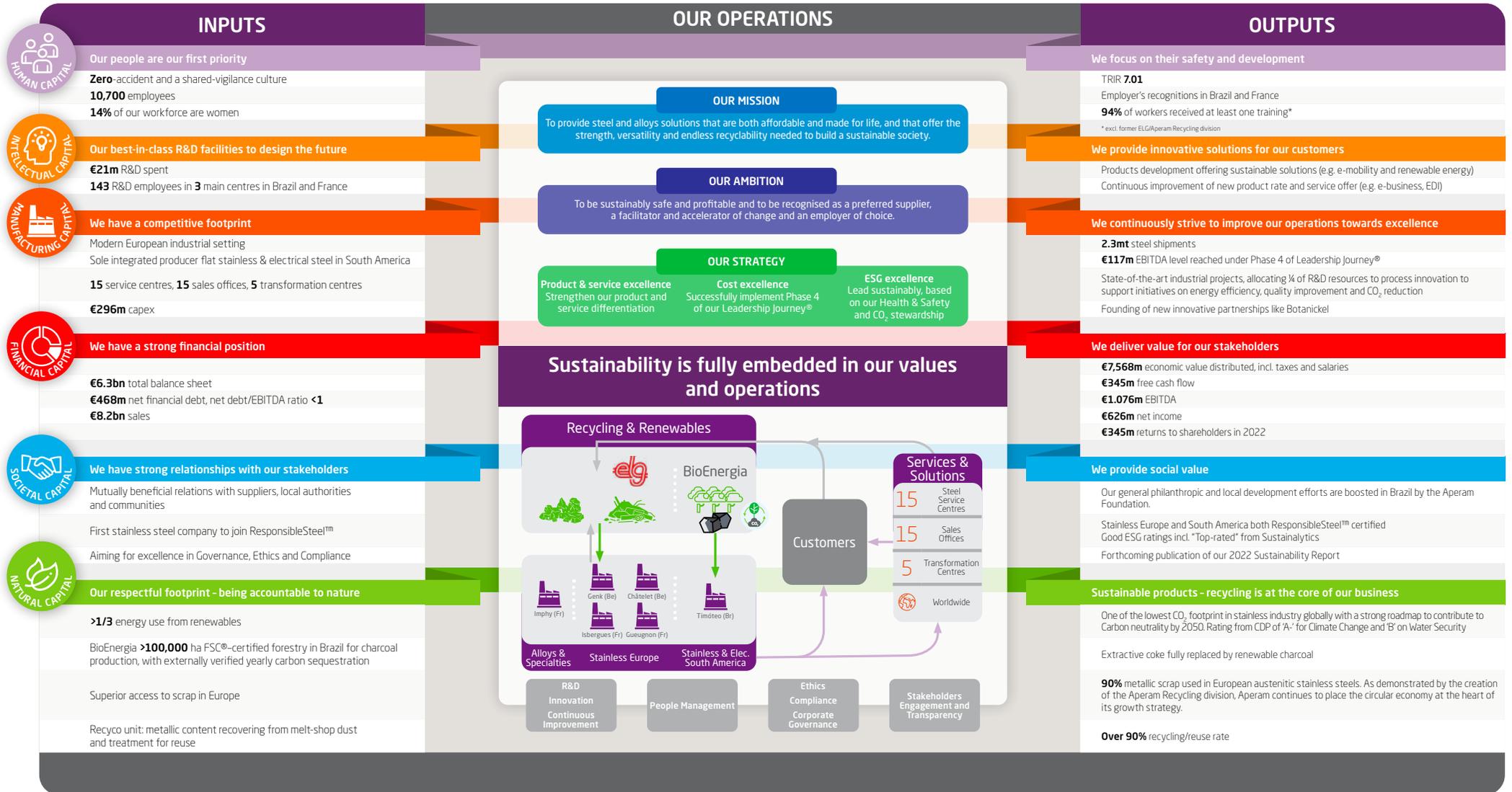
## Site Certification

| Division                                | Site by sub-segment                         | ISO   |       |       |       | IATF  | Others                        |
|---|---|-------|-------|-------|-------|-------|-------------------------------|
|   |   | 45001 | 14001 | 9001  | 50001 | 16949 |                               |
| <b>Stainless &amp; Electrical Steel</b> | Châtelet                                    | x     | x     | x     |       |       | ResponsibleSteel™             |
|   | Genk  | x     | x     | x     |       | x     | ResponsibleSteel™             |
|   | Gueugnon                                    | x     | x     | x     | x     | x     | ResponsibleSteel™             |
| <b>Europe</b>                           | Isbergues                                   | x     | x     | x     | x     | x     | ResponsibleSteel™             |
|   | Pont de Roide                               | x     | x     | x     | x     | x     |                               |
| <b>South America</b>                    | Timoteo                                     | x     | x     | x     |       | x     | ResponsibleSteel™             |
| <b>Alloys &amp; Specialties</b>         | Imphy                                       | x     | x     | x     |       | x     |                               |
|   | Amilly                                      | x     | x     | x     |       | x     |                               |
|   | Rescal                                      | x     | x     | x     |       |       |                               |
|   | Imhua (PRC)                                 | x     |       | x     |       | x     |                               |
|   | Indore (India)                              | x     | x     | x     |       |       |                               |
| <b>Services &amp; Solutions</b>         | 20 units, of which 5 Tubes plants.          | 14/20 | 11/20 | 20/20 | 4/20  | 5/20  | 1 SSC (Poland): SA8000        |
| <b>Recycling &amp; Renewables</b>       | 6 main yards out of 50 in Aperam Recycling. | 3/6   | 3/6   | 4/6   |       |       | 1 ELG: Entsorgungsfachbetrieb |
|   | Recyco                                      | x     | x     |       |       |       | ResponsibleSteel™             |
|   | BioEnergia                                  | x     | x     |       |       |       | FSC® CoC & M                  |

Other specific certificates and approvals can be found at <https://www.aperam.com/documentation>.

# About Aperam

## Our Business Model



# Sustainability Strategy



In 2022, Aperam celebrated its first year after the purchase of the former ELG Scrap business network and continued its path towards Sustainability.

This path will be long as it is a continuous quest for efficiency together with responsibility, rooted in our values and practices and strengthened by a constant vigilance about the impacts we have and our active stakeholder engagement. It will also be made more difficult with uncertain economic context, energy hikes and raw material volatility.

This is why we consider it crucial to keep the long-term view, continue with our three-pillar sustainability roadmap in line with the Global Compact and Sustainable Development Goals and keep on challenging ourselves with solid external certification according to the ResponsibleSteel™ framework, reached for Aperam South America further to the 2022 audits.



## > People and their health & safety will always come first.

Beyond the constant attention we give to Health & Safety, we also commit to shaping a work environment that encourages our employees to thrive and develop the innovative ideas that will propel our company to the forefront of our sector. We do this by engaging with our employees, for instance through our All-Employee Work Climate Surveys, and working together to find the right personalised training, operating mode and development opportunities.

This is not only to keep them motivated and performing, but also to nurture a sense of being a part of the Aperam family, which is all the more so important to truly welcome our former ELG colleagues and re-invent our future together.

## > As to the environment, we know that our sector's responsibility is greater than most.

Therefore Aperam intends on paving the way towards the most sustainable practices that transform steelmaking with solid roadmaps to further reduce our CO<sub>2</sub> and air emissions, as well as our energy and water intake by 2030, and contribute to carbon neutrality by 2050. With these initiatives, recognized by an A and B rating from the CDP respectively on Climate Change and Water, we aim to minimise our environmental impacts today while also adapting to the many challenges posed by climate change.

But while we continue with our environmental roadmap, we have also started to leverage the expertise of our new Aperam Recycling & Renewables division for further optimization in terms of scrap usage and development of other renewable sources of materials.

## > Whether in our relations with our stakeholders or our corporate decision-making process, our governance is guided by our high ethical standards.

All our stakeholders have legitimate needs. As a signatory to the United Nations' Global Compact and supporter of the United Nations' Sustainable Development Goals (particularly those highlighted to the left), we aim to address these needs by being a fair, transparent and trustful partner to our customers, lenders and suppliers, we also pledge to act responsibly with authorities and local communities, proactively address concerns, and contribute to the general good

## Sustainability Governance in 2022

► **Members of the Board of Directors:** in charge of the overall management of the Company, they decide on the direction taken based on proposals from the Leadership Team (LT, Aperam's Management Committee), a group of eight senior executives headed by our CEO, Mr. Timoteo Di Maulo. The Board of Directors has two committees, the Audit and Risk Management Committee and the Remuneration, Nomination and Corporate Governance Committee.

At the Board level, sustainability topics are covered on a quarterly basis within the Audit & Risk Management Committee, which is responsible for ensuring that all risks are appropriately addressed, and at Board level too.

► **CEO:** responsible for Aperam's sustainability performance and compliance.

► **LT reviews:** on top of H&S weekly and monthly meetings, we used to have quarterly slots on the environment completed with ESG meetings. The latter were involving at least the CEO and the CTO, and other Functions, depending on the topics covered and they happened regularly (monthly in 2021-2022). Starting 2023, a dedicated ESG slot will be added at the beginning of the monthly LT meetings in order to have all functions and divisions' systematically on board.

► **Chief Technical Officer,** Head of Sustainability, Health & Safety, Environment, Industrial Risk & Innovation and Purchasing: responsible for steering the Sustainability Strategy, based on discussions with the rest of the LT and other stakeholders.

## Collaborating at sector-level through ResponsibleSteel™

In 2019, Aperam was the very first stainless steel company to join the newly established ResponsibleSteel™ association. This initiative represents a milestone for sustainability in our industry, defining the best practices into a framework to be used for external audits with the aim to give (end) customers confidence in a steel company's commitment to responsibility. We are confident that the ResponsibleSteel™ standards will soon be similarly recognized as it deserves to be and, in anticipation of this, we use its framework to better structure our approach to Sustainability.

In 2019, Aperam actively participated in the creation of the first site-specific standard, in cooperation with the association's other members, including steelmakers, NGOs specialised in environmental or social topics, suppliers from the extractive industry, and customers. In 2020, Aperam continued to participate in the building of the product-level standard while also preparing to start the certification process for its first sites in Europe. In 2021, we had four sites in Belgium and France certified as per this framework and we continued to discuss a product-level standard with more detailed requirements regarding responsible sourcing and GHG emissions. In 2022, we underwent the ResponsibleSteel™ audit at our Brazilian site of Timoteo, leading to the granting of the certification in February 2023 after the holiday season.

## Embedding a Sustainability State-of-Mind into All Processes

Incorporating our sustainability roadmap into everyday decisions and ensuring perfect alignment across the organisation requires more than just awareness-raising actions. It also takes prioritisation and incentivization.

Since 2018, company-wide objectives have been cascaded into the individual objectives of all employees across the organisation, starting by our CEO, whose first objective chapter is entitled "Health, Safety and Sustainability" and encompasses such topics as "Health" and "Sustainable Industry with a long term objective of zero impact on the environment". Other CEO objectives cover the topics of "Compliance and Company reputation" and includes business ethics, and "Diversity", which starts with a clear focus on gender.

Since 2019, these objectives have been incorporated into MyHR and, since 2020, for the 2021 exercise, we have introduced the categorisation of all our internal objectives according to our GRI analysis and subsequent 'material aspects' (see below and appendices).

In 2021, a new step was taken with the preparation of a revolving credit facility including two ESG-driven indicators. This Sustainability-Linked loan, finalised in February 2022, aims at leveraging Aperam's sustainability profile, as a borrower, by aligning the loan terms to our sustainability performance against predetermined indicators picked up to reflect our commitment and key focus, namely our H&S performance (using the TRIR indicator, see also page 15) and CO<sub>2</sub> improvements, both of which reviewed under limited assurance by an external party.

This means that reaching our objectives will trigger a reduction in our financing costs (1.5bp by indicator), but failing to do so will generate an increase in the same proportion. Any such "bonus" fostered by this framework will be entirely allocated to the financing of more projects in the area, meaning in relation with our people, Well-being and Human Rights, on the one hand, and on Climate Change mitigation, recycling and Environmental care, on the other.

This is a new token of our commitment to Sustainability.

## Strategic directions

► In 2021, Aperam decided to reflect its strategic orientation towards a responsible usage of resources and full circularity by the conclusion of the acquisition of ELG, a global leader in stainless steel and superalloys recycling.

ELG is a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, and constitutes an integral part of the stainless steel and superalloys value chain, forming the link between industrial customers, local scrap handlers and mills & melt shops that purchase globally. With ~1,100 FTEs in 51 locations globally, Aperam Recycling continuously contributes to reducing the stream of metal waste: 1.4 million tonnes of recycled raw material were shipped in 2022 to be transformed into new products.

Investing in sustainable recycling will further improve Aperam's leading environmental footprint and support the company's CO<sub>2</sub> reduction targets. The acquisition shall enable

Aperam to improve its input mix and to expand into the supply of recycled raw materials.

The upstream value chain extension through the combination with ELG is a transformational addition to Aperam's business model. This will also be expressed in Aperam's operating segments. As from the 2022 financial statements onward, ELG has been reported, together with Recyco and ASB Recycling, as part of a new operating segment named "Recycling". This expresses the importance that the circular economy has to Aperam.

> In addition, after preliminary preparation works conducted in 2020, we launched in 2021 the certification of our first units under the ResponsibleSteel™ framework. As a result, and after two auditing steps including an extensive one-site audit and over tens of exchanges with local stakeholders, in September 2021, we had five units, including four of our main European plants, granted the site-level certification as a "cluster" of site, thereby standing as the pioneers of our Stainless sector. Further the 2022 certification field works, with main audit phases in July and October, we received the official confirmation of Aperam South America ResponsibleSteel™ certification that was publicly released in February 2023.

We thank all our teams for their commitment which made this pioneering achievement possible.!

This achievement evidences our strategy to position ourselves as the leader in the responsible production of stainless and alloy solutions. Indeed, considering the exacting standards set up by this framework, we firmly believe that it is the perfect structure to ensure continuous improvement in terms of sustainable practices and to provide to our customers the externally verified assurance that we walk our talk.

Going further, we expect to continue rolling out the best practices recommended by this certification across all our sites.

### Working and Reporting on the Right Topics

Since 2013, we have used GRI standard principles (Global Reporting Initiative's sustainability reporting guidelines) to define our most material sustainability issues and their impact, based on both our business and our stakeholders' views, and have structured our reporting accordingly.

The matrix ranking all topics from minor to most critical is updated annually, and progressively enhanced for a greater relevance. See the main steps below:

> 2013 and 2014: materiality matrix based on our six major sites.

> 2015: update based on a survey of Aperam's employees.

> 2016: update on a broader scope to cover 11 major sites and 85% of our staff.

> 2017: systematic assessment of all the topics in the existing matrices with local authorities at each of our main sites. This resulted in the addition of a few new topics: "Urban Integration", "Industrial Risk" and "Noise".

> 2018: update on an identical scope and method and integration of key takeaways from our all-Employee Global Climate Survey.

> 2019: update based on the discussions held in the ResponsibleSteel™ forum, leading to the integration of information on decommissioning and biodiversity, even though these topics are not particularly relevant to our sites.

> 2020: update on an identical scope and method and integration of the analysis of our CTO and Head of Sustainability.

> 2021: update of the matrix was made based on the same 11 major sites, and methodology, complemented by the feedback of our CTO in charge of Sustainability. It was also cross-checked in view of the most recent Employee Global Survey, conducted in October 2021 and recording a 70% response rate on our workforce.

> **2022:** update of the matrix was made based on the usual 11 major sites. It was also cross-checked in view of our latest Employee Global Survey, conducted in October 2022 and recording a 77% response rate on our workforce.

More of a novelty, we also listened to the perspectives of our newly acquired ex-ELG units with the aim to ensure that our Sustainability issues are well in line with what is the new Aperam. As a result, we had three different former ELG perimeters to undergo the materiality assessment under the GRI logic and using the Aperam methodology.

The result of this exercise was the identification of the radioactivity alerts as a singular topic to the new Aperam Recycling units. Although the topic was not fully new to us, our steel plants being fully equipped with detection portals, we decided *not* to consider the topic as part of the existing "Pollution Prevention" issue and isolate it in a more product-oriented way, in line with the experience of our recycling units.

Beyond this sole add-in, no major change in our materiality exercise is to be reported in 2022. For full details on our final 'GRI Materiality' consolidated matrix and its variations, please see our online methodology appendices.

# Our People

Our top priority is the health and safety of our people. As a core value, health and safety guides all our actions.

While we work on programmes to improve the safety, health and well-being of our employees, we also invest in employee development programmes.

Our business strategy heavily relies on the acquisition, development and retention of key technical competencies.

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## Health & Safety

### Organisation

The year 2022 was marked by a return to normality after the Covid pandemic. Gradually, we went from a central coordination of actions towards a local governance, adapted to the environmental situation of our activities, with the possibility to restart our central coordination when needed.

We have therefore decided to end the central coordination of the COVID Guidance, leaving the local units to link up with local governmental rules, with possibility to restart our central coordination when needed.

2022 was also the year in which we integrated our colleagues of Aperam Recycling (former ELG) into our H&S Roadmap. We aligned practices, metrics and rituals with each other. The result becomes visible in the 2023 H&S Roadmap which is fully aligned with the Aperam approach, including very ambitious targets both on leading and lagging indicators for the new division.

We have also continued with the 2021 add-ins to our program, including the Just Culture roll-out and the new dedicated Health program, covering multiple initiatives from physical health over mental health and promotion of healthy lifestyle, all because we are convinced that motivated and healthy employees make the difference.

However, given our industrial environment, Safety will always be a key component of our approach towards H&S. In 2022 we decided to change our organisational structure from a model of facilitation and sharing towards a model of transversal steering and implementation.

This has resulted in the creation of H&S Divisional Lead functions, which are closely working together with their designated Division to implement the Global H&S Roadmap.

As a result, a company wide H&S 2022 Action plan has been established, detailing annual focus points for all sites. The plan consists of both lagging indicators - TRIR - and leading indicators which are composed of improvement actions all sites have to take on both Health and Safety related topics. Validation of the target achievement is being done via the H&S Divisional Leads in Q1 of the following year.

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## Voice

*“In order to meet our ambitious 2026 goals and to be the company in which Health and Safety is a true Core Value, we need all of us to participate at all levels in the organisation.”*



*Together we can and will make the difference.”*

**Hans Vanhorebeek**  
Head of Aperam Health & Safety

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## Voices

“The year 2022 was a pivotal moment for Aperam, with the combined challenge to address the booming economy of the first half and a much lower second semester while integrating the former ELG employees within the Aperam family.

We had to find and/or develop the right talent to grow our business and develop innovative solutions in spite of the hikes. We also had to nurture a true sense of belonging for our Company that likes to see itself as a key link in the circular economy, with over 25% of its workforce delivering value from renewable or secondary material, when counting the new Aperam Recycling & Renewables Division together with our European meltshop teams.

Having this mission in mind is a strong lever for motivation for all our employees.”



Bert Lyssens  
Chief Human Resources Officer  
Head of IT and Communications



### At a glance (GRI 403-1,5,9, GRI 404-1,3)

| Indicator                                    | Unit             | 2022          | 2021         | 2020         | 2019         | 2018         |
|--|------------------|---------------|--------------|--------------|--------------|--------------|
| <b>Employee</b>                              |                  | <b>10 736</b> | <b>9 522</b> | <b>9 381</b> | <b>9 612</b> | <b>9 777</b> |
| Joiners                                      | FTE              | 819           | 623          | 393          | 514          | 665          |
| Leavers                                      |                  | 703           | 431          | 583          | 664          | 483          |
| Turnover Rate                                | %                | 7.4           | 4.6          | 6.1          | 6.9          | 4.8          |
| Women  | % staff          | <b>14.7</b>   | <b>13.5</b>  | <b>12.6</b>  | <b>12.3</b>  | <b>11.8</b>  |
|  | % exempts        | 22.8          | 22.4         | 21.4         | 20.4         | 20           |
| <b>Fatalities - All</b>                      |                  | <b>1</b>      | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>1</b>     |
| Fatalities - Employees <sup>(1)</sup>        | #                | 0             | 0            | 0            | 0            | 1            |
| Fatalities - Contractors                     |                  | 1             | 0            | 0            | 0            | 0            |
| <b>TRIR - All</b>                            |                  | <b>7.01*</b>  | <b>6.98</b>  | <b>5.69</b>  | <b>6.39</b>  | <b>n/a</b>   |
| TRIR - Employees <sup>(1)</sup>              |                  | 7.8*          | 7.59         | 6.60         | 6.54         | n/a          |
| TRIR - Contractors                           | /1,000,000 hours | 5.24*         | 5.61         | 3.80         | 6.03         | n/a          |
| <b>LTIFR - All</b>                           |                  | <b>2.45*</b>  | <b>2.22*</b> | <b>1.52*</b> | <b>1.7*</b>  | <b>1.4*</b>  |
| LTIFR - Employees <sup>(1)</sup>             |                  | 2.89*         | 3*           | 1.58*        | 1.6*         | 1.4*         |
| LTIFR - Contractors                          |                  | 1.48*         | 1.6*         | 1.39*        | 1.9*         | 1.6*         |
| Severity Rate - All                          | /1,000 hours     | <b>0.17*</b>  | <b>0.12</b>  | <b>0.14</b>  | <b>0.09*</b> | <b>0.08*</b> |
| <b>Training Hours - Total <sup>(2)</sup></b> | hours/FTE        | <b>27.3</b>   | <b>30.8</b>  | <b>19.6</b>  | <b>35.5</b>  | <b>34</b>    |
| Total People Trained <sup>(2)</sup>          | #                | 8 924         | 8 699        | 7 898        | 8 950        | 9 391        |
| Absenteeism <sup>(2)</sup>                   | %                | <b>3.2</b>    | <b>2.7</b>   | <b>3.4</b>   | <b>2.7</b>   | <b>2.3</b>   |
| Employee satisfaction <sup>(3)</sup>         | %                | <b>75</b>     | <b>83</b>    | <b>n/a</b>   | <b>n/a</b>   | <b>86</b>    |

\* Data with an asterisk received external assurance.

**3 GOOD HEALTH AND WELL-BEING**



**5 GENDER EQUALITY**



(1) Including interim workers.  
 (2) Excluding ex-ELG units from Aperam Recycling.  
 (3) Employees that would recommend Aperam as a good employer - All employees.  
 Note: New Aperam Recycling & Renewables units (ex-ELG) incorporated as from 2022, except otherwise mentioned as (2), and in which case impacting the historical comparability

## 2022 Fatality

April 5<sup>th</sup> 2022 was marred by the fatal accident involving a subcontractor employee at our plant in Viracopos, Brazil. The accident occurred while the employee was working on a roof. We deeply regret this loss and our thoughts go to his relatives.

Even though we have procedures to mitigate the risks related to working at heights, this incident reminds us that our work to become a sustainable, safe company is far from finished. We remain committed to further controlling the risks present at our sites.

### Safety Performance (GRI 403-2/3/9, 404-1) - Excluding the former ELG units of Aperam Recycling.

| By Geography                        | Unit                        | Belgium  | Brazil   | France   | Worldwide  |
|-------------------------------------|-----------------------------|--|--|--|--|
| <b>Plants, Division</b>             | sites                       | Châtelet, Genk, ASB recycling from <u>Stainless Europe</u> | Timóteo, BioEnergia from <u>Stainless &amp; Electrical Steel South America</u> | Imphy, Amilly, Rescal from <u>Alloys</u> ; Gueugnon, Isbergues, Pont-de-Roide from <u>Stainless Europe</u> | Imhua (PRC), ICS (IN) from <u>Alloys &amp; Specialties</u> , Usti (CZ), Rodange (LU) from <u>S&amp;S Tubes</u> |
| <b>Service Centres</b>              |                             | Genk (BeNeLux).  | Campinas, Ribeirão Pires, Viracopos, Caxias do Sul                             | Isbergues  | Germany, Italy, Poland, Iberica, USA, Argentina, Turkey, Uruguay   |
| <b>Main Offices</b>                 |                             | (Genk)   | Belo Horizonte and São Paulo   | Saint-Denis  | Luxembourg HQ and Sales Offices <sup>(1)</sup>   |
| <b>LTFR - All</b>                   | per 1 million hours worked  | <b>4.46</b>  | <b>0.15</b>  | <b>4.74</b>  | <b>0.75</b>  |
| LTFR - Employees <sup>(2)</sup>     |                             | 4.04   | 0.13   | 4.92   | 0.79   |
| LTFR - Contractors                  |                             | 5.30   | 0.16   | 3.95   | 0.00   |
| <b>Severity rate - All</b>          | per 1 thousand hours worked | <b>0.49</b>  | <b>0.02</b>  | <b>0.31</b>  | <b>0.04</b>  |
| Severity - Employees <sup>(2)</sup> |                             | 0.45   | 0.00   | 0.33   | 0.04   |
| Severity - Contractors              |                             | 0.57   | 0.04   | 0.22   | 0.00   |
| <b>TRIR - All</b>                   | per 1 million hours worked  | <b>13.39</b>   | <b>1.97</b>  | <b>11.18</b>   | <b>2.62</b>  |
| TRIR - Employees <sup>(2)</sup>     |                             | 13.80  | 1.59   | 11.26  | 2.36   |
| TRIR - Contractors                  |                             | 12.59  | 2.45   | 10.85  | 7.58   |

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom.

(2) Including Interim workers.

## Understanding Our 2022 Performance

Looking back at our 2022 performance, we see a world of opposites.

On the one hand, April 5th 2022 was marred by a fatal accident involving a subcontractor employee at our plant in Viracopos, Brazil. A full and in-depth investigation took place and corrective actions have since been defined and established across all Aperam sites worldwide, including Aperam Recycling, ensuring that such a tragic event does not happen again.

On the other hand, looking at our lagging indicators from our historical perimeter, we clearly see an improvement over the year. Our 'Lost Time Injury Frequency Rate', which (LTIFR) measures time lost due to injuries, dropped from 2.2 in 2021 to 1.8 in 2022. Our TRIR (Total Recordable Injury Rate), which looks at the number of total recordable incidents and compares it to the number of total hours worked by all employees in a single year, went from 6.9 in 2021 to 5.9 in 2022, below our target of 6 for the year. In this case, a recordable incident is any work-related injury or illness that results in either death, loss of consciousness, days away from work, restricted work activity, transfer to another job, or medical treatment beyond first aid.

This improvement was achieved during the second half of the year, with clear lower incident rates at our sites. In fact, our Timoteo plant in Brazil set a record performance, going for more than a year without a lost time incident.

Within this same historical scope, our accident severity rate increased, from 0.12 in 2021 to 0.15 in 2022. This is mainly due to the lost days relating to the fatal accident and an increase in days lost in our Stainless Europe Division compared to similar accidents during prior years.

With the acquisition of the former ELG units, now called 'Aperam Recycling', our overall LTIF indicator ends 2022 at 2.4, while our TRIR comes to 7.1.

These results show that our decision to install strict H&S rituals, backed by a strict implementation of our standards and a focus on our culture and wellbeing, as our leading indicator set, is the right one to follow. Our 2023 TRIR target remains unchanged, at 5.5 for the new complete perimeter.

*“Our commitment to the Health and Safety of all employees and stakeholders is a clear component of our brand promise “made for life”. Our target is to become one of the best-in-class steel manufacturers in Health and Safety and ultimately a sustainable safe company.”*

**Timoteo di Maulo**  
CEO of Aperam

## Health and Safety Roadmap 2023

Based on our commitment to become one of the best-in-class steel manufacturers in Health and Safety and ultimately a sustainable safe company, we continue on our ambitious Health and Safety Roadmap. We keep focusing on People and their Personal Contribution, on Wellbeing as well as on Occupational Safety, on Standards and rules and Learning and Culture. All this aiming Aperam best-in-class, resulting in a TRIR lower than 3 by 2026 and so avoiding harm to our employees and stakeholders.

As a result, we came up with an updated paradigm on Health & Safety that should become and remain at the core of all that we will do on Health & Safety in the future. The paradigm is leading to 4 major pillars, which are:

**Target**  
**aim for best-in-class performance**  
**2026 TRIR <3**

- 1. Just Culture:** A Just Culture inside our company, meeting the need for rigor in applying standards and the ability to fail safely
- 2. No Repeat:** A “No repeat” policy, to build a learning organisation
- 3. Workers’ involvement:** The involvement of everyone. People are the solution
- 4. Workers Wellbeing:** The physical and mental wellbeing of our people.



The key elements of our 2023 Safety Action plan, linked to the above paradigm, are:

- Focus on the implementation of our Life Saving Standards on Isolation, Functional Safety, Working at Height and Contractor Management to ensure a fail safe environment,
- Strengthening our Safety Culture via the roll-out of an Aperam wide Incident reporting, investigation and action tracking tool called Just Report,
- Ensure worker involvement in our approach via deployment of our Safe All Together training and the creation of mixed working groups consisting of employees, social partners and managerial line to work on risk reduction.

Wellbeing of our employees is the fourth key pillar of our new paradigm. A dedicated Health Roadmap 2022 - 2026 has been created which resulted in a detailed action plan 2023, containing the following key elements:

- > A dedicated focus on Mental Health via the launch of a European Psychosocial Risk Assessment with our Worker Wellbeing as central concept and which reflects the perception of the employees (see also page 28).
- > Awareness creation and training on Wellbeing for all our Management Layers
- > Continuation of our effort to improve the status of our sanitary facilities and restrooms
- > Continuation of our Ergonomic improvement plan both in operations and offices



Several initiatives are undergoing as part of this program, as is illustrated further.

■■■ In 2022, Aperam South America was very active on health-related projects. One of those projects focused on ergonomics and was based on an employee survey and a preliminary ergonomic evaluation of the entire Timóteo plant, together with our local offices (incl. Belo Horizonte and São Paulo). On top of verifying compliance with local regulations, the objective was to assess the needs and implement necessary measures to prevent improper ergonomics. In the end, 300 actions were recorded, which will help reduce or even eliminate possible occupational diseases and risks of accidents related to ergonomic issues. On a different note, the unit developed a specific program for employees in managerial roles, namely the Supervisors, Area Managers and Executive Managers.



The ‘Taking Care of Those Who Take Care’ program envisioned four goals: to support the physical and emotional health of managers; strengthen their bond with the Health Department; raise awareness about the importance of psychological safety; and support areas with more acute issues - all with the aim of stimulating our care actions and sentiment towards our teams for the benefit of everyone.

**75%** employees think that **Aperam culture** allows to learn from our errors



### Stainless Steel Industry Safety Awards 2022

For awarding companies in the safety section, the jury looked for practical innovations that reduce the number of safety incidents in the workplace and/or develop transferable countermeasures to avoid specific injury types and develop both controls and workers skills / cultural mindsets to directly reduce the number of safety incidents.

#### Our Just Culture concept was recognised with a Gold Safety Award.

The Just Culture Standard has 2 main goals:

1. To value the positive more, to have a culture where the positive consequences outnumber the negative.
2. To ensure that people are treated fairly, without blaming and punishing them hastily - but remaining strict and clear about unacceptable behaviour - by providing a consistent impartial and objective approach when analysing events.

■■■ In our last Climate Survey (conducted at the end of 2022), a significant number of employees noted experiencing a high level of stress. Amongst one the responses defined (see also p. 28), the company came up with a new individualised solution called myCo@ch. Launched in April 2022, myCo@ch is an individual support program for employee wellbeing and health. Currently in a pilot phase, the app is available to all our employees in Belgium, France and Luxembourg.

The innovative app uses a blend of e- and personal coaching, presented via learning modules and video call sessions. It is designed to provide the user with the knowledge, techniques and tools they need to boost their physical and mental wellbeing and to promote professional and personal development.

The app is 100% online and available 24/7. It is also completely personalised, with the program based on the results of an initial assessment. All data and information is kept confidential. 380 active participants are already making use of the app, just 9 months since its launch!



Aperam Genk Mental Wellbeing Working Group.

■■■ European units are also active on the subject as can be evidenced in Genk. For 1 year now, the members of the “mental wellbeing” working group of the Genk plant have been working together on various aspects of mental wellbeing and motivation. A first formally visible result is a formal “commitment” (vision) and its adoption at the committee for prevention and protection (CPP) at work on September 26th. After the meeting, the commitment was signed by both working group members and CPP members. Meanwhile, everyone is aware of the many opportunities waiting for each employee to further develop mental wellbeing at our site. The working group is composed of 17 members (see above) and they represent all the different populations in our organisation from Management up to Blue collars.

### Voice



*“From day one, the level of support we’ve received from our corporate partners has been great, and progress towards mutual objectives and goals has been ongoing. Our colleagues have made a concerted effort to understand our unique needs and integrate us seamlessly into their business process and operations. We have been impressed by their responsiveness, professionalism, and willingness to share resources and expertise.*

*Thanks to their support, we have been able to successfully navigate a period of significant change and still continue to deliver high-quality materials to our customers.”*

### David McLaughlin

Global Head of HS&E, Aperam Recycling

## A Highly Competent and Engaged Workforce

### Diversity of Talent

#### Our Workforce at a Glance

At the end of December 2022, Aperam's workforce was made up of 10,736 employees (FTE), of which 11% are exempt and 65% blue collar employees (stable percentage compared to 2021). Our workforce was predominantly made of permanent and full-time employees - 97% each (GRI 2-7).

Our staff is mostly composed of employees based in Brazil (35%), France (23%) and Belgium (19%), these three countries representing 77% of our workforce.

See the Tables (1) and (2) further for more information.

#### Aperam Workforce (1) (GRI 2-7)

| 2022          | Gender     | Permanent     | Fixed-Term | TOTAL         | Full-Time     | Part-Time  |
|---------------|------------|---------------|------------|---------------|---------------|------------|
| Blue Collars  | Female     | 541           | 9          | 550           | 542           | 8          |
|               | Male       | 6,213         | 171        | 6,384         | 6,242         | 142        |
| White Collars | Female     | 729           | 19         | 748           | 656           | 91         |
|               | Male       | 1,824         | 22         | 1,846         | 1,799         | 46         |
| Exempts       | Female     | 273           | 3          | 276           | 253           | 22         |
|               | Male       | 927           | 6          | 933           | 915           | 18         |
| <b>TOTAL</b>  | <b>All</b> | <b>10,506</b> | <b>230</b> | <b>10,736</b> | <b>10,408</b> | <b>328</b> |
| 2021          | Gender     | Permanent     | Fixed-Term | TOTAL         | Full-Time     | Part-Time  |
| Blue Collars  | Female     | 464           | 11         | 475           | 468           | 7          |
|               | Male       | 5,751         | 158        | 5,909         | 5,856         | 53         |
| White Collars | Female     | 550           | 16         | 566           | 494           | 73         |
|               | Male       | 1,530         | 15         | 1,545         | 1,514         | 30         |
| Exempts       | Female     | 223           | 4          | 227           | 205           | 22         |
|               | Male       | 794           | 6          | 800           | 787           | 13         |
| <b>TOTAL</b>  | <b>All</b> | <b>9,312</b>  | <b>210</b> | <b>9,522</b>  | <b>9,324</b>  | <b>198</b> |

Aperam Workforce Aperam consolidated total of Full-Time Equivalent employees, at 31/12/2022 (GRI 2-7)

#### Understanding Our 2022 Figures

> During the year 2022, 819 FTEs joined Aperam (excluding the integration of the newly acquired ELG business, now Aperam Recycling (part of Aperam Recycling & Renewables), of which 23.8% were women, while in parallel 703 FTE left, only 13.2% of them being women. This leads us to an employee turnover rate of 7.4% (excluding ex-ELG employees) slightly above the 6.4% in average for the 2016-2021 period.

The higher number of leavers is related to the closing of our Montevideo Tubes plant in 2022 following the productivity investment for modern Tubes lines in Brazil, next to resignations and retirements.

> In 2022, as these past few years, the average age of Aperam employees (women like men) was 42 and average seniority within Aperam was 11 years. The age distribution is not too different too, with 26.2% of our staff over 50 and less than 4.5% below 25.

#### Aperam Workforce (2) (GRI 2-7)

| Indicator                | Unit | 2022          | Average Age (y) | Average Seniority (y) | <25 yo | >50 yo | # Women        |
|--------------------------|------|---------------|-----------------|-----------------------|--------|--------|----------------|
| <b>Total Employees</b>   |      | <b>10,736</b> | 42.3            | 11.8                  | 5%     | 26%    | <b>1,573</b>   |
| Blue Collars             |      | <b>6,934</b>  | 40.8            | 11.0                  | 4%     | 14%    | <b>550</b>     |
| Standard White Collars   |      | <b>2,593</b>  | 44.6            | 13.6                  | 1%     | 8%     | <b>748</b>     |
| Exempt White Collars     |      | <b>1,209</b>  | 46.2            | 12.5                  | 0%     | 4%     | <b>276</b>     |
| o/w "Top100" (Top10%)    | FTE  | <b>125</b>    | 51.6            | n/a                   | 0%     | 57%    | <b>21</b>      |
| Interim                  |      | <b>451</b>    | 37.0            | 1.6                   | 25%    | 15%    | <b>18</b>      |
| Joiners                  |      | <b>819</b>    | 40.0            | 0.1                   | 12%    | 23%    | <b>195</b>     |
| Leavers                  |      | <b>703</b>    | 43.0            | 13.9                  | 5%     | 35%    | <b>93</b>      |
| Turnover Rate            | %    | 7.4           |                 |                       |        |        |                |
| <b>Average Workforce</b> | FTE  | <b>10,199</b> |                 |                       |        |        |                |
| Headcount EoP            | #    | <b>10,848</b> |                 |                       |        |        | <b>1,618.0</b> |

#### ELG's Integration into Aperam Recycling & Renewables

As of the end of December 2022, Aperam's workforce from the former ELG branch was 1,158 FTEs. These FTEs were located in 19 countries, including the United States (38%), Germany (20%) and the United Kingdom (11%). The smallest units employed just two FTEs, while the largest unit employed 445.

58% of these new colleagues are blue collar employees working in the scrapyards, while 34% are white collars and 8% exempt. Their average age is 45.

Furthermore, 18% of these employees are women, which is a higher overall rate than at Aperam. However, these female colleagues are predominantly white collar employees, with 16% being blue collars and 6% having a management role (exempts).

## Admira, Senior Supply Chain Manager at Aperam Recycling (ELG Utica Alloys) in Herkimer, NY, USA.



Admira is a good example that equality among men and women can be easy and natural. As just a 21-year-old student from outside the industry, she set foot for the first time at ELG Utica Alloys in Herkimer, NY. Now, 14 years later, she is Production Control Manager.

Looking back, the former inventory clerk describes her former self as quiet and shy, but she rose above. *"I quickly learned that knowledge, experience and skill pay off, and it boosted my confidence"*, she explains. Her supervisor saw it the same way and rewarded her with a job on the Commercial Team and later as Production Control Manager.

ELG Utica Alloys is a business with some 10 locations worldwide, where superalloys scrap such as Nickel-base alloys, Cobalt alloys and Titanium are professionally recycled: precisely analysed, sorted and processed according to the requirements of the customers, mainly from the aerospace industry.

In this working environment, Admira never felt less valued or less respected because of her gender. Admira recounts, *"I was even offered better positions when I was a new mother. Especially in that regard, I feel that I was perceived as a valuable colleague rather than as a woman and a mother of 2 kids."* She says her boss, a family man himself, has always been understanding. But it is also her family's full support which enabled her to find a true work/life balance.

As Production Control Manager, Admira now oversees all aspects of ELG Utica Alloys New York inventory and logistics, working closely with Commercial and Operations to plan production and meet customer demand. She is also excited to be able to contribute and lead numerous initiatives at the Division level as well. *"As a beginner, it was hard for me to bring in new ideas, but I was convinced with facts and through my good preparation I finally earned my spurs."*

Admira started a new role as Senior Supply Chain Manager in September 2022.

### Tips to newcomers:

*"As a young female coming into a male-dominated industry, I have learned that confidence comes with knowledge. So always be prepared and do your research. Show your ability to bring results to the table. Don't be afraid to ask questions and take initiative. In an industry that is constantly evolving it is essential to continue to evolve as an individual..."*

## Embracing Diversity - with a woman's touch

Since 2018, we have used a program inspired by the United Nations' Women Empowerment Principles to increase female representation across all levels of the Aperam community and to ensure our work environment allows our female colleagues to thrive and demonstrate the very best of their talents. The action plan is summarised by a specific Gender Equality & Diversity Charter with five main dimensions (our 2022 progress per chapter is laid out in the table on next page).



The plan is regularly reviewed to integrate the input received from our all-employee climate surveys and other benchmarks.

> In 2018, our female employees had less favourable opinions regarding communication and career development. But our surveys from 2021 and 2022 show this is no longer the case, although significant gender-based differences do remain in some countries and plants (sometimes to the detriment of men). All figures must be fully analysed to fine tune local action plans.

> Because fighting stereotypes is a pillar of our action plan, we aim to have regular communications on the subject, both at the local and company levels. In March 2022, we had a global Aperam communication campaign celebrating International Women's Rights Day. Five Aperam employees from Belgium, Brazil, Spain and Germany recorded videos (sometimes with their colleagues, see below intranet picture and video extract) to speak about their experience working in a still too masculine industry.

Intranet page with all videos in many languages..



Extract of the video from Beatriz Martinez, S&S Iberica.

To illustrate the work being done to promote women at all levels and departments of Aperam, let's look at what's happening in France, Brazil and Italy:

■■■ In partnership with the French 'Elles bougent' association, Aperam created a group of 20 ambassadors from France and Belgium (see picture next page) from R&D, IT or production roles to reinforce gender diversity in the industrial and technological sectors. The ambassadors shared their passion through testimonies and mentored young women in their study and career choices. They also participated in events, where they answered questions and worked to inspire women to take the plunge into scientific and technical professions.

## Status of Aperam's Gender Equality & Representation Roadmap



### Leadership & Commitment

Improving Diversity & Inclusion is a key management target and it was reflected as such in our performance goals.



### Health & Work Conditions

Aperam's working conditions should be safe and adapted for all employees. A specific gender focus is given in relation to restrooms, changing rooms, ergonomics and working clothes.

*In 2022, several audits were done with members of the health circle (incl. staff representatives) across all sites to define gaps versus the Aperam Standard. An action plan had been put in place to solve all issues over max. 3 years. First concrete achievements in 2022. (example in Brazil, Inauguration of 15 restrooms for women and people with disabilities).*



### Equal Remuneration

Aperam is committed to providing equivalent remuneration based on the local market, for similar jobs and taking into account the performance, skills and relevant experience of the person doing the job.

*In 2022, the gender pay gap decreased at 7.7pts (excluding Aperam Recycling) (versus, 7.9 in 2021 and 8.6 pts in 2020). We continue to watch closely all indicators to avoid any unfairness.*



### Equal Career Opportunities

Aperam is committed to providing equal career and development opportunities to all our employees. By monitoring the gender diversity of our talent development programs and succession plans, we ensure we continue to increase the number of women in management positions.

*On top of keeping our Global Aperam Talent Management Program and monitoring our succession plans for leading positions, we also conduct a detailed analysis of the distribution of promotions and performance ratings: in 2022, 19.9% of women exceeded expectations vs 16.9% of men and 6.1% of women have been promoted vs. 2.9% of men.*



### Fight Against Stereotypes

A sustained focus on training and communication is required to get rid of any gender bias. Read our monthly "Career focus" within Aperam Newsletters.

*In 2022, we continued our training to avoid gender bias, including any bias that might arise in the recruitment process. In particular, all white collar employees have been assigned a specific training module from MyHR, also specific training for HR and Managers recruiting without discrimination, prevention of sexism at work, Gamifying exercise on Diversity.*

■ ■ ■ Aperam S&S Italy aims to increase the representation of women in the production areas of its Massalengo and Podenzano units. Over the last few years, they registered an uptake in the proportion of women on the shopfloor, from 2% in 2020 to 8% in early 2023! The critical factor behind this success is the use of so-called 'hiring academies' - week-long training sessions for candidates with a high focus on health and safety. The academies also included 18 hours of passive training on the production lines: with candidates following one of our blue collars, who showed them the entire manufacturing process. The candidates were not supposed to do anything directly (being in a training phase), but only to learn more about the context and the kind of job they were applying for. The local team is so proud of their first results that they decided to produce a specific video to celebrate the 2023 International Women's Rights Day!

*Manuela, from Podenzano (IT) production area, claims:*



'Women can easily work here'



Aperam 'Elles bougent' Ambassadors.

## Voice

*"The launch of this network of Aperam ambassadors should enable us to support the necessary change in our culture towards greater openness (diversity and inclusion), in addition to the missions carried out by the association.*

*It's really necessary to deconstruct all types of stereotypes, we all have the same capacities, jobs are not gendered! "*

*" 'Elles bougent' ambassadors' role is to be:*

- informing, testifying, presenting our careers in the technological and industrial fields,
- encouraging vocations and participating in the information and career guidance of girls,
- contributing to deconstructing stereotypes linked to technical professions ,
- passing our passion and inspiring the strength to dare to choose a career path."



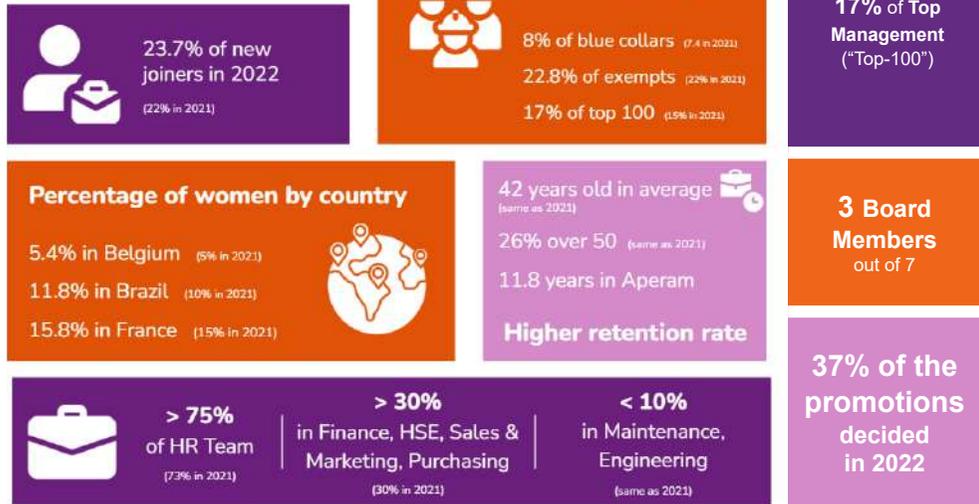
### Margaux Roulet

Quality Engineer, Châtelet (Belgium)

### Stéphanie Charre

R&D Technician, Isbergues (France)

# Women in Aperam



■■■ Brazil went even further, designing a new extensive course specifically (228 hours of theoretical and practical training over four months!) to train local women as Steel Welding Operators. Part of our Inclusion & Diversity program, the program was a success, with around 100 registrations for 24 seats. In October 2022, the Aperam Acesita Foundation celebrated the first graduation ceremony for 12 Steel Welding Operator course female students.

Gisele Alexandre da Cunha Lima made Aperam history by being the first steel welder operator to be hired in Aperam South America. *"I found out about the welder steel operator course through my husband (also Aperam Employee). I realised then that I was qualified. When the opportunity arose to be interviewed by an area to compete for the vacancy, my heart throbbed with joy and beat faster when I received the news of the approval. It was a dream that was coming true. I just have to thank Aperam for giving women an equal opportunity to show that we are strong and can work in the industrial area."*



## Diversity in a Broader Sense

In last year's report, we highlighted our decision to expand our diversity program to include all kinds of diversity - not just gender. Consequently, a new position was created in Europe to tackle this subject (together with Mental Health and Employee Engagement). We also increased the number of questions about Diversity and Inclusion integrated within our Climate Survey and took the first steps to enlarge our action plan.

> We are happy to report that all the related survey questions were rated above 8/10, which is very good. We also can report an overall satisfaction rate of 7.5/10, with no significant deviation related to age, employee status or gender. Satisfaction is even higher in Brazil, where a full Inclusion & Diversity program was launched in 2020, with local 'Affinity Groups' providing the unit with ideas and energy.

> On the communication side, we celebrated Human Rights Day 2022 with a special focus on disability, highlighting both the many capabilities of people with disabilities and how we at Aperam can - and should - be better leveraging these capabilities.

A newsletter in 10 languages was dispatched to all Aperam employees, encouraging everyone to feel empowered to bring one's full self, pride and abilities to Aperam's success. The newsletter contained an e-Learning course and an awareness-raising quiz about people with disabilities. In parallel, specific guidelines were issued to avoid offensive vocabulary and to ensure company communications use inclusive language. See also the insert about the brilliant project by our Brazilian colleagues.

> As to the rest of the action plan, the new program also includes a multi-year calendar to raise awareness on all aspects of discrimination. We also rolled out a methodology to assess discrimination risks in the workplace and coordinated a global network of correspondents to share best practices and homogenise incident management. The plan also includes promoting different perspectives about leadership, resilience and success - all part of our ongoing fight against stereotypes.

Based on an initial risk assessment, performed in our three biggest countries of operations (Belgium, Brazil and France), we identified some priorities to be tackled in terms of awareness-raising. Our action plan now includes the global extension of our risk mapping and a focus on some specific moments in the career (hiring, promotion) and/or job status. 2023 will see the continuation of exchanges with our external partners to enrich this analysis and adjust our actions.

Also in store is the launch of a new routine, in the form of a 'Month of Diversity', to be held in March, starting with the Zero-Discrimination Day on March 1st...

**Voice :**



*"In my life, I have seen many comments and behaviours that are biased against people from minority groups. Today, the Inclusion & Diversity Program is the company's great differential for me. I am very happy to work here and be leading the Aperam South America Race Affinity Group to advance Inclusion & Diversity inside as within our local communities."*

**Vanessa Marques**  
Aperam BioEnergia Environmental Coordinator



**Timoteo's Professional qualification program for people with disabilities**

The aim is to promote the inclusion of people with disabilities within Aperam with a qualification program. This tailor-made program consists of some 230 hours of theoretical learning and practical on the job training on the Timoteo site, and benefited 30 trainees in 2022.

*"It was a challenging project with the objectives of fulfilling the quota for People with Disabilities in Aperam Timoteo and providing further social inclusion. A multidisciplinary team was created to successfully develop all the work.*

*This project opens our eyes to a new way of hiring and integrating people with disabilities and we hope it inspires other sites to follow the same path."* says Cleonice Maria Alves, Continuous Improvement Analyst..

During 2022, 11 employees from this Program were confirmed with a permanent contract. Based on such a success, the project was easily recognized as the best amongst 9 projects as part of the Health, Safety and Environment category for the 2022 Continuous Improvement Challenge!

|  | 2022         |                       |              | 2021         |              |              |
|--|--------------|-----------------------|--------------|--------------|--------------|--------------|
|  | Belgium      | Brazil <sup>(3)</sup> | France       | Belgium      | Brazil       | France       |
| All data in FTE - GRI 405-1                |              |                       |              |              |              |              |
| <b>Total Employees</b>                     | <b>2,030</b> | <b>4,061</b>          | <b>2,482</b> | <b>1,913</b> | <b>3,579</b> | <b>2,426</b> |
| % Women                                    | 5.3%         | 11.1%                 | 15.9%        | 4.8%         | 8.4%         | 14.7%        |
| % Persons with a disability <sup>(1)</sup> | 1.3%         | 4.3%                  | 4.7%         | 0.2%         | 4.0%         | 4.7%         |
| % LGBT+ people <sup>(2)</sup>              | n/a          | n/a <sup>(4)</sup>    | n/a          | n/a          | 3.0%         | n/a          |
| % Persons of colours <sup>(2)</sup>        | n/a          | n/a <sup>(4)</sup>    | n/a          | n/a          | 63.3%        | n/a          |
| <b>Total Joiners</b>                       | <b>175</b>   | <b>338</b>            | <b>265</b>   | <b>66</b>    | <b>208</b>   | <b>48</b>    |
| % Women                                    | 9%           | 30%                   | 22%          | 9%           | 15%          | 38%          |
| % Persons with a disability <sup>(1)</sup> | n/a          | 0.6%                  | n/a          | 0%           | 9%           | 5%           |



**Herick, Commercial Controlling Manager São Paulo, Brazil.**

Herick's Aperam story starts in 1999 when he took on a role as an apprentice. Following several years working on international projects outside Aperam, he returned to the company in 2017 as Demand Manager SAP South America – a role that saw him managing large teams and cross-unit projects.

Herick also spent some time in Europe, where he participated in the post-implementation of the warehouse management project in Genk (Belgium) – an initiative that he later helped replicate at our Timoteo plant.

In 2019, he became an evolution agent in the Evolve Program – Lean Office.

He currently serves as Commercial Controlling Executive Manager in São Paulo where, together with the Commercial Control team, he helps maximise profitability with current resources, in addition to reconciling the company's strategy with a commercial and financial vision to achieve short, medium and long-term goals.

*"When I came back to Aperam I found a much more dynamic company,"* says Herick. *"I was happy for the opportunity to work in an environment that was conducive to collaboration and dedicated to diversity and inclusion – it was immediately rewarding."*

Diversity is an important issue for Herick. He serves as a member of the racial affinity group at Aperam South America and is a strong advocate for gender equality. *"Diversity is the key to a company's success,"* he says. *"Society is changing, and companies should strive to reflect that change, not only on the shopfloor, but also in the boardroom."*

Herick is currently working on a master's degree in global finance and, looking ahead, would like to continue developing and consolidating his knowledge in the field.

**Tips to newcomers:**

*"Dedicate yourself to doing a good job. Always seek to develop professionally and be passionate about learning. The world is evolving faster and faster and we are challenged to keep up to date. Don't be afraid to ask questions as that's how learning happens."*

**Footnote of left-hand table:**

(1) According to local definitions/regulations.

(2) According to a 2021 survey from Aperam South America and BioEnergia where employees were invited to define themselves (or not), as part of the Brazilian Inclusion & Diversity program. 1988 responses were recorded, equivalent to a 60% response rate.

(3) Brazil Data (Industry + Bioenergía + S&S and Tubes).

(4) New survey to be done in 2023.

Persons of colour, as per the American labelling, being those defining themselves as "non-white".

## Career & Development

### Continuous digital transformation

Our HR Information System, MyHR, is supporting our objective to harmonise our HR practices and processes over Aperam. That's why we extend the functionalities to more and more employees, such as for our competencies reviews.

In 2023, the objective is to onboard people from Aperam Recycling, starting with the white collar exempts audience. Moreover in 2023, a new step will be reached with the deployment of an additional module in MyHR, focusing on internal job mobility and external recruitment (already planned for 2022 but delayed).

### Competency Management

Our eight fundamental leadership competencies remain a pillar of our competency management. To go along with this foundation, we rely on specific business and technical skills that are critical to the future development of Aperam. Each year, the employees typically self-evaluate and are evaluated by their managers. All exempts participate in this process in MyHR, as well as a selection of non-exempts in Brazil and from 2022 all standard white collars and blue collars in our site of Châtelet which explains the jump of 76% from 977 to 1723 reviews. In addition to this, we also encourage through the MyHR platform the use of 180 degree feedback about competencies (stable in 2022 compared to 2021 which was the first year we introduced this new process). Assessing yearly an employee against these competencies allows us to define agreed development actions and help our people transform into their better self. In 2022, people have defined an average of 3.4 development goals per person (3.1 in 2021).

■■■ The "Bold Leadership" training for technical hierarchy (foremen, shift leaders and engineers) in Aperam Genk provides them with the necessary tools that they can use on the shopfloor in order to solve problems quickly and above all to make their teams function optimally. An example of such a tool is to learn how yearly evaluation or tasks/performance interviews can be managed in an efficient way, with the persons in our operational teams, based on the PPF techniques (Past Present Future).

Over 150 people were trained in 2022. The average score after evaluation of the satisfaction and the applicability with all our participants of the first sessions was historically high with 89.5%.

### Job Mobility

Moving from one job to another is never an easy task: it requires agility and adaptability across the organisation. To support the internal mobility, the career details and aspirations

are expressed by the employees during the mid-year review in MyHR. In addition, all open vacancies are published on the career portal which is a key tool to open up development opportunities. Later in 2023, the launching of the new recruitment module in MyHR should reinforce internal mobility and connect people to find new career opportunities.

### Management by objectives

We believe in management by objectives and want to ensure that all employees receive clear goals. Performance Management via MyHR started with all Aperam exempts in 2018, before being extended to standard white collars progressively. Top Management of the company is highly involved in this process, as they define clear directions for the whole company with Organization goals set in MyHR that help the managers and their teams to define their own individual goals, fully aligned with the company goals. In 2023, we will also continue to integrate our Aperam Recycling division. Top 100 Aperam Recycling members should be fully embedded in the Aperam management by objectives process in MyHR before the year end.

We also have the possibility to ask for 180° feedback about our performance from other stakeholders in Aperam, especially for people working in platforms and project mode. To increase transparency and speed of the process, for the first year in 2022, the exempts were able to ask for feedback about their performance directly to any of their colleagues in MyHR without any validation of the request by their manager. Close to 30% of the exempts have used this possibility.

### Performance Management in Aperam (excluding former ELG units) GRI 404-3

| Indicator                           | unit | 2022         | 2021         | 2020         | 2019         | 2018       |
|-------------------------------------|------|--------------|--------------|--------------|--------------|------------|
| Blue Collars                        | %    | 79           | 66           | 69           | 83           | 60         |
| Standard White Collars              |      | 70           | 79           | 67           | 80           | 67         |
| Exempts White Collars               |      | 97           | 99           | 99           | 97           | 98         |
| <b>Total Aperam</b>                 |      | <b>79</b>    | <b>73</b>    | <b>72</b>    | <b>84</b>    | <b>68</b>  |
| Exempts Reviews in MyHR             | #    | <b>1,117</b> | <b>1,051</b> | <b>1,005</b> | <b>1,002</b> | <b>927</b> |
| 180° Feedback                       |      | 520          | 566          | 427          | 498          | 432        |
| <i>180° Feedback on Competences</i> |      | 208          | 206          | n/a          | n/a          | n/a        |
| Non-Exempts Reviews in MyHR         | #    | <b>1,723</b> | <b>977</b>   | <b>950</b>   | <b>572</b>   | <b>0</b>   |
| Total Reviews in MyHR               |      | 2,840        | 2,028        | 1,955        | <b>1,574</b> | 927        |
| <b>Average Performance Goals</b>    |      | 5.4          | 5.9          | <b>5.8</b>   | <b>5.6</b>   | <b>7.3</b> |
| Average Development Goals           |      | 3.4          | 3.1          | 2.9          | <b>2.7</b>   | 2.8        |

## Employer's Integration

### A systematic approach

To ensure that our new hirings are not only “onboarded” in optimal circumstances, but also go through a longer term induction and integration process, we build on what we have already put in place and launch new initiatives:

- During last year's report we mentioned the launch of an On-Boarding e-learning module covering H&S, Environment, Ethics & Compliance, IT, Performance and Competency Management and Leadership.
- A new approach involving the appointment of onboarding coaches has been started for managers joining Aperam. Usually the onboarding coach is a senior manager who can help the new joiner navigate in the organisation and identify his or her key stakeholders.
- With the support of an external consultant, an elaborate assessment was done with approx 15 managers who joined Aperam recently. The results of this survey were reviewed and discussed during a one day seminar by the Aperam Leadership Team. A debriefing session with the participants was organised in 2022. We hope the initiative will also lead to the creation of a Community of Aperam new joiners.



In 2022, after a stoppage due to the COVID crisis, we were able to resume the site visits in our main European sites for our local white collar exempt joiners. 53 newcomers had a great opportunity to discover our main plants and have a close contact with our core activities. Meeting colleagues from other sites and building a network outside of their area is always a plus when it comes to a successful onboarding.

### A new Technical Talent Program

The program was launched in Genk, Belgium in 2022 and focused on attracting young graduate engineers and managing them as one community through their career at Aperam. Our Timoteo site in Brazil already had a similar program in place focused on young graduate engineers.

In the near future, we hope to extend this program to our French sites (starting with Imphy) and to our second industrial site in Belgium, Châtelet.



## Welcoming Trainees and Apprentices

Aperam is always eager to attract youngsters' attention and communicate the vibrant passion of its teams. This is often done via the offering of training or apprenticeships, for instance:

- Aperam in Timoteo (Brazil) designed a specific exclusive development path for the 21 lucky 2-years trainees that joined in 2022, with visits to the country's units, tutoring, job rotations and individualised development. The 1st year focuses on Interface areas (Rotation in six months) and the 2nd year working in the end area – Innovation Project Development. See above the visual used for external communications
- Still in Brazil but in our Services & Solutions Division, Aperam Tubes Ribeirão Pires developed the Young Talents Program, which aims to retain, develop and train interns by offering the opportunity to complement their school education through professional experiences, projects and development, within Aperam's philosophy and culture. The interns have the opportunity to present their projects to the management, who gave feedback and suggestions for improvement.
- Aperam Recycling Germany has a yearly apprenticeship program focused on skills learning that help trainees prepare for their final exams. For example, we provide different training in self-organisation, basic science skills and waste incineration. The whole organisation program is presented during the welcome day, where they can also meet with old trainees for breakfast.
- Aperam Alloys Imphy has reintroduced visits to its workshop dedicated specifically to the work-study students to facilitate their integration and understanding of the issues. These visits took place through the EMA (École interne des Métiers et des Alliances) and helped create a bond of trust and talent retention.

Target  
**30 % Digital Learning rate**  
 by 2030



*Right: 40 hours of training were offered to 36 operators from Aperam Tubos Viracopos (Brazil), so that they become autonomous on basic maintenance.*

## Learning & Training

### Learning

Learning is an integral part of everyone's work and, to be "able to transform by learning" which is one of the 8 Aperam Leadership competencies, employees need qualitative and regular feedback from all stakeholders starting with the manager. That is why our Learning strategy is structured around continuous feedback in the first place, followed by training (traditional and increasingly digital) and internal mentoring and coaching.

### Mentoring & Talent Management

The internal Aperam Mentorship Program has launched its 3rd wave in 2022.

Mentoring by experienced leaders remains one of our core tools to develop leadership skills. Besides the mentoring by LT members, we have developed since 2020 a program in which the mentors are mainly part of the Top 100 of Aperam and the mentees chosen among the most talented Aperam people. Our mentorship program is structured around Aperam's 8 leadership competencies. Communities of mentors and mentees have been created to exchange experience and best practices.

The program is well appreciated as shows our regular survey (at mid-mission 2022, 95% of the mentees estimated their mentoring mission was on the good way). After 32 pairs of mentor/mentee launched in 2022, around 30 new pairs will start in 2023. Our Leadership Team also actively participates in the program with mentees being mentored by them directly.

In addition to this initiative, 40 exempts identified as Talent had the opportunity in 2022 to participate in a special Top Leadership Program according to their roles.

## Training

To pursue the objective of becoming a truly learning-oriented organisation, we are extending each year more the use of our own Learning Management System, which has been fully embedded within MyHR since February 2019. The platform is used to display, diffuse and manage our learning offer with a focus on digital content which we intend to create more and more internally within Functional Academies.

### 2022 Training Performance Indicators and Outlook

Training hours have increased at global level by 16% in 2022, back to a similar level before COVID-19. Looking at the digital learning hours, they increased by 17%, representing 18.7% of the total learning hours which is a stable ratio compared to 2021 (18,5%). However, we registered a significant increase of almost 230%, from 7 101 hours to 23 319 hours of the digital courses followed in our MyHR LMS, representing 34% of the total number of digital courses hours versus 13% in 2021.

- 43,513 e-learnings were completed, or an increase of 123% compared to 2021.
- Also, 6,092 unique learners have completed at least one course self-paced in MyHR compared to 3079 in 2021 (almost double), showing an important effort on completing the courses started.

> MyHR Learning is now open to all categories of employees. We expect that more and more sites will completely manage their training offer - including the face-to-face offer - in the tool, in order to get a single tool in terms of training management in all Aperam.

In 2022, Belgium is using MyHR Learning as their unique LMS and Services & Solutions has started the transition.

In addition, people coming originally from ELG, now Aperam Recycling, have started to get access as well in 2022: All exempts from Aperam Recycling (about 100 people) and about 60 white collar non-exempts from Utica USA. We have now a total of 10 090 employees accessing MyHR Learning (1237 exempts and 8853 non exempts).



*Training Centre Maryse Bastié, Hayange - France, rey-de crécy atelier d'architecture © Valérie Trégan*

## 2022 Training Follow-up GRI 404-1, 403-5. (excluding ex-ELG units unless otherwise mentioned)

| Learning in Aperam                    | unit                      | 2022          | 2021           | 2020           | 2019           |
|---------------------------------------|---------------------------|---------------|----------------|----------------|----------------|
| <b>Total Training Cost</b>            |                           | <b>6,430</b>  | <b>3,929</b>   | <b>3,190</b>   | <b>4,627</b>   |
| o/w Total Belgium                     | k€                        | 2,568         | 1,038          | 1,232          | 2,801          |
| o/w Total Brazil                      |                           | 1,000         | 603            | 364            | 506            |
| o/w Total France                      |                           | 2,596         | 2,155          | 1,493          | 1,135          |
| Total RoW                             |                           | 199           | 133            | 100            | 185            |
| <b>Total Training Time</b>            |                           |               | <b>340,368</b> | <b>293,009</b> | <b>184,201</b> |
| o/w Total Belgium                     | hours                     | 59,774        | 35,101         | 25,024         | 75,149         |
| o/w Total Brazil                      |                           | 182,468       | 163,635        | 107,425        | 143,664        |
| o/w Total France                      |                           | 61,424        | 69,365         | 38,055         | 79,257         |
| Total RoW                             |                           | 33,672        | 24,908         | 13,697         | 43,671         |
| o/w Digital Learning                  |                           | <b>63,613</b> | <b>54,334</b>  | 29,873         | 14,767         |
| o/w MyHR Digital Learning Courses     |                           | <b>23,319</b> | <b>7,101</b>   | 6,478          | 4,954          |
| Digital Courses Completed in MyHR     | #                         | 43,513        | 19,476         | 16,450         | 18,175         |
| Health & Safety                       | % of total learning hours | 38.7          | 43.2           | 45.0           | 54.0           |
| Technical Skills                      |                           | 48.4          | 45.5           | 39.0           | 32.0           |
| Soft Skills                           |                           | 1.5           | 6.5            | 8.5            | 8.0            |
| Languages                             |                           | 2.8           | 3.3            | 3.8            | 5.0            |
| Ethics & Compliance                   |                           | 8.7           | 1.4            | 3.7            | 1.0            |
| <b>Total Employees Trained</b>        |                           | <b>8,924</b>  | <b>8,699</b>   | <b>7,898</b>   | <b>8,950</b>   |
| <b>Employees accessing MyLearning</b> |                           | <b>10,026</b> | 9,850          | 3,449          | 2,518          |
| Exempt Employees <sup>(1)</sup>       | #                         | 1,233         | 1082           | 1077           | 1036           |
| Non-exempt Employees <sup>(2)</sup>   |                           | 8,793         | 8,768          | 2,372          | 1482           |

(1): Including 96 managers of Aperam Recycling

(2): Including 59 Utica USA employees of Aperam Recycling

> In terms of topics, H&S training is always a high priority, representing 38.7% of the total number of hours. Training on technical skills continues to increase in importance reaching 48.4%, as we are investing in Technical areas, such as Châtelet with the “Technocampus”, a parity organisation for specialised technical training in the Charleroi region, or Brazil with the process and metallurgy of electrical steels. Ethics & Compliance training has significantly increased to 8.7%.

■■■ To illustrate the focus on technical training, let’s turn to Aperam South America. The Maintenance Academy project, as a pilot model in the Industry, aims to develop and retain critical Maintenance knowledge, mitigating the impacts on the business due to renewal and loss of professionals. The project has 3 fronts, Mapping and retention of this critical knowledge reverted into training of Maintenance professionals through digital and asynchronous pilot. To continue in 2023 : Definition of an on-the-job system to transfer knowledge, via tutoring (in practice), creation of learning spaces so that the operational team has the infrastructure to carry out the digital learning offered.

### Voice

*“The integration of Aperam Recycling (formerly ELG) not only involved organisational and cultural changes, but also the implementation and harmonisation of processes and IT tools.*

*Working within Aperam Recycling, I was able to get first hand experience with the many benefits offered by our global HR Information System, myHR.*

*Through this common platform, we can create global synergies and, for example, offer employees targeted and cost-effective training and education. We can also agree on and communicate goals, as well as moderate and document the continuous feedback process between managers and employees. In this way, we create a reliable database for employees, managers, management and shareholders that is updated daily and enables efficient and sustainable corporate decision making.*

*We are proud of what we have achieved so far and look forward to the next steps!”*



**Timo Kißmer**  
Global HR Specialist C&B and L&D, Aperam Recycling



One of Aperam Recycling’s scrap yards (ELG Duisburg).

## Jimmy, Manager Cold Rolling Plant, Genk, Belgium.



With a PhD in Materials Engineering, Jimmy began his career at Aperam working in the commercial department – a role that saw him travelling to many of Aperam’s export destinations, including many Asian countries but also Canada and South Africa.

Building on the broad experience he gained in this role, he soon moved to the Genk production site, first as a member of the executive committee and now as the Manager of the Cold Rolling Plant. *“During my career I have been able to be a part of some great accomplishments, including starting new production lines and developing strong relationships with customers,”* says Jimmy. *“The fact that there are still many satisfied employees and people who*

*have confidence in me is also an important accomplishment.”*

These words highlight Jimmy’s love for working with people. *“What makes me happy in my work is first and foremost people – both customers and employees,”* he says.

According to Jimmy, people are the key to productivity and business success. *“Everyone can buy machines, but the people who operate them, plan their maintenance and oversee production are what make a thriving and strong company,”* he adds.

Speaking of people, Jimmy stresses the important role that diversity and inclusion play in a company’s success – and the importance of being able to work with and manage employees from many different backgrounds. *“Diversity cannot exist without inclusiveness, and that means paying attention to differences, respecting them and integrating them into a company’s operations,”* he says. *“By embracing diversity, you also encourage creativity, which can lead to innovation and long term development.”*

For Aperam as a company, Jimmy only sees advantages in continuing to become more diverse. *“We want to be the most sustainable steel producer in the world, become carbon-neutral, and be even healthier and safer,”* he concludes. *“In my opinion, all of this requires having a diverse workforce of employees who all feel included in the Aperam family.”*

### Tips to newcomers:

*“If you take the initiative, you can build a great career within Aperam.*

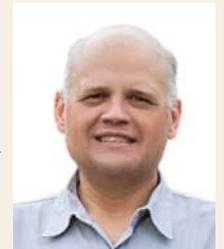
*- Don’t be blind to the problems that come your way, try to tackle them directly.*

*- And finally, listen to your heart, try to discover what makes you personally happy in your job and let that influence your career choices.*

*This is not always easy and it takes time, so be sure to take the time needed”.*

## The impact of ResponsibleSteel™

*“Becoming ResponsibleSteel™ isn’t the finish line - it’s an important first step to further increasing our responsibility, for the environment, for the communities in which we work and for all the people working at Aperam.”*



### Pedro Góes Monteiro

Executive Manager of Compensation & Labor Relations,  
Aperam South America Human Resources

## Quality of life at Work

### Employee Engagement & Communications

Direct and regular engagement with our teams has always been an important part of Aperam’s Leadership style. It is also something that we check regularly within our routines and surveys, both within MyHR, and via our Global All-Employees Climate Survey.

Regarding Employee Surveys, the last one was announced in October and implemented in November, 2022 and, for the first time, to all employees including our colleagues from ELG and all blue collars including in China and India. The results have been extensively used since then to adjust action plans at local and central levels. For the first time, all managers had direct access to the results of their teams. A high participation rate : 77% ! See next page for more information.

Regarding local engagement modes, they can take very various shapes, from quarterly info sessions gathering all employees in our main offices or smaller S&S units, down to large meetings repeated several times to allow the shift workers to participate in turns in some of our main units.

■■■ In France, a new agreement negotiated at the end of 2021 and applicable as of January 1, 2022 was signed with all the social partners. This agreement integrates a special focus on: the prevention of psychosocial risks ; teleworking ; the prevention of professional risk factors and mental health ; and of all forms of harassment.

The additional resources and tools associated with this new agreement include specific budgets to improve working conditions, both in terms of ergonomics and social facilities and a system of end-of-career adjustments to take into account any exposure to hardship factors. Finally, the deployment of two surveys on psychosocial risks is also planned during the 4-year period of the agreement, in addition to the company-wide employee climate survey. One of the measures is a specific set of conditions allowing people to benefit from adjusted working time (part-time), allowing them to leave the company earlier, before the normal retirement date, and to receive additional days depending on their exposure to risk factors. Another one promotes home office.

In 2022, some 25 people applied to this progressive early retirement system and more than 100 entered into home office agreements.

## Take-aways from 2022 All-Employee Climate Survey

> At a global level, all genders together, our strong point remains the attention we give to Health & Safety. Many initiatives have been deployed this year across the sites, such as the Ergonomical & Sanitary Action Plans or the development Towards a Learning Culture on Errors. 78% of employees feel that they are given the opportunity to actively propose and participate in Health & Safety initiatives and 85% employees feel empowered to stop work or tasks if any unsafe conditions are detected.

### Other strengths are:

- **Client focus:** The Climate Survey also reflects our strong customer focus and our commitment to quality: more than 8.1 out of 10 of you believe Aperam actively tries to understand external customers' requirements and expectations.
- **Career and Development** - See page 25: Aperam is a company that values people. To invest in your future, and since 80% of employees want to acquire new skills to further develop their career, Aperam will keep increasing its broad learning offer: roll out the MyHR Learning Platform to all employees, new Business Learning Academies, active use of Coaching and Mentorship as development tools.
- **Diversity** - the 3 new questions on diversity have a score higher than 8/10. See page 20 and following

### > Our main developments points are :

- **Mental Resilience and stress management:** see page 17 and Alexandra's quote
- **Communications**, including open and honest communication: Our main focus remains on two-way communication by direct managers. This means managers should spend time on communicating and listening: 68% of employees think that Management generally understands the problems they face on their jobs and 82% think that the immediate manager is available and accessible when they want to talk or need help.
- **Career perspective and development:** We are still facing challenges to find internal candidates for many roles. We will start a new campaign to promote the Aperam Career Portal and the local job boards (only 74% of employees say they are aware of other job positions at Aperam).
- **Performance management:** Almost 40% of employees believe that their management should use non-financial ways of recognizing their work more often. In line with benchmarks we also see that around 40% of employees believe that their pay is not at the right level. Aperam has already implemented different practices to increase clarity on its remuneration systems, this includes training of management employees on the Compensation Policy, communication of personal Hay grades (that are the basis for job evaluations and salary benchmarking), bonus brochures and regular updates on bonus performance, etc.

In order to financially recognize our talents' performance and value, Aperam aligns its Compensation & Benefits policies by comparing them with the practices on the market. We will continue to provide more clarity on our remuneration and job evaluation systems. Non-financial recognition is mainly a concern in Europe where managers' training will focus on recognizing good efforts, giving regular feedback and celebrating successes.

> For the next climate surveys, we aim for a participation rate of 80% (77% in 2021 and 2022) while keeping the sustainable engagement score higher than 8/10 (7.8 /10 in 2022).

Target

**80 %**  
**Participation  
& Sustainable  
engagement  
rates**

### Voice:

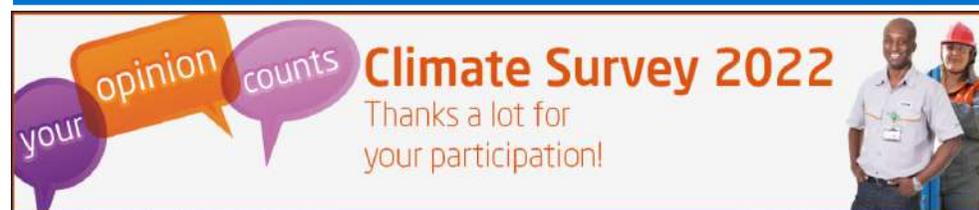


*"The primary aim of our Climate Survey is to measure and understand our people's level of engagement and the improvement actions that can be taken. The annual survey takes place during the last quarter, which lets us evaluate the year's overall performance and identify any new points that need attention."*

*Many actions have already been implemented, and new ones will come following our 2022 survey. For example, in 2023 we will, for the first time, conduct a specific survey about mental health and well-being at work. Covering all Aperam employees in Europe, this survey will help us implement actions to even better identify, prevent, act and react!"*

### Alexandra Arblay

Manager, Health, Diversity and Inclusion and Employee Engagement  
Aperam Europe



## Elodie, Production Consumables Manager, Pont de Roide, France.



Elodie first joined Aperam as a sales assistant at our Pont de Roide, France plant – a position that saw her working not only in customer relations, but also collecting and analysing sales forecasts.

*“From day one, my job involved industry, technology and multilingualism, along with opportunities to work with internal and external contacts,”* says Elodie.

Although Elodie briefly left Aperam after five years in the sales department, the company’s culture was always top of mind. *“Aperam gave me every opportunity to fully integrate into the company, both through access to technical training to improve my sales pitch and through a range of teambuilding activities like a running club,”* she says.

That’s why, in 2016, she re-joined the company, this time as a management assistant, a role that saw her overseeing a wide range of tasks, including travel coordination, internal communications, event organisation, and social activity planning. *“I loved being able to do a little bit of everything, all of which helped build team cohesion and enhance the quality of life-at-work for everyone,”* adds Elodie.

In 2019, Elodie jumped at the opportunity to retrain as a production consumables manager. *“It was a challenge to fit in as a female in an all-male team, especially since most of my team members only knew me as a secretary,”* she recalls. Despite this challenge, Elodie says she had no problem quickly integrating with her new team. *“I think it’s perfectly possible to combine life as a woman and a mother while developing your career at Aperam,”* she says.

Elodie’s embracing of new challenges has inspired other women to follow suit. In fact, a female colleague has already joined the department as a manager in the rolling sector.

### Tips to newcomers:

*“Don’t be afraid to impose your own style, have faith in yourself and constantly nourish yourself with the knowledge of the people around you.”*

## New work patterns/Work Life balance

To improve the local Professional/Personal life balance, some units can be very innovative.

■■■ In March 2021, further an extensive study on the home office adaptation in times of lock-down, an ad-hoc organisation was formalised for our main office site of Saint-Denis,

integrating rotations between home office and physical attendance as the future permanent routine.

> While reducing the surface rent, this new way of working allows more agility, and gives more flexibility to employees to organise their lifetime. The new organisation is based on a minimum of two days of home office and pays special attention to the enhancement of teamwork. Specific accompanying measures have also been defined to ensure the prevention of isolation, develop exchange times between colleagues and management, and provide material support for an optimal home office experience.

> After several months of implementation, a questionnaire was shared with the teams at the end of 2021, which showed that the workspaces meet the needs of employees by alternating physical presence and homeworking, and also allow for times of conviviality with the development of informal events such as environmental challenges, sportive events or video game night.

Due to the 2021 COVID developments that led to necessary adaptation, we really saw the full effect implementation in 2022. According to the Climate Survey and direct feedback of concerned employees, there is a good overall satisfaction with the operation and the support methods. In addition, the home office has been confirmed in the new Quality of Life and Working Conditions agreement in France, in force since January 1, 2022, where more than 100 employees have signed up for this scheme.

## The impact of ResponsibleSteel™

*“This was really a project that was carried out during the year, which brought us enormous knowledge regarding sustainability, people, society, human rights.*

*I am happy to have participated to leave this legacy for Aperam.”*



**Paulo Dias Soares**

Aperam South America Improvement Program Analyst

## 2022 Recognitions

Employee care is a long-term priority for Aperam!

> In Europe, for the sixth year in a row, Aperam was ranked amongst the best employers (4th in 2022) within Heavy Industry and Materials by French Capital Magazine.

> In Brazil, Aperam BioEnergia achieved the third championship of the “Incredible Places to Work” 2022 award among the Agribusiness companies. In the Steel & Mining sector, Aperam South America was rated second in a consistent result, the same since 2019.

The “Incredible Places to Work” award considers the results of the annual FIA Employee Experience (FEEEx) survey, which establishes indices for organisational climate, people management, leadership, and CEO popularity and management.

# Our Planet

Our plants use immense energy and hazardous substances to transform recycled and raw materials into the precise blend of Alloys required by our clients. In turn, these Alloys can be used to make affordable, long-lasting and sustainable products, including energy-efficient buildings and low emission vehicles.

Although Aperam is an industry leader in sustainability, our new 2030 milestones for energy, CO<sub>2</sub>, air and water, show our commitment to minimise our impact on the environment - and on our neighbours. We are proud of our state-of-the-art CO<sub>2</sub> footprint and of our action plan to reduce it further and contribute to global carbon neutrality, with a net zero footprint (scopes 1+2) by 2050.

## Our Vision and Organisation

### Organisation

During 2022, amid the energy crisis in Europe, we have accelerated our programmes aiming to reduce our specific energy consumption and CO<sub>2</sub> emissions. We adapted our organisation for a greater coherence to our actions to mitigate our environmental impacts, particularly those arising from Greenhouse Gas emissions. As part of that, the position of Chief Sustainability Officer has been created within the CTO organisation, with responsibility for environmental management, industrial risks and the Energy/GHG action plan.

> At the end of 2022, a portfolio of over 100 projects contributing to our 2030 Greenhouse Gas emission reduction plan (-30% GHG scopes 1-2 and -11% energy consumption - base 2015) was monitored in close collaboration between local operations and the CTO team.

- Each production site has one or two engineers dedicated to the feasibility studies of energy/CO<sub>2</sub> projects, from the idea to the preparation of the investment file. When accepted, the implementation is carried out under the guidance of the local engineering department, with possible support, in terms of resources, from the CTO team. All the engineers exchange on a monthly basis about the ongoing projects in order to ensure knowledge sharing and swift implementation of proven techniques in all the group's plants.

- The governance of the management of this project portfolio is based on monthly steering committees in each plant, the main purpose of which is to ensure that the objectives and priorities are perfectly aligned between the various stakeholders.

> In terms of environmental management, the partially centralised organisation aims to promote collaboration between the various managers from different locations and to optimise investments by giving priority to the projects that allow the greatest progress to be made within the framework of a multi-year plan.

### Main 2022 evolutions

> 2022 is the year of the integration of our new Aperam Recycling division. While this integration is adding CO<sub>2</sub>e emissions on our Scope 1+2 emissions (16.7kt of CO<sub>2</sub>e in 2022), Aperam is keen to keep its original target set for 2030 and 2050. 2022 was also the year in which we organised our first Sustainable Development Week (see p. 44), further deployed our biodiversity program (see p. 43), and showed important progress on the group dust emissions (see p. 37). All this while continuing to work towards our other 2030 and long-term objectives and promoting the virtues of the circular economy.

> During 2022, we decided in addition to our climate change report to CDP to add the water security report. We earned a "B" rating for the first year and see this rating as a recognition of all the efforts our teams are doing to improve the use of the water resource.

### Voices

*"While integrating the new recycling business, the CO<sub>2</sub> objective for 2030 remains the same. This is a strong message demonstrating our commitment to reduce to its maximum our scope 1+2 CO<sub>2</sub> emissions."*



*Regarding scope 3, a first assessment of our scope 3.1 is disclosed in this report. It is part of the SBTi-compliant roadmap that we build for Aperam Scope 1+2+3 emissions towards 2030 and 2050."*

**Laurent Piranda**

Head of Environment & Industrial Risks



78% of employees consider Aperam environmentally responsible



## Voices

The clock is ticking to preserve our Planet as an environment where mankind and nature are able to prosper for many generations to come. Aperam is committed to play its societal role to contribute to this worldwide challenge. We know that we make a product which will play an essential role in this future world, thanks to its lifetime and its endless recyclability, but also thanks to the way we produce it.



We are on a clear roadmap as a company, taking many small and big steps towards a leading role in the circular economy of the future. And we will continue to innovate and find new ways to further and faster reduce our scopes 1, 2 and 3 CO<sub>2</sub> footprints, and minimise our global environmental impact.

**Bernard Halleman**  
Aperam Chief Technology & Sustainability Officer

## Our Environmental Performance GRI 305-4, 305-7, 302-1, 302-3, 303-2, 303-3.

| Indicator                                | Unit                                  | 2030 targets  | 2022 <sup>(4)</sup>   | 2021   | 2020  | 2015  |
|--|---------------------------------------|---|-----------------------|--------|-------|-------|
| Energy: Elec + Nat. Gas + LPG            | GJ/tcs <sup>(1)</sup>                 | 6.9 (-11% vs 2015)                                      | 8.0*                  | 7.8*   | 7.7   | 7.8   |
| Energy: All                              | GJ/tcs <sup>(1)</sup>                 | n/a <sup>(2)</sup>                                      | 13.2*                 | 13.2*  | 13.3  | 12.0  |
| CO <sub>2</sub> sequestration            | ktCO <sub>2</sub> e                   | n/a   | (412)* <sup>(5)</sup> | (467)* | n/a   | n/a   |
| GHG emissions (net) <sup>(3)</sup> (B'') | tCO <sub>2</sub> e/tcs <sup>(1)</sup> | 0.30  | 0.32*                 | 0.34*  | n/a   | 0.54  |
| Dust emissions (exhaustive)              | t                                     | n/a   | 210*                  | 327*   | 298   | 521   |
|  | g/tcs <sup>(1)</sup>                  | 75.7 (-70% vs 2015)                                     | 107*                  | 155*   | 152   | 252   |
| Recycled Input in Production             | %                                     | n/a   | 29.1                  | 28.2   | 25.4  | 30    |
| Wastes to landfill                       | kt                                    | Zero Waste for Landfill<br>i.e. 100%<br>Reused/Recycled | 108.5                 | 110.7  | 87.6  | 103   |
| Hazardous Wastes                         |                                       |   | 30.0                  | 32.3   | 25.04 | 36    |
| Non-Hazardous Wastes                     |                                       |   | 78.5                  | 78.3   | 62.55 | 67    |
| Reuse Rate                               | %                                     |   | 92.4                  | 92.9   | 94    | 93.5  |
| Water Intake                             | million m <sup>3</sup>                | n/a   | 21.1*                 | 21.7*  | 22.8  | 22.1* |
|  | m <sup>3</sup> /tcs <sup>(1)</sup>    | 6.1 (-40% vs. 2015)                                     | 10.8*                 | 10.0*  | 11.8  | 10.2  |
| Water Recycling                          | %                                     | n/a   | 96.02                 | 95.8   | 95.3  | 95.4  |
| Water Discharge                          | million m <sup>3</sup>                | n/a   | 16                    | 17     | 16    | 15    |
| Suspended Solids in Water                | t                                     | n/a   | 225                   | 307    | 146   | 204   |
| Metal Discharge in Water                 | t                                     | n/a   | 7                     | 7      | 9     | 6     |

(1) Ton of crude steel, 'all tons', i.e. including 'purchased tons' - For more information, see Supplement D - Methodological Appendix.

(2) 2030 objective scope limited to electricity, LPG and natural gas only.

(3) GHG emissions net of CO<sub>2</sub> removals (sequestration) operated by our Brazilian forestry.

(4) Including Aperam Recycling, the new Segment within the Aperam recycling & Renewables, which was built upon the recently acquired ELG business.

(5) For 2022, calculated based on a carbon stock computed in light of the updated native forestry categorisation (based upon more advanced satellite imagery) and the latest (2022) updates of the reference database (United States Geographical Survey, USGS).

\*Data highlighted with a star have received external assurance.

> In parallel, we continued to report monthly to the management and to review, upgrade and complement our main indicators, allowing us to react quickly if one is off track. This was also done taking into consideration the new requirements of the EU taxonomy (see p. 36). To enhance our global efficiency, particular attention was also provided in the development of information systems both to optimise our performance monitoring consolidation process (and integrate the new Recycling units) and also to efficiently report incidents and anomalies. The benefits of this work will only be fully apparent in the course of 2023.

### Incentivization for Further Progress

For a few years now, the CO<sub>2</sub> performance has also been incorporated into the individual objectives of the management, ensuring a focus at the highest level of the organisation. Other incentivization initiatives are not excluded as Aperam's management is convinced that water for example is very precious to protect. We launched during 2022 an internal study to review the impact of climate change on the water resource, and this is followed in 2023 by a large project on climate change risk.

## Industrial Footprint

### Energy and CO<sub>2</sub>



#### A Key Responsibility

The steel sector is one of the world's biggest greenhouse gases emitters. This is the result of both the industrial equipment it uses, which is designed to reach temperatures of over 1600 °C to melt iron ore or scrap, and the chemical necessity of adding carbon to iron ore in order to produce steel.

Despite operating in this heavy industry, Aperam maintains a best-in-class carbon footprint, the result of three key factors. First, our European electric arc furnaces predominantly use scrap metal instead of mined raw materials (see p. 39). Second, on top of operating energy efficiently, we also use a low-carbon energy mix (see p. 35). Last but not least, and this is really unique in our sector, Aperam can also be considered an agricultural company, operating over 100,000 ha of FSC®-certified forests in Brazil.

We use our forests to produce our own charcoal, which we then use as input in our steelmaking process as a natural and renewable substitute for fossil fuels (coal based coke). Unlike many of our global competitors, this allows us to entirely eradicate the use of extractive coke in our blast furnaces and makes our steel more sustainable.

### Forests and Carbon Offset

From the careful genetic selection of the sapling to planting, maintenance and harvesting, our forest is continuously cultivated and maintained according to best practices in sustainable forestry. We manage this forest as a precious asset, ensuring the protection of biodiversity and respect to the environment, and we regularly win awards for these practices.

- The cultivated forest is managed in a way that increases the density of the wood per hectare. This is thanks to the species we plant, which are more efficient (less water and fertiliser needs, enhanced resilience to pests) and more dense than the species previously planted. This change was made based on the genetic improvement of our research and development laboratory.
- Our saplings are recognized for their quality in Brazil.
- The native (non cultivated) forest is managed in a way that respects the natural species and biodiversity (including pollinators). To do so, we replant where needed.
- As fire is a risk, we actively track and fight any possible fire using viewpoints, camera monitoring, drones, and other technologies.

> After harvest, BioEnergia sends the trees to kilns, where they are turned into charcoal (biomass), known as “bio-coal” locally. This forest is factually carbon negative, meaning it acts as a carbon sink. Our parcels stock CO<sub>2</sub> in the cultivated areas, in the trees and in the soil where leaves degrade into humus. The same can be said for the native forest areas, which are conserved in accordance with local regulations and to the benefit of local biodiversity.

> The annual carbon sink improvement of our forest depends on the planting strategy rolled out 5-8 years ago. Therefore, the carbon sink is not stable year-on-year. Until we achieve our ‘cruising speed’ in terms of density and carbon capture, some years may even see a decrease in the carbon sink. That being said, we are happy to confirm that our forest management brought a carbon offset of 412 kt in 2022, which is less than the 467 kt offset in 2021, the result of the lower planting done half a decade ago.



Aperam BioEnergia 's carbonization unit with the 100,000 ha of FSC®-certified forest in the background (Minas Gerais, Brazil).

## Refining an Already Best-in-Class CO<sub>2</sub> Performance

Since 2017, our CO<sub>2</sub> footprint intensity has been constantly at the vanguard, well below the industry standard, with the latest WorldStainless's average being at 0.88 tCO<sub>2</sub>e/tcs in 2019, according to the Association's 2021 General Meeting. While we record a best-in-class performance, maintaining it requires constant efforts and 2022 saw the launch of substantial works for the next phase of our decarbonization (see next pages).

> On top of the energy pillar of our program (see p. 35), we are investigating other strategies. As part of this, we now yearly assess both the emissions and the sequestration achieved by our exceptional forestry management (see above), as well as those linked to our conservation program (Oikos). While it impacts our Scope 1 emissions "(a)" - mostly from methane (CH<sub>4</sub>) emissions during the wood carbonization process - this new methodology allows us to report massive carbon captures in "(c)", thus bringing a complete view of our impact, now consolidated in absolute value in "(B) Scope 1+2 net".

As a result, we report the following detailed figures, in absolute terms as well as in intensity.

### GHG emissions (GRI 305-1; 305-2; 305-4)

| Absolute values and intensities, by scope                       | GRI        | Unit                        | Target 2030 | 2022 Full Scope | 2022 2021 scope |
|---|------------|-----------------------------|-------------|-----------------|-----------------|
| (a) Scope 1 - Non-Biogenic (absolute value)                     | 305-1      | ktCO <sub>2</sub> e         | n/a         | 807*            | 796             |
| Scope 1 - Biogenic (absolute value)                             | 305-1      | ktCO <sub>2</sub> e         | n/a         | 945*            | 945             |
| Scope 2 (absolute value) location based                         | 305-2      | ktCO <sub>2</sub> e         | n/a         | 243*            | 238             |
| (b) Scope 2 (absolute value) market based                       | 305-2      | ktCO <sub>2</sub> e         | n/a         | 217*            | 212             |
| (A) Scope 1+2 <u>gross</u> (absolute value: a+b)                | n/a        | ktCO <sub>2</sub> e         | n/a         | 1025            | 1008            |
| <b>(c) Sequestration (absolute value)</b>                       | n/a        | ktCO <sub>2</sub> e         | n/a         | (412)*          | (412)           |
| <b>(B) Scope 1+2 <u>net</u> (absolute: a+b+c)</b>               | <b>n/a</b> | <b>ktCO<sub>2</sub>e</b>    | <b>n/a</b>  | <b>613</b>      | <b>596</b>      |
| (A') Scope 1+2 gross intensity (own tcs): (A)/tcs               | 305-4      | tCO <sub>2</sub> e/tcs      | 0.37        | 0.53*           | 0.52            |
| (A'') Scope 1+2 gross intensity (all tons): (A)/tcs             | 305-4      | tCO <sub>2</sub> e/tcs      | 0.37        | 0.53*           | 0.52            |
| (B') Scope 1+2 net intensity (own tcs): (B)/tcs                 | n/a        | tCO <sub>2</sub> e/tcs      | 0.30        | 0.32*           | 0.31            |
| <b>(B'') Scope 1+2 <u>net</u> intensity (all tons): (B)/tcs</b> | <b>n/a</b> | <b>tCO<sub>2</sub>e/tcs</b> | <b>0.30</b> | <b>0.32*</b>    | <b>0.31</b>     |

\*Data having received external assurance.

Besides, the variation in the volumes (mostly slabs) purchased from the market to further transform them and increase our sales can have a significant impact on our metrics. So, last year, we decided to avoid distorting our ratios by adjusting the emissions "as if" we had melted ourselves these tons (adding fictive emissions) in the numerator and not only considering our "own" tons of crude steel ("own tcs") but "all tons" (i.e "own + purchased") in the denominator. We believe this methodology gives a fairer view in so far as our performance is more comparable year on year - and also in view of competitors'. Again, we

present both fractions (B' and B''), for the sake of full transparency, but **the one reflecting our performance will be the B''** ("net CO<sub>2</sub>e intensity - all tons"). For more information on methodologies, please check the Appendix D.

> Using our "all tons" methodology (line B''), **our 2022 emissions are 10% lower than in 2021** on the same scope, i.e without Aperam Recycling. This is mostly due to two reasons:

- On scope 1, we continued the installation of CH<sub>4</sub> burners on Bioenergia carbonization units and proved their 100% efficiency, thus reducing drastically our methane emissions ;
- On scope 2, almost 15% of the improvement comes from better grid emission factors in addition to the benefit of an increased on-site green energy production (see our achievements in Belgium, page 35).

Overall, in 2022, our Brazilian forest management is bringing a partial offset of our local emissions and the impact is also significant at Group level : **using our indicator B'' corresponding to the CO<sub>2</sub>e footprint of Aperam (full scope), we report a 0.32 tCO<sub>2</sub>e/tcs.**

As our most impactful projects have not started, Aperam is on track to achieve its CO<sub>2</sub>e 2030 objective of -30% vs. 2015, which stands at 0.30 tCO<sub>2</sub>e/tcs taking into account all our new methodological updates introduced last year (check the Appendix D).



### Our 2030/2050 Targets and Roadmap

Despite the integration of the Recycling division and the inclusion of new emissions from 2021 (eg. biogenic methane out of our charcoal kilns), we maintain our ambitious 2030 target unchanged (gross scopes 1 and 2). At iso-methodology, it represents an improvement much more ambitious than the 30% announced initially (base 2015).

Our net intensity target is very close to our current result and we should do better. But, taking into account the variation of the forest carbon offset and the evolution of the volume of production, we remain cautious. As soon as we will disclose an objective including scope 3, we will reassess our objectives as we now believe we might go faster on our de-fossilisation roadmap.

In the meantime, we continued our efforts, during 2022, to get on speed our projects on :

- Energy Efficiency, incl. Heat Recovery.
- Investments on high efficiency ladle burners at meltshops.
- Ongoing HECO<sub>2</sub> project with other industrials (electrification of heating and carbon capture in the Meltshop).
- Carbon-free fuel/energy, incl. NG substitution, Solar and Wind.
- CH<sub>4</sub> emission reduction from our charcoal kilns (burners).
- Variable speed drives and oxy combustion.

Although there is a long way to go, we are on track to achieve our 2030 and 2050 objectives.

## Scope 3 and total carbon footprint

Reporting on Scope 1+2 is key, as our primary responsibility remains to minimise the impact of our own process, but considering the full picture is also paramount for the decarbonisation of the economy. A total CO<sub>2</sub> footprint aggregates a company's emissions (scopes 1+2) with those emitted upstream of the process (called "scope 3a"<sup>3</sup>, it covers all production input, from raw materials to travel and computers) and the downstream footprint ("scope 3b").

> For stainless products, the weight of the CO<sub>2</sub> emissions related to upstream processes, particularly those linked to the extraction and refining of primary raw materials (scope 3.1, category "purchased goods and services") is paramount. That is why, for our sector, the most pertinent comparison shall rely on a footprint scope 1+2+3a.

As an example, even if our energy-intensive Recyco unit acts as a recycled material supplier, it is an *internal* supplier, therefore its CO<sub>2</sub> emissions are consolidated within our (Scope 1+2) footprint - not in our Scope 3. The same now applies to our Recycling segment.

> **For 2022, we report a global scope 3a at a level of 3.83 MtCO<sub>2</sub>e/ton, of which the scope 3.1 is 3.35 MtCO<sub>2</sub>e.** Our global Scope 3a intensity reaches a level of 1.985 tCO<sub>2</sub>e/ton. Without sequestration, the global Aperam footprint (scope 1+2+3a) is 2.5 tCO<sub>2</sub>e/tcs - and with sequestration, it stands at 2.3 tCO<sub>2</sub>e/tcs.

> Our (scope 1+2) footprint is already best-in-class but considering our high usage of stainless steel scrap in Europe and the fact that we use no extractive coke in Brazil, our raw materials footprint is much lower than the sector's average: according to our certified Environmental Product Declarations (EPD), i.e. using normative emission factors, our scope 3a emissions (upstream, from cradle to site entrance) could range from 1.29 tCO<sub>2</sub>e/ton (304 products) to 1.68 tCO<sub>2</sub>e/ton (K41 KARA) for the products made in Europe and this is a preliminary estimate. **We evaluate<sup>4</sup> that the CO<sub>2</sub>e emissions per ton for stainless steel made of extractive raw materials is up to five times higher than ours.**

To improve our estimate, our teams are striving to collect more specific data in relation to the raw materials purchased from our main suppliers.

> **A first plan is already established to reduce Aperam's scope 3a by a double digit percentage by 2030.** This is seen as a starting point and more will be developed to achieve our 2050 target. Our average nickel input footprint is clearly below that of Nickel Pig Iron (almost 60 tCO<sub>2</sub>e/t of Laterite - matte via NPI -, according to the IEA, May 2021), but we are continuing our efforts with our suppliers to further decrease this impact.

While developing technologies to increase the supply of environmentally friendly nickel with our Botanickel joint venture company (see p. 46), we are actively working with our suppliers who are responsible for over 70% of our scope 3.1 emissions. This is a long journey since our suppliers also need to find out their total CO<sub>2</sub> emissions to be able to provide a robust roadmap with objectives for 2030 and 2050.

In 2022, our estimated scope 3.1 was 3.35 MtCO<sub>2</sub>e, representing 87.4 % of our scope 3a.

<sup>3</sup> All emissions (scopes 1+2+3) related to the production inputs used by our activity, including consumables, assets and the related transportation (8 categories of products and services) before they enter our sites. Scope 3b refers to the downstream emissions, including the transportation to the user and energy consumption during the product's usage.

<sup>4</sup> Aperam estimates & calculation, ISSF data, CRU.



The girders of the Brides les Bains footbridge are made of Aperam 304L stainless steel, with a Uginox polished mirror reflecting the eddies and movements of the water. The footbridge thus changes with the seasons and the weather, and allows for discrete integration into this alpine environment.

Footbridge of Bride les Bains, France - Nu Architect © Cyrille Lallement, Aperam 304L Uginox Meca 8ND®

## Voices

*"At Aperam, we are committed to concrete results, implementing more than 100 actions aimed at increasing our energy efficiency, recovering waste heat and replacing our fossil fuels with low carbon or renewable energies.*

*We are on track to achieve a reduction of our CO<sub>2</sub>e emissions per ton by 30% in 2030 compared to 2015, with the ultimate goal to achieve carbon neutrality at group level before 2050, after taking into account sequestration efforts such as those carried out in a masterful way in our forests in Brazil.*

*In parallel, biodiversity clearly plays a major role in our economies and our lives in general, as the epidemics recalled. As many of the solutions to mitigate Climate Change or its effects will come from natural environments and the services they provide, biodiversity promotion is part of our plan too! See our efforts p. 43."*

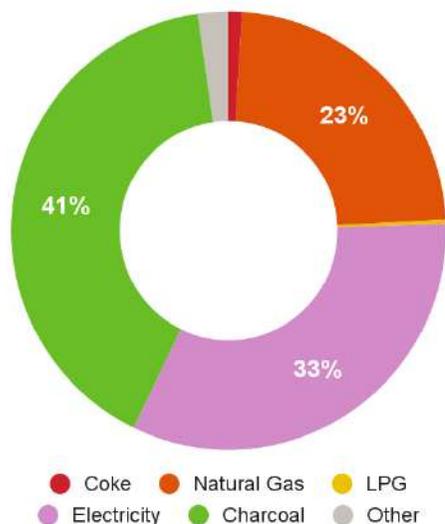


## Carlo Morettin

Chief Sustainability Officer

## Aperam 2022 Energy Split (%)

GRI 302-3



Inauguration of Genk solar park in May 2022.

### Energy Mix and 2022 Performance

Despite ongoing efforts, Aperams reports 13.2 GJ/tcs or 3.7 MWh/tcs (including purchased tons, see Supplements for details on our methodology (GRI 302-3, 302-4)) which represents a 0.75% deterioration in energy efficiency over 2021.

Nevertheless, we remain on track to achieve our 2030 target of an 11% reduction in energy use (base 2015). In 2022, the energy efficiency has been impacted by the integration of Aperam Recycling division and by the decrease of the production.

## Energy

**50% Renewable energy**

**2022 performance +2% vs. 2021**

### Mix Effect

Our energy intensity depends on the metallurgical blend we produce, as not all metals melt at the same temperature. Furthermore, when we “sophisticate” our products during downstream operations, such as when we give them a bright surface finish or transform them into tubes, wires or tiny precision strips, we use more energy than what is used to produce semi-products. However, the volume of initial crude steel remains unchanged, which impacts ratios and apparent performance displayed in terms of energy intensity...

This means that comparisons are only valid between similar products!

The lower production volumes coupled with mix effects and several technical issues in some plants led to hide the benefit of actions implemented in 2022 to improve our energy efficiency (e.g. Electric Arc Furnaces, reheating and annealing furnaces efficiency, LED lighting,...).

> On the energy mix side, ours remains a subject of pride, with 41% coming from charcoal biomass (see aside, +4 pts last year - taking into account the share of our electricity generated from renewable sources). As for electricity, in 2022, our global carbon footprint decreased in our main countries of operation. In addition to lowering the emission factor of our electricity suppliers, several other actions have also had a positive effect (even if it is partial in 2022). These include major solar panel projects (30 MWp in Belgium).

■■■ In Belgium, where our biggest European steel plants are located, we have a major programme to turn to solar energy.



Windmill and photovoltaic panels at the Genk (including the parking area).

> The 50,000 panels installed in Genk (left) started providing green electricity to the site at the beginning of 2022.

Almost 20 GWh were produced during the year, covering nearly 5% of the site’s electricity needs. We are investigating how to increase this capacity. We are also installing LED lighting, which helps save an additional 6000 MWh annually.

> A similar project was implemented at our Châtelet plant. At the end of 2021, we investigated how to best turn its roofs into a solar panel park. After an intensive study, suitable locations for the solar panels were identified, based on stability and sunlight. The study resulted in a photovoltaic project with more than 15,000 panels installed on a total surface of 4.5 Ha. The complete project results in an installed capacity of 6.9 MWp and an expected annual production of 6,300 MWh of green electricity .

The first green MWh were produced on July 1<sup>st</sup>, 2022, with production reaching 2860 MWh by the end of the year.

Almost 100% of the energy produced is consumed locally, on our site, which means injection into the public high-voltage grid shall be exceptional. This allows us to reduce our CO<sub>2</sub> emissions by approximately 1,000t/year. The related production of green electricity corresponds to the average electricity consumption of 1,750 Belgian households. On top of this, to accelerate the greening of our vehicle fleet, 100 additional charging stations will be installed in 2023.



Photovoltaic panels on Châtelet roofs.

## The EU Taxonomy: Aperam' Climate Change Mitigation Activities

Aperam's steel operations and, due to analogical rationale and usual business practices<sup>5</sup>, our alloys and specialties business all fall under Economic Union Taxonomy regulation's sectors 3.9 - Manufacture of iron and steel and 5.9-Material recovery from non-hazardous waste (covering the activities of Aperam Recycling).

> In 2022, we conducted a thorough analysis that included verifying our main units' compliance with relevant substantial criteria. The specific criteria used were direct GHG emissions generated by our steelmaking units' production of hot metal, calculated according to the methodology used for EU-ETS benchmarks. In order to include EU Taxonomy results in our Annual Report, which was published on March 28 2023, we used 2021 data as the 2022 data had not yet been verified. The applicable criteria for Aperam Recycling activities was the 2022 rate for the weight of converting the separately collected non-hazardous waste into secondary raw materials.

We also analysed our main units' alignment with the EU Taxonomy Do-Not-Significantly-Harm (DNSH) criteria and Minimum Safeguards, based on 2022 information and any operational incident reported.

As pre-announced within our Annual Report's Taxonomy section, we can now confirm, based on 2022 verified direct GHG emissions, that that Aperam's activities that are aligned with the EU Taxonomy represent 81% of 2022 turnover, 76% of 2022 OpEx, and 61% of 2022 CapEX of the Aperam Group. Our 2022 verified GHG emissions had a plus or minus 10% gap compared to the initial assumption (2021 emissions). This means the margin of error is quite negligible compared to the margin of manoeuvre to the "Mitigation" GHG thresholds, which stand between 25% and 95% higher, depending on the unit considered. This also means our internal methodology based on (Y-1) data provided reliable information.

> In the end, the final results with respect to our Group's EU Taxonomy alignment are fully in line with the results of our preliminary analysis disclosed as part of our Annual Report (including table in Appendix I of the Annual Report, p. 107) and based on 2021 verified data.

| 2022 Group Activity <sup>(1)</sup> | EU Taxonomy Eligible | EU Taxonomy Aligned | EU Taxonomy Not Aligned |
|------------------------------------|----------------------|---------------------|-------------------------|
| Turnover                           | 100%                 | 81%                 | 19%                     |
| Capital Expenditures               | 85%                  | 61%                 | 39%                     |
| Operating Expenditures             | 94%                  | 76%                 | 24%                     |

(1) Based on 2022 verified CO<sub>2</sub>e information.

<sup>5</sup> In the absence of a unique definition of steel and ferro-alloys, our analysis is based on the proximity of classification between Alloys and Stainless Steel activities, both being covered by the EUROFER association under one single "stainless & specialty steel" category next to "steel" and considered by the regulator as being subject to the same rules and norms, in particular the National permit procedures, the European Union's Emission Trading System (ETS) and the EU Best Available Techniques (BAT) for Iron and Steel Production. For more, see [2022 Annual Report](#), p. 104.

The summary table (left) is fully updated and the detailed information is now communicated on our website under the Taxonomy sub-section.

> All our main units used as reference for this analysis, along with the Timóteo plant in Brazil, operate in compliance with their applicable regulation and Aperam's internal standards. Yet the lack of alignment between the requirements defined under the rules of EU Taxonomy (in particular the EU BAT) and those applicable under Brazilian law currently prevents us from confirming our Brazilian operations' compliance to the DNSH Pollution Prevention and Control in 2022. This explains why we cannot report alignment with the EU Taxonomy criteria on this perimeter and why we disclosed a total share of our activity being aligned for 61% to 81%, depending on the financial criteria selected.

> That being said, we are proud to announce that our Brazilian unit is on the right path to ensuring compliance with BAT, a commitment that, when reached, will allow full alignment per EU Taxonomy standards. A first milestone was reached when the unit became ResponsibleSteel™ certified in early 2023, after the full audit process undergone in 2022.



> Please also refer to the [Annual Report, section EU Taxonomy](#), for more information on our methodology.

### The Impact of ResponsibleSteel™

*"Being ResponsibleSteel™ certified means embarking on a journey that does not set limits and that encourages us to increasingly seek cleaner, more innovative technologies with less environmental impact."*



**Susana de Castro Alves Moreira**

Aperam South America Environmental Engineer

## Air Emissions



Local air quality is an important issue for our operations. Our Environmental Policy commits us to a long-term approach to environmental performance and, according to our Stakeholder engagement, dust (particulate matter) stands amongst our most important material issues. In addition to dust, we also produce other air emissions, in particular NOx and SOx, reported for Europe only (see left-hand side).

Because this issue is so important to the local communities around us, Aperam has committed to going beyond what is required by current regulations. Diffused dust is measured periodically to evaluate the leakages and identify areas for improvement. Furthermore, dust falls are also a relevant additional indicator, as it directly reflects the nuisances caused to local populations. But this last metric is impacted by external factors such as wind or alternative sources of pollution (agriculture, traffic, etc.), rendering the interpretation subject to debate. As such, we mostly report ducted dust emissions.

With the aim to change mindsets, improve the reliability of our measurements and ensure that progress is continuous, we have set up an action plan with global Aperam targets. We also started to conduct more frequent measurements and develop more precise methodologies for the assessment of our impacts (See Supplement D). As our previous goal has been achieved (-40% in 2021 in intensity, from 2015 benchmark), in 2020 we announced a new target of a -70% decrease of our ducted dust emission intensity by 2030 (compared to 2015). This objective is to be reached while also reducing diffused (non-ducted) dust. For 2022, the objective is achieved thanks to important changes done in our Timóteo facility, where we added a continuous surveillance system and a capability to do onsite measurements.

### Ducting and Controlling Dust Emissions

Our dust emission improvement plans focus on either containing, ducting, or collecting the dust (in Europe, the collected dust is sent back to Recyco for recycling).

> Our “exhaustive” indicator, which provides a good assessment of our impact over the full year based on all the measurements done (not only those reported to the authorities as per our permits ie. two per year and chimney in Brazil), shows a total Group emissions of 107 g/tcs, compared to 155 g/tcs last year [GRI-305-7](#).

> This result is well reflecting the action plans in our Timóteo facility. For the three European meltshops, we have strong improvement programs in place including revised maintenance plans and the set up of more ducting and treatment capacity (like in Imphy, with the EAF 4<sup>th</sup> hole ducting project). The Timóteo plant being the main contributor to the ducted dust emissions, we launched an engineering study in 2021 to clarify what are the best investments needed to bring our emissions at target in 2030. We took the first actions during 2022 and see already promising results. In the meanwhile, the team is committed to ensure a perfect management of our dedusting assets.

## Air emissions

**107 g/tcs 2022 dust emissions**  
**Multi-year roadmap**

### NOx/SOx emissions (Europe only) GRI-305-7

| Emissions  | Unit  | 2022 | 2021 | 2020 | 2019 |
|------------|-------|------|------|------|------|
| <b>NOx</b> | t     | 830  | 830  | 544  | 763  |
| <b>SOx</b> | t     | 54   | 59   | 45   | 37   |
| <b>NOx</b> | g/tcs | 426  | 371  | 279  | 381  |
| <b>SOx</b> | g/tcs | 28   | 28   | 23   | 18   |

### Noise and Vibrations

Our plants, while being compliant in terms of noise emissions, are continually working to improve any “sound nuisances” perceived around the properties. They are running regular campaigns or are placing sonometers close to the neighbouring houses to identify where the Aperam’s activities have an impact on the global noise environment. In general, any change is an opportunity to improve our impact on people and on the environment.

■■■ As an example of this commitment, we would like to highlight the participation of Aperam to a European project called “SILENCE” in collaboration with two Universities, Scuola Superiore Sant’Anna de Pisa (Italy) et Deusto de Bilbao (Espagne), one laboratory and a carbon steel producer.

The project “SILENCE” aims to reduce acoustic emissions impact on steelwork and surrounding communities through the installation of real-time acoustic sensors, coupling modern process monitoring techniques with a KPI’s metric approach. Artificial intelligence tools and machine learning-based analyses application will assess the acoustic performance of the different processes correlating them with process data and meteorological conditions.

The final aim is to give online information and advice to the operators who could act to mitigate the acoustic emissions level. Moreover, strategies will be adopted for suitable training to improve operators’ acoustic sensitiveness. The SILENCE systems will be tested in two plants located in different morphological areas producing carbon and stainless steel, one of which is Aperam Châtelet.

### Eucalyptus and Water

Like all vegetation, eucalyptus requires water and nutrients to grow and survive. However, the forests at our unit in Brazil (BioEnergia) are grown using carefully selected saplings which require less water and nutrients and are thus particularly well suited to the unique environmental conditions of Vale do Jequitinhonha, our only unit in a regular hydric stress. Thanks to our state-of-the-art R&D, we will continue working on plant selection to further adapt their water needs and pest resistance.

For more information, visit: [aperam.com/sustainability/environment/bioenergia/](https://aperam.com/sustainability/environment/bioenergia/)



## Water

At Aperam, our commitment to clean water is an everyday topic and a responsibility to our local stakeholders : this is reflected in the way we monitor our water intake and the quality of our disposal in line with our permits. We aim to intake less water by reducing our consumption and increasing the amount of recycled water we use, which is currently 96%.

- > After a global audit program on the water intake at our main sites in 2021, we had to delay the second wave of this water auditing program to 2023-2024 to give priority to our energy management since the situation changed with the energy crisis fostered by the war in Europe. However, during 2022, we launched an assessment on the water scarcity risk at our main sites and a thorough climate change assessment of all our locations (see p. 42).
- > One of our main challenges in water intake management is the adaptation of the water use to the level of production. In 2022, we faced periods with lower production levels, due to high competition from imports and energy prices, and we could not optimise the level of our water intake according to the reduced needs (see below). Nevertheless, this is not jeopardising our commitment to achieve the 2030 goal of 6.1 m<sup>3</sup>/t.

### Water Intakes Trends

After a continuous reduction between 2012 and 2015, we have since then observed a period of stabilisation, particularly in terms of intensity. Here are the detailed results for 2022 :

- Total intake in absolute value for 2022 was down by 5% over 2021, but -9% vs. 2015.
- Intakes in intensity (including purchased tons) was up by 8% in 2022 compared to 2021, but +6% vs. 2015.
- 96% of our intakes came from closed circuits (i.e. recycled water), meaning that less than 4% of our water is extracted from the environment.
- Of the 4% of water that we do extract, 81% comes from rivers and 8% from collected rain (GRI 303-3 - see full detail in the graph to the right).
- Most of the water withdrawn is given back to the river after treatment. In 2022 we had a 22% gap between water intake and discharge to the environment.

Some of our stakeholders complain in relation to the water usage around our BioEnergia forestry, in Minas Gerais (Brazil). We know and regularly meet the local groups concerned, mostly farmers. Their stand is sometimes echoed by media or activists, but it is backed only by partial studies, sometimes involving members of renowned Universities but not conducted and reviewed by the Universities themselves.

Truly, it is quite complex to isolate root causes for drought and rivers' lower levels, with seasonal variations and climate change effects. So, taking the matter seriously, we collected studies from four different State Universities, all confirming that water availability around our plantations is fairly good, compared to other local forests and even more so, compared to some neighbouring areas used by traditional agriculture (pastoralism). This subject is also scrutinised on a yearly basis by external auditors, who do engage with the complaint holders, as part of our FSC® certification.

In 2022, their last conclusions confirmed that they could not find any ground for such allegations against Aperam BioEnergia.

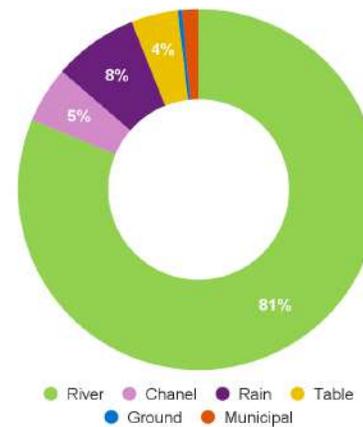
However, we remain committed to engage with our neighbours, discuss any problem and further improve our saplings and practices (see p.37 and 43). Indeed, BioEnergia now only plants during the rainy days -and not during 'the (whole) rainy seasons'-, which triggers quite complicated logistics and scheduling. But we are ready to do our best and will continue to improve! The related total water intake in 2022 was 310.10<sup>3</sup>.m<sup>3</sup> i.e. -3% vs. 2021 (GRI-303-3).

### Water Disposal Quality

We treat our effluents and monitor our discharge into rivers in line with our permits in terms of volumes, pH, temperature, particles of suspended solids, and metals in water and swiftly react in liaison with Authorities in case of anomaly.

### 2022 Intake by source (m<sup>3</sup> and %)

21.1 mio m<sup>3</sup> intake in 2022



### 2022 Disposal Details

- Total discharge: 16.4 mio m<sup>3</sup> (+2.2% from 2021 excl. Aperam Recycling)
- Metal discharged: 7.04 kg/tcs (-6.0% from 2021)
- Suspended solids: 225.5 g/tcs (-26.5% from 2021).

### Water

96% Recycling rate

-40% target 2030

Consumption intensity vs. 2015

GRI 303-3, GRI 303-4, GRI 303-5.

### The Impact of ResponsibleSteel™

"We were challenged to think about how we need to manage natural resources in a different way.

Thinking about the lives of people who depend on the river, for example, in neighbouring communities, in nearby cities, and in the future of this river, where we capture the water we use in our production."



### Hebert Barros Malaquias

Aperam South America Executive Utilities Manager (Timoteo)

## Waste & Recycling

We greatly value our recycling performance. An example of our commitment towards recycling is our Recyco unit, that recovers the metallic content from the melting shop dust. We also produce metals that are endlessly reusable and we use a large amount of recycled materials in our production process. Our acquisition of ELG, now incorporated in our Recycling division, is accelerating our roadmap to become a zero-waste (for landfill) company [GRI 306-1](#).

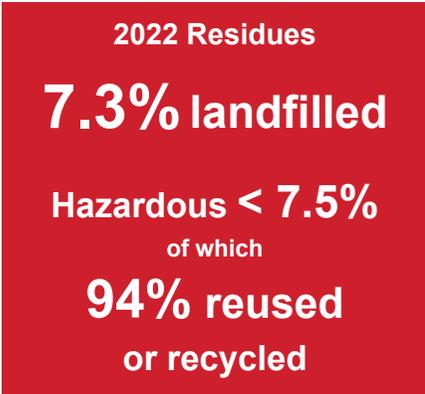
### Recycling of Metallurgy By-products

In 2022, our production of waste decreased by over 6 % versus 2021 due to a reduction of our activity, with 7.3% of our by-products being sent to the landfill, the remainder being reused, recycled or stored for future recycling (see graph, below). Our waste recovery ratio stands at 93% i.e +0.3 pts compared to the 2015-2018 average [GRI 301-2](#).

Less than 8% of our wastes are classified as hazardous. While more than 90% of total wastes are already recycled or re-used, some of our by-products, such as acids or specific treatment mud, are waiting for viable technical solutions. Engineers, R&D and a few external partners are studying the technical solutions to neutralise such wastes. As a consequence, in 2023, we are planning to start a second phase of acid regeneration in Genk to further reduce our acid wastes (see last year's report).

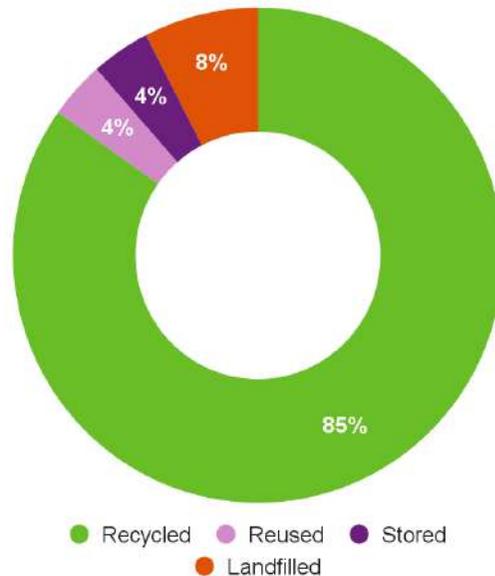


*Aperam Recycling yard in Germany.*



### 2022 Residues Split (%)

[GRI 306-3](#), [GRI 306-4](#), [GRI 306-5](#).



*Genk acid regeneration unit.*



### Metallurgy as a Recycling Channel

In 2022, 29% of all our material ([GRI 301-2](#), including wooden pallets, refractories, consumables, etc., total input of 4.7 million tons) came from recycled sources. We usually focus on metal scrap, but many other items also come from recycled sources: electrodes, wooden pallets, acids, etc.

> In terms of scrap, we collect our own internal process scraps at each of our units and, after careful sorting, we send them back to our melt shops, usually via railways. We also purchase important quantities of scrap from external providers, all of which must meet specific qualitative specifications (eg. in terms of nickel or chromium content - but also in terms of radioactivity- see next page). The granularity of this scrap is also important as the density of the volume allows us to optimise the loading rate of our own tools within our process.

Contrary to what can be imagined, stainless scraps are predominantly composed of end-of-life scrap. Scrap traceability is complicated due to the blending that takes place at the largest providers to meet the demands by grade and the collection/deliveries that are organised in batches. This End-of-Life predominance also explains why the countries with more recently developed economies do not have a significant and well structured scrap market as it exists in Europe and in North America, for instance.

> On average in 2022, Aperam's products, including those made in Brazil where the scrap market is still almost nonexistent, contain 66% (according to the ISO 14021 standard) of metallic scrap.

This consolidated figure integrates the excellent performance of the stainless steel melt at our Stainless Europe sites, which is reaching 86% (according to the same standard) on average in 2022, with some of our Austenitics from Genk recording rates over 91%.

## Voice

*"Thanks to the acquisition of ELG, we can increase our scrap ratio by producing special blends for grades that have constraints for elements like copper, cobalt, phosphorus, as well as for grades in which the final Nickel content is far above or below the proportion in normal stainless austenitic scrap."*

*This allows us to align our innovation programs for better scrap sorting at our own mill sites, our customers' sites and at Aperam Recycling sites. The ultimate result will be better scrap quality, especially for high alloyed grades."*



Aperam Châtelet "Scrap ratio optimization" team on the site's scrap yard.

**Guido Moermans,**  
Head of Raw Materials  
Valorisation

> Located on the Isbergues platform, our Recyco subsidiary is an incredibly versatile operation that can transform a multitude of different (dangerous) wastes into intermediates that are being used as Nickel, Molybdenum and Chromium raw materials for our Belgian steel plants. These wastes can have a multitude of origins, like for example the recycling of household batteries, catalysts from production of vegetable oil, or residues of the coating industry. Other more familiar wastes are the dust from our own operations that are being transformed into blocks as well.

As every waste is different and needs a "personalised" way of handling, Recyco operations are quite complex, but also have a great potential to replace more and more of the primary metallic raw materials we use today.



## Radioactivity alarms

In spite of their positive environmental contributions, the trading and processing of secondary material also poses a challenge to our Aperam Recycling segment: the detection of radioactively contaminated substances that could enter the recycling cycle, for example through medical or technical equipment that would not have been disposed of properly.

> According to Aperam Recycling "Radiation Guidelines", employees at scrap yards are to be regularly trained on the subject by our internal Radioactivity Detection Officers, so that only products with radiation exposure below the natural ambient levels are delivered to our customers - an essential securing measure for the safety of our employees too.

Our yards are equipped with stationary detection systems for incoming and outgoing material. Additionally, our cranes are equipped with grapple detectors to further enhance the probability of detection of small parts. All these detection systems are inspected and maintained by an external company once a year.

| Radioactivity Monitoring (#)                | 2022 | 2021 | 2020 | 2019 |
|---|------|------|------|------|
| Dedicated Internal Audits (Prevention)      | 4    | 5    | 3    | 1    |
| Internal Alerts - reported by the units     | 180  | 264  | 272  | 303  |
| External Alerts - reported by the customers | 3    | 11   | 16   | 11   |

> In 2022, 3 external alerts only were recorded, all in the second semester, a significant improvement versus our historical levels. While the reduction in 2022 alarms was impacted by lower scrap volumes, it is also noted that the 3 external alarms were all a result of very low levels of radiation activity. As a fundamental principle of nuclear physics, it must be accepted that even with up-to-date Radiation Detection Equipment, a 100 % guarantee of detecting any and all radioactive particles in the material cannot be achieved.

At our own yards, no major defects or shutdowns due to radiation alarms were reported.

## Other Initiatives

### Industrial Risk

#### Risk prevention programme

> In the previous report, we presented the consolidation of our industrial risk prevention programme based on:

- Mitigating the outstanding risks
- Identification of new potential risks
- Prevention of the risk occurrence
- Strengthening of the risk governance

This year, we would like to highlight some 2022 initiatives about one of the main potential risks in our cold rolling mill process : the acid hazard.

■■■ All along the year, various Aperam plants hosted local firefighting teams for training and exercises on specific risks, particularly the chemical risks.

At Gueugnon; in October 2022, 12 local firefighters from all the Saône-et-Loire department came for a special exercise around the hydrofluoric acid storage issue. These exercises aimed to work on the usage and the set up of specific equipment and procedures. The Aperam fire brigade members and part of the Aperam workers participated in order to share their knowledge about this risk.

At Isbergues, the exercise took place on March 24, 2022. Combining the internal firefighters and the local firefighters, the chain was quickly put in place to manage a hydrofluoric acid fluid generating risky vapours in the direction of the South, with the risk to affect the local Research Center and other entities present on the platform. Immediately, all external authorities were alerted and a press briefing was organised. The responsiveness of the entire rescue and decision-making chain of the Isbergues platform made it possible to manage the event in the best safety and security conditions.

> In 2022, we can notice several concrete achievements in terms of risk prevention and among them, let's highlight the following:

- Isbergues: the implementation of a new acids transport pipelines on our LC2i line
- Gueugnon: the building of new acid pipe for chlorhydric acid was taken into account as part of the last prevention and risk control devices (double skins and leakage detection system)
- Imphy: a dedicated risk assessment (based on HAZard and OPerability analysis methodology, HAZOP) on the pickling line led to a solid list of preventive actions about leakage prevention, mixing risk prevention...



Above: Teams in action at Gueugnon.



Below, left and right: Exercise at Isbergues.



### Remediation and decommissioning

During 2022, we continued to clean our former Firminy site and found an agreement with local administrations to have them finalise the remediation with additional Aperam fundings, so that the site can host new industrial activity in the coming years.

About the remediation of the L'Ardoise site, closed in 2005, we are strictly monitoring the residual pollutions and, as part of that, our water discharge monitoring ensures that there is no deviation related to the leaching of pollutants into the rainwater.

## Climate-Change Risk assessment

> In 2022, we continued with our approach to integrate the physical Climate-related risks into our Industrial Risk framework.

Indeed, based on a first TCFD-inspired pilot exercise launched in 2022 on a few sites, we have gained in maturity to launch a global screening covering all our industrial locations (more than 90 sites) and the 20 locations of the main suppliers in terms of critical goods or raw materials.

This screening done for a complete list of chronic and extreme hazards (in line with the EU Taxonomy) relies on two scenarii suggested by the IPCC (SSP2-4.5 and SSP5-8.5). Based on these results, a drill-down is realised on the most important climatic hazards taking into account some 80 processes for Aperam. Following the ISO 14090:2019 and ISO 14091:2021 standards (both related to climate change and risk assessment) and the TCFD requirements, our dedicated multi-year project is divided into several steps.

At the end of the exercise, the two timescales 2030 and 2050 will have been analysed for risks as much as for the adaptation plans, and for the whole group.

> In parallel, a specific working group with senior members of the organisation is working on the governance and the transitional risks, in line with the TCFD recommendations, with a clear mandate from Aperam's LT. At Board level, topics related to Climate Change are being covered by the Audit & Risk Committee.

## Transportation Impact

### Freight Transportation

> In 2022, we began to implement the ESG criteria in the selection of carriers as well as all other suppliers. For road carriers, this includes the training of all drivers to eco-driving, the investment of trucks in alternative fuels (LNG, Bio-fuels, Hydrogen, Electrical) and for the biggest ones the ISO 14,001 certification.

We aim to reduce air shipments to the most and Aperam Stainless Europe shipped less than 100 tons by plane in 2022. In comparison, in 2017, Aperam Stainless Europe shipped more than 1,000 tons of stainless coils by plane, mostly to the United States and China. In the Alloys division, the air shipments remained stable at 487 tons in 2022 vs. 527 in 2021.

> The considerable increase in energy costs, which started with the war in Ukraine, the limitations imposed by rail ports and the closure of some of them especially in Eastern Europe, conjugated with the production drop in the second half of the year penalised the efforts undertaken in 2021 to shift shipments of finished products from road to multimodal or rail mode. In 2022, we shipped only 20 085 tons in 325 wagons from Isbergues vs. 30 909 tons in 487 wagons in 2021. From Genk, the shipments by multimodal transports represented 129 kt in 2022 vs. 173 kt in 2021. In Gueugnon, multimodal transports are limited to the UK and represent only 1215 tons in 2022.

We will pursue our efforts in 2023 to increase our rail transport share, as the gap between rail and road transport prices reduces and as new rail motorways and rail ports open or increase their capacities.

### Transportation Impact (estimates<sup>(1)</sup>, excluding maritime)

| (Excl Aperam Recycling) |                               | 2022   |        | 2021   |        | 2020   |        |
|-------------------------|-------------------------------|--------|--------|--------|--------|--------|--------|
|                         |                               | Brazil | Europe | Brazil | Europe | Brazil | Europe |
| Rail traffic            |                               | 5,4    | 42,8   | 11,6   | 44,4   | 16,2   | 45,2   |
| Road traffic            | % shipments (except Maritime) | 94,6   | 46,9   | 88,4   | 45,3   | 83,8   | 51,4   |
| River/Other traffic     |                               | 0      | 6,7    | 0,0    | 6,6    | 0,0    | 0,4    |
| Short sea               |                               | 0      | 3,6    | 0,0    | 3,6    | 0,0    | 3,0    |
| Trucks loading          | %                             | 90,8   | 84,8   | 92,1   | 81,7   | 92,8   | 82,3   |

(1) Estimation based on major plants, all European Service Centres and most of the Alloys division's transports.

*Aperam Genk internal parking area, covered with solar panels in 2022 and equipped with electrical car chargers, as part of the project building Belgium's biggest solar farm (p.35)*



## Biodiversity

In response to growing concerns of our stakeholders, as well as in view of the strong consensus appearing on the intertwined issues of Climate Change and Biodiversity, we decided to set up solid and systematic biodiversity plans at our main plants. We built a company-wide procedure that defines the basis for a minimum, systematic biodiversity monitoring, even in areas where the issue is not considered as manifest. Based on the Global Reporting Initiative and ResponsibleSteel™ frameworks, this approach entails a preliminary identification of local, vulnerable or invasive species, their natural habitats, and of the possible disturbances that changes in our operations (artificialisation, lightning at night, etc.) could cause. The goal is to combine this baseline with a proactive plan to be set up in cooperation with local experts such as regional or municipal authorities or NGOs.

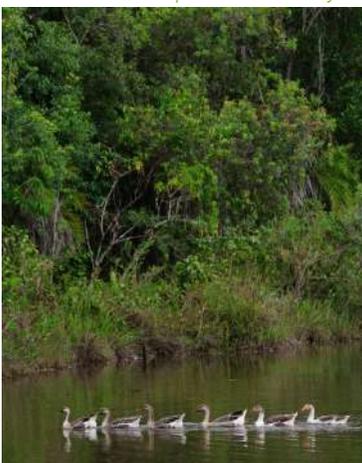
In 2022, we added in our monthly dashboard new indicators on Biodiversity to track the progress of the site's implementation of our global program ensuring a continuous improvement.



Aperam BioEnergia nursery in Minas Gerais (Brazil)  
River in the native parts of the forestry.



BioEnergia Harvesting in progress.



### Maintaining biodiversity in a monoculture in our BioEnergia forestry

As mentioned before, Aperam generates its own charcoal from BioEnergia's forests to fuel Brazilian blast furnaces and produce pig iron, eliminating the use of polluting, extractive coke.

This subsidiary is the only Aperam unit with a strong historical Fauna Monitoring Programme in place to scrupulously monitor local diversity in the Jequitinhonha Valley of Minas Gerais (Brazil) and the sole entity operating in protected areas or areas of high biodiversity value [GRI 304-1](#).

However, as BioEnergia's forestry is a monoculture, we need to address the general public's concerns on its potential negative impacts.

1- BioEnergia's forestry has been planted for decades and is **in no way contributing to deforestation**, which is a valid concern from environmental organisations. All the land used to be a large, mostly infertile, and little-used territory that the Brazilian government decided to dedicate to profitable activity back in the 1970s.

2- Our trees are almost sterile and cannot multiply outside of cultivated parcels and disturb the local ecosystem and flora. Thus, they cannot be considered an invasive species. In addition, Aperam BioEnergia maintains vast native forest areas (almost a third of our surface, well beyond the 20% required by Brazilian law) as **a reserve of local biodiversity**, protects them from possible fires and diseases, monitors their development level, and occasionally replants the land with local species.

3- Aperam's forestry management systematically avoids the use of chemical fertilisers and pesticides that concentrate into the soil and water and follows the best practices.

Our forestry is increasing the volume of CO<sub>2</sub>e stored on a yearly basis, making it a **"carbon sink"**. After harvest, the leaves and twigs are allowed to degrade naturally into humus, aerating and enriching the soil with nutrients, keeping humidity, and stimulating underground biodiversity - see also page 32-33.

4- Eucalyptus requires water and nutrients to grow and survive, but the biological efficiency of the wood is higher compared to other agricultural cultivations. Studies demonstrate that eucalyptus consumes the same amount of water as native forests. BioEnergia's genetic improvement technology has adapted the trees to the dry local conditions, depriving the plants of pivoting roots that can reach water tables, contributing to the **preservation of soil extracts and water resources**.

5- We take our responsibility seriously and **work closely with external experts to continually improve our practices**.

We established partnerships with several organisations dedicated to forest management in Brazil. These partnerships allow BioEnergia to benchmark its practices and ensure that it adheres to the highest standards. Additionally, the forests are FSC®-certified, and BioEnergia is also certified under ISO 14001.

We won several awards for our innovative forest management practices, including the III Best Environmental Practices Award of the State of Minas Gerais in 2019 and the Brazil Ministry's SEMAD Recommend Seal in 2021 for our programs promoting an ecologically balanced environment.

Looking forward to 2023 and beyond, BioEnergia remains committed to upholding the highest standards in sustainable forest management and continuing to work alongside our valued partners to improve and innovate our practices.

## Raising Awareness

### Our Oikós Environmental Education Centre in Brazil

Located in Timóteo, the Oikós Environmental Education Center is a 989 hectare piece of Atlantic forest, which houses numerous springs and species of fauna and flora. It hosts several activities, including visits for scholars. Training courses are also offered to the community, with a focus on the recovery of springs and degraded areas, through a partnership between the Foundation and the National Rural Learning Service - Senar. With a list of courses aimed at professional training and social promotion, this initiative also offers classes for Multipurpose Forest Workers on topics such as the recovery of degraded and altered areas.

More than 60,000 visitors from different age groups have passed through Oikós to raise awareness of this rare biodiversity riches - and it also acts as a carbon sink, as evidenced by our calculations!

### Introducing mascots as a way to raise awareness on biodiversity

In October 2022, we held our first Sustainable Development Week to reinforce Aperam's ambition to combat climate change and address biodiversity.

Biodiversity loss is a pressing environmental issue with an estimated one million species at risk of extinction. Aperam encourages all its employees to take action and protect biodiversity by promoting sustainable practices, conserving natural habitats, and reducing its carbon footprint. Through Sustainable Development Weeks and ongoing efforts, we aimed to inspire everyone to prioritise biodiversity in their sustainability efforts.

> Daily newsletters raised awareness about the biodiversity surrounding eight of Aperam's main plants and highlighted specific initiatives, such as implementing beehives (Isbergues, Châtelet, Gueugnon and Pont-de-Roide), resorting to differentiated mowing (Pont-de-Roide) or installing birds nests houses (Genk), all of which are ways to preserve biodiversity. Employees expressed what biodiversity meant to them through videos.

> Also, fun quizzes were included every day to test our collective knowledge on the mascot chosen by each plant.

The eight main Aperam plants in France, Belgium, and Brazil are tackling biodiversity as a key topic, making the best possible efforts to nurture the environment in general and to protect a particular species or element of biodiversity in their local environment they selected as their mascot to epitomise their commitment. Local actions are planned in partnership with local associations to build stronger plans and continue to raise awareness across the year.

A specific graphical design is also planned for the next release of our Entrance posters.

Preserving Biodiversity is fully integrated in Aperam's CSR program!



The mascots elected by our plants to epitomise their Biodiversity program.



### EcoTree & Aperam Saint-Denis

The office site in Saint-Denis, France, has established a partnership with EcoTree. EcoTree is a nature-based B-corp organisation with forests across Europe, that allows you to commit to reforestation and biodiversity.

> In 2020, Aperam Saint-Denis' Social Committee already signed with this labelled organisation on three biodiversity operations, among which the sustainable management of 70 chestnut trees in the forest of Pont de Buis.

> In 2022, in order to raise awareness and involve the Saint-Denis employees in this campaign, they were asked to choose the next project Aperam will be committing to for the coming 2 years. They chose to contribute to the restoration of a 5,000m<sup>2</sup> wetland in France. Wetlands are key ecosystems of which 80% have disappeared in France since the beginning of the 20th century (and over 50% in Europe). They form a special ecosystem that is home to 40% of the world's animals and plants and also help prevent soil erosion and flooding.

*"During this initiative, the employees of Saint-Denis showed great maturity by expressing a less traditional investment choice by preferring the rehabilitation of a wetland to the reforestation of a burnt forest area. The partnership is for two years and will be closely monitored." says Bruno Pellerin, treasurer of the CSE Saint-Denis.*

## Collaborative efforts on the 'Ecolonomy' project

In 2021, the Isbergues site of Aperam has embarked on an innovative "Ecolonomy" project aimed at transforming the industrial platform and meeting future environmental challenges while improving the quality of life for employees. The project has received widespread support from employees, local management, and stakeholders, with several companies located at the site already joining the initiative. The "AGIR" group (which means "act" in French), made up of Aperam employees, was created in 2022 to advance the Ecolonomy project, with more than 20 members involved. The project seeks to involve local partnerships.

■■■ An example of an action carried out in partnership with other organisations is the revegetation project at Recyco with the support of an external consultancy, and the association Canopé Reforestation.

As a result of the 2022 preparation plan, 700 trees were planted in January 2023 with the combined aim to create a natural barrier to limit dust emissions outside the plant and of course to promote biodiversity as part of the 'Ecolonomy project'. The planted trees are of several local species adapted to the soil and weather conditions of Isbergues.

> Other initiatives under the same 'Ecolonomy' project include conducting 'Climate Fresk' awareness workshops (a serious collaborative game to learn about Climate change, its mechanics and consequences) with the site-level executive committee members of Imphy and Isbergues, and renovating the Isbergues Research Center.

To coordinate the projects, an internal project manager was assigned and 2 hours per week were granted to the members of the AGIR team for them to actively work on the project.

> Plans for 2023 are to continue greening the site and to study the mobility of the platform.



Tree planting by Aperam employees in Isbergues

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## Voice

*"The transformation of our industry must be holistic and take into account the 9 planetary limits identified by the global scientific community, climate change being of course one of them. Biodiversity integrity, land-system change or biogeochemical flows (N,P) are other important limits, some of which have already been crossed.*

*Fully aware of these limits imposed by the laws of physics, without denigrating our needs and technical constraints, I'm firmly convinced that Aperam is moving in the right direction by integrating these limits in our future developments, at different scales, from the production site level (Ecolonomy project) up to the development of an innovative bio-based Ni production chain (Botanickel).*



*As the Executive Manager of Botanickel, I'm strongly committed to developing the business in line with these impositions because I am convinced that it is the best way to ensure a sustainable and profitable activity for Aperam in the long-term. The Botanickel's commitments clearly reflect this desire for inclusive development."*

### Aurélien Buteri

Executive Manager of Botanickel,  
Environment. Project manager in the Aperam CTO Sustainable team.

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**Using plants to extract nickel from soil and then turning that nickel into stainless steel** may sound like science fiction, but that's exactly what Botanickel is doing.

Aperam, a leading global producer of stainless steel, together with Econick, a spin-off of France's University of Lorraine that specialises in the phytoextraction sciences, have formed a new joint venture. Called Botanickel, the company seeks to become a world leader in the responsible and sustainable production of biosourced nickel for the stainless steel industry.

**To accomplish this goal, the company is leveraging the incredible power of hyperaccumulator plants.**

### Botanical Power in Action

Hyperaccumulator plants are unique in that they can grow in specific metalliferous soils that are often inhospitable for cultivating traditional crops. These plants have developed the ability to safely accumulate extraordinarily high amounts of heavy metals in their aerial parts, including cobalt, cadmium, manganese, zinc, and of course nickel.

### Taking Sustainable Stainless steel to a Whole New Level

With nickel being a key raw material in the production of stainless steel, Botanickel will leverage the plant's hyperaccumulator capabilities, to extract the metal from the soil. The native plants will be cropped in soils that are naturally rich in nickel and allowed to grow to full maturity. Once harvested, the plants are dried and their energy is recovered and used by local communities. Nickel is then concentrated and transferred to Recyco, Aperam's European recycling unit initially dedicated to recovering and treating the metallic content from melting shop dusts. Botanickel's process also generates by-products that can be used as high value fertilizers, exemplifying its commitment to the circular economy.



*"We aim to set the global standard in the sustainable production of biosourced nickel, with a value chain spanning from the plants in the ground to the stainless steel used in a plethora of products and solutions. More so, we want to do this with respect for the climate, the environment, and the local communities we operate in".*

**Tim di Maulo**, CEO Aperam

*"Over the years and by working with leading experts from around the world, Econick has accumulated a high level of expertise in the cultivation and treatment of nickel-hyperaccumulator plants. The benefit of our close collaboration with Aperam is it ensures we will significantly contribute to the switch towards a new, eco-designed mode of producing metals at large scale and in the long-term".*

**Claire Hazotte**, PhD in Chemistry, Manager – Econick

### Our Commitments

Respecting the environment, reducing carbon emissions, supporting the circular economy, and empowering local communities – Botanickel takes sustainable stainless to a whole new level.

### Reference

A pioneer in using plants to extract nickel, Botanickel aims to become a reference in the production of biosourced nickel and, in doing so, bring an unprecedented level of circularity and sustainability to the production of stainless steel.

### Co-development

Involving local communities across the entire value chain is at the heart of Botanickel's strategy. We will develop opportunities in research, education, training, employment and energy production that are aligned with local priorities.

### Biodiversity

Native hyperaccumulator plants, cultivated in accordance with the principles of agroecology, will improve soils that are naturally inhospitable to common crops while also preserving the local environment and protecting biodiversity.

### Climate

Driven by an urgent need to reduce global greenhouse gas (GHG) emissions, Botanickel will have the potential to massively reduce the CO<sub>2</sub> emissions associated with the production of ferronickel and thus Aperam's stainless steels (Scope 3).



# Interacting with our Stakeholders

We aim to achieve best practices in governance and apply the strongest business ethics. These are the keys to building trust with our customers, our employees and the communities we work in, to protecting our market position and licence to operate, and ensuring our ability to thrive.

Our strong customer focus, with innovation and R&D being key pillars, is a testament to the fact that we are good at listening and able to find the right solutions - a pattern we repeat in our social dialogues and stakeholder engagement.

## Sustainably Profitable

### 2022 Financial Performance

> While the first half of 2022 saw a continuation of 2021's 'post-pandemic' economic revival, this was cut short by Russia's sudden invasion of Ukraine. The war has had far-reaching impacts, causing energy and raw material costs to skyrocket and disrupting supply chains. Despite these adverse circumstances and the significant cost increases our business faced, Aperam successfully maintained its production levels and continued to serve its customers consistently and without interruption.

> As a result, 2022 was a particularly asymmetrical year, with Aperam's having its most profitable half-year since its creation, with an EBITDA of €712 million in H1 while only recording for the second half €364 million, the result of destocking and record imports from Asia.

Thanks to a combination of cost reductions, growth and mix improvements under Phase 4 of our Leadership Journey®, we are adapting our footprint to defend our cost leadership in Europe : this is done by targeting volumes and expertise at the most efficient lines and almost doubling Capex (reaching €296 million in 2022 compared to €152 million in 2021).

> In 2022, we strengthened our circular economy strategy with the creation of Aperam Recycling & Renewables. Our fourth operating segment is based on the newly acquired ELG Recycling business and includes the Recyco and BioEnergia sub-segments. Per our ESG roadmap and general strategy, this allows us to complete our production chain, starting with the collection of scrap and production of sustainable charcoal as our own sustainable raw material sources. Subsequent links in the value chain are represented by other steel processing segments.

### ESG monitoring as part of all our processes

Because we truly believe in sustainability, we do not define success using financial criteria only but by using a number of lagging and leading key performance indicators that ensure we are responsibly moving in the right direction in many dimensions.

> On the Human Resources side, Health & Safety has long been our first individual performance target and an important aspect in our people's annual evaluations. In addition to our other ESG indicators, which are allocated individually, our Performance Share Unit Plan (PSU) includes the following indicators, altogether for a total weight of 20% : reduction in Total Recordable Incident Rate (TRIR) reduction; percentage of women amongst the Top-1000 employees (both for 5% each); and the completion of our CO<sub>2</sub>e emissions' reduction targets for the remaining 10% - see more details p. 89 of 2022 Annual Report.

> On the financial side, we have been using an internal CO<sub>2</sub> price since 2016, along with a qualitative assessment of all investment projects on 5 dimensions of Sustainability (Health & Safety, Customer impact, Social impact, GHG, and a last environmental dimension depending on the project). By crediting low-carbon investments with a bonus and penalising others, it encourages project holders to rework initial designs to mitigate negative impacts. New in 2022, Aperam entered into a Revolving Credit Financing and a Term Loan (see p. 38, Annual Report), both of which are linked to two strategic sustainability commitments : first, to become a best-in-class stainless steel manufacturer in terms of Health & Safety by consistently exceeding the ISSF industrial average in terms of TRIR (standing at 7.01 in 2022, see p. 15) and, second, to maintain Aperam's leadership in low carbon steel making and de-fossilisation (reflected by a decrease in CO<sub>2</sub>e intensity).

While not reaching our goals will result in more expensive financing, achieving them will mean a discount in the interest rate we agreed to allocate to financing more sustainability actions.



2022 Open Day at Aperam Châtelet.

**At a glance** GRI 2, 204-1, GRI 413-1

| Indicator  | Unit            | 2022                     | 2021               | 2020               | 2019       |
|--|-----------------|--------------------------|--------------------|--------------------|------------|
| Customer Satisfaction: Alloys                            | Rate on 10      | n/a                      | 9.15               | n/a                | 8.8        |
| Customer Satisfaction: Stainless                         |                 | 7.0 - 7.8 <sup>(2)</sup> | 7.9 <sup>(1)</sup> | 8,0 <sup>(1)</sup> | n/a        |
| Innovation (R&D spent)                                   |                 | 21                       | 18                 | 16                 | 20         |
| Lobbying Expenses - Europe                               | €m              | 0.57                     | 0.64               | 0.87               | 0.20       |
| Lobbying Expenses - Brazil                               |                 | 0.32                     | 0.45               | 0.12               | 0.22       |
| New products in sales - Stainless <sup>(3)</sup>         | Index base 2019 | 76                       | 69                 | 58                 | 100        |
| New products in sales - Electrical Steels <sup>(4)</sup> |                 | 247                      | 261                | 92                 | 100        |
| New products in sales - Special Carbon                   | or              | 154                      | 69                 | 131                | 100        |
| New products in sales - Alloys                           | 2020            | 554                      | 168                | 100                | n/a        |
| <b>Fraud Allegations Reported</b>                        |                 | <b>22</b>                | <b>13</b>          | <b>12</b>          | <b>12</b>  |
| - Forensic Cases Founded                                 |                 | 2                        | 4                  | 4                  | 1          |
| -- Significant Cases <sup>(5)</sup>                      |                 | 0                        | 0                  | 0                  | 0          |
| <b>Ethical Allegations Reported<sup>(6)</sup></b>        | #               | <b>54</b>                | <b>10</b>          | <b>4</b>           | <b>0</b>   |
| - Ethical Cases Founded                                  |                 | 15                       | 2                  | 4                  | 0          |
| -- Significant Cases <sup>(5)</sup>                      |                 | 0                        | 0                  | 0                  | 0          |
| Local Purchase at Main Sites <sup>(7)</sup>              | %               | <b>41</b>                | <b>45</b>          | <b>51</b>          | <b>50</b>  |
| Stakeholder Engagement at Main Sites                     | %               | <b>100</b>               | <b>100</b>         | <b>100</b>         | <b>100</b> |

(1): Europe, (2): Specific European countries.,

(3): European and Brazilian production together. (4): Electrical Steels Grain Oriented and Non Grain Oriented produced in Brazil.

(5): Following review by the Audit & Risk Management Committee.

(6): Human Rights including Health & Safety, Environment, Data privacy and other topics that can be reported through the whistleblowing hotline after scope extension in 2019-2020.

(7): Includes centrally sourced energy.

> Another major achievement of 2022 was the (on-site) external audit of our Timoteo plant under the ResponsibleSteel™ scheme.

This confirmed our intent to address the full spectrum of business responsibility and challenge our existing practices, ultimately leading to our certification in early 2023.

## Long-term Strategy

### Efficiency as an Employer's Responsibility

> With our European downstream operations tailored to market conditions, we are able to capture opportunities for a sustainable future. This adaptation involved reducing our tools from 29 to 17, but also, when necessary, responsible headcount reductions (see previous reports and above). According to analysts, Aperam achieved an impressive turnaround in its first decade and is ready to seize the opportunities arising from the long-term growth perspectives of our markets. This responsible strategy and its efficient delivery explain the regular awards we receive from financial and ESG analysts (see previous page).

In 2021, with the acquisition of ELG (see p. 10), we open a new chapter of Aperam's history.

> Overall, in 2022, we channeled €675 million in salaries and €130 million in taxes to local economies, compared to a respective €535 and €136 million last year (GRI 201-1).

We also play an important role through our expenses. In particular, in the locations where our largest sites are placed, in Belgium, France and Brazil, the local economy development is also part of our strategy. In 2022, our non-energy local spend portion increased to 55% (compared to 51% in 2021), however, our overall local spend incl. energy (sourced centrally) decreased due to the high contribution of Energy prices developments (GRI 204-1).

### Relocation of Tubes manufacturing operations from Uruguay to Brazil

The technological development of manufacturing systems, the increase in freight rates, the lack of proximity of customers and raw materials with respect to other locations, as well as the increase in the labour cost compared to other countries in the region, had severely damaged the competitiveness of our South American Tubes business located in Uruguay (Montevideo). As a result, we have decided to concentrate its business units in fewer locations to gain efficiency, moving our operations from Uruguay (Montevideo) to Brazil (Viracopos) where most of our automotive customers are located, also investing in the most modern lines in the tube business.

Unfortunately it led to the loss of 180 jobs in Montevideo, while new jobs were created in Brazil (total net result for our South American Tubes business amounted to -109 jobs, the same in FTE). Aperam acted in line with all our obligations under the local labour law. Our employees in Montevideo also had the opportunity to apply for jobs in Brazil.

## Social climate and Social Relations

In 2022, we kept our strong involvement in the social dialogue with all the stakeholders, sharing and explaining the complexity of our context, especially in Europe where we faced a strong modification of our economical and business situation during the second part of the year.

> We had constructive and numerous exchanges with the trade unions and the local working councils in order to find the best way to responsibly adapt our organisations to the variation of the level of activity, especially in Isbergues, Genk and Châtelet.

> Our involvement in the social dialogue is embodied in France by the contractualization of our social policy with the trade unions with the implementation of three major new national agreements in 2022 on diversity, the quality of life at work and health insurance. Specific measures were taken to deal with the impact of inflation on lower salaries.

> We continued to share with the employee representative in the EWC (European Works Council), the implementation of our key European projects as the review of our "European Footprint" or the ramp up of the BUL4 in Genk, and the impacts of the energy crisis and the Ukraine war on our industry.

In 2022, we held our 4 regular meetings with our EWC (select committee meetings and plenary sessions), and had an additional extraordinary meeting in august for the restricted committee to exchange with the senior management on the specificity of our business context considering the surge in energy prices and the evolution of demand.

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## Voice

*"2022 was a year with two very different periods in Europe, with a radical change of context that led to in-depth exchanges at local and European level to share Aperam's situation and actions.*

*In a constructive social dialogue, we have sought the appropriate balance to maintain our medium and long-term actions by investing in skills and our footprint to prepare for the future and manage the necessary short-term adaptations with temporary actions. "*

### Florian de Gélis

Head of Human Resources France,  
Employee Relations in the European Work Council

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> As usual we “variabilized” our labour costs in Europe in line with decreasing production volumes in the second half of 2022. As a result, the 2022 temporary unemployment rate was less than 7% of the 2020 levels in 2022 in France (mainly in Isbergues, which corresponds to less than 1% of the annual country workforce) but still 30% in Belgium (corresponding to 3.4% of the annual workforce) - and zero in Brazil (see table below).

### Employee Survey

**75%** believe strongly in the goals and objectives of Aperam

> The climate survey 2022 demonstrates the proximity and the quality of the social climate within Aperam, with 79% of our employees recommending Aperam as a good place to work and 82% considering that their immediate leader is accessible and available when they want to talk or need help. See also in the table below the favorability to the questions from the “sustainable engagement”.

### Social Climate

| Indicator                                      | Unit | Group |      |      | Belgium |      |      | France |      |      | Brazil |      |      |
|--|------|-------|------|------|---------|------|------|--------|------|------|--------|------|------|
|  |      | 2022  | 2021 | 2020 | 2022    | 2021 | 2020 | 2022   | 2021 | 2020 | 2022   | 2021 | 2020 |
| Temporary Unemployment <sup>(1)</sup>          | FTE  | n/a   | n/a  | n/a  | 69      | 35   | 227  | 15     | 32   | 221  | 0      | 6    | 77   |
| Employee Sustainable Engagement <sup>(2)</sup> | %    | 78    | 83   | n/a  | 74      | 72   | nc   | 71     | 70   | nc   | 85     | 88   | nc   |
| Absenteeism                                    | %    | 3.2   | 2.7  | 3.4  | 5.5     | 5.2  | 4.8  | 4.2    | 3.4  | 5.1  | 1.5    | 1.6  | 1.5  |

(1) number of hours divided by local annual legal reference (in hours)

(2) % of “favorability” for pillar sustainable engagement

### The Impact of ResponsibleSteel™

“Aperam already used to orient its management in line with the 3 pillars of sustainability, however the ResponsibleSteel™ framework offered us some learnings and reflections that enabled us to improve our processes and activities, like the way we manage our environment but also our greatest asset, our people!”



#### Many Maria Moreira

Aperam South America, Improvement Program Analyst

### Our Employers' Impact GRI 2, 201-1, 204-1, GRI 413-11

| Aspect                      | Local Contribution                       | Unit    | Belgium                                     | Brazil   | France   | WorldWide  |
|-----------------------------|--|---------|---|--|--|--|
| Scope                       | Plants/Division                          | sites   | Châtelet, Genk from <u>Stainless Europe</u> | Timóteo, <u>Stainless &amp; Electrical Steel South America</u> ; BioEnergia of <u>Recycling &amp; Renewables</u> | Imphy, Amilly, Rescal from <u>Alloys</u> ; Gueugnon, Isbergues, Pont-de-Roide from <u>Stainless Europe</u> ; Recyclo | Imhua (PRC), ICS (IN) from <u>Alloys &amp; Specialties</u> Usti (CZ), Rodange (LU) from <u>S&amp;S Tubes</u> |
|                             | Service Centres                          |         | Genk (BeNeLux).                             | Campinas, Ribeirão Pires, Viracopos, Caxias do Sul .   | Isbergues, Lésignan.   | Germany, Italy, Poland, Iberica, USA, Argentina.   |
|                             | Scrap yards                              |         | Zutendaal                                   | /  | Saint Romain, Limay, Colomiers   | USA, Germany, UK, Spain,... <sup>(4)</sup>   |
|                             | Main Offices                             |         | (Genk)                                      | Belo Horizonte and São Paulo   | Saint-Denis  | Luxembourg HQ and Sales Offices <sup>(1)</sup>   |
| People                      | Own Staff (End of Period)                | FTE     | 2,030                                       | 3,816  | 2,492  | 2,398  |
|                             | o/w Blue Collars                         |         | 1,309                                       | 2,847  | 1,422  | 1,356  |
| Local Economic Contribution | Forex rate (BRL)                         | €       | n/a   | 5.4  | n/a  | n/a  |
|                             | Wages & Benefits                         |         | 191.6                                       | 101.1  | 213.4  | 168.9  |
|                             | Community Investments                    |         | 0.04  | 0.51   | 0.06   | 0.09   |
|                             | Payments to Government                   | EUR     | 14.6  | 62.9   | 21.6   | 30.9   |
|                             | Economic Value Distributed               | million | 3,676.2                                     | 1,435.4  | 2,802.9  | 346.5  |
|                             | CAPEX                                    |         | 95.8  | 110.5  | 65.0   | 24.6   |
|                             | Total Tax Contribution <sup>(2)</sup>    |         | 72.1  | 96.6   | 108.8  | n/a  |
|                             | Local spent of main sites <sup>(3)</sup> | %       | 37.6%                                       | 27.3%  | 57.5%  | n/a  |

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom.

(2): Sum of all the amounts levied with respect to Corporate tax, other taxes (taxes on assets, environmental tax, etc.), including social contributions (employer and employee share), the latter being also included within Employee Wages & Benefits (GRI-201-1)”

(3): % of Local spent of main sites (Châtelet, Genk, Timoteo, Imphy, Gueugnon, Isbergues, Pont-de-Roide) excluding Raw Materials, with local spent defined as paid to suppliers respectively from Belgium, in Vale do Aço (Minas Gerais), and France. (GRI-204-1)

(4) and entities with less than 50 persons in: the Netherlands, Taiwan, China, Japan, South Africa, Canada, Russia, Australia, Italy, Singapore, Czech republic, India, ordered as per quantity of employees.

## Responsibility in the Value Chain

### Overall Supply Chain CSR Risk Assessment Methodology

In 2022, Aperam went further on the deployment of the latest version of its Responsible Purchasing Policy (2020). This policy is to be read in conjunction with our Code of Business Conduct, which suppliers are also informed about, and our general purchasing conditions that highlight our principles and our expectations towards our suppliers. These documents will be henceforth referred to collectively as 'our policy'.

Our policy requires suppliers to participate in regular assessments and to diligently inform us in the event of significant incidents, for instance one impacting local communities or the environment. Our policy also clearly establishes that working with supply chains that do not comply with our high ethical standards is not aligned with our practices. For instance, we remain attentive to our purchases involving the PRC province of Xinjiang to avoid benefiting in any way from the forced labour imposed on the Uyghurs. In the end, when our due diligence concludes that a situation deviates from our standards and is not likely to be remediated and improved, and/or our demands in terms of information or monitoring remain insufficiently addressed, the business relationship will be either suspended or terminated.

In 2021, we informed all our raw and non-raw material suppliers about this new policy. But proper implementation also requires continuous training. As of the end of 2021, 100% of our sourcing buyers completed training modules 'Conflict Minerals' and 'Protecting Human Rights'. Starting in 2022, the Responsible Purchasing training, which includes elements pertaining to the ResponsibleSteel™ standards, is obligatory to all buyers and is requested once a year. As of today, 95% of the non-raw material and 100% of raw material buyers have been trained.



### Risks Amongst Raw Material Suppliers

> In 2022, we assessed 97 suppliers and continued our analysis concerning CO<sub>2</sub> emissions. We have simplified the questionnaire in order to better understand our suppliers and raise awareness about the importance of the Science-Based Target initiative (SBTi). Although doing so postponed our analysis, it allowed us to have a more precise and mature conclusion.

Only one risk was identified this year. It was related to the fact that a new potential supplier with whom we started testing material declined to answer our ESG questionnaire or to supply information about potential labour rights risk. No active business was developed with them.

### Risk Amongst Freight Suppliers

> Last year we continued to adhere to such new international transport regulations as the Transport European Package, which came into force in February 2022. We terminated the contract with one carrier for violation of safety rules during product loading and securing, and we decided to migrate the business we did with two other carriers following justice actions being filed in their countries for violations of local laws related to employment. Other investigations with suppliers considered at risk from the ESG perspective were resolved (see also freight transport impact, page 44).

- One company had to be sensitised to Health & Safety and was requested to systematically apply all safety rules after flagrant ignorance was observed
- A second company was challenged for Human Rights issues after being suspected by the justice authorities of its home country. The case has been sorted, and the supplier was finally confirmed after presenting a complete and detailed action plan
- The other three suppliers were requested to submit action plans.

Their performance is supervised with deep scrutiny and subject to requests for continuous improvement as part of our process

### Risks within Non-Raw Materials

> Following the implementation of our 360° supplier assessment process in 2020-2021, during which all critical suppliers were assessed in two waves in one single year (2021) in order to proof test the evaluation method. A new cycle was launched in 2022, to reassess suppliers that had been assessed relatively to their 2020 performance, along with any new suppliers that joined the list. The objective was to confirm the high level performance of those suppliers who earned a Grade A in their previous assessment and to ensure those with lower grades improved their performance levels (considering that 100% of the action plans generated in the previous assessments have since been implemented).

> Overall, 11% of the suppliers improved their scores in comparison to 2020, raising their SPI (Supplier Performance Index), while three suppliers saw their scores deteriorate. For these cases, a deep analysis is ongoing to understand the reasons, identify and mitigate risks, and define actions to raise their scores again. The same analysis and action plan are being applied to the 19% of suppliers who obtained a B score.

This year, 15% of the suppliers did not complete the full evaluation process prior to this disclosure. However, we continue to work to obtain 100% responses and to fully analyse the results and map the risks on this scope.

## Supply Chain Risk Assessment

| Supply Chain follow-up                              | Year                | Universe covered (#) | Not assessed | Scope analysed (#) | Risks identified in terms of: |                             |             | Suppliers presenting risks |                        |         |
|---|---------------------|----------------------|--------------|--------------------|-------------------------------|-----------------------------|-------------|----------------------------|------------------------|---------|
|   |                     |                      |              |                    | Health & Safety               | Other Human Rights & Ethics | Environment | Total #                    | o/w recurring (>2 ans) | o/w New |
| Raw Mats  | 2018 <sup>(1)</sup> | 95                   | 13           | 82                 | 2                             | 2                           | 4           | 8                          | n/a                    | n/a     |
|   | 2019                | 96                   | 19           | 77                 | 2                             | 3                           | 2           | 7                          | n/a                    | n/a     |
|   | 2020 <sup>(1)</sup> | 86                   | 21           | 65                 | 2                             | 2                           | 2           | 6                          | 0                      | 0       |
|   | 2021                | 106                  | 44           | 62                 | 1                             | 1                           | 1           | 1                          | 0                      | 1       |
|   | 2022                | 97                   | 25           | 72                 | 1                             | 1                           | 1           | 1                          | 1                      | 0       |
| Non-Raw Mats<br>(main sites' suppliers + transport) | 2018 <sup>(1)</sup> | 116                  | 0            | 116                | 9                             | 5                           | 8           | 22                         | n/a                    | n/a     |
|   | 2019                | 194                  | 0            | 194                | 13                            | 9                           | 7           | 29                         | n/a                    | n/a     |
|   | 2020                | 242                  | 0            | 242                | 6                             | 21                          | 10          | 37                         | 0                      | 2       |
|   | 2021                | 239                  | 0            | 239                | 7                             | 12                          | 8           | 27                         | 1                      | 0       |
|   | 2022                | 114                  | 17           | 97                 | 5                             | 4                           | 4           | 13                         | 0                      | 0       |
| Total   | 2018 <sup>(1)</sup> | 211                  | 13           | 198                | 11                            | 6                           | 12          | 29                         | n/a                    | n/a     |
|   | 2019                | 290                  | 19           | 271                | 15                            | 13                          | 9           | 37                         | n/a                    | n/a     |
|   | 2020 <sup>(1)</sup> | 328                  | 21           | 307                | 8                             | 23                          | 12          | 43                         | 0                      | 2       |
|   | 2021                | 345                  | 44           | 301                | 8                             | 13                          | 9           | 28                         | 1                      | 1       |
|   | 2022                | 211                  | 42           | 169                | 6                             | 5                           | 5           | 14                         | 1                      | 0       |



> Furthermore, in 2022, an improvement to the questionnaire was implemented in order to understand whether our suppliers evaluate themselves through a professional ESG rating agency. 45% answered positively.

This indicator is important and will be followed from now on, as Aperam also confirms its ESG engagement via some rating agencies score and encourages its suppliers to continuously improve on their ESG topics. Another example is the incentive we make in terms of equality and diversity, which has contributed to 60% of our suppliers declaring having implemented gender diversity policies and programs.

### The Impact of ResponsibleSteel™



*"The Sustainability or ESG concept is a fundamental pillar to ensuring that the steel produced by Aperam is 100% sustainable and responsible. Our role is to involve and motivate our suppliers to be aligned with our commitments".*

**Márcio Siqueira da Silva**  
Raw Material Manager - Brazil

<sup>(1)</sup> Update and follow-up of previous year's assessment for Sourcing.

■ ■ ■ Even when dealing with global and reputational firms in our own and well-regulated countries of operations Aperam remains attentive to media coverage and suspicions of pollution or human rights issues.

> As reported in the previous report, in 2021, a risk was identified in Belgium, while we were actively testing new by-product suppliers. After the identification of a media coverage highlighting a suspicion of contamination, a due diligence was carried out. As they did not fully discard the risk and the suspected occurrence, Aperam's decision was to put the trial on hold. In 2022, the Flemish region temporarily suspended the operations of the supplier's unit until they implemented actions aligned with the regulations and paid the fines. Once done, the unit reopened and the supplier provided legal documentation proving the respect of the rules about polluting substances.

> In 2022, Aperam identified two issues with raw material suppliers. As a consequence, we stopped our relations with one extractive company operating in Guatemala, which was reported having environmental litigations as well as issues with the local population.

We also put a contract under suspension with one other supplier in Mexico, considering its operations were stopped by the authorities in relation to environmental issues. This contract was only reopened when the company could prove it was aligned with the regulations.

## Risks and Compliance

### Risk Monitoring

#### A Strong Process in Place

Our Risk management process is regularly assessed to ensure it is applying the best-in-class practices. With the support of Global Assurance Risk Management function, a top-down (in Q1-Q2) and a bottom-up (Q4) risk assessment is performed with all stakeholders (Business, platforms and Corporate functions) in order to identify, assess, mitigate and monitor all risks with a review of the mitigation action plans for all key risks. The process encompasses all possible areas, from taxes to natural disasters, including Cybersecurity risks and compliance risks with details on fraud, corruption, money-laundering, economic sanctions. Each risk is assessed in terms of likelihood and impact on financial or non financial criteria.

> This mapping is reviewed by the risk owners until the Leadership Team level. All key risks at group level are consolidated into a Global Risk Matrix, which is validated by the Audit and Risk Management Committee and are disclosed in the Aperam Annual Financial Report (GRI 3-3).

> In 2022, we extended our Risk management process to Aperam Recycling units. We also further improved it through a close follow up of the mitigation action plans for the key risks from our Global Risk Matrix. Based on Ad hoc Approval by the CEO, Global Assurance performed an independent monitoring on the follow up of the implementation of the mitigation action plans on Cyber security risk and also reported it on quarterly basis to Aperam LT and its Board's Audit & Risk Management Committee.

#### Ethics & Compliance GRI 205-2 to 3, 406-1.

| Indicator  | Unit | 2022 | 2022    | 2022   | 2021   | 2021 | 2021    | 2021   | 2020   |     |
|--|------|------|---------|--------|--------|------|---------|--------|--------|-----|
|  |      |      | Belgium | Brazil | France |      | Belgium | Brazil | France |     |
| Fraud allegations reported                               |      | 22   | 2       | 15     | 0      | 13   | 2       | 9      | 0      | 12  |
| - Forensic cases founded                                 |      | 2    | 1       | 1      | 0      | 4    | 1       | 2      | 0      | 4   |
| -- significant cases                                     |      | 0    | 0       | 0      | 0      | 0    | 0       | 0      | 0      | 0   |
| Ethical allegations reported <sup>(1)</sup>              |      | 54   | 0       | 48     | 1      | 10   | 0       | 10     | 0      | 4   |
| - Ethical cases founded                                  | #    | 15   | 0       | 13     | 0      | 2    | 0       | 2      | 0      | 4   |
| -- significant cases                                     |      | 0    | 0       | 0      | 0      | 0    | 0       | 0      | 0      | 0   |
| Other allegations <sup>(2)</sup> reported <sup>(1)</sup> |      | 9    | 0       | 6      | 1      | 2    | 0       | 2      | 0      | 0   |
| - Other cases founded                                    |      | 1    | 0       | 0      | 0      | 1    | 0       | 1      | 0      | 0   |
| -- significant cases                                     |      | 0    | 0       | 0      | 0      | 0    | 0       | 0      | 0      | 0   |
| <b>Training Rate on Ethics</b>                           |      | 65   | 66      | 74     | 47     | 78   | N/A     | N/A    | N/A    | 52  |
| o/w White Collars  | %    | 70   | 81      | 82     | 51     | 78   | N/A     | N/A    | N/A    | 52  |
| o/w Blue Collars   |      | 47   | 36      | 65     | 32     | N/A  | N/A     | N/A    | N/A    | N/A |

<sup>(1)</sup> Including through the whistleblowing hotline after scope extension in 2020

<sup>(2)</sup> Environment, Cybersecurity/Data privacy



Palais de Justice de Strasbourg - France, Garcés.De Seta.Bonet Arquitectes & Serra-Vives-Cartagena  
©jm.bannwarth@drone-images-alsace.com, Aperam 304 with Uginox Top

> The fraud allegations reported through our whistleblowing hotline and other reporting mechanisms are related to misconduct such as thefts, corruption & bribery or conflicts of interests and no significant cases were reported in the year.

The 2022 Fraud allegations (like the previous years) concerned potential or real events where Aperam was the victim of fraudulent behaviours. None of them were to the detriment of other companies.

> All non fraud allegations, such as Human Rights (which cover Health & Safety, Harassment or Discrimination) are reported in the table to the left, within "Ethical", while Environment or Cybersecurity/Data Privacy are categorised as "Others". We see most of the cases reported in Brazil and Rest of the World, in particular the newly integrated perimeter of Aperam Recycling (ex-ELG).

The increase of the number of cases reported is mainly due to the extensive communication made about the possible use of the hotline for non fraud related cases such as discrimination or harassment, but also to the extension of the Aperam scope within the ELG integration. We also started to collect and report on the allegations raised by other means than the hotline (eg: email to Compliance or to management). On the other hand the percentage of founded cases remains stable (GRI 2-26).

All cases were shared with the Audit and Risk Management Committee, which reported appropriately to the Board of Directors. Communications to ensure all employees in Aperam can use this channel are being continued.

> In addition to these investigations, our Global Assurance Department performed 46 audits or advisory services in 2022, with strong focus on Recycling Activities. These provide a full review of our small and medium entities, high risk processes or emerging risks. Since 2018, the team has covered some sustainability-related topics such as Health & Safety and environmental issues. In 2022, our internal auditors performed a specific study on Water management and participated in the preparation of the ResponsibleSteel™ certification in Brazil and in the preparation of its Surveillance audit in Europe.

## Rolling Out our Compliance Framework

### Mission and Organisation

> In 2022, our Compliance Framework further advanced our risk mitigation efforts. Highlights include:

- Roll out of all Aperam policies at all former ELG units, including, for example (but not limited to) our Code of Business conduct, Anti corruption and money laundering policy, Prevention of misconduct and whistleblowing policy, No gift policy, Insider dealing regulations etc...
- Extension of the whistleblowing hotline scope to all new Aperam recycling units
- Start of the project of third party due diligence screening automation with the compliance screening automation of Brazilian suppliers as a first step (European suppliers and customers worldwide will follow)
- In depth screening of all Russian business partners, including UBO verification, in view of the evolution of the sanctions in order to ensure that we do not trade with sanctioned entities and individuals.
- Strong due diligence in place to ensure that no trading took place in 2022 with entities from OFAC- and EU-sanctioned countries, nor with any of the entities targeted by OFAC and EU targeted sectoral sanctions.
- An in-depth Compliance Risk assessment with input from all concerned business leaders. This resulted in detailed risk matrices covering all compliance topics and included an evaluation of country/activity-specific compliance risks.

### Technical Expertise, Audit and Continuous Improvement

Regarding continuous improvement, 2022 saw several in-depth projects related to the automatization and improvement of some of the routines embedded in our People Management system.

> First, thanks to the implementation of an automatic refresh function, all our mandatory declarations, such as Aperam Insiders' personal data and the Compliance Certificate, were automatically updated and refreshed. This allows for a more efficient analysis and follow up by the Compliance Team, resulting in:

- 98% completion of the compliance certificate
- 92% achievement on the conflict of interests declaration

> Second, this same automatic refresh feature allowed us to auto update all our Aperam Insiders' personal data, ensuring an "Insider register" that not only complies with Luxembourgish regulations, but is also extremely effective.

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## Voice

*"Any organisation, as well as Aperam, that conducts business outside its own territory, cooperating with international entities, is exposed to the risk of non-compliance with international sanctions requirements.*

*Especially at the present time, when along with the war in Ukraine, economic sanctions were imposed on Russia and Belarus, we are facing challenges related to limiting exports to these countries and relocating their business activities to other places in the world.*

*A proper, effective and meticulous procedure aimed at minimising the risk of non-compliance in our business activities with the requirements of international sanctions is a complex process of verifying our current and future contractors.*

*Detailed sanctions verification consists in collecting information on: the ownership structure, real beneficiaries, negative information available in the public domain and direct checking of companies and their owners as individuals on official published sanction lists.*



*We are convinced that the above-mentioned activities, despite the fact that they represent a significant amount of work, are necessary to ensure compliance with applicable regulations and to demonstrate a high level of business ethics."*

### Aneta Sabaturska-Kopek

Chief Finance & HR Officer,  
Aperam Stainless Services & Solutions Poland

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## Alignment & Behaviours

In terms of alignment, we continued with the roll-out of the routines started in 2017, including the annual "compliance certificate" that summarises the year's actions for key leaders and site managers and the declaration of potential conflicts of interests for all exempts.

Aperam's induction training also ensures that joiners are quickly informed of the company's key policies, with refreshing sessions happening on a regular basis.

For instance, the 2022 mandatory compliance training pack included information on:

- Code of Business Conduct
- Promoting Diversity and avoiding discrimination
- Data Protection Regulation
- Protection of company information
- Fraud awareness

> Regarding the training rates, in 2022, the code of conduct training has been rolled out for blue collars within all Aperam units and will be continued in 2023 in order to ensure that all Aperam employees will have followed the Code of conduct training by the end of 2023. At the end of 2022, the training sessions achieved over 78% participation for white collars and 50% for blue collars - [GRI 2- 23](#).

### Communications

Regular awareness-raising initiatives are crucial to fully embed compliance into our culture, mindset and processes. Our communication schedule aims to cover all our topics in just a couple of years, focusing on a few topics every year. In 2022, the following company-wide communication initiatives were organised:

> As with the last four years, Aperam once again celebrated International Fraud Awareness Week. The goal of this initiative is to raise awareness about various fraud prevention and compliance topics and ensure a new, shared vigilance happens at all levels of the organisation.

From 21<sup>st</sup> to the 25<sup>th</sup> of November, four live sessions were organised with the participation of the Top 100 team members from Aperam recycling, who was the target audience of this year's edition. 79 participants from 18 countries joined the live sessions (70% participation rate).

The live events were complemented by daily group communications including short movies, quiz questions, a fraud case explained inspired by real cases that occurred at Aperam, and links to our Corporate policies that were sent every morning of the week to all Aperam email holders. These films covered such important compliance topics as:

- The rights of the whistleblowers
- The fraud triangle
- Phishing
- Confidentiality
- Insider dealings
- Conflicts of interests and how to deal with confidential and sensitive information.

> The last company-wide initiative, led by the Sustainability team and with the support of the Compliance, Corporate Inclusion & Diversity Working Group, and Human Resources teams, covered a completely different topic related to our Code of Conduct and Human Rights policies: the fight against discrimination in relation to Disability (see p. 21)

> Finally, we continue sending our key policies to our business partners. In 2022, all active suppliers received the yearly notice of our No-Gift policy, which stands as a key element of our Anti-Corruption procedure ([GRI 205-2](#)), and earlier in the year, a letter inviting them to support our stand for corporate responsibility, starting with human rights and health & safety.

### Compliance at Aperam South America

In light of the risks posed by operating in different regions around the world, Aperam remains conscious of local practices not meeting our company standards. We operate under the principle of respecting the stricter of the two standards between local and our global company standards.

For example, after two years of being impacted by the pandemic, on top of rolling out our corporate action plan, the Brazil team resumed its proximity training on the shopfloor, which really can help all employees from Aperam South America and BioEnergia memorise our rules and guidance. Such face-to-face training sessions (see picture with Lorena below) and awareness-raising events are organised on several topics, including handling sensitive information, and benefit not only our scrapyards and warehouse personnel, but also our subcontractors. During Anti-Fraud Week, eight sessions were organised, half of which were held live. These sessions covered our Anti-Corruption and Anti-Money Laundering policies and procedures. With this action, 54 people from the Engineering, Sourcing and Financial departments and 75 from the Purchasing, Commercial and Foundation received first-hand training using real-life cases.

To complete the training, regular information is sent via various means. For example, we distributed stickers to put on computers (see picture of Erick, below) and displayed banners along our internal alleys. On the same note, a short version of the Code of Conduct was also added to the H&S booklet, which is distributed to our internal and external workers. As it is mandatory to have the booklet in one's uniform pocket during their shift, it really adds proximity to the shop floor workers! One could even say that our ethical guidelines are physically close to their heart!

*Erick with a sticker.*



*Lorena at the end of a training session.*



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## Voice



*“Before the acquisition by Aperam, ELG already had a robust Compliance Management System to provide rules and guard rails for all actions and business decisions, sharpen Compliance awareness and effectively prevent, detect, and mitigate all relevant Compliance risks.*

*During the integration into the Aperam Compliance Program, the now Aperam Recycling segment has fully adopted Aperam’s Code of Business Conduct as well as further*

*Compliance Guidelines and hereby further strengthened its practices by optimising the Supplier Due Diligence process and introducing the Conflict of Interest as well as the Compliance Certificate yearly declarations.”*

### Alexander Kehl

Aperam Recycling Head of Legal & Group Compliance Officer

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## Global Data Privacy and Cybersecurity

### Cybersecurity



PHISHED

Cyberattacks and data breaches are two of the fastest growing risks for companies everywhere, and Aperam is no exception.

That’s why we implemented a Cybersecurity Strategy based on 4 pillars:

1. Because our first line of defence against cybercrime is our employees, user awareness is the first pillar of the Aperam Cybersecurity Strategy. To train our employees about this threat, we sent 90,000+ phishing simulation emails in local languages.

We also provided multiple short courses with videos and quizzes via our MyLearning Cyber Academy. Having showed positive results in terms of awareness raising, these initiatives will continue in 2023

2. A second pillar focuses on the timely resolution of security vulnerabilities identified by the regular scanning of IT resources within the internal network and by conducting penetration tests on our websites, which are accessible from the internet.

3. Our third pillar sees Aperam raising new defences to further protect its assets and information. This includes introducing the latest technologies, like multifactor authentication and profounded monitoring tools, to detect and alert any unusual behaviour within our IT environment.

4. As backup, Aperam is revamping and testing its disaster recovery plans and business continuity strategies to ensure critical business processes are quickly restored in the event of a cyberattack.

In addition, an enhanced IT security communication channel has been established within Aperam, accompanied by an improved cybersecurity dashboard to support and assist Aperam management as part of their risk matrix assessment related to cybersecurity and data protection.

### Global Data Privacy at Aperam

As an international company with global systems and teams located both in and outside of Europe, Aperam not only enforces the European General Data Protection Regulation (GDPR), but also addresses local regulations with international data flows and processings. As such, Aperam’s Data Protection team is supported by a trained network of local data protection correspondents at site level.

A Data Protection Committee is also in place to review the Data Protection department’s roadmap, ongoing actions and exchanges with the authorities. The Group is submitted to the National authority of Luxembourg, the CNPD, as its Lead Supervisory Authority.

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## Voice



*“In a global context marked by international collaboration and innovation upheld by technology, we are putting an emphasis on the protection of personal data. By creating an effective data protection culture in Aperam, we aim at giving everyone of us the keys to ensure secure and compliant personal data processing, wherever we are located.*

*This is the core of my mission as the newly appointed Aperam Data Privacy Officer.”*

### Julia Eisenmann

Company Secretary and Data Privacy Officer

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Aperam also sees compliance with the GDPR as an opportunity to rethink its day-to-day activities and customer relationships, beyond the protection of all its stakeholders' privacy.

## Relationship with Authorities

In principle, Aperam only engages in policy debates with governments and policymakers on topics that are of concern to its business.

In particular, our Code of Conduct stipulates very clearly that Aperam shall never subsidise any public body, civil servant, member of a political party or union. We also respect best practices in anti-corruption and promote a fair and competitive marketplace without the use of undue influence.

Our expenses in the context of public affairs and trade defence are detailed below, and include all relevant costs borne by Aperam, including the share of the fees paid to National steel making associations that relate to public affairs activities as well as Eurofer.



### Lobbying expenses

| Indicator         | Unit | 2022 | 2021 | 2020 | 2019 | 2018 |
|-------------------|------|------|------|------|------|------|
| Expenses - Europe | €m   | 0.57 | 0.64 | 0.87 | 0.20 | 0.38 |
| Expenses - Brazil |      | 0.32 | 0.45 | 0.12 | 0.22 | 0.17 |

## European Carbon Markets

In 2022, only our European operations (which represent 50% of our Scope 1 emissions) were subject to CO<sub>2</sub> emission regulations (in the form of allowances or quotas), and there is no sign that a comparable system will be established in Brazil in the near future.

Based on current assumptions and ETS rules, we do not anticipate an overall shortage of free allowances before the late-2020s

## Carbon markets and competition

The EU aims to achieve climate-neutrality by 2050, in line with the EU's commitment to global climate action under the Paris Agreement and the European Green Deal. We fully agree and support this EU target. This objective will translate into new regulations and incentives to invest in the transition (see also Taxonomy p. 36), reduce energy consumption and force all industrial players to adapt their processes accordingly.

As part of the European Green Deal, it is expected in particular that the EU will adopt new and ambitious legislations addressing GHG emissions, circularity, waste management, sustainability, energy, and industrial emissions.

Whilst these new legislations will certainly require the steel industry to adapt and make significant investments, they also represent an opportunity to accelerate the transition to a circular, low CO<sub>2</sub> business model of which Aperam wants to be a frontrunner.

It will be important in this context that the European ambition on sustainability and decarbonization goes hand in hand with appropriate measures to promote and defend a global level playing field, in order to ensure that the European industry is not put at a competitive disadvantage versus imports from countries that do not have equivalent goals and ambitions.

## Trade Defense Update

For a long time, Aperam has been closely working with steel industry associations and other local trade associations, especially in Europe and South America, to promote the preservation and development of a level playing field for all market participants.

More and more, this work has also been driven by environmental concerns.

This activity has been particularly intense since 2018 and remains so today, due to the prolonged impact of U.S. protectionist measures (Section 232), the need to secure our markets from a growing number of unfair international trade practices (dumping, various forms of government subsidies, circumvention, etc.), and an increasingly difficult economic environment.

> In Europe, these issues have always been addressed within Eurofer, the European trade association, both during the periodic meetings dedicated to the steel industry's trade problems (External Committee) and, more specifically, within the forums dedicated to the subsector (Stainless Steel Working Group).

In 2022, Aperam intervened through Eurofer in the following files:

- European safeguard measures on steel products
- Anti-subsidies investigation (against India and Indonesia) concerning imports of certain cold rolled stainless steel sheets and coils
- An anti-circumvention investigation against imports of stainless steel hot rolled products from Turkey, made from Indonesian stainless steel slabs
- A dispute at the World Trade Organisation (WTO) against Indonesian export restrictions on raw materials used in stainless steel production, which unfairly restricts international producers' access to raw materials for steel production, particularly nickel.

> In Brazil, Aperam and IaBR (Brazilian Association of Steel Producers) are regularly supporting the Brazilian Authorities for Trade Defence to monitor unfair trade practices.

In 2022, Aperam participated in the following sole case:

- Anti-subsidy investigation on Stainless Steel Flat concerning imports of 304 Cold Rolled (Indonesia).

## Stakeholder Relationships

Aperam sites are encouraged to regularly engage with local stakeholders, as doing so is consistent with our values and management best practices and also very important to our employees, who are also often our neighbours. As a fact, this is reflected in our Climate Surveys, the most recent of which record 76% of employees that state they are proud of the company's contribution to the community, with higher scores in Brazil.

In 2021, we formalised our approach in a formal External Stakeholders Engagement Policy, and keep on trying to improve, with an internal management tool to be deployed in 2023-24.

> In Brazil, we have a Foundation that is supporting local communities with “social impact investing” with particular attention on such topics as culture, sustainability, employability and local development. Called the Aperam Acesita Foundation, the organisation operates in Timoteo and the Jequitinhonha Valley, where our forestry is located (see page 60).

*Pont-de-Roide welcomed a group of schoolgirls from the Albert-Jacquard College in Lure.*



*Genk's Junior Day, including a welding test, a fire-extinguishing exercise, a chance to measure the hardness level of tap water.*



*Teams & families celebrating Genk's 60<sup>th</sup> Anniversary.*



*Queuing for Aperam Châtelet Open Day.*

> In Europe, our community actions used to be less structured and more opportunistic, often modelling along the lines of a National or Regional event, like the “Weeks of the Industry” (see hereafter), or like the October Pink events (against breast cancer), for instance those held yearly in Gueugnon. They can also be very dynamic with family days in big sites, like the traditional Family or Junior Days (like the one gathering the 17-year-old children of our

Aperam Genk employees), or more modest versions but equally impactful at our smallest sites (eg. in Amilly in 2022), together with local fairs, “green days” and Christmas events.

In 2022, we initiated a new and more proactive approach as the ResponsibleSteel™ framework requests, with the aim to develop a more systematic and cohesive engagement and development plan in cooperation with local players. We rolled out a pilot, fully embedded into our risk analysis to become a truly operational tool and combined together with guidelines in terms of charitable contributions tailored to the needs of our regions. For instance, the regions that are recognized by the authorities as in need of re-industrialization will benefit from a higher budget, for actions fully aligned with Aperam's values. As part of that, special attention is allocated to marginalised groups such as unemployed women or migrants.

We also decided to use existing reporting tools and expand their coverage to help us structure better our Stakeholder Engagement. In the meantime, we are also starting to disclose our charitable contributions (see table next page and online pages for our main plants for the information by site).

■■■ Our Isbergues platform is a clear example of active local engagement. Not only has the management of the Isbergues platform met with the main association representing local residents (EQVIR) every quarter since 2014, the unit developed special communication tools (“Bulletin de la plateforme d'Isbergues”) to inform all stakeholders about what's going on with the several entities (not all Aperam) located within the boundaries of the former XIX century steel plant. They also contribute to the local life through participation to local sportive events and associations.

In 2022, we have a few highlights to report:

> Late November was Industry Week in France. It was the opportunity to talk about Aperam and to attract young candidates. On the Isbergues platform, doors were opened to local school children to promote our industry and we reached out to candidates during a regional forum to present our job openings. We are eager to exchange with professionals and to encourage vocations while breaking down preconceived ideas about industry. Likewise, our “Precision” unit from Pont-de-Roide opened its doors to a group of youngsters in partnership with the association “Elles bougent” (see page 19) to promote technical careers amongst girls and women.

> Almost at the same time, Aperam Châtelet plant opened its doors to welcome 1,200 employees, contractors, local officials and family members. This year's Open Day included guided tours of our operations together with a number of social activities, food trucks and special entertainment for kids. A video summary recorded the event.

> The year 2022 was also marked with 60 years of stainless steel in Genk and 10 years of Aperam on the clock: it was time to celebrate. Aperam Genk organised 2 family days in June for employees and families. In total, almost 2,000 people visited the Aperam Village, built on purpose for the occasion to bring together high quality street food, refreshing drinks, live music. The party also provided access to the “Open Air Museum” workshops of Bokrijk, where one could bake bread or work on leather.

## Stakeholder Engagement, the Aperam Way

- ✓ Official Stakeholder Engagement policy
- ✓ Group Sustainability report in English
- ✓ Country supplements in local languages
- ✓ Entrance Posters and site-specific web pages with key Social & Environmental indicators (right)
- ✓ Ongoing Environmental monitoring
- ✓ Stakeholder dialogue directly by sites or via our Acesita Foundation, structuration in progress
- ✓ Development programs via our Brazilian Foundation and pilots in Stainless Europe
- ✓ Grievance mechanisms incl. online contact forms
- ✓ Human Rights/Discrimination risk assessments
- ✓ Biodiversity partnerships in progress
- ✓ Monitoring tool in preparation

(All public documentation available at [www.aperam.com](http://www.aperam.com))



S&S Poland 's team ready for the challenge.



Above: Open Day in October 2022 at Amilly (Alloys & Specialties)..

## Employee Survey

**76%** are proud of Aperam's contribution to the Community

## Solidarity with the Ukrainian people

Aperam and its employees showed solidarity with the Ukrainian population.

- Donation: combining those channelled via the immediate Polish S&S unit initiative, with those sent to the special Aperam account and the personal donations made directly to associations, more than 50,000€ were collected in 2022
- Group-level donations will be made in 2023 to reflect our employees' commitment.
- Support provided in Isbergues (4 families were provided with a housing by Aperam and also with Christmas gifts)

Launched at the end of 2018, France's 'Territory of Industry' initiative aimed to revitalize industry, especially in areas that have experienced significant deindustrialization. The initiative targeted four axes: recruit, innovate, attract projects and simplify. To implement the plan the initiative combined the forces of cities and industrial companies.

Each Territory of Industry had a local project committee, led by an elected-industrial pair whose primary role was to establish stronger links between local authorities, manufacturers, state services and consular chambers. In other words, to build an ecosystem. Our Imphy unit was the industrial member of the team leading the Nevers-Val-de-Loire territory and proved instrumental in building the overall plan, two actions of which were very emblematic of the pooling of our efforts:

- a real estate offer to attract new projects to the area
- attracting and recruiting people from other regions in our local plants

In 2022, the Minister of Industry came to see the success of the Territory of Industry initiative in Nièvre first hand. The Imphy team is proud to have played a role in restoring the image of industry in the area, highlighting how our business is both modern and innovative. Proof of our success can be seen in the fact that Imphy and the Nevers-Val-de-Loire was named one of the nine Territory of Industry initiatives (out of an initial 148) that will continue on to a new three-year cycle. Called 'Industrial Rebound', this cycle aims to support the transformation of the automotive sector, develop projects around hydrogen, and promote the innovation potential of our territory.



## Voice

*"We can be proud to have helped restore the image of our industry and showed the general public that our business is modern and innovative.*

*I'm excited that our work will continue during a new three-year cycle!"*



**Jean-Christophe Trontin**  
Imphy Plant Manager

## Community Investments (Donations)

| Donations in k€ by Unit <sup>(1)</sup> | 2022  | 2021  | 2020  | 2019  |
|--|-------|-------|-------|-------|
| Aperam in Belgium - All units          | 31.1  | 16.7  | 5.8   | 9.1   |
| Aperam in Brazil - All units           | 510.6 | 424.3 | 482.2 | 378.4 |
| Aperam in France - All units           | 62.6  | 57.5  | 32.5  | 36.8  |

(1) Excluding donations in kind.

## Aperam Acesita Foundation

In 2022, the Aperam Acesita Foundation once again oversaw a number of successful social initiatives, benefiting more than 81,000 people and involving a total investment of BRL 3.9 million in the Steel Valley and Jequitinhonha Valley. The social projects covered the Foundation's four main focus areas (38% education, 38% social development, 13% culture, 10% environment) and were aligned with our ESG strategy and mission of contributing to the local, integrated and sustainable development of communities.

With the pandemic-related restrictions of prior years lifted, but still applying the health and safety protocols, we were able to restart our actions closer to the communities being serviced (while still following all health and safety protocols). Even if our actions remained below pre-pandemic figures, they nonetheless had a big impact either through its various events and through the Aperam virtual channels.

### • Education and Training

- **Continuous Skills Training for Professionals:** to support the continuous self-development in the Vale do Aço and Jequitinhonha regions, we provided qualitative education for professional improvement and updated pedagogical practices. A total of 1,800 professionals benefited from these initiatives, including school general service assistants, teachers, pedagogues and school directors.

- **School Complementary Projects:** 3,200 students benefited from our traffic safety and drug resistance education programs, both of which were held in partnership with the Military Police. We also partnered with local firefighters on safety training and with the Lawyers from Brazil Association(OAB) on a course about law and citizenship.

- **Female Empowerment:** the Girls Empowerment and Citizenship project, done in partnership with Itaú Social and the Council for the Rights of Children and Adolescents of Timóteo, developed the potential of female students by providing new skills and teaching about their rights as citizens and gender equality. A total of 163 young women from six schools benefited.

- **Strengthening Ecological Awareness:** with the goal of raising awareness about environment preservation and conservation, we implemented an Ecological Calendar. The calendar reinforced the responsibility each of us has for the sustainability of the planet by highlighting important dates related to environmental and ecological themes that were celebrated throughout the year, like World Water, Environment, Traffic and Tree Days. The project also organised ecological walks, school writing competitions and theatrical opportunities for students.

In 2022, 802 people benefited, including employees, teachers, students and communities.

- **Empowering the Elderly:** these actions aimed to support our senior citizens by encouraging healthy habits, raising awareness about physical and mental health issues, and providing social opportunities like dance classes, theatre and choir groups and various physical activities. Almost 3,000 elderly people in the city of Timóteo benefited.

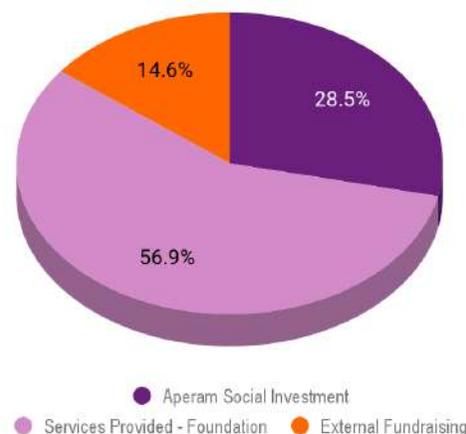
## Aperam Acesita Foundation Activity GRI 413-1

| Indicator  | Unit         | 2022               | 2021     | 2020     | 2019    | 2018    |
|--|--------------|--------------------|----------|----------|---------|---------|
| Beneficiaries                                      |              | >81,000            | > 26,001 | > 40,000 | >65,000 | >64,000 |
| Cultural Events                                    | Unit         | 200                | 60       | 94       | 89      | 102     |
| Online Events (Views)                              |              | 132 <sup>(1)</sup> | > 61,001 | >265,000 | n/a     | n/a     |
| Social Impact Investments (Social Projects only)   |              | 3.9                | 2.7      | 1.98     | 2.3     | 2.9     |
| Other Aperam Acesita Foundation Expenses           | BR\$ million | 1.5                | 1.1      | 0.72     | 0.9     | n/a     |
| Total Investments by the Foundation <sup>(1)</sup> |              | 5.4                | 3.7      | 2.7      | 3.2     | 2.9     |

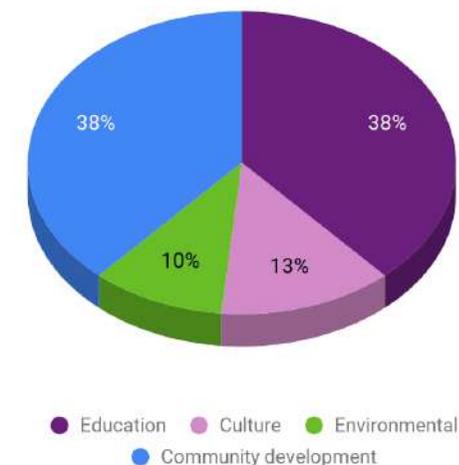
(1) Including expenses linked to the services provided.

(2) Due to return to face-to-face actions after the pandemics.

Sources of funds



Expenses by Focus



- **Professional Qualification**

- **Industrial**

The Steel Institute, which aims to provide professional training, qualified 23 people from the community in welding, finishing and cleaning processes for stainless steel, generating more than 5,000 hours of training. In line with our commitment to diversity and inclusion, 24 women were trained as Steel Operators Welders, (5,000hours of qualification) with a focus on preparing them for potential employment opportunities at various regional industries, including Aperam Stainless. More than 70% of the women trained were already employed in the metalworking sector by the end of 2022. The same strategy has also been applied for training Steel Operators with physical disabilities, with more than 10,000 hours of training provided to 30 employees.

- **Rural**

With the goal of improving the quality of life for those living in rural areas, and in partnership with SENAR (National Rural Learning System) and Rural Unions, we provided 754 people with more than 20,000 hours of training in Vale do Aço and Vale do Jequitinhonha. Training covered such topics as revitalising degraded areas, maintaining brush cutters, building an ecological septic tank, beekeeping, recycling plastic bottles, cutting and sewing, amongst others.



Also using its own resources, the Public Notice for projects with a focus on the environment has been put in place to support social organisations working to develop environmental technologies and generate a positive socio-environmental impact on the communities located in the areas covered by Aperam BioEnergia. Support was given to 11 initiatives organised by various social organisations, including community associations of small rural producers, Quilombola's associations, cultural associations and residents' associations. Nearly 3,300 people in the Jequitinhonha Valley region benefited from these initiatives.

For more information (in Portuguese), please visit: <http://brasil.aperam.com/sustainability/fundacao-aperam-ace-sita/a-fundacao/>

- **Culture**

Contributing to the cultural strength of the communities where Aperam operates, 200 different events were held, including children's and adult's theatre, musical and dance shows; art exhibitions; outdoor activities; and educational lectures. We also provided workshops on organising and promoting cultural events. A total of 555 local artists and more than 50,000 spectators participated in the various cultural offerings.

- **Public Notice for Social Projects**

Through its own resources, 23 new projects were approved in the Vale do Aço and Vale do Jequitinhonha regions. These new projects are focused on generating employment and income opportunities, strengthening the solidaire economy, enhancing formal educational process, and empowering associations and communities in general. Community Associations, cultural associations, women's associations, and school funds, among others, from the financial contributions and technical support these projects provided, directly benefiting almost 3,000 thousand people.

- **Project Notice - Environmental Initiatives**



## A Focus on Sustainable Innovation

Our mission is to provide innovative steel and alloy solutions that are affordable, long-lasting, and that offer the strength and versatility our customers have come to expect. That's why we place a particular focus on growing our portfolio of high-value added products and solutions. For example, we continue to develop innovative products through our research and development initiatives, while also leveraging our marketing and communication efforts to expand our brand recognition and grow our market share.

### Sale of New Products by Category

| Index, based in volumes | Base | 2022 | 2021 | 2020 | 2019 |
|-------------------------|------|------|------|------|------|
| Stainless Steels        | 2019 | 76   | 69   | 58   | 100  |
| Electrical Steels       |      | 247  | 261  | 92   | 100  |
| Special Carbon Steels   |      | 154  | 69   | 131  | 100  |
| Alloys                  | 2020 | 554  | 168  | 100  | n/a  |

### Employee Survey 2022

**8.1/10** agree that we actively study customers' requirements and expectations

*Note: after a certain amount of time (e.g., 5 - 7 years), a product can no longer be considered 'new', which explains the decrease in 'new' projects seen in 2020.*

Yet while we are intent on growing, we want to ensure we do so sustainably. To do this, we are dedicated to producing products and solutions that both drive a circular economy and enable the sustainable world our future demands

## Answering Tomorrow's Challenges Today

Whether it be electric vehicles, renewable energy or addressing the challenge of climate change, many of today's megatrends are acutely focused on sustainability. But to be truly sustainable, these solutions must be sustainable themselves – and that means being made of materials that support the circular economy and that can go the distance.

100% recyclable, inherently reusable, durable, resistant to corrosion, hygienic, easily formable and offering excellent mechanical strength – not to mention being competitively priced – stainless steel has emerged as the material of choice for megatrends, which means big opportunities for companies like Aperam.

To leverage this opportunity, Aperam has launched new business programs to position ourselves as a leading actor in the megatrends arena. Megatrends will shape our world for a long time, which is why Aperam is dedicated to working with our customers to develop the innovative solutions that will drive these trends.

## The Innovative Materials Behind the Mobility Revolution

The mobility and transport sector is moving full steam towards full decarbonization. In the last few years, key decisions have been made to accelerate this shift. For example, in May 2023, EU Member States adopted legislation phasing out sales of internal combustion engine cars and vans by 2035. The International Maritime Organization agreed to aim for a reduction of annual GHG emissions from international shipping by at least half by 2050, compared to their levels in 2008.

Automotive, rail, aviation, maritime... all of these major industries are subjected to ever growing pressure to go green. Answering this pressure will require the use of innovative new materials. Overall, Aperam is committed to supporting the transition towards sustainable mobility and transport through our innovative materials solutions, including in these three areas that we see as being ripe for disruption:

- **SHIFT TO ELECTRIFICATION:**

The sale of electric vehicles is set to skyrocket in the next few years, from 1.4 million in 2022 to 11 million in 2030 and 16 million in 2035 (Europe), and from 752 000 in 2022 to 5 million in 2030 and 8 million in 2035 in the US (IHS Markit).

Connected cars will account for 100% of the market by 2035. Aircraft will become more and more electric, increasing the percentage of systems that are powered electrically.

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### Voice

*“These developments open the door for new opportunities for Aperam and the materials we produce.*

*Whether it be electrical steel for e-motors, stainless steel for battery parts, and alloys for high-efficiency e-motors, power electronics, and battery components - Aperam is ready to deliver”.*



**Gwenaëlle Le Meur**  
Director New Business  
– Mobility & Transport.

- **DEVELOPMENT OF HYDROGEN MOBILITY:**

According to the International Energy Agency, there are 50 national targets, mandates and policy incentives in place today that directly support hydrogen. The majority of these are focused on transport.

Thanks to its unique properties, stainless steel is being used to store hydrogen in cryogenic tanks, and produce bipolar plates for fuel cell vehicles.

- **THE DECARBONIZATION OF TRANSPORT:**

The Green Transition and various regulations supporting this transition will cause fundamental change to the materials used in the shipping, trade, offshore and energy sectors. For example, governments have agreed to adopt a revised and strengthened set of climate goals at the 80th session of the Marine Environment Protection Committee (MEPC80) in July 2023.

Within the maritime sector, alloys are the material of choice in applications for on-shore supply, while stainless steel is favoured for CO<sub>2</sub> scrubbers and NOX selective catalytic reduction.

## Sustainable Solutions for the Food & Beverage Sector

Aperam's focus on megatrends is by no means limited to the transportation sector. The company is dedicated to developing sustainable solutions to some of society's most pressing problems – including the use of plastic packaging.



To position stainless steel as a sustainable alternative to the plastic packaging used in grocery stores, we recently partnered with Berny to design and develop a returnable and reusable stainless tray to get your meat, poultry, and fish products packaged. “This project is an excellent example of how our research and innovation initiatives leverage the strengths and capabilities found across the company and within our network of partnerships,” says Saghi Saedlou - Head of Stainless Steel Research, Europe.

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### Voice

*“Aperam also contributed to NF norm D21-304, which defines the conditions for microwaveable stainless steel. The use of stainless steel and the shape of the final product are crucial for compliance.*

*We saved Qwetch time in developing their certified food container, allowing them to be among the first to introduce a sustainable microwaveable alternative to plastic food containers.”*



**Saghi Saedlou**  
Head of Stainless Steel  
Research, Europe

## Building Better with Stainless Steel

Beyond the Food & Beverage sector, stainless steel has become the material of choice for the building and construction sector.

To help this sector comply with new obligations on the use of low carbon and circular-friendly building materials, Aperam has developed a robust pipeline of stainless solutions for use with building roofs and facades, all of which offer an unprecedented level of durability, a long lifespan and are infinitely recyclable.

Considering that, in Europe, buildings account for 40% of the EU's total energy consumption, Aperam is also developing solutions to help buildings and homes become more energy efficient.



For example, with the use of thinner stainless steel, brazed heat exchangers can get better heat exchange and thus offer better performance.

Stainless steel is also used to help insulate windows - a key step to improving the overall efficiency of a home or office.

### Customer Satisfaction

| Indicator                        | Unit  | 2022                     | 2021               | 2020               | 2019 |
|----------------------------------|-------|--------------------------|--------------------|--------------------|------|
| Customer satisfaction: Alloys    | Rate  | n/a                      | 9.15               | n/a                | 8.8  |
| Customer satisfaction: Stainless | on 10 | 7.0 - 7.8 <sup>(2)</sup> | 7.9 <sup>(1)</sup> | 8,0 <sup>(1)</sup> | n/a  |

<sup>(1)</sup>: Brazil

<sup>(2)</sup> Specific countries in Europe: Italy, Spain, Portugal, North-Africa, Poland, Czech Republic.

Customer satisfaction remains a top priority, and something we measure via our customer satisfaction surveys. In 2022, several surveys have been conducted, giving an average rate from 7.0 to 7.8 depending on the countries.

## The Energy Transition

To fit with our climate objectives, today's energy system must be deeply transformed within the next decade:

- **CONSUME LESS AND BETTER**

→ Increase energy efficiency by a third by 2030<sup>(1)</sup> and phase out from fossil fuels, leveraging on electrification

Aperam is partnering with customers to produce solutions that consume less energy and improve efficiency. Heat exchangers and water storage tanks are being boosted in the commercial and residential markets by the fast development of heat pumps. Stainless and alloys are critical for the emergence of those markets. Energy efficiency and electrification are key words for the industry.

A few examples: Efficient motors and compressors (Non Grain Oriented electrical steels or NGO), water desalination plants use important volumes (stainless steel), recovery of heat in the industry processes (stainless steel), etc.

<sup>(1)</sup> Source: International Energy Agency, Net Zero Scenario

- **PRODUCE GREENER**

→ Transition from 80% fossil fuel to 80% low carbon energies, with remaining emissions being captured and stored.

Stainless steel can also play a leading role in the shift to greener sources of energy – and Aperam is at the forefront of this transition too.

### Voice

*“I think Aperam can bring a lot to the energy transition, and that the energy transition represents a great opportunity for Aperam.”*

*For example, to help reduce the use of fossil fuels from 80% to 20% by 2050, Aperam is developing a range of applications for generating renewable energy (geothermal, concentrated solar power, solar Photo-Voltaic, offshore wind), creating nuclear energy, capturing CO2 – and more”.*



**Gilles Bourgain**  
Director New Business  
- Energy Transition.

- **TRANSPORT & STORE EFFICIENTLY**

→ Build the infrastructure needed to efficiently and sustainably transport, distribute and store green energy from source to switch.

Stainless steel and alloys are crucial to creating the infrastructure required to transform, transport, distribute and store energy. Electrification will develop massively globally because electricity is a vector enabling the use of green energy in a number of sectors.

Aperam's zero CO<sub>2</sub> Grain Oriented electrical steels (GO) will play an important role in producing efficient power transformers. A good way to transport large volumes of energy over long distances is to transport it through liquid gas (natural gas, biogas, e methane, H<sub>2</sub>). Stainless and Alloys are critical to store liquid energy in large vessels at very low temperature. The electrolysis process to produce H<sub>2</sub> also requires high resistance materials. Aperam is set to play a leading role in providing long lasting materials for bipolar plates and electrodes of the different electrolysis technologies.

Aperam also carefully monitors emerging markets to identify opportunities for new partnerships and joint ventures.

Whether it's the sustainability-oriented megatrends of today or the emerging trends that will define tomorrow, Aperam has the solutions, the experience and the expertise our customers need to navigate a changing world.

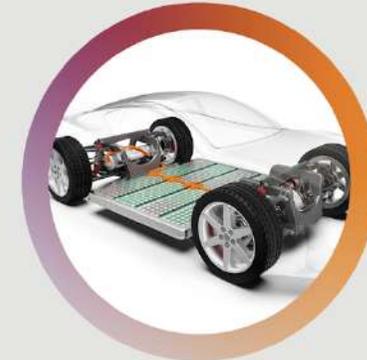


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## Leading the World in Sustainable Electrical Steel



NGO steel  
**coremotion**  
Aperam, powered to go



GO steel  
**go core**  
Green Performance

# About this Report

This report is based on Aperam figures and inspired by the following initiatives: United Nations Global Compact; Carbon Disclosure Project; ISSF Sustainable Charter; WorldSteel Sustainable Charter, ResponsibleSteel™ principles ; and the Global Reporting Initiative (see Index below). Other GRI-related references are within our Online Supplements.

| GRI Index                                       | Disclosure code | Reference   |
|---|-----------------|---|
| <b>All indicators</b>                           | 3.3             | Disclosure on Management of Material Topics - Online Supplement C.  |
| <b>Economics</b>                                |                 |   |
| <b>Economic Performance</b>                     | 201-1           | Direct economic value generated & distributed - p. 6 - 7, 50.   |
| <b>Procurement Practices</b>                    | 204-1           | Proportion of spent on local suppliers at main sites - p. 50, 52.   |
| <b>Anti-corruption</b>                          | 205-2           | Communication and training about anti-corruption policies and procedures - p. 53, 55.   |
|   | 205-3           | Confirmed incidents of corruption and actions taken - p. 53, 57.  |
| <b>Environmental</b>                            |                 |   |
| <b>Material</b>                                 | 301-2           | Recycled input materials used - p. 31, 39, 40.  |
| <b>Energy</b>                                   | 302-3           | Energy intensity - p. 31-33, 35.  |
|   | 302-4           | Reduction in energy consumption - p. 34, 35.  |
| <b>Water and Effluents</b>                      | 303-3           | Water withdrawal - p. 31, 38.   |
|   | 303-4           | Water discharge - p. 31, 38, 41.  |
|   | 303-5           | Water consumption - p. 31, 38.  |
| <b>Waste</b>                                    | 306-1           | Waste Generation and Significant Waste-related impacts - p. 39, 40.   |
|   | 306-2           | Waste by type and disposal method - p. 31, 39, 40   |
|   | 306-3           | Waste generated - p. 31, 39.  |
| <b>Biodiversity</b>                             | 304-1           | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas - p. 43-45. |
| <b>Emissions</b>                                | 305-1           | Direct (Scope 1) GHG emissions - p. 31- 33.   |
|   | 305-2           | Energy indirect (Scope 2) GHG emissions - p. 31-33.   |
|   | 305-3           | Other indirect (Scope 3) GHG emissions - p. 31, 34.   |
|   | 305-4           | GHG emissions intensity - p. 33-35.   |
|   | 305-7           | NOx, SOx and other significant air emissions - p. 37.   |
| <b>Labour</b>                                   |                 |   |
| <b>Occupational Health &amp; Safety</b>         | 403-1           | Health and safety management, assessment, consultation, training, prevention - p. 14, 15.   |
|   | 403-5           | Worker training on occupational health and safety - p. 14, 15, 26.  |
|   | 403-9           | Rate and gravity of injury, occupational diseases, lost days, absenteeism, number of work related fatalities, by region and gender - p. 14, 15.       |
| <b>Training &amp; Education</b>                 | 404-1           | Average hours of training per year per employee by gender, and by employee category - p. 14-16, 25, 26.   |
|   | 404-3           | Percentage of employees receiving regular performance reviews, by gender and by employee category - p. 23.  |
| <b>Diversity</b>                                | 405-1           | Diversity of governance bodies and employees - p. 19, 21, 23 and Annual Report 2022 (Board of Director and Leadership Team) - p. 67-75, 77, 82.       |
|   | 405-2           | Ratio of basic salary and remuneration of women to men - p. 20.   |
|   | 406-1           | Incidents of discrimination and corrective actions taken - p.53   |
| <b>Supplier Assessment for Labour Practices</b> | 414-2           | Significant actual and potential negative impacts for labour practices in the supply chain and actions taken: Present report - p. 51-52.              |
| <b>Society</b>                                  |                 |   |
| <b>Local Communities</b>                        | 413-1           | Operations with local community engagement, impact assessments, and development programmes - p. 48, 50, 60, 61.                                       |

| General Standard Disclosure                         |  | Information or comment and Reference (page number)   |
|---|--|--|
| <b>The organisation and its reporting practices</b> |  |  |
| <b>GRI 2.1</b>                                      | <b>Organisational details</b> (Location of headquarters, Local operations, Ownership and legal form)                   | Aperam Cover and Back Cover., 2022, p. 14-18, Public limited company in Luxembourg.  |
| <b>GRI 2.2</b>                                      | <b>Entities included in the organisation's sustainability reporting</b>  | Aperam Annual Report 2021, p. 185. ELG is partially covered in the current report, unless otherwise mentioned (as mentioned in the first page caveat note, p. 2). Specifying the differences between the entities included in the organisation's sustainability reporting and financial reporting                                |
| <b>GRI 2.3</b>                                      | <b>Reporting period, frequency and contact point</b>   | Calendar year 2022 (Annual) is reported in the Made for life Report 2022.<br>Previous issue reported on calendar year 2021.<br>sustainability@aperam.com or contact@aperam.com   |
| <b>GRI 2.4</b>                                      | <b>Restatements of information</b>   | Restatements may result from: Mergers or acquisitions, change of scope of segments, base years or periods, nature of business, measurement methods and tools. Thus, 2021 Aperam financial figures by Divisions have been reevaluated in line with the new organisation further to the creation of Aperam Recycling & Renewables. |
| <b>GRI 2.5</b>                                      | <b>External assurance</b>  | Main report, and online supplement bundle. Current report, p. 2.   |
| <b>Activities and Workers</b>                       |  |  |
| <b>GRI 2.6</b>                                      | <b>Activities, value chain, and other business relationships</b> (Markets served, Scale of organisation, Supply chain) | Aperam Annual Report 2022 p.12-18, 48--55, Current report p. 7 and Annual Report 2022 p.19, 31--32, 152., 2022 p. 12, 114 and 209., Online Supplement C – p. 1, 2. Purchased ELG, partially covered in this report, p. 12 and Annual Report 2022 p. 12.  |
| <b>GRI 2.7</b>                                      | <b>Employees</b>   | Employees: Figures based on FTE as of December 2022, Full time own employees at year-end excluding Haven Genk.<br>A small portion of the workforce at BioEnergia in Brazil is subject to variations due to seasonal factors (growing cycle of the trees: planting, harvesting etc.).   |
| <b>Governance</b>                                   |  |  |
| <b>GRI 2.9</b>                                      | <b>Governance structure and composition</b>  | Current report, p. 11, Annual Report 2021, p.68-88.  |
| <b>GRI 2.22</b>                                     | <b>Statement on sustainable development strategy (by the CEO)</b>  | Opening Words. Current report, p. 4-5.   |
| <b>GRI 2.23</b>                                     | <b>Policy commitments</b>  | Values in Current report, p. 9, Aperam Code of business conduct – available on the web in multiple languages.  |
| <b>GRI 2.26</b>                                     | <b>Mechanisms for seeking advice and raising concerns</b>  | Annual Report 2022 p. 97, Current report p. 55. advice about ethical and lawful behaviour, and organisational integrity' has been changed to 'advice on implementing the organisation's policies and practices for responsible business conduct'   |
| <b>GRI 2.28</b>                                     | <b>Membership association</b>  | EUROFER, Brazil Steel Institute, ISSF and WorldSteel. Annual Report 2022, p. 61, ResponsibleSteel, Aperam Foundation, 2022 p 60-61   |
| <b>Stakeholder engagement</b>                       |  |  |
| <b>GRI 2.29</b>                                     | <b>Approach to stakeholder engagement</b> (Stakeholder groups, Identification and selection of stakeholders)           | Description of our Stakeholders groups as well as our reporting process and materiality analysis is to be found within our Supplement C. Current report, p.11, 12, 58 and further, and Supplement B.   |
| <b>GRI 2.30</b>                                     | <b>Collective bargaining agreements</b>  | 100% of the Aperam employees are covered by collective bargaining agreements   |
| <b>Disclosures on material topics</b>               |  |  |
| <b>GRI 3.1</b>                                      | <b>Process for determine material topics</b>   | In line with the GRI framework. Current report, p. 12, Supplement B.<br>Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Supplement C   |
| <b>GRI 3.2</b>                                      | <b>List of material aspects</b>  | Current report, p. 12, Supplement B p. 1. Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Online Supplement C.   |
| <b>GRI 3.3</b>                                      | <b>Management of Material Topics</b>   | See our Risk Management in Current report, p. 53 and Annual Report 2022 p.52--54.  |



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