aperam

Sustainability Report 2023

Circular Economy in Action

External Assurance

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

Material aspects and indicators are shown on p. 11-12. Detailed Disclosures on Management of Material Topics (MMT) can be found in the online supplement 'C'. The scope of the information and data in this report covers global operations from January to December 2023.

Aperam's production capacity is focused on:
> 6 production sites in Brazil (Timóteo), Belgium (Châtelet, Genk), and France (Gueugnon, Imphy, Isbergues/Recyco),
> 14 Steel Service Centers (SSC), part of our Services & Solutions segment,
> 10 transformation facilities: 4 in the Services & Solutions segment; Pont-de-Roide in the Stainless & Electrical Steel segment, BioEnergia in the Aperam Aperam Recycling & Renewables segment; and Rescal, Amilly, Imhua and ICS in Alloys & Specialties,
> 50 scrap yard sites in North America, Europe, Asia, Australia and South Africa, for the trading, processing and recycling of secondary raw materials within the Aperam Recycling (former ELG) segment,
> 15 sales offices for the Services & Solutions segment,
> Registered office: 24-26 Boulevard d'Avranches, L-1160 Luxembourg.

The report does not cover any joint venture operations or activities of or with partner organizations.
- Safety data covers Services & Solutions and Alloys & Specialties, as well as on-site contractors.
- Human resources data exclude contractors.
- Subject to the exclusions indicated below, environmental data covers all the main industrial sites, SSCs and corporate offices.

Environmental information is compiled locally and aggregated centrally. The CO_2 emissions data relates to Scopes 1 and 2, unless otherwise mentioned.
The following exclusions apply to the environmental data:
(1) Raw material data excludes packaging and miscellaneous parts ;
(2) Scope 3 indirect emissions (partial estimates).

This report, published on April 24th 2024, also represents our Communication on Progress relating to United Nations Global Compact (UNGC) membership (see Supplement 'A').

The scope of the report is identical to the consolidated financial report.
ELG is fully consolidated into the Aperam Group from that date as part of the new Recycling & Renewables Division, unless otherwise mentioned.

Independent Assurance Statement

The 'Made for Life' report is a component (the 'summary') of our complete sustainability reporting (the 'Report') for the year ending 31 December 2023.

The Report is composed of five items: the 'Made for Life Report' and four Supplements – A, B, C and D. Our 2023 Report can be found on our website (www.aperam.com/sustainability), together with the four supplements. The summary report has been prepared "with reference to the GRI Standards".
The summary should be read with its accompanying Supplements to constitute the complete Report.

PricewaterhouseCoopers, Société Coopérative (PwC) has been engaged to carry out a limited assurance engagement under International Standard on Assurance Engagements ("ISAE") 3000 to issue an assurance report in respect of certain information disclosed in the "Made for Life" 2023 (the "Sustainability Report") as set out in the table of the Scope section (the "Selected Information Table") of the opinion (p. 69) in accordance with certain Assessment Criteria.
These Assessment Criteria have been derived from certain sections of the Global Reporting Initiative (« GRI ») framework and by applying additional methodology defined by company policies that management considers as relevant for the purpose of the Company's business and for the ultimate users of the 2023 "Made for life" report (refer to Supplements Online for more details).

Selected information is marked in the Report with a '*'

Contents

About Aperam

Opening Words from our CEO

While 2023 could only have been a typical, low cycle year, greater forces were at play. Geopolitical tensions, natural disasters, and increased hardships, to name only a few of the challenges that directly impacted populations, resulted in higher costs, especially on the energy side, and sluggish demand for Aperam.
Continuing to promote Sustainable Development within this context requires a strong commitment.
Thanks to agility being one of our key values and sustainability our differentiation strategy, in 2023, we remained committed to our social, environmental and societal responsibilities, evidence of which you will see in this Sustainability Report.

▸ Aperam puts people and their health and safety first.

All our safety indicators improved compared to last year, ending with a LTFR of 2.3, a TRIR below 6, and a Severity Rate of 0.14. These good safety results are further boosted by fewer accidents within our new Aperam Recycling perimeter and an increase in potential serious injury situations being reported - to be mitigated - before any inconvenience occurs.
Although there is room for improvement, we are in line with our target of reaching a TRIR of below 3 by 2026, improving the well-being of our employees, and becoming a 'zero-accident' company. Our roadmap, supported by a comprehensive 'JustCulture' approach, should bring us to the next level of performance. For instance, significant initiatives were achieved in 2023: a European-centric Health@Work survey to drill down on specific areas of improvement that lie there, compared to Brazil, and a two-day 'Wellbeing at Work & Resilience' training for Aperam's top management, which will be further rolled out in 2024 as part of our focus on Mental Health.

Our culture and focus on our people has always been key and, in 2023, it played a major role in the successful integration of the nearly 1,000 Aperam Recycling staff and 800 Brazilian colleagues who were onboarded as part of our strategic focus on forestry.
To drive and constantly adjust our Human Resources program, we use regular Engagement Surveys. Last year, almost 8 out of 10 employees showed their trust and sense of belonging in Aperam by participating in the latest survey. Of course, this study is all the more instrumental in times of economic austerity, when we need to restrain our costs while increasing our teams' efficiency, as we must now do in Europe. The latest results highlight some areas of improvement, but we're glad to have earned solid recognition for our efforts to value people, promote diversity and stand as the responsible and attractive employer we aim to be.

▸ In line with the expectations of both our employees and our external stakeholders, Aperam keeps its environmental responsibility high.

2023 also saw a continuation of our multi-year improvement plans and our decarbonization roadmap. As this Report will show, our commitment is visible in our objectives, our actions, and our performance. It can also be seen the honesty with which we report on our strengths and our weaknesses.
One of our strengths definitely remains our superior carbon footprint, which, at 0.28*CO_2e/ton of crude steel[1], is far ahead of the sector's 0.9 sector's average as established by the International Stainless Steel Forum. This good performance is strengthened by our optimized use of steel scrap, which is made possible by the integration of former ELG.
The repeat A- rating we received from CDP Climate confirms the consistency of our approach.

[1] Scopes 1+2, including the sequestration effect of our Brazilian forests.

On top of our virtuous production modes, which uses charcoal in our Brazilian blast furnaces and scrap in our European Electric Arc Furnaces, we also have our Recyco unit recovering the metallic content from production wastes and our Botanickel joint-venture aiming to 'farm' nickel in a responsible way[2]. In 2023, we went even further, with our BioEnergia unit developing two new innovative methods for reclaiming by-products. One of those methods turns liquified residues into a new, fossil-free fuel (bio-oil) that can be used for transportation purposes.The second method involves the launch of a careful and fully audited start-up in the field of carbon credits. The credits correspond to the sequestration of carbon into our own fields for third-parties (impacting their GHG footprint) and involves spreading biochar that will also improve the soil for our future agroforestry purposes.

▸ **Aperam continuously improves its management system, based on strong ethics, engagement and corporate citizenship.**

For Aperam, maintaining strong partnerships with our business partners and the communities around our main operations is paramount. Such partnerships are traditionally reflected by local programmes (Open Days, 'Territoires d'Industrie') and, more importantly, by our Foundation's work in Brazil, with over 118,000 beneficiaries recorded in 2023. However, in 2023, we initiated several new, innovative and promising bonds with our stakeholders.
On the buy-side, we built a forestry joint-venture with a Brazilian raw materials supplier who will use our charcoal to support their energy transition. On the sell-side, we co-constructed a specific offer with our infinite™ low-carbon portfolio to accelerate one customer's decarbonization strategy. On a business side that merges both sell and buy, we strengthened a 100% closed loop titanium and nickel supply chain with a major actor servicing the aviation and aerospace industry.
Furthermore, on the community-side, our 1,600-people BioEnergia unit initiated a new agreement to allow local farmers to use our land and cultivate their own substance agricultural crops, like beans and corn, between the rows of eucalyptus. Thanks to our agricultural know-how, this framework produces a win-win partnership that benefits our soil together with the local farmers - and fills us with joy.

This holistic approach to what is often referred to as 'ESG' is assessed by rating agencies, who gave Aperam excellent grades (see page 50). The same approach is also defined specifically for our sector by the hundreds of requirements set by ResponsibleSteel™. After having become the first Stainless Steel player to receive ResponsibleSteel™certification in Europe[3], in 2023, we confirmed our leading position in sustainability by being granted the same certification for our Brazilian plant and successfully passing the surveillance audit in Europe.

For 2024, we are prepared to operate in yet another exceptionally challenging environment, but Aperam will remain focused on resilience and flexibility aiming at creating both financial and social value.
To do so, we will combine our Sustainability strategy and our Leadership Journey®, and one of our forte is definitely our Renewable and Recycling Division. Still, I trust that our greatest asset, our 11,000+ employees, will be instrumental to continue unwrapping new sustainable business models and to further build on the strong bounds woven with our stakeholders - who count on us. We will not disappoint them.

Sincerely yours,
Tim Di Maulo
Chief Executive Officer

[2] See page 48.

[3] 2021, for our Stainless Europe operations

Company Profile

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

> 6 main plants

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

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

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

> 1 Recycling network (Worldwide - 50 sites)

> 1 Distribution network (Worldwide - 15 sites)

EUR millions unless otherwise stated (1)	2023	2022	2021	2020	2019
Crude Steel ('000 metric tons)	*1,820*	*1,931*	*2,169*	*1,959*	*1,985*
Shipments ('000 metric tons)	*2,198*	*2,309*	*1,819*	*1,677*	*1,786*
Revenues	*6,724*	8,221	5,144	3,656	4,287
Operating costs (2)	*5,685*	6,418	3,393	2,799	3,378
Employee wages & benefits	*676*	675	534	481	517
Payments to providers of capital (3)	*150*	342	249	146	240
Payments to government	*59*	130	136	80	37
Community investments	*1.08*	0.7	0.6	0.4	0.3
EBITDA	*293*	1076	1186	343	357
Economic value retained	*158*	655	831	150	210
Direct economic value generated	*6,724*	8,221	5,144	3,656	4,287
Economic value distributed	*6,567*	7,566	4,313	3,506	4,077

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

2 Operating costs include R&D costs of EUR 24 million for Aperam Group for 2023.

3 Payments to capital providers = Net Cash Interest and dividends paid to capital providers and shares repurchased through share buyback programmes during the year, in line with an amount of interest paid (net) of EUR 5 million, EUR (3) million, EUR 4 million, EUR 7 million and EUR 5 million, dividends paid of EUR 145 million, EUR 151 million, EUR 140 million, EUR 139 million and EUR 142 million, and shares repurchased for nil, EUR 194 million, EUR 105 million, nil and EUR 93 million stated in the cash flow statements of the 2023, 2022, 2021, 2020 and 2019 Annual Reports respectively.

About Aperam

Our Offering

RECYCLING & RENEWABLES

Scrap is our key raw material, Charcoal our major energy

> ELG is a global leader in the trading, processing and recycling of scrap for the stainless steel industry & market leader in the recycling of high performance materials such as superalloys and titanium mainly for aerospace
> BioEnergia produces wood and charcoal from FSC® certified eucalyptus forests (~ 126,000 ha)
> Recyco recycles metal from dust, mud, residues, ashes, etc.

STAINLESS & ELECTRICAL

Amongst the largest producers of stainless steel globally

Europe:
> 2 Electric Arc Furnaces (EAF) use scrap as major input material
> Stainless steel flat product output

South America:
> 2 Blast Furnaces (BF) use iron ore and charcoal produced from own forests
> 2 EAF use recycled scrap
> Stainless flat products & electrical steel

SERVICES & SOLUTIONS

Aperam's distribution arm

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

ALLOYS & SPECIALTIES

Top 3 producer of nickel alloys globally

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

Aperam Performance by Division
GRI-201-1

			Stainless & Electrical Steel		Services & Solutions	Alloys & Specialties	Recycling & Renewables
Aspect	**Indicator [1]**	Unit	**Europe:** Genk, Châtelet, Gueugnon, Isbergues, Precision	**South America:** Timóteo	**Worldwide:** 14 service centers 4 transformation units 15 sales offices	**Worldwide:** Imphy, Amilly, Rescal Imhua (PRC), Indore - ICS (IN)	**Worldwide:** Aperam Recycling, Recyco, Bioenergia
People	**Own Staff (End of Period)**	**FTE**	2,718	2,317	1,552	1,223	2,724
Shipments	Shipments	kt	979	571	647	33	1,373
Economic Contribution	Revenues	m€	3,210	1,140	2,261	890	1,971
	Wages & Benefits		302	75	90	75	117
	Payments to Capital Providers 3		-70	69	14	0	0
	Community Investments		0.09	0.46	0.04	0.02	0.47
	Payments to Government		15	8	10	6	13
	EBITDA		-52	133	24	49	156
	Economic Value Distributed		3,113	1,071	2,229	842	1,819

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

1 All footnotes are the same available on the previous page.

About Aperam

Our Main Sites

Châtelet (Belgium)
Melt shop and hot-rolling mill

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

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

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

Gueugnon (France)
Cold-rolling mill and finishing facilities

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

Our Values

Leadership

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

Agility

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

Ingenuity

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

Sites Certifications		ISO				IATF	Others
Division	**Site**	**45001**	**14001**	**9001**	**50001**	**16949**	
Stainless & Electrical Steel: Europe	Châtelet	x	x	x			ResponsibleSteel ™
	Genk	x	x	x		x	ResponsibleSteel ™
	Gueugnon	x	x	x	x	x	ResponsibleSteel ™
	Isbergues	x	x	x	x	x	ResponsibleSteel ™
	Pont de Roide	x	x	x	x	x	
South America	Timóteo	x	x	x		x	ResponsibleSteel ™
Alloys & Specialties	Imphy	x	x	x		x	
	Amilly	x	x	x		x	
	Rescal	x	x	x			
	Imhua (PRC)	x		x		x	
	Indore (IN)	x	x	x			
Services & Solutions	18 units (S&S and transformation)	18/18	14/18	18/18	4/18	4/18	
Recycling & Renewables	10 main /50 (former ELG) yards	7/10	7/10	9/10			
	Recyco	x	x				ResponsibleSteel ™
	BioEnergia	x	x				FSC® CoC & M

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

About Aperam

Our Business Model

INPUTS

Our people are our first priority (HUMAN CAPITAL)

- **Zero**-accident and a shared-vigilance culture
- **11,500** employees
- **16%** of our workforce are women

Our best-in-class R&D facilities to design the future (INTELLECTUAL CAPITAL)

- **€24.3m** R&D spent
- **141** R&D employees in **3** main centres in Brazil and France

We have a competitive footprint (MANUFACTURING CAPITAL)

- Modern European industrial setting
- Sole integrated producer flat stainless & electrical steel in South America
- **14** service centres, **15** sales offices, **4** transformation centres
- **> €250m** capex

We have a strong financial position (FINANCIAL CAPITAL)

- **€6.2bn** total balance sheet
- **€491m** net financial debt, net debt/EBITDA ratio **<1**
- **€6.6bn** sales

We have strong relationships with our stakeholders (SOCIETAL CAPITAL)

- Mutually beneficial relations with suppliers, local authorities and communities
- First stainless steel company to join ResponsibleSteel™
- Aiming for excellence in Governance, Ethics and Compliance

Our respectful footprint - being accountable to nature (NATURAL CAPITAL)

- **>1/3** energy use from renewables
- BioEnergia **>100,000** ha FSC®-certified forestry in Brazil for charcoal production, with externally verified yearly carbon sequestration
- Superior access to scrap in Europe
- Recyco unit: metallic content recovering from melt-shop dust and treatment for reuse

OUR OPERATIONS

OUR MISSION

To provide steel and alloys solutions that are both affordable and made for life, and that offer the strength, versatility and endless recyclability needed to build a sustainable society.

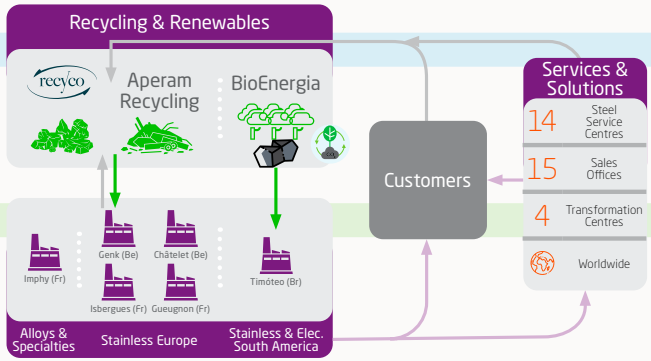
OUR AMBITION

To be sustainably safe and profitable and to be recognised as a preferred supplier, a facilitator and accelerator of change and an employer of choice.

OUR STRATEGY

- **Product & service excellence** – Strengthen our product and service differentiation
- **Cost excellence** – Successfully implement Phase 4 of our Leadership Journey®
- **ESG excellence** – Lead sustainably, based on our Health & Safety and CO_2 stewardship

Sustainability is fully embedded in our values and operations



OUTPUTS

We focus on their safety and development

- TRIR **<6**
- Employer's recognitions in Brazil and France
- **94%** of workers received at least one training

We provide innovative solutions for our customers

- Products development offering sustainable solutions (e.g. e-mobility and renewable energy)
- Continuous improvement of new product rate and service offer (e.g. e-business, EDI)

We continuously strive to improve our operations towards excellence

- **2.1mt** steel shipments
- **€186m** EBITDA level reached under Phase 4 of Leadership Journey® vs €150m target
- State-of-the-art industrial projects, allocating ¼ of R&D resources to process innovation to support initiatives on energy efficiency, quality improvement and CO_2 reduction
- Founding of new innovative partnerships like Botanickel's circular and bio-sourced nickel production process

We deliver value for our stakeholders

- **€6,567m** economic value distributed, incl. taxes and salaries
- **€168m** free cash flow
- **€304m** adjusted EBITDA
- **€203m** net income
- **€145m** returns to shareholders in 2023

We provide social value

- Our general philanthropic and local development efforts are boosted in Brazil by the Aperam Foundation.
- Stainless Europe and South America both ResponsibleSteel™ certified Good ESG ratings incl. "Top-rated" from Ecovadis (Platinum level)
- Forthcoming publication of our 2023 Sustainability Report

Sustainable products - recycling is at the core of our business

- One of the lowest CO_2 footprint in stainless industry globally with a strong roadmap to contribute to carbon neutrality by 2050. Rating from CDP of 'A-' for Climate Change and 'B' on Water Security
- Extractive coke fully replaced by renewable charcoal
- **~90%** metallic scrap used in European austenitic stainless steels. As demonstrated by the creation of the Aperam Recycling division, Aperam continues to place the circular economy at the heart of its growth strategy. Aperam launches its new sustainability brand for all its near-zero footprint premium products, related services and solutions – **Aperam infinite™**
- **Over 90%** recycling/reuse rate overall

Sustainability Strategy

While our comprehensive ESG approach brings us recognition, supported by the launch of a new “ESG Transformation” program aiming at an in-depth mindset revolution, the success of our Circular Economy strategy now acts as a booster.

Aperam’s Renewables & Recycling division played a paramount role in last year’s financial performance. Beyond our objective to grow Aperam Recycling, BioEnergia and Recyco organically, we uncovered new axes of development that we call ‘Sustainable Business Models’. For example, on top of the introduction of Aperam infinite™ (our new near-zero CO_2 premium products[4]), Aperam developed a partnership with IperionX around 100% recycled titanium and nickel supply chains in the United States. Our Brazilian units unveiled several new offers, one based on a charcoal by-product turned into a bio-oil and another used as a fertilizer and carbon “sequestration”, opening the door to carbon credits. Looking towards the future, new opportunities will continue to be explored while keeping our long-term view and three-pillar sustainability roadmap in line with the Global Compact and Sustainable Development Goals.

[4] Scopes 1+2+3 upstream

> People and their health & safety will always come first. Beyond the constant attention we give to Health & Safety, we also commit to creating a work environment that encourages our employees to thrive and develop the innovative ideas that will propel our company to the forefront of our sector. We do this by engaging with our employees, for instance through our All-Employee Engagement Surveys, and working together to find the right personalized training, operating mode and development opportunities.
This is not only to keep them motivated and performing, but also to nurture a sense of being a part of the Aperam family, which is all the more important as we look to fully integrate our former ELG colleagues (within Aperam recycling division), and re-invent our future together.

> As to the environment, our sector’s responsibility is greater than most and Aperam intends to pave the way towards the most sustainable practices in steelmaking. We need - and have - solid roadmaps to further reduce our CO_2 and air emissions, as well as our energy and water intake by 2030, with more stringent Paris-aligned targets by 2050. With these initiatives, recognized again in 2023 by an A- and B rating from the CDP on climate change and water respectively, and by our taxonomy alignment, we aim to minimize our environmental impacts today while also adapting to the many challenges posed by climate change.
But while we continue with our environmental roadmap, we are also keen to leverage the expertise of our new Aperam Recycling & Renewables division to further optimize scrap usage and look for alternative renewable sources of materials, like the biofuel sold by BioEnergia based on charcoal by-products or Botanickel crops that will allow us to “farm” nickel.

> Whether in our relations with our stakeholders or our corporate decision-making process, **our governance is guided by our high ethical standards**. All our stakeholders have legitimate needs.
We are a signatory of the United Nations’ Global Compact and supporter of the United Nations’ Sustainable Development Goals (particularly those highlighted to the left). As such, we aim to address their needs by being a fair, transparent and trustful partner to our customers, lenders and suppliers, to act responsibly with authorities and local communities, proactively address concerns, and contribute to the general good.
Part of this means chasing the best practices and challenging ourselves with undisputable certification such as those from the FSC® or ResponsibleSteel™, the later of which we have obtained for 5 out of our 6 main sites thanks to the certification of Aperam South America at the beginning of 2023.

Sustainability Governance in 2023

➢ **Members of the Board of Directors**: in charge of the overall management of the Company, they decide on the direction taken based on proposals from the Leadership Team (LT, Aperam's Management Committee), a group of eight senior executives headed by our CEO, Mr. Timoteo Di Maulo. The Board of Directors has two committees, the Audit and Risk Management Committee and the Remuneration, Nomination and Corporate Governance Committee.
At the Board level, sustainability topics are covered on a quarterly basis, firstly within the Audit & Risk Management Committee, which is responsible for ensuring that all risks are appropriately addressed, and at Board level too.

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

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

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

Collaborating at sector-level through ResponsibleSteel™

In 2019, Aperam was the very first stainless steel company to join the newly established ResponsibleSteel™ association. This initiative represents a milestone for sustainability in our industry, defining the best practices into a framework to be used for external audits with the aim to give (end) customers confidence in a steel company's commitment to responsibility. Aperam actively participated in the creation of the first site-specific standard, in cooperation with the association's other members, including steelmakers, NGOs specialized in environmental or social topics, suppliers from the extractive industry, and customers. In 2020, Aperam continued to participate in the building of the product-level standard while also preparing to start the certification process for its first sites in Europe. In 2021, we had four sites in Belgium and France certified as per this framework and we continued to discuss a product-level standard with more detailed requirements regarding responsible sourcing and GHG emissions. In 2022, we underwent the ResponsibleSteel™ audit at our Brazilian site of Timóteo, leading to the granting of the certification in February 2023 after the holiday season. In 2023, we passed the Surveillance audit at our four European sites, successfully. We will continue on this path with the recertification of the European sites and the surveillance audit of the Timóteo site in 2024.

Embedding a Sustainability State-of-Mind into All Processes

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

Since 2018, company-wide objectives have been cascaded into the individual objectives of all exempts across the organization, starting by our CEO, whose first objective chapter is entitled "Health, Safety and Sustainability" and encompasses such topics as "Health" and "Sustainable Industry with a long term objective of zero impact on the environment". Other CEO objectives cover the topics of "Compliance and Company reputation" and includes business ethics, and "Diversity", which starts with a clear focus on gender.
Since 2019, these objectives have been incorporated into MyHR and, since 2020, for the 2021 exercise, we have introduced the categorisation of all our internal objectives according to our GRI analysis and subsequent 'material aspects' (see below and appendices).

In 2021, a new step was taken with the preparation of a revolving credit facility including two ESG-driven indicators. This Sustainability-Linked loan, finalized in February 2022, aims at leveraging Aperam's sustainability profile, as a borrower, by aligning the loan terms to our sustainability performance against predetermined indicators picked up to reflect our commitment and key focus, namely our H&S performances (adding TRIR indicator) and CO_2 improvements, which are reviewed under limited assurance by an external party.
This means that reaching our objectives will trigger a reduction in our financing costs (1.5bp by indicator), but failing to do so will generate an increase in the same proportion. Any such "bonus" fostered by this framework will be entirely allocated to the financing of more projects in the area, meaning in relation with our people, Well-being and Human Rights, on the one hand, and on Climate Change mitigation, recycling and Environmental care, on the other. This is a new token of our commitment to Sustainability.

Strategic directions

> In 2021, Aperam decided to reflect its strategic orientation towards a responsible usage of resources and full circularity by the conclusion of the acquisition of ELG, a global leader in stainless steel and superalloys recycling.
As a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, former ELG constitutes an integral part of the stainless steel and superalloys value chain, forming the link between industrial customers, local scrap handlers and mills & melt shops that purchase globally. With ~1,100 FTEs in 50 locations globally, Aperam Recycling continuously contributes to reducing the stream of metal waste: 1.37 million tonnes of recycled raw material were shipped in 2023 (1.4m ton in 2022), to be transformed into new products.
Investing in sustainable recycling will further improve Aperam's leading environmental footprint and support the company's CO_2 reduction targets. The acquisition does enable Aperam to improve its input mix and to expand into the supply of recycled raw materials. The upstream value chain extension through the combination with ELG is a transformational

addition to Aperam's business model. This will also be expressed in Aperam's operating segments. As from the 2022 financial statements onward, ELG has been reported, together with Recyco and ASB Recycling, as part of a new operating segment "Recycling & Renewables". Our newest segment includes all recycling and renewable energy activities: (i) Aperam Recycling (formerly ELG), a global leader in the trading, processing and recycling of raw materials for the stainless steel industry, as well as high performance materials such as superalloys and titanium; (ii) Recyco, our electric arc furnace recycling facility that retrieves and recycles dust and sludge, with the aim of using it to produce stainless steel raw materials while also reducing waste; and Annual Report 2023 12 (iii) Aperam BioEnergia, which produces wood and charcoal (biomass) from cultivated eucalyptus forests in Brazil that is then used as a substitute for coke at our Timóteo (Brazil) production facility.
This expresses the importance that the circular economy has to Aperam.

Working and Reporting on the Right Topics

Since 2013, we have used GRI standard principles (Global Reporting Initiative's sustainability reporting guidelines) to define our most material sustainability issues and their impact, based on both our business and our stakeholders' views, and have structured our reporting accordingly.
The matrix ranking all topics from minor to most critical is updated annually, and progressively enhanced for a greater relevance. See the main steps below, knowing that all details related to the materiality matrix evolution can be found in the Supplement B - attached to the extensive report:

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

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

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

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

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

> 2019: update based on the discussions held in the ResponsibleSteel™ forum, leading to the integration of information on decommissioning and biodiversity.

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

> 2021: update of the matrix based on the same 11 major sites, and methodology, complemented by the feedback of our CTO in charge of Sustainability, and cross-checked in view of the most recent Employee Global Survey (70% of the workforce).

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

We also consulted three different former ELG, now Aperam Recycling units, which lead us to include a topic called 'Product Safety/Quality (Radioactivity)'.

> 2023: Updated based on a multifaceted methodology, on top of our internal review, run as part of our enlarged Risk Management approach (see p. 56), we have incorporated insights from the Sustainability Accounting Standards Board (SASB) framework to align with industry-specific standards. Additionally, we conducted a specific impact assessment on our recently acquired ELG scope (Aperam Recycling Units) and carried out interviews with key local mayors in European sites, among other stakeholders, to understand the local perspective.

This comprehensive approach ensures the identification and prioritization of sustainability issues resonant with both Aperam's operational context and broader industry considerations. It aligns with global standards, internal perspectives, local community priorities, and continuous stakeholder feedback to dynamically shape our sustainability strategy in the evolving landscape, and in preparation of being compliant with the CSRD (Corporate Sustainability Reporting Directive).

Beyond this, no major change in our materiality exercise is to be reported in 2023. For full details on our final 'GRI Materiality' consolidated matrix and its variations, please see our online methodology appendices.

Our People

Our top priority is the health and safety of our people. As a core value, Health and Safety guides all our actions.
While we work on programmes to improve the safety, health and well-being of our employees, we also invest in employee development programmes.

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

Health & Safety

Organization

2023 saw the full integration of (former) ELG into Aperam Recycling and Renewables. As a result, ELG's H&S performance is now fully accounted for within Aperam's overall performance, with a single figure covering the entire Group's Lost Time Frequency Rate (LTFR) and Total Recordable Incident Rate (TRIR).

With the introduction of our revised H&S paradigm in 2023 (for more details, see section on Health & Safety Roadmap 2024) and the creation of the Divisional Lead functions, which focus on transversal steering and the implementation of the Global H&S Roadmap, Aperam took another important step in our journey of becoming a sustainable and safe company.

A company-wide H&S 2023 Action Plan detailing the annual focus points for all sites has been established. It consists of both lagging indicators (i.e.,TRIR) and leading indicators related to the improvement actions that all sites must take on Health and Safety topics. Validation of the targeted achievement will be done annually via the H&S Divisional Leads during Q1 of the following year.

Stainless Steel Industry Safety Awards 2023

Every year, the association awards good practices and novel ideas.

Our project "Safety, respect, equality and well-being at work!" was recognised with a Silver Safety Award, showing that the importance of sanitary facilities such as toilets and changing/shower rooms is more than a simple hygiene and safety concern. It is a way of showing the importance of the people working on our sites.

With this project, Aperam wants to provide adequate facilities to ensure the well-being of our employees at any workplace and demonstrates the importance the company attaches to the quality of healthy and welfare facilities.

Voice

"Health and Safety are Core Values of our company, which makes them embedded in every decision we make.
This mindset will lead us to become a Sustainable Safe Company."

Hans Vanhorebeek
Head of Aperam Health & Safety

Health & Safety briefing at Imphy (France)

Voices

"From an economic and financial perspective, 2023 has been one of our most challenging years ever. This led us to consciously slow down our external hiring while at the same time putting all our energy and focus on internal job mobility. The roll-out of our new MyHR Recruitment Platform and our promotion campaign around 'Your Career, Your Choice' are the best illustrations of this.
At the same time, we continued the integration of our newly acquired workforce: Aperam Recycling staff, that went for the first time through our annual performance and development cycle, and almost 800 workers, as part of the insourcing of external services like Logistics and Maintenance for BioEnergia in Brazil, towards the end of the year. The Aperam Family continues to grow. "

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

Indicator	Unit	2023(3)	2022	2021	2020	2019
Employee	FTE	**11 497**	10 736	9 522	9 381	9 612
Joiners		1,753	819	623	393	514
Leavers		911	703	431	583	664
Turnover Rate	%	7.91	7.4	4.6	6.1	6.9
Women	% staff	16,2	14.7	13.5	12.6	12.3
	% exempts	22,9	22.8	22.4	21.4	20.4
Fatalities - All	#	**0**	1	0	0	0
Fatalities - Employees (1)		0	0	0	0	0
Fatalities - Contractors		0	1	0	0	0
TRIR - All	/1,000,000 hours	**5.95***	7.01*	-	-	-
TRIR - Employees (1)		6.42*	7.8*	-	-	-
TRIR - Contractors		5.03*	5.24*	-	-	-
LTIFR - All		**2.29***	2.45*	2.22*	1.52*	1.7*
LTIFR - Employees (1)		2.82*	2.89*	3*	1.58*	1.6*
LTIFR - Contractors		1.26*	1.48*	1.6*	1.39*	1.9*
Severity Rate - All	/1,000 hours	0.14*	0.17*	0.12	0.14	0.09*
Training Hours - Total	hours/FTE	**36.1**	27.3	30.8	19.6	35.5
Total People Trained	#	10 367	8 924	8 699	7 898	8 950
Absenteeism	%	**3,00**	3.2	2.7	3.4	2.7
Employee satisfaction (2)	%	**77**	81	83	n/a	n/a

'' externally certified data.*

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

(1) Including interim workers.
(2) Employees that would recommend Aperam as a good employer (All employees survey).
(3) Now including former ELG - all data

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

Timoteo di Maulo
CEO of Aperam

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

By Geography	Unit	Belgium	Brazil	France	Worldwide
Plants, Division	sites	Châtelet, Genk, ASB Recycling from Stainless Europe	Timóteo, BioEnergia from Stainless & Electrical Steel South America	Imphy, Amilly, Rescal from Alloys; Gueugnon, Isbergues, Pont-de-Roide from Stainless Europe	Imhua (PRC), ICS (IN) from Alloys & Specialties Rodange (LU),Usti (CZ) from S&S Tubes
Service Centres		Genk (BeNeLux).	Campinas, Ribeirão Pires, Viracopos, Caxias do Sul	Isbergues	Germany, Italy, Poland, Iberica, USA, Argentina, Turkey
Main Offices		(Genk)	Belo Horizonte and São Paulo	Saint-Denis	**Luxembourg HQ** and Sales Offices(1)
Employees	FTE (End of Period)	**1,998**	**4,651**	**2,509**	**2,339**
incl. Blue Collars		*1,280*	*3,598*	*1,432*	1,296
LTFR - All	per 1 million hours worked	**4.54**	**0.19**	**4.17**	**0.37**
LTFR - Employees (2)		3.76	0.35	4.6	0.4
LTFR - Contractors		5.73	0	2.21	0
Severity rate - All	per 1 thousand hours worked	**0.45**	**0.02**	**0.13**	**0.05**
Severity - Employees (2)		0.57	0	0.13	0.05
Severity - Contractors		0.27	0.03	0.1	0
TRIR - All	per 1 million hours worked	**14.45**	**1.72**	**7.74**	**1.12**
TRIR - Employees (2)		12.31	1.87	8.23	1.19
TRIR - Contractors		17.71	1.55	5.51	0
Absenteeism	%	5,69	1,41	3,75	2,01
Training	hours	**66,981**	**244,752**	**65,256**	**38,298**

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom. (2) Including Interim workers.

Understanding Our 2023 Performance

All lagging indicators commented on below merge both Aperam's former scope and the new Aperam Recycling division into a single figure.

> When looking at our lagging indicators, we clearly see an improvement year-over-year. Our Lost Time Injury Frequency Rate (LTIFR), which measures the time lost due to injuries, dropped from 2.45 in 2022 to 2.29 in 2023. Our TRIR (Total Recordable Injury rate) looks at the number of total recordable incidents and compares it to the total number of 2023. In this case,a recordable incident is any work-related injury or illness that results in either death, loss of consciousness, days away from work, restricted work activity, transfer to another job, or medical treatment beyond first aid. Our TRIR went from 7.01 in 2022 to 5.95 in 2023. Improvement is the most visible in our S&S and Alloys and Specialties divisions, both of which have cut their incident rates in half over the course of 2023. Our sites in South America also posted an outstanding performance.

> The Severity rate of accidents decreased to 0.14 in 2023, compared to 0.17 in 2022, mainly driven by a lower rate of our contractor employees.
These results show that our decision to install strict H&S protocols, consistently implement our standards and focus on our culture and well-being as our leading indicator set is the right path to follow. Our 2024 target on TRIR remains unchanged at 4.5 for the whole Group.
2023 saw many best practices and ideas for improving Health & Safety be implemented across all Aperam sites. These are grouped around the four pillars of the H&S paradigm. Some examples include:

> In the 'Ability to fail safely' pillar, actions were taken to, for example, improve machinery safety. This was done via a machinery safety training program for managers and via extensive machinery safety audits by Dekra. We also created a new Life Saving Standard on functional safety.

> Within the same pillar, a working at heights training path was defined and is now part of the corresponding Life Saving Standard.

> In our 'Towards a learning culture on errors' pillar, Aperam Pont de Roide, France used an H&S event to deploy a self-developed game on risk management for their slitting machine.

Voice

"After the effort done to eradicate fall, slip & trip hazards in our S&S perimeter, an important Safety campaign on hands has been implemented to attack the major contributor of our incidents. The risk of contact with metal is permanently present in the workshop.

Via hazard identification by our operators, over reduction of exposure of the hands to the metaland a wider use of anti-cut gloves, we have seen a strong decrease of hand injuries. Reinforced by the good practice sharing within the S&S's H&S network, the hand prevention campaign has become an important part of the cultural change started within the S&S division over the last 2 years.

Congratulations to all sites for their strong involvement, enthusiasm and dynamic to become a sustainable safe Industry!

Frédéric Sawko
Division Lead H&S Services & Solutions

Health and Safety Roadmap 2024

Based on our commitment to becoming one of the best-in-class steel manufacturers in Health and Safety and, ultimately, a sustainably safe company, we continue pursuing our ambitious Health and Safety Roadmap. In particular, we keep our focus on our People and their Personal Contribution and their wellbeing, as well as on Occupational Safety, on Standards and Rules, and on Learning and Culture. All this aims to achieve a TRIR lower than three by 2026 and, as a result, prevent harm to our employees and stakeholders.

Doing so would result in a solid H&S Action Plan for 2024 in which all Site Action Plans subscribe and contribute to ensuring that a sustainable result is achieved, both on Lagging and Leading indicators.

Target

aim for best-in-class performance

2026 TRIR <3

1. **Just Culture:** A Just Culture inside our company, meeting the need to rigorously apply standards and ensuring the ability to fail safely.
2. **No Repeat:** A "No Repeat" policy that fosters a learning organization.
3. **Workers' Involvement:** Involving everyone. People are the solution.
4. **Workers Well-being:** The physical and mental well-being of our people.

The key elements of our 2024 Safety Action Plan, linked to the above paradigm, are:

- Pillar 1 - Continue our focus on the sustainable implementation of our ‘Life Saving Standards on Isolation’, ‘Functional Safety’, ‘Working at Height’ and ‘Contractor Management’ to ensure a fail safe environment.
- Pillar 2 - Full use of our ‘Just Report’ tool for incident reporting, investigation and action tracking and increase the REX (Return of Experience) diffusion and lessons learned, including a process to look for transversalities at the site level.
- Pillar 3 - Strengthening our ‘Safety Culture’ via the deployment of a dedicated training package developed in-house on Leadership and Coaching Skills (immersion) for all our hierarchical line functions.

Our 2024 Health Action Plan focuses on the wellbeing of our employees via Pillar 4 of our new paradigm and is a continuation of our Health Roadmap 2022 - 2026. It includes a reinforced action plan for 2024 covering:

- Change management, employee assistance program, dedicated training, well being at work and resilience.
- Define best practices on how to prepare for a return to work after a long absence and on the promotion of a healthy lifestyle.
- Risk prevention (cardiovascular, etc.), dedicated communication plan about mental health awareness, promoting a stigma-free and supportive work environment.
- Physical health and promotion of a healthy lifestyle via standards and awareness campaigns.

.

Employees Survey

75%

” I think that Aperam promotes a culture where I can learn from my errors”

2023 Recognitions

Employee care is a long-term priority for Aperam!
> In Europe, for the sixth year in a row, Aperam was ranked amongst the best employers (6th place) within Heavy Industry and Materials by French Capital Magazine.
> In Brazil, Aperam BioEnergia won the fourth title in the “Incredible Places to Work” 2023 award among Agribusiness companies, and, in the Steel and Mining sector, Aperam South America came in second place with a consistent result, as in 2022.

Voice

"Fueling progress through industrial innovative solutions is my passion. Whether it's enhancing operators’ safety or reducing physical strain through automation, I believe in fostering positive transformations that significantly contribute to the well-being of our workforce. Witnessing the contentment of operators, who express reduced stress with the additional assurance of tools like screen-displayed cameras and AI (artificial intelligence) powered algorithms, is truly rewarding. Beyond individual well-being, our innovations extend to delivering substantial business value - enabling improved yields and a reduced carbon footprint. Embracing these advancements not only elevates workplace satisfaction but also contributes to the overall success and sustainability of the company.”

Kun Liu
Team Leader Industrial Innovation, Genk (Belgium)

Exercise at Aperam Siemianowice, Poland (Working at height), during the Safety Week 2023.

Health@work Survey

In 2023, we deployed an inaugural questionnaire dedicated to health@work in Europe. The aim was to better understand the Employee Engagement Survey results that specifically relate to mental and physical health at work.
One of the main goals of the survey is to provide us with a tool for approaching Health-related issues in a systematic way. To do this, the survey highlights areas for improvement, which feed into actions that can be integrated into the global H&S roadmap (p. 16) or dealt with at the sites or, depending on the specificity of the results, at team level. With a 57% participation rate, the survey helps Aperam Europe advance in its journey of becoming a sustainable, safe and healthy company.

Overall, Aperam acknowledges the need to improve in various aspects, and the key priorities identified through these discussions will guide our 2024 performance goals for the management teams. Each manager has direct access to their team's results (subject to a minimum number of respondents to guarantee confidentiality). Managers will then share the results with their teams, encourage discussion, listen to feedback and define local actions, all of which are in addition to the actions included in the global roadmap.
At the site level, a detailed action plan must tackle both site transversal and departmental actions and involve employee representatives, the local health circle, occupational health services, and the Health & Safety (H&S) and Human Resources teams.

Results of the health@work survey 2023.

Voice

"For me, Health and Safety are the most important things while doing my job at Aperam Recycling in Taiwan.

The safety training as well as Aperam's guidelines and lifesaving rules have a great impact on our team.
We act and feel safer after a routine training session. Learning lessons from other sites also play a big role: We are instructed about incidents and accidents that have happened elsewhere to learn and avoid the risk during our work."

M.S. Lee
ELG Metals, Taiwan

H&S Event 2023: Digital Detox Workshop

Every year we organize a Health & Safety event to celebrate Aperam's H&S culture. Based on the new H&S paradigm defined this year, the event is an occasion to train, learn and act together in order to build a sustainably healthy and safe company for everyone.

From April 28 to June 15, all 115 Aperam sites worldwide participated in training, awareness sessions, workshops, etc. around the theme of 'Enabling a Healthy and Safe Working Environment'. A particular emphasis was put on global themes of Aperam's new Life Saving Rules and 'Take a Digital Break, with many more activities proposed locally!

In line with our commitment to employee well-being, the 'Take a Digital Break' project encourages employees to monitor their screen time, understand the risk of digital addiction, establish healthier digital habits, and disconnect from their devices to reconnect with the surrounding world. The project aims to foster a balanced and fulfilling lifestyle in the digital age.

Digital detox workshop - Saint Denis, France.

My Coach:

Launched in April 2022, myCo@ch is an individual support program for employee wellbeing and health. The application is available to all our employees in Belgium, France and Luxembourg.
The innovative app uses a blend of e- and personal coaching presented via learning modules and video call sessions. It is designed to provide the user with the knowledge, techniques and tools they need to boost their physical and mental wellbeing and to promote professional and personal development.
The app is 100% online and available 24/7. It is also completely personalized, with the program based on the results of an initial assessment. All data and information is kept confidential.
At the end of 2023, more than 420 employees were actively using the app!
We will continue to promote this tool in 2024, and even plan to expand its scope.

Stress Management: Purchasing Team Training

In November and December 2023, a specific training about stress management (one day per employee) was implemented for the purchasing teams from Brazil to Europe.
About 20 people participated and learned about assessing stress levels and stress factors, understanding stress management techniques, and increasing resistance to stress. Based on the feedback from trainees, this training should be deployed across Aperam.

Voice

"Following the result of our yearly climate survey, we have identified four dimensions to work on in our Purchasing Platform.
One is related to the efficiency of our process and managing stress.
On top of working to better reduce the root causes of stress, we also decided to work on the negative effects that stress can have"

Johan Leseux
Category Manager Industrial Products and By-Products Europe
Global Purchasing Platform

Training Internal Facilitators on Well-being and Resilience at Work:

After training the top 100 on well-being and resilience at work, in 2023 we conducted our first training for internal facilitators, with the goal of implementing this training internally for the entire management line in Europe.
This training course aims to help managers:

- Understand the impact work has on well-being and mental health
- Identify techniques for improving personal well-being at work
- Identify actions likely to improve team/site well-being
- Improve their ability to promote well-being within their team as a manager

At the end of 2023, Châtelet and Imphy began training their first managers. Feedback has been very positive, and there is a strong demand to roll the program out to all managers. Local actions have also been defined as a result of this training. A second group of new internal trainers will be trained in January 2024.

A Highly Competent and Engaged Workforce

Diversity of Talent

Our Workforce at a Glance

At the end of 2023, Aperam's workforce consisted of 11,497 employees (FTE), of which 11% are exempt and 66% blue collar (stable percentages compared to 2022). Our workforce was predominantly made of permanent and full-time employees - 98% in total (GRI 2-7).
Our staff is mostly composed of employees based in Brazil (40%), France (22%) and Belgium (17%), with these three countries representing 79% of our total workforce.

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

Aperam Workforce (1) (GRI 2-7)

2023	Gender	Permanent	Fixed-Term	TOTAL	Full-Time	Part-Time
Blue Collars	Female	775	20	795	787	8
	Male	6,621	191	6,812	6,751	61
White Collars	Female	758	25	783	696	87
	Male	1,855	11	1,866	1,828	38
Exempts	Female	281	4	285	265	20
	Male	952	4	956	946	10
TOTAL	All	11,241	256	11,497	11,273	223

Aperam Workforce Aperam consolidated total of Full-Time Equivalent employees, on 31/12/2023 (GRI 2-7)

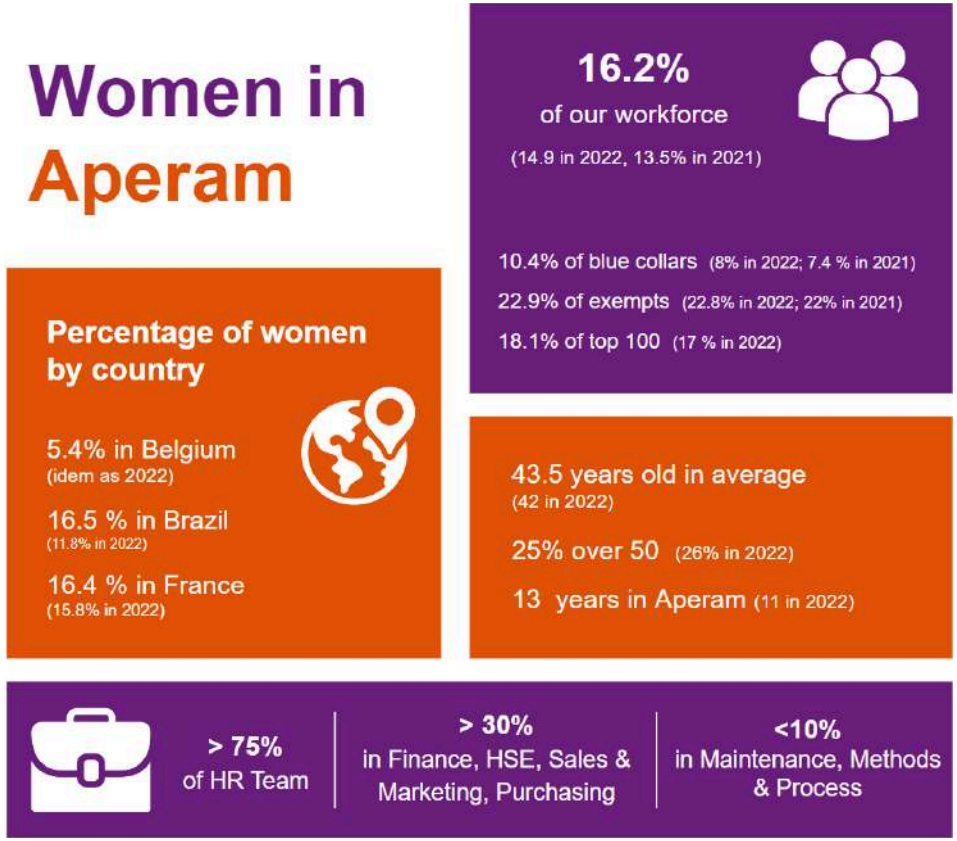
Understanding Our 2023 Figures

>In 2023, 1,753 FTEs joined Aperam, of which 27.5% were women, and 911 FTEs left, 18% of them being women. This leads us to an employee turnover rate of 7.9%, slightly above the 6.5% in average for the 2016-2022 period.
The majority of the hirings coming from Aperam Bioenergia, 835 FTEs, a strategic decision due to an increase in the cost of external workers.

> The average age of Aperam employees increased slightly (for both women and men). In 2023, it was 43.5 (versus 42 in 2022), with the average age of seniority being 13 years (versus 11 in 2022). The age distribution is rather even, with 25.1% of our staff being over 50 and less than 5.7% below 25.

Aperam Workforce (2) (GRI 2-7)

Indicator	Unit	2023	Age (y)	Seniority (y)	<25 y (%)	>50 y (%)	# Women
Total Employees	FTE	**11,497**	43,5	13,0	5,7	25,1	**1863**
Blue Collars		7,606	41,6	12,0	7,8	19,6	**795**
Standard White Collars		2,650	46,6	15,7	1,9	33,6	**783**
Exempt White Collars		1,241	47,7	130	0,7	40,0	**285**
o/w "Top100"		121	52,8	12,5	0.00	63,5	20
Interim		418	-	-	-	-	18
Joiners		1753	40.0	-	25	5	482
Leavers		911	43.0	14	8	34	161
Turnover Rate	%	**7.9**					



Letícia, IT Product Owner, Luxembourg.

A graduate in metallurgical and mechanical engineering, Letícia began her career with Aperam in 2017 working in the S&S Tubes Brazil division. Motivated by professional ambition, she left Brazil for Luxembourg, where she spent three years as Business Analyst at Aperam Corporate before becoming Product Owner, a position that sees her developing the e-Aperam customer relationship management platform.

Letícia found her integration in Luxembourg relatively easy, especially because of the lack of a language barrier since she speaks French. Having Brazilians at the corporate level also helped." What I love about Luxembourg is that it is a cosmopolitan country that respects other cultures," she says. "People are open, and you don't feel like a stranger."

In the future, Letícia aspires to pursue leadership roles by managing a larger team. "I enjoy giving directions, inspiring ideas and guiding a team to achieve results," she explains."I like change and remain open to opportunities for geographic and professional mobility within Aperam."

She is also confident that being a woman in a predominantly male arena won't hold her back."; The fact that we are women does not change anything in our team"; she notes. Letícia does, however, regret the low proportion (17%) of women in the Top 100. "We don't have enough examples in the Top 100 to inspire us and make the necessary policy changes – we need more women to diversify strategy and decision making"; she adds.

The good news is that there are actions in place at Aperam to change this. For example, Letícia participates in ArcelorMittal University's leadership training. Furthermore, after noticing the discrepancies between how men and women answered certain questions in the 2021 Climate Survey, she decided to form a working group at Aperam Corporate."; We analyzed the statistics and talked with several women to understand why they feel less comfortable in their professional environment," she concludes. "It's still a work in progress, but it's important to be able to discuss these issues".;

Tips to newcomers:
"If I could give one piece of advice to newcomers, and minorities in particular, it would be to not focus on your differences. Instead of focusing on your differences, focus on your qualities. That's what will allow you to feel free in your position and then only the sky will be your limit."

Embracing Diversity - with a woman's touch

Since 2018, we have used a program inspired by the United Nations' Women Empowerment Principles to increase female representation across all levels of the Aperam community and to ensure that our work environment enables our female colleagues to thrive and demonstrate the very best of their talents. On the next page you can find a table that outlines our action plan, including our five core areas of focus, and our 2023 progress per chapter. The plan is regularly reviewed to integrate input received from our all-employee climate surveys and other benchmarks.

In 2023, we introduced our new Global Inclusion and Diversity Policy, which is intended to ensure that Aperam is a welcoming workplace for all. It is combined with a Charter, which includes clear and quantified commitments.

> Both our 2023 Health@work survey in Europe and our Employee Engagement Survey for all Aperam employees saw an increase in the number of questions about discrimination, harassment, and human rights. While we continue to improve our commitment to diversity and inclusion, we still have a long way to go (only 16% of our staff are women). All the questions relating to diversity have a score higher than 8 out of 10 (3 questions in 2022, 7 questions in 2023).

> Because fighting stereotypes is a pillar of our action plan, we aim to communicate about the topic regularly, both at the local and company levels. For example, in 2023 we celebrated our second global Aperam Diversity Month, which included weekly internal communications on topics like gender equality and anti-racism. It also featured pilots of live 'Diversity Fresk Workshops' in France. Following this, we launched our first full mandatory training pack on diversity and inclusion in July for employees at all hierarchical levels, with a variety of modules available in six languages.

French HR team testing the "Fresque de la Diversité", a gamified Awareness-raising exercise.

Aperam South America professional training classes exclusively for women.

To illustrate the work being done to promote women at all levels and departments of Aperam, let's look at what's happening at several different sites:

■■■ In partnership with the French ‘Elles Bougent’ association, in 2022, Aperam created a group of 20 ambassadors from France and Belgium. Coming from R&D, IT and production roles, these ambassadors work to reinforce gender diversity in the industrial and technological sectors. This year, the ambassadors continued to share their passion and mentored young women in their study and career choices.

■■■ In Brazil, Aperam established specialized professional training classes in welding, driving, and maintenance assistance exclusively for women, with the goal of empowering and diversifying traditionally male-dominated roles. Simultaneously, a bricklayer class, which was open to all genders, promoted inclusivity and equal opportunities.
In 2023, Aperam Brazil and Bioenergia aimed for a 13% female workforce representation. In the industrial sector, we surpassed the goal with 13.5%, while in Bioenergia, we achieved an even higher representation of 20.1%. Combined, the overall female workforce representation reached 16.2%.

Diversity in a Broader Sense

In last year’s report, we highlighted our decision to expand our diversity program to include all kinds of diversity - not just gender. This year, we increased one more time the number of questions about Diversity and Inclusion integrated within our Employee Engagement Survey (formerly our Climate Survey) and took the first steps to enlarge our action plan. Additionally, in September, we deployed a new survey among all employees in Europe: the Health@work survey, which also included questions about discrimination and harassment.

> We are happy to report that all the related survey questions were rated above 8 out of 10, which is very good. 9.3 of respondents had not experienced harassment or discrimination, but 3.5 of those who had said yes did not know who to contact. We can also report an overall satisfaction rate of 7.7 out of 10, with no significant deviation related to age, employee status or gender. Satisfaction is even higher in Brazil, where a new inclusion and diversity strategy consisting of five key pillars: Inclusive Culture, Facilitating Management, Diverse Company, Ecosystem and Community, and Infrastructure and Innovation, was implemented. The company has undertaken a comprehensive approach, visiting all 209 areas and locations to present the new plan and engage in discussions. Additionally, Aperam Brazil has been actively involved in welcoming new hires, offering information about the Inclusion and Diversity Program as part of their integration processes.

Status of Aperam’s Gender Equality & Representation Roadmap

Leadership & Commitment

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

With our new Global Inclusion & Diversity Policy, we once again commit to being an inclusive workplace for all.

Health & Work Conditions

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

In 2023, several audits were done with members of the health circle (incl. staff representatives) across all sites to define gaps versus the Aperam Standard. An action plan had been put in place to solve all issues.

Equal Remuneration

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

In 2023 the gender pay gap decreased at 7.7pts (excluding Aperam Recycling, i.e 11.2 including Aperam Recycling) versus 7.9 in 2022 and 8.6 pts in 2021. We continue to watch closely all indicators to avoid any unfairness.

Equal Career Opportunities

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

On top of keeping our Global Aperam Talent Management Program and monitoring our succession plans for leading positions, we also conduct a detailed analysis of the distribution of promotions and performance ratings: In 2023, 18,2% of women exceeded expectations, versus 17,9% of men. 4.8% of women have been promoted vs. 4.5% of men. We have also developed questions on the prevention of harassment, sexism and discrimination in the Health@work survey in Europe in September 2023 and the Employee Engagement survey in November 2023 for all of Aperam.

Fight Against Stereotypes

A sustained focus on training and communication is required to eliminate gender bias. Read our monthly “Career Focus” within Aperam Newsletters for more information.

In 2023, we continued our training to avoid gender bias, including any bias that might arise in the recruitment process. In particular, all white collar employees have been assigned a specific training module from MyHR, also specific training for HR and Managers recruiting without discrimination, prevention of sexism at work, gamifying exercise on Diversity, etc.

> On the communication side, we celebrated Human Rights Day 2023 with a special focus on recognising and standing up against microaggressions. Although these seemingly trivial behaviors or words often go unnoticed, they can create a favorable environment for discriminatory behaviors. A newsletter in 10 languages was dispatched to all Aperam employees, encouraging everyone to feel empowered to bring one's full self, pride and abilities to Aperam's success. The newsletter introduced an e-Learning course about stereotypes, microaggressions and the new I&D policy and charter.

All data in FTE - GRI 405-1	2023			2022		
	Belgium	Brazil[2]	France	Belgium	Brazil[2]	France
Total Employees	**1,998**	**4,735**	**2,509**	2,030	4,061	2,482
% Women	**5.5**	**16.5**	**16.4**	*5.3*	*11.1*	*15.9*
% Persons with a disability [1]	0.6	3.8	3.2	*1.3*	*4.3*	*4.7*
Total Joiners	100	1,147	160	*175*	*338*	*265*
% Women	9	31	26	*9*	*30*	*22*
% Persons with a disability [1]	n/a	1.8	n/a	n/a	0.6	n/a

(1) According to local definitions/regulations.
(2) Brazil Data (Industry + Bioenergia + S&S and Tubes).

> As to the rest of the action plan, the new program also includes a multi-year calendar to raise awareness on all aspects of discrimination. We also rolled out a methodology to assess discrimination risks in the workplace. Here, our sites conducted auto assessments on their risk regarding discrimination in their hiring process on several factors (such as age, disability, LGBTQI+, etc.). In parallel, exchanges with subcontractors were held to ensure that best practices go beyond our own employees. The plan also includes promoting different perspectives about leadership, resilience and success - all part of our ongoing fight against stereotypes.
Based on the risk assessment, performed in our three biggest countries of operation (Belgium, Brazil and France), we identified some priorities to be tackled in terms of awareness-raising. Our action plan includes the global extension of our risk mapping and a focus on some specific moments in one's career (hiring, promotion) and/or job status. In 2023, we also celebrated for the second year in a row Aperam's 'Month of Diversity', which coincided with our Zero-Discrimination Day, International Women's Rights' Day and the Day of Elimination of Racial Discrimination.

Voice :

"I see a great evolution at Aperam - in recent years, mainly.

The creation of affinity groups at Aperam South America was a very important step for us to be able to discuss the topic of Diversity more widely, in a way that I had never imagined possible."

Gisele Polati
Credit, Billing and Insurance Executive Manager
Aperam South America, Belo Horizonte

Career & Development

Digital Transformation Journey

MyHR, our global human resources information system, is accessible to all Aperam employees, from top management to blue collar workers. Individuals are granted appropriate access based on their role within the company (manager, employee, HR). Ensuring high quality data is a priority and key to us being able to deliver the best user experience to our employees.
In July 2023, we introduced an additional recruitment module for white collar vacancies (exempt and non-exempt) aimed at promoting internal career growth within our organization. The new module provides a comprehensive overview of available opportunities at Aperam and a streamlined application process for internal candidates. For managers, the module handles the end-to-end recruitment process, covering all different phases from job requisition to candidate selection.
Also this year, Aperam Recycling Division executives were seamlessly integrated into our global performance management cycle. They were trained to use MyHR for goal setting, competency review, and performance evaluation, aligning their processes with the broader organizational objectives.

Juliana: Motorcycle Courier at Aperam Campinas, Brazil

Juliana is a motorcycle courier for Aperam Campinas, a position she has now held for a year. Her responsibilities include efficiently transporting a variety of items, from documents to small packages. She not only delivers these items between our company and other businesses, but also within Aperam, assisting different departments whenever necessary.

As an LGBT+ individual, Juliana has faced hostility in previous jobs. But at Aperam, she has found a welcoming and motivating environment. “From my first moment at Aperam, I felt welcomed and respected,” she says. She continues: “Nowadays, things are much better because society in general has evolved, and even though there is still a lot to improve in some respects – for example, crimes against LGBT+ people are still very high – people’s awareness has changed and in everyday life, preconceptions and prejudices lose strength.”

Juliana says she has an appreciation for doing her job effectively. “I like to organize my days properly. Together with Aperam, I look to take advantage of my routes for saving time and being efficient. I usually propose routes or processes like documentation and data checking before even leaving. That way, when I arrive at the destination, everything becomes easier and more agile. If the document that the client would have had to wait for until 10:30 am arrives at 8:30 am, they are happy – and so am I”. Indeed, Juliana’s qualities can perfectly be applied to her job: she is agile, organized, efficient and willing to learn.

Safety is also very important to her work. Juliana participated in Aperam’s CIPA (internal accident prevention committee), but also she reminds us that “Traffic represents a great risk. For instance, at the main hospital in Campinas, there are 10 admissions due to motorcycle accidents per day.”

As for her future plans, Juliana feels it is time to invest in herself. She is looking for an opportunity, possibly in a production line operation, that would allow her to further enrich her knowledge of logistics and outline her path in this field.

Tips to newcomers:
“Focus and make an effort, listen to the most experienced colleagues, believe in your abilities and always keep studying.”

Managing Performance & Competences

Our exempt population adhere to a standardized performance management cycle that is used across the Aperam Group and includes different key moments for goal setting and evaluating both competencies and performance. Throughout the cycle, these dedicated moments facilitate individual exchanges between the manager and the employee, fostering qualitative and constructive feedback loops and continuous feedback.

The goal setting phase starts with the dissemination of organizational goals by our Leadership Team, aligning individual objectives with the company’s overarching objectives. Each exempt is equipped to define their own goals, which ensures alignment between top management and employees. Moreover, an ESG (Environment, Social, Governance) category is associated with each individual goal to underscore our commitment to sustainability.

During the mid-year review, managers identify talent and retention risks while evaluating our leadership competencies alongside other transversal and technical skills. We also encourage managers to seek feedback from colleagues about their own competencies. In 2023, 179 exempts (managers and workers) sent 598 feedback requests. After evaluating the competencies, gaps can be detected through a development plan and addressed via such actions as on-the-job training, projects, mentoring, feedback, etc. In 2023, our exempts had an average of 3.1 development goals each.
Finally, the end-of-year review, conducted from late November, is dedicated to evaluating overall performance. The purpose of this appraisal is to evaluate the concrete results that have been achieved, along with those that were not achieved, and to assess what behaviors worked and what didn’t. Feedback to other colleagues about their performance is also a key component of our evaluation process, with 270 people (managers and workers) sending a total of 921 feedback requests.

Beyond exempt employees, other non-exempt white-collar employees in our Services & Solutions division (since 2021) and Brazil operations (since 2019), along with blue-collar team managers in Brazil, which comprise approximately 930 individuals total, follow a similar process. Since 2022, the Châtelet site (Belgium, Operations Europe) has embraced the use of MyHR to evaluate the competencies via MyHR for the white collar non-exempts and the blue collar workers (630 people).

■■■ The ‘Bold Leadership’ training for technical hierarchy (foremen, shift leaders and engineers) is used by Aperam Genk to provide them with the necessary tools to be used on the shopfloor to solve problems quickly and, above all, to optimize the way their teams function. For example, the site used the program to learn how annual evaluations or tasks/performance interviews can be managed in an efficient way with our operational teams and based on PPF techniques (Past Present Future).

In 2023, five groups of 10 people had their last two sessions at the beginning of the year, while the last two groups went through the four sessions during the spring of 2023. There are plans for follow-up sessions and the start-up of a new group for new managers.

Performance Management in Aperam (GRI 404-3)

Indicator	Unit	2023	2022	2021	2020	2019
Blue Collars	%	63	79	66	69	83
Standard White Collars		71	70	79	67	80
Exempts White Collars		99	97	99	99	97
Total Aperam		69	79	73	72	84
Exempts Reviews in MyHR	#	1,192	1,117	1,051	1,005	1,002
180° Feedback		449	520	566	427	498
o/w 180° Feedback on Competences		**179**	208	206	n/a	n/a
Non-Exempts Reviews in MyHR		1,790	1,723	977	950	572
Total Reviews in MyHR		**2,982**	2,840	2,028	1,955	1,574
Average Performance Goals		6.0	5.4	5.9	5.8	5.6
Average Development Goals		3.1	3.4	3.1	2.9	2.7

Job Mobility

Moving from one job to another is never an easy task as it requires agility and adaptability across the organization. To support internal mobility, career details and aspirations are expressed by the employees during the mid-year review in MyHR.
As a result of the new Recruitment Module implementation in July 2023, we now have global visibility of all open white collar positions within the organization. Our employees can apply directly using their talent profile that they have built into MyHR.
With this new implementation, we were able to see a marked increase in internal applications and a consequent improvement of internal mobility within Aperam.

Employer's Integration

A systematic approach

To ensure that our new hires are not only efficiently onboarded, but also go through a long-term induction and integration process, we continue to build on what we already put in place and launch new initiatives:

- In last year's report, we mentioned the launch of an onboarding e-learning module covering H&S, Environment, Ethics & Compliance, IT, Performance and Competency Management and Leadership.
- A new approach involving the appointment of onboarding coaches has been started for managers joining Aperam. The onboarding coach is typically a senior manager who can help the new joiner navigate the organization and identify his or her key stakeholders.

A new Graduate Program

In 2023, Aperam France implemented a new Graduate Program, Odysteel, which aims to develop promising young talent. The program lasts 18 to 24 months, during which participants engage in strategically significant projects and undergo mobility experiences across our French sites.
The program provides bespoke training modules and mentorship to guide comprehensive professional development, fostering rapid skill acquisition and promoting organizational mobility. The available positions included business development, industrial engineering, and environmental analysis with a focus on carbon footprint. These roles address critical aspects of Aperam's operations while providing opportunities for professional growth and impact.

A new Technical Talent Program

The program was launched in Genk, Belgium in 2022 and focused on attracting young graduate engineers and managing them as one community through their career at Aperam. Our Timóteo site in Brazil already had a similar program in place focused on young graduate engineers.
Technical Talent Program France was launched in June 2023 in Imphy, with a strong focus on the technical expertise of our Alloys Division.

Aperam Internal Mobility Campaign

"Your Career, Your Choice"

Explore Aperam Opportunities

In November 2023, an internal mobility campaign was launched globally and across all Aperam sites, encouraging our employees to actively seek their next career opportunity within our organization.

The campaign was supported by internal mobility success stories, told by our employees who undertook a new role within our company in 2023.

Action at an Aperam Recycling Utica Alloys cutting edge technology.

Target

30 % Digital Learning rate by 2030

Learning & Development

Our Learning Strategy is based on three pillars:

- We prioritize ongoing feedback mechanisms to facilitate continual learning and improvement among our employees.
- Our strategy combines both in-person and digital training, supported by our functional academies, to cater to diverse learning preferences and needs.
- We foster a culture of mentorship within the organization, providing support and guidance for professional growth and development.

Mentoring

The internal Aperam Mentorship Program launched its fourth wave in 2023. Mentoring by experienced leaders remains one of our core tools for developing leadership skills. Besides mentoring by LT members, we have developed a program where mentors are primarily from the Aperam Top 100 while mentees are chosen from our most talented people. Our mentorship program is structured around Aperam's eight leadership competencies. Communities of mentors and mentees exchange experiences and best practices.

The program is well appreciated, as shown in our regular survey (at mid-mission 2023, 95% of mentees said their mentoring was on the right track). After 35 pairs of mentors/mentees launched in 2023, around 30 new pairs will start in 2024. Our Leadership Team also actively participates in the program with mentees being mentored by them directly.

Training

MyHR Learning is a central platform to diffuse and manage Aperam's e-learning opportunities. The digital training is based mainly on our Leadership & Management training and includes topics as time management, giving and receiving feedback, project management, emotional intelligence, and risk assessment. It also includes Functional Academies as H&S and Compliance. We also build our own content with videos, demos and quizzes, mainly for our Academies, including Health & Safety, Compliance, Human Resources, and Legal topics. This authoring tool allows us to capture knowledge, avoid multiple sessions to explain the same content and digitize paper-based procedures. The content created is accessible on MyHR Learning.

2023 Training Performance Indicators and Outlook

Aperam's total training hours increased at the global level by 22% in 2023, from 340,368 hours in 2022 to 415,300 hours in 2023. One of the main reasons for this increase is the insourcing of 835 new joiners in Bioenergia (Brazil) who have been trained in H&S, Compliance, and some technical skills for the first time. Looking at the digital learning hours, the level in 2023 is similar to 2022 (after an increase of 17% between 2021 and 2022), representing more than 63,000 training hours. Therefore, the ratio of digital training among total training hours has decreased, from 18.7% to 15.2%.

Even though the completion of the MyHR e-learning training saw a significant decrease of about 60% in terms of hours, the number of training completed is 7% higher than in 2022 (46,686 versus 43,513). Also, 4,799 unique learners have completed at least one self-paced course in MyHR in 2023 (versus 6,092 unique learners in 2022).

> MyHR Learning is open to all categories of employees, with more than 11,000 employees accessing the platform (1,275 exempts and 9,751 non-exempts). It is now used by our Belgian sites in Châtelet and Genk as a full LMS. That's why we saw an increase of 16% in hours counted in our system (from 44,516 hours in 2022 to 51,627 in 2023). In 2024, we plan to roll-out MyHR Learning to white collars and non-exempt in the Aperam Recycling Division.

H&S training remains the highest ratio among the training categories as it represents more than 45% of the total training hours in 2023 (38.7% in 2022). Training on technical skills claimed a 40% share of training completed in 2023 (48.4% in 2022). Our soft skills category saw a rebound this year, reaching 10% of total training hours. Ethics & Compliance training is back to a smaller ratio of 2.4% (vs 8.7% in 2022), mirroring past years.

> On top of the MyHR e-learning, our Cybersecurity Academy introduced the Phished platform. This dedicated cybersecurity platform equips all employees with essential training and insights to effectively navigate cybersecurity risks, providing invaluable knowledge on identifying risks and implementing necessary actions in the event of a breach. 8,800 hours of digital learning have been completed by 3,954 employees in 2023.

■■■ Focus on new initiatives

In 2023, several initiatives focused on younger generations. For example, the Genk site organized a Young Talent Day, where each employee had the opportunity to present to the local management team one of their achievements in their young career at Aperam. The local management team invited a professional trainer/coach to attend the presentations and conduct a training on communication and presentation skills - turning the day into a great development opportunity.

The Genk site also launched the pilot 'Aperam Invests in You' initiative where eight selected candidates (without technical knowledge) graduated at the end of 2023 and incorporated into the working teams at the beginning of 2024. This project was very much in the spotlight during the employer networking event in Limburg as being a disruptive approach that gives another dimension to recruitment and a new way of learning.

Aperam Genk initiative "Aperam Invests in You".

At our Châtelet site, the Learning & Development (L&D) department relies on dedicated programs like the Management Foundation Program for their foramen. A first module was prepared around social relationships and focused on interacting with unions, managing conflicts and negotiation best practices.

> Another program was built by the Leadership Academy for 'First-time Managers' and relayed on the sites. The recommended 11 week training includes e-learning and time for reflection and sharing with other managers.

> Brazil offered a graduate Program in Data Science, open to all employees whatever their category, with certain prerequisites and an appetite to grow through learning. 29 employees participated in this training given by the Universidade Federal de Oudo Preto. Classes were completely virtual with a teacher every Friday evenings and Saturday mornings.

2023 Training Follow-up GRI 404-1, 403-5.

Learning in Aperam		2023	2022	2021	2020
Total Training Cost	k€	**8,082.1**	6,430	3,929	3,190
o/w Total Belgium		3,066.4	2,568	1,038	1,232
o/w Total Brazil		1,705.1	1,000	603	364
o/w Total France		2,972.3	2,596	2,155	1,493
Total RoW		338.3	199	133	100
Total Training Time	hours	**415,421**	340,368	293,009	184,201
o/w Total Belgium		*66,981*	*59,774*	*35,101*	*25,024*
o/w Total Brazil		*244,752*	*182,468*	*163,635*	*107,425*
o/w Total France		*65,256*	*61,424*	*69,365*	*38,055*
Total RoW		*38,298*	*33,672*	*24,908*	*13,697*
o/w Digital Learning		***63,449***	*63,613*	*54,334*	*29,873*
o/w MyHR Digital Learning Courses		*9,206*	*23,319*	*7,101*	*6,478*
Digital Courses Completed in MyHR	#	46,686	*43,513*	*19,476*	*16,450*
Health & Safety	% of total learning hours	46.81	38.70	43.20	45.0
Technical Skills		39.20	48.4	45.5	39.0
Soft Skills		9.90	1.5	6.5	8.5
Languages		1.70	2.8	3.3	3.8
Ethics & Compliance		2.39	8.7	1.4	3.7
Total Employees Trained		**10,367**	8,924	8,699	7,898
Employees accessing MyLearning	#	**11,026**	10,026	9,850	3,449
Exempt Employees (1)		**1,275**	1,233	1082	1077
Non-exempt Employees (2)		9,751	8,793	8,768	2,372
% Headcount trained		94.26%	94	90.50	-

(1): Including 96 managers of Aperam Recycling
(2) Including 59 Utica USA employees of Aperam Recycling

Safety Training at ELG Metals, North America.

■■■ We are in a journey of Culture evolution in Aperam South America, including BioEnergia, to be really a Learning Organization. 2023 was a key year for this transformation, we invested double in Learnings Actions in Operations South America and three times more in BioEnergia. In BioEnergia, the speed of the business transformation increased with the insourcing of 700 new employees representing organizational and cultural changes with the new businesses.
The evolution in the way that we learn it's the key to the success of our performance.

We are focusing on preparing the Aperam for the future by our qualifications and talent affirmative programs, internships, trainees and apprentices. We are investing and creating development opportunities for your employees by projects, technical courses, post graduations, master or doctor degree, mentoring, coaching and learning initiatives focusing on the experience, an example is the simulator of Feller machine in BioEnergia, implemented in 2023, reducing the timing of preparation of employees and effective of the learning. The competencies of automation, IT, maintenance and metallurgy, process control and safety behavior with leaders able to be aware of the environment and accountables to act are the essence of our roadmap.

Voice

"I'm convinced that transforming our culture is the best way to ensure a sustainable and profitable activity for Aperam in the long-term.
We are proud of what we have achieved so far and look forward to the next steps."

Layane Gomes
HR Manager - Learning & Development, Inclusion and Diversity

Matthias: Industrial Manager Steel Mill at Aperam Alloys Imphy.

After spending a decade in New Caledonia working several mining-related jobs, Matthias returned to France where, in 2015, he joined Aperam as Manufacturing Manager, first at the hot rolling plant and then the cold rolling plant at the Aperam Imphy site.
In 2023, he was promoted to Industrial Manager of the steel mill.

During his career at Aperam, Matthias has led two major projects aimed at developing a more diverse workforce.

In the first project, which focused on gender equality, he successfully doubled the proportion of women working at the cold rolling plant. "We have difficulty recruiting as is and it would be a shame to deprive ourselves of half of the employment pool simply because our profession isn't accessible to women", says Matthias.

The second major project Matthias initiated at Aperam Imphy looked to include people with disabilities in the site's activities. As the father of a little boy with Down's Syndrome, this is a subject that is particularly close to his heart:"It's important to include these individuals because they are capable of doing things we thought they were incapable of", he says.

As a result of his efforts, four people with disabilities have been coming to work every week for three years now, where they help prepare the boxes used to send products to customers.

Matthias says that both projects were successful because Aperam is a company that promotes diversity: "I was able to carry out my projects on the employment of women and people with disabilities because I was encouraged to do so by my management," he concludes. "At Aperam, we can propose many diversity projects - we are even encouraged to do so."

Tips to newcomers:
"Aperam has given me the opportunity to carry out projects that are inclusive and increase diversity. Get started!"

Employee Engagement & Communications

Direct and regular engagement with our teams has always been an important part of Aperam's leadership style. It is also something that we check regularly in our routines and through our MyHR, and Global All-Employees Engagement surveys. The results of these surveys have been extensively used to adjust action plans at the local and central levels. For the second year, all managers had direct access to the results of their teams and benefited from our high participation rate (75% in 2023, 77% in 2022).

Take-aways from 2023 All-Employee Engagement Survey

> At the global level, our strong point remains the attention we give to Health & Safety. Many actions have been deployed this year across our sites, including the Ergonomical & Sanitary Action Plans and the Towards a Learning Culture on Errors initiative. When asked whether they feel empowered to stop work or tasks if any unsafe conditions are detected, our employees gave an average score of 8.6 out of 10 (up from 8.5 in 2022). We are also proud of our 7.9 score (7.8 in 2022) on whether employees feel that everyone is given the opportunity to actively propose and participate in Health and Safety initiatives.

Target

80 %

Participation & Sustainable engagement rates

Other strengths are:

- **Client focus**: The Employee Engagement Survey reflects our strong customer focus and our commitment to quality: our 8.1 score (same in 2022) demonstrates that our employees believe that Aperam actively tries to understand external customer requirements and expectations.

- **Career and Development:** Aperam is a company that values people. It is encouraging to see that the majority of our employees (8.1 score, up from 8 in 2022) want to acquire new skills to further develop his/her career.
  Aperam will continue to offer our employees a range of opportunities to learn, including the roll out of the MyHR learning platform to all employees, new business learning academies, and active use of coaching and mentorship.

- **Diversity:** All the questions on diversity have a score higher than 8 out of 10 (3 questions in 2022).

Our main developments points are:

- **Mental resilience and stress management:** Stress management remains a concern. We continue our Global Mental Health Action Plan launched in 2022:
  > Promotion of MyCoach in Belgium, France and Luxembourg to assist employees with health and stress related concerns (see p. 19).
  > Health & Safety Event 2024 to promote a healthy lifestyle and risk prevention.
  > A specific action plan following the Health@work survey in Europe, including change management.
  > Our employee assistance program on work-related and personal issues.
  > A specific training for management about Wellbeing@work and resilience.

- **Communications**: In general, our employees think that management understands the problems they face in their jobs with a score of 7 (up from 6.8 in 2022). However, considering the difficult economic and financial context in Europe, we will continue to strengthen our communication channels. A positive sign is our score of 8 on the question of whether our employees feel that their manager cares about their opinion (7.8 in 2022).
  New tools and routines around communication are being launched including the start of a new Aperam Intranet.

- **Career perspective and development:** We still face challenges to find internal candidates for vacancies. Yet, more employees are aware of job positions at Aperam than last year (+0.3 compared to 2022). A new campaign "Your Career, Your Choice" promotes the opportunity marketplace and local job boards - see p. 25.

- **Performance management**: When it comes to financial and non-financial recognition, our employees gave us a score of 3.7 out of 10 (same as 2022).
  > Financial recognition: Aperam aligns its compensation and benefits policies with the market's practices. We will look to provide more clarity on our remuneration and job evaluation systems.
  > Non-financial recognition: this is a concern primarily in Europe. Leadership training needs to focus on the importance of recognition and regular feed-back to create motivated and effective teams.

Our Planet

Our plants use immense energy and hazardous substances to transform recycled and raw materials into the precise blend of alloys required by our clients. In turn, these alloys can be used to make affordable, long-lasting and sustainable products, including energy-efficient buildings and low emission vehicles.
Although Aperam is an industry leader in sustainability, our new 2030 milestones for energy, CO_2, air and water show our commitment to minimizing our impact on the environment - and on our neighbors. We are proud of our state-of-the-art CO_2 footprint and of our action plan to reduce it further with the aim to achieve a near zero carbon footprint (scopes 1+2 & 3 upstream) by 2050.

Our Vision and Organisation

Organization

During 2023, amid the continued energy crisis in Europe, we kept our focus on reducing our specific energy consumption and CO_2 emissions and to mitigating our environmental impact. As part of this focus, the Chief Technology and Sustainability Officer (CTSO) and his staff are overseeing environmental management and the Energy/GHG action plan, both part of our new recycling division. This is being done together with a transversal 'ESG transformation' programme and the industrial risks integrated within the 'Reliability' team.

> At the end of 2023, a portfolio of over 300 projects contributing to our 2030 greenhouse gas emission reduction plan (-30% GHG scopes 1-2 and -11% energy consumption - base 2015) was monitored in close collaboration with local operations and the CTSO team.
- Each production site has one or two engineers dedicated to the feasibility studies of energy/CO_2 projects, from crafting the idea to preparing the investment file. When accepted, the implementation is carried out under the guidance of the local engineering department, with possible support, in terms of resources, from the CTSO team. All the engineers exchange on a monthly basis about the ongoing projects in order to ensure knowledge sharing and swift implementation of proven techniques in all the Group's plants.
- The management of this project portfolio is governed by monthly steering committees held in each plant. These committees primarily aim to ensure perfect alignment of objectives and priorities among various stakeholders.

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

Main 2023 evolutions

> 2023 was a year of consistency vs 2022, with a stronger focus on Recyco development. As our commitment to delivering the most sustainable products with a lower CO_2 footprint is a fundamental value, we developed Environmental Product Declarations (EPD) for a few more products and are currently working on a project to print the CO_2 footprint on our products.
Since 2022, Aperam has been organising the Sustainable Development Week (see p. 48), further deploying our biodiversity program (see p. 45), and progressing on the group's dust emission reductions (see p. 37) - all while continuing to work towards our other 2030 and long-term objectives, as well as promoting the virtues of the circular economy.

Voices

"As Aperam committed in 2015 to an ambitious Scope 1+2 CO_2 reduction for 2030, the time has come to enlarge this commitment to more ambitious targets for 2030 and 2050, in line with the Paris Agreement to keep the global warming below 1.5°C and focusing on de-fossilisation, while sequestration is meant to close the gap on residual emissions.
Consequently, Aperam will disclose more KPIs at the site/regional/global level in the coming months to meet our commitments."

Laurent Piranda
Head of Environment & CO_2 - Energy Roadmaps

79% of employees consider **Aperam to be environmentally responsible**

Voices

"Today's world is confronted with rapidly changing concerns that require immediate attention while keeping in mind the long-term goals. Aperam will play its societal role to contribute to preserving our planet as an environment where humankind and nature are able to prosper for many generations to come.

We know that our products will play an essential role in this future world, thanks to its lifetime and its endless recyclability, but also thanks to the responsible way we produce it. So we aim to continuously innovate and find new ways to further and faster reduce our Scopes 1, 2 and 3 CO_2 footprints, and minimize our global environmental impact while remaining attentive to the people around us."

Bernard Hallemans
Aperam Chief Technology & Sustainability Officer

Our Environmental Performance

GRI 305-4, 305-7, 302-1, 302-3, 303-2, 303-3.

Indicator	Unit	2030 targets	2023	2022	2021	2015
Energy: Elec + Nat. Gas + LPG	GJ/tcs(1)	6.9 (-11% vs 2015)	8.0*	8.0*	7.8*	7.8
Energy: All	GJ/tcs(1)	(2)	13.8*	13.2*	13.2*	12.0
CO_2 sequestration (4)	ktCO2e	n/a	(450)*	(412)*	(467)*	n/a
GHG emissions (net) (3)	tCO2e/tcs(1)	0.30	0.28*	0.32*	0.34*	0.54
Dust emissions (exhaustive)	t	n/a	206.7*	210*	327*	521
	g/tcs(1)	75.7 (-70% vs 2015)	110.6*	107*	155*	252
Recycled Input in Production	%	n/a	26.6	29.1	28.2	29.0
Wastes (landfilled)	kt	Zero Waste for Landfill (5)	100.7	108.5	110.7	103
Hazardous Wastes			23.3	30.0	32.3	36
Non-Hazardous Wastes			77.4	78.5	78.3	67
Reuse Rate	%		93.1	92.4	92.9	93.5
Water Intake	million m^3	n/a	19 .7*	21.1*	21.7*	22.1*
	m^3/tcs(1)	6.1 (-40% vs. 2015)	10.5*	10.8*	10.0*	10.2
Water Recycling	%	n/a	97.8	96.0	95.8	95.4
Water Discharge	million m^3	n/a	13.1	16.0	17	15
Suspended Solids in Water	t	n/a	153.6	225.0	307	204
Metal Discharge in Water	t	n/a	9.8	7.0	7.5	6

*Data highlighted with a star have been reviewed by an external auditor.

*(1) Ton of crude steel, 'all tons', i.e. including 'purchased tons'. For 2023, a change of methodology has been applied, the tcs corresponds to the gross production value.- **For more information, see Supplement D - Methodological Appendix**.*

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

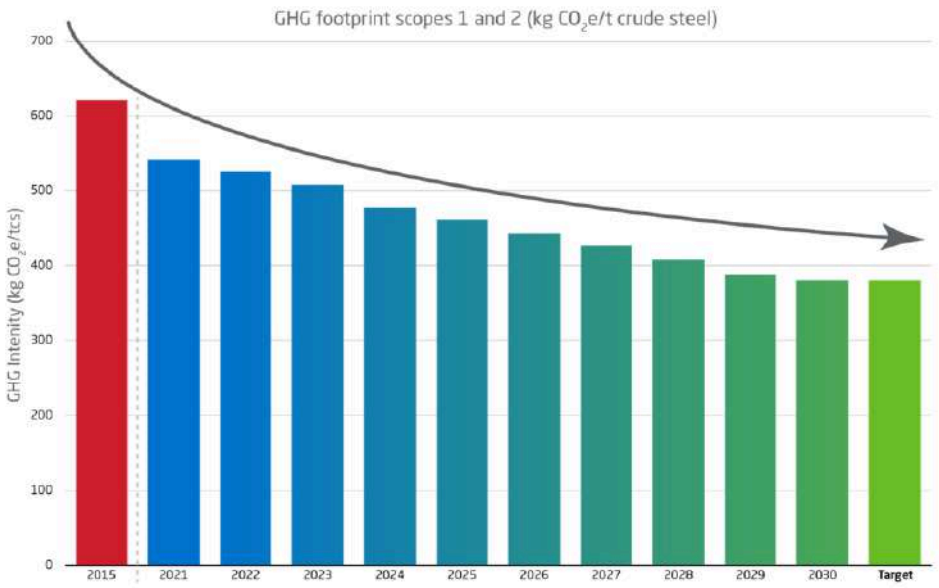
(3) GHG emissions net of CO_2 removals (sequestration) operated by our Brazilian forestry. ; (4) For 2023 calculated based on a carbon stock computed in light of the updated native forestry categorisation (based upon more advanced satellite imagery) and the latest (2022) updates of the reference database (United States Geographical Survey, USGS).

> To strengthen Aperam's commitment to improve its CO_2e footprint, in 2023, the company submitted its roadmap to SBTi using their recent steel tool application set. More is to be announced in Q2 2024. Aperam's scope 3 was further detailed in granularity and scope 3 categories, as being an important part of the Scope 1+2+3 of Aperam products.

> Since 2022, we have been submitting both the "Climate Change" report and the "Water Security" report to the Carbon Disclosure Project (CDP). Each year, the rating becomes increasingly rigorous, with a strong focus on various key performance indicators (KPIs), processes, and their monitoring. Consequently, maintaining the same score has become challenging. For 2023, we managed to keep the same scoring: "A-" for Climate Change & "B" for Water Security. Aperam sees these scores as a recognition of all the efforts our teams are doing to improve the use of water and the impact of our processes. Based on the CDP ratings, we did better compared to our main competitors, which gives us credibility and pushes us to do even better in the coming years.

> In parallel, we continued to report to management monthly and to review, upgrade and complement our main indicators, allowing us to react quickly if one is off track. This was also done taking into consideration the requirements of the EU taxonomy and Corporate Sustainability Reporting Directive (CSRD) (see p 36). To enhance our global efficiency, particular attention was given to the development of information systems both to optimize our performance monitoring consolidation process and to efficiently report incidents and anomalies. The JustReport platform that Aperam developed globally is now fully operational (with the inclusion of the Recycling Division in Q1-2024) and used by all the main sites. It is used to track incidents and will be further improved with more functionalities.

Aperam Roadmap Scope 1-2



Industrial Footprint

Energy and CO_2

A Key Responsibility

The steel sector is one of the world's biggest greenhouse gases emitters. This is the result of both the industrial equipment it uses, which is designed to reach temperatures of over 1,600°C to melt iron ore or scrap, and the chemical necessity of adding carbon to iron ore in order to produce steel.

Despite operating in this heavy industry, Aperam maintains a best-in-class carbon footprint, the result of three key factors. First, our European electric arc furnaces predominantly use scrap metal instead of mined raw materials (see p.41). Second, on top of operating energy efficiently, we also use a low-carbon energy mix (see p.35). Last but not least, Aperam differentiates from its peers by operating over 100,000 ha of FSC®-certified forests in Brazil. We use our forests to produce our own charcoal, which we then use as input in our steelmaking process as a natural and renewable substitute for fossil fuels (coal-based coke). Unlike many of our global competitors, this allows us to entirely eradicate the use of extractive coke in our blast furnaces and makes our steel more sustainable.

Forests and Carbon Offset

From the careful genetic selection of the sapling to planting, maintenance and harvesting, our forest is continuously cultivated and maintained according to best practices in sustainable forestry. We manage this forest as a precious asset, ensuring the protection of biodiversity (see p. 44) and respect to the environment, and we regularly win awards for these practices.

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

> After harvest, BioEnergia sends the trees to kilns, where they are turned into charcoal (biomass), known as "bio-coal" locally. This forest is factually 'carbon negative', meaning it acts as a carbon sink. Our parcels stock CO_2 in the cultivated areas, in the trees and in the soil where leaves degrade into humus. The same can be said for the native forest areas, all conserved in accordance with local regulations, which benefit local biodiversity.

> The annual carbon sink improvement of our forest depends on the planting strategy rolled out 5-8 years ago. Therefore, the carbon sink is not stable year-on-year. Until we achieve our

'cruising speed' in terms of density and carbon capture, some years may even see a decrease in the carbon sink. That being said, we are happy to confirm that our forest management achieved a carbon offset of 450 kt in 2023, which is slightly better than 2022.

Refining an Already Best-in-Class CO_2 Performance

Since 2017, our CO_2 footprint intensity has been constantly well below the industry standard with 0.28 tCO_2e/tcs in 2023, and the latest WorldStainless's average being at 0.83 tCO_2e/tcs in 2021, according to the association's 2023 CO_2 emission report. While we recorded a best-in-class performance, maintaining it requires constant efforts, and 2023 saw the launch of substantial works for the next phase of our decarbonization roadmap (see next pages).

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

Absolute values and intensities, by scope	GRI	Unit	Target 2030	2023 Full Scope	2022 Full Scope
(a) Scope 1 - Non-Biogenic (absolute value)	305-1	$ktCO_2e$	n/a	784*	807*
Scope 1 - Biogenic (absolute value)	305-1	$ktCO_2e$	n/a	1026*	945*
Scope 2 (absolute value) location based	305-2	$ktCO_2e$	n/a	218*	243*
(b) Scope 2 (absolute value) market based	305-2	$ktCO_2e$	n/a	185*	217*
(A) Scope 1+2 gross (absolute value: a+b)	n/a	$ktCO_2e$	n/a	969	1,025
(c) Sequestration (absolute value)	n/a	$ktCO_2e$	n/a	**(450)***	**(412)***
(B) Scope 1+2 net (absolute: a+b+c)	n/a	$ktCO_2e$	n/a	**519**	**613**
(A') Scope 1+2 gross intensity (own tcs): (A)/tcs	305-4	tCO_2e/tcs	0.37	0.53*	0.53*
(A'') Scope 1+2 gross intensity (all tons): (A)/tcs	305-4	tCO_2e/tcs	0.37	0.52*	0.53*
(B') Scope 1+2 net intensity (own tcs): (B)/tcs	n/a	tCO_2e/tcs	0.30	0.28*	0.32*
(B'') Scope 1+2 net intensity (all tons): (B)/tcs	**n/a**	**tCO_2e/tcs**	0.30	**0.28***	**0.32***

*Data having received external assurance.

> On top of the energy pillar of our program (see p. 35), we are investigating other strategies. As part of this, we now assess annually both the emissions and the sequestration achieved by our noteworthy forestry management (see above), as well as those linked to our conservation program (Oikos). While it impacts our Scope 1 emissions "(a)" - mostly from methane (CH_4) emissions during the wood carbonization process - this methodology allows us to report massive carbon captures in "(c)", thus creating a complete view of our impact, now consolidated in absolute value in "(B) Scope 1+2 net". As a result, we provide detailed figures in absolute terms and intensity.

Additionally, fluctuations in purchased volumes, particularly slabs, for further transformation and sales can significantly impact our metrics. To maintain accuracy, we've adjusted emissions by including both our own tons and purchased tons in our calculations. This approach ensures a fairer comparison of our performance year on year and against competitors. We present both fractions (B' and B'') for transparency, but focus on B'' ("net CO_2e intensity - all tons"). For more information on methodologies, please see Appendix D.

> Using our *"all tons"* methodology (line B''), **our 2023 emissions are 11% lower than in 2022** on the same scope, i.e with all Aperam Divisions. This is mostly due to two reasons:

- On scope 1, we continued the installation of CH_4 burners (6 in 2023, bringing 43 kt CO_2e) on BioEnergia carbonization units and proved their 100% efficiency, thus drastically reducing our methane emissions;
- On scope 2, the decrease in our CO_2 emissions from Grid Electricity is mainly due to a decrease in electricity consumption from the standard grid in Brazil, combined with a lower emission factor. This move was done to use more green power.

Again, in 2023, our Brazilian forest management contributes to local emissions reduction and the impact is also significant at the Group level: **using our indicator B'' corresponding to the CO_2e footprint of Aperam (full scope), we report a 0.28 tCO_2e/tcs.**
As our most impactful projects have now started, Aperam achieved its CO_2e 2030 objective of -30% vs. 2015, which stands at 0.30 tCO_2e/tcs (check the Appendix D). New objectives will be disclosed according to our SBTi submitted roadmap.

CO_2

0.28 tCO_2e/tcs

A leading footprint in Stainless

Our 2030/2050 Targets and Roadmap

With the Recycling division being fully integrated since 2021, our ambitious 2030 target remains unchanged (gross scopes 1 and 2). It represents an improvement much more ambitious than the 30% initially announced (base 2015).
Our net intensity target now achieved, we will set up new, more ambitious targets. But, taking into account the variation of the forest carbon removals and the evolution of the volume of production, we remain cautious. We have defined our scope 3 objective based on the Science Based Targets initiative (SBTi) criteria, and we have submitted the roadmap accordingly. It will be disclosed once our submission is approved by SBTi.
In the meantime, we continued our efforts in 2023 to get up to speed our projects on:

- Energy efficiency, incl. heat recovery.
- Investments on high efficiency ladle burners at meltshops.
- Ongoing $HECO_2$ project with other industrials (electrification of heating and carbon capture in the Melt Shop).
- Optimization of our annealing profiles allowing for important energy savings.
- Carbon-free fuel/energy, incl. natural gas substitution, solar and wind.
- CH_4 emission reduction from our charcoal kilns (burners).
- Variable speed drives and oxy combustion.

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

Scope 3 and total carbon footprint

Reporting on Scope 1+2 is key, as our primary responsibility remains to minimise the impact of our own process, but considering the full picture is also paramount for the decarbonisation of the economy. A total CO_2 footprint aggregates a company's emissions (scopes 1+2) with those emitted upstream of the process (called "scope 3a"[5], it covers all production input, from raw materials to travel and computers) and the downstream footprint ("scope 3b").

> For stainless products, the weight of the CO_2 emissions related to upstream processes, particularly those linked to the extraction and refining of primary raw materials (scope 3.1, category "purchased goods and services") is of great importance. That is why, for our sector, the most relevant comparison shall rely on a footprint comprising scope 1+2+3a emissions. As an example, even if our energy-intensive Recyco unit acts as a recycled material supplier, it is an *internal* supplier, therefore its CO_2 emissions are consolidated within our (Scope 1+2) footprint - not in our Scope 3. The same now applies to our Recycling segment.

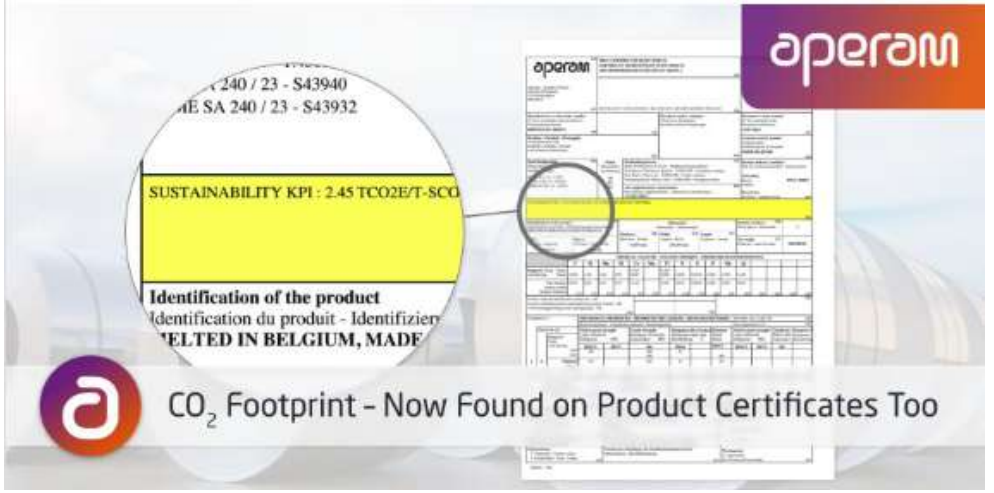
2020 Stainless Steel Industry - CO_2e intensity breakdown by scope[1]

[1]*Worldsteel data – Mainly EU Plants*

> **A thorough scope 3 investigation was done during 2023** to capture a complete scope 3 data. Since 2020, our focus is not only on scope 3.1 (includes emissions from the production of purchased goods and services representing over 80% of full scope 3), but on all scoping categories. As a result, with the inclusion of missing emission factors taken from the uptodate ecoinvent database, we are reporting a higher global scope 3 emissions, including our downstream processes. The total scope 3 for Aperam is **3.7 $MtCO_2e$**, 6**%** below our 2022 result.

For 2023, we report a global scope 3a of 3.59 $MtCO_2e$/ton, of which the scope 3.1 is 3.13 $MtCO_2e$. Our scope 3b is much less at **172 $ktCO_2e$/ton.** Our global Scope 3a intensity is **1.49 tCO_2e/ton**. Without sequestration, the global Aperam footprint (scope 1+2+3a) is 1.9 tCO_2e/tcs. With sequestration, it stands at **1.7 tCO_2e/tcs**.

> Our (scope 1+2) footprint is already best-in-class (see above), but considering our high usage of stainless steel scrap in Europe and the fact that we use no extractive coke in Brazil, our raw materials footprint is much lower than the sector's average (see graph, left).



According to our certified Environmental Product Declarations (EPD, see picture above), i.e. using normative emission factors, our scope 3a emissions (upstream, from cradle to site entrance) could range from 1.29 tCO_2e/ton (304 products) to 1.68 tCO_2e/ton (K41 KARA) for the products made in Europe, although this is a preliminary estimate.
We evaluate[6] that the CO_2e emissions per ton for stainless steel made of extractive raw materials is up to five times higher than ours.
To improve our estimate, our teams are striving to collect more specific data in relation to the raw materials purchased from our main suppliers.

> **An initial plan is already established to reduce Aperam's scope 3a by a double digit percentage by 2030**. This is seen as a starting point and more will be developed to achieve our 2050 target. Our average nickel input footprint is clearly below that of Nickel Pig Iron (NPI) (almost 60 tCO_2e/t of Laterite - matte via NPI -, according to the International Energy Agency (IEA), May 2021), but we continue our efforts with our suppliers to further decrease this impact. While developing technologies to increase the supply of environmentally-friendly nickel with our Botanickel joint venture company (see p. 48), we are actively working with our suppliers who are responsible for over 70% of our scope 3.1 emissions. This is a long

[5] All emissions (scopes 1+2+3) related to the production inputs used by our activity, including consumables, assets and the related transportation (8 categories of products and services) before they enter our sites. Scope 3b refers to the downstream emissions, including the transportation to the user and energy consumption during the product's usage. To note : FeCr releases C atoms during the melting process and is therefore present in Scope 1 and Scope 3.

[6] Aperam estimates & calculation, ISSF data, CRU.

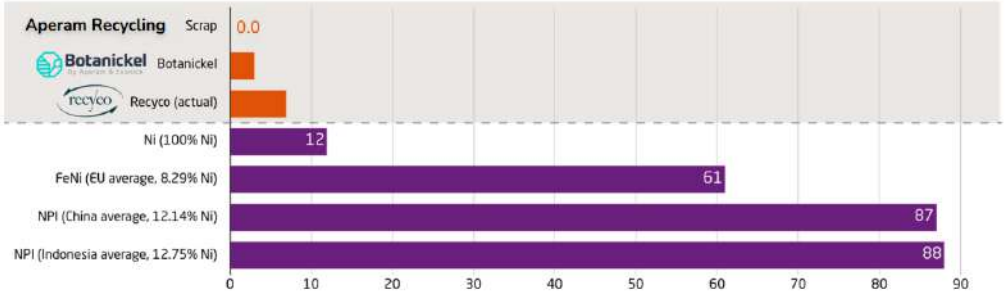
journey as our suppliers also need to find out their total CO_2 emissions to be able to provide a robust roadmap with objectives for 2030 and 2050.
In 2023, our scope 3.1 represented over 87% of our scope 3a.

Voices

"The decarbonisation roadmap must take into account the predominant aspect of scope 3 and particularly scope 3.1 associated with the supply of raw materials (which represents almost 70% of our total footprint).
To this end, and in parallel with our actions to improve energy efficiency and favoring less carbon-intensive energy vectors, we attach great importance to our recycling capacity and to finding alternative supplies of the metals we need to adjust the final composition of our products. I would particularly like to highlight the key role played by our subsidiary Recyco, which transforms our own wastes containing metal oxides, as well as that from our partners, into ferro-alloys that are then used in our steelworks. The nickel, chromium and molybdenum obtained in this way have a carbon footprint 3 to 10 times smaller than ferro-alloys produced from ore. We intend to develop this activity, in parallel with increasing the rate of scrap recycling, in order to meet our ambitious decarbonisation targets."

Carlo Morettin
CEO Recyco and Group Head of Environment and Decarbonization

Emission Factor (kg CO_2e/kg of pure Nickel)



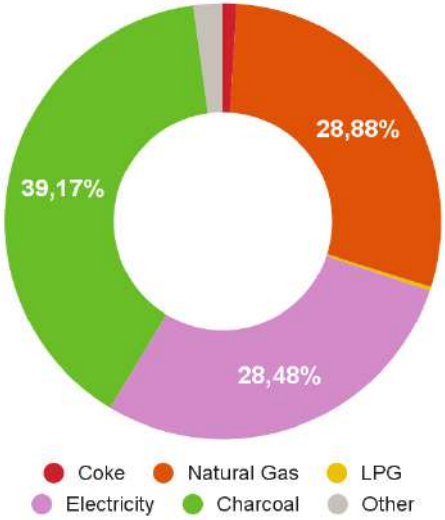
Source: Aperam, Kobolde & Partners

Energy Mix and 2023 Performance

Despite ongoing efforts, Aperam reports 13.8 GJ/tcs or 3.8 MWh/tcs (including purchased tones, see Supplements for details on our methodology (GRI 302-3, 302-4)), which represents a stagnation in energy efficiency over 2022.
Nevertheless, we remain on track to achieve our 2030 target of an 11% reduction in energy use (base 2015). In 2023, energy efficiency was impacted by the decrease in production. The lower production volumes coupled with mix effects and several technical issues in some plants led to hide the benefit of actions implemented in 2023 to improve our energy efficiency (eg., energy recovery projects, reheating and annealing furnace efficiency, LED lighting, etc.).

> Our energy composition remains a subject of pride, as 39% of it comes from charcoal biomass. As for electricity, in 2023, our global carbon footprint decreased in our main countries of operation. In addition to lowering the emission factor of our electricity suppliers, several other actions have had a positive effect (even if it is partial in 2023). These include major solar panel projects (30 MWp in Belgium).

Aperam 2023 Energy Split (%)
GRI 302-3



Energy

52% **Renewable energy**

2023 performance
-2% vs. 2022

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

On top of our previously reported projects in Genk (see picture, previous page) and Châtelet, two new sites have taken on the subject:

■■■ In 2023, at our Isbergues site, significant strides were made towards improving energy efficiency and sustainability. The total project cost being EUR 1.5 million, including EUR 1 million granted from CEE, initiatives were implemented to recover waste heat and improve the reliability of cooling towers, such as compressors and cold rolling mill systems. The projected energy gains from these efforts are substantial, estimated to be 128 MWh in electricity and 4106 MWh in natural gas per year, translating to savings of EUR 390k. These advancements are not just environmentally responsible, they're also financially prudent, with a projected return on investment within 13 months.

■■■ Our Imphy site, through a partner's expertise in energy management, implemented a transformative energy monitoring project called METRON. The project involved analysis and modeling of energy usage, including identification and prioritization of influential factors, reference consumption benchmarks, consumption predictions, and automatic detection of deviations. The investment for a two-year software and service package is estimated to be EUR 10k. The anticipated gains from the project are substantial, with an expected reduction of 0.5% in the total site consumption, equivalent to 500 MWh for gas and 500 MWh for electricity over the year, resulting in a total reduction of 136 tCO_2 emissions.

Mix Effect

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

This means that comparisons are only valid between similar products!

Summary table for the EU Taxonomy

2023 Group Activity(1)	EU Taxonomy Eligible	EU Taxonomy Aligned	EU Taxonomy Non Aligned
Turnover	100%	82%	18%
Capital Expenditures	81%	55%	45%
Operating Expenditures	92%	74%	26%

(1) *Based on 2023 verified CO_2e information.*

The EU Taxonomy: Aperam' Climate Change Mitigation Activities

This item is a preview, find the Full EU Taxonomy disclosure in Supplement E attached.

Aperam's steel operations and, due to a continuum of production process and usual business practices[7], our alloys and specialties business, all fall under the EU Taxonomy regulation's sectors 3.9 - Manufacture of iron and steel and 5.9-Material recovery from non-hazardous waste (covering the activities of Aperam Recycling).

> In 2023, a thorough analysis was conducted and adequately challenged by both authorities and auditors. It included verifying our main units' compliance with relevant substantial criteria. The specific criteria used were direct GHG emissions generated by our steelmaking units' production of hot metal, calculated according to the methodology used for EU-ETS benchmarks. In order to include EU Taxonomy results in our Annual Report, which was published on 26 March 2024, we used 2022 data since the 2023 data had not yet been verified. The applicable criteria for Aperam Recycling activities was the 2023 rate for the weight of converting the separately collected non-hazardous waste into secondary raw materials.
We also analyzed our main units' alignment with the EU Taxonomy Do-Not-Significantly -Harm (DNSH) criteria and Minimum Safeguards, based on 2023 information and any operational incident reported.

> As pre-announced within our Annual Report's Taxonomy section, we can now confirm, based on 2023 verified direct GHG emissions, that Aperam's activities that are aligned with the EU Taxonomy represent 82% of our 2023 turnover, 74% of 2023's OpEx, and 55% of the Group's 2023 CapEX. Our 2023 verified GHG emissions had a plus or minus 10% gap compared to the initial assumption (2022 emissions). This means the margin of error is quite negligible compared to the margin of maneuver to the "Mitigation" GHG thresholds, which stand between 25% and 95% higher, depending on the unit considered. This also means our internal methodology based on (Y-1) data provided reliable information.
> In the end, the final results with respect to our Group's EU Taxonomy alignment are fully in line with the results of our preliminary analysis disclosed as part of our Annual Report (including the table in Appendix I of the Annual Report, p.119) and based on 2022 verified data.

The summary table (left) is fully updated and the detailed information is now communicated on our website under the Taxonomy sub-section.
> All our main units used as reference for this analysis, along with the Timóteo plant in Brazil, operate in compliance with their applicable regulation and Aperam's internal standards.

[7] In the absence of a unique definition of steel and ferro-alloys, our analysis is based on the proximity of classification between Alloys and Stainless Steel activities, both being covered by the EUROFER association under one single "stainless & specialty steel" category next to "steel" and considered by the regulator as being subject to the same rules and norms, in particular the National permit procedures, the European Union's Emission Trading System (ETS) and the EU Best Available Techniques (BAT) for Iron and Steel Production. For more, see 2023 Annual Report, p. 107.

However, the lack of alignment between the requirements defined under the rules of the EU Taxonomy (in particular the EU BAT) and those applicable under Brazilian law currently prevents us from confirming our Brazilian operations' compliance to the DNSH Pollution Prevention and Control in 2022 and 2023. This explains why we cannot report alignment with the EU Taxonomy criteria on this perimeter and why we disclosed a total share of our activity being aligned for 55% to 82%, depending on the financial criteria selected.
> That being said, we are proud to announce that our Brazilian unit is on the right path to ensuring compliance with BAT, a commitment that, when reached, will allow full alignment per EU Taxonomy standards. A first milestone was reached when the unit became ResponsibleSteel™ certified in early 2023, after the full audit process was completed in 2022.

> Please also refer to the Appendix E or our website, section EU Taxonomy, with the complete information on our methodology and results.

Aperam Timoteo Project presented as part of our 2023 Continuous Improvement Challenge

Air Emissions

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

As this issue is so important to the local communities around us, Aperam is committed to going beyond what is required by current regulations. We have employed advanced monitoring systems to measure diffused dust to evaluate the leakages and identify areas for improvement. Furthermore, dust falls are also a relevant additional indicator, as it directly reflects the nuisances caused to local populations. But this last metric is impacted by external factors, such as wind or alternative sources of pollution (agriculture, traffic, etc.), rendering the interpretation subject to debate. As such, we mostly report ducted dust emissions.
With the aim to change mindsets, improve the reliability of our measurements and ensure that progress is continuous, we have set up an action plan with global Aperam targets. We also conduct more frequent measurements and develop more precise methodologies for the assessment of our impacts (See Supplement D). As our previous goal has been achieved (-40% in 2021 in intensity, from 2015 benchmark), in 2020 we announced a new target of a -70% decrease of our ducted dust emission intensity by 2030 (compared to 2015). This objective is to be reached while also reducing diffused (non-ducted) dust.

Ducting and Controlling Dust Emissions

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

> Our "exhaustive" indicator, which provides a good assessment of our impact over the full year based on all the measurements done (not only those reported to the authorities as per our permits ie. two per year and chimney in Brazil), shows a total emissions for the Group of 111 g/tcs (purchased slabs included), compared to 107 g/tcs last year GRI-305-7.
Considering the improvements made in previous years (2021: 155 g/tcs), maintaining this level is a satisfactory result. It is also important not to forget that 2023 was a year with fluctuating production levels, which explains the slight increase compared to 2022.

> As part of a continuous improvement project candidate to the Challenge 2023 (see left), Aperam South America developed a model that allows us to measure the performance of bag filters and prevent the deterioration of filtering media, aiming to achieve a targeted 72% reduction of ducted dust emissions from fixed sources by 2030, based on a 2015 benchmark. The new performance monitoring model allows us to assertively identify chambers with damaged sleeves to take preventive action before dust is emitted into the atmosphere and dust collector operation breaks occur. Online performance monitoring allows one to identify in real time which chambers are failing in each filter, determine failures in groups of bags (rows), prioritize interventions and optimize labor. This ensures that resources are allocated correctly to prevent future failures and ensure the reliability of the filters. The project

prevented the emission of 2.9 tons of coal fines into the atmosphere using a single filter in 2023.

> At the Imphy site, cutting down dust has been a top priority for years. They put in place a detailed "dust plan" specifically for the steel mill to slash emissions. A big part of this plan involved setting up a primary extraction system on top of the arc furnace vault, in addition to the one already there. Even though space was tight, they managed to finish the project in two years, investing EUR 5 million. This effort is a big step towards cleaner manufacturing. It shows how smart planning and new ideas can make a difference.

Aperam Imphy site (Before dust plan)

Aperam Imphy site (After dust plan implementation)

> Indeed, for the three European meltshops, we have strong improvement programs in place, including revised maintenance plans and the set up of more ducting and treatment capacity (like in Imphy, with the EAF 4th hole ducting project).
Our goal now is to maintain our good 2023 results and continue our efforts towards our 2030 target.

Air emissions

111 g/tcs 2023 dust emissions

Multi-year roadmap

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

Emissions	Unit	2023	2022	2021	2020
NOx	t	713	830	830	544
SOx	t	38	54	59	45
NOx	g/tcs	368	426	371	279
SOx	g/tcs	21	28	28	23

Noise and Vibrations

Our plants, while being compliant in terms of noise emissions, are continually working to improve any “sound or vibration pollution” perceived around the properties. They regularly conduct measurement campaigns or place sound level meters close to neighbouring houses to identify where Aperam’s activities have an impact on the global noise environment and can have specific initiatives aiming at more drastic improvements. As an example,at Châtelet site, we continue to the project ‘SILENCE’ (Real-time acoustic sensorS and artificial Intelligence appLications for the rEduction of local eNvironmental impaCt due to noise Emissions) , which consists of a complete analysis of the acoustic nuisance problem among our local neighbors, in partnership with experts, universities[8] and two industrial sites including Aperam Châtelet. The site data collection and an evaluation questionnaire for local stakeholders are underway. The planned deployment of this adapted real-time control is planned for 2025.

Water

At Aperam, our commitment to clean water is an everyday topic and a responsibility to our local stakeholders: this is reflected in the way we monitor our water intake and the quality of our disposal in line with our permits. We aim to intake less water by reducing our consumption and increasing the amount of recycled water we use, which is currently 97.8%.

> After a global audit program on the water intake at our main sites in 2021, the second wave of the audit took place mid-2023. This follows an assessment on the water scarcity risk at our main sites launched in 2022, and a thorough climate change assessment of all our locations (See p. 44).
> One of our main challenges in water intake management is adapting water use to the level of production. In 2023, we still faced periods with lower production, due to the economic context, and we failed to optimize the level of our water intake accordingly (see below). Nevertheless, this does not jeopardize our commitment to achieving the 2030 goal of 6.1 m^3/t.[8]

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8 *Partners: Rina Consulting – Centro Sviluppo Materiali S.p.A., Ferriere Nord S.p.A., Aperam Stainless Belgium NV, Universidad de la Iglesia De Deusto Entidad Religiosa, Scuola Superiore di Studi Universitari e di Perfezionamento S. Anna*

Water Intakes Trends

After a continuous reduction between 2012 and 2015, we have since then observed a period of stabilization, particularly in terms of intensity. Here are the detailed results for 2023 :

- Intakes in intensity (including purchased tons) saw a reduction by 3% in 2023 compared to 2022, and a 3.1% increase from the values observed in 2015, reflecting changes in activity and accounting for rainwater catchment in our calculations.
- Total intake in absolute value changed by -7% over 2022, but +30% vs. 2015.
- **98% of our intakes comes from closed circuits** (i.e. recycled water), meaning that less than 2% of our water needs is extracted from the environment.
- Of the 4% of water that we do extract, 79% comes from rivers and 9% from collected rain (GRI 303-3 - see full detail in the graph to the right).
- Most of the water withdrawn is returned to the river after treatment. In 2023, 66% of the intake water was discharged to the environment.

However, for sites like Gueugnon, Châtelet, and Imphy, the absolute value for water intensity was much lower than 2022, contributing to a decreasing overall trend for Aperam. Despite these challenges, we remain committed to enhance our operations and achieve our targets by 2030. (GRI-303-3).

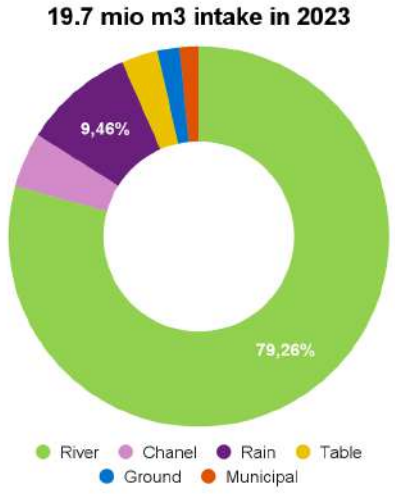
■■■ At our Gueugnon site, water conservation and management became a major priority, in the face of recurring droughts, as occurred again in 2023. The Arroux Morvan basin, upon which the site heavily relies, was significantly impacted by the prolonged dry spell, following a summer marked by high temperatures and minimal precipitation. The situation necessitates a vigilant approach to monitoring water consumption, both for industrial processes and drinking water, as well as managing discharges responsibly.
The site's current withdrawal rate is approximately 750,000m³/year. But initiatives like the installation of an adiabatic tower on our annealing and pickling line RD79 and the revamping of our bright annealing furnace RB08 have yielded tangible results in water savings. Alone, RD79 prevented the consumption of around 25,000m³ over four months, while the RB08 revamp significantly reduced average consumption from 4.55 m³/h in 2022 to 1.7 m³/h in 2023. Additionally, re-use strategies, like those implemented on RD79, further contribute to conservation goals.
These efforts, combined with ongoing field actions, have enabled the site to maintain progress towards achieving its annual water conservation target of 4.3m³. However, every individual plays a crucial role in ensuring efficient water usage and conservation, this is why we aim to go further in awareness raising (see. p. 46)..

Water Disposal Quality

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

- Total discharge : 13.1 million m^3 (-20.3% from 2022 excl. Aperam Recycling)
- Metal discharged : 5.204 kg/tcs (+44% from 2022)
- Suspended solids : 81.711 g/tcs (-29% from 2022)

2023 Intake by source (m^3 and %)



Water

97.8% Recycling rate

+3% in 2023

Consumption intensity vs. 2015

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

Eucalyptus and Water

Like all vegetation, eucalyptus requires water and nutrients to grow and survive. However, the forests at our unit in Brazil (BioEnergia) are grown using carefully selected saplings, with no pivotal root, that require less water and nutrients and are thus particularly well suited to the unique environmental conditions of Vale do Jequitinhonha, our only unit experiencing regular hydric stress.
Thanks to our state-of-the-art R&D, we will continue to work on plant selection to further adapt their water needs and pest resistance.

For more information, visit: aperam.com/sustainability/environment/bioenergia/

■■■ Some of our stakeholders complain about the water usage around our BioEnergia forestry in Minas Gerais (Brazil). This controversy, sometimes echoed by media or activists, is backed only by partial studies, sometimes involving members of renowned universities, but not conducted and reviewed by the universities themselves. As it is quite complex to isolate the root causes of drought and the rivers' lower levels, with seasonal variations and the effects of climate change, we collected studies from four different state universities[9]. They all confirm that water availability around our plantations is fairly good, compared to other forestries or to local traditional agriculture (pastoralism). This subject is also scrutinized on a yearly basis by external auditors, who do engage with concerned stakeholders, as part of our FSC© certification. These audits have thus not found any ground for such allegations against Aperam BioEnergia.

That being said, we remain committed to engage on the subject and further improve our saplings and practices (see above and page 46). Indeed, BioEnergia now only plants during rainy days and not during 'the (whole) rainy seasons'-, which triggers quite complicated logistics and scheduling.
Unfortunately, the unit's total water intake in 2023 was 410.10^3 m^3 (i.e., +32.2% vs. 2022) because of an increased activity in terms of volumes of seedlings and also because of a two-month delay of the rainy season. This delayed planting resulted in the fact that we kept the seedlings under irrigation longer at the nursery, with a direct impact on the water consumption.

[9]Universidade Federal do Rio de Janeiro; Universidade Federal de Ouro Preto; Universidade Federal de Santa Maria; Universidade Federal de Minas Gerais; IPEF - Instituto de Pesquisas e Estudos Florestais - vinculado à ESALQ - Escola Superior de Agricultura Luiz de Queiroz - Unidade de ensino da USP - Universidade de São Paulo

Waste & Recycling

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

Recycling of Metallurgy By-products

In 2023, our production waste increased by over 1% versus waste generated in 2022, with 6.9% of our by-products being sent to the landfill, the remainder being reused, recycled or stored for future recycling (see graph). Our waste recovery ratio stands at 93.1% (i.e. -4 pts compared to the 2020-2022 average) GRI 301-2.

Aperam Recycling yard in Rotterdam.

2023 Residues

of which

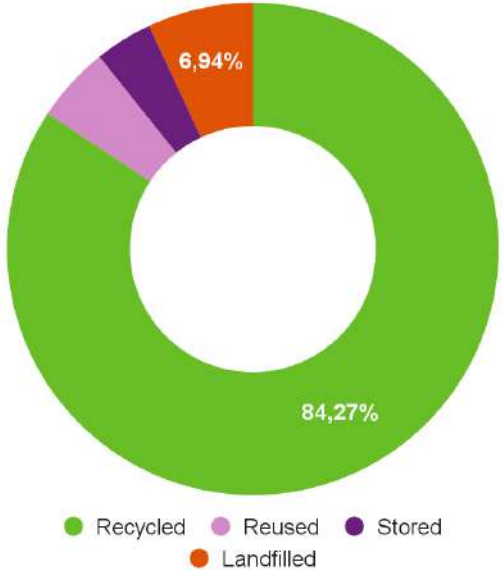
93.1% are reused, recycled or stored

6.9% landfilled

hazardous ~ 6%

2023 Residues Split (%)

GRI 306-3, GRI 306-4, GRI 306-5.



Around 6% of our waste is classified as hazardous. While more than 93.1% of our total waste is already recycled or re-used, some of our by-products, such as acids or specific treatment mud, are waiting for viable technical solutions. Engineers, R&D and a few external partners are studying the technical solutions to neutralize such waste.

■■■ Aperam's Genk site in Belgium has made a significant investment in waste management with the introduction of an acid regeneration plant. This innovative facility transforms waste acid into new pickling medium and metal oxides, promoting sustainability and reducing waste. The completion of the commissioning phase, achieved through collaborative efforts across Aperam's sites, marks a milestone in waste reduction.

The impact of this investment is substantial, with the plant being able to regenerate 23 million liters of waste acid annually, avoiding the production of 70,000 metric cubes of waste water, and preventing the need for 10,000 tons of landfill. Over 150 employees from the Genk cold rolling mill (CRM) department have undergone training to operate and maintain this technology, with a strong emphasis on safety.

Genk acid regeneration unit.

Voice

"Stainless steel recycling has always been interesting to me with all the different items we receive. Where did it all come from and what was it all used for? Trying to figure this out everyday makes work fun and entertaining."

James Waters
Yard Supervisor at ELG Metals,
Mobile, AL, USA.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Metallurgy as a Recycling Channel

In 2023, 29% of all our material (GRI 301-2, including wooden pallets, refractories, consumables, etc., total input of 4.7 million tons) came from recycled sources. We usually focus on metal scrap, but many other items also come from recycled sources: electrodes, wooden pallets, acids, etc.

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

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

> On average, in 2023, Aperam's products, including those made in Brazil where the scrap market is still almost nonexistent, contain 65% (according to the ISO 14021 standard) metallic scrap.

This consolidated figure integrates the excellent performance of the stainless steel melt at our Stainless Europe sites, which achieved an average of 88.5% in 2023 (according to the same standard), which is a 2% improvement from 2022, with some of our Austenitics from Genk recording rates over 95%, marking a 4% increase than 2022.

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

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

Radioactivity Alarms

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

> According to Aperam Recycling “Radiation Guidelines”, employees at scrap yards are to be regularly trained on the subject by our internal Radioactivity Detection Officers, so that only products with radiation exposure below the natural ambient levels are delivered to our customers - an essential safety measure for our employees too.
Our yards are equipped with stationary detection systems for incoming and outgoing material. Additionally, our cranes are equipped with grapple detectors to further enhance the probability of detection of small parts. All these detection systems are inspected and maintained by an external company once a year.

Radioactivity Monitoring (#)	2023	2022	2021	2020
Dedicated Internal Audits (Prevention)	**0**	4	5	3
Internal Alerts - reported by the units	**161**	180	264	272
External Alerts - reported by the customers	**1**	3	11	16

Preparing Post-Industrial Scrap for further sorting at an Aperam yard..

> In adherence to the Aperam Recycling Radiation Guideline, we've improved our collecting and analyzing routine, recording and reporting data from the former ELG operations for 2023. By compiling specific information on radiation alarms and technical equipment, we identified 161 confirmed alarms, which is an 11% reduction from 2022. Customer-reported alarms decreased from 3 (2022) to 1 (2023), indicating improved operational processes.

Furthermore, no sealed sources were detected using our equipment.

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

Other Initiatives

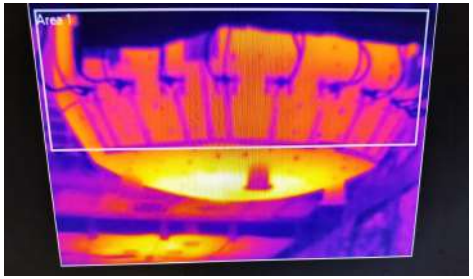
Industrial Risk

Risk Prevention Program

The industrial risk prevention program continues while relying on the bases initiated in recent years: identification of risks, prevention of their occurrence and preparation for emergency situations. This approach enabled a 20% reduction in the number of risks identified in 2023. These actions make it possible to prevent some major risks as well as to test and cooperate with local stakeholders in emergency situations.

Health and safety are our priority at Aperam, whether that of our employees or local residents. Therefore, we continually invest in our facilities to ensure the safety of everyone. Technology is at the forefront of our prevention actions.

■■■ Some site-level examples of what we did in 2023 are:
> The Châtelet steelworks, in Belgium, installed thermal cameras to visualize in real-time possible “hotspots” on pockets of liquid metal. The goal is to enable intervention before a breakthrough occurs. This risk is well known to steelworks and the consequences of the dispersion of several tonnes of liquid metal remain a significant hazard for personnel and equipment.



Thermal camera in Châtelet.

Fire protection system in Gueugnon.

> At the Gueugnon site, in France, it’s the fire protection system of a cold rolling mill that was completely revised and completed. Fire detection, coupled with a gas dispersion system, makes it possible to contain a fire in just a few seconds. The full-scale tests carried out in the summer of 2023 were conclusive.

■■■ For emergency situation management, the Isbergues site is participating in the new prefectural application project baptized ‘Facing the Risks’ (FAR). With the FAR application, Aperam Isbergues and Recyco involve local residents in the prevention of industrial risks.
The FAR application was designed by the S3PI (Permanent Secretariat for the Prevention of Pollution and Industrial Risks) of the Artois region. As SEVESO classified industrial players, Aperam Isbergues and Recyco pay particular attention to the prevention of industrial accidents. This also means involving local populations in this prevention approach, thanks to the FAR application. It allows residents to discover sites at risk near their homes, access their news feed and report any questions or alerts. Through this project, Aperam is listening to local residents and strengthening the prevention of industrial accidents.

■■■ At the Gueugnon site, in September, a joint PPI (special intervention plan) exercise between Aperam and all local authorities was carried out. It involved a simulation of a leak on one of our acid storages. After the first observations were carried out by internal emergency services, the crisis unit was triggered and the prefecture informed. The mayor decides to trigger the alert siren to signal residents to confine themselves.

At the same time, the prefecture is launching its new system: FR ALERTE - an innovative system used to alert the population via mobile phones. Arriving in the area, all external emergency services establish an intervention plan with internal emergency services, and together they manage to contain the leak.

Exercise in Gueugnon between Aperam and all local authorities.

Remediation and Decommissioning

At our former Firminy site, by working in agreement with the local administration and with Aperam funding, remediation continued during the second semester of 2023 and is expected to be finalized by the first semester of 2024.
Concerning L’Ardoise site, the monitoring of the residual pollution shows that the remediation is almost done. We are continuously working with the environmental administration (DREAL) on monitoring residual pollution until all pollution is removed.

Climate-Change Risk Assessment

From 2020, physical climate risks that are material to our activity are regularly assessed as part of our Group Industrial Risks procedures. This means they are screened in terms of their potential to affect the economic activity of the industrial equipment, of the unit and of the greater industrial route they may participate in.
The process was initiated with a lighter internal methodology on a limited scope to raise awareness and get started at our main units and was accelerated to cover all Aperam’s perimeter with the support of external consultants.
Knowing that the lifetime of our equipment is usually several decades, the assessment is performed using long-term scenarios (2030 and 2050) integrating the projections from the IPCC and best practices available on the market, including external tools and analysis.
The two scenarios assessed are the SSP2-4.5 and SSP5-8.5 from the IPCC (Intergovernmental Panel on Climate Change) and the scope covers Aperam in its entirety, including the smaller units of Services & Solutions and Aperam Recycling (ex-ELG), in addition to a selection of key supply chain locations. The results of the initial assessment were based on a detailed risk mapping of specific GPS coordinates in view of the risks specified in Supplement B of the EU Taxonomy and used as a starting point. The next phase, which is meant to last several years and cover the whole group, has implied a round of engagements with the units to refine the assessment in terms of impact, review the existing mitigation measures and trigger the design of relevant additional action plans, in liaison with external stakeholders, including experts from the insurance sector. Cross-exchanges amongst units and activities, local stakeholders and the supply chain are planned to enhance the overall consistency and pragmatism of the assessment.

As part of our standard Industrial Risks procedure, all adaptation measures identified are analyzed, validated, prioritized and followed up on as part of our standard Industrial Risks procedures, and the status of the plan is regularly reviewed by our insurance experts and Aperam Management.

Transportation Impact (estimates[1], excluding maritime)

Indicator	Unit	Brazil	Bio-Energia	Europe
Rail traffic	% shipments (except Maritime)	5,4	0	42,8
Road traffic		94,6	100	46.9
River/Other traffic		0	0	6.7
Short sea		0	0	3.6
Trucks loading	%	90,8	100	84,8

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

Transportation Impact

Freight Transportation

> We apply ESG criteria in the selection of carriers as well as all other suppliers (See also p. 55-56). For road carriers, this includes training all drivers in eco-driving, investing in trucks that can use alternative fuels (LNG, Bio-fuels, Hydrogen, Electrical) and, for the biggest ones, ISO 14001 certification. Based on these criteria, we have also begun to terminate relations with carriers that have been sentenced for non-compliance with social legislation.

2023 saw a temporary deterioration of our global transport-related carbon footprint, the result of increased air shipment volumes and decreased rail transport.
> All transport of semi-finished goods, essentially slabs and hot laminated coils in Europe, have always been operated by trains, and this is still the case. On the other hand, the shipments of finished goods from Isbergues, which used to represent 10% of the volumes, have been drastically reduced, due to the economic downturn. This led us to favor road forwarders to preserve the relationship and financial health to the most strategic carriers. Additionally, shipments from Genk to Italy, normally done by rail, were severely disrupted by the strike on the German network.
However, in 2023, we also successfully allowed some carriers to operate some transport with bio-fuel trucks with a moderate overcost.
> Air shipments are strictly limited to what is requested by our customers in emergencies, which occurred in 2023 due to delays in production of the Alloys division, especially to Vietnam where our maritime transports did not restart until January 2024. However, it represents a marginal part of the whole European impact.
In Brazil, due to the price of rail transport (road plus rail) being higher than direct road transport, more and more customers choose to collect their steel here in Timóteo. Carbon steel shipping, which has always been mostly done by rail, is now shipped by road, in the Free on Board (BOB) mode.
We will pursue our efforts in 2024 to increase our rail transport share, as the gap between rail and road transport prices decreases and as new rail motorways and rail ports open or increase their capacities.

Biodiversity

In response to the growing concerns of our stakeholders, as well as in view of the strong consensus appearing on the intertwined issues of Climate Change and Biodiversity, we decided to set up solid biodiversity plans at our main plants. We built a company-wide procedure that defines the basis for a minimum, systematic biodiversity monitoring, even in areas where the issue is not considered urgent. Based on the Global Reporting Initiative and ResponsibleSteel™ frameworks, this approach entails a preliminary identification of local, vulnerable or invasive species, their natural habitats, and of the possible disturbances that changes in our operations (artificialisation, lightning at night, etc.) could cause. The goal is to combine this baseline with a proactive plan to be set up in cooperation with local experts, such as regional or municipal authorities or NGOs.
Since 2022, we have added in our monthly dashboard new indicators on biodiversity to track the progress of the site's implementation of our global program, ensuring a continuous improvement. In light of the significant requirements to be integrated for CSRD, we have secured an additional professional for a temporary period, who will be in charge of overseeing and implementing further biodiversity-related projects across our sites - GRI 304-1. See some examples below.

Collaborative efforts on the 'Ecolonomy' project

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

Planted trees in Isbergues.

> 3 main actions were carried out in 2023. First, tree planting: 700 trees were planted at the beginning of the year. Regular monitoring visits are carried out by members of the collective

to take action when necessary. Second, vegetation zones, including 6 test zones, were created, with seeds sown without any phytosanitary treatment. A new action plan is underway to test other techniques, over smaller areas and with a greater input of soil. Third, preserving biodiversity: Following the deployment of swallow nests on the platform, we can note that 7 of the 12 nests installed are already occupied. A good start for Isbergues' mascot!

Collaboration with Natuurpunt to improve biodiversity at the Genk site

A survey conducted by Aperam Genk employees in mid-2022 on how to improve biodiversity on site showed that employees are placing more value on this topic. Aperam Genk intends to make more efforts in the coming years to support and increase biodiversity on and around the site. By 2023, it was time to put some of these ideas into practice.
Besides the installation of around 50 nesting boxes across the site, a partnership was established with Natuurpunt, a Belgian non-profit nature conservation organization. The organization is involved in various activities, including the management and restoration of natural areas, biodiversity conservation, and environmental education. Together, we decided to transform the grassland around the Cold Rolling Offices into a landscaped area with natural elements.

Soil improvement was applied and instead of adding foreign material, a mixture of decomposed compost with tertiary sands of local origin was chosen. With the planting of approximately 4,000 native trees and shrubs, the aim was to have a positive impact on biodiversity, creating a vibrant local ecosystem. Various species such as oak, ash, and fruit-bearing trees were planted. Natuurpunt also proposed the establishment of two rough zones (dunes) in the flat grassland. These sand hills and pits provide support and housing for bees and other essential pollinators. Additionally, some berry bushes were planted to serve as a source of food for local fauna.
This project is another step in the right direction to promote biodiversity. If this approach proves successful, other parts of the site will be similarly addressed

Three new beehives in Pont-de-Roide, France

Aperam Pont-de-Roide in France continues its commitment to biodiversity by installing three new beehives on its site, following the previous installation of birdhouses and bird feeders.

Participants during the workshop

This initiative aims to preserve bees and biodiversity while raising employee awareness. Nearly 200,000 bees have found refuge in these hives, contributing to the pollination of surrounding flowers. A beekeeping discovery workshop was also organized (see left), allowing participants to understand the crucial role of bees in the ecosystem and to taste a variety of honeys from different flowers.
The participants appreciated the workshop, recognizing the importance of bees in the environment and expressing interest in following the progress of the hive installations.

Have you met Aperam's mascots yet?

The eight main Aperam plants in France, Belgium, and Brazil are tackling biodiversity as a key topic, making the best possible efforts to nurture the environment in general and to protect a particular species or element of biodiversity in their local environment. Each site has selected amascot to epitomise their commitment. You will find these graphic designs of the mascots on our site's entrance posters.

An endangered mammal endemic to South America and our Brazilian forestry.

In Europe, the Red Kite is classified as Near Threatened.

The House Martin has been present on the Isbergues plant for several years.

The Natterjack Toad is present on the edges of the river Sambre.

Gueugnon's Arroux river is a rich ecosystem and its water is key in our manufacturing processes.

The Brazilian squirrel is the most common representative of squirrels in Brazil, and is present near our Timoteo site.

This species was strongly endangered in the 90's. After a few years, it is seen again in the area of "De Maten".

This species, almost extinct in the 19th century, is making a comeback on its former territories, including near the Imphy site.

Our Oikós Environmental Education Centre in Brazil

Located in Timóteo, the Oikós Environmental Education Center is a 989 hectare piece of Atlantic forest, which houses numerous springs and species of fauna and flora. It hosts several activities, including visits for scholars. Training courses are also offered to the community, with a focus on the recovery of springs and degraded areas, through a partnership between the Foundation and the National Rural Learning Service - Senar. With a list of courses aimed at professional training and social promotion, this initiative also offers classes for Multipurpose Forest Workers on topics such as the recovery of degraded and altered areas.
More than 65,000 visitors from different age groups have passed through Oikós to raise awareness of this rare biodiversity rich area - and it also acts as a carbon sink, as evidenced by our calculations!

DSP (Participatory Socio-Environmental Diagnosis)

The Participatory Socio-Environmental Diagnosis (DSP) conducted by our Timóteo site engaged internal and external stakeholders in their Environmental Education Program. This initiative aimed to involve the community in defining, formulating, implementing, monitoring, and evaluating environmental projects. Scheduled from August to September 2023, it also ensured compliance with legal requirements for Aperam's environmental operating license renewal.

The DSP provided coordination and training to diagnose, raise awareness, mobilize, and share responsibilities among participants. By fostering a collective vision of the local reality, it identified challenges and opportunities for socio-environmental improvements. Projects within the Environmental Education Program were planned for a five-year period to ensure a lasting impact.

Contributors to the Participatory Socio-Environmental Diagnosis.

Every June we celebrate World Environment Day.

Raising Awareness

Events and actions

In October 2023, Aperam organized its second Sustainable Development Week. In 2022, we focused on one aspect of the environment: Biodiversity. This year, we explored sustainability as a wide variety of interconnected issues. For example: How are 'health' and 'inclusion' linked? And why is 'local development' really a sustainability issue? Daily newsletters aimed at raising awareness about these interconnected issues were published.

> On top of that, our sites organized a range of fun activities, including interactive quizzes to test employees' knowledge and remind them of Aperam's 2030 sustainability targets! These quizzes were a huge success and some sites are thinking of integrating the quizzes within their own onboarding program for new joiners.

Sustainability quiz moment in Gueugnon.

> Last July, 9 new Aperam employees were trained to become ‘Climate Fresk’ facilitators. French NGO ‘The Climate Fresk’ has been working to bring people and organizations on board with the climate transition through a 3-hour interactive gamified workshop that uses illustrative cards in order to teach the drivers, mechanisms and consequences of climate change before a discussion about next steps and solutions.
Facilitators are trained to lead Climate Fresk workshops for others in order to spur a new collective energy for the fight against climate change. And it works! Early 2024, this initiative already reported 1.5 million people trained in 45 languages in over 157 countries!
With the 9 new facilitators, we reached a total of 17 facilitators within Aperam at the end of 2023.

Voice

"One of the things that attracted me to the Climate Fresk is the deep conviction that, if the challenges of climate change are not understood by all, it will be very complicated to think about and implement the necessary environmental transition. It is essential to know where we're starting from if we are to understand where we need to go. This awareness tool helps participants understand the physics of climate change, from its causes to its main consequences, in just a few hours! Every employee is first and foremost a citizen. The values that motivate Aperam employees must serve as a basis for reflection and support for the actions that will transform Aperam in the years to come, from the simplest action to the most ambitious one."

Aurélien Buteri
Botanickel Chairman,
Environment. Project manager in
the Aperam CTO Sustainable team

"To help people learn by gaming training is quite pedagogic and I found in the Climate Fresk the perfect way to clarify the message on such a complex subject as climate and social responsibility.
As part of the solution, our individual participation is key, by our buying choices, or our attention to avoid wasting water, energy, and single-use plastic usage, for instance. Also, our professional decisions when developing, producing, buying and transporting are crucial and impact Aperam’s results."

Lucie Casana
Group Sustainability Coordinator

CL!MATE FRESK

Botanickel
By Aperam & Econick

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

Together with Econick, a spin-off of France's University of Lorraine that specializes in the phytoextraction sciences, Aperam has formed a joint venture called Botanickel. In 2023, the company harvested its first batches of biomass of its local endemic plants on nickel rich land. This process optimizes what already exists and thus opens up new opportunities for agricultural areas. This innovation has been fully integrated into the new value chain that Aperam is now defining.

The company seeks to become a world leader in the responsible and sustainable production of biosourced nickel for the stainless steel industry and has already established itself as an acclaimed and sought after scientific reference, consulted for agronomy and industrial feasibility projects, and for land diagnostics.

2023 also saw the launch of Botanickel's industrial phase, with the recruitment of men and women who will lead the project, providing the Aperam Group with a real biosourced metal supply.

Botanical Power in Action

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

Taking Sustainable Stainless Steel to a Whole New Level

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

"We want to be the pioneer and benchmark for this method of extraction, right down to stainless steel, with the strictest respect for co-development with local communities, climate, and biodiversity".

Aurélien Buteri, Botanickel chairman

Our Commitments

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

Reference

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

Co-development

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

Biodiversity

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

Climate

Driven by an urgent need to reduce global greenhouse gas (GHG) emissions, Botanickel will have the potential to massively reduce the CO_2 emissions associated with the production of ferronickel and thus Aperam's stainless steels (Scope 3).

Interacting with our Stakeholders

We aim to achieve best practices in governance and apply the strongest business ethics. These are the keys to building trust with our customers, our employees and the communities we work in, to protecting our market position and 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 dialogues and stakeholder engagement.

Sustainably Profitable

2023 results

Financial Performance

> 2023 was a difficult year for the stainless steel industry. There were significant economic pressures, especially in Europe, where we experienced continued margin pressure and historically low volumes. Despite these headwinds, we remained resilient. An example of this resiliency can be seen in the value of our new Recycling and Renewables segment, which is both a strategic asset and a key enabler of the circular economy.
Nevertheless, EBITDA was significantly lower than the previous year, at EUR 293 million (EUR 304 million in adjusted EBITDA), compared to EUR 1.076 million in 2022. Despite this lower profitability, we returned EUR 676 million to our employees through wages and EUR 145 million to our shareholders through dividends. The performance of both our Stainless & Electrical Steel and our Services & Solutions segments experienced notable difficulties, due to a confluence of negative market factors (low volumes, unfavorable price/cost development). However, our Alloys & Specialties division showed positive signs of continued progress, while Recycling & Renewables became the number 1 contributor to our profitability, underscoring the value of our vertical integration.

> Furthermore, in our pursuit of cost competitiveness, we surpassed the Leadership Journey® Phase 4 targets ahead of schedule. Cumulative gains of EUR 186 million were achieved, exceeding the initial EUR 150 million target. This success was driven by a strategic combination of cost, growth, mix improvement measures - and our teams' commitment!

> Looking ahead, 2024 marks the initiation of Phase 5 of our Leadership Journey®. Themed Efficiency, Phase 5 targets a gain of EUR 200 million between 2024 and 2026. It also includes a plan to cut EUR 50 million costs in Europe to combat the inflation and regain our position as the most profitable company within the sector - a plan that will be run in line with our values.

ESG monitoring as part of all our processes

Because financial criteria alone cannot convey a complete picture of our success, we use a number of lagging and leading key performance indicators that ensure we are responsibly moving in the right direction across many dimensions.

> On the Human Resources side, Health & Safety has long been our first individual performance target and an important aspect in our people's annual evaluations. In addition to our other ESG indicators, which are allocated individually, our Performance Share Unit Plan (PSU) includes the following indicators, for a total weight of 20%: reduction in Total Recordable Incident Rate (TRIR); percentage of women amongst the Top-1,000 employees (both for 5% each); and the completion of our CO_2e emissions' reduction targets for the remaining 10% (see p. 92 of the 2023 Annual Report for more details).

> On the financial side, on top of the internal CO_2 price we've used since 2016, we now add to our Credit Financing and loans some of our strategic sustainability commitments: first, to become a best-in-class stainless steel manufacturer in terms of Health & Safety by consistently exceeding the ISSF (International Stainless Steel Forum) industrial average in terms of TRIR and, second, to maintain Aperam's leadership in low carbon steel making and de-fossilisation (reflected by a decrease in CO_2e intensity). While not reaching our goals will result in more expensive financing, achieving them will mean a discount in the interest rate we agreed to allocate to financing more sustainability actions.

> More generally, we submit ourselves to the assessment of many players, who usually rank us amongst the most responsible actors in our industry. Firstly, ESG agencies of all sorts (Investment-driven, customer-focused, specialized or generalist, national or international) screen our performance on a series of indicators. They also assess us based on a list of best practices that are constantly updated to ensure social and environmental progress and stay very vigilant about following any issue involving the Aperam brand. This year we were rated AA by MSCI, A+ by Sustainalytics, and Platinum by EcoVadis.

(1): Europe, (2): Specific European countries.,
(3): European and Brazilian production together.
(4): Electrical Steels Grain Oriented and Non Grain Oriented produced in Brazil.
(5): Following review by the Audit & Risk Management Committee.
(6): Human Rights including Health & Safety, Environment, Data privacy and other topics that can be reported through the whistleblowing hotline after scope extension in 2019-2020.
(7): Includes centrally sourced energy.

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

Indicator	Unit	2023	2022	2021	2020
Customer Satisfaction: Alloys	Rate on 10	n/a	n/a	9.15	n/a
Customer Satisfaction: Stainless		6.9 - 8.1(2)	7.0 - 7.8(2)	7.9 (1)	8,0(1)
Innovation (R&D spent)	€m	19	21	18	16
Lobbying Expenses - Europe		0.49	0.57	0.64	0.87
Lobbying Expenses - Brazil		0.13	0.32	0.45	0.12
New products in sales - Stainless(3)	Index base 2019 or 2020	103	76	69	58
New products in sales - Electrical Steels(4)		210	247	261	92
New products in sales - Special Carbon		203	154	69	131
New products in sales - Alloys		569	554	168	100
Fraud Allegations Reported	#	59	22	13	12
- Forensic Cases Founded		**9**	2	4	4
-- Significant Cases(5)		**0**	0	0	0
Ethical Allegations Reported(6)		109	54	10	4
- Ethical Cases Founded		**12**	15	2	4
-- Significant Cases(5)		**0**	0	0	0
Local Purchase at Main Sites(7)	%	**45**	41	45	51

> More importantly, we voluntarily undergo very demanding scrutiny as part of our certification strategy. This scrutiny includes not only practices specific to our business, they also cover the full spectrum of ESG topics, from health & safety and stakeholder engagement to biodiversity preservation, water usage and pollution prevention.
The FSC® framework is the best practice in terms of forestry, and helps us structure a very efficient and responsible business. That is why our BioEnergia has been renewing its certification every year since 2008.
Likewise, the ResponsibleSteel™ initiative is the first global sustainability certification programme for the steel sector and its certification follows a stringent audit of the company's practices in Environment, Social and Governance on over 200 requirements.The ResponsibleSteel™ Standard, which was designed together by business partners and NGOs with the aim of promoting steel as a responsible material of choice, contains stringent requirements in relation to climate change and greenhouse gas emission that are fully aligned with the Paris agreement.

> In 2021, Aperam became the first Stainless Steel Company to earn a ResponsibleSteel™ site-level certification. In 2023, the company continued this roll-out with the certification of its Brazil operations, which became official in March 2023 after document based reviews, on-site audits and a close review by the expert panel of ResponsibleSteel™.

"We're very proud to have Aperam South America join a growing number of sites globally that have been certified against the ResponsibleSteel™ Standard.
It is the second Aperam site to become certified, Aperam Stainless Europe being one of the earliest sites to achieve ResponsibleSteel™ certification back in 2021. This indicates Aperam's continued determination to show leadership in each region they operate in."

Annie Heaton
Chief Executive Officer ResponsibleSteel™

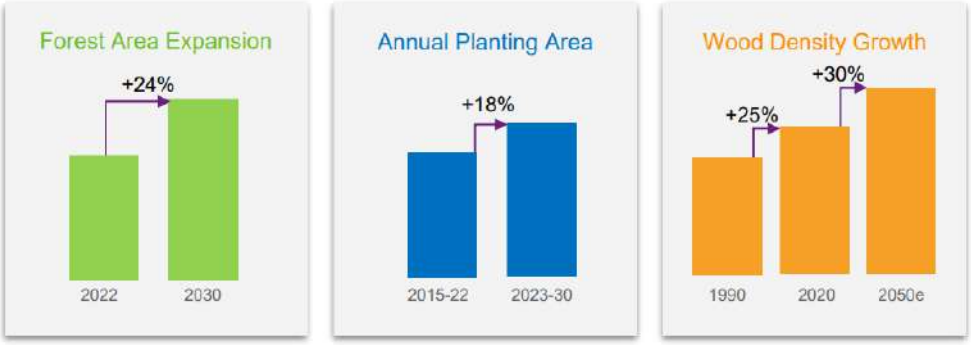
Long-term Strategy

Aperam aims to de-commoditize its traditional business, leveraging the capabilities of its operations and recycling activities in all regions. This can be done in Europe by delivering electric vehicle solutions, from the automotive structure to the battery case.
In Brazil, we offer high value electrical steel for optimal energy transmission and distribution, while in Alloys, our focus will be around Liquified Natural Gas (LNG) and hydrogen transport. Meanwhile, Recycling will continue its growth on high demand materials such as aerospace alloys.

Turning our unique strengths into new value streams

On top of the development of our core businesses, we are also adding new value streams based on our existing assets, such as Recyco, BioEnergia and Aperam Recycling (ELG network).
> For the first one, we operate with limited competition and benefit from a flexible technology for turning cheap waste into materials for which the market alternative is both expensive and has a high greenhouse gas emission footprint (primarily Nickel, but also Chromium and Molybdenum). The service offered by Recyco is also able to recover such waste as dust from catalysts and recycled batteries, on top of our steel plants by-products (steel, slag). We aim to turn Recyco into the leading European nickel recycling facility.
> As to Aperam BioEnergia, we have great expectations in relation to its expansion (see below). We aim to further leverage this asset, which already provides a record-low carbon footprint to our Brazil production and reports significant sequestration accruals every year. Our plan is to expand the cultivated perimeter, without any deforestation and in full respect to the local flora and fauna, and to continue to innovate in terms of by-product recovery and partnerships (see below). This is also why we expanded our team, directly hiring 835 of our former subcontractors, to improve their training, efficiency and dedication (see page 26).

Growth plan for Aperam BioEnergia



■■■ In 2023, Aperam entered into a joint venture for the expansion of its forests for charcoal production with Ferbasa - one of the world's leading producers of ferroalloys. This expansion is in line with Aperam's strategy to grow BioEnergia's existing responsible forest operations by 20% and to expand into new business models focusing on energy transition. The Bahia Mines BioEnergia Joint Venture, located in the state of Minas Gerais, will operate in close proximity to Aperam's existing operations, thereby unlocking a range of synergies and cost benefits. It also enables Aperam to optimize and further increase its charcoal production. This Investment represents about 28 thousand hectares, of which approximately 30% are dedicated to conservation areas and native vegetation, which will continue to be preserved within the highest standards of national and international certifications.

100% of the forestry and charcoal production operations will be carried out by Aperam BioEnergia, which has state-of-the-art technology to run these activities and whose responsible environmental standards are voluntarily certified under the ISO 14001, and the Forest Stewardship Council (“FSC”, since 2008). From the genetic improvement phase to the carbonization of the wood, our fully sustainable practices go far beyond the traditional ones, aiming to preserve the environment and improve people's quality of life.

■■■ In 2023, Aperam BioEnergia expanded its range of products**,** which now includes recovered and processed **bio-oil** as a co-product from the production of charcoal from Aperam BioEnergia's renewable forests in the Jequitinhonha Valley, this new bio-oil is produced from the recovered condensable gasses from the carbonization process, further valuing our raw material and the timber from planted Eucalyptus forest.

With vegetable origin, 100% renewable and low sulfur content, the bio-oil has been tested since 2017. It has been used in and adopted to different applications and is now capable of replacing the use of fossil fuels in industrial processes.
To start with, and further to an agreement signed in 2023, Nexa Resources (a producer of zinc, copper and lead) will acquire 10,000 tons of bio-oil from Aperam BioEnergia in order to gradually replace fossil fuels in the production of zinc oxide at the Três Marias (MG) metallurgical unit.

Voices

“Aperam BioEnergia developed the product and currently produces a fuel that is a strong option for the de-fossilization and energy transition. Through innovation, we are strengthening our pioneerism on sustainable projects and products, being ahead of the curve on solutions that positively reflect on the environment.”

Marina Fernandes Soier
Project Coordinator Aperam BioEnergia

> For ELG, the growth is sustained by all the policies, programs and consumer trends aiming at the circular economy, but it is also fueled by innovative partnerships.

■■■ In 2023, a 100% closed loop on titanium and nickel was initiated with IperionX.

This partnership is important as nickel and titanium are highly coveted materials, the result of a boom in electrical vehicles and their battery needs. Currently, these raw materials are sourced over long distances from high carbon supply chains with traceability issues and often poor ESG performance. As part of the agreement, ELG Utica Alloys, a subsidiary of Aperam, will supply clean titanium scrap metal and IperionX will use its patented titanium processing technologies to produce low-carbon metal for a more sustainable and fully circular supply chain.
As a result, feedstocks from manufacturing waste and end-of-life metal products will be re-shored into advanced low-carbon metal production, creating a more sustainable, 100% recycled U.S. closed loop supply chain.

Aperam Ventures

Aperam Ventures is the venture capital fund of the Aperam Group. Launched in 2021, its investment thesis is predicated on long term value creation with disruptive companies that will enable Aperam to build a strong, sustainable and competitive advantage in the future. In pursuing this goal, we are interested in identifying and assessing synergies between technology companies and Aperam’s core operations.

> Aperam Ventures is committed to creating long term value for its portfolio companies by combining access to the unmatched technological and commercial expertise of the Aperam Group with the agility and flexibility of a dedicated investment team to facilitate effective managerial decisions. As a strategic investor, we are looking for companies that can support our growth journey and ESG commitments. We have a global mandate and our interests encompass the whole value chain of Stainless Steel/ Alloys and Electrical steel production and distribution. As a result, we focus on four areas:

- Advanced materials
- Industry 4.0, the factory of the future
- Smart and agile distribution, as a reflection of our customer-centric approach
- ESG and new business models, primarily around CO_2, energy and waste recovery

In 2023, as part of the chapter ‘Industry 4.0’, Aperam Ventures announced an investment in mecorad GmbH, a company that offers in-line measurement and optimization for hot metal forming.

Efficiency as an Employer's Responsibility

> With our European downstream operations tailored to market conditions, we are able to capture opportunities for a sustainable future. In the past, this adaptation involved reducing our tools from 29 to 17, but also, when necessary, responsible reductions in headcount. According to analysts, Aperam achieved an impressive turnaround in its first decade and is ready to seize the opportunities arising from the long-term growth perspectives of our markets. In 2021, with the acquisition of ELG (see p. 10), we opened a new chapter of Aperam's history.

> Overall, in 2023, we channeled EUR 676 million in salaries and EUR 59 million in taxes to local economies, compared to a respective EUR 535 and EUR 136 million last year (GRI 201-1).
We also play an important role through our expenses. In particular, in the locations where our largest sites are placed, in Belgium, France and Brazil, the development of the local economy is part of our strategy. In 2023, our overall local spend grew by 4%, increasing from 41% in 2022 to 45% in 2023, reaching the same level as 2021, largely the result of energy prices reversion (sourced centrally). (GRI 204-1).

Social Climate and Social Relations

In 2023, we kept our strong involvement in the social dialogue with all stakeholders, sharing and explaining the complexity of our context, especially in Europe where we faced a strong modification of our economical and business situation due to macro economic factors.

> We had constructive and numerous exchanges with trade unions and local working councils in order to find the best way to responsibly adapt our organizations to the variation in the level of activity, especially at our Isbergues, Gueugnon, Genk and Châtelet plants.
We successfully concluded the bi-annual CLA (collective labor agreement) negotiations in Belgium in Q4 2023 with our syndical partners of both blue and white collar workers.
Our involvement in social dialogue is embodied in France by the contractualization of our social policy with the trade unions, with the implementation of two new national agreements in 2023 on time off given for caregivers and skills recognition. Specific measures were taken to deal with the impact of inflation on lower salaries and agreements on CLA were signed with all French legal entities.

> We continued to share with the employee representatives in the EWC (European Works Council) the implementation of our key European projects as the review of our "European Footprint" (e.g., new AOD2 - argon oxygen decarburization - converter in Genk, the industrial synergies between Gueugnon and Imphy plants), the impact of the current economic context and necessary adaptation measures.
In 2023, we held our regular meetings with our EWC select committee meetings and plenary sessions), and had additional extraordinary meetings in Q4 2023 with the EWC plenary/complete committee to exchange with the senior management on the difficult economical context in Europe and the self-help measures we could deploy.

> As usual, we "variabilized" our labor costs in Europe in line with a low production level over the full year: the 2023 temporary unemployment rate was equal to 3.4% of the total working hours in France, 6,3% in Belgium - and zero in Brazil (see table below).

Employee Survey

76% believe strongly in the goals and objectives of Aperam

> The 2023 Employee Engagement survey demonstrates the proximity and the quality of the social climate within Aperam, with almost 8 out of 10 employees recommending Aperam as a good place to work and a similar portion considering that their immediate leader is accessible and available when they want to talk or need help.
See also in the table below the favorability to the questions from the "sustainable engagement".

Social Climate		Group			Belgium			France			Brazil		
Indicator	Unit	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Temporary Unemployment(1)	FTE	n/a	n/a	n/a	119	69	35	77	15	32	0	0	6
Employee Sustainable Engagement(2)	%	79	78	83	74	74	72	69	71	70	86	85	88
Absenteeism	%	2.7	320	274.0	4.2	551.0	5.2	3.6	416.0	3.4	5.1	146.0	1.6

(1) number of hours divided by local annual legal reference (in hours)
(2) % of "favorability" for pilar sustainable engagement

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

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

(1) Canada, China, Czech Republic, Dubai, India, Japan, Korea, Mexico, Nordic, Russia, Switzerland, Thailand and the United Kingdom.
(2): Sum of all the amounts levied with respect to Corporate tax, other taxes (taxes on assets, environmental tax,etc.), including social contributions (employer and employee share), the latter being also included within Employee Wages & Benefits (GRI-201-1)"
(3): % of Local spent of main sites (Châtelet, Genk, Timoteo, Imphy, Gueugnon, Isbergues, Pont-de-Roide) excluding Raw Materials, with local spent defined as paid to suppliers respectively from Belgium, in Vale do Aço (Minas Gerais), and France. (GRI-204-1)
(4) and entities with less than 50 persons in: the Netherlands, Taiwan, China, Japan, South Africa, Canada, Russia, Australia, Italy, Singapore, Czech republic, India, ordered as per quantity of employees.

Responsibility in the Value Chain

Overall Supply Chain CSR Risk Assessment Methodology

In 2023, we reinforced our supplier risk review and added a stronger media watch follow-up of suppliers, as detailed hereafter.
We communicate annually with our suppliers about our ESG engagement. Our policy also requires suppliers to participate in regular assessments and to diligently inform us in the event of significant incidents, for instance one impacting local communities or the environment. Furthermore, our policy also clearly establishes that working with supply chains that fail to comply with our high ethical standards is not aligned with our practices. For instance, we remain attentive to our purchases involving the PRC province of Xinjiang to avoid benefiting in any way from the forced labor imposed on the Uyghurs. In the end, when our due diligence concludes that a situation deviates from our standards and is not likely to be remediated and improved, and/or our demands in terms of information or monitoring remain insufficiently addressed, the business relationship will be either suspended or terminated.

Every year, all of our suppliers are reminded of our Sustainability Report and Code of Conduct, while internally, a continuous training has been put in place. In 2023, 100% of our sourcing buyers took part in a training on the 'Responsible Purchasing'. The buyers, with their key role in this area, worked in an interactive training on topics relating to responsible purchasing and sustainable development. Starting in 2022, the Responsible Purchasing training, which includes elements pertaining to the ResponsibleSteel™ standards, is obligatory to all buyers and is requested once a year. In 2023, 100% of our sourcing and purchasing buyers took part in training.
Furthermore, with the aim of developing our local suppliers' compliance acknowledgement, in 2023 our Timóteo plant deployed two new in-house compliance e-learning modules for white collars on conflicts of interests and 'Know Your Customer/ Know Your Supplier'.

Risks Amongst Raw Material Suppliers

> In 2023, we evaluated 108 suppliers based on a sustainability questionnaire and a supplier evaluation. The system was further modified to obtain more targeted information about our supply chain and to improve our continuous development process with our

suppliers. The analysis of CO_2 emissions has been intensified due to the requirements of the Science-Based Target Initiative (SBTi) .
When analyzing the proportion of suppliers assessed, 63.9% received an A classification, 23.1% received a B classification and 13.0% received a C classification. For suppliers with a higher risk classification (B or C), a detailed analysis is carried out to define action plans to develop optional suppliers in order to minimize the risk. Further action plans are drawn up for suppliers who did not complete the sustainability questionnaire on time. Suppliers who answered the sustainability questionnaire achieved at least an A or B classification.
Due to the continuous risk assessments, our collaboration with one supplier was terminated. Furthermore, a potential new supplier could not meet the requirements for starting a business.

Risk Amongst Freight Suppliers

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

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

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

Risks within Non-Raw Materials

> Since 2023, when on-boarding a new supplier, we have started to assess its performance according to three dimensions: compliance/fraud (sanction list), ESG criteria and financial health. Over 9 months, 134 potential new suppliers have been assessed, leading to the approval of 129 (some approvals are conditioned on the execution of pre-agreed mitigation plans). Five have been rejected.
Following an initial supplier prequalification phase, we implemented the systematic definition and consideration of ESG criteria in supplier award decisions, starting with all strategic tenders. The scope of applicability will be continuously expanded in 2024.

> Regarding the supplier assessment cycle, following our protocol, each critical supplier undergoes an assessment at least every two years. In 2023, we completed the assessment loop for our critical suppliers, which were started in 2022. The suppliers evaluated in this cycle were either assessed previously in 2021 or were newly identified as critical in our dynamic list, either due to supplier turnover or revised criticality criteria.
We enhanced the questionnaires to better align with Aperam's interests and to gather more valuable information on Health & Safety and ESG aspects. 40% of the suppliers in this cycle are undergoing assessment for the first time. Among the suppliers assessed in 2021, 74% maintained their previous score (A or B), with 70% retaining an A classification and 30% remaining classified as B.

Looking at the entire pool of assessed suppliers, 50% received an A classification, 27% were classified as B, and 21% as C. Suppliers classified as C did not complete either the efficiency assessment or the ESG assessment in a timely manner, resulting in a lower score (only one classified as C even with answers to ESG assessment). For suppliers classified as B or C, we are conducting a detailed analysis to identify root causes and develop action plans to collaboratively address weaknesses and mitigate identified risks.

Strengths identified:

- 52% of suppliers reported being rated by an ESG rating agency, representing a 7% increase compared to the previous year.
- 100% of suppliers confirmed they were not involved in any social or societal damage or non-compliance incidents affecting local communities nor have they supplied us with minerals sourced from conflict zones. No such issues were identified by our media monitoring activities.

Main Risks identified:

- 5% of suppliers admitted lacking a formal Code of Conduct, although they all affirmed their commitment to Aperam's Code of Business Conduct and policies.
- Two suppliers disclosed that an entity or branch had been debarred or sanctioned by an institution.
- Two suppliers disclosed that an entity or branch had been convicted, fined, or charged in a criminal or regulatory process related to corruption, economic sanctions, or money laundering.

For all these cases, we are conducting a thorough analysis, gathering explanations and documentation from the suppliers to understand the severity and implications for our business. Decisions regarding continued engagement with these suppliers will be made based on this analysis, with no disengagement deemed necessary thus far.

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

Supply Chain Risk Assessment

Supply Chain follow-up	Year	Universe covered (#)	Not assessed*	Scope analysed (#)	Risks identified in terms of:			Suppliers presenting risks				
					Health & Safety	Other Human Rights & Ethics	Environ-ment	Total #	o/w recurring (>2 ans)	o/w New	With agreed action plan from Supplier	With mitigation plan from Aperam
Raw Mats	2020	86	21	65	2	2	2	6	0	0	n/a	n/a
	2021	106	44	62	1	1	1	1	0	1	0	1
	2022	97	25	72	1	1	1	1	1	0	0	0
	2023	108	0	**108**	0	2	0	**2**	0	0	0	1
Non Raw Mats	2020	242	0	242	6	21	10	37	0	2	0	0
	2021	239	0	239	7	12	8	27	1	0	0	0
	2022	114	17	97	5	4	4	13	0	0	0	2
	2023	66	1	**65**	3	3	2	**8**	0	0	0	3
Total	2020	328	21	307	8	23	12	43	0	2	n/a	n/a
	2021	345	44	301	8	13	9	28	1	1	0	1
	2022	211	42	169	6	5	5	14	1	0	0	2
	2023	**174**	**1**	**173**	**3**	**5**	**2**	**10**	**0**	**0**	**0**	**2**

*main Aperam sites' suppliers + transport (1) *Update and follow-up of previous year's assessment for Sourcing*

Risks and Compliance

Risk Monitoring

A Strong Process in Place

Our Risk management process, assessed by an external consultant within the framework of a five year audit of our Global Assurance function, was confirmed in 2021 as mature with integration of best-in-class practices. Every year, with the support of Global Assurance Risk Management function, a top-down (in Q1-Q2) and a bottom-up (Q4) risk assessment is performed with all main stakeholders (Business units, platforms and Corporate functions) in order to identify, assess, mitigate and monitor all risks with a review of the mitigation action plans for all key risks.

The process encompasses all possible areas, from taxes to natural disasters, including Cybersecurity risks and compliance risks with details on fraud, corruption, money-laundering, economic sanctions. Each risk is assessed in terms of likelihood and impact on financial or non financial criteria.

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

> A close follow up of the mitigation action plans for the key risks from our Global Risk Matrix is performed. Based on a request of the CEO, Global Assurance realized an independent monitoring on the follow up of the implementation of the mitigation action plans on Cyber security risk and also reported it on quarterly basis to Aperam LT and its Board's Audit & Risk Management Committee.

> End of 2023, aligning with TCFD, CDP (Climate), ResponsibleSteel™ and CSRD standards, we extended the existing Global Assurance risk assessment approach with the integration of ESG material topics & Climate change risk and opportunity assessment, also taking into account new time horizons covering Medium and Long Term (2030/2050) perspectives.
In the course of 2024, we aim at further improving the assessment in relation to the financial impacts of these risks and opportunities through internal working groups as well as formal discussions with our external stakeholders.

Alert management and preventive audits

Our Prevention of Misconduct and Whistleblowing Policy states that "all reports made with good faith will be treated seriously and in a timely manner". We intend to review all allegations individually and, where needed, open an in-depth case review, while also responding timely to the whistleblower alerts. Fraud, corruption and conflict of interest alerts are investigated by Global Assurance, independently of the line management and without

Voices

"The Aperam ESG ambition is actively supported by a Responsible Purchasing approach, which aims at creating value for our customers, our suppliers and more generally our society. The high proximity built with our strategic suppliers enables us to better identify supply chain risks and opportunities, and hence better address them together.".

Alexis Goudrias
Chief Purchasing Officer

regard to the suspected wrongdoer's length of service, position or title. Ethical allegations are reviewed by the HR, Compliance or HSE teams, depending on the nature of the issue. All cases are shared with the Audit and Risk Management Committee, which reports to the Board of Directors. Communications to ensure all employees at Aperam use this channel continue.

> The fraud allegations reported through our whistleblowing hotline and other reporting mechanisms are related to such misconduct, theft, corruption, bribery or conflicts of interests. No significant cases were reported during the year 2023.
As with previous years, all fraud allegations from 2023 involved potential or real events where Aperam was the victim of fraudulent behaviors. None of these incidents were to the detriment of other companies.

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

Indicator	Unit	2023	2023 Belgium	2023 Brazil	2023 France	2023 Other	2022	2022 Belgium	2022 Brazil	2022 France	2022 Other	2021
Fraud allegations reported	#	**59**	**4**	**45**	**1**	**9**	22	2	15	0	5	13
- Forensic cases founded	#	**9**	**1**	**2**	**1**	**5**	2	1	1	0	0	4
-- *significant cases*	#	**0**	**0**	**0**	**0**	**0**	*0*	*0*	*0*	*0*	*0*	*0*
Ethical allegations reported[1]	#	**109**	**1**	**101**	**3**	**4**	54	0	48	1	5	10
- Ethical cases founded	#	**12**	**0**	**10**	**2**	**0**	15	0	13	0	2	2
-- *significant cases*	#	**0**	**0**	**0**	**0**	**0**	*0*	*0*	*0*	*0*	*0*	*0*
Other allegations[2] reported[1]	#	**11**	**0**	**11**	**0**	**0**	9	0	6	1	2	2
- Other cases founded	#	**2**	**0**	**2**	**0**	**0**	1	0	0	0	1	1
-- *significant cases*	#	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0
Code of Business Conduct	%	**81**	**76**	**93**	**64**	**83**	65	66	74	47	58	78
o/w White Collars	%	89	93	98	74	95	70	81	82	51	72	78
o/w Blue Collars	%	76	67	92	56	69	47	36	65	32	21	N/A
New Compliance training rate[3]	%	64	72	61	59	67	N/A	N/A	N/A	N/A	N/A	N/A

[1] Including through the whistleblowing hotline after scope extension in 2020
[2] Environment, Cybersecurity/Data privacy
[3] Training that was launched in 2023 including the 2 new in-house compliance e-learnings for white collars on i- Conflicts of interests and ii- Know Your Customer/ Know Your Supplier.

> All non-fraud allegations, such as Human Rights (which cover Health & Safety, Harassment or Discrimination) are reported in the table to the left, within 'Ethical', while Environment and Cybersecurity/Data Privacy are categorized as 'Others'. We see most of the cases reported in Brazil and the rest of the world, in particular within Aperam Recycling (ex-ELG), which was integrated in 2022.
The increase in the number of cases reported in 2023 is mainly due to the extensive communication made about the possible use of the hotline for non-fraud related cases such as discrimination or harassment, but also to the extension of Aperam's scope due to the integration of the ELG. On the other hand, the percentage of founded cases remains stable (GRI 2-26).

> In addition to these investigations, our Global Assurance Department performed 37 audits or advisory services in 2023. These provide a full review of our small and medium entities, high risk processes or emerging risks. Since 2018, the team has covered sustainability-related topics like Health & Safety and environmental issues. In 2023, our internal auditors participated in the preparation of the ResponsibleSteel™ surveillance audit in Europe, performed an evaluation on the water management process at Aperam's main units in Europe and Brazil, and audited our HR data governance for building Aperam Sustainability Reporting into the framework of future Integrated Reporting, aligned with the EU CSRD requirements.

Rolling Out our Compliance Framework

Mission and Organisation

> In 2023, our Compliance Framework further advanced our risk mitigation efforts. Highlights include:

- Continued in depth screening of all Russian business partners, in compliance with the updates of the legal requirements of the EU Council Regulations, in order to ensure that we do not trade with sanctioned entities and individuals.
- Strong due diligence in place to ensure that no trading took place with entities from OFAC- and EU-sanctioned countries, nor with any of the entities targeted by OFAC and EU targeted sectoral sanctions.
- Automation on due diligence screening for suppliers in Brazil and Europe and ongoing automation for customers worldwide. In 2024, we will continue our projects on due diligence screening automation

Technical Expertise, Audit and Continuous Improvement

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

- 99.5% completion of the compliance certificate
- 93.3% achievement on the conflict of interests declaration

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

Voices

"As an international organization, Aperam is exposed to the risk of not complying with the various standards that apply.
We make every effort to ensure that our employees are trained in the compliance issues that concern them, and to ensure that we work with compliant partners.".

Raphael Mercier
Compliance Analyst - Global Assurance

Alignment & Behaviors

In terms of alignment, we continued to roll-out the routines started in 2017, including the annual 'compliance certificate' that summarizes the year's actions for key leaders and site managers and the declaration of potential conflicts of interests for all exempts.
Aperam's induction training also ensures that joiners are quickly informed of the company's key policies, with refresher courses being held on a regular basis.
For instance, the 2023, our mandatory compliance training pack included information on:

- Code of Business Conduct
- Promoting diversity and avoiding discrimination (See p. 22)
- Data protection regulation
- Protecting of company information
- Fraud awareness

> Regarding training rates, in 2023, the 'Code of Conduct' training was rolled out to all blue collars within all Aperam units and will be continued in 2024. This will ensure that all Aperam employees have followed this training, which will also be integrated into our new comer onboarding program in Aperam South America. At the end of 2023, the training sessions achieved over 76% participation for white collars and 47% for blue collars - GRI 2- 23.

> As for our perspectives for 2024, we will reinforce our awareness raising on whistleblowing for employees and third parties, including communication on sites to make sure everyone knows what to do in case of (suspected) misconduct. Internal training on combating corruption and bribery is also on the agenda for the coming year.

Compliance & Ethics-related Communications

Regular awareness-raising initiatives are crucial to fully embed compliance into our culture, mindset and processes. Our communication schedule aims to cover all our topics in just a couple of years, focusing on a few topics every year. In 2023, the following company-wide communication initiatives were organized:

> As with the last five years, Aperam once again celebrated International Fraud Awareness Week. The goal of this initiative is to raise awareness about various fraud prevention and compliance topics and ensure a new, shared vigilance happens at all levels of the organization.
In December 2023, seven live sessions were organized, gathering 154 participants from the finance, controlling, accounting, tax and treasury teams.
The live events were complemented by two group-wide communications, including testimonies from whistleblower and convicted fraudsters. We also sent a quiz and links to our Corporate policies to all Aperam email holders. These covered important compliance topics such as:

- The rights of the whistleblowers,
- The fraud triangle,
- Behavioral red flags for fraud.

> Finally, we continue sending our key policies to our business partners. In 2023, all active suppliers received the yearly notice of our No-Gift Policy, which stands as a key element of our Anti-Corruption procedure (GRI 205-2). Earlier in the year, we sent a letter inviting them to support our stand for corporate responsibility, starting with human rights and health & safety (See § Responsibility in the Supply Chain p. 55).

Compliance at Aperam South America

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

2023 was a year that highlighted a significant focus on training and awareness-raising initiatives across all our employees in Brazil! Our local compliance team conducted 41 on-site and 18 online sessions covering topics such as Aperam's Code of Conduct, Alerts Investigation and Anti Corruption Policy, with a total of over 2,000 hours of training. The compliance culture is consistently reinforced among Aperam's employees and its third parties to ensure a true understanding of our policies and integrity values, ensuring an environment that is fair, ethical and free from discrimination.

In response to a new regulation, we also had joint actions with the members of the Internal Accident Prevention Committee (CIPA) to address the prevention of sexual harassment and other forms of violence. Over 600 employees, including both our own employees and third party workers, were reached by our awareness campaigns at the primary entry points, displays on the restaurant tables and through a dedicated email communicating about microaggressions.

To further guide our effort, we launched a satisfaction survey, updated our internal discrimination-related risk matrix and focused on improving communication and engagement with our employees. Many site visits took place throughout 2023 to make sure the compliance team is close to the employees and our values are spread among them.

To ensure that our business partners share the same values and integrity principles, in 2023 we created the 'Integrity Journey' program to assist them in implementing or enhancing their respective compliance programs. During the first wave, 40 companies were selected and invited to join, engaging in 12 modules covering key principles outlined in Aperam's Code of Conduct. As a result, 144 people were trained in various compliance topics. The assessment made after the training sessions show that the participating companies have embraced the challenge to improve their own compliance programs, even more than we expected!

Looking ahead to 2024, our objectives include continuing the compliance journey, expanding our reach to impact more subcontractors, leveraging technology and innovative approaches to foster closer connections with our shop floor team, and maintaining all possible initiatives to sustain a culture of ethics and integrity throughout Aperam.

Voice

"As we live in a more connected world, unwanted elements try to access our data and harm us. There are countless reports of companies held hostage by such elements.
At Aperam, we put a strong focus on cybersecurity to protect not only our company, but also the private data of our employees and the data of our customers.

To be well protected, cybersecurity is something everyone has to remain conscious about."

Sudhakar Sivaji
Aperam Chief Financial Officer

Global Data Privacy and Cybersecurity

Cybersecurity

Cyber threats are constantly evolving, and with it, so too must our cybersecurity defenses.
Aperam has adapted a Cybersecurity Strategy based on the NIST principles of identify, protect, detect, respond, and recover.

1. **Identify:** While the main focus in 2023 was on Identity & Access Management, we continued working on asset management and achieving a timely resolution of the security vulnerabilities identified by our regular scanning.
2. **Protect:** We still see our users as being the first line of defense against cybercrime. This is why we continue to focus on training and testing. We sent over 137,000 test phishing messages in local languages in 2023. We also provided multiple short courses with videos and quizzes via our MyLearning Cyber Academy. These actions have shown positive results in terms of awareness raising, with 57% of our white collar employees already having obtained their bronze training level. These initiatives will continue in 2024.
Moreover, in October, we held Aperam's first Cyber Security Week across all our entities. This initiative encompassed crucial topics related to safeguarding our environment. Each day focussed on a different subject, with discussions highlighting the vital role employees play in mitigating risks that could have severe consequences.
3. **Detect:** We increased security at our endpoints by installing a managed endpoint protection solution. To optimize the detection of alerts and any unusual behavior within our IT environment, we also moved our Security Information and Event Management platform

(SIEM) to a new solution, to better correlate all events from our company's different security elements.

4. Respond: To ensure a timely response to a security issue, our Security Operations Center (SOC) services have been moved, updated and optimized.

5. Recover: Aperam keeps revamping and testing its disaster recovery plans and business continuity strategies to ensure critical business processes are quickly restored in the event of a cyberattack.

Global Data Privacy at Aperam

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

A Data Protection Committee is also in place to review the Data Protection Department's roadmap, along with our ongoing actions and exchanges with authorities.The relevant Lead Supervisory Authority for the Group is the national authority of Luxembourg, the CNPD.Aperam also sees compliance with the GDPR as an opportunity to rethink its day-to-day activities and customer relationships, beyond the protection of all its stakeholders' privacy.

Voice

"At Aperam, our data protection team plays a pivotal role in supporting the many projects linked to diversity, inclusion and sustainability. As we embark on these exciting ventures, it becomes imperative to instill an unwavering data protection culture. Our goal is to empower every member of our global community with the knowledge and resources needed to ensure the secure and compliant processing of personal data, regardless of their role or location.

This dedication not only reinforces our commitment to sustainability, but also fosters trust and integrity in every endeavor we undertake."

Renata Milward De Castro
Deputy Data Privacy Officer

Relationship with Authorities

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

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

Our expenses in the context of public affairs and trade defense are detailed below, and include all relevant costs borne by Aperam, including the share of the fees paid to national and European steelmaking trade associations that engage in public affairs activities.

Lobbying expenses

Indicator	Unit	2023	2022	2021	2020
Expenses - Europe	m€	0.49	0.57	0.64	0.87
Expenses - Brazil		0.13	0.32	0.45	0.12

European Carbon Markets

In 2023, only our European operations (which represent 50% of our Scope 1 emissions) were subject to CO_2 emission regulations (in the form of allowances or quotas), and so far, there is no comparable mandatory system established in Brazil.

Based on current assumptions and ETS rules, we do not anticipate an overall shortage of free allowances before the second half of the 2020s as the benchmark will drop from 2026 on and CBAM will come more and more into force.

Carbon markets and competition

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

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

Whilst these new legislations will certainly require the steel industry to adapt and make significant investments, they also represent an opportunity to accelerate the transition to a circular, low CO_2 business model of which Aperam wants to be a frontrunner.

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

Trade Defense Update

For a long time, Aperam has been closely working with steel industry associations and other local trade associations, especially in Europe and South America, to promote the preservation and development of a level playing field for all market participants.
This work is being increasingly driven by environmental concerns.
This activity has been particularly intense since 2018, and remains so today. This is due to the prolonged impact of U.S. protectionist measures (Section 232), the need to secure our markets from a growing number of unfair international trade practices (dumping, various forms of government subsidies, circumvention, etc.), and an increasingly difficult economic environment.

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

In 2023, through Eurofer, Aperam intervened in the following files:

- European safeguard measures on steel products
- Anti-circumvention investigations against the import of stainless steel hot rolled and/or cold-rolled products from Taiwan, Turkey and Vietnam made from Indonesian stainless steel slabs.

> In Brazil, Aperam and IaBR (Brazilian Association of Steel Producers) regularly support the Brazilian Authorities for Trade Defence in monitoring unfair trade practices.

Stakeholder Relationships

Aperam sites are encouraged to regularly engage with local stakeholders, as doing so is consistent with our values and management best practices. It is also very important to our employees, who are also often our neighbors - a fact that is reflected in our Climate Surveys. In our most recent survey, 88% of our employees stated that they are proud of the company's contribution to the community, with higher scores in Brazil.

> In Brazil, we have a Foundation that supports local communities through 'social impact investing', with a particular focus on such topics as culture, sustainability, employability and local development. Called the Aperam Acesita Foundation, the organization operates in Timoteo and the Jequitinhonha Valley, where our forestry is located (see page 63).
> In Europe, our community actions used to be less structured and more opportunistic, often modeled along the lines of a national or regional event like 'Weeks of the Industry' (see hereafter) or Pink October's breast cancer awareness events in Gueugnon. They can also be very dynamic with family days at our big sites, like the traditional Family or Junior Days (such as the one gathering the 17-year-old children of our Aperam Genk employees). The events at our smaller sites tend to be more modest yet equally impactful. These include local fairs, 'green days' and Christmas events.

Community Investments (Donations and Sponsorship)

Donations in k€ by Unit (1)	2023	2022	2021	2020
Aperam in Belgium - All units	28.4	31.1	16.7	5.8
Aperam in Brazil - All units	922.1	510.6	424.3	482.2
Aperam in France - All units	77.4	62.6	57.5	32.5

(1) Excluding donations in kind.

> In 2023, aiming to strengthen our approach in line with the upcoming European Corporate Sustainability Reporting Directive (CSRD) and the ResponsibleSteel™ framework, we continued the deployment of our External Stakeholders Engagement Policy over Aperam, developing a more systematic and documented stakeholder engagement in cooperation between Corporate and local teams - and aiming at co-constructed development plans.

> In terms of governance, a specific 'Stakeholder Engagement and Human Rights committee' has been structured in order to oversee the subjects in a consistent manner and steer continuous improvement. The Committee gathers three members of the LT, the CTSO, the Chief Human Resources Officer, and the CEO Aperam South America -whose perimeter has the most advanced practices-, together with the Heads of Raw Materials and Non-Raw Materials Purchasing the Legal Counsel and Group Sustainability Officer.
The topics to be covered will encompass all external stakeholders-related topics, either in relation to our direct neighbors or through our Supply chain, as well as Human Rights subjects pertaining to our employees. One of the objectives is to define a better follow-up of this topic, therefore, we decided to discontinue the monitoring based on an outdated set of

requirements to define better structured indicators. As a result, we are not disclosing the indicator ‘Stakeholder Engagement at Main Sites’ for 2023.

> As part of the different actions launched in 2023 was the organization of formal interviews with the European main sites’ local mayors in order to discuss our GRI materiality matrix (ie. the summary view of the topics that matter to ourselves and to our stakeholders) and get their opinion and suggestions on our local development plans.
Lastly, in order to have a global view of our ESG risks and opportunities, and with the success of the Just Report tool used to report incidents across Aperam in relation to H&S, Industrial security and Environment, we also initiated the upgrade of this tool with the aim to follow up the interactions with our stakeholders and other ESG incidents.

Stakeholder Engagement, the Aperam Way

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

(All public documentation available at www.aperam.com)

11 SUSTAINABLE CITIES AND COMMUNITIES

Employee Survey

77% are proud of Aperam’s contribution to the Community

Genk’s Junior Day welding test.

Job fair with the participation of Aperam Isbergues

■■■ In addition, our sites regularly open their doors to local fire and rescue services. The objective of this is twofold: to allow internal and external firefighters to train in unusual environments (large spaces, confined spaces, etc.) and to give emergency services the opportunity to familiarize themselves with our sites, thus allowing them to be better prepared to respond in the event of an emergency.

■■■ In 2023, the Imphy site once again welcomed 30 Aperam firefighters and just as many from departmental emergency services (the “SDIS 58” team). Indeed, we signed an agreement with the local fire department to allow them to come and train at our site (particularly on chemical risks) and, at the same time, to perfect the skills of our in-house firefighters, who are able to train alongside them.

Training in Imphy with the local fire department.

Training on Isbergues site with search dogs

■■■ Likewise, our Isbergues site saw firefighters from eight departments, along with 23 trained search dogs, come practice on the platform in May 2023. The 60 firefighters traveled to train themselves and their dogs to search for victims. Whether indoors or outdoors, the teams were able to discover the richness of our 100-hectare site.
As Romuald Brognard from the SDIS 62 stated: “*We chose the Isbergues platform for the diversity of the site. It’s very interesting for us, for the teams and the dogs to discover such environments. In addition, external firefighters must be aware of the safety rules of the site, which makes the exercise all the more concrete and rich.*”

For the platform and the internal fire brigade, such exercises allow knowledge sharing. It is also a way for teams to meet and, for external firefighters, to get to know and experience our site - which is always reassuring.

Voice

"These moments of sharing, which are necessary for the successful accomplishment of our missions, are also useful for maintaining an exemplary level of platform security."

Yohan Trinez
Isbergues safety and fire manager

Aperam Acesita Foundation

In 2023, Aperam South America applied its strategy, values, and challenges, through complementary, integrated, and continuous investments in projects, programs and actions of social development, aligned with the main interests and needs of the communities where it operates, either in the called Vale do Aço, where the industrial plant is located or in Vale do Jequitinhonha where the renewable eucalyptus forests for charcoal production, fuel, and sustainable energy for the production of special steels are situated.

In 2023, Aperam Acesita Foundation actions directly benefited more than 118,000 people (81,000 in 2022). This significant increase is due to the implementation of new social projects that directly affected the growth in the number of people participating and benefiting.

Through the implementation of programs, projects, and actions, with a financial investment of R$ 8.6 million, R$ 6.8 million (79%) were directly invested in social projects and communities, divided among the areas of focus as follows :

- Social Promotion: 38%
- Environment: 32%
- Education: 21%
- Culture: 9%

Here are some highlights of the main actions developed in 2023:

Social development

The “Aperam Foundation Projects Call” aims to encourage the development of social and environmental projects and initiatives by non-profit organizations that promote the improvement of living conditions for communities located in the areas influenced by Aperam South America and Aperam BioEnergia. Financial resources are directly applied to the needs identified by community associations and the general community.

Social Projects Call → in 2023, 23 projects were effectively implemented in Vale do Aço and cities in Vale do Jequitinhonha, through projects implemented in public schools, schools specialized in serving people with disabilities, quilombola (enslaved people descendents) community associations, rural producers' associations, artisans' associations, among others, as well as contributing to job creation and income generation in the region.
A total of 2,991 people were directly benefited by the implemented projects.

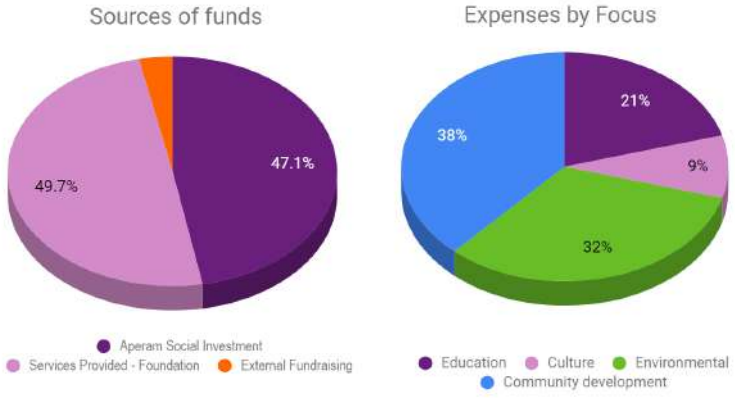
Environment

Projects Call → covering annually the communities in the Vale do Jequitinhonha region. In 2023, 12 projects were supported, directly benefiting 2,245 people in initiatives proposed by Quilombolas associations, small-scale rural producers, and shelters.

Aperam Acesita Foundation Activity GRI 413-1

Indicator	Unit	2023	2022	2021	2020
Beneficiaries	Unit	>118,000	>81,000	> 26,001	> 40,000
Cultural Events		331	200	60	94
Online Events - Views		-	132(*)	> 61,001	>265,000
Social Impact Investments (Social Projects only)	BR$ million	**6.8**	3.9	2.7	1.98
Other Aperam Acesita Foundation Expenses		1.8	1.5	1.1	0.72
Total Investments by the Foundation [1]		**8.6**	5.4	3.7	2.7

[1] *Including expenses linked to the services provided*



Empowerment of Elderly people

Empowerment of Elderly people aims to promote critical reflection and the participation of elderly people within their families and communities, empowering them to exercise their citizenship and become aware of their role as agents of social change.
A notable project in this regard is the partnership with the Municipal Council for Elderly People of Timóteo, the Timóteo City Hall, and the Association of Retirees, defined as the "Art Movement Project." This project aimed to contribute to the improvement of the health conditions and quality of life of elderly people in Timóteo.
These practices included interactive experiences designed to foster positive emotional states for better physical, mental, and social balance.
A total of 206 elderly individuals benefited from participating in various activities such as lectures, training sessions, workshops on Max Crochet, and Circular Dance.

Education, Training, and Capacity Building

Actions aimed at contributing to the improvement of the continuous education process in the municipalities within the company's influence areas involve recognizing, providing opportunities for, and stimulating innovative educational practices and themes aligned with federal, state, and municipal guidelines.

A noteworthy initiative in continuous education is the Integrative Project conducted in the 5 municipalities in Vale do Jequitinhonha, benefiting 1,912 education professionals through meetings with all teachers from the public school system. The Integrative Project provides pedagogical assistance to Municipal Secretariats subsidizing them in developing replicable and long-lasting Annual Planning, in line with the BNCC (National Common Curricular Base) and the CRMG (Minas Gerais State Curricular Reference), facilitating the organization of pedagogical practices through legal, theoretical, and practical references, both for achieving results and for creating a structured pedagogical archive, a prerequisite for measuring outcomes through indicators based on current educational legislation.

It is also important to note the organization of a Meeting for School Cleaning Staff in partnership with the Municipalities of the influential cities, where 780 professionals from public schools were trained.

Regarding supplementary school programs for students and professionals from public and private schools, the continuity of the projects developed with the Military Police and Firefighters of Minas Gerais is highlighted, such as the PROERD (Drug Resistance Educational Program) and the Firefighters in Schools program, benefiting over 1,100 students and 230 Education professionals across more than 20 schools in Vale do Aço.

Professional Qualification

Industrial:

The Stainless Steel Institute trained 46 individuals in stainless steel welding, finishing, and cleaning processes, totaling over 5,000 hours. Additionally, 49 women were trained in courses like Steel Operator Welders and Mechanical Maintenance, enhancing their skills for potential industrial employment opportunities. The Aperam Foundation also qualified 40 drivers for roles within the Aperam BioEnergia process, opening up employment possibilities in the region.

Rural:

In collaboration with SENAR and Rural Unions, 676 people were trained across Vale do Aço and Vale do Jequitinhonha in courses aimed at preparing individuals for rural employment, totaling over 22,000 hours. Topics covered included Restoration of Degraded Areas, Electric Arc Welding, Construction of Ecological Septic Tanks, Apiculture, and Artisanal Food Production. The PROGEARTE Program was implemented in several cities, focusing on bolstering the artisanal chain as an income source.

Environmental Education - Environmental Conservation

The Foundation contributes to local biodiversity preservation through education and outreach, benefiting 9,491 individuals.Our Environmental Education Center, Oikós, celebrated its 30th anniversary. Located in Timóteo, adjacent to the Rio Doce State Park, Oikós offers environmental education activities for Aperam South America employees, subcontractors, and the community.

Oikós, spanning 989 hectares, boasts preserved forests, diverse fauna, and water resources, accessible to the community. The center hosts environmental education programs focused on sustainable behaviors and practices suitable for local realities. Additionally, the Aperam BioEnergia Environmental Education Center, Oikós BIO, is being developed in Capelinha by the Aperam Acesita Foundation. Covering approximately 70 hectares, Oikós BIO aims to promote sustainable practices in the Vale do Jequitinhonha region. Notable events like World Environment Day and guided tours for local students have already taken place on-site.

Culture

The Aperam Acesita Foundation contributes to local cultural enrichment by organizing diverse events such as theater performances, dance shows, music concerts, and exhibitions. It supports local artist groups and promotes cultural accessibility for the entire community. In 2023, they organized 331 cultural events involving 967 local artists and attracting over 78,000 attendees.
Highlights of 2023 include the Theater Caravan, benefiting over 40 schools and engaging more than 10,000 students and professionals. Guided museum visits and exhibitions benefited over 1,000 people, while the creation of the Aperam BioEnergia Children's and Youth Choir aimed to foster educational and musical culture with 35 members. The traditional Christmas Cantata and festive decorations at the Foundation drew large crowds, offering a celebratory atmosphere for families, with nearly 10,000 attendees at the Cantata and over 14,000 enjoying the festive displays in December.

For more information (in Portuguese), please visit:

http://brasil.aperam.com/sustainability/fundacao-aperam-ace sita/a-fundacao/

A Focus on Sustainable Innovation

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

Sale of New Products by Category

Index, based in volumes	Base	2023	2022	2021	2020
Stainless Steels	2019	103	76	69	58
Electrical Steels		210	247	261	92
Special Carbon Steels		203	154	69	131
Alloys	2020	569	554	168	100

Employee Survey 2023

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

Note: after a certain amount of time (e.g., 5 - 7 years), a product can no longer be considered 'new'.

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

Customer Satisfaction

Indicator	Unit	2023	2022	2021	2020
Customer satisfaction: Alloys	Rate on 10	n/a	n/a	9.15	n/a
Customer satisfaction: Stainless		6.9 - 8.1 (3)	7.0 - 7.8(2)	7.9 (1)	8,0(1)

(1): Brazil
(2) Specific countries in Europe: Italy, Spain, Portugal, North-Africa, Poland, Czech Republic
(3) Specific countries in Europe: France, Poland, Czech Republic

Customer satisfaction remains a top priority, and something we measure via our customer satisfaction surveys. In 2023, several surveys were conducted, giving an average rate from 6.9 to 8.1 depending on the countries.

MEGATRENDS

Addressing New Industry Challenges through Innovation

The entire industrial value chain is facing three major challenges: **the energy transition**, **the mobility and transport revolution** and **reducing our use of plastic**. Given the urgency of the changes required, Aperam is focused on all three. However, these complex industrial issues can no longer be resolved by a single player or product. They require a strategic alliance between collective intelligence and disruptive technologies.

As a key player in the stainless steel and high-tech alloys market, we act as a catalyst within a techno-scientific ecosystem, enabling creative interaction between business and science. Working hand-in-hand with our customers to co-design innovative solutions, our R&D is at the forefront of innovation in materials engineering and the circular economy. By designing material solutions that balance cost, carbon footprint, durability and strength and by building on our powerful manufacturing capabilities, Aperam is enabling major technological advances in such cutting-edge fields as hydrogen production and automotive batteries.

The Partner of Choice for Innovative Game Changers

We recognize our responsibility as a metallurgical expert and producer of stainless steels and specialty alloys. But this responsibility not only involves producing the best possible products and reducing our carbon footprint to near zero, but also advancing our own expertise. For this, we rely on the most innovative applied research and development ecosystems, such as RWTH Aachen University, a recognized center of excellence in material science and engineering.

In this way, we can meet our responsibility by designing solutions to support the technological advancements that will enable a carbon-neutral future. It's our ambition to be an essential partner in this new world.

Empowering the Energy Transition

The transformation of our entire energy system is a major industrial challenge of unprecedented proportions.

Aperam is addressing this challenge with our wide range of very high-quality, low or ultra-low carbon stainless steels, alloys and electrical steels that are validated for the energy transition's different segments.

By providing our customers with the fruits of our research and engineering in materials and the circular economy, we help them design and scale up the innovations driving this transition. This includes innovations for producing decarbonized and renewable energy, optimizing energy use, and improving the transport and storage of such energy carriers as electricity, hydrogen and e-fuels.

Igniting the Mobility & Transport Revolution

The mobility and transportation sector is facing an unprecedented upheaval, with major technological breakthroughs.

Electric mobility requires the massive production of batteries, high-performance electrical steels, connectors and magnetic components. Similarly, advances in hydrogen mobility require the construction of new industrial production lines for fuel cells, tanks and H_2 engines. Finally, the overall decarbonization of transportation is being driven by such innovations as Power-To-X, new fuels and emission reduction technologies.

By combining our materials expertise with a detailed understanding of these new applications, Aperam is developing the stainless steels, electrical steels and special alloys that these technological breakthroughs require.

Offering Reusable, Sustainable and Safe Packaging Solutions

The message is clear, consumers want sustainable products that last longer, require less energy, and that use less packaging – especially plastic packaging. In response, restaurants, grocery stores and delivery services are starting to phase out some common disposable packaging solutions, replacing them with reusable alternatives – including those made from stainless steel.

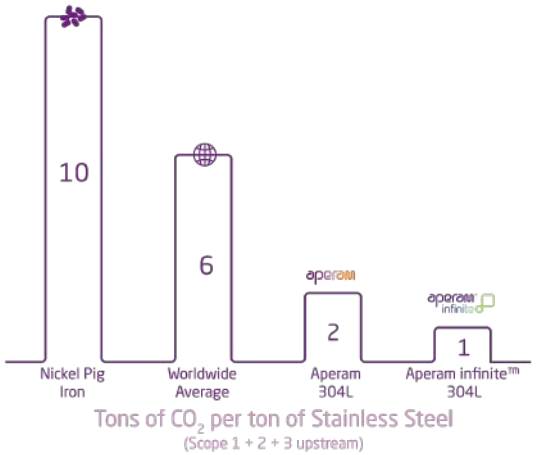
Aperam regularly works alongside our customers to develop innovative food packaging solutions made from stainless steel with high levels of recycled scrap content, a low carbon footprint, and the ability to be reused over and over again.

Launching our new sustainability brand

Aperam infinite™ is our new sustainability brand for all our near-zero footprint premium products, related services and solutions. Achieving a reduction of up to 85%[1] in carbon emissions compared to the industry average, Aperam infinite™ helps our customers reduce their total carbon footprint, particularly in scope 3, and join the circular economy.

What is Aperam infinite™?

Aperam infinite™ is designed for today and the future. It currently includes a number of grades, including 304 for austenitic and multiple ferritic grades. We plan to gradually expand the Aperam infinite™ product range and ramp up production volumes.



In Europe, Aperam infinite™ is made with up to 98% recycled material content and achieves up to an 85%[1] reduction in CO_2 emissions compared to industry standards.

[1] Ref. 304 stainless steel compared to Aperam standard produced in Europe, LCA externally calculated, based on the currently agreed 6tCO_2e/t eq. carbon in imported stainless steel

Aperam infinite™ steels are made with advanced recycling methods, renewable energy, sustainably sourced ores and charcoal biomass.

Benefiting our Customers

Aperam infinite™ is designed with customers and end users in mind. It offers many benefits:

- An accelerated path to help customers achieve their CO_2 reduction goals, including scope 3 emissions, and enhance their sustainability credentials.
- An opportunity for customers to use more recycled materials in making their products, thanks to our closed loop process.
- The ability to offer consumers products that have a low environmental impact and a high proportion of recyclable material.

By partnering with Aperam, customers can maximize the value of their scrap by selling high purity, well sorted material to our recycling and renewables division, embracing a complete circular model.

Additional benefits include brand protection, differentiation from competitors and our support in helping customers comply with regulatory requirements.

Made with Up to 98% Recycled Material Content

Aperam infinite™ benefits from our advanced expertise in the recovery, recycling and reuse of scrap metal and melt-shop dust. This is made possible by our Aperam Recycling subsidiary, which records 1.3Mt of recycled raw materials per year.
Aperam Recycling is involved in a fast-growing number of circular economy projects.

Voice

"Reducing our carbon footprint is very important for Aperam, but also for our customers. For our customers, stainless steel (like other raw materials) often represents a high share of their CO_2 emissions (scope 3). It's one of our responsibilities to share our impact and to help them to reduce it.
With Aperam infinite™, we are showing that we can succeed and have a real and strong CO_2 reduction.
It's not a matter of accounting or mass balancing, but a concrete journey that we are happy to continue and further develop. Being 100% and infinitely recyclable and lasting for decades, stainless steel was already a strong candidate for a more sustainable future.
Now, with Aperam infinite, we are going a step further!"

Jérémy Bouvet
Program manager sustainability

Produced Using Renewable or Sustainable Energy

We use an innovative combination of renewable energy to further reduce our CO_2 emissions. In Europe, our electrical arc-furnaces are powered using nuclear and solar energy. In Brazil, our blast furnaces use over 90% clean energy derived from hydro-based sources, our sustainably-sourced ores and charcoal biomass produced at our FSC®-certified BioEnergia forests - see also p. 32-33.

BSH Confirms Decarbonization Strategy with Selection of Aperam infinite™ Near-Zero Carbon Stainless Steel.

In choosing Aperam infinite™, which has up to 47%[3] lower carbon footprint than our standard grades, BSH Home Appliances Group is able to further advance its sustainability journey.

"Our near-zero CO_2 products were designed with the customer in mind, and we are thrilled to have BSH as a partner to use and promote this new product line," said Aperam CEO Tim Di Maulo. "*We look forward to demonstrating how these low-emission products enable companies like BSH to reduce their carbon footprints, sustainably make products for their own customers, and become an important link in the responsible value chain."*

[3](Scope 1+2+3 upstream - Ref. Aperam infinite™ 304 stainless steel compared to Aperam 304 standard produced in Europe, LCA externally calculated).

About this Report

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

GRI Index	code	Reference
All indicators	3.3	Disclosure on Management of Material Topics - Online Supplement C.
Economics		
Economic Performance	201-1	Direct economic value generated & distributed - p. 6-7, 53-54.
Procurement Practices	204-1	Proportion of spent on local suppliers at main sites - p. 50, 54-56.
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures - p. 58-59.
	205-3	Confirmed incidents of corruption and actions taken - p. 57.
Environmental		
Material	301-2	Recycled input materials used - p. 40-41.
Energy	302-3	Energy intensity - p. 31, 35.
	302-4	Reduction in energy consumption - p. 35.
Water and Effluents	303-3	Water withdrawal - p. 31, 39.
	303-4	Water discharge - p. 31,39.
	303-5	Water consumption - p. 31, 39.
Waste	306-1	Waste Generation and Significant Waste-related impacts - p. 40.
	306-2	Waste by type and disposal method - p. 31, 39.
	306-3	Waste generated - p. 40.
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas - p. 44-48.
Emissions	305-1	Direct (Scope 1) GHG emissions - p. 33.
	305-2	Energy indirect (Scope 2) GHG emissions - p. 33.
	305-3	Other indirect (Scope 3) GHG emissions - p. 34.
	305-4	GHG emissions intensity - p. 31,33.
	305-7	NOx, SOx and other significant air emissions - p. 37-38.
Labour		
Occupational Health & Safety	403-1	Health and safety management, assessment, consultation, training, prevention - p. 13, 14.
	403-5	Worker training on occupational health and safety - p. 13,14, 26-27.
	403-9	Rate and gravity of injury, occupational diseases, lost days, absenteeism, number of work related fatalities, by region and gender - p. 14, 15.
Training & Education	404-1	Average hours of training per year per employee by gender, and by employee category - p. 13-15, 26-27.
	404-3	Percentage of employees receiving regular performance reviews, by gender and by employee category - p. 25.
Diversity	405-1	Diversity of governance bodies and employees - p. 20, 22-24 and Annual Report 2023 (Board of Director and Leadership Team) - p. 64-72, 73, 80.
	405-2	Ratio of basic salary and remuneration of women to men - p. 22.
	406-1	Incidents of discrimination and corrective actions taken - p.57
Supplier Assessment for Labour Practices	414-2	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken: Present report - p. 54-56
Society		
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes - p. 50, 54, 61-64.

General Standard Disclosure		Information or comment and Reference (page number)
The organization and its reporting practices		
GRI 2.1	**Organizational details** (Location of headquarters, Local operations, Ownership and legal form)	Aperam Annual report 2023, p. 12-18. Current report, p. 6-9.
GRI 2.2	**Entities included in the organization's sustainability reporting**	Aperam Annual Report 2023, p. 223. Specifying the differences between the entities included in the organization's sustainability reporting and financial reporting
GRI 2.3	**Reporting period, frequency and contact point**	Calendar year 2023 (Annual) is reported in the Made for life Report 2023. Previous issue reported on calendar year 2022. (sustainability@aperam.com or contact@aperam.com)
GRI 2.4	**Restatements of information**	Restatements may result from: Mergers or acquisitions, change of scope of segments, base years or periods, nature of business, measurement methods and tools. Thus, 2021 Aperam financial figures by Divisions have been reevaluated in line with the new organization further to the creation of Aperam Recycling & Renewables.
GRI 2.5	**External assurance**	Main report, and online supplement bundle. Current report, p. 2.
Activities and Workers		
GRI 2.6	**Activities, value chain, and other business relationships** (Markets served, Scale of organization, Supply chain)	Aperam Annual Report 2023 p.12-18, 49-53, Current report p. 7 and Annual Report 2023 p.19, 36--37, 2023 p. 12-14, 67, Online Supplement C – p. 1, 2.
GRI 2.7	**Employees**	Employees: Figures based on FTE as of December 2023, Full time own employees at year-end excluding Haven Genk.
Governance		
GRI 2.9	**Governance structure and composition**	Current report, p. 11, Annual Report 2023, p.64-85.
GRI 2.22	**CEO Statement on sustainable development strategy**	Opening Words. Current report, p. 4-5.
GRI 2.23	**Policy commitments**	Values in Current report, p. 8, Aperam Code of business conduct – available on the web in multiple languages.
GRI 2.26	**Mechanisms for seeking advice and raising concerns**	Annual Report 2023 p. 100-102, Current report p. 57-59.
GRI 2.28	**Membership association**	EUROFER, Brazil Steel Institute, ISSF and WorldSteel. Annual Report 2023, p. 62, ResponsibleSteel, Aperam Foundation, p 63- 64
Stakeholder engagement		
GRI 2.29	**Approach to stakeholder engagement** (Stakeholder groups, Identification and selection of stakeholders)	Description of our Stakeholders groups as well as our reporting process and materiality analysis is to be found within our Supplement C. Current report, p.11, 12, 61 and further, and Supplement B.
GRI 2.30	**Collective bargaining agreements**	100% of the Aperam employees are covered by collective bargaining agreements

Disclosures on material topics		
GRI 3.1	**Process for determine material topics**	In line with the GRI framework. Current report, p. 12, Supplement B. Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Supplement C
GRI 3.2	**List of material aspects**	Current report, p. 12, Supplement B p. 1. Description of our Stakeholders groups, reporting process and materiality analysis to be found within our Online Supplement C.
GRI 3.3	**Management of Material Topics**	See our Risk Management in Current report, p. 56-57 and Annual Report 2023 p.53-55.

aperam

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L-1160 Luxembourg
Grand Duchy of Luxembourg

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

For more information, please visit our website:
www.aperam.com

Responsible Steel™ standards & certification

Aperam is the first stainless steel company to be ResponsibleSteel™ certified in Europe and the Americas.

Independent Limited Assurance Report on a selection of Key Performance Indicators disclosed in the 2023 Made for Life Report

To the Board of Directors of

APERAM S.A.
15, Avenue de l'Europe
L-4801 Luxembourg

We have performed a limited assurance engagement with respect to a selection of Key Performance Indicators disclosed in the 2023 Made for Life Report (the "Sustainability Report") of APERAM S.A. (the "Company") for the year ended 31 December 2023 as set out in the "Scope" section below.

Scope

The scope of our work was limited to provide limited assurance over the selected Key Performance Indicators as set out in the table below (the "Selected Information").

Key Performance Indicators	**Units**
Total Recordable Incident Rate (TRIR)	-
Lost Time Injury Frequency Rate (LTIFR)	-
Severity Rate	%
Energy: Elec + Nat. Gas + LPG	GJ/tcs
Energy: All	GJ/tcs
CO2 Sequestration; also named Sequestration (absolute value) in the report	ktCO2e
GHG emissions (net); also named Scope 1+2 net intensity (all tons) in the report	tCO2e/tcs
Dust emissions (exhaustive)	t
Dust emissions (exhaustive)	g/tcs
Water intake	million m^3
Water intake	m^3/tcs
Scope 1 - Non-Biogenic (absolute value)	ktCO2e
Scope 1 - Biogenic (absolute value)	ktCO2e
Scope 2 (absolute value) location based	ktCO2e
Scope 2 (absolute value) market based	ktCO2e
Scope 1+2 gross intensity (own tcs)	tCO2e/tcs
Scope 1+2 gross intensity (all tons)	tCO2e/tcs
Scope 1+2 net intensity (own tcs)	tCO2e/tcs
Metallic scrap ratio	%

Our assurance engagement related only to the information for the year ended 31 December 2023 and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report and, therefore, do not express any conclusion thereon.

Assessment Criteria

The Selected Information was prepared in accordance with certain sections of the Global Reporting Initiative (GRI) framework and additional methodologies defined by Company's policies (together the "Assessment Criteria") for the year ended 31 December 2023, accompanying the KPI disclosures in the Sustainability Report.

Management considers the Assessment Criteria relevant for the purpose of the Company's business and for the ultimate users of the Sustainability Report.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for:

- developing appropriate Assessment Criteria against which to assess the Selected Information and applying these consistently;
- ensuring that those Assessment Criteria are relevant and appropriate to the Company and its shareholders;
- designing, implementing and maintaining internal control procedures that provide adequate control over the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate policies, and making estimates that are reasonable in the circumstances;
- the preparation of the Selected Information in accordance with the Assessment Criteria;
- retention of sufficient, appropriate records to support the reported data and assertions included in the Selected Information.

Inherent limitations

The Selected Information needs to be read and understood together with the Assessment Criteria which the Company is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The selection of different but acceptable measurement techniques may result in materially different measurements.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, as adopted for Luxembourg by the CSSF, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a limited assurance conclusion on the Selected Information as set out in the table of the Scope section above based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the "International Auditing and Assurance Standards Board" (IAASB) as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the Selected Information has not been prepared, in all material aspects, in accordance with the Assessment Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Assessment Criteria as the basis for the preparation of the Selected Information, assessing the risks of material misstatement of the Selected Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected Information.

In a limited assurance engagement, the procedures vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Within the scope of our engagement we did not perform an audit or a review on external sources of information or expert opinions, referred to in the Sustainability Report.

Within the scope of our limited assurance engagement, we performed, amongst others, the following procedures:

- we gained an understanding of the Selected Information and related disclosures;
- we gained an understanding of the Assessment Criteria and their suitability for the evaluation and/or measurements of the Selected Information;

- we gained an understanding of the internal control procedures in place supporting the gathering, aggregation, processing, transmittal of data and information and reporting of the Selected Information, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;

- based on that understanding, we assessed the risks that the Selected Information may be materially misstated and determination of the nature, timing and extent of further procedures;

- we inquired relevant Company management, personnel and third parties;

- we performed analytical procedures related to the Selected Information;

- we considered the significant estimates and judgements made by management in the preparation of the Selected Information;

- we performed limited testing, on a selective basis of evidence supporting the reported Selected Information.

Limited Assurance Conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the period from 1 January 2023 to 31 December 2023 has not been prepared, in all material aspects, in accordance with the Assessment Criteria.

Restriction on Use and Distribution of our Report

This report, including the conclusion, has been prepared for and only for the Board of Directors in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 April 2024

Electronically signed by:
Gilles Vanderweyen

Gilles Vanderweyen
Réviseur d'entreprises agréé

Supplement A

United Nations Global Compact references

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

Our Sustainability Report and specific additional items (as noted) represent our UNGC Communication on Progress (COP).
1. Our Statement by the Chief Executive is on p. 4-5 of the 2023 Made for Life report.
2. Our practical actions to implement the Global Compact principles in the four key issue areas of human rights, labour, environment and anti-corruption are described in our Sustainability Report, as well as in online supplement C, which covers our disclosures of Management of Material Topics (MMT).
3. Our measurement of outcomes is described in the performance dashboards "at a glance" of each section, on p. 14, 32, 51 of the 2023 Made for Life report.

Further detail is provided in each chapter:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

>> Assessment, Policy, Goals and Implementation:
Our policies and how we implement them are described in all our Sustainability reports and in the online supporting documents, specifically:

■ Sustainability Report p. 55-60 (Supply Chain CSR Risk Assessment, Compliance Framework, Stakeholder relationships) and Online Supplement C (Economic; Supply chain management) ;
■ Code of Business Conduct, available online [(1)] ;
■ Purchasing Policy, available online [(1)];
■ Annual Report Corporate Responsibility and Governance Statement p. 57-63;
■ Online Corporate Governance at Aperam website [(2)];
■ Human Rights Policy, available online [(1)];
■ Inclusion & Diversity Policy, available online [(1)]

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Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

>> Assessment, Policy, Goals and Implementation:
Examples of how we implement our policies are described in the 2023 Sustainability Report and in the online supporting documents, specifically:

■ Sustainability Report p.20-23, 55-57 ,57-60 (Diversity of talent, Supply Chain, Risk and Compliance) and Online Supplement C ;
■ Human Rights Policy, available online [(1)] ;
■ Inclusion & Diversity Policy, available online [(1)];
■ Code of Business Conduct, available online [(1)] ;
■ Purchasing Policy, available online [(1)] ;
■ Annual Report Corporate Responsibility and Governance Statement p. 57-63 ; and
■ Online Corporate Governance on Aperam website [(2)] .

United Nations Global Compact references
continued

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly Technologies.

>> Assessment, Policy, Goals and Implementation:
Our policies and how we implement them are described in the 2023 Sustainability Report and in the online supporting documents, specifically :

- Sustainability Report p. 31-49 (Environmental impacts) and p. 66-69 (Product & Customer responsibility);
- Environment, Energy, Health and Safety policies, available on (1) ;
- Code of Business Conduct, available online (1) ;
- Purchasing policy, available online (1) ;
- Annual Report Corporate Responsibility and Governance Statement p. 103-106 ; and
- Online Corporate Governance details on Aperam website(2).

Anti-Corruption

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

>> Assessment, Policy, Goals and Implementation:
Aperam Policies and implementation are described in the 2023 Sustainability Report and in the online supporting documents, specifically :

- Sustainability Report p. 57-60 (Risks and Compliance) ;
- Code of Business Conduct, available online (1) ;
- Purchasing Policy, available online (1) ;
- Anti-corruption and money laundering policy online (1) ;
- Annual Report Corporate Responsibility and Governance Statement p.101; and
- Online Corporate Governance on Aperam website(2) ;
- Tax policy available online(1).

(1) Policies address: https://www.aperam.com/investors/corporate-governance/corporate-policies/
(2) Corporate Governance address: https://www.aperam.com/investors/corporate-governance/board-composition-committee

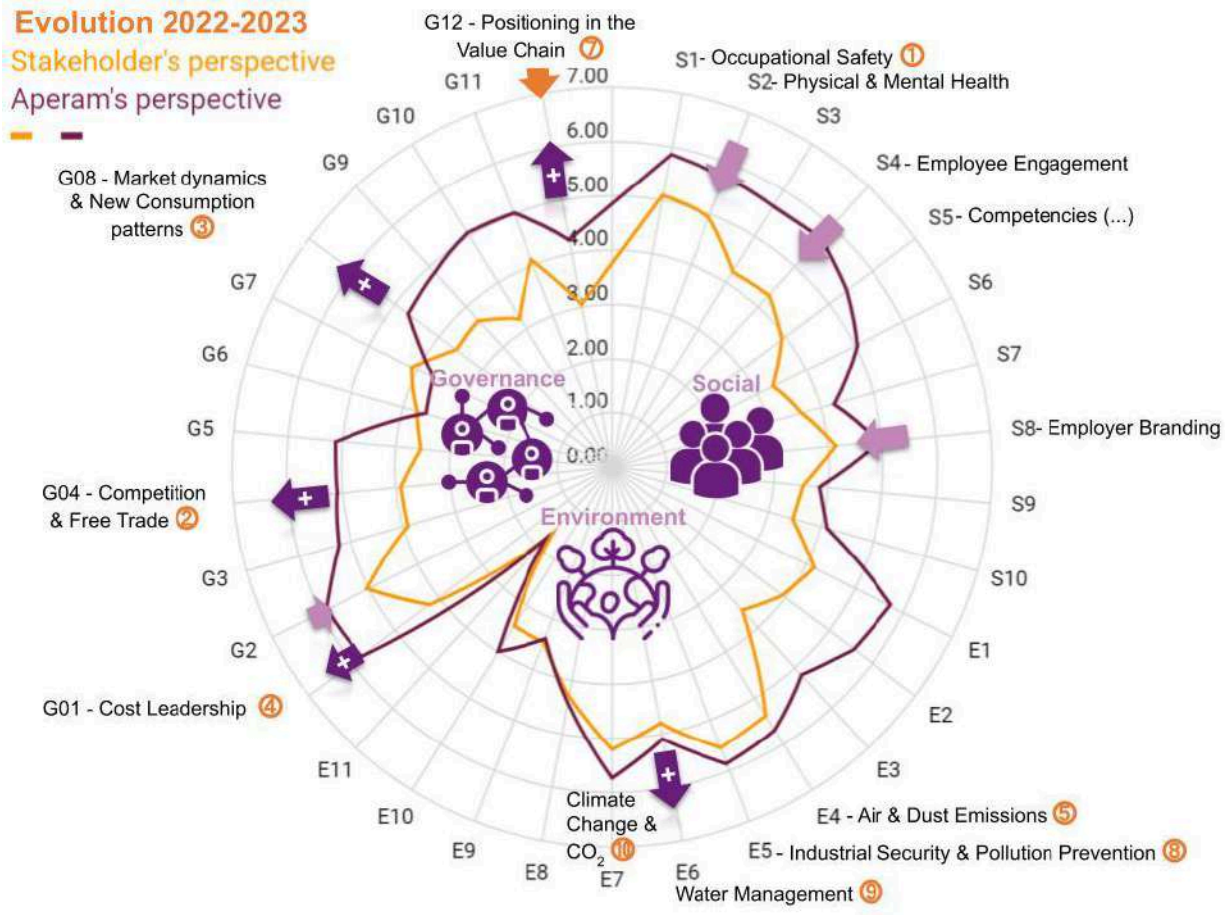
In addition, Aperam expresses its full support to the United Nations Sustainable Developments Goals, with a particular focus to ten of them, which are listed below, are detailed all along the 2023 Made for Life report as well as in the previous reports.

Supplement B

The Report Materiality Process at Aperam

2022-23 Group Materiality matrix

This graph presents the 2022 Stakeholders' and Aperam's assessment of our Material topics, with the arrows highlighting the variations identified in 2023, further to our new internal evaluation based upon a different and more comprehensive methodology, involving the management of all the operations of Aperam worldwide (see below). This shows a good reflection of our materiality.



Social		Environment		Governance	
S01	Occupational Safety	E01	Raw Material Cons., Waste & Recycling	G01	Cost Leadership & Efficiency
S02	Physical and Mental Health	E02	Energy footprint	G02	Business Ethics & Legal Compliance
S03	Social Dialogue & resp. restructuration	E03	Environmental Mng Syst. and Awareness	G03	Customer Satisfaction
S04	Employee Engagement	E04	Air & Dust Emissions	G04	Competition & free trade
S05	Competencies & Employability	E05	Industrial security & Pollution Prevention	G05	Cash, Debt & Financing
S06	Employer Branding	E06	Water Management	G06	Local Development
S07	Stakeholder & Community Engagement	E07	Climate Change & CO2	G07	Urban Integration & circulation
S08	Diversity & Equal Opportunity	E08	Noise and smells	G08	Market Dynamics & new consumption patterns
S09	Philanthropy & Social Impact Investing	E09	Transport impact	G09	Sustainable Supply Chain & Resp. Purchasing
S10	New work patterns & Work/Life Balance	E10	Biodiversity	G10	Innovation and product differentiation
		E11	Decommissioning & Dismantling	G11	Digitalization, Data Privacy & cyber-criminality
				G12	Positioning in the Value Chain

Recent Evolutions

In 2023, we initiated a major evolution of our Materiality exercise, which entails a larger involvement of the company's management as well as a greater homogenisation with other Risk management exercises. This methodological change entails variations in the output that need interpretation to avoid mixing, in the final take-aways, the changes owed to the new context and those linked to those linked to the novelty of the process for some of the respondents. As a result, we decided to present our materiality based on last year's graph and highlight the major evolutions.

Amongst the key changes are:

- The economic pressure materialized by the progression of the Governance topics (upper left of the graph), with G4: Competition & Free Trade, G8: Market Dynamics, and G12: Positioning in the Value Chain, echoing the vertical integration with our Recycling & Renewables division - discussed within the Annual and Sustainability reports, in particular in the Made for Life report pages 49-52
- A strong push of the environmental topic of Water Management (E8) - see pages 38-40
- And the relative downward trend of some social topics, such as Employee Engagement (S4), Employer Branding (S8) and Competencies and Employability (S5), which still remain important in the long run and addressed in the Social section of our report.

None of this is fully reshuffling our previous analysis as we can see the top list:

- The Safety (S01) rated number 1
- A strong awareness about environmental subjects, such as E04: Air & Dust emissions, E05: Industrial Security (including the Radioactivity alerts) and E07: Climate Change & CO_2, still all in the top-10
- Business Ethics (G02) and Social Dialogue (S03) Still high in the list

As to our external Stakeholders, their views have not been fully re-assessed during the year, however, we ran a series of exercises to ensure the picture was still valid. Amongst these were a series of interviews with the mayors of our main European sites, as well as the thorough review of other external references such as ESG Rating agencies, and SASB Disclosure guidelines for the Steel sector.
As a result of this verification, we consider that our list of material topics from our Stakeholders' perspectives, is still valid, and so is our overall materiality analysis.

Determining Report Content

Our structured process to identify our most material sustainability issues determines the content of our report.
This is based on the GRI Reporting Principles for Defining Report Content.

To determine if an Aspect (Topic) is material for us, we assess its potential impact in terms of sustainability within our business. This assessment evaluates potential financial and reputational risks to Aperam; the importance to our stakeholders and the links with our mission and goals.
It started based on the biggest units, based on the local engagement led locally. But over the years, we have expanded the scope of our assessment (more units directly questioned on various geographies and segments, leading to a coverage of 85% of our workforce in 2016), the operating modes used with our stakeholders (from general conversations or feedback forms to matrix-based discussions with external and carefully designed employee surveys) and enlarged the topics in focus.

For instance, the topics of 'Noise' and 'Traffic' emerged in 2016, when we started to exchange with three units from Services & Solutions (Brazil, Germany and Italy) and two specific (smaller) industrial units, Précision in Pont-de-Roide and BioEnergia. Likewise, it is our encounters with the mayors at our main sites (2017) that triggered the add-in of the topic "Urban integration", which had never arisen until then, like specifically "Traffic" impact.
Also, along the years, we also learnt to leverage some elements from several ESG-rating agencies and enquiries from shareholders' associations (2015). Topical subjects amongst the general society also modified our matrix, with the inclusion of 'Industrial Security' in the aftermath of terrorist attacks and 'Mental health' after the COVID lock-downs. Subjects can be added, merged (and de-merged), their wording adjusted but the overall picture remains quite stable year on year.

The Group matrix is a consolidation of the local matrices with a weighing based on the number of the units' employees, so the smallest units cannot reshuffle the top topics. A final fine-tuning is usually performed using the feedback of some or all members from the Leadership Team (LT) to reflect the opinions of non-local stakeholders such as Professional Associations, Investors, Large Industrial customers, etc.

> Since we joined ResponsibleSteel™, we decided to consider the discussions led as part of this forum as a key source for checking and updating our materiality matrix. It makes sense as all the members and participants reflect different interests and perspectives, from industrialists who know the difficulty that we can face, NGOs and Unions that stress the responsibility of heavy industry in the protection of the living beings, down to customers and suppliers. In parallel, the audits led according to the framework of ResponsibleSteel™ include direct exchanges between the external auditors and our local stakeholders, and can support the analysis. From there, several topics were added: 'Biodiversity', 'Decommissioning' and 'Local Development'.

> More recently, in 2022, the materiality matrix was built based on the 11 main historical sites and cross-checked in view of our latest Employee Global Survey, launched in

October 2022 and recording a 77% response rate of our workforce.

Aiming to ensure that the Sustainability issues of our newly acquired Recycling units were well in line with the group, we consulted three former ELG (now Aperam Recycling) perimeters, which lead us to include a topic called 'Product Safety/Quality (Radioactivity)'. Even if our steel plants are fully equipped with detection portals, we decided to isolate this topic from the existing "Pollution Prevention" issue, to reflect the singularity of the experience of our recycling units.

> In 2023, the updating of our materiality determination process reflects the evolutions triggered by the preparation of the CSRD[1].
Firstly, in the continuation of what we did in the past, we embraced a multifaceted methodology, which integrated a benchmark with the Sustainability Accounting Standards Board (SASB) framework for industry-specific standards alignment and engaging in mayoral interviews at key sites, among other stakeholders (visitors to our Open Days, etc), to understand local perspectives.

In parallel, we had a new approach in relation to the materiality (impacts, risks and opportunities) seen from Aperam. We decided to update the internal process to make it more comprehensive, regular and efficient while ensuring it was granted sufficient visibility at management level.
To do so, we enhanced the existing process in relation to risks to broaden its coverage in terms of horizons and topics, in particular to cover the long-term view relevant for Climate Change and the mid-term appropriate for societal changes such as mega-trends. This process, coordinated by our Global Assurance department, is based upon a 3-step yearly scheduling and collects the views of the LT and their teams. For instance, the Nafta Region of Services & Solutions participated in the process, whereas none of its units were previously associated with the Materiality analysis.

Starting 2023, the initial bottom-up step traditionally launched in November, collects the assessment in terms of likelihood and severity of ESG risks and opportunities (material topics), in the same manner and file as the traditional risks reported in the Annual Report, with a third section focusing on (Physical and Transitional) Climate Change-related risks. This preliminary step is completed by two periodical updates arranged in Q1 and Q2, with all the conclusions to be reported as in the initial process to the Aperam Board of Directors' Audit & Risk Committee.
Thus, the (GRI or not) materiality exercise becomes a normal management process, sanctioned by the executives' due validation and fully in line with business-driven approaches.

Lastly, in 2023 a specific impact assessment was run across the Aperam Recycling (former ELG) units based on the 2016 study performed on the historical perimeter. This allows us to have a complete picture of our impacts and prioritize efficiently our ESG roadmap and stakeholder engagement.
Overall, this comprehensive approach ensures the identification and prioritization of sustainability issues resonant with both Aperam's operational context and broader industry considerations. It aligns with global standards, internal perspectives, local community priorities, and continuous stakeholder feedback to dynamically shape our sustainability strategy in the evolving landscape, in line with the upcoming European CSRD[1].

In conclusion, no major change in the report's content is to be seen for 2023. During 2024, this process will be completed by the assessment of the risk and opportunities (in the context of the financial materiality). For 2023, the final matrix and the list of material topics (GRI 3.2) are available on the first page of this Supplement.

The Boundary Protocol

Aperam operates mostly in Europe and South America. However, most of the directly owned operations participated in the Materiality process (see above) and will stand within the boundary of the report, representing all main entities included in our consolidated financial statements (GRI 2-2), except otherwise mentioned.
This list of entities is provided p.213 of our 2023 Annual Report.
However, there are entities included in our consolidated financial statements that are not subject to the sustainability reporting processes and coverage (GRI 3-1). These are as follows:

■ Internal Process: As described, the materiality assessment is based on the analysis of the entire Aperam organization and its stakeholders. The resulting list of material Aspects is then applied to the whole Group.
■ Materiality Process: The materiality process highlights Group material topics and does not supersede local analysis and specific site-based action plans. Additional information identified in the GRI-G4 Mining and Metals Sector Disclosures document is somewhat relevant to Aperam operations. Furthermore, we integrated new sources of information as the Sustainability Accounting Standards Board (SASB) framework for industry-specific standards alignment, we conducted extensive employee surveys to capture workforce insights, analyzed Aperam Recycling Units due to their specificities, and engaged in a number of interviews at key sites to understand local perspectives.
■ Coverage: We report performance data for the Group (G4-3-1). Aspects, their indicators and the materiality boundaries are shown below. The disclosures on Management of Material Topics (MMT) information is shown in Supplement C.

Reporting notes

General reporting notes:

Safety data covers all our operations, as well as contractors on site.
People data do not include contractors but cover all employees at year end, in Full-Time Equivalent, including Alloys ICS (Innovative Clad Solutions in India) and excluding Haven Genk. People from our former ELG (Recycling division) are included in some KPIs, as the integration is ongoing.
Environmental data cover all main industrial sites, service center operations, scrap yards and corporate offices, with the following exceptions: radioactivity alerts, relevant to Aperam recycling only, and raw material data exclude packaging and miscellaneous parts.

[1] Corporate Sustainability Reporting Directive

GRI 1 Index 2023

GRI Index	code	Reference
All indicators	3.3	Disclosure on Management of Material Topics - Online Supplement C.
Economics		
Economic Performance	201-1	Direct economic value generated & distributed - p. 6-7, 53-54.
Procurement Practices	204-1	Proportion of spent on local suppliers at main sites - p. 50, 54-56.
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures - p. 58-59.
	205-3	Confirmed incidents of corruption and actions taken - p. 57.
Environmental		
Material	301-2	Recycled input materials used - p. 40-41.
Energy	302-3	Energy intensity - p. 31, 35.
	302-4	Reduction in energy consumption - p. 35.
Water and Effluents	303-3	Water withdrawal - p. 31, 39.
	303-4	Water discharge - p. 31,39.
	303-5	Water consumption - p. 31, 39.
Waste	306-1	Waste Generation and Significant Waste-related impacts - p. 40.
	306-2	Waste by type and disposal method - p. 31, 39.
	306-3	Waste generated - p. 40.
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas - p. 44-48.
Emissions	305-1	Direct (Scope 1) GHG emissions - p. 33.
	305-2	Energy indirect (Scope 2) GHG emissions - p. 33.
	305-3	Other indirect (Scope 3) GHG emissions - p. 34.
	305-4	GHG emissions intensity - p. 31,33.
	305-7	NOx, SOx and other significant air emissions - p. 37-38.
Labour		
Occupational Health & Safety	403-1	Health and safety management, assessment, consultation, training, prevention - p. 13, 14.
	403-5	Worker training on occupational health and safety - p. 13,14, 26-27
	403-9	Rate and gravity of injury, occupational diseases, lost days, absenteeism, number of work related fatalities, by region and gender - p. 14, 15.
Training & Education	404-1	Average hours of training per year per employee by gender, and by employee category - p. 13-15, 26-27.
	404-3	Percentage of employees receiving regular performance reviews, by gender and by employee category - p. 25.
Diversity	405-1	Diversity of governance bodies and employees - p. 20, 24 and Annual Report 2023 (Board of Director and Leadership Team) - p. 64-72, 73, 80.
	405-2	Ratio of basic salary and remuneration of women to men - p. 22.
	406-1	Incidents of discrimination and corrective actions taken - p.57.
Supplier Assessment for Labour Practices	414-2	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken: Present report - p. 54-56
Society		
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes - p. 50, 54, 61-64.

Specific indicators notes:

■ 204-1: Local supplier information covers mainly non-raw materials industrial purchasing for our most significant operations in Europe and Brazil, since 2016, and including BioEnergia starting 2021. By definition, it excludes our Services and Solutions and Aperam Recycling units, which have tiny units, the reason why the indicator would not be relevant.

■ 205-2: This indicator is addressed as part of our Compliance section and can cover training relative to our Code of Conduct, Corruption, Conflicts of interest, Money Laundering and other anti-Fraud training. Such training exists for all employees' categories but it is followed as part of MyHR, for White Collars, and reported annually, and monitored separately for Blue Collar employees, at unit level and through a multitude of less sophisticated ways that do not guarantee a quality consolidated information. Therefore, we currently only report on White Collar training.

■ 205-3: Confirmed incidents of corruption are reported as 'founded fraud allegations' as they can entail a large spectrum of incidents from thefts to sophisticated fraudulent schemes sometimes involving corrupt employees. We do not detail the actions taken but proven misconduct of such cases traditionally lead to contract termination and legal proceedings.

■ 301-2: Recycled input materials data is reported in “our environmental performance" and detailed in ‘Waste and Recycling / Recycling of Metallurgy By-products’ topic .

■ 305-1: Direct (Scope 1) GHG emissions are reported and receive an external assurance. Considering the chemistry linked to the steelmaking process, and also the impact of our biomass (charcoal) in the calculations, we are constantly trying to refine our figures and methodology, in line with the best practices.

■ 305-2: Energy indirect (Scope 2) GHG emissions are calculated based on location-based emissions factors and also reported based on market-based emission factors, the latter coming from our own suppliers as well as International agencies (e.g. IEA database) with supporting documentation. As we develop the usage of renewable energy, also through the set up of local solutions (eg. photovoltaic panels), the gap between the two calculations is due to the increase of renewable energy solutions.

■ 305-3: When looking at our Scope 3 emissions, we mostly focus on the Upstream GHG emissions (Scope 3a), and specific Downstream emissions on areas such as Transport or Information Systems. In 2023 the scope 3 evaluation was enlarged with more emission factors communicated by our suppliers combined with the data collected through international databases. As a consequence an updated scope 3 was calculated for the years from 2021 on, including our main contributing category scope 3.1.

■ 305-4: As for most of our indicators, we usually check the absolute values in order to produce an intensity ratio to decorrelate the information from the production level. The intensity is calculated based on the production, using the standard industry indicator of tons of crude steel ex-caster, in short, tons of crude steel or slabs. Because we can also purchase external slabs to roll them into more sophisticated products, we use an additional methodology to follow up the intensity based on ‘all tons’ processed and not only our ‘own tons’. As for the intensity of our GHG emissions, we report the emissions scope 1 and 2 put together but we aim to disclose going forward intensity in terms of scope 1+2+3a (upstream).

For 305-1, 305-2, 305-3, 305-4, please also see the Supplement D, in particular for the details of the ‘all tons’ versus ‘own tons’ .

■ 305-7: As it is the most relevant indicator to most of our main sites local stakeholders, dust emissions are reported consolidated at Group level. NOx, SOx indicators are also disclosed for our sites in Europe. As for most indicators, we follow them in absolute values and in intensity.

Since 2016, the data from the measures taken on top of our regulatory obligations have been integrated in our total dust emissions calculations (so-called “exhaustive” emissions data) starting 2020, next to the dataset calculated using the regulatory methodologies defined in our permits. This way, we have improved our monitoring, increasing their frequency, aiming to identify our weaknesses and to ensure compliance at all times.

■ 306-1, 306-2: Steel production is based on the melting of different raw materials and processing of slabs into coils or smaller formats of steel (such as sheets, tubes, bars and wires). The process generates by-products, such as slags or scraps, together with industrial wastes (dust, slag, sludge, oils, acid, refractories and paper).

These residues, many of which have a metallic content, are considered valuable so they are sorted and considered as potential materials for reuse or treatment. Usually, they are reused in the process or sent for treatment at Recyco or an external firm, but in some cases they are simply stored for the future, in wait for a sustainable technical and economical solution, or land-filled. All these volumes are taken into account in our calculations and zero-waste target. More details in Supplement C.

■ 403-5: This H&S training indicator is provided in total, using our Learning Management System. We also highlight the home-made training (physical or digital) linked to the cultural maturity of our employees.

■ 403-9: This health & safety metric also covers the subcontractors working on Aperam sites. In 2022, we included the Aperam Recycling (former ELG) units’ data (except for subcontractors) but starting 2023, former ELG data will be fully integrated in health & safety results.

■ 404-1: This training indicator is provided in total and by country, using our Learning Management System from 2020 on. Data is available on a split Physical/e-Learning and the proportion of hours per topic is given. The information is provided for Exempts/ Non-Exempts, but not by gender, age or other characteristics.

■ 404-3: This career development indicator is currently provided with the split by employee categories but not by gender, age or other characteristics.

■ 405-1: This Diversity indicator is provided partially with respect to Aperam’s governance body, knowing that information (age, nationality, experience and education) on our Board of Directors and Executive Committee - referred to as the Leadership Team- is extensively disclosed within our Annual Report.

With respect to Aperam’s workforce, the information is reported in terms of gender, by employee type, as well as information regarding age groups when possible.
We use this information to reflect on the diversity of our new hires and leavers but we aim to develop further such indicators in line with Global Data Privacy Regulations to ensure we ensure equal opportunities for all Aperam employees.

In the 2023 report, several initiatives are reported aiming to answer the local and group expectations gathered during the Climate Survey and other opportunities, nourishing our Inclusion & Diversity program.

■ 405-2: The Gender pay gap is calculated for all exempts, men and women alike globally, using external market data by country for a given responsibility level. It allows us to make

sure we are paying our people over the market median for a given job/ responsibility, as we aim to ensure we continuously provide competitive remuneration to our employees. The individual gap to this local reference in percentage is summed up for all exempts and then the average gap for women is compared to the one for men. This way, we have not only the average gap to the market median, but also the gender-related pay gap.

For non-exempt employees, we do not have the possibility to use the same method as we lack data on each market reference by country but we usually have salary grids negotiated with employee representatives for most of the non-exempt roles. We also comply with local regulations that may require (like it is the case in France) to conduct assessments for non-exempts following a pre-defined methodology using also the age and seniority in the roles. We also report this information on:

https://www.aperam.com/sustainability/social/diversity/professional-equality-index/

■ 413-1: This indicator used to reflect the proportion of our sites that conduct active stakeholder engagement, within the eight main industrial sites analyzed in greater detail (excluding Service centers and former ELG sites).

Our former methodology was based upon a mapping of existing practices conducted in 2016 over 30 of our sites, and the resulting corporate guidelines in terms of stakeholder engagement. This defined a clear methodology to assess what we mean with “active engagement using several clear criteria:

> Impact assessment (based on the 2016 exercise)

> High end grievance mechanisms (including a 24/7 availability)

> Public disclosures of results

> Practices of Stakeholder engagement beyond legal requirements.

Starting 2021, we have initiated a review of our practices based on the take-aways of our ResponsibleSteel™ framework, which expects local co-constructed development plans and accrued transparency. Guidelines in terms of budget for development or donations were defined, and we now report the donations operated at our main countries of operations within the report as well as the same information at site level within the indicators displayed at the entrance of our sites (pg 62).

However, as we now have a different view of what active stakeholder engagement means, we need to adjust our indicator accordingly and not rely on having practices beyond legal requirements. In conclusion, we need to define with our new Stakeholder Engagement & Human Rights committee the new appropriate indicator that will reflect our ambition and help us improve. So we discontinued the reporting of the indicator ‘Stakeholder Engagement at Main Sites’ for 2023.

Managing risks at Aperam

Risk management processes are embedded in the organizational culture. They support decision-making and continuous improvement, and allow us to identify and act on opportunities. Our Global Assurance department facilitates this process and prepares the Risk Management reporting elements for both the Management Committee and the Board’s Audit & Risk Management Committee.

Our framework for managing risk is based on:
■ COSO Enterprise Risk Management Framework;
■ ISO 31000 principles and guidelines for risk management; and
■ Benchmarking with external companies.

Our Audit and Risk Management Committee supports the Board of Directors in fulfilling their corporate governance duties relating to defining and reviewing risk, managing risk assessment, and risk audit, all the above including sustainability risks as well and since 2023 longer time frames (see previous page).

Our Risk Management Manual describes risk as a pillar of corporate governance and organizational responsibilities for risk.

Our numerous Aperam Policies and Whistleblowing protocols allow employees to raise concerns over possible irregularities and malpractices that would contravene our Code of Conduct. In addition, the compliance programme set up in 2014 (including a network of local correspondents and a full set of policies) has pursued its roll-out in 2023, with an active sanction-based screening in view of the developments linked to the Ukrainian invasion, the yearly Anti-Fraud Week and an perfect integration of the new Aperam recycling units. The implementation of these actions was carried out in close cooperation with our Legal department and our Combined Assurance risk management function.

Industrial Risks are managed by the Reliability department from the CTO team led by one member of the LT. They are analyzed regularly and help us continuously improve our impact assessments, as well as our prevention and mitigation strategy. We run this exercise with the support of external advisors, also taking into account the inputs of our Insurers, and following the best practices - in particular:

- ISO14090:2019 standard
- ISO14091:2021 standard
- and the TCFD requirements.

Indeed, the physical risks related to Climate Change are also addressed by the same team based on two scenarii suggested by the IPCC (SSP2-4.5 and SSP5-8.5).

Below is a summary of the stakeholders we engage with, and whose feedback also serves as a basis for the preparation of this report.
Stakeholder engagement is an ongoing activity at each site, and it is the responsibility of the site's General (Plant) Manager or equivalent. Any new issues that require attention are shared with key subject matter experts within Aperam and are then included in our materiality assessments.

Employees & Management

Unions, European Work Council,
Educational Institutions & trainees,
Retired Aperam employees,
Students and potential joiners.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– Collective agreements including CSR based incentives,
– Proximity meetings,
– HR and Human Rights policies,
– H&S programmes and H&S days,
– Data Privacy policies,
– Yearly performance appraisals and employees' development plans,
– Training plans & catalogs,
– Professional Committees,
– Climate Surveys and other surveys,
– Newsletters incl. Bonus letters, Gender Diversity Focus and H&S newsletters
– Videos on Company results and campaigns.
– Events such as Anti-Fraud Week.

Authorities & regulators

Governments and local authorities,
Competition Authorities,
Standardisation Authorities.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– Regular meetings with local authorities,
– Policies and formal procedures eg. Antitrust, Anti-Corruption, Anti-Money Laundering, Economic Sanctions,
– Events such as the Anti-Fraud Week.
– Compliance programmes and trainings, including specific intranet page and Ethics & Compliance Academy,
– Regular measurements, certifications and risks prevention protocols,
– Global Insurance audits and alerting systems (Whistleblowing lines, network of Compliance correspondents)
– Diligent responses to enquiries,
– Support of global initiatives such as CDP, Global Compact
– ResponsibleSteel^{tm} membership.

Communities

Neighbours & Communities,
NGOs & Local Associations,
Local Media, local Academics,
Local economic players.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– Ethical, H&S, Environmental and Human Rights policies,
– Responsible Purchasing policy and support of local suppliers,
– Stakeholders' days or meetings, site visits, open days or "Family days",
– Specific newsletters or internet pages, press releases, interviews, social media,
– Acesita Foundation programs, local Development plans ("Territoires d'industrie", etc.)
– Pollution prevention training exercises and the leaflets distributed to provide the instructions in case of emergencies,
– Local development and student fairs
– Our Stakeholder engagement policy and internal guidelines including Site-specific entrance posters, Country supplements and contact forms.
– Charitable contributions and philanthropy.

Customers

Customers,
End Consumers,
Subscribers.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– Meetings, site visits, trade fairs and technical customer trainings,
– General Sales Conditions,
– Product documentation,
– Antitrust & Anti-Corruption policies,
– Economic sanctions policy and protocols,
– Requests for quotations and annual contract negotiations,
– Customer satisfaction surveys,
– R&D partnerships,
– Sustainability and/or Ethical questionnaires (customer-specific ones, EcoVadis, etc.).
– Customer Newsletters or web series

Financial partners

Shareholders,
Banks & investors,
Stock Exchanges,
Financial & ESG Analysts.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– Annual and Sustainability reports,
– Policies on Anti-Fraud, Insider dealings, Money-Laundering, Double-Signature protocols
– Regular assessments, certifications and risks prevention protocols
– Internal and external audits and alerting systems
– Earnings & press releases, IR meeting & IR day, interviews, web-site pages,
– Shareholders meetings, general meeting and votes, dividend payment,
– ESG-specific Investor Relations' conferences
– Investors' Days, sites' visits.

Business partners

Suppliers and Subcontractors,
Trade Associations,
Audit & Certification firms
Sectoral initiatives.

Our engagement is reflected in:
– Aperam's updated Code of Conduct,
– ResponsibleSteel^{TM} certification standard (and certificate for 5 plants)
– General Purchase Conditions,
– Environmental policies,
– Sustainable Sourcing charter,
– Associations, working groups and exchanges on H&S best practices,
– Subcontractor Safety Charter,
– Requests for quotations and annual contract negotiations,
– Congresses and trade fairs,
– R&D partnerships,
– Certification audits and site visits (Boss to boss meetings),
– Direct dispatch of general communications such as Sustainability reports or Gift policies.

Supplement C

Aperam GRI Index 2023 – section 3.3
Management of Material Topics (MMT)

Economic

Economic performance

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

We manage our potentially negative impacts via a range of suitable channels. Our legal, commercial and financial matters are managed through appropriate governance and executive processes in accordance with the laws of the Grand Duchy of Luxembourg where we are listed, as described on p.38 of our Annual Report.

We assess the effectiveness and quality of our approach through internal audit and external assurance, in accordance with our listing requirements. We also assess sustainability risks via our group risk register and management process (see p. 53 of our Annual Report), and set medium to long-term numerical targets (five- to ten-year) to roll out our environmental roadmap and usually shorter-term targets (two- to three-year) on social and governance action plans, with longer term qualitative objectives. Since 2021, we disclose targets pertaining to social topics.

We report the economic value generated at Group level. In the past, we complemented them with a few sub-indicators consolidated at divisional level that are followed operationally, including some by region (Europe/Brazil for the Stainless & Electrical Steel Division), but we have chosen not to disclose them anymore as they are less relevant to external stakeholders. However, as we did for the first time in the 2020 report, we provide also in 2023 in our main report, additional information (p. 55), related to our three biggest countries of operations: Belgium, Brazil and France, which is complementary to the three Country supplements that we have been releasing every year since 2017 - and in 2023 in a video format. Such elements pertain to local economic contributions, such as the salaries paid, investments made, total tax contributions (as well as local spending - see GRI 204-1).

Our human resources teams manage the employment impacts through a wide range of policies and practices in line with our values and using trained experts. In 2020, considering the magnitude of the phenomenon across the planet, we decided to disclose data related to the impact of temporary economic unemployment in terms of full-time equivalent, thereby providing an estimate of the variabilisation that we managed to realise responsibly, without recurring to permanent layoffs. This data was updated for 2023 (p.54).

We manage our community Actions primarily through our Acesita Foundation in South America and through local action plans defined jointly with local stakeholders at our European sites. Information on this topic is provided p. 62-65 and further in this document (section Stakeholders>Impact on Local Communities.

>> Indicator:
GRI 201-1 Direct economic value generated and distributed.

Procurement – Supply Chain

On our historical perimeter, we have around 14.200 partners in our global supply chain, though the exact number varies from month to month. Subcontractors also work on our sites. Our General Purchasing Conditions require our partners to respect quality, environmental, safety and labour practice regulations, and the subcontractors that perform services on Aperam premises have to comply with our General Health and Safety Instructions (GHSI) to ensure they align with our high safety standards.

Supply Chain

GRI2-6

In support of our company vision, the United Nations' Global Compact principles, and the ResponsibleSteel ™ principles, we work with our suppliers to:
■ Operate a lean supply chain that supports our corporate policies;
■ Develop procurement solutions in line with customer's, regulatory and wider stakeholders' expectations; and
■ Create long-term value and reduce risk for all stakeholders.

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

In 2020, we put in place an updated Purchasing Policy (acting on the whole group sourcing and purchasing activities) describing how we work with our suppliers and require them to meet our standards on health and safety, human rights, ethical and environmental topics, and be transparent by disclosing results periodically. We encourage our suppliers to work with us to identify and develop ongoing improvements to our sustainable procurement.
The result of this analysis is shown in the 2023 report (p.55-57).

Aperam procurement department is composed of two separate teams, the first one in charge of sourcing raw materials and the second in charge of non-raw materials purchasing.

> The Raw Material Sourcing team optimises centrally the supply chain process for raw materials such as Nickel, Chromium, and recycled (carbon) steel and stainless steel (scrap). Many of these extractive raw materials come from a few high-density deposits on Earth and shape narrow oligopolistic markets with a small number of global players, meaning that there are few options globally. As a result, this category is excluded from our local spent analysis.

> The key objective of Non-Raw Material Purchasing is to have an effective buying process for our industrial sites with a platform for central buying. Non raw-materials are mostly composed of operational products (such as rolls and electrodes), industrial products (such as oils and lubricants) and various services including logistics, industrial and IT services (see diagram above) (GRI 2-6), many of which can be sourced locally.

We explain our approach to managing community impacts further but we consider that careful selection of our partners and local spending are some of the ways we can contribute to the promotion of sustainable business practices and local development. We are conscious that smaller suppliers are part of a community where economic development may be limited or where there may be social need, in particular in isolated areas and/or in Brazil.

>> Indicator:
GRI 204-1 Percentage of spending on local suppliers

Anti-Corruption

Aperam follows the best standards in terms of Business Ethics through its Code of Conduct, and defends a zero-tolerance policy.

We regularly benchmark and update our policies and procedures to address all the dimensions of Corruption, from minor conflicts of interests, traffic of influence, facilitation payments, up to international corruption and money laundering supporting terrorist financing. Economic sanctions are also considered at the same time as part of our due diligence.
Based on best practices, the risk assessments in terms of Corruption are regularly updated based on real cases and scenarios and also split by geographies. They are complemented by focused awareness-raising information sessions focusing on some particular functions (commercial, buyers) or scopes (including former-ELG perimeter since 2022), organised yearly during the Global Anti-Fraud Week promoted by the Association of Certified Fraud Examiners. Additional detailed analysis can also be led, for instance with respect to the external commercial agents used to develop our sales where we have little local presence.

Our Compliance organisation trains all our employees with the support of a network of local correspondents able to provide all explanations and advice in the local languages. Various operating modes are used, from digital learning through our MyHR platform down to information meetings, quizzes, and gamified sessions, depending on the best solution for the different categories of employees.

Since 2020, for enhanced efficiency, our Compliance organisation is even more closely intertwined with our Internal Audit and Forensic Department that is investigating any allegation reported in the field of Fraud through our multilingual Whistleblowing systems.
The Compliance organisation is regularly reporting to a Committee gathering the Company's Chief Finance Officer, Legal Counsel, Head of Global Assurance (Internal Audit & Forensic), Group Sustainability Officer and representative from the Commercial and Human Resources functions as needed. The reporting is done on a quarterly basis to our Audit & Risk Committee and on a yearly basis within our Annual and Sustainability Reports. See Ethics & Compliance table in 2023 report (p. 58).

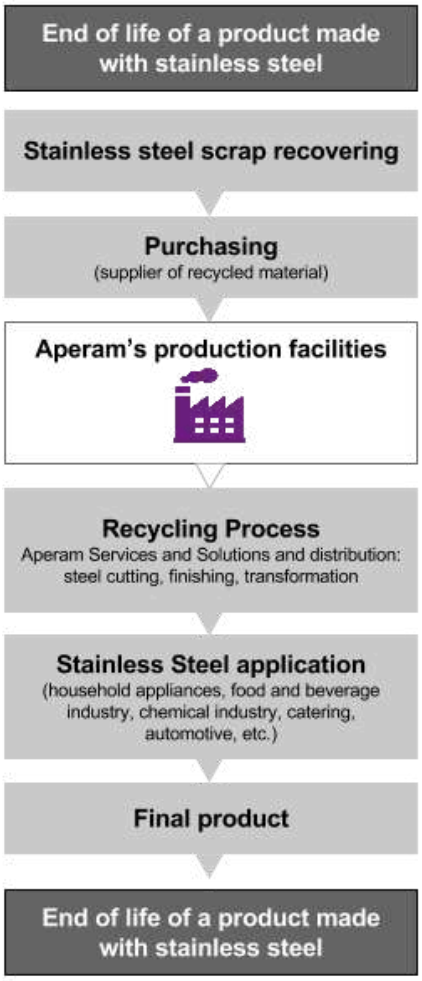
>> Indicator:
GRI 205-2 Communication and training about anti-corruption policies and procedures.
GRI 205-3 Confirmed incidents of corruption and actions taken.

Environmental

Materials and Waste

Stainless steel is 100% recyclable, meaning our products are at the beginning and the end of the product life cycle (see graph below). In addition, the production process requires various materials, which can be primary ones or from recycled sources. So for a stainless steel producer, the right usage of input materials is key and there is a blur line between materials and residues.

Lifecycle of stainless products



Firstly, extracting minerals and ores is more costly than collecting scraps (for us and for the community as a whole, considering the related externalities). As a consequence, the usage of recycled metallic input has a positive impact on our profitability. These secondary materials can come in the form of scrap, but also as a residue (or by-product) with a high grade of metallic components - such as melt shop dust and slags.

Secondly, the properties of our various grades, as well as our energy intensity, depend upon the right dosage of the different ores. Also, our production process generates a lot of different residues (e.g. sludge, dust, slag), many of which still contain valuable chemical elements.

Finally, our melting, rolling and shipping processes request more diverse materials than simply metals, and our purchases encompasses consumables such as gas, refractories (made from silica, alumina, etc.), oil or acids, that can often be recycled. As a result, on a day-to-day basis, we are striving to avoid any type of waste, as they are also costly to manage (landfill or treatment cost). We are promoting recycling and reuse and trying to reduce total consumption as much as possible.

Actually, we have committed to become a zero-waste company and are actively looking for various options to leverage all types of residues and extract value out of them. We are partnering with external firms and have also implemented our own recycling channels, notably through the acquisition of ELG, a leader in metal recycling, in 2021, now part of our division 'Recycling and Renewables'.

To monitor the deployment of this policy in Aperam, we use various indicators followed at site level and regularly reviewed by the management. Amongst them are the scrap usage ratio (metallic recycled input material at the melting phase) and our yield indicators (in all our transformation sites), which consolidated figures we do not disclose for confidentiality reasons. As a consequence, the total input breakdown (GRI 301-1), is material but not disclosed.

We are also monitoring our Waste recycling ratio and our Recycled Manufacturing input ratio, which takes into account products ranging from scraps to paper, via refractories providing a breakdown of Aperam waste by type (hazardous/not hazardous).

>> Indicators:
GRI 301-2 Recycled input materials used.
GRI 306-2 Management of significant waste-related impacts.
GRI 306-3 Waste generated.
GRI 306-4 Waste diverted from disposal.
GRI 306-5 Waste directed to disposal.

CO_2e and Energy consumption

Steel making is amongst the most CO_2e and energy-intensive industrial processes. Our Environmental and Energy Policies commit to a long-term approach to resource-efficiency and sustainability and cover all Aperam sites and operations. They promote new efficiency programmes, and tight collaboration with suppliers and customers to maximise the resource efficiency of our steel products, decarbonize our processes and fight Climate Change.
We identify and implement energy conservation measures to cut costs and protect from price and supply volatilities both our customers and ourselves. We continuously aim to increase the share of renewable energy consumed, either through the purchase of green power or via the installation of renewable sources of energy (windmills, photovoltaic), on a stand-alone basis or in partnerships.

Since production can vary, and our tools cannot be shut down easily nor quickly, monitoring our energy intensity (together with absolute energy use) is also a key metric for our financial performance. Considering the fact that we may purchase more or less semi-products, further processed on our lines, we have introduced a specific intensity calculation methodology - see also Appendix D.
However, not all the energy has the same impact on GHG, and our charcoal is an energy that we do not want to reduce as, in Brazil, on top of its energetic capacities, it brings a carbon content that is integral to the chemistry of our metallurgy. Therefore, we focus on electricity, LPG and natural gas for our optimization action plan.
As a result, and since 2020, we have in place two targets that address our energy use, the first one focused on a restricted scope of energy (after removal of charcoal and other miscellaneous as diesel), and the second one on CO_2:

- A 11% reduction by 2030 (from a 2015 baseline) decided in 2020, and focusing on electricity, LPG and natural gas, aiming at 7.8GJ/tcs.
- A 30% reduction in carbon intensity by 2030, scope 1+2 (from a 2015 baseline).

We monitor the effectiveness of our energy management based on data at site level, and our performance relative to the two targets above (p. 33-37).

>> Indicators:
GRI 302-3 Energy intensity,
GRI 305-1,2,3,4 GHG emissions (Scopes 1,2, Other) and intensity.

Emissions

Local air quality is an important issue for our steelmaking operations: dust (particulate matter) is one of our main material issues every year, but we also emit volumes of NOx and SOx and other air emissions.
All are carefully treated and monitored at the chimneys at each of our sites according to the local regulations. Indeed, we operate in jurisdictions where air quality regulations are enforced and we monitor our performance in relation to the operating limits defined in our permits. We use external firms to take measurements and accredited laboratories for analysis but we also have local air quality monitoring stations. Units report to the authorities according to the agreed periodicity, by chimney and in nano-grammes by cubic metres (ng/m^3) and they can also be submitted to impromptu audits. Any punctual non-conformity is quickly addressed, in liaison with local authorities.

Since our level and mix of production can vary, both of which can have an impact on our tools and emissions, we look at our performance using absolute and relative metrics. We also assess our total impact taking into account all additional measurements, including those taken during abnormal conditions of operations and we run simulations and stress tests. This “exhaustive methodology” is more reliable and allows better identification of the dedusting systems that need preventive maintenance. The emission volume estimate based on the data reported to the authorities is called the “regulatory emissions” (total of each legally reported ng/m^3 * flow measured * operating hours of the chimney for the semester) but we also use - and have reported publicly since 2016 - the total volume based on our “exhaustive methodology”, with many more measurements taken into account.

Diffused dust is measured periodically to evaluate the leakages and identify the areas for improvement. It is a relevant indicator, as it reflects directly the nuisances caused to local populations but this last metric is impacted by external factors (wind, agriculture, etc.), rendering the interpretation subject to debate, so we mostly use it internally (unless it is reliable enough) and report publicly on ducted dust emissions.

With the aim to acknowledge our external stakeholders’ expectations and ensure that progress is continuous, we have a multi-year action plan with global targets and more frequent measurements. With our 2020 goal being achieved (-12%, from 2015 point), we announced in 2020 a new target of a -70% decrease of our ducted dust emission intensity in 2030 compared to 2015, something for which we are committed while also reducing the diffuse (non ducted) dust (p. 37).

>> Indicator:
GRI 305-7 Other significant air emissions (Dust only).

Water

Water is an important resource. Our significant sites of operation are not located in water-stressed regions, except for BioEnergia’s plantations. However, our other units meet their water-related permit conditions and strive for continuous improvement, as we know that Climate Change will severely impact the availability of water and face more regions with floods, drought and chronic water stress.

Our Environmental Policy commits us to a long-term approach to resource efficiency and environmental performance. We operate in jurisdictions where water quality regulations are strongly enforced. The vast majority of our water (more than 90%) is sourced from surface waters – local rivers and canals. The rest is sourced from rainwater collection that we try to develop, groundwater and municipal supplies. We do not receive wastewater from any other organisation.

Where we are abstracting water, this must be in accordance with the conditions of our abstraction licence. We are subject to periodic inspections from the relevant authorities to ensure full compliance. We follow up on the effectiveness of our water management based on data recorded at site level, and in terms of our total annual intakes (m^3) and our relative intakes per tonne of crude steel (m^3 per tonne of crude steel).

We monitor water intake and discharge carefully at each site, through automated metering wherever possible. Through this we are able to accurately measure our net intake (in cubic metres) on a monthly basis at significant sites of operation, as well as the proportion of recycling of water, comparing our needs to our intakes. We report this recycling rate as the percentage of closed circuit, since it better materialises our efforts. We have an Aperam target of -40% reduction of water intakes in 2030 in intensity compared with 2015 (ie -8% versus 2012).

Starting 2017, we have begun to report on water discharge volume and quality (metal and suspended solids, relative to our production), as it is material to our local stakeholders, impacting the quality of the rivers streams and related activities (fishing) (p. 38).

>> Indicators:
GRI 303-3 Water withdrawal.
GRI 303-4 Water discharge.
GRI 303-5 Water consumption.

Biodiversity

To the exception of BioEnergia, which is by essence managing carefully the biological balance of its forestry to produce wood for our future charcoal, our sites are mostly located in industrial areas and/or in perimeters that have remained unchanged for numerous decades and operate in such way (water discharge, air emissions) that they are not considered by the Authorities as posing acute biodiversity problems.
As a fact, Bioenergia has the legal obligation to maintain areas of native forest to ensure the local biodiversity thrives, with a particular focus and monitoring on endangered species and large mammals. The unit reports on this periodically and is also attentive to the matter as part of its FSC(C) certification.

The other main plants are not located close to any Ramsar or IUCN Protected Areas. A river is usually next to the main plants, as historically, the hydro energy and the cooling waters were necessary to our operations, but the specificities of the operating permits ensure no harm is done to the natural environment.
This also explains why our steel plants used to have a more sporadic and opportunistic approach regarding the promotion of biodiversity, which issue was not covered either by their Environmental Certifications.

However, with Aperam’s involvement within ResponsibleSteel™, we have decided to develop a more proactive approach to biodiversity conservation. As a result, in 2020-21, we initiated the development of procedures involving a precise identification of impacts - a process still ongoing. We also started to roll-out training and awareness raising of employees on the interactions between climate change and biodiversity destruction.

In 2022, we started developing partnerships with local associations to promote biodiversity. We also had Aperam first Sustainable Development Week (now organised yearly), with daily newsletters recalling our environmental objectives and presenting our main

plants' mascots. And our monthly Environmental follow-ups started to include topics in relation to Biodiversity. Going forward, we aim to implement more specific KPIs to better monitor the way we can act positively on the topic in line with the CSRD expectations (p. 45).

>> Indicator:
GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

People

The workforce of Aperam represents an asset for the company, as well as a significant part of the costs. Therefore it is key to the competitiveness of the company. The Full-Time Equivalent (FTE) of the total workforce is used to calculate several KPIs, including 'productivity' (ton/FTE) and 'competitiveness' (total cost of employment/ton). Achieving our targets on these KPIs is vital for the sustainability of Aperam, and doing it responsibly is in line with our values.

In times of hardship, we can adjust our workforce, firstly by freeing up interim employees, also using Economic Unemployment - and, when it cannot be avoided, by implementing responsible restructuring measures discussed with employees representatives.

The data on our workforce are reported by each entity in a unique IT system MyHR. We measure the internal workforce by FTE at the end of the period – this number varies only a little and so the average workforce is only disclosed annually as it is frequently asked by some external stakeholders. Details such as the employment contract, employment type, gender, region, also give us a view of the structure and diversity of the workforce (see below chapter on Diversity). HR data is consolidated and reported monthly at the Group level, including (from 2023) the former ELG units through our Recycling and Renewables division business.

The external workforce (including supervised workers) is usually measured by the average FTE in the period and this workforce can vary a lot (eg. due to seasonal variations and scheduled annual maintenance or harvesting, for example). At the Group level, supervised workers are counted as part of sub-groupings but not statistically consolidated on an individual basis. We therefore do not report their split in detail eg. by gender or employment type.

The effectiveness of our employees and their ability to innovate are key to the company's success. This is why we remain attentive to their level of commitment and follow closely their satisfaction using global employees surveys that are integral to the development of an efficient Human Resources framework.
Starting 2021, we disclose a new objective to obtain 80% both in the response rate and the sustainable commitment of our employees.

In the 2023 exercise, we recorded a participation of almost 8 out of 10 employees, with a lower rate at the former ELG units (although significantly improved), and a good level of overall satisfaction from our people, at 75% overall - see Sustainability report (page 29) for more information.

Diversity and Equal Opportunity

We have stated in our Code of Conduct, Human Rights and Gender Diversity Appendix our commitments to promoting diversity, refusing discrimination and facilitating the development of each employee.

Since 2018, we pay accrued attention to the proportion of women in our staff with a view to balance their presence, especially at shop floor level and so, on top of our detailed workforce tables, we report the split by gender for some of the KPIs. We are following up the gender pay gap to ensure equal opportunities. (See supplement B)

In 2022, we disclosed our target to increase our percentage of women exempts to reach 30% by 2029.
We also extended further our Inclusion program, notably by the creation of specific roles to drive the program in Europe and Brazil, but we are not able to track many additional diversity aspects efficiently and will see how to progressively improve our follow-up, also minding local regulations and gaps in definitions. We only report partially on diversity within our governance bodies and employees, with nationality, age and gender available for all of Aperam but other criteria on a smaller scope (eg. Disability only for Belgium/ Brazil/ France).

We want our workforce to be able to bring their full self to Aperam and feel welcome to participate with all their abilities to its success.
On the one hand, we work on inclusiveness through the fight against stereotypes and evaluate the overall success of our efforts through specific questions from our Climate Survey. In 2022, we extended the number of questions addressing this aspect. And in 2023, 77% of employees answered to be satisfied with no significant difference overall reported between women and men.
On the other hand, we remain attentive to any incident of discrimination and are regularly rolling out training and information to raise awareness, promote diversity and clarify the reporting channels available to report any harassment or misconduct. We have

processes in place to fairly investigate any case brought forward, in particular via our Whistleblowing system. This reporting allows to make cases known and addressed in a rigorous and timely manner, particularly in our South America operations, where local communications were particularly strong on the subject, but other perimeters are still managing the cases through other historical and/or informal channels.
As a result, our reporting is still to be improved to ensure we capture all the alerts raised to local management as part of Human Resources issues, but we already can provide a consolidated view of all the cases reported centrally (GRI 406-1).

>> Indicators:
GRI 405-1 Diversity of governance bodies and employees.
GRI 405-2 Ratio of basic salary and remuneration of women to men.

Occupational Health and Safety

Nobody working for, or with us should have their health and safety compromised in any way. This is Aperam's top priority across the Company, for anyone at any moment. There are three drivers for good management of our health and safety performance: legal, moral and financial. Our health & safety management and practices are governed by our Health & Safety Policy and supported by a Management System approach, with certification and continuous improvement.

Our Leadership Team has reinforced this heightened vigilance by establishing a new organisation in 2020 and the program was efficiently deployed. In 2022, it was further strengthened with new roles in charge of a specific Health program (including Mental Health). Our roadmap is built around three main axes: 'Organisation', 'Standards and Tools', and finally 'Cultural Maturity', which necessitates a long-term approach on training.

We have monthly, senior level health & safety global conference calls to discuss general performance, the management response required and individual incidents using detailed descriptions, root cause analysis and photographic evidence. This is a check on how well we are managing safety.
To comply with the Aperam safety standards, all accidents are only counted once, and are put in the highest category. So, if the accident resulted in a fatality (as sadly was the case in 2015, 2018 and 2022), it is categorised as such. We assess if the person was absent from work for at least one day, excepting the day of the incident. If this is the case then the incident is categorised as a lost time incident (LTI). If not, we assess if the person benefited from 'adapted work' as prescribed by a medical professional. If this is the case then the incident is categorised as an incident requiring medical aid. If not, we count it as an incident requiring first aid.

We use a combined Lost Time Injury (LTI) Frequency Rate, which incorporates the impact of lost days as well as of occupational disease. For this reason we do not collect distinct data to report an Occupational Diseases Rate (ODR).
We also use a Severity rate and a number of leading indicators to check on the deployment of our programs.
Also, we track performance very closely and report on it monthly within our Group internal newsletter. To be more efficient, we have deployed enhanced Information systems, combined with the introduction of a prospective vision (using the TRIR - Total Recordable Injury Rate) and aim to cover more specifically the Health topics by working on physical and mental wellbeing programs to our people.(GRI403-1,9).

The absenteeism rate is monitored only for our employees, excluding supervised workers. The rate is defined as the number of hours of absence for illness up to a maximum of six months divided by the number of theoretical to-be-worked hours. We calculate this based on the time and attendance data reported each month by each entity. Also, small entities are not included – the workforce of small entities is 3% of the workforce of Aperam. At Group level, the time and attendance data are available by site, country and Division, with the Aperam Recycling division fully integrated as from 2023.

Training is central to our Health & Safety program and delivered in local languages. Aperam employees, as well as subcontractors, are briefed and trained on safety. Some of the training is very long and intensive, mixing awareness-raising, shop floor audits and case studies. We receive regular awards, for instance for the SAFE training program, which included a full week training for the entire population of operators, and also in 2022 for the Just Culture concept.
There is also a well attended annual Health & Safety Day and a competency framework to make sure people have the right skills and equipment to do their job safely.
In 2020, we started to audit the H&S Cultural Maturity on site, through discussion sessions gathering employees from all departments that had been designed with consultants to identify the mental blockages in force. In 2021, we built upon this for new training involving the management ('SAFE- Me with my team') and rolled out our Just Culture program in 2022.

In 2023, we deployed an inaugural questionnaire dedicated to health@work in Europe, with the aim to better understand the Employee Engagement Survey results that specifically relate to mental and physical health at work(pg.18).
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Safety is material inside Aperam as well outside the organisation (cf. GRI 3-1 Process to determine material topics). In particular, all subcontractors operating on our sites are being fully considered in our action plans and approach and they are part of our reporting (p. 16).

>> Indicator:
GRI 403-1 H&S Management System.
GRI 403-5 Worker training on H&S.
GRI 403-9 Work-related injuries.

Training and education

People are at the heart of Aperam and we want to develop them all and retain in particular the most talented. It is key that we listen to our employees and that we support them so that they are equipped to develop themselves and deliver quality-work, so personal development is part of our annual review meeting process. In addition, it is vital that we have a competency framework and management system that helps us anticipate, works efficiently and that is recognised by our people.

Specifically, through our talent development programme – Global Exempt Development Programme (GEDP) – we provide our exempts and managers with annual appraisals and career development reviews. With this, at the annual review, a manager assesses whether or not an individual has achieved the yearly goals and expectations from their career plan. The latter are tailored to specific roles, and by measuring an individual's performance annually, both the manager and the employee can formally evaluate performance against the plan and find the best ways to move further. We monitor the number of annual appraisals conducted yearly and regularly bring new features to make this regular exercise a valuable tool for self-development, for instance the ability to request feedback from peers.
We also monitor Blue Collar and White Collar workers through annual

interviews, which are progressively integrated within the same system (MyHR). We report the information for the group and by employee category - but again not by gender and other detail. In 2023, we have finalised the integration into MyHR of our colleagues coming from Aperam Recycling.

We also provide our workforce with the necessary tools to maintain and upgrade their competencies and their behavioural skills via external training or on-the-job learning experiences. Since 2018-2020, we have been using the e-Learning module of MyHR to strengthen our monitoring and provide adapted content, both for in-person and online courses, many of which are being designed in-house.
In 2022, we communicated our objective to boost the share of Digital Learning and see it reaching 30% of the total training time by 2029 (p. 25-26).

>> Indicators:
GRI 404-1 Average hours of training per year per employee
GRI 404-3 Percentage of employees receiving regular performance and career development reviews ;

Stakeholders

Supplier assessment for labour practices

The way we assess our suppliers and subcontractors is guided by our Code for Sustainable Sourcing and Purchasing, supplier commitment programmes, supply chain risk assessment, supplier awards, on-site contractor rules and our General Terms and Conditions. They govern how we work with suppliers to understand performance and improvements, how we support them and how we focus on key areas for improvement (see also p. 56-57, Supply Chain).

On Aperam's historical scope, suppliers and subcontractors are subject to pre-qualification reviews and on-site induction and training, audit and dialogue, principally on health and safety labour practices, but nominally on wider human rights and ethical standards. Our supplier evaluation is the tool by which we assess suppliers on business performance, and decide on improvement action plans and boss-to-boss discussions, for example. The actions taken with subcontractors on site include action plans on site safety, briefings upon site access and the use of temporary workers, for example.

Expectations are described in such action plans, but they are also enshrined in the contractual documents, which are subject to our procurement policies described above. In addition to our preventive measures, we have procedures in place for terminating a relationship with an existing supplier in case of detection of non-respect of any rules on labour practices.

Since 2010, we also assess sustainability practices of our raw material suppliers. Our raw materials supplier survey covers topics such as health & safety management, human rights, business ethics, environmental management, REACH and conflict materials. In addition, all suppliers are engaged to respect the General Purchasing Conditions, attached to the contract. In 2016, we started to use the same approach for non-raw materials suppliers.
In 2020 a new methodology was put in place to better assess our raw materials and non-raw materials suppliers. We based our analysis on the responses given directly by our partners in detailed questionnaires covering topics related to ethics, H&S and other human rights, environment, stakeholder engagement and supply chain responsibility. The aim was to screen (potential) suppliers, to red-flag those with mediocre scores and to follow-up on any remediation action requested by Aperam. On top of the initial scope covering subcontractors and raw materials suppliers, we included as well non-raw materials suppliers that have a direct impact on the quality of our final products or on the production process.
Since 2021, we continue with the same reporting, after a year of training and consolidation of our operating modes, including efforts to improve our stakeholders' watch (p. 55-58).

On the new perimeter of Aperam Recycling, the integration is still under way, and will follow the same structure under improvement in 2024.

>> Indicator:
GRI 414-2 Negative social impacts in the supply chain and actions taken

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Impacts on local communities

We contribute to the economic livelihood of those who work for us directly and those in the supply chains serving us, we pay company taxes where we operate, and we operate community involvement in line with our values and with frameworks such as the UN Global Compact and ResponsibleSteel™.

In addition, in order to promote sustainability in its host regions, Aperam operates the Aperam Acesita Foundation in Brazil with social impact investment projects in culture, education, health, environment and development. Since 1994, the foundation has helped integrate Aperam into the community of Timóteo, and the Jequitinhonha Valley, partnering with non-governmental organisations, governments at federal, state and city level, global agencies, foundations and institutions. Our team there runs projects using volunteers as well as funded programmes to promote development for all publics. They conduct community needs assessments, using feedback from the common people, local partners and our Environmental Education Centre (Oikós). We provide elements regarding the funding, number of events and number of beneficiaries.
In Europe, we try to move from a focus on specific partnerships on an ad-hoc basis to a more structured local development and engagement plan, at least at our main sites, and so we started to report also on the donations organised to support local events.

In 2016, we had an inventory of our practices at 30 of our sites. The result of this analysis became the basis for our

guidelines and monitoring indicator (then GRI 413-1 , see above), implemented in 2017-2020.

Since 2020, our Stakeholder Engagement policy has formalised our engagement patterns and promoted practices in relation with the size and impact of our sites. In 2021, for the preparation of the ResponsibleSteel™ audit in Europe, we initiated the review of our engagement practices with the aim to be more proactive, go beyond the historical relationships to cover more aspects and develop a stronger cooperation with local stakeholders (p. 58-61). We even developed a specific training module to explain what Stakeholder Engagement means to us and how it should be run and reported.
In 2023, we formalised a specific managerial committee gathering three members of the LT to cover Stakeholder Engagement and Human Rights, steer continuous improvement based on Brazilian practices and ensure stakeholder engagement is integrated into the decision-making process and business model.
Going forward, we aim to build on our experience and develop a revised methodology in order to track more efficiently the level of compliance of our units compared to our policy.

>> Indicators:
GRI 413-1 Operation with local community engagement, impact assessments, and development programs ,
See also earlier:
GRI 201-1 *Direct economic value generated and distributed,*
GRI 204-1 *Proportion of spending on local suppliers.*

Products

Product and Service labelling

Firstly, for our steelmaking business, the health and safety impacts of products are assessed at the metallurgical design stage and certification relating to materials safety in the use phase is in place. This applies to all significant products.

Stainless steels and alloys are manufactured and independently certified according to international standards such as the EN, ASTM and UNS series. We are regularly audited on these certifications. Our latest material safety data sheets confirm the absence of health or toxicological hazards.
We meet European regulations and French ministerial decrees relating to materials intended to come into contact with food. Finally, Aperam Stainless Steel Europe achieved compliance with EU REACH regulations again as our products do not contain any substance listed on the Candidate List of the European Chemical Agency.

Primary product information is provided to customers. Regular product sheets and brochure documentation disclose the raw materials in our carbon or stainless steels and alloys.
Since 2021, we have started to complete existing disclosures with the release of our first Environmental Product Declarations, with externally verified information about the life-cycle assessment impacts of such products in terms of CO_2 emissions and water intakes (for instance).
We have no recorded incidents of non-compliance relating to product information.

For our steelmaking business, the health and safety impacts of products are assessed at the metallurgical design stage and certification relating to materials safety in the use phase is in place. This applies to all significant products.

Secondly, for our secondary raw materials products, commercialised by our Aperam Recycling division, we act as a bridge and important interface between our numerous suppliers worldwide and our customers in the processing industry. We buy scrap in the form of waste, chips, strips, residues, ingots, runners/risers, runnings, splashings, skulls, etc..
With decades of market and material expertise and thanks to our innovative reprocessing technology, we are able to sell secondary raw materials that we have turned into high-quality ready-to-use products. We take pride in following the highest quality standards and your individual requirements when reprocessing chrome-nickel containing scrap to secondary raw materials. This is how our customers can be guaranteed they receive the raw materials exactly in the metallurgical and physical composition and form they need.

In spite of their positive environmental contributions, the handling of secondary material also poses a challenge : the detection of radioactively contaminated substances that could enter the recycling cycle, for example through medical or technical equipment that would not have been disposed of properly. Our yards are equipped with stationary detection systems for incoming and outgoing material and our cranes are equipped with grapple detectors to further enhance the probability of detection of small parts. Our processes and trained teams ensure that any incident is addressed properly, possibly in liaison with local authorities, and we engage with our customers, to avoid any impact at their side.
This is a new material aspect for Aperam, addressed through the reporting of Radioactivity Alerts (not a GRI indicator).

Across Aperam, customer satisfaction is of paramount importance to us for business reasons and it is part of our collaborative approach to R&D. We survey customer satisfaction regularly, usually every one to two years, overall, and in line with our market approach i.e. by market and/or product lines. This enables us to monitor how well we are meeting their requirements. Results are discussed by each Commercial organisation and the Leadership Team. Aperam Recycling did not take part in this monitoring for 2023. (p. 66).

>> Indicator:
GRI 2-29 Approach to stakeholder engagement - (Results surveys measuring customer satisfaction) .

Supplement D

Aperam Methodological Appendix

Introduction

As Aperam is always willing to track and follow-up its performance in the best possible manner with the aim to improve further, there can be adjustments of methods over time. For instance, with the aim to have a proactive approach to the risks of non compliance pertaining to dust emissions, we have decided to release stress tests and to report on these figures, including measures taken at times of dysfunctioning of installations, in parallel with the figures calculated in line with local regulations that demand to rely only on data reflecting 'normal operating conditions'.
In these circumstances, our approach is always to promote transparency and explain our rationale.

In this appendix, we propose to detail our enhanced methodologies as they are implemented and to highlight how and why they can deviate from existing norms.

GHG emissions

Context

Steelmaking is a sector that has an important responsibility for the decarbonization of the economy, as it is a heavy energy consumer and also can emit CO_2e as part of the chemistry of the metallurgical process. In addition, the raw materials used in the process for the stainless steel production can be from recycled or extractive sources, the latter requiring high-energy extraction processes. As a result, the CO_2e emission categories material to steel making -and to the stainless sub-sector in particular- are the scopes 1, 2, and 3a (upstream, raw-material and consumable part).
Conscious of its impact, Aperam has converted its Brazilian Blast Furnaces (hereafter BF) in the 2010s to accept charcoal instead of extractive coke and is striving to increase further the scrap input in its European Electric Arc Furnaces (hereafter EAFs). This is impacting both the scope 1 and scope 3a emissions. The company is also working to improve its energy efficiency and the share of low-carbon energy it consumes, thereby impacting its scope 2 emissions.
In addition, in the past, questions from stakeholders were mostly focused on scope 1+2 emissions but we have seen a growing interest for the scope 3 (or total footprint i.e. scope 1+2+3) assessments, in particular from investors and Business-to-Consumers customers. As we also believe it is a much sounder ground for comparisons, and because it is also a request from the SBTi, we also aim to quantify our scope 3 to be able to report it, as part of our contribution to carbon neutrality in 2050. In 2022 we disclosed our first estimation of our scope 3a (scope 3 upstream) and scope 3.1 (purchased goods and services) for Aperam global.In 2023 we pursued our work on the scope 3, including the scope 3 upstream and more especially the scope 3.1.
In addition, in the past, although the company has been using the simplified assumptions prevailing in the steel industry - the major ones being the ISO 14404-1 and 14404-2 standards, which consider biomass to be carbon neutral on a full life cycle analysis -, we were convinced that the exemplary forestry management of our FSC-certified BioEnergia unit (which is producing the wood and carbonising it into charcoal) was not correctly taken into account in our publicly released CO_2e emissions. As we aimed to provide a fully detailed roadmap for our decarbonization trajectory, we went further into the details of our emissions calculations and identified areas of improvements to better quantify our impacts as well as to reduce them. In particular, we saw emerging practices in Brazil, whereby the forestry's carbon capture was identified and assessed separately from the emissions related to the consumption of the charcoal it was turned into, in compliance with the GHG Protocol that requires separate reporting of CO_2e emissions and capture. Such practices were making it possible to identify the yearly removal operated by the managed parcels (cultivated parcels as well as managed reservation areas of native vegetation).

Further, the CO_2e emissions need to be reported differently, as biogenic emissions, from the other scope 1 emissions. As a result, starting 2021, we report separately our scope 1 biogenic emissions, mostly from charcoal, from our scope 1 non-biogenic, the latter being added to the scope 2 emissions (Market-based) to report Aperam's carbon footprint intensity, with a gross impact (A') or a net impact (B' and B'' - see below and page 33 of the report).

For CO_2e accounting, we use emission factors for some input elements, particularly the raw materials and the energy but we also use chemical analysis run by our own laboratories - this is the case for our own products (eg. crude steel) or by-products (eg. slags). The emission factors can be provided by the professional associations (WorldSteel, International Stainless Steel Forum - ISSF) or the National Authorities, but firstly they come from our laboratory data and from our suppliers. As a matter of fact, we are currently working with our suppliers to refine our scope 3a data so that they really reflect the footprint of the product we buy instead of the average footprint of the selling entity's mother company. It also enables us to educate our buyers so that they can integrate this factor in their decision-making.

All these CO_2e footprint data are not only used for our own Sustainability reporting and monthly monitoring, they are also integrated as part of our Carbon Disclosure Project (CDP) submissions -which has rated us "Management level" for a few years - and consistent with those used for our European Trading Systems mandatory EU reporting for our European plants or for the EU-Taxonomy mandatory reporting assessments.
In addition, starting 2022, our CO_2e footprint is one of the sustainability indicators integrated as part of our €500 million unsecured Revolving Credit Facility.

Description of the need

Avoiding double-counting and mixing of biogenic/non-biogenic emissions

Our process is fully embedded in the circular economy philosophy as it aims to be recycling / using all the by-products we generate during the production process. This brings additional complexity in our footprint inventory. As reflected by our recycling ratio (GRI 301-2), many by-products generated during a melting shop phase (i.e. recorded as stocks and not consumed materials) are re-entering the process as input for the further steps of the production process. This is the case, for instance, of blast furnace gas, almost 100% of which is reused as heating energy further down in the process in the Timoteo plant. The blast furnace process transforms the input materials (eg. charcoal, iron ore, lime, refractory) into pig iron and BF gas (mainly). The carbon (or carbon-equivalent) content (atoms) of such gas, identified at our laboratories thanks to chemical analysis, obviously comes from the input materials. So if we count the C-emissions from the input material at the BF stage of the process, counting also as emissions the carbon content of the gas during the phase of its reuse would mean double-counting the C atoms release. So firstly, we have to identify the volumes stocked as residues or (by)products to really focus on the consumptions only. Then, we need to always keep in mind the origin of the C-content when calculating the impacts at each phase of the process. This means that we have to "follow" the C-content, to identify the theoretical impacts at each phase and to neutralise in the total those already taken into account to avoid any double counting.
When you add to this that charcoal is triggering only biogenic emissions, you understand that tracing the C-content from biomass across the process is important to avoid counting several times something that must only be reported as part of the scope 1 biogenic and not in the scope (1+2) footprint (non-biogenic).

Sequestration of forestry

Our forestry is planted with eucalyptus clones, always more adapted to the local conditions via genetic selection. We usually harvest it every six or seven years to optimise the charcoal production for our blast furnace's needs. The forestry has been planted for decades and is not contributing to deforestation. It is regularly replanted, each time with the best new breeds from our R&D laboratory and we consider that we must always have a potential of seven years of charcoal production being cultivated.
The impact of charcoal considered at zero throughout its lifetime is a simplified assumption according to ISO 14404-1, reflecting the circular process from the production phase (forest, CO_2e storage by the trees) to the consumer (BF, CO_2e release from the charcoal). However, this assumption does not consider the impact of a well managed forestry leaving branches and leaves deposits to degrade into humus: only the trunks are carbonised and turned into charcoal, so only the carbon fixed on the trunks is emitted at the blast furnaces. This means that only a share of our large forestry is considered, and that the remains of the cut trees that we leave on the soil as well as the significant areas of native forest maintained to act as a harbour for biodiversity are not counted at all.

Starting 2019, some companies in Brazil have certified the impacts of their forestry and we have used them as benchmarks. In parallel, Aperam BioEnergia is known in Brazil for its excellent practices (FSC certification, genetic selection of seedling, biological pest control, etc.), for which it receives regular awards (see previous Aperam's Sustainability reports).
With that in mind, we hired consultants to develop a methodology in order to assess the full impact of CO_2e on the entire forestry: end-of-year stock of CO_2e i.e sequestration and yearly flow i.e emissions or removals. The result of their work was that the sequestration was very significant, corresponding to a very significant annual CO_2e capture (several hundreds of $ktCO_2e$). Consequently, we decided firstly to assess and certify the methodology with an independent third-party verification run by a local firm and finally to roll it out as a routine to better reflect the reality of our overall impacts.

Solution: the updated methodologies

Mass Balance Accounting

As of 2020, Aperam's approach has been based on a finer chemical analysis, This mass balance approach is also a more conservative approach to computing the CO_2e emissions from all our outputs (products, by-products).
The metallurgical effect of each input element needs to be analysed at each phase of the process as some consumables may have none, meaning their carbon-content may not be "emitted" but simply transmitted to the next phase of the process or stored permanently.
For instance, the materials introduced for the blast furnace phase of the process may have an important carbon content and even generate carbon emissions, but many of the latter may be captured within the BF gases. In that case, we have to count the carbon emissions either during the blast furnace phase of the process, or during the re-use of that blast furnace gas to heat up slabs (or generate energy) - but not twice. This means that we have to model the process and follow the transformation of the materials in order to track the C-elements and their origin at each phase (Blast Furnace, Melting Shop, Hot Strip Mill, Cold Rolling Mill).
Of course, if the origin of the C-element is considered as biogenic (i.e. our charcoal made from biomass), the emissions will be reported separately. So our calculations are allocating to each input and output categories a proportion of "C biomass" and "C non-biomass", which is calculated until the end of the process stage and allocated to the final products, by-products and emissions. For the elements that play a

role in the metallurgical phases, the CO_2e is considered as being from biomass origin to the same extent as for the total production input (averaging), reflecting the melting of all elements in this phase.

Assessing separately the yearly increase in the removals of the forestry and the emissions from the rest of the process

CO_2e scope 1 removals of our forestry

The reference used for the calculations is 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 1 Introduction, Page 1.11, with the “Tier-1” methodology for the non-cultivated (native) forest and the “Tier-2” methodology for the cultivated (eucalyptus) forest. This means that the CO_2e impact for the native forest is calculated directly, based on ratios adapted to the specific carbone capture of the plants. For the cultivated forests, it is the difference between the stock for the year N and N-1 and can either be a capture (positive result) or an emission (negative result).

The coefficients used in the calculation mostly come from the relevant Brazilian Authorities and depend upon the type of trees or forest (in our case, for the native forest, Mata Atlãntica and Cerrado).
Although we are actively combating pests and fires, the surfaces that may be impacted (which are replanted, including for the native plantation) are fully considered. Their removals will not be counted and the emissions incurred (particularly by fires) are calculated together with the other forest CO_2e emissions.

Non-Cultivated forest

These forests are not harvested, they are only protected from fire risk and maintained to thrive - they suffer no wood removal. Our FSC certification (renewed in the course of 2021 - since 2012) also encompasses requirements and verifications regarding these surfaces.

To calculate the CO_2e footprint of the forest, the key information concerns the spread of the areas analysed, according to the location with the type and maturity of the vegetation for each, and the carbon content of the biomass above the ground and underground. The maturity of the parcel is assessed by satellite technology and visual inspection then classified as low / medium / high level, with the size of the trees and density of the flora being a key element.

The general formula for the native forest is:

Potential CO_2e removals= Area surface (ha) * tCO_2e/ha * Coefficient

For each location/type of vegetation (here, Mata Atlãntica or Cerrado), the value of the “Coefficient” (of “regeneration”) depends upon the maturity of the parcel: full for the ‘high’ maturity vegetation (“avançado”) and minored by a 81% coefficient (up from 60% until 2021 figures) for the flora in a low/medium stage of maturity.

The total removals are the sum-total of the removals of each parcel of native forests maintained by Aperam (exclusive of areas such as storage houses, roads, etc.).

Cultivated forest

All parcels are populated by trees of the same age and equally distributed, as planting is performed in one go for a full parcel using mechanical engines. For the cultivated forest, the removals are calculated for each parcel containing trees over two years of age ; before two years of age, the plants are not considered as wood and no removals are calculated (which stands as a conservative assumption).

To evaluate the carbon storage, we rely on the difference between the end stock (typically December 31st, Year N-1) and the entry stock (typically December 31st, Year N), in line with the “Tier 2” methodology as per the IPCC.
This is done by calculating the stock (both end and entry stock) following the same method, which is multiplying a coefficient of Carbon content for the dry matter by an evaluation of the total dry matter of the parcel. The latter is composed by the multiplication of:

- the volume of the trunks
- its expected normative density when it will be 6 years-old (depending on the species; maximum 7 years old)
- the average annual increase in carbon in the Eucalyptus (“biomass expansion factor”, needed to adjust the density to the age)
- the biomass dry matter[1], evaluating the other parts of the trees: live branches, leaves, roots, etc.

This summarises as:

Area surface (ha) * merchantable growing stock volume (m^3/ha)
*** D (wood density)**
*** (biomass expansion factor)**
*** [1+R (ton dry matter above and below ground : biomass)]**
*** CF (C-content by ton of dry matter)**

Forest inventory is held during the whole year by measuring samples/parcels (plot) on the field. We measure the tree trunk diameter and the height of the tree, which have all the same age on a given parcel. Then using mathematical models corroborated with sample measures, the wood volume is defined. According to our internal laboratory database, we elaborate the density per year.
Our FSC certification also ensures that our forestry management follows the best practices and that our stocks of live or cut trees are properly evaluated and regularly audited.

The total removals are the sum-total of the removals of each parcel of cultivated forest hosting trees of over two-years age.

CO_2e emissions of our other activities

The CO_2e calculation will follow the GHG Protocol (Corporate Standard, Scope 2 guidance, GHG Global Warming Potential Values - Feb 16 2016), ISO14064, ISO14404 and European Directive 2009/28/EC guidance.

Basically the GHG emissions calculations are based on the formula:
Quantity of consumption * GHG emissions per unit of consumption

Data collection and calculations apply to all Aperam’s industrial plants (including service centres), headquarters, main offices and sales offices.
Data for the main plants are collected and consolidated by main production stage: Blast Furnace, Melting Shop, Hot Rolling Mill, Cold Rolling Mill (with Timoteo plant’s production also detailed by product type Carbon & Electrical Steel vs. Stainless Steel - 2020 improvement) in order to be able to:
- follow scrupulously the main emissions and the reduction programs (on a monthly basis)
- follow scrupulously the C-content as defined above, to avoid double-counting and identify biogenic emissions, as well as
- to assess the emissions “as is” of the purchased tons (see § Adjusted ratios).

[1] Note: The below-ground biomass dry matter is deducted from the above-ground dry biomass mater by using the R ratio. Then the two CO_2e stored results are added.

Scope 1

For the calculation, the yearly consumption of following categories will be analysed:

- Production: Output material produced by the process stage (Pig Iron, Coil, etc.)
- Utilities: Industrial gas (DiHydrogen -Grey, Blue, Green-, Argon, Nitrogen, Oxygen…), Hot water, Steam, etc.
- Condensed Fuels: Coke (various), Coal, Oil (various), LPG, Consumed Charcoal, …
- Gaseous Fuels: Natural gas, Biofuel, BioGas, BF gas
- Materials: Scrap metals, Ferro-Alloys, Pure metals and other kinds of metals, Other materials (electrodes, refractory, lime, acid…).
- Residues: slag, sludge, dust
- Other GHG-Gas: CO_2e used for fire fighting, Gas used in air-conditioning system
- Forest: For cultivated and non-cultivated areas.
    - CO_2e emitted during the carbonization process and fires in forests.
    - CO_2e (CH_4) avoided during the carbonization process due to the usage of kilns' gas burners.

For the Scope 1 emissions, we cover the seven greenhouse gases identified by the 2015 update of the Kyoto Protocol and differentiate biogenic/non-biogenic emissions. The emission factors used come from our suppliers and our laboratories. They can also come from WorldSteel, ADEME, GHG / IPCC, if needed.

According to ISO Norm ISO 14404-1:2013 and ISO 14404-2:2013 (both chapter 6.2.3), the plant manufacturing steel records the quantities of raw materials, intermediate products and energy that are exported to outside users as an offset of CO_2e emission sources, eg. slag or dust sold.

The total biogenic/non-biogenic emissions are the sum-total of the emissions at each process of each unit.

Scope 2

In respect to CO_2e Scope 2 definition, the collected and analysed elements are:

- Purchased electricity from the grid.
- Purchased electricity from Supplier
- Purchased renewable electricity (solar cell installation, windmill installation, dam).
- Purchased heating.

Until further notice, Aperam does not purchase compressed air, steam and cooling.

When the energy provider can supply the information, the CO_2e emissions ratio used is the gCO_2e/kWh - and the emissions are said to be "market based". According to the GHG Protocol, the CO_2 scope 2 ratio of renewable sources (Solar, Windmills), equal to zero[2] gCO_2e/kWh.
Otherwise, the gCO_2e / kWh for the electricity from the grid ("location based") is established using a 3 (three) years-rolling average for Europe and Brazil (reporting year, year-1, year-2), with the following sources:

- European Union countries EEA database
- Brasil: Ministério da Ciência, Tecnologia e Inovações / Clima / Fator médio - Inventários corporativos.
- USA: EPA database (use of the last published values).
- Other countries: Use of the International Energy Agency (IEA) data published in 2011.

Aperam mostly uses the IEA database that is purchased every year, to ensure accuracy, however for Brazil and the US Aperam uses country data as an average is reported in the database for these respective countries, thus to ensure accuracy and consistency, country data are used.

[2] However, a value is to be applied for any Scope 3 estimates.

Remarks and interpretation

We report our CO_2e emissions using the GRI framework, under GRI codes 305-1, 305-2, 305-4 and 305-6. Starting 2021, we also report “scope 1 biogenic emissions” and “scope 1 non-biogenic emissions”, the latter being used for the calculation of the scope 1+2 footprint, together with the “market-based scope 2 emissions”.
We also report additional indicators tailored to our reality, in particular the consolidated impact of the year totaling emissions and removals, integrating the yearly removal, as “net emissions (scope 1+2)” (hereafter B’’).

Mass Balance Accounting interpretation

While this methodology was developed primarily to address the charcoal effect after the blast furnace phase (particularly as part of by-products) and before we started to report on biogenic emissions, the concept will prove particularly useful if we aim to develop the use of other biomass-based energy or materials. It is still useful to avoid counting twice the emissions of the same carbon dioxide at two steps of the process. As we aim to be a zero-waste company, we will increase further the re-use or recycling of all our by-products eg. dust, slags, etc and this approach will progressively be more and more necessary.

The impact of the adjustment made in 2021 only concerns Brazil, representing less than 0.5% at Group level, thus not changing our 2030 objective.

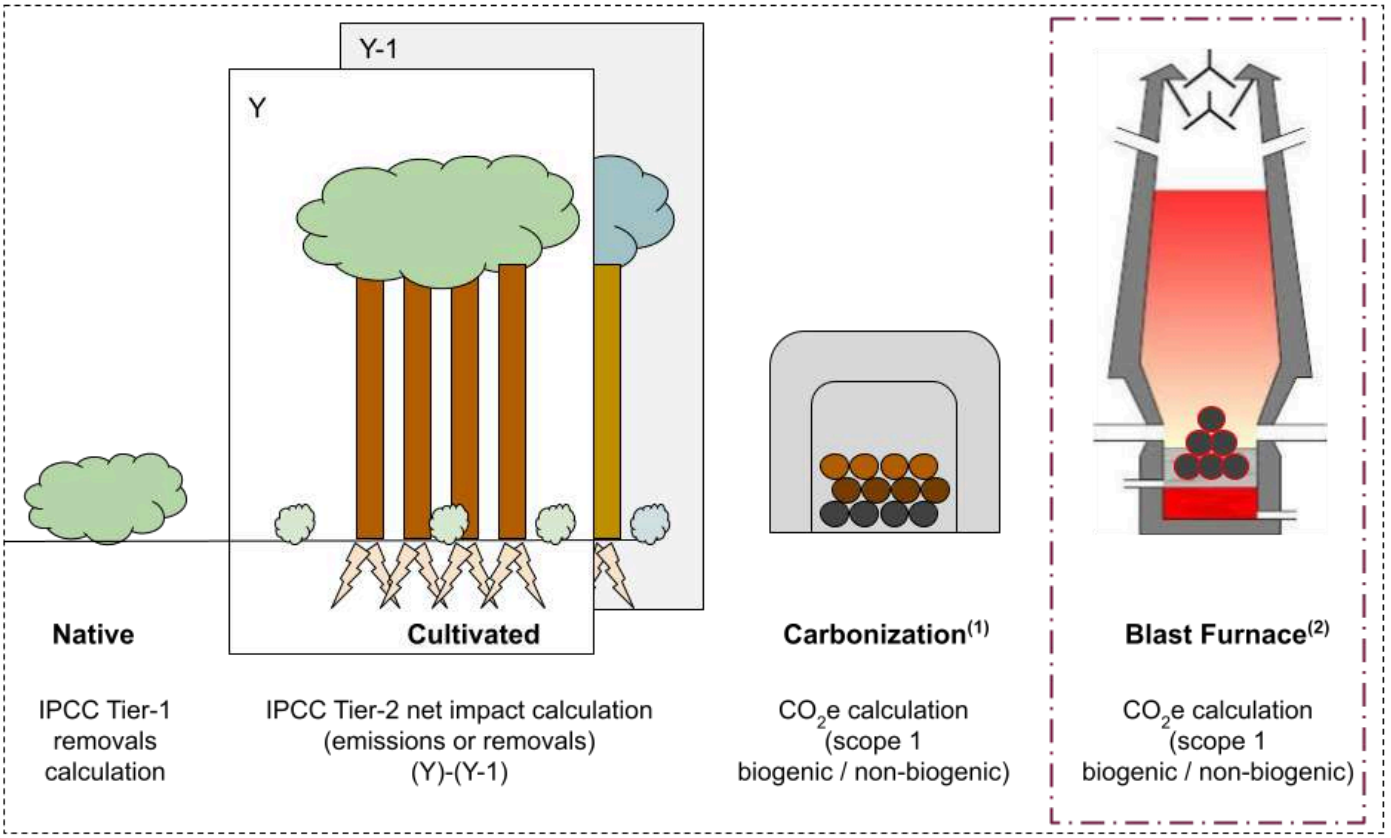
Benefits from assessing separately the yearly increase in the removal of the forestry and the emissions from the rest of the process

As long as the stock sequestered into the cultivated forest equals the value of the previous year, it means that the cuts have been offset by the CO_2e capture operated by the forestry (excluding the parcels replanted during the year).
Calculating separately the biogenic/non-biogenic emissions and the removals operated by BioEnergia, rather than using the assumption “charcoal = zero”, is a heavy work we conduct in line with the GHG protocol and IPCC 2006 and 2019. However, it allows firstly to identify the specific emissions related to the cultivation and carbonization process (biogenic/non-biogenic, including emissions of methane not turned into CO_2e by kilns’ gas burners, fertilisers; etc) while evaluating the huge amounts of CO_2e stored in the forestry (soil, native forest, etc.).

To clarify the methodology and impacts, “ a table is present in the report from 2021 to clarify the methodology and impacts.” (incl. changes in relation to intensity ratios - see § Intensity ratios), providing a comprehensive view of the gaps between methodologies and highlighting the importance of the removal operated yearly by our forestry, in addition to a schematic (next page).
We also updated our objective, at 0.30 tCO_2e/tcs by 2030, Scope 1+2 including offsets (B’’), valid as of 2022.

Overall, this change in methodology showed an increase of the carbon intensity at a level of 17,4% for A’’ (gross intensity, without sequestration, all tons), in 2021. This exhaustive methodology is more complete and accurate than the charcoal = 0 assumption (life-cycle analysis), and it gives higher emission values than the old methodology, due to the impact of methane, but it is also allowing to integrate the full impact of the calculation of the sequestration without any double counting.
This is reflected in the B’’ indicator.

Schematic 1: methodology



Air emissions

Context

Air emissions and primarily dust emissions are amongst the key topics of interest of our local stakeholders. According to our Environmental policy, Aperam's commitment is to go beyond legislation and reduce in a continuous manner its emissions of dust: it is repeated on our several external communication tools. To do so, we organise the containment of dust-emitting operations and/or installation of obstacles to prevent the spread of the diffused dust mainly associated with material handling, stockpiling and transport activities. To avoid stack emissions (released from identifiable sources), we can arrange water sprinkling in order to channel the dust via water (eg. Châtelet HSM) and, when possible, the ducting of dust, which can then be

recuperated in filtering systems using fabric sleeves and treated in Recyco (or landfilled in Brazil). At critical points, we can set up continuous measurement and alerting systems triggered well below the authorised thresholds to launch analysis/corrective measures, and monitoring cameras can be added to detect visually and in real time any dysfunctioning.

The monitoring of the volumes emitted is organised locally, primarily according to the permits, and this is periodically verified by local authorities. Our measurement protocol is based on the following key principles:

- We follow ducted dust (particulate matters) via opacimeters, placed at the main sources of emissions, usually the chimneys, and chemical components by analysis. The volume of ducted dust emitted is calculated by equipment, using the measures taken in mg/Nm^3 from the opacimeters. Once multiplied by a flow and a duration (operating hours of each equipment), it provides absolute value emissions and also allows a consolidation by process stage, plant, country, and ultimately at group level. Sometimes, the measures can be real time with our own systems, but generally, the assessment is done via sample measurement campaigns subcontracted to external firms at a frequency depending on the permit and on the local criticality of the topic (from multiple times per month to once per year according to the criticality of the dust emissions points). We can also be subject to impromptu audits organised by the legal authorities.
- Additional measurements can be organised beyond the limits of the plants, when requested locally, to evidence dust falls (immissions) or the presence of pollutants (eg. Nickel and Chromium) and to have all elements to understand our impact on the environment. Of course, these metrics are also impacted by external factors (wind, agriculture, traffic, ..) and production mix. Therefore some baseline measurements can be organised to better identify the impact of our operations.
- NOx and SOx are only measured in our European plants.

Industrial units use all this data to report to the authorities according to the required periodicity, by chimney and in mg/Nm^3 and g/t.
The data undergoes regular verifications from various auditors, for instance as part of the framework of our ISO 14001 and Sustainability reporting audits.

The diffused dust from industrial buildings is analysed separately and only counted in the Group total emissions when it is reported to the authorities, as it is the case for the Imphy plant (France). This small variation in the total emissions is negligible, diffused emissions being very marginal at Aperam level.

Description of the need

One of the problems we face is the heterogeneity of the measuring periodicity, a reflection of the diversity of the regulations in force and also the various impacts of our plants. The local Authorities request periodical communications of the measures (typically once a quarter but can also be once per year) and the specifications of such ‘legal measures’ usually clarify that those not taken during normal operating conditions cannot be considered.
A parallel issue is the variability of the performance of our dedusting systems. These are huge equipment with turbines to duct and cool the flow and filtering sleeves that need periodical maintenance. Indeed, when some sleeves are displaced, torn or pierced (as in a vacuum cleaner), they fail to filter the air flow, which explains an accrued release of particles through the chimneys. In this case, filters need replacement, which in turns requires a stoppage of the system and a maintenance operation with new sleeves.
On top of that, it is not always easy to detect when maintenance is needed or whether the dedusting performance is satisfactory. This is why we usually use dust emissions measurements to check the reliability of the system and to prioritise the actions in the maintenance schedule. Indeed, since 2016, we have also decided to intensify, beyond the legal requirements, our measurement frequency to enhance our

performance, identify areas of improvement and adequately schedule our maintenance. In case of problem, our procedure even requests to increase the frequency of the measurement until a sustainable return to normal within the permit limit, in order to efficiently follow the results of the corrective action plan.

Thus we have measures that are valid for legal reporting use and others that are not qualified for the same, but that are still necessary for our own operations monitoring.

Solution: the different methodologies

At Aperam level, dust emissions are consolidated using several methodologies to address the various standpoints of our stakeholders:

- 'Regulatory methodologies' are used for local disclosures purposes mostly ('legal view'). They take into account the measures in line with our operating permits obligations. This figure is fully in line with the data reported to the authorities.
- The 'exhaustive methodology' considers all measures taken and is reported as part of our Sustainability reporting, in order to reflect the volume of the dust emitted with the best precision possible. To assess our impact in terms of total air emissions, each measure is considered from the date of the measure until the following measure, whatever the level of performance they reflect (in 'normal operating conditions' as per the regulatory demands or at times of dysfunctioning).
- As regard to NOx/SOx, we only report a total for Europe, using the 'regulatory methodology' as we are not organising additional measures.

For our calculations, where possible, we use the real-time measures of our opacimeters. However, sometimes, the opacimeters are not coupled with real-time flow metres and can only serve for the alerting of operational departments - in which case we rely on the regular measurement campaigns (mg/Nm^3) to compute our total emissions.

Remarks and interpretation

The totals based on the 'legal' measures (emissions using 'regulatory methodologies') provide a yearly estimate based on a couple of points (typically, the two semestrial measures by chimney). Our own internal exhaustive assessments benefit from a greater set of measures, which, considering the variability of the performance, significantly improve the accuracy of the assessment.
Considering this 'legal vision' as less homogeneous in terms of measuring points and less relevant to reflect the reality of our impacts towards our stakeholders, we are reporting on a consolidated level 'exhaustive assessments' that are taking into account all the reliable measures taken (incl. during breakdown of de-dusting installations) - we consider that it matches the GRI definition of the indicator "GRI 305-7: NOx, SOx and other significant air emissions".

Overall, Timoteo's dust emissions account for over 80% of the total emissions of the company.

Intensity ratios

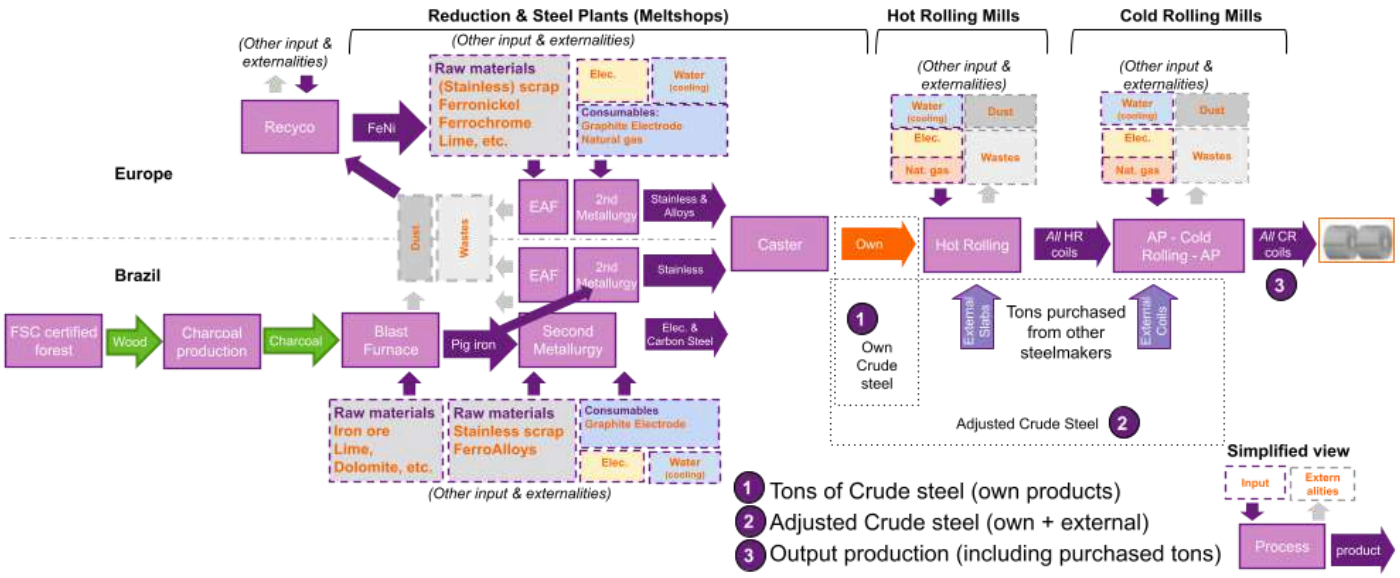
Context

The production process of steel is that of a transformation of primary or secondary raw materials into crude steel then turning it into long (bars, wires) or flat (coils that can be cut into sheets) products. For Aperam, it's mostly coils / sheets. As the crude steel is therefore a common denominator to all processes, whatever the end product is (very thin or ultra-bright stainless coil, pickled coil of carbon steel), it is traditionally used in the industry to calculate all ratios in intensity with the aim to decorrelate the absolute consumptions and

emissions from the production level. For instance, the EU taxonomy and the ETS are both indicating thresholds in terms of CO_2e intensity calculated based on “tonnes of crude steel ex-caster”, usually abbreviated “tcs” for tonnes of crude steel.
In the 2023 report, the intensity for Energy, CO2, water, waste, air were nevertheless adjusted to gross tons to ensure alignment between the sites. The gross production includes the front and end tails of our produced slabs exit caster.

The graphic (Schematic 2) below represents the process within Aperam. The company can decide to increase its production by purchasing some semi-finished products to other steelmakers. These volumes will therefore join the flow of the total products passing through our tools. When these volumes are limited or purchased in a very advanced stage of transformation, little input or externalities will be used or generated by their processing. This means that the marginal increase in absolute values (in terms of water, energy, or dust, for instance) will hardly be visible, compared to the total impacts of our “fully owned” production on the same criteria. Likewise, the ratio of total impacts/total production will not be distorted if the total production is very close to our own production. In that case, not counting the purchased volumes within the “tons of crude steel” used as a divider is not a problem and will hardly change the result of the ratio.

Schematic 2: Integration of Purchased tons into our Industrial framework



Description of the need

Problems come when the volumes of purchased semi-products (usually slabs or hot rolled coils) vary significantly. Indeed, the consumption and externalities are measured independently, in absolute values, and can significantly increase -or drop-, particularly if the products undergo heavy-impact phases of the process. For instance, an external slab will pass through the hot rolling mill step (and downstream), which is part of the total process in terms of energy consumption, and adds its kWh use to the relevant counters.

Unfortunately, as the counter used for the denominator in standard ratios is the ton of crude steel produced (slab, for convenience), this external slab cannot be counted with our own slabs - only with the original steelmaker. As a result, when one purchases significant volumes of external semi-products, one has an increased nominator and an unchanged denominator, ending up in a distorted ratio. It is particularly inconvenient if the volumes of external semi-products entering our process fluctuate over time: the ratios could improve or deteriorate, showing variations that are not reflecting our gains in efficiency and even mislead our own people in quest for constant optimization.

That is why, knowing that we have important variations in the proportion of external products transformed at our plants, we decided in 2021 to design a methodology to redress this anomaly.

Solution: the ‘adjusted’ methodology

The concept is simple: adjust the intensity fraction ‘fairly’ by recognizing all the impacts of the purchased products “as if” they were our own (that of the same plant), both at the numerator (consumption of energy and water, GHG and dust emissions, etc.) and at the denominator levels (production, here tonnes of crude steel). This allows us to avoid ‘false’ variations over the years that would be justified only by the proportion of semi-products transformed and not by a change in the efficiency of our processes.
To do this, we must adjust both the numerator and denominator of the fraction, based on our own data of the period - and this is valid for all our main ratios: GHG and Air (dust) emissions, Energy and Water consumption.

- For the numerator (impacts), we already have the impacts generated by the products as they pass on our tools but we miss the impact they would have had, if they had been melted at Aperam’s. To do that, we apply the same standard impacts generated by our own tons during the upstream part of the process (ie. average CO_2e emissions during the elaboration at the Melt Shop). This means that first we calculate the impacts (absolute, intensity) of our own slabs in terms of water, dust, etc., at the process stage (eg for instance Melting shop Water Consumption). Then we allocate the same intensity ratio to the external tons. Finally this value is added to actual consumption. This sum reflects the consumption linked to our own production and the external inputs as well.

- For the denominator (production level), we add the purchased products to our own production. If the products are a coil, we have to recalculate the equivalent of tons of crude steel (slabs) that the purchased products represent. For instance, if we had a yield of 98% for our own transformation slabs to black coil (blackcoil weight / slab weight = 98%), we inflate (division) the tonnage of the black coils purchased by that factor to obtain a “slab equivalent”. Then we add this “equivalent slab purchased” from the purchased back coils to our own tons of crude steel for an “adjusted total production”. This figure will then be used as the divider to calculate all “adjusted intensity ratios”.

- Unless otherwise stated, the intensity ratios of environmental indicators provided in this Made for Life Report take into account purchased slabs (both the impact in the numerator and the number of slabs in the denominator). Conversely, the absolute figures of environmental indicators only take into account the impact of Aperam, whereby the impact of purchased slabs is not accounted for.

Remarks and interpretation

As a conclusion, with such an approach we are getting closer to a product-specific approach and we erase the visual distortion linked to the fact that not all tons have passed through all the steps of the steelmaking process. We also make the comparisons between tools (as we do internally) and amongst steelmakers (as is done externally) more relevant.
In 2023, the adjusted ‘intensity CO_2e emission’ considering all tons (including purchased metal) was presenting a gap of 1% compared to the standard ratio considering only our “own tons”.
This approach was also decided knowing that we will progressively move to a comprehensive scope 3 CO_2e reporting, i.e. from scope 1 to scope 3a (Upstream). At that time, we will aggregate the CO_2e footprint from the raw material mine (“cradle”) to the delivery of our end-product (“gate”). Note that while communication of the scope 3 data of the purchased slab will avoid calculating the CO_2 intensity with the purchased slabs, we will have to keep the methodology to apply it for Water use and Dust emission in order to keep coherent intensity kpi.

Supplement E

EU Taxonomy - Reporting 2023

Compliance with Regulation (EU) 2020/852 on EU Taxonomy

Last update: 18.04.2024
This section has been updated following the release of Aperam's Made for Life report to incorporate the most recent and relevant disclosures regarding the EU Taxonomy for the reporting year 2023.

Introduction

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, in line with the Paris Agreement, the Green Pact and the Sustainable Development Goals, investments will have to be channeled towards sustainable projects and activities. The EU Taxonomy is a classification system establishing the conditions that an economic activity has to meet in order to qualify as sustainable, as described by the Regulation (EU) 2020/852 published on 18 June 2020.

Specifically an activity must make a substantial contribution to one or more of the six environmental objectives established by the European Union, without having a significant detrimental impact (the Do No Significant Harm principle or DNSH) on the other five, while meeting certain minimum social safeguards, defined as ILO Core Labour Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Complementary regulatory developments were published in the course of 2021 specifying the content, methodology and presentation of information to be disclosed by Financial and Non-Financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. A phased implementation is planned in accordance with the Disclosures Delegated Act: non-financial undertakings had to disclose in 2022 on the 2021 accounts, as a preliminary analysis the proportion of EU Taxonomy-eligible and EU Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure, whereas starting on the 2022 accounts, the alignment with all criteria contributing to climate change mitigation or adaptation (including DNSH) shall be assessed and reported. In the 2023 update to the EU Taxonomy regulation, key changes include the integration of Taxonomy disclosures into the sustainability statement under the Corporate Sustainability Reporting Directive (CSRD), with a dedicated section in the company's management report. Additionally, a draft Environmental Delegated Act introducing four new environmental objectives and amendments to the Climate Delegated Act were published, both to be applied in 2024 for Taxonomy reporting on 2023, with simplification rules for certain elements in the first year, such as reporting only Taxonomy-eligibility for new activities in 2024. The European Commission also proposed changes to the Disclosures Delegated Act for first-time reporting on new activities and modification of reporting templates, to be applied in 2024 for Taxonomy reporting in 2023, with similar simplification rules.

Implications for Aperam, as a non-financial undertakings

In accordance with Article 10 (3) of the Disclosures Delegated Act, non-financial undertakings shall disclose from 1 January 2023 their key performance indicators (KPIs) and accompanying information pursuant to Annex I and II of the Regulation.

The identification of the eligible activities corresponds to a preliminary screening based on description of the activities likely to participate to a transition to a low-carbon EU economy whereas the alignment entails the confirmation of the undertaking meeting the technical screening criteria defined for its sector (for instance in terms of CO2 intensity or level of circularity) together with the DNSH requirements and Minimum Safeguards.

Turnover KPI: represents the proportion of the net turnover derived from products or services that are EU Taxonomy-aligned. The Turnover KPI gives a static view of the company's contribution to environmental goals.

OpEx KPI: represents the proportion of the operating expenditure associated with EU taxonomy-aligned activities or to the CapEx plan. The operating expenditure covers direct non-capitalised costs relating to research and development, renovation measures, short-term lease, maintenance and other direct expenditures relating to the day-to-day servicing of assets or property, plant and equipment that are necessary to ensure the continued and effective use of such assets.

CapEx KPI: represents the proportion of the capital expenditure of an activity that is either already EU Taxonomy-aligned or is part of a credible plan to extend or reach EU taxonomy alignment. CapEx provides a dynamic and forward-looking view on companies' plans to transform their business activities.

For further details please refer to the following link:
https://finance.ec.europa.eu/system/files/2021-07/sustainable-finance-taxonomy-article-8-faq_en.pdf

Aperam provided in its 2021 Annual Report a preliminary analysis with respect to the eligibility of some of its activities, in wait for clarifications of the regulation, together with a first reassurance concerning their ability to meet their sector-specific substantial criteria. In this 2023 Annual Report, as in the 2022 Report, the aim is to continue the process initiated by deepening the analyses and methodologies put in place in accordance with the additional publications and guidance of the authorities.

Methodology & Results

Disclosure

Aperam, given its internal timeframe on availability of sustainability audited figures and specifics and in line with Article 8 of the Disclosures Delegated Act, opted, in line with previous years, to first disclose a preview of its 2023 results based on the last available audited data. As such in this report, we use 2022 results for sustainability data and 2023 results for financial data. This section therefore aims to provide a comprehensible and transparent overview of what is to be expected in the final, to-be-published assessment.

The most up-to-date version of the Company's KPIs of Non Financial Undertakings remains available on the Company's website (www.aperam.com) under the Section Investors > Taxonomy.

To ensure the timely and legally-compliant fulfilment of its disclosure obligations, Aperam established an interdisciplinary project team that is analysing the existence of taxonomy-eligible activities in close coordination with the representatives of the Group's segments and functions.

Eligibility

Following an analysis of our activities, we concluded that our entire Stainless and Electrical Steel production, as well as our Services & Solutions service centres, are considered by EU Taxonomy as economic activity: 3.9- Manufacture of iron and steel. This activity is identified in the supplementing Commission Delegated Regulation 2021/2139, which focuses on climate mitigation and climate change adaptation objectives and are even seen as 'enabling activities', meaning activities supporting the transition of other sectors towards low-carbon operations. For further reference, the substantial contribution criterion for Climate Change mitigation from the Iron and Steel sector is one of the following: a CO2e intensity calculated at crude steel level (for blast furnaces or electric arc furnaces) or a percentage of scrap input relative to the production output, which stands as 70% minimum for the production of high alloy (stainless) steel.

Since 2022, our Alloys & Specialties business has been included in our analysis and reporting, which can be found below, and under economic activity: 3.9- Manufacture of iron and steel. In 2023, prompted by an external challenge regarding the eligibility of Alloys & Specialties within the EU Taxonomy framework, we conducted a thorough re-evaluation. We concluded on keeping included as eligible the division's activities, supported by a set of key indicators and the equivalence of the industrial process

leading to the elaboration of so-called 'stainless steel' (high alloys, according to the EU Taxonomy'), our core products, on the one hand, and other materials marketed by Aperam Alloys Imphy as 'alloys' on the other hand (see below).
Following the guidance detailed below issued by the European Commission on the content of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation, we concluded that Alloys products, though not directly considered by the Taxonomy Regulation through NACE codes, should be deemed eligible based on continuum of process and usual business practices. The absence of a unique definition for steel and ferro-alloys led us to analyse the proximity of classification between Alloys & Stainless Steel activities.
Both are covered by the EUROFER association under the 'stainless & specialty steel' category next to 'steel', and are subjected to the same rules and norms, such as national permit procedures, the European Union's Emission Trading System, and the EU Best Available Techniques for Iron and Steel Production. This common categorisation is justified by the seamless process of design, production, and transformation of specialty alloys and specific stainless steels, with no inherent distinction beyond alloying element percentages (to learn more on the process, please refer to the item below "*Stainless & Alloys, a Production Continuum*"). The shared objective of creating economic activities aligned with the EU's highest environmental and climate objectives further supports our position.
Considering NACE codes as guidance rather than strict determinants, in accordance with the European Commission FAQ[1], the eligibility assessment was revisited by virtue of production continuum and usual business practices. This methodology involved examining not only the similarities in business processes and product composition within the Alloys steel production sector, but also a careful analysis of consistent regulatory treatment of Alloys & Specialties compared to Stainless Steel. This nuanced approach ensures a thorough understanding of the sector's compliance with EU Taxonomy criteria, maintaining alignment with sustainability and environmental responsibility goals.
This guidance confirmed our initial analysis. Therefore, Alloys and Specialties will be included and examined under the same criteria as our Stainless and Electrical Steel production.

Lastly, as Aperam Recycling's statement of financial position has now been consolidated into Aperam's consolidated statement of financial position as of December 2022, we have been able to assess their eligibility as of the 2022 Annual Report. We assessed that Aperam Recycling operations are in line with economic activity 5.9-Material recovery from non-hazardous waste. This activity is identified in the supplementing Commission Delegated Regulation 2021/2139. For further reference, the substantial contribution criterion for Climate Change mitigation is that the activity shall convert at least 50%, in terms of weight, of the processed and separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes.

We identified two different activities as a result, in continuity with the preliminary assessment conducted in 2022 and taking into account the four new environmental objectives introduced this year which did not add another relevant economic activity for Aperam.

Alignment

Substantial criteria

As for our Stainless (and Electrical Steel) and Alloys (and Specialties) activities considered as part of the Taxonomy "Manufacturing of iron and steel", their alignment depends on their ability to meet either one of the two thresholds hereafter:
a- the GHG emissions, calculated according to the methodology used for EU-ETS benchmarks, i.e. the Commission Delegated Regulation (EU) 2019/331. This methodology refers to the direct[2] GHG emissions generated by the production of hot metal (ex-caster, i.e. before hot rolling), which shall not exceed the following values applied to the different manufacturing process steps:

- hot metal from blast furnace route = 1,443 tCO2e/t product (adaptation) or 1.331 (mitigation)
- electric arc furnace (EAF) high alloy steel = 0,360 tCO2e/t product (adaptation) or 0.266 (mitigation)

b- the steel scrap input relative to product output is: (i) at least 70 % for the production of high alloy steel or (ii) at least 90 % for production of carbon steel.
Following Aperam externally verified calculations regarding CO2e emissions (scopes 1 and 2), in line with the best standards and whose consolidated results have been published as part of the 2021 Extended Annual Group Sustainability Report (here), both our Stainless & Electrical Steel (Europe and South America) as well as Alloys & Specialties activities had in 2021, like the previous years, a CO2e intensity calculated at crude steel level (non-biogenic, ex caster) compliant with the requirements of the substantial criteria for alignment as "climate change mitigation" activities.

[1] FAQ EU Taxonomy Eligibility reporting part 2: How should NACE codes be used to identify Taxonomy-eligible activities in the context of eligibility reporting ?
[2] Usually referred to as 'scope 1' in line with the greenhouse gas (GHG) protocol, in relation to 'scope 2' and 'scope 3'

Aperam Recycling activity is accounting for a well above requirement conversion rate in terms of weight, of the separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. As the sourcing and reconditioning of the scrap do not include any substantial loss of volume due to the lack of heat-processing, the conversion rate is to be assumed at 99.99%.

Do No Substantial Harm Criteria

DNSH criteria compliance assessment has been made according to the Technical Working Group Methodological Report (March 2022) and the four objective-specific Annexes. The 'Circular Economy' objective is not applicable to our activities. Assessment of conformity has been carried out by reviewing the existing policies, procedures, and risk management plans in place both at the local and global levels and having in scope all steps of our activities. Their effectiveness is measured both by internal KPIs and reporting, as well as the assessment made of notices of non-conformities received for the previous year.

However, as part of the DNSH 'Pollution Prevention and Control' (PPC) stands a specific requirement that, to our understanding, demands that our sector's operating units' emissions be within or lower than the emission levels associated with the best available techniques (BAT-AEL) for iron and steel production.

All our main units taken as reference for this analysis, and as such the Brazilian plant of Timóteo, operate in compliance with their applicable regulation and Aperam internal standards[3], defined as per the local regulations and common practices with detailed air emissions and water intake/discharge specifications. Lack of alignment between the requirements defined under the rules of EU Taxonomy (BAT) and those applicable under Brazilian law currently prevents us from concluding our Brazilian operations's compliance to the DNSH PPC in 2023 or 2022 and of its subsequent alignment with the EU Taxonomy criteria. However, we are proud to declare that our Brazilian units are on track with ensuring compliance with BAT, a commitment that, when reached, will allow full alignment per EU Taxonomy standards.

A first milestone has been reached by obtaining the ResponsibleSteelTM certification (See also § Corporate Responsibility and Governance) beginning in early 2023.

Minimum Safeguards

The verification of compliance with the Minimum Safeguards, as described in point (c) of Article 3 of the regulation, is the final phase of analysis. As the Aperam Group deals with these international standards at a global level, a common analysis of the eligible activities was performed to determine the results. Taxonomy reporting underlines Aperam's wide-ranging commitment over many years to its employees and stakeholders, reflected in the Group's long-standing adoption of internal charters, policies and codes of conduct that are based on the highest regulatory and sectoral standards and which serve as guidelines for all our activities (see Aperam's Code of Conduct, available here). Aperam's duty of care on the monitoring and evaluation of compliance with these principles is materialized in its dedicated governance structure, which ensures that its values and guidelines are applied at all levels (See also § Corporate Governance). In line with our values of transparency and accountability, Aperam makes its annual Sustainability Report (available here) publicly available, which contains a detailed report of alerts and follow-up. Aperam continues its commitment to the most demanding international standards and has inscribed this effort in a long-term and global effort, with several certification processes achieved and ongoing (See also 'Corporate Responsibility and Governance').

KPIs

We confirm to the best of our knowledge that the financial information of Aperam presented under the European Taxonomy section is a contributive financial information in line with the IFRS. All calculations are based on the latest independently audited figures available, as per the Accounting Policies tailored to Aperam's business and situation, referred to in the Annual Report's Financial Report notes.
The totals of the economic activities eligible for the taxonomy were obtained by adding the total per entity and using the same accounting principles that apply to the preparation of our Consolidated Annual Financial Statements. Non-eligible and non-aligned activities have then been processed following the same methodology, by segments and entities contribution when finer examination is needed to distinguish non-aligned entities in the same segment.

[3] Standards in line with ResponsibleSteel™ certification for Timóteo

The proportion of turnover derived from taxonomy-aligned activities was calculated in line with the Accounting Directive and included the elimination of intercompany balances. Please refer to the Consolidated Statements Note 3 Segment and Geographic Information for additional information.
Capital Expenditures taken into consideration consist of purchases of property, plant, equipment and purchases of intangible assets related to either supporting steel-making or recycling capabilities. It is reported in the Consolidated Statement of Financial Position, Note 14 “Property, Plant and Equipment”. As of the year 2023, plans to improve alignment have not yet been taken into account separately.
Operating expenditures are restricted under applicable regulation, and consist of expenses related directly to the production. Have been considered compliant: expenses of Materials (R&M related Costs) and of Others, rental charges (production), other production services such as cleaning, testing; and IT dedicated to production maintenance.

Overall, according to our analysis above, the two activities considered aligned under the EU Taxonomy regulation represent 82% of turnover, 74% of OpEx, and 55% of CapEX of the Aperam Group as of 31 December 2023. The complete overview is available in the Annex below.

2023 Group Activity	EU Taxonomy Eligible	EU Taxonomy Aligned	EU Taxonomy Non Aligned
Turnover	100%	82%	18%
Capital Expenditures	81%	55%	45%
Operating Expenditures	92%	74%	26%

Assumptions, data limitation and perspectives

Aperam is committed to ensuring the continuity and traceability of its disclosed results. Therefore, we applied to each assessment process described herein specific control and alert procedures to allow the internal reporting channel to directly consider the EU Taxonomy’s requirements and to measure the potential impact, when not already in place. Our aim is to be ‘EU Taxonomy-compliant by design’ as well as fully auditable when required by regulation.
To determine the alignment of our activities since 2021, we used publicly available sector information, along with audited publicly available financial and environmental data.
At this date, no event during the financial year 2023 allows us to foresee that 2023 reporting, to be published on our website and in our Sustainability Report, will not be in line with the above cited disclosures. We are confident that the assessment made in line with the Regulation is legitimate. We also expect further clarifications and additions to the EU Taxonomy documentation to address some uncertainties and recognise the benefits of specific sub-sectors. Therefore, further work will be necessary in 2024 in order to publish our 2023 final results once available and to continue assessing our activities in the evolving regulatory framework.
In parallel, our reporting framework will undergo significant adaptations in alignment with the forthcoming Corporate Sustainability Reporting Directive (CSRD), which aims to establish uniform reporting standards across Europe, enhance transparency, and mandate consistent sustainability information disclosure. The evolution of our methodology will focus on aligning with the evolving regulatory landscape and ensuring robust, transparent disclosures capable of withstanding scrutiny. This commitment underscores our dedication to providing stakeholders with accurate and comparable sustainability information in the dynamic landscape of EU Taxonomy compliance.

Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year N		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A. 2.) turnover, year N-1 (18)	Category Enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**, CCA 3.9	1,384,778,934	21.01	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	23.19	N/E	Y
Manufacture of iron and steel - Aperam Services & Solution	**CCM 3.9**, CCA 3.9	1,887,954,670	28.64	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	29.11	N/E	Y
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**, CCA 3.9	870,921,188	13.21	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	8.1	N/E	Y
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9,** CCA 5.9, CE 2.7	1,231,910,320	18.69	**Y**	Y	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	20.54	N/E	N/E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5,375,565,112	81.55	81.55 %	0%	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	80.94		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E	N/E	
Of which Transitional		4,143,654,792	62.86	62.86%						Y	Y	Y	Y	N/A	Y	Y	60.40%		Y
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	916,224,754	13.90														15.21		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	283,518,189	4.30														3.82		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,199,742,943	18.20														19.03		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		6,575,308,055	99.75														99.97		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		16,505,838	0.25																
TOTAL		6,591,813,893	100%																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year N		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A. 2.) CapEx, year N-1 (18)	Category Enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**, CCA 3.9	106,745,587	33.17	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	43.36	N/E	Y
Manufacture of iron and steel - Aperam Services & Solution	**CCM 3.9**, CCA 3.9	19,222,678	5.97	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	3.09	N/E	Y
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**, CCA 3.9	37,984,892	11.80	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	10.52	N/E	Y
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9,** CCA 5.9, CE 2.7	13,595,195	4.22	**Y**	Y	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	3.98	N/E	N/E
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		177,548,352	55.17	55.17 %	0%	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	60.95		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E	N/E	
Of which Transitional		163,953,157	50.95	50.95%						Y	Y	Y	Y	N/A	Y	Y	56.97%		Y
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	80,231,915	24.93														23.48		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	3,555,239	1.10														0.79		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		83,787,154	26.04														24.27		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		261,335,506	81.21														85.22		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy non-eligible activities		60,473,131	18.79																
TOTAL		321,808,637	100%																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year N		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A. 2.) OpEx, year N-1 (18)	Category Enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**, CCA 3.9	129,291,464	51.68	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	55.65	N/E	Y
Manufacture of iron and steel - Aperam Services & Solution	**CCM 3.9**, CCA 3.9	8,871,066	3.55	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	3.59	N/E	Y
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**, CCA 3.9	23,560,668	9.42	**Y**	Y	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	8.62	N/E	Y
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9,** CCA 5.9, CE 2.7	23,066,258	9.22	**Y**	Y	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	8.29	N/E	N/E
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		184,789,456	73.87	73.87 %	0%	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	76.15		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E	N/E	
Of which Transitional		161,723,198	64.65	64.65%						Y	Y	Y	Y	N/A	Y	Y	67.86%		Y
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	40,592,285	16.23														15.97		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	5,474,932	2.19														2		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		46,067,217	18.42														17.97		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		230,856,673	92.29														94.12		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		19,297,361	7.71																
TOTAL		250,154,034	100%																

	Proportion of turnover/Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy eligible per objective	Taxonomy-aligned per objective	Taxonomy eligible per objective	Taxonomy-aligned per objective	Taxonomy eligible per objective
CCM	81.55 %	100%	55.17 %	81%	73.87 %	92%
CCA	81.55 %	100%	55.17 %	81%	73.87 %	92%
WTR	0%	0%	0%	0%	0%	0%
CE	18.69 %	18.69 %	4.22 %	4.22 %	9.22 %	9.22 %
PPC	0%	0%	0%	0%	0%	0%
BIO	0%	0%	0%	0%	0%	0%

Focus: Stainless & Alloys, a Production Continuum

Shared Manufacturing Processes and Synergies

The production methods for Alloy steel and Stainless steel work together seamlessly, playing crucial roles in the broader landscape of global stainless steel manufacturing. This synergy allows for the efficient production of both types of steel in a single facility. Shared processes like iron extraction, refining methods such as BOF or EAF, alloying, casting, and heat treatment contribute to this smooth integration.

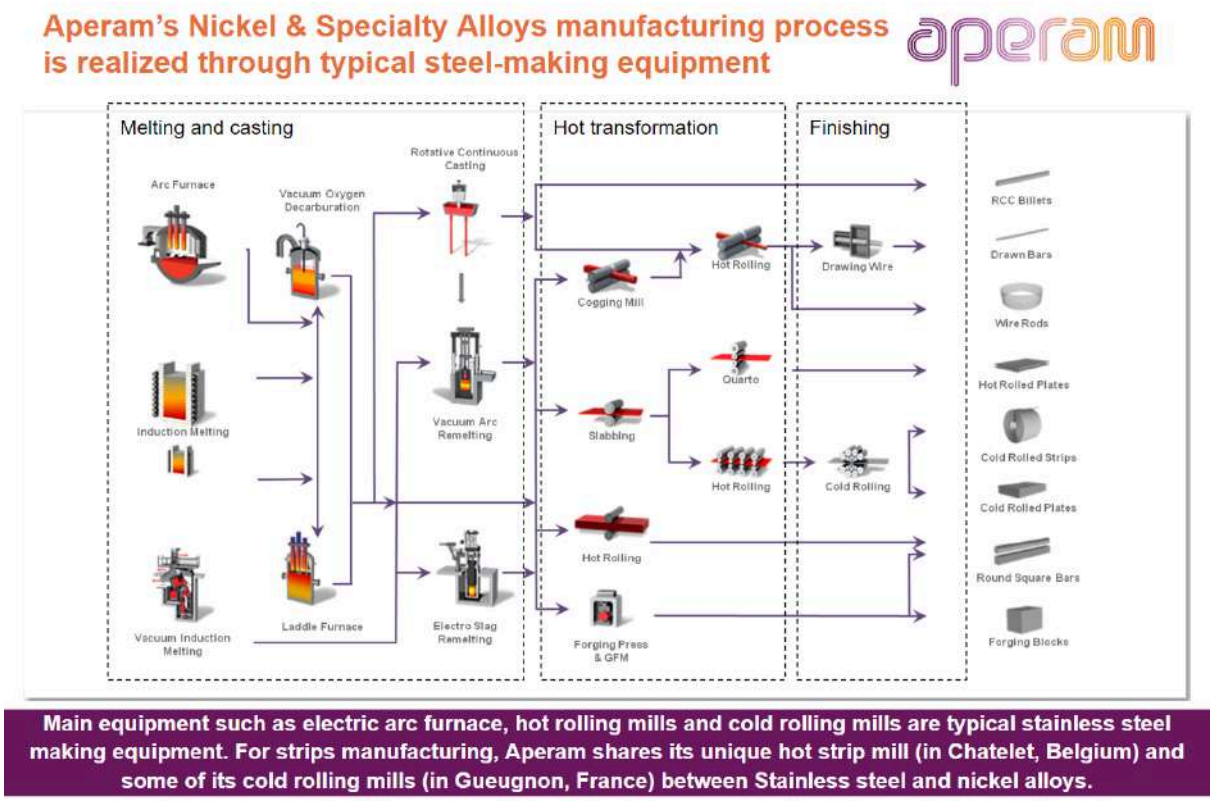


Chart 1: Overview of the process in Imphy for alloys steel production

The alignment of these processes not only ensures regulatory compliance but also underscores the adaptability of established benchmarks, reinforcing their relevance across diverse steel products. This unified approach promotes consistency, standardisation, and excellence in quality, sustainability, and safety standards across both alloy and stainless steel production.

Parallel Business Procedures

The operational structures for alloy and stainless steel production follow coherent paths, marked by well-defined stages including melting, refining via electric arc furnace (EAF), alloying, and casting. This shared procedural framework facilitates the utilisation of common equipment and facilities for both stainless steel and alloy steel production, highlighting their inherent interconnectedness.
The integration of business processes further solidifies this cohesion, with the Alloys and Specialties division aligning closely with the production of iron and steel, as outlined in relevant economic activity classifications. This convergence is emphasised in our Annual Report[4], where we underscore the simultaneous production of stainless and alloy steel within our facilities.

Continual Product Evolution

Alloyed steel and stainless steel represent integral segments within the continuum of global steel solutions, each contributing unique properties to meet diverse industry needs. While both undergo a comprehensive manufacturing process involving the combination of iron with other elements such as chromium, nickel, and molybdenum, their divergence lies in the specific alloying elements employed.

[4] Section Our operational facilities, sub section Alloys & Specialties. Our Annual Report can be found on our website.

Alloy steel integrates various metals to bolster strength, hardness, and durability, making it indispensable in applications ranging from construction to automotive industries. Conversely, stainless steel prioritises corrosion resistance through chromium inclusion, rendering it indispensable in sectors like food processing and medical equipment. You can find on our website our Alloys products Grade list, the range of products we manufacture in our Alloys and Specialties production facilities.
Despite the distinct marketing labels attributed to Alloy steel and Stainless steel products, their shared processes and chemical compositions underscore their fundamental convergence in business activity.

For comprehensive data, including detailed charts and product grades, please refer to the documentation published and updated on our website.