

Made for life

Sustainability Report 2018

Scope of this Report

We declare this report in accordance with GRI core level.

Material aspects and indicators are shown on p. 8 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 global operations from January to December 2018.

Aperam's production capacity is spread across:

- > 6 production facilities in Brazil (Timóteo), Belgium (Châtelet, Genk), and France (Gueugnon, Imphy, Isbergues/Recyco).
 - > 14 Steel Service Centres (SSC from our Services & Solutions segment)
 - > 6 transformation facilities
 - > 17 sales offices
 - > Registered office: 12C rue Guillaume J. Kroll, L-1882 Luxembourg
- The report does not cover any joint venture operations or activities of partner organisations.

Safety data cover Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties, as well as on-site contractors. Human resources data exclude contractors.

Subject to the exclusions indicated below, environmental data covers all main industrial sites, SSCs and corporate offices.

Environmental information is compiled locally and aggregated centrally. In our greenhouse gas emissions calculation we apply ISO 14404-1 and ISO 14404-2 standards, which state that biomass is considered to be carbon neutral. The CO₂ emissions data relate mostly 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.

The report represents our Communication on Progress relating to UNGC membership (see Online Supplement 'A').

Independent assurance statement

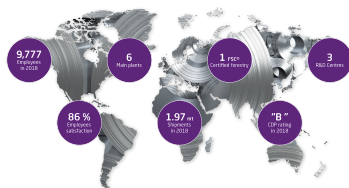
The 'made for life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ended 31 December 2018.

The Report is composed of five items: the 'made for life report' and four Online Supplements – A, B, C and D. Our 2018 Report can be found on our website (www.aperam.com/sustainability), together with the four online supplements. The summary report provides part of the information required to satisfy GRI standards 'In Accordance Core'. Therefore, the summary should be read with its accompanying Online Supplements to constitute the complete Report.

Deloitte Audit Société à responsabilité limitée issued and unmodified limited assurance report using ISEA 3000 limited assurance with respect to the Report on the following subject matters: adherence to the Global Reporting Initiative "GRI Standard" guidelines with respect to the Principles of Materiality, Stakeholders Inclusiveness, Sustainability context and Completeness, the adherence of the disclosure in the Report to the GRI Standard "in Accordance Core" criteria and the appropriateness of the GRI Index on pages 59 and 60 of the Report and the fair presentation in all material aspects in accordance with GRI Standard Guidelines, of selected performance indicators, marked with a "*" in the Report:

- GRI 302-3: Energy intensity (pages 26 and 28),
- GRI 303-3: Water withdrawal by source (page 26 and 34),
- GRI 305-4: GHG emissions intensity (pages 3, 25 and 26),
- GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (dust only - pages 26 and 32),
- GRI 403-9: Work related injuries (LTIFR only - pages 3, 10 and 11)

Contents



About Aperam

Opening words from our Chief Executive Officer.

Company profile A global leader in Stainless and Specialty Steel serving multiple markets.

Sustainability strategy How Aperam's roadmap and reporting comply with GRI principles.



Social: Our People

With safety as our top priority, Aperam aims to be a sustainable and profitable company. The key to achieving this is our efficient and passionate workforce.

> See how our approach ensures the safety, development and well-being of our people.



Environment: Our Planet

As part of an energy-intensive industry consuming metallic ores and other raw materials, Aperam takes environmental stewardship seriously.

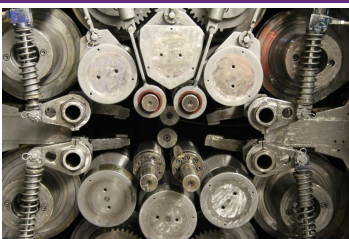
> Read about how we are becoming a more sustainable company by reducing our industrial footprint and working to raise awareness about the issues.



Governance: Relations with our Stakeholders

From the energy of our subcontractors who assist our teams to the strong partnership built with our suppliers and our customers and up to the local infrastructures - our success is dependent on the communities we operate in. Knowing this, our Corporate Governance is based on the highest standards and complies with the most rigorous business ethics.

> See how we continually strive to develop in a way that benefits the public at large.



About this report

GRI Index

Country Supplements - In local languages for the stakeholders from our three main countries of operations (Belgium, Brazil, France).

Methodology Supplements - United Nations' Global Compact reference; Materiality Process at Aperam; GRI Index and Disclosures on Management Approach.

Opening Words from our CEO



Aperam's commitment to sustainability is rooted in our values and in our mission to produce endlessly recyclable products in a responsible manner. As can be seen from our 2018 achievements, this commitment embraces all dimensions of our corporate responsibility equally.

> Let me start with our people - their safety is our top priority. Our entire organization was shaken by a fatality that occurred at our Genk plant in Belgium during 2018. To better understand and eradicate the root causes of this terrible accident, an unprecedented audit of our

practices and behaviours was launched. Even with a relatively stable lost time injury frequency rate of 1.4*, which is two times better than the industry average¹, we cannot be satisfied until we become a zero-accident company. However, our duty to our people goes well beyond health and safety. For example, we align our Human Resources program to the feedback we receive from our regular Engagement Surveys.

In the 2018 edition², not only did our employees confirm their adherence to our strategy and their trust in Aperam as a good employer, they also highlighted the areas where we can improve. Our People Management System and its dedicated Learning & Development module, which will be rolled out in early 2019, is also in response to this feedback. The system will enable our people to fully embrace the technological evolution of our sector, to grow both professionally and with us. In 2018, we also paved the way for the launch of a proactive diversity program that aims to unlock the potential of our female employees while also working to attract more female talent. The goal is to position Aperam as a fair, diverse and inclusive company.

Overall, we aim for excellence in employee relations and meet the standards set by some of the best performing companies. The external recognitions we have received in this field signal that we are on the right track.

> On the environmental side, Aperam continues to produce one of the world's greenest stainless steels³, with carbon emissions at 0.49* tons of CO₂ per ton of crude steel, 50% of ISSF average, and 37% of our energy mix coming from renewable sources. This record footprint is the result of a maximum usage of scrap by our European furnaces and our Brazilian operations' replacement of coke with renewable charcoal produced from FSC®-certified eucalyptus

We remain determined to be a sector leader in environmental excellence - a determination that can be seen in our efforts to reduce our energy consumption and reach our bold 2020

CO₂ and energy targets. In 2018, we significantly improved our dust emissions, an outcome of our ongoing efforts, although much more can be achieved in terms of water and wastes. Our excellent environmental performance is also confirmed by our employees, who consider Aperam to be an environmentally-responsible company², as well as by surrounding communities.

However, Europe continues to face unmatched import pressure, most of which comes from countries with less advanced sustainability standards and concern products elaborated with extractive materials, which corresponds to an overall CO₂ footprint (scope 1+2+3) much higher⁴ than Aperam's! Hence, to guarantee a sustainable future for stainless steel produced according to the best environmental standards, we urge the European Commission to create a fair and level playing field that includes CO₂-indexed green taxes for imports.

> Beyond regulations, our governance framework takes into consideration all our stakeholders and is built on the strongest ethics. Our internal processes are based on best practices and include regular routines to reiterate the Aperam way of doing business. For example, in 2018 we further developed our annual reporting on potential conflicts of interests, our anti-corruption program and our Human Rights policy. We also remained strong advocates for such values with our external partners. This is aligned with our vision that being the partner of choice for all our stakeholders means active and transparent communication about what is important to us - and to them. To be exemplary neighbours to the communities we operate in, we build trust through regular engagement. Our customers benefit from an entire organisation dedicated to their needs - an organisation that uses the latest technologies to enhance the relationship and boost innovation. In this area, 2018 was a pivotal year, with a multitude of initiatives that you will discover in more detail in this report.

Overall, this report confirms the trust that our employees and external stakeholders place in Aperam. It also highlights the risks created by a lack of a fair and level playing field for the industry, where responsible products must compete against imported steel containing significantly high CO₂ content. To further progress on our Sustainability roadmap and position our 100% recyclable products as *the* material of choice for a sustainable way of life, we will raise the bar with ambitious 2030 energy and CO₂ objectives. The indicators disclosed in next year's report should bring clear evidence of significant progress in this area.

Sincerely,



Tim di Maulo, CEO

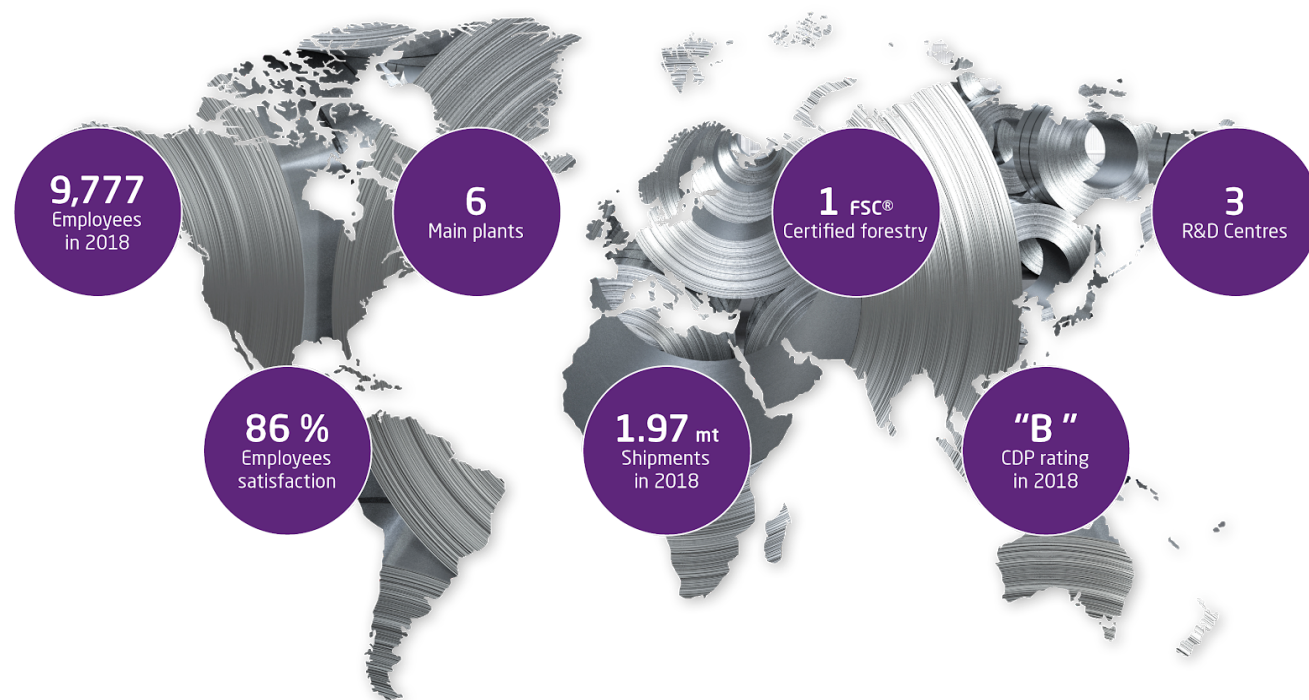
¹ 2.87 as per ISSF June 2017 report, most recent data for 2016

² More information regarding the detailed results can be found in this report.

³ Average (scope 1+2) ISSF CO₂ of 0.94 tons per tons of crude steel (ISSF, 2016)

⁴ As per Stainless Steel and CO₂: Facts and Scientific Observations (ISSF, 2015), the extraction of the ferro-alloys needed to produce one ton of stainless forsters 4.2 tons of CO₂, these emissions are cut by 52% with an input including 50% of stainless scraps.

Company profile



EUR millions unless otherwise stated ¹	2018	2017	2016	2015
Shipments (metric tons)	1.97	1.94	1.92	1.89
Revenues	4,704	4,492	3,887	4,271
Operating costs ²	3,635	3,381	2,903	3,294
Employee wages & benefits	527	534	502	500
Payments to providers of capital ³	135	114	97	23
Payments to government	75	57	54	63
Community investments	0.3	0.9	0.5	0.9
EBITDA	504	551	445	451
Economic value retained	332	406	330	389
Direct economic value generated	4,704	4,492	3,887	4,271
Economic value distributed	4,372	4,086	3,556	3,882

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

> 6 main plants

> 4 melting shops:

Timóteo (Brazil), Châtelet and Genk (Belgium), Imphy (France)

> 5 main cold rolling sites:

Timóteo (Brazil), Genk (Belgium), Gueugnon, Isbergues and Imphy (France)

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

¹ Differences between "Global Aperam" and the sum of the different regions and segments are due to all operations other than those that are part of the Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties operating segments, together with inter-segment eliminations and/or non-operational items that are not segmented. For FTE, it is related to Headquarters.

² Operating costs include R&D costs of EUR 20 million for Aperam Group.

³ Payments to providers of capital = Net Cash Interest and dividends paid to capital providers during the year, in line with an amount of interest paid (net) of EUR 5 million, EUR 8 million and EUR 10 million and dividends paid of EUR 130 million, EUR 106 million and EUR 87 million stated in the cash flow statement of 2018, 2017 and 2016 Annual Reports respectively. In 2015, payments to providers of capital only related to net cash interests as there was no dividend paid.

About Aperam

The most complete range on the market



Aperam performance by segment GRI-201-1

Aspect	Indicator	Unit	Stainless & Electrical Steel		Services & Solutions	Alloys & Specialties
			Europe: Genk, Châtelet, Gueugnon, Isbergues & Recyco, Precision	South America: Timóteo, BioEnergia	Worldwide 14 service centers 6 transformation units 17 sales offices	Worldwide: Imphy, Amilly, Rescal Imhua (PRC), Indore -ICS (IN)
People	Own Staff (End of Period) ¹	FTE	3,356	3,264	1,796	1,282
Shipments	Steel shipments	kt	1,267	647	819	36
Economic Contribution	Revenues	m€	3,001	946	2,049	548
	Employee Wages & Benefits		276	80	89	68
	Payments to Providers of Capital ⁽³⁾		-56**	64	37	11
	Community Investments		0.0	0.3	0.0	0.0
	Payments to Government		42	12	8	6
	EBITDA		260	162	43	46
	Economic Value Distributed		2,553	855	2,047	513
Site Management System Certification	OHSAS 18001	% of sites	100	100	95	100
	ISO 14001		100	100	50	80
	ISO 9001 (excl. Recyco, Bio, sales ofc)		100	100	100	100
	ISO 50001 (excl. Recyco, Bio, sales ofc)		60	0	25	0
	IATF 16949 (excl. Recyco, Bio, sales ofc)	%	80	100	30	80
	Others	total	***	FSC® CoC & M (BioEnergia)	*** 1 site SA8000	1 site ISO 26000 3 sites EN 9100

** Amount is negative due to an intra-group dividend of €136 million received from an entity being part of another segment

*** Other specific certificates and approvals to be found on https://www.aperam.com/documentation#4_certifications



Stainless steel properties



Aesthetics

It has a great variety of surface finishes from matt to bright, including brushed and engraved. It can be embossed or tinted and this makes stainless a unique and aesthetic material.



Mechanical properties

Stainless steel has strong mechanical properties at ambient temperatures in comparison with other materials. In particular, it combines ductility, elasticity and hardness, enabling it to be used in difficult metal forming modes, while offering resistance to heavy wear (friction, impact, elasticity, etc.).



Resistance to fire

Stainless steel has the best fire resistance of all metallic materials when used in structural applications, having a critical temperature above 800°C. Stainless steel is ranked A2s1d0 for fire resistance with no toxic fumes emissivity.



Resistance to corrosion

With a minimum chromium content of 10.5%, stainless steel is continuously protected by a passive layer of chromium oxide that forms naturally on the surface through the combination of chromium and moisture in the air. If the surface is scratched, it regenerates itself. This particularity give stainless steels their corrosion resistance.



Cleanability and sanitation

The inert nature of stainless, together with its cleanability, make it an ideal candidate for applications related to fresh water and water treatment.

Recyclability



Stainless steel is the “green material” par excellence and is infinitely recyclable. Within the construction sector, its actual recovery rate is close to 100%. It is environmentally neutral and inert when in contact with elements such as water, it does not leach compounds that might modify their composition.

These qualities make it a material ideally suited to building applications exposed to adverse weather: roofs, facades, rainwater recovery systems and domestic water pipes. Stainless steel's longevity fulfils the requirements of sustainable construction: effective selection, installation and low maintenance guarantee the user an unrivalled service life.

Life cycle of stainless steel in main application sectors	Average lifetime (in years)	To landfill	Collected for recycling		
			Total	As stainless steel	As carbon steel
Building and infrastructure	50	15%	85%	95%	5%
Transportation (passenger cars)	14	10%	90%	40%	60%
Transportation (others)	30	10%	90%	80%	20%
Industrial Machinery	25	10%	90%	90%	10%
Household Appliances and Electronics	15	20%	80%	60%	40%
Metal Goods	15	20%	80%	60%	40%

Source: Yale University/ISSF Stainless Steel Project, 2019

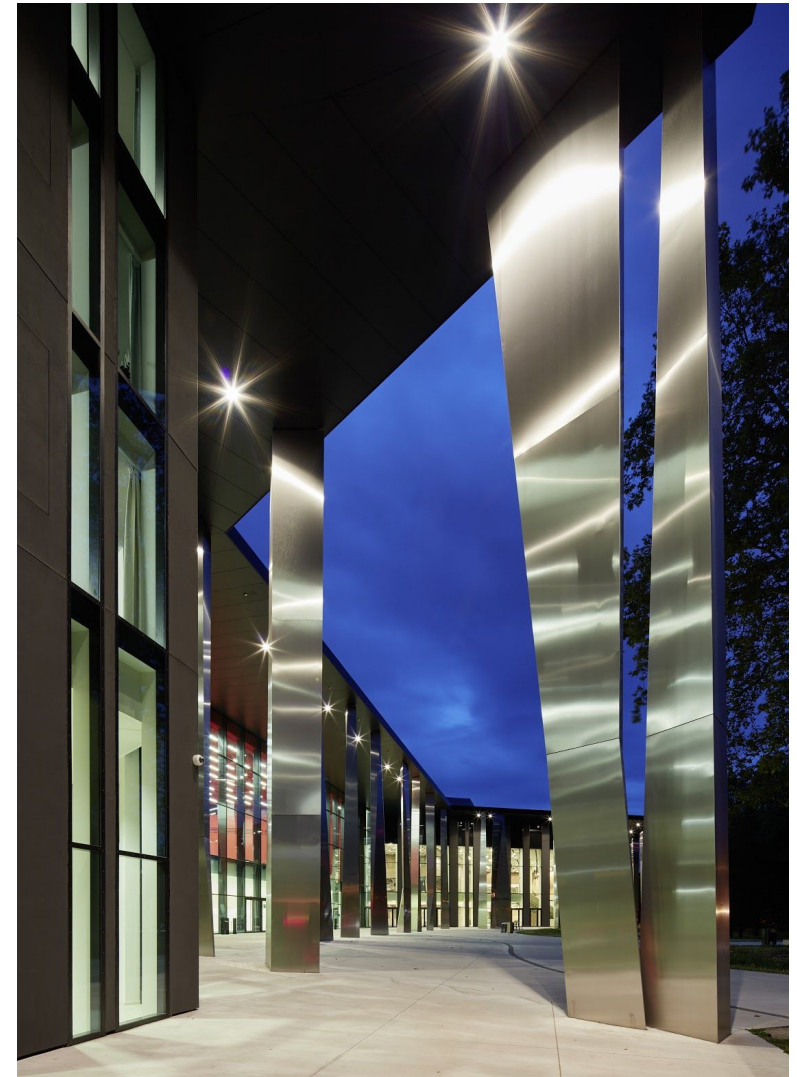
Sustainability Strategy

Our sustainability strategy is simply a part of our overall strategy, the natural result of our constant vigilance regarding the impact we have on all our stakeholders.

> At Aperam, safety always comes first. In parallel to the constant attention we give to our people's Health & Safety, we also work to create all the necessary conditions to allow our people to thrive and transform the company into a connected, agile and innovative organisation capable of answering tomorrow's challenges today. In doing so, we listen and provide the feedback, training and development opportunities needed to keep everyone motivated and nurture a feeling of belonging to the Aperam family.

> We are not content to simply comply with environmental regulations, we aim to exceed them and rank among the best players in our industry. For example, although we are still working hard to reach our 2020 targets on CO₂, energy, water consumption and air emissions, in an effort to keep spirits high, we decided to set up bold 2030 objectives⁵. In doing so, we ensure we remain vigilant on those items where we have already demonstrated our sense of responsibility.

> Our high ethical standards can be seen in our strict corporate governance rules and our structured compliance programme. Our relations with all stakeholders are based on transparency and respect for their legitimate needs. With our business partners, this is reflected in the true partnerships we forge. With local communities, this is the root of the multiple initiatives we arrange locally to address concerns in a responsible way.



Congress and music hall, Strasbourg - France
Rey-Lucquet et associés Atelier d'Architecture / Dietrich I Untertrifaller Architekten ©
Bruno Klomfar - Executed using grade 304L with Uginox Brushed finish

⁵ Our new 2030 objectives for Dust emissions and Water consumption are disclosed in this report, but those related to Energy and CO₂ will be released later as the validation process is still under way as we finalise this report.

While continuing with the efforts we initiated from day one, we have also taken up new actions.

Sustainability Strategy and governance in 2018

The makeup of the organisation is as follows:

- Members of the Board of Directors: in charge of the overall management of the Company. They decide on the direction taken based on proposals from the Leadership Team (LT), a group of nine senior executives headed by Mr. Timóteo Di Maulo, the Company's CEO. The Board of Directors has two committees, entirely composed of independent directors: the Audit and Risk Management Committee and the Remuneration, Nomination and Corporate Governance Committee, whose purview covers compliance and other sustainability topics on a quarterly basis.
- CEO: responsible for Aperam's sustainability performance and compliance.
- CHRO, Head of Communication and Sustainability: responsible for steering the Sustainability Strategy via discussions with the rest of the Leadership Team (LT eg. Aperam's Executive Committee).
- LT reviews: quarterly meetings are held by the Leadership Team to ensure the involvement of the entire organisation. These meetings are the heirs to the former ESG Committee, which was dissolved in the course of the year.

Embedding the sustainability logic within each and every process

Moving forward, we expect to see even more results as the Company further incorporates its sustainability roadmap into our everyday decisions.

To do so, awareness-raising actions will be accentuated. For example, to ensure alignment and prioritisation, in 2018, company-wide objectives were implemented across the organisation. To support these objectives, the first chapter of our CEO's personal objectives, cascaded at all levels of the organisation, was entitled "Health & Safety and Sustainability" and encompassed topics clearly labelled as "Health" and "Sustainable Industry with Long-term Environment and Energy Focus". It also included business ethics under a "Compliance and Reputation" label and "Diversity", with a clear initial focus on gender. The process will be reasserted in 2019.

In addition, we organised an internal survey during March's strategic seminar, which gathered the company's 100+ highest ranking executives. To further raise awareness, we asked them to rate some 25 global risks, with the result being compared to the Davos World Economic Forum 2018 Global Risk Report, which rated 3 environmental risks among the top 5 and 4 among the 5 more impactful risks⁶. To check their alignment, we also asked how convinced they were about the

need for our industry to put Sustainability into practice. 65% of the respondents were fully convinced, with only 1% not quite convinced. Finally, when questioned about what they would need to become more sustainable at their level, the top responses included a clear sustainability roadmap (65%) and more skills (52%). However, a number recognized that a higher personal interest or commitment could also play a part (resp. 34% and 40%). This is consistent with the 42% who noted that they were only factoring sustainability logic into their decisions less than 25% of the time.

This initiative helped management realize that changing their own perspectives is the key to embedding a true sustainability mindset at Aperam.

Working and reporting on the right topics

Since 2013, we have used GRI guidelines (Global Reporting Initiative's sustainability reporting guidelines, GRI G4 and GRI standard starting 2018) to define our most material sustainability issues and the impact they have. The materiality of an issue is based on its potential impact on both our business and our stakeholders. This assessment, based on a 4-level scale ranging from minor to critical, is regularly reviewed and updated:

- 2013 and 2014: defined the materiality matrix based on stakeholder input gathered at our six major sites.
- 2015: updated matrix based on a survey of Aperam's closest stakeholders - our employees.
- 2016: resumed the matrix update while expanding its scope. Thanks to the 11 matrices defined by the major sites from all our segments, we covered 85% of our global workforce.
- 2017: continued with our methodology to focus every-other-year on one specific stakeholder group. We also set up specific meetings to engage with local authorities at each of our main sites and realise a systematic assessment, with all topics from our materiality matrix rated. From this emerged the need to incorporate in our matrix and Sustainability reporting a handful of topics seen as salient by these officials: "Urban Integration", "Industrial Risk" and "Noise". We had also explained within our report how our approach was aligned with - and enriched by - the Sustainable Development Goals.

➤ Towards the end of 2018, we asked the same sites surveyed in 2016 to refresh their matrix, taking into consideration the many interactions intervened during the course of the year with their various local stakeholders.

➤ The result of this year's update clearly demonstrates the ongoing evolution of society at large, our changing mindsets, the impact from good and bad experiences, and of the new perception of some newcomers.

⁶ 2018 World Economic Forum 2018 Global Risk Report mentioned the following 5 top risks in likelihood: Extreme Weather Events, Natural Disasters, Cyberattacks, Data Fraud or Thefts, Failure of

Climate Change Mitigation and the following 5 top risks in impact: Weapons of Mass Destruction, Extreme Weather Events, Natural Disasters, Failure of Climate Change Mitigation, Water.

The key takeaway of this review is that there is no need to revise our full matrix. Instead, in the table below, we have highlighted how our Climate Survey is echoing our materiality analysis. We have also noted throughout the report where our

actions continue to contribute to the Sustainable Development Goals. For full details of our final 2018 consolidated matrix and its variations, see our online methodology appendices.

Material Aspect 2017	Category	Comments in view of last Aperam Climate Survey	Page	Comment
Occupational Health & Safety	People	93% of our employees believe Aperam provides adequate safety training.	10-13	
Industrial Risk & Pollution Prevention	Environment		36	
Legal & Fiscal Compliance	Governance		47-48	+ Annual Report (esp. p.38)
Innovation	Stakeholder	84% of our employees feel encouraged to come up with innovative solutions	42, 50	
Air & Dust Emissions	Environment	86% of our employees consider we are an environmentally-responsible company	31-32	
Fair Business Practices	Governance	87% of our employees feel comfortable raison concerns related to unacceptable behaviours	47-48	With Compliance
Energy Consumption	Environment	86% of our employees consider we are an environmentally-responsible company.	27-229	
Sustainably Profitable	Governance	85% of our employees believe strongly in the goals and objectives of Aperam	40-41	+ Annual Report
Customer Satisfaction	Governance	84% of our employees believe Aperam is truly customer-oriented.	53-54	
Waste/Recycling	Environment	86% of our employees consider we are an environmentally-responsible company.	35	
Attracting talents to our industry	People		14-22	New item 2016
Employee Engagement	People	67% of our employees consider that sufficient effort is made to get the opinion of Aperam's employees.	18-44	
Social Dialogue	People	86% of our employees recommend Aperam as a good place to work.	44	Here in Governance
Water Management	Environment	86% of our employees consider we are an environmentally-responsible company.	33	
Competition & Free trade	Environment			
Noise and smells	Environment		38	Add in 2017
Community Engagement	Governance	78% of our employees are proud to the Aperam's contribution to the community and society.	50-52	
Competencies & Employability	People	74% of our employees feel encouraged to pursue their self-development and learning 81% of our employees feel empowered to make the decisions needed to do their job well.	21-23	
Supplier Labor Practices	People		45-46	
Market Dynamics	Governance		40,49	+ Annual Report p.23-24
Urban Integration, Circulations, Aesthetics	Governance		52	Add in 2017
Cash, Debt & Financing	Governance		n/a	+ Annual Report (esp. p.44-51)
Raw Material Consumption	Environment		27, 35	Within Waste/Recycling
Diversity & Equal Opportunity	People	82% of our employees consider they are treated with respect, regardless of their job.	17-19	+ Annual Report p.62
Transport impact	Environment		37	
Data Privacy and cyber-criminality	Governance		48	
Supplier Environmental Practices	Governance		45-46	
Climate Change & severe weather events	Environment		n/a	See previous reports
Philanthropy	People		50-52	

Our People

Our top priority is the health and safety of our people. As such, health and safety are not only a key component of our business model, it is the essence of who we are as a company. As a core value, health and safety guides all our actions, and we continue to work on programs to support the health and well-being of our employees. For example, as part of our People Transformation Journey, we have revamped our Performance Management, introduced our eight global leadership competencies, increased our focus on learning, launched a Career Portal and started a periodical Global Climate Survey to measure our progress.

Health & Safety

Occupational Safety

Indicators and statistics

Aperam's LTIFR (All Employees) for 2018 was stable compared to 2017 at 1.4. Looking at the LTIFR' (number of LTI's and Restricted Work cases), we see a slight decrease (2.1 in 2017 vs. 2.0 in 2018). This means that, overall, in 2018 we had slightly less accidents in both categories of employees (Own and External). Turning to the Total Injury Rate (TIR), we see an even bigger decrease: 26 in 2017 vs. 24 in 2018.

In 2018, we also started to fully review the reporting process and the methodology used for the calculation of the severity rate. As we have not completely finalised the implementation of our new standard across 100% of our entities, we are not ready to disclose our severity rate for 2018, but we will resume this reporting for 2019 figures.

Taking a closer look at the split between employee categories, we see that our contractors are more likely to have accidents than our own employees (including interims). In 2019, we will work to improve this by reinforcing our Contractor Management initiative. [GRI 403-9](#)

SAFE training

In 2018, we continued the company-wide implementation of our SAFE training program - an effort that received a Health & Safety Silver Award from the ISSF. A substantial proportion of Aperam's total population has now been trained (up to 89% in Châtelet). Although it is too early to see a direct correlation between the

training and our H&S performance, the feedback from the trainees has been very positive. In 2019, we will continue this training effort as we strongly believe it will help create the right level of H&S risk awareness amongst all our employees and will play an important role in preventing accidents from happening.

To ensure their effectiveness, we started adapting the training to our local sites. For example, in Brazil, the training goes by the "Imersão" name, and our Services & Solutions centers are implementing 40-hour trainings in Germany, Italy and Spain, among others.

Overall, this considerable effort has been acknowledged by our employees, 93% of whom feel they have adequate safety training, as per our last Climate Survey, which is higher than the standard for the Heavy Manufacturing sector.

3 GOOD HEALTH AND WELL-BEING



SAFE Training (2018)

67,220 hours of training

1,681 trainees

Company-wide extension in progress

Awarded by ISSF in 2018



Voices

“An increasing part of our responsibility is to drive cultural change.

This is particularly true for the ‘Safety First’ Culture we want to establish.

Tools such as our 360° assessments, Climate Survey and our new Performance Management move us away from the traditional ‘manager evaluates employee’ approach and contribute to creating a Culture of Continuous Feedback.

These tools, along with our focus on Learning and Mentorship, will prove invaluable as we transform ourselves into the agile Learning Organisation we want to be.”

Bert Lyssens

Chief Human Resources Officer,
Head of Communications and
Sustainability



At a glance (GRI 403-9)

Indicator	Unit	2018	2017	2016	Page
Employee		9,777	9,599	9,558	
Joiners	FTE	665	793	674	§ Workforce p.14
Leavers		483	538	674	
Turnover rate	%	5.0	5.7	6.7	
Women	% staff	11.8	11.9	11.9	§ Diversity p.15-16
	% exempts	20.0	20.2	20.4	
Fatalities - All		1	0	0	§ Safety p. 10-12
Fatalities - Employees	#	1	0	0	
Fatalities - Contractors		0	0	0	
LTIFR - All		1.4*	1.2*	1.4*	(and Responsibility in the Value Chain p.45-46)
LTIFR - Employees	/1,000,000 hours	1.4	1.3	1.6	
LTIFR - Contractors		1.6	1.7	1.1	
Training hours - SAFE	hours	67,220	35,000	8,900	
Training hours - Total	hours/ FTE	34	34	36	§ Training & Development p.20-23
Total trained people	FTE	9,391	n/a	n/a	
Annual reviews	%	68%	75%	77%	
Absenteeism	%	2.29	2.19	2.19	p.44
Employee Satisfaction⁽¹⁾	%	86	82	n/a	p.18

* Data highlighted with a star have received external assurance.

(1) Employees that would recommend Aperam as a good employer

A Fatality in Genk

Regrettably, a fatal accident occurred on September 8, 2018 at our Genk Mill. While putting the upper cylinders back into our cold rolling mill 3, the back up cylinders came out of the cassette and fell onto the victim. Although emergency first responders were quick to respond, nothing could be done to help the victim. A thorough root cause analysis has since been performed, as well as an independent site H&S audit. Both have led to the implementation of a series of actions, both on site and at the Group level, to avoid such a tragic accident from being repeated.

The journey towards zero accidents

In 2018, to further strengthen our focus on these important matters, it was decided to split the responsibilities of Health & Safety, on the one hand, and that of Environment on the other. Two joiners were added to take up the challenge of setting up the new organisation, both of whom report directly to a member of our Leadership Team (Aperam's Executive Committee).

Hans Vanhorebeek, Aperam's new Head of Health & Safety explains: *"After joining Aperam in August of 2018, I took the time to go and visit our production sites to listen and talk to our employees about H&S and understand their expectations. This input helped build our H&S roadmap for a sustainable future. The new roadmap is oriented around three main axes: Standards and Tools, Organisation, and Cultural Maturity."*

> **Having clear H&S standards in place**, including a detailed description of the roles and responsibilities of all involved employees, is a key component of sustainable H&S management. In Q4 of 2018, we started revising the existing H&S standards, focussing on the main hazards within our industry. In 2019, these new standards will be put into practice.

Another project that was launched focuses on creating a common tool to help the Group manage H&S and, in particular, the reporting and investigation of incidents. This tool will help the Group share events, track actions and follow-up on REX's (Return of Experience).

> **We will also tackle the way H&S is organised within Aperam.** The Mission, Vision and Values of the H&S department are being defined and a new on-site and Group level organisational structure is being implemented.

Our H&S structure consists of different layers. For example, a monthly H&S Leadership Team Committee was established to set the strategic direction of H&S within Aperam. Furthermore, a network of H&S responsible persons has been created. Called the H&S restricted committee, the group meets quarterly to jointly work on new H&S initiatives.

Having policies in place is one thing, but having ALL employees incorporate them into their daily operations requires an additional step to be taken.

> H&S is not seen as something 'extra', but as a fundamental part of how we operate and perform our activities. Thus, we launched a project to work on the **Cultural Maturity** of the organisation. The output of this project will be an Aperam Expectations Framework on H&S, which will clearly detail the behaviours we want ALL Aperam employees - and subcontractors - to demonstrate in their daily operations.

These will be reported on in next year's report. In addition to this new company-wide program, we will also provide a glimpse of the initiatives being implemented at our sites.

Voices

"I took the time to go and visit our production sites to listen and talk to our employees about H&S and understand their expectations. This input helped build our Health & Safety roadmap for a sustainable future."

We are now on our way to making our Vision a reality."



Hans Vanhorebeek

Aperam Head of Health & Safety

Poster in Châtelet (one from a series of 8) highlighting the imperatives of our new Code of Behaviour, with our employees as models



No mobile phone on S&S shop floor!

In January 2018, the S&S segment decided to move forward with a plan to increase vigilance in the workshops and prevent such distractions as mobile phones and the hypnotic use of social media. After a first phase of design and preparation, the plan to equip all sites with dedicated lockers for mobile phones was rolled out in August, with monitoring of the results starting in November.

As of December 2018, 94% of the sites were equipped with lockers and safety markings on the ground, with the remaining unit being in the process of adding the equipment. The change was accepted without issue at all sites and the feedback was very positive (see aside).

Feedback

"No distractions due to Whatsapp means more productivity, more quality, and less mistakes."

Brazil

"Less distracting behaviors on the production floor and fewer conflicts between workers of different generations."

Poland



Left, markings on the ground and poster.

Above, new map in S&S Spain to identify areas where phones are forbidden.

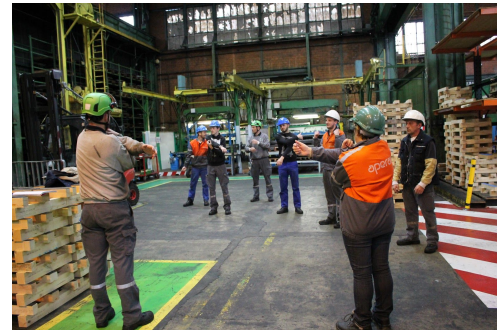
Health and Wellbeing

Although we have yet to implement a company-wide program on health and well-being, as highlighted below, our individual sites continue to take locally adapted actions.

■■■ It has been years since our Brazilian units started the day with organised exercise sessions. But in 2018, to help prevent headaches, back aches and sore wrists associated with poor posture and mechanics, our Gueugnon site rolled out a new workstation warm-up and stretching initiative. As a follow-up to last year's "We Nudge" evaluation on joint pain in the workplace, this new initiative trains volunteer employees on proper warm-ups and stretching. It was first implemented in the general store and disc sectors where, every morning, the departments kick the day off with a 10-minute stretching and warm-up routine. These sessions are not only good for everyone's health, they also strengthen team spirit – another important factor in workplace wellness. The Gueugnon occupational health service was

instrumental in the initiative's implementation, hope to expand it to other departments in 2019.

Well-being also includes taking care of our mental health. In Brazil, we are helping our employees avoid the extreme stress that could lead to fatigue or even depression by encouraging the uptake of an enjoyable activity and good nutrition. This could include such aerobic exercises such as running and swimming, or physical conditioning exercises like yoga and pilates. Add a healthy diet, and you have a recipe for sleeping better and achieving emotional balance.



Morning gym session in Gueugnon.



Morning gym session in Timóteo.

■■■ In France, a specific three-year collective agreement on "Qualité de Vie au Travail" (QVT) has been in force since 2015.

A highlight from 2018 was the regulatory negotiation that led to the elaboration of a new agreement for 2019-2021. To structure it and enhance its efficiency, unions and management shared a detailed analysis of the outcomes of the past three years.

Among other subjects, the new QVT collective agreement places a specific focus on preventing harassment and enhancing the methodology used to investigate a claim. In particular, identified employee representatives and Human Resources officers will be appointed and trained as "contact persons" at each site. Another highlight is the new set of rules relating to the use of digital tools. These rules aim to raise employee awareness about the 2016 French regulation on the "right to disconnect". In fact, our efforts here exceed what is required for compliance. Another important part of the new QVT agreement that goes beyond the regulatory framework concerns "painfulness at work" by offering a range of solutions that take into account the arduous nature of some jobs.

Whereas the previous agreement set up dedicated QVT committees to follow up on the penibility roadmap, the new agreement has the employee representatives and management jointly monitoring the progress made through the sites' new unique representative bodies (CSE, Conseil Social & Economique) covering all issues related to well-being at work.

A highly competent and engaged workforce

A diversity of talent

Our workforce at a glance

Aperam's workforce is made up of 9,777 full-time employees, of which 10% are exempts and 66% blue collar. Overall, approximately 98% of our staff are permanent employees (as of Dec. 2018, see table below) (GRI 102-8).

Aperam Workforce

Aperam consolidated total of Full-Time Equivalent employees, at 31/12/2018 (GRI 102-8)

2018	Gender	Permanent	Fixed-term	TOTAL	Full-Time	Part-time
Blue Collars	Female	329	3	332	336	6
	Male	5,943	185	6,128	6055	72
White Collars	Female	597	15	612	521	91
	Male	1,637	5	1,642	1609	33
Exempts	Female	211	2	213	195	18
	Male	848	3	850	840	10
TOTAL	All	9,565	213	9,777	9548	230
2017	Gender	Permanent	Fixed-term	TOTAL	Full-Time	Part-time
Blue Collars	Female	332	0	332	327	6
	Male	5,596	88	6,084	6,003	81
White Collars	Female	608	7	615	525	91
	Male	1,554	3	1,557	1,519	38
Exempts	Female	201	1	202	181	21
	Male	797	4	801	792	10
TOTAL	All	9,489	103	9,592^(**)	9,346	246

(**): With the new system implemented, some figures have been slightly adjusted compared to last year, including the Full-Time Employee follow-up (9,592 FTE 2017, as compared to the figure of 9,558 reported in our last report).

- > Our workforce has increased slightly compared to 2017, with 665 joiners (793 last year), mostly in France (34%), Brazil (24%) and Belgium (21%) and the departure of 483 FTE (vs. 552 in 2017), with a 28% leaving for pension or pre-pension purposes (compared to 24% last year). We can also report that 444 interims work with us (514 in 2017).
- > Overall, our joiners were 13% women, which is lower than in 2017 and not sufficient to improve our Gender Diversity - all the more so considering that 17% of our leavers were also women. Turn to p.15 to see how we plan to improve this!
- > Based on the 2018 workforce, the average seniority within Aperam is 14 years (vs. 15 in 2017). In terms of age, 26% of our staff is over 50 years-old and 6% below 25 (unchanged). Our 2018 joiners had an average age of 33, with almost a

fourth being under 25 and 7% over 50, ensuring that we have a good blend of experience coming in.



Induction program with a visit to Isbergues for the newcomers.

Attracting talent to our industry

Speaking about new talent, we often hire profiles that are very different from our current skills base. We focus on the (often digitally oriented) competencies of the future and ensure a large portion of our hires are young graduates and apprentices who bring new perspectives and ideas.

Attracting diverse talent requires us to create a modern employer brand. In the course of 2018, we added specific videos to our website that promote the jobs of the young women and men who recently joined us and who bring critical competencies in data science, digital simulation and innovation. These skills help us accelerate projects on preventive maintenance and automation. Furthermore, an active campus recruitment program brought the Aperam brand to schools and job fairs in Belgium, France, Germany and Italy.

Overall, in 2018, we had 46 apprentices (incl French "VIE" contracts) and 86 interns. As seen in the testimony provided from Nicolas (see p.19), such experiences are often the starting point of enthusiastic careers.

■■■ Our sites are also developing partnerships with local educational institutions. For example, every year our Châtelet site invites a dozen schools to tour the plant. "I had already visited other plants in the context of my studies, but I was particularly responsive to the explanations and the tour of Aperam's site," says

Cyril, who graduated with a degree in chemistry and materials and now serves as a Furnaces & Roughing Mill Process Engineer.

Because of success stories like this, the Châtelet site has increased the number of exchanges it hosts and regularly sponsors student projects. An example of the latter can be seen in the group of six students who were invited to develop a project sponsored by the company for their second-year engineering curricula at the ISIC Mons institute. The group regularly visited the Châtelet Hot Strip Mill to develop an improvement project for the adjusting table of the coiling machine that uses sensors to optimize the centering of the slab. The scale model that can be seen in the picture of the final assessment below was also presented on-site.



Students from an Engineering institute that realized their 2nd-year project at our Châtelet plant.



Cyril, Châtelet Process Engineer at the HSMI, discovered the plant during a school visit.

Embracing diversity: let's start with recruiting more women!



Last year we reported on our desire to improve Gender Diversity. We started building momentum on this topic in March 2018, when a preliminary working group was set up at the management level. Among the group's first actions was a self-assessment using the United Nations' Women Empowerment Principles benchmarking tool. The outcome of

this assessment was then used to help structure a subsequent company-wide action plan. The aim of this plan is twofold. Firstly, it aims to ensure that our female employees are treated fairly, with an emphasis on fighting stereotypes and taking specific, female-focused measures regarding ergonomics, work environment, career development etc. The second objective is to increase the number of women working at Aperam by recruiting women at all levels of the company, from the traditionally male-dominated shopfloor up to the management level.

One of the first outcomes was the development of a specific Gender Diversity Charter using a 5-dimensional working plan to summarize our management's strong commitment. Specific actions included ensuring the readiness of all plants (showers, work clothes, ergonomics of the workshops), regardless of whether or not females were working on the shopfloor. Another action point aims to ensure

there is a diverse representation of men and women in the company's internal and external communications, for hiring as well as for other purposes. A specific page was added to the new website highlighting the company's commitment to gender diversity. Lastly, training about stereotypes will be widely rolled-out. Our plan is already causing a change in mindset, a change that was on full-display at a specific Gender Diversity video conference held in September where all top 100 managers committed to working towards fast results.

Last but not least, we used the outcome of the Climate Survey to identify the areas where the gender gap is most striking. The study confirmed that our action plan is addressing most of the feedback received, but this we will detail in next year's report, together with our first achievements.

In addition to this roadmap, some sites have continued with their local efforts.

■■■ In France, the existing program concluded its first intermediary step in July 2018, with the renewal of the Gender Equality Collective Agreement and a new action plan. The main objective is to attract more female employees, with a special focus on the jobs where women are significantly underrepresented. In 2018, a few women were hired in France to fill such predominantly "male jobs" as shift workers and maintenance, but not enough... However, taking into account the initial results of the French program has helped us structure the Group-level initiative and allowed us to define areas needing improvement for the new local program. Among these are: the implementation of a dedicated network planned for 2019 through a partnership with an association, a training about stereotypes, and an awareness-raising campaign about sexism in general.

That being said, our sites have already started fighting stereotypes, and most of the French sites are very actively involved in a national program called "Semaine de l'Industrie" (Week of the Industry). In Isbergues, for instance, the plant opened its doors to welcome 100 visitors (middle school and job seekers) and "modernize" the image of the manufacturing sector. Some career focuses were presented as posters to show the types of professional development paths available at Aperam. Laurence, Area Technical Manager at Isbergues, explained: *"There are still not enough women working in industry, and even more so in metallurgy. The important thing is to do the job you want to do and not to allow your gender to be a barrier to your professional success. Women can accomplish just as much as men."*

Specific actions are also organised throughout the year. Our Imphy facility sent women ambassadors to participate in two local events: "Girls and science, a possible future!" (Oct.), a conference for young girls in the 11th grade interested in exploring a career in science, and "Women's Career" (Nov.). The purpose of these events was to raise awareness and fight gender stereotypes, promote jobs and sectors where women are underrepresented, and broaden the career perspectives of girls and women.



Beyond France, which has one of the highest rates of female employees in Aperam at 14% (after Luxembourg: 28%), things are also changing fast everywhere...

■■■ In December, the Timóteo site organised a seminar called “Diversity & Gender Inclusion” where the Brazilian HR Professional Association was represented. The goal was to promote the importance of recruiting women, including through internship and apprentice programs. In fact, the group of interns admitted in January 2019 was 50% female!

Right: Laurence (Isbergues); Left: Machine driver Eduarda (Timóteo), who states: “We (women) are ready to assume different roles and get excellent results in our jobs. I am proud to be part of a company that recognises that”.



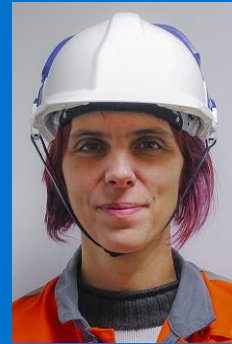
Women in Aperam

5% of blue collars
12% of employees
20% of exempts
12% of senior executives
22% of LT members
28% of Board members



Imphy female employees at the 2018 “Carrefour des carrières au féminin”.

Career: Magali, Head of First Annealing at Gueugnon



After graduating with a degree in chemistry in 1998, Magali joined the Gueugnon Research Center to work on production support and company projects. In 2004, she left Aperam to join the site's utility services supplier, where she later became a Regional Manager, although still working within the Gueugnon site. In 2016, she returned to Aperam, this time as Annealing Production Manager. *“It was a new challenge, and I was particularly interested in joining the production field,”* she says.

In 2017, Magali became Head of the RD79 line, the largest at the Gueugnon plant. According to Magali, what she loves most about this intense job is the teamwork and the diversity of subjects dealt with every day. “My very first priority is the safety of my teams,” she says. *“Next to that, I ensure that we can address customer requests in terms of planning and quality.”* In addition to overseeing the line, Magali is also responsible for the continuous improvement of the equipment. She says both tasks demand having the very best organization: *“This means providing my team the necessary support, feedback and the opportunities to grow,”* she adds. As for the stereotypes, Magali doesn't believe that this is a ‘male’ industry. *“I jumped from a remote management experience to leading a close team of 60 people,”* she says. *“But the change was smooth thanks to the support I received from colleagues, management and other teams, who all provided the information I needed and made me quickly feel part of the team. Visits to other Aperam sites to see all the steps of the production process and meeting Group colleagues also helped with the transition.”*

As the mother of two children, Magali says that although the balance between professional and private life can sometimes be challenging, it is a ‘must do’. *“Even if I usually stay ‘connected’, I organize my life to be able to enjoy the precious moments with my family,”* she says.

“For the moment, I wish to go further on the production field as I still have specific goals and some competencies to acquire,” she explains. *“Later, working on the environment, health and safety or quality could be quite interesting.”*

Her tip to newcomers: Do not hesitate to get help from others. Be curious about your environment, ask questions, and listen to the answers. Work in-line with your performance and quality goals so you can have the satisfaction of a job well-done.

■■■ A number of actions have also been initiated by Services & Solutions (S&S), the segment responsible for the sale and distribution of all transformed steel products. S&S has 20 production sites in 13 countries, each of which is dedicated to cutting our steel coils to the right dimension as requested by our customers. At the beginning of 2018, the segment took steps to make the shopfloor a more attractive work environment for female employees. This involved addressing the ergonomics of the shopfloor and the mindsets of those currently working there. Furthermore, the segment also reviewed the hiring process to identify more potential female candidates, both for interim and own staff positions. A few months into this program and we can already see results. At the end of 2017, there were 48 women working in Production & Logistics positions across the 14 S&S units, of which 22 were in S&S Brazil (we discussed the pioneering Campinas unit in our 2016 report) and 21 in Tubes Usti (Czech Rep.). One year later, the segment reports a +31% increase, with 16 women having joined and all S&S units having at least one woman in their Production and Logistics ranks. But the success is not only in the figures, from the management (men and women!) to fellow workers, feedback from everyone is positive!

Ines Kolmsee, CEO of Services & Solutions, explains: *"Initially, we had to overcome physical obstacles, such as building changing rooms for female workers and checking the ergonomics of some processes. More importantly, we had to fight the unconscious biases in both male colleagues ("this is not a suitable environment for women, they will never be interested") and female candidates ("isn't that work too physically demanding?").*

But once this was overcome and the first female blue collars were hired, the experiences were very positive for everyone and the overall atmosphere of the shopfloor has improved. Overall, this has been a very promising start of the programme, but we are not done yet."

When it comes to becoming a more inclusive company, our efforts aren't limited to gender diversity. For example, on the occasion of the 70th anniversary for the United Nations' Charter, this year we conducted a special campaign to fight discrimination (see p.47). Furthermore, our units continue their efforts to open up to people with disabilities (see previous reports and the insert on p.22.)

Voices

"Achieving more gender diversity is a personal priority of mine. I find the steel industry fascinating and want to give more women the opportunity to experience this fascination as well."



Ines Kolmsee
CEO Services & Solutions, LT member

Career: Ivana, Head of Automation & Infrastructure in Timóteo



Ivana first arrived at the Timóteo site in 1984 as an Information Technology System Analyst, after having been selected by Aperam (then Acesita) via a recruitment program at the local university. Upon completing her studies and graduating with a degree in electrical engineering, Ivana continued with Aperam, being trained as a System Analyst capable of developing all internal mainframes, and in particular those for production systems. When this service was outsourced, Ivana went with the outsourcing company, where

she managed 150 people.

In 2005, Ivana returned to Aperam as Operational Excellence Manager, leading 20 people. After earning her MBA, she moved to her current role as Head of Automation and Infrastructure at the Timóteo site. With a team of 380 people (plus a thousand externals), her responsibilities include overseeing utilities, high voltage, gas, liquids, hard machinery, central maintenance pool, mobile lift frames, automation and infrastructure. She is also charged with driving innovation in all these areas. Ivana has also served as president of CIPA (Accidents Prevention Commission) for 9 years, where she developed a strong relation with the unions.

To manage such a huge team, rigorous discipline and organisation are necessary. But according to Ivana, the most important thing is to be available to her team all day long. This is why her door is always open whenever people need her. *"I believe the role of a manager is to support and orient people, communicate and ensure the flow of information, and to facilitate the performance of the team,"* she says. *"It is not 'easy' to work with me as I am very demanding, but in exchange, I supply my team with the information and means they need to do a good job and exceed my expectations."* As to the new generation, Ivana says that they tend to set their sights on the top too quickly. Her advice is to understand that a career is built day-by-day, and that by showing one's added value to the company, the company will be able to give recognition and opportunities. *"In my team, I am attentive to give such opportunities internally and also to give chances to our female team members,"* says Ivana.

"Despite this kind of job being seen as physically hard, or not adapted to us, I have demonstrated that it is possible for a woman to develop a nice career!"

When talking about her personal life, Ivana says balancing her professional and personal lives can be challenging, so, having a sense of organization helps. *"I must have done something right, as both of my children have chosen careers as engineers in the steel industry!"*

Her current goal is to leave a legacy at the company, especially about innovation: *"An example of this is the development of the Integrated Control Center (See p. 36), which proves that automation can bring a lot of benefits to the company,"* she adds.

Her tips: Do not sell problems, bring solutions. Do not sell dreams, show results.

Co-construction of our HR programs



To make the most of our talented workforce, we have to be active listeners and to ensure a high level of engagement and motivation. With this in mind, we launched our first anonymous All-Employee Engagement survey in January 2017. We recorded a 63% response rate and an overall satisfaction rate of 82%, and some areas of improvement were identified and action plans defined thanks to feedback sessions organised at all units. These actions focused on improving communications, in particular as to career opportunities. Here we launched a Career Portal, accessible firstly to exempts and, starting January 2019, to all employees.

At the end of 2018, we launched a new iteration of this global survey, taking considerable steps to improve the response rate among blue collars in general and at some specific sites. We again promoted the survey via posters and digital newsletters. In addition, we also made special videos featuring Isbergues and Châtelet plant managers explaining how they analyse the results at the site level and use this to build or adjust local action plans to better meet the particular needs and desires of the site's population. Looking at the overall results, we are particularly happy with the final response rate of 82% (7477 individual responses), which is 19% higher than the previous year. This is also a very good result compared to our benchmarks, both versus our industry and versus best-in-class practices, and all the more so considering our company's limited history with global climate surveys.

Next to this, we are very satisfied to see that our action plans have paid off and that all the dimensions covered are rated higher than in 2017. This is particularly true in terms of Career & Development (+15 pts), as well as with Leadership and Communications. In addition, all categories meet or exceed Heavy Industry norms - with Safety & Sustainability even overshadowing the results of High Performance companies (see the rating regarding the Health & Safety training on p.10 and those related to Environment, Stakeholder Orientation and Compliance on p.26, 40 and 48 respectively). The same can be said for Retention and Alignment with the Company Strategy, among others.

Our biggest challenges remain in the areas of Career & Development, Performance Management (objective setting and evaluations) and Non-Financial Recognition. Of course, all results are being analysed in detail and taking into account all relevant: geographical, organisational, employee status, gender (see p.15), etc. The conclusions will again serve as the basis for adjusting our 2019-2020 action plan and aligning it with our People Transformation strategy.



New screens in Genk

Employee Survey 2018

81% response rate

92% are proud of our products

86% recommend
Aperam as a good place to work (+2pts vs 2017)

In addition to this company-wide program, sites are also developing new ways to ensure proximity with all employees. Some sites have implemented face-to-face meetings with senior executives, like in Brazil, where Frederico Lima, COO of the Brazilian branch of our Stainless & Electrical Steel segment, regularly meets employees of all ranks over lunch or during informal meetings.

■ ■ ■ Our Genk site regularly communicates with its employees via a bi-monthly printed newsletter. In 2018, for the first time, the April paper edition also contained the Belgium country supplement to our Aperam Sustainability Report, which has been released online since 2016. This short report is available in Dutch, French and English and includes a list of indicators consolidated at the country level. With the aim of engaging with our people and external stakeholders, the report also summarizes Aperam's progress on social and environmental topics, as well as on stakeholder-orientation.

The fast-paced nature of our business also justifies the use of modern and flexible means of communication. In 2017, to improve direct communication with the workshops, 50 screens were installed at various strategic locations, including: factory entrances, large refectories in the steel shop and the cold rolling mill, team corners and local refectories near the shopfloor. The rollout was completed in 2018.

Employees now get real-time information on a range of topics, including Health & Safety instructions and videos on dangerous situations. The screens are also used to highlight community events and general interest topics like a traditional cycling tour of Châtelet-Genk and the Genk Loopt event. The continuously running loop is rounded out with general site information, online news flashes and weather forecasts. They also highlight company-wide campaigns, like the video dispatched for the United Nations' Day of Human Rights (see p.47).

■■■ Our Imphy site also decided to improve its internal communications. A new intranet, called “Imphyni”, was launched in July 2018. The site is a one-stop-shop for all general information related to the unit and is used to share information among and within each department. It also helps with the induction of newcomers and to improve the effectiveness of awareness-raising campaigns (see in section Environment, p.39). At the end of the year, the satisfaction rate with the intranet was 87%, with an average visit time of 10 minutes per week. Several areas for improvement have been identified for 2019.

■■■ Even our smaller sites are working to better engage with teams. For example, the S&S Ibérica team (less than 60 employees) recently celebrated a new sales record and 0% absenteeism. To do this, the complete Viladecans staff was gathered after the summer break for a brief review of July results, emphasizing the impact of teamwork. Employees were then invited to participate in a team building exercise to demonstrate that despite clear and simple targets, teamwork requires strong coordination and communication to guarantee a positive outcome. The event was concluded with a tapas-style team lunch and a motivating message from Regional CEO Francesc Bonamusa.



S&S Iberica team celebrating good results.

Nicolas, Head of HRM at Châtelet



In 2002, while studying industrial management in France, Nicolas had the opportunity to undertake a one-year internship with Ugine & ALZ (now Aperam) in a Service Center in Detroit (USA), where he worked on the site's expansion. After that, he moved to Rome (Italy) to follow an Erasmus program during his last year of study. Once he received his diploma, Nicolas applied for a job at Aperam, where he started in 2005 as Supply Chain Analyst in the Saint-Denis office. In 2008, he moved to the Cold Rolling Plant in Genk, where he stayed for about six years, first working as a Production

Engineer and, later, as a Project Leader in the supply chain. In late 2013, Nicolas moved to a new challenge, this time as the Head of Upstream Supply Chain at the Châtelet site. Since 2016, he has served as Head of the Hot Strip Mill, where he manages about 300 people.

Asked why he followed this geographical and functional career path, Nicolas explains: *"I believe we have to take opportunities to get outside our comfort zone, and moving to different countries and sites not only gave me another perspective of the company, it was also an enriching experience to adapt myself to different cultural environments,"* he says. He adds that his path within Aperam has given him the opportunity to experience two different but equally important aspects of career development. *"In supply chain, I could develop my expertise, whereas in production I manage people and deal with safety and social aspects, thus developing soft skills and leadership,"* he adds.

In terms of daily tasks, after checking production results, Nicolas splits his time between cascading objectives, defining the day's priorities and supporting his team in solving potential problems. Speaking about his team, he states: *"I have a very supportive and skilled team, which I can count on and be proud of. It is composed of diverse profiles in background and experience."*

"What motivates me most in my job is the combination of diverse challenges, even in especially difficult times, and the fact that I have this team to lead towards the best possible performance," he adds.

So, what's the next chapter in Nicolas' storyline? *"There is still more to learn and to give, so the short-term planning is to carry-on by accomplishing the goals defined for this year, especially putting in place an additional shift team, a springboard for the sustainability of the Châtelet site."*

His tips for newcomers: Be open to the multiple sources of development your company can offer. Going further either functionally or geographically can expand your life. Take the chance to get out of your comfort zone, while always aiming to go deep and wide in your job in each step of your career.

Career & development

An efficient framework to deploy our strategy

A new People Management System

During the course of 2018, the Human Resources team focused on deploying our new People Management System called MyHR. This tool provides a globally consistent view on all relevant people data, drives more manager and employee ownership and supports the roll-out of our People Transformation Roadmap. This plan is structured around 5 axes:

> **Competency Management:** From eight fundamental leadership competencies to a variety of business and technical skills that are vital to the future development of Aperam.

> **Learning:** The cornerstone of this part of the plan is the implementation of a global learning infrastructure to support the development of a culture of continuous learning.

> **Performance Management:** Our people learn and develop through the open and honest feedback they receive, not only from hierarchical managers, but also from everybody they work with: peers, internal customers, team members, etc. Performance Management has been redesigned to focus on aligning individual and organisational goals and the use of (180 degree) participant feedback.

> **Job Mobility:** Changing jobs is always a learning experience, but on top of that it also significantly increases the interconnection of our organisation and its ability to adapt. Our Career Portal is already known to 90%+ of exempts and was further rolled-out to all employees in mid-2018.

Aperam Leadership Style

1. ACCOUNTABLE
2. FASTER IN EXECUTION
3. CONNECTED
4. AWARE OF THE ENVIRONMENT
5. ABLE TO TRANSFORM BY LEARNING
6. INFLUENCING
7. LEADER AS A COACH
8. CREATIVE & INNOVATIVE THINKING

> **Leadership:** The fuel of every transformation is leadership style. Do we inspire the need to transform or do we prefer the comfort of the status quo? Our vision for the leadership of the future was condensed into eight key leadership competencies, on which all our exempts are evaluated.

The top 100 executives even went through a full 360 degree evaluation based on these competencies (see left and next section for more information).

Aperam's Key Leadership competencies

We presented the new set of competencies that Aperam wants to develop within our last report. We believe these competencies are necessary to address the challenges of the new era in which we live.

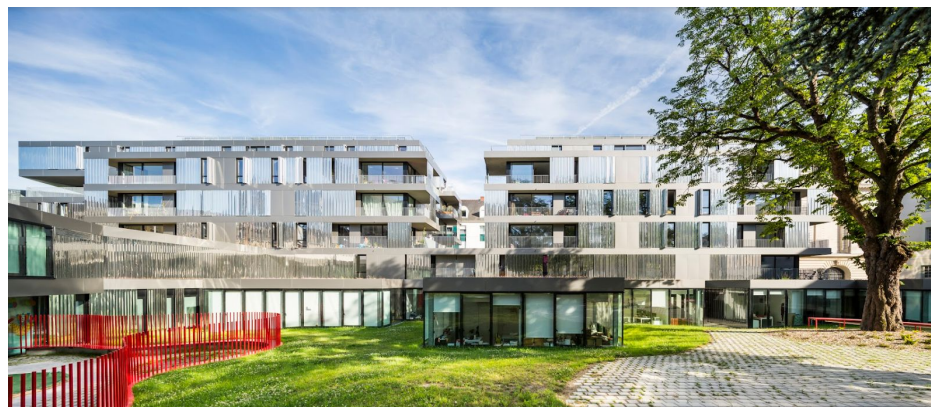
This is why we conducted an in-depth 360 degree assessment of all our top 100 executives based on our eight Aperam leadership competencies. This resulted in two important outcomes:

- Individualized feedback to the manager on his/her development opportunities, to be addressed via development actions jointly agreed on;
- A group profile of Aperam's top management and an adequate depiction of our culture, including both strengths and opportunities for improvement.

The conclusions highlighted some of Aperam's key strengths, with "Accountability" and "Faster in execution" being perceived as crucial advantages. On the other hand, the competencies of "Leader as a Coach", "Creativity" and the ability to work in a fully "Connected" (neural) organisation were identified as areas needing improvement.

Along with this in-depth assessment of the top 100, we also requested all exempts (approx 1,000 employees) to assess themselves on the same competencies. Managers then evaluated these exempt assessments to identify any gaps between the two assessments. Gaps were addressed with the employee, from which an action plan was proposed. Starting in February 2019, the on-line learning system also offers educational content around all eight competencies.

We believe this kind of initiative is key to making sure our company has the adaptability needed to address the quick changes that can impact our business and industrial environment.



Housing complex, France - Philippe Dubus © Sergio Grazia - The project, which utilises Aperam's 304L grade with Uginox Bright Finish, won the 2018 Eiffel Trophy for Steel Architecture in the 'Living' category.

Training and developing our people

As we announced in our last report, we put a tremendous amount of effort into developing Aperam as a truly learning-oriented organisation. In 2018, 9,391 people received at least one training, which is a 96% rate.

Training

We spent the entire year building our Learning Management System, which is due to launch in February 2019. In the table below we present a few figures (in USD for consistency with previous years), but going forward our reporting will be much more detailed and in Euros. (GRI 404-1).

2018 training follow-up

	2018		2017		2016		2015	
Country	Hours	Cost USD	Hours	Cost USD	Hours	Cost USD	Hours	Cost USD
Belgium	58,050	2,881.9	43,713	2,767.3	30,350	1,885.7	30,638	1,963.5
Brazil	126,650	622.0	176,243	850.8	191,148	823.3	186,788	868.4
France	99,978	1,107.1	78,122	988.1	71,123	974.0	56,481	979.7
Germany	7,677	105.4	5,576	104.1	3,395	108.0	2,965	94.2
Italy	11,105	54.3	6,203	54.2	3,575	47.9	3,831	39.9
RoW	20,591	132.51	19,168	249.5	16,780	304.4	16,500	234.5
TOTAL	324,051	4,903.3	329,025	5,014.0	316,371	4,143.3	297,203	4,180.2

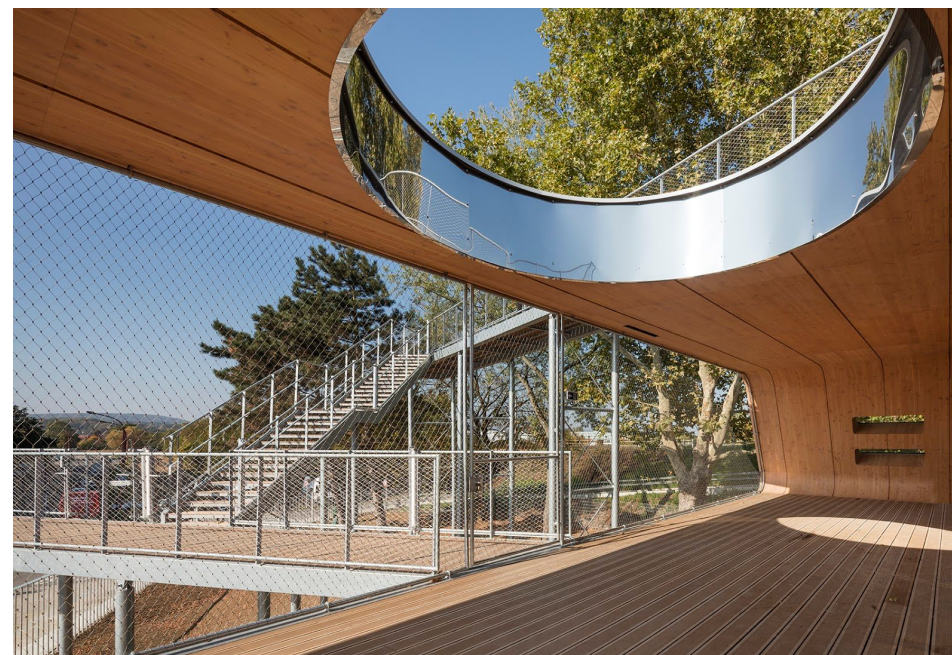
Aperam consolidated. Total of external training hours and spent reported, without internal costs (GRI 404-1)

2018 performance

In 2018, the training hours were almost stable compared to 2017 (1.7% decrease). This is due to a strong effort, particularly visible in Belgium (+25%), France (+22%), Germany (+27%) and Italy (+44%). The apparent reduction recorded in Brazil (-39%) is the reflection of the finalisation of very substantial programs focused on H&S and maintenance that terminated in 2017 on the one hand, and on several adjustments in the methodology, on the other hand. Such methodological difficulties (eg. number of hours considered for the H&S day at each site) will be solved in 2019 thanks to our MyLearning system and the homogenization of guidelines and workflows.

Based on existing reporting tools, we can already identify trends that reflect our new philosophy. For instance, we notice that the proportion of training followed through e-Learning increased from around 5% in 2017 to 16% in 2018. Furthermore, in 2018, Health & Safety accounted for 56% of total training hours in volume, consistent with last year's 55% and reflective of our continuous roll-out of

the SAFE training in Europe and its derivatives elsewhere. Next comes the technical areas, which account for 29% of the total recorded training hours. Soft skills (8%) and languages (6%) are also important topics, with ethics & compliance also increasing as we start to develop more learning within our compliance framework (see 47-48).



Media library, social centre and digital work space - Ropa & Associés Architectes © Luc Boegly
Executed using grade Aperam 304 with Uginox Bright surface finish.

2019 outlook

We will continue with the strategy depicted in last year's report, focusing on the key areas that will help our employees face the challenges of evolving jobs and to develop their ability to thrive in a constantly evolving industry. During the course of 2018, a key development in the Learning area was the preparation of several of the "Academies" that will structure our future Learning Management System. These Academies will rely on both internal content prepared in-house and learning modules purchased from specialised providers. When the new Learning Management System is launched, the following Academies will be available: Leadership & Management Academy (built around the 8 competencies of the Aperam Leadership Style), Digital Transformation Academy, Ethics & Compliance Academy, Sales Academy, and the IT Academy (IT for Information Technology professionals). The Health & Safety Academy will

be finalised and added shortly thereafter, together with the Legal & Finance Academy.

The first mandatory e-learning for all exempts will focus on the key Aperam Leadership style competencies (see p. 21), with each being presented by a member of the Aperam Leadership Team via a specific video. Exempts will also be required to complete a module on Cybersecurity, in-line with our digital transformation.

Induction of new teams

Previous reports elaborated on the way we organise the induction of joining exempts, having them visit our plants and providing them with a detailed introduction to the fascinating world of steel. In this report, we decided to promote the training efforts of our Châtelet unit as they added a new fourth team to the Hot Strip Mill (HSM).

■■■ Firstly, this decision triggered the need to hire and train almost 60 people. Training this many people disrupts schedules as it requires existing teams to run the production lines while, at the same time, also training their future colleagues. Furthermore, as the training program was built to achieve maximum efficiency, it incorporates a personal follow-up of the trainee using a combination of theoretical and practical lessons.

To illustrate this process we can look at Dorian, a 24 year old HSM team member who has been in the Aperam training program since May 2018. *"The training itself is intense and a bit tiring,"* he admits. *"We go from one pulpit to the other, we have technical training and also exams that we have to prepare for ahead of time - but the daily life is very enriching. The trainers also know their roles and their tools like the back of their hands!"* This testimony is illustrative of how our training by in-house experts is not only excellent in terms of technical competencies, it also excels at developing the human relations needed for more cohesive teams and long-term efficiency. This is why this good training practice will be extended to the new shift electro-mechanical technicians in 2019.

Dorian's final feedback is very positive: *"My job is very diverse and demands me to be polyvalent. I really like that, and at the end, thanks to the training provided on each and every step of the Hot Strip Mill line, I will be operational on the full process from the charging phase to the coiling station."*

Initially, the calendar indicated a startup of the fourth team as soon as April 1, 2019. However, the latest planning foresees this being postponed until September. Nevertheless, the training schedule terminates in May, meaning the fourth team will be ready to replace the three other teams during their summer vacations. This not only allows us to put the training into practice, it also means we can avoid using interim replacements that are less qualified and more expensive. Finally, it's worth noting that 23 of our prior interim workers have become permanent members of the new fourth team.



Training session for the electro-mechanics at Châtelet.

Human Rights/Inclusiveness: Raising awareness in Gueugnon



Aperam Gueugnon, in partnership with Sameth (support services for disabled employee retention) and Cap Emploi organised a day dedicated to raising awareness about disabilities in the workplace. The goal was to teach supervisors and staff with the CHSCT (hygiene, security and work conditions committee), HSE (Health and Safety Executives), Human Resources and health departments how they can better support

workers with disabilities in terms of professional integration and job retention. Sameth speakers defined and explained visible and non-visible disabilities, followed by a scenario-based workshop that helped supervisors understand how disabilities impact a worker's daily life.

By the end of the event, everyone felt confident in their ability to discuss disabilities, share experiences, and use what they learned to help improve the integration and retention of workers with disabilities. But Gueugnon's commitment to disability awareness in the workplace does not stop here, as it requires continuous vigilance and ongoing communication with the teams. To be continued...

Development

Although training is very important, the development of our people should be mainly done on the job, through real-life experience, management's regular feedback, peer advice and mentoring when necessary.

In this context, we pay a lot of attention to implementing regular patterns of feedback interviews and have integrated this procedure to operate within our new Human Resource Management Information System (MyHR) starting 2019 for exempts.

2018 Annual Performance Reviews

Rate	2018	2017	2016	2015	2014
Blue Collars	60%	68%	71%	65%	n/a
White Collars	67%	84%	90%	85%	87%
Exempts	98%	99%	95%	96%	95%
Aperam	68%	75%	77%	73%	n/a



Above: teams in Gueugnon.

2018 was a year of transition, with many of our resources dedicated to updating our processes and tailoring the new MyHR system. That being the case, and as seen in the table above, the apparent rate of annual reviews conducted during the course of the year went down from 75% to 68%.

This fall is mostly due to the severe decrease affecting the 37% of Aperam workforce that is based in Brazil: -12%.

However, this apparent decrease for the non-exempt population is due to the fact that the launch of the process was postponed to November and completed only in 2019. If we considered the figures at the closing of the process, in February 2019, we would report a +4% increase in the total number of performance reviews conducted in Brazil, which would impact the global rate and give an overall Aperam rate of 75%, fully comparable to 2017.

Besides, going forward, the annual reviews will be fully integrated within the processes run in our MyHR system. The rollout will be starting with Brazilian white collar non-exempts in 2019, followed by a wider deployment.

As a result, we are confident that this apparent decrease is just a temporary reflection of the changes happening at Aperam and that we will be back with high completion rates in 2019-2020.

Career: Alex, Head of Production S&S BeNeLux (Genk)



Alex joined Aperam in 1995, coming from the construction sector. Although he was already an electrical technician, he didn't have experience in the industrial world. But after just two months of training, he was working as a machine operator. *"It was quite exciting to start as a machine operator on the first cut-to-length line at the brand new service center,"* he recalls. When the new machines arrived, he helped train the new arrivals, becoming the line responsible.

By 2000, Alex gained responsibilities as the Shift Coordinator, where he continued to operate the machine together with his team. By 2002, he was promoted to Shift Supervisor, responsible for the production organisation and managing about 20 people. And by 2010, he was invited to move to an off-the-line job, as the Technical Occupation Planner. *"It was a little hard to make this decision as it would change my daily activities - being mostly off the floor - and take me away from the people on the shop floor,"* says Alex. *"But one needs to accept every opportunity to move further in life, so I accepted."* Although he missed the production floor, Alex quickly adapted to his new job and learned to appreciate the work from his former team members from a different point of view. By the end of 2017, Alex had become the Head of Production, where he leads and supports a team of 70 people to whom he is available and supportive. *"My day basically consists of checking the status of previous shifts, identifying and - if needed - solving problems to make sure everything is in place to have a safe and productive day,"* he says. *"I feel that I have a very diverse and stimulating job, as every day brings new challenges."*

To keep his team motivated and in good working condition, Alex says he treats them as he expects to be treated himself. In other words, he treats everyone with respect. *"Respect for their development needs, working conditions, work/life balance, etc., my main objective is to always ensure that after the working day, every member of my team can return home in good health,"* he concludes.

His tip: Be open minded, approach problems in a positive way, be a part of the solution and don't be afraid to make decisions.
Above all else, believe in yourself!

Recognitions

In South America again...

Over the past few years, we have been proud to celebrate the recognitions granted to our Brazilian unit, which has been repeatedly named one of Brazil's best employers. This year, we are again pleased to confirm Guia Você S/A magazine selected Aperam as one of its "150 Best Companies to Work", placing second in the siderurgy sector. But we have more awards to report! So many that we don't have enough room to report on them all, so let's highlight only a few. For example, Guia Você, together with Exame and FIA, listed Aperam as one of the 45 best companies to start a career (18 to 26 y.o.), and Exame's Sustainability Guide named us as the second most sustainable company in the 'Mining, Siderurgy and Metallurgy' category. According to Gestão RH, Aperam South America is the best company of 2018. And after evaluating 1,000 companies based on transparency, human capital, sustainability, governance and corporate citizenship, HDI (Human Development Index) named us the "Best company to work" and "Largest and Best Companies of Brazil".

... and Europe too

Similar recognitions are also coming from other parts of the company, demonstrating how our entire organisation is dedicated to ensuring a good experience for all our staff.

For example, in 2018, French magazine "Capital" listed Aperam among France's best employers. The magazine asked around 20,000 respondents from companies with over 500 employees to rate whether they would recommend their employer to relatives and what their opinion was regarding other companies. In 2017, Aperam was ranked 6th within the metal-sector "Heavy Industry & Metals". By 2018, according to the latest report released in February 2019, Aperam has climbed to the #3 spot.

Talk about encouragement to use best practices to go even further along the path we have defined for ourselves!



Aperam South America management receiving the award again in 2018 with, starting from the left: COO Frederico Ayres Lima, Carolina Majuri (Aperam Finance), Humberto Marin (Head Timóteo Melting shop), Layane Gomes and Luiz-Otávio Procopio (Aperam South America Human Resources).

Voices

"Our success depends not only on our ability to attract diverse talent, but also on our ability to keep our talent motivated. The latter requires us to provide ample learning opportunities and an organisational structure that makes the most of individual competencies while also fostering true teamwork.

The best advertising for Aperam as an employer is the feedback of existing employees - and we work hard to earn their trust and recognition and continue to improve every single year."

Frederico Ayres Lima

COO Aperam South America



Our Planet

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

Although Aperam is an industry leader in sustainability, we continue to strive to improve. With our new 2030 milestones already set in terms of air and water, and those for energy and CO₂ to be released shortly, our goal is to minimize the impact our production processes have on the environment and our neighbours. We are proud to provide the world's "greenest stainless steel" and to be at the forefront of improving our industry's reputation for sustainability.

Industrial Footprint

Energy and CO₂

Carbon footprint

Performance

In the steel sector, which is one of the most energy-consuming sectors, Aperam's CO₂ footprint ranks among the best.

This performance is driven by two elements: our low energy consumption, which impacts our Scope 2 carbon emissions (see below) and the fact that we use charcoal in our Brazilian Blast Furnaces instead of extractive coke, which reduces our Scope 1 emissions. Although the standard steel-making process demands that carbon be added during the melting process, Aperam has invested heavily to adjust its blast furnaces and processes. This process started in 2009, when our blast furnaces began accepting carbonised (eucalyptus) trees instead of mining coke, and continued in 2017-18 when we stabilized the hearth, whose consistency is rendered more tricky by the tendency of wood charcoal chunks to disaggregate.

As a result of these efforts, our Brazilian operations have seen their CO₂ footprint decreasing from 1.05 tons per ton of slabs in 2008 to 0.42 tons in 2018. At the Group level, our 2018 (scope 1+2) CO₂ footprint now stands at 1,125 kilo-tonnes (781 +343 kt) or 0.492* t/ tons of slabs⁷, in line with last year's performance. This is a 34% decrease from 2008 and close to our 2020 objectives (-35%), giving us the

⁷ ISSF 2016 average footprint 0.94tCO₂e/tcs (latest information available)

claim of producing "the world's greenest stainless steel"- GRI 305-1, 305-2, 305-4, 305-5.

Forests and Carbon off-set

As we have considered it our duty to focus on our industrial footprint, historically we have not studied carbon offset via CO₂ sequestration (beyond what our forestry naturally does). Our carbon footprint reported to the CDP is calculated according to the current standard (enacted by ISO 14404 and supported by our professional organisation WorldSteel), whereby the process considered from forestry to consumption in the form of charcoal is supposed to be carbon neutral.

However, for us, this does not reflect reality as our BioEnergia forestry is actually carbon positive, with the leaves and branches falling to the forest floor degrading into humus and feeding the local flora.

Considering the exact carbon retention of eucalyptus and CO₂ emission of charcoal in calculations, we actually improve by 10% at least the carbon footprint of our products made in Brazil. In addition, we consider that we stock with our well-managed forests four times more CO₂ than what we emit annually company-wide. This is also how we participate in the fight against climate change.





Our FSC-certified BioEnergia eucalyptus forestry, in Mas Garais (Brazil), from which we produce renewable charcoal to replace extractive coke in our blast furnace operations.

Voices

“86%⁽¹⁾ of Aperam employees consider us to be an environmentally-responsible company. We always aim for more than compliance, and we are very proud of our ability to produce metal solutions that rank among the best, with a record CO₂ footprint. To stay ahead, we are setting up targets that encourage our people to creatively look for clever solutions that will reduce our industrial impact even further.”



Laurent Piranda
Aperam’s Head of Environment & Industrial Risk

Aperam’s environmental footprint at a glance

Indicator	Unit	2020 target	2018	2017	2016	2015	2014	Page
Energy consumption (by source p.28)	GJ/ tcs ⁽²⁾	-10% intensity vs. 2012 ie. 12.2	12.5*	12.4*	12.8*	12.8*	13.0*	§ Energy p.28-30
CO₂ emissions	t / tcs ⁽²⁾	-35% intensity vs. 2007 ie. 0.49	0.49*	0.49*	0.58*	0.54*	0.48*	§ CO ₂ p.25-27
Dust emissions	t g / tcs ⁽²⁾	- -12% intensity vs. 2015 ie. 211	203* 89	343.2* 151	549.8* 242	520.9* 240	441.8* 213	§ Dust p.31-32
Recycled input	%	n/a	29	27	27	30	28	§ Waste & Recycling p.34
Wastes (landfilled)	kt	Zero waste for landfill	121	116	115	103	110	
> Reuse rate	%	100% reused /recycled	93.3	94.2	93.3	93.5	93.4	
> Wastes: hazardous	kt	Zero waste for landfill	52	51	51	36	54	
> Wastes: non-hazardous			69	65	65	67	56	§ Water p.33-34
Water consumption > Intakes (by source p.34)	million m ³ m ³ / tcs ⁽²⁾	-5% vs. 2015 (ie. 21.1 millions m ³)	22.7* 9.9	22.6* 10.1	23.0 10.1	22.1* 10.2	22.3* 10.5	
> Water recycling	%	n/a	95.6	95.3	96.3	95.4	95.5	
Water discharge	million m ³	n/a	15.9	15.8	14.9	14.7	16.9	
> Suspended solids in water	t	n/a	154	390	355	204	379	
> Metal discharge in water		n/a	5.5	8.1	7.6	6.4	10.7	

GRI 302-3 305-4 305-7 303-3 306-2 303-4 - *Data highlighted with a star have received external assurance.

(1) as per last Climate Survey, (2) tcs = ton of crude steel

Impact of Carbon markets

All over the world, a growing number of jurisdictions are setting up incentives to encourage companies to cut their CO₂ emissions. Currently, only our European operations (which represent 68% of our Scope 1 emissions) were subject to such rules in the form of fixed CO₂ emission allowances (or quotas), and there is no indication that a comparable system will be established in Brazil in the near future. Based on current assumptions and ETS rules, we do not anticipate an overall shortage of free allowances before the mid-2020s.

However, to support the transition to a low carbon economy, Aperam is among the few companies in our industry to have implemented an internal price for CO₂ (based on scope 1+2 emissions). This internal price has been applied to all planned investments since 2016, meaning our profit calculations include the financial impact of our carbon footprint.

For 2018, we applied a price of EUR30/t. We constantly review and adjust the price if necessary to maintain the CO₂/t savings incentive in line with our stated targets.



New kiln at our BioEnergia charcoal-production unit, allowing a 30% increase in production.

On the CO₂ front, in 2018 we can report the inauguration of two new pieces of equipment at our BioEnergia unit in Turmalina: the world's largest furnace for charcoal production (see picture) and a gas burner capable of reducing smoke emissions to the atmosphere. Both place the Company in a prominent position thanks to their use of innovative, sophisticated and sustainable technologies to produce a high quality final product, along with gains in standardization and charcoal costs. This contributes to our blast furnaces ability to operate with quality charcoal instead of extractive coke, thereby producing the “world’s greenest stainless steel”.

That being said, with no technological breakthrough capable of substantially changing the carbon intensity of our industry in sight, our focus remains primarily on our charcoal usage (see above) and energy consumption (see next section), which gives us one of the best carbon footprints of the sector.

Scope 3 and total footprint

In addition, we continue to monitor some of our Scope 3 emissions, primarily those related to our transport and IT emissions. In 2017-2018, our Scope 3 footprint related to transport and IT, as reported to the CDP, was at 547 kt of CO₂e and 6.0 kt of CO₂e respectively (GRI 302-3).

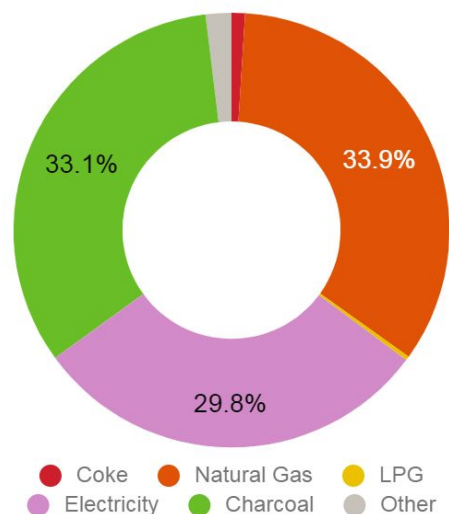
In a 2015 report, our professional association the International Stainless Steel Forum (ISSF), published estimates regarding Scope 3 CO₂ emissions related to the raw materials used in the process. According to their study⁸, the production of the ferro-alloys needed to elaborate one ton of stainless steel from pure raw materials (including the energy needed to refine such materials) corresponds to a CO₂ footprint of 4.2 tons. Furthermore, based on these calculations, the key to reducing such emissions is the use of stainless steel scraps: ISSF estimates that a 50% share of stainless steel scraps would cut this 4.2 footprint by 52%, resulting in a lower (scope 3) ferro-alloys footprint of 1.92 tons of CO₂.

This means that a stainless steel maker relying only on these extractive raw materials would incorporate in one ton of its products four times more emissions related to the pure raw materials used than the average ISSF Scope 1+2 emissions related to the *processing* of such materials.

This also means that the best way to cut emissions is to reduce the share of extractive raw materials to a minimum and rely as much as possible on recycled stainless - which is what Aperam does (see p.35).

⁸ Stainless Steel and CO₂: Facts and Scientific Observations (ISSF, 2015)

Aperam 2018 energy split (%)



Mix effect

Our energy intensity depends not only on our efforts to optimize consumption, but also on the metallurgical blend we produce as not all metals melt at the same temperature. Furthermore, when we “sophisticate” our products during downstreams operations, such as when we give them a bright surface finish or transform them into wires or tiny precision strips, we use more energy than for semi-products. However, the volume of initial crude steel remains unchanged, which impacts ratios. This means that our strategy to create more high added value products requires us to remain even more ambitious on our energy efficiency

Energy

Our approach and 2018 performance

Steelmakers are big consumers of energy, but not all can boast of having 37% of their energy mix (see next page) coming from renewable sources, most notably charcoal biomass. Still, Aperam is continuously striving to improve its energy efficiency and in-line with our -10% 2020 target, using three types of initiatives:

- New technologies, like Alternative Current (or asynchronous) motors,
- General process optimisation,
- Specific energy optimisation (fatal energy re-use, etc.)

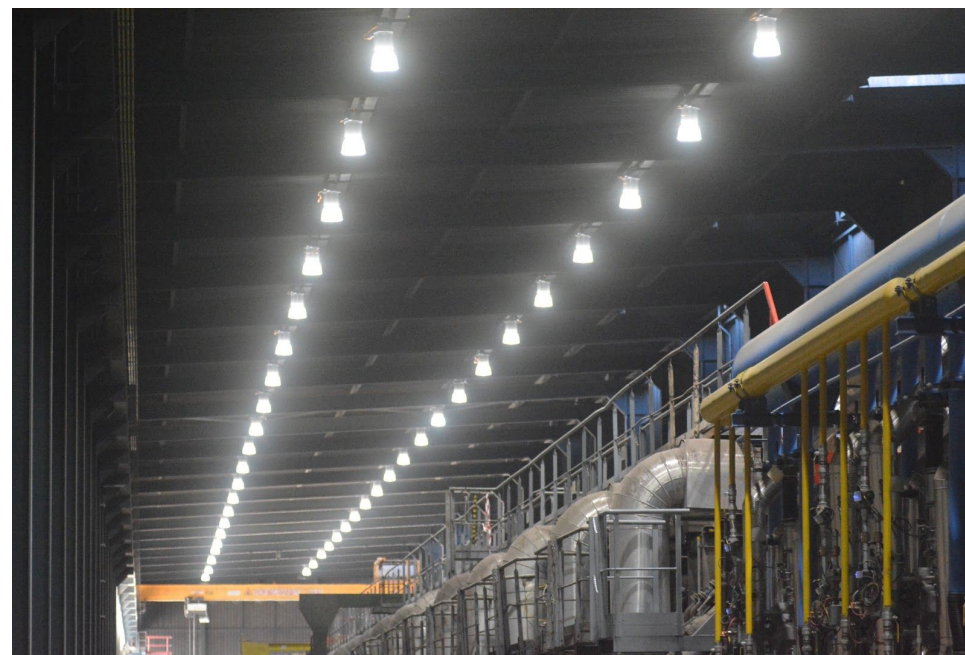
In 2018, Aperam gave even more support to its energy saving efforts. An example of this can be seen in the Energy Saving projects within our “Industrial Innovation” program that aimed to accelerate the implementation of new, and sometimes not widely used, technologies at Aperam. Among the more successful of these were an initiative to replace lights with energy-efficient LED lights, the use of Variator Speed Drives (VSD) and a study on Process Optimization (see below). Overall, in 2018, we report a slight increase in our consumption in terms of absolute value (+1.9%), but our energy intensity is stable at 12.45*GJ/ton of crude

steel, in line with last year, with an increase in Brazil almost offset by improvements in Europe. This gives us a -8.2% decrease, compared to our 2020 objective of -10%. In other words, we are well on track! (GRI 302-3, 302-4)

More details regarding our projects

> **LED lighting projects** replace old and obsolete lighting technologies (Sodium or Metallic Vapor) with LED lighting. This change will result in a 50 to 60% savings on electricity consumption, enhance the health and safety of our people thanks to better light quality, and reduce maintenance costs. It will even have an indirect positive impact on product quality and equipment reliability. This switch is being implemented at three sites, each of whom use their own approach, as part of the Industrial Innovation program or as local project.

Between the three sites, about 2,500 lamps were replaced in 2018, with 2,600 more set to be changed by the middle of 2019. As of 2018, this project has already resulted in an annual energy saving of about 4.3 GWh. In 2019, other sites (Châtelet, Gueugnon, Isbergues) will accelerate their switch to LED lighting using the learnings derived from the Service Contract model tested at Pont-de-Roide. Overall, we believe that a 1.5% saving in electricity can be achieved with this project.



The new LED-enlightened halls in Genk.

> **Regarding general process optimisation**, we have several active programmes in place. In Europe, we are rolling out strong management systems, often through ISO 50001 certification, while in Brazil this is done with the help of the Viridis System. In addition, since 2017, we have been running a reliability-focused project that is fostering significant energy savings. This is because unplanned stoppages generate heat losses, which in turn demand warm-up energy during restart and result in a much higher consumption than what is used during a normal run. This project continued to progress in 2018.

More significant is our use of VSD and high performance motors. VSD brings energy savings by running motors at the exact power level that is proportional to the activated load. This is in sharp contrast to traditional systems, where motors run all the time at nominal power even if there is no particular effort requested by the process. Our use of VSD is expected to result in a saving of between 40 and 60%. The key projects implemented in 2018 were the dedusting systems at Timóteo (EAFs) and Chatelet (AOD), both of which were concluded in Dec 2018. Together, these two projects will save 14.6 GWh/year.

> **In terms of specific energy optimisation**, we can recall the re-use of blast furnace gas (BFG) at the Timóteo site. The project focused on replacing Natural Gas with Blast Furnace Gas on the Ladle Heating process at Melt Shop, thus increasing the site's use of BFG and reducing its losses. The project also included improvements to automation and control, reliability, work conditions and safety. It became a truly innovative solution once a flex burner was developed.

The project, which concluded in 2016, was awarded for its efficiency and innovation. Since its implementation, it has generated 61 GWh/year. Today, we use around 90% of the generated BFG, but there are several studies that aim to further increase its use and completely eliminate the need for such flares as Metallic Charge Drying, New Steam Boiler, and Regenerative Burners on HRM.

■■■ We mentioned in the last report that our Isbergues site had also launched a study on fatal energy. After an in-depth analysis, 43 sources of fatal energy had been identified but only a few viable options stood out. Among these was the design of an urban heating network for the nearby cities based on the heat recovered from our Recyco unit and Weee Metallica (one of the host companies) furnaces. This concept has been discussed from the start with the various stakeholders, including Regional Authorities but in 2018, the project was refined and an additional nearby city integrated into the discussions.

According to the latest scheme, an external operator needs to be found to invest around EUR 10 million into catching the fatal energy in the form of heat, transforming it into power and distributing it to the users. Aperam entities and other hosted companies of Isbergues site would purchase this energy, and so will the neighbouring cities that intend to heat their public buildings from the power.

Prospecting is also under way to identify greenhouses that could use the heat to produce soilless vegetable cultures and bring more activity to the area. Current schedules aim to get the final profitability analysis for the project by October 2019 and decide on the way forward.

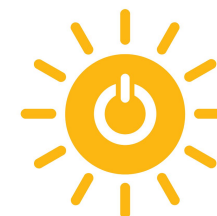
Energy

37% Renewable energy
used in 2018

-8.2% Consumption intensity
vs. -10% target (2012 basis)

2030 target in preparation

**7 AFFORDABLE AND
CLEAN ENERGY**



Participation in the Alliance Program

In 2018, an important initiative for the Timóteo site was its participation in the Alliance Program (Programa Aliança). The program, a voluntary partnership between the Brazilian industrial sector, CNI (Brazilian National Confederation of Industries) and government agencies, aims to promote energy efficiency in energy-intensive industries like ours. The ambition is to cover 100 big industrial sites by 2022 and achieve at least a 5% reduction in energy intensity of these companies.

The main objectives of this program are: implement an Energy Efficiency program with measurable and permanent results; reinforce the institutional public-private partnerships to promote energy efficiency; and internalize specialized technical knowledge in Brazil. The 24-month program began with several studies focused mainly on process optimization to save energy in some selected processes. The studies, which lasted three months, were conducted jointly by Aperam and specialists hired by CNI. During the remaining 21 months, Aperam is counting on the support of CNI's specialists for the implementation of the identified and agreed upon opportunities, which represents a potential savings of 13 GWh/year.

The program's costs are shared between Aperam and CNI, using subsidies from a governmental agency (Procel, Eletrobrás, Ministry of Mines and Energy).

Voices

“ We aim to further improve our energy-efficiency looking to best internal and external practices and innovation.

We are preparing a bold target for 2030 to ensure a continuous improvement of our energy intensity. ”

Alain Menec

Aperam's Global
Environment & Industrial
Risk Coordinator



■■■ Following the construction of windmills at our Genk site, we are happy to report that our Châtelet site installed photovoltaic panels (365 Wp per panel) on the roof of the Hall 3 (see picture) during the summer maintenance period.

These 1,368 panels began operation at the end of November 2018 and should produce over 421 MWh of energy during the first year.



Overview of the Châtelet site with the Hall 3 identified in red.



View of the Hall 3 in Châtelet (above)
Installation of the photovoltaic panels by proud teams (below).



Dust and Air Emissions

In our discussions with local stakeholders, dust (rather than more general air emissions) remains the key topic. This is why we do not consider it sufficient to simply comply with local regulations. A few years ago, we set up an initial target of a -12% reduction in the intensity of our ducted dust (compared to 2015). In doing so, we aimed to address the legitimate requests of our neighbours and trigger new momentum on the improvement plans being prepared at our sites.

The best example of such improvement plans is our two Belgian melting shops, who have developed high quality routines for the efficient management of dust emissions (see previous reports). By ducting the dust, this process aims to send it to our Recyco unit where its metallic content can be recovered. They are also continuously reducing our diffuse dust emissions, adding roofs or walls (see next page) to prevent the dust from spreading to the surrounding neighbourhood. Our other Aperam units are beginning to apply these best practices, in line with our 2016 roadmap and methodology, starting with the intensification of measures and an enhanced maintenance of our dedusting units.

Summary of recent developments

■ In 2015, our Timoteo unit, which is our largest unit and the only one operating blast furnaces, represented around 90% of Aperam's total dust emissions. Thus, it is our primary focus. Knowing the difficult conditions they operate in, with their blast furnaces loaded with charcoal, in 2016 we engaged an external consultant to study and identify the priority systems to be enhanced. Using a stress test (in worst conditions) to estimate the limits of our tools, it identified the key areas of focus to be the charcoal loading/unloading systems, conveyors, blast furnaces and melting shop.

> In 2017, short-term actions were launched on critical chimneys and our main dedusting systems. Key achievements included the full covering of charcoal conveyors, replacement of clogged or leaking ducts and many (thousands!) filtering bags, and maintenance for the blast furnaces' dedusting installation.

> In 2018 we adopted a five-year roadmap with carefully phased revamps of installations and related investments, significant reengineering and planned production stoppages. During the course of the year we changed a number of dedusting sleeves and conducted closer surveillance (using cameras connected to our new Integrated Control centre) of the key chimneys to keep the installations in good condition until a full refurbishment can be made. With this first action plan, the dust intensity of the unit was cut by two thirds (based on 2016 levels).

■■■ At our Imphy unit, the situation is different: there is no charcoal being used, but there is a slag yard close to residential areas. Like our Timoteo site, the actions undertaken at the Imphy unit during the course of the year are part of a multi-year roadmap and focus on three actions: increasing monitoring, reducing diffused dust though enhanced capturing and re-organising the dust-emitting treatment previously handled at a nearby yard ("Val-de-Loire").

> In our 2017 Report, we announced our decision to hire a new contractor that operates a few hundred kilometers away from the plant. The objective was to dismantle the treatment workshop situated on the yard and reallocate the building for other uses (making all adjustments needed to tackle residual noise or dust). This plan was put into action and in May 2018 we began the slag treatment with our new subcontractor.

> As to the rest of our plan, a lot of progress was made in 2018 in regards to the ramp-up of enhanced measuring and dust channeling. For instance, there has been a new ducting system on the bucket preheating workshop since January and, as of October, complementary continuous measuring has been in place (outflow and dust concentration) on the four grinding machines. This adds up to the continuous measuring we set up in 2017 at the melting shop.

In 2019, we aim to improve the channeling of the dust at the oxycutting station (January) and revamp our Electric Arc Furnace dedusting system (summer stoppages), the latter of which will require substantial investments. All the dust collected in bag filters will be sent to our waste-to-value Recyco subsidiary in Isbergues, where precious metallic content will be extracted. In addition to the ducted dust monitoring, we have been following-up on dust fallouts since 2014: on six points in the urban area surrounding the plant (monthly) and analysing our air emissions in detail during two campaigns lasting one-month each. All our monitoring confirms that we are in line with our permits.

Dust

2020 target exceeded

2030 target 70 g/t^{NEW} ie
-20% intensity vs. 2018

11 SUSTAINABLE CITIES
AND COMMUNITIES



Further improvements in dust emissions

> Thanks to all these actions, we are happy to report that our reductions in dust emissions exceed our initial targets.

For 2018, the total group consolidated emissions using regulatory methodologies indicate a -61% reduction over 2015, with 203* tons emitted (ducted and partially diffused), compared to 343* tons in 2017 (a 41% decrease!). This figure corresponds to an 89 g/t cs dust emission intensity, an almost 50% reduction since last year (GRI 305-7).

This figure is demonstrative of the impressive results brought by our multi-year, company-wide programme, primarily focused on Timóteo and Imphy. These excellent results confirm that we have adopted the right methodology to drastically cut air emissions and trigger new momentum towards reaching even more ambitious goals. Based on the benefits gained from the methodology used and the investments realised or foreseen, we decided to further reduce our target to 70 g/t as the maximum level of dust emissions intensity by 2030, which is an additional -20% reduction compared to our 2018 performance.

> Consistent with these figures, our stress-test simulations, which take into account the abnormal conditions of dedusting installations, have also significantly decreased, amounting to 332 in Brazil (down from 377 in 2017). We are confident this improvement will continue in 2019-2020, thanks to the upgrades already planned at key installations, more frequent preventive maintenance actions and the enhanced awareness among production teams.

In Europe, we also exhaustively monitor NOx and SOx (see below) to ensure full compliance with local permits and national regulations.

> As our performance continues to progress, we will get a more complete picture as new monitoring is being set up at our plants according to our strategy.

NOx/SOx emissions (Europe) GRI 305-7

tons	2018	2017	2016	2015	2014
NOx	604	910	783	917	844
SOx	85	48	55	83	75

Right: A glance at the operations in progress on the Châtelet slagyard, before the construction of the building (2017-2018)



Best practices from Genk



Our Genk plant is located near the city of 66,000 inhabitants. For many years now, the site has been improving its dust emission, thus further reducing its impact on its neighbours. The levels of dust and their metallic concentration are permanently measured at several locations around the plant. Over the years, Genk has continued its award winning (ISSF sustainability award in 2015) approach to further reduce its impact via an extensive action plan. The actions relate both to the reduction of ducted emissions (filters, stack) and diffuse dust, always based on scientific

analysis.

In 2017- 2018, an additional wind protective screen was installed and commissioned in the area of the slag yard. This helps reduce not only the noise coming from the scrap yard, but also prevent the diffusion of dust emissions, as the residential areas are mostly downwind from this area. Equipment process optimisations for the continuous caster and torch cutting machine have also been executed, thus further reducing the amount of metals emitted into the air.

Water

Metallurgy plants have always been located near the rivers as they use the water to cool down equipment. Except BioEnergia that is monitoring very strictly its water consumption (see previous reports), our units are not located in water-stressed areas - see next page the split of our water sources.

However, over the past few years our engagement with local stakeholders has confirmed the growing concern expressed by society as a whole with respect to climate change and its impact on water availability. This is why in 2015 we defined a target of a -5% reduction in water consumption by 2020 (compared to 2015). In parallel, the more severe seasonal variations fostered by global warming adds additional pressure. This is reflected in the fact that some of our sites (Isbergues and Pont-de-Roide) have been officially notified to reduce consumption during the particularly dry periods of the summer 2018.

Within this context, we aim to raise the bar and ask for stronger action plans. After analysing the results and determining which technical developments are possible, we decided to set up a new, bold objective for 2030: to reduce our water intensity consumption by -43% compared to our 2015 baseline.

Due to its significant contribution to the group's overall water consumption, our Timóteo site - the biggest within the Aperam Group - must make the biggest efforts, whereas our other sites will continue their ongoing improvement. Our Timóteo site is located next to the Piracicaba River. It uses up to 1980 m³/h of water on average. The plant has planned various projects through 2023, each of which aims to help reduce the site's water intake by 40% (by 2023, compared to 2018). This effort involves a number of investment projects, with a total cost of a few million euros.

Eucalyptus and Water

Like any vegetation, eucalyptus needs water and nutrients to survive. Studies demonstrate that it consumes the same amount of water as native forests. In addition, our eucalyptus come from selected cloned saplings.

As a result, they present higher biological efficiency than other agricultural cultivations, ie. they produce more timber from less resources. As an illustration, 1,000 liters of water can give 400g of cerrado wood but almost 2.9 kg of eucalyptus wood.

In addition, the selection process deprives our eucalyptus from the so-called pivoting roots that only can reach water tables. As a result, our forests rely on superficial layers of water for a fully sustainable use of local resources.



Canal near Isbergues

Water

Improvements not sufficient so far

Consumption intensity vs. 2015

-5% target 2020

-43% target 2030 **NEW**

Water Consumption

After continuous decreases between 2012 and 2015, in 2016 our consumption of water increased by 3%. Since then it has been stable, with consumption intensity up by slightly more than 1% in 2018 vs. 2017, at 9.9m³/ton of slab. Some of our sites are improving, such as Imphy, which discontinued the use of old equipment that operated with an open circuit. As a result, the site improved its water recycling rate by 1.7 points, reaching 96.3% in 2018.

Overall, our rate of closed circuits stands at 95.6% in 2018, slightly better than last year, although this is below our best performance of 96.3% in 2016.

■■■ In our last report, we mentioned that the Isbergues site conducted a full study with an external company and the French Water Agency. Currently, there is a rainwater collection system on a 27 hectares area and two water intakes from the canal that feed the various operations on the site, including non-Aperam companies. The site is below Aperam's average in terms of water recycling ratio, even with Recyco reporting an excellent 99% rate. The situation is clearly complex, and based on the conclusions of the study received in January 2018, it has been decided to address it using a phased approach. In particular, all topics related to recycling water from the sludge treatment station will be put on hold until the end of the current contract with our subcontractor (2021). In the meantime, the decision was made to tackle two priority topics, namely a back-and-forth motion device that handles intakes from the canal and an outdated rainwater discharge system. A specific study will be conducted in 2019, in partnership with the French Water Agency, to ensure that the important investments at stake (EUR 1-2m) bring maximum benefits. In particular, we believe that a well-designed new system could significantly cut intake by improving the water recycling ratio. In parallel, a different study, also to be performed in 2019, will evaluate the measures needed to improve the quality of the water we recycle so that it is equivalent to that of the canal. First improvement works could start in 2020.

Water Quality

In terms of water quality, which we started to report publicly in 2016, we constantly treat our effluents and monitor our discharge into the nearby rivers, sometimes conducting daily sampling and analysis of pH, temperature and turbidity. Overall, our indicators (water discharge in volumes, particles of suspended solids and metals in water) decreased in 2018 versus 2017, but more work is necessary to improve performance to meet our new 2030 target.

In 2018, we had several instances of water discharge not meeting our permits' specifications. These incidents, which occurred at our Châtelet and Gueugnon sites, were identified either through visual detection, audits or chemical analysis. Although there is no reason to believe that these regrettable incidents had a significant impact on the natural environment, they led to official claims from the authorities, which we responded to diligently.

■■■ In the case of Gueugnon, our water treatment station is equipped to treat all diluted residues coming from our production baths in accordance with our permits. Unfortunately, two significant non-conformities of our water discharge into the river were identified in 2018, which led to a formal notice from the regional authorities (Prefecture).

The first event happened in January, when the weather conditions caused the Arroux River to flood, impacting both the town (embankments under water) and our plant, with some of our storage areas containing oils and steel scale being flooded. An immediate containment action was put in place by the unit. The second problem was identified during an audit by the Environmental Agencies, which highlighted the fact that some hazardous products were still being stored too close to the river. To prevent further problems in case of climatic events, it was requested that the storage basin be cleaned up and one of our water discharges be closed. The authorities asked for a full action plan, including verification of the waterproof layer of the containment and storage basins. Our root cause analysis spotted a few operational mismatches, and new procedures were put in place specifically to avoid any repeat incident. The site estimates that the adaptation measures requested will be completed by summer 2019.

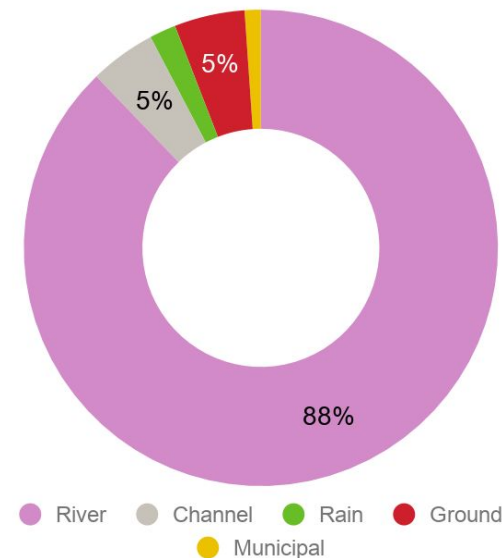
■■■ In Châtelet, two distinct incidents were identified on the canal that runs along our plant. No damage was identified to the flora and fauna, but these incidents led to minutes established by the local authorities, which could lead to penalties to be paid by the company. While the root cause has been clearly identified at our Châtelet plant in the first case, in the second one (November), Aperam actively contributed to solving the issue even though our direct responsibility was not established (there are other industrial activities performed along the canal). However, as soon as the situation (a 700-meters long oily sheet on the Sambre River) was known, the unit organised a comprehensive action plan that involved stopping all production equipment, giving notice to the concerned authorities and

conducting a comprehensive review of the valves and other possible sources of leakage. We also stopped all rainwater rejection using special inflatable balls set up by specialised divers and arranged for the pumping off of the sheet of liquid using special vacuum trucks and skimmers, a process that took four days. Finally, we used a dispersant (reference given by civil protection coordinator) to break the carbonated chains of the pollution sheet and wipe off the last traces of irisation. Overall, the intervention cost over €60,000. The swift and efficient way our unit responded to the situation was even recognized by local authorities, who invited our team to discuss Aperam's approach to accidental pollution during a conference organized by the Sambre River Association on this topic.

Based on these incidents, Aperam will rethink its overall pollution and water discharge management strategy for its main sites, with the aim of further enhancing our across-the-board standards for equipment and procedures. First Company-wide standards will be finalised in the course of 2019 in this field.

2018 Water intake by source (m³ and %) GRI 303-3

22.8* mio m3 consumed in 2018



Below our efforts to contain and absorb the irised layer in Châtelet.



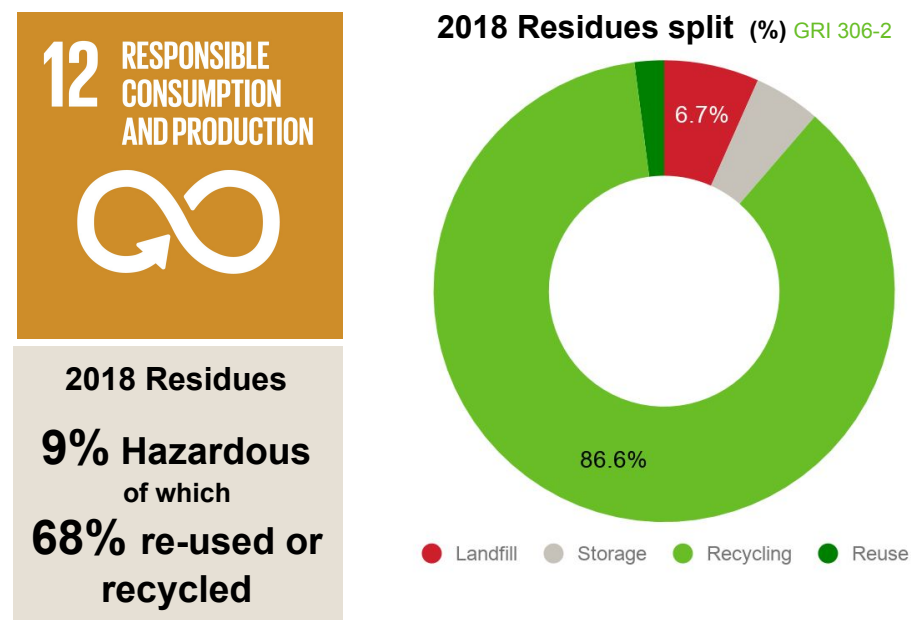
Waste & Recycling

We like to present ourselves as a recycling champion. Firstly, because we produce metals that are endlessly reusable, secondly, because we use a large amount of recycled materials in our production process and, finally, because our Recyco unit recovers the metallic content from the dust created by melting shops so it can be sent back to their furnaces. Recyco not only works for Aperam, but also for third parties from the steel industry. On top of that, Recyco was built re-using the tools from our former Isbergues melting shop that were left idle after its closure in 2006.

This is all in line with our aim to become a zero-waste (for landfill) company. In 2018, 28.6% of our overall production input of 5,876,691 tons came from recycled sources (+2 pts versus 2017), **GRI 301-2** and less than 7% of our by-products were sent to the landfill, with the remainder being reused, recycled or stored for future recycling (see graph, right) **GRI 306-2**. In terms of metal input, some of our products contain over 80% metallic scrap. This is especially true for the stainless steels melt in Genk and Châtelet, with our austenitics often reaching levels beyond 88%. However, some of our by-products, such as acids or specific treatment mud, are still waiting for a viable technical solution to neutralize them and a market where they can be sold as a possible production input. We already mentioned in previous reports that our Timóteo unit is continuing to excavate residues stored in 1970s. In 2018, they again recovered some 11.3 kt that was previously engraved. Clearly, these efforts and patience have paid off and, thanks to the joint work of our technicians, Aperam R&D and some external partners, some tricky wastes will soon be reusable.

■ ■ ■ Within the framework of its environment policy and waste recovery project, the Châtelet unit contributed to the 4th edition of "Cleaner Wallonia" by cleaning up the site. Two time slots were made available in March 2018 for people to participate. A sign up sheet was sent to the inbox of all the employees and 60 people volunteered to take part. The Environment team prepared all practical details in advance so that the various participants could be quickly paired off and equipped with cut-resistant gloves, a grey sack for cans and other bits of metal and an orange sack for other rubbish. *"This was a very successful clean-up and we collected 50 sacks of rubbish in two hours - as well as used pallets lying around the site. I would also like to highlight the contribution received from external companies,"* says Yves Bernis, head of Environment in Châtelet. The various items of rubbish were later taken to the right recycling point, by the site's facility Management, some sent for incineration, all plastics, metallic and cardboard containers to their designated sorting site and finally, the cans and other bits of scrap directly to the plant's electric furnace. The next campaign took place in March 2019 (See picture to the right).

■ ■ ■ Talking about the first two Rs in "reduce, reuse, recycle", to help avoid waste, S&S Campinas took several new actions in 2018. Firstly, they cut the amount of felt used in the production process (to avoid dust deposits between the plates) in half. Instead of disposing of the felt after each use, it is now cleaned (twice on average) and reused in the process. The unit has also developed a method for recovering slightly damaged plates by grinding and cutting them in the Recovery Center. Once these new parts are optimised as first choice products, they can be used to address our customers' needs, offering the best quality and price. This action avoids scraping of about 2% of some of our specific products and has contributed to a more sustainable use of materials and energy.



Motivated teams during the Cleaner Wallonia Day in Châtelet.

Other Initiatives

Industrial Risk

In previous reports, we discussed the frequent exercises and simulations that we run at our sites. This year, we want to report incidents that occurred at Châtelet and the subsequent company-wide program that the event triggered.

■■■ On 9 May 2018, there was an explosion at the Châtelet site's oxygen station. As the explosion caused a small fire, all employees and the surrounding population were alerted. The installations were immediately stopped and closed and our employees were evacuated according to safety procedures. As a precautionary measure, police closed the nearby railway station and the city street bordering the site. Three workers were referred to the hospital for a medical check. Although the fire was quickly extinguished by the emergency teams, including local firemen, the damage was significant enough to affect operations at the melt shop for several weeks. Hopefully, this had no material impact on output.

> Overall, the site's swift reaction was reassuring and our CEO and Chief Technology Officer decided to sponsor a company-wide study aimed at systematically challenging our sites' current approach to industrial risk mapping. This work started in 2018 at our Châtelet plant, with the external assistance of a specialised consulting firm that uses a methodology inspired by the chemical industry. In 2019 and 2020, it will be rolled out across our other main sites. The study takes into account a number of priorities, including the health and safety of our workers and neighbouring communities, the environment and any foreseen material impacts on our equipment. The idea is to assess a number of worst case scenarios (in Châtelet, we looked at more than 650!). We can respond to these scenarios with existing equipment and procedures, but some areas of improvement were also identified and subsequent recommendations issued. This analysis will be factored within the overall risk assessment of the company (reported in Annual Report) and combined with adequate action plans. This company-wide review should be concluded in 2020.

On a different note, we also want to highlight the work done in Brazil to optimize the follow-up of the key fluids and utilities and be able to react promptly in case of problems.

■■■ What used to be the Energy Center, which was dedicated to receiving, distributing and monitoring all electrical energy and fluids use at the Timóteo plant, is now the Integrated Control Center, the new brain for remotely controlling all of the plant's energy and some of its fluids. Cameras and 111 sensors have been installed across the site to supply realtime information and remote control of every point using electric power and, in some cases, fluids. This change means a safer

work environment for operators, who can now make commands remotely. As per Ivana Coelho, Timóteo's Head of Automation and Infrastructure: *"It is actually just a starting point. We call it an Integrated Center because we aim to go further, with the goal being to not only support infrastructure, but also all the productive processes of this plant."*

The use of Viridis, a specific software developed for Aperam, allows the team to monitor the use of energy on a real-time basis and analyse its historic performance. The modernization of Integrated Control Center was completed in six months and at a cost of over €200m. Aperam SA CEO Frederico Ayres Lima adds: *"We are willing to bring the transformation to our site, becoming wiser in the use of our technology and better prepared for what is coming in the future, such as artificial intelligence, by taking advantage of connectivity and innovation and being fast enough to stay ahead of the competition."*



The new Integrated control center in Timóteo plant.

Transportation Impact

We changed our transportation methodology to better reflect our operating mode. This methodology integrates our Châtelet plant as the pivotal point from which almost all our products are dispatched to our European rolling mills via rail. In the table below, we include all the tons processed in Châtelet and consider them on top of the shipments we send to our customers. After recalculation, and excluding maritime (which in places like Imphy can represent 46% of our shipments), 39.8% of our trips are operated by rail. This is down from 42.5% in 2017, a result of a reduction in Châtelet (-8 pts, linked to strikes on the French network) and Timóteo (-2 pts). The share operated by trucks is at 60%. The average loading of trucks has improved by over 2 points, showing a 91% optimised loading. Only two units were below 70% (Imphy and Pont-de-Roide) due to smaller volumes and timing constraints.

We continue to put a high emphasis on safety and inspect 100% of outbound trucks in terms of load securing, weight and protective equipment. We also had a second edition of our carrier seminar in Genk (see also 2015 Report).

In accordance with our Transport Charter, we encourage our carriers to promote Eco-driving or Quiet Driving training. In 2018, we can report that our main sites are partnering with companies that have provided their drivers with an average of more than 1.5 hours of such training.

In 2019, we will also start analysing the new European sustainability standards that have emerged for logistics, with the aim of better structuring our approach.

Transportation impact (estimates, excluding maritime)

Indicator	Unit	2018	2017	Comments
Rail traffic*	%	39.8	42.5	Timóteo at 10% (8% in 2016, 12.6% in 2017)
Road traffic*	shipments (except Maritime)	60.1	57.0	With most of our Service centres 100% trucks
River/Other traffic*		0.1	0.5	Imphy at 8% by Plane, with a -50% 2019 target
Trucks loading*	%	91.2	88.8	Strong improvement in Genk versus 2017.

* Estimations based on major plants and the five largest Service Centres.

> Following the Norwegian Sovereign Fund's reporting on the beaching practices of five major maritime shipping companies on the shores of the Indian Peninsula, Aperam immediately identified one of these carriers as an occasional shipper to some countries in Asia. With the collaboration our logistic partner, who operates all our maritime shipments, we decided to blacklist this company so long as no action plan for resolving the issue was taken. Alternative carriers were found to replace it. In our contract with our logistic partner, we agreed to make a reference to the French Law of "Devoir de vigilance" of 2017 and to the British Modern Slavery Act of 2015, which includes a specific clause on maritime transport.

These figures are reported within the overall **GRI - 403-9** indicator on page 45.



Upgrade of Genk's "subway"

Because of an increase in output, the transfer of our finished products from the plant to the storage and expedition halls also increased. To increase our transfer capacity and to avoid a bottleneck, a project was executed to decouple the metro by placing a second car on the same

rail track (see picture). This has the advantage that at a minimum cost we avoid other, less sustainable ways of transporting products in our mill. As a matter of fact, as this transport system doesn't produce exhaust, it meets the challenge of increasing safety and reducing quality risks while also cutting air emissions and energy consumption.



© AdobeStock

Noise & Smells

Our basic principle regarding noise is very simple: our plants aim to be fully compliant with all applicable regulations, including our operating permits and the working conditions mandated by labour regulations. To ensure the efficiency of our noise emissions, especially where our sites are located near residential areas, clear instructions are given to all actors operating in our plants, including truck drivers and subcontractors. Particular attention is given to hotspots such as scrap yards and logistics and the timing of sensitive operations. In addition, we strive to promptly react to complaints and adjust our installations as necessary. A lot has happened since last year, when we mentioned the encapsulation of one of our German lines. Read on to see what's new in 2018!

■■■ In the course of 2017-2018, we started to receive remarks from the neighbourhood about a new annoying buzzing noise - and sometimes also about smells. To identify the source of the noise, site management hired experts to investigate based on a specific campaign of measurements. They identified the new RD79 oven chimney as the main source of noise, along with several other sources.

Drawing inspiration from the mutes musicians use to quiet their trumpets, a tailor-made cover was installed in July 2018, allowing the heating gas to evacuate while significantly reducing the noise level. Since then, and in parallel to the work planned on the other sources of noise, no further complaints have been received about noise or smells.



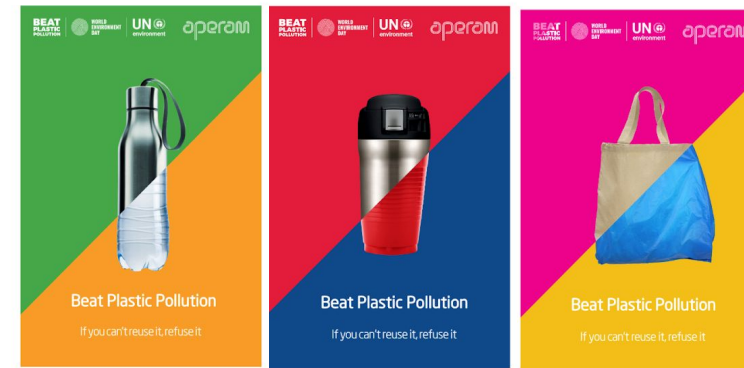
Palais de Justice (Courthouse), Strasbourg - France - Garcés.De Seta.Bonet Arquitectes & Serra-Vives-Cartagena © Adrià Goula - Executed using grade Aperam 304 with Uginox Top finish

Awareness-Raising

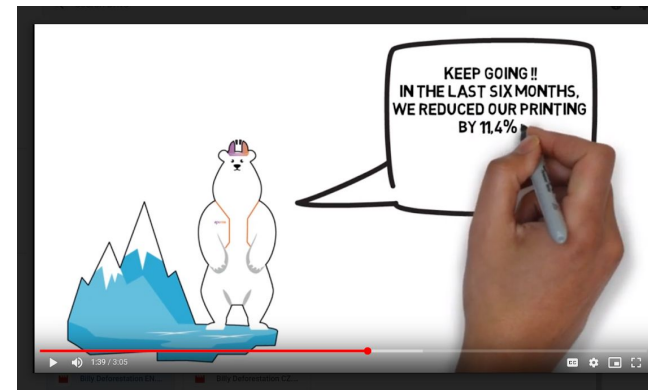
To make sure the company's targets were fully clear to all employees, in 2017 the Group kicked-off an awareness-raising campaign during the week of the United Nations' World Environment Day. In 2018, we wanted to support the United Nations' efforts on waste reduction by urging our employees to factor this element into all their daily decisions - at home and in the workshops or office. To do so, we decided to echo the United Nations' campaign (see poster, right) and encourage our people to help stop plastic pollution by choosing such sustainable materials as reusable cups or bottles over disposable cups or bottled mineral water.

■ ■ ■ Among our other company-wide campaigns was one aimed at raising awareness about the impact of Information Technology usage. Using the mascot presented in last year's report, a special movie was designed in-house (see right) and translated into numerous languages urging Aperam employees to stop printing and adopt a 'green mindset' when deciding whether paper copies are really needed. Thanks to the numerous initiatives combined with this campaign, by the end of September, our global printing had been reduced by about 7% compared to 2017.

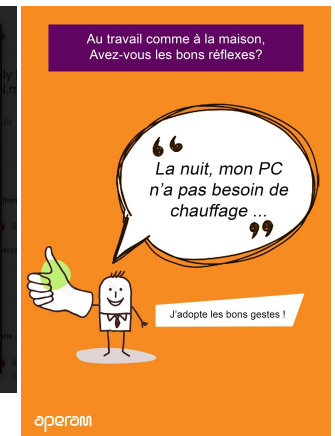
■ ■ ■ We mentioned earlier that our Imphy site launched a new intranet in 2018. Among its key objectives is to raise employee awareness about the company's program to fight climate change. Called "Ensemble tous mobilisés: «L'énergie est en nous!»" (Together & committed: The power is with us) the campaign aims to strengthen the site's eco-consciousness and generate new ideas for improving our energy efficiency while also realizing financial savings. The campaign is monitored by the unit's responsible for Energy, together with a motivated team of "ambassadors" from all departments. The goal is to ensure that each employee plays a role in the overall energy savings generated by the company. To build enthusiasm around the campaign, different topics are highlighted each month thanks to a newsletter illustrated with a mascot named "Energiser". In 2018, the first three topics covered were lightning, heating and compressed air. Posters were distributed and stickers were placed over power buttons. All content can be found on the intranet, which includes educational videos, quizzes and checklists that aim to make learning fun.



Awareness-raising campaign to mobilize energy towards our Zero-Waste objective, in line with the United Nations' World Environment Day global campaign (Top).



Group Green IT project: the 2018 Video - English (Left), and Aperam Imphy poster to watch heating consumption (Right).



Encouraging bike commuting



Last year we mentioned a program launched in Genk to promote biking to work. In 2018, Aperam Ústí (Czech Republic) took part in a "Cycling to work" event co-organized by the nearby city and environmental agencies. This challenge aims to entice people to replace their car with a bicycle when going to work.

Aperam supported participating employees and prepared an "intracompany breakfast for cyclists", inviting other participants from nearby industrial companies to join. In total, 12 employees made 78% of their journeys to and from work on a bicycle, riding in total 3200 km and saving 413 kg of CO₂.

The unit will participate again next year, hoping to attract even more employees.

Relations with our Stakeholders

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

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

Sustainably profitable



In 2018, Aperam achieved a solid set of results despite an extremely challenging market environment. EBITDA was €504 million, the second highest amount since the creation of the company. This is in large part due to the steps we have taken and are continuing to take to make Aperam a resilient company, prepared for the future and able to operate successfully in all market conditions.

Eight years after our creation, we are now not only more cost competitive than ever, we continue to develop a myriad of innovative services and products. We are also raising the bar further in terms of sustainable profitability with our ambitions to increase the annualized targeted gains of our Leadership Journey® (Phase 3 - Transformation Program) from €150 million to €200 million by the end of 2020. Aperam is well on its way on the Phase 3 of the Leadership Journey® - the Transformation Program to achieve the next structural profitability improvement, which involves leveraging the digital revolution and the power of big data to further enhance our operational efficiency and customer service offering.

Long-term strategy

Efficiency as an Employer's responsibility

Since Aperam's creation, we have been successful in an early restructuring of our downstream operations in Europe to adapt to changing market conditions. As a result, we are better able to face headwinds and are already well on our way to

building a sustainable future for our teams. To do this, we have reorganised our tools, reducing them from 29 to 17 and, when necessary, downsized our staff in a fully responsible way (see previous reports).

As a result of its operational and financial turnaround, Aperam is now well-positioned to seize the benefits of the long-term growth perspectives of our stainless and specialty-steel markets. This responsible strategy and its efficient delivery are now recognised and often applauded by many of our stakeholders.

Our good performance is overall well recognised by financial and ESG analysts (see aside), and when we face difficulties, we do so in earnest and with diligence. The few difficulties we encountered last year in our water disposal management (see p.34), can be considered good examples of that.

On a more permanent basis, we take pride in supporting the local economies of surrounding communities through taxes and salaries and in local purchases. In some places, we are even a key actor in the local economy, which reinforces our sense of responsibility and our duty of efficiency. Overall, according to last Climate Survey, 78% of our employees are proud of our contribution to the local communities.

In 2018, we channeled €527 million in salaries and \$75 million in taxes to local economies compared to €534 and €57 million respectively last year (GRI 201-1 - see also our three country supplements) and, at our largest sites, local purchases represent 53% of total spent (vs. 57% in 2017 - both excluding raw materials, amid significant price increases of non-locally sourced materials GRI 204-1). And this is not counting the contribution we provide to the cultural life of our communities (see page 50-52).



Picture: Aperam Stakeholder Day in Isbergues ("Journées des Familles"), with well-equipped relatives of our employees discovering the site.

2018 recognitions

- Reconfirmed as **"AA"** by
(Leadership level)



- Rated **"B"** by
(Management level)



- Listed in **Excellence register**



- Rated **Gold** by EcoVadis in 2017
(Imphy Alloys)



At a glance GRI 102, GRI 413-11

Indicator	Unit	2018	2017	2016	2015	2014	Page
Customer satisfaction: Alloys	Rate on 10	n/a	8.8	9.3	9.2	9.1	Customer & Innovation focus p.53-58
Customer satisfaction: Stainless		7.6 ⁽²⁾	7.1 ⁽¹⁾	n/a	7.4 ⁽¹⁾	7.8 ⁽²⁾	
Innovation (R&D spent)	\$m	20	20	18	18	20	Sustainably profitable p.44
New products in Sales	Index base 2015	130	122	113	100	n/a	
EWC committees ⁽³⁾	#	4	4	4	4	4	Risk management and Compliance p.47-48
Fraud allegations reported	#	12	17	7	11	9	
Forensic cases founded	#	2	4	2	5	3	
-- o/w significant cases ⁽⁴⁾	#	0	0	0	0	0	
Local purchase at main sites	%	53	57	57	58	62	Stakeholder relationships p.50-53
Sites with exhaustive Stakeholder engagement policy	% of main sites	64	64	n/a	n/a	n/a	

(1): Europe, (2): Brazil, (3): EWC (European Work Council) initiated in April 2013, (4): Following review by the Audit & Risk Management Committee.

Innovating for a sustainable, safe and profitable future

To remain sustainably profitable and competitive, we must leverage all available solutions, from the latest technologies, automation and digitalization to new ideas from our skilled and passionate workforce.

At Aperam, we do our best to spur innovation at all levels of the company (see insert on Gamification Challenge). Most recently, we set up an Innovation Team to boost the flow of ideas and the lead-time needed to take them from concept to reality. Last year, the Team helped organise Aperam's first "Innovation Day". Held March 15th and hosted by the Isbergues Plant, the event welcomed a variety of startups and vendors who shared some of the technologies that could help implement many of the ideas that will define Aperam's future. Among the tools and concepts presented were drones, smart glasses, augmented reality, Internet of Things, 3D Factory, Machine Learning and collaboration tools.

"I've been working here for 18 years and it's the first time any thing like this was organised," marvels Benoit, a research and development technician at Aperam and one of the many curious employees who visited the event. "It was a great opportunity to open your mind to the future, as being able to touch and try the tools makes you realise how they represent a revolution for our industry."



Voices

"It was a great opportunity to open your mind to the future, as being able to touch and try the tools makes you realise how they represent a revolution for our industry."

Benoît

R&D Technician, Isbergues

To the left: Innovation Day in Isbergues, drones (Top) and augmented reality (Bottom)

The Aperam Research Center was also part of the event. After all, its mission is to ensure continuous improvements thanks to high competences on core business stainless steel themes and partnerships with best-in-class worldwide technical centers. Ultimately, the Innovation Team collected over 50 ideas on how the new technologies presented during the Innovation Day could be used to improve employee efficiency and working conditions. The Team is now experimenting with some of these ideas.

Below is a sample of the programs aimed at generating new ideas for improving the processes of our teams. (The innovative solutions proposed to our customers are detailed in chapter Customer & Innovation focus, p.53-58.)



Holistic approach

In 2017, we upgraded our internal procedures. First, we require an assessment of each investment project on five dimensions, with a view on its potential impact on Environmental, Social and Governance-related aspects. Second, we require the integration of cost related to CO2 emissions as either a cost or a bonus whenever the project improves our footprint. As the primary objective of this change was to raise awareness, the internal price was set at \$15 per ton of CO₂ (see also, p.27). In 2018, we went even further along this path. After confirming that this procedure had proved useful to changing mindsets and improving our projects, we enhanced its efficiency by improving the visibility of these assessments. As a result, starting in September 2018, these elements are now among the first criteria visible on each file. Furthermore, projects can be retrieved from our database based on their impact. The idea is to better monitor our efforts with a simple reporting and to be able to challenge the assessments - and eventual impacts.

For our 2018 investments, at this time we cannot yet easily filter all the projects that incorporate significant H&S or Environmental features (starting in 2019, our new system will let us do this!). However, we can already report that over 6.4% of our 2018 capital expenses were categorised as "pure" Health & Safety and 3.7% "pure" Environmental improvements. This is compared to a respective 6.1% and 2.7% from 2017. And this is only the tip of the iceberg. We aim to further raise the awareness of the organisation so that more investments seize the opportunity to improve the sustainability of our company.

Turning to our operating units, a few have annual routines worth highlighting here.

■■■ For instance, Aperam South America's "Cosis" (Semestrial Symposiums Organisation Commission) challenges employees to present projects and innovations aimed at improving processes. This year's edition, entitled "Bring Innovation to the Day-to-Day", showcased 29 projects in four categories. The winners can be seen in the picture on the next page:

- Product: Reinaldo's new ferritic stainless steel
- Management and Improvement: Benone's IoT in Forest Equipment Management
- Maintenance and Equipment: Renato's and Breno's chimney converters replacement
- Process: Carolina's box annealing cycle for the new grain oriented electrical steel (GOBT), which also won the Innovation Trophy

■■■ In Europe, the Genk site has been organizing its “Winner Trophy” since 2005. With this challenge, Genk management honours and thanks field operators for the improvement projects that they voluntarily propose and realize, either individually or in a team as a project group. The small financial reward they receive must be spent in a team activity.

Last year, three teams received prizes:

- Team D SFA for efficiently solving the long-time problem of adjusting the hydraulic lines on breakers
- Team 1 KW - BAL1 for improving the stability of the BAL1 furnace atmosphere using method and analysis techniques
- Team KW for their use of overhead cranes - packaging - shift maintenance dealing with the refurbishment of halls, proving that a safety problem (safety cone overhead cranes) can be successfully tackled by involving all stakeholders.

These are just several specific examples of innovation in action at our individual sites, but innovation flows across our entire organisation. In 2018, our Legal Department was once again awarded the silver prize in the “Trophée du Droit”, a contest for innovative initiatives for the legal business involving more than 100 in-house legal departments from major international companies.

Across Aperam, all our teams are proving what agility, ingenuity and leadership can provide!

84% of our employees feel encouraged to come up with innovative solutions.

This is +7pts vs. Heavy Manufacturing standard

As a matter of fact, according to our last Climate Survey, 84% of respondents reported being encouraged to come up with innovative solutions to work-related problems. This represents a 4 point increase since our last survey and a significant 7 points above the average for Heavy Manufacturing companies. It is also a testament to our commitment to encouraging innovation at all levels of the company.



Top: Our Legal team (Left) and 2018 Cosis winners (Right) ; Bottom: Genk's Trophy Winners (from left to right: Team D SFA, Team 1 KW/BAL1, Team KW Crane/Packaging/Maintenance)

Boost-Up Innovation Game

Last year Aperam decided to launch a unique challenge to bring forward a 'bottom-up' innovation approach. Based on “Lean Startup” methodology, the challenge was gamified, allowing global participation on topics that are strategically important for the success and sustainability of the company. The objective was also to instill an 'entrepreneurial' attitude across the length, breadth, and depth of the company.

The initiative was branded as 'Boost Up! - build - learn - transform'. It allowed our employees to actively participate across all stages of our innovation efforts to enable the transformation as a true intrapreneur. To make it engaging, it was 'gamified' in a fun and constructive way. It helped us in harvesting, prioritizing, elaborating and realizing a portfolio of valuable initiatives that will make the difference for Aperam. Our methodology focused on starting small and validating hypotheses step by step, in order to improve sustainably by reducing risks of losing investments and customers.

Enabled by a digital tool, more than 2,000 people across the globe participated in the challenge during three months. We received more than 1,800 validated ideas, which were further filtered and consolidated into 10 final ventures. The finalists included such topics as industrial excellence, disruptive business models and energy efficiency, and showcased the benefits of a mixed use of technology, business processes and creativity.

Responsible employer

We believe that our operations are run in a constructive social climate. Our absenteeism rate of 2.3% (2017: 2.2%) remains stable and our last Engagement Survey shows a workforce aligned with the company's strategy, ready to recommend Aperam as a good employer and feeling empowered to do their part in the production of products they are very proud of (see the results mentioned p.9, p.18 and p.43).

> We always try to facilitate an open and honest dialogue with the unions.

Next to the information and consultation with the local works councils and union delegations that are often organized at site level and the central works council in France, we are also further developing the dialogue at the European level. As an international company, our decisions are often taken at a local or global level and the European Works Council (EWC) allows us to have a first high level discussion with employee representatives. Senior Management is very much engaged in this process as several members of the Aperam Leadership Team (our Executive Committee) participate in the Selected Committee of the EWC and, during the plenary sessions, we usually have 4 to 5 members participating and giving a strategic outlook on the evolution of their business.

> Overall in 2018, we had 4 meetings with our EWC (selected committee meetings and plenary sessions). The action plans related to the fatality in Genk were also the focus of several additional extraordinary meetings, as some organisational updates were in preparation. Members of the dedicated H&S Working Group were also appointed at the European level and started their work, supervised by the EWC.

> In 2018, in addition to the usual training sessions dispensed to the members of the EWC, we arranged that 14 of them receive a two-day general training from the European Trade Union Institute (ETUI) to help them get a clearer view of the social dialogue at European level and better understand the differences with national-level committees. The training was also intended to facilitate the establishment of a better coordination among EWC members, to strengthen the committee's consistency and empower members with tools to build their strategic vision.

But being a fair employer also means taking the most responsible approach when it comes to difficult missions, such as redundancy plans or relocations.

■■■ In early 2018, we announced the investment to transfer our German Service Center from Duisburg to Haan in full coherence with Phase 3 of our Leadership Journey. Germany is a core market for Aperam, representing about 25% of Group sales in 2018, and this investment will enable Aperam to serve its German customer base with an enhanced product and service level. The city of Haan,

44km away from the current industrial site, was selected as the location of the new production facility and of the distinct sales offices, which were based in Erkrath. In early 2018, we started the negotiation about the social plan affecting the 110 employees of Duisburg and Erkrath. At the beginning of May 2018, the Duisburg/Erkrath Works Council and the Management of Aperam Germany signed an agreed upon social plan, which provides for the reimbursement of the extended travel expenses for a defined period, covers moving expenses and offers a shuttle bus. For employees not wanting to make the transition, a severance payment was negotiated.

We believe that the constructive atmosphere in which the discussions with our employee representatives took place were critical in the success of the Haan project. This dialogue, in the form of monthly physical meetings with the local Work Councils, allows us to solve problems at an early stage, be it for large projects like the move to Haan, or for everyday topics. It will be continued at the new site.



Haan: the brand-new building that will host the former Duisburg activities of S&S Germany

Responsibility in the value chain

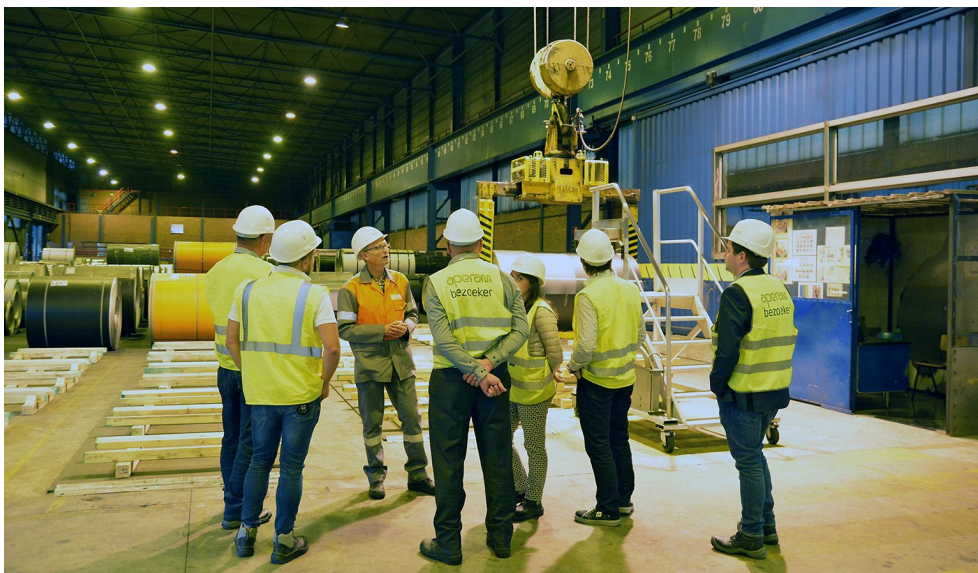
Overall supply chain CSR risk assessment

We continued the methodology initiated in 2016 to assess our supply chain risk.

> **Starting with the raw material supply chain**, we only assessed one additional supplier this year, as the global campaign is conducted every two years, with the next one happening in 2019. Here we can identify a reduction in risks related to H&S, with only two companies concerned, and the same number of suppliers identified for potential risks related to human rights and to the environment. The evolutionary analysis shows that only one of the suppliers “under scrutiny” is recurrent, and its classification as “risky” is due to a lack of information about its sustainability commitments, which will generate specific actions from the team in 2019. All other suppliers have been requested to present a short term action plan and are under close follow up by our sourcing team.

> **Regarding non raw material suppliers**, in 2018 the global tool SAGA was used to assess again our most critical suppliers, which is still focused on our main subcontractors at our largest sites. On this scope, among the 71 suppliers assessed, we identified eight suppliers with potential risks regarding Health and Safety, eight regarding the Environment and four concerning Human Rights - **GRI 414-1, 414-2 / GRI 417-1**.

Consistent with this assessment, specific actions were put in place to orientate and support the suppliers towards achieving better performance. One example of these actions are our Boss-to-Boss meetings (see next page).



During the second edition of the transport seminar organized by Aperam Genk (see Report 2015), the site welcomed around 50 Carrier participants. A visit to the loading dock took place in the afternoon.

> **Regarding our transportation suppliers**, out of 42 freight partners, one maritime freight supplier was excluded in 2018 (see p.37). Aperam has been checking the behaviour of its freight suppliers in regards to health and safety, human rights and labour practices, environment and ethics since 2006. Between 2006 and up to 2018, 18 suppliers have been denied listing due to human rights issues, two for ethics violations and one for labour practices. All had fully committed to respecting these points per the contract signed with us.

> **Overall in 2018, we assessed a total of 211 suppliers** from our central raw materials sourcing organisation and the bulk of our main sites (Châtelet, Genk, Isbergues, Pont-de-Roide and Timoteo) and the results are in the table below. During the course of the year, the non-raw material purchasing team defined a new regional cluster-based structure that will better support site suppliers. A new purchasing Center of Excellence was also created and, in 2019, will define a more standardized and global approach for supplier qualification and performance.

> **We also continued to raise the awareness** of the teams involved in purchasing or suppliers' quality assessment so they have a better understanding of Aperam's expectations regarding suppliers' Human Rights policies. During Spring 2018, we held informative meetings based on the SA8000 referential for all our main sites and countries. As a result, 62 buyers and qualicians from Europe and Brazil were trained on using the new supplier audit referential, which now includes a specific focus on Health & Safety, Human Rights, and Environment - all in line with Aperam's sustainability commitments. In the near future, we aim to develop even more robust procedures and clear guidelines as to when an audit is recommended..

Supply Chain follow-up	Year	Universe covered	Not assessed*	Scope analysed	Risks identified in terms of:			
					H&S	Labour, Human Rights	Environment	Ethics
Raw Mats	2016	89	14	75	9	6	7	0
	2017	94	13	81	3	6	4	0
	2018	95	13	82	2	2	4	0
Non-Raw Mats (main sites' subcontractors)	2016	126	-	126	7	0	4	0
	2017	50	-	50	6	0	4	0
	2018	71	-	71	8	4	8	0
Transport (Europe)	2016	0	-	0	0	0	0	0
	2017	42	-	42	2	0	0	1
	2018	45	-	45	1	0	0	1
Total	2016	215	14	201	16	6	11	0
	2017	186	13	173	11	6	8	1
	2018	211	13	198	11	6	12	1

Pragmatic action plans

An illustration of the work regularly performed with our suppliers can be seen at our Châtelet site. Although the H&S indicators have improved considerably for employees over the past few years, they remained mediocre with respect to subcontractors working on the premises. In this context, site management is committed to strengthening its action plan, having taken action on several dimensions. Already, the bi-annual meetings of the “club of companies”, which gathers all the entities working on the site (around 15), are used to allow the 40+ participants to share best practices and coordinate actions. However, specific Boss-to-Boss meetings can also be held on a reactive or preventive basis.

■■■ For instance, in 2018, two such meetings were organised based on the follow-up of two of our suppliers, who were showing a negative trend with a lot of remarks on Health & Safety. As the site is keen to develop a fair and motivating follow-up on this topic, it tries to regularly collect and record both the positive and negative observations relating to protective equipment, ergonomics, tidiness, tools or the location of the people. But when the records (the same of which are also integrated into our SAGA reporting as mentioned above) show too many negative observations with little evidence of appropriate action plans for improvement, specific meetings are swiftly organised between Aperam's site manager, the H&S site leader and the relevant buyer and, for the supplier, members of their management team, in addition to their local contacts and H&S specialists. During these meetings, the supplier is invited to present their overall H&S performance, their company-wide and/or national regulatory action plans and to elaborate on any difficulties they may have encountered during the roll-out. The idea is to show the focus we put on the subject and to see if there are ways that Aperam can support its subcontractor. Usually, a formal follow-up meeting is planned for the next year to share results and maintain the focus.

One of the suppliers that underwent such a thorough analysis at Châtelet in 2018 was in charge of mechanical maintenance. The action plan agreed upon included such actions as organising more joint formal audits, scheduling a review of the procedures, and raising awareness among workers, coach line management and team leaders so they can autonomously run shopfloor security engagement meetings and, last but not least, have the subcontractor's line manager participate in our SAFE training. As to this last item, the task was completed (see right).

Advocacy

Developing a shared culture of vigilance within our Supply Chain requires more than accumulating policies and engaging in a reactive manner. We must also proactively engage with our partners on these topics.

In the past we have advised our external commercial agents to follow an online anti-corruption training (see previous reports). In 2018, our CEO even wrote to our business partners to encourage them to read our Sustainability Report and support

our commitment to promoting high social, environmental and ethical standards, with a strong focus on Health & Safety and Human Rights. Later, in the context of our anti-corruption policy, we also dispatched a letter to our over 8,000 suppliers asking them to refrain from offering gifts to our employees.

Aperam's SAFE training - as seen by on-site subcontractors

We recently invited one external subcontractor who participated in our SAFE training to share his feedback. Here's what we learned:

First, the invitation was very well received, demonstrating that there is not a 'two-speed' approach to safety and that everyone at the plant - both employees and subcontractors - feel like they are part of the same team.

Second, the extensive use of videos was applauded for their efficiency and their ability to make the 40 hours of training go very fast without downtime or boredom. Also, the differentiation between risk and danger was valued, as well as the information about the accident rate at the plant, on the road and at home (the last two being five and 15 times higher respectively).

Last, our subcontractor also liked the live sessions on shop floor audits, where the trainees get to ask the operators questions, praise their good reflexes and challenge their habits. The methodology explained in detail beforehand ensured these were fruitful discussions that would have a longer lasting impact than a simple one-way notification about a non-compliance. It even helped the person better understand the motives and spirit of some of the feedback received in the past, and put more emphasis on the need to systematically compliment teams about their good behaviours.

Overall, extremely positive feedback!



Silène luminaris sive Muflier de Borges, Miguel Chevalier, 2015; Painted stainless steel sculpture in red and orange. Clement Foundation, Le François, Martinique - Executed using grade Aperam 316 Hot Rolled Finish.

Risks and Compliance

Risk monitoring

Our Risk Management process is based on a quarterly review of our main risks and their mitigation action plans. It encompasses all possible areas, from tax to natural disasters, and includes such topics as corruption, electricity prices, economic sanctions and money-laundering. All risks are discussed at our Board's Audit and Risk Management Committee. All the top risks are disclosed within our Annual Financial Report (p.62 and 63) and all are analysed, weighed and assigned a mitigation strategy.

In 2018, 12 allegations relating to fraud were referred to the Group's Combined Assurance Department for investigation. At the end of 2018, nine forensic cases had been finalised, with two cases founded (with no material impact on Aperam) and seven unfounded. An additional three remained in progress. All cases were reviewed by the Audit and Risk Management Committee, which reported appropriately to the Board of Directors. In addition, a series of recommendations will be issued and implemented based on the investigation's findings.

Solidifying our compliance approach

In 2018, our Compliance Framework continued the programme initiated last year, which is based on six pillars: Communication, Alignment, Behaviour, Audit, Technical Expertise and Continuous Improvement.

Among the key areas of focus were also the topics related to the implementation of the Global Data Privacy Regulations, to anti-Corruption regulations (see next page inserts) and to the economic sanctions policies. We have proper due diligences in place and we can confirm that, for the year 2018, we have not traded with entities from the following countries: Afghanistan, Cuba, Iran, Iraq, North Korea, Somalia, Sudan/South Sudan, Syria, Crimea Region of Ukraine, Yemen or Zimbabwe.

Communications

We aim to regularly communicate on and raise awareness about the issues that are most important to Aperam. In 2017, this company-wide communication strategy was inaugurated with a short quiz on Aperam's Code of Conduct, which was rolled out in 10 languages. With over 3,200 individual responses and an average rating of four out of five, this exercise paved the way for two additional company-wide actions taken in 2018.



- > The first one focused on anti-Corruption and requested all exempts at minimum to follow an online interactive training module. Over 1,000 employees, mostly exempts, followed this certifying training program proposed in 14 languages by the United Nations against Crime and Drugs, reaching a 94% training rate. Once again, very positive feedback was received, with an average rating of above four out of five. In some sites the training was deployed to all employees, not only exempts, thanks to the installation of rooms with computers at the disposal of all.
- > The second action related to Human Rights. In conjunction with the 70th anniversary of the United Nations' Human Rights Charter, which was celebrated on December 10th, we released our updated Human Rights policy, based upon best practices and augmented with a specific Gender Diversity policy (see pX). This release was combined with pop-up posters opening on computer screens at login (see aside). The attached video included a few words from our CEO and invited all Aperam employees to fight discrimination and promote the respect and diffusion of Human Rights.

Pop-up inviting all employees to join Aperam and the United Nations' fight in favour of Human Rights, here in Spanish (10 languages available).



Our Anti-Corruption toolbox

- > Specific assessment matrix
- > **Online training** followed by over 1,000 employees in 2018
- > Special in-person training at some sites or units
- > **Annual declarations of Conflicts of Interest** mandatory for all exempts starting 2018
- > **Special No-Gift policy** including monetary thresholds and guidelines on travels, donations & entertainment
- > **Reminder of our No-Gift policy** dispatched internally and to over 8,000 suppliers before year-end
- > Special Season's Greeting official signature mentioning our No-Gift policy

Alignment & Behaviours

In terms of alignment, we continued with the roll-out of the routines started in 2017, including the “compliance certificate” that summarises the actions of the year and the specific adhesion rate unit by unit and the declaration of potential conflicts of interests, the latter of which was deployed for the first time to all exempts. Down the road, these routines will be embedded within our Human Resources master system to ensure a more efficient follow-up, with automatic reminders and ready-made reporting by organisation - all aligned with the most updated employee database so nobody is forgotten. The intent is that the system also ensures that each hierarchical manager is made aware of the response rate of her or his teams. In that way, she or he can convey the right message throughout the year, reinforcing the need for perfect discipline on these subjects and taking accountability for all her or his teams across the organisational pyramid. The net result is a showing of the exemplary behaviour that is expected of a team leader within Aperam.

Technical Expertise, Audit & Continuous improvement

To also improve the Technical Expertise of our teams on the topics relevant to them, we have a framework in place with particular focus areas defined according to the target populations (function, geography), which makes it easier to define the necessary induction training for each employee. We have also decided to create a Compliance Academy with home-made and external catalogues of courses providing an enhanced understanding of key compliance topics and policies, eg. Antitrust, Anti-Corruption, Economic Sanctions, Human Rights. In 2018, we also built specific in-house modules regarding Global Data Privacy Regulations and Aperam’s Code of Business Conduct that reinforce the exact messages we want our staff to memorize. These modules will be made available to the entire Aperam workforce through our Learning Management System, which will allow for improved follow-up functionalities (assignments, automatic reminders, organisational and hierarchical views). In 2018, we also tailored the Antitrust module rolled-out in 2017 with our 100+ top executives to train our buyers with real-life situations adapted to their function.

Furthermore, we aim to regularly refresh our policies as part of our Continuous Improvement pillar. Along these lines, we updated our Human Rights policy (released in December), requested the validation of an enhanced Code of Conduct applying best practices (to be released in the first half of 2019) and started updating several other policies.

87% of Aperam employees are comfortable raising problems related to unacceptable behaviours

This is +7 pts vs. Heavy Manufacturing and +5 pts vs Best Performers.

Global Data Privacy at Aperam

In 2018, Aperam appointed a dedicated team to implement the European General Data Protection Regulation (EU) 2016/679, which introduces robust requirements regarding the protection, security, and compliance of personal data and also addresses their dataflows outside the European Union. In 2019, they have already set all applicable Data Protection Group policies, filled the Data Protection Register, introduced data privacy clauses in new employment contract, enforced all data protection obligations in its contractual undertakings. The team, led by a Data Protection Officer, is supported both by a Data Protection Committee, including several key executives of the company (Chief Financial Officer, General Counsel, Chief Information Officer, etc...) and a network of local ambassadors at each site. Speaking of them, our Brazilian ambassador organised a specific seminar (the second edition of the local Compliance Leadership Seminar) on the European General Data Protection Regulation (GDPR) and its Brazilian counterpart, the General Data Protection Law (LGPD), which will go into effect by August 2020. Over 240 local leaders were invited for a detailed presentation made by experts on data protection subjects. Our local legal adviser, Renata, explained: “As part of Aperam, whose headquarters is in Luxemburg, we apply the same European legislation to all Brazilian sites.”

In addition to strengthening the practices concerning personal data protection, the local team also decided to have users reflect on their web usage. As Raquel, our Local Ambassador, commented: “The way we use the web needs to be continuously evaluated. This is a good moment to rethink, for instance, if we are cautious enough when sending a simple email, and check quickly if all the recipients really need to be informed about the message’s contents.”

Voice

“Knowing that personal data is everywhere and is used every day for business reasons, all Aperam employees need to see themselves as people with data protection rights as well as individuals accountable for the way he or she manages the data regarding other individuals.



In 2019, specific training modules will help to that respect.”

Laurent Beauloye

Company Secretary, Data Protection Officer and Head of Communications

Relationship with Authorities



In principle, Aperam only engages in policy debates with governments and policymakers on topics that are of concern to its business. In particular, it is stated very clearly in our Code of Conduct that Aperam shall never subsidise any public body, civil servant, member of a political party or union and we pay scrupulous attention to respect the best anti-corruption practices (see our toolbox above) and to promote a fair and competitive marketplace.

We also respond diligently to any enquiry of local, national or supranational authorities and, in particular, our public tax policy explains our approach in this respect.

Although Aperam is aware of all regulatory updates under discussion, the company usually relies on international or local trade associations, in particular ISSF (International Stainless Steel Association), Eurofer in Europe and the Brazil Steel Institute in Brazil with respect to influencing any policy relevant to our industry. Occasionally, however, Aperam does engage directly with governments in Europe and Brazil, where the Group has its largest industrial sites, on policy issues that are essential to the future of the stainless steel industry (see insert on Anti-Dumping for more information).

Carbon markets and competition

2018 was a challenging year for Aperam and the stainless steel industry with unprecedented import pressure in Europe, global trade tensions and stainless steel prices under pressure. Imports into Europe primarily originated from countries with less advanced environmental standards and without a CO₂ pricing mechanism. Compared to Aperam's products made in Europe, we estimate that the CO₂ emissions per tonne is manyfold for imported material. When it comes to CO₂, we are the benchmark in the industry thanks to our electric arc furnace route in Europe that relies on recycled stainless steel scrap - and our own forests used for charcoal production in Brazil.

On top of the direct environmental impact of importing high CO₂ content material, this also has a social dimension. With CO₂ in Europe now priced at close to EUR20/t in the spot market, we face a severe competitive cost disadvantage, which puts the survival of our industry at risk as most of the imported material is not subject to any similar measures. We are determined to be a sector leader in environmental excellence and strongly believe in our indefinitely recyclable products, but to guarantee a sustainable future of our industry, we urge the European Commission to implement CO₂ related import duties to level the playing field. Not addressing this important issue will further exacerbate the displacement of our domestically produced green stainless steel with imported material at the expense of increasing global CO₂ emissions and accelerated global warming.



© AdobeStock

EU Trade Defense Update

Aperam works closely with the steel industry associations and other local trade associations, mainly in Europe and South America, to promote a fair and competitive marketplace.

In 2018, this activity was particularly intense due to the repercussions of the US protectionist measures (Section 232) and the need to protect the European market from an increasing number of unfair forms of international trade (dumping, various forms of public subsidies, circumvention, etc.).

This activity has always taken place within Eurofer, our European trade association, either during the periodic meetings dedicated to the commercial problems of the steel industry (External Committee) or, more specifically, within the sub-sector dedicated forums (Stainless Steel Working Group).

The most important issues addressed during 2018 (and which are still ongoing in 2019) are as follows:

- Safeguard measures for steel products in the EU28 addressing 232
 - Trade Barrier Regulation, attacking wide distortion in the industry
 - Anti-Dumping / Countervailing Duties against unfair practice
- To manage and formalize the common positions at the European level, through Eurofer we have engaged the services and assistance of several major international law firms. We have also met several times with the public administrations of France and Belgium, always within the global European framework, to transparently inform and seek support from the Member States of reference. To defend specific business positions, Aperam has at times individually committed itself in some parts of the world always with the support of competent local legal offices.

In 2018, the total cost of these activities for Aperam was about \$600,000 (vs. \$365,000 in 2017) including internal and external resources.

Stakeholder relationships

Aperam sites are encouraged to engage regularly with local stakeholders, as doing so is not only fully consistent with our values, it's also simply good business. It's also very important to our employees. According to our last Climate Survey, 78% stated that they are proud of the Company's contribution to the community. This is particularly true in Brazil, where we have a Foundation that invest heavily in the support of local communities, with particular attention to such topics as health, sustainability and employability (see insert). In Europe, our actions are less structured and more opportunistic. Beyond philanthropy or investing to have a social impact, which is the primary purpose of our Foundation, we aim to have sound and transparent relationships with all our stakeholders, starting with our neighbours and surrounding communities.

A new pattern for communications

In 2017-2018 we developed a set of posters displaying key indicators and a QR code for a central contact form. Although initially put on hold for a few months to allow the Head of Environment and Head of Health & Safety to validate them, as of 2019 the posters are on display at the entrance of all our main sites. The online contact form serves as a portal to channel all enquiries to the relevant people, either at site level for matters concerning the local unit or at a central level for general topics such as investor relations. Anyone can use the web-based tool, which is available 24/7 and in the local language, to resolve any problem before it escalates into a crisis. Taking into account the fact that our implementation was delayed by one year, we consider that only 64% of our main sites have fully cohesive engagement routines (same as 2017, after correcting a mistake for 2017), in accordance with the methodology detailed in last year's report. That figure will rise to 100% in 2019, thanks to the new pattern being enforced. **GRI 413-1**

Aperam Acesita Foundation

In 2018, our Foundation distributed close to R\$ 3m (€0.7m, of which 34% comes from Aperam), to the benefit of more than 70,000 people in the areas of Education (24%), Culture (17%), Environment (31%) and Social (28%). The actions were focused on the development and empowerment of the communities of the Vale do Aço and Jequitinhonha regions. Taking into consideration the diversity, culture, challenges, business scope and prior needs, the Foundation aims to contribute to a sustainable and integrated regional development.

> Education: The "Entrepreneurship Program" taught 1,647 middle- and high-school students how to become entrepreneurs. Furthermore, specific programs were put into place, including the Program for Drug Eradication (PROERD) and Intensivão, which prepared some 2,500 students for their highschool level exam. Other actions focused on the skills and professional development of educational professionals. For example, the Inclusive Education Seminar (organized with the local government), involved nearly 1,400 people and promoted the inclusion of disabled students through exchanges of experience, innovative pedagogical practices, and the design of a policy that guarantees the needs of each individual student is respected. This year also saw the expansion of the Sou+ project, which was launched in 2017. Over 500 students received educational support and participated in games that promote best practices concerning health, safety and sustainability.



> Social: Another key program was organized by the Inox Institute, a partnership between the Aperam Acesita Foundation and the Timoteo Retired Association. The Institute provides assistance to excluded people looking for a first job or active professionals aiming to improve their skills. Participants are offered training in such steel-based processes as soldering, finishing and cleaning. In 2018, about 100 professionals were trained over the course of nearly 5,000 hours. Rural skills were also taught. Via a partnership with SENAR (National Service for Rural Training), more than 100 people from the local population received training in poultry, beekeeping (picture), running a chainsaw and water source recovery.

> Local culture: Culture is also at the heart of our Foundation's programs. These programs aim to ensure access to cultural events and promote local artists and cultural organisations.

In 2018, 63 cultural events (theater, music, dance and artistic shows) attracted over 40,000 people.

> Social organisations: By combining our own resources with those of the Itaú Social Foundation and Women Consulate, we established an 'Edict for Social Projects'. This edict confirms our commitment to strengthening different projects concerning job and rent generation, a social and supportive economy, social inclusion, human rights recognition and sustainable practices. Financial incentives are proposed to schools, libraries, family support associations and cooperatives who, together, provide for more than 2,000 people in the concerned regions. In Vale do Jequitinhonha, for example, about R\$ 400,000 (€120,000) has been allocated to 40 projects covering installing ecological or septic tanks, building or repairing communal centers, improving infrastructure and buying educational equipment for courses on literature, music, environment, beekeeping and domestic fruit gardening.

For more information, visit:

<http://brasil.aperam.com/sustentabilidade/fundacao-aperam-acesita/a-fundacao/> (in portuguese).

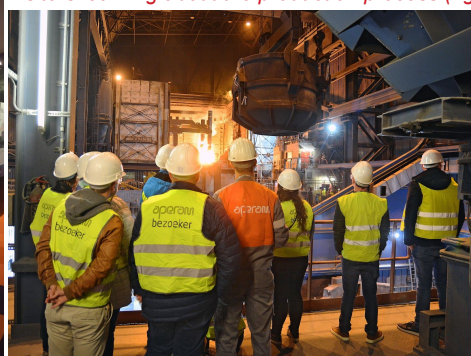
Specific 2018 engagement initiatives

In 2018, we continued to have a number of sites develop local initiatives relating to stakeholder engagement:

■■■ It has been 20 years since the Isbergues plant last opened its doors to the public. Although it does regularly invite small groups (see p.15, “Semaine de l’Industrie”), the event of September 15 reached an unprecedented scale. Donning full protective gear, some 1,000 people (relatives or friends of local employees only) were able to partake in a 1h30 guided tour of the state-of-the-art integrated rolling mill (LC2i) and service center. The visit concluded with a movie describing the upstream phase of our process (operated at our Belgian steel plants) and a presentation from our Research & Development Centre. Thanks to the 30 volunteers who helped guide guests, prepared the booths that displayed the final products, and helped keep the youngest visitors occupied in the kindergarten. And a big thanks to the fire brigade for opening up their trucks - always a hit. The day was a resounding success and remains a subject of pride.



Top: Isbergues Open Day: visit of the plant. Bottom: the presentation wall at Genk (left) and visitors learning about the production process (right).



In addition to this initiative, our Isbergues unit joined other companies based at the site to publish a digital newsletter for local authorities and stakeholders. The first edition went out in January 2019.

■■■ Our Genk site held their open house event on Sunday, October 7, 2018. A number of Flemish companies participated in the event, which provided over 1,600 visitors a chance to get an inside look at our production process. Between 9.30 am and 6.30 pm, 102 guided tours were given by 73 experienced guides, who led visitors along different machines in the steel and cold rolling plants. Videos broadcasted on screens along the pathway let visitors see a particular machine ‘in action’. The guides led the visitors safely through the factory and gave them additional information about the process. Visitors could also snap a picture at our selfie wall and share it on Facebook and enter a chance to win a sports watch!

We also used this opportunity to promote Aperam as an attractive employer, one who is actively looking for talent! During the tour, visitors had the opportunity to learn about five job profiles via information placed throughout the factory and within the videos. This was also a great way to promote some of our vacancies. After the tour, visitors could also check our job stand to learn more about these vacancies and leave their resume.

All visitors were able to explore our history wall, watch our videos, get a drink or just have a chat.

Overall, 52 volunteers (both current and retired employees) helped organize this event and make sure our visitors had a pleasant day! Based on the many enthusiastic comments we received, the day was a big success indeed.

■■■ The Services & Solution segment is a federation of units having less than 200 employees, with the majority having between 50 to 100 employees and being the sole Aperam site in the country. Their sense of belonging to Aperam is therefore often fueled by local actions organised to nurture a team spirit.

For example, in Poland, the 2018 edition of Family Day allowed children to visit the mill with their parents. Highlights included a chance to see forklifts, cranes and big weight, to play on the playground and participate in a doll decorating workshop. As a souvenir, every child received a T-shirt with the slogan: “my mother works for aperam” or “my father works for aperam” or even “my grandmother works for aperam” (see picture).

In Usti, the Family Day event also gave families the opportunity to share in our company’s pride and to see the “real working life” of their relatives. In the afternoon, a program mainly focused on kids was organized featuring an interactive theatre, a performance by an acrobatic biker or a foam pool produced by a fire brigade. In total, the event gathered more than 300 participants and the feedback was very positive.



*S&S Usti Family Day (Left and Middle)
and S&S Poland (Right)*



Urban Integration & Aesthetics

To reflect our 2017-2018 discussions with officials from local authorities, we decided to include this topic in our report starting last year. This chapter covers topics that encompass problems related to circulation and, in particular, the coming and going of trucks around our sites and the danger and noise that come with it, the parking areas next to our entrances and the aesthetics of our sites' surroundings.

Some of these topics are still under discussion, as is the case for a new parking area in the city centre of Gueugnon, and we will follow-up on these at a later date. Those that were addressed during the course of the year are highlighted here.

■■■ With the Health & Safety of all employees, contractors and visitors in mind, our Italian unit requested permission from the Massalengo authorities to modify part of the only road leading to the Service Center to improve its safety. The tight and dangerous curve made it difficult for people to access and leave the site, especially considering the high number of trucks constantly going in and out. The curve was so tight that trucks were forced to move into the oncoming traffic lane. This, along with the road's poor visibility and narrowness, made it very dangerous for Aperam employees.

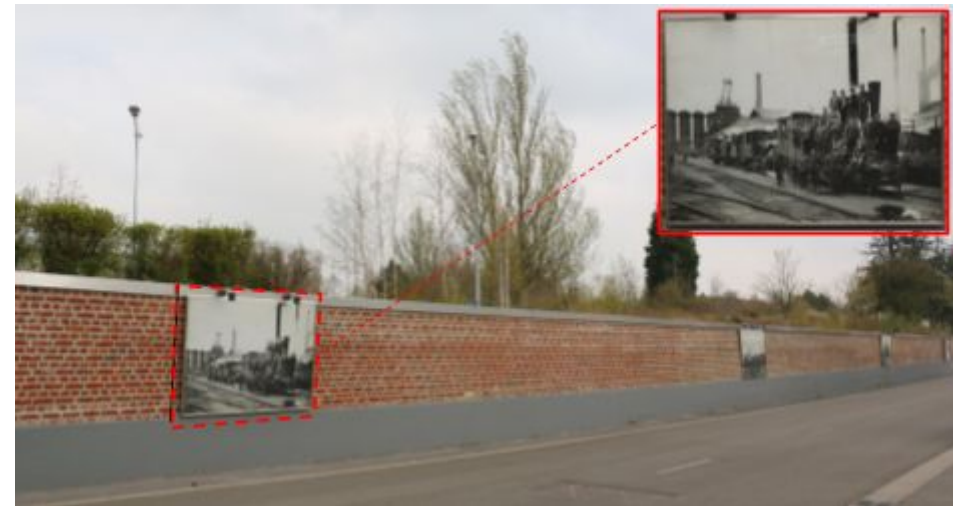
Thanks to the commitment of the team and the pressure put on local Authorities, changes to the road were made to promote safer mobility. For example, its width was increased, the curve is now one way, and a new street for bikes and pedestrians was created. This change has been very much appreciated by all Aperam's employees, contractors and visitors, and they all value the commitment Aperam has shown for protecting and preserving their Health & Safety and ensuring a perfect integration of our site within the urban context.

In the same context, in front of our S&S Caxias do Sul site (South of Brazil), there is a high traffic avenue that is not safe enough for the local community to use, and has been the scene of a tragic hit-and-run accident. After that, the local employees have undersigned a request for immediate action from the local authorities to

assure a safe crossing system for pedestrians. With the support of Aperam to prepare the documentation and also contact and involve the employees of the other companies surrounding the avenue, the process is now under analysis by the local authorities, DAER (regional roads department), and an action plan is expected for 2019.

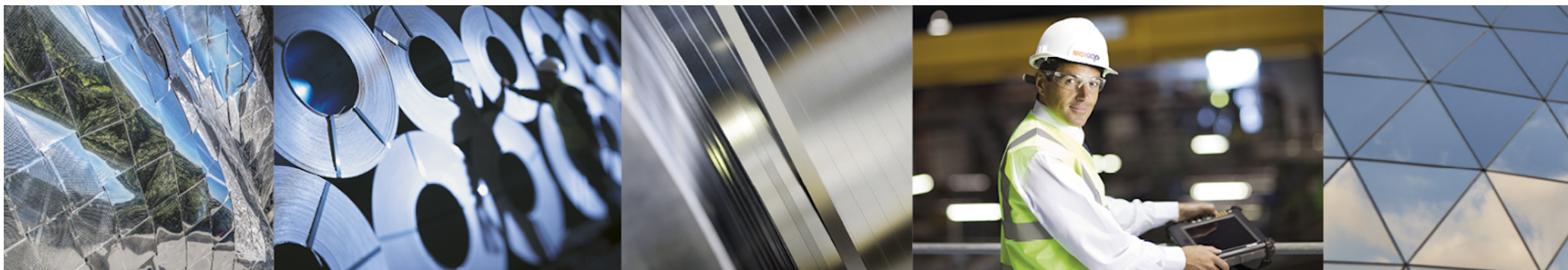
■■■ Our Isbergues site is central to the surrounding urban area. In fact, the city developed around the plant, which dates back to the 19th century. Today, the plant's walls represent a physical barrier between the Isbergues plant and Isbergues city. As the mayor had foreseen numerous improvement projects for the city, including renovating a 200 meter stretch of the wall along rue Roger Salengro (which is also the official address of the plant), a special committee was formed between the city and the companies present on the site. The committee decided to use the wall to tell the story of the city's siderurgical past. To do this, 15 large photographs reflecting the industrial history of the site, as well as scenes from daily life at the plant, were hung on the wall.

The two meters by one and a half meter images were installed starting at the end of 2017, with adequate lighting and greenery (in season) separating them (see picture). The work was finalised during summer 2018.



The walls around Isbergues, just before Spring.





Customer and Innovation Focus

With rising trade tensions, unprecedented import pressure in Europe and falling stainless steel and raw material prices, 2018 was a challenging year – to say the least. Although we cannot control market forces, we can control our commitment to customer satisfaction, innovative products and sustainable service. It is because of this unwavering commitment that Aperam continues to achieve solid results, even during the most challenging of market conditions.

At Aperam, Sustainability is more than a slogan – it's part of our DNA. After all, the sustainability of our company is directly tied to our ability to sustain customer loyalty via a sustained innovation pipeline – a pipeline that is committed to producing environmentally sustainable products.

To accomplish this, we continue to strive to meet the next generation of customer needs by providing a better product offering today. By analyzing megatrends, conducting customer surveys, and listening to user testimony, not only is Aperam able to adapt our products to satisfy the needs of our customers today, we can also anticipate future needs and align our research and development accordingly.

Leading Today

Thanks to its recyclability, durability, versatility, ease-of-use, cleanliness and aesthetic appeal, stainless steel is the material of choice for applications of every kind and a ubiquitous part of our daily lives. From the alarm clock that wakes you up to the kettle that makes your night-time tea, stainless steel can be found in many of our home appliances, cooking utensils and other everyday objects. It also plays a prominent role in an array of important industries, including energy production, transportation and automotive, building and construction, heating, food, chemical, and electronics.

Behind many of these applications is Aperam's portfolio of innovative stainless

steel applications, which includes a range of value-added niche options. Furthermore, our Alloys and Specialties segment specialises in the design, production, and transformation of various nickel alloys and specific stainless steels. These applications are intended for high-end applications and are often used to meet unique customer demands, especially in the aerospace, electronics and petrochemical industries.

Voices

“Over the past couple of years, Aperam has doubled its share of innovative products. Our continuous efforts on innovation have positioned stainless steel at the center of the most disruptive technologies happening today. From electrical and hydrogen cars to green energy, we are an important player in this new, technology-driven world.”



Nicolas Changeur
Chief Marketing Officer,
LT member

🔊 **85%** of Aperam employees agree with “My department **actively seeks to understand customer requirements and expectations**”

This is +4 pts vs. Heavy Manufacturing



To answer our customers' immediate application needs, Aperam is constantly improving, adapting and, when necessary, adding to our product portfolio:

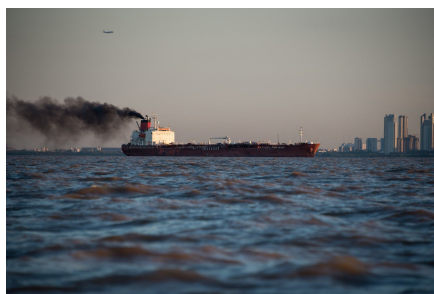
Martensitic Stainless Steel for Knife Blades and Cutting Tools



Thanks to their high-degree of hardness, martensitic stainless steels guarantee a good cutting edge. However, to get this level of hardness requires the use of a significant level of carbon content – a content that depletes chromium carbides during heat treatment and thus leaves the stainless steel more susceptible to corrosion. Although the corrosion resistance of high carbon grades can be improved by adding molybdenum, doing so is extremely

expensive. As an alternative, Aperam introduces its nitrogen-infused MA5 grade. Not only does nitrogen offer the hardness advantage of carbon, when combined with an increase in chromium content, it also improves corrosion resistance – without the need to add molybdenum. Because MA5 offers a high degree of hardness and improved resistance to corrosion, it is the ideal martensitic stainless steel for knife blades and other cutting tools.

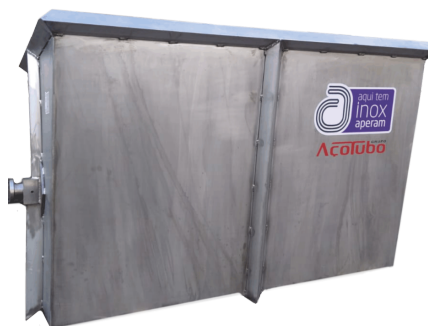
Duplex for Depollution Systems in Maritime Transport



Regulations in maritime transportation are becoming increasingly stringent in regards to sulfur and SOx emissions. While heavy oil with high sulfur content is commonly used for maritime transport, the production of low sulfur oil is limited - and expensive. Alternative solutions are under development, including the use of a depollution system to treat the exhaust gas. By introducing dirty stream gas into a scrubbing liquid, the process removes more

than 90% of sulfur and 80% of particles. For such devices, Aperam's duplex stainless steels, from the lean Duplex DX2202 to the super duplex DX2507, offer the corrosive resistance that this process demands. Moreover, the duplex stainless steels' high mechanical properties help minimize the weight of the equipment.

Stainless Steel Container for Mining



The cable buckets used by mining operations for the onsite transportation of raw materials have traditionally been made of carbon steel. Unfortunately, carbon steel is very susceptible to corrosion, especially when used to transport carbon-rich and highly-corrosive coke. Due to corrosion, the buckets undergo regular maintenance, which triggers constant work stoppage and delays. To address this point, Aperam proposes the use of stainless steel for cable buckets.

With a frame made from a 410 grade, the buckets' have seen an increase in durability (their estimated lifespan is three times longer) and a decrease in maintenance cost. Furthermore, because stainless steel is 30% thinner than carbon steel, the overall weight of the buckets has decreased, thus lessening the risk of derailment.

Stainless Steel Floor for Garbage Truck Hoppers



In the busy urban areas of Brazil, garbage trucks pick up a lot of trash – keeping the streets clean and the cities sanitary. However, due to the corrosive nature of the waste being collected, over time it begins to eat away at the hopper's carbon steel floor. As this corrosion increases, so too does the risk for unsanitary and potentially hazardous leakage. Aperam's solution: stainless steel. A floor made of stainless steel type 410 increases a hopper's service life threefold, making sure the garbage stays inside where it belongs. As an added bonus, Aperam's stainless steel solution is environmentally friendly.

Alloys for e-mobility Applications



As the aerospace industry moves towards more onboard electrical applications, there is an increasing need for new electrical and electronic equipment. One proposed solution is to increase the rotational speed of the onboard generators. The challenge, however, is that the stator parts of a generator require low magnetic losses, while the rotating components require high-strength magnetic parts. The soft-magnetic Fe-Co alloys currently being

used cannot satisfy both needs at an industrial scale.

To fill this market gap, Aperam has been developing a product capable of providing for the “complete process”. Our IMPHY AFK 502 FP, a patented solution, has demonstrated clear punching ability and high yield stress while also producing very low losses.

These are just a few examples of how Aperam answers our customers’ application needs by improving, adapting and adding to our product portfolio.

This incremental innovation represents 3% of our non-commodity portfolio, making it an important component to our commercial strategy. In fact, new products in % of sales have increased by 30% compared to our 2015 baseline. This is fully aligned with our top line strategy to develop Aperam’s most profitable products, segments, clients and geographical areas and continue to build a quality service offering for our customers

New products* in Sales (Volumes, Index 2015)	2018	2017	2016	2015
	130	122	113	100

*New products defined as products being sold for less than 5 years.

Disrupting Tomorrow



3 R&D Centres



130
researchers

In addition to playing an essential role in many of today’s most important applications and industries, stainless steel is also the material of the future. Many of the applications that will soon define how we live more sustainably, such as fuel cells, wind turbines and low emission vehicles, are embracing the benefits of stainless steel. This is why in addition to our current product portfolio, Aperam is always looking forward, with an eye towards disrupting the future.

Driving this disruption are Aperam’s R&D centres. Through a dedicated annual R&D budget of EUR 20 million, a team of 135 innovation experts, and a network of partnerships with academics, businesses and start-ups, we are committed to addressing our customers’ unresolved challenges. As a result of this ongoing investment, new products continue to account for an increasingly large share of our portfolio.

The result of this future-forward strategy is an industry-leading product pipeline filled with innovations addressing the automobile industry, energy sector etc.

MaX for Body in White



New technologies, new regulations and new expectations require car manufacturers to think outside the box. As a result, a new generation of vehicles is demanding new material solutions to reduce weight, improve safety, cut emissions and lower costs. To meet this demand, Aperam partnered with market-leading companies to produce MaX – the market’s only Advanced High

Strength Stainless Steel for body-in-white and chassis applications. As an ultra-high strength steel formed by hot stamping, MaX has the lightweight performance of aluminum and the cost-effectiveness of carbon steel. Its simplified production process, which reduces the number of required parts from 24 to just 3, not only cuts investment costs, it reduces weight by up to 15% – all while maintaining the same properties. In fact, in terms of fatigue performance, MaX matches baseline measurements, and for crash resistance, it even outperforms the baseline.

Battery Portfolio for Modules



With the increasing electrification of the automotive industry, among others, there is an increasing demand for batteries. Looking at today's energy matrix, it is clear that it is not prepared to meet the changes and disruptive innovations that will happen in the near future. As a result, many companies are working hard to install new battery production plants and develop new battery-related technologies. As

usual, Aperam is one of these companies and is working hard to develop innovative solutions for the battery itself. One of these solutions is the Module Casing with a hardened Austenitic Grade. The innovative solution combines high mechanical properties to assure the sealing and safety of the part, high elongation for workability during the production processes, corrosion resistance and fire protection, to name only a few of its many advantages. Aperam is also working with several partners to find the best solutions for the Battery Pack, with a focus on the core values of these applications, such as safety, lightweight and cost reduction.

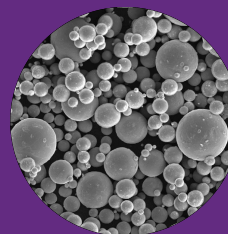
INVAR® for OLED Technology



High definition displays are used in mobile phones, digital cameras, Virtual Reality headsets and tablets. The OLED technology behind these displays consists of several layers of organic deposits, one of which is formed by a pattern created by a light emitting pixel of more 65000/cm². To create that pattern, light emitting ink is vaporized through a mask. To guarantee the dimensional stability at process temperature, INVAR® is required. Invar masks consist of a

pattern of 2µm diameter holes made by photochemical etching. At this level of precision, each inclusion inside the metal could create a defect in the entire pattern. To guarantee the quality of the process, Aperam has developed a highly-clean Invar specifically for this application. The application is already being used by key players in the metal transformation industry.

Partnerships in focus



Tekna, a world-leader in the development and manufacturing of plasma induction systems and metal powders, and Aperam recently entered into a cooperation agreement to jointly develop high-quality spherical metal powders. By fusing the expertise and industrial facilities of both companies, they will be well-placed to meet the growing needs of additive manufacturing and metal injection molding happening across a number of industrial segments.

The agreement is in-line with our strategy to further transform our business, using new technologies to better address the next generation needs of our customers. Furthermore, it will consolidate the company's leading position in the nickel alloys and specialty steel markets.

Trend to Watch



A top priority for many customers is a stainless steel solution that is resource-efficient and recyclable. Aperam is proud to meet this request with the world's greenest steel. We are the only steel mill in the world that produces steel using 100%

charcoal instead of extractive coke in Brazil.

In Europe, most of our production comes from scrap, 80% for austenitics particularly. Because it is produced from clean and renewable energy sources, we classify our product as 'Green Steel'. By doing so, we maintain a relationship of respect with the surrounding environment.



■■■ We know that our success depends on our customers being confident in their use of stainless steel. For this reason, Aperam is dedicated to supporting each customer through technical assistance, product co-development and skill sharing. Our global presence includes 17 sales offices and 14 service centres, meaning no matter your location, Aperam can provide local, on-the-ground assistance. For more technical requests, we also offer the opportunity to benefit from the support of our Stainless Steel Research Centre, the Força Inox training in Brazil and Atelier Inox training in Europe.

Stainless Steel Research Centre: a one-stop-shop for all technical questions



relating to the production and use of austenitic, ferritic, martensitic and duplex stainless steels, along with Iron Nickel and Iron Cobalt products. Located in our Isbergues production plant (Stainless) and in Imphy (Alloys), the Research Centres are the heart of our global technical network that includes research centres across Europe and

Brazil and that work in partnership with several world-renowned universities and expertise centres. Through this network, our customers have access to: support in optimising their processes; devices for tool and part modelling; welding and forming support; and the latest grades offered by Aperam.



Co-development: by listening to our customer's demands and collaborating with them, together we develop the high-quality, innovative products they need to stay at the forefront of an always-evolving industry. Our engineers assist in the design and execution of new medium- to long-term projects. Aperam also helps

optimise our customers' manufacturing process, evaluate how they can reduce costs, enhance the skills of their personnel, and provide their team with the technical training needed to succeed.

Força Inox & Atelier Inox Training:



Atelier Inox 2.5-day introduction to stainless steel programme focused on the versatility of our wide range of grades, with the aim of helping customers identify the best possible solution for their needs. Brazil's Força Inox training offers different options, from a one-week technical training to spot seminars. Both programmes

include opportunities to get hands-on experience with the grades, along with workshop visits. Topics covered include corrosion resistance, welding, forming and stamping. The targeted audience ranges from design offices up to production technicians.



Aperam is always listening to our customers and working to better meet their evolving needs.

Every Aperam team shares the same goal: to attain complete customer satisfaction. To ensure our efforts are aligned with our customers' needs, every two years we conduct a customer survey.

■■■ In Aperam South America's last survey, which was conducted in 2017, we noted that although overall satisfaction remained quite high, the level of satisfaction was decreasing from one survey to another (-0.6 pts on average). To reverse this trend, the Brazil team implemented a global action plan aimed at enhancing the trust our customers have in our products and services. Specific PDCA (plan-do-check-act is a repetitive four-stage model for continuous improvement) have been made based on five critical factors: Quality, Technical Support, Commercial Support, Customer Service and Logistics. After one year, a new survey was conducted with

7.6 Customer Satisfaction

Our Rating was up +0.4 pts from 2017. This is based on a survey conducted by Aperam South America that evaluated us based on logistics, commercial and technical support, customer service and product quality.

the results already showing improvement (+0.4 pts on average). The impact that further actions taken in 2018 had, if any, will be seen following a new survey to be conducted in 2019. Based on these findings, we will act accordingly (GRI 102-43).



Project Manager's Voice



"Aperam aims to provide the most integrated and automated supply chain to all its customers, with a full range of solutions focused on maximizing user experience."

They are developed according to the best practices, enriched by the constant feedback of our clients and adapted by our teams to each Aperam customer, in a real tailor-made approach."

Olivier Raynal

Head of Aperam e-Business Programme

Customer's Voices

"E-Aperam is a very good system, easy to use, makes the consultation of the products, delivery dates, prices and order's entrance more agile. An excellent tool that facilitates considerably the purchase process of Rodriaco."

Sales representative of

RODRIACO

Connecting Aperam Customers through a Comprehensive Portfolio of Digital Services with the Very Best Customer Experience

■ ■ ■ With the market's most competitive, comprehensive product offering in terms of service, quality and innovation, Aperam is repeatedly recognized as the preferred supplier by important customers in the industry. For instance, noting a demand for enhanced supply-chain support, we developed a comprehensive portfolio of digital services geared specifically towards meeting our customer's supply chain needs. On the customer side, this Industry 4.0 approach includes:

> **e-Aperam.com:** web platform offering 24/7 e-Commerce features and e-Services to get real-time updates on order books and deliveries.

> **Electronic Data Interchange (EDI):** an efficient way for customers and suppliers to build a fully automated and integrated supply chain from forecasts/orders to automatic material reception in customer warehouse with all related commercial documentations.

> **Automatic Inventory Replenishment:** to optimize inventory level by our customers and avoid unnecessary administrative workload related to order process.

"As a family-owned company, Viessmann attaches particular importance to responsible and long-term action and sustainability is already firmly anchored in the corporate principles. For Viessmann, living sustainability means reconciling the economy, ecology and social responsibility so that today's needs are met without affecting the livelihoods of future generations."

As an environmental pioneer and technological pacesetter in the heating industry, Viessmann has for decades been supplying low-emission and energy-efficient heating systems for oil and gas as well as solar systems, wood firing systems and heat pumps."

Many Viessmann developments are regarded as milestones in heating technology."

As part of digitization, we also want to expand our supplier connection. One way we achieve this is through the e-aperam portal connection and also via the electronic exchange via EDI standard."

Sales representative of

VIESSMANN

Visit: <https://www.viessmann-newsroom.de/nachhaltigkeit>

About this Report

This report is based on Aperam figures and is inspired by the following initiatives: United Nations Global Compact; Carbon Disclosure Project; ISSF Sustainable Charter; WorldSteel Sustainable Charter; and the Global Reporting Initiative, for which an Index is found below. For other GRI-related reference documents, please see the Online Supplements at aperam.com/sustainability.

GRI Index		Disclosure code and label and reference		Reference
Economics				
Economic Performance	GRI 103	Management Approach: Online Supplement C - page 1.		
	GRI 201-1	Direct economic value generated and distributed: Present report - page 4-5 ; Annual report 2018.		
Procurement Practices	GRI 103	Management Approach: Online Supplement C - page 2.		
	GRI 204-1	Proportion of spending on local suppliers at main sites: Present report - page 40.		
Environmental				
Materials	GRI 103	Management Approach: Online Supplement C - page 2-3.		
	GRI 301-2	Recycled input materials used: Present report - page 26, 27 and 35.		
Energy	GRI 103	Management Approach: Online Supplement C - page 3.		
	GRI 302-3	Energy intensity: Present report - page 26, 28.		
	GRI 302-4	Reduction of energy consumption - page 28.		
Water and Effluents	GRI 103	Management Approach: Online Supplement C - page 4.		
	GRI 303-3	Water withdrawal by source: Present report - page 26.		
	GRI 306-2	Weight of waste by disposal method: Present report - page 26 and 35.		
Emissions	GRI 103	Management Approach: Online Supplement C - page 3.		
	GRI 305-4	GHG emissions intensity (together to 305-1, 305-2, 305-3 - scope 1 to 3): Present report - page 3, 25-26.		
	GRI 305-5	Reduction of GHG emission: Present report - page 25-27.		
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions: Present report - page 26, 32.		
Labour				
Occupational Health & Safety	GRI 103	Management Approach: Online Supplement C - page 4.		
	GRI 403-9	Work-related injuries: Present report - page 10-12.		
Training & Education	GRI 103	Management Approach: Online Supplement C - page 5.		
	GRI 404-1	Average hours of training per year per employee: Present report - page 11 and 21.		
	GRI 404-3	Percentage of employees receiving regular performance and career development review: Present report - page 11 and 23.		
Supplier Assessment for Labour Practices	GRI 103	Management Approach: Online Supplement C - page 6.		
	GRI 414-2	Negative social impacts in the supply chain and actions taken: Present report - page 37, 41 and 45.		
Society				
Local Communities	GRI 103	Management Approach: Online Supplement C - page 6.		
	GRI 413-1	Operation with local community engagement, impact assessments, and development programs: Present report - page 41 and 50-52.		
Product and Service Labelling				
Customer Satisfaction	GRI 103	Management Approach: Online Supplement C - page 6-7.		
	GRI 102-43	Approach to stakeholder engagement - Customer satisfaction, (mayors requirements, neighborhood/ foundation): Present report - page 39, 49, 50 and 52-53.		

General Standard Disclosure		Information or comment (Reference)
Organizational profile		
GRI 102-14	Statement from senior decision-maker	Opening Words. Current report, p.3.
GRI 102-1	Name of organisation	Aperam Cover.
GRI 102-2	Primary brands, products, and services	Aperam Annual report 2017, p. 8. Current report, p.5-6.
GRI 102-3	Location of headquarters	12c rue Guillaume J. Kroll, L-1882 Luxembourg. Back Cover
GRI 102-4	Location of operation	Production facilities are listed by geography in Aperam Annual Report 2018, p.11.
GRI 102-5	Ownership and legal form	Public limited company in Luxembourg
GRI 102-6	Markets served	Key markets and sales by destination in Aperam Annual Report 2018, p.127.
GRI 102-7	Scale of the organisation	Aperam Annual report 2018, p.10.
GRI 102-8	Information on Employees and workforce	Employees: Figures based on FTE as of December 2018, Full time own employees at year-end including Aperam Drosbach Headquarters, Alloys ICS (starting 2015 reporting) and excluding Haven Genk. The small workforce at BioEnergia in Brazil is subject to variations due to seasonal factors (growing cycle of the trees: planting, harvesting etc.).
GRI 102-41	Collective bargaining agreements	100% of the Aperam employees are covered by collective bargaining agreements.
GRI 102-9	Supply chain	Description of supply chain available within our Online Supplement C – p.1.
GRI 102-10	Significant changes to que organization and its supply chain	None
GRI 102-11	Precautionary approach	See our risk management Current report, p.47 and in Aperam Annual Report 2018, p.62.
GRI 102-12	External initiatives	We also operate in partnership with various organisations. Current report, p.49-50.
GRI 102-13	Membership of associations	Mainly: EUROFER, Brazil Steel Institute, ISSF and WorldSteel. Annual Report, p. 44.
Strategy		
GRI 102-45	Entities included in the consolidated financial statements	Annual Report, p.177.
GRI 102-46	Defining report content and topic Boundaries	In line with the GRI framework. Current report, p.8-9, Online Supplement B.
GRI 102-47	List of material topics	Description of our Stakeholders groups, reporting process and materiality analysis is in our Online Supplement C – p.1-3. Current report, p.9 Online Supplement B – p.1
GRI 102-46	Defining report content and topic Boundaries within/ - and without/ the organisation	Online Supplement B – p 2-3.
GRI 102-48	Restatements of information	Restatements may result from: Mergers or acquisitions, change of scope or segments, change of base years, measurement method.
Stakeholder Engagement		
GRI 102-49	Changes in reporting	No significant changes on scope and boundaries
GRI 102-40	Stakeholder groups	
GRI 102-42	Identifying and selecting stakeholders	Description of our Stakeholders groups as well as our reporting process and materiality analysis is to be found within our Online Supplement C.
GRI 102-43	Approach to stakeholder engagement	Current report, p.8, and Online Supplement B.
GRI 102-44	Key topics and concerns raised	
GRI 102-50	Reporting period	
GRI 102-52	Reporting cycle	Calendar year 2018 (Annual) is reported into Made for life Report 2018. Previous issue reported on calendar year 2017.
GRI 102-51	Date of most recent report	
GRI 102-53	Contact point regarding the report	sustainability@aperam.com or contact@aperam.com
GRI 102-55	GRI Content Index	Reporting to GRI in accordance at Core level. Current report, p.1.
GRI 102-56	External assurance	Main report, and online supplement bundle. Current report, p.1.
Governance		
GRI 102-18	Governance structure	Current report, p.8, Supplement D – p.1, Annual Report, p.65.
GRI 102-16	Values, principles, standards, and norms of behavior	Aperam Code of Conduct – available on the web in multiple languages Current report, p.47-48.
GRI 102-17	Mechanisms for advice and concerns about ethics	Training on Ethics & Compliance, assessment of supply chain on Ethics & Compliance, present report, p.21, 45, and 47-48.



Aperam

12C, rue Guillaume J. Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

Email: contact@aperam.com
For all sustainability feedback:
sustainability@aperam.com



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

Copyright 2019 © Aperam Produced by Aperam

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 'Principal risks and uncertainties related to the Company and the stainless and specialty steel industry' section of the 2018 Annual Report page 62.

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.