

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.