Our commitment to a better world

I am pleased to share with you a summary of our sustainable activities in Belgium. The year 2017 has been a great step forward in valuing our people and their every day commitment to a continuously progressing Aperam. This materialises into a new move forward in our environment footprint and into positive and respectful interactions with our key stakeholders.

But above all, we kept Health and Safety as our number one priority and we need everyone to contribute to the effort in this area. 2017 saw a clear progress in the frequency of accidents. We will continue all our efforts to become a zero-based accident company. In particular, we believe a lot in the SAFE training that we started to roll out consequently, and thanks to which we already see a positive stimulation in having the right safe behavior of our employees. We ended 2017 with 64% of our employees trained for the Châtelet site, and Genk site has been launching it early 2018.

In 2017, our units continued to build greater proximity between our internal employees and external communities and stakeholders. To illustrate this, we have many examples, in Genk with the "Open house day" at the plant and a "Family day" at the Service Center, as in Châtelet, which hosted National televisions for the start-up of its new Hot Rolling Mill motors. These are occasions to exemplify the key takeaways of our global Climate Survey which confirmed as a key strength the strong emotional links between Aperam and its employees and the pride they take in our business. In addition to the launch of trainings in the area of safety, and always in line with our Climate Survey, we invested in the leadership and people development competencies. We translated the Aperam leadership framework into action plans, for both Genk and Châtelet Sites. Special attention was given to Safety, Communication and Change Management. In 2018, action are being launched to strengthen these leadership competencies.

The main challenges for 2018 will be:

The continuous investment in competency development
We will continue to invest in the training & development actions of our leaders as well as of employees and blue collars workers, through on-the job training and specific focused programs. These continuous programs will prepare us for the new skills required for the future.

Attracting the best talent
We will consolidate our recruitment approach, methods and actions so to enhance our proactive positioning and employer branding on the market, with some focus on the young graduates. And we will recruit through internal mobility and external canals the 60 blue-collar workers, who will join the 4th team on the Hot Strip Mill production line in Châtelet.
Our People

In 2017 our Belgian workforce increased by 4% to reach 1,845 own full-time employees. It is a positive evolution illustrating the attractiveness of our company. One of our key focus in our employer branding is creating a safe working climate. It also means providing them with a place to work where our employees can demonstrate their full engagement and develop their expertise and competencies, being coached by their leader.

To make sure we are in the right direction and take the right necessary steps, we listened to the voice of our employees by means of an anonymous Global Climate Survey. Through working groups, in both Aperam’s Genk and Châtelet sites, we exchanged on the proposed action plans.

As a result, the following key initiatives were launched in 2017 and will continue in 2018:

Health & Safety

Aside our intense roll-out of the Health & Safety trainings (SAFE) we took specific attention to the occupational health and wellbeing of our employees.

Last year, Genk introduced a bicycle leasing plan. Employees can get a company bike, including insurance and maintenance, for a period of three years in exchange of small financial contribution. This frames in a larger health program.

At Châtelet we organised a walking campaign where we placed banners and awareness posters at strategic crossing locations. We also hired three safety coaches. Their role is to provide guidance to all colleagues in having the right safe attitudes, and report any safety-related element that can help with our zero-risk approach, and to support their practical implementation.

Employee engagement - Through proximity (communication)

In 2017, Genk site took the first step towards direct communication by implementing “Plant TVs”. Several TV screens were placed at strategic locations, so that communications become faster and more direct. All kind of relevant information can be brought directly to the work-floor.

At Châtelet site, we arranged venues within workshops to celebrate Saint-Eloy, the patron saint of the goldsmiths, miners and metalworkers. All teams were able to enjoy a good meal while build team spirit and proximity at the same time.

Employee engagement - Through competency development

We invested in 2017 about 42,000 hours training. Special attention was given to safety trainings. We also invested in the leadership and people development competencies through participative work with line management. The result was the creation of a leadership framework clearly stating the expected competencies a line manager shall demonstrate in the production environment. In 2018 training and coaching actions are being launched to guide the managers to concretely translate the competencies into the right behaviours.

Employee engagement - Through promotion of diversity

To promote diversity and to put it into practice, Aperam Genk participated at the ‘DUO day’. This initiative was an opportunity for persons with an occupational disability, to do an internship within the Central lab Service. It appeared to be a fruitful experience for both sides, and it demonstrated what inclusion means.

Aperam Employees in Belgium - 2017

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Gender</th>
<th>Full-Time</th>
<th>Part-time</th>
<th>TOTAL</th>
<th>Exempts</th>
<th>Non-Exempts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Contracts</td>
<td>Female</td>
<td>58</td>
<td>25</td>
<td>83</td>
<td>30</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>1565</td>
<td>68</td>
<td>1633</td>
<td>204</td>
<td>1458</td>
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<tr>
<td>Fixed-term Contracts</td>
<td>Female</td>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>100</td>
<td></td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1753</td>
<td>93</td>
<td>1845</td>
<td>234</td>
<td>1912</td>
</tr>
</tbody>
</table>

Aperam Stainless Belgium, Total of Full Time Equivalent, as of 31/12/2017. (G4-10).

People Management

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety Frequency* rate</td>
<td>3.44</td>
<td>3.80</td>
<td>2.82</td>
</tr>
<tr>
<td>Safety Severity* rate</td>
<td>0.81</td>
<td>0.36</td>
<td>0.32</td>
</tr>
<tr>
<td>Absenteeism (%)</td>
<td>4.06</td>
<td>3.90</td>
<td>4.35</td>
</tr>
<tr>
<td>Training (hours)</td>
<td>43,713</td>
<td>30,350</td>
<td>30,639</td>
</tr>
</tbody>
</table>

GRI-G4-LAB/LA9
* Aperam employees, interim and subcontractors
Open to the World

In economic terms, Aperam has continued to contribute to the economic vitality of our regions in 2017. We spent 155 million euros on wages and salaries in 2017 (compared to 146 millions in 2016), 64 millions in taxes, and a stable 54% (excluding raw materials) of our purchases were made in Belgium, which demonstrates that we do play our part in the life of the national community.

Strong focus on Health & Safety
At Aperam, the first responsibility is about Safety. This is why we always start any interaction with a third party by a focus on this topic. Last year, we reported how our Genk plant ensured all its Carriers were constantly following Safety rules. To go one step further and make sure anyone entering the site would have sufficient awareness, the unit set up a new interactive test in four languages with 17 questions. When hesitating, any respondent could study a digital leaflet to learn more on the topic. In 2017, more than 600 contractors passed the test - with 27 minutes in average. A good way to ensure anyone we work with is well trained.

Standing for Business Ethics
Our interactions with our Suppliers are not limited to Safety. Aperam cares for Business Ethics and aims for exemplarity. Mid 2017, we had a first company-wide online quiz on Aperam’s Code of Conduct to reassert our stand, raise awareness and train workers from shop-floor to management. The covered topics ranged from anti-corruption, conflicts of interest up to anti-discrimination. Our Belgian units were highlighted by their excellent response rates thanks to an active follow-up of line managers.

This initiative was completed by the design and implementation of a new Group gift policy, which was also dispatched to all our external partners. A special message was finally sent in December to all Aperam employees on the United Nations’ day against Corruption so that all can join forces individually and collectively against this threat to Sustainable development.

Open discussions - open house
Indeed, our sites continued with their habits of strong interactions with local communities. Our Genk plant organised its yearly Junior Day to make youngsters discover the world of industry with a plant visit including safety instructions and manipulations. In 2017, our Genk Service Centre took also the time to invite as guests the families of its 93 employees. But our openness is not limited to relatives.

In Châtelet, the mayor also benefited from a plant tour with an official from the local Environmental Services. It was an opportunity to exchange openly on our relationship with the city and the neighbourhood, and on possible improvement areas. During that meeting, we were very proud to hear that “Having a company like Aperam is a gift for our city”. We consider this as a reward for our long-term efforts to behave as a responsible neighbour.

In 2017, we also participated to several external initiatives, thus strengthening the relations between the company and local communities. One of the events of importance is the now famous Levensloop. It brought thousands of people together to support the Belgian Cancer Foundation. All participants had the same goal: “Collecting money for anti-cancer projects by walking or running during 24h”. Our employees of Aperam Genk were part of this event with a team of 176 members.
Environment

In terms of the Environment, not only are our sites running in strict compliance with our operational licence but they are also keeping up efforts to reach our 2020 objectives. See below the progress made in 2017.

In terms of energy, our consumption intensity has slightly decreased (-0.7%) and several projects are underway to improve further this result. In addition to heavy LED projects led in particular within the Genk plant and the Service Centre, significant upgrades in motors are to be reported, like the very mediated Hot Strip Mill engines installed in Châtelet in 2017. All these projects should bring more energy gains in 2018.

In terms of water, the year has been marked by heavy works undertaken at Châtelet's Hot Strip Mill water treatment station. With an overall 98% recycling ratio, the unit does already well but a large revamping of the installation was undergone in 2017. Ducts were revamped, filters and tanks cleaned and pumps checked. First results showed drastic reductions in leakages, in volume withdrawn from the river - and in energy consumed! Work will continue in 2018.

As for wastes, our units are continuing to reuse as much scrap as they can while improving the sorting and recycling of other wastes. Last year, a new process was launched in Châtelet to load directly the carefully emptied cans collected on site into the melting shop. In 2017, the unit arranged new storage areas for all sorts of batteries as well as plastic cups and bottles. This should facilitate the dispatch to appropriate treatment facilities for recycling. In parallel, our Genk site is striving to find the best solutions to address one of the most difficult issues in term of waste recycling: spent acid.

Dust emissions remain one of the number one challenges for our Belgian plants, which are close to dwellings. Over the years, our two steel plants can be proud of having developed continuous improvement programmes to the satisfaction of all, based on systematic monitoring and concrete action plans. Among these, we can stress the progressive sheltering of the operations performed in the open, with two major achievements in both Châtelet's and Genk's slag yards in 2017. These efforts have paid with clear progress over the past ten years. And again in 2017, our emission intensity have decreased, keeping the total volume of emitted dusts stable in spite of accrued production.

We could also have noted the efforts conducted by our sites to tackle the noise triggered by local operations. For example, in both Châtelet and Genk, new soundproof walls were installed in 2017. Besides, continuous monitoring is in place in Genk, with immediate signalling to operators or crane drivers in case of anomalies so that swift reactions can be arranged.

All these initiatives allow us to operate in harmony with our natural environment and with neighbouring communities.

Our industrial impact

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG² emission intensity (tCO₂/t. of crude steel)</td>
<td>0.40</td>
<td>0.41</td>
<td>0.40</td>
</tr>
<tr>
<td>Energy intensity (GJ/t. of crude steel)</td>
<td>6.10</td>
<td>6.14</td>
<td>6.07</td>
</tr>
<tr>
<td>Landfilled residues (tonnes)</td>
<td>35.0</td>
<td>33.7</td>
<td>23.4</td>
</tr>
<tr>
<td>Water consumption in closed circuits (%)</td>
<td>58.3</td>
<td>99.1</td>
<td>38.1</td>
</tr>
<tr>
<td>Dust emissions (t)</td>
<td>18.0</td>
<td>18.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>

²GHG GreenHouse Gas, here Carbon Dioxide (CO₂)