

Aperam Corporate Policy

APERAM FREIGHT TRANSPORT CHARTER

As a steel sector company, Aperam produces on yearly basis hundreds of thousands of tons of products that are made from scraps and raw materials and that are shipped to all parts of the world for further processing and incorporation into various products.

Aperam's Freight Transportation impacts, although indirect, are therefore still significant and encompass the following:

- **Safety impacts:** According to different studies¹, the share of road accidents involving heavy-weight vehicles is limited, but they are more severe, especially in front of vulnerable users: 14% of road fatalities result from accidents involving heavy duty vehicles.
- **Environmental impacts²:**
 - Transportation services foster 1/4 of global greenhouse gas (mostly CO₂) emissions in the World. But impact varies to a large extent depending on the transportation mode, from Sea freight (0.004 kCO₂/ton-km) to Air cargo (1.15 kCO₂/ton-km) and Road accounts for the largest part.
 - Transportation services emit Sulphur oxides (SO_x) and Nitrogen oxides (NO_x), which are substances responsible for acid rains, but also particles of heavy metals such as lead or cadmium, with very significant impacts on atmospheric pollution and ultimately on Human health (also those of cattle, wildlife and flora).
- **Social impact on Communities:**
 - Transportation services (mostly land & air transportation) generate noise that is resented by neighbouring communities
 - Beyond raising road dangerousity (see above) for pedestrians, road vehicles contribute to urban congestion, which in turns generates losses of time with subsequent impacts on quality of life and GDP losses (1% in OECD countries) .

In line with our values and commitments for Sustainability, Aperam aims to reduce these impacts while maintaining customer satisfaction and cost-effectiveness thanks to the implementation of this Freight Transport policy.

¹ European Commission (2012), EC Statistical Pocket Book, Transport in figures.

² OECD's International Transport Forum (2009) ; International Energy Agency.

This charter, under the responsibility of the Chief Technical Officer, aims to mitigate and monitor freight services impacts through a primary focus on the following:

- **Safety impacts linked to accidentology:**
 - Aperam aims to engage freight services providers to increase focus on safety through:
 - Regular trainings on quiet driving, eco-driving
 - Drivers frequent medical check-ups and addictions prevention plans
 - Regular (at least yearly) exchanges on Frequency & Severity rates
 - Aperam aims to increase its own on-site verifications:
 - At entrance gate, for key requirements
 - Via regular security/safety audits of vehicles and drivers' awareness of rules, including verification of mandatory equipments.
 - Via regular audits of loading/unloading operations' compliance to Aperam procedures.

- **Environmental impacts:**
 - Aperam will keep up internal efforts to optimize loading (trucks, rails) and tours while respecting customer deadlines
 - Aperam will favor Suppliers availing the fleets equipped with the best environmental standards
 - Where compatible with logistical and economical demands, Aperam will consider railroad or water roads as well as multimodal options

- **Social impact on Communities:**
 - Aperam will remain open for a dialogue with Suppliers and local Stakeholders on alternative routes and/or times of delivery and pick-up

This charter will be implemented thanks to detailed instructions adapted to geographical specificities and constraints and monitored thanks to metrics transparently reported on a yearly basis within Aperam Sustainability report.