



aperam

Made for life

Sustainability Report 2014

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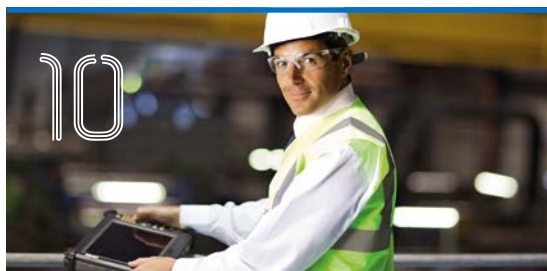
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Safety is always the top priority and we also help our people manage their general health and wellbeing. We offer training and development opportunities and look after our people.



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Our new Environment Working Group helps keep us focused on where we can make the most difference on environmental issues. These include driving down our energy use and related carbon emissions, becoming a zero waste business, using water wisely and improving air quality.



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Stakeholders

We encourage our senior management to lead by example, and to be highly visible with our team members. Engaging openly with our customers also helps us create more meaningful solutions for them. Getting closer to our stakeholders helps us build a better business.



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About Aperam

our vision

We are a leading global stainless and specialty steel producer but we are also a young company with a fresh approach. Our vision is to become sustainably profitable, and we are prepared to constantly challenge the status quo in order to achieve this. Our goals for sustainability are rooted in our business ambitions. The business we want to be, and the qualities we draw on to make this vision a reality, are fundamental to how we engage in the topic of corporate responsibility and sustainability.

Living our values

With leadership has always come responsibility and this has never been truer than it is today. We aim to do things the right way and we support the development of new standards in our industry. Our people are innovative and collaborative. Adapting to today's business and sustainability challenges demands quick thinking and flexibility. There is no time to waste.

The Aperam Way

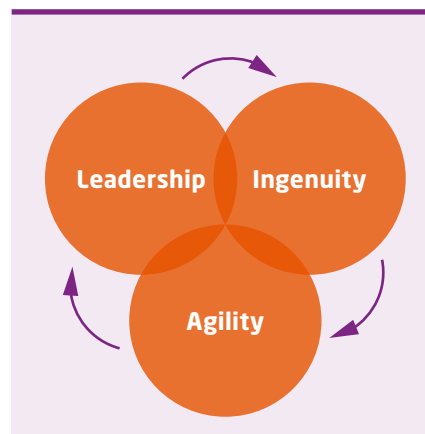
While our three company values of leadership, ingenuity and agility ensure high performance and profitability, it is our behavioural values that help us become a responsible and sustainable leader in our industry.

The Aperam Way is the name we give to the behaviours we want to see from our people. These include teamwork, transparency and proximity. They capture the culture we want to build for our company; one that fosters the key qualities that guide the way that we do business.

It is through the expression of these behaviours that we can manage our impacts on society and become a more sustainable business.

Our values

Our three values are the means by which we will deliver our vision. They inform our every action:



Leadership

We seek to be bold and audacious in our approach, while remaining relevant to the marketplace, and to promote sustainable solutions.

Ingenuity

Our people are skillful, imaginative and innovative in their work, and passionate to share their skills. This may mean developing new ideas, or seeing things with new ideas to find an appropriate solution.

Agility

We recognise the need to move quickly and adapt to changing market conditions, as well as to be flexible enough to meet specific customer requirements.



For more information please visit our website: aperam.com/sustainability

At a glance

a world-class company

Our main production sites

- 01 Genk, Belgium
- 02 Châtelet, Belgium
- 03 Gueugnon, France
- 04 Isbergues, France
- 05 Imphy, France
- 06 Timóteo, Brazil

Global Performance

US\$ Million	Global Aperam ⁽¹⁾
Revenues	5,485
Operating costs ⁽²⁾	4,259
Employee wages and benefits	681
Payments to providers of capital	84
Payments to government	67
Community investments	1
EBITDA	547
Economic value retained	393
Direct economic value generated	5,485
Economic value distributed	5,092

G4-EC1

(1) Differences between 'Global Aperam' and the sum of the different segments as shown on page 3 are due to all operations other than those that are part of the Stainless Steel & Electrical Steel, Services & Solutions and Alloys & Specialties operating segments, together with intersegments eliminations and/or non-operational items which are not segmented.

(2) Operating costs include R&D fees of \$20m for Aperam Group.

1.81mt
Shipped in 2014

01
02
03
04
05

2.5mt
Flat stainless steel
capacity in Europe
and South America

Through our Brazilian subsidiary, Aperam BioEnergia, we produce wood and charcoal (biomass) from cultivated eucalyptus forests.

We use the charcoal (biomass) produced by Aperam BioEnergia as a substitute for coke at our Timóteo production facility, which produces fewer carbon emissions. In 2014 we produced 433,000 tonnes of charcoal through Aperam BioEnergia, compared with 431,000 tonnes in 2013.

06

9,424
employees of 47
nationalities

8,274
Total number of
male employees

1,150
Total number of
female employees,
increased by 4%
in one year

Business divisions

We manage our business across three primary operating segments:



Stainless & Electrical Steel

We are one of the largest global producers of stainless steel by production capacity. We produce a wide range of stainless and electrical steels in Europe and South America, and continuously expand our product offerings by developing new grades and finishes.



Services & Solutions

This division, which includes our tubes and precision businesses, performs three main activities:

- (i) the management of direct sales of stainless steel products from our production facilities;
- (ii) distribution of our products (and, to a less extent, those of our suppliers); and
- (iii) transformation services, which include the provision of value-added and customised steel solutions to meet specific customer requirements.



Alloys & Specialities

Believed to be the fourth largest producer of nickel alloys in the world, this division specialises in the design, production and transformation of various nickel alloys and certain specific stainless steels. Our products take the form of bars, semis, cold-rolled strips, plates, wire and wire rods, and come in a range of grades.

Performance

US\$ Million	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialities
Perimeter	Worldwide: - Belgium: Châtelet, Genk - Brazil: Timoteo, BioEnergia - France: Gueugnon, Isbergues	Worldwide: - 16 Steel Service Centres (SSCs) - 8 Transformation facilities - 19 Sales offices	Worldwide: - France: Amilly, Imphy, Rescal - PRC: Imhua
Employees (FTE EOP)	6,256	1,998	1,114
Revenues	4,427	2,389	628
EBITDA	427	87	58
Payment to Governments	35	20	8
Economic value generated	4,427	2,389	628
Economic value distributed	4,179	2,320	571

G4-EC1

Transparency drives engagement and performance

We are committed to fair, accurate and honest disclosure of our progress to being a more sustainable and responsible business. We believe this builds trust with our stakeholders, and helps us improve our performance over time. Among the organisations Aperam supports are the UN Global Compact, the Carbon Disclosure Project, the Global Reporting Index and the Dow Jones Sustainability Index.



Message from our CEO



Timoteo Di Maulo
CEO

"We have continued to focus on our non-negotiable priority: the health and safety of our people."

Welcome to our report, which covers our social and environmental performance during 2014. It details our progress in addressing our most material social and environmental issues as we aim to become a sustainable, profitable company and the leading industry catalyst in stainless steel and specialties. In producing this report, we have been guided by the Global Reporting Initiative G4 guidelines, which we are in accordance with at the core level. It also complies with the UN Global Compact, which we are proud to support.

At Aperam, we are proud of our ability to think differently and create change in our industry through focusing on quality and innovation. In 2014 we have once again managed to improve our operational efficiency and financial performance, as well as to reduce our net debt, despite challenging market conditions. Alongside this, we have continued to focus on our non-negotiable priority: the health and safety of our people.

Safety is our first duty to our employees. In 2014 we achieved a significant reduction in our lost time injury frequency rate, from 1.3 in 2013 to 1.1 in 2014, and improved our practice in other safety priority areas. I am also pleased to report that absenteeism was down from 2.1% in 2013 to 2% in 2014. It is a good measure of the overall health of our workforce, and represents an improvement in dealing with chronic health issues and work-related stress. We can always do better, however, and in 2015 we will concentrate on further embedding safety-conscious behaviours and strong managerial commitment.

We also want to enable our employees to thrive and to fulfil their potential. The Aperam Way defines our commitments to our people and the behaviours we expect from them; in short, the culture we want to develop that will help us become a more sustainable business.

Our customers are at the heart of what we do. We aim to be their preferred choice and to constantly exceed their expectations. In 2014, we have strived to partner with our customers and other external stakeholders – from suppliers to financial partners – to develop mutually profitable and sustainable products and solutions.

Mitigating our environmental impacts is crucial to achieving our vision of being a sustainable and profitable company. In 2014 we established an Environment Working Group – one of six new groups aimed at strengthening our governance of sustainability issues – and set stretching long-term targets to address energy consumption, waste, water use and other key areas.

Communicating openly with our stakeholders in order to understand the broader impacts of our business is part of what it means to act responsibly. A key achievement in 2014 was establishing a more open exchange with the communities we operate in. As a result, we have ended 2014 stronger and ready to start a new phase of our journey. In 2015, a new and dynamic leadership team with fresh ideas will take the Aperam Way to the next level.

I believe that not only are our products made for life, but they are also made with passion. I am proud of our workforce and of the way we do business according to our values of leadership, ingenuity and agility. I am confident that we can unlock Aperam's full potential and keep our promises for a sustainable common future.

Please do let us know what you think of this report and our progress towards becoming a more sustainable business.

Timoteo Di Maulo
Chief Executive Officer

The Aperam Way

The way we do business at Aperam is guided by our culture which encourages teamwork, transparency and proximity.



Strategy

Focusing on what matters

Employees & Management

Unions
Educational Institutions & trainees

Our engagement is reflected in:

- Collective agreements including CSR based incentives
- Proximity meetings
- HR and Human Rights policies
- Data Privacy policies
- H&S programmes and H&S days
- Yearly performance appraisals
- People development plans
- Training plans & catalogues
- Professional Committees
- Climate Surveys

Authorities & regulators

Governments and local authorities
Competition Authorities
Standardisation Authorities

Our engagement is reflected in:

- Regular meetings with local authorities
- Policies and formal procedures
- Compliance programmes and trainings
- Regular measurements, certifications and risks prevention protocols
- Combined Insurance audits and alerting systems
- Diligent responses to enquiries
- Support of global initiatives such as CDP, Global Compact

Communities

Neighbours & Communities
NGOs & Local Associations
Local Media
Local economic players

Our engagement is reflected in:

- Stakeholder day or meetings
- Site visits or open days
- Specific newsletters ('Good neighbour' newsletter)
- Press releases and interviews
- Acesita Foundation & philanthropy
- Preference and support of local suppliers
- Environmental & Human Rights policies
- Pollution prevention training exercises
- Local development and student fairs

Our stakeholders

at the heart of our strategy

Customers

Customers
End Consumers

Our engagement is reflected in:

- Code of Business Conduct
- Meetings, site visits, trade fairs and technical customer trainings
- General Sales Conditions
- Product documentation
- Anti-Trust & Anti-Corruption policies
- Economic sanctions policy and protocols
- Requests for quotations and annual contract negotiations
- Customer satisfaction surveys
- R&D partnerships

Financial partners

Shareholders
Banks & investors
Stock Exchanges

Our engagement is reflected in:

- Code of Business Conduct
- Policies on Anti-Fraud, Insider dealings, Money-Laundering, Double-Signature protocols
- Regular assessments, certifications and risks prevention protocols
- Combined Insurance audits and alerting systems
- Earnings & press releases, IR meeting & IR days, interviews
- Shareholders meetings, General meeting, etc.

Business partners

Suppliers
Subcontractors
Trade Associations
Audit & Certification firms

Our engagement is reflected in:

- Code of Business Conduct
- General Purchase Conditions
- Environmental policies
- Sustainable Sourcing charter
- Associations, working groups and exchanges on H&S best practices
- Subcontractor Safety Charter
- Requests for quotations and annual contract negotiations
- Congresses and trade fairs
- R&D partnerships
- Certification audits and site visits

Our goal is to become a sustainable, profitable company through thinking differently and creating change in the stainless, electrical and speciality steels sector.

By promoting teamwork and applying 'the Aperam Way', we can foster innovation. By building closer relationships with our stakeholders, we can address issues of concern, build trust and maintain and enhance our licence to operate. Through this joint focus on innovation and engagement we aim to become the leading sustainable stainless steel company.

Following the publication of our 2013 report, we conducted an extensive review of our current structures and the steps we need to take to achieve our sustainability ambitions.

Developing our sustainability strategy and governance in 2014

Our governance structure comprises the Board of Directors who define business objectives advised by the Leadership Team, the Chairman, and the CEO who has ultimate accountability for sustainability performance and compliance. Our Leadership Team is entrusted with the day-to-day management of the Company.

Two senior committees govern our overall approach to sustainability:

- Our Sustainability, Performance and Strategy Committee, which comprises three Directors and is responsible for reviewing performance and strategy;
- A Sustainability Steering Committee, comprising nine senior managers, whose remit is to guide sustainability management, risk, stakeholder relationships, reporting and assurance activities.

During 2014 we strengthened our governance of sustainability-related issues by creating six working groups covering the key strategic areas in which we would like to improve our practice: environment, stakeholder engagement, supply chain management, social reporting, customer satisfaction and integrated reporting.

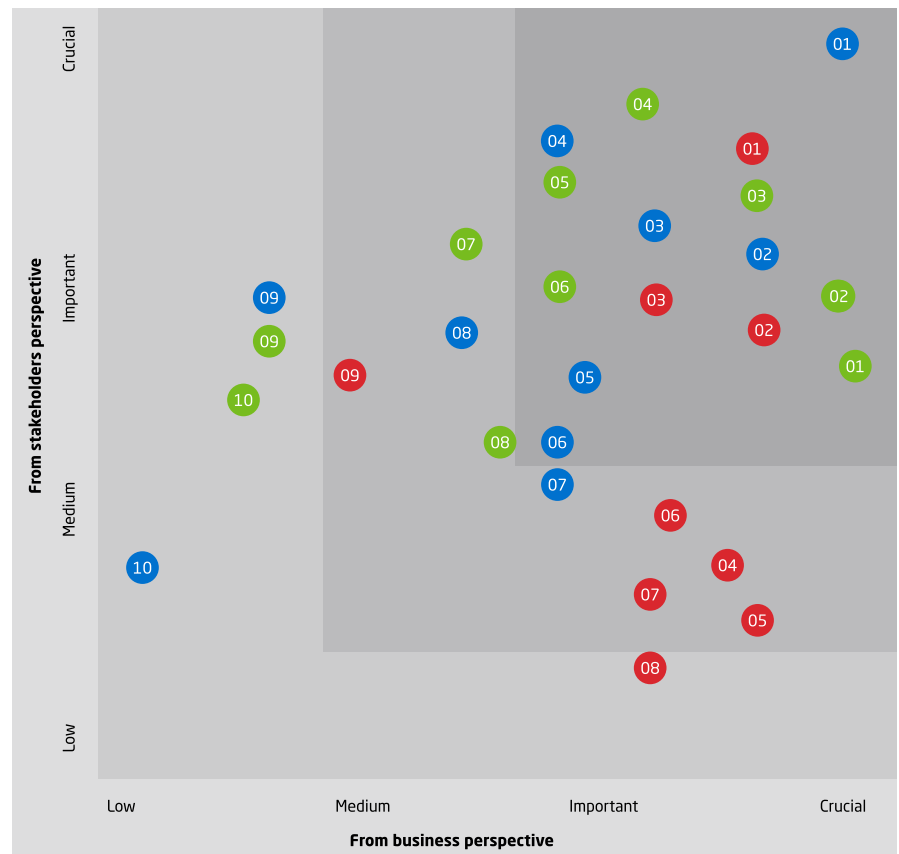
Each working group is tasked with creating a five-year strategy for the 2015-2020 period. This will bring clarity of purpose and a focus to our work that will drive us forward across these six sustainability areas.

Our approach to define what is material has not changed

Just as in 2013, we undertook a structured exercise to identify the most material sustainability issues and their impacts, based on Global Reporting Initiative (GRI) principles. The materiality of an issue was determined via an assessment based on the potential impact on the Company and on our stakeholders.

Based on our ongoing engagement with stakeholders around each of our sites, our Sustainability Steering Committee considers that there has been no substantial change during 2014 to the materiality assessment and that we are continuing to focus our efforts on the most relevant areas.

Materiality Matrix



G4-19

People

- 01 Occupational Safety
- 02 Employee Engagement
- 03 Social Dialogue
- 04 Community Engagement
- 05 Competencies & Employability
- 06 Occupational Health
- 07 Supplier Labour Practices
- 08 Diversity & Equal Opportunity
- 09 Philanthropy
- 10 Data Privacy

Environment

- 01 Raw Material Consumption
- 02 Energy Consumption
- 03 Waste/Recycling
- 04 Air & Dust Emissions
- 05 Pollution Prevention
- 06 Water Consumption
- 07 Climate Change
- 08 Product Innovation
- 09 Transport Emissions
- 10 Biodiversity

Stakeholders

- 01 Sustainably Profitable
- 02 Legal & Fiscal Compliance
- 03 Customer Satisfaction
- 04 Anti-Dumping
- 05 Cash, Debt & Financing
- 06 Fair Business Practices
- 07 Economic Sanctions
- 08 Market Dynamics
- 09 Supplier Environmental Practices

Performance

2014 in numbers

For the Group			
Aspect	Indicator	2014	2013
Economic performance	Direct economic value generated and distributed	USD 5,485m	USD 5,190m
Procurement practices	Proportion of spending on local suppliers at significant locations of operation (%)	62% ⁽¹⁾	57%
Materials consumption	Percentage of materials used that are recycled input materials	28%	26.5%
Energy consumption	Energy intensity (GJ/t)	13.0*	13.6
Water consumption	Total water withdrawal by source (million m ³)	22.3* (93% from local rivers)	22.5 (93% from local rivers)
Emissions	Greenhouse gas (GHG) emissions intensity (tCO ₂ e/t)	0.48*	0.48
	Significant air emissions (tonnes of ducted dust)	441.8*	400
Occupational health and safety	Lost time injury frequency rate (LTIFR) (employees and contractors) – Severity rate – Absenteeism – Fatalities	1.12 0.11 2.03% 0	1.34 0.08 2.05% 0
Career development	Employees receiving regular performance reviews (%) (by employment category) Exempts (GEDP) Blue Collar and White Collar workers	95% ⁽²⁾ 87%	96% 86%
Supply chain labour practices	Percentage of suppliers having significant actual and potential negative impacts for labour practices (health & safety) for which improvements were agreed	15% (Raw material/Europe) Actions to be defined in 2015	16% (Raw material/Europe)
Impacts on local communities	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	100% ⁽¹⁾	100%
Product stewardship, customer service	Results surveys measuring customer satisfaction (score)	7.8 (Brazil) ⁽³⁾ (Compared to 8.05 in 2012)	7.1 (Europe) ⁽⁴⁾ (Compared to 7.1 in 2011)

(1) Scope: Significant operating sites in Europe and South America (Genk, Châtelet, Gueugnon, Isbergues, Imphy, Timóteo) excluding Services & Solutions division. Non-raw materials only.
 (2) We do not break down this statistic by gender. The GEDP process is the same, regardless of gender.
 (3) Scope: South America operations only. Collected every two years, the last available data for Europe was collected in 2013 (score 7.1).
 (4) Scope: Europe operations only. Collected every two years, last collected in 2013.

For the divisions

	Stainless & Electrical Steel		Services & Solutions	Alloys & Specialities
	Europe: Genk (BE), Châtelet (BE), Gueugnon (FR), Isbergues (FR)	South America: Timóteo (BR), BioEnergia (BR)	Worldwide: - 16 Steel Service Centres (SSCs) - 8 transformation facilities - 19 sales offices	Worldwide: Imphy (FR), Amilly (FR), Rescal (FR), Imhua (PRC)
Employees (FTE) ⁽⁵⁾	3,040 (3,151 in 2013)	3,216 (3,233 in 2013)	1,998 (2,050 in 2013)	1,114 (1,046 in 2013)
Fatalities	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	2.8 (2.6 in 2013)	0 (0.4 in 2013)	0.4 (1.4 in 2013)	3.5 (3.2 in 2013)
Customer overall satisfaction score	71% (2013) (71% in 2011)	78% (2014) (83% in 2012)	71% (2013) (71% in 2011)	91% (2014)
Trend in energy intensity (GJ/t, 2014 vs. 2013)	4.7% ↓	2.2% ↓	11.1% ↓	3.4% ↑
Trend in carbon energy intensity (greenhouse gas emissions) (CO ₂ et/t, 2014 vs. 2013)	4.3% ↓	9.1% ↑	8.4% ↓	8.3% ↑
Trend in local air emissions (dust) (t, 2014 vs. 2013)	5.6 % ↑	6.9% ↑	N/A	1.3% ↓
Trend in water withdrawal (m ³ , 2014 vs. 2013)	9.5% ↑	3.9% ↓	10.3% ↓	5.6% ↓
% of procurement spend on local suppliers	65% (61% in 2013)	49% (47% in 2013)	N/A	71% (56% in 2013)
Site management system certification	100% of sites compliant with - ISO 14001 - OHSAS 18001 85% of sites compliant with - ISO 9001 One site compliant with - ISO 50001	100% of sites compliant with - ISO 14001 - OHSAS 18001 50% of sites compliant with - ISO 9001 - FSC	90% of sites compliant with - ISO 9001 - OHSAS 18001 50% of sites compliant with - ISO 14001	100% of sites compliant with - ISO 9001 - OHSAS 18001 80% of sites compliant with - ISO 14001 One site compliant with - ISO 26000

(5) There are 56 FTE in our Luxembourg headquarters compared to 53 FTE in 2013.



People

looking after our employees

Our people are not only our first asset but also colleagues with whom we share true values and a common future.

Safety is our non-negotiable priority and a collective responsibility, as the first duty to our people. We focus relentlessly on implementing rigorous standards and procedures in order to achieve our aims of zero fatalities, zero injuries, and minimising lost time injuries. Such is our commitment to the safety of our people that 10% of the performance bonus of the CEO and members of the Leadership Team is linked to our safety performance.

In addition, motivating, developing and engaging with our employees were among our highest priorities in 2014. This also applied when we had to implement difficult restructuring projects.

Health and safety

It is vital that safety is always the top priority. Accidents happen when we don't pay attention, so we all need to take care at every moment of every day. It is therefore important for us to continually improve our performance in order to achieve our aims of zero fatalities, zero injuries, and keeping lost time injuries low – and all employees have a part to play.

Fatality Prevention: our non-negotiable priority

During the second half of 2014, we conducted Fatality Prevention Audits (FPA) to help sites understand which areas they need to improve. These were carried out by colleagues at other sites who know the processes better, and covered topics of relevance to our safety priority areas such as contractor safety management and the fair-play policy. At the end of each FPA, the relevant site received a report and was tasked to develop action plans to improve safety management in all sites.

Fatalities

2011



1 fatality

2012



3 fatalities

2013



0 fatalities

2014



0 fatalities

G4-LA6

Indicator	We said	We did	We will
LTIFR (all regions) Employees and contractors	Achieve 1.3	1.1	1.0
Employees	Maintain at 1.0	1.2	1.0
Contractors	Achieve 1.9	0.8	Maintain below 1.0
Fair Play Policy	100% completed by 2015	100%	
Absenteeism	2.1% and improvement plan in sites where the average is higher	2.03	2.0



Our people are our greatest asset.

They are also our colleagues, with whom we share values and a common future. Their safety is our non-negotiable priority.



People continued

Health and safety

Ilder Camargo Da Silva, Head of Health and Safety at Aperam, said of Aperam's 2014 safety performance: "2014 was our second best year overall for lost time, and our best year ever if we include restricted work. This was due in large part to highly visible and exemplary leadership, in particular the active participation of our CEO in our monthly safety conference call.

Strong managerial commitment and accountability was supported by a rigorous focus on the importance of all employees adopting a safety-conscious attitude and being aware of potential risks. This included sharing and embedding the Fair Play Policy – using the motto 'Fair play, for you and for me' – especially at the health and safety training event, as well as improving our practice in our other safety priority areas – fire protection, isolation and contractors."



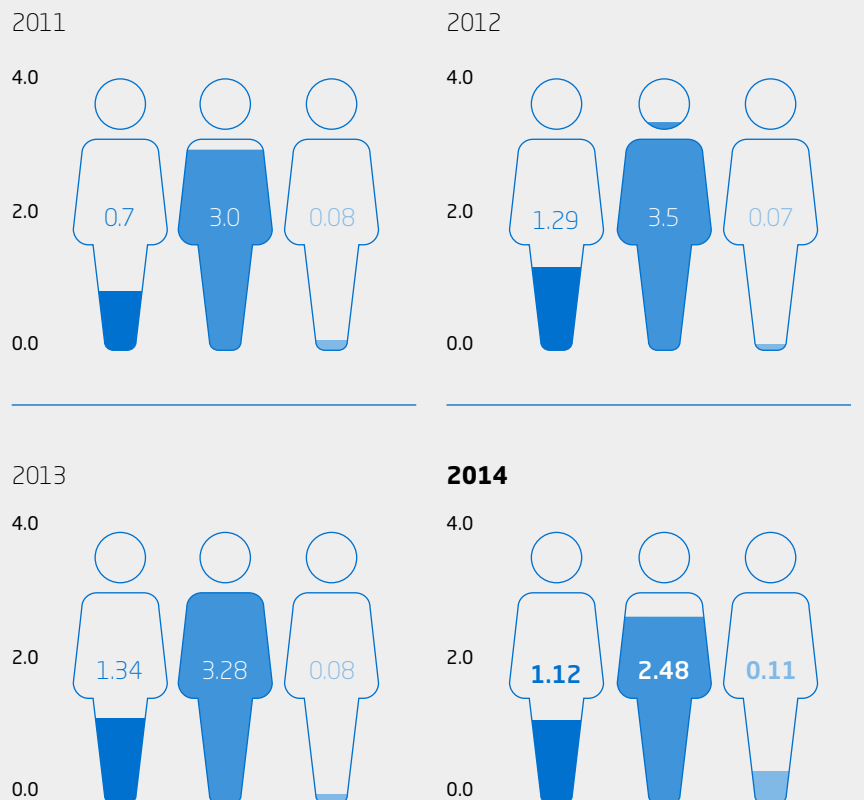
Ilder Camargo
Head of Health and Safety

Our strategy and approach

Our 2014 strategy to achieve our safety goals focused primarily on:

- Sharing information: including both good practices and accident data, as well as the lessons we have learned when things have gone wrong;
- Involving our leaders: we recognise that they have a vital role in promoting and exemplifying our safety standards; and
- Establishing rituals: keeping people aware of safety issues, sharpening their perception of potential danger and developing behaviour that will minimise the risk of incidents.

LTIFR¹, LTIFR², Severity Rate



(1) Lost Time Injury Frequency Rate
(2) Lost Time Injury + Restricted Work Frequency rate (Fr')

G4-LA6

To facilitate the implementation of our strategy, our Safety Restricted Committee (comprising safety managers across all sites) holds a bi-monthly conference call to share information and best practice at each site and to evaluate results. Our Safety Monthly Committee, which comprises safety managers and site managers as well as the CEO, discusses performance and information on specific projects.

Our top safety priority areas:



Contractors

Unsatisfactory results on contractor safety (our LTIFR for contractors was 2.3 in 2013) led us to review our contractor safety procedures and launch a working group dedicated to improving contractor safety management and results in all sites.

In June 2014 this group, composed of Health & Safety site managers, purchasers and maintenance managers, presented

and proposed to all sites a pragmatic 'toolbox' with best practice examples to help them:

- Select and evaluate the contractors;
- Analyse the risks and define preventive measures;
- Manage the different types of contracts;
- Organise the maintenance stops;
- Communicate with contractors; and
- Implement the fair play policy for contractors.

Services & Solutions Centres have worked on simplifying procedures and introducing standard reference documents.

During the summer maintenance stops, some of the proposed tools were put in place (e.g. a double safety audit and daily meetings with all contractors involved in the work). During the second half of 2014, all sites (including the Services & Solutions Centres) implemented the toolbox and organised monthly follow-ups to monitor the results.

In December 2014, a Fatality Prevention Audit was carried out at all main production sites to assess the implementation of the toolbox and measure the progress. The results were very satisfying as no accidents had occurred during the summer maintenance stops, and the LTIFR for contractors therefore dropped from 2.3 in 2013 to 0.8 in 2014.

One of the recommended best practices included in the toolbox were the boss-to-boss meetings between the site manager, the purchasing manager and the manager of the contractor company.



Voices

"We learnt that an open exchange and regular contact between the two has a big impact on the contractors' behaviour, as both parties understand the importance Aperam places on safety management and results – and that they can affect Aperam's commercial relationships."

Philippe Riche, Support Manager at Aperam and leader of the Contractor Working Group, said of this practice:

Fire protection



Following the fire at our Gueugnon site in 2012 – and the subsequent risk assessments and action plans completed by all sites in 2013 we established a working group at the end of 2013. Its remit was to roll out the main

actions proposed in the action plans, find pragmatic solutions to integrate into existing operational and safety organisation, and create a network of fire risk experts. The Group comprises operational site managers and fire prevention experts and meets quarterly.

During the year, the Group succeeded in helping all sites achieve full compliance, as well as working together to share best practices and identify gaps in our procedures. A key finding was that there is no common procedure for hot works permits, even though most fire incidents are a result of hot works. The Group is now working on a common procedure, with the objective of setting minimum standards that are applied throughout Aperam.

The overall goal for 2015 is to develop a common fire prevention vision for the entire Aperam Group, and to eliminate the

remaining differences between fire prevention measures in place at each site. Specific action points include evolving as many sites as possible past the next level of safety standards and finalising the common minimum procedures for hot works permits, as well as integrating fire prevention recommendations made by our insurance companies into our strategy and practice.

Isolation

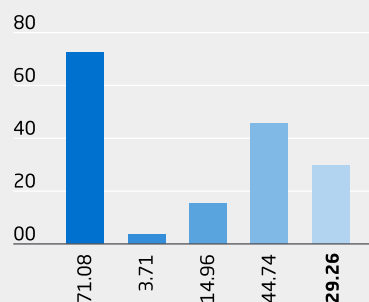


Our aim is to minimise the risk of harm by preventing people from touching equipment. To this end, in 2014 we identified two leaders – one in Europe and one in South America – and conducted audits of different sites to identify gaps in our preventive measures.

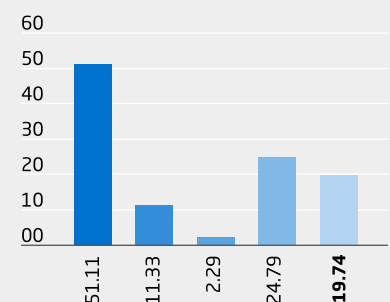
In addition, we launched a pilot project on each industrial site to add lock-outs during isolation phases of our equipment. This will improve safety during maintenance activities.

2014 Injury rate performance⁽¹⁾

Employees

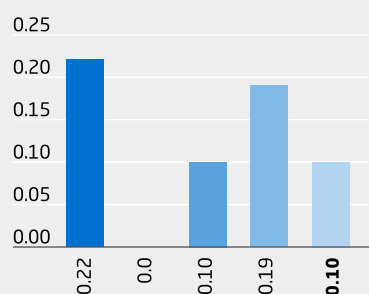


Contractors

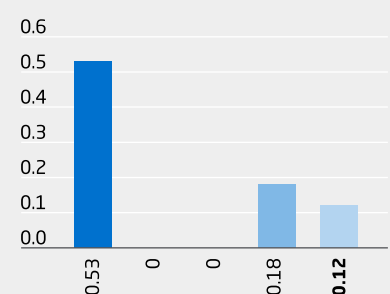


2014 Severity rate performance⁽²⁾

Employees



Contractors



(1) Total number of injuries/total hours worked x 1,000,000; injury rate calculation includes fatalities.
(2) Total number of days lost for accidents/total hours worked x 1,000,000.



People continued

Fair play



The Fair Play Policy aims to encourage awareness of risk and adherence to procedures, and to recognise good behaviour. Our focus in 2014 was to share and embed the policy, to effect a change in the mind-set of the leaders and to work on our teams' behaviour.

During the year all sites put into practice the fatality prevention standards (Aperam's customised standards), based on the Fair Play Policy, and were working on achieving Level 3, which equates to compliance with local laws as well as the Fair Play Policy.

Self-assessments carried out during the year have led to an increased awareness of the importance of safety-conscious behaviour. In addition, senior managers have recognised the need to lead by example and, as a result, training on safety leadership has been provided to all managers.

Our goal for 2015 is to conduct external audits to ascertain how well the standards are understood and followed, and for all sites to reach the next level of our Aperam Standards. We will also focus on ensuring that the Fair Play Policy is correctly monitored across the Company.



Embedding responsible behaviour through training

Our 2014 two-day training event was held at our Isbergues site, headed by the Isbergues plant manager and head of Health and Safety at Aperam. First-line supervisory staff from the operational management teams of our European plants attended, accompanied by each site's health and safety manager.

After a year focusing mainly on standards and procedures, we wanted to use the training day to emphasise practical behaviour and our collective responsibility to promote safety by implementing our policies accurately. The agenda therefore focused on understanding and improving safety and performance on the workfloor, and on developing leadership behaviour around safety issues.

A key aim was to present tools that can be built into daily routines that will have a positive impact on behaviour, and to increase understanding of possible human errors that can lead to accidents.

As a result, participants are now better able to anticipate accidents and implement suitable preventive measures. The training also emphasised a collaborative approach towards safety, including the importance of listening to colleagues but also having the courage to speak up and stop a machine or task if safety was thought to be at risk.

Voices

"Leaders who attended the training are now better equipped to improve the attitudes and behaviours of their team members to be more safety-conscious and to develop a culture of safety within their teams."

Gerard Grimbert, Isbergues Plant Manager commented after the training.

Participating leaders then faced the challenge of presenting a safety project to colleagues at their respective plants, to assist them in following through on the commitments they made at the end of the training.

In 2015 we intend to focus on further behaviour training at our top priority sites (Châtelet and Imphy).



Voices

"Our key challenges for 2015 are to maintain our achievement of zero fatalities and to make further progress in other areas. It is also vital that we continue to focus strongly on visible leadership and accountability, that both managers and employees continue to be driven by a safety mindset, and that all employees retain the conviction that injuries and occupational illnesses can be prevented."

Timoteo Di Maulo
CEO

Beyond safety: a healthy workforce for better business delivery

Health and safety go hand in hand. Only when you're healthy are you physically and mentally capable of identifying – and therefore avoiding – risks or accidents quickly. Health management is thus an integral part of our safety strategy.

We believe that absenteeism rates are a good indicator of the health of our workforce. In 2014, Aperam's global absenteeism rate was 2%, down from 2.1% in 2013, reflecting a continuous reduction in occupational disease, chronic health issues and work-related stress.

Absenteeism rate (%)

Stainless Europe	3.12
Stainless America	0.72
Services & Solutions	2.57
Alloys & Specialities	2.99
Luxembourg HQ	1.26
Total	2.03

G4-LA6

To achieve such good results, we offer a range of preventive measures such as free flu vaccinations and subsidisation of sports activities. In 2014, a full medical check-up was organised at our sites in Brazil. A multi-disciplinary team composed of a physician, nutritionist, psychologist and fitness trainer offered an all-encompassing health check, taking into account factors such as individual lifestyles or hereditary preconditions. The objective was to provide each employee with a personal risk map.

By undergoing these comprehensive check-ups, 57% of employees have gained greater awareness about their potential health risks and taken preventive measures to reduce their risk of cardiovascular diseases. Since a healthy mind is as important as a healthy body, many of our sites focused strongly on stress management in 2014. A good example of this is the 'Charge your batteries' programme initiated by our team in Duisburg, Germany. The programme consisted of a seminar entitled 'Finding relaxation in everyday life' led by an external expert, as well as four different workshops on stress management.

In addition, two workshops have been offered specifically for managers, focusing on the early detection of burn-out risks.

Developing our Employees

Our first commitment to our employees is to provide them with a safe work environment and train and prepare them well for the challenging tasks they are hired for. In addition, we seek to provide our people with the opportunity to develop new skills and move ahead on their career development path.

Competencies and Employability

In 2014, we have put in place a number of professional committees for each transversal function (for example, purchasing and commercial) with the aim of gaining greater understanding of the resources we have or need, to develop our teams to their full potential. We aim to facilitate the learning and development of our workforce and, to this end, all our different sites have defined and deployed training programmes or even adapted their organisational structure for greater learning opportunities.

In Châtelet, for example, our human resources teams have put together an extensive management training package, teaching team leaders or aspiring managers what it takes to successfully lead and develop a team, manage a budget and carry out a project from beginning to end. This training will be offered to all managers during 2015 and 2016.



With the ambition of creating a collective knowledge pool and ensuring greater transfer of skills, representatives of the different entities of our Isbergues site (sheet metal shop, Services & Solutions Centre, recycling centre (Recyco) and Research & Development institute) have collaborated and organised themselves around functional knowledge platforms rather than separate entities. As well as

fostering an open exchange and greater sharing of knowledge, this structure allows employees greater mobility between platforms and the opportunity to develop a broader set of skills.

At Aperam Alloys Imphy, developing competencies and transferring knowledge has been tackled in the true 'Aperam Way', promoting teamwork and proximity.

Among all senior workers, 75 have been identified as mentors, capable of training and passing on their experience and skills to co-workers, recent hires or young talents. These 75 mentors have first been trained themselves on how to guide another person for professional development.



GUIA 2014
Vocês/A
AS MELHORES
EMPRESAS PARA
VOCÊ TRABALHAR

Recognition for our efforts

For the fifth consecutive year, Aperam South America was selected as one of the best companies to work for by Guia Você S/A, in recognition of our work on employee health and wellbeing.

The ranking appears in the Guia Você S/A – Exame, edited by Editora Abril and the Foundation Institute of Administration (FIA).



People continued



Socially Responsible Reorganisation

As a key player in a sector impacted by worldwide over-capacity, the ability to survive additional hardships such as economic crises or critical operational changes sometimes necessitates difficult decisions. While we make every effort to resolve problems at our plants in a way that minimises the need for major restructuring or closure, sometimes these outcomes prove to be the most appropriate way to ensure the long-term sustainability of the Company.

In such situations our priority is to manage restructurings and closures in a responsible manner – in line with our values – and to ensure that affected employees are treated with respect and kept fully informed at all times.

Taking the personal touch with our people at Firminy

In 2013 we had to take the difficult decision to close the Firminy plant, and the beginning of 2014 saw the plant carry out its final weeks of operation.

Recognising the impact this would have on its 71 employees, our priority was to manage the closure in the most responsible way and to offer assistance and support to those affected. With this in mind, we began providing assistance to employees even in early 2013, before the closure of the site was confirmed.

In addition, once the plan was finalised, we set up specific voluntary redundancy agreements in order to settle as many individual cases as possible before the closure.

To help each employee achieve a positive outcome, depending on their own circumstances and preferences, we offered a variety of options from the more common to the innovative. Our support ranged from CV reviews, training or early retirement to investigating employment options at other Aperam locations or even other local industrial companies.

In this case we encouraged people to enrol for a trial period at another company, without ending the work contract with Aperam prematurely.

The result was that, by the time of the closure, 90% of Firminy employees had achieved a positive outcome, and the local authorities praised the Company for our responsible and exemplary conduct throughout the process.

Responsibility



90%

Aperam managed to find a suitable solution for 90% of the Firminy workforce by the time of closure.

Ensuring a sustainable future for Gueugnon

After a difficult few years the Gueugnon plant needed substantial transformation to ensure a return to profitability. Given the severe economic difficulties of the area and Gueugnon's status as the principal employer, substantial effort was devoted to explaining the need for urgent commercial re-positioning and swift cost reduction, in parallel with ongoing dialogue with staff and local authorities.

Indicator	We said	We did	We will
% of employees receiving regular performance and career development reviews.	GEDP ¹ for 100% of managers and 97% of exempts, plus improve annual interviews for workers in the main sites.	95% exempts of which 100% are managers. 87% workers.	GEDP for 97% of exempts of which 100% are managers.
Succession plans in place for management.	Succession plan review to fully cover Aperam management.	100% complete.	

(1) Global Executive Development Programme

The result was an enhanced commercial strategy targeting new market segments, with lower complexity, leaner structures and more efficient processes. To implement these changes, a robust capacity-building policy was put in place, with strong investment in training and the enrolment of apprentices.

We achieved a high level of buy-in for these actions, and by the end of the year the site had demonstrated clearly improved efficiency, profitability and a more sustainable positioning.

Revitalising Isbergues

Having already suffered the closure of its melting shop in 2006, our Isbergues site was further impacted by the long-term suspension of the traditional rolling tool in 2011 and consequent effects on employment at the plant.

Beyond redundancy measures for the staff – which often necessitated relocations – Aperam implemented a revitalisation agreement aimed at compensating each job lost on the site (223 in 2011) with a new job within a 30 km radius.

We decided to implement this €1.2m agreement with local authorities (a higher investment than legally required) using a special revitalisation agency to achieve the best long-term efficiency.

However, due in part to the economic crisis, the results were regrettably insufficient.

Nonetheless, the extension of the agreement in 2014 – together with a more favourable economic climate – enabled the creation of 173 jobs during the year (203 since the launch of the plan). This has brought more life and activity to the area as well as providing renewed opportunities and services to the population, including one kindergarten and a brand new stainless-steel wrapped cultural centre.



Our commitments for 2015

In line with our duties and values, in 2015 we will continue our actions until we reach our targets. The Isbergues revitalisation agreement will again be extended to allow the remaining 30 jobs to be created, in order to fully compensate for the 2011 suspension of Isbergues' traditional rolling mill.

Everywhere else in the Group, we will continue to fulfil our responsibilities and ensure we continue to optimise performance so we can achieve sustainable profitability.

Local authorities



€1.2m

Aperam decided to implement a €1.2m agreement with local authorities.



Environment

thinking more, using less

Our vision is to become an increasingly sustainable and profitable company. Taking steps to reduce our environmental impact is essential to achieving this goal, as well as to promoting the sustainability of the communities we operate in and reducing our costs through greater efficiency.

In Europe there is also a regulatory imperative to act responsibly towards the environment, with each plant receiving a permit to operate and an annual emissions quota.

Strengthening our sustainability and mitigating our environmental impacts are long-term goals that require both time and good management. For this reason, our priority during 2014 has been to apply a more structured approach to our efforts, to strengthen our governance of sustainability issues and to establish a series of stretching 2020 targets across our key environmental impact areas.

What has been crucial in making this a reality is to increase the individual and collective consideration we give to environmental issues and to drive home the links with our business goals. This leads us to innovating solutions that make more efficient use of resources and so are good for the business as well as the planet.

A new structure to drive improvement

In 2014 we established a new Environment Working Group which has defined the following long-term objectives for minimising our environmental impact – targeted for achievement by 2020. The remainder of the chapter explains the steps we are taking towards achieving these goals:

- Reduce CO₂ intensity by 35% (compared with 2007);
- Reduce energy intensity by 5% (compared with 2012);
- Be a zero waste (for disposal) company;
- Reduce the absolute value of fresh water extracted; and
- Reduce dust emission.

Indicator	We said	We did	We will
Energy consumption	We will drive improvements through monitoring, energy action plans and compliance actions. We will improve our data collection and reporting through a sound environmental data collection system. Review the use of interim targets to monitor our performance improvements.	Monitoring: In Imphy, we installed a software to collect data on our consumption. The system triggers a real time alarm as it detects any deviation from standard norms. In 2015, the same system will be implemented in Timóteo, Brazil.	We will continue to reduce energy consumption through monitoring, audits, process optimisation, thorough analysis communication and training.
CO ₂ emissions	We will continue to invest in clean technology and performance improvements as required.	We recently invested in a modern annealing and pickling (RD79) with lower CO ₂ emissions which started its first year of full production in 2014.	We will continue to invest in clean technology and performance improvements as required.
Waste			Prepare an action plan to reach the 2020 goal of zero residue (for disposal).

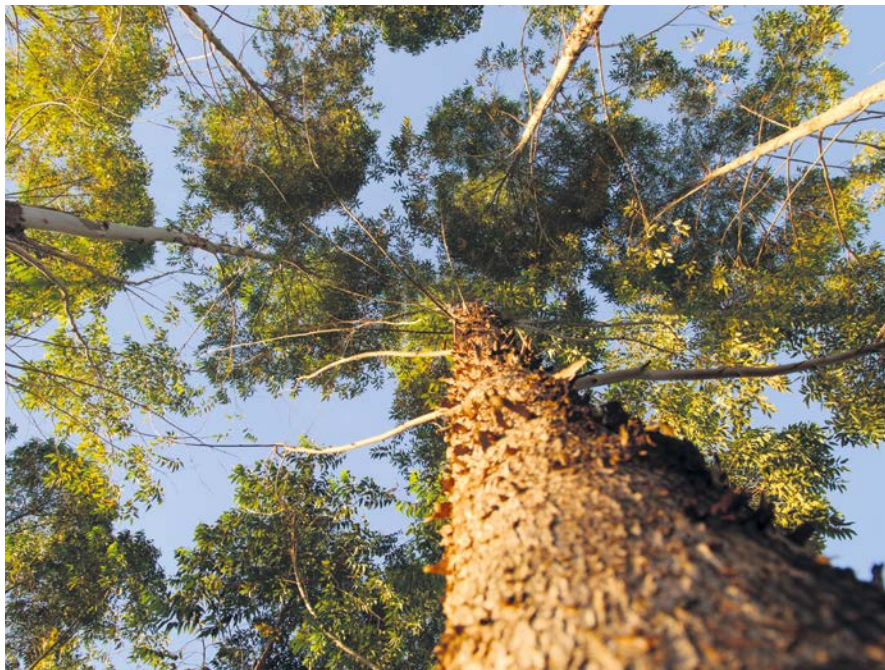
Improving our environmental performance

We are committed to reducing our impact on the environment and using finite resources wisely. We have identified our most material issues and set relevant objectives for all our sites.





Environment continued



Driving down energy use

Carbon dioxide intensity

We are delighted that we have already achieved our 2020 commitment to reduce our CO₂ intensity by 35% against the 2007 baseline – principally through replacing coke with charcoal.

In terms of emissions, we emitted 1m tonnes of CO₂ equivalent (tCO₂e) in 2014, which was made up of 0.685m tCO₂e direct emissions and 0.306m tCO₂e indirect emissions. This is unchanged from 2012, and a 41.1% reduction from our 2007 baseline. As a relative measure, our emissions per tonne of crude steel were 0.48 tCO₂e/t* in 2014. [G4-EN18](#)

Energy intensity

Our 2020 goal is to reduce our energy intensity by 5% compared to the 2012

baseline. Our total energy consumption in 2014 was 18.9m GJ of direct energy and 8.0m GJ of indirect energy, a change in total energy consumption of 3.3% from our 2012 baseline. Nevertheless, our energy use per tonne of crude steel was 13.0 GJ*, a decrease of 4.7% from the previous year. [G4-EN5](#)

Targeting zero waste

Our aim is to contribute towards the circular economy by becoming a zero residue (for disposal) company by 2020. At present, our production processes still result in some waste for disposal – 110.3k tonnes in 2014, of which 54.2k tonnes was hazardous. However, because stainless steel can be repeatedly recycled, our waste output is already relatively low, and this year 88.6% of our waste was recycled or reused and already 28% of

Energy Consumption



5%

Targeting a 5% reduction in energy intensity by 2020 (2012 baseline).

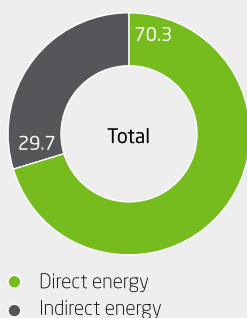
our total manufacturing input is recycled materials. [G4-EN2](#)

This achievement was mainly due to investments made in the treatment of slag and the reuse of metal scrap. In addition, Recyco, an Aperam-subsidary that recycles dust and sludge from our French and Belgian melt shops, also helps us reduce waste. The dust waste is melted in an electrical oven, enabling nickel – an expensive raw material – and chromium to be recovered. These are then used to create cast ingots that can be returned to the production cycle as raw material for Electric Arc Furnaces (EAF). The process produces dust containing zinc oxide and slag, both of which are sold to external companies and reused.

Using water wisely

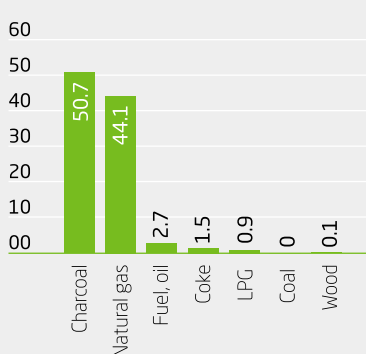
In 2014, we consumed 22.3m cubic metres* of water in our manufacturing processes, which equates to 10.7 cubic metres per tonne of crude steel, a change of -7% from the previous year. 93%* of our water comes from rivers and canals, while the remaining 7% comes from a combination of groundwater (4%*), rainwater (2%*) and municipal sources (1%*). Across the Group we recycle 95.5% of our water. [G4-EN8](#)

Total energy consumption (%)



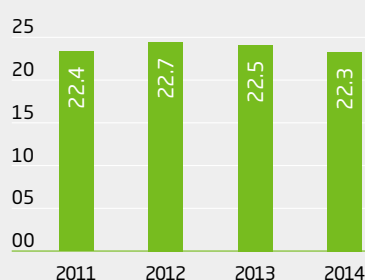
[G4-EN15](#)

Direct energy breakdown (%)



[G4-EN16](#)

Total water use (m³/t)



[G4-EN8](#)



Improving air quality

During 2014 we emitted 441.8 tonnes* of ducted dust from our operation. This represented an increase of 6.4% from the baseline/previous year. This change in increase is due partly to the increase in production (+5.6%) in 2014 and to improved and more precise measurements. We are strongly committed to continuous improvement in this area, as we are aware that dust is a visible pollutant and is unpleasant for residents in our communities of operation.

In particular, we focus on improving the monitoring of air quality from chimneys, setting lower intervention thresholds and installing alarms to alert us when these are breached.

All of this leads to more action sooner. We are committed to refining and improving this approach and sharing it as best practice across the Group. [G4-EN21](#)



Embedding a culture of best practice at Timóteo

Improving energy efficiency has also been a strong area of focus at the Timóteo plant in Brazil in recent years, with initiatives including improvements to the thermal efficiency of furnaces, better use of steel gas and technological upgrading of equipment. Timóteo is now developing an Energy Integrated Management System, in which a fundamental pillar is promoting a culture of best practice in energy use and involving the entire plant in implementing the energy policy.



Voices

“Energy use should be a shared concern for all employees, both inside and outside the plant. By implementing the Energy Management Integrated System we aim to effect more consistent and longstanding results. In addition, the speed and robustness of our actions are fundamental to the competitiveness and sustainability of the Company.”

Luciano Lellis Miranda,
Technical Assistant in the Operational Excellence Team at Aperam Timóteo.

Our 2015-2020 strategy is to decrease our water intake (from river, canal and groundwater), through a number of methods: consuming less water in our processes, reducing water loss due to leakage and evaporation, and increasing our recycling. As well as protecting the environment, this will also reduce our own costs.

In Isbergues for example, we undertook works to stop significant water leakage in the underground pipes. Through this we avoided leaks of around 73,000 cubic metres of water a year.

We improved our rainwater management to avoid overflows during heavy rains, which also helps save water. By improving processes at our water treatment plant we were also able to return more clean water back to the fresh water sources.

In addition, we see this strategy as an important facet of our risk management as we need to be prepared for the likelihood that, at some point, our water extraction allowance will be reduced. Preparing for this in advance will protect us against the difficulty of our industrial process having to adapt quickly to a sudden reduction in our extraction allowance.



Environment continued



Sustainable packaging and transportation at Amilly⁽¹⁾

Aperam Alloys Amilly generates around 100 million pieces each year, weighing between two and 20 grams. For the last ten years we have worked alongside clients and delivery sites across Europe to reduce both waste and cost through a number of measures – improving the design of our pallets, developing recyclable packaging and optimising our transportation requirements.

Our dual economic and environmental goals compelled us to think outside the box and to come up with innovative ways to adapt and reuse our packaging and minimise human handling, as well as to adapt transportation timings and routes between sub-contractors and clients. As a result, we have now used the same packaging boxes for more than ten years, saving around 30 tonnes of CO₂ and 6 tonnes of waste per year.

(1) Subsidiary of the Aperam Group, Aperam Alloys Amilly transforms parts made of bonded material and magnetic alloys through precision stamping and core manufacturing.

Voices

“Thanks to our production department’s commitment to continuous improvement we have not only improved our competitiveness but also, by reducing consumables, created a cleaner and more environmentally friendly production process.”

Lukas Terc,
Supervisor Cutting Production



Increasing efficiency and cutting waste at Ústí nad Labem

The drive for ongoing improvement in our waste management led the production team at Ústí nad Labem in the Czech Republic to take an innovative approach to improving the efficiency and longevity of its core equipment.

The production process – which consists mainly of cutting stainless welded tubes for the automobile market – uses large quantities of consumables such as blades and cutting fluids. Using Total Cost of Ownership (TCO) and Total Productive Maintenance (TPM) methodologies, our team of 60 operators, team leaders and managers – in discussion with our suppliers – conducted over 600 trials aimed at improving the lifetime of the consumables while reducing the waste production.

The result was a reduction in waste metal of over two tonnes, and in waste oil and emulsion of 60m³, at no cost to the product’s quality. The project also yielded a cost saving of €118,000 in 2013, and an increase in productivity of 13%.



Innovation and teamwork yield results at Genk

Energy consumption is an essential area of focus in our quest to be a sustainable steelmaker. In particular, we know that the Electric Arc Furnaces (EAFs) used in our melt shops are substantial consumers of electricity; the annual consumption of just one of the two EAFs at the Genk steel plant, for example, is twice the annual consumption of all the inhabitants of the city.

In the spirit of driving continuous improvement, in 2013 one of the teams at Genk developed an innovative idea to reduce the energy consumption of the EAFs by adapting the energy consumption model. As a result the team wrote a new simulation model for the operation of the furnace, as an extension of the existing programme, and explained it to other teams in the EAF control room. Seeing the positive results, the other teams quickly adopted the tool and gave feedback, enabling it to be further developed.

Electricity consumption decreased immediately and, in 2014, all Genk teams together consumed 5 GWh less than the previous year, while maintaining the same steel production. The project has saved 1,100 tonnes of CO₂ – the annual consumption of 1,000 families – exemplifying our goal of being a sustainably profitable company.

Voices

“We knew that changing the furnace model would have an influence on energy consumption, but this has exceeded all our expectations. As a team we’re very proud of what we’ve achieved. The result is sustainable for the environment, sustainable for the quality of the steel production and sustainable for the economy.”

Benny Brebels,
Coordinator EAF at Aperam Genk



Recognition for our efforts

In 2014, Aperam South America was again listed as one of the most sustainable companies in Brazil, according to the 2014 Sustainability Guide promoted by Exame magazine, due to our ambitious environmental goals and performance. The 2014 Guide comprises 61 companies from 19 sectors.

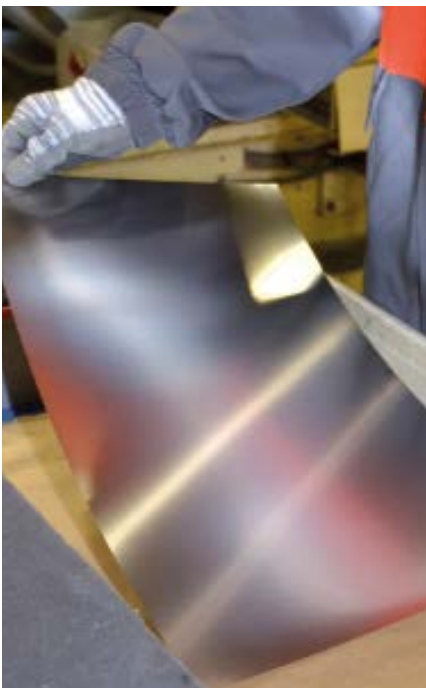


Reducing dust emissions at Genk

The location of our plant in Genk – situated between a residential area and an industrial zone – necessitates a particularly strong focus on driving down dust emissions for the benefit of our neighbours. It also presents opportunities to lead the way within our industry and to build dialogue with local residents and authorities.

Discussions with our stakeholders helped us to establish an extensive action plan to achieve the desired improvement. Advice from engineers and environmental specialists led to a number of operational actions, including increasing continuous monitoring of the most sensitive chimneys, decreasing internal intervention thresholds, and new encapsulation of the oxy-cutting area. Managers and workers were incentivised to meet objectives through a specific KPI and, in addition, we initiated a dynamic and open dialogue with relevant stakeholders.

As a result, we achieved a 72% reduction in guided air emissions in 2014 compared with 2006, to a total value of 13g per ton of steel produced. The process has also allowed us to gain expert knowledge on the topic of air emissions, and to share best practice with other Aperam plants. The fact that the plant has received just two complaints in the last four years also demonstrates both strong improvement and effective relationships.



Making a positive impact

In a high impact industry, acting responsibly goes beyond reducing emissions and preventing pollution. We aim to compensate for our environmental impacts and take steps to protect and nurture biodiversity.

Our eucalyptus forests: carbon sinks and water regulators

Aperam BioEnergia is a forestry subsidy in Brazil, nearly a quarter of whose surface is used as a nature reserve while the remainder is planted with eucalyptus trees. We use these trees to produce charcoal – considered a clean and renewable energy source due to its sustainable production process. But as well as being an attractive energy provider, forestry is also a carbon sink, absorbing a large quantity of CO₂ from the atmosphere and thus mitigating against greenhouse gas effects and global warming. Furthermore, eucalyptus trees source their water needs from the superficial layers of the soil, protecting long-term water resources.

Every seven years, we renew our plantations in order to sustain the forest and offset the cuts.

Wildlife protection

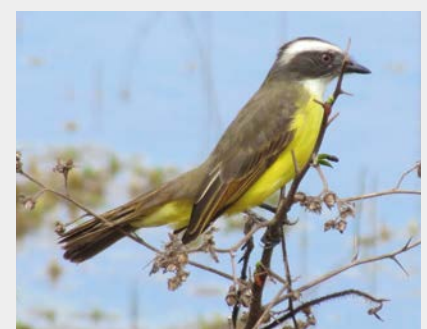
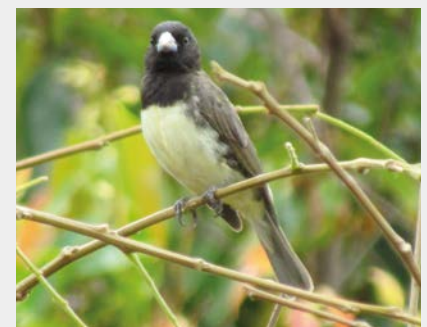
In addition to the Oikos project reported on last year, Aperam BioEnergia also operates an extensive programme to nurture biodiversity.

A key project focuses on monitoring and protecting Brazil's wildlife, particularly birds and large mammals. Studying these species enables us to assess the quality and condition of Aperam's natural areas.

Our main objective is to identify rare, endangered and endemic species, to identify areas conducive to wildlife and to devise protection strategies.

Nine years into the project, we have identified over 230 bird species and 30 mammals, and preserved and improved the quality of the natural resources – particularly the flora and fauna – surrounding our production facilities.

In addition, we conduct regular fauna and flora assessments in all our forests to ensure harmonious cohabitation between eucalyptus plantations and insects such as ants, caterpillars, beetles and termites, all detrimental to forestry. To achieve this, we use biodegradable FSC-allowed products only.



Forest renewal



7

Every seven years, we renew our plantations in order to sustain the forest and offset the cuts.



Stakeholders

engaging with our stakeholders

At Aperam, acting responsibly begins with increasing proximity and fostering open dialogue with our stakeholders. This approach helps us gain greater awareness on how our business impacts our stakeholders and how we can improve our operations to lower these impacts.

Employees

Our people are our most important stakeholder and it is important for our business success that we motivate our employees to embody our values and perform at their best. This is what the Aperam Way is all about: promoting a positive workplace environment that supports and inspires our people to live out the behaviours we want to be known for.

Proximity and exemplarity

Interaction between employees at different levels is vital and, in 2014, our sites have implemented a number of straightforward rules that foster proximity between leaders and teams. In Isbergues, for example, every production manager spends one and a half hours on the shop floor every morning and two night shifts per week.

In 2015, we are committed to undertaking more of these initiatives as we remain focused on increasing proximity between and within all of our worldwide locations.

Constant dialogue with our employee representatives

One of our Aperam Commitments explicitly affirms our desire that all employees should be able to share their ideas through open communication channels. One of the ways we seek to achieve this is through regular dialogue with employee representatives in each jurisdiction where we operate.

Our employees in various parts of the world are represented by trade unions, and in certain locations collective labour agreements are in place with employee organisations. Our low level of absenteeism and low attrition rate demonstrate the positive dialogue we enjoy with our trade unions and our close working relationships with our employees.

In 2014, our European Work Council met regularly and initiated a working group dedicated to Health and Safety topics, illustrating the quality of the dialogue we maintain with our workers.

Promoting inclusiveness and respect

Since 2008, Aperam Alloys Amilly has collaborated with a local institution that specialises in providing care through employment (ESAT – établissement spécialisé d'aide par le travail), through which disabled people are integrated into our local workforce. In 2014, Aperam Alloys Amilly extended the collaboration to about 20 disabled men and women, who work side-by-side with our workers, either in production or in work-area maintenance.

To fully integrate the external workers into our teams, we have adapted our working conditions to respond to their needs and trained them on the job, on safety and the Aperam Way of working. Before they collaborated on the floor, we brought together our local workers with their disabled counterparts encouraging them to get to know each other and learn how to communicate with each other.

This project helps Aperam create a respectful and non-discriminatory working environment, while giving disabled people an opportunity to develop their skills in a job.



Getting closer to everyone who matters

We foster open dialogue with our stakeholders in order to understand the broader impacts of our business and to be a good neighbour. This helps us identify risks and seize opportunities.





Stakeholders continued

Customers

Our customers, their needs and challenges are at the heart of our business. We aim at improving our customer service by listening to our customers' demands and working on tailor-made solutions that will help them achieve their goals.

We aim to develop high quality, innovative products that do not only meet, but anticipate our customers' needs. Our products are fuelled by ingenuity and based on active research and development. We aim at building long-lasting partnerships with our subcontractors and suppliers and support our customers in everything they do, from technical assistance to product co-development.

Greening the automotive industry

As a response to the trend of more stringent U.S. and European fuel-efficiency regulations and the need of our customers to become more eco-efficient, our R&D team has invested heavily in research on the substitution and replacement of heavier or harmful material used in the automotive sector.

In 2014, Aperam entered the development and pre-commercialisation stage of a new stainless steel grade: the martensitic stainless steel MaX. By doing so, we help our customers from the automotive sector overcome one of their biggest current challenges, which is the reduction of weight and thus reduction of harmful emissions and CO₂.

In order to meet new environmental regulations (i.e. mass of CO₂ emitted into the atmosphere per km driven), car manufacturers are focusing on vehicle weight reduction through product redesign and the extensive use of advanced lightweight materials including high-strength stainless steels. In short, car manufacturers are looking for new solutions to lighten chassis and structural parts in cars. For every 100kg of weight reduced, 10g of CO₂ emissions are saved.

High strength steels formed by hot stamping have proved to be good candidates for achieving better in-use performance together with a lighter structure. In particular, our martensitic stainless steel MaX fulfils the industrial targets for chassis parts in terms of mechanical and fatigue properties. It could potentially lead to a 15-50% weight saving for our customers.



Lower emissions and fuel evaporation - the fuel filler neck

The range of products Aperam has developed for the automotive industry includes new stainless steel solutions for fuel filler neck. In addition to being resistant to corrosion and friction, stainless steel ensures a better seal than other materials, which reduces emissions and fuel evaporation. It is also shear-tolerant and cut-resistant.



A stainless steel fuel tank for hybrid cars

In addition to the challenge of significant weight reduction, hybrid car manufacturers face the need for a more resistant substitute to the commonly used plastic tanks.

With an increase in temperature and internal pressure, hybrid car fuel tanks need to be more resistant and better insulated than regular car tanks. In addition, tanks will become smaller because of additional space taken by hybridisation and lower fuel consumption. Plastic, because of its thickness, limited insulation and recyclability is thus a non-viable or sustainable solution.

Together with fuel tank suppliers, Aperam has worked on a thin stainless steel tank that resists heat and pressure, ensures perfect insulation while keeping its anti-corrosion, formability and long-term recyclability properties. In 2014, Aperam and fuel tank suppliers have exhaustively tested the stainless steel tank with the objective to present the products to car manufacturers by end of 2015.



BMW i3 Fuel Tank © Magna Steyr Fuel Systems

CO₂ emissions

Lower

Aperam has developed stainless steel solutions for fuel tank systems in order to reduce carbon emissions.





PHYTHERM® - innovating for sustainability

Aperam Alloys' Research Centre in Imphy has teamed up with European cookware manufacturers to create a new innovative cooking technology that brings key sustainability, health and safety advantages to the fast-growing induction cookware market.

PHYTHERM® is a soft magnetic alloy that automatically regulates temperature in induction systems for all methods of cooking. Kitchen utensil manufacturers can apply a layer of the PHYTHERM® alloy to the underneath of the pan, which stabilises the heat and offers unparalleled cooking performance.

By limiting the maximum temperature reached by the cookware, PHYTHERM® is safe because it prevents the cookware from overheating, as well as ensuring that the food inside doesn't burn. Uniform heat distribution enables consistent, perfectly controlled cooking, which preserves the flavour and nutritional qualities of the food.

Furthermore, data gathered from several years of specific testing confirms significant energy savings by comparison to standard cookware. By preventing temperature peaks, the PHYTHERM® technology further supports Aperam's sustainability principles by preventing deterioration of non-stick coating, thus enhancing the cookware's durability.

Thanks to both teams' expertise and dedication to collaborating during the development process, PHYTHERM® successfully meets the demands



of contemporary induction cooking, offering the ideal combination of pleasure, health and sustainability.

PHYTHERM® is a brand of Aperam Alloys Imphy.



The Sermeta Group

The Sermeta Group is a world leader in the design and manufacture of stainless steel heat exchangers for gas condensing boilers. With 1.7 million heat exchangers produced each year, we take great care when selecting our suppliers. We expect them to provide a service designed to match our requirements in terms of both products and logistics whilst at the same time maintaining impeccable standards of quality and offering permanent, ongoing technical support and involvement.

Aperam Stainless Europe has been meeting these requirements for several years now, to the point where they have become our principal stainless steel supplier. This relationship of trust, founded on their in-depth knowledge of our requirements and their proactive approach, has contributed to the growth and development of our business.

And further to this, stainless steel is the ideal material for our applications because it contributes to reduced energy consumption and environmental protection. Did you know that a boiler equipped with a Sermeta stainless steel heat exchanger enables CO₂ emissions to be reduced by 30% compared to a traditional boiler? We certainly intend to continue working with Aperam and, in particular, researching products that are even more innovative and offer even higher performance with them.



Customer Voice

"Aperam Stainless Europe has been a favoured partner, proving able to meet our expectations, for a number of years now"



Groupe SEB - small domestic equipment

For Groupe SEB, stainless steel constitutes a key raw material in the manufacture of numerous types of small domestic equipment.

Aperam Stainless Europe has been a favoured partner, proving able to meet our expectations, for a number of years now.

What we essentially look for are suppliers who are reliable in terms of quality and service and who offer a product range and logistics capacity that can meet our evolving

requirements. The ability to create added value and to develop innovative solutions alongside our project teams, from the applied research phase through to mass production, is also an important criteria for selection, and Aperam Stainless Europe meets this requirement completely.

Groupe SEB attaches great importance to environmental protection and social responsibility and applies a policy of responsible purchasing in order to ensure that its ethical, social and environmental standards are respected by its suppliers. This has notably involved the implementation of supplier testing and information systems.



Stakeholders continued

Market authorities and suppliers

Our commitment to all our stakeholders is to conduct our business in an ethical manner. To maintain this commitment, our managers lead by example and convey a strong message regarding our compliance commitment.

Creating a compliance-focused workforce

To achieve our goal of zero tolerance for non-compliant behaviour, in 2014 we developed and launched an all-encompassing corporate governance and compliance programme.

Headed by a Chief Compliance Officer, we have formed a Company-wide compliance network to assist with implementing the compliance framework. This network provides training on the Aperam Code of Business Conduct and other business specific policies in the local languages of all Aperam sites.

The Chief Compliance Officer co-chairs – with the CFO – the Compliance Management Committee that has been established to assess and review Aperam's compliance risk profile, framework performance and effectiveness.

In order to achieve a compliance-focused workforce, we have collaborated with an external consultant who trained our network of compliance officers.

The compliance officers have then started to train Aperam employees on the Code of Business Conduct in their local language. In addition, in-depth training on business specific policies such as anti-corruption, anti-trust, economic sanctions, insider dealing, human rights and data privacy has been provided to managers and customer- or supplier-facing departments.

Also, an internal Corporate Governance and Compliance website has been made available to all employees.

Promoting high standards of business practices

Aperam is a strong defender of the free market and is in favour of fair business competition.

In our purchases, we ensure that we negotiate fairly and conduct annual contracts reviews, often complemented with site visits. As well as quality and cost factors, we also take criteria such as environmental and social performance and local footprint into account in our selection processes.

Standards are even higher for the subcontractors operating on our sites. In addition to the Code for Sustainable Sourcing and Purchasing that we include in our agreements, they are required to sign a specific charter in which they commit to high standards of health and safety practice, as well as recycling or training.

At all times we aim to comply fully with local and international regulations, to adhere to economic sanctions policies and to behave in a responsible manner in all our markets.

Suppliers as partners

In 2014, we assessed 61 raw material suppliers for significant negative socio-economic impacts and risks. We recorded that 15% of our raw material suppliers had potential negative impacts on labour practices (specifically health & safety); a watching brief and dialogue are in place as a result.

No contracts were terminated in 2014 as a result of the findings. We have no reason to believe there is any significant risk of negative impacts on the community we or our suppliers operate in. [G4-LA15](#)

In 2014, 62% of total procurement for significant sites was from local suppliers (i.e. those located in the site's host country or nearby cities). [G4-EC9](#)



Suppliers



62%

In 2014, 62% of total procurement for significant sites was from local suppliers.



Communities

Acting responsibly means facing up to the social and environmental impacts of our activities. Some of our plants are located in the near vicinity of cities or residential areas and often, we are amongst the main employers in the regions. These two facts make it of paramount importance that we take the time to get to know the people living in the communities surrounding our plants and to understand their views.

Regular and frequent stakeholder engagement at site level has continued to be a high priority in 2014. In addition to monitoring complaints from residents or authorities, we have adopted a more proactive approach this year, by reaching out to our stakeholders, seeking open dialogues and inviting them into our facilities. For us, 2014 was a year of greater transparency and a more open exchange with our stakeholders.

Becoming a better neighbour - measuring how we do

In 2014 we have sought to measure our relationships with those in our communities by monitoring complaints from residents, as well as legal claims from authorities as in previous years. Our Leadership Team includes this feedback into its decision-making, and uses it to engage with the communities in order to become a better neighbour.

In 2014, we received 76 complaints from neighbours and one claim from regulators, 53% of the complaints were related to noise and 37% to our dust emissions. We act upon each complaint by conducting an immediate analysis of the situation and exchanging openly with the effected stakeholder. In our main plants we track noise 24/7 which helps us gain greater awareness of our noise levels.

Fostering open dialogue in Imphy

Continuous sustainable development requires big picture thinking, the ambition to improve and the ability to define clear action plans. While Aperam Alloys Imphy has a long history of good practices to lower environmental impacts, we have identified the need to better communicate with our local stakeholders and include their feedback into our decision-making.

On 11 June 2014, we therefore organised the first Aperam Stakeholder Day in Imphy. The event attracted a diverse range of attendees, including representatives from government, NGOs, local industry and the community, as well as from a range of Aperam departments such as Services, Production, Maintenance and Environment.

The Stakeholder Day allowed us to explain our approach to sustainable development and detailed our progress on reducing our environmental impact. Keen to promote a spirit of engagement and active participation, we also ran a 'question and answer' session, and encouraged attendees to voice their ideas and concerns. The afternoon was devoted to a tour of the plant so that they could see for themselves what noise or emission reducing investments we have made over recent years.

On 8 July 2014, in collaboration with students enrolled in a Master's programme on sustainable development of the AFPI Loire, we organised a conference on sustainable development at our site. The objective of this conference, which mainly attracted representatives of other local industries, was to exchange practical information about the compliance with ISO standards, especially ISO 26000 on corporate social responsibility. We also exchanged the principal challenges we all face and approaches to better manage the environmental and social impacts of our activities.



Voices

"We received very positive feedback about these events; Imphy employees recognised the plant's progress and local stakeholders appreciated the open initiative. Now we have to continue along that path, carry out projects and maintain relationships with our stakeholders. I hope this project will inspire other Aperam plants."

Amélie Hachani,

Organiser of the Aperam Stakeholder Day and Sustainable Development Conference in Imphy

Good practice



No.1

On 11 June 2014, we organised the first Aperam Stakeholder Day.



Stakeholders continued



Permit renewal for Genk: an opportunity to engage in stakeholder dialogue

With its environmental permit due for renewal in mid-2015 - and anticipating that it could be a lengthy process - Aperam Genk decided to get a head start by starting its preparations in 2013.

The process typically necessitates extended safety and environmental examinations, with the findings written up in thorough reports, and involves both Flemish and regional administrations as well as representatives from local communities.

Aperam Genk was able to draw on its strong relationships with local stakeholders along with its improved environmental performance in recent years to have constructive discussions. Organising an Environment Day and creating a Best Neighbours newsletter reinforced the open dialogue between the site and the community and meant that discussions were constructive and respectful, with agreement quickly reached. In fact the process served to build closer ties between Aperam Genk, its neighbours and the local authorities.



As a result, a renewed 20-year permit was delivered in September 2014, several months ahead of the deadline – a clear example of where taking the time to develop good relationships with local communities is not just the right thing to do, but also makes good business sense.

Relationship



20-year

Aperam renewed a 20-year permit ahead of the deadline set to develop relationships with local communities.



More than an employer - the Aperam Acesita Foundation

In Brazil, Aperam continuously invests in social development programmes, helping the communities we operate in to become safer with more opportunities for local people. Via the Aperam Acesita Foundation, we developed in 2014 a number of projects and actions in the region of Vale do Aço and Vale Do Jequitinhonha.

Founded in 1994, the Foundation develops projects and actions with focus on four distinct areas: Education, Culture, Environment and Social Promotion.

In 2014 alone, R\$ 4.1 million (US\$ 1.4 million) were invested in various projects and activities, which directly benefited more than 90,000 people.

Improving the quality of education

Giving children and young adults the opportunity to learn and develop new skills is at the heart of the Aperam Acesita Foundation's programmes on education. In 2014, in collaboration with the 'Pacto Nacional de Alfabetização' (National Pact for Literacy), Aperam focused on improving the quality of school-teaching by training and updating the qualifications of teachers. More than 500 teachers from 18 schools were trained in Timóteo alone, benefiting more than 1,500 students.

Health and Safety, a priority also outside the Company

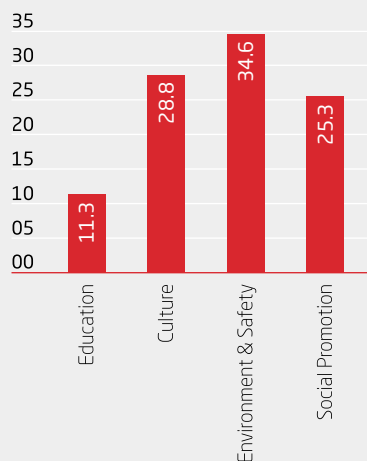
Health and Safety is our non-negotiable priority at work and so it is outside Aperam too. We therefore invested in the 'Transitlândia - Educação para o Trânsito' (Transitland - Traffic Education) programme, working with the Military Police of Minas Gerais to bring safe driving lessons to more than 900 students from 14 schools in Timóteo.

Providing a future in stainless steel

Via the 'Instituto do Inox' (Stainless Steel Institute), which we maintain in partnership with the 'Associação de Aposentados e pensionistas de Timóteo - AAPT' (Association of Timóteo's Retirees and Pensioners - AAPT), we promote training and qualifications to disadvantaged people who are looking for their first job, or a next opportunity in the stainless steel industry. In 2014, 9,000 hours of training were provided in the towns of Timóteo, Capelinha and Turmalina. Today, 65% of students from the 'Instituto do Inox' have a job.



Acesita Foundation split of investment per focus area (%)



Supporting those who help our communities

We supported 9 social impact organisations from our own resources and funds collected from partners such as RedEAmerica, IAF (Inter-American Foundation) and BID (Inter-American Development Bank). The R\$100,000 (US\$35,000) helped more than 3,000 people in Vale do Aço and in the Vale Do Jequitinhonha gain access to services such as daycare facilities, schools and child foster homes.



Strengthening local art and culture

We believe that the culture of a community significantly shapes the nature of its development and presents unique opportunities for local economies. We therefore promote local cultural heritage through support for local artists and organisations. In 2014, we helped fund 192 cultural events (including theatre, music and dance) enriching the lives of over 50,000 people.

About this report

We declare this report as in accordance with GRI G4 core level. Material aspects and indicators are shown on p7 and p32 of this report, detailed Disclosures on Management Approach (DMA) are in online supplement 'C'.

The scope of the information and data in this report covers operations in Europe and South America, from January to December 2014:

- Aperam's production capacity is concentrated in six production facilities located in Brazil, Belgium and France: Genk, Gueugnon, Isbergues, Timóteo, Châtelet, Imphy
- 16 Steel Service Centres (SSC)
- 8 transformation facilities ⁽¹⁾
- 19 sales offices

- Registered office: 12C, rue Guillaume J. Kroll, L-1882 Luxembourg

Safety data cover Services & Solutions and Alloys & Specialities, as well as contractors on site. Human resources data exclude contractors.

Subject to the exclusions indicated below, environmental data cover all main industrial sites, SSCs and corporate offices. Environmental information is compiled locally, and then aggregated centrally. In our greenhouse gas emissions calculation we apply the standards of ISO14404-1 and ISO14404-2, which state that biomass is considered to be carbon neutral. The CO₂ emissions data relate to Scopes 1 and 2.

The following exclusions apply to the environmental data:

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

CO₂ and absenteeism data are restated following improvements in data systems, with no material effect on comparability or timeliness. The report represents our Communication on Progress relating to UNGC membership (see Online Supplement 'A').

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

⁽¹⁾ Including: Pont de Roide, Jequitinhonha

Independent assurance statement

The 'made for life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ended 31 December 2014. The Report is composed of 5 items: the 'made for life report' and four Online Supplements – A, B, C and D. Our 2014 Report can be found on our website on www.aperam.com/sustainability, accompanied by the four online supplements. The summary report provides part of the information required to satisfy GRI G4 'In Accordance Core'.

Therefore, the summary should be read with its accompanying Online Supplements to constitute the complete Report.

Deloitte Audit Société à Responsabilité issued an unmodified opinion using ISAE 3000 limited level assurance with respect to the Report on the following subject matters: adherence to the Global Reporting Initiative G4 guidelines (the 'GRI' or 'GRI Guidelines') with respect to the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness adherence of the disclosures in the Report to the GRI 'In Accordance Core' criteria and the appropriateness of the GRI Index on pages 32-33 of the Report and; fair presentation in all material aspects in accordance with GRI Guidelines, of selected performance data, marked in the Report with a "**":

- EN5: Energy intensity (p8, p20)
- EN8: Water withdrawal by source (p8, p20)
- EN18: CO₂ intensity (p8, p20)
- EN21: NO_x, SO_x and other air emissions (only dust) (p5, p21)

Deloitte

GRI Index	Disclosure	Title	References: this report, Annual Report and Online Supplements
Economic			
Economic performance	G4-DMA	Disclosure on Management Approach	Online Supplement C – p1
	G4-EC1	Direct economic value generated and distributed	p2-3, p8, Annual Report 2014 p34
Procurement Practices	G4-DMA	Disclosure on Management Approach	Online Supplement C – p1
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	p8-9, p28
Environmental			
Material	G4-DMA	Disclosure on Management Approach	Online Supplement C – p3
	G4-EN2	Percentage of materials used that are recycled input material	p8, p20
Energy	G4-DMA	Disclosure on Management Approach	Online Supplement C – p2
	G4-EN5	Energy intensity	p8-9, p20
Water Consumption	G4-DMA	Disclosure on Management Approach	Online Supplement C – p3
	G4-EN8	Total water withdrawal by source	p8-9, p20
Emissions	G4-DMA	Disclosure on Management Approach	Online Supplement C – p2-3
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	p8-9, p20
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	p8-9, p20
	G4-EN18	Greenhouse gas (GHG) emissions intensity	p8-9, p20
	G4-EN21	NO _x , SO _x and other air emissions	p8-9, p21
Waste	G4-EN23	Weight of waste by disposal method	p20 (Not entirely reported)
Labour			
Occupational Health and Safety	G4-DMA	Disclosure on Management Approach	Online Supplement C – p3
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, total number of work related fatalities, by region and by gender	p8-9, p12, p13, p14, p15. Gender reference: Online Supplement C – p3
Training and Education	G4-DMA	Disclosure on Management Approach	Online Supplement C – p3
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	p9
Supplier Assessment for Labour Practices	G4-DMA	Disclosure on Management Approach	Online Supplement C – p4
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	p8-9, p28
Society			
Local Communities	G4-DMA	Disclosure on Management Approach	Online Supplement C – p4
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	p9
Product and Service Labelling			
Results of surveys measuring customer satisfaction	G4-DMA	Disclosure on Management Approach	Online Supplement C – p4
	G4-PR5	Results of surveys measuring customer satisfaction	p9

GRI Index note

To facilitate stakeholders' understanding of our corporate responsibility performance, our reporting follows the Global Reporting Initiative G4 framework, an internationally recognised set of principles and indicators for economic,

environmental and social aspects of business performance. The GRI framework helps companies select material content and key performance indicators.

See www.globalreporting.org. We have duly accounted for the GRI mining & metals sector supplement (MMSS) in our Report preparation; we refer to it in this Index (p20) as well as in the Online Supplement B.

General Standard Disclosure		Location Page reference made for life Report, Annual Report, Online Supplements																																																		
Strategy and Analysis																																																				
G4-1	CEO Statement	p4																																																		
Organisational Profile																																																				
G4-3	Name of organisation	Back cover																																																		
G4-4	Primary brands, products, and services	Annual Report p7 and aperam.com																																																		
G4-5	Location of headquarters	12c rue Guillaume J. Kroll, L-1882 Luxembourg																																																		
G4-6	Countries of operation	Significant sites: Brazil, Belgium, France																																																		
G4-7	Ownership and legal form	Public limited company in Luxembourg																																																		
G4-8	Markets served	Annual Report p14																																																		
G4-9	Scale of organisation	Annual Report p6. EBITDA US\$547m. 2.5mt at stainless steel capacity, 9,424 employees. Aperam's production capacity is concentrated in six production facilities located in Brazil, Belgium and France, 16 Steel Service Centres, eight transformation facilities and 19 sales offices. See p2-3.																																																		
G4-10	Employees and workforce. Total number of employees by employment contract, including permanent employees and gender, total workforce by employees and supervised workers and by gender, total workforce by region and gender. Self-employed workforce; variations in employment numbers.	<p>p2, Online Supplement C – p3. Figures based on average FTE from December 2014, including Aperam Drosbach (56). Female workers: 12.2% of the Aperam overall; 5% of blue collar workers. Aperam is composed of employees from 47 different nationalities. Part of Aperam's work is done by contractors, e.g. maintenance, site utilities, security; estimated to be 1,300 FTE in 2014. The small workforce at BioEnergia in Brazil is subject to variations due to seasonal factors (growing cycle of the trees: planting, harvesting etc.).</p> <table><tr><th colspan="4">Own staff</th><th colspan="2">Supervised workers</th><td rowspan="8">Employees on Aperam payroll (excluding temporaries, sub-contractors) Including only permanent and classical-fixed-term contracts (excluding for example trainees, internships, apprentices), available personnel (but excluding long-term illness) and people working for external entities.</td></tr><tr><th rowspan="2">Total FTE</th><th colspan="2">Worker Gender</th><th rowspan="2">Total</th><th>Total FTE</th><th>Total</th></tr><tr><th>Female</th><th>Male</th><th>Europe</th><th>427</th></tr><tr><td>Europe</td><td>641</td><td>4,464</td><td>5,105</td><td>South America</td><td>54</td></tr><tr><td>South America</td><td>296</td><td>3,647</td><td>3,943</td><td>Rest of the World</td><td>11</td></tr><tr><td>Rest of the World</td><td>213</td><td>163</td><td>376</td><td>Total</td><td>492</td></tr><tr><td>Total</td><td>1,150</td><td>8,274</td><td>9,424</td><td colspan="2">FTE, average of period</td></tr><tr><td colspan="6">FTE, end of period</td></tr></table>				Own staff				Supervised workers		Employees on Aperam payroll (excluding temporaries, sub-contractors) Including only permanent and classical-fixed-term contracts (excluding for example trainees, internships, apprentices), available personnel (but excluding long-term illness) and people working for external entities.	Total FTE	Worker Gender		Total	Total FTE	Total	Female	Male	Europe	427	Europe	641	4,464	5,105	South America	54	South America	296	3,647	3,943	Rest of the World	11	Rest of the World	213	163	376	Total	492	Total	1,150	8,274	9,424	FTE, average of period		FTE, end of period					
Own staff				Supervised workers		Employees on Aperam payroll (excluding temporaries, sub-contractors) Including only permanent and classical-fixed-term contracts (excluding for example trainees, internships, apprentices), available personnel (but excluding long-term illness) and people working for external entities.																																														
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	Female	Male		Europe	427																																															
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South America	296	3,647	3,943	Rest of the World	11																																															
Rest of the World	213	163	376	Total	492																																															
Total	1,150	8,274	9,424	FTE, average of period																																																
FTE, end of period																																																				
G4-11	Collective bargaining agreements	100% of the Aperam employees are covered by collective bargaining agreements																																																		
G4-12	Description of supply chain	Online Supplement C – p1																																																		
G4-13	Changes to organisational profile	Changes between 2013 and 2014 are as follows: – Liquidation of ArcelorMittal Andino in Colombia – Merger of Aperam Alloys Service into Aperam Alloys Imphy – Merger of Aperam Treasury SNC into Aperam Stainless France																																																		
G4-14	Precautionary approach	Our risk management process anticipates the impacts on stakeholders and the environment. The Sustainability Steering Committee members feed into such deliberations. Our products provide an opportunity for customers to apply a precautionary approach due to their properties (e.g. corrosion resistance, light-weighting, durability, hygiene, and energy efficiency applications)																																																		
G4-15	External initiatives	Signatory to the UN Global Compact. We operate in partnership with various organisations, principally via the Aperam Acesita Foundation in Brazil.																																																		
G4-16	Associations and advocacy organisations	The International Stainless Steel Forum (ISSF), World Steel Association, Brazil Steel Institute																																																		
Identified Material Aspects and Boundaries																																																				
G4-17	Entities included in consolidated financial statements	Annual Report p163																																																		
G4-18	Process for defining report content	p6-7, Online Supplement B – p1																																																		
G4-19	List of material aspects	p7, Online Supplement B – p2																																																		
G4-20	Aspect boundaries within the organisation	Online Supplement B – p1-2																																																		
G4-21	Aspect boundaries outside the organisation	Online Supplement B – p1-2																																																		
G4-22	Restatements	Restatements may result from: Mergers or acquisitions. Change of base years or periods. Nature of business. Measurement methods																																																		
Stakeholder Engagement																																																				
G4-23	Changes in scope and boundaries	No significant changes on scope and boundaries																																																		
G4-24	Stakeholder groups	p6, Online Supplement B – p4																																																		
G4-25	Basis for identification and selection of stakeholders	Online Supplement B – p4																																																		
G4-26	Approach to stakeholder engagement	p6-7, Online Supplement B – p3-4																																																		
G4-27	Key topics and concerns	P7, Online Supplement B – p3-4																																																		
Report Profile																																																				
G4-28	Reporting period	Calendar year 2014																																																		
G4-29	Previous report	Made for life Report 2013. Calendar year 2013																																																		
G4-30	Reporting cycle	Annual																																																		
G4-31	Contact point	sustainability@aperam.com																																																		
G4-32	Content Index	p32-33, reporting to GRI G4 in accordance at Core level.																																																		
G4-33	External assurance	Main report p32, and online supplement bundle.																																																		
Governance																																																				
G4-34	Governance structure	p7, Supplement D – p1, Annual Report, p48																																																		
Ethics and Integrity																																																				
G4-56	Values, principles, standards, and norms	Codes of conduct – available on the web A full 4-steps compliance programme has been implemented: 1. Review of the existing and formalisation of additional relevant policies as well as translation in four main languages;		2. Creation of dedicated Aperam Compliance website; 3. Creation of compliance network; 4. Training for compliance network; 5. Training for all employees.																																																

Aperam

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Grand Duchy of Luxembourg

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For all sustainability feedback:
sustainability@aperam.com



For more information please visit our
website: aperam.com/sustainability

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Disclaimer - Forward Looking Statements

In this Sustainability Report, Aperam has made certain forward-looking statements with respect to, among other topics, its financial position, business strategy, projected costs, projected savings, and the plans and objectives of our management. Such statements are identified by the use of forward-looking verbs such as 'anticipate', 'intend', 'expect', 'plan', 'believe', or 'estimate', or words or phrases with similar meanings. Aperam's actual results may differ materially from those implied by such forward-looking statements due to the known and unknown risks and uncertainties to which it is exposed, including, without limitation, the risks described in the Annual Report. Aperam does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Please refer to the 'Summary of risks and uncertainties' section of the 2014 Annual Report page 47 as well as 'Risks related to the Company and the stainless and specialty steel industry' page 195. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not necessarily be viewed as the most likely to occur or standard scenario. Aperam undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise.

Unless indicated otherwise or the context otherwise requires, references in this Sustainability Report to 'Aperam', the 'Group' and the 'Company' or similar terms refer to Aperam, 'société anonyme', having its registered office at 12C, Rue Guillaume J. Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg, and to its consolidated subsidiaries.



United Nations Global Compact references

To facilitate stakeholders' understanding and benchmarking of our corporate responsibility performance, we show how our operations and strategy align with the UNGC's ten principles (www.unglobalcompact.org).

Our Sustainability Report and specific additional items (as noted) represent our UNGC Communication on Progress (COP).

1. Our Statement by the Chief Executive is on p4 of our 2014 Sustainability Report.
2. Our practical actions to implement the Global Compact principles in the four key issue areas of human rights, labour, environment and anti-corruption are described in our Sustainability Report, as well as in online supplement C which covers our Disclosures on Management Approach (DMA).
3. Our measurement of outcomes is described in the Performance Dashboard on p8-9 of our Sustainability Report. Further detail is provided in each chapter.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Assessment, Policy, Goals and Implementation

Our policies and how we implement them are described in the 2014 Sustainability Report and in the online supporting documents, specifically:

- Sustainability Report p29-31 (local community impacts) and Online Supplement C (supply chain management);
- Code of Business Conduct, available on www.aperam.com under sustainability and corporate policies;
- Code for Sustainable Sourcing and Purchasing, available on www.aperam.com under sustainability and corporate policies;
- Annual Report Corporate Responsibility Statement p32;

- Online Supplement D on 'Corporate Governance at Aperam' and Annual Report p48; and
- Human Rights Policy, available on www.aperam.com under sustainability and corporate policies.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policy, Goals and Implementation

Our policies and how we implement them are described in the 2014 Sustainability Report and in the online supporting documents, specifically:

- Sustainability Report p28 (supplier assessment) and Online Supplement C;
- Human Resources Policy, available on www.aperam.com under sustainability and corporate policies;
- Human Rights Policy, available on www.aperam.com under sustainability and corporate policies;
- Code of Business Conduct, available on www.aperam.com under sustainability and corporate policies;
- Code for Sustainable Sourcing and Purchasing, available on www.aperam.com under sustainability and corporate policies
- Annual Report Corporate Responsibility Statement p32; and
- Online Supplement D on 'Corporate Governance at Aperam' and Annual Report p48.

United Nations Global Compact references continued

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy, Goals and Implementation

Our policies and how we implement them are described in the 2014 Sustainability Report and in the online supporting documents, specifically:

- Sustainability Report p18-23 (reducing our environmental impacts) and p26-27 (environmental innovation in product development);
- Environment, Energy, Health and Safety policies, available on www.aperam.com under sustainability and corporate policies;
- Code of Business Conduct, available on www.aperam.com under sustainability and corporate policies;
- Code for Sustainable Sourcing and Purchasing, available on www.aperam.com under sustainability and corporate policies;
- Annual Report Corporate Responsibility Statement p32; and
- Online Supplement D on 'Corporate Governance at Aperam' and Annual Report p48.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy, Goals and Implementation

Aperam Policies and implementation are described in the 2014 Sustainability Report and in the online supporting documents, specifically:

- Sustainability Report p28 (creating a compliance-focused workforce);
- Code of Business Conduct, available on www.aperam.com under sustainability and corporate policies;
- Code for Sustainable Sourcing and Purchasing, available on www.aperam.com under sustainability and corporate policies;
- Anti-corruption and bribery policy on www.aperam.com under Corporate Governance and Compliance;
- Annual Report Corporate Responsibility Statement p32; and
- Online Supplement D on 'Corporate Governance at Aperam' and Annual Report p48.

The Report Materiality Process at Aperam

Determining Report Content

We follow a structured process to identify our most material sustainability issues and determine the content of our report. This is based on the GRI G4 Reporting Principles for Defining Report Content. To determine if an Aspect (topic) is material for us, we assess its potential impact in sustainability terms and on our business. This assessment evaluates potential financial and reputational risks to Aperam, the importance to stakeholders and the links with our mission and goals. From our internal risk perspective, we evaluate the magnitude of the impact using a scale from Minor risk to Critical risk.

In 2014, further to regular stakeholder engagement at our six main plants in Europe and Brazil, we updated the 2013 assessment and improved our local materiality dashboards, as well as taking the Group level perspective into account via materiality workshops. Through these processes, we identified 12 sustainability Aspects for the Group, which we cover in our Report. The Sustainability Steering Committee then reviewed and validated the outcomes of this process in January 2015.

The Boundary Protocol

Aperam operates in Europe and South America. The specific operations that are subject to the materiality process are the six production facilities located in Brazil, Belgium and France.

Operations within the boundary of the report represent all main entities included in our consolidated financial statements (G4-17a). This list of entities is provided in Appendix I, shown on p163 of our 2014 Annual Report and summarised here:

- Six production facilities located in Brazil, Belgium and France;
- Forestry operations at BioEnergia (Brazil);
- 16 Steel Service Centres (SSCs);
- 8 transformation facilities;
- 19 sales offices; and
- Corporate HQ, Luxembourg.

However, there are entities included in our consolidated financial statements that are not subject to the sustainability reporting processes and coverage (G4-17b). These are as follows:

- Process: As described, the materiality assessment is based on the six significant sites and the views of the Sustainability Steering Committee. The resulting list of material Aspects is then applied to the whole Group;
- Materiality Process: The materiality process highlights topics that are material for the Group and does not supersede local analysis and specific site-based action plans;
- Additional information identified in the GRI G4 Mining and Metals Sector Disclosures document is somewhat relevant to Aperam's operations and reporting; for example, 'Additional disclosure requirements' for Economic and Environmental information is not relevant but we have included information for the local community aspect; and
- Coverage: We report performance data for the Group (G4-17a).

The Report Materiality Process at Aperam continued

Aspects, their indicators and the materiality boundaries are shown below. Disclosures on Management Approach (DMA) information is shown in Online Supplement C.

CSR Aspects & KPIs		Material within the organisation	Material outside the organisation
EC - Economic performance			
EC1	Direct economic value generated and distributed	X	X
Procurement practices			
EC9	Proportion of spending on local suppliers at significant locations of operation		X
EN - Environmental performance			
Materials consumption			
EN2	Percentage of materials used that are recycled input materials	X	X
Energy consumption			
EN3	Energy consumption within the organisation	X	X
EN5	Energy intensity	X	
EN6	Reduction of energy consumption	X	
Water consumption			
EN8	Total water withdrawal by source	X	X
Emissions			
EN15	Direct greenhouse gas (GHG) emissions (scope1)	X	X
EN21	NOx, SOx, and other significant air emissions	X	X
Effluents and waste			
EN23	Total weight of waste by type and disposal method	X	X
LA - Labour practices			
Occupational Health and safety			
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism and total number of work-related fatalities, by region and by gender	X	X
Training and education			
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	X	
SO - Societal impacts			
Impacts on local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	X	X
PR - Product Responsibility			
Product and Service labelling			
PR5	Results surveys measuring customer satisfaction	X	X

The Report Materiality Process at Aperam continued

General reporting notes:

Safety data covers our Services & Solutions and Alloys & Specialty operations, as well as contractors on site.

People data does not include contractors. Environmental data covers all main industrial sites, service centre operations and corporate offices, with the following exceptions: raw material data excludes packaging and miscellaneous parts.

Specific indicators notes:

EC9: Local supplier information covers mainly industrial purchasing for our most significant operations in Europe and Brazil. It excludes BioEnergia and our Services and Solutions units, which have different purchasing needs.

EN21: This indicator is relevant to our local stakeholders in terms of dust emissions. Other atmospheric emissions are highly sensitive to specific metallurgic grades production, so measured emissions can vary considerably from day to day and the reliability of the measurement is difficult to sustain. In 2015, we will evaluate opportunities for improvement.

EN23: Steel production is based on the melting of different raw materials and processing of slabs into coils or smaller formats of steel (such as sheets, tubes, bar and wires). The process generates by-products, such as slags or scraps, together with industrial wastes (such as dust, sludge, oils, acid, refractories and paper). These residues, many of which have a metallic content, are considered valuable so they are sorted and considered as potential materials for reuse or treatment. Usually they are reused in the

process or sent for treatment at Recyco or an external firm, but in some cases they are simply stored for the future or land-filled. All these elements are taken into account in our calculations and zero-waste target.

We are currently working on a more complete and precise breakdown of our total weight of waste by type and disposal method. Today, however, we are not able to report on EN23 in its entirety.

LA6: This health & safety indicator covers also sub-contractors working on Aperam sites.

S01: This indicator reflects the proportion of our sites that conduct active stakeholder engagement, of the six main sites analysed (see section 1). However, our appreciation of 'active stakeholder engagement' is based on qualitative elements which are not specific enough to assess the level of responsiveness of local stakeholders and the improvement over time. In 2015 we aim to develop better tools to address these difficulties, as well as expand the scope of the analysis.

Managing risk at Aperam

Risk management processes are embedded in the organisational culture. They support decision-making and continuous improvement, and allow us to identify and act on opportunities. Our Combined Assurance risk management function facilitates this process and prepares the Risk Management reporting documentation for both the Management Committee and the Audit & Risk Management Committee. Our framework for managing risk is based on:

- COSO Enterprise Risk Management Framework;
- ISO31000 principles and guidelines for risk management; and
- Benchmarking with external companies.

Our Audit and Risk Management Committee supports the Board of Directors in fulfilling their corporate governance duties relating to defining and reviewing risk, managing risk assessment, and risk audit.

The Sustainability, Performance and Strategy Committee advises the Board on wider sustainability risks. Page 7 of our Risk Management Manual describes risk as a pillar of corporate governance and the organisational responsibilities for risk. Our Aperam Anti-Fraud Policy and Whistleblowing protocols allow employees to raise concerns over possible irregularities in financial practices.

In addition, a thorough compliance programme was set up in 2014, including a network of local champions and a full set of policies addressing anti-corruption & anti-bribery, anti-trust, economic sanctions and data privacy. The implementation of these policies was accompanied by extensive local communication and training, carried out in conjunction with our Combined Assurance risk management function.

The Report Materiality Process at Aperam continued

Who we spoke to in 2014

Below is a summary of the stakeholders we engaged with during the preparation of this report. Stakeholder engagement is an

ongoing activity at each site, and is the responsibility of the site's General Manager or equivalent. Any new issues that require attention are shared with key

subject matter experts within Aperam and are then included in our materiality assessments. See also p6-7 of our Sustainability Report.

Employees & Management

Unions
Educational Institutions & trainees

Our engagement is reflected in:

- Collective agreements including CSR based incentives
- Proximity meetings
- HR and Human Rights policies
- Data Privacy policies
- H&S programmes and H&S days
- Yearly performance appraisals
- People development plans
- Training plans & catalogues
- Professional Committees
- Climate Surveys

Authorities & regulators

Governments and local authorities
Competition Authorities
Standardisation Authorities

Our engagement is reflected in:

- Regular meetings with local authorities
- Policies and formal procedures
- Compliance programmes and trainings
- Regular measurements, certifications and risks prevention protocols
- Combined Insurance audits and alerting systems
- Diligent responses to enquiries
- Support of global initiatives such as CDP, Global Compact

Communities

Neighbours & Communities
NGOs & Local Associations
Local Media
Local economic players

Our engagement is reflected in:

- Stakeholder day or meetings
- Site visits or open days
- Specific newsletters ('Good neighbour' newsletter)
- Press releases and interviews
- Acesita Foundation & philanthropy
- Preference and support of local suppliers
- Environmental & Human Rights policies
- Pollution prevention training exercises
- Local development and student fairs

Customers

Customers
End Consumers

Our engagement is reflected in:

- Code of Business Conduct
- Meetings, site visits, trade fairs and technical customer trainings
- General Sales Conditions
- Product documentation
- Anti-Trust & Anti-Corruption policies
- Economic sanctions policy and protocols
- Requests for quotations and annual contract negotiations
- Customer satisfaction surveys
- R&D partnerships

Financial partners

Shareholders
Banks & investors
Stock Exchanges

Our engagement is reflected in:

- Code of Business Conduct
- Policies on Anti-Fraud, Insider dealings, Money-Laundering, Double-Signature protocols
- Regular assessments, certifications and risks prevention protocols
- Combined Insurance audits and alerting systems
- Earnings & press releases, IR meeting & IR days, interviews
- Shareholders meetings, General meeting, etc.

Business partners

Suppliers
Subcontractors
Trade Associations
Audit & Certification firms

Our engagement is reflected in:

- Code of Business Conduct
- General Purchase Conditions
- Environmental policies
- Sustainable Sourcing charter
- Associations, working groups and exchanges on H&S best practices
- Subcontractor Safety Charter
- Requests for quotations and annual contract negotiations
- Congresses and trade fairs
- R&D partnerships
- Certification audits and site visits



Aperam GRI Index 2014 - DMA section

Disclosures on Management Approach (DMA)

Economic

Economic performance

The circulation of economic value generated by private industry has a positive impact on local communities, regional economies and national trading balance sheets, primarily as a result of the jobs created by our commercial activity. The tax we pay to the state and the programmes we run to improve social conditions in communities where we operate also make an important positive contribution to society. In addition, the returns we pay to our investors facilitate their continued financial interest in Aperam.

We manage our potentially negative impacts via a range of suitable channels. Our legal, commercial and financial matters are managed through appropriate governance and executive processes in accordance with the laws of the Duchy of Luxembourg where we are listed, as described on p78 of our Annual Report. Our human resources teams manage the employment impacts through a wide range of policies and practices using trained experts. We manage our community impacts primarily through our Acesita Foundation in South America and through meeting and engaging with local stakeholders at our European sites.

We assess the quality and effectiveness of our approach through internal audit and external assurance, in accordance with our listing requirements. The DMA paragraph relating to SO1 describes our approach to managing our community impacts. Auditors' comments are responded to via our Annual Report (see p191). There were no significant management approach changes recorded as a result of comments on these Aspects in 2014.

Our general approach is to seek the 'business case' for our sustainability actions. We assess sustainability risks via our group risk register and management process (see p47 of our Annual Report), and set one- to three-year targets to meet our sustainability objectives.

We report the economic value generated at Group level with some sub-indicators at divisional level. Operationally, we follow some of them also at regional level for Stainless & Electrical Steel Division (Europe and Brazil) but we do not disclose the information publicly, for confidentiality reasons. We do not manage or measure the economic value generated at country level.

Indicator: EC1 Direct economic value generated and distributed.

Procurement - Supply Chain

Our Code for Sustainable Sourcing and Purchasing describes how we work with our suppliers and asks them to meet minimum health and safety, human rights (we support the Universal Declaration of Human Rights), ethical and environmental standards. We encourage our suppliers to work with us to identify and develop ongoing improvements to our sustainable procurement. In support of our company vision and of the United Nations' Global Compact principles, we work with our suppliers to:

- Operate a lean supply chain that supports our corporate policies;
- Develop procurement solutions in line with customer, regulatory and wider stakeholder needs and expectations; and
- Create long-term value and reduce risk for our business, our suppliers and our stakeholders.

We aim to achieve these objectives by setting standards for sustainable procurement, and by collaborating, innovating and embedding sustainable purchasing into our business processes.

Aperam's procurement department is divided into the purchasing of raw materials and non-raw materials. Raw material procurement processes optimise the supply chain process management for raw materials and define best practice for local raw material supply chain management processes.

The key objective of non-raw material purchasing is to have an effective purchasing process for Aperam's industrial sites with a platform for central buying. Non raw-materials are mostly composed of operational products (such as rolls and electrodes), industrial products (such as oils and lubricants) and various services including logistics, industrial and IT services.

Our supply chain⁽¹⁾ comprises companies providing raw materials such as recycled stainless steel, and non-raw materials such as goods and services.

We use approximately 4,000 suppliers, though the exact number varies from month to month. Suppliers are located around the world, mostly close to where we operate. Subcontractors also work on our sites.

In South America we are conscious that smaller suppliers will be part of a community where economic development may be limited or where they may be social deprivation. We explain our approach to managing community impacts below. Of course, where it is possible for us to exert a positive influence we do so - for instance, one of our procurement criteria is that our suppliers support our community involvement practices.

(1) GRI reference G4-12.

Aperam GRI Index 2014 - DMA section

Disclosures on Management Approach (DMA) continued

Our General Purchasing Conditions⁽²⁾ require our partners to respect quality, environmental, safety and labour practice regulations, and subcontractors that perform services on Aperam premises have to comply with our General Health and Safety Instructions (GHSI) to ensure they align with our high safety standards.

In some specific cases Aperam helps suppliers to safeguard their business continuity if they face difficult economic conditions.

Indicator: EC9 Policy on spending on locally-based suppliers.

Input

Market conditions, Customer needs, Global and yearly demand determination, Purchasing strategy, Supply management

Upstream

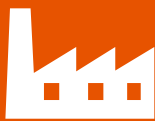
GMO
BioEnergia vegetal coal

Purchasing

Raw materials: Scrap, FeCr, Nickel, Chromium, among others

Non-raw materials: logistics; rolls, electrodes, refractories, oils, lubricants and other industrial products; power, gas; packaging, telecom, industrial materials, etc.

Aperam production plants



Downstream

Services and Solutions Direct Clients = Customer satisfaction: customer relationship management, quality follow-up

Final product

Final clients

Environmental Materials

Stainless steel is 100% recyclable and its production process requires various extractive materials. For a stainless steel producer the right usage of input materials is key.

Firstly, extracting minerals and ores is more costly than collecting scraps (for us as for the community as a whole). As a consequence the usage of recycled metallic input has a positive impact on our profitability. Secondly, the proprieties of our various grades, as well as our energy intensity, depend upon the right dosage of the different ores. Also, our production process generates a lot of different residues (e.g. sludge, dust, slag), many of which still contain valuable chemical elements and can be treated for internal re-use or sales. Finally, our melting, rolling and shipping processes request more diverse materials than simply metals, and our purchases encompasses consumables such as gas, refractories (made from silica, alumina, etc.), oil or acids, that can often be recycled.

As a consequence, on a day-to-day basis, we are striving to avoid any type of waste, we are promoting recycling and re-use and trying to reduce total consumptions as much as possible. We have committed to become a zero-waste company and are actively looking for various options to leverage all types of waste and extract value out of them. We are partnering with external firms and have also implemented our own recycling channels, notably through our fully-owned Recyco subsidiary.

To monitor the deployment of this policy in Aperam, we use various indicators followed at site level and reviewed by the management on a monthly basis. Amongst them are the scrap usage ratio (metallic recycled input material at the melting phase) and our yield indicators (in all transformation sites), which we do not disclose for confidentiality reasons. We are also monitoring our Waste recycling ratio and our Recycled Manufacturing input ratio (EN2) and we are finalizing the consolidation of the data to build an exhaustive breakdown of Aperam waste by type (EN23, see Specific indicators notes, Supplement B, page 2).

Indicator: EN2 recycled manufacturing input, EN23 in construction (see Specific indicators notes, Supplement B, page 2).

Energy consumption

Steel making is an energy-intensive process. As energy costs have increased and environmental regulation progressed,

we have invested in more efficient equipment. Our Environmental Policy commits us to a long-term approach to resource efficiency and sustainability.

Our Energy Policy covers all Aperam sites and operations. It promotes new efficiency programmes, and collaboration with suppliers and customers to maximise the energy efficiency of our steel products. We identify and implement energy conservation measures to cut costs and protect both our customers and ourselves from price and supply volatilities.

Since production can vary, monitoring our energy intensity (alongside absolute energy use) is an important metric for our performance. We have in place two key targets that address our energy use and intensity:

- A 5% reduction in total energy consumption by 2020 (from a 2012 baseline).
- A 35% reduction in carbon intensity of our current sites by 2020 (from a 2007 baseline).

We monitor the effectiveness of our energy management based on data at a site level, and our performance relative to the two targets above.

Our Global Performance System (GPS) allows us to view all management indicators in a single place on a daily basis.

While its focus is on productivity it also tracks quality, maintenance, HR, safety and energy.

Indicator: EN5 energy intensity, EN18 greenhouse gas (GHG) emissions intensity.

Emissions

Local air quality is an important issue for our operations. Our Environmental Policy commits us to a long-term approach to resource efficiency, sustainability and environmental performance. Dust (particulate matter) is our main material issue, but we also emit volumes of NOx and SOx.

Our emissions are carefully monitored at source, through automated systems where appropriate, and we are alerted to issues immediately. We also operate air quality monitoring stations, and work with regulatory authorities to support their air quality monitoring efforts. We operate in jurisdictions where air quality regulations are strongly monitored and enforced.

(2) <http://www.aperam.com/about-2/aperam/purchasing>

Aperam GRI Index 2014 - DMA section

Disclosures on Management Approach (DMA) continued

We monitor our annual dust, NOx and SOx performance in relation to our operating limits (as defined in regulatory permits) and our performance in past months and years. Since production can vary, we monitor performance using both absolute and relative metrics.

Our Global Performance System (GPS) allows us to view all management indicators in a single place on a daily basis.

Indicator: EN21 NOx, SOx, and other significant air emissions.

Water

Water is an important resource which is under stress in some parts of the world; Aperam's significant sites of operation are not located in water-stressed regions. BioEnergia's plantations are technically within a water-stressed area. However BioEnergia meets its water-related permit conditions as defined under local regulations. Our Environmental Policy commits us to a long-term approach to resource efficiency and environmental performance. We operate in jurisdictions where water quality regulations are strongly enforced.

The vast majority of our water (more than 90%) is sourced from surface waters – local rivers and canals. The rest is sourced from rainwater harvesting, groundwater and municipal supplies. We do not receive wastewater from any other organisation. We monitor water consumption carefully at each site, through automated metering wherever possible. Through this we are able to accurately measure our consumption (in cubic metres) on a monthly basis at significant sites of operation.

Where we are abstracting water, this must be in accordance with the conditions of our abstraction license. We are subject to periodic inspections from the relevant authorities to ensure compliance. We monitor the effectiveness of our water management based on data recorded at site level, and in terms of our total annual consumption (in m³) and our relative consumption per tonne of crude steel (in m³).

Indicator: EN8 total water withdrawal by source.

People

The workforce of Aperam is an asset for the company, as well as a significant part of the costs. Therefore it is key to the competitiveness of the company. The FTE of the total workforce is used to calculate several KPIs, including 'productivity' (tonne/FTE) and 'competitiveness' (total cost of employment/tonne). Achieving our targets on these KPIs is vital for the sustainability of Aperam.

Details such as the employment contract, employment type, gender, region, also give us a view of the structure of the workforce. We have stated in our 'Aperam Way' our commitments to promoting diversity and the development of each employee.

HR data are consolidated at the Corporate level monthly. The data are reported by dedicated HR Reporting Partners in each entity in a unique HR system. HR concepts are defined in a special document, shared with the HR Reporting Partners at each site. Consolidated data are made available through a database tool. We measure the internal workforce by FTE at the end of the period – this number varies only a little. The external workforce (including supervised workers) is usually measured by the average FTE in the period and this workforce can vary a lot (due to seasonal variations and scheduled annual maintenance, for example). At the Corporate level, the supervised workers are counted as part of sub-groupings but not statistically consolidated on an individual basis. We therefore do not report their split by gender or employment type.

Lifecycle of stainless steel products

End of life of a product made with stainless steel

Stainless steel scrap recovering

Purchasing
(supplier of recycled material)

Aperam's production facility

Recycling Process
Aperam Services and Solutions and distribution: steel cutting, finishing, transformation

Stainless Steel application
(household appliances, food and beverage industry, chemical industry, catering, automotive, etc.)

Final product

End of life of a product made with stainless steel

Aperam GRI Index 2014 - DMA section

Disclosures on Management Approach (DMA) continued

Occupational Health and Safety

Nobody working for, or with, us should have their health and safety compromised in any way. There are three drivers for good management of our health and safety performance: legal, moral and financial.

Our health & safety management and practices are governed by our Health & Safety Policy. Vigilance is central to the commitments in Aperam's Health & Safety Roadmap.

Aperam people are briefed and trained on safety. It is central to the Continuous Improvement Challenge. It is a vital part of customer visits. There is a well attended annual Health & Safety Day and a competency framework to make sure people have the right skills and equipment to do their job safely.

Our Management Committee has reinforced this heightened vigilance by establishing four key safety priorities: visible leadership, root and branch risk evaluation, clear understanding of good practice to achieve fatality prevention and safety auditing for managers.

We have monthly, senior level health & safety global conference calls to discuss general performance, the management response required and individual incidents using detailed descriptions, root causes and photographic evidence.

This is a check on how well we are managing safety. Also, we collect comprehensive data to track performance. We use a combined Lost Time Injury (LTI) Frequency Rate, which incorporates the impact of lost days as well as restricted work (RW) from occupational ailments such as stress. For this reason we do not collect distinct data to report an Occupational Diseases Rate (ODR).

To comply with the Aperam safety standards, all accidents are only counted once, and are put in the highest category. So, if the incident resulted in a fatality it is categorised as such but if not we assess if the person was absent from work for at least one day, excepting the day of the incident. If this is the case then the incident is categorised as a lost time incident (LTI). If not we assess if the person did 'adapted work' as prescribed by a medical professional. If this is the case then the incident is categorised as an incident requiring medical aid. If not we count it as an incident requiring first aid. The calculations used for injury and severity rates are shown on p12-13 of the 2014 Sustainability Report.

The absenteeism rate is monitored only for our employees, excluding supervised workers. The rate is defined as the number of hours of absence for illness up to a maximum of six months divided by the number of theoretical to-be-worked hours. We calculate this based on the time and attendance data reported each month by each entity. Also, small entities are not included – the workforce of small entities is 3% of the workforce of Aperam. At the Corporate level, the time and attendance data are consolidated only per site.

Currently our data collection does not differentiate between men and women because our operational workforce at the six main sites is predominantly male. If/when the female proportion becomes significant we will review this.

When we uncover an ongoing issue, we establish a thorough management response. For example, as a result of declining contractor safety performance we have in 2014 set up a working group, analysed the safety management tools, created a shared safety risk toolbox, run a refresher course on our General Health and Safety Instructions (GHSI), initiated practices to strengthen relationships such as boss-to-boss meetings and reviewed surveys on progress.

Safety is a material impact inside Aperam as well outside the organisation⁽³⁾. Subcontractors are entities effectively operating outside of Aperam for whom safety is a material aspect.

(3) G4-18 Boundary protocol.

Our Global Performance System (GPS) allows us to view in a single place all site indicators showing management indicators daily. While its focus is on productivity it also tracks quality, maintenance, HR, safety and energy.

Indicator: LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

Training and education

People are at the heart of Aperam and we want to retain talented employees. It is important that we listen to our employees and that we support them so that they are equipped to develop themselves and deliver innovative and high-quality products. It is vital that we have a competency framework and management system that works and that is recognised by our people.

Through our talent development programme – Global Exempt Development Programme (GEDP) – we provide our employees – exempts and managers with annual performance and career development reviews.

Through this, at the annual appraisal, a manager assesses whether or not an individual has achieved agreed goals and expectations in their career plan. Career plans are tailored to specific roles, and by measuring an individual's performance annually, the manager and the employee can formally evaluate performance against the plan.

We monitor the number of annual appraisals conducted and make sure that our internal targets are constantly met or exceeded.

We also monitor Blue Collar and White Collar workers through annual interviews, which are organised locally.

Indicator: LA11 percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

Aperam GRI Index 2014 - DMA section

Disclosures on Management Approach (DMA) continued

Local Communities

Supplier assessment for labour practices

The way we assess our suppliers and subcontractors is guided by our Code for Sustainable Sourcing and Purchasing, supplier commitment programmes, supply chain risk assessment, supplier awards, on-site contractor rules and our General Terms and Conditions. They govern how we work with suppliers to understand performance and improvements, how we support them and how we focus on key areas for improvement.

Suppliers and subcontractors are subject to pre-qualification reviews and on-site induction and training, audit and dialogue, principally on health and safety labour practices, but nominally on wider human rights and ethical standards.

Our supplier evaluation is the tool by which we assess suppliers on business performance, and decide on improvement action plans and boss-to-boss discussions, for example.

The actions taken with subcontractors on site include action plans on site safety, briefings on site access and the use of temporary workers, for example.

Expectations are described in such action plans, but they are also enshrined in the contractual documents, which are subject to our procurement policies described above.

No incentive schemes per se exist to encourage going beyond compliance. In addition to our preventive measures, we have procedures in place for terminating a relationship with an existing supplier in case of detection of non-respect of any rules on labour practices.

Since 2010, we also assess sustainability practices of our raw material suppliers. Our raw materials supplier survey covers topics such as health & safety management, human rights, business ethics, environmental management, REACH and conflict materials. In addition, in Latin America, strategic suppliers sign the Commitment to Corporate Responsibility Aperam South America.

Indicator: LA15 Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.

Impacts on local communities

We contribute to the economic livelihoods of those who work for us directly and those in the supply chains serving us, we pay company taxes where we operate, and we operate community involvement and donations through our Aperam Acesita Foundation in Brazil for example. In Europe, we continue to focus on specific partnerships and relationships on more of an ad-hoc basis. In order to promote sustainability in its host regions, Aperam South America operates the Aperam Acesita Foundation with projects in culture, education, environment and social promotion. The foundation has helped integrate us into the community of Timóteo. Since 1994 the Foundation has deployed projects with partners such as government (federal, state and city), international independent agencies, government and non-governmental organisations, foundations and institutions. Our team there runs projects using volunteers as well as funded programmes to promote development in education, training, youth services, citizenship and the environment.

In Brazil, the Foundation team conducts community needs assessment, using feedback from grassroots stakeholders, employees, local partners, BioEnergia and our Environmental Education Centre (Oikós). We do not currently monitor the number of discrete assessments within the ongoing process.

In Europe, we do not run specific community needs assessments: we participate in community projects as a result of stakeholder feedback at the six main sites. At a minimum, we have a meeting with community stakeholder group representatives annually.

Our approach to community relations is guided by our values and by frameworks such as the UN Global Compact.

GRI G4 Mining and Metals Sector Disclosures: We are only working on impact assessments while operating in the community. We do this through a long-standing community engagement process.

Indicator: SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programmes.

Products

Product and Service labelling

Health and safety impacts of products are assessed at the metallurgical design stage and certification relating to materials safety in the use phase is in place. This applies to all significant products. Stainless steel is manufactured and independently certified according to international standards such as the EN, ASTM and UNS series. We are regularly audited on these certifications. Our latest material safety data sheets confirm the absence of health or toxicological hazards. We meet European regulations and French ministerial decrees relating to materials intended to come into contact with food. Finally, Aperam Stainless Steel Europe achieved compliance with EU REACH regulations again as our products do not contain any substance listed on the Candidate List of the European Chemical Agency.

Product information of this type is provided to customers. Regular product sheets and brochure documentation disclose the raw materials – it is the balance of nickel and chromium for example that generates the properties of the steel desired by the customer.

We have no recorded incidents of non-compliance relating to product information.

In 2012, Aperam adopted and launched a new commercial and sourcing function. By joining sourcing, sales and R&D into one single organisation, we have been able to improve the use and yield of our production capacities, to target higher added value products, to better serve our existing customer base and to market new products.

Customer satisfaction is of paramount importance to us for business reasons and is part of our collaborative approach to R&D. We survey customer satisfaction regularly, usually every one to two years, globally. This enables us to monitor how well we are meeting their requirements. Results are discussed by the Leadership Team.

Indicator: PR5 Results surveys measuring customer satisfaction.

Corporate Governance at Aperam

Governance Structure

Aperam places a strong emphasis on corporate governance. The Board of Directors is in charge of the overall governance and direction of the Company. The Leadership Team is entrusted with the day-to-day management of Aperam, and monitors corporate governance requirements to ensure best practice is adhered to. This includes the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

The Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Directors are appointed for a maximum term of three years and are automatically eligible for reappointment at the end of this period. Any director may be removed with or without cause by a simple majority vote at any general meeting of shareholders.

Further governance details are published in the 2014 Annual Report. The Chairman of the Board of Directors is not an executive officer, and none of the members may hold an executive position or executive mandate within the Company or any entity controlled by the Company. Aperam's Board of Directors for 2014 is summarised below, and in the Annual Report, p20-25.

Name	Age ⁽¹⁾	Position within the Company ⁽²⁾	Date joined Board	Term Expires
Mr. Lakshmi N. Mittal	64	Chairman, Non-independent member of the Board of Directors	December 2010	May 2016
Mr. Romain Bausch	61	Lead Independent Director, Independent member of the Board of Directors	January 2011	May 2016
Mr. Joseph Greenwell	63	Independent member of the Board of Directors	May 2013	May 2017
Ms. Kathryn A. Matthews	55	Independent member of the Board of Directors	December 2010	May 2016
Mr. Aditya Mittal	38	Non-independent member of the Board of Directors	December 2010	May 2016
Ms. Laurence Mulliez	48	Independent member of the Board of Directors	May 2011	May 2017
Mr. Gonzalo Urquijo	50	Non-independent member of the Board of Directors	December 2010	May 2016

Notes:

Company Secretary: Mr. Laurent Beauloye.

(1) Age on 31 December 2014.

(2) See section Corporate Governance/Board of Directors for the status of the independent Director.

In 2014, three committees support the Board's activities:

- Audit and Risk Management Committee.
- Remuneration, Nomination and Corporate Governance Committee.
- Sustainability, Performance and Strategy Committee.

Further details of the first two Committees are published in the 2014 Annual Report. The Sustainability,

Performance and Strategy Committee is described below.

The Board of Directors conducts an annual self-evaluation in order to identify potential areas for improvement of the Board and its Committees. Details of this evaluation are provided in the 2014 Annual Report.

The Board of Directors meets in person at least quarterly and holds additional meetings if and when circumstances

require, either in person or by teleconference. The Board of Directors held six meetings in 2014.

Shareholders can provide recommendations to the highest governance body via standard routes such as the shareholders' meeting. Employees can engage with the Leadership Team and CEO on a monthly basis on matters relating to sustainability through regular forums.

Corporate Governance at Aperam continued

Sustainability, Performance and Strategy Committee

The Sustainability, Performance and Strategy Committee is composed of three directors, who are appointed by the Board of Directors each year after the annual general meeting of shareholders.

During 2014, the Sustainability, Performance and Strategy Committee met five times. The average attendance rate at these meetings was 100%.

The Committee assists the Aperam Board's approach to sustainability, and is responsible for regularly reviewing our sustainability, financial and industrial performance and strategy. It takes decisions by a simple majority.

In 2014, the three members of the Sustainability, Performance and Strategy Committee were:

Mr. Gonzalo Urquijo
Ms. Kathryn Matthews and
Ms. Laurence Mulliez

Mr. Gonzalo Urquijo is the Chairman of the Committee. Ms. Kathryn Matthews and Ms. Laurence Mulliez are independent Directors, in accordance with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

Sustainability Steering Committee

A separate Sustainability Steering Committee is in place to guide sustainability management, risk, stakeholder relationships, reporting and assurance activities. The Sustainability Steering Committee is composed of nine senior members of staff. At a day-to-day level they are responsible for driving and managing sustainability at Aperam and making progress towards our overall sustainability vision. The Management Committee sets the long-term ambition for this committee.

The Chief Executive Officer has ultimate responsibility and accountability for sustainability performance and compliance at Aperam.

During 2014 we strengthened our governance of sustainability-related issues by creating six working groups covering the key strategic areas in which we would like to improve our practice: environment, stakeholder engagement, supply chain management, social reporting, customer satisfaction and integrated reporting.

Each working group is tasked with creating a five-year strategy for the 2015-2020 period. This will bring clarity of purpose and a focus to our work that will drive us forward across these six sustainability areas.

Independent assurance report on the sustainability report of Aperam S.A. for the year ended 31 December 2014

To the Management of
Aperam S.A.
12C, rue Guillaume Kroll
L-1882 Luxembourg

Objectives and scope of work performed

This report has been prepared in accordance with the terms of our engagement letter dated 12 December 2014 to provide limited assurance on the Made For Life - Sustainability Report and its online Supplements for the year ended 31 December 2014 (the "Report") of APERAM S.A. (the "Company") on the following subject matters (the "Subject Matters"):

- adherence to the Global Reporting Initiative G4. guidelines (the "GRI" or "GRI Guidelines") with respect to the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness;
- adherence of the disclosures in the Report to the GRI "In Accordance Core" criteria and the appropriateness of the GRI Index on pages 32 and 33 of the Report and ;
- fair presentation in all material aspects in accordance with GRI Guidelines, of selected indicators (the "Indicators"), marked with a "*" in the Report, which are:
 - EN5 : Energy intensity (pages 8 and 20)
 - EN 8: Water withdrawal by source (pages 8 and 20)
 - EN18 : CO2 intensity (pages 8 and 20)
 - EN21 : NOx, SOx and other air emissions (pages 8 and 21)

Responsibility of the Management of the Company

The Management of the Company is responsible for the preparation of the Report in accordance with GRI and for the information and statements contained within it. The Management is responsible for determining the Company's sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibility of the Réviseur d'entreprises agréé

Our responsibility is to conduct a limited assurance engagement on the Company's Sustainability Report and draw conclusions on the Subject Matters based on the work we performed.

We carried out our procedures on the Subject Matters in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("ISAE 3000"). In order to draw our conclusions on the Report, we undertook the following procedures:

- analysing and testing, by sampling, of the processes related to stakeholder inclusiveness;
- assessing the suitability of the reporting criteria and their consistent application ;

- interviewing Management, corporate sustainability team, data owners and those with operational responsibility at the Company's head office;
- visiting selected operational sites ;
- understanding through inquiries, analytical reviews, observation and other applicable evidence gathering procedures, by sampling, the key structures, systems, processes, procedures and internal controls relating to the collation, aggregation, validation and reporting of the Indicators presented in the Report;
- checking that the GRI Index contains the relevant indicators for each of the standard disclosures required by GRI to be In Accordance "Core", and;
- reviewing the content of the Report against the findings resulting from our procedures.

Limitations

The accuracy and completeness of the information disclosed in the Report are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our independent assurance report should therefore be read in connection with the GRI G4 Guidelines as well as with the Company's definitions and basis of reporting of the indicators as described in the Report which is only available on www.aperam.com/sustainability.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our work conducted as above, nothing has come to our attention that causes us to believe that:

- the Report of APERAM S.A. for the year ended 31 December 2014, does not adhere to GRI Guidelines with respect to the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness;
- the disclosures in the Report do not adhere to GRI In Accordance Core criteria and that the GRI Index as presented on pages 32 and 33 of the Report is not appropriate;
- the selected Indicators marked with a "*" on pages 8, 20 and 21 of the Report and enumerated above are not presented fairly, in all material aspects, in accordance with GRI Guidelines.

For Deloitte Audit, Société à responsabilité limitée
Cabinet de révision agréé



Nicolas Hennebert, Réviseur d'entreprises agréé
Partner

14 April 2015
560, rue de Neudorf
L-2220 Luxembourg