

## Aperam Corporate Policy

# Risk Management Policy

Approved by the Audit and Risk Management Committee on 9 May 2011

### Document Information

#### Short Description:

For an effective Risk Management process embedded in the organization and part of Aperam's culture.

**Scope:** Relevant to all employees of Aperam.

#### Attention

A risk management manual is available on the Aperam Policy Procedure Site and provides clear guidelines on how to manage risks within Aperam.

## 1. Purpose

Aperam believes that an effective Risk Management process embedded in the organization and part of Aperam's culture, is a key element to become a **leader catalyst of the industry in stainless & electrical steel and specialities**, allowing us to be competitive and sustainable by enhancing our operational effectiveness and creating wealth for all stakeholders.

The Risk Management process will support Aperam's values through:

- **Leadership:** integrate Risk Management into the decision-making process, which places Aperam in a proactive, not reactive way.
- **Ingenuity:** develop a "risk-awareness" culture, in which people are encouraged to identify risks and opportunities and respond to them quickly and effectively.
- **Agility:** provide a simple and user friendly Risk Management process by taking a continuous improvement

## 2. Principles

The following principles of Risk Management apply to the following stakeholders:

- **The Board of Directors** set the tone for Aperam's **risk culture** and have overall responsibility for ensuring that Aperam maintains an effective Risk Management process.
- The **Audit & Risk Management Committee's** primary function is to support the Board of Directors in fulfilling its corporate governance and overseeing responsibilities through **monitoring and reviewing Aperam's Risk Management process**.
- **Each Division and Corporate function has to cascade a Risk Management system consistent** with Aperam's Risk Management Guidelines.

Risk identification (including opportunity risk), risk assessment, risk response and risk monitoring are ongoing activities and form an integral **part of the daily management and decision-making processes**.

Regular reports about the Risk Management activities, the most significant risks and the status of the mitigation action are reported to Aperam's Management Committee.

The **Combined Assurance Risk Management function facilitates the process** and prepares the Risk Management reporting documentation for both the Management Committee and the Audit & Risk Management Committee.