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Let's prepare for the future

We are pleased to share our "country page" with you. This summary overview is designed to be read as a specifically France-focused supplement to the Aperam Group's Sustainable Development report, which details, in English, key developments across our sites as a whole in 2016. The aim of this "page" is to enable us to share details of the work we have done in 2016 and the main areas in which we intend to make progress in 2017.

Health and Safety is our number one priority and we need everyone to contribute to the effort in this area. 2016 was not a satisfactory year in this respect (see table), despite the improvements observed, a notable example of which being the positive trend in results since summer 2016.

 **The men and women who work at our various facilities are the ones who put our Health & Safety policy into practice and the ones who benefit from it.**

For this reason, and in order to improve awareness among all employees and consolidate our performance with respect to health and safety, the SAFE training program is contributing to helping to change the safety culture within our organization.

Another important aspect of what we are doing in France is the Quality of Life in the Workplace program, which we first began in 2015 in conjunction with our industrial partners. The joint committees (Quality of Life in the Workplace committees) that have been set up across all the sites are charged with devising local action plans based on a shared methodological approach. In support of these measures, 107 members of the management committees and Quality of Life in the Workplace committees underwent training during 2016.

A first follow up meeting is due to take place in the first quarter of 2017, providing an opportunity to review the current situation with respect to applicable progress indicators and to share good practice and feedback about the initial deployment.

In economic terms, Aperam has continued to contribute to the economic vitality of our local regions in 2016. We spent 190 million euros on wages and salaries in 2016 (compared to 180 million in 2015), 103 million in taxes, and because most of our purchases were made in France, we played our part in the life of the national community. In fact, 66% of our main sites' expenditure in 2016 (excluding raw materials) was made in France. Although this figure appears to be on the decrease (it was 72% in 2015), (G4²-EC9) this can be explained by the fact that we began buying our electricity from a centralized European supplier in 2015.

Additional key point: the steps we took to ensure the maintenance and development of skills and knowledge. These steps involved genuine concerted effort involving training, the transmission of existing skills and knowledge, the development of professional contracts and apprenticeships, and retraining schemes designed specifically to meet the particular challenges we face. With more than **70 000 hours of training** delivered in 2016, Aperam in France's efforts across the board amounted to the equivalent of 3.7 % of total salary costs in 2016. The main subjects in which training was provided were health and safety and operational excellence. In our industry, knowledge and know-how are key, and their transmission has to be closely managed and supervised. This is where our "Ecole des Métiers des Alliages" (Metal Alloy Trade School) in Imphy comes in (131 people trained in 2016), as well as our tutelage program, which amounted to 178 tutelage periods of between three and twelve months recorded in 2016. 48 professional or apprenticeship contracts were introduced in 2016 as part of this knowledge transmission policy. These contracts both provide their beneficiaries with new skills and knowledge and constitute a pool of future talent for Aperam.



10 sites in France in 2016

(Numbers of District or "Département")

Amilly (45)	Isbergues (62)
Ancerville (55)	Lusignan (86)
Epône (78)	Pont-de-Roide (25)
Gueugnon (71)	Saint-Denis (93)
Imphy (58)	Seynod (74)

With our values favoring teamwork, creativity and agility serving as a foundation, we are fundamentally transforming Aperam.

In 2017, in addition to the in-depth work in the areas of health and safety and with the aim of being at the very forefront of innovation in our sector, we will be continuing our efforts to update employees' knowledge and renew training programs.

People Management

Indicator	2016	2015
Safety: Frequency ¹ rate	3.68	1.29
Safety: Severity ¹ rate	0.04	0.05
Absenteeism (%)	2.97	2.68
Training (hours)	71 123	56 481

G4²-LA6/LA9

¹ Aperam employees, interim and subcontractors

² GRI, Global Reporting Initiative: an International Standard for Sustainability Reporting (4th version).

Effectifs d'Aperam en France - 2016

TYPE	Gender	Full-Time	Part-time	TOTAL	Exempts	Non-Exempts
Permanent Contract	Female	289	64	353	92	261
	Male	2112	52	2164	287	1877
Temporary Contract	Female	9	0	9	1	8
	Male	53	0	53	8	45
TOTAL	Tous	2463	116	2579	388	2191

Aperam Stainless France, Total du personnel en équivalents temps complet, au 31/12/2016 (G4²-10)

Aperam contribution to local economy G4²-EC9

Indicator	2016	2015
Total Employee Wages & Benefits (millions Euros)	190	180
Total Tax Contribution* (millions Euros)	103	99
Spent of main sites (excl. Raw Materials) made in France (%)	67%	75%

* 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.



Poster from our 2016 Group Compliance programme

APERAM Sustainability Report - Supplement Country - France

Additionally, and in keeping with the 2015 recruitment plan, 2016 saw more than 200 new employees recruited, which amounts to a renewal rate of around 150% (number of new starters / number of departures).

Though the recruitment of these new employees is of course linked to the growth in our business (in terms of production and product development etc.), it also forms part of the process of consolidating our existing expertise (in terms of maintenance, research and metallurgy, etc.) and developing the new skills required for the future. This approach is also reflected in the recruitment methods we use and the relationships we maintain with educational institutes via the development of new recruitment channels (Jobteaser, Seekube, LinkedIn, virtual career fairs, web conferences, etc.). The development of working relationships with educational institutes is also one of the area we are looking to consolidate in 2017, via partnerships, work placements and local initiatives.

In 2017, in addition to fundamental work in the areas of health and safety, we will be continuing to push forward with our efforts on diversity. With women currently making up only 14% of the group's workforce in France, we want to encourage a more diverse mixture in 2017 and take advantage of the full range of potential available.

And as a final point, Aperam facilities in France will also be able to benefit from projects undertaken at group level, which should provide us with a more efficient and effective HR management system, with the aim being to improve the performance of our teams and contribute to Aperam's success.



Employees at Pont-de-Roide, Imphy, Gueugnon and Isbergues

Join us!

> Follow us on [LinkedIn](#) (take me there) and apply on : Aperam@LinkedIn

> View our vacancies on : [Jobteaser](#) (take me there) [SEEKUBE](#) (take me there)

In terms of our Environment plan, our sites are moving further along a process of continuous improvement, with the aim to meet the targets in place for 2020.

> **With respect to energy**, our group target has been increased for 2016 (based on the good results we achieved in 2015). We are now aiming for a 10% reduction in energy intensity by comparison with 2012. The issue of energy efficiency was examined as part of the ISO 50 001 accreditation process that was successfully undertaken last year. In particular, more intensive monitoring of energy consumption was introduced at Isbergues, with the aim of better calibrating action plans. Likewise, details of good practice were shared with the Chamber of Commerce and businesses located in the Pont-De-Roide region of eastern France.

Technical issues led to a slight deterioration in our energy intensity and CO₂ measures (see table), but we expect to be achieving net improvements again in 2017.

> **In terms of waste**, the year was marked by the introduction of several new projects forming part of our long-term vision of developing a "zero-waste" factory. At Imphy, a new tool designed to increase awareness of this target among the entire workforce is now in place. This "in-house" intranet is used to disseminate advice and instructions with the aim of improving and properly systematizing sorting and collection processes (i.e for bottles etc.). Additionally, a new protocol has been developed making it possible to make use of a particular kind of slag that could not be sold on. Though the treatment requires a very specific sorting and grinding process, it enables the waste to be sent directly back to the steelplant ready prepared for the metallic contents to be reused in what is

effectively an "ultra-short" supply chain process.

These projects are additional to the other tried-and-tested solutions already in place and used over the course of the year, such as the improved paper recycling at Pont-de-Roide, which is based on the example set by Gueugnon, and the development of the work carried out by Recyco – our steel plant waste processing unit – which has increased its external client base and fully developed the range of materials it processes.

Across the group as a whole, 89% of waste is reused or recycled and more than 27% of process materials come from recycled sources.

> **In terms of dust**, the year was marked by a significant reduction in the quantity emitted (24 tonnes in 2016). These good results are the result of the factories' continued efforts to both channel and reduce their emissions and always remain within the legally allowable limits, which are themselves regularly revised downwards by the authorities. Further plans of action designed to deal with both leaks and emissions are currently being studied, fueled and supplemented by the permanent dialog we maintain with all the parties involved, whether they be subcontractors or local residents.

> **And finally, water related issues.** We have increased the range of indicators and metrics published in our group report and are currently preparing to carry out a complete audit in order to identify areas for improvement.

Certain units, such as the Isbergues site, have already moved forward on this and started a complete review of their systems in order to maximize rainwater collection, limit water leaks, and improve the quality of the water collected and released. Quite a program...

Our industrial impact

Indicator	2016	2015
GHG ³ emission intensity (tCO ₂ /t. of crude steel)	0.29	0.27
Energy intensity (GJ/t. of crude steel)	5.8	5.6
Residues (tonnes)	24.3	24.1
Water consumption in closed circuits (%)	94.3	95.1
Dust emissions (t)	24.4	34.9

G4²-EN5/EN10/EN18/EN21

³ GHG - GreenHouse Gas, here Carbon Dioxide (CO₂)



Awareness-raising and improvement of waste-sorting procedures in Imphy

We are pursuing our transparency initiative with the 2016 edition of this supplement to our Group Sustainability Report.

Prepared in local language(s) for the 3 countries gathering in total more than 80% of Aperam staff (Belgium, Brazil, France), this short report is made available online to complete Aperam Group report (in English) and Aperam South America (in Portuguese). Any feedback on this initiative is welcome and should be directed to : contact.fr@aperam.com