

# Aperam Corporate Policy

## Code for Sustainable Sourcing and Purchasing

### Document Information

#### Short Description:

Aperam's Code of Sustainability for Sourcing and Purchasing ("Code") communicates how we will work with our suppliers, and asks them to meet the minimum health and safety, human rights, ethical and environmental standards set out below. We encourage our suppliers to work with us to identify and develop ongoing performance improvements to our sustainable procurement programme. We hope that this Code will promote sustainable business practices by our suppliers.

#### Scope:

This Code applies to all of Aperam's suppliers and contractors and their affiliates and applies to all products and services that Aperam purchases. We strongly encourage our suppliers to promote the requirements of this Code within their own supply chain, and will give recognition to suppliers who do this.

## 1. Our mission

Aperam is a global player in stainless and specialty steel, including electrical steel and nickel alloys. Aperam is striving to become the leading industry catalyst in stainless steel and specialties and is also supporting sustainable solutions. In support of this goal and of the 10 principles of the United Nations' Global Compact Aperam subscribed, we will work with our suppliers to:

- Operate a lean supply chain that supports our corporate policies.
- Develop procurement solutions in line with customer, regulatory and wider stakeholder needs and expectations.
- Create long-term value and reduce risk for our business, our suppliers and our stakeholders.

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

## 2. Introduction

Aperam defines its supply chain as the goods and services purchased for, and utilised in, its operations. This includes primary input materials such as iron ore, stainless and carbon steel scrap, alloys, base metals, energy as well as capex, industrial and professional services and products, spare parts, packaging, IT and logistics. Sustainable Sourcing and Purchasing is a key principle in Aperam's procurement approach, and is given systematic consideration alongside factors such as price and quality.

## 3. Our commitment to suppliers

To implement the Code, Aperam will:

- Collaborate: Work with suppliers to improve social (including health and safety and Human rights), environmental and ethical standards. This may include joint assessments, such as site visits, to evaluate performance against the Code.
- Support: Assist suppliers to identify activities that fall below the requirements of the Code and work towards achieving improved conditions in a timely manner.
- Prioritise: Focus attention on those parts of the supply chain where the risk of not meeting the requirements of the Code is highest and where the maximum improvement can be made.

- Respect: Conduct our business with suppliers in a fair, objective, transparent and professional manner. This includes treating suppliers' employees working at our premises with the same workplace practices as our own staff.
- Promote: Act as an advocate for sustainable supply chain practices within our industry.
- Communicate and train: Ensure that all our employees are aware of the Code and that those responsible for purchasing are appropriately trained.
- Dialogue: Consider the suppliers as sustainable partners and therefore strives to maintain a good "dialogue" with them. These exchanges with supplier take place on a regularly basis in order to optimize the supply management performance and the long term relationship.
- Improve: Regularly review our programme and practices to ensure they contribute to our sustainable procurement vision.

## 4. What we expect from our suppliers

Suppliers are strongly encouraged to collaborate with Aperam to identify further opportunities to improve sustainable business practices in the areas of health and safety, human rights, ethics and environmental stewardship along the supply chain.

### 4.1. Health and Safety:

Aperam is committed to work towards a "Journey to zero" accidents and injuries, as well as general wellbeing in the workplace and beyond. This is endorsed by the Health and Safety Policies and Procedures that promote that Safety is central to our corporate responsibility.

Aperam requests its suppliers to eliminate all work related injuries on their workforce or community, and to meet the standards of Aperam's Health and Safety Policy.

### 4.2. Human Rights:

Aperam respects all human rights, of employees and local communities, and is committed to promoting these principles to its suppliers.

Aperam requests its suppliers to develop and implement policies and procedures to ensure respect of all human rights in their businesses, and those of their suppliers.

The supplier must always comply with the most demanding requirements, whether relevant applicable laws or this Code. Where local laws prohibit the supplier from upholding certain aspects of the Code, the supplier should comply with local laws while seeking to respect human rights.

#### 4.3. Ethics:

Aperam is committed to apply fair, ethical and transparent business practices.

Aperam does not buy materials and services that do not comply with national or international laws and conventions. Aperam is committed to using raw materials and industrial products of legal and sustainable origin, and will not source 'conflict minerals or materials'.

Aperam requests its suppliers to maintain and enforce a company policy requiring adherence to ethical business practices, adopting the principles of Aperam's Code of Business Conduct and Aperam's Anti-Fraud Guidelines.

#### 4.4. Environmental stewardship:

Aperam is committed to making steel more sustainable. To achieve this goal Aperam uses its expertise in steel and mining to develop cleaner processes and aims to minimise the impact on the environment. We seek to work with suppliers that are committed to the same objectives and follow best practices in environmental management, including energy and resource efficiency, biodiversity management, waste reduction and recycling.

Aperam requests its suppliers to maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a manner that meets the standards of Aperam's Environment Policy.

### 5. Documentation and monitoring

On request, we require our suppliers to:

- Complete a self assessment questionnaire based on this Code.

- Provide Aperam or its representatives with copies of all relevant information, to co-operate and to use reasonable endeavours to ensure that their sub-contractors do the same.
- Demonstrate what efforts they are making to meet the requirements of the Code.

The Code forms an integral part of Aperam's supplier relationship management and evaluation procedure. Aperam will take a risk based approach in assessing suppliers' compliance with the requirements of this Code. Monitoring may take the form of self assessments, site visits, and follow up on remediation plans.

Aperam will work with its suppliers in addressing gaps identified. Aperam reserves the right to disengage from suppliers that do not meet the requirements of this Code or who cannot provide or commit to an improvement plan.

## 6. Review

Aperam will periodically review this Code and the implementation programme, with respect to its suitability and effectiveness.